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September 25, 2015

Ms. Deonne Contine
Executive Director
Nevada Department of Taxation
1550 College Parkway, Suite 115
Carson City, Nevada 89706
Email address: contine@tax.state.nv.us

Re: Comment on Nevada Commerce Tax Regulation On Situs Rules

Dear Director Contine,

Please allow us to offer comment on the proposed regulation concerning situs services under the proposed commerce tax.

Issue:

Real Estate Broker as defined under NRS 645.030 includes services of selling, buying, leasing, renting, property management and more. By limiting the regulation to just property “sold” by a real estate broker, that would mean that the regulation wouldn’t apply to a buyer’s broker, property manager, or to leasing fees. If gross receipts were also earned by a buyer’s broker or property manager then they should also be included in this regulation for clarification.

Solution:

Eliminate references contained in current draft concerning “real estate sold”, and simply reference Nevada Revised Statutes concerning the broader definition of real estate broker services.

Page 17, Section 3, Item 43 – Amend to read as follows:

(43) Real estate broker services

If real estate sold by a real estate broker is located in Nevada, the Gross receipts earned by a real estate broker as defined in NRS 645.030, on property located in Nevada are sitused to Nevada, regardless of where the broker's services were performed. See Section 11(1)(d) to determine which gross receipts of a real estate broker can be excluded.

Reference to NRS:

NRS 645.030 “Real estate broker” defined.

1. “Real estate broker” means a person who, for another and for compensation or with the intention or expectation of receiving compensation:

(a) Sells, exchanges, options, purchases, rents or leases, or negotiates or offers, attempts or agrees to negotiate the sale, exchange, option, purchase, rental or lease of, or lists or solicits



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prospective purchasers, lessees or renters of, any real estate or the improvements thereon or any modular homes, used manufactured homes, used mobile homes or other housing offered or conveyed with any interest in real estate;

(b) Engages in or offers to engage in the business of claiming, demanding, charging, receiving, collecting or contracting for the collection of an advance fee in connection with any employment undertaken to promote the sale or lease of business opportunities or real estate by advance fee listing advertising or other offerings to sell, lease, exchange or rent property;

(c) Engages in or offers to engage in the business of property management; or

(d) Engages in or offers to engage in the business of business brokerage.

2. Any person who, for another and for compensation, aids, assists, solicits or negotiates the procurement, sale, purchase, rental or lease of public lands is a real estate broker within the meaning of this chapter.

3. The term does not include a person who is employed by a licensed real estate broker to accept reservations on behalf of a person engaged in the business of the rental of lodging for 31 days or less, if the employee does not perform any tasks related to the sale or other transfer of an interest in real estate.

[Part 2:150:1947; 1943 NCL § 6396.02] + [2.5:150:1947; added 1955, 615]—(NRS A 1957, 337; 1959, 393; 1963, 330; 1973, 1097; 1975, 1383; [1977, 928](#); [1979, 1535](#); [1981, 1327](#); [1985, 312, 1261](#); [1997, 505, 956](#); [2005, 648, 665](#))

Thank you for the opportunity to offer comment on this proposal. We stand ready to assist your department and the Tax Commission in addressing our concerns in a manner which complies with the legislative intent of SB 483, and yet meets the reality of Nevada's real estate marketplace. Should you have any questions, please feel free to contact our lobbying team, either Rocky Finseth at (702) 785-8026 or Jenny Reese at (775) 762-2966.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin Sigstad".

Kevin Sigstad
President

cc: Teresa McKee, CEO, Nevada Association of REALTORS
Rocky Finseth, CEO, Carrara Nevada
Bryan Fernley, Principal Deputy Legislative Counsel
Paulina Oliver, Deputy Executive Director-Compliance