



Nebraska Society of Certified Public Accountants

7435 O Street, Suite 100, Lincoln, NE 68510

(402) 476-8482 | society@nescpa.org | www.nescpa.org

Talking Points in Opposition to the Taxation of Accounting Services

Because of the difficulty surrounding the taxation of professional services, there are several reasons why the imposition of sales and use taxes on accounting services should not be considered by the Nebraska Legislature.

1. **Discrimination against the small and emerging businesses that CPAs represent.** Small businesses often are forced to use outside vendors to perform audit, tax, and business advisory services. The compliance costs for these items can be substantial and taxing these services will further increase financial pressure on these businesses, essentially limiting the growth of small businesses.
2. **Pyramiding taxes on services and final goods.** Under a system that taxes accounting services, the potential for goods and services being taxed several times exists as a result of difficult sourcing issues, resulting in higher consumer and business costs. If tax compliance services are taxed, individuals and businesses will effectively pay a tax for paying taxes.
3. **Lack of uniformity between the states.** Given the historical state tax landscape, not all states will choose to tax accounting services in a uniform manner, and not all states will define the term “accounting services” similarly, leading to unwanted variability from state to state. States that decide to tax accounting services are at a competitive disadvantage compared to states that do not tax services, especially in an economy where physical location is of decreasing importance. Not only does it discourage the use of services, but it also discourages companies seeking to relocate or expand into these jurisdictions.

While the Nebraska Society of CPAs recognizes that raising revenue to support government programs is an ongoing process that constantly requires the reassessment of current taxing structures, we urge Nebraska’s State Senators to oppose the taxation of professional services for the reasons listed above.