

Taxing Candy, Soft Drinks or Water is Not That Simple!

Nebraska is one of many states who have adopted the “Streamline Sales Tax” language that enables our state to collect sales tax across state lines. Streamline is necessary because Streamline establishes a standard definition of product (as set out below) which will allow sellers to determine what is and what is not taxable. Each state is allowed to tax or not tax any category. Nebraska does not tax food, candy, soft drinks or bottled water.

We encourage you to review this information to discover how difficult it is to determine which of the products are taxable and which are not, using the Streamline definitions listed below.

Streamline Sales Tax

Definition of “Candy”: a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops, or pieces. “Candy” shall not include any preparation containing flour and shall require no refrigeration.

These items are NOT Candy



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This is candy



Streamline Sales Tax Definition of “Soft drinks: non-alcoholic beverages that contain natural or artificial sweeteners. “Soft drinks” do not include beverages that contain milk or milk products, soy, rice or similar milk substitutes, or greater than fifty percent of vegetable or fruit juice by volume.

This **is** a softdrink

This is **NOT** a softdrink



Streamline Sales Tax Definition of “Bottled Water”: water that is placed in a safety sealed container or package for human consumption. Bottled water is calorie free and does not contain sweeteners or other additives except that it may contain: (i) antimicrobial agents; (ii) fluoride; (iii) carbonation; (iv) vitamins, minerals, and electrolytes; (v) oxygen; (vi) preservatives; and (vii) only those flavors, extracts, or essences derived from a spice or fruit. "Bottled water" includes water that is delivered to the buyer in a reusable container that is not sold with the water.

- Where water is not safe to drink due to **high nitrates, flooding contamination, or natural disasters** such as the Pilger tornado – the added burden of a tax on water is unreasonable. People purchase water due to Health issues where the immune systems is compromised. Water systems purify the water using charcoal filters, reverse osmosis and ultraviolet light that kills bacteria. Water systems make local water safer by removing contaminates.

