

## REG-1-037, Trading Stamps, Coupons, Certificates, Vouchers, Reimbursed Price Reductions, and Group Discounts

**037.01 Redeeming Trading Stamps.** When trading stamps are redeemed for merchandise, the transaction is a retail sale and is subject to sales tax. The tax is computed on the fair market value of the merchandise transferred in exchange for the stamps. The retailer may purchase redemption merchandise for resale. No sales tax is due when stamps are redeemed for cash rather than for merchandise.

**037.02 Purchasing Trading Stamps.** If a retailer purchases trading stamps to distribute to customers, the transaction is not considered a purchase of property and no sales tax is due. The stamp distributor who sells the stamps to the retailer must pay sales or use tax on its purchase of the stamps.

**037.03 Coupons, Reimbursed Price Reductions, or Group Discounts When Reimbursed by a Third Party.** When coupons, reimbursed price reductions, or group discounts are accepted by a retailer as some or all of the selling price of any taxable item, and the retailer receives services, payment, or reimbursement from a third-party, (for example, the manufacturer, distributor, or an unrelated person), the value of the coupons, reimbursed price reductions, or group discounts cannot be subtracted from the selling price when determining gross receipts.

037.03A Reimbursed Price Reductions or Group Discounts. If the purchaser identifies himself or herself to the retailer as a member of a group or organization entitled to a price reduction or discount, and the retailer receives payment or reimbursement for granting the price reduction or discount from a third party, the amount of the payment or reimbursement is part of the selling price of the item when determining gross receipts.

**037.04 Coupons, Price Reductions, or Group Discounts When Not Reimbursed by a Third Party.** When coupons or group discounts are issued, granted, or accepted by the retailer as part of the selling price of any taxable property, and the retailer does not receive any services, payment, or reimbursement from a third-party, the coupons, certificates, vouchers, or group discounts are considered cash discounts, and the amount may be subtracted from the selling price of the property when determining gross receipts.

**037.05 Certificates or Vouchers.** The sale of gift certificates, promotional certificates, or vouchers is not taxable.

037.05A Redemption of Promotional Certificates or Vouchers. When gift certificates, promotional certificates, or vouchers are redeemed in whole or in part, they are treated as if cash were used up to the face value of the certificate or voucher, even if the retailer or a third party originally sold it for less than face value.

037.05B If a retailer contracts with a third party to market promotional certificates or vouchers to the public in exchange for making purchases from the retailer (for example, Groupon, Deal of the Day, or a fundraising group), the face value of the promotional certificate or voucher is consideration for the sale if it is redeemed by the retailer. The gross receipts of the retailer is the full retail value of the property sold regardless of the amount paid by the customer to the third party.

*(Neb. Rev. Stat. §§ 77-2701.16 and 77-2701.35. June 24, 2017.)*