

From: D [<mailto:dnfinance@aol.com>]
Sent: Friday, January 15, 2016 9:58 AM
To: Mark Easley; Commerce Tax
Subject: Request for Language to be Included in Commerce Tax Regulations

Dear Mr. Easley;

Thank you again for returning my call regarding the pending Nevada Commerce Tax regulations. As we discussed, the purpose for my communication with the Tax Commission is to request regulatory language to minimize the filing requirements for entities that are exempted from the Commerce Tax.

The Sierra Gold Club, for which I am the Treasurer, is an investment club whose purpose is to educate its members regarding stock investing. The Club belongs to the national organization BetterInvesting Org., which promotes investing clubs and provides educational support for such clubs.

The Club does not sell to or otherwise interact with the general public and may have been misled when it acquired a Nevada State business license. The Club studies stocks and invests Club members' pooled contributions. We believe the language of Nevada's Commerce Tax legislation excludes the Sierra Gold Club from the definition of a Business because it's "activities are confined to the owning, maintenance and management of intangible assets".

We also believe the Club falls under the definition of a passive entity because it is a general partnership that only invests in intangible assets.

It is our understanding that the Commerce Tax legislation excludes the Sierra Gold Club from the Commerce Tax filing requirements although we understand the desire for the Club to formerly identify itself as an exempt entity. We request that the regulations specifically state that exempt entities whose activities are "confined" to owning intangible assets and are exempt from the Commerce Tax be required to make a "one time" filing to declare their exemptions rather than requiring periodic filings. Because such entities are confined to investing in intangible assets they will continue to be exempt from the Commerce Tax and periodic exemption filings would be an unnecessary repetitive exercise.

Thank you in advance for sharing our request with the Tax Commission Staff who are involved in developing the regulations. Please don't hesitate to contact me if you would like to exchange ideas for language that meets the Tax Commission's needs.

Duane L Nelson
(775) 846-0679