

**ADOPTED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R134-13

Effective October 24, 2014

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

AUTHORITY: §1, NRS 360.759.

A REGULATION relating to taxation; establishing certain provisions relating to transferable tax credits for film and other productions; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law establishes a program for the issuance of transferable tax credits to producers of film, television and other media productions who satisfy certain criteria and apply for such credits on or before December 31, 2017. (NRS 360.758-360.7598) Under existing law, a producer applies for the transferable tax credits by submitting an application to the Office of Economic Development. The Office determines whether the producer is qualified for the credits and the amount of credits to be issued. (NRS 360.759-360.7594) Transferable tax credits issued by the Office may be applied to the gaming license fee administered by the State Gaming Control Board, certain taxes administered by the Department of Taxation or a combination of those fees and taxes. Under existing law, the Office must adopt regulations governing the issuance of transferable tax credits, and the Nevada Tax Commission must adopt regulations prescribing the manner in which transferable tax credits will be administered. (NRS 360.759)

This regulation specifies the manner in which the Department will receive notice of the issuance of transferable tax credits that will be applied to certain taxes administered by the Department and the manner in which those credits may be applied in tax returns filed with the Department. Under this regulation: (1) the Office must provide certain notices to the Department concerning the issuance of transferable tax credits and the amount of transferable tax credits to be applied to each of the taxes administered by the Department; and (2) notices must be provided to the Department when such credits are transferred. This regulation also provides that a return filed with the Department in which transferable tax credits are applied must be: (1) accompanied by a form provided by the Department that indicates the amount of credit to apply to the taxes due for that return; and (2) mailed to the Department at a certain address.

Section 1. Chapter 360 of NAC is hereby amended by adding thereto a new section to read as follows:

1. If the Office certifies the audit provided by a producer pursuant to paragraph (e) of subsection 3 of NRS 360.759 and determines that all other requirements for transferable tax credits have been met, at the same time that the Office notifies the producer that transferable tax credits will be issued, the Office shall notify the Department that the transferable tax credits will be issued. The notice must provide the name of the producer and the amount of transferable tax credits that will be issued.

2. Upon receipt of the irrevocable declaration filed by a producer pursuant to subsection 6 of NRS 360.759 to declare the amount of transferable tax credits that will be applied to each tax or fee set forth in subsection 1 of NRS 360.759, the Office shall forward to the Department a copy of the certificate of eligibility which:

(a) Identifies the amount of transferable tax credits to be applied to the taxes imposed by chapters 363A, 363B and 680B of NRS, segregated by the amount of credit to be applied to each of those taxes; and

(b) Accounts for all of the credits which will be applied to those taxes.

3. Within 5 calendar days after receiving notice from a producer of the transfer of transferable tax credits pursuant to subsection 6 of NRS 360.759, the Office shall notify the Department of all transferable tax credits transferred, segregated by each credit applied to the taxes imposed by chapter 363A, 363B or 680B of NRS. The notification must include, without limitation:

(a) Contact information for the current holder of the transferable tax credits and each person to whom the transferable tax credits will be transferred;

(b) The current state of residence of the current holder of the transferable tax credits and each person to whom the transferable tax credits will be transferred;

(c) The dollar amount of the transfer; and

(d) The proposed date of the transfer.

4. A holder of the transferable tax credits, other than a producer, who intends to transfer any credit applied to the taxes imposed by chapter 363A, 363B or 680B of NRS must notify the Department of all such credits to be transferred, segregated by each credit applicable to the taxes set forth in chapters 363A, 363B and 680B of NRS. The notification must include, without limitation:

(a) Contact information for the current holder of the transferable tax credits and each person to whom the transferable tax credits will be transferred;

(b) The current state of residence of the current holder of the transferable tax credits and each person to whom the transferable tax credits will be transferred;

(c) The dollar amount of the transfer; and

(d) The proposed date of the transfer.

5. A holder of transferable tax credits who is applying such a credit to an amount of taxes due pursuant to chapter 363A, 363B or 680B of NRS shall include with the applicable return a form provided by the Department that indicates the amount of credit applied to the taxes due for that return.

6. A return in which any transferable tax credits are applied to a tax due pursuant to chapter 363A, 363B or 680B of NRS must be mailed to the Department at the following address:

Film Tax Credit Return Processing

Nevada Department of Taxation

1550 College Parkway, Suite 115

Carson City, NV 89706

7. The amount of credit claimed in a single tax return may not exceed the amount of tax due for that return.

8. As used in this section:

(a) "Certificate of eligibility" means a certificate of eligibility for transferable tax credits.

(b) "Office" means the Office of Economic Development.

(c) "Transferable tax credits" means transferable tax credits issued by the Office pursuant to NRS 360.759.