

# NEVADA TAX NOTES

The Official Newsletter of the Department of Taxation



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The Department of Taxation is hiring! We are recruiting for multiple positions in our Northern and Southern Nevada offices. If you are interested in applying, check out the Department's [careers page](#).



## NOTICE: CARSON CITY OFFICE RELOCATION ANNOUNCEMENT ON PAGE 2

### Upcoming Office Closures

The Nevada Department of Taxation will be closed on the following dates.



**Friday, October 27**

*Nevada Day*

**Friday, November 10**

*Veterans Day*

**Thursday, November 23**

*Thanksgiving Day*

**Friday, November 24**

*Family Day*

**Monday, December 25**

*Christmas Day*

**Monday, January 1**

*New Year's Day*

Call Center: (866) 962-3707 Monday - Friday 6:30AM - 5:00PM

Carson City

1550 College Parkway, Ste 115

Carson City, Nevada 89706

Phone: (775) 684-2000

Reno

4600 Kietzke Lane Bldg L, Ste. 235

Reno, Nevada 89502

Phone: (775) 687-9999

Las Vegas

700 E. Warm Springs Road 2nd Floor

Las Vegas, Nevada 89119

Phone: (702) 486-2300

## Announcement - Carson City Office Relocation

The Department's Carson City office will be relocating to its new home at 3850 Arrowhead Dr., Carson City, NV 89706 in mid-November 2023. The Department's website will maintain updates regarding the relocation. You may also contact the Call Center for visiting information.

[NV Department of Taxation](#)

While the Department does not anticipate any down time as a result of the move to its new location, the Carson City office will be accepting visits by appointment only during the transition and until further notice. The Reno and Las Vegas offices remain open for walk-in business.

[Schedule Appointment with Department of Taxation \(as.me\)](#)

Please consider conducting your Taxation business online where you can register your business, file and pay most Taxation returns, change your mailing address, and perform many other tasks. Taxation now accepts credit card payments for online transactions only.

[Welcome to the Nevada Tax Center \(nv.gov\)](#)

You are welcome to contact our Call Center to assist with your Taxation business, to assist with registration and filing online, and to check on the Department's relocation progress:  
(866) 962-3707.

## Ask the Advisor

### Upcoming Class: Tuesday, October 17, 2023

The Department is hosting Ask the Advisor classes again to all taxpayers which focus on general information about Sales & Use tax and Modified Business tax. There are also rotating guest presenters from other state agencies, as well as local small business resources in Northern and Southern Nevada. These classes will be available online to reach more taxpayers and the next class will be Tuesday, October 17, 2023, at 9:00am. Please visit <https://NevadaTax.as.me/AsktheAdvisor> to sign up to attend the class. These classes will be offered the third Tuesday of each month, except in November and December.

## Tobacco License Renewals Due by December 31, 2023

The renewals and license fees for tobacco licensees are due no later than December 31, 2023. In order to review and process each renewal efficiently, we encourage licensees to return their renewal as soon as possible. If renewals and fees are not submitted on time, your license may be canceled. Tobacco licenses are valid for the calendar year from January 1 through December 31. In September, the Department of Taxation mailed renewal forms to tobacco licensees: tobacco retailers, cigarette and other tobacco products wholesalers, tobacco manufacturers, tobacco logistics companies and tobacco warehouses.

Licensees can mail in renewals to the Department of Taxation. Please also be aware that local city or county governments may have additional licensing requirements.

Remember, if your mailing address has changed, contact the Department of Taxation to update it. To learn more about licensing and taxes, visit the [Department of Taxation FAQ page](#). Also, please reference NRS 370 and NAC 370 for specifics.

# Nevada National Guard Sales Tax Exemptions

## Change to NEVADA DAY SALES TAX HOLIDAY for NEVADA NATIONAL GUARD

Effective July 1, 2023, Senate Bill 50 revised the manner in which certain members of the Nevada National Guard or a qualifying relatives of such members claim the Nevada sales tax exemption. Instead of seeking the exemption by presenting a letter to the retailer, the qualifying member will seek a refund of the sales tax directly from the Department.

Q: What is a retailers' responsibility for the Nevada National Guard Nevada Day exemption?

A: As a result of SB50, retailers no longer have a role in the exemption and must charge sales tax like any other retail sale.

Q: Do retailers need to request a copy of the Nevada National Guard Nevada Day Exemption letter?

A: No – the retailers should not request a copy of the Nevada National Guard exemption letter.

Nevada National Guard members must contact their Administrative Personnel to apply for an exemption letter before the statutorily imposed deadline each year.

**NRS 372.7282**

## Active Duty Nevada National Guard Members Sales Tax Exemption Letters

Effective July 1, 2005, an exemption from Nevada sales tax on sales of tangible personal property was provided to certain Nevada National Guard members who have been called to active duty and their qualifying relatives.

Nevada retailers are authorized to sell tangible personal property to eligible members and their qualifying dependents exempt from Nevada sales tax during the effective dates on the letter. The effective dates and the names of the eligible member and qualifying relatives are specified on the Letter of Exemption issued by the Nevada Department of Taxation. The retailer shall account for the exempt sale on its Sales and Use Tax Return under 'Exemptions'. For audit purposes, the vendor must retain a copy of the individual's Letter of Exemption to document the transaction as tax exempt. This exemption only applies to Nevada sales and use tax and does not provide exemption from any other tax.

**NRS 372.7281**

## Service Members Civil Relief Act (SCRA)

The Service Members Civil Relief Act (SCRA) does not prohibit a state of temporary residence from taxing tangible personal property purchased for use in that state. The purchase of tangible personal property in Nevada by a person in the military does not qualify for an exemption from the sales tax under the SCRA which only prohibits the annually recurring assessment of personal property taxes.

## Reporting Sales and Use Tax on The Appropriate County Line

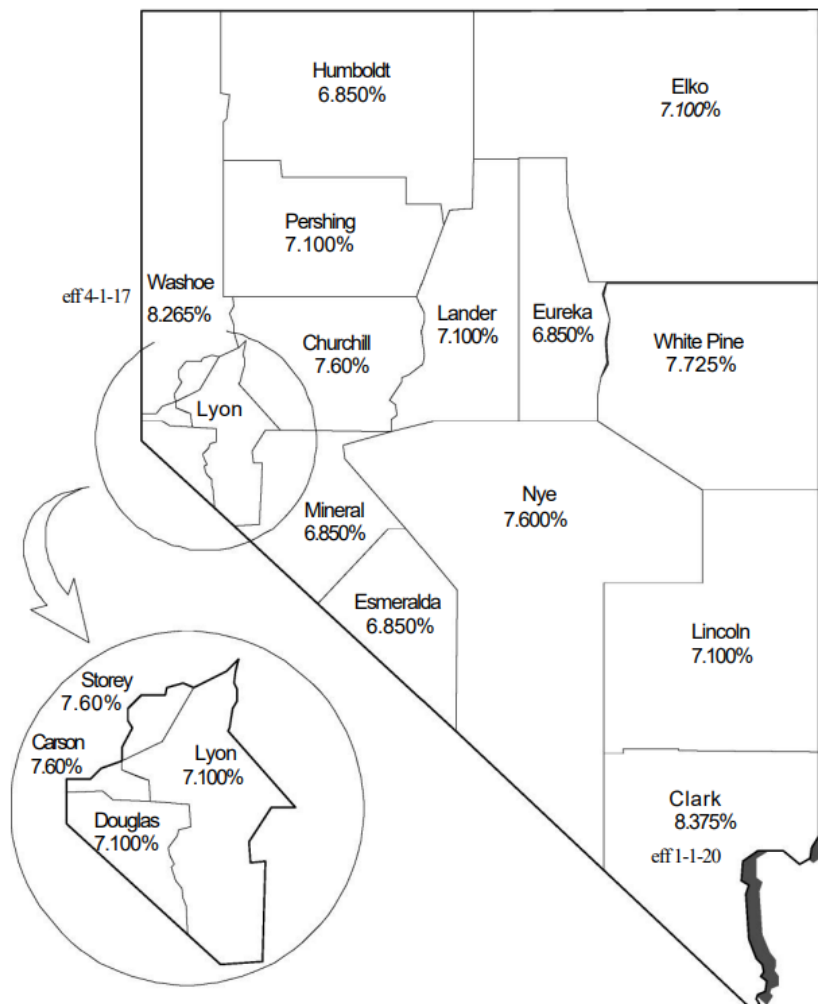
There are 17 counties in the State of Nevada. Each county has its own sales and use tax rate which is comprised of several components, including local school support tax, basic city/county relief tax, state general fund, and other local option taxes.

Accuracy in reporting on the Combined Sales and Use Tax Return directly impacts a county's economy. Reporting taxable sales in the wrong county, even if the tax rate is the same, impacts both the county where the sales occurred and the county where the sales were incorrectly reported. Incorrect filings affect the statistical and economic analysis, and in turn affect annual budget and distributions processes for each local government agency.

For each reporting period, taxpayers are required by law to report amounts subject to sales and use tax on the appropriate county line of the Combined Sales and Use Tax Return. The gross receipts must be reported separately for each county in which the sales take place. A sale pertains to the county in which the purchaser takes possession of the tangible personal property or where the purchaser designates delivery to be received by the purchaser, an agent or designee. If the sale is not reported on the appropriate county line, a taxpayer has both under-reported to the appropriate county and over-reported in the wrong county. The taxpayer will be required to correct the reporting by filing amended returns, which could result in assessment of penalties and interest for underpaid tax amounts.

NRS 360B.360; NRS 360.299; NRS 372.365

### COUNTY MAP OF NEVADA



## Tips to Taxpayers - Nevada Tax Center - Authorized Users

Taxpayers have the ability to electronically manage their tax accounts online by registering to use the Nevada Tax Center for the more common tax types administered by the Department. Additional options include:

- Register a new tax account;
- View, file and pay tax returns;
- Pay liabilities (ACH, E-Check, credit/debit);
- Schedule payments for future liabilities (ACH and E-Check only);
- Update telephone numbers, mailing address, tax records location address and update authorized users.



“Authorized user” means a person who is granted authority by the taxpayer account security administrator to access taxpayer information available on the website of the Department. (NAC 360.552)

Taxpayers may assign authorized users with specific privilege levels to manage or limit all aspects of an online tax account. There is no limit to the number of authorized users; however, taxpayers must exercise caution when deciding the level of access necessary for the assigned individuals. As part of onboarding and offboarding employees who require access to an online tax account, taxpayers must be sure to review and update the authorized users and access. If an authorized user who has been granted administrative access leaves the business, it may be necessary to contact the Department to reset the account.

The Nevada Tax Center may be found here: <https://www.nevadatax.nv.gov/#> There is a searchable wealth of information about Nevada Tax Center in the FAQ page and helpful video tutorials. For specific information on managing authorized users, select “Security” in the drop-down menu found on the FAQ page. To review and update any other account information, contact the Department of Taxation at 866-962-3707 for assistance.

*Tips to Taxpayers Column: The Nevada Department of Taxation’s newsletter was called Tips to Taxpayers from its 1968 inception until 1990. The Department is paying homage to the newsletter’s first decades of taxpayer assistance by including a Tips to Taxpayers column with tax account tips and hints in each edition of Nevada Tax Notes.*

## Credit Card or Charge Card Processing Fees

A credit card or charge card processing fee included on a sales receipt or invoice of a taxable sale is subject to Nevada sales tax. The credit card or charge card processing fee that is charged to the retailer by the merchant card processor or banking/financial institution is the retailer’s expense or an overhead cost. If a retailer includes a pass-through processing fee on the sales receipt or invoice, then that charge must be included in the taxable sales reported to the Department. If a sale is not otherwise subject to sales tax, then the card processing fee is not subject to sales tax.

# Modified Business Tax (MBT)

Employers subject to Nevada Unemployment Compensation Law (NRS 612) are also subject to the quarterly Modified Business Tax. Exceptions to this reporting are non-profit organizations, Indian Tribes, political subdivisions and employers with household employees only. The Modified Business Tax is imposed on total Nevada gross wages less employee health care benefits paid by the employer for those employees whose wages are included in the reported gross wages which exceeds a \$50,000 threshold. Total Nevada gross wages are the total amount of all Nevada gross wages and reported tips paid for a calendar quarter as reported to the Employment Security Division.

Modified Business Tax has three classifications, General Business, Financial Institutions and Mining. As of July 01, 2023, the Modified Business Tax rate for General Business is 1.17% and the Modified Business Tax rate for Financial Institutions and Mining is 1.554%.

## **Opening and Closing MBT accounts:**

When you register with the Employment Security Division at [ESD](#) for Unemployment Insurance Tax, you are automatically registered for Modified Business Tax with the Department of Taxation. Tax returns will be mailed to the same address you have registered with the Employment Security Division. To change the mailing address, you must notify the Department of Taxation by phone or in writing.

To close your Modified Business Tax account with the Nevada Department of Taxation, update the status of your Unemployment Insurance Tax account with the Employment Security Division.

## **Filing MBT:**

Tax returns must be filed for each quarter, even if no gross wages were paid during the filing period. The tax for each calendar quarter must be paid on or before the last day of the month following the quarter. For example, the tax return and remittance for April 1, 2023 through June 30, 2023 was due on or before July 31, 2023. Modified Business Tax returns can be filed online via Nevada Tax Center, emailed to [nevadaolt@tax.state.nv.us](mailto:nevadaolt@tax.state.nv.us), or mailed to the address on the return.

## **3rd Party Filing for MBT:**

If utilizing a 3rd party to file your Modified Business Tax returns, verify that they are filing with the correct Nevada Tax Id, that the returns are complete, and that the payment is solely for your Modified Business Tax return - not for Unemployment Insurance Tax.

For additional information, including whether you are eligible for certain credits, please contact the Department.

## **NRS Chapters 363A and 363B**

If you have any questions with any matters addressed in this newsletter, please call our call center at (866) 962-3707.

The information expressed in this Newsletter constitutes general guidance regarding the interpretation of the statutes and regulations under the jurisdiction of the Department of Taxation. No reliance should be placed on any information herein for fact-specific purposes not described herein. Any subsequent statutory or administrative rule change or judicial interpretation of the statutes or rules upon which these articles are based may result in contrary interpretations or guidance. The articles in this Newsletter are not binding on any administrative body or court of law, but rather serve as the Department's summaries of applicable statutes, regulations and other rules within its jurisdiction. Nothing contained in this Newsletter should be construed as legal advice.