

Ponca Tribe of Nebraska Tax Commission

P.O. Box 288
Niobrara, NE 68760

SERVICES TAX SUMMARY

What services are subject to services tax?	All sales of services to another person on Tribal lands are subject to services tax unless otherwise exempted. Work an employee does for an employer for wages is not considered "service."
What is exempt from service tax?	<p>The following are not subject to service tax:</p> <ul style="list-style-type: none"> • Sales of services to the Tribe unless (1) the services are construction related services, and (2) the total amount paid by the Tribe exceeds the small purchase threshold of the Tribe (currently \$10,000.00) • Sales of services to another state or tribe if that state or tribe also exempts the Tribe from their sales tax • Providing residential heating fuels and other utilities • Providing complimentary services to customers or employees • Sales of services provided outside Tribal lands <ul style="list-style-type: none"> • A sale of services occurs on Tribal lands if: <ul style="list-style-type: none"> • The seller is on Tribal lands (e.g., a business located on Tribal land providing services to anyone); or • The services are provided on Tribal lands (e.g., a business located off Tribal land provides services on Tribal land); or • The person who receives the services is on Tribal lands (e.g., a business located off Tribal land provides services to someone who is on Tribal land even if the services are claimed to be provided off Tribal land) • Medical, dental, and pharmaceutical services • Admissions to events and movies • Wagers or amounts paid as consideration for playing a gambling game or game of chance • Sales of any goods along with the services where the goods are separately invoiced and Tribal sales tax is paid on the goods • Sales of motor vehicle fuel where Tribal fuel taxes are paid on the fuel • Cigarettes and tobacco products where Tribal tobacco taxes are paid on the cigarettes or tobacco • Providing liquor where Tribal liquor tax is paid on the liquor • Providing hotel, lodging, or other occupancy where Tribal lodging tax is paid on the lodging • Occasional sales. An "occasional sale" is: <ul style="list-style-type: none"> • A sale of an individual's own personal services if the individual (1) sells such services for 7 days or less in a year; and (2) is not in the business of selling similar services • Sales of services from an individual's primary residence or at an online site with gross receipts of less than \$10,000 per year (even if the individual is engaged in the business of selling the services)
How much is service tax?	The amount of tax is 7% of the total charged for the services. If the services are sold for anything other than money, the amount charged is the fair market value of the services.
Who pays service tax?	Sellers add services tax to the price they charge for the services and pay the tax to the Tax Commission. If not charged, the seller must still pay the tax.
Are there any deductions from service tax?	A seller may deduct from the taxes due any services tax actually paid to another state or tribal government if that state or tribe also allows a similar deduction or exemption for the Tribe's services tax.
When are services taxes due?	Sellers must pay services tax by the 20th of each month for sales made during the previous month (e.g., pay by June 20 for sales in May).
Who files services tax returns?	Sellers must file a sales tax return with the Tax Commission every month for all gross sales during the previous month. If a seller has multiple locations, the seller need only file a single return.
When are service tax returns due?	Sellers must file their services tax return by the 20th of each month for all sales made during the previous month (e.g., file by June 20 for sales in May).
Is a license required?	Yes. Any person who engages in sales of services and is located on Tribal lands must obtain a services tax license from the Commission for each location.
Are any sellers exempt?	A person only making occasional sales (see above) is not required to obtain a services tax license, file services tax returns, or collect or pay any services tax.

This document is provided only to assist taxpayers and others with understanding the tax summarized. It is not legal advice and does not constitute a ruling or binding document of the Tax Commission or the Tribe.