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Legislative Notice of Liquor Excise Tax Changes
Nevada Revised Statutes (NRS) 369 and 597

October 8, 2021

During the 2021 Nevada Legislative session, changes were made impacting entities who manufacture and sell alcoholic beverages in the State of Nevada. Senate Bill ("SB") 307 was introduced and passed and became effective July 1, 2021. This notification is provided by the Department of Taxation (Department) as a way of informing taxpayers about some of the major changes included in SB 307.

Changes to NRS Chapter 369

NRS 369 was amended to allow a retail liquor store or a delivery support service acting on behalf of a retail liquor store to deliver liquor in its original package to consumers in Nevada. The following requirements must be met for the sale to occur:

- The retail liquor store must have purchased the liquor from a Nevada licensed wholesaler
- The delivery/sale must take place in the jurisdiction where the retailer is located
- The retail liquor store must ensure the recipient is at least 21 years of age
- The delivery may only occur from the premise of the liquor store and during normal operating hours

NRS 369.190 was amended requiring local governments to ensure liquor applicants are not applying for a license which doesn't mean the definition of the scope of licensure under NRS 369.180 and are also not acting in violation of the three tier system in Nevada.

NRS 369.430 was amended to allow out of state *suppliers*, and no longer allow *any out of state vendor of liquor*, to become licensed as a Certificate of Compliance (COC) holder. Prior to July 1, 2021 any out of state vendor could apply for a COC, with the passage of SB 307 only those entities meeting the definition of a supplier pursuant to NRS 369.111 may be issued a COC.

NRS 369.462 was amended to allow for the shipping of only wine to consumers in Nevada. COC holders may no longer ship beer or spirits to any consumer in Nevada.

To ensure compliance with NRS 369.111 and 369.490 all suppliers who are a designated agent, should maintain such designation as part of the business records.

Changes to NRS Chapter 597

NRS 597.157 was amended to require a supplier to approve certain transactions from a wholesaler within 60 days of receiving notice of the transaction and added language regarding the approval and denial process for such transactions.

NRS 597.162 was amended to clarify the sharing of financial information between a wholesaler and supplier.

NRS 597.230 was amended to allow brewpubs to manufacture in a calendar year, an additional 20,000 barrels of malt beverage for sale to wholesalers located outside of Nevada. This brings the total amount of malt beverage a brew pub may manufacture to 60,000 barrels.

NRS 597.237(2)(b)(3) was amended to include honey produced in this State to be used in the production of wine.

NRS 597.240 was amended to allow a winery to have multiple non-contiguous locations, use honey produced in this State in the production of wine and offer for sale at retail any alcoholic beverage.

Each non-contiguous location is required to obtain licensure with the local governments, as well as the Department prior to operation.

All wineries who engage in retail sales of alcoholic beverages must obtain the appropriate licensure with the local governments and comply with NRS 369.487.

For additional information on the statutory changes made to Nevada Revised Statutes ("NRS") Chapter 369 and 597 during the 2021 legislative session, please visit the links at the bottom of this letter. As always, it is your responsibility as a participant in a highly regulated industry to remain apprised of, and in compliance with, all applicable laws.

On October 4, 2021, the Nevada Tax Commission approved Technical Bulletin LIQ 21-0001 regarding the sale of liquor in Nevada. You may access this Technical Bulletin by visiting the following link: <https://tax.nv.gov/uploadedFiles/taxnv.gov/Content/TaxLibrary/Technical%20Bulletin%20LIQ%2021-0001%20.pdf>

You may access SB307 by clicking this link:

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7922/Overview>

If you have any questions please feel free to contact the liquor excise section by emailing nvliquor@tax.state.nv.us.

Thank you

Nevada Department of Taxation