



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

FORM  
**17**

## PURCHASING AGENT APPOINTMENT

Name and Address of Prime Contractor			Name and Address of 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
Name and Location of Project			Appointment Information		
Name			Effective Date		
Street or Other Mailing Address			Expiration Date		
City	State	Zip Code	Nebraska Exemption Number (Exempt Organizations Only)		
Identify 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 materials that will be annexed to real estate by them into the tax exempt construction project stated above.

**sign  
here** ▶

Authorized Signature of Governmental Unit or Exempt Organization

Title

Date

## DELEGATION OF PRIME CONTRACTOR'S AUTHORITY

Name and Address of Subcontractor			Delegation Information		
Name			Effective Date		
Street or Other Mailing Address			Expiration Date		
City	State	Zip Code	Portion of Project		

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

**sign  
here** ▶

Signature of Prime Contractor or Authorized Representative

Title

Date

## INSTRUCTIONS

**WHO MUST FILE.** Any governmental unit or organization exempt from sales and use tax may appoint as its agent a prime contractor to purchase materials that will be annexed to property that belongs to or will belong to the governmental entity or exempt organization pursuant to a construction contract with the governmental unit or exempt organization. The appointment of the prime contractor as its agent is completed by issuing a Purchasing Agent Appointment and Delegation of Authority for Sales and Use Tax, Form 17, to

the prime contractor **BEFORE** his or her portion of the construction project begins. The exempt organization or governmental unit must identify the project (e.g., east wing, chapel construction, or new school auditorium).

The exemption from the payment of the Nebraska and local option sales and use taxes only applies if the governmental entity or exempt organization directly or through its contractor pays for the materials. Governmental entities or exempt

organizations cannot transfer their exempt status to a contractor or developer who is required to purchase and pay for the materials that are used in the construction of the improvements.

**WHEN TO FILE.** A prime contractor engaging in a construction project with a governmental unit or exempt organization must receive a properly completed and signed Form 17 **BEFORE** his or her portion of the construction project begins. If Form 17 is not issued, the contractor must pay the sales and use taxes and the governmental unit or exempt organization may obtain a refund of the taxes paid by the contractor.

**WHERE TO FILE.** The canary copy will be retained by the governmental unit or exempt organization, and the white copy will be retained by the prime contractor. Copies of this form must be reproduced by the prime contractor for delegation purposes.

**DELEGATION OF PRIME CONTRACTOR'S AUTHORITY.** The prime contractor may delegate his or her authority to act as the purchasing agent of the governmental unit or exempt organization to a subcontractor. The prime contractor must complete his or her copy of Form 17 for each subcontractor who is delegated authority to act as a purchasing agent. Reproductions of this delegation must be provided to the subcontractor, who must retain a copy for his or her records, and to the governmental unit or exempt organization.

**EXEMPT SALE CERTIFICATE.** A contractor who has been appointed purchasing agent by a governmental unit or exempt organization, and hires a subcontractor operating under option 1, must provide to that subcontractor a completed copy of Form 17 and a completed Nebraska Resale or Exempt Sale Certificate, Form 13, Section B. The subcontractor will retain these forms in his or her records, and will not charge the contractor sales tax on any portion of the invoice involving the annexation of materials to real estate pursuant to exempt construction project. If these forms are not provided to the subcontractor operating under option 1, the subcontractor must collect and remit sales tax on the materials portion of the invoice.

Contractors operating under option 2 who maintain a tax-paid inventory with no sales tax charged on customer invoices and have been issued a Form 17 from a governmental unit or an exempt organization must furnish each vendor a copy of Form 17 and a completed Form 13 when purchasing materials that will be annexed to real estate. Forms 13 and 17 must be retained with the vendor's records for audit purposes. A contractor or subcontractor may reproduce

copies of these documents which will be furnished to the vendors for each invoice or order made by them.

All purchases of materials that will be annexed into real estate must be billed to the governmental unit or exempt organization in care of the prime contractor as purchasing agent, or his or her authorized subcontractor, who will pay vendors for such purchases excluding sales and use tax.

**PENALTY.** Any person who signs this document with the intent to evade payment of tax is liable for the sales and use tax, interest, and penalty; and may be found guilty of a misdemeanor.

**APPOINTMENT INFORMATION.** Enter the dates the purchasing agent appointment will become effective and when it will expire. This appointment will not allow any purchases without payment of the tax by the prime contractor or subcontractor before the appointment date or after the expiration date. Exempt organizations must enter their Nebraska Sales and Use Tax Exemption number.

**CREDIT/REFUND OF SALES AND USE TAX.** A contractor or subcontractor who has been appointed as a purchasing agent before any materials are annexed, may withdraw sales or use tax-paid materials from inventory that will be annexed to real estate or used to repair property annexed to real estate and receive a credit for the sales or use tax amount previously paid on those materials.

The contractor or subcontractor may take a credit either against his or her current consumer's use tax liability, or file a Claim for Overpayment of Sales and Use Tax, Form 7, and receive a refund of the sales or use tax paid on those materials.

**DELEGATION INFORMATION.** Enter the dates the delegation of the subcontractor will become effective, when it will expire, and the portion of the project delegated. This delegation will not allow any purchases without payment of the tax by the subcontractor before the delegation date or after the expiration date. Reproductions of the delegation must be provided to the subcontractor who must retain a copy for his or her records, and to the governmental unit or exempt organization.

**AUTHORIZED SIGNATURE.** The Purchasing Agent Appointment must be signed by an officer of the exempt organization or proper government official. The Delegation of Prime Contractor's Authority must be signed by the owner, partner, corporate officer, or other individual authorized to sign by a power of attorney on file with the Nebraska Department of Revenue.