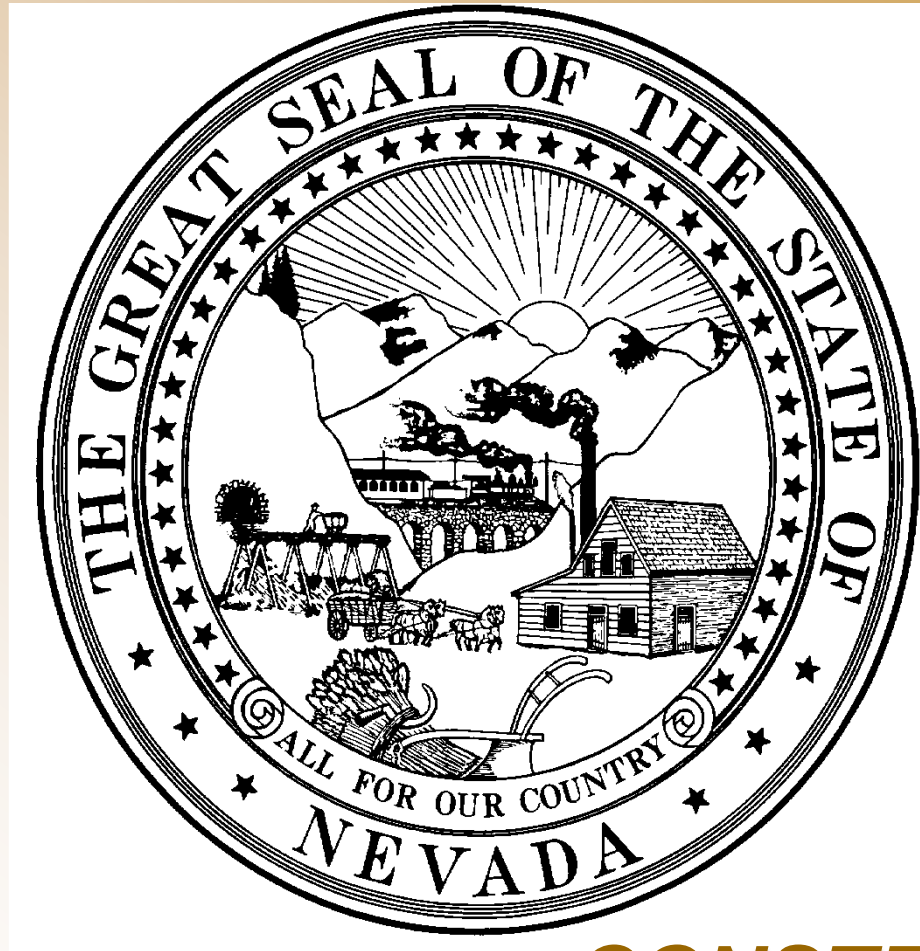


STATE OF NEVADA DEPARTMENT OF TAXATION



CONSTRUCTION

CONSTRUCTION CONTRACTORS

- Includes
any person who acts solely in a professional capacity to improve real property by

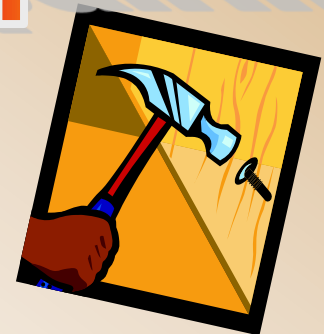
Altering

Construction

Adding to

Remodeling

Repairing



NAC 372.190

CONSTRUCTION CONTRACTORS

The following are included in this group:



Subcontractor

Interior Decorator

Specialty Contractor

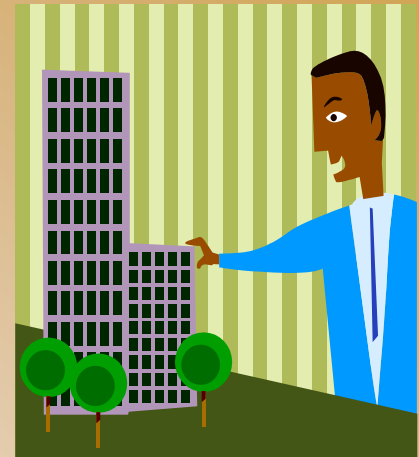


NAC 372.190

CONSTRUCTION CONTRACTORS

The term does NOT include:

- **An employee**
- **A licensed architect**
- **A licensed professional engineer**
- **A manufacturer of**
 - **Modular homes**
 - **Sectionalized housing**
 - **Prefabricated homes**



NAC 372.190(1)

CONSTRUCTION CONTRACTORS

Construction Contract

A construction contract for improvement to real property is a contract for

erecting

constructing

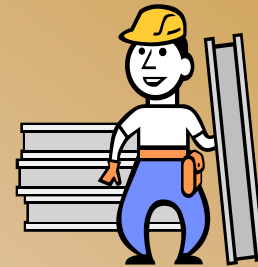
affixing a structure to real property

affixing other improvement on or to real property

remodeling

Altering

Adding or repairing an improvement to real property



NAC 372.190(2)



CONSTRUCTION CONTRACTORS

Construction Contract



- » **May be formal or informal**
- » **Advertised contracts**
- » **Negotiated contracts**

- **Fixed price contracts**
- **Cost reimbursable contracts**
- **Lump-sum contracts**
- **Time and material contracts**



NAC 372.190(2)

CONSTRUCTION CONTRACTORS

Application of Tax

- ***A construction contractor is considered a consumer of all tangible personal property purchased for use in improving real property.***
- ***A construction contractor is required to pay the tax on all material purchases that will be used in the construction job.***

NAC 372.200



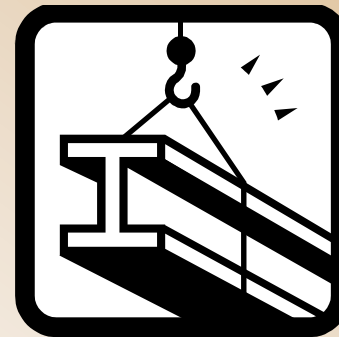
CONSTRUCTION CONTRACTORS

Government Contracts



» Tangible personal property purchased by a contractor for use in a government job is subject to the tax.

NAC 372.200(1)



CONSTRUCTION CONTRACTORS

Government Contracts

- A contractor may not enter into a contract for a public work claiming to be a constituent part of the governmental entity which sponsors or finances the public work.
- A contract for a public work may be entered into provided that the contract requires the payment of any state/local taxes that would normally be due had the contract not been with a tax-exempt entity.



*(AB 332, 2015 Legislation Session,
effective 7/1/2015)*

CONSTRUCTION CONTRACTORS

Government Contracts

- If the public body is going to perform the public work itself, it is not required to pay any local or state taxes for the purchase and use of construction materials or goods.



*(AB 332, 2015 Legislation
Session, effective 7/1/2015)*

CONSTRUCTION CONTRACTORS Consumer Use Tax Return

Print Form

NEVADA DEPARTMENT OF TAXATION CONSUMER USE TAX RETURN

TID No:002-TX-

This return is for use by consumers of tangible personal property not sellers. If you are a seller, you must apply for a Sales Tax Permit.

MAIL ORIGINAL TO: STATE OF NEVADA - SALES/USE
PO BOX 52609
PHOENIX AZ 85072-2609

For Department Use Only

Return for month Ending 08/31/15

Due on or before 09/30/15

Date paid 09/11/15

If the name or address as shown is incorrect, If the ownership or business location has changed, or if you are out of business, you must notify a Nevada Department of Taxation District Office immediately.

IF POSTMARKED AFTER DUE DATE, PENALTY AND INTEREST WILL APPLY

A RETURN MUST BE FILED EVEN IF NO TAX LIABILITY EXISTS

ENTER AMOUNTS IN COUNTY OF USE	AMOUNT SUBJECT TO USE TAX	TAX RATE	CALCULATED TAX
TAX CALCULATION FORMULA	COLUMN A	x COLUMN B	= COLUMN C
01 CHURCHILL		7.600%	
02 CLARK		8.100%	
03 DOUGLAS		7.100%	
04 ELKO		6.850%	
05 ESMERALDA		6.850%	
06 EUREKA		6.850%	
07 HUMBOLDT		6.850%	
08 LANDER		7.100%	
09 LINCOLN		7.100%	
10 LYON		7.100%	
11 MINERAL		6.850%	
12 NYE		7.600%	
13 CARSON CITY		7.600%	
14 PERSHING		7.100%	
15 STOREY		7.600%	
16 WASHOE		7.725%	
17 WHITE PINE		7.725%	
TOTAL			

I HEREBY CERTIFY THAT THIS RETURN INCLUDING ANY ACCOMPANYING SCHEDULE AND STATEMENTS HAS BEEN EXAMINED BY ME AND TO THE BEST OF MY KNOWLEDGE AND BELIEF IS A TRUE, CORRECT AND COMPLETE RETURN. RETURN MUST BE SIGNED.

ENTER NAME OF PERSON SIGNING RETURN

SIGNATURE OF TAXPAYER OR AUTHORIZED AGENT

TITLE PHONE NUMBER (WITH AREA CODE)

FEDERAL TAX ID NUMBER (EIN OR SSN) DATE



- 18. NET USE TAX (SUM OF COLUMN C)
- 19. PENALTY (LINE 18 x 0%)
- 20. INTEREST (See instructions for current rate and calculation)
- 21. PLUS LIABILITIES ESTABLISHED BY THE DEPARTMENT
- 22. LESS CREDIT(S) APPROVED BY THE DEPARTMENT
- 23. TOTAL AMOUNT DUE AND PAYABLE
- 24. TOTAL AMOUNT REMITTED WITH RETURN

MAKE CHECKS PAYABLE TO:
NEVADA DEPARTMENT OF TAXATION

To e-mail, save this form to your computer and e-mail the attachment to nevadaoit@tax.state.nv.us with the subject of 'Consumer Use Tax Return'. Your e-mail, including attachments, cannot exceed 10 MB.

CONSTRUCTION CONTRACTORS

Change in Sales Tax Rate

- **Construction contractors bid future jobs which include the current sales tax rate**
- **When the sales tax rate changes....**

the construction contractor can apply for an exemption from the increased tax rate. Contractors must complete a Contract Summary Form and submit to the Department. Once approved, the contractor will be required to self-report the use tax at the former tax rate. Complete instructions and the form are available on the Department of Taxation's website under "Common Forms".

NRS 377B.110(6)

CONSTRUCTION CONTRACTORS

Resale Certificates

- **A construction contractor may be registered as a retailer**
- **As a retailer, the contractor may use a resale certificate for purchases, and report the tax when the materials are used in a job or sold at retail.**
- **A retailer construction contractor may NOT use a resale certificate for purchases of tools or supplies which are used in the trade.**

RESALE CERTIFICATE

I hereby certify that I hold valid seller's permit number _____ issued pursuant to chapters 372, 374 and 377 of the Nevada Revised Statutes; that I am engaged in the business of selling _____ ; and that the tangible personal property described in the second paragraph of this certificate, which I purchase from: _____ , will be resold by me in the form of tangible personal property. I further certify that in the event any of the property is used for any purpose other than retention, demonstration or display while I am holding it for sale in the regular course of business, it is understood that I am required by chapters 372, 374 and 377 of the Nevada Revised Statutes to report it and pay the tax measured by the purchase price of the property.

Description of the property to be purchased:

Purchaser _____

Address _____

Signature of Authorized Purchaser

Dated _____

at _____

CONSTRUCTION CONTRACTORS

Fabrication Labor

- **Fabrication labor is labor which results in the creation of tangible personal property.**
- **Fabrication labor is taxable in a retail sale *where no installation to real property is involved.***
- **A contract for improvement to real property which includes fabrication and installation is not considered a retail transaction; the contractor is liable for tax on the materials only in such a transaction.**

NAC 372.380

CONSTRUCTION CONTRACTORS

Purchases out of State

- **Materials purchased out of state and delivered to Nevada for a Nevada job are subject to Nevada tax.**
- **Tax legitimately paid to other state is honored by Nevada; however, if the other state tax rate is lower than the Nevada rate, the difference is due to Nevada**

NRS 372.185, NAC 372.055

RECORDS TO BE KEPT

- Purchase invoices
- Sales journals
- General ledgers
- Job files
- Other records



» Must keep records for four (4) years



NRS 372.735



Written Response

Most tax issues can be addressed by the Department of Taxation. Please be advised that any responses to inquiries made to the Department are only binding if put in writing, such as Nevada Revised Statutes, Administrative Code, Nevada Tax Notes, or in written correspondence.



DEPARTMENT OF TAXATION

Contact Information

Our offices are open Monday-Friday
8:00 AM – 5:00 PM



Contact our Call Center at
1-866-962-3707

Southern Nevada:

Grant Sawyer Office Building
555 E. Washington Avenue
Suite 1300
Las Vegas, NV 89101

OR

2550 Paseo Verde Parkway
Suite 180
Henderson, NV 89074

Carson City:

1550 College Parkway
Suite 115
Carson City, NV 89706-7937

Reno:

4600 Kietzke Lane
Building L, Suite 235
Reno, NV 89502