

Norfolk Insider

City of Norfolk, NE

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“Half Cent Sales Tax to be in Effect April 1”

Beginning April 1, an extra half-cent sales tax will be added to sales receipts in Norfolk. The half-cent was approved by Norfolk voters in the November 2014 general election to fund an expansion and renovation of the Norfolk Public Library.

According to Randy Gates, City of Norfolk Finance Officer, the reason the tax didn't go into effect until now is that the Nebraska Department of Revenue requires 120 days notice of any change in municipal tax rate and the change needs to be put into place at the start of a fiscal quarter which, in this case, is April 1. Retailers need to make sure they know before then how to set their cash registers to charge the extra half-cent. As of April 1 the total sales tax in Norfolk will be calculated at 7.5%.



Proposed plans for the Norfolk Public Library expansion and renovation

and renovation no money will be spent on the library until the tax collections start accumulating. It's hoped that design of the library renovation will begin in June with possible construction starting in 2016.

“We're eager to get things moving. Our patrons are anxious for the increased parking, increased space, drive-up access to the book drop and more room for children and teens that the expansion will provide,” said Jessica Chamberlain, City of Norfolk Library Director. The plans include the addition of 16,000 square feet to the library that is expected to satisfy the community's library building needs for the next 20 years.

“Around 30% of the patrons of the library come from outside the Norfolk city limits. Those who live outside of Norfolk who shop, eat and do business in Norfolk would all be contributing to renovate and expand the library that

“The state sales tax is 5.5%. The city was collecting 1.5% which provided \$8 million dollars to pay for City services in 2014 and helped to keep property tax comparatively low,” Gates said.

The City of Norfolk has the fourth lowest property tax of 30 first class cities in Nebraska with \$2.8 million collected from property tax in 2014.

The new half-cent tax is temporary and will expire after 36 months which was part of the library ballot vote. Nebraska state statute requires that municipal sales tax above 1.5% have an end date.

Gates said that since no bonds are being issued for the library expansion

many of them use,” Chamberlain added. A space needs study in 2014 showed that the library didn’t meet current and future needs in the community.

For more information about the new half-cent sales tax, call 402-844-2027.

“Early Pay-off of Recreation Bond”

When the \$16.4 million recreation bond issue was passed by voters in November 2010 it was expected that the occupation tax to fund it would take until 2031 to be paid off. According to Sheila Rios, City of Norfolk Senior Accountant, the bond will probably be paid off by 2023- eight years early.

“Estimates of the amount of occupation taxes that would be coming in were conservative. More than expected has been collected which allows the pay off date to be much earlier,” Rios said.

The occupation tax is calculated at a rate of 4% on all lodging in the Norfolk City limits and 2% on all prepared food and beverage. This 2% tax includes all alcohol sold in Norfolk. The occupation tax became effective February 1, 2011 and has a sunset provision which means that when the bond is paid off, the tax is no longer in effect.