



## IMPORTANT BROKER BULLETIN

### Nebraska Department of Revenue Income Tax Withholding for Nonresident Licensees

Attention All Designated REALTORS®:

Due to a recent audit by the Nebraska Department of Revenue of one of our member brokerages we want to inform you of existing regulations regarding income tax withholding for nonresident licensees doing business in Nebraska (i.e. residents of other states with Nebraska real estate licenses selling property in Nebraska).

**If your brokerage has nonresident licensees selling property in Nebraska the brokerage is responsible to either:**

1. Withhold the income tax from the commission payment and pay to the Dept. of Revenue annually using the required form.

**OR**

2. Obtain copies of the independent contractor's Nebraska tax return to keep on file for audit purposes.

Please review the statute and information guide for tax withholding amounts and other information.

Linked here is [Nebraska Statute 77-2753](#), see section (2) (a), along with the Department of Revenue's [Income Tax Withholding for Nonresident Individuals Performing Personal Services in Nebraska Information Guide](#).

Additionally, here is a link to [Nebraska Form W-4NA](#) for filing the tax payments.

The Association has met with two independent tax attorneys with considerable experience in this area. To avoid these withholding requirements would require a change in statute enacted in 1987. The Board of Directors will review recommendations from the Association's Counsel and Lobbyist at their June meeting. In the meantime, if you have nonresident licensees doing business for your brokerage in Nebraska, it is strongly recommended that you review your records and establish a policy to comply with this regulation.

For questions, please contact Fred Hoppe at [fred@thehoppelawfirm.com](mailto:fred@thehoppelawfirm.com) or 402-328-8100, Nebraska REALTORS® Association Legal Counsel, or your firm's counsel and/or accountant.

Sincerely,

Tammy Brookhouser  
Chief Executive Officer

Nebraska REALTORS® Association  
800 S. 13th St., Suite 200  
Lincoln, NE 68508  
800 777-5231 / (402) 323-6500