

Department of Taxation

Certain Members of Nevada National Guard and their Dependents Eligible for Sales Tax Exemption

Effective July 1, 2005, the 2005 Legislature (Assembly Bill 580) amended NRS 372.325 and related statutes to provide an exemption from Nevada sales tax on sales of tangible personal property to certain Nevada National Guard members and their qualifying dependents living at the same physical address in Nevada. The period of tax exempt status is based on the start and end dates of active duty mobilization orders which include July 1, 2005 and after, the effective dates will be specified on the individual's letter of exemption issued by the Department of Taxation.

Certain Nevada National Guard members, either Air Guard or Army Guard, who are engaged in full-time National Guard duty, as defined in 10 U.S.C. Section 101 (d) (5) and have been called into active duty are eligible for the exemption. Qualifying dependents are relatives of the Nevada National Guard member eligible for the exemption who (a) reside at the same home or dwelling in Nevada as the member; and (b) are related by blood, adoption or marriage to the member within the first degree of consanguinity or affinity to the member (spouse and children).

Vendors selling tangible personal property to eligible members and their qualifying dependents are authorized to sell to them tax exempt. The vendor shall account for the exempt sale on its sales/use tax return under exemptions. For audit purposes, the vendor should retain a copy of the individual's letter of exemption to document the transaction as tax exempt. However, documentation adequate to prove the purchase was made by a qualifying member of the Nevada National Guard who is engaged in full-time National Guard duty and has been called into active service; or a purchase made by a qualifying dependent that has been issued a dependent identification card by the National Guard is acceptable. This exemption only applies to Nevada sales/use tax and does not provide exemption from any other tax.

Any vendor having questions concerning the exemption letter should contact the Department of Taxation.