



These FAQs are being provided as a courtesy to the car rental community as guidance to many of the questions that have been received. The Treasurer's office assumes no legal liability or responsibility for the accuracy, completeness, or usefulness of any information in these FAQs.

FAQ's:

- 1) Q: Whom does the Car Rental Occupation Tax apply to?
A: The Car Rental Tax is imposed upon each and every person operating a car rental business within the City for any period of time during a calendar month.
- 2) Q: What is the Car Rental Occupation Tax rate?
A: The rate is four percent (4%) of the actual rental rates charged for each vehicle rental contract made by that person within the city.
- 3) Q: What items are being taxed?
A: Any charges identified in the vehicle rental contract are subject to the occupation tax. Please refer to Lincoln Municipal Code 3.26 found at:
<http://online.encodeplus.com/regs/lincoln-ne/doc-viewer.aspx#secid-6992> .
- 4) Q: Where do I send my monthly payment and remittance worksheet?
A: Payments and remittance worksheets can be submitted online or sent to the City Treasurer at:
City Treasurer
City of Lincoln
555 South 10th St
Lincoln, NE 68508-2830
- 5) Q: When is the Car Rental Occupation Tax due?
A: On or before the 25th day of each and every month the occupation taxes due from the preceding month shall be paid to the City of Lincoln. Please note that Lincoln Municipal Code does NOT make any allowance for late filing when the due date falls on a Saturday, Sunday or holiday. Interest will still be assessed on payments received after the due date under these circumstances.
- 6) Q: Whom do I contact if I have a question regarding Car Rental Occupation Tax?
A: City Finance office at (402) 441-7457.

- 7) Q: Where do I send a written request for additional information?
A: City Finance Department
555 South 10th Street
Lincoln, Nebraska 68508-3996
- 8) Q: How do I calculate sales tax?
A: Contact the Nebraska Department of Revenue at (402) 471-5729 or visit their website at http://www.revenue.nebraska.gov/info/occupation_tax.html
- 9) Q: Is there a late remittance fee?
A: Interest is charged at a rate of one percent (1%) per month, or fraction thereof from the date when due. Any such interest due may be compounded quarterly. Based upon information as may be reasonably available, of the amount of taxes due for the period or periods for which the taxpayer is delinquent, the Finance Director may compute and assess in addition thereto a penalty equal to ten percent (10%).
- 10) Q: What are the office hours?
A: The City Finance department is open 8:00 – 4:30 M-F.
- 11) Q: My business is not located within the City of Lincoln. Do I have to pay the occupation tax?
A: Any qualified sale made within the Lincoln City limits is subject to the tax.
- 12) Q: When is the Car Rental Occupation effective?
A: January 1, 2011
- 13) Q: Are there exemptions for the City of Lincoln Car Rental Occupation Tax?
A: The City of Lincoln Car Rental Occupation Tax Ordinance allows the following exemptions:
(1) Any vehicle rental contract in which the vehicle is provided on a complimentary basis or for which no consideration is charged; and
(2) Any vehicle rental contract for which the consideration is paid by a person not subject to the sales and use tax imposed by the Nebraska Revenue Act of 1967, as it is amended from time to time.
- 14) Q: Are replacement rentals covered by warranty, or replacement rentals covered by insurance companies exempt from the Car Rental Occupation Tax?
A: Car Rental Occupation Tax applies to both replacement rentals covered by warranties and those covered by insurance.

15) Q: When using the Online Payment System, when will the payment post to my bank account?

A: Payments will be processed on the first working day after the 25th of each month. The funds will be removed from your account on the next working day. Please see the examples below:*

EXAMPLE 1

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|--------|---------------|--|--|----------|--------|----------|
| 24 | 25 Tax Due | 26 Payments processed by City Treasurer | 27 Funds removed from your account. | 28 | 29 | 30 |

EXAMPLE 2

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|--------|--|--|-----------|----------|---------------|----------|
| 20 | 21 | 22 | 23 | 24 | 25 Tax Due | 26 |
| 27 | 28 Payments processed by City Treasurer | 29 Funds removed from your account. | 30 | 31 | | |

EXAMPLE 3

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|--------|-------------------------------|--|--|----------|---------------|----------|
| 20 | 21 | 22 | 23 | 24 | 25 Tax Due | 26 |
| 27 | 28 HOLIDAY Non-Working Day | 29 Payments processed by City Treasurer | 30 Funds removed from your account. | 31 | | |

*Please note: Interest will not be charged on the account as long as the online payment process is completed by midnight on the 25th of each month.