



NEVADA BANKERS ASSOCIATION

INVESTING IN NEVADA TOGETHER

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Dear Nadia Vasheko,

Thank you for the opportunity to review the first draft of the 'reporting form and instructions' suggested for use in the filing of the Commerce Tax.

In an effort to provide consistency in language and clarification on what qualifies as interest income from credit sales per statute, Nevada Bankers Association respectfully provides the following suggestions:

Form

Line 4

Current language:

Interest income from credit sales and loans

Reason for change:

Provide clarification and match statutory language and instruction language on page 2 . The term 'credit sales' is a precisely defined term used in statute. Adding the word loan creates unnecessary confusion.

Proposed language:

Interest income from credit sales

Instructions

Page 2, paragraph 4

Current language:

Revenue

Do not include in revenue:

(Line 5) Interest or dividends received, except for interest on credit sales or from loans to customers (see instructions for line 4)

Reason for change:

Match language to statutory language and clarify definition: "credit sales" means a sale of goods by a seller who accepts payment for the goods at a later time.

Proposed language:

Revenue

Do not include in revenue:

(Line 5) Interest or dividends received, except interest income from credit sales by a seller of goods on goods sold to customers (see instructions for line 4)



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Instructions

Page 3 reference Line 4 instructions

Current language:

Interest income from credit sales and loans

Include sitused to Nevada interest income from credit sales and loans.

The situsing is based on the location of the purchaser's use or benefit from service, or an alternate method can be used.

EXAMPLE:

Situsing of interest income from loan example: Best rates. LLC is located in Long Beach, CA. It makes car loans to the customers in California and Nevada. During the year the total interest revenue on the loans equaled to \$10,000,000, including \$5,000,000 from Nevada customers. Hence, \$5,000,000 is sitused to Nevada.

Reason for change:

Provide continued clarity that the interest to be included on line 4 of form is interest earned on credit sales as included in statute, with the standard definition of credit sales applying.

Provide example(s) clearly describing a company that is a seller of goods, who provides credit sales to their customers for the purchase of their goods, some or all of the interest from those credit sales sitused to Nevada

Proposed language:

Interest income from credit sales and loans

Include Nevada sitused interest income from credit sales made by a seller of goods from sales of its goods to their customers. The situsing is based on the physical location of the customer, or an alternate method can be used.

EXAMPLE:

Situsing of interest income on credit sales example:

Best Goods Sales LLC sells goods and is located in Reno. It sells goods on credit and ships them to its customers in California and Nevada. During the year the total interest revenue on credit sales equaled to \$10,000,000, including \$5,000,000 from Nevada customers. Hence, \$5,000,000 is sitused to Nevada.

Thank you for the opportunity to comment,

Phyllis Gurgevich
President & CEO
Nevada Bankers Association