

**TAXPAYERS’
BILL OF RIGHTS**



**NEVADA
DEPARTMENT OF TAXATION**

Taxpayers' Bill of Rights

This publication was prepared by the Nevada Department of Taxation with the cooperation of the Nevada Taxpayers Association and will be updated as changes in law and regulation require. The Department of Taxation expresses its appreciation for the editorial assistance provided by the Nevada Taxpayers Association in producing this publication, which hopefully will benefit the taxpayers of Nevada.

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Published by the Nevada Department of Taxation

First Printing – Fall 1991

Second Printing – Summer 1993

Third Printing – Spring 1996

Fourth Printing – Summer 1997

Fifth Printing – Winter 2000

Sixth Printing – Winter 2007

Seventh Printing – Fall 2011

Eighth Printing – Fall 2012

Ninth Printing – Winter 2012

INTRODUCTION

This pamphlet sets forth the Taxpayer's Bill of Rights with explanations and an introduction to the services provided by the Department of Taxation. Our philosophy is simple: Most people want to pay what they owe on time and in full, and an important part of our job is to explain the taxpayer's responsibilities as clearly as possible. Taxes may be inevitable, but paying them should not be an overly confusing or intimidating experience.

Understanding how the system works is every taxpayer's right and responsibility. Our goal is to take the mystery out of tax administration and when that happens, everyone benefits — taxpayers and tax administrators alike.

This is also an introduction to how the system works if you have a problem with your taxes or if you disagree with how much the Department says you owe in taxes. Well informed taxpayers can get faster results by knowing their rights and exercising them quickly.

Taxpayers need to know what will happen if they do not pay taxes. State law provides for an escalating series of sanctions - from interest and penalty charges to court actions - designed to ensure that everyone pays his or her fair share of taxes. The enforcement tools, carefully used, encourage voluntary compliance while assuring honest taxpayers that they are not shouldering an unfair burden.

This pamphlet may not be able to provide you with all the detailed information that you need to answer a particular question or solve a specific problem. Therefore, telephone numbers and addresses are listed at the back of this pamphlet and we urge you to contact the Department directly if you have further questions or comments.

The rights set forth in this pamphlet cover those taxes and/or tax provisions administered by the Department of Taxation under NRS Title 32, "Revenue and Taxation".

Reference:

NRS Chapter 372, Sales and Use Taxes
NRS Chapter 374, Local School Support Tax
NRS Chapter 360, General Provisions
NRS Chapter 363A & B, Modified Business Tax
NRS Chapter 368A, Live Entertainment Tax
NRS Chapter 444A, Tire Tax
NRS Chapter 370, Tobacco
NRS Chapter 361, Property Tax
NRS Chapter 375, Real Property Transfer Tax
NRS Chapter 362, Net Proceeds of Minerals

For a complete list of administered taxes visit the Department's Website — <https://tax.nv.gov>

TAXPAYERS' BILL OF RIGHTS

NRS 360.291

The Legislature has declared that each taxpayer has the right:

1

To be treated by officers and employees of the Department with courtesy, fairness, uniformity, consistency and common sense.

Every taxpayer is liable for the correct amount of tax that is due under the law. The Department endeavors to apply the law consistently and fairly to all taxpayers and treat them with courtesy and consideration. These criteria are taken into account when evaluating an employee's performance. The Department shall not evaluate any employee of the Department on the basis of assessments or collections from taxpayers. Any taxpayer who is not treated with fairness, courtesy and consideration by any Department employee, should contact the employee's supervisor with their concerns.

2

To a prompt response from the Department to each communication from the taxpayer.

The Department tries to return telephone calls by the end of each day, but that is not always possible. However, we will return each call within 48 hours (weekends excluded). The Department provides a written response to a written request by the taxpayer within 30 days after it receives the request. However, when lengthy research is required that prohibits responding in 30 days, the taxpayer will be advised. A response will be provided when the information becomes available.

3

To provide minimum documentation and other information as may reasonably be required by the Department to carry out its duties.

The Department is mandated to ask only for information that it needs to do its job, and no more. All forms prepared by the Department ask for a minimum of information and have attached instructions to help the taxpayer provide that information.

To support Sales/Use Tax and various Excise Tax remittances, a taxpayer's records must include the normal books of accounting, together with all receipts, invoices, bills, cash register tapes and any other documentation of original entry supporting the entries in the books of accounts.

To support remittances of the Modified Business Tax, a taxpayer's records must include the necessary payroll records and all supporting documentation if the medical deduction is claimed.

Records should be kept for a minimum of four years from the date of filing. Any taxpayer who has failed to register with the Department will be required to provide records for not less than eight years.

Failure to maintain such records can be considered evidence of negligence or intent to evade the tax and may result in the imposition of penalties as provided by law. The burden of proof falls upon the taxpayer to show a deficiency has been incorrectly assessed.

4

To written explanations of common errors, oversights and violations that taxpayers experience and instructions on how to avoid such problems.

All billings from the Department have a written explanation of the reason for the billing. Department employees are always willing to help with specific problems and make helpful suggestions so the taxpayer can correct any existing problems. A written request for help or information will be answered in writing by the Department.

Please note that the Department is not bound by answers given by staff to taxpayers in telephone conversations. Therefore, if the information you are requesting concerns how the tax is to be collected or applied, the request should be in writing and should include as much detail as possible of the specific circumstances. The Department's written response can be used to support the taxpayer's position should questions arise in an audit.

Most types of common errors are also addressed in the Department's quarterly publication, "Nevada Tax Notes," which is available on the Department's Website to all taxpayers.

5

To be notified in writing, by the Department whenever its officer, employee or agent determines that the taxpayer is entitled to an exemption or has been taxed or assessed more than is required by law.

Statute requires the Department to provide, if no other taxes are due, a refund or credit, to the taxpayer on all overpayments of taxes that the Department determines as a result of an audit or other examination of returns sent in by the taxpayer. The taxpayer will be notified in writing of the right to a refund or credit at the address the taxpayer provided to the Department.

6

To written instructions indicating how the taxpayer may petition for:

- (1) An adjustment of assessment;***
- (2) A refund or credit for overpayment of taxes, interest or penalties; or***
- (3) A reduction in or the release of a bond or other form of security required to be furnished pursuant to the provisions of Title 32 that are administered by the Department.***

If the Department makes a determination that taxes are owed by a taxpayer, by law the written notice of that determination must be served either personally or by mail. The Department will provide, a form and written instructions with the notice to the taxpayer on the procedure to file a petition in order to contest the Department's determination that taxes are owed. Please note that generally there is a 45-day time limit on filing a petition with the Department to contest a determination that tax is owed with the exact date for filing the petition stated in the notice. The petition must be in writing and include the reasons why the taxpayer is contesting the determination that tax is owed. Including supporting documentation may be helpful when filing the petition. If the petition is mailed, the Department will consider the postmark date stamped on the envelope by the U.S. Postal Service as the date of filing the petition. If the petition is not filed within the time allowed, the Department's determination that tax is owed becomes final. Please call the Department if you have any questions on the procedure for contesting the determination that tax is due.

With respect to a taxpayer's claim that taxes were overpaid, please see Section 7.

The law provides that the Department may, reduce or waive penalties and/or interest that may have accrued on delinquent taxes if the delinquency was a result of circumstances beyond the taxpayer's control, occurred despite the exercise of ordinary care, and without intent. A petition to waive or reduce penalties or interest must be made in writing, signed under penalty of perjury, and include the reasons the taxpayer is seeking the reduction or waiver. The form for this purpose can be found on the Department's website: <https://tax.nv.gov> . Scroll down to "Common Forms," then go to "General Purpose."

7

Except as otherwise provided in NRS 360.236 and NRS 361.485, to recover an overpayment of taxes promptly upon the final determination of such an overpayment.

A taxpayer may petition the Department for a refund or credit of taxes believed to have been overpaid. The petition must be in writing and be accompanied by all relevant documentation to support the claim that taxes have been overpaid and a refund or credit is due. Depending on the type of tax involved, Nevada law provides for various limits on the time within which a claim for refund or credit may be made. Statute requires the Department to offset any refund against any other tax or fee due from the taxpayer. Contact the Department for specific information.

Once the Department makes the determination that an overpayment of taxes was made, the taxpayer has a choice of receiving either a credit towards future taxes due or a refund check. The taxpayer must notify the Department in writing as to which option is wanted. Please note that a refund by check typically takes time to process because the checks must be requested from another State agency.

8

To obtain specific advice from the Department concerning taxes imposed by the State.

The Department of Taxation has a dual role, collection of taxes for the State, and taxpayer assistance. It is each employee's responsibility to assist taxpayers with information concerning the laws of the State, to inform taxpayers of procedures to follow to comply with these laws and to give assistance freely and willingly where it is requested. It is the Department's goal to resolve any situation before it becomes a problem. In addition the Department offers many workshops for the public and will provide specific seminars for any taxpayer when requested.

The Department will respond to questions over the telephone; however, the Department is not bound by the answers given to taxpayers, by staff, in telephone conversations. Therefore, if the information you are requesting concerns how the tax is to be collected or applied, the request should be in writing and should include as much detail as possible of the specific circumstances. The Department's written response can be used to support the taxpayer's position should questions arise in an audit.

9

In any meeting with the Department including an audit, conference, interview or hearing:

- (1) To an explanation by an officer, agent or employee of the Department that describes the procedures to be followed and the taxpayer's rights thereunder;***
- (2) To be represented by himself or anyone who is otherwise authorized by law to represent him before the Department;***
- (3) To make an audio recording using the taxpayer's own equipment and at the taxpayer's own expense; and***
- (4) To receive a copy of any document or audio recording made by or in the possession of the Department relating to the determination or collection of any tax for which the taxpayer is assessed, upon payment of the actual cost to the Department for making the copy.***

These rights are self explanatory and are included in the regulations of the Department.

10

To a full explanation of the Department's authority to assess a tax or to collect delinquent taxes, including the procedures and notices for review and appeal that are required for the protection of the taxpayer. An explanation which meets the requirements of this Section must also be included with each notice to a taxpayer that an audit will be conducted by the Department.

The Department's authority to assess the taxes it administers, and collect those taxes, is contained in various provisions of *Nevada Revised Statutes* (NRS) and the *Nevada Administrative Code* (NAC). The regulations and statutes include the rights and remedies of taxpayers to contest the assessment of taxes against them. The form for this purpose can be found on the Department's website: <https://tax.nv.gov> . Scroll down to "Audit," then go to "Appeal Procedures." Also, upon request the Department can provide taxpayers with a copy of the applicable statutes and/or regulations. In the case of property taxes, please see the "Property Tax" section at the end of this document.

11

To the immediate release of any lien which the Department has placed on real or personal property for the nonpayment of any tax when:

- (1) The tax is paid;***
- (2) The period of limitation for collecting the tax expires;***
- (3) The lien is a result of an error by the Department;***
- (4) The Department determines that the taxes, interest and penalties are secured sufficiently by a lien on other property;***
- (5) The release or subordination of the lien will not jeopardize the collection of taxes, interest and penalties;***
- (6) The release of the lien will facilitate the collection of tax, interest or penalties; or***
- (7) The Department determines the lien is creating an economic hardship.***

The rights as listed above show the Department's requirements on a lien placed for nonpayment of taxes. The taxpayer is entitled, in most cases, to notification before a lien is filed against them. A tax lien is a public notice of debt and attaches to the taxpayer's property and his or her right to hold property. It can be filed for continued failure to pay or to establish a method of payment. Since a lien is a public record, it may harm a taxpayer's credit rating.

12

To the release or reduction of a bond or other form of security required to be furnished pursuant to the provisions of Title 32 by the Department in accordance with applicable statutes and regulations.

Provided there are no taxes due, security will be returned, released or allowed to expire when a taxpayer closes his or her Sales/Use Tax account. If it is determined that taxes are owed and not paid by the taxpayer, a claim will be made on the security. In the case of a cash deposit, any excess over and above the amount due will be refunded to the taxpayer.

Also, if a taxpayer has security on file for his or her Sales/Use Tax account, Department regulations provide that a waiver from the security may be granted under the following conditions:

- a) The taxpayer must have a perfect record of timely reporting for 36 consecutive months;
- b) The taxpayer must request a waiver of the security in writing to the Director of the Department.

c) On corporations, corporate officers must sign a personal guarantee.

Upon written request, the Department may reduce the amount of security required in proportion to a reduction in taxable sales.

13

To be free from investigation and surveillance by an officer, agent or employee of the Department for any purpose that is not directly related to the administration of the taxes administered by the Department.

It is the policy of the Department that each taxpayer is to be treated with respect and to ensure that his or her rights as a citizen of Nevada and the United States are not infringed upon. No officer or employee of the Department may use his or her position for purposes that are not directly related to the proper administration of the provisions of this Title.

14

To be free from harassment and intimidation by an officer, agent or employee of the Department for any reason.

It is a policy of the Department that no taxpayer may be harassed or intimidated by any employee. Statute sets the limits of authority, and procedures inform employees how to perform their duties. The Department provides training, instruction, supervision and review of its employees in the performance of their duties. Abuse of any taxpayer shall not be tolerated, and if a taxpayer is not treated fairly and with courtesy by any Department employee, he or she should contact the employee's supervisor with any concerns.

15

To have statutes imposing taxes and any regulations adopted pursuant thereto construed in favor of the taxpayer if those statutes or regulations are of doubtful validity or effect, unless there is a specific statutory provision that is applicable.

16

The provisions of this Title and Title 57 of NRS and NRS 244A.820, 244A.870, 482.313 and 482.315 governing the administration and collection of taxes by the Department must not be construed in such a manner as to interfere or conflict with the provisions of this Section or any applicable regulations.

17

The provisions of this Section apply to any tax administered, regulated and collected by the Department pursuant to the provisions of this Title and Title 57 of NRS and NRS 244A.820, 244A.870, 482.313 and 482.315 and any regulations adopted by the Department relating thereto.

ADDENDUM

PROPERTY TAXES

a) GOVERNANCE

The Department exercises general supervision and control over the entire revenue system of the State (NRS 360.200). In terms of property tax, the Department directly appraises the property of an inter-state or inter-county nature (NRS 360.210; 361.320); determines the net proceeds of minerals (NRS 362.100); and bills, collects and distributes the property tax for centrally–assessed property and net proceeds taxes. The Department also appraises and assesses all mine facilities and equipment (NRS 362.100) but does not bill, collect or distribute the property tax for mine facilities. Instead, the assessed values of mine property are transmitted to the counties, who then bill, collect and distribute the property tax.

The County Assessor is an elected official who discovers, lists and determines the taxable value of all real and personal property in his or her county, except property to be valued by the Department (NRS 361.260). For real property not reappraised in the current year, the Assessor also determines an assessed value by applying land and improvement factors approved by the Commission (NRS 361.260; 361.261). The Assessor establishes standards for appraising and reappraising land (NRS 361.260).

The County Treasurer is an elected official who bills and collects all taxes assessed upon the real property tax roll (NRS 361.480; 361.475). In certain cases, the County Assessor bills and collects property taxes for personal property (NRS 361.483; 361.5605). The County Treasurer manages the collection of delinquent taxes and the seizure and sale of property in the event taxes remain unpaid (NRS 361.5648 through 361.595).

If you have questions concerning:

- Your appraisal assessment or exemptions, contact the County Assessor's Office; *
- The payment of your property taxes, contact the County Treasurer's Office; *
- Your tax rate, contact your County Finance Officer. *

*Links to all County Assessor and County Treasurer offices can be found on the Department's website:
<https://tax.nv.gov>

b) EXEMPTIONS

Property Tax exemptions are provided to persons meeting certain requirements such as surviving spouses, orphans, veterans, disabled veterans, blind persons or for certain types of property.

Filing for exemptions must be done within specific time periods. For information call your local County Assessor's Office or the Department.

c) APPEAL OF PROPERTY TAX ASSESSMENTS

Each County Assessor mails to each property owner a written notice of the value of his property in the months of November and December.

If you believe the valuation is incorrect, you may appeal to your local County Board of Equalization. The appeal dates vary depending on the type of property being appealed. The County Assessor can provide you with additional information on an appeal.

Any taxpayer who appealed to the County Board of Equalization, and who does not agree with the determination, may then file an appeal with the State Board of Equalization. The appeal must be filed not later than March 10 of each year. Forms for appeal can be found on the Department's website: <http://tax.state.nv.us>. Scroll down to "Assessment Standards," then go to "DOAS Publications and Forms Page, then continue down the page to "State Board Forms/Publications."

d) APPEAL OF PROPERTY TAX ABATEMENTS OR WAIVERS OF PENALTY AND INTEREST

The Nevada Tax Commission may hear the appeals of taxpayers in the event the county treasurer or county assessor has denied relief from interest and penalties imposed when the taxpayer has failed to make a timely return or payment of the tax. (NRS 361.4835) The Commission also has a process in place to hear appeals of taxpayers denied an abatement of tax liability. Once written notice of an appeal is received by the Commission, the appeal is assigned to a hearing officer. The hearing officer makes recommendations to the Commission about whether the abatement should be granted, and the Commission may adopt, modify or reverse the hearing officer's decision.

DEPARTMENT OF TAXATION

TITLE 32 TAXES

Sales and Use Tax – NRS 372, 374, 377

Modified Business Tax – NRS 363A & B

Call Center _____ (866) 962-3707

Excise Taxes

Tire Tax – NRS 444A

Live Entertainment Tax – NRS 368A

Intoxicating Liquor License and Tax – NRS 369 & 597

Cigarette Tax and Other Tobacco Products – NRS 370 & 370A

Insurance Premium Tax – NRS 680B

Estate Tax (No filing requirement after 12/31/04) – NRS 375A

Carson City _____ (775) 684-2000

Property Tax – NRS 361

Real Property Transfer Tax – NRS 375

Net Proceeds of Minerals Tax – NRS 362

Carson City _____ (775) 684-2100

Business License Fee – NRS 360 – Contact the Secretary of State – <http://www.nvsos.gov>

Tax on Fuels – NRS 365 & 373 – Contact the Dept. of Motor Vehicles – <http://www.dmvnv.com>

Who to Contact for More Information. . . .

DEPARTMENT OF TAXATION

Call Center 1 (866) 962-3707

District Offices — Address/Phone/Fax/Website

Main Office

Nevada Department of Taxation
1550 College Parkway, Suite 115
Carson City, NV 89706-7937
Phone: (775) 684-2000
Fax: (775) 684-2020

Las Vegas District Office

Nevada Department of Taxation
Grant Sawyer Building
555 E. Washington Avenue, Suite 1300
Las Vegas, NV 89101
Phone: (702) 486-2300
Fax: (702) 486-2372

Henderson Field Office

Nevada Department of Taxation
2550 Paseo Verde Parkway, Suite 180
Henderson, NV 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

Reno District Office

Nevada Department of Taxation
4600 Kietzke Lane
Building L, Suite 235
Reno, NV 89502-5049
Phone: (775) 687-9999
Fax: (775) 688-1303

Department's Website Address: <https://tax.nv.gov/>

Register and File Online: <http://www.nevadatax.nv.gov> for Sales and Use Tax; Modified Business Tax; and various Excise Taxes; or go to the Department's Website and click the "Online" Link for NevadaTax.

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