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DEPARTMENT OF TAXATION

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Posted: 11-21-13

NOTICE OF WORKSHOP

**To Solicit Comments on Proposed Regulation
and
Statement Regarding Small Business Impact Determination
LCB File No. R073-13**

TO: To All Interested Parties
FROM: Deonne E. Contine, Chief Deputy Executive Director
DATE: November 21, 2013
RE: Workshop on Proposed Regulation Relating and Statement Regarding Small Business Impact

The Department will hold a workshop to receive input on proposed changes to Chapter 372A of the Nevada Administrative Code regarding provisions relating to the excise tax associated with certain medicinal marijuana products and other matters related thereto. The workshop will be held at the following locations and date and time:

Carson City – **Wednesday, December 11, 2013**

Nevada Legislative Building
401 S Carson Street, Room 2135
Carson City, Nevada

Las Vegas – Via Video Conference

Legislative Counsel Bureau
Grant Sawyer State Office Building
555 E Washington Avenue, Room 4401
Las Vegas, Nevada

The meeting will start at 1:00 p.m. All interested parties will have the opportunity to present their ideas. Drafts will be circulated to all parties, prior to submission to the Legislative Counsel Bureau, and prior to the public hearing(s) before the Nevada Tax Commission. All public input will be considered in preparing a proposed regulation to be presented to the Nevada Tax Commission for adoption.

A draft of the proposed regulation will be made available on the Department’s web-site for your informational review. Proposed amendments to the administrative code will be discussed at the above scheduled meeting. We encourage you to provide us with your suggestions in writing.

If you require any additional information concerning this matter, please don’t hesitate to contact the Department of Taxation. Thank you.

NOTE: We are pleased to make accommodations for members of the public who are disabled. Please notify the Department of Taxation in writing, at 1550 College Parkway, Carson City, Nevada, 89706 or call (775) 684-2100 prior to the meeting.

Statement Regarding Small Business Impact Determination

LCB File No. R073-13 contains the regulatory provisions to implement the excise tax provisions contained in the legislation creating medical marijuana dispensaries. The provisions of LCB File No. R073-13 require the monthly filing of a return and remittance of the excise taxes imposed on certain sales of marijuana, edible marijuana products and marijuana-infused products; requires the maintenance of certain records and providing for the inspection of such records; establishes the procedure for the submission of a claim for a refund or credit for any overpayment of such a tax; and providing other matters properly relating thereto.

The Department does not believe that the proposed regulation, LCB File No. R073-13 imposes a direct and significant economic burden upon a small business (fewer than 150 full-time or part-time employees) or directly restrict the formation, operation, or expansion of a small business.

What methods were used to determine the impact on small businesses? Initially, the Department did its own analysis by considering the extent of the regulatory provisions contained in LCB File No. R073-13. The LCB File No. R073-13 regulations are simple regulations that implement the collection and facilitation of payment of the excise tax enacted as part of Senate Bill 479 of the 2013 Legislature. They are requirements related to the process or procedure for filing and paying the required tax. In other words, the regulations are administrative and do not contain interpretations of statutory provisions. Nonetheless, as there are no currently existing businesses that would be effected by this regulation in Nevada, the Department prepared a questionnaire that asked for input regarding the potential impact that was sent to the Department's contact list of 322 and the to the listserve maintained by the Medical Marijuana Program at the State Division of Public and Behavioral Health which contains 522 subscribers. The Department also contacted taxpayer industry representatives directly. The Nevada Taxpayers Association ("NTA") sent the questionnaire to the NTA list of interested taxpayers. Finally, the Department also contacted attorneys who represent medical marijuana industry participants to attempt to receive input regarding any potential significant and direct economic impact on small business.

One person returned the questionnaire and the Department received some other limited general comments. However, no one indicated that this regulation would have a direct and significant economic burden upon a small business.

Based on the foregoing, I hereby certify that to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained in this statement is accurate.



Deonne E. Contine, Chief Deputy Executive Director
November 21, 2013

Members of the public who are disabled and require accommodations or assistance at the meeting are requested to notify the Department of Taxation in writing or by calling 775-684-2096 no later than five working days prior to the meeting.

Notice has been posted at the following locations: The Department of Taxation - 1550 College Parkway, Carson City, Nevada. Notice was mailed to each County Public Library for posting.

Notice has been EMAILED/FAXED for posting at the following locations: Department of Taxation - 4600 Kietzke Lane, Building L, Suite 235, Reno, Nevada; Department of Taxation - 555 E. Washington Avenue, Grant Sawyer Office Building, Suite 1300, Las Vegas, Nevada; Department of Taxation - 2550 Paseo Verde Parkway, Suite 180, Henderson; The Legislative Building, Capitol Complex, Carson City, Nevada; and the Nevada State Library, 100 Stewart Street, Carson City, Nevada. Notice of this meeting was posted on the Internet through the Department of Taxation website at www.tax.state.nv.us and on the Legislative website at www.leg.state.nv.us.