STATE OF NEVADA
DEPARTMENT OF TAXATION

ASK THE ADVISORS
BASIC TAX ACADEMY
MISSION STATEMENT

• To provide fair, efficient and effective administration of tax programs for the State of Nevada in accordance with applicable statutes, regulations and policies.

• To serve the taxpayers, state and local government entities…
Why am I here today?

To Learn About:

- Taxes!
- Business Registration Requirements
- Streamlined Agreement
- Payments & Filing Returns
- Audit Process
- Electronic Filing Requirements
- General Questions and Clarifications
- 2013 legislative bills affecting taxation
TAXPAYERS’ BILL OF RIGHTS

A publication containing the Bill of Rights for Taxpayers is provided:

• When you register with the Department

• If the business is audited, or

• Upon request
Licenses & Permits

• The **Nevada Business Registration form (NBR)** and the **Supplemental form** are required to obtain a sales or use tax permit for your business in the State of Nevada.

• Retailers pay a $15.00 **sales tax permit** fee for each business location. This is a one time fee only unless there is a change in ownership or location.

• Taxpayers registering as a **consumer** (no retail sales) are not required to pay a permit fee.
Retailers must also deposit with the Department a security deposit as follows:

- **Quarterly Filers:** Twice the estimated average tax due quarterly
- **Monthly Filers:** Three times the estimated tax due monthly if the retailer files monthly
- **Annual Filers:** Four times the estimated annual amount if the retailer files annually.

*Calculated tax LESS than $1,000:* 
**NO DEPOSIT REQUIRED!**

After three full years of perfect reporting, you may apply for a waiver of the security requirement. 

NRS 372.510
# NEVADA BUSINESS REGISTRATION

Please see instructions regarding form detail and online registration options.

## I Am Applying For:
- [ ] Unemployment Insurance
- [ ] Sales/Use Tax Permit
- [ ] Modified Business Tax
- [ ] Local Business License

## New Business: Change in Ownership/Business Entity
- [ ] Name
- [ ] Address
- [ ] Other

## Business Entity Type:
- [ ] Sole Proprietor
- [ ] Corporate
- [ ] Limited Partnership
- [ ] Limited Liability Company
- [ ] Other

## PLLC please check Federal Tax Identification:
- [ ] Name
- [ ] State
- [ ] Office
- [ ] Other

## Nevada Business Identification #: (11 digits)
- [ ] Name
- [ ] State
- [ ] Code
- [ ] Other

## Nevada Location:
- [ ] Name
- [ ] Address
- [ ] City, State, Zip Code
- [ ] Other

## Telephone Number:
- [ ] Name
- [ ] Address
- [ ] City, State, Zip Code
- [ ] Other

## List All Owners, Partners, Corporate Officers, Managers, Members, etc. (If individual ownership, list only one owner.) Attach Additional Sheets if Needed.

1. **Last, First M.I.**
   - **Name:**
   - **Date of Birth:**
   - **Residence Address:**
   - **Residence Telephone:**

2. **Last, First M.I.**
   - **Name:**
   - **Date of Birth:**
   - **Residence Address:**
   - **Residence Telephone:**

3. **Last, First M.I.**
   - **Name:**
   - **Date of Birth:**
   - **Residence Address:**
   - **Residence Telephone:**

## Check All That Apply to Your Business
- [ ] Mining
- [ ] Service
- [ ] Agriculture
- [ ] Manufacturing
- [ ] Transportation
- [ ] Retail Sales - Used
- [ ] Rental of Leasing
- [ ] Financial Institutions
- [ ] Health Services
- [ ] Gaming
- [ ] Bar and/or Restaurant
- [ ] Other

## Describe in Detail the Nature of Your Business in Nevada. Include Product Sold, Labor Performed and/or Services Rendered.

State the approximate percentage of sales or revenues resulting from each item. Example: Retail sale of major appliances to public 60%, repair 40%

## If You Have Acquired A Nevada Business, Changed Ownership/Business Entity, or Have a New Federal Tax Number, Complete This Section:

1. **Date Acquired/changed:**
2. **Name(s) of Previous Owner(s):**
3. **Name(s) of Current Owner(s):**
4. **Previous Owner(s) Business Name:**
5. **Previous Owner(s) Address:**
6. **City, State, Zip Code:**
7. **Telephone Number:**

## Signatures:
- [ ] *Signature Responsible Party/Corporate*
- [ ] *Signature Responsible Party/Corporate*
- [ ] *Signature Responsible Party/Corporate*
- [ ] *Signature Responsible Party/Corporate*

*Signatures must be that of a responsible party.*

I declare under penalty of perjury that the information provided is true, correct and complete to the best of my knowledge and belief and acknowledge that pursuant to NRS 233.330, it is a category C felony to knowingly offer any false of forged instrument for filing.

**Signature Responsible Party/Corporate**
- [ ] Name and Title
- [ ] Date

**Signature Responsible Party/Corporate**
- [ ] Name and Title
- [ ] Date

**Signature Responsible Party/Corporate**
- [ ] Name and Title
- [ ] Date

**Signature Responsible Party/Corporate**
- [ ] Name and Title
- [ ] Date

*Keep a Copy for your Records*

APP.01.00

Revised 11-01-12
Electronic Filing Requirements

All payments of money for taxes, interest, penalties or other obligations in the aggregate amount to $10,000 or more MUST be made by electronic transfer.

For more information and to register and pay your taxes, go to:

https://www.nevadatx.nv.gov/web
Nevada’s Sales & Use Tax rates vary by county. Taxes are applied in the county the transaction takes place, or the county the delivery is made.

### Nevada’s Largest Cities
- Las Vegas * Clark Co. * 8.1%
- Henderson * Clark Co. * 8.1%
- Reno * Washoe Co. * 7.725%
- Laughlin * Clark Co. * 8.1%
- Stateline (Tahoe) * Douglas Co * 7.1%
- Carson City * Carson Co. * 7.475%

### NOTE: Nye County tax rate will increase to 7.60% effective 4/1/2014

#### Rates effective 7/1/2013 - expire 6/30/2015 (SB 475)

<table>
<thead>
<tr>
<th>New Tax Rates by County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Churchill – 7.600%</td>
</tr>
<tr>
<td>Clark – 8.100%</td>
</tr>
<tr>
<td>Douglas – 7.100%</td>
</tr>
<tr>
<td>Elko – 6.850%</td>
</tr>
<tr>
<td>Esmeralda – 6.850%</td>
</tr>
<tr>
<td>Eureka – 6.850%</td>
</tr>
<tr>
<td>Humboldt – 6.850%</td>
</tr>
<tr>
<td>Lander – 7.100%</td>
</tr>
<tr>
<td>Lincoln – 7.100%</td>
</tr>
<tr>
<td>Lyon – 7.100%</td>
</tr>
<tr>
<td>Mineral – 6.850%</td>
</tr>
<tr>
<td>Nye – 7.100%</td>
</tr>
<tr>
<td>Carson City – 7.475%</td>
</tr>
<tr>
<td>Pershing – 7.100%</td>
</tr>
<tr>
<td>Storey – 7.600%</td>
</tr>
<tr>
<td>Washoe – 7.725%</td>
</tr>
<tr>
<td>White Pine – 7.725%</td>
</tr>
</tbody>
</table>
SALES TAX RETURN

• Reporting frequency is monthly. The tax is due and payable on or before the last day of the next month.

• If a business has sales of less than $10,000 per month, then the filing frequency may be quarterly.

• If a retailer had sales of less than $1,500 in the immediate proceeding year they may request their filing frequency to be changed to annually.

• Retailers are allowed an allowance of 0.25% of the taxes collected for the cost of collecting the tax only if they file their return timely. This is referred to as a collection allowance.

NRS 372.370        NRS 372.380
This form is a universal form that will calculate tax, interest and penalty for the appropriate periods if used online.

Note all counties are listed with their current tax rates. Sales shipped to different counties are to be reported on the appropriate county line.
SALES TAX EXEMPTIONS

• Sales to or by Exempt agencies or Government entities

• Out-of-state sales

• Sales for resale

• Services not associated with a sale of tangible personal property

• Installation labor and Repair labor
Exempt Sales – Records to Keep

- **Shipping documents**
  - out of state sales

- **Resale Certificates**
  - Selling to other retailers

- **Exemption letters**
  - Nevada National Guardsmen
  - Churches
  - Educational Organizations

- **United States and Nevada Governments**
  - Purchase orders
  - Copy of Governmental credit card
RESALE CERTIFICATE

I hereby certify that I hold valid seller's permit number 1000000000 and pursuant to chapters 372, 374 and 377 of the Nevada Revised Statutes; that I am engaged in the business of selling dresses; and that the tangible personal property described in the second paragraph of this certificate, which I purchase from: ABC DRESSES, will be resold by me in the form of tangible personal property. I further certify that in the event any of the property is used for any purpose other than retention, demonstration or display while I am holding it for sale in the regular course of business, it is understood that I am required by chapters 372, 374 and 377 of the Nevada Revised Statutes to report it and pay the tax measured by the purchase price of the property.

Description of the property to be purchased:

Dresses, Belts

Purchaser XYZ DRESSES
Address 123 Anywhere Dr

Signature of Authorized Purchaser

Dated 6-20-11
at Henderson, Nevada
2013 Changes

• MBT Exempt Wages change to $85,000 from $62,500 (SB 475)

• Potential Sales tax increases in Clark (SB 1 of special session) and Washoe Counties (AB 46)

• Food Comps and Employee Meals exempt from taxation (AB 506)

• Bad debts allowed for affiliated non-retailers (SB 52)
Marijuana Dispensing bill approved by Governor (SB 374) [the Department will only administer the excise taxes on the sale of the Marijuana. The Health Division of the Department of Health and Human Services will administer the new law.]

Most taxes that were to sunset extended to 2015 (SB 475)

Department will begin issuing Technical Bulletins on various tax issues (SB 7)

Wholesale price on tobacco products other than cigarettes clarified (SB 8)
Sales Tax
For sales and use tax, references are to Chapters 372, 374, 360 and 360b
SALES TAX

Sales tax is due on the sale for retail of Tangible Personal Property which may be:

- Seen
- Weighed
- Measured
- Felt
- Touched or is
- In any other manner perceptible to the senses.

The sales of all tangible personal property is taxable unless specifically exempted by statute

NRS 360B.095
SALES TAX

What’s taxable?

- Gross Receipts
- Delivery Charges (*sometimes*)
- Not All Discounts
- Tax inclusive
- Services associated with a sale
ADJUSTING SALES TAX

Sales tax included in the price of the sale
– Report the gross sales amount less the amount allocated to tax.

CALCULATION: (Assume Clark County Sale)
Assume: $1,000 sale includes tax
Divide the $1,000 by our tax rate---

\[
\frac{1,000}{1.081}\\
\]

Report in Column A: $925.07

PROOF: $925.07 \times 8.1\% = $74.93
$925.07 + $74.93 = $1,000.00
TIPS, TOKES, GRATUITIES

- Tips given by a customer to a server as a return for services rendered are not subject to tax.

  **HOWEVER**

- If the Tip is mandatory (example: large parties) It becomes part of the TAXABLE sale.
VENDING MACHINES

• If you own the vending machine:
  Cannot take tax out of selling price
  **unless** there is a sign indicating
  sales tax is included
  
  NAC 372.760 ~ NAC 372.520

• Must have a permit
  clearly visible on machine
  
  NAC 372.500(3)

• Must provide the Department with a list of vending machines; must update the list whenever machines are removed or placed in different locations.
FABRICATION LABOR

• Labor used to ..........change tangible personal property to another form and billed in a retail sale.....

Taxable!
REFURBISH LABOR

• Labor used to refurbish an item of tangible personal property to restore or refit it for the use for which it was originally produced...........

Not Taxable!

NAC 372.380(1b)
Over-collected Sales Tax

- Return to the customer

OR

- Remit to the Department of Taxation

NAC 372.765
Absorption of Tax

• Taxpayers **CANNOT** advertise they will pay the sales tax *(NRS 372.115)*

• Taxpayers **CAN** state that “sales tax is included…” *(NAC 372.760)*

• If there is no such statement on the invoice or a sign that states that sales tax is included, then the sale is **subject to taxation on the entire amount or portion that is separated out relating to tangible personal property** *(NAC 372.760)*
USE TAX

What is Use Tax?

Use Tax is a mirror of the sales tax, same rate. The tax is meant to ‘even the competitive advantage’ that out of state vendors have when selling a product without tax, when a Nevada vendor must charge the tax. The tax is due on all tangible personal property brought into this state, for storage, use or other consumption in this state, and where Nevada sales tax has not been charged.
USE TAX

Who is required to be registered?

Any *business* who purchases tangible personal property without paying Nevada sales tax is required to be registered and report the use tax on the purchase.

Any *individual* who makes a large purchase without paying the tax should contact the Department to pay the tax.
USE TAX

What’s taxable?

• Contractors pay use tax on the building materials they use.

• Internet/Catalog Sales

• Purchases from out of state
This form is a universal form that will calculate tax, interest and penalty for the appropriate periods if used on-line.
Out of state purchases

• Materials purchased out of state for Nevada jobs are subject to Nevada tax.

• ‘Receiving’ tangible personal property by the end user in this state, which is enroute to another state, is subject to Nevada sales tax. *(NRS 360B.350)*
USE TAX

Computer Software

**Taxable** *(NAC 372.880):*
- Prewritten computer software *(NRS 360B.470) (including updates received via tangible means - C.D.s, etc.)*
- Licensing fees for Standard Prewritten programs

**Not Taxable:**
- Custom computer Software *(including updates/upgrades and support services) (NAC 372.875)*
- Custom programming services, separately stated *(NAC 372.875)*
- Delivered electronically *(or by Load and Leave) (NRS 360B.420) (downloaded software, digital books, ringtones, etc.)*
FREIGHT, TRANSPORTATION OR DELIVERY CHARGES

• Most charges for delivery are subject to sales and use tax

• **Effective May 22, 2009** charges for transportation, shipping or postage are no longer subject to Sales & Use Tax if they are separately stated on the invoice.

• Charges for handling, packing and crating as part of the delivery charge are taxable whether or not separately stated.

*NRS 360B.290, NRS 360B.425 and NRS 360B.480*
MODIFIED BUSINESS TAX
MODIFIED BUSINESS TAX

General – NRS 363B

Financial Institutions – NRS 363A
Who is required to be registered?

Any business who is required to pay a contribution for unemployment insurance

except ........

- Indian Tribe
- Nonprofit organization under 26 U.S.C. 501(c)
- Political subdivision

NRS 363A.030
NRS 363B.030
MODIFIED BUSINESS TAX

What to report?

- Wages taken from Employment Security Department (ESD) form NUCS 4072, line 3

What to deduct?

- Deductions for employer-paid health insurance allowed

NRS 363A.130
NRS 363B.110
NRS 363A.135
NRS 363B.115
Employer-paid insurance deduction includes:

1. **Self-insured employer**: all amounts paid for claims, premiums, stop-loss, if the program is a qualified employee welfare benefit plan

2. Premiums for a policy of health insurance for employees

3. **Payments to a Taft-Hartley trust**

   NRS 363A.135
   NRS 363B.115
Employer-paid insurance deduction DOES NOT include:

1. Amounts paid by the employee
2. Workmen’s compensation insurance
3. Life insurance
4. Disability

NRS 363A.135
NRS 363B.115
MODIFIED BUSINESS TAX

Categories and Rates *(EFFECTIVE 7/1/2013)*

General Business……………………
- Taxable wages up to $85,000 in a calendar quarter
  - *No tax*...*but a return MUST still be filed*
- Taxable wages over $85,000 in a calendar quarter
  - 1.17% *(Effective 7/1/2013, and expires on 6/30/2015)*

Financial Institutions………………… 2.00% *(SB 475)*
This form is a universal form that will calculate tax, interest and penalty for the appropriate periods if used on-line.
COMMON ERRORS

► Wages not same as reported to Employment Security Department

► Forgot to take health insurance deduction

► Took health care deduction for insurance not authorized by NRS 363A or NRS 363B

► Took health care deduction for portion of premium that the employee paid.

► Filing multiple returns due to new tiered rate
CANCELING YOUR ACCOUNT

Closing your account:
If you close or sell your business, you must contact the Department. You can cancel your account by:

• contacting us by phone
• written correspondence
• visiting us at one of our 4 district offices.

However you choose to contact us, certain information will be required in order to expedite the canceling of your account and refund any security deposit or credits to which you may be entitled.
Streamlined Tax

• Streamlined Tax is an effort to have similar tax laws throughout the country.

• Nevada was officially accepted as a full member on 4/1/2008. NRS 360B was added by the 2005 legislative process for this purpose.

• Some existing statutes under Chapter 372 of the NRS will be affected, with changes deemed to be retroactive to 2008.
Streamlined Tax

• Bundled Transactions
  – A retail sale of two or more products in which only some of the products are normally taxable, distinct and identifiable from each other BUT sold together for a single non-itemized/non-negotiable price, then…..
  – It’s considered BUNDLED and…. the entire bundle is subject to sales tax!

NAC 372.045
Streamlined Tax

• Bundled Transactions
  – Primary reason for transaction is a sale of a service, then…..
  – the transaction is NOT considered bundled AND…..
    Use tax is due on the cost of the tangible personal property using the cost of the item to the retailer as the use taxable measure.

NAC 372.045
LEASES

Streamlined Tax changed leases:

• Now sales tax instead of use tax
• Re-rentals ok
• Burden on lessee
• Take no action = MUST tax on rental stream
• Leases between related parties must be at fair rental value
LIVE ENTERTAINMENT TAX (non-gaming)
LIVE ENTERTAINMENT TAX
(Non-Gaming)

This is a Two-Tiered Tax Rate due monthly.
No registration fee required.

10% tax rate applicable-Seating Capacity (200-7499) (NRS 368A.200(a))
– On admission and cover charges, food, refreshments and merchandise sales. This is in addition to applicable sales tax on food, refreshments and merchandise sold.

5% tax rate applicable-Seating Capacity (7500 and over) (NRS 368A.200(b))
– On admission and cover charges only for Live Entertainment taking place at a facility with maximum seating capacity of 7,500 or more.

No tax-non-gaming facilities with a seating capacity of less than 200

NRS 368A
**Live entertainment includes the following activities provided by professional or amateur persons:**

- Live music or vocals
- Dancing by performers
- Acting/drama
- Acrobatics/stunts
- Animal Stunts
- Athletic or sporting contests*
- Comedy or magic shows
- Any or all of the above

NRS 368A.090(2)(a)
Live entertainment does NOT include the following activities:

- Boxing contest/exhibition governed by the **Nevada Athletic Commission** (NRS 467)
- Provided by or for entities formed under IRS 501(c)
- Entertainment prohibited to be taxed under other laws
- Entertainment provided at trade shows
- Food/product demonstrations or craft show
- NASCAR racing events (as of 7/1/07)
- Baseball event at a stadium in this state (as of 7/1/07)
- Live entertainment in outdoor area with no admission

*NRS 368A.200(5)*
Website Information
http:\\tax.nv.gov

• Excise Taxes (Tire, Liquor, Short-term Lease, tobacco, mining, etc.)

• 2013 Legislative Tax Changes

• FAQ’s (+ additional powerpoints on other tax issues)

• Quick Links (Specific tax information, updates)

• Links (Nevada home page, IRS, ESD, DMV, etc.)
ASK THE ADVISOR

Several tax presentations are available on the Department’s website.
These presentations are in the form of power-point or PDF files and can be downloaded.

Go to the Department website, click on the following links:

- **FAQ’s**
- **Helpful Tax Powerpoints**
- Select one of the presentations

*more*
ASK THE ADVISOR

- Basic Training
- Online-Filing-Registration
- Repairs & Delivery Charges
- Medical
- Construction
- Modified Business Tax
- Leases
- Other Tobacco Products
- The Audit Process
- Short term leases
- Automotive

Tax information on specific issues which are available on the Department’s website.
Written Response

Most tax issues can be addressed by the Department of Taxation. Please be advised that any responses to inquiries made to the Department are only binding if put in writing, such as Nevada Revised Statutes, Administrative Code, Nevada Tax Notes, or in written correspondence.
DEPARTMENT OF TAXATION

Contact Information

Our offices are open Monday-Friday
8:00 AM – 5:00 PM

Contact our CALL CENTER at
• 1-866-962-3707

Southern Nevada:
Grant Sawyer Office Building
555 E. Washington Avenue
Suite 1300
Las Vegas, NV 89101

OR

2550 Paseo Verde Parkway
Suite 180
Henderson, NV 89074

Carson City:
1550 College Parkway
Suite 115
Carson City, NV 89706-7937

Reno:
4600 Kietzke Lane
Building L, Suite 235
Reno, NV 89502