

Purchasing Agent Appointment and Delegation of Authority for Sales and Use Tax

Section A – Purchasing Agent Appointment

Name and Address of Contractor			Name and Address of Exempt Governmental Unit or Exempt Organization		
Name			Name		
Street or Other Mailing Address			Street or Other Mailing Address		
City	State	Zip Code	City	State	Zip Code
			Lincoln	NE	68509-4759
Name and Location of Project			Appointment Information		
Name			Effective Date (See instructions)		
Street Address			Expiration Date		
City	State	Zip Code	Nebraska Exemption Number (Exempt Organizations Only)		

Provide the contract name, number, and a description of the project.

The undersigned governmental unit or exempt organization appoints the above-named contractor and the contractor's delegated subcontractors as its agent to purchase and pay for building materials that will be annexed to real estate by them into the tax exempt construction project identified above.

**sign
here** ▶

Teri King
Authorized Signature of Exempt Governmental Unit or Exempt Organization

Accounting & Finance Manager

Title

01/08/2025

Date

Section B — Delegation of Contractor's or Subcontractor's Authority A contractor or subcontractor can delegate its authority to its subcontractor.

Name and Address of Subcontractor			Contractor's Delegation Information for the Project Identified in Section A		
Name			Effective Date		
Street or Other Mailing Address			Expiration Date		
City	State	Zip Code	Portion of Project		

The undersigned contractor hereby delegates authority to the above-named subcontractor to act as the purchasing agent of the named governmental unit or exempt nonprofit organization.

**sign
here** ▶

Signature of Contractor or Authorized Representative

Title

Date

Name and Address of Subcontractor			Subcontractor's Delegation Information for the Project Identified in Section A		
Name			Effective Date		
Street or Other Mailing Address			Expiration Date		
City	State	Zip Code	Portion of Project		

The undersigned subcontractor hereby delegates authority to the above-named subcontractor to act as the purchasing agent of the named governmental unit or exempt nonprofit organization.

**sign
here** ▶

Signature of Subcontractor or Authorized Representative

Title

Date

Name and Address of Subcontractor			Subcontractor's Delegation Information for the Project Identified in Section A		
Name			Effective Date		
Street or Other Mailing Address			Expiration Date		
City	State	Zip Code	Portion of Project		

The undersigned subcontractor hereby delegates authority to the above-named subcontractor to act as the purchasing agent of the named governmental unit or exempt nonprofit organization.

**sign
here** ▶

Signature of Subcontractor or Authorized Representative

Title

Date

Instructions

Section A – Purchasing Agent Appointment (Appointment)

Purpose of Section A. Section A is used by a governmental unit, nonprofit organization, or educational institution that is exempt from sales tax to appoint a contractor as its purchasing agent.

Who Can Issue. An appointment may be issued by:

1. A governmental unit exempt from sales and use tax (See Reg-[1-072](#) and [1-093](#));
2. A nonprofit organization exempt from sales and use tax (See Reg-[1-090](#) and [1-091](#)); and
3. An educational institution exempt from sales and use tax (See Reg-[1-092](#));

The regulations referenced above don't include all the organizations that are exempt from sales and use taxes. For additional information on who may use an appointment see [Neb. Rev. Stat. §§ 77-2704.12](#) and [77-2704.15](#). All entities exempt from sales and use taxes will be referred to as project owners in these instructions.

Note: A nonprofit organization or educational institution listed above is not exempt until it applies for and receives an Exempt Organization Certificate of Exemption issued by the Nebraska Department of Revenue (DOR). Also see “Nonprofit Organizations- Unlicensed Facilities or Activities” below.

A manufacturer cannot issue a Form 17 to authorize its contractor to purchase manufacturing machinery and equipment tax-exempt. Option 2 and Option 3 contractors must pay sales or use tax on their cost of the machinery and equipment used to complete their project for the manufacturer.

When To Issue. The project owner must issue a Form 17 to the contractor **BEFORE** the contractor annexes any building materials for the project. If the Form 17 is not timely issued, the Option 2 or Option 3 general contractor must pay the sales or use tax on all building materials annexed to real estate before the later of the effective date or signature date on the appointment. If the Form 17 was not issued prior to the annexation, the exempt organization can file a refund claim. The exempt organization must show the actual amount of tax paid by the contractor with certified statements from the contractor accompanying the claim for refund.

The project owner will give the original Form 17 to the contractor and retain a copy for its records.

Effective Date. Enter the date the appointment begins.

Expiration Date. Enter the date the appointment ends. The phrase “upon completion” or similar phrase is not an acceptable expiration date. The project owner must issue a new Form 17 if building materials will be annexed after the expiration date.

On-Call, Repair, or Maintenance Agreements. Project owners are normally required to issue a separate Form 17 for each service call. However, project owners may issue a Form 17 that covers all service calls for up to a full calendar year. This is available when the parties enter into a written agreement for on-call repairs, or maintenance. A new written agreement and Form 17 must be issued each calendar year.

Limitation of the Sales and Use Tax Exemption under an Appointment. The exemption under an appointment is limited to:

1. The building materials that will be annexed to property that belongs or will belong to the project owner;
2. The building materials annexed for the project listed in Section A; and
3. The building materials annexed between the effective and expiration dates listed in Section A.

Note: Regardless of the effective date entered, the appointment is effective on the later of the effective date or project owner's signature date. Option 2 and Option 3 contractors must pay sales or use tax on all building materials annexed outside the appointment limitations listed above.

Section B – Delegation of Contractor's or Subcontractor's Authority (Delegation)

Purpose of Section B. Section B is used by a contractor or subcontractor to delegate its purchasing authority to a subcontractor.

Who can Issue. A delegation may be issued by:

1. A contractor appointed as a purchasing agent by the project owner; and
2. A subcontractor that previously received a delegation.

When to Issue. The contractor or subcontractor should issue a Form 17 BEFORE its subcontractor annexes any building materials for the project. If the Form 17 is not timely issued, the Option 2 or Option 3 subcontractor must pay the sales or use tax on all building materials annexed to real estate before the later of the effective date or signature date on the appointment.

Effective Date. Enter the date the delegation begins.

Expiration Date. Enter the date the delegations ends. The phrase “upon completion” or similar phrase is not an acceptable expiration date. The contractor must issue a new Form 17 if building materials will be annexed after the expiration date.

Portion of Project. Describe the portion of the project that will be completed by the subcontractor.

Limitation of the Sales and Use Tax Exemption under a Delegation. The exemption under a delegation is limited to:

1. The building materials that will be annexed to property that belongs or will belong to the project owner;
2. The building materials annexed for the portion of the project listed in Section B.
3. The building materials annexed between the effective and expiration dates listed in Sections A and B.

Note: Regardless of the effective date entered, the delegation is effective on the later of the effective date or contractor's or subcontractor's signature date. Option 2 and Option 3 contractors must pay sales or use tax on all building materials annexed outside the delegation limitations listed above.

Delegation by a General Contractor. The contractor should complete Section B on a copy of the Form 17 it received from the project owner. The contractor must issue the Form 17 it completed to its subcontractor. A separate Form 17 must be issued by the contractor to each of its subcontractors.

The contractor should retain a copy of every Form 17 it issues. The contractor should give a copy of its delegations to the project owner.

Delegation by a Subcontractor. A subcontractor may delegate its purchasing agent authority to another subcontractor for all or a portion of their project by following these steps:

1. Make a copy of the Form 17 received from the contractor or subcontractor that hired them and complete section B.
2. Issue the Form 17 to the subcontractor to whom they are delegating their purchasing authority.

If the Section B of the Form 17 received is full, the subcontractor may use a blank Form 17, complete Section B, and issue a copy of both the Form 17 it received and the Form 17 it completed to its subcontractor.

The subcontractor should keep a copy of every Form 17 it issues. The subcontractor should give a copy of its delegations to the general contractor or subcontractor from whom they received a Form 17 and the project owner.

Other Contractor Information

Nonprofit Organizations – Unlicensed Facilities or Activities.

Certain nonprofit organizations must be licensed or certified (licensed) with other state agencies (e.g., the Department of Health and Human Services or the Department of Education) and hold a certificate of exemption issued from the DOR before they are exempt from sales and use taxes. The exemption only applies to the facilities or activities covered under the license. The nonprofit organization cannot issue a Form 17 to its contractors for an unlicensed facility or activity.

Example: A nonprofit hospital is building a new facility. A license for the new facility will be issued after construction is completed. The facility is not exempt from sales and use tax. The nonprofit hospital cannot issue a Form 17 for its new facility.

After receiving its license and certificate of exemption, those nonprofit organizations may file a refund claim for any sales or use tax paid by them or their contractor.

Purchasing Building Materials Tax Exempt – Projects for Exempt Entities.

Option 1 and Option 3 contractors must issue a properly completed Form 13 to its suppliers. An Option 1 or Option 3 contractor does not need to provide its suppliers with a Form 17.

An Option 2 contractor must issue its suppliers a properly completed Form 13, Section C, Block 2 and a copy of the Form 17 it received.

Credit/Refund of Sales and Use Taxes. Option 2 contractors who received an appointment before tax-paid materials are annexed, may receive a credit or refund of the tax on those materials after they are annexed. The Option 2 contractor may take a credit against its current liability or may file a Claim for Overpayment of Sales and Use Tax, Form 7 to receive a refund of the taxes paid on those materials. Documentation of Nebraska taxes paid should be included with the credit or refund request.

Tools, Equipment, Supplies, and Taxable Services. Contractors must pay sales or use tax on all tools, equipment, supplies, and taxable services (for example, scaffolding, barricades, pest control services, etc.) used in performing their services. These items and services are taxable even if the contractor has received a Form 17.

Authorized Signature. Section A must be signed by the proper governmental official or officer of the exempt nonprofit organization. Section B must be signed by the owner, partner, or corporate officer of the contractor or subcontractor. Another individual may sign Section A or Section B if authorized by an attached power or attorney.