

Utilities Sales Tax Rates and Taxability

Welcome to Utilities Sales Tax Rates and Taxability

This bulletin provides important information about the May 2022 release of Utilities Sales Tax Rates and Taxability. Please review this bulletin carefully. If you have any questions, additional information is available on CCH [Support Online](#).

New Taxes Added to the Database

Beatrice, Nebraska Volumetric Charge

Among the taxes covered in our database is a Local Franchise Fee imposed upon Natural Gas utilities by various cities in Nebraska (as captured by Tax Type 36/841). Pursuant to our ongoing process of legislative review, we have now identified the fact that the city of Beatrice, Nebraska imposes a variation of such a Franchise Fee known as a "Volumetric Charge".

To quote the provision of the city's code which establishes such a consumer-based assessment:

"In exchange for the franchise granted by the city, such energy providers shall collect from its transportation customers, but not from the city, located within the corporate limits of the city, and pay to the city an amount equal to \$0.05/Mcf (one thousand cubic feet) month of natural gas delivered through its facilities to its transportation customers."²

Accordingly, as an enhancement to our database, we are hereby adding the Beatrice, Nebraska Volumetric Charge effective with this month's release as captured by Tax Type 36, Tax Cat 41.

Please note that in order to adequately capture this local assessment, we are coding it with a new Base Type value of '26' = "Consumer – Per Unit (e.g., MWh/kW /THERM/MCF) Delivered".

Additionally, please note that as per an authoritative website, "MCF is an acronym equivalent to one thousand cubic feet that are derived from the Roman numeral M for 1,000, combined with cubic feet (CF) for volumetric determination of natural gas."

Finally, please note that this new Tax Type & Tax Cat combination of 36/41 shall be imposed upon only one Group & Item code in the database, i.e., Group 5501 (Utilities/Natural Gas); Item 003 (Transportation/Distribution Charges).

Provisions of the Beatrice Volumetric Charge

Note: Shown On Customer's Billing As: "Beatrice Volumetric Charge"

- **Rate:** \$0.05 per One Thousand Cubic Feet of Natural Gas

- **Pass-through of the Fee to Customers:** PASSFLAG = 1 (Required)

1 Tax Cat 84 = Utilities/Natural Gas.

2 Beatrice, NE Municipal Code § 24-123.

- **Level of Taxation:** Tax is on the City level
- **Tax-type:** 36 = Local Franchise Fee
- **Tax-cat:** 41 = Transportation/Distribution Charges Only
- **Base-type:** 26 = Consumer Per Unit (MWh/kWh/THERM/MCF) Delivered
- **Effective date:** December 7, 2020

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