



Nebraska Tax Bond for Nonresident Contractor's and Subcontractor's Construction Contracts

• Read instructions on reverse side
• Attach to Form 24A

FORM 24B

PLEASE DO NOT WRITE IN THIS SPACE

1 Do you hold or have you previously held a Nebraska I. D. Number?
2 Federal Employer I.D. or Social Security Number
3 Surety Bond Number
4 Total Amount of Bond (Minimum \$1000 for Each Project Covered)

NAME AND MAILING ADDRESS OF PRINCIPAL
NAME AND MAILING ADDRESS OF PROJECT OWNER
Name
Street or Other Mailing Address
City State Zip Code

5 Effective Date of Bond
6 Type of Bond
7 Location of Project(s)

NAME AND MAILING ADDRESS OF SURETY COMPANY
NAME AND MAILING ADDRESS OF AGENT
Name of Surety Company
Name of Surety Company Agent
Street or Other Mailing Address
City State Zip Code

CONDITION OF BOND

For valuable consideration, we, the above-named individual or firm, as principal, and the above-named surety company, both duly qualified and authorized to transact business in the State of Nebraska, are jointly and severally held, and firmly bound unto the State of Nebraska, Department of Revenue, in the sum shown above, for the payment of which we hereby bind ourselves, heirs, assigns, successors, executors, and administrators.

If the principal pays all taxes including contributions under the Employment Security Law which may accrue to the State of Nebraska, and all taxes which may accrue to political subdivisions on account of the execution and performance of the contract(s) required to be registered under Neb. Rev. Stat. §§ 77-3101 through 77-3112 R.R.S. 2008, as amended, and shall comply with all provisions and regulations, then this obligation shall be void; otherwise, the same shall be and remain in full force and effect. The obligations of this bond shall begin on the effective date indicated above.

The bond shall be continuous, and may be deemed canceled at the end of the last day of the calendar month following receipt of a written notice served by the surety upon the State of Nebraska, Department of Revenue, Lincoln, Nebraska, provided that at least 30 days notice of such cancellation is received by the State of Nebraska, Department of Revenue, Lincoln, Nebraska, and provided further that the principal and surety shall not be relieved from any liability already due or to become due under the laws of Nebraska guaranteed by this bond before the date of cancellation.

sign here
Signature of Principal
Signature of Attorney-in-Fact or Authorized Surety Company Officer
Signature of Agent

Attach this bond to Form 24A and mail to:
NEBRASKA DEPARTMENT OF REVENUE, P.O. BOX 98903, LINCOLN, NE 68509-8903
www.revenue.ne.gov, (800) 742-7474 (toll free in NE and IA), (402) 471-5729

INSTRUCTIONS

WHO MUST FILE. Each nonresident contractor/subcontractor must register each contract that is \$10,000 or greater, and provide a project bond or other acceptable security for each contract in an amount as determined below **before** commencing work within this state. A bond is not required for contracts less than \$10,000.

WHEN AND WHERE TO FILE. This bond or other acceptable security must be attached to the Nebraska Contract Permit Application for Nonresident Contractor, Form 24A, for every permit application. The bond and application must be mailed together to the Nebraska Department of Revenue, P.O. Box 98903, Lincoln, Nebraska 68509-8903. **If the bond or application is received separately, it will be returned to the applicant.**

DETERMINATION OF BOND AMOUNT. The required bond amount is ten percent of the contract price up to the first \$100,000, plus five percent of the contract price in excess of \$100,000, rounded up to the nearest multiple of \$1,000. A bond is not required for contracts less than \$10,000.

Computation Example:

| | |
|---|---------------|
| Total contract price | \$200,000 |
| Amount awarded to resident subcontractor | \$20,000 |
| Amount awarded to properly registered and bonded nonresident subcontractor | 15,000 |
| Total of contracts less than \$10,000 (2 contracts) | <u>16,000</u> |
| Subtract | <u>51,000</u> |

| | |
|---------------------------|------------------|
| Amount subject to bonding | \$149,000 |
|---------------------------|------------------|

Computation of bond amount:

| | |
|------------------|----------|
| 10% of \$100,000 | \$10,000 |
|------------------|----------|

| | |
|----------------|--------------|
| 5% of \$49,000 | <u>2,450</u> |
|----------------|--------------|

| | |
|--|--|
| | \$12,450 (Round up to nearest \$1,000) |
|--|--|

| | |
|-------------------------|-----------------|
| Amount of contract bond | \$13,000 |
|-------------------------|-----------------|

If the Department determines at any time that the required bond will not cover the tax liabilities involved, it may require the bond to be increased.

A multiple project bond may be issued for all contracts to be performed if the requirement that a bond be supplied for each project has been waived by written approval of the Department. A written request for approval to submit a multiple project bond must be submitted to the Department. A multiple project bond is computed by totaling all construction projects to be simultaneously performed in this state during a specific period of time. For additional information, please refer to the [Nebraska Nonresident Contractor Information Guide](#).

Certificates of deposit, share accounts, standby letters of credit, and investment certificates from a banking institution authorized to issue such financial instruments in Nebraska are acceptable forms of security in lieu of a bond. **Prior approval** from the Department is required before any other type of security will be accepted for the purpose of meeting this requirement. Security other than a security bond may be retained for up to three years after the project is complete.

SIGNATURES. This bond must be signed by the principal, attorney-in-fact or authorized surety officer, and the agent for the surety.