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Nevada Tax Commission
Grant Sawyer Office Building
555 E. Washington Ave, Suite 1300
Las Vegas, NV 89101

Re: Nevada Tax Commission

Dear Commissioners:

I am writing in my capacity as Chair of the Probate & Trust Section of the Nevada State Bar. We are the Nevada attorneys whose clients are establishing and administering trusts in the State of Nevada. Over the years, Nevada's favorable public policy towards trusts has positioned Nevada as one of the most attractive states for trust administration. Trust companies have established themselves in Nevada attracted by our favorable policies and legislation. This public policy emphasis in attracting and retaining trust business provides significant benefits to Nevada's economy.

The Probate & Trust Section is concerned about the negative impacts on trust administration that will result from the proposed tax regulations implementing the Commerce Tax. The recently passed legislation exempted non business-trusts, passive entities, and entities that manage intangible investments from its filing requirements. The proposed Commerce Tax regulations do not discuss registration requirements.

In a footnote to its Commerce Tax Registration Announcement, the Nevada Department of Taxation stated "Exempt entities not registered with the Nevada Secretary of State are not required to register for the Commerce Tax". While the footnote is helpful, it does not provide sufficient guidance for attorneys, financial institutions and fiduciaries to advise their clients. Uncertainty and lack of clear guidance will discourage the very trust business our legislature has worked so hard to attract. While we appreciate the hard work and concerns of the Department of Taxation in putting final regulations into place, it is of primary importance to provide immediate certainty to the trust community. We need to be able to advise our clients with certainty.

In addition, we are concerned about the use of the undefined terms "agent" and "representative" in the nexus questionnaire and their potential applications to Nevada

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professionals, including LLC managers for out of state entities, Nevada resident general partners for out of state entities and registered agents triggering a requirement for unregistered out of state clients. We do not believe the legislature intended to apply the Commerce Tax to entities not doing business in Nevada and the regulations should reflect the legislative intent.

As you know, Nevada is also viewed by seniors as a tax-friendly retirement destination. Many retirees relocate to Nevada due to our lack of income and estate taxes. Revocable trusts are a popular estate planning tool, utilized primarily as an alternative to a last will and testament to avoid the administrative costs associated with estate administration through probate court. By associating such simple trusts with the Commerce Tax, even if it is only to file for an exemption, would damage Nevada's reputation as a tax-friendly retirement destination for seniors. I believe a blanket exemption for revocable, inter vivos trusts where the Trustor is also the Trustee and primary beneficiary of the trust is a more appropriate policy for the Commission to adopt. Doing so would also eliminate the administrative burden on the State that would be associated with any filing requirements placed on such simple and commonly-used trusts.

In summary, we urge this Commission to adopt only those regulations which are consistent with Nevada's status as a state with a favorable climate for trusts.

Respectfully,



Elizabeth Brickfield

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