

REG-1-032, Leased Departments

032.01 Where a retailer has leased certain of the departments in his or her business place to other persons for the purpose of selling property to consumers, each such lessee shall be required to secure a sales tax permit as a retailer. The lessee shall be responsible for the filing of separate tax returns and the payment of the tax due on its sales; provided, the lessee keeps separate books of account and makes his or her own collections on account of the sales.

032.02 If the retailer (lessor) keeps the books for the leased departments and makes collections on account of their sales, the lessor may, as agent for the lessee, make the required separate returns and pay the taxes due. The lessor cannot include the leased department on his or her combined sales tax return. The lessee shall not be relieved of his or her liability in the case the lessor fails to make the proper returns or fails to pay the taxes due.

(Section 77-2705(3) and (5), R.S.Supp., 1993. May 14, 1994.)