

By FAX: 775-684-2020

July 27, 2015

Nevada Department of Taxation
Carson City Office
1550 College Parkway, Suite 115
Carson City, NV 89706

Dear Sir;

Re: Nevada Commerce Tax Senate Bill No. 483 - Questions

We are writing this letter to request guidance on the new Nevada Commerce Tax provisions in Senate Bill No. 483 with respect to gross revenue and allowable deductions.

To provide you background on our company, [REDACTED] is a large wholesale distributor with one distribution warehouse located in Las Vegas and other out-of-state warehouses making sales to customers in the State of Nevada. Our business entity revenue includes cigarette and tobacco product sales to Nevada retailers.

Our question specifically relates to the definition of "pass-through revenue" under SB 483 Section 11.1(b) - "Taxes collected from a third party by a business entity and remitted by the business entity to a taxing authority" - and the allowable deduction from gross revenue under SB 483 Section 21.1(1) - "The amount of any pass-through revenue of the business entity".

Please confirm that [REDACTED] is allowed to deduct as "pass-through revenue" Nevada state excise taxes which are included in the sales price [REDACTED] collects from its Nevada customers on sales of cigarettes and tobacco. [REDACTED] remits excise taxes to the Nevada Department of Taxation when purchasing cigarette tax stamps and when filing Nevada tobacco excise tax returns to report excise tax collected on tobacco sales to Nevada customers.

Please advise if [REDACTED] is allowed to deduct federal excise taxes included in inventory cost as "pass-through revenue". [REDACTED] purchases cigarette and tobacco products from our trade vendors with federal excise taxes included in our cost. These federal excise taxes are passed on to our Nevada customers as part of our sales price.

We would appreciate your response as soon as possible as we are estimating the impact of the Nevada Commerce Tax on our operations for the coming year.

Please either email or fax your response to [REDACTED]

[REDACTED]