



STATE OF NEVADA
DEPARTMENT OF TAXATION

Web Site: <http://tax.state.nv.us>

1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
4600 Kietzke Lane
Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 687-9999
Fax: (775) 688-1303

BRIAN SANDOVAL
Governor
ROBERT R. BARENGO
Chair, Nevada Tax Commission
CHRISTOPHER G. NIELSEN
Executive Director

LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite 1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

Posted 3-25-14

NOTICE OF INTENT TO ACT UPON A REGULATION

Notice of Hearing for the Adoption of

LCB No. R129-13

Of the

Nevada Department of Taxation

The Nevada Tax Commission will hold a Public Hearing at 9:00 a.m. on Monday, May 5, 2014 via Video Conference between the Nevada Legislative Building, 401 S Carson St, Room 2134, Carson City, Nevada and Nevada Counsel Bureau, Grant Sawyer State Office Building, 555 E Washington Ave, Room 4401, Las Vegas, Nevada. The purpose of the hearing is to receive comments from all interested parties regarding the adoption of regulations that pertain to LCB File No. R129-13.

The following information is provided pursuant to the requirements of NRS 233B.0603:

LCB File No. R129-13

1. Need and purpose of the proposed regulations or amendments

The need and purpose of the proposed permanent regulation is to provide some guidance to taxpayers in relation to application of Sales and Use Tax on use of motor vehicles originally bought for resale.

2. How to obtain the approved or revised text of regulations prepared by LCB

You may obtain a copy of the proposed regulation by writing to the Nevada Department of Taxation, 1550 College Parkway, Carson City, Nevada, 89706; or by calling their office at (775) 684-2030. The proposed regulation is also available for review and downloads on the Department of Taxation website www.tax.state.nv.us.

3. Methods used in determining the impact on a small business

The Department prepared a questionnaire that asked for input regarding the potential impact that was sent to the Department's contact list of 322. The Department also contacted taxpayer industry representatives directly. The Nevada Taxpayers Association ("NTA") sent the questionnaire to the NTA list of interested taxpayers. Finally, the Department also contacted attorneys who represent Vehicle Dealerships in attempt to receive input regarding any potential significant and direct economic impact on small business.

Two people returned the questionnaire and three people called the NTA indicating support. None of the respondents indicated that this regulation would have a direct and significant economic burden upon a small business. In fact, all who responded supported the regulation.

A regulation workshop was held on February 10, 2014 at Nevada Legislative Building, 401 South Carson Street, Room 2134 Carson City, Nevada and via video conference at Legislative Counsel Bureau, Grant Sawyer State Office Building, 555 E Washington Avenue, Room 4412, Las Vegas, Nevada. No one testified at the workshop.

The agency used informed, reasonable judgment in determining that there will not be an impact on small businesses due to the nature of the regulation changes. The Department will continue to accept input on the impact of the proposed regulation on small businesses through the regulatory process.

4. Estimated economic effect of regulations on business and the public

a. Adverse and beneficial effects

The proposed permanent regulations present no reasonably foreseeable or anticipated adverse economic effects to businesses or to the general public. The benefits of these regulations are that the public and the Department will be provided more clarity in NAC 372.

b. Immediate and long-term effects

Same as above

5. Cost for enforcement of the regulations

The proposed permanent regulations present no significant foreseeable or anticipated cost or decrease in costs for enforcement.

6. Overlap or duplication of other state or local governmental agencies

The proposed regulations do not overlap or duplicate any regulation of other state or local governmental entities.

7. Regulation required by federal law

Not applicable

8. More stringent than federal regulations

The Department is not aware of any similar federal regulations of the same activity in which the state regulations are more stringent.

9. New or increases in existing fees

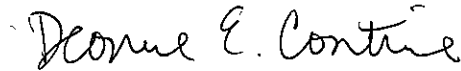
The proposed regulations do not include new or increases in existing fees.

Persons wishing to comment on the proposed action of the Nevada Tax Commission may appear at the above scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the Nevada Tax Commission, 1550 E. College Parkway, Suite 115, Carson City, Nevada 89706. Written submissions must be received at least two weeks prior to the above scheduled public hearing.

A copy of this notice and the proposed permanent regulations to be adopted and amended will be on file at the Nevada State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the proposed permanent regulations to be adopted and amended will be available at the Department of Taxation, 1550 College Parkway, Carson City, Nevada; Department of Taxation, 4600 Kietzke Lane, Building L, Suite 235, Reno, Nevada; Department of Taxation, 555 East Washington Avenue, Suite 1300, Las Vegas, Nevada; Department of Taxation – 2550 Paseo Verde Parkway, Suite 180, Henderson; and in all counties in which an office of the Department of Taxation is not maintained, at the main public library, for inspection and copying by members of the public during business hours. The text of

the proposed permanent regulations will include the entire text of any section of the Nevada Administrative Code, which is proposed for amendment or repeal. Copies will be mailed to members of the public upon request. A reasonable fee may be charged for copies if deemed necessary.

Under NRS 233B.064(2), when adopting any regulation, the Agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption and incorporation, and its reason for overruling the consideration urged against its adoption.



Deonne E. Contine, Chief Deputy Executive Director
March 20, 2014

Members of the public who are disabled and require accommodations or assistance at the meeting are requested to notify the Department of Taxation in writing or by calling 775-684-2030 no later than five working days prior to the meeting.

Notice has been posted at the following locations: The Department of Taxation - 1550 College Parkway, Carson City, Nevada. Notice was mailed to each County Public Library for posting.

Notice has been EMAILED/FAXED for posting at the following locations: Department of Taxation - 4600 Kietzke Lane, Building 1, Suite 235, Reno, Nevada; Department of Taxation - 555 E. Washington Avenue, Grant Sawyer Office Building, Suite 1300, Las Vegas, Nevada; Department of Taxation - 2550 Paseo Verde Parkway, Suite 180, Henderson; The Legislative Building, Capitol Complex, Carson City, Nevada; and the Nevada State Library, 100 Stewart Street, Carson City, Nevada.

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R129-13

December 3, 2013

EXPLANATION – Matter in *italics* is new; matter in brackets [~~omitted material~~] is material to be omitted.

AUTHORITY: §1, NRS 360.090 and 372.725.

A REGULATION relating to taxation; providing for the application of sales and use taxes when a vehicle dealer uses or loans a motor vehicle purchased for resale; and providing other matters properly relating thereto.

Section 1. Chapter 372 of NAC is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsections 2 and 3, if a vehicle dealer who purchases and gives a resale certificate for a motor vehicle uses the motor vehicle or loans the motor vehicle to any person, the use or loan of the motor vehicle is taxable to the dealer and the measure of the tax is the purchase price of the motor vehicle by the dealer.

2. A use or loan described in subsection 1 is not taxable to the dealer if each use or loan of the motor vehicle by the dealer is:

(a) Exempt from taxation pursuant to NRS 372.327; or

(b) Made for the purpose of retention, demonstration or display of the motor vehicle while holding it for sale in the regular course of business.

3. The loan of a motor vehicle by a vehicle dealer will be presumed to be made for the purpose of retention, demonstration or display of the motor vehicle while holding it for sale in the regular course of business if:

(a) The motor vehicle is being operated with a special license plate issued by the Department of Motor Vehicles in accordance with NRS 482.320 and 482.330 and NAC 482.032 to 482.048, inclusive;

(b) The cumulative period of all the loans of the motor vehicle by the dealer is less than 180 days; and

(c) The vehicle dealer maintains, and provides to the Department upon request, a written record stating:

(1) The vehicle identification number and stock number of the motor vehicle;

(2) The number of the special license plate; and

(3) Each date on which the special license plate was displayed on the motor vehicle.

4. If the motor vehicle is sold following its taxable use or loan pursuant to this section to a purchaser who receives delivery of the motor vehicle in this State, the sales tax applies to the sales price of the motor vehicle to the purchaser without any deduction or credit for the use tax paid by the dealer pursuant to this section.

5. As used in this section:

(a) "Dealer" or "vehicle dealer" has the meaning ascribed to it in NRS 482.020.

(b) "Loan" means the gratuitous transfer of possession or control of a motor vehicle for a fixed or indeterminate term.

(c) "Motor vehicle" has the meaning ascribed to it in NRS 482.075.