



**STATE OF NEVADA  
DEPARTMENT OF TAXATION**

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Dear Taxpayer:

This letter serves as a reminder that Other Tobacco Products ("OTP") are highly regulated and wholesale dealers must comply with the provisions found in Nevada Revised Statute ("NRS") Chapter 370 and Nevada Administrative Code ("NAC") Chapter 370. Violations of Chapter 370 may result in civil penalties, seizure of product, gross misdemeanor charges, and the suspension and/or revocation of your wholesale dealer's license. Additionally, the Department of Taxation ("Department") is now requiring all wholesale dealers to provide a list of customers each quarter and to submit an inventory report with the December return. Failure to submit these reports with your return is a violation of Chapter of 370.

In the past, if a wholesale dealer was delinquent or filed an inaccurate OTP tax return ("return"), it was the Department's practice to alert the dealer and assist in filing or amending the return. Effective the date of this letter, the Department will discontinue this practice. Wholesale dealers are required to file monthly returns that are timely, complete and **100%** accurate. Returns that are delinquent or contain missing information, unpopulated fields, inaccuracies, incorrect dates or amount discrepancies are in violation of Chapter 370.

Below is a partial list of the most common violations:

- Inaccurate figures entered onto the return.
- Data has not been entered in required fields.
- Taking invalid credits.
- Required sales invoices are not included with the tax return.
- Individual forms are not acknowledged by entering "n/a" or "none" when they do not pertain to a licensee.
- Taxpayer identification numbers ("TID#") and/or location numbers not entered or are incorrect.
- Affidavit submitted with the return is incomplete or incorrect.
- Pages are missing from the return.
- Delinquent reports.

All wholesale dealers are now required to provide a list of customers to whom OTP has been sold. OTP form #7 has been added to the return and is required to be completed for the periods ending March 31st, June 30th, September 30<sup>th</sup> and December 31st. Consequently, the first OTP form #7 must be submitted with the December 2018 return. A copy of this form can be found on the Department's website in an Excel format.

Finally, wholesale dealers who maintain OTP inventory in Nevada must keep records of their monthly physical inventory, but are only required to provide the results of the physical inventory taken on the first business day in January. The OTP Wholesale Annual Inventory Report, OTP form #8, must be submitted with the December 2018 return. A copy of this form is also available on the Department's website in an Excel format.

Please note that the legal authorities cited above are available on the official website of Nevada Legislature, <https://www.leg.state.nv.us/NRS/NRS-370.html> and <https://www.leg.state.nv.us/NAC/NAC-370.html>.

The above-mentioned forms can be found on the Department's website [www.tax.nv.gov](http://www.tax.nv.gov) under Excise Tax Forms. Additionally, the Department now has LISTSERV for cigarettes and OTP, which will allow wholesale dealers to receive periodic updates and/or industry related correspondence via email. Wholesale dealers are encouraged to sign up for these services in order to stay well-informed of the Department's communication or activities within the industry.

Any tobacco related correspondence or questions may be submitted to [taxation-adminMSA@tax.state.nv.us](mailto:taxation-adminMSA@tax.state.nv.us).

Sincerely,

Department of Taxation