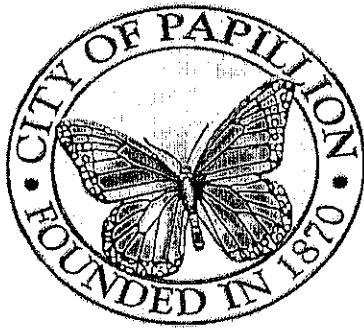


CITY OF PAPIILLION  
SALES TAX RECEIPTS

MONTH REC'D	FOR THE MONTH OF	06/07 CASH	% increase over prior yr	05/06 CASH	04/05 CASH
OCTOBER	AUGUST	253,841.49	2.39%	247,910.98	243,458.50
NOVEMBER	SEPTEMBER	285,192.50	14.27%	249,572.77	255,533.45
DECEMBER	OCTOBER	302,251.78	28.06%	236,025.09	241,470.62
JANUARY	NOVEMBER	272,210.15	26.06%	215,936.71	181,087.89
FEBRUARY	DECEMBER	705,113.83	151.51%	280,356.01	273,805.06
		<u>1,818,609.75</u>	47.88%	<u>1,229,801.56</u>	<u>1,195,355.52</u>
MARCH	JANUARY			230,685.85	206,992.84
APRIL	FEBRUARY			192,277.27	202,594.91
MAY	MARCH			238,841.01	216,998.81
JUNE	APRIL			244,253.58	258,054.74
JULY	MAY			274,964.60	235,564.90
AUGUST	JUNE			297,980.89	265,574.23
SEPTEMBER	JULY			271,940.25	267,791.77
OCTOBER	AUGUST				
TOTAL		<u>1,818,609.75</u>		<u>2,980,745.01</u>	<u>2,848,927.72</u>
% growth over prior year YTD				<u>2,980,745.01</u>	<u>2,848,927.72</u>
BUDGETED		4,658,781.00		2,870,000.00	2,870,000.00
				12/12	
				<u>2,870,000.00</u>	<u>2,630,833.33</u>
AMOUNT OVER (UNDER) BUDGET				<u>110,745.01</u>	<u>218,094.39</u>



Contact: Mayor James E. Blinn  
122 East Third Street  
Papillion, NE 68046  
(402) 597-2029

March 2, 2007

## **PRESS RELEASE- State Department of Revenue Amended Tax Collection Payment**

On May 25, 2006 the City of Papillion notified Mary L. Egr Edson, State Tax Commissioner, Nebraska Department of Revenue that the City of Papillion passed Ordinance No. 1433 annexing the Market Pointe Development. The Commissioner was advised in the certified letter the effective date of the annexation would be October 1, 2006.

On June 1, 2006 the State of Nebraska, Department of Revenue notified the City of Papillion that they were in receipt of the annexation ordinance. The June 1, 2006 letter from the Commissioner stated, "Since you have complied with all of the requirements of the Local Option Revenue Act by submitting these documents..."

In October and November of 2006 Papillion city staff contacted the WalMart Store Manager in Papillion to confirm that sales tax receipts were being sent in for Papillion. Store management assured city staff sales tax receipts were being collected and remitted to the state for the City of Papillion.

During a cursory review of sales tax receipts on January 22, 2007, Papillion City staff made a request to the State Sales Tax Commissioner to confirm that Papillion was in fact receiving sales tax collections from the Walmart Supercenter in Market Pointe. On January 23, 2007 the tax commissioner's office responded, by stating "as you suspected. Walmart filed and paid taxes for the month of October and November to LaVista as they always had done before." They went on to say, "Our legal department did get ahold of Walmart and they (Walmart) will do an amended return in the amount of \$112,502.42 to correct the balance that was paid to the City of LaVista but should have gone to the City of Papillion."

Upon notification of the error city staff began a verification process with the State Sales Tax Commissioner to assure all sales tax collected in Market Pointe were being collected and paid to Papillion. During the verification process it was discovered that Kohl's department store had filed an incorrect zip code with the tax commissioner and as a result had paid sales tax in October and November to the City of Omaha. On February 7, 2007 the tax commissioner advised the City of Papillion "There will be an adjustment of \$112,160.70 to correct the October,

November and December returns for Kohl's and should settle Papillion's account on February 22, 2007."

Mayor James E. Blinn expressed frustration with the current system. Mayor Blinn stated, " The City of Papillion followed every legal requirement to assure Papillion residents would receive the new economic development benefit. If we had not been diligent in assuring our City was receiving the appropriate amount of sales tax, who know how long this problem would have went on."

Under current state law sales tax information is confidential and will not be released by the State Sales Tax Commissioner. When a consumer pays the sales tax, the money is collected by the business and then sent to the tax commissioner. The tax commissioner then is responsible for the distribution of the collected sales tax in one check to the respective city without any information on who paid the tax.

This legislative session Senator Abbie Cornett introduced legislative bill 94. The bill was passed by the full legislature on February 5, 2007 and signed into law by the Governor on February 12, 2007. It will go into effect in late August—90 days after the legislature adjourns. The bill is designed to allow municipalities with the local option sales tax to receive the names and addresses of retailers who have collected the local sales tax for the municipality. The request can be made once annually and no other information is to be revealed.

Mayor Blinn expressed appreciation for the new legislation. He feels it is an acceptable solution to the problem but assures the residents of Papillion he will remain vigilant to assure Papillion receives all tax money from the State that it deserves.

Based on the amended sales tax data received by the City of Papillion on February 22, 2007, Papillion sales tax revenues are over one-half million dollars (\$588,808.19) ahead of last years pace for the first five months of the fiscal year. The \$588,808.19 represents a 47.87 percent increase so far this year over the same time period last year.

The Mayor concluded by stating, " The impact of increasing sales tax revenue is two-fold; 1) creating an opportunity for decreased property taxes and 2) the ability to enhance the quality of life by adding amenities like park space and recreational opportunities."



CITY OF PAPIILLION

James E. Blinn, Mayor

Christine Myers, Assistant City Administrator

122 East Third Street

Papillion, Nebraska 68046

Phone 402-597-2062

Fax 402-339-0670

E-mail [cmyers@monarch.papillion.ne.us](mailto:cmyers@monarch.papillion.ne.us)

May 25, 2006

Mary J. Egr Edson, Tax Commissioner (Certified Mail)  
State of Nebraska Department of Revenue  
301 Centennial Mall South  
P.O. Box 94818  
Lincoln, NE 68509-4818

RE: Annexation – Ordinance No. 1483

Dear Ms. Egr Edson:

Please be advised that the City of Papillion passed and approved Ordinance 1483 on the 16<sup>th</sup> day of May, 2006. Enclosed is a certified copy of the ordinance, map of the territory annexed, and maps of the city limits before and after the annexation. The ordinance becomes effective on October 1, 2006.

This ordinance annexation includes Lots 1 – 14, Market Pointe Addition; Outlot A, Market Pointe Addition; and adjacent right-of-ways, generally located on the SE corner of 72<sup>nd</sup> Street and Giles Road, Papillion, Nebraska.

The retailers which have obtained building permits and are in the process of construction are as follows:

WalMart Supercenter	8525 S. 71 <sup>st</sup> Plaza, Papillion, NE
Lowe's	8707 S. 71 <sup>st</sup> Plaza, Papillion, NE
Kohl's	8909 S. 71 <sup>st</sup> Plaza, Papillion, NE
Tenants	8650 S. 71 <sup>st</sup> Plaza, Papillion, NE
Tenants	8540 S. 71 <sup>st</sup> Plaza, Papillion, NE

If you have questions, please do not hesitate to contact me.

Sincerely,

Christine L. Myers  
Assistant City Administrator

Enclosures

# STATE OF NEBRASKA

DEPARTMENT OF REVENUE  
Mary J. Egr Edson  
Tax Commissioner

June 1, 2006



Dave Heineman  
Governor

Jennifer Niemier  
City Clerk  
122 East Third Street  
Papillion, NE 68046

Dear Ms. Niemier:

This letter acknowledges receipt of Ordinance No. 1483, received on May 26, 2006, which annexes a tract of land to the City of Papillion. In addition to the ordinance, we received a certified map and information regarding the retailers in the annexed area.

Since you have complied with all of the requirements of the Local Option Revenue Act by submitting these documents at least 120 days prior to the first day of the calendar quarter, **for sales and use tax purposes only**, the annexation becomes effective on **October 1, 2006**. I have enclosed a copy of Local Option Sales and Use Tax Regulation 9-004 for your review.

The Nebraska Department of Revenue has begun the process of implementing the one and one-half percent (1.5%) local option sales and use tax in the area annexed by Ordinance No. 1483. The Department will post a notice on our Web site informing the public of the annexation. Again, even though the annexation became effective on May 16, 2006, for sales and use tax purposes, the rate change is not effective until October 1, 2006.

If you have any questions on this matter, please contact me at (402) 471-5980.

FOR THE STATE TAX COMMISSIONER

Sincerely,

A handwritten signature in cursive script that reads "Karen K. Barrett".

Karen K. Barrett  
Revenue Conferee  
Legal Services

KKB  
Enclosure

**Dan Hoins**

---

**From:** Nancy Purscell  
**Sent:** Wednesday, February 07, 2007 3:46 PM  
**To:** Dan Hoins; chris myers  
**Subject:** sales tax

**Importance:** High

-----Original Message-----

**From:** Myle.Nguyen@rev.ne.gov [mailto:Myle.Nguyen@rev.ne.gov]  
**Sent:** Wednesday, February 07, 2007 3:06 PM  
**To:** Nancy Purscell  
**Subject:** RE: Papillion Walmart

Nancy,

I checked on Lowe's and Kohl's as you've asked and it looks like Lowes's filed correctly but Kohl's did not. There will be an adjustment of \$112,160.70 to correct October, November and December returns for Kohl's and should settle to Papillion's account on 2/22/07.

Our legal department contacted Kohl's and they said the zip code filed for this store showed it was in Omaha. Our legal department have been in contact with your city to correct this. I am glad we figured out the problem and hopefully can prevent this from happening in the future.

Myle Nguyen  
Dept. of Revenue  
Finance Division  
402-471-5878

"Nancy Purscell"  
<npurscell@papill  
ion.org>

02/05/2007 05:39  
PM

<Myle.Nguyen@rev.ne.gov>

To

cc

Subject

RE: Papillion Walmart

Myle,

Thank you for your help.

Could you also check Lowe's and Kohl's? They both opened in October. I am somewhat concerned with regards to Lowe's since the Department's website shows their address with a 1.5% rate but lists Omaha. The following four addresses show Omaha on the website: 8650 S 71st Plaza, Papillion, 8707 S 71st Plaza, Papillion, 8710 S 71st Plaza, Papillion, and 8670 S. 71st Plaza, Papillion. All other properties in the development still only show the state rate when I look them up on the sales tax rate finder.

Any help you can provide would be greatly appreciated.

Sincerely,  
Nancy Purscell  
402-597-2039

-----Original Message-----

From: Myle.Nguyen@rev.ne.gov [mailto:Myle.Nguyen@rev.ne.gov]  
Sent: Monday, February 05, 2007 8:28 AM  
To: Nancy Purscell  
Subject: Re: Papillion Walmart

Nancy.

Yes, it looks like we have received an amended return for \$112,502.42 from Walmart to adjust their October and November returns. This adjustment will show up in the next distribution that will settle on February 22nd.

Myle Nguyen  
Dept. of Revenue  
Finance Division  
402-471-5878

"Nancy Purscell"  
<npurscell@papill  
ion.org>

To <Myle.Nguyen@rev.ne.gov>

02/01/2007 10:20

cc AM "chris myers"  
<cmyers@papillion.org>  
Subject Papillion Walmart

Myle,

I was told by Wal-Mart personnel that the amended return was filed by January 25, 2007. Are you able to tell me whether or not the return was received in time that is being included in the processing for this months distribution to the City?

Sincerely,  
Nancy Purscell

-----Original Message-----

From: Myle.Nguyen@rev.ne.gov [mailto:Myle.Nguyen@rev.ne.gov]  
Sent: Tuesday, January 23, 2007 11:36 AM  
To: Nancy Purscell  
Subject: Re: [SPAM] Papillion Walmart

Nancy,

I checked Walmart sales tax returns and as you have suspected, Walmart did filed and paid taxes for the month of October and November to La Vista as they have always done before. Our legal department did get a hold of Walmart to make them aware of the situation.

Walmart will do an amended return to correct any balance that was paid to

the city of La Vista but should have gone to the city of Papillion. I  
am  
not sure if the amended return will get here in time to settle next  
month  
but their December's tax return that settles on 02/22/07 will go to  
Papillion.

I am glad you contacted us with your suspicion and that we have the  
situation straighten out right away.

Sincerely,  
Myle Nguyen  
Dept. of Revenue  
Finance Division  
402-471-5878

"Nancy Purscell"  
<npurscell@papill  
ion.org>

To <myle.nguyen@rev.ne.gov>

cc 01/22/2007 10:48  
AM

Subject [SPAM] Papillion Walmart

Myle,

The Super Walmart at 8525 South 71st Plaza, Papillion, NE 68046 opened

in  
October. Please review for jump in sales and use tax and consumer's use  
tax for the October & November reporting periods.

Sincerely,  
Nancy Purscell  
Finance Director  
City of Papillion  
402-597-2039

## Dan Hoins

---

**From:** Nancy Purscell  
**Sent:** Monday, January 22, 2007 11:41 AM  
**To:** Dan Hoins  
**Cc:** chris myers  
**Subject:** RE: sales tax



SALESTAX Papillion  
& LaVista.p...

You are not going to like what you see. I have put a call in to the State to see if we can get a copy of the letter that would have gone to LaVista. They just called back they can not give me a copy of the letter. Myle Nguyen with the Department of Revenue is doing a review of Walmart dollars to Papillion.

Nancy

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**From:** Dan Hoins  
**Sent:** Monday, January 22, 2007 9:27 AM  
**To:** Nancy Purscell  
**Subject:** RE: sales tax

Thanks-- can you get the LaVista data?

---

**From:** Nancy Purscell  
**Sent:** Monday, January 22, 2007 8:38 AM  
**To:** Dan Hoins; chris myers  
**Subject:** sales tax



Hundredth Legislature - First Session - 2007  
**Introducer's Statement of Intent**  
**LB 94**

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**Chairperson:** Ray Janssen  
**Committee:** Revenue  
**Date of Hearing:** January 18, 2007

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 94 amends sections 77-2711 and 77-27,144 to allow municipalities with the local option sales tax to receive the names and addresses of the retailers who have collected the local sales tax for the municipality. This allows the municipality to check to make sure that the retailers who are located in the municipality are collecting the tax and that the tax is properly being distributed to the municipality.

The request may be made annually to the Tax Commissioner on or before June 30 of each year. Only the names and addresses of the retailer are to be listed. No other information is to be revealed.

**Principal Introducer:**

\_\_\_\_\_  
**Senator Abbie Cornett**



HOME	BILLS & LAWS	SENATORS	COMMITTEES	REPORTS	NEWS	CIVIC LEARNING	FEATURES
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## LB94

### Authorize municipalities to receive certain sales and use tax information

[Back](#)

**Bill Text**

- [Introduced](#)
- [Final Reading](#)
- [Slip Law](#)

Amendment Li	
Am Number	Curre

**Associated Documents**

- [Statement of Intent](#)
- [Fiscal Note](#)
- [Committee Statement](#)

**Introducers**

Cornett, 45

Bill History		
Date	Action	Journal Page
02/12/2007	Approved by Governor	0
02/05/2007	Passed by Legislature	0
02/01/2007	Correctly Engrossed	0
01/30/2007	Advanced to E and R Engrossing	0
01/26/2007	Placed on Select File	0
01/23/2007	Advanced to E and R Initial	0
01/19/2007	Placed on General File	0
01/11/2007	Notice of hearing (1/18)	212
01/08/2007	Referred to Revenue Committee	0
01/05/2007	Read first time	0
01/05/2007	Added Introducer 'Cornett, 45'	0
01/05/2007	Status change to 'Pending Read On The Floor'	0
01/05/2007	Assigned Document Number LB94	0