

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY:

A REGULATION relating to taxation; providing implementation of the Commerce Tax

Sec. ____ Waiver or reduction of penalty or interest for late payment of the Commerce Tax when there was an underpayment based on taxpayers reliance on revenue calculations from its most recent federal income tax year.

1. The Department may waive or reduce a penalty or interest, or both, for a late payment if the late payment is determined by the Department to have been caused by the taxpayer's reliance for calculating its Nevada gross income on its federal income tax calculations for the federal income tax year immediately preceding the year the Commerce Tax was paid.

2. In determining whether to waive or reduce the penalty or interest, or both, for a late payment pursuant to subsection 1, the Department may consider whether the total Nevada gross revenue reported on the taxpayer's timely filed Commerce Tax return was the same as or similar to the revenue amount indicated on the federal income tax return of the taxpayer for the federal income tax year immediately preceding the year the Commerce Tax return is filed and the liability was paid.

Sec. ____ Request for waiver or reduction of penalty or interest after filing amended Commerce Tax return.

1. A taxpayer or the taxpayer's agent may request the waiver or reduction of the penalty or interest, or both, by submitting to the Department a written statement signed under oath by the taxpayer or the taxpayer's agent which sets forth that in an attempt to timely file its return and pay its Commerce Tax liability, the taxpayer relied on the revenue calculation from the federal income tax year immediately preceding the year it filed its Commerce Tax.

2. The Department shall not consider a request made pursuant to subsection 1 until the taxpayer has paid in full the tax upon which the interest or penalty is assessed and has submitted

the federal income tax return on which it relied in calculating its Nevada gross revenue to the Department or any additional documentation that supports the taxpayer's reliance on the revenue calculation used for federal income tax purposes.

Sec. ____.

The Department will determine that an overpayment was made intentionally or by reason of carelessness if the overpayment is a result of the taxpayer's reliance, for calculating its Nevada gross revenue, on its federal income tax calculations for the federal income tax year immediately preceding the year the Commerce Tax was paid and shall not allow any interest on the overpayment.