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MEMORANDUM

Date: April 17, 2023

To: Nevada Tax Commission

From: Shellie Hughes, Executive Director  
Yvonne M. Nevarez-Goodson, Chief Deputy Executive Director

Re: Special Meeting - Governor Lombardo's Executive Order 2023-003 (Regulation Review)

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Dear Commissioners,

The April 21, 2023, Special Meeting of the Nevada Tax Commission provides for the public hearing of the NTC to determine its recommendation to Governor Lombardo under Executive Order No. 2023-003. The Executive Order requires the Commission to freeze the issuance of new regulations, conduct a comprehensive review of existing regulations, and prepare a report to the Governor's Office by May 1, 2023.

Specifically, the Executive Order requires the Commission to recommend at least 10 regulations for removal and any amendments to other regulations under its jurisdiction that can be streamlined, clarified, reduced or otherwise improved. In particular, the review of regulations should consider whether the regulations are outdated, result in unintended consequences, create conflicts, or impose an unnecessary burden on citizens, businesses or government entities. This regulatory review is intended to identify and otherwise repeal, streamline or clarify provisions to emphasize the economic potential of the State.

The Department of Taxation will prepare the report to the Governor based on the direction of the Commission for the regulations which it recommends for repeal or amendment under this Order.

This Executive Order has also frozen all previously proposed regulations pending specific approval by the Governor's Office, which may be granted under certain exemptions, such as regulations that affect public health, safety and security, are necessary in the pursuit of federal funds and certifications, affect the application of powers, functions and duties essential to the operation of the executive branch agency, board or commission, affect pending judicial deadlines, or are necessary to comply with federal law.

As it relates to the Commission, the Department has identified 27 Chapters of the Nevada Administrative Code (“NAC”) that include numerous sections which were adopted by and under the jurisdiction of the Commission. These chapters include:

- 1) 360 Revenue and Taxation: General Provisions
- 2) 361 Property Tax
- 3) 361A Taxes on Agricultural Real Property and Open Space
- 4) 362 Taxes on Patented Mines and Proceeds of Minerals
- 5) 363A Taxes on Financial Institutions
- 6) 363B Business Tax
- 7) 363C Commerce Tax
- 8) 363D Tax on Gross Revenue of Gold and Silver Mining Businesses
- 9) 364 Tax on Rental of Transient Lodging
- 10) 368A Live Entertainment Tax
- 11) 369 Intoxicating Liquor: Licenses and Taxes
- 12) 370 Tobacco: Licensing and Taxes; Manufacturers and Wholesale Dealers
- 13) 372 Sales and Use Tax
- 14) 372A Tax on Controlled Substances
- 15) 372B Taxes on Passenger Carriers
- 16) 374 Local School Support Tax
- 17) 375 Taxes on Transfers of Real Property
- 18) 375A Tax on Estates
- 19) 377 City-County Relief Tax
- 20) 387 Financial Support of School System
- 21) 444A Programs for Recycling
- 22) 482 Motor Vehicles and Trailers: Licensing, Registration, Sales and Leases
- 23) 482C Peer to Peer Car-Sharing Programs
- 24) 490 Off-Highway Vehicles
- 25) 585 Drugs and Cosmetics - Taxation of Amygdalin and Procaine Hydrochloride
- 26) 680B Insurance: Fees and Taxes
- 27) 701A Energy-Related Tax Incentives

The Department developed a comprehensive spreadsheet that identifies every regulation within every chapter under the Commission’s jurisdiction. These spreadsheets were provided to Department staff and the public and stakeholders to identify any regulations for discussion and/or recommendation under the Executive Order. They are also available to the Commission for its review of any provisions identified for repeal or amendment.

The Department’s staff has reviewed the regulations within these chapters to make certain recommendations. Moreover, on April 7, 2023, the Department staff held a workshop with interested stakeholders to obtain feedback for the Commission on this Project. Various stakeholders provided the Department with written suggestions and/or public comment for the repeal and amendment of various sections of NAC.

At the hearing on April 21, 2023, the Department will present the recommendations from Department staff and stakeholders, and the Commission will be responsible for approving or declining these recommendations, and/or directing any other provisions for repeal or amendment of provisions within these chapters.

Upon the final direction of the Commission at its Special Meeting, Department staff will prepare the report required by the Executive Order on or before May 1, 2023.

Please note, this process will not result in automatic regulatory changes. Instead, the report will identify the Commission's recommendations to the Governor's Office. If the Governor's Officer thereafter directs the Commission to move forward with these regulatory changes, the Commission will thereafter have to comply with the provisions of NRS Chapter 233B to adopt/enact these regulatory changes.

NRS Chapter 233B requires, at a minimum:

- 1) The Commission/Department provide proposed language to the Legislative Counsel Bureau ("LCB") for amending, repealing or adding language in the NAC
- 2) The Commission/Department provide public notice of LCB's proposed draft language
- 3) The Department hold formal workshops
- 4) The Commission hold public hearings for adoption
- 5) The Legislative Commission approve any such adopted regulations

It is anticipated that the Governor's Office will provide guidance regarding the Commission's recommended regulatory changes after the report is filed in May.

As a summary, the Department has **3 lists** for the Commission's review: 1) Proposed repealed sections by the Department and Stakeholders; 2) Proposed amended sections by the Department and Stakeholders; and 3) Proposed amendments by Stakeholders, with Department Responses.

- 1) List #1: Proposed Repeal – **See Attached**
- 2) List #2: Proposed Amendments – **See Attached**
- 3) List #3: Proposed Amendments by Stakeholders with Department Responses – **See Below:**

- NAC 360.055 (ALJ Hearing Calendars)
- NAC 360.130 (Tax Commission Hearings – Recordings; Transcripts)
- NAC 360.170 (ALJ Decisions – Decision timelines and prevailing party status)
- NAC 360.175 (Posting of NTC Decisions on Website)
- NAC 360.185 (Interpretation of NRS 360.395 for Judicial Review)
- NAC 361.1177 (Adoption of Certain Publications – Property Appraisals)
- NAC 372.200 (Construction contractors – tangible personal property purchases)
- NAC 372.605 (Prepared food intended for immediate consumption)
- NAC 372.607 (Food sold at retail with eating utensils provided by seller)
- NAC 372.938 (Sales Tax on Lease/Rentals of Personal Property)

**Proposed Motions:**

In response to the Governor’s Executive Order No. 2023-003, I have the following motion(s):

- 1) I move to accept the recommendations presented by the Department and public stakeholders to recommend to the Governor the repeal of NAC provisions as identified by staff in List #1 of the materials and presentation to the Commission for this Meeting. (Refer to List #1 for specific NAC sections)
  
- 2) I move to accept the recommendations presented by the Department and public stakeholders to recommend to the Governor the amendment of NAC provisions as identified by staff in List # 2 of the materials and presentation to the Commission for this Meeting (Refer to List #2 for specific NAC sections)
  
- 3) With respect to the following provisions of the NAC that are identified in List #3 of the materials and presentation to the Commission as recommended for amendment by various public stakeholders, after reviewing the Department’s responses thereto, I move to recommend to the Governor as follows:
  - NAC 360.055 - Accept/decline the recommendation
  - NAC 360.130 - Accept/decline the recommendation
  - NAC 360.170 - Accept/decline the recommendation
  - NAC 360.175 - Accept/decline the recommendation
  - NAC 360.185 - Accept/decline the recommendation
  - NRS 361.1177 - Accept/decline the recommendation
  - NAC 372.200 - Accept/decline the recommendation
  - NAC 372.605 - Accept/decline the recommendation
  - NAC 372.607 - Accept/decline the recommendation
  - NAC 372.938 - Accept/decline the recommendation
  
- 4) I move to recommend to the Governor the repeal/amendment of the following additional sections of NAC: ???
  - Any additional provisions identified by Commissioners for inclusion in the Report to the Governor for repeal/amendment. If amendment, identify the specific amendment.
  
- 5) I move to authorize and direct staff of the Department to prepare a report outlining these recommendations to the Governor’s Office on or before May 1, 2023, as required by the Executive Order No. 2023-003.

**List #1**  
**Proposed Repeals to Regulations**

- ✓ 360.373 – Repealed per R098-22 - This regulation repeals obsolete provisions that allow, under certain circumstances, the population count from a decennial census or special census conducted by the Bureau of the Census of the United States Department of Commerce to replace the estimates of populations calculated by the Department of Taxation.
  - ✓ 360.377 – Repealed per R098-22 - This regulation repeals obsolete provisions that allow, under certain circumstances, the population count from a decennial census or special census conducted by the Bureau of the Census of the United States Department of Commerce to replace the estimates of populations calculated by the Department of Taxation.
  - ✓ 360.432 - Repeal – Pursuant to NRS 353C.200, if an agency assigns a debt to the State Controller for collection, the State Controller may enter into a contract with a private debt collector. The State Controller would be responsible for the contract with the private party; thus, the below NAC is not needed.
  - ✓ 360.476 - Repeal - Effective date of the abatement is determined pursuant to NRS 360.750(2)(b)(2).
  - ✓ 360.477 - Repeal - This is applicable to the old abatement statutes and no longer applies.
  - ✓ 360.478 – Repeal - Abatements no longer available.
  - ✓ 360.4785 – Repeal – Abatements no longer available.
  - ✓ 360.479 - Repeal – Abatements no longer available.
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- ✓ 361.044 - Clark County Assessor – Recommends repeal. Posters not requested in this manner. The Department supports this recommendation.
  - ✓ 361.052 – Clark County Assessor - NRS 361.079 no longer exists in chapter 361. (This should include NAC 361.052 thru 361.058)  
The Department supports this recommendation.
  - ✓ 361.054 – Clark County Assessor - NRS 361.079 no longer exists in chapter 361. (This should include NAC 361.052 thru 361.058)  
The Department supports this recommendation.
  - ✓ 361.056 – Clark County Assessor - NRS 361.079 no longer exists in chapter 361. (This should include NAC 361.052 thru 361.058)  
The Department supports this recommendation.
  - ✓ 361.058 - Clark County Assessor - NRS 361.079 no longer exists in chapter 361. (This should include NAC 361.052 thru 361.058)  
The Department supports this recommendation.

- ✓ 361.1315 – Clark County Assessor - No report is requested of our office from the Department and Assessor is not aware of any form that has been provided to our office for a report around March 15th.  
The Department supports this recommendation. The report is no longer needed since the enactment of the new “Pupil Centered Funding Plan.”
  - ✓ 361.150 - Repeal - This functionality can be accomplished with the Ratio Study review every 3 years to ensure re-appraisal is being done correctly.
  - ✓ 361.151 - Repeal - sales are fully reviewed during the ratio study process.
  - ✓ 361.427 - Repeal - No longer used as a valuation technique.
  - ✓ 361.61062 - Repeal - Term only used in NAC 361.6107. Please see amendment for NAC 361.6107.
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- ✓ 362.035 - Repeal - Was only in effect through December 31<sup>st</sup>, 2015.
  - ✓ 362.050 - Repeal - Was only in effect through December 31<sup>st</sup>, 2015.
  - ✓ 362.310 - Repeal - Was only in effect through December 31<sup>st</sup>, 2015.
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- ✓ 363A.350 - Repeal – Definition unnecessary as this is defined in NRS 363A.050 subsection (2)(b).
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- ✓ 363C.220 - Repeal – Explanation no longer valid.
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- ✓ 370.020 - Repeal - In 2019, NRS 370.585 was enacted to impose certain license requirements for cigarette wholesale warehouses. This regulation no longer complies.
- ✓ 370.140 - Repeal - NRS 370.567, enacted in 2019, requires licensing by the Department and includes OTP wholesale and retail. This NAC is outdated.  
  
370.150 - Repeal pursuant to (R100-22) - Eliminates the requirement of existing regulations that a wholesale dealer of other tobacco products include in such invoices as part of the total price of such products the amount of the tax required to be paid by the wholesale dealer.
- ✓ 370.250 - Repeal as NRS 370.571 addresses the requirement for the Department to maintain a list of all licensed Tobacco Wholesalers. Since the tribes are not licensed by the Department, we only have ordinances on file and provide that list on our website. The below NAC is obsolete because the Department does not license tribes.
- ✓ 370.510 – Repeal 370.510 and 370.520 because they are duplicative of the NRS.
- ✓ 370.520 – Repeal 370.510 and 370.520 because they are duplicative of the NRS.

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- ✓ 372.110 - Repeal - If someone bids on their own property at auction, they are more than likely attempting to surreptitiously drive the price of the item up and in doing so are risking buying back their own property. This NAC should be removed because if the owner wins the bid, they should be subject to sales tax like any other bidder.
  - ✓ 372.240 – Repeal –This is covered in NAC 372.390 as amended by R174-22.
  - ✓ 372.290 - Amend to combine NAC 372.280, 372.290 and 372.300 under NAC 372.280  
Morticians: General provisions, Transactions with other states and Funeral expenses paid by United States. This will repeal NAC 372.290
  - ✓ 372.300 - Amend to combine NAC 372.280, 372.290 and 372.300 under NAC 372.280  
Morticians: General provisions, Transactions with other states and Funeral expenses paid by United States. This will repeal NAC 372.300.
  - ✓ 372.400 - Repeal – NAC 372.390 was amended pursuant to (R174-22) to cover all tangible personal property. No longer need to break out different types of tangible personal property.
  - ✓ 372.715 - Repeal - In 1997, NRS 372.317 was found to be unconstitutional and cannot be used. The only reason it hasn't been removed is because it requires a vote of the people to do so. The NAC should be repealed because the statute is not being enforced.

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- ✓ 375A.010 – Repeal - In 1997, NRS 372.317 was found to be unconstitutional and cannot be used. The only reason it hasn't been removed is because it requires a vote of the people to do so. The NAC should be repealed because the statute is not being enforced.
  - ✓ 375A.020 – Repeal: The credit against the federal estate tax for the payment of State death taxes was phased out by IRS and no longer applies to deaths occurring after December 31, 2004. No new claims can be filed and any previous tax due should have already been remitted.
  - ✓ 375A.030 - Repeal: The credit against the federal estate tax for the payment of State death taxes was phased out by IRS and no longer applies to deaths occurring after December 31, 2004. No new claims can be filed and any previous tax due should have already been remitted or documents for extensions should have already been filed.

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- ✓ NAC 490.010 – Notified DMV for adoption under their chapter
  - ✓ NAC 490.020 - Notified DMV for adoption under their chapter.
  - ✓ NAC 490.040 - Notified DMV for adoption under their chapter.
  - ✓ NAC 490.050 - Notified DMV for adoption under their chapter.
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- ✓ 680B.150 – Repeal - Home office credit sunset in 12/31/2020 (NRS 680B.050-.055 reflect Repealed. See chapter 1, Statutes of Nevada 2014, 28th Special Session, at page 3.)
- ✓ 680B.160 – Repeal - Home office credit sunset in 12/31/2020 (NRS 680B.050-.055 reflect Repealed. See chapter 1, Statutes of Nevada 2014, 28th Special Session, at page 3.)
- ✓ 680B.170 – Repeal - Home office credit sunset in 12/31/2020 (NRS 680B.050-.055 reflect Repealed. See chapter 1, Statutes of Nevada 2014, 28th Special Session, at page 3.)
- ✓ 680B.180 – Repeal - Home office credit sunset in 12/31/2020 (NRS 680B.050-.055 reflect Repealed. See chapter 1, Statutes of Nevada 2014, 28th Special Session, at page 3.)
- ✓ 680B.190 – Repeal - Home office credit sunset in 12/31/2020 (NRS 680B.050-.055 reflect Repealed. See chapter 1, Statutes of Nevada 2014, 28th Special Session, at page 3.)
- ✓ 680B.200 – Repeal - Home office credit sunset in 12/31/2020 (NRS 680B.050-.055 reflect Repealed. See chapter 1, Statutes of Nevada 2014, 28th Special Session, at page 3.)
- ✓ 680B.210 - Repeal - Home office credit sunset in 12/31/2020 (NRS 680B.050-.055 reflect Repealed. See chapter 1, Statutes of Nevada 2014, 28th Special Session, at page 3.)
- ✓ 680B.220 – Repeal - Home office credit sunset in 12/31/2020 (NRS 680B.050-.055 reflect Repealed. See chapter 1, Statutes of Nevada 2014, 28th Special Session, at page 3.)
- ✓ 680B.230 - Repeal - Home office credit sunset in 12/31/2020 (NRS 680B.050-.055 reflect Repealed. See chapter 1, Statutes of Nevada 2014, 28th Special Session, at page 3.)
- ✓ 680B.240 – Repeal - Home office credit sunset in 12/31/2020 (NRS 680B.050-.055 reflect Repealed. See chapter 1, Statutes of Nevada 2014, 28th Special Session, at page 3.)
- ✓ 680B.250 - Repeal - Home office credit sunset in 12/31/2020 (NRS 680B.050-.055 reflect Repealed. See chapter 1, Statutes of Nevada 2014, 28th Special Session, at page 3.)



**List #2**  
**Proposed Amendments to Regulations**

- ✓ 360.043 – Amend to add subsection 3 in order to address timing of deadlines in practice before the Nevada Tax Commission.
- ✓ 360.045 - Amend to add electronic filing and exchange of documents and remove outdated processes. The NTA requested this amendment as well.
- ✓ 360.050 - Amend to include debit/credit card payments. NTA requested that electronic funds transfers be added to the regulation.
- ✓ 360.055 - Amend - Change name to Notice of Commission Meetings, delete subsection 1 as hearings are confidential and confirm notice requirements pursuant to NRS 233B. NTA requested the hearing calendar should be posted on the Department’s website, and it should include all hearings before the ALJ’s as well as the Commission. The Department does not support this recommendation as ALJ hearings are confidential.
- ✓ 360.058 - Amend to require the transcript be certified by a reporter licensed pursuant to NRS Chapter 656.
- ✓ 360.060 - Amend - The Smoking section could be removed as it's been legislated away by the Nevada Clean Indoor Air Act - NRS 202.2483.
- ✓ 360.095 - Amend – remove Carson City as hearings can be held in any office.
- ✓ 360.135 - Amend - Clarify that subpoenas may be issued for persons or documents by
- ✓ adding an additional sentence to subsection 1: The hearing officer may issue a subpoena for the production of books, waybills, papers, accounts or other documents located in the State.
- ✓ 360.365 - Amend pursuant to R098-22 to make conforming changes to eliminate references to repealed provisions.
- ✓ 360.368 - Amend pursuant to R098-22 to make conforming changes to eliminate references to repealed provisions.
- ✓ 360.370 - Amend pursuant to R098-22 to make conforming changes to eliminate references to repealed provisions.
- ✓ 360.390 - Amend pursuant to R098-22 - This regulation makes technical corrections to the language related to such procedure for consistency with Nevada Revised Statutes. Requires that a petition to revise the estimates of the population of a county, city or town be filed not later than 14 days after the date on which the estimates are distributed; and if such petition must be heard by a hearing officer, the Department must mail or transmit by electronic mail notice of the date for the hearing.
- ✓ 360.396 - Amend pursuant to R158-22. This regulation clarifies that \$15 amount is to be computed as of the date the payment is made. In addition, the changes expand the scope of these provisions to include any penalty or interest resulting from the late filing of a return; limits the

applicability of any waiver or reduction to any single period for which a payment is required to have been made or a return is required to have been filed; and in certain circumstances, authorizes the Department to grant such a waiver or reduction without the approval of the Nevada Tax Commission.

- ✓ 360.425 – Amend to remove NRS 364A, 372.125 and 374.130 reference (repealed). Also remove business license as we no longer issue.
- ✓ 360.435 - Amend to include all chapters administered by the Department. This is the regulation used for Citations to Appear that are used as the first step in the collection process. It is used for more than just sales and use tax. We use the citation for all tax types that don't have their own regulation regarding collection.
- ✓ 360.440 – Amend pursuant to R157-22. NAC 360.700 was amended to remove the requirement that an auditor attempt to contact a taxpayer who is the subject of the audit by telephone and, instead, requires the auditor to attempt to contact the taxpayer by one of the preferred methods of contact for the taxpayer that is on file with the Department. The below change in orange makes a conforming change.
- ✓ R152-22 - This regulation provides for the “completion” of an application for disclosure through the filing of any required registration and delinquent tax returns for the period being disclosed, the payment of the tax estimated to be owed for that period and the submission of any additional information or material required by the Department. Under specified circumstances, it also authorizes the Executive Director of the Department, or a person designated by the Executive Director to grant an extension of time for the completion of an application.
- ✓ 360.444 - Amend pursuant to R152-22 - This regulation makes conforming changes and transfers, from the Commission to the Department, the responsibility for determining whether the tax liability of a taxpayer has been voluntarily disclosed.
- ✓ 360.446 – Amend pursuant to R152-22 - This regulation transfers the various administrative duties imposed by existing regulations from the Commission and the Executive Director to the Department. It further clarifies that any action taken by the Department under its authority does not affect the right of a taxpayer to request a waiver or reduction of a penalty or interest, or both, pursuant to regulatory provisions that authorize the Department to grant such a waiver or reduction in extenuating circumstances.
- ✓ 360.468 - Amend - The Commission on Economic Development no longer exists. Needs to be changed to the Governor's Office of Economic Development.
- ✓ 360.470 - Amend – Delete references to NRS 364A (was repealed) and update with 363B.
- ✓ 360.472 - Amend - In section 2, concern is that a taxpayer may submit an application not earlier than 18 months. Consider reducing that window to 12 months in order to facilitate the refund of taxes in a timely manner from the time the application is approved to the effective date of the abatement. Also delete references to NRS 364A (was repealed) and update with 363B. Also makes conforming changes from “Commission” to “Office”.
- ✓ 360.474 – Amend – Delete references to NRS 364A (was repealed) and update with 363B. Also makes conforming changes from “Commission” to “Office”.

- ✓ 360.4743 – Makes conforming changes from “Commission” to “Office”.
  - ✓ 360.4745 – Amend – Delete references to NRS 364A (was repealed) and update with 363B. Also makes conforming changes from “Commission” to “Office”.
  - ✓ 360.475 - Amend - Remove the requirement in section 3. The capital investment reporting requirement has changed from one year and will now be determined by audit after two years. Also delete references to NRS 364A (was repealed) and update with 363B.
  - ✓ 360.4765 – Amend – Delete references to NRS 364A (was repealed) and update with 363B. Also makes conforming changes from “Commission” to “Office”.
  - ✓ 360.4775 - Amend – Delete references to NRS 364A (was repealed) and update with 363B. Also makes conforming changes from “Commission” to “Office”.
  - ✓ 360.480 – Amend pursuant to R149-22. NAC 360.480(2) provides that a claim for a refund of interest or a penalty that was paid by the Taxpayer related to a tax administered by the Department must be filed within 3 years after the date of payment of the interest or penalty. However, there is no guidance in the tax statutes for when a claim must be filed if the Taxpayer has paid the tax but not the penalty and interest. To address this situation the title of NAC 360.480 should be updated and NAC 360.480(2), amended. By doing this, the Department can address all refunds for all tax types in one NAC.
  - ✓ 360.485 - Amend - Remove (g). This is not for P&I waivers; this is a guide for standard to determine if a TP was or was not careless for purposes of awarding credit interest.
  - ✓ 360.588 - Amend - Replace the word "certification" with "submit" in order to match the proper language used in our OLT system (NevadaTax).
  - ✓ 360.700 - Amend - pursuant to R157-22, this regulation removes the requirement that an auditor attempt to contact a taxpayer who is the subject of the audit by telephone and, instead, requires the auditor to attempt to contact the taxpayer by one of the preferred methods of contact for the taxpayer that is on file with the Department. This will benefit the taxpayer by allowing the Department to contact them by their preferred method of contact rather than just by phone. In addition, would allow the Department to generate an estimate of delinquent taxes by only the records the taxpayer wants to provide or only records that they maintain. This would in turn benefit the taxpayer to the extent they would be relieved of the stress of trying to provide what they did not keep.
  - ✓ 360.706 - Due process for audits, process for Petitions for Redetermination and hearings on audit disputes. Amend to separate hearing procedures from Petition procedures, move hearing procedures to "Hearings on Petitions for Redetermination" section, and conform Petition process to actual Department procedures; Amend section 4 to add "A petition for redetermination which includes a request for hearing will be sent to a hearing officer." and "A petition for redetermination which does not include a request for hearing will be sent to a hearing officer after:"
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- ✓ 361.131 – Amend per proposed obsolescence regulation under R192-22. This regulation limits the foregoing procedure to real property subject to valuation prior to the completion of the assessment roll. It also specifies that the personal property for which the value may be reduced is

personal property assessed before July 1 of the fiscal year immediately preceding the fiscal year in which the taxes are levied.

- ✓ 361.6107 - Amend to add language in order to facilitate the repeal of NAC 361.61062.
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- ✓ 363C.210 - Amend pursuant to R057-21 - This regulation provides that this exemption applies only to a person who: participates in an exhibition, trade show, industry or corporate meeting or similar event held in this State for a purpose related to the conduct of a business, including, without limitation, as an organizer, manager or sponsor of such an event or as an exhibitor at such an event; and does not engage in any business activity in this State other than the participation, organization, management or sponsorship of such an event.
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- ✓ 368A.110 – Amend Section 3(b)(2) to read "the full amount charged for that service without deduction for any service cost, interest, losses, tips or gratuities or any other expense."

- ✓ 368A.130 - Amend to remove maximum occupancy of 7,500 on this NAC. Statute reads 200 or more (except for Non-Profit which is based on ticket sales, not occupancy)
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- ✓ 370.165- Amend per R100-22 - Removes the specific regulatory authority for a wholesale dealer who did not originally report and pay the tax to obtain payment of an amount equal to the credit from the wholesale dealer who originally reported and paid the tax.

- ✓ 370.230 - Section 1 can be maintained as written, as it provides clarifying definitions. Sections 2-6 can be removed. Cigarette tax is pre-collected by the purchase of the tax stamp. However, tribal stamps are distributed free of charge and only tribal stamped cigarettes may be sold on tribal land. Additionally, OTP wholesalers are allowed an exemption for sales to tribal lands, so pre-collecting the tax does not apply to OTP either. NRS 370.280 establishes circumstances in which the Department may authorize a refund of cigarette tax and lists specifically, "any licensed wholesaler". NRS 370.503 establishes an allowance of refund for certain taxes paid pursuant to NRS 370.450, which is the imposition, rate, and collection of OTP Tax.

- ✓ 370.500 – Amend - NRS 370.597 mandates regulations for hearing process; Scope of applicability of definitions. Amend as NRS 370.253 has been repealed and should be removed from authority in all of these regulations and NRS 370.597 added - Maintain, legislatively prescribed forum for these hearings. In addition, NAC 370.510 and 370.520 was recommended for repeal, therefore the NAC 370.500 must be amended.

- ✓ 370.515 – Amend to remove NRS 370.253 and add 370.597.

- ✓ 370.525 - Amend to remove NRS 370.253 and add 370.597.

- ✓ 370.540 - Amend - NRS 370.597 mandates regulations for hearing process; NRS 233B.127 requires opportunity to cure. Amend - change "business days" to "days" to conform to the standard language of the Department's regulations and the changes in Nevada Rules of Civil Procedure for counting days. Also amend to remove NRS 370.253 and add 370.597.

- ✓ 370.545 - Amend - NRS 370.597 mandates regulations for hearing process; NRS 233B.121 contents of notice. Amend to change "business days" to "days" to conform to the standard language of the Department's regulations and the changes in Nevada Rules of Civil Procedure for counting days; Amend to change 20-day notice to 10-day notice to conform with NAC 360.095. Also amend to remove NRS 370.253 and add 370.597.
- ✓ 370.550 - Amend - NRS 370.597 mandates regulations for hearing process; Process for hearing before ALJ. Amend to change "business days" to "days" to conform to the standard language of the Department's regulations and the changes in Nevada Rules of Civil Procedure for counting days. Also increase the days from "5" to "7". It was probably intended for the 5 business days to be a week. Since we are proposing changing "business days" to "days", it will add 2 more to account for the weekends. Also amend to remove NRS 370.253 and add 370.597.
- ✓ 370.555 - Amend - NRS 370.597 mandates regulations for hearing process; Process for hearing before ALJ. Amend to change "business days" to "days" to conform to the standard language of the Department's regulations and the changes in Nevada Rules of Civil Procedure for counting days; Amend to change motions due 10 days before hearing to 7 days before hearing and response to 5 days before hearing to accommodate change in hearing notice. Also amend to remove NRS 370.253 and add 370.597.
- ✓ 370.565 - Amend to remove NRS 370.253 and add 370.597
- ✓ 370.570 - Amend to remove NRS 370.253 and add 370.597
- ✓ 370.575 - Amend to remove NRS 370.253 and add 370.597
- ✓ 370.580 - Amend - NRS 370.597 mandates regulations for hearing process; Process for hearing before ALJ. Amend to change "business days" to "days" to conform to the standard language of the Department's regulations and the changes in Nevada Rules of Civil Procedure for counting days; Amend (1) to add "evidence may be received in any manner ordered by the hearing officer but will generally proceed in the following order."  
Amend to extend 20-day appeal period to 30-day appeal period to conform with NAC 360.175. Also amend to remove NRS 370.253 and add 370.597
- ✓ 370.585 - Amend - NRS 370.597 mandates regulations for hearing process; Process for appeal to Commission and Petition for Judicial Review. Amend to change "business days" to "days" to conform to the standard language of the Department's regulations and the changes in Nevada Rules of Civil Procedure for counting days; Amend to extend 20-day appeal period to 30-day appeal period to conform with NAC 360.175; Amend process for filing notice of appeal and briefs to mirror NAC 360.173 and NAC 360.175. Also amend to remove NRS 370.253 and add 370.597.
- ✓ 370.590 – Amend - NRS 370.597 mandates regulations for hearing process; Process for appeal to Commission and Petition for Judicial Review. Amend to change 15 minutes of oral argument before the Commission to 20 minutes to conform with NAC 360.175. Also amend to remove NRS 370.253 and add 370.597.
- ✓ 370.595 - Amend - NRS 370.597 mandates regulations for hearing process; post hearing procedures. Amend to change "business days" to "days" to conform to the standard language of the Department's regulations and the changes in Nevada Rules of Civil Procedure for counting

days. Also increase the days from “5” to “7”. It was probably intended for the 5 business days to be a week. Since we are proposing changing “business days” to “days”, it will add 2 more to account for the weekends. Also amend to remove NRS 370.253 and add 370.597.

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- ✓ 372.101 - Amend to find all transportation, shipping, postage, handling, packing and crating taxable regardless of being separately stated. This would make the area of delivery charges and/or transportation, shipping and/or postage more applicable for taxpayers and should prevent assessments for taxpayers who misunderstand this area.
- ✓ 372.280 - Amend to combine NAC 372.280, 372.290 and 372.300 under NAC 372.280 “Morticians: General provisions, Transactions with other states and Funeral expenses paid by United States.” NAC 372.280 and 372.290 are recommended for repeal.
- ✓ 372.320 - Amend to say, "The tax applies to the entire charge made by a dispensing optician for eyeglasses and related products furnished in filling a prescription, whether the dispensing optician is licensed or not."
- ✓ 372.350 – Amend pursuant to R156-22 - This regulation revises language to provide that the use tax applies only to tangible personal property, including napkins, straws, and utensils, purchased for resale and given away with complimentary food, meals or beverages.
- ✓ 372.460 – Amend pursuant to R172-22 – This regulation provides that the purchase and use of replacement parts or materials to repair or replace tangible personal property pursuant to a warranty or guaranty that was included in the sale of the tangible personal property is excluded from sales and use taxes only if: the warranty or guaranty was a mandatory part of the sale of the tangible personal property and the repair or replacement of the tangible personal property is an obligation or duty imposed on a party to that mandatory warranty or guaranty; and the sales price of the tangible personal property included the value of the mandatory warranty or guaranty. This regulation further clarifies that sales and use taxes apply to the purchase and use of replacement parts or materials to repair or replace tangible personal property under circumstances other than the circumstances set forth in this regulation, including, without limitation, the purchase and use of replacement parts or materials to repair or replace tangible personal property pursuant to an optional warranty or guaranty or pursuant to a term of any warranty or guaranty providing for repairs, replacements or services to maintain or enhance customer goodwill or to provide gratuitous or promotional repairs, replacements or services.
- ✓ 372.607 – Amend to remove "supplements" from calculation
- ✓ 372.700 – Amend per R150-22 - This regulation provides that such a letter: is effective only with respect to sales or use tax obligations that would otherwise accrue on or after the date of issuance of the letter; and does not affect any such obligation accruing before that date. (Andrea) Amend to add “For purposes of exemption from Sales and Use Tax, the Department will construe the term, “educational organization” as not including an organization that primarily provides instruction or disseminates information, to a definite class of persons in a particular profession, industry, vocation, hobby group or area of interest.”
- ✓ 372.720 - Amend to remove the reference to NRS 372.145 (repealed in 2021). The revocation statute has been added to NRS 360.5975.

- ✓ 372.770 – Amend to add (d) The amount of any third-party price reduction or discount; and the amount of tax collected by the retailer from the purchaser.
  - ✓ 372.780 - Amend to remove the reference to NRS 372.135 (repealed in 2021). The NRS statute is NRS 360.5973.
  - ✓ 372.908 - Amend to remove the reference to NRS 372.125 (repealed in 2021). The correct NRS is 360.5971.
  - ✓ 372.910 - Amend to remove the reference to NRS 372.125 (repealed in 2021). The correct NRS is 360.5971.
  - ✓ 372.938 - Amend to remove the election and make collection and payment of tax to be off the gross lease or rental charges for the lease of the property, which requires amendment through removal of 2B and 3 thru 5.
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- ✓ 372B.100 - Amend "excise tax on passenger transportation" to read "excise tax on the connection to passenger transportation" everywhere "excise tax on passenger transportation" is found. We do not want to reference “transportation” solely, because the tax is due on the “connection”.
- ✓ 372B.200 - Amend "excise tax on passenger transportation" to read "excise tax on the connection to passenger transportation" everywhere "excise tax on passenger transportation" is found. We do not want to reference “transportation” solely, because the tax is due on the “connection”.
- ✓ 372B.210 - Amend "excise tax on passenger transportation" to read "excise tax on the connection to passenger transportation" everywhere "excise tax on passenger transportation" is found. We do not want to reference “transportation” solely, because the tax is due on the “connection”.
- ✓ 372B.220 - Amend "excise tax on passenger transportation" to read "excise tax on the connection to passenger transportation" everywhere "excise tax on passenger transportation" is found. We do not want to reference “transportation” solely, because the tax is due on the “connection”.
- ✓ 372B.230 - Amend "excise tax on passenger transportation" to read "excise tax on the connection to passenger transportation" everywhere "excise tax on passenger transportation" is found. We do not want to reference “transportation” solely, because the tax is due on the “connection”.

## List #3

### Public/Member Recommendation for Amendment Department's Response

#### NAC 360.055

#### CHAPTER 360 - REVENUE AND TAXATION: GENERAL PROVISIONS

#### **PRACTICE BEFORE THE NEVADA TAX COMMISSION** General Provisions

Nevada Taxpayer's Association – Amend to request the hearing calendar should be posted on the Department's website, and it should include all hearings before the ALJ's as well as the Commission.

#### Department's Response:

**The Department respectfully disagrees with the recommendation and justification as ALJ hearings are confidential.**

#### **NAC 360.055 Hearing calendar; notice of meetings of Commission. ([NRS 360.090](#))**

1. A hearing calendar will be maintained by the Director and current assignments for hearings will be made from the calendar. A current copy of the hearing calendar will be posted at all of the offices of the Department.
2. Notice of the meetings of the Commission will be given to the public by posting a notice and an agenda at the Carson City, Reno, Las Vegas and Elko offices of the Department at least 3 working days before the meeting.

[Tax Comm'n, Practice Rule No. 21, eff. 11-15-77]



**Public/Member Recommendation for Amendment**  
**Department's Response**

**NAC 360.130**

CHAPTER 360 - REVENUE AND TAXATION: GENERAL PROVISIONS

Hearings on Petitions for Redetermination

Change the burden requirement to the preponderance of the evidence which is what you find in civil suits in our country. The current language puts too much of a burden on the taxpayer (example: small business owner) in many ways.

First, the financial cost of getting a lawyer or a Certified Public Accountant (CPA). By the way, there are many lawyers and CPAs that do not know Nevada sales and use tax. It is a unique area to specialize in. Secondly, the emotional side. How many people are really ready to talk before an Administrative Law Judge (ALJ) or the Nevada Tax Commission. It can be scary. The NAC needs to be re-written to where the Department employee (example: audit staff or revenue staff) needs to be required to do more of an oral communication presentation with written supporting documentation. The current language is that the taxpayer is guilty until he or she proves otherwise. I believe in our country, it is "You are presumed innocent until proven guilty." Which brings me to another question "Is the current language in violation of federal law?" This is just a question for thought!

**Department's Response:**

**The Department respectfully disagrees with the recommendation and justification. There is no finding of guilt against a taxpayer as "guilt" is a standard of criminal law, and this is a civil statute. Moreover, the burden should remain on the taxpayer in a Redetermination.**

**NAC 360.130 Burden of proof; presentation of evidence. (NRS 360.090, 360.370)**

1. Any person seeking a redetermination or adjustment of any tax, tax liability or the amount of any tax paid, or of an assessment for tax purposes has the burden of proof in any evidentiary hearing ordered or noticed for that purpose.

2. Evidence may be received in any manner ordered by the hearing officer, but will ordinarily be received from the parties in the following order:

- (a) Brief orientation by the staff;
- (b) The petitioner;
- (c) The staff;
- (d) Interveners; and
- (e) Rebuttal by the petitioner.

[Tax Comm'n, Practice Rule No. 39, eff. 11-15-77]—(NAC A 1-12-96)

**Public/Member Recommendation for Amendment**  
**Department's Response**

**NAC 360.170**

CHAPTER 360 - REVENUE AND TAXATION: GENERAL PROVISIONS

Hearings on Petitions for Redetermination

**Nevada Taxpayers Association** – Amend – If subsection (2) is not complied with, the taxpayer should prevail on their position.

**Department's Response:**

**The Department respectfully disagrees with the recommendation and justification. The Commission has previously declined to adopt this recommendation. However, our regulations provide for a waiver of interest in certain circumstances. Since interest constitutes the potential damages to a taxpayer when there is a delay, the taxpayer may seek a waiver of interest.**

**NAC 360.170 Duties of hearing officer after hearing. ([NRS 360.090](#), [360.370](#))**

1. After the hearing of a contested case, the hearing officer shall prepare findings of fact, conclusions of law and his or her final decision on the issues presented in the hearing.
2. The hearing officer shall serve a copy of his or her findings of fact, conclusions of law and decision upon all the parties of record and members of the Commission within 60 days after the date of the hearing.  
[Tax Comm'n, Practice Rule Nos. 45-47, eff. 11-15-77]—(NAC A 6-20-90; 1-12-96)

**Public/Member Recommendation for Amendment**  
**Department's Response**

**NAC 360.175 and 360.185**

CHAPTER 360 - REVENUE AND TAXATION: GENERAL PROVISIONS

**Appeals**

**Nevada Taxpayer's Association** – Amend – Any final decision of the Commission should be posted on the Department's website with any confidential information redacted.

**Department's Response:**

**The Department takes no official position but notes that the Commission has previously declined to publish all decisions because their decisions do not have binding precedent for other taxpayers, they are resolutions of contested cases.**

**NAC 360.175 Appeal of decision of hearing officer. ([NRS 360.090](#), [360.245](#))**

1. The staff, petitioner or a designated representative may, within 30 days after service of the copy of the findings of fact, conclusions of law and decision of the hearing officer, file a notice of appeal with the Commission.
2. Within 30 days after filing a notice of appeal, the appellant shall file with the Commission a:
  - (a) Brief setting forth the points relied upon in his or her appeal and authorities in support thereof; and
  - (b) Designation of the parts of the record before the hearing officer that he or she deems relevant to his or her appeal.
3. An appeal from the decision of the hearing officer to the Commission must be based upon one or more of the grounds set forth in subsection 3 of [NRS 233B.135](#).
4. The filing of a notice of appeal does not excuse compliance with the decision of the hearing officer nor suspend the effectiveness of a decision unless otherwise ordered by the hearing officer.
5. After receipt of a notice of appeal, filed in compliance with subsection 1, and the documentation required by subsection 2, the Department will schedule a time for oral argument before the Commission at its next meeting. The oral argument will be limited to a period of time not to exceed 20 minutes unless extended by the Commission. The Commission will not review evidence which was not submitted to the hearing officer unless it determines that good cause exists for a failure to submit the evidence to the hearing officer.
6. The Commission will modify, reverse or affirm the decision of the hearing officer or remand the case to the hearing officer. The Director shall issue a final written decision on behalf of the Commission.  
[Tax Comm'n, Practice Rule Nos. 56-59, eff. 11-15-77]—(NAC A 11-20-87; 1-12-96; R078-97, 11-14-97)

**Nevada Taxpayer's Association** – Amend – New subsection (7) addressing and interpreting NRS 360.395 (1)(b). First, the Department should not be allowed to require waiver of right to judicial review as a condition of a payment plan, as such an action nullifies NRS 360.395 (1)(b). Second, the regulation should interpret NRS 360.395 (1)(b) to allow a taxpayer to seek judicial review without a payment plan but upon acknowledgment of their obligation to pay if judicial review is unsuccessful in certain cases where judicial review would be helpful, such as issues of first impression for a Nevada court.

**Department's Response:**

**The Department respectfully disagrees with this recommendation. This proposal would require a legislative change. The provisions of NRS 360.395 are jurisdictional. NRS 360.395 protects Nevada's interest in ensuring the payment of taxes. The law prohibits a taxpayer from filing a case to enjoin the collection of the tax.**

**NAC 360.185 Rehearing or reconsideration of decisions of Commission. ([NRS 360.090](#))**

1. The Commission may issue an order granting a rehearing or reconsideration of all or part of any matter on its own motion or on a petition by an aggrieved party. A motion or petition for rehearing or reconsideration will not be granted if the motion is made or the petition is filed more than 15 days after service of the Commission's final decision on the matter or if a petition on the matter has been filed in the district court. The Commission will serve an order granting or denying a rehearing or reconsideration on all parties of record at least 5 days before the expiration of the time for filing a petition for judicial review pursuant to [NRS 233B.130](#). The right of a person to file a petition in the district court is not affected by the person's failure to have petitioned for the Commission's rehearing or reconsideration.
  2. No oral argument concerning a motion or petition for rehearing or reconsideration will be permitted.
  3. Except as otherwise provided in subsection 4, if the Commission has not taken action on a motion or petition for rehearing or reconsideration within the 15-day period allowed for making such a motion or filing such a petition, the motion or petition shall be deemed denied.
  4. If a motion or petition for rehearing or reconsideration is made or filed within the 15-day period but the Commission is not scheduled to meet within that period, the Director may, upon a showing of good cause, stay enforcement of the Commission's original decision until the Commission can grant or deny the motion or petition.
  5. A stay of enforcement may be ordered upon the condition that the petitioner comply with specific terms which are reasonably related to the original findings and decision.
  6. If the Commission issues an order granting a rehearing or reconsideration, the subsequent decision by the Commission:
    - (a) Will be based on all pertinent parts of the record and such additional evidence and argument as it may permit.
    - (b) Is the final decision of the Commission for the purposes of judicial review.
- [Tax Comm'n, Practice Rule No. 61, eff. 10-16-80]—(NAC A by R179-99, eff. 5-16-2000)

**Public/Member Recommendation for Amendment**  
**Department's Response**

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red-strikethrough~~ is language proposed to be deleted.

**NAC 361.1177**

CHAPTER 361 - PROPERTY TAX

**ASSESSMENTS BY COUNTY ASSESSORS**

**Determination of Taxable Value of Real Property**

Clark County Assessor - We did not testify to this regulation, at the workshop but offering suggestions for an amendment as the addresses, websites and costs may or may not be up to date and should be removed and replaced with a reference to contact the Dept. for information on how to get the reference materials. It may not be possible to amend this at this time as section 2 states some specific guidance for modifying these sections. Sec 3 does state the materials can be reviewed in the Assessor's Office.

**The Department recommends no changes at this time, based upon sections 2 and 3, further discussion and workshops would need to be done in order to make these changes.**

**NAC 361.1177 Adoption by reference and availability of certain publications; revision of publications after adoption. (NRS 360.090, 360.250, 361.227)**

1. The Commission hereby adopts by reference:

(a) The *Standard on Mass Appraisal of Real Property*, January 2008 edition, as published by the International Association of Assessing Officers. A copy of that publication may be obtained from the International Association of Assessing Officers, 314 West Tenth Street, Kansas City, Missouri 64105-1616, or at the Internet address <http://www.iaao.org/store>, for the price of \$10. A free copy of that publication may be obtained at the Internet address <http://www.iaao.org/uploads/StandardOnMassAppraisal.pdf>.

(b) The *Standard on Automated Valuation Models (AVMs)*, September 2003 edition, as published by the International Association of Assessing Officers. A copy of that publication may be obtained from the International Association of Assessing Officers, 314 West Tenth Street, Kansas City, Missouri 64105-1616, or at the Internet address <http://www.iaao.org/store>, for the price of \$8. A free copy of that publication may be obtained at the Internet address [http://www.iaao.org/uploads/AVM\\_STANDARD.pdf](http://www.iaao.org/uploads/AVM_STANDARD.pdf).

(c) *Property Appraisal and Assessment Administration*, 1990 edition, as published by the International Association of Assessing Officers. A copy of that publication may be obtained from the International Association of Assessing Officers, 314 West Tenth Street, Kansas City, Missouri 64105-1616, or at the Internet address <http://www.iaao.org/store>, for the price of \$75.

(d) The *Residential Cost Handbook*, as published by Marshall & Swift on August 13, 2010. A copy of that publication may be obtained from Marshall & Swift, 911 Wilshire Boulevard, 16th Floor, Los Angeles,

California 90017-3409, or at the Internet address <http://www.marshallswift.com/eCatalog.aspx>, for the price of \$308.95.

(e) The *Marshall Valuation Service*, as published by Marshall & Swift on August 13, 2010. A copy of that publication may be obtained from Marshall & Swift, 911 Wilshire Boulevard, 16th Floor, Los Angeles, California 90017-3409, or at the Internet address <http://www.marshallswift.com/eCatalog.aspx>, for the price of \$562.95.

(f) The *Residential Estimator* software, as published by Marshall & Swift on August 13, 2010. A copy of that software may be obtained from Marshall & Swift, 911 Wilshire Boulevard, 16th Floor, Los Angeles, California 90017-3409, or at the Internet address <http://www.marshallswift.com/eCatalog.aspx>, for the price of \$980.95.

(g) The *Commercial Estimator* software, as published by Marshall & Swift on August 13, 2010. A copy of that software may be obtained from Marshall & Swift, 911 Wilshire Blvd., 16th Floor, Los Angeles, California 90017-3409, or at the Internet address <http://www.marshallswift.com/eCatalog.aspx>, for the price of \$1,146.95.

2. If any of the publications adopted by reference pursuant to:

(a) Paragraph (a), (b) or (c) of subsection 1 is revised, the Commission will review the revision to determine its suitability for this State. If the Commission determines that the revision is not suitable for this State, the Commission will hold a public hearing to review its determination and give notice of that hearing within 30 days after the date of the publication of the revision. If, after the hearing, the Commission does not revise its determination, the Commission will give notice that the revision is not suitable for this State within 30 days after the hearing. If the Commission does not give such notice, the revision becomes part of the pertinent publication adopted by reference pursuant to subsection 1.

(b) Paragraph (d), (e), (f) or (g) of subsection 1 is revised, the Executive Director shall review the revision to determine its suitability for this State. If the Executive Director determines that the revision is suitable for this State, the Executive Director shall notify each county assessor in this State of that determination and the revision becomes part of the pertinent publication adopted by reference pursuant to subsection 1.

3. Each county assessor shall maintain for public review a copy of each publication adopted by reference pursuant to paragraphs (a) to (e), inclusive, of subsection 1.

(Added to NAC by Tax Comm'n by R039-10, eff. 8-13-2010)

**Public/Member Recommendation for Amendment**  
**Department's Response**

**NAC 372.200**

**CHAPTER 372 - SALES AND USE TAXES**

**APPLICATION OF TAX**

**Ron Voigt** - Again, we need to go back to the previous language that we had a few years ago. There needs to be a phrase that states "When a construction contractor uses a resale certificate to purchase materials ex-tax that does not automatically make that construction contractor a retailer." It is how that material is used that determines how it is to be reported. If the material was used for a construction contract where installment labor was also provided, then use tax is owed on the cost of the materials purchased from the vendor. If the material is sold to an end user and no installation labor is provided the sales tax needs to be collected on the retail price of the material sold to the end user. Again, hopefully it will help avoid rogue auditors.

Either added the below paragraph as a separate paragraph under NAC 372.200 or like before have it as a separate NAC titled as Construction Contractor with a Sales Permit.

A construction contractor may be registered as a retailer. As a retailer, the contractor may use a resale certificate for purchases, and report the tax when the materials are used in a job or sold at retail. A retailer construction contractor may NOT use a resale certificate for purchases of tools or supplies which are used in the trade. CONSTRUCTION CONTRACTORS Resale Certificates NAC 372.210

**NAC 372.200 Construction contractors: Tangible personal property purchased for performance of contract. ([NRS 360.090](#), [372.725](#))**

1. A construction contractor is the consumer of all the tangible personal property purchased for use in improving real property pursuant to a construction contract for improvement to real property and the tax applies to the total sales price of the property to the contractor.
2. If any such purchase is made and the sales tax is not paid because the vendor did not have a valid Nevada seller's permit, or because a resale certificate was properly given, or for any other reason, the use tax applies based upon the sales price of the property to the contractor.
3. Any tangible personal property purchased by a construction contractor for use in the performance of a construction contract for improvement to real property shall be deemed to have been purchased for use in improving real property.
4. If a construction contract for improvement to real property requires the construction contractor to perform repairs or improvements on real property, the tax applies pursuant to the provisions of this section and not [NAC 372.390](#) or [372.400](#).

[Tax Comm'n, Combined Sales and Use Tax Ruling part No. 67, eff. 1-13-72; A 12-20-79]

**Department's Response:**

In the State of Nevada businesses working in their sole capacity as a contractor are considered consumers of everything that they purchase because what they purchase whether it be tools or materials are not for resale. They are used as attachments to real property or used by the business and are not taxable for sales tax as they are not intended for resale. As such contractors should generally be registered for just consumer use tax and therefore, they are not a retailer and as such should not provide a resale certificate to their vendors.

However, a business can also choose to not act solely in the capacity of a contractor but also in the capacities or roles as a retailer, a repairman or a manufacturer, because Nevada law does not prohibit them from doing so, which means they can register as a retailer and obtain a sales tax permit. In this capacity they can use a resale certificate thus indicating possible retail sale transactions. Complications come when the business attempts to do most or all these roles, thus making it very difficult to determine which they are doing at any given time. A retailer is not a consumer but are making retail sales of the items in their inventory. A repairman can be both a retailer or a consumer depending on whether tangible personal property used and sold is substantial or insubstantial to the overall charge. As for the role as a manufacturer, the materials they purchase are generally incorporated into a finished product that they may then retail or sale at wholesale to another business.

The point is that a business can act in the roles of retailer, contractor, repairman and manufacturer at any given time, but not more than one role at a time, and Nevada law already does not prohibit them from doing so.



## Public/Member Recommendation for Amendment Department's Response

### NAC 372.605 and 372.607

#### CHAPTER 372 - SALES AND USE TAXES

#### EXEMPTIONS

**Ron Voigt** - If there is any NAC that has been more messed up, it is this one. The wording needs to go back to when I joined the Department in 2002. The Nevada Supreme Court, Nevada Tax Commission, and the Administrative Law Judge (ALJ) have already ruled that the streamline sales tax agreement has nothing to do with taxability. The bible for the taxability of food is NRS 372.284 Food for Human Consumption. If for some reason you decide to keep the current language, then add a phrase that the streamline sales tax agreement has nothing to do with taxability. Hopefully that will help avoid rogue auditors.

The current wording of NAC 372.605 violates the order given by the Legislature to the Nevada Tax Commission. In fact, they integrated wording from the Streamlined Sales Tax Agreement into an NAC meant for the Nevada Revised Statute (NRS) 372. Remember the Streamlined Sales Tax Agreement has nothing to do with Taxability. I don't think the Legislature would approve of such an act if they really knew the difficulties it has created for small business owners.

The Legislature recognized that it would be impossible to create a list of all the items intended to fall within the food exemption, so they gave the Department the mission to give guidance by issuing a regulation (Nevada Administrative Code). They would not approve of the current version of the NAC because it does not contain any attempt to list items that fall within the food exemption. Without a list of items, you really have no guidance. The old version of NAC 372.605 had a list of items and provided good guidance to the public. The current version allows an auditor to be subjective not objective. That has created big problems not only for public but you too. Even after losing at the Nevada Supreme Court, District Court, and recently before you, the Department continues its assault on small business owners.

Nevada law requires the food in question to be both prepared and intended for immediate consumption to be subject to sales tax. The Supreme Court found that the intent of the Legislature with regard to NRS 372.284 is to capture transactions in which the "product is being prepared with the intention of it being consumed contemporaneously with the purchase. Accordingly, the Nevada rule regarding consumption is immediate depends on its proximity in time, or temporal relationship, to the sale of the food. District Court has decided, and the Nevada Supreme Court agreed that in deciding the intent for immediate consumption type of and preparation of the food and the size of the container needs to be considered. This is the main reason that some sort of item list needs to be available for the public to use for guidance. Again, no list allows the auditor to be very subjective which is not good for the public.

**NAC 372.605 Food: "Prepared food intended for immediate consumption" interpreted. ([NRS 360.090](#), [360B.110](#), [372.284](#), [372.725](#))**

1. As used in [NRS 372.284](#), the Department will interpret the term "prepared food intended for immediate consumption" to:

(a) Mean prepared food, as defined in [NRS 360B.460](#), which is deemed to be intended for immediate consumption. Subsections 1, 2 and 3 of [NRS 360B.460](#) each describe a separate type of prepared food.

(b) Exclude, if sold without eating utensils provided by the seller:

(1) Two or more food ingredients mixed or combined by the seller for sale as a single item and sold:

(I) By a seller whose primary NAICS classification is within Subsector 311, Food Manufacturing; or

(II) In an unheated state by weight or volume as a single item.

(2) Bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, Danish pastries, cakes, tortes, pies, tarts, muffins, bars, cookies and tortillas.

(3) Food ordinarily requiring cooking, as opposed to reheating, by the consumer before consumption.

(c) Exclude food sold as a single item which, according to the nutrition labeling information required by 21 C.F.R. § 101.9, contains four or more servings per container, if the seller maintains records of each such sale as are required by the Department pursuant to [NRS 372.735](#).

2. For the purposes of this section, "NAICS classification" means classification under the *North American Industry Classification System*, 2007 Edition, which is hereby adopted by reference. A copy of the publication is available, free of charge, from the U.S. Census Bureau at the Internet address <http://www.census.gov/eos/www/naics/index.html>.

(Added to NAC by Tax Comm'n, 1-12-96, eff. 7-1-96; A by R021-08, 4-17-2008; R104-09, 11-25-2009; R020-16, 6-21-2017; R056-18, 6-8-2020)

**NAC 372.607 Food: Determination whether food sold at retail by seller is sold with eating utensils provided by seller; method for calculating percentage of prepared food sold by seller.** ([NRS 360.090](#), [360B.110](#), [372.284](#), [372.725](#)) For the purpose of determining whether food sold at retail by a seller is a food sold with eating utensils provided by the seller pursuant to subsection 3 of [NRS 360B.460](#) and [NAC 372.605](#):

1. Except as otherwise provided in subsection 2, a seller who made retail sales of prepared food during a tax year or business fiscal year, whichever is selected by the seller, as soon as practicable after accounting records for that tax year or business fiscal year, as applicable, are available to the seller but not later than 90 days after the beginning of the seller's next tax year or business fiscal year, as applicable, shall calculate a percentage by:

(a) Calculating the sum of:

(1) The total dollar value of all retail sales of food which is described in subsection 1 of [NRS 360B.460](#) and which was sold at retail by the seller during the immediately preceding tax year or business fiscal year, as applicable;

(2) The total dollar value of all retail sales of food which is described in subsection 2 of [NRS 360B.460](#) and which was sold at retail by the seller during the immediately preceding tax year or business fiscal year, as applicable; and

(3) The total dollar value of all retail sales of food which is incapable of being transferred to the purchaser without the use of a plate, bowl, glass or cup, including, without limitation, soft drinks dispensed from a fountain and food dispensed at a salad bar, and which was sold at retail by the seller during the immediately preceding tax year or business fiscal year, as applicable; and

(b) Dividing the amount calculated pursuant to paragraph (a) by the total dollar value of all retail sales of food by the seller, including, without limitation, prepared food, candy, soft drinks and dietary supplements.

↪ If, during a tax year or business fiscal year, as applicable, a seller made retail sales of any type of food described in paragraph (a) at more than one establishment, the seller must perform the calculation required

by this subsection for each establishment and, for the purposes of this section, use the average of those calculations as the percentage of the seller's sales of food that were sales of prepared food.

2. If a seller did not make any retail sales of prepared food during the immediately preceding tax year or business fiscal year, whichever is selected by the seller, or is a new business and the seller intends to make retail sales of prepared food during the seller's current tax year or business fiscal year, the seller must calculate a percentage by:

(a) Calculating the sum of:

(1) An estimate of the total dollar value of all retail sales of food which is described in subsection 1 of [NRS 360B.460](#) and which the seller expects to sell at retail during the current tax year or business fiscal year, as applicable;

(2) An estimate of the total dollar value of all retail sales of food which is described in subsection 2 of [NRS 360B.460](#) and which the seller expects to sell at retail during the current tax year or business fiscal year, as applicable; and

(3) An estimate of the total dollar value of all retail sales of food which is incapable of being transferred to the purchaser without the use of a plate, bowl, glass or cup, including, without limitation, soft drinks dispensed from a fountain and food dispensed at a salad bar, and which the seller expects to sell during the current tax year or business fiscal year, as applicable; and

(b) Dividing the amount calculated pursuant to paragraph (a) by an estimate of the total dollar value of all retail sales of food, including, without limitation, prepared food, candy, soft drinks and dietary supplements, which the seller expects to make during the current tax year or business fiscal year, as applicable.

↪ If a seller described in this subsection intends to make retail sales of any type of food described in paragraph (a) at more than one establishment, the seller must perform the calculation required by this subsection for each such establishment and, for the purposes of this section, use the average of those calculations as the percentage of the seller's sales of food that will be sales of prepared food. If the actual retail sales of prepared food by a seller described in this subsection during the first three months of such sales materially affect the calculation required by this subsection, the seller must perform the calculation required by this subsection using reasonable revised estimates and, for the purposes of this section, use that calculation as the percentage of the seller's sales of food that will be sales of prepared food.

3. If the percentage calculated by a seller pursuant to subsection 1 or 2, as applicable, is 75 percent or less, food sold at retail by the seller is deemed to be food sold with eating utensils provided by the seller:

(a) If the practice of the seller for sales of that food, as represented by the seller, is to directly give or hand a utensil to the purchaser to use to consume the food being sold; or

(b) If the food being sold is incapable of being transferred without the use of a plate, bowl, glass or cup and the practice of the seller, as represented by the seller, is to make plates, bowls, glasses or cups available to the purchaser of such food, including, without limitation, by permitting a purchaser to obtain such plates, bowls, glasses or cups at a kiosk or common area.

4. If the percentage calculated by a seller pursuant to subsection 1 or 2, as applicable, is more than 75 percent, food sold at retail by the seller is deemed to be food sold with eating utensils provided by the seller if the seller:

(a) Directly gives or hands a utensil to the purchaser to use to consume the food being sold; or

(b) Makes utensils available to the purchaser, including, without limitation, by permitting the purchaser to obtain utensils at a kiosk or common area.

5. A seller who makes retail sales of prepared food shall maintain records in accordance with [NRS 372.735](#) which are adequate to substantiate the calculations made by the seller pursuant to this section.

(Added to NAC by Tax Comm'n by R056-18, eff. 6-8-2020)

## Department's Response

In 2008, the State became a full member of the Streamlined Sales Tax Organization (SSTGB) by coming into full compliance with the Streamlined Sales and Use Tax Agreement (SSUTA). This necessitated changes to statutes and regulations capsulized in NRS 372, NRS 360B and NAC 372, with modifications to NAC 372.605 to achieve compliance. Those modifications stemmed from the definition of prepared food in the SSUTA Library of Definitions. It should also be noted that NAC 372.607 came from subsection 2C of that same definition.

Caution must be taken in modifying any existing statutes and regulations because any changes must maintain Nevada's compliance with the SSUTA otherwise being found out of compliance could bring sanctions or even expulsion from the SSTGB.

It should also be noted that NRS 372.284 Food for Human Consumption which has relation to NRS360B.445 (Food and Food Ingredients), was added to statute in 1979 as exempt from taxation, but specifically states in section 2c that Prepared Food Intended for Immediate Consumption is excluded from Food for Human Consumption, and therefore is taxable.

As stated in NAC 372.605 Section 1 "As used in NRS 372.284, the Department will interpret the term "prepared food intended for immediate consumption" to: (a) Mean prepared food, as defined in NRS 360B.460..." The concept is that the "product is being prepared with the intention of it being consumed contemporaneously with the purchase", but also as part of that the intention that it could be immediately consumed at the time of purchase not solely that it will be. Thus, a person buying a "hot and now" pizza could consume it at the time of purchase or wait to consume that same pizza sometime later having no effect on its taxability at the time of purchase. In comparison, a rock-solid frozen container of yogurt is not consumable at the time of purchase but must wait an extended time to be consumable and thus not taxable, for it was not consumable at purchase.

It should be noted that NAC 372.607 does address further the concept of food for human consumption that is not prepared food for immediate consumption when considers what "providing of utensils" means. The "quantity of food" issue mentioned in the public response as "the size of the container needs to be considered" is addressed in NAC 372.605 section 1c when it states "Exclude food sold as a single item which, according to the nutrition labeling information required by 21 C.F.R. § 101.9, contains four or more servings per container, if the seller maintains records of each such sale as are required by the Department pursuant to NRS 372.735". In addition, Section 1b III states "exclude, if sold without eating utensils provided by the seller: two or more food ingredients mixed or combined by the seller for sale as a single item and sold: in an unheated state by weight or volume as a single item.". Adding any type of list of specific food items as was contained in repealed regulation NAC 372.580 and as the public response contemplates would not follow the definition contained in the SSUTA, and therefore would make Nevada out of compliance with the SSUTA.

In NRS 360B.460 you find the following: "Prepared food" means: 1. Food sold in a heated state or heated by the seller; 2. Two or more food ingredients mixed or combined by the seller for sale as a single item, unless the food ingredients: (a) Are only cut, repackaged, or pasteurized by the seller; or (b) Contain any raw eggs, fish, meat or poultry, or other such raw animal foods requiring cooking by the consumer to prevent food-borne illnesses, as recommended pursuant to the Food Code published by the Food and Drug Administration of the United States Department of Health and Human Services; and 3. Food sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins or straws. For the purposes of this subsection, "plates" does not include any containers or packaging used to transport food.". NAC 372.605 essentially "marries" NRS 372.284 with NRS 360B.460 allowing the state to follow and comply with the SSUTA and maintain its full membership in the SSTGB.

The combination of NAC 372.605, NRS 372.284 and NRS 360B.460 essentially complies with all points from the public response except for the inclusion of a specific list of foods for human consumption. The original version of NAC 372.580 was added to the Nevada Administrative Code in 1979 and at that time included the list of food items which was most certainly not exhaustive or all inclusive. Given the prolific explosion of the number of foods for human consumption items available to the public since that time it would be a daunting task at best to even attempt to create a list of items, and by no means would it be exhaustive or all-inclusive and would still require interpretation. It should also be recognized again that attempting to include a list of food items in the statute or regulations would draw the state out of compliance with the SSUTA. However, given that NAC 372.580 was repealed in 2008 it was recognized at the time that NAC 372.605, NRS 372.284 and NRS 360B.460 could be used to interpret items of food for human consumption and not taxable, but also determine items as prepared food intended for immediate consumption and that are taxable.

It should be noted in NRS 233B.040 .. regulations have the force of law and must be enforced by all peace officers: (a) The Nevada Administrative Code; and (b) Temporary and emergency regulations.

**Public/Member Recommendation for Amendment**  
**Department's Response and Alternate Proposal**

**NAC 372.938**

CHAPTER 372 - SALES AND USE TAXES

**LEASES, RENTALS AND CERTAIN OTHER TRANSFERS**

**General Provisions**

**Property Purchased After June 15, 2005**

Stakeholders:

Nevada Taxpayers Association  
Nevada Chapter of the National Federation of Independent Businesses  
A Track-Out Solution  
Olcese Construction Co. (via McDonald Carano/Paul Bancroft)  
Ron Voigt

**Industry Stakeholder Feedback**

Revise NAC 372.938 §3 to allow the retailer to pay tax on the cost or on the lease/rental charges based on whether a resale certificate is provided. Whether a resale certificate has been provided is the determining factor.

Repeal the deemed election NAC 372.938 §3.

Choose the measure consistent with the practice of the taxpayer's industry.

Allow election at any time.

Eliminate the deemed election and allow taxpayer to file late return.

The commonality among the suggestions regarding NAC 372.938 §3: repeal or revise, allowing the election to pay use tax on the cost at any time, paying applicable penalty and interest on the tax. Further, there are two proposals for taxpayers that do not pay the tax up front:

- 1) Allow taxpayer to pay use tax at any time with applicable penalty and interest as a consumer, consistent with its industry, without defaulting to sales tax on lease stream.
- 2) Allow taxpayers to pay use tax at any time with applicable penalty and interest as a consumer, regardless of its industry, without defaulting to sales tax on lease stream.

NAC 372.938 §3 has been called a "tax trap" in several of the letters.

**NAC 372.938 Collection and payment of sales tax on lease or rental of tangible personal property; sale of property following its use in lease or rental service. ([NRS 360.090](#), [360B.110](#), [372.385](#), [372.725](#))**

1. The legal incidence of the sales tax on a lease or rental of tangible personal property falls upon the person who leases or rents the property from the retailer.

2. A retailer engaged in the lease or rental of tangible personal property shall collect and remit the sales tax measured by:

- (a) The gross lease or rental charges for the lease or rental of that property; or
- (b) The cost of that property to the retailer.

3. A retailer engaged in the lease or rental of tangible personal property who desires to pay the tax measured by the cost of the property to the retailer must make that election not later than the date upon which the first tax return is due following the purchase of that property for lease or rental. If the retailer fails to make that election by that date, the retailer shall be deemed to have elected to pay the tax measured by the gross lease or rental charges for the lease or rental of the property. An election pursuant to this subsection may not be changed after the date upon which the first tax return is due following the purchase of the property for lease or rental.

4. A retailer who elects to pay the tax measured by the gross lease or rental charges pursuant to this section is not required to pay the sales tax for the purchase of parts or other equipment for the tangible personal property which is committed to lease or rental use in this State if the retailer gives a resale certificate to the vendor from whom the retailer purchases the property.

5. If the property is sold following its use in lease or rental service to a purchaser who receives delivery of the property within this State, the tax applies to the sales price of the property without any deduction or credit for the tax paid on the original cost of the property or the taxes paid on the gross lease or rental charges.

(Added to NAC by Tax Comm'n by R105-09, eff. 11-25-2009)

## **Department Response**

### **Background of NAC 372.938**

2001 AB 455 provided authorization for Nevada to enter into the streamlined sales and use tax agreement. [https://www.leg.state.nv.us/Session/71st2001/bills/AB/AB455\\_EN.pdf](https://www.leg.state.nv.us/Session/71st2001/bills/AB/AB455_EN.pdf)

2003 AB 514 provided the new chapter NRS 360B and the definition of retail sale to include any sale, lease or rental for any purpose other than resale, sublease or subrent. [https://www.leg.state.nv.us/Session/72nd2003/bills/AB/AB514\\_EN.pdf](https://www.leg.state.nv.us/Session/72nd2003/bills/AB/AB514_EN.pdf)

2005 SB 515 clarified that “lease and rental” do not apply to leases or rentals existing on June 15, 2005. [https://www.leg.state.nv.us/Session/73rd2005/bills/SB/SB515\\_EN.pdf](https://www.leg.state.nv.us/Session/73rd2005/bills/SB/SB515_EN.pdf)

In 2008, Nevada became a full member of the Streamlined Sales Tax Organization (SSTGB) by coming into full compliance with the Streamlined Sales and Use Tax Agreement (SSUTA). This necessitated changes to NRS 372, NRS 360B, and NAC 372 for compliance.

NAC 372.938 and other regulations were added effective 11/25/2009 to provide clarity in the shift from rental/lease as consumption to retail sales. As part of the new regulations, there is a deadline where a taxpayer must pay sales or use tax up front to not charge sales tax on the lease/rental stream. The consequence of not paying sales or use tax timely on the cost is that the lease/rental charges are subject to sales tax.



Tax Bulletin SUT 14-0001 was issued 6/25/2014 upon approval of the Nevada Tax Commission to explain the taxation of leases in detail. Tax Bulletins are presented and subject to approval by the Nevada Tax Commission in a public meeting.

[https://tax.nv.gov/uploadedFiles/taxnvgov/Content/TaxLibrary/Leases\\_and\\_Subleases\\_of\\_Tangible\\_Personal\\_Property.pdf](https://tax.nv.gov/uploadedFiles/taxnvgov/Content/TaxLibrary/Leases_and_Subleases_of_Tangible_Personal_Property.pdf)

### **Tax Trap Concern**

Nevada is not unique in its tax treatment of rentals and leases. In nearly every state with a sales tax, the tax is applied to the rental or lease stream. An audit finding of untaxed rentals results in assessments on the rental or lease streams. In two states, Illinois and Maine, the lessor is the consumer, similar to Nevada prior to 2005. A few states, including Nevada, have provisions for a retailer to pay the sales or use tax up front in lieu of the sales tax on the rental/lease stream. (Source: Multistate Corporate Tax Guide (2023))

If a taxpayer does not make the election up front, the tax treatment defaults to imposition on rental/lease stream retail sale, pursuant to the law. This does not create a “tax trap”; conversely, the election provides the option for those in the rental industry to choose to continue to exercise a business model as prior to 2005.

A simple google.com search of “sales tax on rental equipment” provides simple guidance such as:

*In almost every state, the periodic payments that the lessor charges the lessee are subject to sales and use tax. However, some states have given lessors the option to pay sales tax on the purchase of the property up-front, which waives their requirement to collect sales and use tax on the periodic payments from the lessee.*

*For some businesses, it will be advantageous to pay sales tax on the initial purchase price of the product. For other businesses, it will be more prudent to not pay the tax up-front, and instead collect and remit sales tax from customers.*

*If you, as the lessor, decide that you would rather collect and remit sales tax from your rental customers, then you can use an [exemption certificate](#) to purchase the inventory tax-free from your suppliers. But if you decide that you want to pay the tax up-front, then you cannot use an exemption certificate.*

<https://thetaxvalet.com/blog/sales-tax-on-rentals-and-leases-of-tangible-personal-property/>

By law, rentals and leases are retail sales. In any other retail sale, taxpayers do not have such an election.

### **Impact of NAC 372.938 §3 Revision Proposals**

Existing law requires that all tangible personal property purchased for rental/lease be subject to the sales tax on the lease/rental stream; however, tax paid timely on the cost satisfies that requirement. Some of the proposed revisions would remove the deadline of an election to pay sales or use tax up front. The net effect of such a revision is the taxpayer could select the lesser of the two deficiencies. Department concerns:

- 1) The Executive Order requires review to determine whether the regulations may be “...streamlined, clarified, reduced or otherwise improved to ensure those regulations provide for the general welfare of the State without unnecessarily inhibiting economic growth.” This revision would complicate the regulation rather than simplify.
- 2) The proposed revisions would cause compliance inconsistency:



- a) Defining and/or following “industry standard” would add levels of complexity to taxpayer service and auditing for compliance.
  - b) Determining whether a resale certificate was provided is overly burdensome for taxpayers and the Department, entangling other retailers in an audit of their customers.
- 3) The proposed revisions would negatively impact the taxpayers in the rental industry who have adapted to file correctly. There is a perceived disadvantage where one business charges sales tax and another does not. A customer may favor renting from a business that does not charge sales tax over another business that does charge sales tax. The customer would have no way of knowing whether their selected rental was taxed on the original purchase. Although Department officers and employees do not decide the law, the revision may be perceived as a possible violation of the Taxpayer Bill of Rights where some do not pay their fair share of taxes:
- “The Legislature has declared that each taxpayer has the right: To be treated by officers and employees of the Department with courtesy, fairness, uniformity, consistency and common sense.” (NRS 360.291)
- 4) The proposed revisions could enable tax avoidance strategies or loopholes. For example, a lessor purchases equipment without paying sales or use tax and does not charge sales tax on the lease stream. A taxpayer could wait until just prior to the total of the tax, penalty and interest on the cost is about to surpass the total of the sales tax on the lease stream and then pay. Meanwhile the State has been shorted the tax while the lessor waits it out.
  - 5) The existing and proposed revisions are burdensome for taxpayers and the Department’s efforts to provide compliance assurance in a specific industry.
  - 6) Nevada’s statute of limitation is 3 years from filing a return or 8 years for unfiled return periods. (NRS 360.355) There are a few complexities that will arise if the subsection is repealed. To illustrate, here are some potential scenarios:
    - a) Taxpayer is a monthly reporter in Nevada and purchases equipment for \$100,000 on 1/01/2023 with intention to rent by the day. As of 6/30/2023, the taxpayer has grossed \$200,000 in rental revenue for the equipment. It did not pay the tax on the cost nor charge and remit sales tax on the rental.
      - i) The current law requires sales tax assessment with penalty and interest on the rental as retail sales.
      - ii) The suggested revision would allow the taxpayer to either pay tax on the cost or on the rental as retail sales, with applicable penalty and interest. The taxpayer could simply select the lesser of the two deficiencies.
    - b) Taxpayer is a monthly reporter and purchases equipment on 1/01/2010 with intention to rent by the day. As of 6/30/2023, the taxpayer did not pay the tax on the cost nor charge and remit sales tax on the rental.
      - i) The law requires sales tax assessment with penalty and interest on the rental as retail sales for the past 3 years.
      - ii) The suggested revisions would allow the taxpayer to either pay tax on the cost or on the rental as retail sales, both with penalty and interest. The original purchase is out of statute, so there would be a question of whether the taxpayer would be liable for the tax at all with the option to select the lesser of the deficiencies.

### **Clarity Concern and Alternative Solution**

Currently it is impossible for customers to reliably ascertain whether sales or use tax was paid by the lessor on tangible personal property. For example, on one rental, a customer might see sales tax on an invoice, but on a rental of a similar item from a different retailer, the customer might see no sales tax on the invoice.

NAC 372.924 applies to tangible personal property purchased on or before June 15, 2005. It provided an election for the lessor to pay tax on the use, measured by the rental charges, as long as the lessor notified the Department within 10 days of acquisition or on an annual basis.

Neither NAC 372.924 nor NAC 372.938 are customer or taxpayer friendly.

In any other retail sale, it is unlawful for a retailer to hold out that sales tax is absorbed by the retailer, and the tax must be stated separately from the sales price. (NRS 372.115; 372.120 and NAC 372.770)

Consider requiring a notification to customers such as:

“Sales or use tax has been paid on the purchase; sales tax is not due on the rental/lease price.”

This is a similar approach to the requirement of “sales tax included in the sales price” notifications required by NAC 372.760 §2. The statement could be posted in the establishment, noted on an invoice or receipt, or included in a rental/lease agreement.

For all rentals/leases that were “intended” to be tax paid up front, the retailer must notify the customer with the statement. If the retailer provided the statement but did not pay the tax, the use tax and applicable penalty and interest applies. If the retailer does not provide the statement, the sales tax is due on the rental/lease stream.

### **Proposed Amendment**

**NAC 372.938 Collection and payment of sales tax on lease or rental of tangible personal property; sale of property following its use in lease or rental service. ([NRS 360.090](#), [360B.110](#), [372.385](#), [372.725](#))**

1. The legal incidence of the sales tax on a lease or rental of tangible personal property falls upon the person who leases or rents the property from the retailer.

2. A retailer engaged in the lease or rental of tangible personal property shall collect and remit the sales tax measured by:

- (a) The gross lease or rental charges for the lease or rental of that property; or
- (b) The cost of that property to the retailer.

3. A retailer engaged in the lease or rental of tangible personal property who desires to pay the tax measured by the cost of the property to the retailer must make that election not later than the date upon which the first tax return is due following the purchase of that property for lease or rental. ~~If the retailer fails to make that election by that date, the retailer shall be deemed to have elected to pay the tax measured by the gross lease or rental charges for the lease or rental of the property.~~ *A retailer that elects to pay the tax on the cost of the property must identify the taxed property and notify customers by including the factual statement in the agreement. In absence of such a notification, the property will be subject to tax on the gross lease or rental charges.* An election pursuant to this subsection may not be changed after the date upon which the first tax return is due following the purchase of the property for lease or rental. *Evidence of the statement in the lease or rental agreement must be maintained pursuant to NRS 372.735.*

4. A retailer who elects to pay the tax measured by the gross lease or rental charges pursuant to this section is not required to pay the sales tax for the purchase of parts or other equipment for the tangible personal property which is committed to lease or rental use in this State if the retailer gives a resale certificate to the vendor from whom the retailer purchases the property.

5. If the property is sold following its use in lease or rental service to a purchaser who receives delivery of the property within this State, the tax applies to the sales price of the property without any deduction or credit for the tax paid on the original cost of the property or the taxes paid on the gross lease or rental charges.

(Added to NAC by Tax Comm'n by R105-09, eff. 11-25-2009)

## Department Recommendation for Repeal

### **NAC 360.373 (R098-22) and 360.377 (R098-22)**

#### CHAPTER 360 - REVENUE AND TAXATION: GENERAL PROVISIONS

#### ESTIMATION OF POPULATION

Repealed per R098-22 - This regulation repeals obsolete provisions that allow, under certain circumstances, the population count from a decennial census or special census conducted by the Bureau of the Census of the United States Department of Commerce to replace the estimates of populations calculated by the Department of Taxation.

#### ~~NAC 360.373—Use of population count from decennial census. (NRS 360.090, 360.283)~~

~~—1. When the Bureau of the Census conducts a decennial census in this State, the population count from the decennial census may replace the estimates of populations calculated pursuant to [NAC 360.365](#), [360.368](#) and [360.370](#).~~

~~—2. An appropriate local government official may apply to the Department for approval to use the population count from the decennial census. The Department shall approve the request if the Department and the demographer employed by the Department determine that the population count is reasonable and the county and all of the incorporated cities and unincorporated towns within the county agree to use the population count.~~

~~—3. If the county, incorporated cities and unincorporated towns cannot agree on a method to estimate population on or before December 1, the estimates of the populations of the county and all of the incorporated cities and unincorporated towns in that county must be determined pursuant to [NAC 360.365](#), [360.368](#) and [360.370](#).~~

~~—4. If the population count from the decennial census is used to estimate the population of a county, incorporated city or unincorporated town, the population count must be adjusted, if necessary, by the Department and the demographer employed by the Department for the change in housing units between the effective date of the population count and July 1.~~

~~—(Added to NAC by Tax Comm'n, eff. 8-7-90; A by R102-98, 11-20-98)~~

#### ~~NAC 360.377—Use of population count from special census. (NRS 360.090, 360.283)~~

~~—1. If the Bureau of the Census conducts a special census in this State, the population count from the special census may replace the estimates of populations calculated pursuant to [NAC 360.365](#), [360.368](#) and [360.370](#).~~

~~—2. If the population count from a special census is used to estimate the population of a county, incorporated city or unincorporated town, the population count must be adjusted, if necessary, by the Department and the demographer employed by the Department for the change in housing units between the effective date of the population count and July 1.~~

~~—(Added to NAC by Tax Comm'n, eff. 8-7-90; A by R102-98, 11-20-98)~~

## Department Recommendation for Repeal

### NAC 360.432

#### CHAPTER 360 - REVENUE AND TAXATION: GENERAL PROVISIONS

#### PAYMENT AND COLLECTION OF TAXES AND FEES

Repeal – Pursuant to NRS 353C.200, if an agency assigns a debt to the State Controller for collection, the State Controller may enter into a contract with a private debt collector. The State Controller would be responsible for the contract with the private party; thus, the below NAC is not needed.

~~NAC 360.432 Contract with private debt collector: Authorization by Commission; prior notification of debtor by Department. (NRS 353C.200, 360.090)~~

~~—1. Subject to the conditions set forth in [NRS 353C.200](#), the Department may enter into a contract with a private debt collector or any other person for the assignment of the collection of a debt if the Commission authorizes the Department to enter into a contract with regard to the debt.~~

~~—2. Upon the authorization of the Commission pursuant to subsection 1 and before entering into a contract pursuant to subsection 1, the Department shall notify the debtor that the debt may be assigned to a private debt collector if the debt is not paid in full. Notice provided to the debtor pursuant to this subsection must be served personally upon the debtor or by mail at his or her last address of record filed with the Department.~~

~~—3. As used in this section, “debt” has the meaning ascribed to it in [NRS 353C.040](#).~~

~~(Added to NAC by Tax Comm’n by R166-01, eff. 12-17-2001)~~

## Department Recommendation for Repeal

### **NAC 360.476 and 360.477**

#### CHAPTER 360 - REVENUE AND TAXATION: GENERAL PROVISIONS

#### **PARTIAL ABATEMENT OF CERTAIN TAXES Abatements for New or Expanded Business**

Repeal - Effective date of the abatement is determined pursuant to NRS 360.750(2)(b)(2).

~~NAC 360.476 — Local school support tax: Date of eligibility of machinery or equipment. (NRS 360.750, 374.357) — If an application is approved by the Commission for a partial abatement of the taxes imposed pursuant to [chapter 374](#) of NRS, the period of abatement begins on the date on which the applicant takes possession of the first delivery of eligible machinery or equipment at the location designated in the certificate of eligibility issued by the Commission. Upon taking possession of such eligible machinery or equipment, the applicant shall immediately notify the Commission and the Nevada Tax Commission. — (Added to NAC by Tax Comm'n by R109-01, eff. 5-13-2002)~~

Repeal - This is applicable to the old abatement statutes and no longer applies.

~~NAC 360.477 — Refund upon approval of application. (NRS 360.750, 364A.170, 374.357)~~  
— 1. — If the Commission approves an application for a partial abatement of the taxes imposed pursuant to [chapter 364A](#) of NRS, the applicant is eligible for a refund of any taxes imposed pursuant to [chapter 364A](#) of NRS which were paid previously by the applicant and which are subject to the abatement.  
— 2. — If the Commission approves an application for a partial abatement of the taxes imposed pursuant to [chapter 374](#) of NRS, the applicant is eligible for a refund of any taxes imposed pursuant to [chapter 374](#) of NRS which were paid previously by the applicant and which are subject to the abatement, if the Department determines pursuant to [NAC 360.4755](#) that the machinery or equipment qualifies as eligible machinery or equipment and:  
— (a) If the machinery or equipment was acquired outside this State from a retailer that is not registered with the Nevada Tax Commission, the application for the partial abatement was made:  
— (1) Before the acquisition of the machinery or equipment; or  
— (2) After the acquisition of the machinery or equipment and within 60 days after the date on which the taxes on the acquisition imposed pursuant to [chapter 374](#) of NRS were due; or  
— (b) If the machinery or equipment was acquired from a retailer that is registered with the Nevada Tax Commission, the application for the partial abatement was made within 60 days after the payment of the taxes on the acquisition imposed pursuant to [chapter 374](#) of NRS.  
— (Added to NAC by Tax Comm'n by R109-01, eff. 5-13-2002)

## Department Recommendation for Repeal

**NAC 360.478, 360.4785, and 360.479**

### CHAPTER 360 - REVENUE AND TAXATION: GENERAL PROVISIONS

#### Miscellaneous Abatements

**Repeal all below – Abatements no longer available.**

~~NAC 360.478 Abatements for new grocery store within Southern Nevada Enterprise Community. (§ 6 of ch. 198, Stats. 2005, as amended by § 16 of ch. 407, Stats. 2007)~~

~~—1. A person who qualifies pursuant to section 6 of chapter 198, [Statutes of Nevada 2005, at page 643](#), as amended by section 16 of chapter 407, [Statutes of Nevada 2007, at page 1784](#), may apply to the Commission for a partial abatement of any personal property tax imposed pursuant to [chapter 361](#) of NRS and any tax on the gross receipts from the sale, storage, use or other consumption of eligible machinery or equipment imposed pursuant to [chapter 374](#) of NRS for a new grocery store which the person intends to locate within the Southern Nevada Enterprise Community established pursuant to 24 C.F.R. Part 597.~~

~~—2. The application must be submitted on a form prescribed by the Executive Director of the Commission within the applicable period prescribed in subsection 3. The application must include, without limitation:~~

~~—(a) A certificate of endorsement from the governing body of the county, city or town in which the new grocery store will be located, which must:~~

~~—(1) Be issued by the governing body of the county, city or town in a manner consistent with the procedures adopted by the governing body for evaluating the benefits of tax abatements for the economic development of the county, city or town; and~~

~~—(2) Describe the partial abatement of taxes determined by the governing body of the county, city or town to be beneficial for the economic development of the county, city or town;~~

~~—(b) Evidence satisfactory to the Commission that the governing body of the county, city or town provided notice of the hearing at which the governing body considered whether to endorse the application to the board of trustees of the school district in which the grocery store will be located;~~

~~—(c) Evidence satisfactory to the Commission that the new grocery store for which the partial abatement of taxes is sought will be located within the Southern Nevada Enterprise Community; and~~

~~—(d) Evidence satisfactory to the Commission that the total amount of partial abatements of taxes applied for pursuant to this section, together with the total amount of partial abatements of taxes to which the applicant is entitled pursuant to [NRS 361.4722](#), [361.4723](#) and [361.4724](#), does not exceed 82 percent of the total amount of personal property taxes otherwise due on all property for which the applicant is seeking a partial abatement pursuant to this section.~~

~~—3. If the application is for a partial abatement of any personal property tax imposed pursuant to [chapter 361](#) of NRS, the application must be submitted not earlier than 18 months before the new grocery store is located within the Southern Nevada Enterprise Community. If the application is for a partial abatement of the taxes imposed pursuant to [chapter 374](#) of NRS, the application must be submitted not later than 60 days after the date of acquisition of the eligible machinery or equipment.~~

~~—4. Except as otherwise provided in subsection 5:~~

—(a) If an application submitted to the Commission pursuant to this section is received at least 15 business days before a regularly scheduled meeting of the Commission, the Commission will consider the application at that meeting; or

—(b) If an application submitted to the Commission pursuant to this section is received less than 15 business days before a regularly scheduled meeting of the Commission, the Commission will consider the application at the next regularly scheduled meeting immediately following that meeting.

—5. If the Commission determines that an application submitted pursuant to this section requires special or additional review and consideration by the Commission, the Commission may postpone consideration of the application until the next regularly scheduled meeting of the Commission.

—6. The Commission will approve an application for a partial abatement if the applicant satisfies all requirements of this section and subsection 3 of section 6 of chapter 198, [Statutes of Nevada 2005, at page 643](#), as amended by section 16 of chapter 407, [Statutes of Nevada 2007, at page 1784](#).

—7. If the Commission approves an application for a partial abatement, the Commission will forward to the Department, with the certificate of eligibility required pursuant to subsection 4 of section 6 of chapter 198, [Statutes of Nevada 2005, at page 643](#), as amended by section 16 of chapter 407, [Statutes of Nevada 2007, at page 1784](#), any materials submitted to the Commission in support of the application submitted pursuant to this section.

—8. If the Commission approves an application for a partial abatement from the tax imposed pursuant to [chapter 374](#) of NRS, the taxpayer is eligible for an abatement from the tax for not more than 2 years for eligible machinery or equipment which is leased or purchased. In the case of machinery or equipment that is leased, the lessee is the taxpayer who is eligible for an abatement.

—9. If a person whose partial abatement has been approved pursuant to this section and is in effect:

—(a) Ceases to meet the requirements set forth in this section or section 6 of chapter 198, [Statutes of Nevada 2005, at page 643](#), as amended by section 16 of chapter 407, [Statutes of Nevada 2007, at page 1784](#);

or

—(b) Ceases operation of the grocery store before the expiration of the period specified in the agreement the applicant executed with the Commission pursuant to subsection 3 of section 6 of chapter 198, [Statutes of Nevada 2005, at page 643](#), as amended by section 16 of chapter 407, [Statutes of Nevada 2007, at page 1784](#);

È the person shall pay to the Department or, if the partial abatement was from the property tax imposed pursuant to [chapter 361](#) of NRS, to the county treasurer, an amount equal to the amount of the tax abatement that was allowed pursuant to this section before the failure of the person to comply with the agreement fully, unless the Nevada Tax Commission determines that the person has substantially complied with the requirements of the agreement and section 6 of chapter 198, [Statutes of Nevada 2005, at page 643](#), as amended by section 16 of chapter 407, [Statutes of Nevada 2007, at page 1784](#). Except as otherwise provided in [NRS 360.232](#) and [360.320](#), the person shall, in addition to the amount required to be paid pursuant to this subsection, pay interest on that amount at the rate most recently established pursuant to [NRS 99.040](#) for each month, or portion thereof, from the last day of the month following the period for which the payment of the tax would have been due had the partial abatement not been approved until the date of payment of the tax.

—10. As used in this section, unless the context otherwise requires:

—(a) “Commission” means the Commission on Economic Development.

—(b) “Eligible machinery or equipment” has the meaning ascribed to it in subsection 3 of [NRS 374.357](#).

—(c) “Grocery store” has the meaning ascribed to it in subsection 7 of section 6 of chapter 198, [Statutes of Nevada 2005, at page 643](#), as amended by section 16 of chapter 407, [Statutes of Nevada 2007, at page 1784](#).

—(Added to NAC by Comm’n on Econ. Development by R168-07, eff. 4-17-2008)



~~— NAC 360.4785 — Abatements for expansion of grocery store within Southern Nevada Enterprise Community. (§ 7 of ch. 198, Stats. 2005, as amended by § 17 of ch. 407, Stats. 2007)~~

~~— 1. — A person who qualifies pursuant to section 7 of chapter 198, [Statutes of Nevada 2005, at page 644](#), as amended by section 17 of chapter 407, [Statutes of Nevada 2007, at page 1785](#), may apply to the Commission for a partial abatement of any tax on the gross receipts from the sale, storage, use or other consumption of eligible machinery or equipment imposed pursuant to [chapter 374](#) of NRS for the expansion of a grocery store which is located within the Southern Nevada Enterprise Community established pursuant to 24 C.F.R. Part 597.~~

~~— 2. — The application must be submitted on a form prescribed by the Executive Director of the Commission within the applicable period prescribed in subsection 3. The application must include, without limitation:~~

~~— (a) — A certificate of endorsement from the governing body of the county, city or town in which the grocery store is located, which must:~~

~~— (1) — Be issued by the governing body of the county, city or town in a manner consistent with the procedures adopted by the governing body for evaluating the benefits of tax abatements for the economic development of the county, city or town; and~~

~~— (2) — Describe the partial abatement of taxes determined by the governing body of the county, city or town to be beneficial for the economic development of the county, city or town;~~

~~— (b) — Evidence satisfactory to the Commission that the governing body of the county, city or town provided notice of the hearing at which the governing body considered whether to endorse the application to the board of trustees of the school district in which the grocery store is located;~~

~~— (c) — Evidence satisfactory to the Commission that the grocery store for which the partial abatement of taxes is sought is located within the Southern Nevada Enterprise Community; and~~

~~— (d) — Evidence satisfactory to the Commission that the total amount of any partial abatement of taxes applied for pursuant to this section, together with the total amount of partial abatements of taxes to which the applicant is entitled pursuant to [NRS 361.4722](#), [361.4723](#) and [361.4724](#), does not exceed 82 percent of the total amount of personal property tax otherwise due on all property for which the applicant is seeking a partial abatement pursuant to this section.~~

~~— 3. — The application must be submitted not later than 60 days after the date of acquisition of the eligible machinery or equipment.~~

~~— 4. — Except as otherwise provided in subsection 5:~~

~~— (a) — If an application submitted to the Commission pursuant to this section is received at least 15 business days before a regularly scheduled meeting of the Commission, the Commission will consider the application at that meeting; or~~

~~— (b) — If an application submitted to the Commission pursuant to this section is received less than 15 business days before a regularly scheduled meeting of the Commission, the Commission will consider the application at the next regularly scheduled meeting immediately following that meeting.~~

~~— 5. — If the Commission determines that an application submitted pursuant to this section requires special or additional review and consideration by the Commission, the Commission may postpone consideration of the application until the next regularly scheduled meeting of the Commission.~~

~~— 6. — The Commission will approve an application for a partial abatement if the applicant satisfies all requirements of this section and subsection 3 of section 7 of chapter 198, [Statutes of Nevada 2005, at page 644](#), as amended by section 17 of chapter 407, [Statutes of Nevada 2007, at page 1785](#).~~

~~— 7. — If the Commission approves an application for a partial abatement, the Commission will forward to the Department, with the certificate of eligibility required pursuant to subsection 4 of section 7 of chapter 198, [Statutes of Nevada 2005, at page 644](#), as amended by section 17 of chapter 407, [Statutes of Nevada 2007, at page 1785](#), any materials submitted to the Commission in support of the application submitted pursuant to this section.~~

~~— 8. — If the Commission approves an application for a partial abatement, the taxpayer is eligible for an abatement from the tax for not more than 2 years for eligible machinery or equipment which is leased or~~



purchased. In the case of machinery or equipment that is leased, the lessee is the taxpayer who is eligible for an abatement.

—9. If a person whose partial abatement has been approved pursuant to this section and is in effect:

—(a) Ceases to meet the requirements set forth in this section or section 7 of chapter 198, [Statutes of Nevada 2005, at page 644](#), as amended by section 17 of chapter 407, [Statutes of Nevada 2007, at page 1785](#); or

—(b) Ceases operation of the grocery store before the expiration of the period specified in the agreement the applicant executed with the Commission pursuant to subsection 3 of section 7 of chapter 198, [Statutes of Nevada 2005, at page 644](#), as amended by section 17 of chapter 407, [Statutes of Nevada 2007, at page 1785](#);

È the person shall pay to the Department an amount equal to the amount of the tax abatement that was allowed pursuant to this section before the failure of the person to comply with the agreement fully, unless the Nevada Tax Commission determines that the person has substantially complied with the requirements of the agreement and section 7 of chapter 198, [Statutes of Nevada 2005, at page 644](#), as amended by section 17 of chapter 407, [Statutes of Nevada 2007, at page 1785](#). Except as otherwise provided in [NRS 360.232](#) and [360.320](#), the person shall, in addition to the amount required to be paid pursuant to this subsection, pay interest on that amount at the rate most recently established pursuant to [NRS 99.040](#) for each month, or portion thereof, from the last day of the month following the period for which the payment of the tax would have been due had the partial abatement not been approved until the date of payment of the tax.

—10. As used in this section, unless the context otherwise requires:

—(a) “Commission” means the Commission on Economic Development.

—(b) “Eligible machinery or equipment” has the meaning ascribed to it in subsection 3 of [NRS 374.357](#).

—(c) “Grocery store” has the meaning ascribed to it in subsection 7 of section 7 of chapter 198, [Statutes of Nevada 2005, at page 644](#), as amended by section 17 of chapter 407, [Statutes of Nevada 2007, at page 1785](#).

—(Added to NAC by Comm’n on Econ. Development by R168-07, eff. 4-17-2008)

~~— NAC 360.479 Abatements for certain energy-efficient structures: Interpretation of certain statutory terms. ([NRS 360.090](#), [360.200](#), §§ 15 and 15.5 of ch. 539, Stats. 2007) For the purposes of:~~

~~—1. Subsection 5 of section 15 of chapter 539, Statutes of Nevada 2007, the Department shall interpret the term:~~

~~—(a) “Building” to mean a building or other structure that:~~

~~—(1) Meets the requirements of paragraphs (a), (b) and (c) of that subsection; and~~

~~—(2) Is described in the application for registration of the construction project with the Office of Energy for the purpose of obtaining the tax exemption provided pursuant to paragraph (d) of subsection 1 of [NRS 374.307](#), as amended by chapter 2, [Statutes of Nevada 2005, 22nd Special Session, at page 71](#);~~

~~È other than any building or other structure for which the principal use is as a residential dwelling for not more than four families.~~

~~—(b) “Construction contract” to mean a contract between an owner of real property or an affiliate or subsidiary of the owner, and a contractor or construction manager which:~~

~~—(1) Defines their respective roles and responsibilities for the construction of a project on the property;~~

~~—(2) Establishes the scope of work, the amount of money to be paid to the contractor or construction manager and the allowable time for the duration of the contract; and~~

~~—(3) Describes the terms and conditions of a construction project.~~

~~—(c) “Preconstruction contract” to mean a written and executed agreement that:~~

~~—(1) Precedes the construction of or the execution of a construction contract for a project for which a partial tax abatement is sought;~~

~~—(2) Clearly indicates a commitment to construct the project; and~~

- ~~— (3) Is entered into to provide at least one of the following services relating to the construction project:~~
  - ~~— (I) Project financing;~~
  - ~~— (II) Engineering;~~
  - ~~— (III) Design;~~
  - ~~— (IV) Architecture;~~
  - ~~— (V) Labor; or~~
  - ~~— (VI) Subcontracting.~~
- ~~— (d) “Used in the construction of a building” to mean attached to or incorporated into a building by a contractor in the performance of a construction contract in such a manner as to:~~
  - ~~— (1) Become an integral or inseparable part of the building; or~~
  - ~~— (2) Become a fixture to the building.~~
- ~~— 2. Section 15.5 of chapter 539, Statutes of Nevada 2007, the Department shall interpret the term “building or other structure” to mean a building or other structure that:~~
  - ~~— (a) Meets the requirements of paragraphs (a), (b) and (c) of subsection 1 of that section; and~~
  - ~~— (b) Is described in the application for registration of the construction project with the Office of Energy for the purpose of obtaining the partial abatement of taxes provided pursuant to the former provisions of [NRS 361.0775](#);~~
- ~~— other than any building or other structure for which the principal use is as a residential dwelling for not more than four families.~~
- ~~— (Added to NAC by Tax Comm’n by R084-07, eff. 12-5-2007)~~

## **Public/Member Recommendation for Repeal**

**NAC 361.044**

### CHAPTER 361 - PROPERTY TAX

#### EXEMPT PROPERTY

##### Fine Art for Public Display

Clark County Assessor – Recommends repeal. Posters not requested in this manner.

The Department supports this recommendation.

~~NAC 361.044 Provision of poster to school or parent of child who receives in-home instruction. (NRS 360.090, 361.068, 361.186) Upon receiving a request for a poster pursuant to paragraph (b) of subsection 3 of NRS 361.068, the taxpayer shall select which poster to provide to the school or parent.~~

~~—(Added to NAC by Tax Comm'n by R047-01, eff. 12-17-2002)~~

## Public/Member Recommendation for Repeal

**NAC 361.052, 361.054, 361.056 and 361.058**

### CHAPTER 361 - PROPERTY TAX

#### Qualified Systems for Heating, Cooling or Provision of Electricity

Clark County Assessor - NRS 361.079 no longer exists in chapter 361. (This should include NAC 361.052 thru 361.058)

The Department supports this recommendation.

~~NAC 361.052—Determination of value added by qualified system. (NRS 360.090, 360.250, 361.079)~~

~~—1.—For the purpose of [NRS 361.079](#), a county assessor may consider value added by a qualified system as the difference between the cost of the building with the qualified system and the cost of a building constructed in a conventional manner without a qualified system and put to the same or a similar use. For example, a building of masonry construction used to provide solar energy may be valued on the basis of frame construction.~~

~~—2.—The value added by that portion of a qualified system which is not used for heating or cooling or to provide electricity or is essential to a conventionally built structure, must be included in the assessed value of the building. For example, a qualified system with an enclosed area for a solarium or sun space that is also used as a limited living area may be valued as an enclosed porch if it facilitates the use of solar energy.~~

~~—(Added to NAC by Tax Comm'n, eff. 4-24-84)~~

~~NAC 361.054—Form for requesting valuation. (NRS 360.090, 360.250, 361.079)—A county assessor may provide an appropriate form for the owner of a building to request the valuation of a qualified system. If an owner does not complete such a form, the owner may not be precluded from appealing the valuation of the building to the county board of equalization.~~

~~—(Added to NAC by Tax Comm'n, eff. 4-24-84)~~

~~NAC 361.056—Documentation to determine conformity to standards. (NRS 360.090, 360.250, 361.079)—A county assessor, a county board of equalization or the State Board of Equalization may require documentation from the owner of a building who has requested the valuation of a qualified system to determine whether it conforms to the standards established by the Department and functions to conserve energy.~~

~~—(Added to NAC by Tax Comm'n, eff. 4-24-84)~~

~~NAC 361.058—List of buildings with qualified systems. (NRS 360.090, 361.079)—On or before April 1 of each year, each county assessor shall submit to the Department for the preceding year a written list of the buildings in his or her county which have qualified systems.~~

~~—(Added to NAC by Tax Comm'n, eff. 4-24-84)~~

## Department Recommendation for Repeal

### **NAC 361.150 and 361.151**

#### CHAPTER 361 - PROPERTY TAX

##### **Miscellaneous Requirements**

Repeal - This functionality can be accomplished with the Ratio Study review every 3 years to ensure re-appraisal is being done correctly.

~~NAC 361.150—Report of appraisals by county assessor. (NRS 360.090, 360.250, 361.260)~~—Each county assessor shall file with the Department on or before April 1 of each year a report which includes:

- ~~—1. A statement of the appraisals accomplished in the previous year beginning January 1 and ending December 15, including:~~
  - ~~—(a) The total number of parcels that were reappraised;~~
  - ~~—(b) The total number of parcels with newly constructed improvements to realty, not including additions to existing improvements and newly subdivided parcels that were appraised;~~
  - ~~—(c) The total number of all taxable parcels in the county; and~~
  - ~~—(d) The areas of the county that were reappraised.~~
- ~~—2. A statement of what the county assessor proposes to appraise in the following year, including:~~
  - ~~—(a) An estimate of the percentage of all parcels in the county that the proposed reappraisals represent; and~~
  - ~~—(b) The areas of the county that the county assessor proposes to reappraise.~~
- ~~—3. A list of the areas of appraisal, encompassing all property in the county, which were used in the prior 5 year cycle of reappraisal and a statement of the areas which were appraised in each year of that cycle.~~

~~—[Tax Comm'n, Property Tax Reg. part No. 7, eff. 9-17-80; A 1-14-82]—(NAC A 10-10-83)~~

Repeal - sales are fully reviewed during the ratio study process.

~~—NAC 361.151—Statement of valuation of property sold. (NRS 360.090, 360.250, 361.260)~~—On or before April 1 of each year, each county assessor shall furnish to the Department a statement of the valuation of real property which was sold in his or her county in the preceding calendar year. The statement must include:

- ~~—1. The date of each sale;~~
- ~~—2. The parcel number or a description of the real property sold;~~
- ~~—3. The sales price; and~~
- ~~—4. The method used to verify the sales price.~~

~~—(Added to NAC by Tax Comm'n, eff. 4-24-84)~~

## Department Recommendation for Repeal

NAC 361.427

### CHAPTER 361 - PROPERTY TAX

#### Communications, Electric, Gas Transmission, Pipeline and Railroad Companies

Repeal - No longer used as a valuation technique.

~~NAC 361.427— Stock and debt approach indicator of value. ([NRS 360.090](#), [361.320](#))~~

~~—1. The stock and debt approach proposes a value for the entire firm, but is generally recognized as a less applicable methodology for determining the value of taxable property.~~

~~—2. The stock and debt indicator is determined by multiplying either the average monthly, quarterly or annual high and low market price quotations, when available, for all the securities which are actively traded in the market place, including common stock, preferred stock and long term debt, by the number of shares outstanding at the end of the year. Computations of the present worth of income flows may be made to determine values for securities which are not actively traded.~~

~~—3. The value of the stock of a holding company is apportioned among its operating companies according to the ratio of:~~

~~—(a) Each operating company's property to the aggregate property of all of the operating companies, valued at historical cost and weighted at one third; and~~

~~—(b) Each operating company's net income before income taxes to the aggregate net income of all of the operating companies, weighted at two thirds.~~

~~↪ For the industry group of rail transportation, the direct deduction method to eliminate nonoperating assets will be used when the information is available and considered applicable.~~

~~—4. To this amount will be added items such as customer advances for construction which are nontaxable for federal income tax purposes, current liabilities less dividends declared, the present worth of leased property over the period of the lease together with any other items conforming to the theory that if a person were to purchase all the stock and assume all the outstanding liabilities of a company, the person would have acquired all the assets which appear on the asset side of the balance sheet and, therefore, own the company.~~

~~—5. From this amount will be deducted the market value of all exempt or nonoperating property, including, but not limited to, cash, accounts receivable, notes receivable, miscellaneous investments, temporary investments, nonoperating properties and other current and accrued assets and properties not subject to the ad valorem property tax imposed by [NRS 361.315](#) and [361.320](#).~~

~~—(Added to NAC by Tax Comm'n, eff. 9-30-88; A by R085-98, 11-23-98)~~

## Public/Member Recommendation for Repeal

### NAC 361.1315

#### CHAPTER 361 - PROPERTY TAX

#### ASSESSMENTS BY COUNTY ASSESSORS

#### Determination of Taxable Value of Real Property

Clark County Assessor - No report is requested of our office from the Department and Assessor is not aware of any form that has been provided to our office for a report around March 15th.

The Department supports this recommendation. The report is no longer needed since the enactment of the new "Pupil Centered Funding Plan."

~~NAC 361.1315—Adjustment in apportionment for school district. (NRS 360.090, 360.250, 387.1243)~~

~~—1. To determine if a school district is eligible to receive an adjustment in apportionment pursuant to subsection 2 of NRS 387.1243, each county assessor shall, on or before March 15 of each year, submit a report to the Department on a form provided by the Department. The report must include the:~~

~~—(a) Value of all possessory interest of property in the county that is subject to taxation pursuant to NRS 361.157 and 361.159;~~

~~—(b) Value of such property for the current fiscal year;~~

~~—(c) Amount of taxes that are due on the property; and~~

~~—(d) Amount of taxes that have been paid for the current fiscal year.~~

~~→ A copy of the report must be provided to the county treasurer.~~

~~—2. After receipt of the report required by subsection 1, the Department will verify, in cooperation with the county treasurer, the amount of property taxes paid and the amount of anticipated shortfall in property taxes on any leasehold interest, possessory interest, beneficial interest or beneficial use on property that is owned by the Federal Government and subject to taxation pursuant to NRS 361.157 and 361.159. On or before April 15 of the year in which the taxes are due, the Department will provide certification of the amount of such anticipated shortfall to the Department of Education.~~

~~—3. If the delinquent taxes are paid after the report required by subsection 1 is made, the county treasurer shall report the date and amount of payment to the Department within 10 days after the payment is made. The Department will report the amount of the payment to the Department of Education to facilitate repayment by the school district in accordance with subsection 2 of NRS 387.1243.~~

~~—(Added to NAC by Tax Comm'n by R013-98, eff. 11-20-98)~~

## **Department Recommendation for Repeal**

**NAC 361.61062**

### CHAPTER 361 - PROPERTY TAX

#### **Appeal of Determination of Applicability of Certain Abatements**

**Repeal - Term only used in NAC 361.6107. Please see amendment for NAC 361.6107.**

~~NAC 361.61062 “Staff” defined. (NRS 360.090, 361.4734) “Staff” has the meaning ascribed to it in NAC 360.040.  
(Added to NAC by Tax Comm’n by R011-07, eff. 10-31-2007)~~



## Department Recommendation for Repeal

### **NAC 362.035 and 362.050**

#### CHAPTER 362 - TAXES ON PATENTED MINES AND PROCEEDS OF MINERALS

#### PROCEEDS OF MINERALS

#### General Provisions

**Repeal - Was only in effect through December 31<sup>st</sup>, 2015.**

~~NAC 362.035 — Deductions: Interpretation of certain statutory terms. [Effective through December 31, 2015.] (NRS 360.090, 362.120) For the purposes of:~~

~~—1. Paragraph (j) of subsection 3 of NRS 362.120, the Nevada Tax Commission will interpret the term “developmental work” to have the meaning ascribed to it in NAC 362.006.~~

~~—2. Paragraph (c) of subsection 7 of NRS 362.120, the Nevada Tax Commission will interpret the term “costs of severing the employment of any employees” to:~~

~~—(a) Exclude, without limitation, the costs of:~~

~~— (1) Any wages, salary or production bonuses earned by an employee before the date of termination of his or her employment; and~~

~~— (2) Any pension benefits, vacation leave and sick leave accrued by an employee before the date of termination of his or her employment; and~~

~~—(b) Except as otherwise provided in paragraph (a), include, without limitation, the costs of any:~~

~~— (1) Additional payments based on length of service;~~

~~— (2) Cash bonuses;~~

~~— (3) Stock options;~~

~~— (4) Medical insurance, dental insurance and life insurance;~~

~~— (5) Payments made in lieu of a required period of notice;~~

~~— (6) Negotiated financial sums paid pursuant to an agreement absolving the employer from any further liability to an employee;~~

~~— (7) Voluntary redundancy packages offered by an employer to attract volunteers to leave the employment of the employer; and~~

~~— (8) Assistance in searching for new positions of employment.~~

~~—3. Paragraph (f) of subsection 7 of NRS 362.120, the Nevada Tax Commission will interpret the term “mineral exploration” to have the meaning ascribed to it in NAC 362.007.~~

~~—(Added to NAC by Tax Comm’n by R058-11, 12-30-2011, eff. 1-1-2012; A by R058-11, 12-30-2011, eff. 1-1-2014)~~

Repeal - Was only in effect through December 31<sup>st</sup>, 2015.

~~NAC 362.050 Deductions: Operating costs. [Effective through December 31, 2015.] (NRS 360.090, 362.120)~~

~~— 1. In computing the costs enumerated in subsection 3 of [NRS 362.120](#), the following specific items are deductible except as limited by subsection 2 of this section and subsection 6 of [NRS 362.120](#):~~

~~— (a) The cost of renting equipment, if the amount paid as rental is commercially reasonable in the circumstances;~~

~~— (b) The cost of contracting for all or part of the mine's operations, if the contract price is commercially reasonable in the circumstances and the cost would otherwise be deductible if the service or activity contracted for was provided or performed directly by the operator of the mine;~~

~~— (c) The cost of Nevada-based corporate services, as defined in subsection 8 of [NRS 362.120](#), which a Nevada mine receives under contract from its corporate office or the office of a related corporation, if:~~

~~— (1) The cost is commercially reasonable in the circumstances; and~~

~~— (2) The cost is separately stated in a manner consistent with good accounting practices;~~

~~— (d) The reasonable cost of management provided to a joint venture by a member, if the fees relate directly to the operation of the mine;~~

~~— (e) If the taxpayer has a policy which prohibits the personal use of a vehicle by an employee, the cost of vehicle allowances to the extent that the vehicle is actively engaged in the business of the mine;~~

~~— (f) The cost of transportation services between points of origin and destination within this State provided by a third party or the owner of the mine for employees to get to and from a point of extraction or reduction of the mine, excluding any cost for the repair, maintenance and depreciation of any facilities or equipment under the jurisdiction of the Public Utilities Commission of Nevada or the Nevada Transportation Authority; and~~

~~— (g) The cost of compensation for employees. As used in this paragraph, "compensation" means wages, salaries, paid vacation leave, paid sick leave, performance-related bonuses, contributions to and administrative costs of qualified pension and retirement plans, 401k and similar deferred benefit plans, Medicare contributions, social security payments, state and federal unemployment compensation contributions or payments, and postemployment training expenses for training conducted in compliance with the Mine Safety and Health Administration and the Division of Industrial Relations of the Department of Business and Industry or their successor organizations.~~

~~— 2. In computing the costs enumerated in subsection 3 of [NRS 362.120](#), the following specific items are not deductible:~~

~~— (a) Cost or expenses which are capitalized;~~

~~— (b) Gifts, grants and donations;~~

~~— (c) Costs of public relations and influencing or seeking to influence governmental activities;~~

~~— (d) Costs of developmental work related to ore bodies outside the geographic area described in the plan for the mine filed with the Division of Minerals of the Commission on Mineral Resources pursuant to [NRS 519A.210](#);~~

~~— (e) Any tax that an operator of a mine is required to pay to the Federal Government, this State or any other state, or a political subdivision thereof;~~

~~— (f) Costs associated with providing health clubs for employees;~~

~~— (g) Costs incurred for preemployment activities, including, without limitation, reimbursement for expenses for moving and relocation;~~

~~— (h) Except as otherwise provided in paragraph (g) of subsection 1 of this section and paragraph (g) of subsection 3 of [NRS 362.120](#), costs associated with union trust funds;~~

~~— (i) Costs associated with providing day care facilities for the children of employees;~~

~~— (j) General liability insurance;~~

~~— (k) Excess policies of general liability insurance;~~

~~—(l) Fire insurance on any machinery, equipment, apparatus, works, plants or facilities; and~~  
~~—(m) Expenses described in subsection 7 of [NRS 362.120](#).~~  
~~—3. The taxes described in paragraph (e) of subsection 2 of this section and paragraph (g) of subsection 7 of [NRS 362.120](#) do not include any contributions or payments described in paragraph (g) of subsection 3 of [NRS 362.120](#).~~  
~~—4. If a cost is partially deductible and partially nondeductible, the deductible portion must be allowed. In determining the portion of such costs which is allowable as a deduction, a reasonable allocation must be made based upon available information. For the purposes of paragraph (b) of subsection 1, there is a rebuttable presumption that not less than 20 percent of the cost of contracting for all or part of a mine's operations is attributable to the cost of services and activities that would not be deductible if provided or performed directly by the operator of the mine.~~  
~~— [Tax Comm'n, Mine Proceeds Reg. Nos. 1-7, 9-14, 19, 20 & 25, eff. 6-28-65; A and renumbered as Reg. No. 2, 1-22-79] (NAC A 5-3-84; R048-01, 11-1-2001; R161-05, 2-23-2006; R058-11, 12-30-2011, eff. 1-1-2012; R058-11, 12-30-2011, eff. 1-1-2014)~~

## Department Recommendation for Repeal

### **NAC 362.310**

#### CHAPTER 362 - TAXES ON PATENTED MINES AND PROCEEDS OF MINERALS

##### **Deductions for Reclamation Costs**

Repeal - Was only in effect through December 31<sup>st</sup>, 2015.

~~— NAC 362.310 Allowable deduction. [Effective through December 31, 2015.] (NRS 360.090, 362.120) — A taxpayer may claim a deduction pursuant to paragraph (k) of subsection 3 of NRS 362.120 for any money paid during the reporting period for reclamation performed by the taxpayer. — (Added to NAC by Tax Comm'n by R161-05, eff. 2-23-2006; A by R058-11, 12-30-2011, eff. 1-1-2012; R058-11, 12-30-2011, eff. 1-1-2014)~~

## **Department Recommendation for Repeal**

### **NAC 363A.350**

#### CHAPTER 363A - TAXES ON FINANCIAL INSTITUTIONS

#### IMPOSITION AND COLLECTION

#### Excise Tax on Banks

Repeal – Definition unnecessary as this is defined in NRS 363A.050 subsection (2)(b).

~~NAC 363A.350 “Bank” interpreted. (NRS 360.090, 363A.070, 363A.120) For the purposes of NRS 363A.120, the Commission interprets the term “bank” to exclude a federal land credit association, farm credit bank, agricultural credit association or similar institution organized under the provisions of the Farm Credit Act.~~

~~(Added to NAC by Tax Comm’n by R205-03, eff. 12-4-2003)~~

## Department Recommendation for Repeal

### **NAC 363C.220**

#### CHAPTER 363C - COMMERCE TAX

#### IMPOSITION AND COLLECTION

#### General Provisions for Business Entities

Repeal – Explanation no longer valid.

~~NAC 363C.220—Requirement to file Nevada Commerce Tax Return; simplified reporting method for business entity with gross revenue less than \$4,000,000. (NRS 360.090, 363C.100, 363C.200)~~

~~—1. Each business entity engaging in a business in this State during a taxable year must file a Nevada Commerce Tax Return for that taxable year pursuant to subsection 2 of [NRS 363C.200](#), regardless of whether the business entity is liable for payment of the commerce tax pursuant to [NRS 363C.300](#) to [363C.560](#), inclusive.~~

~~—2. A business entity engaging in a business in this State whose Nevada gross revenue for a taxable year is less than \$4,000,000 shall provide on its Nevada Commerce Tax Return only the following information:~~

~~—(a) The taxable year;~~

~~—(b) The tax identification number issued to the business entity by the Department;~~

~~—(c) The NAICS code that corresponds to the business category in which the business entity is primarily engaged, as set forth in [NRS 363C.310](#) to [363C.550](#), inclusive, or, if the NAICS code of the business entity does not correspond to a business category set forth in those sections, the NAICS code of the business entity;~~

~~—(d) The legal name and address of the business entity; and~~

~~—(e) The affirmation of the business entity or the business entity's authorized representative, signed under penalty of perjury, that the Nevada gross revenue of the business entity for the taxable year was less than \$4,000,000.~~

~~—(Added to NAC by Tax Comm'n by R123-15, eff. 6-28-2016)~~

## Department Recommendation for Repeal

### **NAC 370.020**

#### CHAPTER 370 - TOBACCO: LICENSES AND TAXES; SUPERVISION OF MANUFACTURERS AND WHOLESALE DEALERS

#### **CIGARETTES**

Repeal - In 2019, NRS 370.585 was enacted to impose certain license requirements for cigarette wholesale warehouses. This regulation no longer complies.

~~NAC 370.020 — Application for subsidiary place of business. (NRS 360.090, 370.100, 370.510)~~

~~—1. A cigarette wholesaler may maintain a warehouse for keeping merchandise on hand at another place than the established principal place of business, by listing the subsidiary place of business with the Department.~~

~~—2. Application must be made to the Department for each subsidiary location and the application must specify the location by street and number.~~

~~—[Tax Comm'n, Cigarette Tax Reg. part No. 2, eff. 6-7-68; A by Dep't of Taxation, 10-22-75]~~

## Department Recommendation for Repeal

### **NAC 370.140 and 370.150**

#### CHAPTER 370 - TOBACCO: LICENSES AND TAXES; SUPERVISION OF MANUFACTURERS AND WHOLESALE DEALERS

#### **OTHER PRODUCTS MADE FROM TOBACCO**

Repeal - NRS 370.567, enacted in 2019, requires licensing by the Department and includes OTP wholesale and retail. This NAC is outdated.

~~— NAC 370.140 Wholesale dealer to notify Department of intent to sell taxable product. (NRS 370.510) A wholesale dealer in products made from tobacco, other than cigarettes, shall notify the Department of his or her intention to sell such products in this State before making any sales. The notification must be given on a form provided by the Department.  
— (Added to NAC by Dep't of Taxation, eff. 10-10-83)~~

Repeal pursuant to (R100-22) - Eliminates the requirement of existing regulations that a wholesale dealer of other tobacco products include in such invoices as part of the total price of such products the amount of the tax required to be paid by the wholesale dealer.

~~— NAC 370.150 Indicating tax on invoice; tax not to be charged to retail dealer as separate item. (NRS 370.510) A wholesale dealer in products made from tobacco, other than cigarettes, shall indicate on his or her invoices of sale the amount of the tax he or she is required to pay pursuant to NRS 370.450 as a part of the total price of those products. This amount must not be charged to the retail dealer as a separate item.  
— (Added to NAC by Dep't of Taxation, eff. 10-10-83)~~



## Department Recommendation for Repeal

### NAC 370.250

#### CHAPTER 370 - TOBACCO: LICENSES AND TAXES; SUPERVISION OF MANUFACTURERS AND WHOLESALE DEALERS

#### SALES ON INDIAN RESERVATIONS AND COLONIES

Repeal as NRS 370.571 addresses the requirement for the Department to maintain a list of all licensed Tobacco Wholesalers. Since the tribes are not licensed by the Department, we only have ordinances on file and provide that list on our website. The below NAC is obsolete because the Department does not license tribes.

~~— NAC 370.250 — List of tribes eligible to purchase cigarettes with tribal tax stamps affixed and other products exempt from state tax. (NRS 360.090, 370.510) — The Department will, as frequently as it deems necessary, publish and distribute to all licensed cigarette wholesale dealers a list of all tribes that are eligible to purchase:~~

- ~~— 1. Cigarettes to which tribal tax stamps are affixed instead of state tax stamps; and~~
- ~~— 2. Other products made from tobacco, exempt from the tax imposed by the State on products made from tobacco.~~

~~— [Dep't of Taxation, Cigarette Tax Reg. part No. 8, eff. 5-26-78] — (NAC A by Tax Comm'n, 9-16-92) — (Substituted in revision for NAC 370.090)~~

## Department Recommendation for Repeal

### **NAC 370.510 and 370.520**

#### CHAPTER 370 - TOBACCO: LICENSES AND TAXES; SUPERVISION OF MANUFACTURERS AND WHOLESALE DEALERS

#### SALES ON INDIAN RESERVATIONS AND COLONIES

Repeal 370.510 and 370.520 because they are duplicative of the NRS.

~~NAC 370.510 “Directory” defined. (NRS 370.250, 370.253, 370.510, 370.675) “Directory” means the directory created pursuant to NRS 370.675.  
—(Added to NAC by Dep’t of Taxation by R146-15, eff. 9-9-2016)~~

~~NAC 370.520 “Manufacturer of tobacco products” or “manufacturer” defined. (NRS 370.250, 370.253, 370.510, 370.675) “Manufacturer of tobacco products” or “manufacturer” has the meaning ascribed to the term “manufacturer of tobacco products” in NRS 370A.060.  
—(Added to NAC by Dep’t of Taxation by R146-15, eff. 9-9-2016)~~

## **Department Recommendation for Repeal**

**NAC 372.110, 372.240, 372.290, 372.300, and 372.400**

### CHAPTER 372 - SALES AND USE TAXES

#### APPLICATION OF TAX

Repeal - If someone bids on their own property at auction, they are more than likely attempting to surreptitiously drive the price of the item up and in doing so are risking buying back their own property. This NAC should be removed because if the owner wins the bid, they should be subject to sales tax like any other bidder.

~~NAC 372.110—Auctions when owner bids on his or her property. (NRS 360.090, 372.725)~~—Sales tax does not apply when an owner of property delivers it to an auctioneer for auction and bids on his or her own property at the auction.

~~—[Tax Comm'n, Combined Sales and Use Tax Ruling part No. 21, eff. 6-14-68]~~

Repeal—This is covered in NAC 372.390 as amended by R174-22.

~~NAC 372.240—Garment or fur repairers, alterers and remodelers. (NRS 360.090, 372.725)~~

~~—1. Repairers, alterers and remodelers of garments or furs are consumers of the thread, buttons, linings and other similar items used in repairing, altering and remodeling garments or furs. Except as provided in subsection 2, the tax applies to the sales price of their purchases of those items.~~

~~—2. A repairer, alterer or remodeler who makes a separately stated charge for an item listed in subsection 1 is a seller making a retail sale of the item.~~

~~—3. If the repairer, alterer or remodeler furnishes additional fur or material in connection with his or her services and the fair retail price of the fur or material is not segregated on the invoice to the customer, the tax applies to the entire amount charged.~~

~~—[Tax Comm'n, Combined Sales and Use Tax Ruling part No. 3, eff. 6-14-68]~~

Amend to combine NAC 372.280, 372.290 and 372.300 under NAC 372.280 Morticians: General provisions, Transactions with other states and Funeral expenses paid by United States. This will repeal NAC 372.290

~~NAC 372.290 Morticians: Transactions with other states. (NRS 360.090, 372.725)~~

~~—1. When death occurs in this State and burial is to occur in another state, the casket and other personal property purchased in this State for the preparation and delivery of the body to its ultimate burial destination are subject to Nevada sales tax.~~

~~—2. Where burial occurs in this State, through ashes in urn, entombment in mausoleum or ground burial, the casket, urn or other materials purchased outside this State are not purchased for use in Nevada and are not subject to use tax. The taxable use has occurred outside this State.~~

~~—[Tax Comm'n, Combined Sales and Use Tax Ruling part No. 7, eff. 6-7-68; A 7-8-80]~~

Amend to combine NAC 372.280, 372.290 and 372.300 under NAC 372.280 Morticians: General provisions, Transactions with other states and Funeral expenses paid by United States. This will repeal NAC 372.300.

~~NAC 372.300 Morticians: Funeral expenses paid by United States. (NRS 360.090, 372.325, 372.725)~~

~~—1. If a portion of the expense of a funeral is paid by the United States directly to the mortician, the transaction is regarded as a sale to the United States and is exempt from the tax to the extent of the payment.~~

~~—2. Payment to a relative or other person as reimbursement for a portion of the funeral expense is not a sale to the United States and is not exempt from the tax.~~

~~—3. In cases where the family assigns the death benefits due from the Veterans' Administration or Social Security to the mortician, the United States is not considered the purchaser and no part of the transaction is considered a tax exempt sale to the United States.~~

~~—4. Only when the governmental agency makes a payment directly to the mortician is that portion of the funeral expense considered exempt from the tax.~~

~~—[Tax Comm'n, Combined Sales and Use Tax Ruling part No. 7, eff. 6-7-68; A 7-8-80]~~

Repeal – NAC 372.390 was amended pursuant to (R174-22) to cover all tangible personal property. No longer need to break out different types of tangible personal property.

~~NAC 372.400 Repairing and reconditioning: Examples of parts and materials which are substantial or insubstantial in value in relation to total charge. (NRS 360.090, 372.725)~~

~~—1. Repairs to motor vehicles, airplanes, machinery, appliances, farm implements, boats, radios and television sets and the repair of furniture, involving expensive cushion filling, brocades or other materials for covering, are jobs in which the parts and materials are substantial in value in relation to the total charge and must be separately stated and taxed.~~

~~—2. Repairs to tires, tubes, clothing, watches, jewelry and shoes and the repair of a table by filling a dent with wood putty or filler, or sectioning of the wood with similar wood, staining and varnishing, are repair jobs in which the parts and materials are insubstantial in value in relation to the total charge, and the tax must be paid on the purchase of the parts and materials by the repairer.~~

~~—[Tax Comm'n, Combined Sales and Use Tax Ruling part No. 16, eff. 6-14-68]~~

## Department Recommendation for Repeal

### NAC 372.715

#### CHAPTER 372 - SALES AND USE TAXES

#### EXEMPTIONS

Repeal - In 1997, NRS 372.317 was found to be unconstitutional and cannot be used. The only reason it hasn't been removed is because it requires a vote of the people to do so. The NAC should be repealed because the statute is not being enforced.

~~— NAC 372.715 Application by air carrier. (NRS 360.090, 372.317, 372.725, 374.725) — An air carrier which desires to be exempt from the tax imposed pursuant to [chapter 372](#), [374](#), [377](#), or [377A](#) of NRS must file a written application on a form prescribed by the Department and submit evidence of its eligibility for the exemption. Upon approval of the application, the Department will issue a certificate of exemption.~~

~~— (Added to NAC by Tax Comm'n, eff. 9-13-85; A by Dep't of Taxation, 1-18-90)~~

## **Department Recommendation for Repeal**

### **NAC 375A.010, 375A.020, and 375A.030**

#### CHAPTER 375A - TAX ON ESTATES

Repeal: The credit against the federal estate tax for the payment of State death taxes was phased out by IRS and no longer applies to deaths occurring after December 31, 2004. No new claims can be filed as such required documents are no longer required.

~~NAC 375A.010 — “Department” defined. (NRS 360.090, 375A.800) — As used in this chapter, unless the context otherwise requires, “department” means the department of taxation.  
— (Added to NAC by Tax Comm’n by R182-99, eff. 5-16-2000)~~

Repeal: The credit against the federal estate tax for the payment of State death taxes was phased out by IRS and no longer applies to deaths occurring after December 31, 2004. No new claims can be filed and any previous tax due should have already been remitted.

~~NAC 375A.020 — Documentation of tax due on transfer of certain taxable estates; remittance of tax. (NRS 360.090, 375A.150, 375A.800)~~

- ~~— 1. The documentation required pursuant to [NRS 375A.150](#) includes, without limitation:~~
- ~~— (a) A copy of the first page of Form 706 of the Internal Revenue Service;~~
  - ~~— (b) If the decedent owned any property in another state, a copy of any pertinent schedules showing the allocation of property belonging to each state and proof of payment for the portion of the estate tax of each state;~~
  - ~~— (c) If a deferred payment plan has been accepted and approved by the Internal Revenue Service, a copy of the deferred payment plan and a copy of the acceptance and approval of the deferred payment plan by the Internal Revenue Service; and~~
  - ~~— (d) A copy of each amended Form 706 of the Internal Revenue Service, if any, and the appropriate reconciliation.~~
- ~~— 2. A personal representative who is required to file documentation with the department pursuant to [NRS 375A.150](#) shall remit any applicable tax, interest and penalty owed to the department pursuant to [chapter 375A](#) of NRS at the time he files the documentation required pursuant to [NRS 375A.150](#).~~
- ~~— (Added to NAC by Tax Comm’n by R182-99, eff. 5-16-2000)~~

Repeal: The credit against the federal estate tax for the payment of State death taxes was phased out by IRS and no longer applies to deaths occurring after December 31, 2004. No new claims can be filed and any previous tax due should have already been remitted or documents for extensions should have already been filed.

**NAC 375A.030—Conditions governing remittance of tax due, additional tax, interest and penalty; waiver of penalty. (NRS 360.090, 375A.170, 375A.800)**

—1. A personal representative who has obtained from the Internal Revenue Service an extension of time for filing Form 706 of the Internal Revenue Service shall remit an estimated amount of tax due the department pursuant to [chapter 375A](#) of NRS with the copy of the extension filed with the department pursuant to [NRS 375A.155](#).

—2. If a personal representative who has obtained from the Internal Revenue Service an extension of time for filing Form 706 of the Internal Revenue Service files Form 706 within the time authorized in the extension and the personal representative owes additional tax to the department pursuant to [chapter 375A](#) of NRS, the personal representative shall remit the tax and any interest owed to the department pursuant to [chapter 375A](#) of NRS with the documentation required pursuant to [NRS 375A.150](#).

—3. If a personal representative who has obtained from the Internal Revenue Service an extension of time for filing Form 706 of the Internal Revenue Service files Form 706 after the time authorized in the extension and the personal representative owes additional tax to the department pursuant to [chapter 375A](#) of NRS, the personal representative shall remit the tax, any interest and any penalty owed to the department pursuant to [chapter 375A](#) of NRS with the documentation required pursuant to [NRS 375A.150](#).

—4. If a personal representative fails to file the return provided for in [NRS 375A.150](#) within the time specified in that section or the extension specified in [NRS 375A.155](#), his:

—(a) Obtaining an extension of time for filing Form 706 of the Internal Revenue Service from the Internal Revenue Service; and

—(b) Remitting an estimated amount of tax due the department pursuant to [chapter 375A](#) of NRS with the copy of the extension filed with the department pursuant to [NRS 375A.155](#), shall be deemed to constitute reasonable cause for the purposes of [NRS 375A.170](#) and the personal representative is not required to pay a penalty pursuant to [NRS 375A.170](#).

—5. The department shall waive the penalty for failure to file a timely return imposed pursuant to [NRS 375A.170](#) if the personal representative provides documentation to the department proving that a similar penalty for failure to file timely the federal estate tax return was waived by the Internal Revenue Service.

—(Added to NAC by Tax Comm'n by R182-99, eff. 5-16-2000)

## **Department Recommendation for Repeal**

**NAC 490.010, 490.020, 490.040, and 490.050**

### CHAPTER 490 - OFF-HIGHWAY VEHICLES

#### GENERAL PROVISIONS

Repeal all 4 - Notified DMV for adoption under their chapter.

~~NAC 490.010~~ **Definitions.** ~~(NRS 481.051, 490.066)~~ As used in this chapter, unless the context otherwise requires, the words and terms defined in ~~NAC 490.015 to 490.055~~, inclusive, have the meanings ascribed to them in those sections.

—(Added to NAC by Tax Comm'n by R190-05, eff. 2-23-2006; A by Dep't of Motor Veh. by R130-11, 6-29-2012, eff. 7-1-2012)

~~NAC 490.020~~ **“Authorized dealer” defined.** ~~(NRS 481.051, 490.066)~~ “Authorized dealer” has the meaning ascribed to it in ~~NRS 490.020~~.

—(Added to NAC by Tax Comm'n by R190-05, eff. 2-23-2006)

~~NAC 490.040~~ **“Department” defined.** ~~(NRS 481.051, 490.066)~~ “Department” means the Department of Motor Vehicles.

—(Added to NAC by Tax Comm'n by R190-05, eff. 2-23-2006; A by Dep't of Motor Veh. by R130-11, 6-29-2012, eff. 7-1-2012)

~~NAC 490.050~~ **“Off highway vehicle” defined.** ~~(NRS 481.051, 490.066)~~ “Off highway vehicle” has the meaning ascribed to it in ~~NRS 490.060~~.

—(Added to NAC by Tax Comm'n by R190-05, eff. 2-23-2006)



## Department Recommendation for Repeal

### **NAC 680B.150 to 680B.250**

#### CHAPTER 680B - INSURANCE: FEES AND TAXES

#### GENERAL TAX ON PREMIUMS

Repeal all below - Home office credit sunset 12/31/2020 (NRS 680B.050 to 680B.055 reflect Repealed. See chapter 1, Statutes of Nevada 2014, 28th Special Session, at page 3.

~~NAC 680B.150 Definitions. (NRS 360.090, 680B.027) As used in NAC 680B.150 to 680B.250, inclusive, unless the context otherwise requires, the words and terms defined in NAC 680B.160 to 680B.190, inclusive, have the meanings ascribed to them in those sections.~~

~~—(Added to NAC by Tax Comm'n by R006-98, eff. 11-20-98)~~

~~— NAC 680B.160 “Ad valorem credit” defined. (NRS 360.090, 680B.027) “Ad valorem credit” means the credit set forth in paragraph (b) of subsection 1 of NRS 680B.050.~~

~~—(Added to NAC by Tax Comm'n by R006-98, eff. 11-20-98)~~

~~— NAC 680B.170 “Executive Director” defined. (NRS 360.090, 680B.027) “Executive Director” means the Executive Director of the Department of Taxation.~~

~~—(Added to NAC by Tax Comm'n by R006-98, eff. 11-20-98)~~

~~— NAC 680B.180 “Fifty percent credit” defined. (NRS 360.090, 680B.027) “Fifty percent credit” means the credit set forth in paragraph (a) of subsection 1 of NRS 680B.050.~~

~~—(Added to NAC by Tax Comm'n by R006-98, eff. 11-20-98)~~

~~— NAC 680B.190 “Net direct premiums and net direct considerations written during the preceding calendar quarter” defined. (NRS 360.090, 680B.027) “Net direct premiums and net direct considerations written during the preceding calendar quarter” means those net direct premiums and net direct considerations written during the same quarter for which each quarterly report and payment is due pursuant to the provisions of NRS 680B.032.~~

~~—(Added to NAC by Tax Comm'n by R006-98, eff. 11-20-98)~~

~~— NAC 680B.200 Illustration of proper application of NRS 680B.032. (NRS 360.090, 680B.027, 680B.032) The following example is given to illustrate the proper application of NRS 680B.032. If an insurer writes \$500,000 of net direct premiums and net direct considerations during the quarter that runs from January 1 to March 31 of a calendar year and the insurer is required to file quarterly reports and make quarterly payments pursuant to the provisions of NRS 680B.032, the insurer shall file its quarterly report and make its quarterly payment of taxes on that \$500,000 by April 30 of that same calendar year.~~

~~—(Added to NAC by Tax Comm'n by R006-98, eff. 11-20-98)~~

~~— NAC 680B.210 Application of fifty percent credit and ad valorem credit against tax imposed for privilege of transacting business in this State. (NRS 360.090, 680B.027, 680B.050)~~

~~— 1. Except as otherwise provided in [NAC 680B.240](#), an insurer who has established to the satisfaction of the Executive Director that it meets all the requirements set forth in [NRS 680B.050](#) and [680B.055](#) may apply:~~

~~—(a) The fifty percent credit; and~~

~~—(b) The ad valorem credit,~~

~~↪ against the tax imposed by [NRS 680B.027](#).~~

~~— 2. Such an insurer shall apply these credits pursuant to the provisions of [NAC 680B.220](#) to [680B.250](#), inclusive.~~

~~—(Added to NAC by Tax Comm'n by R006-98, eff. 11-20-98)~~

~~— NAC 680B.220 Application of fifty percent credit if home office or regional home office in Nevada. (NRS 360.090, 680B.027, 680B.050) Except as otherwise provided in [NAC 680B.240](#), an insurer who has established to the satisfaction of the Executive Director that the insurer meets all the requirements set forth in [NRS 680B.050](#) and [680B.055](#) and wishes to apply the fifty percent credit shall:~~

~~— 1. If the insurer is required to file quarterly reports and make quarterly payments pursuant to [NRS 680B.032](#), reduce by 50 percent the amount of the tax required to be paid on net direct premiums and net direct considerations written during the preceding calendar quarter when the insurer files the quarterly reports and makes the quarterly payments pursuant to the provisions of [NRS 680B.032](#).~~

~~— 2. If the insurer is not required to file quarterly reports and make quarterly payments pursuant to the provisions of [NRS 680B.032](#), reduce by 50 percent the aggregate amount of the tax required to be paid on net direct premiums and net direct considerations written during the immediately preceding calendar year when the insurer files the annual report and makes the annual payment pursuant to the provisions of [NRS 680B.030](#).~~

~~—(Added to NAC by Tax Comm'n by R006-98, eff. 11-20-98)~~

~~— NAC 680B.230 Application of ad valorem credit if home office or regional home office in Nevada. (NRS 360.090, 680B.027, 680B.050)~~

~~— 1. Except as otherwise provided in [NAC 680B.240](#), an insurer who has established to the satisfaction of the Executive Director that it meets all the requirements set forth in [NRS 680B.050](#) and [680B.055](#) and wishes to apply the ad valorem credit shall reduce the amount of tax the insurer is required to pay pursuant to [NRS 680B.027](#) by the amount of the ad valorem credit when the insurer files the annual report and makes the annual payment pursuant to the provisions of [NRS 680B.030](#).~~

~~— 2. An insurer who is required to file quarterly reports and make quarterly payments pursuant to the provisions of [NRS 680B.032](#) may not reduce the amount of tax the insurer is required to pay pursuant to [NRS 680B.027](#) by the amount of the ad valorem credit or any portion of that amount when the insurer files the quarterly reports and makes the quarterly payments pursuant to the provisions of [NRS 680B.032](#).~~

~~—(Added to NAC by Tax Comm'n by R006-98, eff. 11-20-98)~~

~~— NAC 680B.240 Failure to satisfy requirements for credits for maintaining home office; payment of deficiency and interest. (NRS 360.090, 680B.027, 680B.050)~~

~~— 1. If an insurer fails to satisfy the requirements of [NRS 680B.050](#) or [680B.055](#) for the entire year for which the credits for maintaining a home office in this State are claimed, the insurer is not entitled to any credit for that entire calendar year.~~

~~— 2. If the Nevada Tax Commission, the Department of Taxation or a court of competent jurisdiction determines that an insurer who applied the fifty percent credit when the insurer filed a quarterly report and made a quarterly payment pursuant to the provisions of [NRS 680B.032](#) has subsequently failed to satisfy the requirements of [NRS 680B.050](#) or [680B.055](#) during the same calendar year in which the insurer made the quarterly payment, the insurer shall remit to the Department of Taxation:~~

~~—(a) The difference between the amount the insurer set forth as the quarterly payment in the quarterly report filed with the Department of Taxation and the amount the insurer would have owed for the quarterly payment if the insurer had not applied the fifty percent credit and any other amount that the Nevada Tax Commission, the Department of Taxation or a court of competent jurisdiction determines to be a deficiency; and~~

~~—(b) All applicable interest owed for failure to pay the full amount in a timely manner. Such interest must be based on the difference between the amount the insurer set forth as the quarterly payment in the quarterly report filed with the Department of Taxation and the amount the insurer would have owed for the quarterly payment if the insurer had not applied the fifty percent credit and any other amount that the Nevada Tax Commission, the Department of Taxation or a court of competent jurisdiction determines to be a deficiency.~~

~~—(Added to NAC by Tax Comm'n by R006-98, eff. 11-20-98)~~

~~— **NAC 680B.250 Credit against tax imposed in succeeding calendar year.** ([NRS 360.090](#), [680B.027](#), [680B.050](#)) If an insurer is not entitled to a certain amount of the fifty percent credit or the ad valorem credit because it would reduce the amount of tax payable to less than 20 percent of the tax otherwise payable for that year pursuant to the provisions of [NRS 680B.027](#), the insurer may not carry forward that amount of either credit for use as a credit against the tax imposed by [NRS 680B.027](#) in a succeeding calendar year.~~

~~—(Added to NAC by Tax Comm'n by R006-98, eff. 11-20-98)~~

## Department Recommendation for Amendment

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red strikethrough~~ is language proposed to be deleted.

### NAC 360.043, 360.045, 360.050, 360.055, 360.058, and 360.060

#### CHAPTER 360 - REVENUE AND TAXATION: GENERAL PROVISIONS

#### PRACTICE BEFORE THE NEVADA TAX COMMISSION General Provisions

Amend to add subsection 3 in order to address timing of deadlines in practice before the Nevada Tax Commission.

**NAC 360.043 Scope; construction; deviation. (NRS 360.090)**

1. The provisions of NAC 360.043 to 360.200, inclusive:
    - (a) Govern the practice and procedure in contested cases before the Commission and Department.
    - (b) Govern all practice and procedure before the Commission or Department under titles 31 and 32 of NRS.
    - (c) Will be liberally construed to secure the just, speedy and economical determination of all issues presented to the Commission or Department.
  2. In special cases, where good cause appears, not contrary to statute, deviation from these rules, if stipulated to by all parties of record, will be permitted.
  3. *In computing any period prescribed or allowed by the provisions of NAC 360.043 to 360.200, inclusive:*
    - (a) *If the period begins to run on the occurrence of an act or event, the day on which the act or event begins is excluded from the computation.*
    - (b) *The last day of the period is included in the computation, except that if the last day falls on a Saturday, Sunday, legal holiday or holiday proclaimed by the Governor or on a day on which the office of the Department is not open for the conduct of business, the period is extended to the close of business on the next business day.*
- [Tax Comm'n, Practice Rule No. 1, eff. 11-15-77; A 12-20-79; No. 2, part No. 3 & No. 5, eff. 11-15-77]—(NAC A by R112-07, 12-4-2007; R140-07, 1-30-2008; R175-08, 10-15-2010)

Amend to add electronic filing and exchange of documents and remove outdated processes.

The NTA requested this amendment as well.

**NAC 360.045 Communications. (NRS 360.090)**

1. All pleadings, including, but not limited to, complaints, petitions, answers, briefs, motions, affidavits and applications, should be addressed to the Director and not to individual members of the Commission or its staff. All pleadings *may be mailed or filed electronically and* are deemed to be ~~officially received by~~ *timely filed with* the Department when a true copy of the paper or document, properly addressed and stamped, is deposited in the United States mail, *or electronically transmitted, as applicable.*

~~2. Informal communications may be made with individual members of the staff and these communications and documents are deemed to be officially received by the Department when they are properly addressed and stamped and deposited in the United States mail.~~

~~3. Informal communications from the Department or Commission must be signed by the responsible staff member or Commissioner.~~

~~4. Each communication must be limited to one subject, contain the name and address of the person originating the communication and the appropriate permit or account number, if any, pertaining to the subject of the communication.~~

[Tax Comm'n, Practice Rule No. 17, eff. 11-15-77; A 12-20-79; No. 19, eff. 11-15-77]

Amend to include debit/credit card payments.

NTA requested that electronic funds transfers be added to the regulation.

**NAC 360.050 Fees and remittances. (NRS 360.090)**

1. Fees and remittances to the Department must be by money order, bank draft, *electronic funds transfer, credit and/or debit card*, or check payable to the Department.

2. Remittances in currency or coin are wholly at the risk of the remitter and the Department assumes no responsibility for loss thereof.

3. Postage stamps will not be accepted as remittances.

[Tax Comm'n, Practice Rule No. 20, eff. 11-15-77]

Amend - Change name to Notice of Commission Meetings, delete subsection 1 as hearings are confidential and confirm notice requirements pursuant to NRS 233B.

NTA requested the hearing calendar should be posted on the Department's website, and it should include all hearings before the ALJ's as well as the Commission.

The Department does not support this recommendation as ALJ hearings are confidential.

**NAC 360.055 Notice of Commission Meetings ~~Hearing calendar; notice of meetings of Commission.~~ (NRS 360.090)**

~~1. A hearing calendar will be maintained by the Director and current assignments for hearings will be made from the calendar. A current copy of the hearing calendar will be posted at all of the offices of the Department.~~

2. Notice of the meetings of the Commission will be given to the public by posting a notice and an agenda *in accordance with the requirements of NRS Chapter 233B, including, without limitation, on the Department's website and* at the Carson City, Reno, *and* Las Vegas ~~and Elko~~ offices of the Department at least 3 working days before the meeting.

[Tax Comm'n, Practice Rule No. 21, eff. 11-15-77]

Amend to require the transcript be certified by a reporter licensed pursuant to NRS Chapter 656.

**NAC 360.058 Transcripts.** ([NRS 360.090](#))

1. If a transcript of any hearing held before the Commission or the hearing officer is desired by the petitioner or appellant, he or she must furnish the reporter, pay for the transcript and deliver a copy of the transcript to the Director within 20 days after requesting a rehearing or filing an appeal of the matter.

2. If a transcript is prepared by the petitioner or appellant from a tape recording provided by the Department, the petitioner or appellant must, if he or she wishes to use the transcript in any subsequent hearing or appeal of the matter, deliver a copy of the transcript to the Department within the time required by subsection 1.

*3. A reporter who transcribes any hearing held before the Commission or a hearing officer must be licensed pursuant to NRS Chapter 656.*

[Tax Comm'n, Practice Rule part No. 17, eff. 11-15-77; A 12-20-79]—(NAC A 6-20-90; 8-2-90)—  
(Substituted in revision for NAC 360.165)

Amend - The Smoking section could be removed as it's been legislated away by the Nevada Clean Indoor Air Act - NRS 202.2483.

**NAC 360.060 Meetings and hearings: Conduct required; smoking prohibited.** ([NRS 360.090](#))

1. A person appearing in a proceeding shall conform to the recognized standards of ethical and courteous conduct.

~~2. Smoking is prohibited during all meetings of the Commission and hearings before the hearing officer.~~

[Tax Comm'n, Practice Rule No. 33, eff. 11-15-77]

## Department Recommendation for Amendment

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red strikethrough~~ is language proposed to be deleted.

### NAC 360.095 and 360.135

#### CHAPTER 360 - REVENUE AND TAXATION: GENERAL PROVISIONS

##### Hearings on Petitions for Redetermination

Amend – remove Carson City as hearings can be held in any office.

#### NAC 360.095 Notice; location. (NRS 360.090, 360.370)

1. Hearings will be held before the Director or other designated hearing officer. Except as provided in subsection 3, notice of the place, date and hour of the hearing will be served at least 10 days before the date set for the hearing.

2. Hearings will be held at the offices of the Department ~~in Carson City, Nevada~~, or at such other place in the State as may be designated in the notice of hearing.

3. In all hearings ordered to be held by the hearing officer, the hearing date may be set with less than 10 days' notice if the petitioner, or the petitioner's counsel, and staff agree in writing.

[Tax Comm'n, Practice Rule Nos. 23 & 36, eff. 11-15-77]—(NAC A 9-13-85; 1-12-96)

Amend - Clarify that subpoenas may be issued for persons or documents by adding an additional sentence to subsection 1: *The hearing officer may issue a subpoena for the production of books, waybills, papers, accounts or other documents located in the State.*

#### NAC 360.135 Subpoenas. (NRS 360.090, 360.370)

1. Subject to the restrictions imposed by NRS 360.240, *a hearing officer may issue a subpoena for:* ~~requiring~~

(a) the attendance of a witness from any place in the State to any designated place of a hearing for the purpose of taking testimony may be issued by the hearing officer.

(b) *The production of books, waybills, papers, accounts or other documents located in the State.*

2. A party desiring to subpoena a witness must submit an application in writing to the hearing officer stating the reasons why a subpoena is requested.

3. The hearing officer may require that a subpoena requested by a party for the production of books, waybills, papers, accounts or other documents be issued only after the submission of an application in writing, which specifies as clearly as may be, the books, waybills, papers, accounts or other documents desired.

4. The hearing officer, upon receipt of an application for a subpoena, shall:

(a) Grant the application and issue the subpoena;

(b) Deny the application; or

(c) Schedule a hearing to decide whether to grant or deny the application.

5. All costs incident to the subpoenas issued at the request of the petitioner must be paid by the petitioner, and the hearing officer may demand payment of the costs before the issuance of a subpoena.

[Tax Comm'n, Practice Rule No. 28, eff. 11-15-77]—(NAC A 1-12-96)

## Department Recommendation for Amendment

EXPLANATION – Matter in (1) **green bold** is original language in LCB’s proposed regulation; (2) *blue bold italics* is language proposed to be added to LCB’s proposed regulation; and (3) ~~red strikethrough~~ is language proposed to be deleted in LCB’s proposed regulation.

### NAC 360.365, 360.368, 360.370, and 360.390 - Amend per R098-22

## CHAPTER 360 - REVENUE AND TAXATION: GENERAL PROVISIONS

### ESTIMATION OF POPULATION

*Amend pursuant to R098-22 to make conforming changes to eliminate references to repealed provisions.*

**NAC 360.365 Determination of estimates for State and counties.** (*NRS 360.090, 360.283*)

1. Except as otherwise provided in this section or *NAC 360.373, 360.375 or 360.377*, estimates of the population of this State and its counties must be determined by averaging on an equal basis the results of the Nevada regression model and the relevant housing unit model.

2. The housing unit model must include housing units listed on the county assessors’ records as of July 1 of each year. Only units included on the county assessors’ records may be used unless the appropriate local governmental official certifies to the Department that the unit has been approved for occupancy on or before July 1. Documentation certified by the appropriate local governmental official, subject to the approval of the Department and the demographer employed by the Department, may be submitted to the Department to verify that a housing unit should be included in the calculations.

3. The number of persons per household must be calculated using the last decennial census unless a more recent source is available and has been approved by the Department and the demographer employed by the Department. The number of persons per household may be adjusted using historical rates of change in persons per household. To the extent possible, the vacancy rate must be determined for all incorporated cities and unincorporated towns within a county on a consistent basis using data from the last decennial census. The occupancy rate may be updated by using a postal survey, data from utilities providing services within those cities and towns or information from other sources acceptable to the Department and the demographer employed by the Department that indicates changes to data from the last decennial census.

4. A county and the incorporated cities and unincorporated towns within that county may coordinate and agree upon the data to be included in the housing unit models for the county and each incorporated city and unincorporated town. If the county, incorporated cities and unincorporated towns cannot agree by September 30, the question of what data may be included must be submitted to the Department and the demographer employed by the Department for resolution. Housing unit estimates must be submitted to the demographer employed by the Department not later than the first state working day in November.

5. If the Department and the demographer employed by the Department determine that data is unavailable to produce a workable housing unit model, the Nevada regression model must be used to determine the population of the county.

6. If the Department and the demographer employed by the Department determine that data is unavailable to produce a workable Nevada regression model, the housing unit model must be used to determine the population of the county.



7. If the Department and the demographer employed by the Department determine that data is unavailable to produce a workable housing unit model and a workable Nevada regression model, the latest estimates prepared by the Bureau of the Census must be used to determine the population of the county.

(Added to NAC by Dep't of Taxation, eff. 9-1-89; A by Tax Comm'n, 8-7-90; 9-13-91; 5-27-92; R102-98, 11-20-98; A by Dep't of Taxation by R150-10, 12-20-2012)

[Amend pursuant to R098-22 to make conforming changes to eliminate references to repealed provisions.](#)

**NAC 360.368 Determination of estimates for unincorporated towns. (NRS 360.090, 360.283)**

1. Except as otherwise provided in this section or [NAC 360.373, 360.375 or 360.377](#), the estimate of the population of an unincorporated town must be determined by using the town-county ratio for the unincorporated town obtained from the relevant housing unit model. The ratio may be adjusted by the Department and the demographer employed by the Department:

(a) For annexations not previously included in the ratio.

(b) To increase the estimates by using the number of housing units added since the date of the most recent estimates of population. The number of housing units must be certified by the appropriate local governmental official.

(c) For any error or omission which comes to the attention of the Department.

↪ The resulting town-county ratio must be multiplied by the total population of the county calculated pursuant to [NAC 360.365](#) or [360.375](#).

2. If the Department and the demographer employed by the Department determine that the data necessary to produce a workable housing unit model is not available, the estimate of the population of the unincorporated town may be determined by using:

(a) A decennial census ratio;

(b) A ratio obtained from the most relevant available information; or

(c) An average on an equal basis of the ratios set forth in paragraphs (a) and (b),

↪ as determined by the Department and the demographer employed by the Department.

(Added to NAC by Tax Comm'n by R102-98, eff. 11-20-98)

[Amend pursuant to R098-22 to make conforming changes to eliminate references to repealed provisions.](#)

**NAC 360.370 Determination of estimates for incorporated cities. (NRS 360.090, 360.283)**

1. Except as otherwise provided in this section or [NAC 360.373, 360.375 or 360.377](#), the estimate of the population of an incorporated city must be determined by using the city-county ratio for the incorporated city obtained from the relevant housing unit model. The ratio may be adjusted by the Department and the demographer employed by the Department:

(a) For annexations not previously included in the ratio.

(b) To increase the estimates by using the number of housing units added since the date of the most recent estimates of population. The number of housing units must be certified by the appropriate local governmental official.

(c) For any error or omission which comes to the attention of the Department.

↪ The resulting city-county ratio must be multiplied by the total population of the county calculated pursuant to [NAC 360.365](#) or [360.375](#).

2. If the Department and the demographer employed by the Department determine that the data necessary to produce a workable housing unit model is not available, the adjusted Bureau of the Census ratio must be used to determine the estimate of the population of the incorporated city.

3. If the Department and the demographer employed by the Department determine that the data necessary to produce a workable housing unit model and a workable adjusted Bureau of the Census ratio is not available, the estimate of the population of the incorporated city may be determined by using:

- (a) A decennial census ratio;
- (b) A ratio obtained from the most relevant available information; or
- (c) An average on an equal basis of the ratios set forth in paragraphs (a) and (b),

↳ as determined by the Department and the demographer employed by the Department.

4. As used in this section, “adjusted Bureau of the Census ratio” means the fraction or percentage of the total population of a county that is located within a certain incorporated city or unincorporated town within the county which is based upon the most recent estimates prepared by the Bureau of the Census and is adjusted by the Department and the demographer employed by the Department for annexations, changes in housing units, any errors or omissions, and any other relevant information that comes to the attention of the Department and the demographer employed by the Department.

(Added to NAC by Dep’t of Taxation, eff. 9-1-89; A by Tax Comm’n, 8-7-90; 9-13-91; R102-98, 11-20-98)

Amend pursuant to R098-22 - This regulation makes technical corrections to the language related to such procedure for consistency with Nevada Revised Statutes. Requires that a petition to revise the estimates of the population of a county, city or town be filed not later than 14 days after the date on which the estimates are distributed; and if such petition must be heard by a hearing officer, the Department must mail or transmit by electronic mail notice of the date for the hearing.

**NAC 360.390 Estimate for county, incorporated city or unincorporated town: Distribution by demographer; appeal; revised estimates. (NRS 360.090, 360.283)**

1. The demographer employed by the Department shall distribute to the designated representative of each county, incorporated city and unincorporated town the estimates of the population of the county, incorporated city or unincorporated town not later than the first state working day in December.

2. A petition to **appeal revise** the estimates of the population of a county, incorporated city or unincorporated town must be submitted in writing to the Department not later than **2-weeks 14 days** after the date on which the estimates are distributed. The petition must set forth the grounds for the **appeal petition** and include copies of all documentation supporting the **appeal petition**.

3. Upon filing a petition to **appeal, revise the estimated population of a county, incorporated city or unincorporated town**, the petitioner shall give notice of the **appeal petition** to the county and all incorporated cities and unincorporated towns within the county.

4. The Department will, within 5 state working days after **receiving the deadline to file** a petition **to appeal, pursuant to subsection 2**, notify all counties, incorporated cities and unincorporated towns in the State of the receipt of **the petition. Any petitions submitted to the Department.**

5. **An appeal A petition** must be based on at least one of the following grounds:

(a) An error was made in the application of the methodology used to determine the estimates.

(b) An incorrect assumption was made in developing the proposed estimates.

(c) Additional information has become available which was not available or not used when the proposed estimates were being developed and the application of the additional information, if accepted by the Department and the demographer employed by the Department, would cause the proposed estimates to change materially.

6. The Department and the demographer employed by the Department will review the petition and may issue revised estimates. If revised estimates are issued, the Department will notify the petitioner in writing of the revised estimates as soon as practicable. If the revised estimates are agreed to by the petitioner not later than 30 days after the date on which the written notification is issued, or within such additional period as agreed to by the Department and the petitioner, the Department will issue a written decision on the petition adopting the revised estimates as the estimates of the population of the respective county, incorporated city or unincorporated town. If the revised estimates are not timely agreed to by the petitioner or if the Department and the demographer employed by the Department determine not to issue revised estimates within 30 days after the submission of the petition, the Department will set the **appeal petition** for hearing.

7. The ~~appeal~~ **petition** must be heard by a hearing officer of the Department in accordance with the provisions of [NAC 360.043](#) to [360.200](#), inclusive. The Department will mail or transmit by *facsimile machine or electronic mail* to the petitioner and all counties, incorporated cities and unincorporated towns a notice of the date for the hearing during which oral arguments will be heard. The notice must be mailed or transmitted by *facsimile machine or electronic mail* not later than 5 state working days before the date of the hearing. Unless extended by the Department, an oral argument will be limited to 20 minutes.

8. A decision of the hearing officer may be appealed to the Commission. A decision of the Commission is a final decision for the purposes of judicial review.

9. An existing estimate of the population of any incorporated city or unincorporated town that does not submit a petition ~~to appeal~~ pursuant to this section will not be affected by any revised estimate that is agreed to by the Department and a petitioner pursuant to this section unless the Department determines that specific errors were made in the calculation of the existing estimate.

(Added to NAC by Dep't of Taxation, eff. 9-1-89; A by Tax Comm'n by R102-98, 11-20-98; A by Dep't of Taxation by R150-10, 12-20-2012)

## Department Recommendation for Amendment

EXPLANATION – Matter in (1) **green bold** is original language in LCB’s proposed regulation; (2) **blue bold italics** is language proposed to be added by Dept. or added to LCB’s proposed regulation; and (3) ~~red strikethrough~~ is language proposed to be deleted or deleted in LCB’s proposed regulation.

### NAC 360.396 (R158-22), 360.425, and 360.435

#### CHAPTER 360 - REVENUE AND TAXATION: GENERAL PROVISIONS

##### PAYMENT AND COLLECTION OF TAXES AND FEES

Amend pursuant to R158-22. This regulation clarifies that \$15 amount is to be computed as of the date the payment is made. In addition, the changes expand the scope of these provisions to include any penalty or interest resulting from the late filing of a return; limits the applicability of any waiver or reduction to any single period for which a payment is required to have been made or a return is required to have been filed; and in certain circumstances, authorizes the Department to grant such a waiver or reduction without the approval of the Nevada Tax Commission.

#### **NAC 360.396 Waiver or reduction of penalty or interest for late payment. (NRS 360.090, 360.093, 360.417, 360.419)**

1. The Department shall waive or reduce a penalty or interest, or both, for a late payment if the total penalty and interest for the late payment is \$15 or less ~~[-]~~ **as of the date the payment is made.**

2. ~~The~~ **With respect to any single period for which a payment is required to have been made or a return is required to have been filed, the** Department may waive or reduce a penalty or interest, or both, for a late payment **or the late filing of a return** if the late payment **or late filing** is determined by the Department to have been caused by circumstances beyond the control of the taxpayer or the taxpayer’s agent, **including, without limitation, the error of an employee of the taxpayer or the taxpayer’s agent,** and occurred despite the exercise of ordinary care and without intent.

3. In determining whether to waive or reduce the penalty or interest, or both, for a late payment **or the late filing of a return** pursuant to subsection 2, the Department may consider:

(a) The **taxpayer’s** history of compliance and timely payment ~~of the taxpayer;~~ **and filing;**

(b) The weight and sufficiency of the evidence supporting the request of the taxpayer to waive or reduce the penalty or interest, or both, for the late payment **or late filing;**

(c) Any evidence which shows that the late payment **or late filing** was caused by circumstances that were not directly related to the actions of the taxpayer or the taxpayer’s agent, including, without limitation:

(1) Fire, earthquake, flood or other acts of God, theft, or the death or serious illness of the taxpayer or the taxpayer’s agent or a member of the immediate family of the taxpayer;

(2) An error or the misconduct of an employee of the taxpayer **or the taxpayer’s agent,** including, without limitation, embezzlement; **and**

(3) Erroneous written information provided to the taxpayer or the taxpayer’s agent by the Department; and

~~–(4) The misaddressed but timely mailing of the return or payment; and~~

(d) Any other factor deemed by the Department to be relevant.

4. The Department may waive or reduce the penalty or interest, or both, pursuant to subsection 2 without the approval of the Commission if the taxpayer:

- (a) Has not previously requested such a waiver or reduction;
- (b) Has not incurred any penalties or interest during the 36 months immediately preceding the beginning of the period for which the waiver or reduction is requested; and
- (c) Has timely made all required payments and filed all required returns after the end of the period for which the waiver or reduction is requested.

(Added to NAC by Tax Comm'n by R018-05, eff. 10-31-2005; A by R206-07, 4-17-2008)

Amend to remove NRS 364A, 372.125 and 374.130 reference (repealed). Also remove business license as we no longer issue.

**NAC 360.425 Application by minor for ~~business license~~ or seller's permit: Documentation of responsibility.** (NRS 360.090, 360.5971 364A.130, 372.125, 374.130) Unless the applicant provides to the Department a decree of emancipation issued to the applicant pursuant to NRS 129.080 to 129.140, inclusive, the application of a person who is under the age of 18 years for a ~~license or~~ permit issued pursuant to NRS 360.5971 372.125 or 374.130 must include a statement signed by the parent or legal guardian of the applicant in substantially the following language:

I, the undersigned, hereby acknowledge responsibility until the applicant reaches 18 years of age for reporting or remitting to the Department any taxes imposed pursuant to ..... (chapter 372 or 374 of NRS, as applicable) that the applicant fails to report or remit to the Department.

.....  
Signature of applicant's parent or legal guardian

(Added to NAC by Tax Comm'n by R046-02, eff. 8-6-2002; A by R110-12, 11-1-2012)

Amend to include all chapters administered by the Department. This is the regulation used for Citations to Appear that are used as the first step in the collection process. It is used for more than just sales and use tax. We use the citation for all tax types that don't have their own regulation regarding collection.

**NAC 360.435 ~~Sales and use taxes: Failure to file return or filing of incorrect, false or fraudulent return.~~** (NRS 360.090, 372.725, 374.725) *Any person who is required to file a return pursuant to chapter 360B, 362, 363A, 363B, 363C, 363D, 369, 370, 372, 372A, 372B, 374, 377, 377A, 377C, 377D or 444A of NRS, NRS 482.313, 482C.230 or 482C.240, or chapter 585 or 680B of NRS, except as otherwise provided in any of these chapters, ~~chapter 372 or 374 of NRS~~ and fails to do so within the time prescribed by specific statute, regulation or rule, or who files an incorrect, false or fraudulent return, must, upon written demand of the Director or the Director's designee, file the return required or the corrected return, as appropriate, within 10 days after the written demand for the return or corrected return has been mailed to the person. The person shall pay any tax due on the basis of such a return when filing the return.*

(Added to NAC by Tax Comm'n by R032-03, eff. 10-30-2003)

## Department Recommendation for Amendment

EXPLANATION – Matter in (1) **green/orange bold** is original language in LCB’s proposed regulation; (2) **blue bold italics** is language proposed to be added to LCB’s proposed regulation; and (3) ~~red strikethrough~~ is language proposed to be deleted in LCB’s proposed regulation.

**NAC 360.440 (R152-22 green) and (R157-22 orange), 360.444, and 360.446**

CHAPTER 360 - REVENUE AND TAXATION: GENERAL PROVISIONS

### VOLUNTARY DISCLOSURE OF FAILURE TO FILE RETURN

Amend pursuant to R157-22. NAC 360.700 was amended to remove the requirement that an auditor attempt to contact a taxpayer who is the subject of the audit by telephone and, instead, requires the auditor to attempt to contact the taxpayer by one of the preferred methods of contact for the taxpayer that is on file with the Department. The below change in orange makes a conforming change.

R152-22 - This regulation provides for the “completion” of an application for disclosure through the filing of any required registration and delinquent tax returns for the period being disclosed, the payment of the tax estimated to be owed for that period and the submission of any additional information or material required by the Department. Under specified circumstances, it also authorizes the Executive Director of the Department, or a person designated by the Executive Director to grant an extension of time for the completion of an application.

#### **NAC 360.440 Application for voluntary disclosure. (NRS 360.090)**

1. If a taxpayer fails to file a return as required by the applicable provisions of [chapter 360](#), [362](#), [363C](#), [369](#), [370](#), [372](#), [372A](#), [374](#), [377](#), [377A](#) or [444A](#) of NRS, [NRS 482.313](#), or [chapter 585](#) or [680B](#) of NRS and ~~he or she~~ the **taxpayer** wishes to disclose that fact voluntarily to the ~~Commission~~, the taxpayer or the taxpayer’s representative must file with the Department an application for voluntary disclosure ~~on~~ **in** a form prescribed by the ~~Commission~~ **Department** before the Department has initiated an audit or investigation of the taxpayer.

2. ~~The Commission will not accept an application filed pursuant to subsection 1 until the application has been approved and signed by the Director. The Director shall not approve and sign~~ **Except as otherwise provided in this subsection, the Department shall accept and notify the taxpayer of the acceptance of an application for voluntary disclosure within 30 days after the application is filed. The Department shall not accept** the application until ~~he or she~~ **it** has verified that the Department did not initiate an audit or investigation of the taxpayer before the date that the taxpayer **or the taxpayer’s representative** filed ~~an application with the Department pursuant to subsection 1.~~ **the application**. An application is deemed to be filed with the Department on the date the application ~~is~~ **and any required registration** are received by the Department.

~~3. After the Director has signed and approved the application, the Commission will provide the taxpayer with a copy of the approved application.~~



~~[4.]~~3. For the purposes of ~~subsection~~ **subsections 1 and 2**, the Department has initiated an audit or investigation of a taxpayer if the Department has:

(a) Contacted the taxpayer by telephone, in person, ~~or~~ in writing **or using a preferred method of contact for the taxpayer that is on file with the Department** regarding a possible tax liability~~[.]~~ or **registration requirement; or**

(b) Given the taxpayer written notice that an audit will be conducted by the Department concerning liability for the type of tax that the taxpayer wishes to disclose voluntarily pursuant to this section.

**4. The Department shall not consider the tax liability of a taxpayer as being voluntarily disclosed unless the application for voluntary disclosure is completed as required by this subsection. Except as otherwise provided in subsection 5, the application must be completed within 90 days after the date on which the notice of acceptance is given pursuant to subsection 2. The application is deemed to be complete when the taxpayer or the taxpayer's representative has:**

(a) Filed with the Department any required registration and the delinquent tax returns for the tax estimated to be owed for the period being disclosed or, if the period being disclosed exceeds 8 years, for the 8 years immediately preceding the date on which the application was filed;

(b) Paid the tax estimated to be owed for the period being disclosed or, if the period being disclosed exceeds 8 years, for the 8 years immediately preceding the date on which the application was filed; and

(c) Submitted any additional information or material required by the Department.

**5. If a request for an extension of time to complete an application for voluntary disclosure is made in writing to the Department after the filing of the application and within 90 days after the date on which the notice of acceptance is given pursuant to subsection 2, the Director or a person designated by the Director may grant a taxpayer or the taxpayer's representative one extension of time, not to exceed 90 days, to complete the application. The request must be accompanied by proof satisfactory to the Director or his or her designee that the application cannot be completed within the time otherwise required by subsection 4 despite the exercise of ordinary care by the taxpayer or the taxpayer's representative and because of circumstances beyond the control of the taxpayer or the taxpayer's representative.**

**6. The circumstances described in subsection 5 include, without limitation:**

(a) A natural disaster or other disaster;

(b) The death or hospitalization of the taxpayer or the taxpayer's representative; or

(c) Any other circumstance that could not reasonably have been anticipated at the time the application was filed.

(Added to NAC by Tax Comm'n by R079-01, eff. 9-20-2002; A by R110-12, 11-1-2012; R123-15, 6-28-2016)

Amend pursuant to R152-22 - This regulation makes conforming changes and transfers, from the Commission to the Department, the responsibility for determining whether the tax liability of a taxpayer has been voluntarily disclosed.

**NAC 360.444 Circumstances under which Commission will not consider tax liability as being voluntarily disclosed. (NRS 360.090)** The ~~Commission will~~ **Department shall** not consider the tax liability of a taxpayer as being voluntarily disclosed if, after filing an application for voluntary disclosure pursuant to **NAC 360.440**, the taxpayer~~[.]~~ **or the taxpayer's representative:**

1. ~~Within 90 days after the taxpayer has received a copy of the approved application, fails to file with the Department the delinquent tax returns for the tax owed for the period being disclosed or, if the period~~

~~being disclosed exceeds 8 years, for the 8 years immediately preceding the date the application was filed pursuant to [NAC 360.440](#); **Fails to timely complete the application as required by that section;**~~

~~—2. Within 90 days after the taxpayer has received a copy of the approved application, fails to pay any tax owed for the period described in subsection 1;~~

~~3.~~ **2.** Fails to make a good faith effort to comply with the applicable provisions of [chapter 360](#), [362](#), [363C](#), [369](#), [370](#), [372](#), [372A](#), [374](#), [377](#), [377A](#) or [444A](#) of NRS, [NRS 482.313](#), or [chapter 585](#) or [680B](#) of NRS, including, without limitation, registering with the Department, filing tax returns, paying any tax liability and remitting any taxes collected; or

~~4.~~ **3.** Fails to provide an accurate estimate of his or her tax liability in the application for voluntary disclosure filed pursuant to [NAC 360.440](#). The taxpayer shall be deemed to have provided an inaccurate estimate of his or her tax liability if:

(a) The tax liability provided in the application for voluntary disclosure is less than the taxpayer's actual tax liability by 10 percent or more; and

(b) The taxpayer is unable to demonstrate to the Department that he or she made a good faith effort to report accurately his or her tax liability in the application for voluntary disclosure.

(Added to NAC by Tax Comm'n by R079-01, eff. 9-20-2002; A by R110-12, 11-1-2012; R123-15, 6-28-2016)

Amend pursuant to R152-22 - This regulation transfers the various administrative duties imposed by existing regulations from the Commission and the Executive Director to the Department. It further clarifies that any action taken by the Department under its authority does not affect the right of a taxpayer to request a waiver or reduction of a penalty or interest, or both, pursuant to regulatory provisions that authorize the Department to grant such a waiver or reduction in extenuating circumstances.

**NAC 360.446 Assessment of penalty and interest on tax liability; appeal of assessment. ([NRS 360.090](#), [360.300](#))**

1. If the ~~Commission~~ **Department** determines that the taxpayer has made a good faith effort in complying with the requirements set forth in [NAC 360.440](#) and [NAC 360.444](#), the Department shall not assess the penalty and interest set forth in [NRS 360.300](#) on the entire amount of the tax liability.

2. If the ~~Commission~~ **Department** does not consider the tax liability of a taxpayer to be voluntarily disclosed pursuant to [NAC 360.440](#) and [NAC 360.444](#), the Department shall assess the penalty and interest set forth in [NRS 360.300](#) on the entire amount of the tax liability.

3. A taxpayer who wishes to dispute the amount of any penalty or interest assessed by the Department pursuant to subsection 1 or 2 must file a written petition with the ~~Director~~ **Department** within 45 days after the taxpayer receives a bill from the Department for that amount. The petition must set forth any information that supports the dispute.

4. The ~~Commission will~~ **Department shall** review any petition filed with the Director pursuant to subsection 3 and determine the amount of any tax, penalty or interest owed by the taxpayer. The ~~Commission will~~ **Department shall** notify the taxpayer of its decision by registered or certified mail, return receipt requested.

5. The taxpayer ~~must~~ **shall** file any additional returns and pay the amount of any tax, penalty or interest that the ~~Commission~~ **Department** determines is owed by the taxpayer pursuant to subsection 4 within 60 days after he or she receives the notification from the ~~Commission~~ **Department** pursuant to subsection 4.

**6. Any action taken with respect to a taxpayer by the Department pursuant to this section does not affect the right of the taxpayer to request a waiver or reduction of a penalty or interest, or both, pursuant to [NAC 360.396](#).**

(Added to NAC by Tax Comm'n by R079-01, eff. 9-20-2002)



## Department Recommendation for Amendment

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red strikethrough~~ is language proposed to be deleted.

**NAC 360.468, 360.470, 360.472, 360.474, 360.4743, 360.4745, 360.475, 360.4765, and 360.4775**

### CHAPTER 360 - REVENUE AND TAXATION: GENERAL PROVISIONS

#### PARTIAL ABATEMENT OF CERTAIN TAXES

##### Abatements for New or Expanded Business

Amend - The Commission on Economic Development no longer exists. Needs to be changed to the Governor's Office of Economic Development.

**NAC 360.468** ~~“Commission”~~ *“Office”* defined. (NRS 360.750) ~~“Commission”~~ *“Office”* means the ~~Commission on Economic Development.~~ *Governor’s Office of Economic Development.*

(Added to NAC by Comm’n on Econ. Development by R050-01, eff. 11-9-2001)

Amend – Delete references to NRS 364A (was repealed) and update with 363B.

**NAC 360.470** **“Partial abatement”** defined. (NRS 360.750) “Partial abatement” means the reduction of a portion of the taxes imposed pursuant to [chapter 361](#), ~~364A~~ *363B* or [374](#) of NRS, or any combination thereof, which is authorized by [NRS 360.750](#).

(Added to NAC by Comm’n on Econ. Development by R050-01, eff. 11-9-2001)

Amend - In section 2, concern is that a taxpayer may submit an application not earlier than 18 months. Consider reducing that window to 12 months in order to facilitate the refund of taxes in a timely manner from the time the application is approved to the effective date of the abatement. Also delete references to NRS 364A (was repealed) and update with 363B. Also makes conforming changes from “Commission” to “Office”.

**NAC 360.472** **Application: Date of submittal; consideration by *the Office Commission*; certificate of eligibility upon approval.** (NRS 360.750, [361.0687](#), ~~364A.170~~ *363B.120*, [374.357](#), [701A.210](#))

1. To apply for a partial abatement, a person must submit an application to the ~~Office Commission~~ *Office* on a form prescribed by the ~~Office Commission~~ *Office* within the period prescribed in subsection 2.

2. If the application is for a partial abatement of the taxes imposed pursuant to [chapter 361](#) or ~~363B~~ *364A* of NRS, the application must be submitted not earlier than ~~18~~ *12* months before the business is located or expanded in this State. If the application is for a partial abatement of the taxes imposed pursuant to [chapter 374](#) of NRS, the application must be submitted not later than 60 days after the date of acquisition of the eligible machinery or equipment.

3. Except as otherwise provided in subsection 4, the ~~Office Commission~~ will consider an application submitted pursuant to subsection 1 if the application is received:

(a) At least 15 working days before a regularly scheduled meeting of the ~~Office Commission~~, at that meeting; or

(b) Less than 15 working days before a regularly scheduled meeting of the ~~Office Commission~~, at the next regularly scheduled meeting immediately following that meeting.

4. If the ~~Office Commission~~ determines that an application submitted pursuant to subsection 1 requires special or additional review and consideration by the ~~Office Commission~~, the ~~Office Commission~~ may postpone consideration of the application until the next regularly scheduled meeting of the ~~Office Commission~~.

5. If the ~~Office Commission~~ approves an application for a partial abatement, the ~~Office Commission~~ will forward to the Department, with the certificate of eligibility required pursuant to subsection 6 of [NRS 360.750](#), any materials submitted to the ~~Office Commission~~ in support of the application submitted pursuant to subsection 1.

(Added to NAC by Comm'n on Econ. Development by R050-01, eff. 11-9-2001; A by Tax Comm'n by R109-01, 5-13-2002)

Amend – Delete references to NRS 364A (was repealed) and update with 363B. Also makes conforming changes from “Commission” to “Office”.

**NAC 360.474 Factors considered by the ~~Office Commission~~. ([NRS 360.750](#), [361.0687](#), ~~[364A.170](#)~~ ~~[363B.120](#)~~, ~~[374.357](#)~~, ~~[701A.210](#)~~)**

1. The ~~Office Commission~~ will consider an application for a partial abatement if the goals of the applicant are consistent with the goals of the ~~Office Commission~~ concerning industrial development and diversification. The goals of the ~~Office Commission~~ include, without limitation:

(a) Diversification from the industries of gaming and hospitality;

(b) The attraction of basic industries to this State, including, without limitation, manufacturing, warehousing and distribution;

(c) The attraction to this State of business facilities and services, including, without limitation, corporate headquarters, facilities for research and development, and facilities for services such as technical assistance with products of the business or credit services; and

(d) The expansion of existing businesses and industries that are consistent with the goals described in paragraphs (a), (b) and (c).

2. Before the ~~Office Commission~~ approves an application for a partial abatement, the ~~Office Commission~~ will consider whether the applicant:

(a) Complies with the requirements set forth in [NRS 360.750](#);

(b) Commits to continue in operation in this State for:

(1) At least 5 years; or

(2) The period specified in the agreement executed by the applicant with the ~~Office Commission~~ pursuant to paragraph (b) of subsection 2 of [NRS 360.750](#),

È whichever is later, after the date on which the applicant initially pays taxes to the Department or the county treasurer, as applicable, after the partial abatement has been approved by the ~~Office Commission~~;

(c) Offers primary jobs; and

(d) If the application concerns a partial abatement of the taxes imposed pursuant to ~~[chapter 363B](#)~~ ~~[364A](#)~~ or ~~[374](#)~~ of NRS, registers with the Department on a form provided by the Department.

3. As used in this section, “primary job” means a position of employment offered by an applicant for a partial abatement, the compensation for which is obtained from revenue that is generated outside the economic region in which the business is located.

(Added to NAC by Comm'n on Econ. Development by R050-01, eff. 11-9-2001)

Amend - Makes conforming changes from “Commission” to “Office”.

**NAC 360.4743 Property tax: Percentage, duration and commencement of abatement; certificate of eligibility.** ([NRS 360.750](#), [361.0685](#), [361.0687](#))

1. Except as otherwise provided in [NRS 361.0685](#) or [361.0687](#), the **Office Commission** may not approve a partial abatement pursuant to [NRS 361.0685](#) or [361.0687](#):

(a) Of greater percentage of the taxes on real and personal property payable by the business each year pursuant to [chapter 361](#) of NRS than the lesser of:

(1) Fifty percent; or

(2) A percentage agreed upon in writing by the business receiving the partial abatement and the governing body of the local government whose tax revenue will be affected by the partial abatement; or

(b) Of longer duration than the shorter of:

(1) Ten years; or

(2) A duration agreed upon in writing by the business receiving the partial abatement and the governing body of the local government whose tax revenue will be affected by the partial abatement.

2. If the **Office Commission** grants a partial abatement pursuant to [NRS 361.0685](#) or [361.0687](#) during the period beginning on:

(a) January 1 and ending on June 30 of the same year, the partial abatement begins to apply on the later of:

(1) July 1 of the same year; or

(2) A date agreed upon in writing by the business receiving the partial abatement and the governing body of the local government whose tax revenue will be affected by the partial abatement; or

(b) July 1 and ending on December 31 of the same year, the partial abatement begins to apply on the later of:

(1) The date on which the **Office Commission** grants the partial abatement; or

(2) A date agreed upon in writing by the business receiving the partial abatement and the governing body of the local government whose tax revenue will be affected by the partial abatement.

3. If the **Office Commission** grants a partial abatement pursuant to [NRS 361.0685](#) or [361.0687](#), the **Office Commission** will immediately forward a certificate of eligibility for the partial abatement that states the percentage and duration of the partial abatement to the county assessor of each county in which real or personal property used in connection with the business will be located.

(Added to NAC by Comm’n on Econ. Development by R078-02, eff. 7-18-2002)

Amend – Delete references to NRS 364A (was repealed) and update with 363B. Also makes conforming changes from “Commission” to “Office”.

**NAC 360.4745 Business tax: Applicability of partial abatement.** ([NRS 360.750](#), [363B.120](#) ~~[364A.170](#)~~) A partial abatement of the taxes imposed pursuant to [chapter 363B](#) ~~[364A](#)~~ of NRS that is approved by the **Office Commission** for an expanded business:

1. Applies only to the taxes due for the additional employees employed by the business as a result of the expansion of the business.

2. Does not apply to the taxes due for the employees that were employed by the business before the expansion.

(Added to NAC by Tax Comm’n by R109-01, eff. 5-13-2002)

Amend - Remove the requirement in section 3. The capital investment reporting requirement has changed from one year and will now be determined by audit after two years. Also delete references to NRS 364A (was repealed) and update with 363B.

**NAC 360.475 Business tax: Date of eligibility; determination of amount of capital investment required; filing of form of compliance with proof of capital investment. (NRS 360.750, 363B.120 364A.170)**

1. For the purposes of NRS 360.225, to determine eligibility for a partial abatement of the taxes imposed pursuant to chapter 363B 364A of NRS, a proposed or expanded business which qualifies as an employer pursuant to NRS 612.055 shall be deemed by the Department to have begun operations in this State:

(a) If the business is a proposed business, on the date on which the business first pays wages to an employee of the business who performs services for the business in this State.

(b) If the business is an expanded business, on the date on which the business first pays wages to an employee of the business who was not employed by the business before the expansion.

2. To determine the amount of capital investment required pursuant to paragraph (d), (e) or (f) of subsection 2 of NRS 360.750 for a partial abatement of the taxes imposed pursuant to chapter 363B 364A of NRS:

(a) A capital investment shall be deemed to be any expenditure for an asset that qualifies as “section 1245 property,” as defined in 26 U.S.C. § 1245, if the asset will be used by the proposed business to establish its operations in this State or by the expanded business to expand its operations in this State; and

(b) The amount paid for such an asset, including any capitalized interest, shall be deemed to be the amount of the capital investment for that asset. Any finance charge, tax or interest paid for the asset must not be included in the determination of the amount of the capital investment for that asset.

3. ~~A business for which the Commission has approved a partial abatement of the taxes imposed pursuant to chapter 364A of NRS shall, not later than 30 days after the end of the first fourth quarter in which the business has been in operation after the approval of the partial abatement, file with the Department on a form prescribed by the Department, a statement that the business has complied with the requirements of NRS 360.750. The form must be accompanied by proof that the business has made the capital investment required by the Commission pursuant to NRS 360.750.~~

(Added to NAC by Tax Comm’n by R109-01, eff. 5-13-2002)

Amend – Delete references to NRS 364A (was repealed) and update with 363B. Also makes conforming changes from “Commission” to “Office”.

**NAC 360.4765 Minimum period of employment of required number of employees. (NRS 360.750, 363B.120 364A.170, 374.357)**

If the ~~Office Commission~~ approves an application for a partial abatement of the taxes imposed pursuant to chapter 363B 364A or 374 of NRS, the applicant must employ the number of employees required by the ~~Office Commission~~ for approval of the application by the last day of the first fourth quarter that the applicant has been in operation after the partial abatement has been approved by the ~~Office Commission~~ and must continue to employ at least that number of employees for:

1. At least 5 years; or

2. The period specified in the agreement executed by the applicant with the ~~Office Commission~~ pursuant to paragraph (b) of subsection 2 of NRS 360.750,

È whichever is later, after the last day of that fourth quarter.

(Added to NAC by Tax Comm’n by R109-01, eff. 5-13-2002)

Amend – Delete references to NRS 364A (was repealed) and update with 363B. Also makes conforming changes from “Commission” to “Office”.

**NAC 360.4775 Determination of tax owed upon failure to continue to meet requirements; appeal. (NRS 360.750, 363B.120 ~~364A.170~~, 374.357)**

1. If the Department finds that a business for which the *Office Commission* has approved an application for a partial abatement of the taxes imposed pursuant to chapter 363B ~~364A~~ or 374 of NRS has failed to continue to meet the requirements for the partial abatement imposed by the *Office Commission* pursuant to NRS 360.750, the Department shall determine the amount of tax owed to the Department in the manner prescribed in NRS 360.300 to 360.400, inclusive.

2. A business against whom the Department has made such a determination may, in the manner prescribed in NRS 360.300 to 360.400, inclusive, file an appeal with the Nevada Tax Commission for a determination whether the business has substantially complied with the requirements for the partial abatement approved by the *Office Commission* pursuant to NRS 360.750.

(Added to NAC by Tax Comm'n by R109-01, eff. 5-13-2002)

## Department Recommendation for Amendment

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red strikethrough~~ is language proposed to be deleted.

### NAC 360.480 (R149-22) and 360.485

#### CHAPTER 360 - REVENUE AND TAXATION: GENERAL PROVISIONS

#### OVERPAYMENTS, CREDITS AND REFUNDS

##### General Provisions

Amend pursuant to R149-22. NAC 360.480(2) provides that a claim for a refund of interest or a penalty that was paid by the Taxpayer related to a tax administered by the Department must be filed within 3 years after the date of payment of the interest or penalty. However, there is no guidance in the tax statutes for when a claim must be filed if the Taxpayer has paid the tax but not the penalty and interest. To address this situation the title of NAC 360.480 should be updated and NAC 360.480(2), amended. By doing this, the Department can address all refunds for all tax types in one NAC.

**NAC 360.480 Documentation required with claim for refund; time for filing claim for refund ~~of interest or penalty.~~ (NRS 360.090)**

1. Except as otherwise provided in NAC 360.490 to 360.496, inclusive, a claim for a refund must be accompanied by:

- (a) A statement setting forth the amount of the claim;
- (b) A statement setting forth all grounds upon which the claim is based;
- (c) All evidence the claimant relied upon in determining the claim, including affidavits of any witnesses;

and

- (d) Any other information and documentation requested by the Department.

2. A claim for a refund of interest *and*/or a penalty that was paid by the taxpayer related to a tax administered by the Department *and approved by the Department for waiver*, must be filed within 3 years *from the date the waiver was processed and the overpayment established in the Department's system of record or from the date the Department mailed written notification of the credit, whichever occurs later.* ~~after the date of payment of the interest or penalty.~~

*3. A claim for a refund of overpaid tax, as a result of, but not limited to, an amended return, correction or adjustment must be filed within 3 years from the date the adjustment was processed and the overpayment established in the Department's system of record or from the date the Department mailed written notification of the credit, whichever occurs later.*

[Tax Comm'n, Practice Rule No. 22, eff. 11-15-77]—(NAC A 1-12-96; R044-01, 1-7-2002, eff. 11-1-2001; R032-03, 10-30-2003; R110-12, 11-1-2012)

Amend - Remove (g). This is not for P&I waivers; this is a guide for standard to determine if a TP was or was not careless for purposes of awarding credit interest.

**NAC 360.485 Standards for use by Department in determining whether overpayment was made intentionally or by reason of carelessness.** (NRS 360.090, 360.200) For the purposes of [NRS 363A.170](#), [363B.160](#), [363C.620](#), [368A.270](#), [372.665](#), [372A.320](#), [372B.200](#) and [374.670](#), an overpayment of a tax imposed by [chapter 363A](#), [363B](#), [363C](#), [368A](#), [372](#), [372A](#), [372B](#) or [374](#) of NRS, as applicable, and administered by the Department was made:

1. Intentionally if the overpayment was made for any reason other than a good-faith belief that the taxpayer owed the tax and paid the amount of tax owed by the taxpayer.

2. By reason of carelessness if the overpayment is the result of the failure of the taxpayer to make reasonable and prudent efforts to avoid the overpayment. Such reasonable and prudent efforts may include, without limitation:

(a) Maintaining accurate and complete books and records;

(b) Correcting errors in the computation of the tax which were identified by an audit conducted before the overpayment;

(c) Investigating the taxability of transactions during an audit when the overpayment was reasonably identifiable;

(d) Ceasing to make overpayments after receiving a refund for a prior overpayment involving the same or similar issues;

(e) Ceasing to make overpayments resulting from repeated transactions or transactions of a similar type when the taxability of the transactions is governed by a regulation or law that is commonly followed in the taxpayer's industry, trade or practice and the transactions are conducted over a period of time of sufficient length that a reasonable person would have discovered and corrected the issue causing the overpayment;

(f) Seeking an advisory opinion or other written advice from the Department concerning an interpretation of law when the taxpayer is unsure of the correct interpretation of the law; and

~~(g) Seeking advice on complex tax matters from a certified public accountant certified to practice in this State pursuant to [chapter 628](#) of NRS or any other person who is certified or licensed in this State to practice a profession the members of which engage in the provision of advice on tax matters and who has knowledge of, or experience in, tax matters.~~

(Added to NAC by Tax Comm'n by R143-18, eff. 12-19-2018)



## Department Recommendation for Amendment

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red strikethrough~~ is language proposed to be deleted.

### NAC 360.588

#### CHAPTER 360 - REVENUE AND TAXATION: GENERAL PROVISIONS

#### ELECTRONIC SUBMISSION OF RETURNS AND REMISSION OF PAYMENTS

Amend - Replace the word "certification" with "submit" in order to match the proper language used in our OLT system (NevadaTax).

#### **NAC 360.588 Online registration with Department. (NRS 360.090, 360.092)**

1. To register online with the Department, a person must submit a completed Nevada Business Registration and confirm the registration by clicking on the ~~certification~~ *submit* button on the Department's website. By clicking on the ~~certification~~ *submit* button, a person represents that:

- (a) The information contained in the online Nevada Business Registration is true and accurate; and
- (b) The signatory is duly authorized to act on behalf of the business.

2. To become a website user of the Department's website, a taxpayer who has not obtained a permit from the Department must:

(a) Provide, during the website registration process:

- (1) The legal name and the federal employer identification number of the registrant; or
- (2) If the registrant is a sole proprietor, the legal name and the social security number of the registrant;

(b) Submit the legal name and electronic mail address of the taxpayer account security administrator;

(c) Submit a completed online Nevada Business Registration; and

(d) Confirm, by clicking on the ~~certification~~ *submit* button on the website upon completion of the registration process, that:

- (1) The information contained in the online Nevada Business Registration is true and accurate;
- (2) The signatory is duly authorized to act on behalf of the business; and
- (3) Security access is granted to the taxpayer account security administrator.

3. To become a website user of the Department's website, a taxpayer who has a permit issued by the Department must:

(a) Provide, during the website registration process, the legal name of the registrant and any one of the following:

- (1) The registrant's federal employer identification number;
- (2) If the registrant is a sole proprietor, the registrant's social security number; or
- (3) The permit number assigned to the registrant by the Department;

(b) Provide selected information from a return that was previously filed by the registrant;

(c) Provide the legal name and electronic mail address of the taxpayer account security administrator; and

(d) Confirm, by clicking on the ~~certification~~ *submit* button on the website upon completion of the registration process, that:

(1) The information contained in the website registration is true and accurate;

(2) The website user is duly authorized to act on behalf of the business and to receive confidential information; and

(3) Security access is granted to the taxpayer account security administrator.

(Added to NAC by Tax Comm'n by R062-05, eff. 10-31-2005)



## Department Recommendation for Amendment

EXPLANATION – Matter in (1) **green bold** is original language in LCB’s proposed regulation; (2) *blue bold italics* is language proposed to be added to LCB’s proposed regulation; and (3) ~~red strikethrough~~ is language proposed to be deleted in LCB’s proposed regulation.

### NAC 360.700 (R157-22) and 360.706

#### CHAPTER 360 - REVENUE AND TAXATION: GENERAL PROVISIONS

#### AUDITS

#### Audits of Taxpayers

Amend - pursuant to R157-22, this regulation removes the requirement that an auditor attempt to contact a taxpayer who is the subject of the audit by telephone and, instead, requires the auditor to attempt to contact the taxpayer by one of the preferred methods of contact for the taxpayer that is on file with the Department. This will benefit the taxpayer by allowing the Department to contact them by their preferred method of contact rather than just by phone.

In addition, would allow the Department to generate an estimate of delinquent taxes by only the records the taxpayer wants to provide or only records that they maintain. This would in turn benefit the taxpayer to the extent they would be relieved of the stress of trying to provide what they did not keep.

**NAC 360.700 Contact to schedule appointment; contents of auditor’s letter; period covered by audit; written request for extension of commencement date or estimated completion date; consequences of failure to provide necessary records. (NRS 360.090, 360.232, 360.2915)**

1. As soon as practicable after selection of an account for audit, the auditor assigned to the audit shall attempt to contact the taxpayer ~~by telephone~~ to schedule an appointment that is convenient for the taxpayer and the auditor for the purpose of performing the audit. **The auditor shall first attempt to contact the taxpayer using the primary preferred method of contact for the taxpayer that is on file with the Department.** If the auditor is unable to contact the taxpayer ~~by telephone~~, **using the primary preferred method of contact, the auditor shall attempt to contact the taxpayer using the secondary preferred method of contact for the taxpayer that is on file with the Department. If the auditor is unable to contact the taxpayer using the primary or secondary preferred method of contact,** the auditor shall send a letter to the taxpayer requesting the taxpayer to contact the auditor to schedule an appointment for the purpose of performing the audit.

2. In scheduling an audit, the auditor and the taxpayer must discuss:

- (a) A date on which to commence the audit;
- (b) An estimate of the date by which the audit ~~will~~ **may** be completed;
- (c) The first and last months of the audit period;
- (d) The nature of the business being audited and the availability of records;
- (e) The hours during which the records will be available for review by the auditor;
- (f) The contact person with whom the auditor is to work in conducting the audit and reviewing the results of the audit; and

(g) The criteria set forth in subsection 4 for changing the period that the audit will cover and extending the commencement date or estimated completion date, or both, of the audit.

3. After contacting the taxpayer pursuant to subsection 1, the auditor shall send a letter to the taxpayer which includes:

- (a) The date, time and location of the first appointment for the audit;
- (b) The first and last months of the audit period;
- (c) The records that the taxpayer must make available for the audit;
- (d) The estimated completion date of the audit;
- (e) A copy of the Taxpayers' Bill of Rights;
- (f) A copy of each statute that authorizes the Department to perform an audit and issue a deficiency determination, if necessary, and the process for appealing such a determination; and
- (g) The name and telephone number of the auditor and the supervisor of the auditor.

4. The criteria to be used by the Department in determining whether to change the period that the audit will cover and to extend the commencement date or estimated completion date, or both, of the audit include, without limitation:

- (a) The time required by the taxpayer to gather records necessary for the audit; and
- (b) Circumstances determined by the Department to be beyond the control of the taxpayer or the Department.

5. A taxpayer may request an extension of the commencement date or estimated completion date, or both, of the audit. Such a request must be submitted in writing to the auditor and must set forth the reason for the request. The auditor shall, on good cause shown, grant a reasonable extension and shall notify the taxpayer in writing of the revised commencement date or the revised estimated completion date, or both, of the audit. If an extension is granted, the statute of limitations for the finding of a deficiency will not be tolled during the period of the extension and a waiver of the statute of limitations must be obtained from the taxpayer or the audit period must be adjusted to account for the extension.

6. If a taxpayer fails to provide the records necessary to complete an audit by the estimated completion date or revised estimated completion date, the auditor may:

- (a) Determine **or estimate** an amount of delinquent taxes due from the records provided;
  - (b) If the taxpayer has not provided any records, estimate an amount of delinquent taxes due based on information regarding the taxpayer that the Department has in its possession, including, without limitation, any returns filed by the taxpayer; or
  - (c) Request the Department to issue a subpoena for the production of records by the taxpayer.
- (Added to NAC by Tax Comm'n by R045-01, eff. 11-1-2001)

Due process for audits, process for Petitions for Redetermination and hearings on audit disputes. **Amend** to separate hearing procedures from Petition procedures, move hearing procedures to "Hearings on Petitions for Redetermination" section, and conform Petition process to actual Department procedures; **Amend** section 4 to add "A petition for redetermination which includes a request for hearing will be sent to a hearing officer." and "A petition for redetermination which does not include a request for hearing will be sent to a hearing officer after:"

**NAC 360.706 Notice of deficiency determination; petition for redetermination; extension for filing petition; Department review; use of hearing officer; prehearing statement; extension for filing prehearing statement; notice of hearing; withdrawal of petition. (NRS 360.090, 360.350, 360.360, 360.365, 360.370)**

1. If, after an audit, the Department determines that delinquent taxes are due, the Department shall issue to the taxpayer a notice of the deficiency determination. The notice must be issued on or before the estimated completion date or revised estimated completion date of the audit. The Department shall include with the notice a form prescribed by the Department for filing a petition for redetermination.

2. If the taxpayer wishes to dispute the findings of the audit, the taxpayer must petition the Department for a redetermination within 45 days after he or she is served with the notice of the deficiency determination. A petition for redetermination must be submitted:

(a) On a form prescribed by the Department for filing a petition for redetermination; or

(b) In the form of a letter which contains sufficient information to give notice to the Department that the taxpayer is disputing the deficiency determination. The letter must include, without limitation, the name of the taxpayer, the account number assigned to the taxpayer by the Department and the amount of the tax, interest or penalty in dispute.

3. The Director may grant an extension for the filing of a petition for redetermination if the request for an extension is made in writing to the Department and the Director finds that the petition for redetermination was not filed or was filed late despite the exercise of ordinary care by and without the intent of the taxpayer and that the cause of the failure to file or late filing of the petition was circumstances beyond the control of the taxpayer. Such circumstances include, without limitation, a natural disaster or other disaster beyond the control of the taxpayer and the death or hospitalization of the person responsible for filing the petition for redetermination.

4. A petition for redetermination ~~will be sent to a hearing officer after:~~

(a) *Which includes a request for hearing will be sent to a hearing officer. The Department has reviewed any additional documentation that the taxpayer has submitted with his or her petition; and*

(b) *Which does not include a request for hearing will be sent to a hearing officer after the Department has reviewed any additional documentation that the taxpayer has submitted with his or her petition and* ~~The the~~ taxpayer and the Department have not agreed to a settlement based upon such documentation provided by the taxpayer.

5. The hearing officer may request that the parties file prehearing statements. The parties may file a joint prehearing statement. If the parties cannot agree on a joint prehearing statement, each party must file its statement by the date set by the hearing officer. The prehearing statement must be limited to a brief explanation of the issues from the audit for consideration by the hearing officer and must include, without limitation:

(a) A statement of the unresolved issues that will be presented to the hearing officer, the nature of the specific transaction at issue, the amount in dispute and the legal issues involved in the matter.

(b) A statement of the issues that have been resolved by the parties, including, without limitation, the uncontested facts.

(c) A list of exhibits that each party expects to introduce at the hearing and any objections to those exhibits. The exhibits must be marked in advance of the hearing.

(d) A list of the witnesses that each party expects to testify at the hearing.

(e) An estimate of the time required for the hearing.

(f) A statement regarding whether the party will submit a posthearing brief.

6. A prehearing statement must be filed by the date set by the hearing officer. The hearing officer may grant an extension for filing the prehearing statement if the motion or stipulation requesting the extension is filed with the hearing officer before the date set for filing the statement. The hearing officer shall issue a written decision on the motion or stipulation requesting the extension.

7. Failure of a party to file a prehearing statement will not delay the scheduling of the hearing. The hearing officer shall provide notice of the hearing to the parties at least 10 days before the date of the hearing.

8. If a party wishes to raise an issue that was not included in its prehearing statement before or during the hearing, the hearing officer shall grant a continuance to allow the opposing party to prepare a response to the issue.

9. The taxpayer may, at any time, withdraw his or her petition for redetermination by submitting a written request, in the form of a letter, to the Department.

(Added to NAC by Tax Comm'n by R045-01, eff. 11-1-2001)

## Public/Member Recommendation for Amendment

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red strikethrough~~ is language proposed to be deleted.

### NAC 361.1295

#### CHAPTER 361 - PROPERTY TAX

#### ASSESSMENTS BY COUNTY ASSESSORS

#### Determination of Taxable Value of Real Property

Clark County Assessor - Explanation: Inserting the word "initially" marks the point when the property has entered the market and thus would not be considered for a subdivision discount at any time past that point.

The Department supports this recommendation.

**NAC 361.1295 Taxable value of land within qualified subdivision. (NRS 360.090, 360.250, 361.227)**

1. In determining the taxable value of land within a qualified subdivision, the county assessor shall use, as he or she deems appropriate based upon the available information concerning the subdivision:

(a) The full cash value of the subdivision as vacant land, plus all actual costs of site preparation, including on-site enhancements and off-site enhancements;

(b) The selling price of any comparable subdivision or group of parcels, adjusting that price as appropriate to reflect differences between the land sold and the land being appraised; or

(c) The estimated retail selling price of all parcels in the subdivision which are not *initially* sold, rented or occupied, reduced by the percentage specified for the expected absorption period of the parcels:

Expected Absorption Period (Years)	Percentage of Reduction
1 - 3.....	20
4 - 6.....	30
7 - 9.....	40
10 or more.....	50

2. The taxable value determined as provided in subsection 1 must be allocated to each parcel in the subdivision which is not sold, rented or occupied according to the size and other characteristics of that parcel.

3. The taxable value of any improvements made within a qualified subdivision must be determined as provided by [NRS 361.227](#).

(Added to NAC by Tax Comm'n, eff. 11-14-88; A by R039-10, 8-13-2010, eff. 7-1-2012)

## Department Recommendation for Amendment

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red strikethrough~~ is language proposed to be deleted.

### NAC 361.131 (R192-22)

#### CHAPTER 361 - PROPERTY TAX

##### ASSESSMENTS BY COUNTY ASSESSORS

##### **Determination of Taxable Value of Real Property**

Amend per proposed obsolescence regulation under R192-22. This regulation limits the foregoing procedure to real property subject to valuation prior to the completion of the assessment roll. It also specifies that the personal property for which the value may be reduced is personal property assessed before July 1 of the fiscal year immediately preceding the fiscal year in which the taxes are levied.

**NAC 361.131 Taxable value exceeding full cash value.** (NRS 360.090, 360.250, 361.227) If the initially determined taxable value for any real property *subject to valuation prior to the completion of the assessment roll on or before January 1 pursuant to NRS 361.310* is found to exceed the full cash value of the property, the person determining taxable value shall examine the taxable value determined for the land, and if the land is properly valued, he or she shall appropriately reduce the taxable values determined for the improvements and, if appropriate, the value of the land and, *if applicable to a property valuation,* any pertinent personal property ~~+~~ *Assessed on or before July 1 of the fiscal year immediately preceding the fiscal year for which the taxes are levied.*

(Added to NAC by Tax Comm'n, eff. 10-10-83; A by R031-03, 8-4-2004; R166-07, 6-17-2008)

## Public/Member Recommendation for Amendment

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red strikethrough~~ is language proposed to be deleted.

### NAC 361.6015 and 361.6055

#### CHAPTER 361 - PROPERTY TAX

#### PARTIAL ABATEMENT OF TAXES

##### **General Abatement, Primary Residential Abatement and Residential Rental Abatement**

Clark County Assessor - Explanation: The reference to NRS 361.4711 should be deleted. It refers to a repealed subsection. It should be replaced by a reference to NRS.361.4722, or it could be repealed.

The Department supports this recommendation.

**NAC 361.6015** “Abatement percentage” defined. (NRS 360.090) “Abatement percentage” has the meaning ascribed to it in ~~NRS 361.4711~~. *NRS 361.4722*

(Added to NAC by Tax Comm’n by R011-06, eff. 5-4-2006)

Clark County Assessor - Recommend adding the reference to NAC 361.606 to this subsection " (b) Before delivering the tax roll to the county tax receiver each year, **pursuant to NAC 361.606,**] determine whether each parcel or other taxable unit of property designated on the tax roll is:"

Without this addition, the text implies that the county assessor SHALL determine whether each parcel or other taxable unit of property designated on the tax roll is Eligible.

As it stands, there is no current means to do this. The only method that we have is based on the public making a claim.

The Department supports this recommendation.

**NAC 361.6055** **General responsibilities of county assessors and county tax receivers.** (NRS 360.090, 361.4722, 361.4723, 361.4724)

1. A county assessor shall:

(a) Receive claims for primary residential abatements and residential rental abatements and identify each parcel or other taxable unit of property for which such a claim is received; and

(b) Before delivering the tax roll to the county tax receiver each year, *pursuant to NAC 361.606,* determine whether each parcel or other taxable unit of property designated on the tax roll is:

- (1) Eligible for a primary residential abatement;
  - (2) Eligible for a residential rental abatement;
  - (3) Eligible for a general abatement; or
  - (4) Ineligible for any of those partial abatements of property taxes.
2. A county assessor:
- (a) Except as otherwise provided in [NRS 361.773](#), may correct the tax roll not later than June 30 of each year to indicate that a parcel or other taxable unit of property is eligible for a primary residential abatement, a residential rental abatement or a general abatement for that year.
  - (b) Shall notify the county tax receiver of each claim for a primary residential abatement or residential rental abatement for the current year which the county assessor receives after the tax roll has been delivered to the county tax receiver. The county tax receiver shall process such a claim for a primary residential abatement in accordance with [NRS 361.773](#).
3. A county tax receiver shall calculate and apply the appropriate amount of any:
- (a) Primary residential abatement or residential rental abatement to which a parcel or other taxable unit of property is determined to be eligible; and
  - (b) General abatement, in accordance with the applicable abatement percentage provided by the Department pursuant to [NAC 361.605](#), to which a parcel or other taxable unit of property is determined to be eligible.
4. If a county assessor or county tax receiver determines that a parcel or other taxable unit of property has been erroneously designated as eligible for a primary residential abatement, a residential rental abatement or a general abatement, the county assessor may appropriately revise that designation and the county tax receiver may transmit an appropriately revised tax bill to the taxpayer. If a change in the designation of any property pursuant to this subsection results in an increase in the liability of the taxpayer for property taxes, the county assessor shall inform the taxpayer of the change in the designation of the property and the reasons for that change.

(Added to NAC by Tax Comm'n by R011-06, eff. 5-4-2006)



## Department Recommendation for Amendment

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red strikethrough~~ is language proposed to be deleted.

### NAC 361.6107

#### CHAPTER 361 - PROPERTY TAX

#### **Appeal of Determination of Applicability of Certain Abatements**

Amend to add the below language in order to facilitate the repeal of NAC 361.61062.

**NAC 361.6107 Hearing before Commission: Order of argument.** (NRS 360.090, 361.4734) In a hearing held before the Commission pursuant to NAC 361.61068, the order in which argument will ordinarily be received from the parties is:

1. Orientation by staff *of the Department*;
2. Argument by the petitioner;
3. Argument by interveners;
4. Argument by any other party; and
5. Rebuttal by the petitioner.

(Added to NAC by Tax Comm'n by R011-07, eff. 10-31-2007)

## Public/Member Recommendation for Amendment

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red strikethrough~~ is language proposed to be deleted.

### NAC 361.61034

#### CHAPTER 361 - PROPERTY TAX

##### Abatement for Remainder Parcels

Clark County Assessor - Recommend making the minor changes below for clarification to subsection 2(a)(2).

The Department supports this recommendation.

#### **NAC 361.61034 New parcels for development: Evaluation; determination of change in use; effect of determination.** (NRS 360.090, 361.4722)

1. Each new parcel for development must be separately evaluated to determine whether there has been any change in the use of the property that comprises the parcel.
2. A determination that there is a change in the use of the property must be based on a finding that:
  - (a) The property was being used as vacant land as of the commencement of the prior year and:
    - (1) As the result of the recording of a subdivision map creating individual lots for residential development, the property is held for residential use as of the commencement of the current year;
    - (2) As the result of the recording of a subdivision map creating ~~a~~ new commercial or industrial ~~subdivision~~ *parcels* or the creation of new parcels within such a subdivision, the property is held for commercial or industrial use as of the commencement of the current year; or
    - (3) As the result of new construction on the parcel sufficient to allow for an identification of the use of the property, the property is in agricultural use, open-space use, residential use, commercial or industrial use, institutional use or recreational use as of the commencement of the current year; or
  - (b) The use of the property as of the commencement of the current year for agricultural use, open-space use, residential use, commercial or industrial use, institutional use or recreational use is different from the use of the property as of the commencement of the prior year.
3. For the purpose of determining whether there has been a change in the use of the property that comprises a new parcel for development that was created from an existing parcel that had more than one use in the prior year, the use of the portion of the existing parcel from which the new parcel for development was created must be determined to be the use of the property that comprises the new parcel for development in the current year.
4. If the use of the property:
  - (a) Has not changed, the parcel is a remainder parcel.
  - (b) Has changed, the parcel is a new parcel for development which is not eligible for the partial abatement of taxes provided by subsection 2 of NRS 361.4722.
5. The provisions of this section apply to the determination of whether a new parcel or other taxable unit of property is a remainder parcel for the tax year beginning on July 1, 2015, and each subsequent tax year.

6. As used in this section, “use of the property” means the principal use of the property for one of the following purposes:

- (a) Agricultural use;
- (b) Open-space use;
- (c) Residential use;
- (d) Commercial or industrial use;
- (e) Institutional use;
- (f) Recreational use; or
- (g) Use as vacant land.

(Added to NAC by Tax Comm’n by R001-07, eff. 3-23-2007; A by R021-17, 1-30-2019)

## Department Recommendation for Amendment

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red strikethrough~~ is language proposed to be deleted.

### **363C.210 (R057-21)**

#### CHAPTER 363C - COMMERCE TAX

#### IMPOSITION AND COLLECTION

#### General Provisions for Business Entities

Amend pursuant to R057-21 - This regulation provides that this exemption applies only to a person who: participates in an exhibition, trade show, industry or corporate meeting or similar event held in this State for a purpose related to the conduct of a business, including, without limitation, as an organizer, manager or sponsor of such an event or as an exhibitor at such an event; and does not engage in any business activity in this State other than the participation, organization, management or sponsorship of such an event. (Sarah)

#### **NAC 363C.210 Imposition; factors for determining whether person or entity is business entity subject to filing requirement for Nevada Commerce Tax Return. ([NRS 360.090](#), [363C.020](#), [363C.100](#))**

1. The commerce tax is a tax imposed on each business entity engaging in a business in this State. To determine whether a business entity is engaging in a business in this State, the Department must consider the activities of the business entity and not the activities of other entities in which the business entity owns an interest.

2. Except as otherwise provided in ~~subsection~~ *subsections 3 and 4* and [chapter 363C](#) of NRS, for the purpose of determining whether a person or other entity is subject to the commerce tax, a person or other entity is a business entity if the person is:

(a) An entity organized pursuant to title 7 of NRS or another equivalent statute of this State or another jurisdiction, other than an entity organized pursuant to [chapter 82](#) or [84](#) of NRS.

(b) A state, national, domestic or foreign bank, whether organized under the laws of this State, another state or another country, or under federal law.

(c) A savings and loan association or savings bank, whether organized under the laws of this State, another state or another country, or under federal law.

(d) A partnership governed by [chapter 87](#) of NRS or another equivalent statute of this State or another jurisdiction.

(e) A registered limited-liability partnership registered with the Secretary of State pursuant to [NRS 87.440](#) to [87.500](#), inclusive.

(f) A business association.

(g) A joint venture, except a joint operating or co-ownership arrangement which meets the requirements of 26 C.F.R. § 1.761-2(a)(3), Treas. Reg. § 1.761-2(a)(3), that elects out of federal partnership treatment as provided by 26 U.S.C. § 761(a).

(h) A joint stock company.

- (i) A holding company.
  - (j) A natural person who is required to file with the Internal Revenue Service a:
    - (1) Schedule C (Form 1040), Profit or Loss from Business, or its equivalent or successor form;
    - (2) Schedule E (Form 1040), Supplemental Income and Loss, or its equivalent or successor form, if an activity of the natural person is reported on Part I of that Schedule; or
    - (3) Schedule F (Form 1040), Profit or Loss from Farming, or its equivalent or successor form.
  - (k) Any other person engaging in a business in this State.
3. ~~For~~ *Except as otherwise provided in subsection 4, for* the purpose of determining whether a person or other entity is subject to the commerce tax, a person or other entity is not a business entity if the person or entity is listed in subsection 2 of [NRS 363C.020](#), regardless of whether the person or entity is engaging in a business in this State.

4. *The exclusion from the definition of “business entity” set forth in paragraph (n) of subsection 2 of NRS 363C.020 applies only to a person who:*

*(a) Participates in an exhibition, trade show, industry or corporate meeting or similar event held in this State for a purpose related to the conduct of a business, including, without limitation, as an organizer, manager or sponsor of such an event or an exhibitor at such an event; and*

*(b) Does not engage in any business activity in this State other than the participation, organization, management or sponsorship of an event described in paragraph (a).*

~~4.~~5. As used in this section:

(a) “Holding company” means an entity that confines its activities to owning stock in, and supervising management of, other companies.

(b) “Joint stock company” means a common-law unincorporated business enterprise of natural persons possessing common capital with ownership interests represented by shares of stock.

(c) “Joint venture” means a partnership engaged in the joint prosecution of a particular transaction for mutual profit.

(Added to NAC by Tax Comm’n by R123-15, eff. 6-28-2016)

## Department Recommendation for Amendment

EXPLANATION – Matter in (1) **purple bold** is adopted language that has not yet been codified in NAC; (2) **blue bold italics** is language proposed to be added; and ~~red strikethrough~~ is language proposed to be deleted.

### 368A.110 (R056-21) and 363A.130

#### CHAPTER 368A - TAX ON LIVE ENTERTAINMENT

#### ADMINISTRATION OF TAX BY DEPARTMENT OF TAXATION

Amend Section 3(b)(2) to read "the full amount charged for that service without deduction for any service cost, interest, losses, tips or gratuities or any other expense".

**NAC 368A.110 Taxpayers: General requirements; specification of provisions applicable to licensed gaming establishments, escorts and escort services.** ([NRS 360.090](#), [368A.140](#))

1. Except as otherwise provided in subsection 3, if a taxpayer intends to provide live entertainment at a facility that is not a licensed gaming establishment, the taxpayer shall register with the Department to collect the tax. The taxpayer shall thereafter collect and remit the tax to the Department in accordance with the provisions of [chapter 368A](#) of NRS and [NAC 368A.010](#) to [368A.170](#), inclusive~~[-]~~, **and sections 2 and 3 of this regulation.**

2. Except as otherwise provided in subsection 3, if a taxpayer intends to provide live entertainment at a facility that is a licensed gaming establishment, the taxpayer shall act in accordance with [NAC 368A.300](#) to [368A.540](#), inclusive.

3. If a taxpayer is an escort or escort service, the taxpayer must:

(a) Register with the Department to collect the tax on live entertainment. The taxpayer shall thereafter collect and remit the tax to the Department in accordance with the provisions [chapter 368A](#) of NRS and [NAC 368A.010](#) to [368A.170](#), inclusive.

(b) Maintain the following records for a period of at least 4 years after the date on which the record is created:

(1) The date on which the service of escorting a person or persons at one or more locations in this State is provided; and

(2) The full amount charged for that service~~[-]~~ ***without deduction for any service cost, interest, losses, tips or gratuities or any other expense.***

(c) Make the records available for inspection by the Department upon demand at reasonable times during regular business hours.

(Added to NAC by Tax Comm'n by R212-03, eff. 12-4-2003; A by R196-05, 2-23-2006; R062-15, 11-2-2016)

Amend to remove maximum occupancy of 7,500 on this NAC. Statute reads 200 or more (except for Non-Profit which is based on ticket sales, not occupancy).

**NAC 368A.130 Determination of maximum occupancy by Department; presumption when maximum occupancy not designated on permit; rebuttal of presumption by taxpayer. (NRS 360.090, 368A.140)**

1. For the purposes of subsection 4 of [NRS 368A.020](#), the Department shall determine the maximum occupancy of a facility where live entertainment is provided in accordance with the provisions of paragraph (b) of subsection 5 of [NRS 368A.200](#).

2. *Except as otherwise provided in NAC 368A.150*, for the purposes of subsection 1 and paragraph (b) of subsection 5 of [NRS 368A.200](#), if there is no governmental permit designating the maximum occupancy of a facility where live entertainment is provided, the Department must presume that the actual seating capacity of the facility is at least 200 persons ~~and less than 7,500 persons~~. To rebut this presumption, the taxpayer must establish, to the reasonable satisfaction of the Department, that the actual seating capacity of the facility is less than 200 persons ~~or at least 7,500 persons~~. In determining whether the taxpayer has successfully rebutted the presumption, the Department shall consider all evidence provided by the taxpayer, including, without limitation, evidence of actual attendance, the number of admissions sold or offered for sale, the square footage of the facility, the physical needs or requirements of the patrons in relation to the nature of the live entertainment provided and any other evidence tending to establish the actual seating capacity of the facility.

(Added to NAC by Tax Comm'n by R212-03, eff. 12-4-2003; A by R196-05, 2-23-2006; R062-15, 11-2-2016)

## Department Recommendation for Amendment

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red strikethrough~~ is language proposed to be deleted.

### NAC 370.165 (R100-22)

#### CHAPTER 370 - TOBACCO: LICENSES AND TAXES; SUPERVISION OF MANUFACTURERS AND WHOLESALE DEALERS

##### OTHER PRODUCTS MADE FROM TOBACCO

Amend per R100-22 - Removes the specific regulatory authority for a wholesale dealer who did not originally report and pay the tax to obtain payment of an amount equal to the credit from the wholesale dealer who originally reported and paid the tax.

#### NAC 370.165 Allowance of tax credits. (NRS 370.490, 370.510)

~~[1]~~ The Department will allow a credit authorized by NRS 370.490 only if the wholesale dealer who files the claim for the credit is the wholesale dealer who originally reported and paid the tax to the Department. *Refund requests will only be allowed on the first sale of a product and not on subsequent sales of such product.*

~~2. A wholesale dealer who did not originally report and pay the tax to the Department may request from the wholesale dealer who originally reported and paid the tax to the Department payment of an amount equal to the credit authorized by NRS 370.490. Such a request must include a credit memo of the manufacturer for proof of returned merchandise or a duplicate or copy of the invoice as proof of the sale outside the State.~~

~~3. A wholesale dealer who is allowed a credit authorized by NRS 370.490 and who, pursuant to subsection 2, makes a payment to a wholesale dealer who did not originally report and pay the tax to the Department may complete and file with the Department an amended return.~~

~~(Added to NAC by Dep't of Taxation by R146-15, eff. 9-9-2016)~~



## Department Recommendation for Amendment

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red strikethrough~~ is language proposed to be deleted.

### NAC 370.230

#### CHAPTER 370 - TOBACCO: LICENSES AND TAXES; SUPERVISION OF MANUFACTURERS AND WHOLESALE DEALERS

##### SALES ON INDIAN RESERVATIONS AND COLONIES

Section 1 can be maintained as written, as it provides clarifying definitions. Sections 2-6 can be removed. Cigarette tax is pre-collected by the purchase of the tax stamp. However, tribal stamps are distributed free of charge and only tribal stamped cigarettes may be sold on tribal land.

Additionally, OTP wholesalers are allowed an exemption for sales to tribal lands, so pre-collecting the tax does not apply to OTP either. NRS 370.280 establishes circumstances in which the Department may authorize a refund of cigarette tax and lists specifically, “any licensed wholesaler”. NRS 370.503 establishes an allowance of refund for certain taxes paid pursuant to NRS 370.450, which is the imposition, rate, and collection of OTP Tax.

#### **NAC 370.230 Refund of precollected state tax: Procedure; rate. (NRS 360.090, 370.280, 370.503, 370.510)**

1. As used in this section, unless the context otherwise requires:
  - (a) “Department” means the Department of Taxation of the State of Nevada.
  - (b) “Governing body” means the governmental entity that has the authority to make decisions for a tribe, commonly known as a tribal government.
  - (c) “Month” means a calendar month.
  - (d) “Reservation” means an Indian reservation, Indian colony or lands set aside for the use and occupancy of a tribe.
  - (e) “Retail dealer” means any person, other than a wholesale dealer or a smokeshop owned by a tribe, who is located on a reservation and who offers to sell or who is engaged in selling cigarettes, other tobacco products or both of them at retail on the reservation.
  - (f) “Tribe” means any Indian tribe, Indian band, Indian colony or group of Indians recognized by the Federal Government as possessing a government-to-government relationship with the United States.
- ~~2. Upon application being made by a governing body which meets the requirements of this section, the Department shall refund to the governing body the tobacco taxes collected by the State on sales of tobacco to retail dealers in accordance with NRS 370.280 and 370.503.~~
- ~~3. A refund made pursuant to this section must be made at the tax rate less any discounts allowed for a tobacco wholesaler or importer.~~

- ~~—4.— Except as otherwise provided in subsection 6, only the governing body may apply for refunds of taxes on sales of cigarettes or other tobacco products to retail dealers. Each application for a refund must be made for all sales which occurred during not less than 1 month. The application must include:~~
- ~~—(a) The amount of tobacco purchased by retail dealers during the month or months for which the refund is requested;~~
  - ~~—(b) The name and location of the wholesaler or importer from whom the tobacco was purchased; and~~
  - ~~—(c) The county or counties where the retail dealers are located, and the quantity of tobacco purchased by retail dealers located in each county.~~
- ~~—5.— The governing body shall maintain, and provide to the Department upon request, documentation substantiating all refunds requested. The documentation must include:~~
- ~~—(a) Identification of the purchasers of tobacco as retail dealers, by name and address;~~
  - ~~—(b) For each transaction for which a refund is requested, the:~~
    - ~~—(1) Name and address of the retail dealer;~~
    - ~~—(2) Price paid;~~
    - ~~—(3) Quantity purchased; and~~
    - ~~—(4) Date of sale; and~~
  - ~~—(c) Such other information as the Department determines is reasonably necessary to document that a purchase qualifies for a refund pursuant to this section.~~
- ~~—6.— If a governing body fails to maintain the records required by this section, files a fraudulent refund request or refuses to transmit to the Department information required pursuant to this section, the Department may alter the refund procedure authorized by this section and, in lieu thereof, make direct refunds to a retail dealer who:~~
- ~~—(a) Is located on the reservation;~~
  - ~~—(b) Purchases tobacco;~~
  - ~~—(c) Pays the applicable tax imposed on the tobacco by the tribe; and~~
  - ~~—(d) Complies with the requirements of this section that are applicable to governing bodies.~~
- ~~—(Added to NAC by Tax Comm'n, eff. 5-27-92)~~

## Department Recommendation for Amendment

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red strikethrough~~ is language proposed to be deleted.

**NAC 370.500, 370.540, 370.545, 370.550, 370.555, 370.580, 370.585, 370.590, and 370.595**

CHAPTER 370 - TOBACCO: LICENSES AND TAXES; SUPERVISION OF MANUFACTURERS  
AND WHOLESALE DEALERS

**ADMINISTRATIVE PROCEEDINGS: SUSPENSION OR REVOCATION OF LICENSE;  
REMOVAL FROM DIRECTORY OF MANUFACTURERS AND BRAND FAMILIES**

Amend - NRS 370.597 mandates regulations for hearing process; Scope of applicability of definitions. Amend as NRS 370.253 has been repealed and should be removed from authority in all of these regulations and NRS 370.597 added - Maintain, legislatively prescribed forum for these hearings. In addition, NAC 370.510 and 370.520 was recommended for repeal, therefor the NAC 370.500 must be amended.

**NAC 370.500 Definitions.** (NRS 370.250, ~~370.253~~, 370.510, 370.597, 370.675) As used in NAC 370.500 to 370.595, inclusive, unless the context otherwise requires, the words and terms defined in NAC ~~370.510~~ 370.515 to 370.525, inclusive, have the meanings ascribed to them in those sections.  
(Added to NAC by Dep't of Taxation by R146-15, eff. 9-9-2016)

Amend to remove NRS 370.253 and add 370.597.

**NAC 370.515 “Hearing officer” defined.** (NRS 370.250, ~~370.253~~, 370.510, 370.597, 370.675)  
“Hearing officer” means an administrative law judge appointed by the Commission pursuant to subsection 4 of NAC 370.545.  
(Added to NAC by Dep't of Taxation by R146-15, eff. 9-9-2016)

Amend to remove NRS 370.253 and add 370.597.

**NAC 370.525 “Respondent” defined.** (NRS 370.250, ~~370.253~~, 370.510, 370.597, 370.675)  
“Respondent” means a licensee or manufacturer of tobacco products to whom the Department has issued a notice of hearing pursuant to NAC 370.545.  
(Added to NAC by Dep't of Taxation by R146-15, eff. 9-9-2016)

Amend - NRS 370.597 mandates regulations for hearing process; NRS 233B.127 requires opportunity to cure. Amend - change "business days" to "days" to conform to the standard language of the Department's regulations and the changes in Nevada Rules of Civil Procedure for counting days. Also amend to remove NRS 370.253 and add 370.597.

**NAC 370.540 Notice of intent to suspend or revoke license or remove from directory; contents and service of notice; opportunity to demonstrate compliance; effect of subsequent alleged violation. ([NRS 370.250](#), ~~[370.253](#)~~, [370.510](#), [370.597](#), [370.675](#))**

1. When the Department has cause to believe that:
    - (a) The license of a retail dealer or wholesale dealer should be temporarily suspended or permanently revoked; or
    - (b) A manufacturer of tobacco products and its brand families should be removed from the directory, the Department may issue a notice of intent to suspend or revoke the license or a notice of intent to remove the manufacturer and its brand families from the directory, as applicable.
  2. A notice issued pursuant to subsection 1 must include:
    - (a) A statement of the legal authority for the suspension or revocation of the license or removal of the manufacturer and its brand families from the directory, as applicable;
    - (b) A statement of the facts which support the belief of the Department that the license should be suspended or revoked or that the manufacturer and its brand families should be removed from the directory, as applicable; and
    - (c) Except as otherwise provided in subsection 6, if the notice issued is:
      - (1) A notice of intent to suspend or revoke a license, a statement that the Department may issue a notice of hearing pursuant to [NAC 370.545](#) if the licensee does not, within 10 ~~business~~ days after receipt of the notice issued pursuant to subsection 1, demonstrate to the satisfaction of the Department that the licensee is in full compliance with all lawful requirements for retention of the license; or
      - (2) A notice of intent to remove a manufacturer and its brand families from the directory, a statement that the Department may issue a notice of hearing pursuant to [NAC 370.545](#) if the manufacturer does not, within 10 ~~business~~ days after receipt of the notice issued pursuant to subsection 1, demonstrate to the satisfaction of the Department that the manufacturer is in compliance with all applicable legal requirements necessary to remain listed in the directory.
  3. A notice of intent to suspend or revoke a license must be served on the licensee by certified mail at the location mailing address identified by the licensee on the license application submitted by the licensee to the Department.
  4. A notice of intent to remove a manufacturer of tobacco products and its brand families from the directory must be served on the manufacturer by certified mail at the address identified by the manufacturer in the most recent annual certification made by the manufacturer to the Attorney General pursuant to [NRS 370A.160](#).
  5. Any evidence to demonstrate compliance offered by a licensee or a manufacturer of tobacco products within the period described in subparagraph (1) or (2) of paragraph (c) of subsection 2 must be delivered in person or by certified mail to the employee of the Department identified in the notice served on the licensee or manufacturer.
  6. If a licensee or manufacturer of tobacco products has received a notice issued pursuant to subsection 1, for any subsequent alleged violation of the same statutory provision during the 2-year period immediately following the issuance of such notice, the licensee or manufacturer is not entitled to the 10-day period to demonstrate compliance described in subparagraphs (1) and (2) of paragraph (c) of subsection 2 and the Department may immediately issue a notice of hearing pursuant to [NAC 370.545](#).
- (Added to NAC by Dep't of Taxation by R146-15, eff. 9-9-2016)

Amend - NRS 370.597 mandates regulations for hearing process; NRS 233B.121 contents of notice. Amend to change "business days" to "days" to conform to the standard language of the Department's regulations and the changes in Nevada Rules of Civil Procedure for counting days; Amend to change 20-day notice to 10-day notice to conform with NAC 360.095. Also amend to remove NRS 370.253 and add 370.597.

**NAC 370.545 Notice of hearing; contents and service of notice; appointment of hearing officer.** ([NRS 370.250](#), ~~[370.253](#)~~, [370.510](#), [370.597](#), [370.675](#))

1. If a licensee or manufacturer of tobacco products does not demonstrate compliance within the 10-day period described in subparagraph (1) or (2) of paragraph (c) of subsection 2 of [NAC 370.540](#), or if, pursuant to subsection 6 of [NAC 370.540](#), a licensee or manufacturer of tobacco products is not entitled to the 10-day period to demonstrate compliance, the Department may issue a notice of hearing.

2. A notice of hearing issued pursuant to this section must:

(a) State the date, time and location of the hearing, which may be held at an office of the Department or at such other place in this State as is designated in the notice;

(b) Include a statement of the legal authority for the suspension or revocation of the license or removal of the manufacturer and its brand families from the directory, as applicable;

(c) Identify the specific provision or provisions of [chapter 370](#) or [370A](#) of NRS which the Department alleges the licensee or manufacturer of tobacco products has violated;

(d) Include a statement of the facts which support the belief of the Department that the license should be suspended or revoked or that the manufacturer and its brand families should be removed from the directory, as applicable; and

(e) Include as attachments all documentary evidence on which the Department intends to rely to demonstrate that the licensee or manufacturer of tobacco products, as applicable, is in violation of the provision or provisions of [chapter 370](#) or [370A](#) of NRS identified pursuant to paragraph (c).

3. A notice of hearing issued pursuant to this section must be served on:

(a) All parties at least ~~10~~ ~~20 business~~ days before the date of the hearing;

(b) A licensee by certified mail at the location mailing address identified by the licensee on the license application submitted by the licensee to the Department; and

(c) A manufacturer of tobacco products by certified mail at the address identified by the manufacturer in the most recent annual certification made by the manufacturer to the Attorney General pursuant to [NRS 370A.160](#).

4. Upon the issuance of a notice of hearing by the Department pursuant to this section, the Commission will appoint an administrative law judge to act as a hearing officer.

(Added to NAC by Dep't of Taxation by R146-15, eff. 9-9-2016)

Amend - NRS 370.597 mandates regulations for hearing process; Process for hearing before ALJ. Amend to change "business days" to "days" to conform to the standard language of the Department's regulations and the changes in Nevada Rules of Civil Procedure for counting days. Also increase the days from "5" to "7". It was probably intended for the 5 business days to be a week. Since we are proposing changing "business days" to "days", it will add 2 more to account for the weekends. Also amend to remove NRS 370.253 and add 370.597.

**NAC 370.550 Submission of documentation by respondent; exclusion by hearing officer for untimely submission.** ([NRS 370.250](#), ~~[370.253](#)~~, [370.510](#), [370.597](#), [370.675](#))

1. Except as otherwise provided in subsection 2, a respondent must, not later than ~~7 5-business~~ days before the date of the hearing set forth in the notice of hearing issued pursuant to [NAC 370.545](#), provide to the Department a copy of each document which is reasonably available to the respondent and which the respondent reasonably believes will be used in support of his or her position.

2. A respondent may supplement the documents provided pursuant to subsection 1 on or before the date of the hearing only if good cause exists to demonstrate why the supplemental documents were not provided within the time required by subsection 1.

3. A hearing officer may exclude any document not timely provided pursuant to subsection 1 or 2.  
(Added to NAC by Dep't of Taxation by R146-15, eff. 9-9-2016)

Amend - NRS 370.597 mandates regulations for hearing process; Process for hearing before ALJ. Amend to change "business days" to "days" to conform to the standard language of the Department's regulations and the changes in Nevada Rules of Civil Procedure for counting days; Amend to change motions due 10 days before hearing to 7 days before hearing and response to 5 days before hearing to accommodate change in hearing notice. Also amend to remove NRS 370.253 and add 370.597.

**NAC 370.555 Submission and service of motions and responses to motions. ([NRS 370.250](#), [370.253](#), [370.510](#), [370.597](#), [370.675](#))**

1. All motions, unless made at a hearing, must be:  
(a) Made in writing; and  
(b) Served on the opposing party and the hearing officer at least ~~7 10-business~~ days before the date of the hearing.

2. Any response to a motion, other than a motion made at a hearing, must be:  
(a) Made in writing; and  
(b) Served on the opposing party and the hearing officer within ~~5 7-business~~ days after receipt of the motion.

(Added to NAC by Dep't of Taxation by R146-15, eff. 9-9-2016)

Amend to remove NRS 370.253 and add 370.597

**NAC 370.565 Appearance of party at hearing; representation by authorized representative of party; qualifications of attorney. ([NRS 370.250](#), [370.253](#), [370.510](#), [370.597](#), [370.675](#))**

1. A party may appear in person at a hearing or may be represented by an attorney, an accountant or an officer, employee or other authorized representative of the party.

2. An attorney who represents a party at a hearing:

(a) Must be admitted to practice and in good standing before the highest court of any state of the United States; and

(b) If the attorney is not admitted to practice and in good standing before the Supreme Court of Nevada, must be associated with an attorney so admitted and in good standing.

(Added to NAC by Dep't of Taxation by R146-15, eff. 9-9-2016)

Amend to remove NRS 370.253 and add 370.597

**NAC 370.570 Continuances or recesses granted by hearing officer.** (NRS 370.250, ~~370.253~~, 370.510, 370.597, 370.675) A hearing officer may, in his or her discretion, either before or during a hearing, grant continuances or recesses.

(Added to NAC by Dep't of Taxation by R146-15, eff. 9-9-2016)

Amend to remove NRS 370.253 and add 370.597

**NAC 370.575 Failure to appear.** (NRS 370.250, ~~370.253~~, 370.510, 370.597, 370.675) If:

1. A respondent fails to appear at a hearing;
  2. The hearing officer has not granted a continuance;
  3. The Department offers proof that the respondent was given proper notice of the hearing; and
  4. The hearing officer makes a determination that the respondent was given proper notice of the hearing,
- ↳ the hearing officer may proceed to consider the case on its merits without the participation of the respondent and dispose of the case based on the evidence before him or her.

(Added to NAC by Dep't of Taxation by R146-15, eff. 9-9-2016)

Amend - NRS 370.597 mandates regulations for hearing process; Process for hearing before ALJ. Amend to change "business days" to "days" to conform to the standard language of the Department's regulations and the changes in Nevada Rules of Civil Procedure for counting days; Amend (1) to add "evidence may be received in any manner ordered by the hearing officer but will generally proceed in the following order." Amend to extend 20-day appeal period to 30-day appeal period to conform with NAC 360.175. Also amend to remove NRS 370.253 and add 370.597.

**NAC 370.580 Order of proceedings; written findings and conclusions; issuance and service of decision; date on which decision becomes final.** (NRS 370.250, ~~370.253~~, 370.510, 370.597, 370.675)

1. At a hearing conducted pursuant to NAC 370.500 to 370.595, inclusive, *evidence may be received in any manner ordered by the hearing officer but will generally proceed in the following order:*

(a) The Department will present witnesses and evidence and the respondent may cross-examine the witnesses in the order in which they are presented by the Department.

(b) After the Department has completed its presentation of witnesses and evidence, the respondent may present witnesses and evidence and the Department may cross-examine the witnesses in the order in which they are presented by the respondent.

(c) After the respondent has completed its presentation of witnesses and evidence, the Department may call any rebuttal witnesses and the respondent may cross-examine the witnesses.

(d) The hearing officer may question any witness, party, counsel or representative at any time.

2. After the close of the hearing, the hearing officer shall prepare written findings of fact, conclusions of law and his or her decision on the issues presented at the hearing.



3. A hearing officer shall issue his or her decision and serve on all parties of record a copy of the decision and the accompanying findings of fact and conclusions of law within 45 ~~business~~ days after the date on which the hearing concluded.

4. A decision issued by a hearing officer pursuant to this section becomes final ~~30 20-business~~ days after the date of service of the decision unless a party files a timely notice of appeal pursuant to [NAC 370.585](#).

(Added to NAC by Dep't of Taxation by R146-15, eff. 9-9-2016)

Amend - NRS 370.597 mandates regulations for hearing process; Process for appeal to Commission and Petition for Judicial Review. Amend to change "business days" to "days" to conform to the standard language of the Department's regulations and the changes in Nevada Rules of Civil Procedure for counting days; Amend to extend 20-day appeal period to 30-day appeal period to conform with NAC 360.175; Amend process for filing notice of appeal and briefs to mirror NAC 360.173 and NAC 360.175. Also amend to remove NRS 370.253 and add 370.597.

**NAC 370.585 Filing and service of notice of appeal; rebuttal response by opposing party.** ([NRS 370.250](#), [370.253](#), [370.510](#), [370.597](#), [370.675](#))

1. A party may, within ~~30 20-business~~ days after service of a decision issued by a hearing officer pursuant to [NAC 370.580](#), file a notice of appeal with the Commission. *A notice of appeal filed pursuant to this section must be served on all parties and must identify the decision from which the party appeals, the date on which the decision was issued and the basis for the appeal.*

2. Within 30 days after filing ~~A a~~ notice of appeal, *the appellant shall file with the Commission an opening brief. The brief must* ~~filed pursuant to this section must be served on all parties and must:~~

(a) Identify the decision from which the party appeals, the date on which the decision was issued and the basis for the appeal;

(b) State with particularity each point of law or fact which, in the opinion of the appellant, the hearing officer overlooked or misconstrued;

(c) Identify the parts of the record before the hearing officer that the appellant deems relevant to the appeal; and

(d) State each argument in support of the appeal that the appellant intends to present.

3. An opposing party may, not later than ~~30 15-business~~ days after service of a notice of appeal, file with the Commission a response rebutting only the issues raised in the notice of appeal. Such a response may include identification of the parts of the record before the hearing officer that the opposing party deems relevant to his or her response.

(Added to NAC by Dep't of Taxation by R146-15, eff. 9-9-2016)



Amend - NRS 370.597 mandates regulations for hearing process; Process for appeal to Commission and Petition for Judicial Review. Amend to change 15 minutes of oral argument before the Commission to 20 minutes to conform with NAC 360.175. Also amend to remove NRS 370.253 and add 370.597.

**NAC 370.590 Oral argument on appeal; consideration of certain evidence; issuance of written decision; final decision for purposes of judicial review.** ([NRS 370.250](#), ~~[370.253](#)~~, [370.510](#), [370.597](#), [370.675](#))

1. Upon the filing of a response to the notice of appeal pursuant to [NAC 370.585](#) or the expiration of the time for filing such a response, the Executive Director will schedule oral argument on the appeal at the next meeting of the Commission.

2. Oral argument before the Commission will be limited to ~~20~~ 15 minutes for each party. The appellant must present his or her argument first but may reserve time for rebuttal following the presentation of argument by the opposing party. The Commission will consider only evidence which was submitted to the hearing officer and identified in the notice of appeal or response to the notice of appeal.

3. The Commission may affirm, reverse or modify the decision of the hearing officer or remand the case to the hearing officer. The Executive Director shall, on behalf of the Commission, issue a written decision on the appeal.

4. Unless the Commission remands a case to the hearing officer, the decision of the Commission is a final decision in a contested case for the purposes of judicial review.

(Added to NAC by Dep't of Taxation by R146-15, eff. 9-9-2016)

Amend - NRS 370.597 mandates regulations for hearing process; post hearing procedures. Amend to change "business days" to "days" to conform to the standard language of the Department's regulations and the changes in Nevada Rules of Civil Procedure for counting days. Also increase the days from "5" to "7". It was probably intended for the 5 business days to be a week. Since we are proposing changing "business days" to "days", it will add 2 more to account for the weekends. Also amend to remove NRS 370.253 and add 370.597.

**NAC 370.595 Effective date of suspension or revocation of license; duties of wholesale dealer; continuation of activities until suspension or revocation is effective.** ([NRS 370.250](#), ~~[370.253](#)~~, [370.510](#), [370.597](#), [370.675](#)) If a final order issued by a hearing officer or the Commission temporarily suspends or permanently revokes the license of a wholesale dealer:

1. The final order must not become effective and the license of the wholesale dealer must not be suspended or revoked until 20 ~~business~~ days after the date of issuance of the final order.

2. The wholesale dealer shall, within ~~7~~ 5 ~~business~~ days after the date on which the final order is issued:

(a) Notify each retail dealer that is a customer of the wholesale dealer of the revocation or suspension of the license of the wholesale dealer and the date on which the revocation or suspension becomes effective; and

(b) Notify each manufacturer of tobacco products from whom the wholesale dealer purchases tobacco products of the revocation or suspension of the license of the wholesale dealer and the date on which the revocation or suspension becomes effective.

3. Until the date on which the revocation or suspension of the license is effective, the wholesale dealer may continue to engage in any lawful activity otherwise authorized or permitted pursuant to [chapters 370](#) and [370A](#) of NRS.

(Added to NAC by Dep't of Taxation by R146-15, eff. 9-9-2016)

## Department Recommendation for Amendment

EXPLANATION – Matter in (1) **green bold** is original language in LCB’s proposed regulation; (2) *blue bold italics* is language proposed to be added to LCB’s proposed regulation; and (3) ~~red strikethrough~~ is language proposed to be deleted in LCB’s proposed regulation.

### NAC 372.101, 372.280, 372.320, 372.350 (R156-22), and 372.460 (R172-22)

#### CHAPTER 372 - SALES AND USE TAXES

##### APPLICATION OF TAX

Amend to find all transportation, shipping, postage, handling, packing and crating taxable regardless of being separately stated. This would make the area of delivery charges and/or transportation, shipping and/or postage more applicable for taxpayers and should prevent assessments for taxpayers who misunderstand this area.

#### **NAC 372.101 Delivery charges.** (NRS 360.090, 360B.110, 372.025, 372.065, 372.725)

1. Delivery charges included in the sale of tangible personal property are subject to sales and use taxes, including, but not limited to, any charges for:

(a) Transportation, shipping or postage which are not stated separately on applicable invoices or other billing documents. ~~Any charges for transportation, shipping or postage which are stated separately on applicable invoices or other billing documents shall be deemed not to be included in such a sale and are not subject to sales and use taxes.~~

(b) Handling, crating or packing, whether or not separately stated.

2. A delivery charge that is not connected with the sale of tangible personal property is a charge for a service and is not subject to sales and use taxes.

3. If a shipment of tangible personal property which is sold to a purchaser includes both taxable and exempt property, the seller of the property shall comply with the provisions of NRS 360B.255.

(Added to NAC by Dep’t of Taxation, eff. 8-2-90; A Tax Comm’n, 10-27-93; R082-02, 9-20-2002; R021-08, 4-17-2008; R104-09, 11-25-2009)

Amend to combine NAC 372.280, 372.290 and 372.300 under NAC 372.280 “Morticians: General provisions, Transactions with other states and Funeral expenses paid by United States.” NAC 372.280 and 372.290 are recommended for repeal.

#### **NAC 372.280 Morticians: General provisions, *Transactions with other states, and Funeral expenses paid by United States.*** (NRS 360.090, 372.725)

1. Morticians are the retailers of the tangible personal property which they furnish in connection with rendering their services. The tax applies to the sale by the mortician of all tangible personal property so furnished.

2. The tax applies to:

(a) The fair retail value of clothing, boxes, vaults and any other property furnished in addition to that customarily furnished with standard service.

(b) Acknowledgment cards and appreciation cards, when furnished as part of the regular service, or when the family is charged for them.

(c) All other items of tangible personal property which are furnished by the mortician, computed upon 50 percent of the remainder of the charge for the funeral, except as provided in subsection 3.

3. If the items of tangible personal property are segregated in the billings to customers and specific charges are made, the tax applies to the charges.

4. The tax does not apply to accommodation cash advances for such items as cemetery charges, newspaper notices, railroad tickets, ministerial fees and flowers.

5. *When death occurs in this State and burial is to occur in another state, the casket and other personal property purchased in this State for the preparation and delivery of the body to its ultimate burial destination are subject to Nevada sales tax.*

6. *Where burial occurs in this State, through ashes in urn, entombment in mausoleum or ground burial, the casket, urn or other materials purchased outside this State are not purchased for use in Nevada and are not subject to use tax. The taxable use has occurred outside this State.*

7. *If a portion of the expense of a funeral is paid by the United States directly to the mortician, the transaction is regarded as a sale to the United States and is exempt from the tax to the extent of the payment.*

8. *Payment to a relative or other person as reimbursement for a portion of the funeral expense is not a sale to the United States and is not exempt from the tax.*

9. *In cases where the family assigns the death benefits due from the Veterans' Administration or Social Security to the mortician, the United States is not considered the purchaser and no part of the transaction is considered a tax-exempt sale to the United States.*

10. *Only when the governmental agency makes a payment directly to the mortician is that portion of the funeral expense considered exempt from the tax.*

[Tax Comm'n, Combined Sales and Use Tax Ruling part No. 7, eff. 6-7-68; A 7-8-80]

Amend to say, "The tax applies to the entire charge made by a dispensing optician for eyeglasses and related products furnished in filling a prescription, whether the dispensing optician is licensed or not."

**NAC 372.320 Oculists, optometrists and dispensing opticians. (NRS 360.090, 372.055, 372.725)**

1. Oculists and optometrists are the consumers of ophthalmic materials including eyeglasses, frames and lenses used or furnished in the performance of their professional services in the diagnosis, treatment or correction of conditions of the human eye. The tax applies to the sale of the materials to oculists and optometrists.

2. The tax applies to the entire charge made by a dispensing optician for eyeglasses and related products furnished in filling a prescription, *whether the dispensing optician is licensed or not.*

[Tax Comm'n, Combined Sales and Use Tax Ruling No. 10, eff. 3-1-68]

Amend pursuant to R156-22 - This regulation revises language to provide that the use tax applies only to tangible personal property, including napkins, straws, and utensils, purchased for resale and given away with complimentary food, meals or beverages.

**NAC 372.350 Premiums; gifts; complimentary food and beverages. (NRS 360.090, 372.725)**

1. Tangible personal property which is delivered as a premium, together with other merchandise which is sold, if the obtaining of the premium by the purchaser is certain and not dependent upon chance or skill, shall be deemed a sale of both the premium and the merchandise. The tax applies to the gross receipts received from the purchaser for the goods and the premium except when the premium is delivered along with a tax-exempt item. In such case the tax applies to the gross receipts from the sale of the premium,

which shall be deemed to be the cost of the premium to the retailer, in the absence of any evidence that the retailer received a larger sum for the premium.

2. The tax applies to tangible personal property which is purchased for resale and given away in the form of gifts, as a use of the property other than retention, demonstration or display, while holding it for sale in the regular course of business.

3. ~~The Except as otherwise provided in NRS 372.290,~~ **The** tax applies to tangible personal property, ~~including, without limitation, napkins, straws, plates, utensils, glasses or cups,~~ purchased for resale and given away ~~in the form of~~ **with** complimentary food ~~and, meals or~~ beverages as a use of the property other than retention, demonstration or display while holding it for sale in the regular course of business. ***The taxable cost of disposable items purchased for resale includes, but is not limited to, napkins, straws, and utensils. The taxable cost of the complimentary food and beverage includes the cost of the food or beverage and other ingredients, including, but not limited to, napkins, straws and condiments.***  
[Tax Comm'n, Combined Sales and Use Tax Ruling No. 76, eff. 1-10-74]

Amend pursuant to R172-22 – This regulation provides that the purchase and use of replacement parts or materials to repair or replace tangible personal property pursuant to a warranty or guaranty that was included in the sale of the tangible personal property is excluded from sales and use taxes only if: the warranty or guaranty was a mandatory part of the sale of the tangible personal property and the repair or replacement of the tangible personal property is an obligation or duty imposed on a party to that mandatory warranty or guaranty; and the sales price of the tangible personal property included the value of the mandatory warranty or guaranty. This regulation further clarifies that sales and use taxes apply to the purchase and use of replacement parts or materials to repair or replace tangible personal property under circumstances other than the circumstances set forth in this regulation, including, without limitation, the purchase and use of replacement parts or materials to repair or replace tangible personal property pursuant to an optional warranty or guaranty or pursuant to a term of any warranty or guaranty providing for repairs, replacements or services to maintain or enhance customer goodwill or to provide gratuitous or promotional repairs, replacements or services.

**NAC 372.460 Replacement parts and materials. (NRS 360.090, 372.385, 372.725)**

1. The sale of tangible personal property by a retailer includes the furnishing of replacement parts or materials to repair or replace the tangible personal property pursuant to ~~the provisions a definite term~~ of a **mandatory** warranty or guaranty included in the contract of sale. Sales and use taxes do not apply to the purchase and use of replacement parts or materials by the retailer if ~~the~~:

(a) **The** purchase and use of those parts or materials was made for the repair or replacement of tangible personal property pursuant to ~~the provisions a definite term~~ of the **mandatory** warranty or guaranty~~[-];~~ **and**

(b) **The sales price of the tangible personal property being repaired or replaced included the value of the mandatory warranty or guaranty.**

**2. Sales and use taxes apply to the purchase and use of replacement parts or materials by a retailer unless sales and use taxes do not apply to the purchase and use of such replacement parts or materials pursuant to subsection 1.**

~~2.~~ **3.** If a lessor leases or rents tangible personal property to a:

- (a) Retailer who will furnish the tangible personal property to a customer; or
- (b) Customer of a retailer,

È pursuant to ~~the provisions a definite term~~ of a **mandatory** warranty or guaranty included in a contract of sale, the lessor must not include the gross receipts from that lease or rental of the tangible personal property in the gross receipts that are subject to the **use sales** tax. The lessor shall maintain documentation that indicates that the tangible personal property was leased or rented to a retailer, or the customer of a retailer, pursuant to ~~the provisions a definite term~~ of a **mandatory** of a warranty or guaranty included in a contract of sale.

**4. For the purposes of this section, a “definite term” of a mandatory warranty or guaranty is a provision of the mandatory warranty or guaranty that imposes a nondiscretionary duty or obligation on a party to the mandatory warranty or guaranty to perform an act or provide a service. The term does not include a provision of the mandatory warranty or guaranty that gives a party to the mandatory warranty or guaranty the discretion to determine whether or not to perform an act or provide a service, including, without limitation, a provision pursuant to which a manufacturer of tangible personal property reserves the right to repair or replace the tangible personal property or provide a service with respect to the tangible personal property that:**

- (a) Is not required by a definite term of a mandatory warranty or guaranty;**
- (b) Is intended to enhance or maintain the goodwill of a customer; or**
- (c) Is offered on a gratuitous basis or as a promotion, including, without limitation, a repair or replacement of tangible personal property, or the provision of a service with respect to tangible personal property, that is performed outside the durational limits of a mandatory warranty or guaranty.**

[Tax Comm’n, Combined Sales and Use Tax Ruling No. 40, eff. 3-1-68]—(NAC A by R025-99, 1-27-2000)

## Department Recommendation for Amendment

EXPLANATION – Matter in (1) **green bold** is original language in LCB’s proposed regulation; (2) *blue bold italics* is language proposed to be added to LCB’s proposed regulation; and (3) ~~red strikethrough~~ is language proposed to be deleted in LCB’s proposed regulation.

### NAC 372.607 and 372.700 (R150-22)

#### CHAPTER 372 - SALES AND USE TAXES

#### EXEMPTIONS

*Amend to remove "supplements" from calculation.*

**NAC 372.607 Food: Determination whether food sold at retail by seller is sold with eating utensils provided by seller; method for calculating percentage of prepared food sold by seller.** (NRS 360.090, 360B.110, 372.284, 372.725) For the purpose of determining whether food sold at retail by a seller is a food sold with eating utensils provided by the seller pursuant to subsection 3 of NRS 360B.460 and NAC 372.605:

1. Except as otherwise provided in subsection 2, a seller who made retail sales of prepared food during a tax year or business fiscal year, whichever is selected by the seller, as soon as practicable after accounting records for that tax year or business fiscal year, as applicable, are available to the seller but not later than 90 days after the beginning of the seller’s next tax year or business fiscal year, as applicable, shall calculate a percentage by:

(a) Calculating the sum of:

(1) The total dollar value of all retail sales of food which is described in subsection 1 of NRS 360B.460 and which was sold at retail by the seller during the immediately preceding tax year or business fiscal year, as applicable;

(2) The total dollar value of all retail sales of food which is described in subsection 2 of NRS 360B.460 and which was sold at retail by the seller during the immediately preceding tax year or business fiscal year, as applicable; and

(3) The total dollar value of all retail sales of food which is incapable of being transferred to the purchaser without the use of a plate, bowl, glass or cup, including, without limitation, soft drinks dispensed from a fountain and food dispensed at a salad bar, and which was sold at retail by the seller during the immediately preceding tax year or business fiscal year, as applicable; and

(b) Dividing the amount calculated pursuant to paragraph (a) by the total dollar value of all retail sales of food by the seller, including, without limitation, prepared food, candy, *and* soft drinks ~~and dietary supplements~~.

Ê If, during a tax year or business fiscal year, as applicable, a seller made retail sales of any type of food described in paragraph (a) at more than one establishment, the seller must perform the calculation required by this subsection for each establishment and, for the purposes of this section, use the average of those calculations as the percentage of the seller’s sales of food that were sales of prepared food.

2. If a seller did not make any retail sales of prepared food during the immediately preceding tax year or business fiscal year, whichever is selected by the seller, or is a new business and the seller intends to make retail sales of prepared food during the seller’s current tax year or business fiscal year, the seller must calculate a percentage by:

(a) Calculating the sum of:

(1) An estimate of the total dollar value of all retail sales of food which is described in subsection 1 of NRS 360B.460 and which the seller expects to sell at retail during the current tax year or business fiscal year, as applicable;



(2) An estimate of the total dollar value of all retail sales of food which is described in subsection 2 of [NRS 360B.460](#) and which the seller expects to sell at retail during the current tax year or business fiscal year, as applicable; and

(3) An estimate of the total dollar value of all retail sales of food which is incapable of being transferred to the purchaser without the use of a plate, bowl, glass or cup, including, without limitation, soft drinks dispensed from a fountain and food dispensed at a salad bar, and which the seller expects to sell during the current tax year or business fiscal year, as applicable; and

(b) Dividing the amount calculated pursuant to paragraph (a) by an estimate of the total dollar value of all retail sales of food, including, without limitation, prepared food, candy, *and* soft drinks ~~and dietary supplements~~, which the seller expects to make during the current tax year or business fiscal year, as applicable.

È If a seller described in this subsection intends to make retail sales of any type of food described in paragraph (a) at more than one establishment, the seller must perform the calculation required by this subsection for each such establishment and, for the purposes of this section, use the average of those calculations as the percentage of the seller's sales of food that will be sales of prepared food. If the actual retail sales of prepared food by a seller described in this subsection during the first three months of such sales materially affect the calculation required by this subsection, the seller must perform the calculation required by this subsection using reasonable revised estimates and, for the purposes of this section, use that calculation as the percentage of the seller's sales of food that will be sales of prepared food.

3. If the percentage calculated by a seller pursuant to subsection 1 or 2, as applicable, is 75 percent or less, food sold at retail by the seller is deemed to be food sold with eating utensils provided by the seller:

(a) If the practice of the seller for sales of that food, as represented by the seller, is to directly give or hand a utensil to the purchaser to use to consume the food being sold; or

(b) If the food being sold is incapable of being transferred without the use of a plate, bowl, glass or cup and the practice of the seller, as represented by the seller, is to make plates, bowls, glasses or cups available to the purchaser of such food, including, without limitation, by permitting a purchaser to obtain such plates, bowls, glasses or cups at a kiosk or common area.

4. If the percentage calculated by a seller pursuant to subsection 1 or 2, as applicable, is more than 75 percent, food sold at retail by the seller is deemed to be food sold with eating utensils provided by the seller if the seller:

(a) Directly gives or hands a utensil to the purchaser to use to consume the food being sold; or

(b) Makes utensils available to the purchaser, including, without limitation, by permitting the purchaser to obtain utensils at a kiosk or common area.

5. A seller who makes retail sales of prepared food shall maintain records in accordance with [NRS 372.735](#) which are adequate to substantiate the calculations made by the seller pursuant to this section.

(Added to NAC by Tax Comm'n by R056-18, eff. 6-8-2020)

*Amend per R150-22 - This regulation provides that such a letter: is effective only with respect to sales or use tax obligations that would otherwise accrue on or after the date of issuance of the letter; and does not affect any such obligation accruing before that date.*

*Amend to add "For purposes of exemption from Sales and Use Tax, the Department will construe the term, "educational organization" as not including an organization that primarily provides instruction or disseminates information, to a definite class of persons in a particular profession, industry, vocation, hobby group or area of interest."*

**NAC 372.700 Charitable, religious or educational organizations: Letters of exemption. ([NRS 360.090](#), [372.348](#), [372.725](#))**

1. An organization requesting exempt status must submit to the Department an application on a form prescribed by the Department and copies of:

- (a) Its bylaws;
- (b) Its articles of incorporation;
- (c) Financial information which provides verifiable sources of income and expenditures, which may include, without limitation, financial statements and independent audit reports;
- (d) Letters of exemption issued to it by any governmental agency;
- (e) If the application is for a charitable organization, an outline of its charitable activities, fund raisers and goals, and a copy of its business or strategic plan must be attached; and
- (f) Any other information which the Department deems relevant.

2. Upon approval of an application, the Department will issue a letter of exemption. The letter of exemption is effective on the date of issuance and is not transferable. The letter of exemption:

- (a) Is effective only with respect to any liability for sales tax or use tax that would otherwise accrue on or after the date of issuance of the letter.
- (b) Does not affect any liability for sales tax or use tax accruing before the date of issuance of the letter, and any sales tax or use tax paid in connection with such a liability is not refundable.

3. The organization must notify the Department of changes to the name, address, telephone number or responsible person of the organization. Each organization must apply for the renewal of its letter of exemption every 5 years. The Department will mail a renewal application to the last known address of the organization at least 90 days before the expiration of the letter of exemption. Failure to receive a renewal application does not extend the validity of the exemption beyond the 5 years.

~~3.~~ 4. The Department may deny an application for exemption if it finds that:

- (a) The organization has failed to submit sufficient information on which to grant an exemption; or
- (b) The organization does not meet the standards for exemption.

~~4.~~ 5. The Department may withdraw the letter of exemption issued to any organization if the Department finds that:

- (a) The organization is no longer engaged in charitable, religious or educational pursuits;
- (b) The organization has ceased to comply with the standards for exemption; or
- (c) The application contained false or misleading information.

~~5.~~ 6. A charitable, religious or educational organization may petition the Commission for reconsideration of any action by the Department denying or withdrawing a letter of exemption. Upon reconsideration, the Commission may grant or reissue the letter of exemption if the organization has presented satisfactory evidence that it complies with the standards for exemption.

*7. For the purposes of exemption from Sales and Use Tax, the term, "educational organization" does not include an organization that primarily provides instruction or disseminates information, to a definite class of persons in a particular profession, industry, vocation, hobby, group, or area of interest.*

~~6.~~ 8. As used in this section, "standards for exemption" means the criteria set out in this section and [NRS 372.326](#) and [372.3261](#).



## Department Recommendation for Amendment

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red strikethrough~~ is language proposed to be deleted.

### **NAC 372.720, 372.770, and 372.780**

#### CHAPTER 372 - SALES AND USE TAXES

#### ADMINISTRATION OF TAX

Amend to remove the reference to NRS 372.145 (repealed in 2021). The revocation statute has been added to NRS 360.5975.

**NAC 372.720 Revocation, suspension and reissuance of sellers' permits. (NRS 360.090, 360.5975 ~~372.145~~, 372.725)**

1. Upon the receipt of a notice of the suspension or revocation of a permit, the seller shall, upon demand, immediately surrender the permit to any employee of the Department.

2. Any subsequent violation of the laws or the regulations of the Commission may be cause for the permanent revocation of a seller's permit for habitual violations. The suspension or revocation of temporary or provisional permits shall be deemed prima facie evidence of habitual violations.

3. A new permit will only be issued for a previously suspended or revoked account if the seller:

(a) Pays all outstanding amounts, including the amounts of tax, penalties, interest and costs, if any costs were incurred;

(b) Files all returns due and outstanding;

(c) Pays the required fees for renewal or issuance of permits;

(d) Provides the security demanded to the full extent provided by law; and

(e) Confirms in writing that he or she will henceforth comply with all of the provisions of the laws and the regulations prescribed by the Commission.

4. A permit issued for a previously suspended or revoked account will be prominently marked temporary or provisional and will include an effective date and an expiration date no earlier than 1 calendar year later.

5. If during the 1-year period the taxpayer becomes delinquent or otherwise fails to comply with the applicable statutes and regulations, the Department may immediately initiate proceedings to permanently revoke the permit.

6. Full compliance with applicable laws and regulations for the period of the temporary or provisional permits entitles the holder to apply for and receive a regular seller's permit upon request without an additional fee.

7. No previous holder of a seller's permit which has been permanently revoked may be issued a permit without the express action of the Commission.

[Tax Comm'n, Combined Sales and Use Tax Ruling part No. 70, eff. 6-7-76]

Amend to add (d) The amount of any third-party price reduction or discount; and the amount of tax collected by the retailer from the purchaser.

**NAC 372.770 Receipts for tax paid to retailer. (NRS 360.090, 372.195, 372.725)**

1. Each retailer who is required or authorized to collect sales or use tax from purchasers must give a receipt to each purchaser for the amount of the tax collected.
2. The receipt must show the following:
  - (a) The name and place of business of the retailer;
  - (b) The date on which the property was sold;
  - (c) The sales price of the property; and
  - (d) The amount of *any third-party price reduction or discount; and tax collected by the retailer from the purchaser.*
  - (e) *The amount of tax collected by the retailer from the purchaser.*
3. A sales invoice which contains the data required in subsection 2 and evidence of payment constitutes a receipt.
4. Each purchaser is liable for the payment of the tax to the Commission unless he or she obtains and retains for inspection the receipts which are required by this section.  
[Tax Comm'n, Combined Sales and Use Tax Ruling No. 42, eff. 3-1-68]—(NAC A 8-26-96)

Amend to remove the reference to NRS 372.135 (repealed in 2021). The NRS statute is NRS 360.5973.

**NAC 372.780 Deduction for property resold after being purchased for purpose other than resale. (NRS 360.090, 372.025, 372.725)** A retailer who takes a deduction pursuant to section 12 of chapter 397, Statutes of Nevada 1955, (NRS 372.025) for property which was resold after being purchased for a purpose other than resale shall:

1. Hold a valid permit issued pursuant to ~~NRS 372.135~~ 360.5973;
2. Take the deduction on the retailer's tax return which covers the period in which he or she resold the property; and
3. Maintain complete records which are adequate to substantiate the deduction.  
[Tax Comm'n, Combined Sales and Use Tax Ruling part No. 68, eff. 6-14-68]

## Department Recommendation for Amendment

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red strikethrough~~ is language proposed to be deleted.

### NAC 372.908 and 372.910

#### CHAPTER 372 - SALES AND USE TAXES

#### DIRECT SALES ORGANIZATIONS

Amend to remove the reference to NRS 372.125 (repealed in 2021). The correct NRS is 360.5971.

**NAC 372.908 Sales of tangible personal property by independent salesperson.** (NRS 360.090, 372.725) Except as otherwise provided in NAC 372.910, an independent salesperson who sells tangible personal property obtained from a direct sales organization to a customer at retail:

1. Is considered a retailer with respect to such sales and the gross receipts from those sales are subject to the sales tax.
2. Shall obtain a permit to engage in or conduct business as a seller pursuant to NRS 360.5971 ~~372.125~~.
3. Shall obtain a state business registration to conduct business in this State pursuant to NRS 76.100.  
(Added to NAC by Tax Comm'n by R021-05, eff. 10-31-2005)

Amend to remove the reference to NRS 372.125 (repealed in 2021). The correct NRS is 360.5971.

**NAC 372.910 Sales tax collection agreement: Authority of Department; contents.** (NRS 360.090, 372.725)

1. The Department may enter into a sales tax collection agreement with a direct sales organization.
2. A sales tax collection agreement must provide that:
  - (a) Before a direct sales organization may report and remit taxes due for the sales made by independent salespersons of tangible personal property obtained from the direct sales organization, the direct sales organization will obtain a permit to engage in or conduct business as a seller pursuant to NRS 372.125 ~~360.5971~~.
  - (b) Tangible personal property sold to an independent salesperson for personal use is taxed based on:
    - (1) The actual sales price paid by the independent salesperson; or
    - (2) If the direct sales organization does not have evidence that the tangible personal property was purchased for personal use by the independent salesperson, the sales price determined pursuant to paragraph (c).
  - (c) Tangible personal property obtained from a direct sales organization and sold by an independent salesperson at retail is taxed based on:

(1) The actual sales price paid by the retail customer; or  
(2) If the direct sales organization does not have evidence as to the actual sales price paid by the retail customer, the suggested retail price.

(d) The tax due on the sale of tangible personal property is computed at:

(1) The tax rate in effect at the location of the sale to the retail customer; or  
(2) If the direct sales organization does not have evidence as to the actual location of the sale to the retail customer, the tax rate in effect at the location to which the tangible personal property is shipped or delivered.

(e) The direct sales organization is entitled to the same deductions, allowances and collection credits to which an independent salesperson would be entitled if the sales tax collection agreement were not in effect.

(f) The direct sales organization will make available to the Department, upon request, such books and records as may be reasonably required by the Department to conduct an audit of the direct sales organization.

3. The Department shall not regard a sales tax collection agreement as a factor in determining whether or not the direct sales organization has a nexus with this State for the purpose of imposing any tax or tax collection obligation except for the sales or use tax collected by the direct sales organization pursuant to the sales tax collection agreement.

(Added to NAC by Tax Comm'n by R021-05, eff. 10-31-2005)

## Department Recommendation for Amendment

### NAC 372.938

#### CHAPTER 372 - SALES AND USE TAXES

#### LEASES, RENTALS AND CERTAIN OTHER TRANSFERS

##### General Provisions

##### Property Purchased After June 15, 2005

Amend to remove the election and make collection and payment of tax to be off the gross lease or rental charges for the lease of the property, which requires amendment through removal of 2B and 3 thru 5.

**NAC 372.938 Collection and payment of sales tax on lease or rental of tangible personal property; sale of property following its use in lease or rental service. (NRS 360.090, 360B.110, 372.385, 372.725)**

1. The legal incidence of the sales tax on a lease or rental of tangible personal property falls upon the person who leases or rents the property from the retailer.
2. A retailer engaged in the lease or rental of tangible personal property shall collect and remit the sales tax measured by:
  - (a) The gross lease or rental charges for the lease or rental of that property; or
  - ~~(b) The cost of that property to the retailer.~~
  - ~~3. A retailer engaged in the lease or rental of tangible personal property who desires to pay the tax measured by the cost of the property to the retailer must make that election not later than the date upon which the first tax return is due following the purchase of that property for lease or rental. If the retailer fails to make that election by that date, the retailer shall be deemed to have elected to pay the tax measured by the gross lease or rental charges for the lease or rental of the property. An election pursuant to this subsection may not be changed after the date upon which the first tax return is due following the purchase of the property for lease or rental.~~
  4. A retailer ~~who elects to pay the tax measured by the gross lease or rental charges pursuant to this section~~ is not required to pay the sales tax for the purchase of parts or other equipment for the tangible personal property which is committed to lease or rental use in this State if the retailer gives a resale certificate to the vendor from whom the retailer purchases the property.
  5. If the property is sold following its use in lease or rental service to a purchaser who receives delivery of the property within this State, the tax applies to the sales price of the property without any deduction or credit for the ~~tax paid on the original cost of the property or the~~ taxes paid on the gross lease or rental charges.

(Added to NAC by Tax Comm'n by R105-09, eff. 11-25-2009)

## Department Recommendation for Amendment

EXPLANATION – Matter in (1) *blue bold italics* is language proposed to be added and ~~red strikethrough~~ is language proposed to be deleted.

### **NAC 372B.100, 372B.200, 372B.210, 372B.220, and 372B.230**

#### CHAPTER 372B - TAXES ON PASSENGER CARRIERS

Amend "excise tax on passenger transportation" to read "excise tax on the connection to passenger transportation" everywhere "excise tax on passenger transportation" is found. We do not want to reference "transportation" solely, because the tax is due on the "connection".

**NAC 372B.100 “Excise tax on passenger transportation” defined.** ([NRS 360.090](#), [372B.110](#))  
As used in this chapter, unless the context otherwise requires, “excise tax *on the connection to* passenger transportation” means the taxes imposed by [NRS 372B.140](#), [372B.150](#) and [372B.160](#).  
(Added to NAC by Tax Comm’n by R068-15, eff. 6-28-2016)

**NAC 372B.200 Duties of Department: Identification, registration and notification of taxpayer; failure to register or notify does not excuse requirement to pay tax.** ([NRS 360.090](#), [372B.110](#))

1. The Department shall:
  - (a) Use the best information available to identify each taxpayer;
  - (b) Register each taxpayer; and
  - (c) Notify each taxpayer of the requirement to pay the excise tax on *the connection to* passenger transportation.
2. The failure of the Department to register or notify a taxpayer pursuant to subsection 1, or the failure of a taxpayer to be registered or receive notice of the requirement to pay the excise tax on passenger transportation, does not eliminate or excuse the requirement to pay the tax.  
(Added to NAC by Tax Comm’n by R068-15, eff. 6-28-2016)

**NAC 372B.210 Tax due and payable monthly.** ([NRS 360.090](#), [372B.110](#)) The excise tax on *the connection to* passenger transportation is due and payable to the Department monthly on or before the last day of the month next succeeding the month in which the tax accrued.  
(Added to NAC by Tax Comm’n by R068-15, eff. 6-28-2016)

**NAC 372B.220 Requirements for return.** ([NRS 360.090](#), [372B.110](#))

1. A return filed pursuant to [NAC 372B.215](#) must show:
  - (a) The total amount of the fares charged by the taxpayer for transportation services during the preceding reporting period;

- (b) The amount of the taxes due from the taxpayer for the reporting period covered by the return; and
- (c) Such other information as the Department deems necessary for the proper administration of the excise tax on *the connection to* passenger transportation.

2. For the purposes of this section, the total amount of the fares charged for transportation services includes, without limitation, all fees, surcharges, technology fees, convenience charges for the use of a credit or debit card and any other amount that is part of the fare.

(Added to NAC by Tax Comm'n by R068-15, eff. 6-28-2016)

**NAC 372B.230 Calculation of amount of tax due. ([NRS 360.090](#), [372B.110](#))** In determining the amount of the excise tax on *the connection to* passenger transportation due from a taxpayer:

1. A transportation network company, common motor carrier of passengers or certificate holder shall multiply the tax rate by the total of all amounts charged to its customer for transportation services, including, without limitation, all fees, surcharges, technology fees, convenience charges for the use of a credit or debit card and any other amount that is part of the fare.

2. The amount due must be computed to the third decimal place and rounded to a whole cent using a method that rounds up to the next cent if the numeral in the third decimal place is greater than 4.

(Added to NAC by Tax Comm'n by R068-15, eff. 6-28-2016)















# CHAPTER 361 - PROPERTY TAX

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explanation; "Amend" with explanation, or "Maintain" as written)
1		<b>GENERAL</b>		
2	361.004	Definitions.	Except as otherwise provided in NAC 361.027 to 361.029, inclusive, as used in this chapter, unless the context otherwise requires: <ol style="list-style-type: none"> <li>1. "Commission" means the Nevada Tax Commission.</li> <li>2. "Department" means the Department of Taxation.</li> <li>3. "Executive Director" means the Executive Director of the Department.</li> <li>4. "Fiscal year" means that period of time from July 1 of one year to and including June 30 of the following year.</li> </ol>	
3		<b>REGULATIONS OF NEVADA TAX COMMISSION</b>		
4	361.010	Definitions.	As used in NAC 361.010 to 361.0109, inclusive, unless the context otherwise requires, the words and terms defined in NAC 361.012, 361.016 and 361.018, inclusive, have the meanings ascribed to them in those sections.	
5	361.012	"Actual age" defined.	"Actual age" means the total number of years from the year of the construction of an improvement to the year of the lien date for the taxes which it affects.	
6	361.016	"Improvement" defined.	"Improvement" means any structure, except an improvement provided in NAC 361.026, 361.028 or the value of improvement or personal property from any cause.	
7	361.018	"Improvement" defined.	"Improvement" means, except as otherwise provided in NAC 361.113, all improvements erected upon or affixed to the land, including, without limitation, those improvements listed in paragraphs (a) and (b) of subsection 1 of NRS 361.035.	
8		<b>EXEMPT PROPERTY - Fine Art for Public Display</b>		
9	361.030	"Fine art for public display" defined.	As used in NAC 361.030 to 361.044, inclusive, unless the context otherwise requires, "fine art for public display" has the meaning ascribed to it in paragraph (b) of subsection 4 of NRS 361.008.	
10	361.032	Interpretation of terms used in NRS 361.186.	For the purposes of NRS 361.186, the Department shall interpret: <ol style="list-style-type: none"> <li>1. "Direct costs of owning and exhibiting the fine art" as:             <ol style="list-style-type: none"> <li>(a) Except as otherwise provided in paragraph (b) of subsection 5 of NRS 361.186, include, without limitation:                 <ol style="list-style-type: none"> <li>(1) Interest payments at a rate that does not exceed the rate set forth in NRS 361.030 made by the taxpayer, or a subsidiary or affiliated entity of the taxpayer, on secured or unsecured indebtedness used to acquire the work of fine art during the fiscal year for which the taxpayer is claiming an exemption for the work of fine art if the taxpayer complies with the provisions of NAC 361.034.</li> <li>(2) Insurance payments for the work of fine art, including, without limitation, insurance which provides a guaranty on the authenticity of the work of fine art.</li> <li>(3) Costs related to the repair, maintenance and conservation of the work of fine art, including, without limitation, cleaning and framing.</li> <li>(4) Costs related to the moving and storage of the work of fine art in the immediate area of the facility in which the work of fine art is displayed.</li> <li>(5) Salaries and employee benefits for persons employed to work in the facility in which the work of fine art is displayed, including, without limitation, gallery managers, curators, security personnel, reservations agents and admissions personnel.</li> <li>(6) Costs related to the operation and maintenance of the facility in which the work of fine art is displayed, including, without limitation, environmental control systems, lighting and security systems that are specific to such a facility.</li> <li>(7) Rent or other base obligations for the facility in which the work of fine art is displayed.</li> <li>(8) Personal property taxes assessed for the work of art, except penalties or interest assessed on such taxes.</li> <li>(9) Real and personal property taxes assessed for the facility in which the work of fine art is displayed, except penalties or interest assessed on such taxes.</li> <li>(10) Allowable depreciation pursuant to subsection 4 of NRS 361.227 for furniture or fixtures in the facility in which the work of fine art is displayed.</li> <li>(11) Allowable depreciation pursuant to paragraph (b) of subsection 1 of NRS 361.227 for real property on which the facility in which the work of fine art is displayed is located and improvements to such a facility.</li> </ol> </li> <li>(b) Communication devices that are not exclusively for informing visitors to the facility about the work of fine art.</li> <li>(c) Costs for uniforms that persons who are employed by the facility in which the work of fine art is displayed are required to wear, including, without limitation, costs of laundering the uniforms.</li> <li>(d) Costs associated with cleaning the facility in which the work of fine art is displayed.</li> <li>(e) Commissions paid to credit card companies for the use of credit cards to pay admission fees.</li> <li>(f) Advertising costs to notify the public of the display of the work of fine art.</li> <li>(g) No include any rent payment to an agreement for the lease or loan of a work of fine art for public display.</li> <li>(h) "Taxes collected for exhibiting the fine art" to include, without limitation, fees paid by visitors to the facility for the rental of communication devices that inform them about the work of fine art.</li> </ol> </li> <li>2. "Resident" means a person who lives in this State and possesses a valid driver's license or other identification issued by this State.</li> </ol>	
11	361.034	Calculation of interest payments on art indebtedness.	1. For a work of fine art that was acquired with a portion of the proceeds of a secured or unsecured indebtedness, the amount of the interest on the total indebtedness that the taxpayer may claim an interest payment made on the art indebtedness pursuant to paragraph (1) of subsection 1 of NRS 361.032 shall be calculated for the fiscal year for which the taxpayer is claiming an exemption for the work of fine art by applying the applicable rate of rates of interest to the amount of the art indebtedness. The interest payments must be calculated each time that: <ol style="list-style-type: none"> <li>(a) A payment is made towards the principal of the total indebtedness;</li> <li>(b) A draw is made against the principal of the total indebtedness; or</li> <li>(c) The principal of the total indebtedness is increased or decreased in any other manner.</li> </ol> 2. For the purposes of the calculations required by subsection 1: <ol style="list-style-type: none"> <li>(a) If the principal of the total indebtedness is reduced by a principal payment or in some other manner, the principal of the art indebtedness must be reduced as follows:             <p>Total amount of the art indebtedness before payment or other reduction <b>Divided By</b> Total amount of the principal of the total indebtedness before payment or other reduction = X. Amount of principal payment made or other reduction of the principal of the total amount of the indebtedness = Reduction in the principal of the art indebtedness.</p> </li> <li>(b) The amount of the interest payments for the art indebtedness must be determined as follows: after reducing the total amount of the art indebtedness by any reduction in principal calculated pursuant to paragraph (a), reducing the total amount of the principal of the indebtedness by the principal payment or other reduction and increasing the total amount of the principal of the indebtedness by the amount of any increase in the total amount of the principal of the indebtedness.</li> </ol> Total amount of the art indebtedness <b>Divided By</b> Total amount of the principal of the total indebtedness = Interest accrued on the total amount of the art indebtedness = Amount of interest accrued on the art indebtedness. <ol style="list-style-type: none"> <li>3. If the taxpayer or a subsidiary, instrumentally related to the taxpayer, is claiming an exemption for the work of fine art and the taxpayer and the other items acquired with the proceeds of the indebtedness is on the taxpayer who is claiming an exemption for the work of fine art pursuant to paragraph (1) of subsection 1 of NRS 361.008.</li> <li>4. If, for the purposes of claiming an exemption pursuant to paragraph (1) of subsection 1 of NRS 361.008, a taxpayer acquires a work of fine art using the proceeds of an indebtedness, the taxpayer must incur the indebtedness for the work of fine art within 120 days after the acquisition of the work of fine art unless the Department agrees to an extension of time.</li> <li>5. To qualify or remain eligible for an exemption pursuant to paragraph (1) of subsection 1 of NRS 361.008, a taxpayer who wishes to refinance the outstanding amount of the indebtedness incurred to purchase the work of fine art must be able to trace the new debt directly to the repayment of the prior debt.</li> <li>6. As used in this section, "art indebtedness" means the amount of the principal of the total indebtedness attributable to the acquisition of the work of fine art.</li> </ol>	
12	361.036	Apportionment of direct costs taxpayer bears the value of the work of art consumed in the exhibition.	If an exhibition does not consist solely of fine art for public display owned by the taxpayer, the Department will apportion the direct costs of owning and exhibiting the fine art based on the percentage that the value of the fine art for public display owned by the taxpayer bears to the value of all the works of art consumed in the exhibition.	
13	361.038	Requirements to receive credit for donations to certain museums for donations of fine art to museums.	For a taxpayer to receive a credit for a donation to a museum that provides exhibits specifically related to nature or a museum that provides exhibits specifically related to children, such a museum must be operated by an organization that: <ol style="list-style-type: none"> <li>1. Qualifies for exemption from taxation under section 2013(c) of the Internal Revenue Code; and</li> <li>2. The net earnings of which do not inure to the benefit of any private shareholder or other person.</li> </ol>	
14	361.040	Affidavit for claiming exemption. Form, contents.	The affidavit that a taxpayer who is claiming an exemption pursuant to paragraph (1) of subsection 1 of NRS 361.008 must file pursuant to paragraph (a) of subsection 3 of NRS 361.008 with the county assessor on or before June 15 of each year in which the taxpayer claims the exemption must: <ol style="list-style-type: none"> <li>1. Be sworn to;</li> <li>2. Be in a form prescribed by the Department; and</li> <li>3. Contain:             <ol style="list-style-type: none"> <li>(a) A statement that the work of fine art will meet the criteria set forth in paragraph (b) of subsection 4 of NRS 361.008 during the following fiscal year;</li> <li>(b) A description of the work of fine art for which the taxpayer is claiming an exemption;</li> <li>(c) The purchase price or appraised value of the work of fine art;</li> <li>(d) The fiscal year for which the exemption is sought; and</li> <li>(e) A statement in substantially the following form:                 <p>"I, _____, state under oath and pursuant to the conditions set forth in NRS 361.185 and 361.205, that the attached claim for the property tax exemption is made in good faith and to the best of my knowledge and belief is a true, correct and complete statement that said property meets the requirements of NRS 361.008. Further, I authorize the Nevada Tax Commission or an designee to inspect the fine art for public display for which I am claiming an exemption and any supporting documents, or otherwise verify the validity of my claim."</p> </li> </ol> </li> </ol>	
15	361.044	Provision of poster to school or parent of child who receives in-home instruction.	Upon receiving a request for a poster pursuant to paragraph (b) of subsection 3 of NRS 361.008, the taxpayer shall select which poster to provide to the school or parent.	
16		<b>Property Used for Control of Air and Water Pollution</b>		
17	361.046	Examples of facilities, devices in which exemption does not apply.	Examples of facilities and devices to which the exemption from taxation provided by NRS 361.077 does not apply are: <ol style="list-style-type: none"> <li>1. A mine operation or the related facility for electric utility which, in the treatment of water, uses either public streams, ditches and sells the water at a minor additional cost and offsets the total cost of the treatment and drilling process.</li> <li>2. The installation of pollution control equipment to remove air pollutants from fuel exhausts and better utilize the fuel in manufacturing or industrial plants or where recovery of materials in mining operations is made possible which results in a lower overall operating expense ratio.</li> </ol>	
18	361.048	Application of exemption to additions, modifications of operational devices.	1. Facilities or equipment, including blacktop for roadways and parking areas, water tracks and sprinkling systems, which are necessary for the normal operation of the enterprise and which are not specifically exempted by statute or the Constitution or which are not required by the appropriate environmental agencies. <ol style="list-style-type: none"> <li>2. If an addition is made to a modification is made to a device whose primary purpose is operational, but the addition or modification is a "facility, device or method for the control of air or water pollution" as defined in NRS 361.077, the value of the addition or modification, but not the value of the entire device, is exempt from taxation.</li> </ol>	
19	361.050	Affidavits, reports, records required to claim exemption.	1. An affidavit on a form approved by the Department for claiming an exemption pursuant to NRS 361.077 must be supplied annually to the county assessor of the county in which the property is located or to the Department if the property of an intercounty or interstate nature as defined in NRS 361.052. <ol style="list-style-type: none"> <li>2. Owners of property of an interstate nature, as defined in NRS 361.032, shall report only those properties physically located in Nevada.</li> <li>3. A portable canopy or aluminum awning which will reflect the additional net revenue to the operation which results from the installation of any equipment for which an exemption is claimed pursuant to NRS 361.077.</li> <li>4. Copies of any orders from regulatory agencies directing the installation of a device or equipment must be submitted upon request to the county assessor or the Department.</li> </ol>	
20		<b>Qualified Systems for Heating, Cooling or Provision of Electricity</b>		
21	361.052	Determination of value added by qualified system.	1. For the purposes of NRS 361.079, a county assessor may consider value added by a qualified system as the difference between the cost of the building with the qualified system and the cost of a building constructed in a conventional manner without a qualified system and part the same or a similar use. For example, a building of masonry construction used to provide solar energy may be valued on the basis of frame construction. <ol style="list-style-type: none"> <li>2. The value added by that portion of a qualified system which is not used for heating or cooling or to provide electricity or is essential to a conventionally built structure, must be included in the assessed value of the building. For example, a qualified system with an enclosed area for a solarium or sun space that is also used as a limited living area may be valued as an enclosed porch if it facilitates the use of solar energy.</li> </ol>	
22	361.054	Form for requesting valuation.	A county assessor may provide an application form for the owner of a building to request the valuation of a qualified system. If an owner does not complete such a form, the owner may not be precluded from appealing the valuation of the building to the county board of equalization.	
23	361.056	Documentation to determine conformity to standards.	A county assessor or county board of equalization or the State Board of Equalization may require documentation from the owner of a building who has requested the valuation of a qualified system to determine whether it conforms to the standards established by the Department and functions to conserve energy.	
24	361.058	List of buildings with qualified systems.	On or before April 1 of each year, each county assessor shall submit to the Department for the preceding year a written list of the buildings in his or her county which have qualified systems.	
25		<b>Miscellaneous Provisions</b>		
26	361.065	Tangible personal property component part of a manufacturing operation of a business.	1. All tangible personal property which is purchased by a business and which is claimed to be exempt pursuant to paragraph (1) of subsection 1 of NRS 361.008 must be consumed during the operation of the business and must not be intended to become a component part of a manufacturing operation of a business or a lease. <ol style="list-style-type: none"> <li>2. The personal property for which such an exemption is claimed must be material that is:             <ol style="list-style-type: none"> <li>(a) Used up, drained, absorbed, disposed or expended during the normal day-to-day operation of the business;</li> <li>(b) Characterized by an individual low cost in relation to the other more expensive fixed assets of the business;</li> <li>(c) Disposable with a generally useful life of less than 1 year; and</li> <li>(d) Not meant for resale.</li> </ol> </li> <li>3. Tangible personal property which is consumed by a business and to which this exemption applies may include, without limitation, envelopes, pens, copy paper, paper clips, meter, tape, rubber gloves, masks, janitorial supplies, bathroom tissue, light bulbs, playing cards, dice, raffles, straws, "waffle bags," paper bags, wrapping materials, register tapes, packaging supplies, devices, Styrofoam, tires or batteries.</li> </ol>	
27	361.070	County assessor may provide an application form for the owner of a building to request the valuation of a qualified system.	1. Application for an exemption pursuant to NRS 361.099 must be made to the county assessor by June 15 of each year. <ol style="list-style-type: none"> <li>2. The application must include a copy of the rental agreement and documentation from the lessor that proves that the total consideration for the rental or lease of the property is less than 10 percent of the fair market value of the property. Documentation may include, but is not limited to:             <ol style="list-style-type: none"> <li>(a) A copy of the lease of the previous tenants;</li> <li>(b) A copy of the lease or rental statement from owners of similar or like properties; and</li> <li>(c) Statements from real estate brokers.</li> </ol> </li> </ol>	
28	361.080	Privately owned park. "Park" interpreted. Equipment for exemption.	1. As used in NRS 361.080, the Department shall interpret "park" to mean a dedicated tract of privately owned real property that is set apart and maintained for public use, generally of quite sizable proportions devoted to purposes of ornamentation and recreation, and usually planted out with trees and ornamented in a way pleasing to the eye as well as furnishing an opportunity for open-air recreation. <ol style="list-style-type: none"> <li>2. To qualify as a park for the purposes of the exemption provided by NRS 361.065, a sign which is clearly legible and visible from ground level must be posted at each entrance to the park stating "This park is open to the public for all to use."</li> </ol>	
29	361.085	"Portable goods and storage sheds and other household equipment" interpreted.	As used in subparagraph (b) of paragraph (a) of subsection 4 of NRS 361.009, the Department shall interpret "portable goods and storage sheds and other household equipment" to include, without limitation: <ol style="list-style-type: none"> <li>1. A portable shed which is less than 120 square feet in area and which does not have a foundation;</li> <li>2. A portable canopy or aluminum awning which is less than 120 square feet in area and which does not have a foundation;</li> <li>3. A satellite dish that is owned by the owner of the dwelling unit or a person who resides in the dwelling unit;</li> <li>4. Decorative outdoor lighting;</li> <li>5. A freestanding wood stove;</li> <li>6. A portable spa;</li> <li>7. A swamp cooler or air-conditioning unit that is attachable to the window of dwelling units;</li> <li>8. Skirting on a mobile home;</li> <li>9. Portable steps on a mobile home; and</li> <li>10. Portable tubular ponds for a pond.</li> </ol>	



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361.089	Portions of qualified low-income housing projects.	<p>1. An owner of property who wishes to qualify the property for exempt status pursuant to NRS 361.082 must apply to the county assessor for the exemption not later than June 15 of each year. The application must be on a form approved by the Commission.</p> <p>2. Except as otherwise provided in this section, an application for the exemption of property pursuant to NRS 361.082 must contain information showing:</p> <ol style="list-style-type: none"> <li>That the property is part of a qualified low-income housing project funded in part by federal money appropriated pursuant to 42 U.S.C. § 12701 et seq. for the year in which the exemption applies;</li> <li>That the property, including related facilities, has been occupied or used by qualified residents or will be used exclusively as low-income units as of June 15 of that year; and</li> <li>The total number of qualified low-income units and the number of units rent-occupied and currently occupied by persons meeting the income limitations applicable under 26 U.S.C. § 42(g)(1).</li> </ol> <p>3. The following additional documentation must also be attached to the application:</p> <ol style="list-style-type: none"> <li>Documentation showing the property is part of a qualified low-income housing project, including, without limitation:             <ol style="list-style-type: none"> <li>A declaration of restrictive covenants;</li> <li>A letter of verification from the appropriate housing agency in charge of disposing federal funds which states that the project qualifies as a qualified low-income housing project and includes the type of federal funding granted, the date on which the funding was granted and the date of expiration of the funding; or</li> <li>Any other verification of the disbursement of federal funding and the date of the disbursement.</li> </ol> </li> <li>Documentation showing the election of the taxpayer to qualify as a low-income housing project under the 20-50 test or the 40-60 test pursuant to 26 U.S.C. § 42(g). Such documentation may include, without limitation, a copy of that portion of a federal income tax return claiming the federal tax credit.</li> <li>For an initial application, a copy of:             <ol style="list-style-type: none"> <li>The first quarter or annual status report for the project issued by the appropriate housing agency showing the number of units, the sizes of the units, the names of the tenants occupying those units, the sizes of the households living in those units, the actual amount of rent paid by the tenants of those units, the utility allowances, the annual household incomes of the tenants of those units and the rental activity for those units; and</li> <li>Area median income limits published each year by the Department of Housing and Urban Development used in the determination of eligibility for Section 8 subsidized rental housing which are incorporated in the income limits for the Home Investment Partnership Program as of March 31 of the most current year.</li> </ol> </li> </ol> <p>4. Each owner of property who receives an exemption for low-cost housing shall annually file with the county assessor:</p> <ol style="list-style-type: none"> <li>A report that includes the information and documentation identified in subsections 2 and 3; or</li> <li>An affidavit providing that information on a form approved by the Commission.</li> </ol> <p>5. An owner of property need not include on his or her return from the documentation and information described in paragraph (a) of subsection 2.</p> <p>6. The owner of the property shall maintain accurate records in support of the information requested.</p> <p><b>NOTE.</b></p>
30		<p>7. The county assessor shall disallow claims for exemption on any unit that:</p> <ol style="list-style-type: none"> <li>Is not rent-restricted; or</li> <li>Is not a part of a qualified low-income housing project funded in part by federal money appropriated pursuant to 42 U.S.C. § 12701 et seq. for the year in which the exemption is sought.</li> </ol> <p>8. Any claim for exemption denied by the county assessor affecting the taxable value of the property may be appealed to the county board of equalization in accordance with NRS 361.345.</p> <p>9. As used in this section:</p> <ol style="list-style-type: none"> <li>"20-50 test" means a test that requires 20 percent or more of the residential units in the low-income housing project to be both rent-restricted and occupied by natural persons whose income is 50 percent or less of the area median gross income.</li> <li>"40-60 test" means a test that requires 40 percent or more of the residential units in the low-income housing project to be both rent-restricted and occupied by natural persons whose income is 60 percent or less of the area median gross income.</li> <li>"Low-income unit" means any unit in a building that:             <ol style="list-style-type: none"> <li>Is rent-restricted pursuant to 26 U.S.C. § 42(g)(2);</li> <li>Is occupied by persons who meet the income limitations applicable under the 20-50 test or the 40-60 test, as appropriate; and</li> <li>Meets all other applicable exceptions and limits pursuant to 26 U.S.C. § 42(g)(3).</li> </ol> </li> <li>"Qualified low-income housing project" means any project for residential property meeting the 20-50 test or the 40-60 test, whichever is elected by the taxpayer pursuant to 26 U.S.C. § 42.</li> <li>"Related facilities" means that part of qualified low-income housing occupied or used exclusively by persons with low incomes, including, without limitation, playgrounds, community rooms, the manager's office and the low-income unit.</li> </ol>
32	ASSESSMENTS BY COUNTY ASSESSORS - Determination of Taxable Value of Real Property	
33	361.106 Definitions.	As used in NAC 361.106 to 361.115, inclusive, unless the context otherwise requires, the words and terms defined in NAC 361.107 to 361.117e, inclusive, have the meanings ascribed to them in those sections.
34	361.107 "Abstraction method" defined.	"Abstraction method" means a method of estimating the value of land by subtracting from the sales prices of improved parcels the full contributory value of all items attributable to the value of the improvements, thus yielding estimates of the residual or remainder value of the land.
35	361.107a "Accrued depreciation" defined.	"Accrued depreciation" means the amount of loss in the value of an improvement relative to its replacement cost, reproduction cost or original cost as a result of physical deterioration, functional obsolescence or economic obsolescence.
36	361.107b "Adjustment" defined.	"Adjustment" means a modification of the reported value of a variable, such as sale price or gross income, using a model calibration technique for the purpose of estimating the full cash value of property.
37	361.109 "Allocation method" defined.	"Allocation method" means a method used to value land, in the absence of a sufficient number of sales of vacant land, by estimating a typical ratio of land to total value and applying that ratio to comparable improved properties to determine the value that the land contributes to the total value of the subject property.
38	361.109b "Base lot method" defined.	"Base lot method" means a method of appraising land pursuant to which: 1. The parcel or other area of land being appraised is compared to a base lot consisting of a parcel or hypothetical area of land having common or typical characteristics and a known value; and 2. Any differences between the parcel or other area of land being appraised and the base lot with respect to location, size, shape, topography and similar factors are analyzed by the appraiser. -- to estimate the value of the land being appraised.
39	361.111 "Capitalization of ground rents" defined.	"Capitalization of ground rents" means the estimation of the value of land in the absence of comparable sales by capitalizing the revenue from market-rate leases of land.
40	361.111b "Comparative unit method" defined.	"Comparative unit method" means a method of appraising land pursuant to which an average or typical value is estimated for each stratum of land, using square feet, front feet, acres, building units or other similar units of comparison.
41	361.113 "Cost of development method" defined.	"Cost of development method" means a method used to estimate the value of undeveloped land in which direct and indirect costs and entrepreneurial profit are deducted from an estimate of the probable proceeds to be obtained from selling the land as developed parcels and the resulting net income is discounted to a present value at a market-derived rate.
42	361.1137 "Cost of replacement" defined.	"Cost of replacement" means the total cost of construction required to replace an improvement with a substitute of like or equal utility using current standards of materials and design, including the cost of any pertinent labor, materials, supervision, contractor's profit and overhead, architect's plans and specifications, sales taxes and insurance.
43	361.1125 "Expected absorption period" defined.	"Expected absorption period" means the length of time within which all the parcels in a qualified subdivision may reasonably be expected to be sold, rented or occupied if they are actively marketed. The period begins on July 1 of the year for which the tax on the parcel is levied and ends on the date determined by the county assessor.
44	361.1127 "Fixture" defined.	"Fixture" means an item, other than a trade fixture, that was originally personal property which has been installed or attached to land or an improvement in a permanent manner. As used in this section, "installed or attached to land or an improvement in a permanent manner" means that: 1. Either: (a) An item is attached to, embedded in or permanently resting upon land or an improvement, or is attached by other means that are normally used for permanent installation, and cannot be removed without substantially damaging the item or the land or improvement with which it is being used; or (b) The use or purpose of an item that is not otherwise physically annexed to land or an improvement is so adapted that it is: (i) A necessary, integral or working part of the land or improvement; (ii) Designed or constructed for use with the land or improvement; or (iii) So essential to the land or improvement that the land or improvement cannot perform its desired function without the nonattached item; and 2. A reasonable person would consider the item to be an improvement to the land or improvement, taking into account location, adaptation and other objective manifestations of permanence, including, without limitation, whether: (a) Removal of the item would destroy the item or cause significant damage to the real property to which it is installed or attached; (b) The historic use of the item indicates an intention to have the item placed; (c) The terms of a written agreement between parties indicates the intention of a tenant or lessee to remove or transfer ownership of the item; or (d) Ownership of the item would be covered with a transfer of the real property to which it is installed or attached.
45	361.113 "Improved land" defined.	"Improved land" means land on which there are any improvements sufficient to allow the identification of or establish the current actual use.
46	361.113b "Improvements" defined.	"Improvements" means any building, fence or other structure erected upon or affixed to the land, including, without limitation, any of those improvements listed in paragraphs (a) and (b) of subsection 1 of NRS 361.055. The term does not include any land enhancements.
47	361.1141 "Land" defined.	"Land" means that portion of real property which includes: 1. The surface of the earth, together with the air space above that surface and everything under that surface to the apex at the center of the earth; 2. Any natural resource in its natural state attached to the land, including, without limitation, mineral deposits, timber, water and soil; and 3. Any rights, interests, benefits and privileges belonging or attached to the land.
48	361.1145 "Land enhancements" defined.	"Land enhancements" means: 1. Physical modifications of the land whose contribution to the value of the land is not subject to wear and tear or to exhaustion, such as, without limitation, excavation and other earthwork; and 2. Rights which allow the land to be put to any use.
49	361.115 "Land residual technique" defined.	"Land residual technique" means a method used to estimate the value of land from a knowledge of normal net income, the discount rate, the remaining economic life of the property and the full contributory value of any improvements and normally means: the method isolates a measurable income stream attributable to the improvements and then estimates the value of the land by capitalizing the income stream attributable to the land.
50	361.1155 "Mass appraisal technique" defined.	"Mass appraisal technique" means a procedure for the valuation of a group of properties as of a given date using either a base lot method or comparative unit method.
51	361.116 "Obsolescence" defined.	"Obsolescence" means an impairment to property resulting in the full cash value of the property being less than its taxable value as otherwise computed.
52	361.116b "Off-site enhancements" defined.	"Off-site enhancements" means improvements and land enhancements outside the boundaries of the subject property which facilitate the development of the property for any use, including, without limitation, such improvements and land enhancements that do not prepare the property for a specific use, such as streets, traffic signals, curbs, gutters and sidewalks, and such improvements and land enhancements for the provision of water service, sewer service, electric service, natural gas service, telephone service and service for the transmission of data.
53	361.1165 "On-site enhancements" defined.	"On-site enhancements" means land enhancements within the boundaries of the subject property which facilitate the development of the property for any use.
54	361.1167 "Pavement" defined.	"Pavement" means a contiguous area of land which is: 1. Held under common ownership; 2. Subject to conveyance separately from other land; and 3. Identified by an assessor's parcel number in accordance with the provisions of NRS 361.189 to 361.220, inclusive.
55	361.117 "Qualified subdivision" defined.	"Qualified subdivision" means a group of parcels meeting the criteria contained in NAC 361.125.
56	361.1171 "Raw land" defined.	"Raw land" means land in its natural state before any human modification.
57	361.11715 "Real property" defined.	1. "Real property" has the meaning ascribed to it in NRS 361.015 and includes: (a) Land; (b) Fixtures; (c) Improvements; (d) On-site enhancements; and (e) Any rights, interests, benefits and privileges belonging or attached to the land. 2. The term does not include a trade fixture.
58	361.1172 "Regression analysis" defined.	"Regression analysis" means a statistical technique used to analyze data to predict the value of one variable from the known values of other variables.
59	361.1173 "Single property technique" defined.	"Single property technique" means a procedure for the valuation of a single parcel or other area of land as of a given date.
60	361.1174 "Stratify" defined.	"Stratify" means to sort parcels of property into relatively homogeneous groups based upon use, physical characteristics, location or other relevant characteristics.
61	361.11745 "Trade fixture" defined.	"Trade fixture" means an item of personal property that: 1. Is installed or attached temporarily to real property by an owner or tenant for the purpose of conducting a business or trade and not for the enhancement of the real property to which it is installed or attached; and 2. Has a unique identity and function which is related to the business or trade for which it is installed or attached and which is distinct from the real property to which it is installed or attached.
62	361.1175 "Units of comparison" defined.	"Units of comparison" means the components into which properties may be divided for the purpose of comparing sales, such as, without limitation, the sale price for property as a whole or for property per square foot, front foot, cubic foot, acre, lot, dwelling unit, room, bed, seat or floor-area ratio.
63	361.1176 "Vacant land" defined.	"Vacant land" means any land other than improved land, including, without limitation: 1. Raw land; and 2. Land that has been prepared or developed for use, but on which there are not yet any improvements sufficient to allow the identification of or establish the current actual use.
64	361.1177 Adoption by reference and availability of certain publications; revision of publications after adoption.	<p>1. The Commission hereby adopts by reference:</p> <ol style="list-style-type: none"> <li>The Standard on Mass Appraisal of Real Property, January 2008 edition, as published by the International Association of Assessing Officers. A copy of that publication may be obtained from the International Association of Assessing Officers, 114 West Tenth Street, Kansas City, Missouri 64105-1616, or at the Internet address <a href="http://www.iaao.org/site">http://www.iaao.org/site</a>, for the price of \$10. A free copy of that publication may be obtained at the Internet address <a href="http://www.iaao.org/uploads/StandardOnMassAppraisal.pdf">http://www.iaao.org/uploads/StandardOnMassAppraisal.pdf</a>.</li> <li>The Standard on Automated Valuation Methods (AVM), September 2005 edition, as published by the International Association of Assessing Officers. A copy of that publication may be obtained from the International Association of Assessing Officers, 114 West Tenth Street, Kansas City, Missouri 64105-1616, or at the Internet address <a href="http://www.iaao.org/site">http://www.iaao.org/site</a>, for the price of \$8. A free copy of that publication may be obtained at the Internet address <a href="http://www.iaao.org/uploads/AVM_STANDARD.pdf">http://www.iaao.org/uploads/AVM_STANDARD.pdf</a>.</li> <li>Property Appraisal and Assessment Administration, 1998 edition, as published by the International Association of Assessing Officers. A copy of that publication may be obtained from the International Association of Assessing Officers, 114 West Tenth Street, Kansas City, Missouri 64105-1616, or at the Internet address <a href="http://www.iaao.org/site">http://www.iaao.org/site</a>, for the price of \$25.</li> <li>The Residential Cost Guidebook, as published by Marshall &amp; Swift on August 13, 2010. A copy of that publication may be obtained from Marshall &amp; Swift, 911 Wilshire Boulevard, 16th Floor, Los Angeles, California 90017-3409, or at the Internet address <a href="http://www.marshallswi.com/Catalog.asp">http://www.marshallswi.com/Catalog.asp</a>, for the price of \$308.95.</li> <li>The Marshall Valuation Service, as published by Marshall &amp; Swift on August 13, 2010. A copy of that publication may be obtained from Marshall &amp; Swift, 911 Wilshire Boulevard, 16th Floor, Los Angeles, California 90017-3409, or at the Internet address <a href="http://www.marshallswi.com/Catalog.asp">http://www.marshallswi.com/Catalog.asp</a>, for the price of \$62.95.</li> <li>The Residential Estimator software, as published by Marshall &amp; Swift on August 13, 2010. A copy of that software may be obtained from Marshall &amp; Swift, 911 Wilshire Boulevard, 16th Floor, Los Angeles, California 90017-3409, or at the Internet address <a href="http://www.marshallswi.com/Catalog.asp">http://www.marshallswi.com/Catalog.asp</a>, for the price of \$980.95.</li> <li>The Commercial Estimator software, as published by Marshall &amp; Swift on August 13, 2010. A copy of that software may be obtained from Marshall &amp; Swift, 911 Wilshire Blvd., 16th Floor, Los Angeles, California 90017-3409, or at the Internet address <a href="http://www.marshallswi.com/Catalog.asp">http://www.marshallswi.com/Catalog.asp</a>, for the price of \$1,166.95.</li> </ol> <p>2. If any of the publications adopted by reference pursuant to:</p> <ol style="list-style-type: none"> <li>Paragraph (a), (b) or (c) of subsection 1 is revised, the Commission will review the revision to determine its suitability for this State. If the Commission determines that the revision is not suitable for this State, the Commission will hold a public hearing to review its determination and give notice of that hearing within 30 days after the date of the publication of the revision. If, after the hearing, the Commission does not revise its determination, the Commission will give notice that the revision is not suitable for this State within 30 days after the hearing. If the Commission does give such notice, the revision becomes part of the pertinent publication adopted by reference pursuant to subsection 1.</li> <li>Paragraph (d), (e), (f) or (g) of subsection 1 is revised, the Executive Director shall review the revision to determine its suitability for this State. If the Executive Director determines that the revision is suitable for this State, the Executive Director shall notify each county assessor in this State of that determination and the revision becomes part of the pertinent publication adopted by reference pursuant to subsection 1.</li> </ol> <p>3. Each county assessor shall maintain for public review a copy of each publication adopted by reference pursuant to paragraphs (a) to (g), inclusive, of subsection 1.</p>

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65	361.1178 Code of categories of land use	<p>1. The Department shall prescribe and annually publish a code of categories of land use, which:</p> <ol style="list-style-type: none"> <li>include and define at least the following primary categories: <ol style="list-style-type: none"> <li>Vacant land.</li> <li>Single-family residential land.</li> <li>Multi-residential land.</li> <li>Commercial land.</li> <li>Industrial land.</li> <li>Rural land.</li> <li>Utilities.</li> </ol> </li> <li>May include and define any secondary categories that the Department deems to be appropriate for each primary category.</li> </ol> <p>2. The Department shall:</p> <ol style="list-style-type: none"> <li>Consider any recommendations submitted by any county assessor in this State regarding the amendment of the code prescribed pursuant to subsection 1; and</li> <li>If the Department disagrees of any such recommendation, notify each county assessor in this State of the reasons for that disagreement.</li> </ol>	
66	361.1179 Land. Methods for determining full cash value.	<p>1. The county assessor shall determine the full cash value of land by applying the sales comparison approach using:</p> <ol style="list-style-type: none"> <li>A mass appraisal technique in accordance with the provisions of NAC 361.11795 to 361.1188, inclusive; or</li> <li>A single property technique in accordance with the provisions of NAC 361.1181 to 361.1188, inclusive.</li> </ol> <p>2. If insufficient sales of comparable properties which are vacant at the time of sale are available to carry out subsection 1, a county assessor shall determine the full cash value of land as provided in NAC 361.119.</p>	
67	361.11795 Land. Sales comparison approach using mass appraisal technique.	<p>A county assessor shall apply the sales comparison approach using a mass appraisal technique as follows:</p> <ol style="list-style-type: none"> <li>The county assessor shall identify the properties being appraised into groups based upon location, zoning, use or other relevant characteristics. Sufficient strata must be established to ensure that all types of property subject to appraisal are appropriately represented.</li> <li>After stratification pursuant to subsection 1, the county assessor shall: <ol style="list-style-type: none"> <li>For each stratum: <ol style="list-style-type: none"> <li>Analyze sales of comparable land; and</li> <li>Make adjustments to the sales prices as necessary to eliminate any nonrecurring components of value and any differences resulting from the real property rights conveyed, financing terms, conditions of sale, market conditions, location, physical characteristics, size, zoning, use, governmental restrictions, sales concessions and expenditures made after sales that influence sales prices; and</li> <li>Determine an appropriate base lot or comparative unit value to be used as a benchmark for valuing the properties in each stratum and, if appropriate, market adjustments to the base lot or comparative unit value for differences in physical characteristics, size, zoning, use, view, governmental restrictions and other attributes that affect value. The adjustments: <ol style="list-style-type: none"> <li>Must be mathematical changes made to the base lot or comparative unit value to account for differences in the elements of comparison between the base lot or comparative unit and the subject property;</li> <li>May be made only to the base lot or comparative unit value in order to reflect the value of the subject property; and</li> <li>May be made by adding or subtracting lump-sum dollar values, or by applying positive or negative percentage differentials, to the base lot or comparative unit values.</li> </ol> </li> </ol> </li> </ol> </li> </ol>	
68	361.118 Land. Sales comparison approach using single property technique.	<p>A county assessor shall apply the sales comparison approach using a single property technique as follows:</p> <ol style="list-style-type: none"> <li>The county assessor shall adjust the sales price or unit value of the comparable property as necessary to eliminate differences between the comparable properties and the subject property that affect value. The adjustments: <ol style="list-style-type: none"> <li>Must be mathematical changes made to the sales price or unit values of the comparable properties to account for differences in elements of comparison between the comparable properties and the subject property;</li> <li>May be made only to the comparable properties, and not to the subject property; and</li> <li>Must be made by adding or subtracting lump-sum dollar values, or by applying positive or negative percentage differentials, to the sales price or unit values of the comparable properties.</li> </ol> </li> <li>The elements of comparison between the comparable properties and the subject property that may be used by the county assessor include, without limitation, the real property rights conveyed, financing terms, conditions of sale, market conditions, location, physical characteristics, size, zoning or use, governmental restrictions and nonrecurring components of value.</li> <li>After adjusting the comparable properties for differences that affect value, the county assessor shall analyze the range of adjusted sales prices of the comparable properties to arrive at an estimate of value for the subject property.</li> </ol>	
69	361.1182 Land. General requirements for sales comparison approach.	<p>For the purposes of carrying out the provisions of NAC 361.11795 or 361.118:</p> <ol style="list-style-type: none"> <li>If the subject property for improved land, the comparable properties must have a use that is consistent with that of the improved land.</li> <li>The elements of comparison between the subject property and the comparable properties must be identifiable and supported by verifiable market data.</li> <li>If it is necessary to make an adjustment to recognize the view influence or any other property attribute associated with the subject property, the county assessor shall: <ol style="list-style-type: none"> <li>Make a physical determination of the view influence from the land of each prospective view parcel. The county assessor shall make the view influence determination from any area on the parcel that is capable of development. This would exclude legally required setbacks or portions of the parcel subject to applicable land use restrictions or applicable deed restrictions that prohibit development.</li> <li>Upon the written request of the owner, provide to the owner as soon as practicable, but not later than 15 days after receiving the request, current market evidence for each adjustment for the view influence or other property attribute. In a county whose population is 40,000 or more, "current market evidence" is used to mean paragraph one sales data concerning sales of improved or unimproved parcels that occurred during the 36-month period immediately preceding July 1 of the year before the first date, unless the Commission has approved the petition of the county assessor to consider sales that occurred before that 36-month period.</li> <li>Upon the written request of the owner, provide to the owner as soon as practicable, but not later than 15 days after receiving the request, a comprehensive written analysis describing any mass appraisal or single property technique used, written in such a manner that the taxpayer can determine whether the value of the parcel has been appropriately adjusted by the county assessor. For an appraisal made using: <ol style="list-style-type: none"> <li>Single property technique, the written analysis must describe each adjustment, whether attributable to view influence or another property attribute, and how each adjustment was made.</li> <li>Mass appraisal technique, the written analysis must describe the stratum in which the parcel was included, the comparable sales and any adjustments thereto used to develop a base lot or comparative unit value for the stratum, and any adjustments made to the base lot or comparative unit value to determine the value of the property.</li> </ol> </li> <li>Consider whether an adjustment is necessary because of impairments caused by obstructions or aesthetic criteria, including, without limitation, tree growth, utility lines, water tanks or the presence of other improvements.</li> </ol> </li> </ol>	
70	361.1184 Land. Stratification for purposes of sales comparison approach.	<p>1. For the purposes of carrying out the provisions of NAC 361.11795 or 361.118, a county assessor:</p> <ol style="list-style-type: none"> <li>Must identify comparable properties into the primary categories of use and prescribed by the Department pursuant to NAC 361.1178; and</li> <li>May also stratify these properties: <ol style="list-style-type: none"> <li>Into any secondary categories of land use prescribed by the Department pursuant to NAC 361.1178; and</li> <li>If those properties are used in a similar or competitive manner, into geographic market areas. Geographic market areas are initially defined by major natural, political or human-constructed boundaries and then further defined by areas of complementary land uses or neighborhoods, in which all the properties are similarly influenced by environmental, governmental, social and economic forces. Additional criteria may be considered for defining a geographic market area, including, without limitation, the size of the parcels or characteristics of land.</li> </ol> </li> </ol> <p>2. For the purposes of carrying out this section, a county assessor:</p> <ol style="list-style-type: none"> <li>Must determine the number of land use categories and geographic market areas to use in the stratification of comparable properties based upon the size and diversity of the geographic area being analyzed and the number of sales available within each proposed stratum; and</li> <li>May, if a geographic market area crosses county boundaries, cooperate with other county assessors in the exchange of information.</li> </ol>	
71	361.1186 Land. Sales data for purposes of sales comparison approach.	<p>For the purposes of carrying out the provisions of NAC 361.11795 or 361.118:</p> <p>In determining whether the sales price of each comparable property is representative of the full cash value of the subject property, the county assessor must acquire sufficient sales data concerning the comparable property. The sales data may include, without limitation:</p> <ol style="list-style-type: none"> <li>The total amount paid for the property and the terms of sale;</li> <li>The names and contact information of the buyer and seller;</li> <li>The relationship of the buyer and seller;</li> <li>Information concerning the type of transfer that is sufficient to enable the county assessor to determine whether the transfer was at arm's length;</li> <li>The length of time the property was on the market;</li> <li>The extent of the interest transferred to the buyer;</li> <li>The nature of nonrecourse items; and</li> <li>The date of the transfer.</li> </ol> <p>2. The county assessor may determine the accuracy of the sales data acquired pursuant to subsection 1 by:</p> <ol style="list-style-type: none"> <li>Contacting the buyer, seller, title company or any other knowledgeable participant in the transaction;</li> <li>Using sales questionnaires;</li> <li>Conducting personal interviews; or</li> <li>Receiving declarations of value.</li> </ol> <p>—The county assessor shall disclose to each person he or she contacts for information pursuant to this subsection that the information provided by the person will only be used to establish value for the purposes of property taxation.</p> <p>3. The following types of sales may provide information regarding full cash value and require additional verification to determine whether the sale represents full cash value:</p> <ol style="list-style-type: none"> <li>Sales involving governmental agencies and public utilities;</li> <li>Sales involving charitable, religious or educational institutions;</li> <li>Sales involving financial institutions;</li> <li>Sales between relatives or corporate affiliates;</li> <li>Sales of convenience, including, without limitation, a sale intended to correct a flaw in title;</li> <li>Sales settling an estate;</li> <li>Forced sales, including, without limitation, a sale resulting from a judicial order; and</li> <li>Sales involving dead-end title.</li> </ol> <p>4. The county assessor may sort sales and other market data into homogeneous groups to reflect different market influences and variations in zoning, other land-use controls and probable use, and to ensure that land values will reflect market data for parcels with similar or competitive uses in the same area.</p>	
72	361.1188 Land. Adjustments for purposes of sales comparison approach.	<p>1. For the purposes of carrying out the provisions of NAC 361.11795 or 361.118:</p> <ol style="list-style-type: none"> <li>The amount of the adjustment to comparable sales or to the base lot or comparative unit value must be determined using paired sales analysis, sales-ratios analysis, regression analysis or another model calibration technique in accordance with the provisions of chapters 9 and 13 of Property Appraisal and Assessment Administration, as adopted by reference in NAC 361.1177.</li> <li>If multiple types of adjustments to comparable sales or to the base lot or comparative unit value are necessary, those adjustments must be made as follows: <ol style="list-style-type: none"> <li>Any transactional adjustments must be made to the total sale price in the following sequential order: <ol style="list-style-type: none"> <li>Adjustments for the real property rights conveyed;</li> <li>Adjustments for the financing being provided;</li> <li>Adjustments for the conditions of sale, including any sales concessions;</li> <li>Adjustments for expenditures made immediately after the purchase;</li> <li>Adjustments for market conditions;</li> <li>Adjustments for other factors.</li> </ol> </li> </ol> </li> <li>After making all the applicable transactional adjustments described in subparagraph (1), units of comparison must be calculated based upon the adjusted sale price, and then adjusted for differences in location and any physical, economic and other characteristics which affect value.</li> <li>For the purposes of this section: <ol style="list-style-type: none"> <li>"Adjustments for market conditions" means adjustments to reflect increases or decreases in property values in the market for property over time.</li> <li>Adjustments for market conditions must not be made unless property values for the same general area and classification of property have increased or decreased since the transaction date. To make such an adjustment, the difference in sales prices of the same or similar properties over time must be measured to attach a rate of adjustment to apply to comparable sales to improve comparability.</li> </ol> </li> </ol>	
73	361.119 Land. Alternate methods to sales comparison approach.	<p>1. If a county assessor is not able to use the sales comparison approach that land pursuant to NAC 361.11795 or 361.118 because sufficient sales of comparable properties which were vacant at the time of sale are not available, the county assessor shall determine the full cash value of land through any of the following methods, either in combination with available land sales or as the sole method of valuation:</p> <ol style="list-style-type: none"> <li>Abstraction method;</li> <li>Land residual technique;</li> <li>Capitalization of ground rents;</li> <li>Cost of development method;</li> <li>Allocation method, if the properties are substantially similar; and</li> <li>Regression analysis.</li> </ol> <p>2. The use of sales of comparable improved properties pursuant to subsection 1 is subject to the provisions of NAC 361.11795 or 361.118, as applicable, NAC 361.1182 to 361.1188, inclusive, and the following:</p> <ol style="list-style-type: none"> <li>Sales of comparable improved properties must be adjusted to remove the full contributory value of all items attributable to the improvements, including, without limitation, direct and indirect costs, soft costs, entrepreneurial profit, and personal property and other nonrecurring components of value. The costs may be reported in a lump-sum basis per acre.</li> <li>The complete obsolescence of an improvement for purposes of analyzing the sales price of a comparable improved property is best determined when the improvement is demolished or removed, but may be considered when: <ol style="list-style-type: none"> <li>Sufficient evidence demonstrates an intention to demolish or remove the improvement, which evidence may include, without limitation, evidence that: <ol style="list-style-type: none"> <li>A permit has been issued for the demolition of the improvement;</li> <li>A disclosure concerning the demolition or removal of the improvement has been filed with the Securities and Exchange Commission;</li> <li>An order has been issued for the condemnation of the improvement; or</li> <li>Construction and development financing has been obtained with respect to the comparable property which establishes that the demolition or removal of the improvement is intended; and</li> </ol> </li> <li>No occupancy or no use is established before the commencement of the demolition or removal of the improvement.</li> </ol> </li> <li>Sales of comparable improved properties may be used in determining valuation regardless of whether the complete obsolescence of an improvement may be determined or considered pursuant to paragraph (b).</li> </ol>	
74	361.1192 Land. General requirements for use of alternate methods.	<p>If a county assessor uses any of the methods described in subsection 1 of NAC 361.119 to derive the value of land, the county assessor must:</p> <ol style="list-style-type: none"> <li>Examine and evaluate: <ol style="list-style-type: none"> <li>The reliability and accuracy of the method used;</li> <li>The reliability and quantity of the data used to derive the value;</li> <li>The reliability and accuracy of the data used and any pertinent adjustments made to comparable property;</li> <li>The relative validity of each comparable sale;</li> <li>The number and magnitude of any adjustments made to comparable property or the reasons why no adjustments were made; and</li> <li>The relative importance of individual elements of comparison; and</li> </ol> </li> <li>Determine whether: <ol style="list-style-type: none"> <li>The derived value is accurate for the type of property being valued; or</li> <li>Another method must be used or additional data must be obtained to derive the value accurately.</li> </ol> </li> </ol>	
75	361.1194 Land. Abstraction method.	<p>When using the abstraction method, a county assessor must:</p> <ol style="list-style-type: none"> <li>Perform that method in accordance with the provisions of chapter 7 of Property Appraisal and Assessment Administration, as adopted by reference in NAC 361.1177.</li> <li>Apply accrued depreciation, in accordance with the provisions of NAC 361.1225, when calculating the full contributory value of the improvements to be subtracted from the sale price of the improved parcel to derive the residual land value.</li> <li>Analyze the residual land values obtained in the same manner as sales of vacant land to establish comparative unit or base lot values.</li> </ol>	
76	361.1196 Land. Land residual technique.	<p>When using the land residual technique, a county assessor must perform that technique in accordance with the provisions of chapter 12 of Property Appraisal and Assessment Administration, as adopted by reference in NAC 361.1177.</p>	
77	361.1198 Land. Capitalization of ground rents.	<p>1. A county assessor may use the capitalization of ground rents to derive the value of land only when there is sufficient information regarding land rents or leases which are independent of improvements, such as, without limitation, a rental of farmland or commercial land which is leased on a net basis where the lessee is responsible for property taxes and all other expenses.</p> <p>2. When using the capitalization of ground rents to derive the value of land:</p> <ol style="list-style-type: none"> <li>A county assessor must perform that method in accordance with the provisions of chapter 7 of Property Appraisal and Assessment Administration, as adopted by reference in NAC 361.1177.</li> <li>If a lease: <ol style="list-style-type: none"> <li>Has been recently negotiated or is a representative of current market rents, a county assessor may directly capitalize the net rent to an indicated land value; or</li> <li>Is outdated or no longer representative of current market rents, a county assessor must reject the lease or adjust the lease to current market conditions using verifiable market data.</li> </ol> </li> </ol>	
78	361.1202 Land. Cost of development method.	<p>When using the cost of development method, a county assessor must:</p> <ol style="list-style-type: none"> <li>Perform that method in accordance with the provisions of chapter 7 of Property Appraisal and Assessment Administration, as adopted by reference in NAC 361.1177.</li> <li>Exclude the following costs from an estimate of the probable proceeds to be obtained from selling the land as developed property: <ol style="list-style-type: none"> <li>The direct costs of site preparation;</li> <li>The costs for utility hookups;</li> <li>Any other direct and indirect costs of development; and</li> <li>A reasonable allowance for entrepreneurial profit.</li> </ol> </li> </ol>	
79	361.1204 Land. Allocation method.	<p>When using the allocation method, a county assessor must:</p> <ol style="list-style-type: none"> <li>Estimate the logical and proportionate relationship of the value of land to the total value of real property by analyzing: <ol style="list-style-type: none"> <li>Historical sales of vacant land and improved land in the same geographic market area as the subject property, without limitation as to the dates of those sales;</li> <li>Sales of vacant land and improved land in the same geographic market area;</li> <li>Sales of vacant land compared to subsequent sales of the same or substantially similar parcels after improvements have been built; or</li> <li>Residual land values obtained using the abstraction method.</li> </ol> </li> <li>Apply the resulting ratio of land to total value to sales of comparable improved land to determine the portion of the sales prices attributable to land, and</li> <li>Analyze the land values obtained in the same manner as sales of vacant land to establish comparative unit or base lot values.</li> </ol>	
80	361.1206 Land. Regression analysis.	<p>When using regression analysis to derive the value of land, a county assessor must:</p> <ol style="list-style-type: none"> <li>Base that analysis on the principle of contribution to value; presume that which the major characteristics of a site and any improvements must be analyzed to determine how much each component characteristic contributes to value.</li> <li>Apply that analysis in accordance with the requirements of NAC 361.1216.</li> </ol>	
81	361.121 Obtaining and maintaining sufficient data regarding characteristics of property.	<p>A county assessor shall:</p> <ol style="list-style-type: none"> <li>Obtain, in accordance with the provisions of section 3 of the Standard on Mass Appraisal of Real Property, as adopted by reference in NAC 361.1177, a sufficient amount of data regarding the characteristics of property to determine the appropriate classification and valuation of property in the county.</li> <li>Maintain the data obtained pursuant to subsection 1 on electronic media.</li> </ol>	
82	361.1212 Use of appropriate units of comparison.	<p>When comparing sales of properties for the purpose of property valuation, a county assessor must use units of comparison which conform to the basis upon which those properties are analyzed and sold in the market.</p>	



# CHAPTER 361 - PROPERTY TAX

83	361.1214	Consideration of influence of on-site and off-site enhancements.	Since on-site enhancements and off-site enhancements may affect the uses to which a parcel of land is being or may lawfully be put, a county assessor shall consider the influence of on-site enhancements and off-site enhancements when determining the value of the land.																						
84	361.1216	Development of mass appraisal model to explain or predict market value from real estate data.	When developing a mass appraisal model to explain or predict the market value of properties from real estate data, a county assessor must build and calibrate the model in accordance with the provisions of chapters 14 and 15 of Property Appraisal and Assessment Administration and the provisions of the Standard on Automated Valuation Models (AVM), as adopted by reference in NAC 361.1177.																						
85	361.1218	Determination of whether sufficient sales of comparable properties are available.	For the purposes of carrying out the provisions of NAC 361.1196 to 361.1215, inclusive, a county assessor must determine whether sufficient sales of comparable properties are available based upon: 1. The nature and complexity of the subject property to which the sales are being compared; 2. The degree of homogeneity of elements of comparison between the subject property and the comparable properties; 3. Market conditions; and 4. The reliability of the information regarding each sale from which a credible conclusion may be obtained.																						
86	361.122	Valuation of improved land.	1. If improved land is being put to a use that is: (a) Consistent with the zoning of the land or with the general use of land in the surrounding area, the value of the improved land must be established by using comparable sales from a stratum with similar zoning and location in accordance with NAC 361.11795 or 361.118 or, if appropriate, NAC 361.119; or (b) Not consistent with the zoning of the land or with the general use of land in the surrounding area, the value of the improved land must be established, in accordance with NAC 361.11795 or 361.118 or, if appropriate, NAC 361.121, by using comparable sales from a stratum that: (1) Is most comparable to the improved land; (2) Has the same or a similar use; and (3) Is affected by the same or similar restrictions. 2. The area of land to be valued according to the use of the improvements is the area actually covered by such improvements, plus the surrounding area necessary to support the use of the improvement, as determined in accordance with any zoning restrictions and other legally enforceable restrictions on the current use of the land. Any excess or surplus land must be valued as if vacant in accordance with NAC 361.11795 or 361.118 or, if appropriate, NAC 361.119. 3. As used in this section: (a) "Excess land" means land that is not currently needed to serve or support an existing improvement, and which has the potential to be sold separately from any land that is needed to serve or support an existing improvement. (b) "Surplus land" means land that is not currently needed to serve or support an existing improvement, but which does not have an independent use separate from an existing improvement and does not have the potential to be sold separately from any land that is needed to serve or support an existing improvement.																						
87	361.1225	Accrued depreciation: Application calculation.	A county assessor: 1. Shall apply accrued depreciation when determining: (a) The value of improvements using the abstraction method pursuant to NAC 361.1194 or paragraph (d) of subsection 1 of NAC 361.1204; and (b) The contributory value of improvements pursuant to paragraph (b) of subsection 5 of NRS 361.227. 2. Shall calculate accrued depreciation by: (a) The market extraction method; (b) The economic age-life method; or (c) The observed condition breakdown method. 3. In accordance with the provisions of chapter 8 of Property Appraisal and Assessment Administration, as adopted by reference in NAC 361.1177, when calculating accrued depreciation by the economic age-life method, a county assessor may use the 100-year expectancy tables provided in the most recent version of the Residential Cost Handbook, Marshall Valuation Service, Residential Estimator software or Commercial Estimator software, as appropriate, adopted by reference in NAC 361.1177. 4. Shall apply accrued depreciation when determining the taxable value of any improvements pursuant to subsection 1 of NRS 361.227.																						
88	361.123	Contaminated property: Definitions.	As used in NAC 361.123 to 361.1236, inclusive, unless the context otherwise requires: 1. "Contaminated site" means: (a) Land on which the release of a hazardous substance has been verified pursuant to NAC 361.1232; or (b) An improvement for which permeation or incorporation into construction by a hazardous substance has been verified pursuant to NAC 361.1232, on or before the assessment date of the property. 2. "Cost-to-cure" means the present value of the remedial work to be performed to remove, contain or treat a hazardous substance on the property being valued. The term includes the cost of continued monitoring of the site after the remedial work has been completed if monitoring is required. 3. "Hazardous substance" means a hazardous material or remedial work as those terms are defined in NRS 495.428 and 495.434, respectively.																						
89	361.1232	Contaminated property: Burden of proof, documentation required.	1. The burden of proving that property has been contaminated and documenting the proof of contamination to support a possible reduction of the assessed value of the property lies with the owner of the property. 2. To verify the release of a hazardous substance on land or the permeation or incorporation into the construction of an improvement by a hazardous substance, the owner of the property must: (a) Submit reliable, objective information, such as an engineering study, environmental audit, laboratory report or historical record, which proves to the satisfaction of the assessor that a hazardous substance has been released on the land or has permeated or been incorporated into the construction of an improvement; (b) Show that the release, permeation or incorporation was reported to an appropriate governmental agency such as the National Response Center or the State Department of Conservation and Natural Resources; and (c) Provide sufficient data to the assessor to indicate the status of a proposed or ongoing cleanup plan. 3. To document the proof of contamination to support a possible reduction of the assessed value of the property, the owner of the property must submit to the assessor: (a) A list of available comparable sales of similarly contaminated property, if any; (b) Any pertinent information concerning the cleanup of the hazardous substance; and (c) Where there is an existing business operating on the contaminated site, records of income and expense necessary to allow the assessor to estimate the value of the real property, as if uncontaminated, by the income approach.																						
90	361.1234	Contaminated property: Determination of full cash value.	In determining, pursuant to NRS 361.227, the full cash value of property that has been determined by the assessor to be a contaminated site: 1. The sale comparison approach may be used by comparing verified sales of similarly contaminated sites. 2. Where applicable, the income approach may be used by utilizing rent, vacancy and expense data derived from a survey of similarly contaminated sites with similarly used improvements, or 3. Where no rental market exists for similarly contaminated properties: (a) The value of the property for a specific use, or a specific use, reflecting the extent to which the property contributes to the utility or profitability of the enterprise of which it is a part may be determined by using the income approach, except that the value of unimproved land must exceed the full cash value of the property; or (b) The present worth of the contaminated site may be determined by: (1) Discounting the present worth of the property if not contaminated by an off-site source or the cost-to-cure is not being borne by the current owner, or both, on the basis of the length of the delay caused by the contamination until the property can be developed to its highest and best use, readily sold or financed on the open market; or (2) Using the present cash equity value which represents the future reversionary value of the contaminated site after it is cleaned up to an extent that it is usable or developable to its highest and best use less the present worth of the yearly cost-to-cure of the current owner in incurring the remedial cost and an accurate forecast of the year-to-year costs to be incurred and the estimated date of the completion of the cleanup are available.																						
91	361.1236	Contaminated property: Annual review.	The assessor shall review annually the assessment of any property which has been valued as a contaminated site pursuant to NAC 361.123, 361.1232 and 361.1234 to ensure that the remedial work, if any, is being performed as scheduled and to verify the actual physical review.																						
92	361.124	Determination of actual age of improvement or newly constructed addition to improvement.	In determining the actual age of: 1. An improvement or newly constructed addition to an existing improvement, the county assessor shall use the actual year of construction, if it is available, or else an estimated year of construction. 2. An improvement that has been constructed over a period of years, the county assessor shall use the weighted average age of the improvement.																						
93	361.125	Improvement: Initial taxable value.	1. In determining the initial taxable value of an improvement, the rate of depreciation is set forth in NRS 361.227. 2. If obsolescence, deterioration or wear and tear causes the taxable value calculated pursuant to subsection 1 to exceed the full cash value of the improvements, the additional depreciation and obsolescence may be calculated separately.																						
94	361.127	Improvement: Replacement.	1. If the use or quality of an existing improvement is changed by the replacement, the county assessor shall revalue the improvement according to the new use or quality as of the time the replacement occurs. 2. Each county assessor who determines the percentage of the replacement to be an improvement. 3. May use the "Percentage Breakdown of Base Cost" published in the version of the Marshall Valuation Service adopted by reference pursuant to NAC 361.1177 as of January 1 of the year immediately preceding the last date for the current year. 4. Must consider the total replacement made to an improvement which has been accumulated since its construction or the last completion of replacement if one has been made. 5. As used in this section, the term "replacement" includes items of remodeling or expansion which extend the useful life of an improvement, other than those items excluded by the provisions of NRS 361.229.																						
95	361.128	Improvement: Calculation of cost of replacement.	1. The cost of replacement of an improvement must be calculated: (a) Without including any costs attributable to land enhancements; and (b) Except as otherwise provided in subsections 2, 3 and 4, using: (1) The standards and modifiers of local costs published in the version of the Residential Cost Handbook, Marshall Valuation Service, Residential Estimator software or Commercial Estimator software, as appropriate, adopted by reference pursuant to NAC 361.1177 of January 1 of the year immediately preceding the last date for the current year; or (2) With the prior approval of the Executive Director, other computer programs for determining cost which are based on costs published by Marshall & Swift. 2. Except as otherwise provided in subsections 3 and 4, the cost of replacement of a farm building, a shed or another rustic structure must be calculated using the manual of rural building costs adopted by the Commission if the farm building, shed or other rustic structure: (a) Does not conform to any applicable building code adopted by a local governmental entity; or (b) Is constructed by a person who does not regularly perform construction work and does not earn a substantial portion of his or her income as a licensed contractor, unless the person acts only as a general contractor and the actual work is performed by a person who regularly performs construction work and earns a substantial portion of his or her income as a licensed contractor. 3. Except as otherwise provided in subsections 3 and 4, the replacement cost of a farm building, a shed or another rustic structure constructed by a person who regularly performs construction work and earns a substantial portion of his or her income as a licensed contractor must be calculated using: (a) The standards and modifiers of local costs published in the version of the Residential Cost Handbook, Marshall Valuation Service, Residential Estimator software or Commercial Estimator software, as appropriate, adopted by reference pursuant to NAC 361.1177 of January 1 of the year immediately preceding the last date for the current year; or (b) The manual of rural building costs adopted by the Commission, except that the costs therein must be adjusted upward by 33 percent. 4. If any publication or manual required to be used pursuant to the provisions of this section applies to improvements of a particular occupancy or construction type, the county assessor may apply to the Executive Director for permission to use alternative recognized cost manuals, cost determinations or subscription services. If the Executive Director finds that no publication or manual required to be used pursuant to the provisions of this section applies to such improvements and that the alternative recognized cost manuals, cost determinations or subscription services are suitable, the Executive Director shall, within 30 days after receiving an application pursuant to this subsection, approve the use of the alternative recognized cost manuals, cost determinations or subscription services and notify each county assessor of that approval. The Executive Director shall submit to the Commission annually a list of the alternative recognized cost manuals, cost determinations and subscription services that the Executive Director has approved for use.																						
96	361.1285	Common interest communities.	1. A county assessor shall determine the taxable value of any land and improvements which comprise the community units and common elements of a common-interest community as provided in NAC 361.1285 to 361.1315, inclusive. 2. In determining the taxable value of any land and improvements within a common-interest community, a county assessor must, in addition to any other adjustments, adjust the sales price of, or the base lot or comparative unit value derived from, properties which are comparable to the community unit and within the common-interest community, including, without limitation, the: (a) Physical location of the community unit and within the common-interest community, including, without limitation, the floor level; (b) The phase of development of the common-interest community within which the community unit is located; and (c) The nature of and access to the common elements of the common-interest community, including, without limitation, any parking facilities and open-space areas. 3. As used in this section, the words and terms defined in NRS 361.213 have the meanings ascribed to them in that section.																						
97	361.129	Appraisal of parcel or part of qualified subdivisions.	1. A parcel must be appraised as provided by paragraph (b) of subsection 2 of NRS 361.227 and NAC 361.129 if: (a) It is one of a group of 10 or more contiguous parcels held under common ownership; (b) A final map, a series of final maps or one or more subdivision maps covering the area containing the parcel has been presented to the county recorder for filing in the manner provided by NRS 278.300 to 278.400, inclusive, or the parcel is assessable property in an improvement district created pursuant to chapter 271 of NRS; (c) The owner of the parcel provides the county assessor with whatever information the assessor deems necessary to determine the taxable value of the parcel; and (d) The county assessor determines that the group of parcels affected has an expected absorption period of more than 1 year. 2. For the purposes of this section: (a) The owner of a parcel in this section or owner shows as such in the records of the county recorder; (b) A parcel is contiguous with other parcels held under common ownership even if it is separated from those parcels: (1) By an easement, right-of-way, street, highway or other obstruction; or (2) By one or more parcels held by third persons; if the parcels or held in the same phase or section of a development. (c) A parcel is not contiguous with other parcels held under common ownership, though they share a common boundary, if they are in different phases or sections of a development.																						
98	361.1295	Table of expected absorption period for qualified subdivisions.	1. In determining the taxable value of land within a qualified subdivision, the county assessor shall use, in addition to any other adjustments, the table provided in the following table: (a) The full cash value of the subdivision as a whole, plus all actual costs of site preparation, including on-site enhancements and off-site enhancements; (b) The selling price of any comparable subdivision or group of parcels, adjusting that price as appropriate to reflect differences between the land sold and the land being appraised; or (c) The actual retail selling price of all parcels in the subdivision which are not sold, rented or occupied, reduced by the percentage specified for the expected absorption period of the parcels: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Expected Absorption Period (Years)</th> <th>Percentage of Reduction</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>10</td> </tr> <tr> <td>2</td> <td>20</td> </tr> <tr> <td>3</td> <td>30</td> </tr> <tr> <td>4</td> <td>40</td> </tr> <tr> <td>5</td> <td>50</td> </tr> <tr> <td>6</td> <td>60</td> </tr> <tr> <td>7</td> <td>70</td> </tr> <tr> <td>8</td> <td>80</td> </tr> <tr> <td>9</td> <td>90</td> </tr> <tr> <td>10</td> <td>100</td> </tr> </tbody> </table> or more 2. The taxable value determined as provided in subsection 1 must be allocated to each parcel in the subdivision which is not sold, rented or occupied according to the size and other characteristics of that parcel. 3. The taxable value of any improvements made within a qualified subdivision must be determined as provided by NRS 361.227.	Expected Absorption Period (Years)	Percentage of Reduction	1	10	2	20	3	30	4	40	5	50	6	60	7	70	8	80	9	90	10	100
Expected Absorption Period (Years)	Percentage of Reduction																								
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99	361.130	Mobile or manufactured home.	1. The taxable value of a mobile home or manufactured home which constitutes real property is the cost of replacement of the mobile home or manufactured home less depreciation and obsolescence. 2. In determining the taxable value of a mobile home or manufactured home which constitutes personal property, each county assessor shall, if the mobile home or manufactured home was sold as new: (a) Before July 1, 1982, value it at its retail selling price when sold to the original owner less depreciation at 2 percent per year, to a maximum depreciated value of 20 percent of its original retail selling price; (b) On or after July 1, 1982, value it at replacement cost, when new, less depreciation. Replacement cost when new is the retail selling price to the original owner adjusted by factors reflected in the annual Personal Property Manual. 3. Depreciation must be calculated pursuant to the schedule located in the annual Personal Property Manual. Additional depreciation and obsolescence may be calculated separately. 4. The retail selling price of a mobile home or manufactured home includes all charges for transportation, installation, accessories, profit and overhead. 5. If the owner of a mobile home or manufactured home which has been converted to real property wishes to convert the mobile home or manufactured home back to personal property, the county assessor shall provide the owner with a form for an affidavit of conversion which has been approved by the Commission and which must be recorded in the county recorder's office pursuant to NRS 361.245 before the mobile home or manufactured home may be removed from the tax rolls. The affidavit of conversion may include information concerning the cost of acquisition of the mobile home or manufactured home. All signatures required pursuant to NRS 361.245 to effectuate the conversion must be notarized. 6. The county assessor shall value the mobile home or manufactured home as personal property upon satisfaction of all the requirements set forth in NRS 361.245 if the mobile home or manufactured home remains within the jurisdiction of the county assessor. 7. If a mobile home or manufactured home which has been converted to real property is completely destroyed and removed from real property, the county assessor shall remove the mobile home or manufactured home from the tax roll.																						
100	361.1305	Billboards.	1. The taxable value of a billboard is the cost of replacement of the billboard less depreciation and obsolescence. 2. The cost of replacement of a billboard must be computed by multiplying the cost of acquisition to the current owner by the appropriate factor located in the annual Personal Property Manual. The factor that corresponds to the year the billboard was acquired must be used. Additional depreciation and obsolescence may be calculated separately.																						
101	361.131	Table of taxable value exceeding full cash value.	If the initially determined taxable value for any real property is found to exceed the full cash value of the property, the person determining taxable value shall examine the taxable value determined for the land, and if the land is properly valued, he or she shall appropriately reduce the taxable value determined for the improvements and, if appropriate, the value of the land and any portion personal property.																						
102	361.1315	Adjustment in apportionment fee school district.	1. To determine if a school district is eligible to receive an adjustment in apportionment pursuant to subsection 2 of NRS 387.1243, each county assessor shall, on or before March 15 of each year, submit a report to the Department on a form provided by the Department. The report must include the: (a) Value of all possessory interest of property in the county that is subject to taxation pursuant to NRS 361.157 and 361.159; (b) Value of such property for the current fiscal year; (c) Amount of taxes that are due on the property; and (d) Amount of taxes that have been paid for the current fiscal year. 2. A copy of the report must be provided to the county treasurer. 3. After receipt of the report required by subsection 1, the Department will verify, in cooperation with the county treasurer, the amount of property taxes paid and the amount of anticipated shortfall in property taxes on any basehold interest, possessory interest, beneficial interest in beneficial real property that is owned by the Federal Government and subject to taxation pursuant to NRS 361.157 and 361.159. On or before April 15 of the year in which the taxes are due, the Department will provide certification of the amount of such anticipated shortfall to the Department of Education. 4. If the delinquent taxes are paid after the report required by subsection 1 is made, the county treasurer shall report the date and amount of payment to the Department within 10 days after the payment is made. The Department will report the amount of the payment to the Department of Education to reduce the amount of taxes in accordance with subsection 2 of NRS 387.1243.																						
103	361.133	Real Property Within Common-Interest Community.																							
104	361.133	Definitions.	As used in NAC 361.133 to 361.1336, inclusive, unless the context otherwise requires, the words and terms defined in NRS 361.213 have the meanings ascribed to them in that section.																						
105	361.1332	Applicability.	The provisions of NAC 361.133 to 361.1336, inclusive, apply to the assessment and valuation of the real property within a common-interest community.																						

# CHAPTER 361 - PROPERTY TAX

106	361.134 Valuation of and assessment of tax on community units and common elements.	<p>1. A county assessor shall:</p> <ol style="list-style-type: none"> <li>Determine the taxable value of each community unit of a common-interest community separately and assess the tax thereon to the current owner of the community unit; and</li> <li>Determine the taxable value of the common elements of a common-interest community separately and assess the tax thereon to the current owners of the common-interest community as provided in NAC 361.136.</li> </ol> <p>2. If a parcel includes both a community unit and any portion of the common elements of a common-interest community, a county assessor shall:</p> <ol style="list-style-type: none"> <li>Determine the taxable value of any improvements and land that comprise that community unit separately and assess the tax thereon to the current owner of the community unit; and</li> <li>Determine the taxable value of any improvements and land that comprise that portion of the common elements of the common-interest community and assess the tax thereon to the current owners of the community units of the common-interest community as provided in NAC 361.136.</li> </ol> <p>3. For the purposes of:</p> <ol style="list-style-type: none"> <li>Paragraph (a) of subsection 1, the taxable value of the common elements of a common-interest community must not enhance or be reflected in the taxable value of a community unit of that common-interest community; and</li> <li>Paragraph (a) of subsection 2, the taxable value of any improvements and land that comprise the common elements of a common-interest community must not enhance or be reflected in the taxable value of any improvements and land that comprise a community unit of that common-interest community.</li> </ol>	
107	361.136 Allocation of taxable value of common elements to community units.	<p>1. Except as otherwise provided in subsection 3 of NAC 361.134, a county assessor shall include in the valuation of each community unit of a common-interest community an amount calculated by multiplying the taxable value of all the common elements of the common-interest community by a fraction, the numerator of which is 1 and the denominator of which is:</p> <ol style="list-style-type: none"> <li>Except as otherwise provided in paragraph (b), the total number of community units in the common-interest community; or</li> <li>If the common-interest community is still under development, the total number of community units planned to be constructed in the common-interest community, regardless of whether each community unit has been identified by a separate assessor's parcel number.</li> </ol> <p>2. If a county assessor is unable to determine from public records the information necessary to carry out the provisions of subsection 1, the county assessor shall submit to the owners of the common elements of the common-interest community a written request for such information as the county assessor determines to be necessary to carry out those provisions. Such information may include, without limitation:</p> <ol style="list-style-type: none"> <li>The total number of community units constructed or planned to be constructed in the common-interest community;</li> <li>The assessor's parcel number or other identifying information for each community unit in the common-interest community; and</li> <li>The assessor's parcel number or other identifying information for each portion of the common elements of the common-interest community.</li> </ol> <p>3. If the owners of the common elements of a common-interest community fail to provide the information requested pursuant to subsection 2 within 60 days after receiving that request, the county assessor shall allocate the taxable value of the common elements of the common-interest community to the community units of the common-interest community based on any information available to the county assessor.</p> <p>4. The Department shall provide a standard form for requesting and providing information pursuant to this section.</p>	
108	361.137 <b>Determination of Taxable Value of Personal Property</b>		
109	361.1345 Definitions.	As used in NAC 361.1345 to 361.139, inclusive, unless the context otherwise requires, the words and terms defined in NAC 361.1351, 361.1355 and 361.1361 have the meanings ascribed to them in those sections.	
110	361.1351 "Acquisition cost" and "original cost" defined.	"Acquisition cost" or "original cost" means the actual cost of property to its present owner, including, without limitation, the costs of transportation and the costs of installation.	
111	361.1355 "Cost of installation" defined.	"Cost of installation" means the costs of direct labor, direct overhead and the capitalized expense of interest or imputed charges for interest which are necessary to make the property operational.	
112	361.1361 "Personal Property Manual" defined.	"Personal Property Manual" means a manual for the valuation of personal property that is published by the Department annually pursuant to NAC 361.1365.	
113	361.1365 Personal Property Manual: Publication, contents, approval, use.	<p>1. The Department will annually publish a Personal Property Manual which describes the methods and standards that must be used for the valuation of personal property. The manual must include, without limitation, annually updated:</p> <ol style="list-style-type: none"> <li>Cost-index factors that must be used in the conversion of acquisition cost into an estimate of replacement cost new;</li> <li>Percentage schedules that indicate the category of expected life for each type of property or type of industry in which the property is used; and</li> <li>Percent-good tables which indicate the rate of depreciation that must be applied.</li> </ol> <p>2. The Personal Property Manual must be approved by the Commission before publication. The Department, at least 1 month before presenting the manual to the Commission for approval, must disclose all proposed modifications to the manual and hold a public workshop on the modifications.</p> <p>3. Each county assessor shall use the Personal Property Manual in determining the taxable value of personal property.</p>	
114	361.1371 Procedure for determination of taxable value.	<p>1. The taxable value of personal property must be determined by adjusting the acquisition cost of the property by a cost-order factor and reducing the adjusted acquisition cost by an estimate of applicable depreciation. The taxable value so determined shall be deemed to be the indicated value of replacement cost new less depreciation.</p> <p>2. In determining taxable value, a county assessor shall use the schedules in the Personal Property Manual that show the cost-index factors, the rates of depreciation and the percent good by year. The assessor shall use the schedules by:</p> <ol style="list-style-type: none"> <li>Selecting the appropriate expected useful life of the personal property; and</li> <li>Selecting the appropriate cost-index factor, based on the year of acquisition of the property, and applying it to the acquisition cost of the property.</li> </ol> <p>The result shall be deemed to be the replacement cost new of the property.</p> <p>3. The assessor shall select the method of applying depreciation to the personal property by either:</p> <ol style="list-style-type: none"> <li>Multiplying the adjusted acquisition cost of the property by the rate of depreciation and subtracting the result from the adjusted acquisition cost; or</li> <li>Multiplying the adjusted acquisition cost of the property by the percent-good factor.</li> </ol> <p>The result from either approach shall be deemed to be the taxable value of the property.</p>	
115	361.1375 Determination of expected life, cost index factors and depreciation.	<p>1. Personal property must be categorized by the specific type of property that it is or by the type of industry in which it is used. Each category must be assigned to a schedule of expected life which is based on commonly available sources of information, including, without limitation, the life expectancy guidelines published by the Marshall and Swift Valuation Service and any other sources published in the Personal Property Manual.</p> <p>2. The cost-index factors published in the Personal Property Manual must be determined by calculating the average change in costs over time. The Department shall identify the sources used to calculate the average change.</p> <p>3. For purposes of calculating the amount of applicable depreciation, personal property must be assigned to one of the following expected lives:</p> <ol style="list-style-type: none"> <li>Three-year life;</li> <li>Five-year life;</li> <li>Seven-year life;</li> <li>Ten-year life;</li> <li>Fifteen-year life;</li> <li>Twenty-year life; or</li> <li>Thirty-year life.</li> </ol> <p>4. Depreciation must be calculated on the expected life of the personal property by using the declining balance method, except that tables which provide a method other than the declining balance method for calculating depreciation may be used if the tables have been approved by the Commission and included in the Personal Property Manual.</p> <p>5. For purposes of calculating the rate of depreciation, a residual amount of 5 percent must be used. Percent-good tables using a residual amount other than 5 percent may be adopted by the Commission if the Department has conducted a market study or has otherwise obtained information which indicates that a different residual amount is appropriate for the category in which the personal property is placed pursuant to subsection 1.</p>	
116	361.138 Reported acquisition cost for leased equipment.	For leased equipment, the reported acquisition cost is the cost which the user of the property would incur if the equipment were purchased, less any discount customarily allowed by a seller.	
117	361.139 Personal property acquired with real property for lump sum; use of other valuation techniques.	<p>1. In determining the taxable value of personal property which was acquired with real property for a lump sum, the assessor may refer to appropriate guides which list the cost of equipment to determine the value of the personal property in relation to the value of the real property. In addition, the assessor may estimate the age of the equipment by inspecting the approximate value of the equipment with manufacturers, dealers or other persons in the business who have knowledge of the value of the equipment. The serial number, if it exists, may enable a manufacturer to determine the date of manufacture and the original cost.</p> <p>2. If sufficient data are not otherwise available to establish acquisition cost, or if the assessor determines that a reported acquisition cost is not equal to the fair market value of the property at the time of acquisition plus any costs of transportation and costs of installation, the assessor may use any reasonably recognized valuation technique to determine the acquisition cost, including, without limitation:</p> <ol style="list-style-type: none"> <li>Establishing the current cost or replacement of the property with new property by reference to current manufacturing costs. If the current cost or replacement is known, the assessor shall apply depreciation to that cost to determine the taxable value;</li> <li>Using a guide which lists the cost of a procedure recognized by businesses which use such equipment to determine the taxable value. Before such a guide or procedure may be used, an assessor must receive approval from the Executive Director.</li> </ol> <p>3. Upon request, the Division of Local Government Services of the Department will provide information on various guides which may be used to determine original cost.</p>	
118	361.140 <b>Aircraft</b>		
119	361.1401 Definitions.	As used in NAC 361.1401 to 361.1424, inclusive, unless the context otherwise requires, the words and terms defined in NAC 361.1402 to 361.1411, inclusive, have the meanings ascribed to them in those sections.	
120	361.1402 "Aircraft" defined.	<p>1. "Aircraft" means any contrivance used or designed for the navigation of or for flight in the air.</p> <p>2. The term includes, without limitation:</p> <ol style="list-style-type: none"> <li>General aircraft;</li> <li>Commercial aircraft;</li> <li>Unmanned aircraft systems and small unmanned aircraft systems used in conjunction with a business and weighing more than 0.55 pounds but less than 55 pounds, which are commonly known as drones, other than a small unmanned aircraft system that qualifies as recreational equipment not subject to taxation pursuant to paragraph 4 of subsection 4 of NRS 361.006;</li> <li>Kit aircraft;</li> <li>Light-sport aircraft;</li> <li>Ultralight aircraft;</li> <li>Hang gliders; and</li> <li>Hot air balloons.</li> </ol> <p>3. The term does not include:</p> <ol style="list-style-type: none"> <li>A parachute or other similar emergency safety device; and</li> <li>A rocket or missile.</li> </ol>	
121	361.1403 "Commercial aircraft" defined.	<p>"Commercial aircraft" means a civilian aircraft operated for compensation or hire and used to transport persons or property including, without limitation, an aircraft used in an on-demand operation, scheduled operation or supplemental operation, as those terms are defined in 14 C.F.R. § 101.1. For the purposes of this section:</p> <ol style="list-style-type: none"> <li>An aircraft is not operated for compensation or hire if the use of the aircraft to transport persons or property is merely incidental to the business of the operator of the aircraft;</li> <li>An aircraft is operated for compensation or hire if the use of the aircraft to transport persons or property is a major enterprise for profit.</li> </ol>	
122	361.1404 "Domicile" defined.	<p>"Domicile" means:</p> <ol style="list-style-type: none"> <li>The permanent, principal home to which a person returns or intends to return after an absence; or</li> <li>The place where a business has its headquarters or principal place of business.</li> </ol>	
123	361.1405 "General aircraft" defined.	"General aircraft" means civilian aircraft that is: <ol style="list-style-type: none"> <li>Registered with, and has an airworthiness certificate issued by, the Federal Aviation Administration; and</li> <li>Operated for a purpose other than the commercial transportation of passengers or property.</li> </ol>	
124	361.1406 "Kit aircraft" defined.	"Kit aircraft" means an aircraft: <ol style="list-style-type: none"> <li>Assembled by a person from a kit that is manufactured by a person who holds a production certification issued by the Federal Aviation Administration; and</li> <li>Issued a special airworthiness certificate by the Federal Aviation Administration.</li> </ol>	
125	361.1407 "Light-sport aircraft" defined.	"Light-sport aircraft" has the meaning ascribed to it in 14 C.F.R. § 1.1.	
126	361.1408 "Small unmanned aircraft" defined.	"Small unmanned aircraft" means an unmanned aircraft weighing less than 55 pounds on takeoff, including all items on board or otherwise attached to the aircraft.	
127	361.1409 "Taxable situs" defined.	"Taxable situs" means contents sufficient to confer on this State the power to tax an aircraft under the United States Constitution.	
128	361.1411 "Unmanned aircraft system" defined.	"Unmanned aircraft system" means an unmanned aircraft and its associated elements, including, without limitation, communication links and the components that control the unmanned aircraft, that are required for the safe and efficient operation of the unmanned aircraft in the national airspace system.	
129	361.1421 Applicability.	<p>1. Except as otherwise provided in subsection 2, the provisions of NAC 361.1401 to 361.1424, inclusive, do not apply to property of an interstate or intrastate nature used directly in the operation of a scheduled or unscheduled air transport company that is subject to valuation by the Nevada Tax Commission pursuant to NRS 361.320.</p> <p>2. The provisions of NAC 361.1401 to 361.1424, inclusive, apply to a fixed-wing aircraft with a weight of less than 12,500 pounds used by an air transport company to provide transportation services if, pursuant to subsection 1 of NRS 361.320, the air transport company elects to have the property of the company assessed by a county assessor.</p> <p>3. As used in this section, "scheduled or unscheduled air transport company" means a commercial operator:</p> <ol style="list-style-type: none"> <li>Engaged in the common carriage of persons or property for compensation or hire;</li> <li>That holds a certificate from the Federal Aviation Administration authorizing the commercial operator to operate under part 121, 125 or 135 of title 14 of the Code of Federal Regulations;</li> <li>That uses property of an interstate or intrastate nature directly in its operations; and</li> <li>The property of which is subject to valuation by the Nevada Tax Commission pursuant to NRS 361.320.</li> </ol>	
130	361.1424 Exemption for aircraft qualifying as business inventory.	<p>1. A person claiming that an aircraft is personal property held for sale by a merchant or manufacturer and is exempt from taxation pursuant to paragraph (a) or (b) of subsection 1 of NRS 361.006, as applicable, has the burden of establishing to the satisfaction of the county assessor that the aircraft qualifies for the claimed exemption.</p> <p>2. A claim that an aircraft is exempt from taxation pursuant to paragraph (a) or (b) of subsection 1 of NRS 361.006 must be accompanied by the following documents as requested by the county assessor:</p> <ol style="list-style-type: none"> <li>A valid dealer's license issued by the Federal Aviation Administration to the owner of the aircraft;</li> <li>A valid seller's permit issued to the owner of aircraft by the Department pursuant to NRS 360.5973;</li> <li>A valid business license issued by a local government in the State;</li> <li>The address of the location of the aircraft on an airport or airfield in this State;</li> <li>A flight log; or</li> <li>Listing or consignment agreements relating to the aircraft.</li> </ol>	
131	361.1426 Contents of written statement to county assessor to determine taxable value.	<p>The written statement required by NRS 361.265 for an aircraft must include information concerning the aircraft that is sufficient to enable the county assessor to determine the taxable value of the aircraft. Such information may include, without limitation:</p> <ol style="list-style-type: none"> <li>The serial number, make, model and year of manufacturer of the aircraft; and</li> <li>Information concerning the engine of the aircraft and the maintenance of the aircraft, including, without limitation, the total flight hours logged for the aircraft after the last major overhaul of the engine of the aircraft.</li> </ol>	
132	361.1428 Determination whether aircraft has taxable situs in this State.	<p>1. Except as otherwise provided in NAC 361.141 and 361.1432, an aircraft has taxable situs in this State if the aircraft has a taxable situs in this State if the aircraft has a permanent, principal residence in this State that is of a permanent nature sufficient to support a determination that the aircraft has been conserved or afforded opportunities, benefits or protections by this State.</p> <p>2. The determination of whether an aircraft has taxable situs in this State is a question of fact. In making such a determination, a county assessor must consider the quantity and nature of the physical presence of the aircraft in this State and the intent of the person owning or operating the aircraft in causing the aircraft to have a physical presence in this State.</p> <p>3. The circumstances under which an aircraft has taxable situs in this State, include, without limitation, the following circumstances:</p> <ol style="list-style-type: none"> <li>The aircraft is used habitually in this State, whether on a regular or irregular basis;</li> <li>The aircraft is habitually kept or maintained in this State or habitually stored in a hangar in this State when not in use;</li> <li>Property taxes have been paid with respect to the aircraft in this State.</li> </ol>	
133	361.143 Certain aircraft owned by certain servicemembers or spouses do not acquire taxable situs in this State.	<p>1. Notwithstanding the provisions of NAC 361.1428, an aircraft owned by a servicemember who is stationed in this State in compliance with military orders or the spouse of such a servicemember shall be deemed not to be located or present, or to have taxable situs in this State unless the domicile or residence of the servicemember or his or her spouse is in this State or the aircraft is used in a trade or business.</p> <p>2. A county assessor may request that a servicemember or his or her spouse provide documentation sufficient to demonstrate that an aircraft owned by the servicemember or his or her spouse is not subject to property taxes in this State pursuant to subsection 1.</p> <p>3. As used in this section, "servicemember" means a person who is a member of:</p> <ol style="list-style-type: none"> <li>The active or reserve components of the uniformed services of the United States, including, without limitation, the Army, Navy, Air Force, Marine Corps, Space Force or Coast Guard of the United States who is on active duty; or</li> <li>The Merchant Marine, the Commissioned Corps of the Public Health Service or the Commissioned Corps of the National Oceanic and Atmospheric Administration of the United States.</li> </ol>	
134	361.1432 Certain aircraft owned by certain foreign air carriers do not acquire taxable situs in this State.	<p>1. Notwithstanding the provisions of NAC 361.1428, an aircraft that is owned by a foreign air carrier, based and registered outside of the United States and used exclusively in international commerce shall be deemed not to have taxable situs in this State.</p> <p>2. As used in this section, "foreign air carrier" means any person, other than a citizen of the United States, who undertakes directly, by lease or other arrangement, to engage in air transportation.</p>	

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135	361.1434	Claim by owner that taxable value of aircraft is subject to allocation pursuant to subsection 2 of NAC 361.1436 if the aircraft has taxable situs in this State and in another state or country. The owner of the aircraft has taxable situs in another state or country.	<ol style="list-style-type: none"> <li>The owner of an aircraft with taxable situs in this State may claim that the taxable value of the aircraft is subject to allocation pursuant to subsection 2 of NAC 361.1436 if the aircraft has taxable situs in this State and in another state or country. The owner of the aircraft has taxable situs in another state or country.</li> <li>To make a claim pursuant to subsection 1, the owner of the aircraft must submit to the county assessor sufficient information to determine whether the aircraft has taxable situs in this State and in another state or country, including, without limitation:             <ol style="list-style-type: none"> <li>Records kept in the normal course of business that indicate the locations to which the aircraft has traveled, the length of time the aircraft remained at those locations and the purpose of the travel to those locations.</li> <li>Actual tax bills or notices of appraisal or assessment from another jurisdiction; or</li> <li>Reports filed with state or federal governmental agencies that indicate the locations to which the aircraft has traveled, the length of time the aircraft remained at those locations and the purpose of the travel to those locations.</li> </ol> </li> <li>To determine the taxable situs of an aircraft, a county assessor may request documentation indicating the domicile of the owner of the aircraft if such information is relevant to determining the nature of the physical presence of the aircraft in this State and the intent of the owner in causing the aircraft to have a physical presence in this State. Such documentation may include, without limitation, the owner's:             <ol style="list-style-type: none"> <li>Utility bills;</li> <li>Vehicle registration;</li> <li>Driver's license or identification card;</li> <li>Income tax returns; or</li> <li>Records of property ownership.</li> </ol> </li> </ol>
136	361.1436	Assessment of aircraft with taxable situs in this State; formula for allocating if aircraft has taxable situs in this State and another state or country.	<ol style="list-style-type: none"> <li>If an aircraft has taxable situs in this State, the aircraft must be assessed by the county assessor of the county in which the aircraft is present for the majority of the total amount of the aircraft's ground time in this State during the fiscal year for which the aircraft is being assessed.</li> <li>If an aircraft has taxable situs in this State and in another state or country, the taxable value of the aircraft must be allocated to this State in an amount that fairly reflects the use of the aircraft in this State. The portion of the taxable value of the aircraft allocated to this State must equal the amount determined by multiplying:             <ol style="list-style-type: none"> <li>The taxable value of the aircraft; and</li> <li>The fraction obtained by dividing the number of overnights spent by the aircraft in this State by the total number of days in the immediately preceding fiscal year.</li> </ol> </li> <li>Before allocating the taxable value of an aircraft to this State pursuant to subsection 2, the county assessor must determine the taxable value of the aircraft pursuant to NAC 361.1345 to 361.139, inclusive.</li> <li>The entire amount of the taxable value of an aircraft that is allocated to this State must be apportioned to the county in this State in which the aircraft is present for the majority of total amount of the aircraft's ground time in this State during the fiscal year for which the aircraft is being assessed. The aircraft must be assessed by that county for a full fiscal year and, if the aircraft is removed from that county before the end of a fiscal year, the taxes imposed on that aircraft may not be prorated.</li> </ol>
137	361.1437	Period for which aircraft must be included on assessment roll of county.	<p>An aircraft that has taxable situs in this State and is included on the assessment roll of a county in this State for a fiscal year must be included on the assessment roll of that county for subsequent fiscal years unless the taxpayer provides:</p> <ol style="list-style-type: none"> <li>Written notice to the county assessor stating that:             <ol style="list-style-type: none"> <li>The aircraft no longer has taxable situs in this State; or</li> <li>The aircraft was present in another county for the majority of the total amount of the aircraft's ground time in this State during the preceding fiscal year; and</li> </ol> </li> <li>Such documentation as the county assessor deems sufficient to indicate the existence of a circumstance described in paragraph (a) or (b) of subsection 1.</li> </ol>
138	361.1438	Certain exclusions from partial abatement of property taxes.	<p>For the purposes of carrying out the provisions of NRS 361.422, any increase in the assessed valuation of an aircraft from the immediately preceding year as a result of an increase in the taxable value of the aircraft allocated to this State pursuant to subsection 2 of NAC 361.1436 must be excluded from any partial abatement provided pursuant to NRS 361.422.</p>
139		Miscellaneous Requirements	
140	361.144	Areas of appeal for cycle of reappraisal.	<ol style="list-style-type: none"> <li>Each county assessor shall:             <ol style="list-style-type: none"> <li>Establish geographic boundaries for areas of reappraisal or establish areas by other classifications within which all property must be reappraised at the same time and</li> <li>Establish not later than July 1 of the year immediately preceding the assessment year, the standards of valuation, including data on comparable sales, to be used throughout the year's cycle of reappraisal.</li> </ol> </li> <li>These areas of reappraisal may be changed to alleviate problems created by growth or other circumstances if the county assessor shows good cause and receives the approval of the Commission.</li> </ol>
141	361.146	Records of reappraisals.	<p>Whenever property is reappraised, the county assessor shall indicate all the data necessary to determine the taxable value of the property, the date of the field inspection, if any, and the identity of the appraiser. The actual age and the depreciation of the existing improvements and any additions to those improvements must be clearly indicated.</p>
142	361.150	Report of reappraisals by county assessor.	<p>Each county assessor shall file with the Department on or before April 1 of each year a report which includes:</p> <ol style="list-style-type: none"> <li>A statement of the reappraisals accomplished in the previous year beginning January 1 and ending December 31, including:             <ol style="list-style-type: none"> <li>The total number of parcels that were reappraised;</li> <li>The total number of parcels with newly constructed improvements to realty, not including additions to existing improvements and newly subdivided parcels that were appraised;</li> <li>The total number of all taxable parcels in the county; and</li> <li>The areas of the county that were reappraised.</li> </ol> </li> <li>A statement of what the county assessor proposes to appraise in the following year, including:             <ol style="list-style-type: none"> <li>An estimate of the percentage of all parcels in the county that the proposed reappraisals represent; and</li> <li>The areas of the county that the county assessor proposes to reappraise.</li> </ol> </li> <li>A list of the areas of appraisal, encompassing all property in the county, which were used in the prior 5-year cycle of reappraisal and a statement of the areas which were appraised in each year of that cycle.</li> </ol>
143	361.151	Statement of valuation of property sold.	<p>On or before April 1 of each year, each county assessor shall furnish to the Department a statement of the valuation of real property which was sold in his or her county in the preceding calendar year. The statement must include:</p> <ol style="list-style-type: none"> <li>The date of each sale;</li> <li>The parcel number or a description of the real property sold;</li> <li>The sales price; and</li> <li>The method used to verify the sales price.</li> </ol>
144	361.152	Assessment lists. Contents, distribution.	<ol style="list-style-type: none"> <li>The assessment list for a county must include:             <ol style="list-style-type: none"> <li>The parcel number of each property;</li> <li>The name of the owner of each property;</li> <li>The year of the last reappraisal of each property at which time the taxable value of the property was determined; and</li> <li>The assessed value of the land, improvements and personal property, separately stated.</li> </ol> </li> <li>The county assessor shall submit a copy of the assessment list to the Department immediately following publication or delivery to taxpayers pursuant to subsection 3 of NRS 361.300.</li> <li>For the purposes of paragraph (a) of subsection 3 of NRS 361.300, the Commission will interpret the term "each taxpayer in the county" as used in that paragraph to mean each taxpayer who resides in the county. A county assessor who causes a copy of the assessment list to be delivered to each taxpayer who resides in the county shall cause a copy of the assessment list to be delivered to any other taxpayer who owns property in the county if that taxpayer requests a copy of the assessment list.</li> </ol>
145	361.154	Assessment roll filed with Secretary of State Board of Equalization.	<ol style="list-style-type: none"> <li>The assessment roll filed with the Secretary of the State Board of Equalization must include:             <ol style="list-style-type: none"> <li>The parcel number of each property;</li> <li>The name of the owner of each property;</li> <li>A category of land use for each property, as prescribed by the Department pursuant to NAC 361.117, designating the current actual or authorized use of the property;</li> <li>The year of the last physical reappraisal of each property at which time the taxable value of the property was determined; and</li> <li>The assessed value of the land, improvements and personal property, separately stated.</li> </ol> </li> <li>When feasible and appropriate, the entries on the assessment roll must be in order by parcel number, not alphabetically by the name of the owner.</li> </ol>
146	361.155	Billing of real property on assessed roll.	<p>Any billing sent to the owner of real property assessed upon the unsecured roll must include:</p> <ol style="list-style-type: none"> <li>The total taxes due for the year;</li> <li>The amount of the tax which is due as of the next date for payment if the tax is paid in quarterly installments; and</li> <li>A statement advising the owner of such property that payment may be made in:             <ol style="list-style-type: none"> <li>One total payment; or</li> <li>One payment which includes the quarterly installments that are due and equal quarterly installments for the remaining quarters.</li> </ol> </li> </ol>
147		ASSESSMENTS BY NEVADA TAX COMMISSION - General Provisions	
148	361.200	Definitions.	<p>As used in NAC 361.200 to 361.508, inclusive, unless the context otherwise requires, the words and terms defined in NAC 361.202 to 361.406, inclusive, have the meanings ascribed to them in those sections.</p>
149	361.202	"Accelerated amortization" defined.	<p>"Accelerated amortization" means the accruing of greater depreciation expense for income tax purposes in the early years of the property's life and less in the later years.</p>
150	361.203	Accelerated cost recovery system" defined.	<p>"Accelerated cost recovery system" means a tax accounting methodology whereby normalized accounting is used to reduce or defer taxes on property and income.</p>
151	361.204	"Accelerated depreciation" defined.	<p>"Accelerated depreciation" means the accruing of greater depreciation expense in the early years of a property's life and less in the later years. Two methods of accelerated depreciation are the:</p> <ol style="list-style-type: none"> <li>Sum of the year's digits method; and</li> <li>Declining balance method.</li> </ol>
152	361.206	"Accrual accounting" defined.	<p>"Accrual accounting" means recording the revenues and expenses based on amounts due or owing during the report period whether received, paid or not.</p>
153	361.208	"Accrued depreciation" defined.	<p>"Accrued depreciation" means the amount of depreciation to date; when recorded as a dollar amount it may be deductible from the total plant value or investment to arrive at the rate base.</p>
154	361.210	"Advance payments for gas" defined.	<p>"Advance payments for gas" means cash payments made to producers to finance exploration for gas. If any gas is discovered, the company making the advance payment has the right to bid on or buy all or part of the discovered gas. Repayment of the advance is taken in the form of delivered gas.</p>
155	361.212	"Allocation to states" defined.	<p>"Allocation to states" means the process of assigning a portion of a unit value or system statistic to a state.</p>
156	361.214	"Allowance for funds used during construction" defined.	<p>"Allowance for funds used during construction" means the process of capitalizing interest expense on funds used during the construction period. As property does not generate earnings during construction, the capitalized interest expense represents impaired earnings. The capitalized interest becomes part of the total cost of the project.</p>
157	361.216	"Amortization" defined.	<p>"Amortization" means the orderly writing off of an investment by making periodic charges against current income or the orderly retirement of an obligation by making periodic payments to the creditor.</p>
158	361.218	"Annuity" defined.	<p>"Annuity" means a series of payments to be made at equal intervals, annual, monthly or other. The payments themselves do not have to be equal. An annuity whose payments are equal is known as a level annuity.</p>
159	361.220	"Antipollution controls" defined.	<p>"Antipollution controls" means regulations or standards set up under federal and state laws to correct abuses leading to the continuation of clean air and water supplies by smoke, soot, fumes, hazardous radiation and other emissions including those from motor or other electric generating plants.</p>
160	361.222	"Apportionment to intrastate jurisdiction" defined.	<p>"Apportionment to intrastate jurisdiction" means the process of assigning a portion of a state value or state statistic or company statistic to geographical areas, usually tax keying districts or codes within the State.</p>
161	361.224	"Assessment ratio" defined.	<p>"Assessment ratio" means the relationship of assessed value to market value or to some statutory value such as actual value or true cash value.</p>
162	361.226	"Band-of-investments" defined.	<p>"Band-of-investments" means a method used to compute a capitalization rate in the absence of market information. The simplest form of band-of-investment computation requires estimating the appropriate rate of debt to equity, the interest cost of debt and, typically the most subjective element, the rate of return on equity capital. The weighted rates on debt and equity are added to obtain the band-of-investment rate.</p>
163	361.228	"Bond discount" defined.	<p>"Bond discount" means an amount in dollars subtracted from the face value of a bond because the market discount rate is greater than the coupon rate.</p>
164	361.230	"Bond premium" defined.	<p>"Bond premium" means an amount in dollars added to the face value of the bond because of issuing costs or a market discount rate less than the coupon rate.</p>
165	361.232	"Bond rating" defined.	<p>"Bond rating" means a classification assigned by financial reporting institutions reflecting relative standings as to risk. The classification may include consideration of management, revenue prospects, regulatory climate, operating costs and many other aspects of business operations.</p>
166	361.234	"Book depreciation" defined.	<p>"Book depreciation" means the total accruals recorded on the books of the owner of property summarizing the systematic and periodic expenses charged toward amortizing the investment of limited-life property over its expected life.</p>
167	361.236	"Book value," "net book" defined.	<p>"Book value" or "net book" means the cost of a property as carried in the accounting records of the owner less the accrued depreciation reserve for that property.</p>
168	361.238	"Capital structure" defined.	<p>"Capital structure" means the manner in which an organization is financed, that is, the amount and kind of equity and debt that satisfies the need for money.</p>
169	361.240	"Capitalization process" defined.	<p>"Capitalization process" means the conversion of a stream of income having a certain duration into value by means of a capitalization rate that recognizes the degree of risk as between the property and the income it produces.</p>
170	361.242	"Capitalization rate" defined.	<p>"Capitalization rate" means a factor, used as a divisor, which converts an income stream into an indicated value. If the income stream is expected to be of limited duration, a recapture component may be included in the capitalization rate.</p>
171	361.244	"Cash accounting" defined.	<p>"Cash accounting" means recording revenues actually received and expenses actually paid during the report period. See NAC 361.206 for context.</p>
172	361.246	"Cash equivalent" defined.	<p>"Cash equivalent" means the market value of a property expressed in terms of cash.</p>
173	361.248	"Cash flow," "net cash flow" or "after-tax cash flow" defined.	<p>"Cash flow," "net cash flow" or "after-tax cash flow" means the sum of depreciation (and depletion, if any) and net income after all expenses, all taxes and interest on debt. Conversely, it is gross income minus operating expenses, interest on debt, property taxes and income taxes.</p>
174	361.250	"Cash flow, before-tax" defined.	<p>"Cash flow, before-tax" means the cash flow plus income taxes. When applied to "cash flow," the term "before-tax" refers only to income taxes.</p>
175	361.252	"Certificate of convenience and necessity" defined.	<p>"Certificate of convenience and necessity" means a grant of authority from a state or federal regulatory commission authorizing a company to render a public utility service, usually specifying the area and other conditions of service.</p>
176	361.254	"Common carrier" defined.	<p>"Common carrier" means a person, corporation or entity engaged in transporting persons, goods or messages for compensation over a regular route, on a certain schedule or at a published rate, all of which are subject usually to government regulation.</p>
177	361.256	"Compound interest and annuity tables" defined.	<p>"Compound interest and annuity tables" means the six sets of factors or coefficients that enhance the fundamentals of the mathematics of finance. The various factors are here called present worth of 1, present worth of 1 per annum, future worth of 1, future annuity tables' defined.</p> $P = \frac{F}{(1 + i)^n}$ <p>Where "P" is the present worth of 1 per annum and many names for mortgage repayment.</p>
178	361.258	"Construction work in progress" defined.	<p>"Construction work in progress" means the total of the balances of work orders for plant, road and equipment including expenditures on research, development and demonstration projects for construction of facilities.</p>
179	361.260	"Contribution in aid of construction" defined.	<p>"Contribution in aid of construction" means a plant which has been ordered to a utility by a prospective customer or which has been constructed by the utility and paid for by the prospective customer for which no reimbursement is required to be made by the utility to the prospective customer as a prerequisite to obtaining service.</p>
180	361.262	"DBC" defined.	<p>"DBC" is money owed. In the usual case, borrowed money (DBC) is considered to be a permanent part of the capital used in the business.</p>
181	361.264	"Deferred federal income taxes" defined.	<p>"Deferred federal income taxes" means the estimated income tax on the excess of net revenues, recognized for accounting purposes, over that reported for tax purposes.</p>
182	361.266	"Depreciation" defined.	<p>"Depreciation," in an appraisal sense, means the loss in value of an item due to all causes. Sometimes it is meant to be physical deterioration, but in a strict sense it would include functional and economic obsolescence.</p>

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183	361.268	"Discount rate" defined.	"Discount rate" means the annual percentage rate used to select present worth factors. The discount rate is one form of capitalization rate. A discount rate can be derived in two ways: 1. By use of the hand of investment method or 2. From sales data using the discounted cash flow rate of return method. The discounted cash flow rate of return method consists of finding the annual rate at which future income must be discounted so that the total present worth equals the proposed investment in the sale price of a property. The present worth of a given year's income automatically provides for recapture of capital. The difference between the income itself and its present worth provides for the return (yield) on the capital. The term "discount factor" is sometimes erroneously used instead of "discount rate." Actually, the factors used in discounting are present worth factors.
184	361.270	"Earnings-price ratio" defined.	"Earnings-price ratio" means the ratio of earnings per share available to common stockholders of a specific company for an accounting period to the market price per share of the common stock of that company. See NAC 361.358.
185	361.272	"Economic life" defined.	"Economic life" means the useful life of a property in contrast to its physical life which could be greater.
186	361.274	"Economic rent" defined.	"Economic rent" means the rent currently and typically found in the open market.
187	361.276	"Effective rate of interest" defined.	"Effective rate of interest" means the total cost to a company for borrowing money divided by the face value of the money. The interest expense plus the cost of floating the debt or compensatory bank balance are included in calculating the total cost.
188	361.278	"Equity" defined.	"Equity" means the owners' interest in the business. In monetary terms, it is the amount of money the owners have invested in common and preferred stock plus earnings of the business that have not been paid out as dividends.
189	361.280	"Expense" defined.	"Expense" means the gross number of dollars paid for materials or services.
190	361.282	"Fair market value" defined.	"Fair market value" means the highest price estimated in terms of money which a property will bring if exposed for sale in the open market allowing a reasonable time to find a purchaser who buys with full knowledge of all the uses to which it is adapted and for which it is capable of being used.
191	361.284	"Fair return" defined.	"Fair return" means an amount of income authorized by a regulatory agency which is considered sufficient for a utility to attract necessary additional capital while at the same time rendering adequate service.
192	361.285	"Final reconciliation" defined.	"Final reconciliation" means the application of the process of evaluating alternative conclusions and selecting from the indications of value derived from each of the approaches used in the appraisal process to arrive at a final estimate of value.
193	361.286	"Fixed expenses" defined.	"Fixed expenses" means those expenses of a business enterprise which do not vary in relation to changes in volume of output such as interest on borrowed funds, insurance or general overhead expenses.
194	361.288	"Flow-through accounting" defined.	"Flow-through accounting" means the practice of charging to the current period only those expenses incurred during the period. A common example is the lower income tax expense in a given period, due to the use of accelerated depreciation methods or pipeline lives in contrast to straight-line depreciation or annual service lives, which would benefit the consumer in the form of lower cost of service if prescribed by the regulatory agency. See NAC 361.342.
195	361.290	"Form P report" defined.	"Form P report" means the annual report of an operation filed by a common carrier pipeline with the Surface Transportation Board.
196	361.292	"Form 2 report" defined.	"Form 2 report" means the annual report of an operation filed by an interstate natural gas and electric transmission company with the Federal Power Commission.
197	361.294	"Form 10-K report" defined.	"Form 10-K report" means an annual report to the Securities and Exchange Commission in Washington, D.C., concerning corporate operations.
198	361.296	"Form R-1 and R-2" defined.	"Form R-1 and R-2" means the annual reports of business operation filed with the Surface Transportation Board by Class I railroads (operating revenues of \$5,000,000 or more) and Class II railroads (operating revenues less than \$5,000,000) respectively.
199	361.298	"Fractional appraisals" defined.	"Fractional appraisals" means the valuation of one or more component parts without reference to the value of the whole enterprise. The sum of two or more fractional appraisals is called a summation appraisal and does not always equal unit value.
200	361.300	"Full cash value" defined.	"Full cash value" means the amount at which the property would be appraised if taken in payment of a just debt due from a solvent debtor.
201	361.302	"Functional depreciation" defined.	"Functional depreciation" means the loss of service usefulness or obsolescence due to technological advances or social requirements.
202	361.304	"Generally accepted accounting principles" defined.	"Generally accepted accounting principles" means those procedures adopted and endorsed by the financial accounting standards board to which auditors certify when filing an audit report.
203	361.306	"Gross addition" defined.	"Gross addition" means new property added to an existing plant or an improvement in the form of a betterment added to existing property and is usually reported in a dollar amount.
204	361.308	"Gross income" defined; synonymous with "gross earnings."	"Gross income" means the total amount of income received by a natural person before any deductions are taken. The term is synonymous with the term "gross earnings."
205	361.310	"Historical cost" defined; synonymous with "original cost."	"Historical cost" means the first cost of a property item of a public utility regardless of the present owner or interim sales transactions. It usually refers, in the accounting of public utilities, to the cost of a property item when first devoted to public service. For other than the accounting of public utilities, the term means the cost to the owner at the time of acquisition. The term is synonymous with the term "original cost" in public utility accounting.
206	361.312	"In-billed debt cost" defined.	"In-billed debt cost" means the average rate of interest that a company pays for its long-term debt. Basically, it is the amount of the total interest paid on long-term debt during the year divided by the face value of the long-term debt outstanding at the end of the year.
207	361.314	"Inch equivalent" defined.	"Inch equivalent" means the miles of various sizes of a pipeline converted into an equivalent mileage of 1-inch pipeline. For example, 1 mile of 36-inch pipe is equivalent to 36 miles of 1-inch pipe.
208	361.316	"Income" defined.	"Income" means money or other benefits stemming from the ownership of property, generally received on a regular monthly or annual basis. The word "income" used alone has no specific appraisal significance, but must be modified to form terms such as gross income and net operating income. Revenue is the preferred measure for business, and income is the preferred measure of the salaries of persons.
209	361.318	"Income approach to value" defined.	"Income approach to value" means the method of appraisement that involves the analysis of the incomes and expenses of income-producing properties and the use of the capitalization of income to produce property value indicators.
210	361.320	"Indicator of value" defined.	"Indicator of value" means a conclusion of the worth, expressed in dollars, of a specifically identified item of property (be it a single parcel of land or piece of equipment or an extensive corporate conglomerate) based upon consideration of particular characteristics or attributes of that property. Among the most common indicators of value are those based upon cost, income and comparable sales.
211	361.322	"Interest rate" defined.	"Interest rate" means a promised, typically contractual annual percentage rate of interest paid on a debt such as a mortgage note or a contract. Interest is the cost of borrowing money.
212	361.324	"Interperiod allocation" defined.	"Interperiod allocation" means an assignment of expenses to a certain period rather than to the period in which the expenses occurred. Income tax expense is so handled in normalization accounting.
213	361.326	"Investment tax credit" defined.	"Investment tax credit" means a federal income tax incentive intended to encourage capital investment. It is a permanent forgiveness of income tax liability through the direct reduction of tax liability for the year in which it is utilized. The amount of tax credit has varied, but it is a percentage of the investment in the qualified plant, with limits for the amount of tax reduction including carry-back or carry-forward features. The investment tax credit was repealed for property placed in service after December 31, 1965.
214	361.328	"Inwood factor or method" defined.	"Inwood factor or method" means a factor or method used to determine the present value of future earnings. Those earnings are capitalized by using the same risk rate for both the return on and the return of the investment.
215	361.330	"Liberated depreciation" defined.	"Liberated depreciation" means the use of rates of depreciation on property for income tax purposes that amortizes the investment over a shorter time period than its actual useful life. See revenue proceedings 72-10 IRS.
216	361.332	"Load factor" defined.	"Load factor" means the ratio of the average use, during a specified time interval, to the peak use during the same time interval. It may be calculated on a daily, weekly, monthly or an annual basis.
217	361.334	"Main track" defined.	"Main track" means the lines or routes of a railroad, whether on the main line or a branch line, as distinguished from yard track, side track or passing track.
218	361.336	"Market value" defined.	"Market value" means the amount in dollars for which a specific item of property could be sold by a willing seller and be bought by a willing buyer, assuming an arm's length transaction and reasonable exposure to the market.
219	361.338	"Net additions" defined.	"Net additions" means the gross additions less the retirements and is usually reported in amounts of dollars.
220	361.340	"Net operating income" defined.	"Net operating income" means the excess of the revenues of a business enterprise over the expenses of the enterprise, excluding the income from sources other than its regular activities, but before the deduction of debt interest or recapture of capital. In property tax appraisal, the net operating income is at a level that also includes the sum to be paid for property taxes.
221	361.342	"Normalization accounting" defined.	"Normalization accounting" means the practice of charging to the current period those expenses related to the current period rather than to the period in which they are actually incurred. A common example is the computation and assignment of income tax expense to a period based on a straight-line depreciation method rather than on an accelerated depreciation method actually used. The income tax expense computation may or may not have included the additional variable of normal lives versus allowable guideline lives. See NAC 361.288.
222	361.344	"Obsolescence" defined.	"Obsolescence" means the lessening of value due to causes other than physical causes and may be functional where circumstances internal to the property item render it less desirable or economic where circumstances external to the item and beyond the control of the owner render the property item less desirable.
223	361.346	"Operating expenses" defined.	"Operating expenses" means the direct expenses incurred in conducting the ordinary major activities of an enterprise, usually excluding nonoperating expenses and income deductions.
224	361.348	"Operating revenue" defined; synonymous with "net revenue."	"Operating revenue" means the revenue from the operations of the primary business of an enterprise, such as the electric revenues of an electric utility, which is gross sales of goods and services, less returns, allowances and cash discounts, together with gross amounts received from any other regular income source. The term is synonymous with the term "net revenue" from sales of services.
225	361.350	"Original cost" defined.	"Original cost" means the cost of a property item to the present owner. At times, it is used as an equivalent to the historical cost.
226	361.352	"Possessory interest" defined.	"Possessory interest" means a type of ownership or partial ownership of the total fee. In financial terminology it is the portion of the equity in a business enterprise which is expressed in terms of dollars invested. In valuation it is frequently encountered where government property is rented or leased to a taxable recipient.
227	361.354	"Prepayments for gas" defined.	"Prepayments for gas" means payments made for gas which will be delivered in less than 1 year.
228	361.356	"Present worth" defined; synonymous with "present value."	"Present worth" means the value today of something to be received in the future. It is usually calculated by a discounting process that takes into consideration the time and interest concept of the worth of the money. The term is synonymous with the term "present value."
229	361.358	"Price-earnings ratio" defined.	"Price-earnings ratio" means the ratio of the market price per share of the common stock of a specific company to the earnings per share of common stock of that company during a 12-month period. Typically, the ratio is based upon the current market price and the most recent 12-month period for which the earnings are known.
230	361.360	"Rate base" defined.	"Rate base" means the amount in dollars established by a regulatory agency upon which a return is allowed.
231	361.362	"Rate of capitalization" defined.	"Rate of capitalization" means the rate of income to value. Such a rate can vary widely in quality depending upon the elements that are included such as interest, recapture, ad valorem taxes and income taxes.
232	361.364	"Rate of performance" defined.	"Rate of performance" means the actual income earned compared to an investment in contrast to a rate of return allowed or permitted but not necessarily accomplished.
233	361.366	"Rate of return" defined.	"Rate of return" is a general term that means: 1. The yield to an investor variously on the investor's net investment or on the property value; or 2. The ratio of either the net operating income or the before-tax cash flow to either the total property value or the initial investment or the average investment during a given period.
234	361.368	"Recapture" defined.	"Recapture" means the recovery of a capital investment. More specifically, it is the portion of the net operating income or the cash flow that provides for the periodic repayment of invested capital. Recapture may also be achieved, wholly or in part, through the result of the property. The words depreciation and amortization are sometimes used as synonyms for recapture. However, depreciation is also both an accounting term and a word that means a loss from original value and amortization is commonly used to signify debt retirement. Recapture does not have these multiple meanings and is more desirable for use in income appraisal.
235	361.370	"Remaining economic life" defined.	"Remaining economic life" means the difference between the economic life and the present effective age of an income producing property.
236	361.372	"Replacement cost" defined.	"Replacement cost" means the cost of acquiring or constructing, at current prices, a property which is the functional equivalent of an existing property.
237	361.374	"Reproduction cost" defined.	"Reproduction cost" means the cost of acquiring or constructing, at current prices, a property identical to an existing property.
238	361.376	"Reserve life" defined.	"Reserve life" means an estimated number of years that the gas reserves of a natural gas transmission company will last. For example, the remaining life of a natural gas transmission company would be the estimated number of years a company can deliver gas at a given annual volume of gas divided by the total gas reserves.
239	361.378	"Retirement depreciation" defined.	"Retirement depreciation" means a method of accounting for the total depreciation expense at the date of retirement rather than by systematic additions to a depreciation reserve during the life of the property.
240	361.380	"Return on equity" defined.	"Return on equity" means the ratio of earnings on the common equity divided by the book value of the common equity interests.
241	361.382	"Revenue" defined.	"Revenue" means the gross dollars received for materials furnished or services rendered. The term is usually used in conjunction with business sales as opposed to the earnings of a natural person.
242	361.384	"Risk" defined.	"Risk" means the degree of uncertainty regarding the receipt of future income, whether in the form of interest or of net operating income. The higher the risk, the greater the annual percentage rate of return demanded by investors. Interest on a government bond or on a bank deposit has a high degree of certainty of receipt and therefore offers a low rate of return compared to other investments. At the other extreme is the high risk equity portion of a commercial enterprise with a high debt equity ratio.
243	361.386	"Sinking fund" defined.	"Sinking fund" means the fund to which periodic cash deposits are made for ultimately repaying a debt or replacing an asset. Usually, a sinking fund receives equal periodic deposits upon which interest is compounded at a stated rate so that the fund will accumulate to a predetermined amount at the end of a stated period.
244	361.387	"Statistical median" defined.	"Statistical median" means the representative intermediate value calculated for a distribution or range of data usually grouped in several intervals of equal value lying between the two extreme values.

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245	361.388	"Straight-line depreciation" defined.	"Straight-line depreciation" means the accounting practice of recording equal annual increments of depreciation over the estimated life of an asset. In an appraisal it means equal annual increments of loss in value.																				
246	361.390	"Summation method of valuation" defined.	"Summation method of valuation" means the combining of fractional valuations into one value such as the addition of the value of a house to the value of the lot to produce a total residential value.																				
247	361.392	"System" defined.	"System" means an integrated operation of units which may be related entities or may be property elements such as machinery, buildings, land and other property used in the performance of a service or the manufacture of a product.																				
248	361.394	"Taxes" defined.	"Taxes" means the compilation of the schedules of rates applicable to each of the products or services supplied to the public and the regulations governing other aspects of the sale.																				
249	361.396	"Taxable value" defined.	"Taxable value" means the value of a property determined by using the cost, income and market approaches as described in NAC 362.200 to 361.508, inclusive.																				
250	361.398	"Times interest earned" defined.	"Times interest earned" means the ratio of earnings before the interest expense to the interest expense. The factor is an element used in determining risk by the purchaser of debt issues of a company. Generally, the lower the factor the greater the risk. Also called interest coverage. It may be the ratio of earnings before interest and income taxes to interest expense.																				
251	361.400	"Uniform system of accounts" defined.	"Uniform system of accounts" means the prescribed method of accounting adopted by a state regulatory agency, such as a public service commission, or by a federal regulatory agency such as the Department of Transportation, the Federal Communications Commission, the Federal Energy Regulatory Commission or the Surface Transportation Board.																				
252	361.402	"Unitary method of valuation" defined.	"Unitary method of valuation," as used in the central assessment of utilities, is a method of valuation which recognizes that a utility is an integrated enterprise and that its market value is not a summation of the values of its various physical components but is rather as a whole as a going concern.																				
253	361.404	"Variable expenses" defined.	"Variable expenses" means those expenses of a business enterprise which vary with changes in the volume of output such as outlays for fuel to generate electric power.																				
254	361.406	"Yield to maturity" defined.	"Yield to maturity" means the computation of the average rate of return on outstanding debt issues taking into consideration the current price, interest payments and capital gains or losses at the maturity of the issue.																				
255	361.408	Indicators of value: Cost approach, income approach, market or stock and debt approach, reconciliation.	<ol style="list-style-type: none"> <li>The cost approach consists of that cost of all operating assets subject to the ad valorem property tax pursuant to NRS 361.315 and 361.320 that most closely reflects the taxable value of those operating assets.</li> <li>For the income approach, the adjusted net operating income either after or before an allowance for depreciation and federal income tax will be capitalized (converted to value) through the use of an appropriate capitalization rate for the industry group. The income of the property to be capitalized will be determined as follows: <ol style="list-style-type: none"> <li>With regard to those industry groups in which annual earnings are reasonably stable, the most recent year's earnings may be capitalized.</li> <li>For those industry groups in which annual earnings fluctuate frequently over a period of years, an average of past earnings may be used.</li> <li>The market approach to stock and debt method of valuation is a technique that is applicable to valuing railroads and utilities, and it results initially in an enterprise value which encompasses the entire unit. The stock and debt indicator will be determined by multiplying either the average monthly, quarterly or annual high and low market price quotations of all the securities which are actively traded in the market place including common stock, preferred stock and long-term debt, by the number of shares outstanding at the end of the year. With regard to those securities which are not actively traded, computation of the present worth of the income flows may be made for the determination of their value. To this amount will be added short-term debt, together with other applicable adjustments. From this amount will be deducted the nonoperating and nonassessable assets for the indication of the value of those assets encompassed within NRS 361.315 and 361.320. A review will be made of the one or more available indicators of value. These indicators of value will then be reconciled to derive the final estimate of value.</li> </ol> </li> </ol>																				
256	361.410	Use of unit rate of valuation.	In the valuation of those properties which are listed in NRS 361.320, the unit rate of valuation will be used when considered applicable. The unit rate generally applies to companies which own or operate lines or roads which lie partly within and partly without Nevada. In such cases, the Department will only value and assess the property within the State. In determining the value of the portion within the State, the Department may take into consideration the value of the entire system, the mileage of the whole system and of the part within the State, together with such other information, facts and circumstances as will support a substantially just and correct determination.																				
257	361.411	Reports of construction work in progress.	Construction work in progress must be reported to the Department to the extent to which it provides additional capacity even though part of the new construction replaces existing property.																				
258		Communications, Electric, Gas, Transmission, Pipeline and Railroad Companies																					
259	361.421	Cost approach indicator of value: Determination.	<ol style="list-style-type: none"> <li>The cost approach consists of: <ol style="list-style-type: none"> <li>Determining the gross book cost for financial reporting purposes of all taxable operating property, including, but not limited to, all property relating to rail transportation, utility plant in service, plant held for future use, contributed plant, nuclear fuel, construction work in progress, experimental plant, acquisition adjustments, materials and supplies, plant and other property leased from others and common plant.</li> <li>Deducting from the gross book cost the accrued book depreciation recorded for financial reporting purposes, which may include physical, functional and economic obsolescence. Additional obsolescence must be deducted when adequately quantified.</li> </ol> </li> </ol>																				
260	361.4215	Cost approach indicator of value: Optional cost information.	<ol style="list-style-type: none"> <li>The taxpayer may present and the Department shall consider, in addition to the information required by NAC 361.421, one or more of the following alternative cost indicators of value: <ol style="list-style-type: none"> <li>A calculation of the reproduction cost less depreciation for all taxable operating property of the collective unit being assessed. The calculation must have been performed in accordance with generally accepted appraisal methodology.</li> <li>A calculation of the replacement cost less depreciation for all taxable operating property of the collective unit being assessed. The calculation must have been performed in accordance with generally accepted appraisal methodology.</li> </ol> </li> <li>Any normalization or amortization adjustments to a company's net operating income must be based on known, measurable and experienced changes in a company's operation or taxable property as of the current year's reporting date.</li> </ol>																				
261	361.423	Income approach indicator of value: Formula for determination.	<ol style="list-style-type: none"> <li>The capitalized income approach consists of deducting from the normalized and annualized gross operating income any direct and indirect normalized and annualized operating expenses specifically related to the normalized and annualized gross operating income, including any annualized book depreciation. Deferred income taxes will be treated as an operating expense. Normalized and annualized rental expense on operating property leased from others, less impaired depreciation, income taxes and other applicable expenses, will be deducted as an operating expense.</li> <li>The resulting adjusted net operating income will be capitalized (converted to value) using an appropriate capitalization rate for the industry group. The capitalization rate for the typical company will be used for the carriers being appraised in each industry group. The market capitalization rate will be derived from calculations made for selected companies in each industry group.</li> <li>The operating income to be capitalized into taxable value will be normalized and annualized based on the most recent year's adjusted net operating income. When the most recent year's net operating income is not a reasonable representation of a company's net operating income, such as where a company's net operating income tends to be cyclical, a 3- or 5-year average of adjusted net operating incomes will be normalized and annualized and may be used.</li> <li>Construction work in progress is not a factor in applying the income approach to value.</li> <li>Any normalization or amortization adjustments to a company's net operating income must be based on known, measurable and experienced changes in a company's operation or taxable property as of the current year's reporting date.</li> </ol>																				
262	361.425	Income approach indicator of value: Capitalization rate.	<ol style="list-style-type: none"> <li>The capitalization rate will be established from a selected number of firms to derive the rate for the typical company in each industry group when the information is available: <ol style="list-style-type: none"> <li>The band-of-investment method will be used in the compilation of the capitalization rate.</li> <li>The band-of-investment method represents the cost of the money needed by the typical company in each industry group to acquire its operating plant and carry on its operations. It is composed of two factors: <ol style="list-style-type: none"> <li>The capitalization rates of the typical company and</li> <li>The cost of the items which comprise the total capital structure of the typical company.</li> </ol> </li> <li>A "typical company" means a diversified company which is representative of the firms within an industry group. The selected firms in the industry group will be comparable in amount of revenues, bond ratings, nature of operations and regulatory environment. Certain nonutility conglomerates which have utility operations in Nevada will be studied in the light of other similar conglomerates. Conglomerates will be included when possible. The development of the typical company will reflect input by the companies within the industry group which are centrally assessed.</li> <li>The items which comprise the total capital structure of the typical company are those amounts as recorded for financial reporting purposes that represent the sources of the money or capital funds made available to acquire the taxable operating property of the industry group. For the purposes of this subsection, "capital funds" means money obtained from: <ol style="list-style-type: none"> <li>Creditor through notes or bonds;</li> <li>Stockholders through stocks, paid-in capital and undistributed retained earnings; and</li> <li>Similar financial capital accounts, except not from the Federal Government through deferred income taxes.</li> </ol> </li> <li>The total capital structure of the typical company will be derived through the use of a statistical median from the selected sample of firm calculations.</li> <li>In addition to the total capital structure of the typical company derived pursuant to subsection 4, the taxpayer may present and the Department shall consider the total capital structure of the typical company based upon common equity, preferred equity and the long-term debt percentage as developed from market information for comparable companies in the industry group. The total capital structure of the typical company must be derived from the use of market information from the selected sample of firm calculations.</li> <li>The annual average of high-low monthly yields to maturity computed by Moody's Investors Service (Public Utility and Transportation), or another accepted service approved by the Executive Director of the Department, will be used for the assignment of a cost to the long-term bonded indebtedness component of the total capital structure.</li> </ol> </li> <li>The assignment of cost to preferred stock will be determined in a manner consistent with subsection 6.</li> <li>The assignment of cost to that portion of the total capital structure which represents equity for the typical company in each industry group will be determined in the following manner: <ol style="list-style-type: none"> <li>The Department shall develop an equity rate for each industry group based on one or more of the following models: <ol style="list-style-type: none"> <li>Discounted cash-flow method.</li> <li>Capital asset pricing.</li> <li>Risk premium analysis.</li> </ol> </li> <li>The Department shall also consider the results of cost of equity studies provided by members of the industry group based on the models set forth in paragraph (a).</li> </ol> </li> <li>When considered applicable, the cost of equity capital established for the industry group may be determined by using additional models, such as direct capitalization, percentage in the appraisal and financial communities and approved by the Executive Director of the Department.</li> <li>The capitalization rate of the typical company for the industry group will be calculated by using a weighted method (band-of-investment) which is the total capital structure percentage times the component rate percentage. The weighted values are then totaled and divided to four decimal places to get the capitalization rate.</li> </ol> <p>EXAMPLE:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>TYPICAL COMPANY</th> <th>MEDIAN CAPITAL STRUCTURE</th> <th>X RATE =</th> <th>WEIGHTED RETURN</th> </tr> </thead> <tbody> <tr> <td>Common Equity</td> <td>42.5%</td> <td>11.2%</td> <td>4.7600%</td> </tr> <tr> <td>Preferred Equity</td> <td>9.2%</td> <td>9.5%</td> <td>0.8640%</td> </tr> <tr> <td>Long-Term Debt</td> <td>48.2%</td> <td>9.4%</td> <td>4.5360%</td> </tr> <tr> <td>Capitalization Rate for Industry Group</td> <td></td> <td></td> <td>10.184%</td> </tr> </tbody> </table> <ol style="list-style-type: none"> <li>The determination of the income value indicator requires the capitalization of the adjusted net operating income at the current capitalization rate. Financial data for selected companies in each industry group, as presented in the latest annual reports by Moody's Investors Service (Public Utility and Transportation), or another accepted service approved by the Executive Director of the Department, will be used in the compilation of the capitalization rate of the typical company.</li> <li>An alternative to the capitalization rate method in subsection 1, is, alternatively, to use a rate of the industry group as published by the Western States Association of Tax Administrators, or another recognized tax related organization approved by the Executive Director of the Department.</li> </ol>	TYPICAL COMPANY	MEDIAN CAPITAL STRUCTURE	X RATE =	WEIGHTED RETURN	Common Equity	42.5%	11.2%	4.7600%	Preferred Equity	9.2%	9.5%	0.8640%	Long-Term Debt	48.2%	9.4%	4.5360%	Capitalization Rate for Industry Group			10.184%
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Capitalization Rate for Industry Group			10.184%																				
263	361.427	Stock and debt approach indicator of value.	<ol style="list-style-type: none"> <li>The stock and debt approach proposes a value for the entire firm, but is generally recognized as a less applicable methodology for determining the value of taxable property.</li> <li>The stock and debt indicator is determined by multiplying either the average monthly, quarterly or annual high and low market price quotations, when available, for all the securities which are actively traded in the market place, including common stock, preferred stock and long-term debt, by the number of shares outstanding at the end of the year. Computation of the present worth of income flows may be made to determine values for securities which are not actively traded.</li> <li>The value of the stock of a holding company is apportioned among its operating companies according to the ratio of: <ol style="list-style-type: none"> <li>Each operating company's property to the aggregate property of all of the operating companies, valued at historical cost and weighted at one-third; and</li> <li>Each operating company's net income before income taxes to the aggregate net income of all of the operating companies, weighted at two-thirds.</li> </ol> </li> <li>The industry group of rail transportation, the direct deduction method to eliminate nonoperating assets will be used when the information is available and considered applicable.</li> <li>To this amount will be added items such as customer advance for construction which are nonassessable for federal income tax purposes, current liabilities less dividends declared, the present worth of leased property over the period of the lease together with any other items conforming to the theory that a person were to purchase all the stock and assume all the outstanding liabilities of a company, the person would have acquired all the assets which appear on the asset side of the balance sheet and, therefore, own the company.</li> <li>From this amount will be deducted the market value of all exempt or nonoperating property, including, but not limited to, cash, accounts receivable, notes receivable, miscellaneous investments, treasury investments, nonoperating properties and other current and accrued assets and properties not subject to the ad valorem property tax imposed by NRS 361.315 and 361.320.</li> </ol>																				
264	361.429	Reconciliation indicator of value.	<ol style="list-style-type: none"> <li>Immediately related to the valuation process is the reconciliation of one or more indicators of value to reach the final estimate of value for the system.</li> <li>For multiple departmental companies, when considered applicable, the utility analyst will either reconcile the indicators of value for allocation of the value of the system to the value to the various departments, or use the adopted Western States Association of Tax Administrators formula, approved by the Executive Director of the Department, to allocate the Department and stock and debt values based on the cost and income data.</li> <li>The utility analyst will reconcile in writing to the taxpayer the relative significance, applicability and defensibility of the indication of value derived from each approach to arrive at, in the utility analyst's professional judgment, the appropriate final estimate of value for the system.</li> <li>The utility analyst will reconcile, in writing to the taxpayer, the facts, trends and observations developed in the analysis and review the conclusion and the probable validity and reliability of the conclusion.</li> </ol>																				
265	361.431	Allocation of value of intangible and intangible properties.	<ol style="list-style-type: none"> <li>Since the unit rate of valuation will be used for all intangible and intangible properties, an allocation of those properties operating in Nevada will be made: <ol style="list-style-type: none"> <li>The allocation will: <ol style="list-style-type: none"> <li>Tend 100 percent for all states in which the company operates; and</li> <li>Reflect the property of quantity in each state, as well as the use or value of the property in each state.</li> </ol> </li> <li>Allocation factors will be those that are readily available rather than requiring some new or additional statistic and the factor will not be an allocation in and of itself.</li> </ol> </li> <li>The intangible allocation will be made in proportion to the contribution to the unit value made by the property in Nevada. The allocation will be a reflection of the property value. It is the value of the existing property which is being allocated, not merely the amount of the physical property.</li> <li>Available quantity elements such as cost and economic or use elements such as revenue will be used in the determination of the allocation.</li> <li>The intangible allocation formula adopted by the Western States Association of Tax Administrators will be approved by the Executive Director of the Department and used when the information is available and considered applicable.</li> </ol>																				
266	361.433	Deductions from taxable value.	<ol style="list-style-type: none"> <li>The value and not the cost of any vehicles licensed in Nevada will be deducted from the taxable value of the property which was allocated to Nevada.</li> <li>For telecommunications companies, property on lands ceded to the United States Government before 1906 will also be deducted. Cost less depreciation as reported by the company will be used.</li> <li>The value and not the cost of certain equipment directly related to the operation of the firm will be deducted from the taxable value to the extent allowed pursuant to statute.</li> </ol>																				
267	361.434	Air Transportation Companies Generally																					
268	361.451	Applicability.	Except as specifically provided in NAC 361.4685, the provisions of NAC 361.451 to 361.468, inclusive, do not apply to a taxpayer whose property is assessed pursuant to NAC 361.4685, 361.469 and 361.4695.																				
269	361.452	Cost approach indicator of value.	<ol style="list-style-type: none"> <li>The cost approach consists of: <ol style="list-style-type: none"> <li>Determining the gross book cost for financial reporting purposes of all taxable operating property, including, without limitation, airplanes, engines, propellers, radio equipment, miscellaneous flight equipment, spare parts and assemblies, leased aircraft, improvements to leased equipment, construction work in progress, ground property and equipment, land, expendable parts, materials and supplies, and leased property; and</li> <li>Deducting from the gross book cost the accrued book depreciation recorded for financial reporting purposes, which may include, without limitation, physical, functional and economic obsolescence. Additional obsolescence must be deducted when adequately quantified.</li> </ol> </li> </ol>																				
270	361.454	Income approach indicator of value: Formula for determination.	<ol style="list-style-type: none"> <li>The capitalized income approach consists of deducting from the normalized and annualized gross operating income any direct and indirect normalized and annualized operating expenses specifically related to the normalized and annualized gross operating income, including, without limitation, any annualized book depreciation. Deferred income taxes will be treated as an operating expense. Normalized and annualized rental expense on operating property leased from others, less impaired depreciation, income taxes and other applicable expenses, will be deducted as an operating expense.</li> <li>The resulting adjusted net operating income will be capitalized (converted to value) using an appropriate capitalization rate for the airline industry group. The capitalization rate for the typical company will be used for the carriers being appraised in each airline industry group. The market capitalization rate will be derived from calculations made for selected carriers in each airline industry group.</li> <li>The operating income to be capitalized into taxable value will be normalized and annualized based on the most recent year's adjusted net operating income. When the most recent year's net operating income is typically not a reasonable representation of the net operating income of an airline, such as where the net operating income of the airline tends to be cyclical, a 3- or 5-year average of adjusted net operating incomes will be normalized and annualized and may be used.</li> <li>The net operating income to be capitalized before deducting any book depreciation or income tax is the normalized and annualized net operating income results in a negative amount. If any book depreciation or income tax is added to the net operating income before the net operating income is capitalized, the capitalization rate must include a component for that book depreciation or income tax.</li> <li>Any normalization or amortization adjustments to the net operating income of a carrier must be based on known, measurable and experienced changes in the operation or taxable property of the carrier as of the current year's reporting date.</li> </ol>																				
271	361.454	Income approach indicator of value: Formula for determination.	<ol style="list-style-type: none"> <li>The capitalized income approach consists of deducting from the normalized and annualized gross operating income any direct and indirect normalized and annualized operating expenses specifically related to the normalized and annualized gross operating income, including, without limitation, any annualized book depreciation. Deferred income taxes will be treated as an operating expense. Normalized and annualized rental expense on operating property leased from others, less impaired depreciation, income taxes and other applicable expenses, will be deducted as an operating expense.</li> <li>The resulting adjusted net operating income will be capitalized (converted to value) using an appropriate capitalization rate for the airline industry group. The capitalization rate for the typical company will be used for the carriers being appraised in each airline industry group. The market capitalization rate will be derived from calculations made for selected carriers in each airline industry group.</li> <li>The operating income to be capitalized into taxable value will be normalized and annualized based on the most recent year's adjusted net operating income. When the most recent year's net operating income is typically not a reasonable representation of the net operating income of an airline, such as where the net operating income of the airline tends to be cyclical, a 3- or 5-year average of adjusted net operating incomes will be normalized and annualized and may be used.</li> <li>The net operating income to be capitalized before deducting any book depreciation or income tax is the normalized and annualized net operating income results in a negative amount. If any book depreciation or income tax is added to the net operating income before the net operating income is capitalized, the capitalization rate must include a component for that book depreciation or income tax.</li> <li>Any normalization or amortization adjustments to the net operating income of a carrier must be based on known, measurable and experienced changes in the operation or taxable property of the carrier as of the current year's reporting date.</li> </ol>																				

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361.456	Income approach indicator of value: Capitalization rate.	<p>The capitalization rate will be established from a selected number of carriers and determined in the following manner to arrive at the typical company in the airline industry group when the information is available:</p> <ol style="list-style-type: none"> <li>The use of an average method of the use in the compilation of the capitalization rate.</li> <li>The base-of-investment method represents the cost of the money needed by the typical company in the airline industry group to acquire its operating plant and carry on its operations. It is composed of two factors:             <ol style="list-style-type: none"> <li>The capitalization ratios of the typical company; and</li> <li>The cost of the items which comprise the total capital structure of the typical company.</li> </ol> </li> <li>A "typical company" means a diversified company which is representative of the carriers within an airline industry group. These carriers will be comparable in amount of revenues, bond ratings and nature of operations. Certain nonairline conglomerates which have airline operations in this State will be studied in light of other similar conglomerates. Regular carriers will be grouped with conglomerates where possible. Development of typical company factors will reflect input by the carriers within the airline industry group which are centrally assessed. As used in this subsection, "nature of operations" includes, without limitation, the size, route structure and fleet diversification of the air carrier.</li> <li>The items which comprise the total capital structure of the typical company are those amounts as recorded for financial reporting purposes that represent the sources of the money or capital funds made available to acquire the taxable operating property of the airline industry group. As used in this subsection, "total funds" means money obtained from:             <ol style="list-style-type: none"> <li>Creditors through notes or bonds;</li> <li>Stockholders through stocks, paid-in capital and undistributed retained earnings; and</li> <li>Similar financial capital accounts except not from the Federal Government through deferred income taxes.</li> </ol> </li> <li>The capital structure of the typical company will be derived through the use of a statistical median from the calculations of the selected sample carriers.</li> <li>In addition to the total capital structure of the typical company derived by the Department pursuant to subsection 4, the taxpayer may present and the Department shall consider the total capital structure of the typical company based upon the common equity, preferred equity and the long-term debt percentages as developed from market information for comparable carriers in the airline industry group. The total capital structure of the typical company must be derived from using market information from the selected sample of carrier calculations.</li> <li>The annual average of high-low yields or maturity compiled by Moody's Investors Service (Public Utility and Transportation) or another acceptable service, approved by the Executive Director of the Department, will be used for the assignment of a weight to the long-term bonded indebtedness component of the total capital structure.</li> </ol> <p><b>CONT.</b></p>																													
272																															
273		<ol style="list-style-type: none"> <li>The assignment of cost to preferred stock will be determined in a manner consistent with subsection 6.</li> <li>The assignment of cost to that portion of the total capital structure which represents equity for the typical company in each airline industry group will be determined in the following manner:             <ol style="list-style-type: none"> <li>The Department shall develop an equity rate for each airline industry group based on one or more of the following models:                 <ol style="list-style-type: none"> <li>Discounted cash-flow method;</li> <li>Capital asset-pricing;</li> <li>Risk premium analysis.</li> </ol> </li> <li>The Department shall also consider the results of cost of equity studies provided by a carrier of the airline industry group based on the models set forth in paragraph (a).</li> <li>When considered applicable, the cost of equity capital established for the airline industry group may be determined by using additional models, including, without limitation, direct capitalizations, accepted in the appraisal and financial communities and approved by the Executive Director of the Department.</li> <li>The capitalization rate of the typical company for the airline industry group will be calculated by using a weighted model (base-of-investment) which is the total capital structure percentage times the component rate percentage. The weighted values are then totaled and rounded to four decimal places to get the capitalization rate.</li> </ol> <p><b>EXAMPLE:</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>TYPICAL COMPANY</th> <th>MEXAN CAPITAL STRUCTURE % RATE</th> <th>WEIGHTED RETURNS</th> <th>Common Equity</th> <th>42.50%</th> <th>11.20%</th> <th>4.76000%</th> </tr> </thead> <tbody> <tr> <td>Preferred Equity</td> <td>9.25%</td> <td>9.25%</td> <td>8648%</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Long-Term Debt</td> <td>48.25%</td> <td>9.45%</td> <td>4.5963%</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Capitalization Rate for Industry Group</td> <td></td> <td></td> <td></td> <td>10.1845%</td> <td></td> <td></td> </tr> </tbody> </table> <ol style="list-style-type: none"> <li>The determination of the income value indicator requires the capitalization of the adjusted net operating income at the current capitalization rate. Financial data for selected carriers in each airline industry group as presented in the latest annual reports by Moody's Investors Service (Public Utility and Transportation) or another acceptable service, approved by the Executive Director of the Department, will be used in the compilation of the capitalization rate of the typical company.</li> </ol> </li></ol>	TYPICAL COMPANY	MEXAN CAPITAL STRUCTURE % RATE	WEIGHTED RETURNS	Common Equity	42.50%	11.20%	4.76000%	Preferred Equity	9.25%	9.25%	8648%				Long-Term Debt	48.25%	9.45%	4.5963%				Capitalization Rate for Industry Group				10.1845%			
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361.460	Reconciliation of indicator of value:	<ol style="list-style-type: none"> <li>Immediately related to the valuation process in the reconciliation of one or more indicators of value to reach the final estimate of value for the system.</li> <li>The analyst will reconcile in writing to the taxpayer the relative significance, applicability and defensibility of the indicators of value derived from each approach to arrive at, in the professional judgment of the analyst, the appropriate final estimate of system value for the air transport company.</li> <li>The analyst will reconcile in writing to the taxpayer the facts, trends and observations determined in the analysis and review the conclusion and the probable validity and reliability of that conclusion.</li> </ol>																													
361.462	Deduction of depreciated cost of nonaircraftable flight equipment:	<ol style="list-style-type: none"> <li>The depreciated cost of the nonaircraftable flight equipment will be deducted from the total depreciated cost of the flight equipment.</li> <li>For the purposes of this section:             <ol style="list-style-type: none"> <li>"Flight equipment" includes, without limitation, airframes, engines, propellers, radio equipment, miscellaneous flight equipment, spare parts and assemblies, leased aircraft and improvements to leased aircraft.</li> <li>"Nonaircraftable flight equipment" means only that property or equipment which is not attached or required to be aboard or part of an aircraft which is ready for flight.</li> <li>Every item of property which is required to be aboard for the operation of the aircraft will be classified as aircraftable flight equipment.</li> <li>The only instances when an aircraft will be classified as nonaircraftable are when:                 <ol style="list-style-type: none"> <li>The carrier purchased an aircraft which was not delivered or was delivered too late to have participated in the creation of the allocation statistics; or</li> <li>An aircraft which is owned by the carrier was leased to and operated by another party.</li> </ol> </li> <li>The percentage of the total amount of tangible personal property of the carrier which the aircraftable flight equipment represents will be calculated and applied to the total estimate of value of the assessable property of the carrier.</li> </ol> </li> </ol>																													
361.464	Allocation of value of intangible companies:	<ol style="list-style-type: none"> <li>Since the unit rule of valuation will be used for the described properties, an allocation of those properties operating in Nevada will be made:</li> <li>The allocation will:             <ol style="list-style-type: none"> <li>Reflect 100 percent for all states in which a company operates; and</li> <li>Reflect the quantity of property in each state, as well as the use or value of the property in each state.</li> </ol> </li> <li>Allocation factors will be those that are readily available rather than requiring some new or additional statistic, and a factor will not be an allocation itself.</li> <li>The intangible allocation will be made in proportion to the contribution to the unit value made by the property in Nevada. Allocation will be made in the light of the property value. It is the value of the existing property which is being allocated, not merely the amount of the physical property.</li> <li>Available quantity elements such as cost and economic or use elements such as revenue will be used in the determination of the allocation.</li> <li>The following elements will be considered in the allocation of allocable flight equipment to Nevada and are assigned the following weight:             <ol style="list-style-type: none"> <li>Air and ground time weighted to the original cost of allocable flight equipment, 50 percent;</li> <li>Originating and terminating tonnage, 15 percent; and</li> <li>Revenue ton miles flown, 35 percent.</li> </ol> </li> </ol>																													
361.466	Development, application of factor for property located in Nevada:	<ol style="list-style-type: none"> <li>The depreciated cost of the total tangible property of the carrier will be related to the estimate of value for the system for that same property in the form of a percentage. (This estimate of value will be determined by using the three approaches to value divided by the depreciated cost of the total tangible property.)</li> <li>The factor so developed will be applied to that ground property having situs in Nevada.</li> </ol>																													
361.468	Addition of property located in Nevada:	The adjusted estimate of value for the situs property in Nevada will be added to the flight equipment which was allocated to Nevada for the final estimate of value for Nevada.																													
278																															
279	Certain Air Transport Companies, Airline Industry Groups, and Unscheduled or Charter Air Carriers																														
361.468	Applicability:	<ol style="list-style-type: none"> <li>The provisions of NAC 361.468 and 361.469 apply to each air transport company or airline industry group, including, without limitation, regional airlines or unscheduled airlines, for which information is insufficient to complete a valuation pursuant to NAC 361.451 to 361.468, inclusive.</li> <li>The property of an unscheduled or a charter air carrier which is not domiciled in Nevada may be valued pursuant to this section and NAC 361.469 and 361.4695 and placed on the unsecured tax roll.</li> </ol>																													
361.469	Formula for assessment:	<ol style="list-style-type: none"> <li>All aircraftable flight equipment may be valued in accordance with the Personal Property Manual published by the Department and approved by the Commission pursuant to NAC 361.185 for each fiscal year or in accordance with other books or manuals that provide guidance in establishing value approved by the Executive Director.</li> <li>A portion of the value of the flight equipment will be allocated to Nevada based on an average of the data described in subsection 7 or described in NAC 361.464 when the information is available and considered applicable.</li> <li>The weighted flight-equipment, plane hours, originating and terminating tonnage and revenue ton miles flown in Nevada, as a percentage of the system, will be used as the statistic for allocating value to Nevada.</li> </ol>																													
361.4695	Property located in Nevada:	To the value of the flight equipment allocated to Nevada will be added the depreciated book cost of all ground property in Nevada, including, without limitation, buildings and support rooms, terminal, fixturs, machinery, equipment and nonaircraftable flight equipment. The value of the property which is not represented by the depreciated book cost, including, without limitation, leased and rented property, may be added to determine the total value of the operation in this State.																													
283	Private Car Line Companies																														
361.506	Formula for assessment:	<ol style="list-style-type: none"> <li>Six thousand dollars assessed valuation for each 219,000 miles traveled in Nevada for tank cars.</li> <li>Seven thousand dollars assessed valuation for each 255,000 miles traveled in Nevada for refrigeration cars.</li> <li>Six thousand dollars assessed valuation for each 255,000 miles traveled in Nevada by other types of cars, including, without limitation, stock, box, hopper and flat cars.</li> </ol>																													
285	Municipal Electric Companies																														
361.508	Valuation:	In the valuation of municipal utilities, the depreciated book cost of all operating facilities in Nevada subject to assessment pursuant to NRS 361.515 and 361.520 will be used.																													
287	<b>CERTIFICATION OF APPRAISERS</b>																														
288	Definitions:	As used in NAC 361.535 to 361.575, inclusive, unless the context otherwise requires, the words and terms defined in NAC 361.537 to 361.553, inclusive, have the meanings ascribed to them in those sections.																													
361.537	"Appraiser" defined:	<ol style="list-style-type: none"> <li>"Appraiser" means an employe of an independent contractor with the State of Nevada or any of its political subdivisions who exercises judgment using his or her skills and knowledge of property appraisal to estimate the value of property for the purpose of taxation.</li> <li>The term does not include a person who only collects data or manipulates computer programs to collect and organize data but does not render an estimate of the value of property.</li> </ol>																													
361.539	"Appraiser's certificate" defined:	Appraiser's certificate means a certificate issued by the Department that authorizes a person to perform the duties of an appraiser.																													
361.541	"Appraiser's certificate examination" defined:	Appraiser's certificate examination means a comprehensive examination administered by the Department which covers the technical, legal and administrative aspects of the appraisal and assessment of property and which consists of a section that tests general knowledge and a section that tests specific knowledge.																													
361.543	"Approved education course" defined:	Approved education course means a course of continuing education approved by the Department. The term includes, without limitation, classes, workshops and seminars.																													
361.545	"Board" defined:	Board means the Appraiser's Certification Board established by NRS 361.221.																													
361.547	"Contact hour" defined:	Contact hour means 1 hour of credit toward continuing education requirements awarded by the Department for attendance at or instruction of an approved education course.																													
361.549	"Independent contractor" defined:	Independent contractor means a person who contracts with, but is not otherwise employed by, the State of Nevada or any of its political subdivisions to perform the duties of an appraiser.																													
361.551	"Personal property appraiser's certificate" defined:	Personal property appraiser's certificate means an appraiser's certificate that authorizes a person to perform the duties of an appraiser with respect to personal property only.																													
361.553	"Real property appraiser's certificate" defined:	Real property appraiser's certificate means an appraiser's certificate that authorizes a person to perform the duties of an appraiser with respect to real property only.																													
361.555	Temporary appraiser's certificate:	<ol style="list-style-type: none"> <li>A person who is newly employed as an appraiser by the State of Nevada or any of its political subdivisions may apply to the Department for a temporary appraiser's certificate.</li> <li>The application must satisfy the requirements of NRS 361.223 and 361.225, be on a form approved by the Department and include:             <ol style="list-style-type: none"> <li>The name of the applicant;</li> <li>The mailing address and telephone number of the place of employment of the applicant;</li> <li>Verification of the employment of the applicant; and</li> <li>Such other information as the Department may require.</li> </ol> </li> <li>The Department will provide each applicant with a list of the dates on which and the locations at which the appraiser's certificate examination will be offered.</li> <li>The Department will issue a temporary appraiser's certificate to a qualified applicant within 30 days after receiving the application. The certificate must include the name of the person to whom and the date on which it is issued, designate whether the holder is authorized to appraise real property or personal property, or both, and be signed by an authorized representative of the Department.</li> </ol>																													
298																															
361.557	Appraiser's certificate:	<ol style="list-style-type: none"> <li>A person who is employed as an appraiser by the State of Nevada or any of its political subdivisions may apply to the Department for an appraiser's certificate.</li> <li>The application must satisfy the requirements of NRS 361.223 and 361.225, be on a form approved by the Department and include:             <ol style="list-style-type: none"> <li>The name of the applicant;</li> <li>The mailing address and telephone number of the place of employment of the applicant;</li> <li>Verification of the employment of the applicant; and</li> <li>Such other information as the Department may require.</li> </ol> </li> <li>Except as otherwise provided in subsection 4, to be eligible for an appraiser's certificate, the applicant must pass the appraiser's certificate examination.</li> <li>An applicant who submits proof satisfactory to the Department that he or she has earned a professional designation from any of the member organizations of the Appraisal Foundation is not required to take the section of the appraiser's certificate examination that tests specific knowledge. Such professional designations include, without limitation:             <ol style="list-style-type: none"> <li>Member, Appraisal Institute (MAI);</li> <li>Certified Assessment Valuator (CAV);</li> <li>Senior Real Property Appraiser (SRPA);</li> <li>Senior Real Estate Analyst (SREA);</li> <li>Residential Member (RM);</li> <li>Residential Evaluation Specialist (RES);</li> <li>Senior Residential Appraiser (SRA);</li> <li>Personal Property Specialist (PPS).</li> </ol> </li> <li>If an applicant, pursuant to subsection 4, submits proof of a professional designation that signifies specialization in the appraisal of real property or personal property, but not both, the Department, if it issues an appraiser's certificate to the applicant, will issue a real property appraiser's certificate or a personal property appraiser's certificate, as applicable.</li> </ol>																													
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361.559	Independent contractor's appraiser's certificate: Renewal.	<ol style="list-style-type: none"> <li>1. A person who wishes to perform the duties of an appraiser as an independent contractor with the State of Nevada or any of its political subdivisions may apply to the Department for an independent contractor's appraiser's certificate.</li> <li>2. The applicant must satisfy the requirements of NRS 361.224 and 361.225; be on a form approved by the Department and include:             <ol style="list-style-type: none"> <li>(a) The name of the applicant;</li> <li>(b) The mailing address and telephone number of the applicant; and</li> <li>(c) Such other information as the Department may require.</li> </ol> </li> <li>3. In addition to the requirements of subsection 2, the applicant must provide the Department with the resume of the applicant which documents the applicant's education, his or her experience as an appraiser and any professional designations or certificates he or she holds, and which contains the names of at least two persons who have provided references. The Department may investigate the truthfulness of the information and representations set forth in the resume.</li> <li>4. Except as otherwise provided in subsection 5, to be eligible for an independent contractor's appraiser's certificate, the applicant must pass the appraiser's certificate examination.</li> <li>5. An applicant who submits proof satisfactory to the Department that he or she has earned a professional designation from any of the member organizations of the Appraisal Foundation is not required to take the section of the appraiser's certificate examination that tests specific knowledge, such as professional designations or books, without limitation:             <ol style="list-style-type: none"> <li>(a) Member, Appraisal Institute (MAI);</li> <li>(b) Certified Assessment Valuator (CAV);</li> <li>(c) Senior Real Estate Appraiser (SREA);</li> <li>(d) Residential Member (RM);</li> <li>(e) Residential Evaluation Specialist (RES);</li> <li>(f) Senior Residential Appraiser (SRA);</li> <li>(g) Personal Property Specialist (PPS).</li> </ol> </li> <li>6. If an applicant, pursuant to subsection 5, submits proof of a professional designation that signifies specialization in the appraisal of real property or personal property, but not both, the Department, if it issues an appraiser's certificate to the applicant, will issue a real property appraiser's certificate or a personal property appraiser's certificate, as applicable.</li> </ol>	
361.561	Independent contractor's appraiser's certificate: Renewal.	<ol style="list-style-type: none"> <li>1. An independent contractor's appraiser's certificate must be renewed annually.</li> <li>2. Except as otherwise provided in subsection 3, an application for renewal must be made in the same manner as, and is subject to the same requirements applicable to, an initial application as set forth in NAC 361.559.</li> <li>3. The Department will waive the examination requirement for renewal if the applicant has satisfied the requirements for continuing education set forth in this chapter and NRS 361.222 and requests on the application for renewal that the examination requirement be waived.</li> <li>4. Before an independent contractor's appraiser's certificate is renewed, the independent contractor must present proof satisfactory to the Department that he or she has contracted with the State of Nevada or any of its political subdivisions as an independent contractor within the immediately preceding 12 months, or that he or she has a reasonable expectation of so contracting within the next following 12 months.</li> </ol>	
361.563	Appraiser's certificate examination.	<ol style="list-style-type: none"> <li>1. The Department will offer the appraiser's certificate examination at least once each quarter. At least one administration of the examination each year must be at a location in northern Nevada, and at least one administration of the examination each year must be at a location in southern Nevada. A county assessor may submit to the Department a written request for an additional examination time and location. The Department will consider such a request if the budget of the Department is adequate to support the additional examination time and location.</li> <li>2. The section of the appraiser's certificate examination that tests general knowledge must, without limitation, test the knowledge and understanding of an applicant concerning:             <ol style="list-style-type: none"> <li>(a) Land description and land classification;</li> <li>(b) Principles and concepts of the appraisal of property;</li> <li>(c) Relevant statutes and regulations of this State; and</li> <li>(d) Principles of property tax administration.</li> </ol> </li> <li>3. The section of the appraiser's certificate examination that tests specific knowledge must, without limitation, test the knowledge and understanding of an applicant concerning either:             <ol style="list-style-type: none"> <li>(a) Principles and concepts of the appraisal of real property, which must include, without limitation:                 <ol style="list-style-type: none"> <li>(i) Land and land identification;</li> <li>(ii) Approaches to estimating the value of real property;</li> <li>(iii) Depreciation of real property; and</li> <li>(iv) Mass appraisal; or</li> </ol> </li> <li>(b) Principles and concepts of the appraisal of personal property, which must include, without limitation:                 <ol style="list-style-type: none"> <li>(i) Terminology;</li> <li>(ii) Approaches to estimating the value of personal property;</li> <li>(iii) Depreciation of personal property; and</li> <li>(iv) Analysis of financial data.</li> </ol> </li> </ol> </li> <li>4. To pass the appraiser's certificate examination, an applicant must receive a score of at least 70 percent on each section. The Department will mail to an applicant the results of his or her examination within 14 days after the applicant completes the examination.</li> </ol> <p><b>NOTE.</b></p>	
361.565	Continuing education: Review and approval of courses; list of approved courses.	<ol style="list-style-type: none"> <li>5. An applicant will be given credit for each section of the examination that he or she passes. If an applicant passes only one section of the examination, the applicant may make a written request to the Department to retake the section that he or she did not pass.</li> <li>6. An applicant who fails a section of the examination may request information from the Department concerning the general subject area of that section which the applicant answered incorrectly. An applicant is not entitled to review his or her completed examination booklet or answer sheet after it is submitted for grading.</li> <li>7. An applicant must direct any challenge to the content of the examination or to the validity and correctness of any question or answer to the Board. The challenge must be in writing and be postmarked not later than 10 calendar days after the receipt by the Department of the results of the examination. The challenge must be accompanied by supporting evidence, including, without limitation, the original examination booklet and the applicant's responses.</li> <li>8. The Department, in consultation with the Board, may revise and update the examination at any time. The revising and updating of the examination may be performed by the personnel of the Department, or the Department may contract with a natural person or entity that specializes in the development of such examinations to revise and update the examination.</li> <li>9. An applicant must submit to the Department a fee of \$25 for each section of the examination that the applicant wishes to take or retake.</li> </ol>	
361.565	Continuing education: Review and approval of courses; list of approved courses.	<ol style="list-style-type: none"> <li>1. The Board will review courses of continuing education and may recommend the approval of each course by the Department if the Board determines that:             <ol style="list-style-type: none"> <li>(a) After evaluating the contents of the course for correctness, applicability to appraisal for property tax purposes and relevance to current issues and trends concerning appraisal, the subject matter of the course is relevant to understanding and applying the standards established by the International Association of Assessing Officers or any other member organization of The Appraisal Foundation;</li> <li>(b) The subject matter of the course is relevant to understanding:                 <ol style="list-style-type: none"> <li>(i) The application of the statutes and regulations of this State;</li> <li>(ii) The published appraisal and assessment standards of the Department;</li> <li>(iii) Laws relating to real estate, water and mining; or</li> <li>(iv) Administrative procedures.</li> </ol> </li> <li>(c) The subject matter of the course is relevant to understanding the concepts and applications of mass appraisal, including, without limitation, the application of technology such as geographic information systems (GIS) mapping and computer automated mass appraisal systems and the use of applied statistics in mass appraisal; or</li> <li>(d) The subject matter of the course is relevant to understanding the concepts and applications of the appraisal of centrally assessed properties, including, without limitation, principles of accounting, allocation, apportionment, mining, utility valuation, economics and finance.</li> </ol> </li> <li>2. A person who wishes to receive contact hours for a course of continuing education that has not been approved by the Department for such approval before taking the course. The application must be in writing and include, without limitation, the name and address of the organization that is sponsoring the course, a list of the instructors of the course and their qualifications, and a syllabus of the course that indicates the course work and the books to be used in the course.</li> <li>3. The Department will provide a list of all approved educational courses to the assessor of each county, and may provide the list to any other person who requests it in writing. The Department will update the list at least every 3 years.</li> </ol>	
361.567	Continuing education: Award of contact hours; waiver of and failure to satisfy requirements.	<ol style="list-style-type: none"> <li>1. The Department, in consultation with the Board, will determine the appropriate number of contact hours to be awarded for each approved education course. The Department will award the appropriate number of contact hours to persons who complete the education documentation to the Department as required by subsection 3. Contact hours may be awarded as follows:             <ol style="list-style-type: none"> <li>(a) The Department may award the person the number of contact hours noted on the certificate of completion for the approved education course or on any other documentation of the approved education course provided by the person to the Department as required by subsection 3.</li> <li>(b) If a person completes an approved education course offered by a university or community college, the Department may award the person 12 contact hours for each semester credit earned.</li> <li>(c) If an approved education course includes an examination for the course and a person completes the instruction for the course but fails to pass the examination, the Department may award the person one-half of the contact hours that the person would have been awarded had he or she passed the examination. If the person did not complete the instruction for the course, the Department may award the person a contact hour for each full day of instruction that he or she completed if the person provides evidence satisfactory to the Department of his or her attendance at the course. If a person who is awarded contact hours pursuant to this paragraph subsequently passes the examination for the course, the Department may award the person a number of contact hours equal to the total contact hours awarded to the person for the course pursuant to this paragraph.</li> <li>(d) The Department will not award any contact hours for the completion of any portion of a course in real estate or the appraisal of property if the primary objective of the course is to prepare those persons taking the course to take and pass an examination for licensure in real estate or the appraisal of property.</li> <li>(e) The Department will not award contact hours for any portion of a course at a university or community college if the person taking the course does not earn a passing grade or withdraws from the course.</li> <li>(f) If the Department determines the number of contact hours to be awarded for a course, the Department will not award any contact hours for any portion of the course during which the person taking the course takes an examination for the course.</li> <li>(g) If a person instructs an approved education course, the Department may award the person a number of contact hours equal to the number of hours the person spent lecturing during the course or teaching as part of a group. The Department will not award contact hours:                 <ol style="list-style-type: none"> <li>(i) For any time the person spent on preparing for the course, grading students, or assisting students on projects or assignments outside of class; or</li> <li>(ii) For teaching the same course more than once in a 12-month period.</li> </ol> </li> <li>2. The number of contact hours awarded to a person who completes an approved education course must be the number of hours determined to be appropriate pursuant to subsection 1 as of the date on which the person completes the course, regardless of whether the content or length of the course changes after that date.</li> <li>3. A person who holds an appraiser's certificate and for whom the annual training requirement has not been waived pursuant to NRS 361.223 shall, on or before July 1 of each year, provide written documentation to the Department of each approved education course the person has taken or he or she has completed during the 12-month period preceding the date of the submission. The documentation for each course must include, without limitation, a certificate of attendance that shows the name of the person, the name of the course, the signature of the instructor of the course or the authorized representative of the organization that sponsored the course, and the date of the person's attendance at the course. A transcript of grades, if any, from the organization that sponsored the course must also be submitted. If the course was taken at a university or community college, a certified transcript may be submitted in lieu of a certificate of attendance.</li> </ol> <p><b>NOTE.</b></p> </li></ol>	
361.567	Continuing education: Award of contact hours; waiver of and failure to satisfy requirements.	<ol style="list-style-type: none"> <li>4. If a person has:             <ol style="list-style-type: none"> <li>(a) Not completed the 180 contact hours of accepted training described in paragraph (b) of subsection 3 of NRS 361.223, the Department, in consultation with the Board, may award contact hours to the person for an approved education course completed more than 3 years before the person provides to the Department the written documentation required by subsection 3. Any contact hours awarded pursuant to this paragraph must be applied to the 180 contact hours described in paragraph (b) of subsection 3 of NRS 361.223.</li> <li>(b) Completed the 180 contact hours of accepted training described in paragraph (b) of subsection 3 of NRS 361.223, the Department will not award any contact hours for any course completed by the person:                 <ol style="list-style-type: none"> <li>(i) More than 3 years before he or she provides to the Department the written documentation required by subsection 3.</li> <li>(ii) During the 3-year period for which the person must satisfy the continuing education requirements set forth in NRS 361.223 if the person was awarded contact hours for the course for the immediately preceding 3-year period, unless the Department, in consultation with the Board, determines that the course materials have been significantly changed or updated.</li> </ol> </li> </ol> </li> <li>5. To qualify for a waiver of the annual training requirement pursuant to paragraph (b) of subsection 3 of NRS 361.223, a person who holds an appraiser's certificate must complete, as part of the 180 contact hours of accepted training required by that paragraph, at least 4 hours of training in ethical and professional standards.</li> <li>6. If a person for whom the annual training requirement has been waived pursuant to NRS 361.223 accumulates more than 36 contact hours during any 3-year period thereafter, the excess contact hours will not be carried forward.</li> <li>7. The Department will notify each person who holds an appraiser's certificate and who has not satisfied the continuing education requirements for a fixed year or a 3-year period, as applicable, that the appraiser's certificate is subject to suspension or revocation pursuant to NRS 361.224. The notice will be by United States mail at least 30 days before the end of the fixed year or 3-year period to the address of the person as listed in the files of the Department. If the Department does not receive a response to the notice within 90 days after mailing, the Department will forward the matter to the Board for consideration at its next regularly scheduled meeting. The Board will review the matter and provide its recommendation to the Department concerning whether the appraiser's certificate should be suspended or revoked.</li> </ol>	
361.569	Continuing education: Maintenance and availability of records.	<ol style="list-style-type: none"> <li>1. The Department will maintain current records of continuing education for each person employed as an appraiser by this State or a political subdivision of this State.</li> <li>2. The records of continuing education for each person are confidential and must not be made available to any person other than the staff of the Department, the members of the Board or the employer of the person to whom the records pertain, unless the person to whom the records pertain has provided prior written authorization to the Department.</li> <li>3. A person may request in writing a copy of the transcript of his or her records of continuing education. The Department will provide such a transcript at no charge.</li> </ol>	
361.571	Suspension and reinstatement of appraiser's certificate.	<ol style="list-style-type: none"> <li>1. The Department may suspend the appraiser's certificate of a person under any of the following circumstances:             <ol style="list-style-type: none"> <li>(a) Upon the recommendation of the Board of the person fails to satisfy the requirements for continuing education set forth in this chapter and NRS 361.223. The Department may, upon the recommendation of the Board, reinstate the appraiser's certificate if the person subsequently satisfies the requirements for continuing education.</li> <li>(b) Upon the recommendation of the Board if the person is an independent contractor and the person fails to renew his or her appraiser's certificate annually as required by this chapter. The Department may, upon the recommendation of the Board, reinstate the appraiser's certificate if the person subsequently satisfies the requirements for renewing his or her appraiser's certificate.</li> </ol> </li> <li>2. The Board may not recommend the suspension of an appraiser's certificate except after a meeting noticed in accordance with NRS 241.034.</li> <li>3. A person whose appraiser's certificate is suspended by the Department shall not render an opinion concerning the value of property but may collect data for use by certified appraisers to establish value.</li> </ol>	
361.573	Revocation and reinstatement of appraiser's certificate: Application after revocation.	<ol style="list-style-type: none"> <li>1. The Department may, upon the recommendation of the Board, revoke the appraiser's certificate of a person under any of the following circumstances:             <ol style="list-style-type: none"> <li>(a) The person fails to satisfy the requirements for continuing education set forth in this chapter and NRS 361.223. The Department may, upon the recommendation of the Board, reinstate the appraiser's certificate if the person subsequently satisfies the requirements for continuing education and passes the appraiser's certificate examination.</li> <li>(b) The person is an independent contractor and the person fails to renew his or her appraiser's certificate annually as required by this chapter. The Department may, upon the recommendation of the Board, reinstate the appraiser's certificate if the person subsequently satisfies the requirements for renewing his or her appraiser's certificate and passes the appraiser's certificate examination.</li> <li>(c) The person engages in unethical professional conduct, including, without limitation:                 <ol style="list-style-type: none"> <li>(i) Making oral or written public statements in the course of performing duties as an appraiser that are untrue or intended to mislead or deceive the public.</li> <li>(ii) Engaging in activities relating to the appraisal or assessment of property if the person has, in any reasonably foreseeable manner, been or may be considered by the public as having a conflict of interest with regard to that property.</li> <li>(iii) Accepting assignments relating to the appraisal or assessment of property which are contingent or are influenced by conditions that could impair the objectivity of the person.</li> </ol> </li> <li>(d) Failing to perform the duties of an appraiser in accordance with applicable statutes and regulations.</li> </ol> </li> <li>2. If the appraiser's certificate of a person is revoked pursuant to paragraph (c) of subsection 1:             <ol style="list-style-type: none"> <li>(a) The Department will not accept or review an application for an appraiser's certificate from that person within 1 year after the date of the revocation.</li> <li>(b) If the person files an application for an appraiser's certificate after the expiration of the 1-year period, the applicant must:                 <ol style="list-style-type: none"> <li>(i) Provide the Department with the resume of the applicant which documents his or her education, his or her experience as an appraiser and any professional designations or certificates he or she holds, and which contains the names of at least two personal references. The Department may investigate the truthfulness of the information and representations set forth in the resume.</li> <li>(ii) Pass the appraiser's certificate examination.</li> </ol> </li> </ol> </li> <li>3. The Board may recommend that the application for an appraiser's certificate filed by the person pursuant to paragraph (b) be approved if the Board finds that the person has satisfied the requirements of paragraph (b) and that the person has not engaged in unethical professional conduct as described in paragraph (c) of subsection 1 at any time since the revocation of his or her appraiser's certificate.</li> <li>4. The Board may not recommend the revocation of an appraiser's certificate except after a meeting noticed in accordance with NRS 241.034.</li> <li>5. A person whose appraiser's certificate is revoked by the Department shall not render an opinion concerning the value of property but may collect data for use by certified appraisers to establish value.</li> </ol>	
361.575	Appeal of suspension or revocation of appraiser's certificate.	A decision of the Department to suspend or revoke an appraiser's certificate may be appealed to the Commission pursuant to the provisions of NRS 360.245.	
361.577	EQUIALIZATION OF ASSESSMENTS AMONG THE SEVERAL COUNTIES		
361.580	Ratio study.	Classes of properties sampled by the Department in conducting a ratio study pursuant to NRS 361.333 will be established and divided by the Department deems appropriate or as required by state or federal law. In addition to the criteria which NRS 361.333 specifies to be included in a ratio study, the Department will include the coefficient of dispersion.	
361.583	COLLECTION OF TAXES: Collection on Certain Vehicles		
361.585	Placement of stickers on mobile homes and campers.	<ol style="list-style-type: none"> <li>1. The sticker required pursuant to NRS 361.564 must be affixed to:             <ol style="list-style-type: none"> <li>(a) A mobile home in such a way that the sticker is clearly visible from the street. If a mobile home is assessed as real property, the county assessor is not required to issue a sticker for it.</li> <li>(b) A trailer or camper or a camp shell in such a way that the sticker is clearly visible from the rear of the vehicle.</li> </ol> </li> </ol>	
361.588	Delinquent Payments		

# CHAPTER 361 - PROPERTY TAX

361.590	Waiver or reduction of penalty on interest.	<p>1. The Department may waive or reduce the penalty or interest for a delinquent payment of property tax which is imposed pursuant to NRS 361.483 and 361.535 if it finds that the proximate cause of the delinquency payment was:</p> <p>(a) Circumstances beyond the control of the taxpayer who was required to make the payment, or the agent of the taxpayer;</p> <p>(b) Justifiable neglect or justifiable inadvertence, and that the taxpayer making the payment has no history of habitually delinquent payments; or</p> <p>(c) For other good cause shown.</p> <p>2. Any application for waiver or reduction of the penalty or interest for delinquent payment must be filed in writing under oath with the Department within 60 days after the date the tax is due setting forth the circumstances which caused the delinquent payment. The Department shall provide a copy of the application to the county tax receiver who may, within 15 days, submit relevant information regarding the application to the Department. The Department will provide notice to the tax receiver and the taxpayer, or the agent of the taxpayer, of its determination. The notice will specify when the Department has directed how to take action.</p> <p>3. In determining whether or not the circumstances which caused the delinquent payment in any particular case were completely beyond the control of the taxpayer required to make the payment, or the agent of the taxpayer, the Department shall consider only evidence which shows that the delinquent payment was proximately caused by fire, earthquake, flood or other acts of God, theft or similar causes not directly related to the actions of the taxpayer who was required to make the payment, or the agent of the taxpayer, whether intentional or not, and that the tax was paid as soon as reasonably possible after the occurrence of those circumstances, all of the penalty or interest, or both, will be waived.</p> <p>4. If the Department finds that the proximate cause of a delinquent payment was justifiable neglect or justifiable inadvertence, and that the tax was paid as soon as reasonably possible thereafter, the penalty or interest imposed for the delinquency payment will be reduced to a total of not more than 50 percent of the penalty or interest imposed.</p> <p>5. In determining whether the proximate cause of the delinquent payment was for other good cause shown, the Department will require the taxpayer to submit, without limitation, evidence that the tax was paid as soon as reasonably possible and that the assessment of penalties and interest:</p> <p>(a) Constitutes an extreme financial hardship; or</p> <p>(b) Is extremely unfair or extremely inequitable under the circumstances.</p> <p>6. As used in this section, "extreme financial hardship" means that the taxpayer who owes the tax has the present ability to pay the tax but payment of the penalties and interest will render the taxpayer insolvent.</p>	
316	Assignment of Tax Liens by County Treasurers		
318	361.595	Definitions.	As used in NAC 361.595 to 361.597, inclusive, unless the context otherwise requires, the words and terms defined in NAC 361.592 to 361.599, inclusive, have the meanings ascribed to them in those sections.
319	361.592	"Assignee" has the meaning ascribed to it in NRS 361.7307.	
320	361.594	"Delinquent taxes" defined.	"Delinquent taxes" means any real property taxes that remain unpaid after the date the last installment of the taxes becomes due pursuant to NRS 361.483.
321	361.596	"Parcel number" defined.	"Parcel number" means the parcel number assigned to a parcel of real property pursuant to NRS 361.189 by the county assessor of the county in which the property is located.
322	361.598	"Tax lien" defined.	"Tax lien" has the meaning ascribed to it in NRS 361.7311.
323	361.599	"Tax year" defined.	"Tax year" means the 12-month period beginning on July 1 and ending on the next succeeding June 30.
324	361.596	Affidavit of authorization.	<p>1. An owner of a parcel of real property who wishes to authorize the county treasurer of the county in which the property is located to assign a tax lien on the property pursuant to NRS 361.7311, must file with the county treasurer an affidavit of authorization as provided in this section.</p> <p>2. If the property is owned by more than one person:</p> <p>(a) Each such person must join in the affidavit of authorization and the separate written agreement with the assignee required by subsection 2 of NRS 361.7311.</p> <p>(b) The affidavit of authorization must designate one of the owners or an authorized agent of the owners to:</p> <p>(1) Respond to any inquiry from the county treasurer relating to the assignment; and</p> <p>(2) Receive any notice given by the county treasurer pursuant to NAC 361.5964.</p> <p>3. The affidavit of authorization must be made on a form approved by the Commission, comply with the requirements of subsection 3 of NRS 247.110 and include:</p> <p>(a) The name, mailing address, electronic mail address and daytime telephone number of the owner or an authorized agent of the owner;</p> <p>(b) The name, mailing address, electronic mail address and daytime telephone number of the assignee;</p> <p>(c) The legal description of the property and, if the description is by metes and bounds, the name and address of the entity or natural person who prepared the description;</p> <p>(d) The street address, if applicable, and parcel number of the property;</p> <p>(e) The total amount of all delinquent taxes assessed and owed against the property for any preceding tax year;</p> <p>(f) If any installment of the taxes assessed against the property for the current tax year has not been paid, the total amount of the taxes assessed against the property for the current tax year, including, without limitation, the amount of any installment that has not yet become due;</p> <p>(g) All applicable penalties, interest, fees and costs;</p> <p>(h) If a certificate has been issued to the county treasurer with respect to the property pursuant to NRS 361.570, any other amount required to be paid pursuant to subsection 4 of that section and not otherwise described in subparagraph (i), (j) or (k) of this paragraph.</p> <p>(i) If the property is owned by more than one person, a statement that each such person has joined in the affidavit of authorization and the separate written agreement with the assignee required by subsection 2 of NRS 361.7311.</p> <p>(j) A statement authorizing the county treasurer:</p> <p>(1) To certify that payment has been tendered on behalf of the owner of:</p> <p>(i) All delinquent taxes assessed and owed against the property for any preceding tax year;</p> <p>(ii) If any installment of the taxes assessed against the property for the current tax year has not been paid, the total amount of the taxes assessed against the property for the current tax year, including, without limitation, the amount of any installment that has not yet become due;</p> <p>(iii) Any applicable penalties, interest, fees and costs; and</p> <p>(iv) If a certificate has been issued to the county treasurer with respect to the property pursuant to NRS 361.570, any other amount required to be paid pursuant to subsection 4 of that section and not otherwise described in sub-subparagraph (i), (ii) or (iii) of the subparagraph; and</p> <p>(k) To assign the tax lien on the property to the assignee; and</p> <p>(l) The signature of the owner, acknowledged before a notary public.</p> <p>4. The affidavit of authorization must be accompanied by a copy of the separate written agreement between the owner and the assignee required by subsection 2 of NRS 361.7311.</p>
325	361.596	Affidavit of authorization.	<p>(g) The amount of any applicable penalties, interest, fees and costs as of the date of the affidavit;</p> <p>(h) If a certificate has been issued to the county treasurer with respect to the property pursuant to NRS 361.570, any other amount required to be paid pursuant to subsection 4 of that section and not otherwise described in paragraph (i), (j) or (k) of this subsection.</p> <p>(i) Each preceding tax year for which delinquent taxes are owed and, if any installment of the taxes assessed against the property for the current tax year has not been paid, the current tax year;</p> <p>(j) A statement that either the owner or the property is the subject of a pending proceeding in bankruptcy;</p> <p>(k) A statement authorizing the assignee to pay:</p> <p>(1) All delinquent taxes assessed and owed against the property for any preceding tax year;</p> <p>(2) If any installment of the taxes assessed against the property for the current tax year has not been paid, the total amount of the taxes assessed against the property for the current tax year, including, without limitation, the amount of any installment that has not yet become due;</p> <p>(3) Any applicable penalties, interest, fees and costs imposed by any local taxing entity or its agent for each tax year specified in the affidavit; and</p> <p>(4) If a certificate has been issued to the county treasurer with respect to the property pursuant to NRS 361.570, any other amount required to be paid pursuant to subsection 4 of that section and not otherwise described in subparagraph (i), (j) or (k) of this paragraph.</p> <p>(l) If the property is owned by more than one person, a statement that each such person has joined in the affidavit of authorization and the separate written agreement with the assignee required by subsection 2 of NRS 361.7311.</p> <p>(m) A statement authorizing the county treasurer:</p> <p>(1) To certify that payment has been tendered on behalf of the owner of:</p> <p>(i) All delinquent taxes assessed and owed against the property for any preceding tax year;</p> <p>(ii) If any installment of the taxes assessed against the property for the current tax year has not been paid, the total amount of the taxes assessed against the property for the current tax year, including, without limitation, the amount of any installment that has not yet become due;</p> <p>(iii) Any applicable penalties, interest, fees and costs; and</p> <p>(iv) If a certificate has been issued to the county treasurer with respect to the property pursuant to NRS 361.570, any other amount required to be paid pursuant to subsection 4 of that section and not otherwise described in sub-subparagraph (i), (ii) or (iii) of the subparagraph; and</p> <p>(n) To assign the tax lien on the property to the assignee; and</p> <p>(o) The signature of the owner, acknowledged before a notary public.</p> <p>4. The affidavit of authorization must be accompanied by a copy of the separate written agreement between the owner and the assignee required by subsection 2 of NRS 361.7311.</p>
326	361.5962	Duties of county treasurer upon receipt of affidavit of authorization, affidavit of compliance, affidavit of exemption.	<p>1. Upon receipt of an affidavit of authorization pursuant to NAC 361.596, the county treasurer shall confirm:</p> <p>(a) The last known owner or owners of record of the parcel of real property for which the affidavit is made, by inspecting:</p> <p>(1) The records of the county assessor of the county in which the property is located; or</p> <p>(2) Any other recorded document provided by the owner and acceptable to the county assessor;</p> <p>(b) The parcel number of the property and whether the property is on the assessed or unassessed roll, by inspecting the records of the county assessor;</p> <p>(c) Whether any taxes assessed against the property or any applicable penalties, interest, fees or costs are owed for a tax year not specified in the affidavit of authorization;</p> <p>(d) That the assignee has complied with the bonding requirements of NRS 361.7314 or is exempt from those requirements; and</p> <p>(e) That the assignee has tendered the full amount of:</p> <p>(1) All delinquent taxes assessed and owed against the property for any preceding tax year;</p> <p>(2) If any installment of the taxes assessed against the property for the current tax year has not been paid, the total amount of the taxes assessed against the property for the current tax year, including, without limitation, the amount of any installment that has not yet become due;</p> <p>(3) Any applicable penalties, interest, fees and costs; and</p> <p>(4) If a certificate has been issued to the county treasurer with respect to the property pursuant to NRS 361.570, any other amount required to be paid pursuant to subsection 4 of that section and not otherwise described in subparagraph (i), (j) or (k) of this paragraph.</p> <p>2. For any assignee who is not exempt from the bonding requirements of NRS 361.7314, the county treasurer may consider any reliable evidence that the assignee has complied with those requirements, including, without limitation:</p> <p>(a) A copy of the bond posted by the assignee, certified by the surety or custodian of the bond to be a true and correct copy of the bond currently in force; or</p> <p>(b) An affidavit of exemption or an affidavit of compliance filed with the county treasurer and attesting to compliance by the assignee with NRS 361.7314.</p> <p>3. An affidavit of compliance filed pursuant to subsection 2 must be made on a form approved by the Commission, comply with the requirements of subsection 3 of NRS 247.110 and include:</p> <p>(a) The name, mailing address and electronic mail address of the assignee;</p> <p>(b) If the affidavit is made by an authorized representative of the assignee, the name and job title of the affiant;</p> <p>(c) A statement that the affiant is of sound mind, competent to make the affidavit, and that the statements in the affidavit are based on the affiant's personal knowledge of the records of the assignee;</p> <p>(d) A statement that the assignee has posted and maintains a bond meeting the requirements of NRS 361.7314;</p> <p>(e) A statement that the affiant is the owner of the bond and the annual statement most recently filed with the Secretary of State pursuant to NRS 361.7314 are attached to the affidavit; and</p> <p>(f) The signature of the affiant, acknowledged before a notary public.</p> <p>CONT--</p>
327	361.596	Affidavit of compliance filed pursuant to subsection 2 must be accompanied by copies of the bond posted by the assignee and the annual statement most recently filed with the Secretary of State pursuant to NRS 361.7314.	<p>4. An affidavit of compliance filed pursuant to subsection 2 must be accompanied by copies of the bond posted by the assignee and the annual statement most recently filed with the Secretary of State pursuant to NRS 361.7314.</p> <p>5. An assignee who claims to be exempt from the requirements of NRS 361.7314 because of a familial relationship with the owner must make and file with the county treasurer an affidavit of exemption. The affidavit of exemption must be made on a form approved by the Commission, comply with the requirements of subsection 3 of NRS 247.110 and include:</p> <p>(a) The name, mailing address, electronic mail address and daytime telephone number of the assignee;</p> <p>(b) A statement that the assignee is exempt from the requirements of NRS 361.7314 because of the assignee's familial relationship with the owner;</p> <p>(c) A statement of the nature of the relationship, showing that the assignee is related to the owner within the third degree of consanguinity;</p> <p>(d) A statement that the assignee is of sound mind, competent to make the affidavit and that the statements in the affidavit are based on personal knowledge; and</p> <p>(e) The signature of the assignee, acknowledged before a notary public.</p>
328	361.5964	Denial of certificate of assignment.	<p>1. The county treasurer shall not issue a certificate of assignment of a tax lien if the county treasurer:</p> <p>(a) Believes that any information included in the affidavit of authorization filed pursuant to NAC 361.596 is inaccurate or incomplete;</p> <p>(b) Determines that the property is on the assessed or unassessed roll;</p> <p>(c) Except as otherwise ordered by the federal bankruptcy court in which the proceeding is pending, determines that an owner of the property or the property itself is the subject of a pending proceeding in bankruptcy;</p> <p>(d) Determines that any taxes assessed against the property or any applicable penalties, interest, fees or costs are owed for a tax year not specified in the affidavit of authorization;</p> <p>(e) Determines that the assignee has failed to tender any part of the amount required to be tendered pursuant to NRS 361.7314 and NAC 361.5962; or</p> <p>(f) Determines that an owner of the property or the assignee has not complied with any requirement of:</p> <p>(1) NRS 361.7303 to 361.7313, inclusive; or</p> <p>(2) NAC 361.595 to 361.597, inclusive.</p> <p>2. If, pursuant to subsection 1, the county treasurer is unable to issue a certificate of assignment, he or she shall give written notice of that fact to the assignee and:</p> <p>(a) The owner of the property; or</p> <p>(b) If the provisions of subsection 2 of NAC 361.596 are applicable, the owner or authorized agent designated pursuant to that subsection.</p> <p>3. The notice given pursuant to subsection 2 must:</p> <p>(a) State the reason for the inability of the county treasurer to issue the certificate;</p> <p>(b) Describe any additional document or information or state the amount of any additional payment required to approve the assignment and state the date by which, pursuant to subsection 4, the document, information or payment must be received by the county treasurer; and</p> <p>(c) Be sent by facsimile mail to the owner and assignee at the mailing addresses set forth in the affidavit of authorization.</p> <p>4. If notice is given by the county treasurer as provided in subsections 2 and 3 and the county treasurer does not, within 30 days after the date of the notice, receive from the owner or assignee:</p> <p>(a) The additional document, information or payment required to approve the assignment; or</p> <p>(b) Any other evidence sufficient to show that the assignee complies with the requirements of NRS 361.7303 to 361.7313, inclusive, and NAC 361.595 to 361.597, inclusive, --as applicable, the assignment shall be deemed to be denied. The county treasurer shall give written notice of the denial in the manner provided for a notice pursuant to subsection 2 and return to the assignee the documents received from the assignee and the payment tendered by the assignee.</p>
329	361.5966	Issuance of certificate of assignment.	<p>1. If the assignment complies with the requirements of NRS 361.7303 to 361.7313, inclusive, and NAC 361.595 to 361.597, inclusive, the county treasurer shall promptly issue a certificate of assignment of the tax lien to the assignee.</p> <p>2. The certificate of assignment must be on a form approved by the Commission and must include, in addition to the information required by NRS 361.7314:</p> <p>(a) The name, mailing address and electronic mail address of the assignee;</p> <p>(b) The parcel number of the property;</p> <p>(c) The street address of the property, if applicable;</p> <p>(d) The full amount of:</p> <p>(1) All delinquent taxes assessed and owed against the property for any preceding tax year;</p> <p>(2) If any installment of the taxes assessed against the property for the current tax year has not been paid, the total amount of the taxes assessed against the property for the current tax year, including, without limitation, the amount of any installment that has not yet become due;</p> <p>(3) Any applicable penalties, interest, fees and costs; and</p> <p>(4) If a certificate has been issued to the county treasurer with respect to the property pursuant to NRS 361.570, any other amount required to be paid pursuant to subsection 4 of that section and not otherwise described in subparagraph (i), (j) or (k) of this paragraph.</p> <p>(f) A statement certifying that the assignee has paid the amount described in paragraph (d);</p> <p>(g) A statement that the county treasurer has duly received:</p> <p>(1) An affidavit of authorization made by the owner of the property;</p> <p>(2) A copy of the separate written agreement between the owner and the assignee; and</p> <p>(3) A copy of the bond posted by the assignee, affidavit of compliance or affidavit of exemption, as applicable, --and a true and correct copy of each document or record is attached as an exhibit to the certificate; and</p> <p>(h) A statement that, in consideration of the receipt of the payment in full of the amount described in paragraph (d), the tax lien is assigned and transferred to the assignee.</p> <p>3. A true and correct copy of each of the documents described in paragraph (f) of subsection 2 and received by the county treasurer must be attached as an exhibit to the certificate.</p>
330	361.5968	Effect of certificate of assignment.	<p>A certificate of assignment of a tax lien does not:</p> <p>1. Entitle the assignee to the assignment of a tax lien for any tax year not enumerated in the affidavit of authorization;</p> <p>2. Change the date upon which any unpaid taxes become delinquent; or</p> <p>3. If taxes assessed against the property or any applicable penalties, interest, fees and costs are not paid:</p> <p>(a) Affect the date of the county treasurer's:</p> <p>(1) Mail notice of the delinquency pursuant to NRS 361.564B, or</p> <p>(2) Issue a certificate to the county treasurer as trustee pursuant to NRS 361.570; or</p> <p>(b) Change the period of redemption provided by NRS 361.570.</p>
331	361.597	Release of tax lien after assignment.	<p>A release of a tax lien issued by an assignee to the owner of the property must be made on a form approved by the Commission, comply with the requirements of subsection 3 of NRS 247.110 and include, in addition to the information required by NRS 361.7326:</p> <p>1. The name and mailing address of the assignee;</p> <p>2. The name and mailing address of the owner;</p> <p>3. The date of issuance of the release;</p> <p>4. The street address of the property, if applicable;</p> <p>5. The name and address of the entity or natural person who prepared the legal description of the property, if the description is by metes and bounds;</p> <p>6. A statement that all right, title and interest of the assignee in the tax lien are released; and</p> <p>7. The signature of the assignee or a representative of the assignee, acknowledged before a notary public.</p>
332	PARTIAL ABATEMENT OF TAXES - General Abatement, Primary Residential Abatement and Residential Rental Abatement		
333	361.601	Definitions.	As used in NAC 361.601 to 361.609, inclusive, unless the context otherwise requires, the words and terms defined in NAC 361.605 to 361.608, inclusive, have the meanings ascribed to them in those sections.
334	361.605	"Abatement percentage" defined.	"Abatement percentage" has the meaning ascribed to it in NRS 361.4711.
335	361.602	"County tax receiver" defined.	"County tax receiver" means the county official who collects property taxes.
336	361.602S	"General abatement" defined.	"General abatement" means a partial abatement of property taxes pursuant to NRS 361.4722.
337	361.603	"Primary residence of the owner" defined.	"Primary residence of the owner" has the meaning ascribed to it in NRS 361.4723.



# CHAPTER 361 - PROPERTY TAX

328	361.0035	Primary residential abatement defined.	Primary residential abatement means a partial abatement of property taxes pursuant to NRS 361.4723.
329	361.004	Residential rental abatement defined.	Residential rental abatement means a partial abatement of property taxes pursuant to NRS 361.4724.
340	361.0045	Single-family residence defined.	Single-family residence has the meaning ascribed to it in NRS 361.4723.
341	361.005	General responsibilities of Department.	<ol style="list-style-type: none"> <li>The Department shall: <ol style="list-style-type: none"> <li>Determine the appropriate abatement percentage for the application of a general abatement in each county each year and provide that information to the appropriate county tax receiver.</li> <li>Determine whether any property of an intestate or intestate nature is: <ol style="list-style-type: none"> <li>Eligible for a general abatement; or</li> <li>Ineligible for a general abatement.</li> </ol> </li> <li>Calculate and apply the appropriate amount of any general abatement to which the property is determined to be eligible.</li> <li>Determine whether any property valued pursuant to paragraph (b) of subsection 1 of NRS 362.100 is: <ol style="list-style-type: none"> <li>Eligible for a general abatement; or</li> <li>Ineligible for a general abatement.</li> </ol> </li> </ol> </li> <li>If the Department determines that: <ol style="list-style-type: none"> <li>Any property of an intestate or intestate nature has been erroneously designated as eligible for a general abatement, the Department may appropriately revise that designation and transmit an appropriately revised tax bill to the taxpayer.</li> <li>Any property valued pursuant to paragraph (b) of subsection 1 of NRS 362.100 has been erroneously designated as eligible for a general abatement, the Department may appropriately revise that designation and the county tax receiver may transmit an appropriately revised tax bill to the taxpayer.</li> </ol> </li> <li>If a change in the designation of any property pursuant to this subsection results in an increase in the liability of the taxpayer for property taxes, the Department shall inform the taxpayer of the change in the designation of the property and the reasons for that change.</li> </ol>
342	361.0055	General responsibilities of county assessors and county tax receivers.	<ol style="list-style-type: none"> <li>A county assessor shall: <ol style="list-style-type: none"> <li>Receive claims for primary residential abatements and residential rental abatements and identify each parcel or other taxable unit of property for which such a claim is received; and</li> <li>Before delivering the tax roll to the county tax receiver each year, determine whether each parcel or other taxable unit of property designated on the tax roll is: <ol style="list-style-type: none"> <li>Eligible for a primary residential abatement;</li> <li>Eligible for a residential rental abatement;</li> <li>Eligible for a general abatement; or</li> <li>Ineligible for any of these partial abatements of property taxes.</li> </ol> </li> <li>A county assessor: <ol style="list-style-type: none"> <li>Except as otherwise provided in NRS 361.771, may correct the tax roll not later than June 30 of each year to indicate that a parcel or other taxable unit of property is eligible for a primary residential abatement, a residential rental abatement or a general abatement for that year;</li> <li>Shall notify the county tax receiver of each claim for a primary residential abatement or residential rental abatement for the current year which the county assessor receives after the tax roll has been delivered to the county tax receiver. The county tax receiver shall process such a claim for a primary residential abatement in accordance with NRS 361.773.</li> </ol> </li> <li>A county tax receiver shall calculate and apply the appropriate amount of any: <ol style="list-style-type: none"> <li>Primary residential abatement or residential rental abatement to which a parcel or other taxable unit of property is determined to be eligible; and</li> <li>General abatement, in accordance with the applicable abatement percentage provided by the Department pursuant to NAC 361.005, to which a parcel or other taxable unit of property is determined to be eligible.</li> </ol> </li> <li>If a county assessor or county tax receiver determines that a parcel or other taxable unit of property has been erroneously designated as eligible for a primary residential abatement, a residential rental abatement or a general abatement, the county assessor may appropriately revise that designation and the county tax receiver may transmit an appropriately revised tax bill to the taxpayer. If a change in the designation of any property pursuant to this subsection results in an increase in the liability of the taxpayer for property taxes, the county assessor shall inform the taxpayer of the change in the designation of the property and the reasons for that change.</li> </ol> </li></ol>
343	361.006	Claim for primary residential abatement. Form and contents; execution; action by county assessor; change in ownership or occupation of property.	<ol style="list-style-type: none"> <li>A claim for a primary residential abatement must be: <ol style="list-style-type: none"> <li>Submitted on a form provided by the county assessor of the county in which the property is located; and</li> <li>Signed by: <ol style="list-style-type: none"> <li>Any owner of record of the property;</li> <li>Any person of full legal age who is authorized by an executed power of attorney to sign the claim on behalf of an owner of record of the property;</li> <li>The legal guardian or conservator of an owner of record of the property; or</li> <li>The executor or administrator of the estate of an owner of record of the property.</li> </ol> </li> </ol> </li> <li>The form for claiming a primary residential abatement may require the claimant to state that: <ol style="list-style-type: none"> <li>The claimant is the owner of the property;</li> <li>The property is a single-family residence;</li> <li>The property is the primary residence of the owner of the property, exclusive of any other residence in Nevada;</li> <li>The property is not available for exclusive occupancy by any person other than the owner of the property and members of the family of the owner of the property;</li> <li>The claimant agrees to notify the county assessor if the property is no longer used as: <ol style="list-style-type: none"> <li>A single-family residence; or</li> <li>The primary residence of the owner of the property, exclusive of any other residence in Nevada; and</li> <li>The claim is affirmed and certified by the owner of the property under any penalties provided by law.</li> </ol> </li> </ol> </li> <li>The county assessor shall: <ol style="list-style-type: none"> <li>If the county assessor determines it to be necessary, verify whether the property is eligible for a primary residential abatement.</li> <li>If the county assessor determines that the property is not eligible for a primary residential abatement, determine whether the property is eligible for a general abatement.</li> </ol> </li> <li>A claim for a primary residential abatement may be amended to reflect changes in the ownership or occupation of the property. If a change occurs after July 1, the change must not be indicated on either the secured or unsecured tax roll, as applicable, until the next fiscal year.</li> </ol>
344	361.0065	Eligibility of certain property for primary residential abatement; treatment of certain property used for multiple purposes.	<ol style="list-style-type: none"> <li>For the purpose of determining the eligibility of property for a primary residential abatement: <ol style="list-style-type: none"> <li>A single-family residence which is the primary residence of the owner shall be deemed to include any buildings or other structures that are appurtenant to that residence, including, without limitation, a detached garage, if the building or other structure: <ol style="list-style-type: none"> <li>Is of a type which is typically associated with a single-family residence;</li> <li>Is the site of the employment and business of the occupants of the residence;</li> <li>Is not used in furtherance of any business, except for the operation of a home business as provided in paragraph (a) of subsection 5 of NRS 361.4723; and</li> <li>Is not rented, leased or otherwise made available for exclusive occupancy by any person other than the owner of the residence and members of the family of the owner of the residence.</li> </ol> </li> <li>If a single-family residence which is the primary residence of the owner, including all appurtenant buildings and other structures described in paragraph (a), is located on: <ol style="list-style-type: none"> <li>More than one parcel of property; or</li> <li>One or more parcels of property otherwise used for agricultural purposes,</li> </ol> </li> </ol> </li> <li>That residence may be treated as a separate taxable unit.</li> <li>If a taxable unit of real property contains both: <ol style="list-style-type: none"> <li>A single-family residence which is the primary residence of the owner; and</li> <li>Other property used for agricultural, commercial or other purposes;</li> </ol> </li> <li>The county assessor may determine the separate portions of that taxable unit which are respectively described in paragraphs (a) and (b), and apply to each such portion any appropriate partial abatement from property taxes.</li> </ol>
345	361.007	Residential rental abatement. Dates of Department, county assessor and owner of property; filing of claim and affidavit; eligibility of property.	<ol style="list-style-type: none"> <li>A county assessor shall annually mail to the owner of each residential rental dwelling in the county a written notice of the right to claim a residential rental abatement.</li> <li>A claim for a residential rental abatement must be: <ol style="list-style-type: none"> <li>Filed annually with the county assessor of the county in which the property is located not later than June 15 of each year; and</li> <li>Accompanied by an affidavit which states: <ol style="list-style-type: none"> <li>That the amount of rent collected from each of the tenants of the property is equal to or less than the applicable fair market rent published by the United States Department of Housing and Urban Development. For the purpose of determining the applicable fair market rent, a studio apartment must be considered to be a single room;</li> <li>The greatest amount of rent charged a tenant of the property for the period from April 1 of the year immediately preceding the lien date for the current year until March 31 of the current year;</li> <li>The Department shall annually notify each county assessor of:</li> <li>The amount of the applicable fair market rents for the current year, as published for March 31 of that year by the Department of Housing and Urban Development, excluding the amounts of utility allowances;</li> <li>The amount of applicable utility allowances, based upon the information reported by the appropriate Nevada regional housing authority to the Department of Housing and Urban Development;</li> <li>For the purpose of determining the eligibility of property for a residential rental abatement, the county assessor shall compare: <ol style="list-style-type: none"> <li>The greatest amount of rent charged a tenant of the property for the period from April 1 of the year immediately preceding the lien date for the current year until March 31 of the current year, excluding any amount paid for utilities; and</li> <li>The amount of the applicable fair market rent for the current year, as provided by the Department pursuant to subsection 1, including the amount of the applicable utility allowance. For the purposes of this section, the county assessor shall use as the applicable utility allowance: <ol style="list-style-type: none"> <li>The typical utility allowance for the pertinent category of property, as provided by the Department pursuant to subsection 2; or</li> <li>A utility allowance calculated by the county assessor for the specific property from the information reported by the appropriate Nevada regional housing authority to the Department of Housing and Urban Development.</li> </ol> </li> </ol> </li> </ol> </li> </ol> <p>CONT.</p> </li></ol>
346			<ol style="list-style-type: none"> <li>A residential rental dwelling is not eligible for a residential rental abatement if the rent received for any residential unit of the property for the period from April 1 of the year immediately preceding the lien date for the current year until March 31 of the current year, excluding any amount paid for utilities, exceeds the amount of the applicable fair market rent for the current year, excluding the amount of the applicable utility allowance.</li> <li>The owner of any property for which a claim for a residential rental abatement is filed: <ol style="list-style-type: none"> <li>Has the burden of proving that the property is not transient lodging; and</li> <li>Must: <ol style="list-style-type: none"> <li>Provide to the county assessor such information as the county assessor requires to determine the eligibility of the property for a residential rental abatement and to ascertain the continuing eligibility of the property for a residential rental abatement; and</li> <li>Maintain accurate records in support of that information and allow the county assessor to audit those records at any time.</li> </ol> </li> </ol> </li> <li>For the purposes of this section and NRS 361.4724, the Commission interprets the term: <ol style="list-style-type: none"> <li>"Residential rental dwelling" to mean: <ol style="list-style-type: none"> <li>For which consideration is paid for its temporary use and occupancy; or</li> <li>Which is occupied by a member of the family of the owner of the dwelling for no consideration.</li> </ol> </li> <li>"Transient lodging" to: <ol style="list-style-type: none"> <li>Mean, except as otherwise provided in subparagraph (2), any facility or structure, or any portion thereof, which is occupied or intended or designed for occupancy and which is held out for use by transient guests who pay for the temporary privilege of lodging, lodging or staying therein. For the purposes of this subparagraph, "facility or structure" includes any hotel, resort, hotel, motel, bed and breakfast, lodging house, time-share property, vacation home, apartment house, recreational vehicle park or campground, and any similar facility or structure;</li> <li>Exclude any: <ol style="list-style-type: none"> <li>Hospital, sanitarium, medical clinic, convalescent home, nursing home, home for aged persons, foster home or similar facility operated for the care or treatment of human beings;</li> <li>Asylum, jail, prison, orphanage or other facility in which human beings are detained and housed under legal restraint; or</li> <li>Housing owned or controlled by an educational institution and used exclusively by home students, faculty or other employees of the institution.</li> </ol> </li> </ol> </li> </ol> </li></ol>
347	361.0075	General abatement. Taxable unit of centrally assessed property; ineligibility of property of intestate or intestate company.	<ol style="list-style-type: none"> <li>For the purposes of NRS 361.4722, the value of any centrally assessed property which is allocated and apportioned to a taxing district shall be deemed to constitute a taxable unit of real or personal property in that taxing district.</li> <li>Property of an intestate or intestate company valued pursuant to NRS 361.320 which is not eligible for a general abatement for the current year includes, without limitation: <ol style="list-style-type: none"> <li>The portion of the unit valuation of such property for which there was an allocation or apportionment within Nevada for the immediately preceding year;</li> <li>New property placed on the associated tax roll and classified as construction work in progress; and</li> <li>The portion of the unit valuation of such property for which there is an increase in the cost indicator of value from the immediately preceding year, unless it has already been reported to the Department as construction work in progress and the taxpayer certifies that the pertinent capital expenditures will be reported as part of construction work in progress before being transferred to the accounting records of the company for plant or service.</li> </ol> </li> <li>For the purposes of this section, "construction work in progress" has the meaning ascribed to it in NAC 361.228.</li> </ol>
348	361.008	Calculation of amount of abatement. Applicable amount of tax for immediately preceding year and current year.	For the purpose of calculating the amount of any general abatement, primary residential abatement or residential rental abatement for the current year, the amount of the tax levy that would have resulted for the immediately preceding year without the application of any other tax abatements or exemptions must be compared to the tax levy that would result for the current year without the application of any other tax abatements or exemptions.
349	361.0085	Calculation of amount of abatement. Property which escaped taxation, effect of adjustment to valuation of property to correct certain errors.	<p>For the purposes of NRS 361.4722, 361.4723 and 361.4724:</p> <ol style="list-style-type: none"> <li>If any property is found pursuant to NRS 361.325, 361.707 or 361.709 to have partially or entirely escaped taxation for a fiscal year: <ol style="list-style-type: none"> <li>The property shall be deemed to be property for which no assessed valuation was separately established for the fiscal year immediately preceding that fiscal year; and</li> <li>The general abatement, primary residential abatement or residential rental abatement for which the property is eligible for each fiscal year following the fiscal year for which the property escaped taxation must be calculated as if the property had been on the tax roll for the fiscal year for which the property escaped taxation.</li> </ol> </li> <li>If the valuation of any property is determined pursuant to NRS 361.765 or 361.768 to correct a clerical, typographical, mathematical or factual error, any general abatement, primary residential abatement or residential rental abatement for which the property is eligible for each fiscal year following the fiscal year for which that correction of the valuation of the property is made must be calculated and, if necessary, adjusted in conformity with the current valuation of the property.</li> </ol>
350	361.009	Summary reports of property taxes billed on behalf of each taxing entity.	<p>A county tax receiver shall, not later than:</p> <ol style="list-style-type: none"> <li>September 1 of each year, submit to the Department and each taxing entity a summary report of the total amount of property taxes billed on behalf of each taxing entity for the current tax year for property on the secured tax roll. The report must separately list for each taxing entity: <ol style="list-style-type: none"> <li>The total number of parcels or other taxable units of property for which the property taxes were billed;</li> <li>The total assessed value of the property for which the property taxes were billed;</li> <li>The total amount of the property taxes that would have been billed if not for the application of any general abatement, primary residential abatement or residential rental abatement;</li> <li>The total amount of any reduction in billable property taxes as a result of the application of any general abatement, primary residential abatement or residential rental abatement;</li> <li>The total amount of any reduction in billable property taxes as a result of the application of any exemptions from taxation other than a general abatement, a primary residential abatement or a residential rental abatement;</li> <li>The total amount of any taxes billed pursuant to NRS 361.4725;</li> <li>The total amount of any taxes exempted from each partial abatement from taxation provided pursuant to NRS 361.4722, 361.4723 and 361.4724; and</li> <li>The total amount of property taxes actually billed.</li> </ol> </li> <li>June 1 of each year, submit to the Department and each taxing entity a summary report of the total amount of property taxes billed on behalf of each taxing entity for the current tax year for property on the unsecured tax roll. The report must separately list for each taxing entity: <ol style="list-style-type: none"> <li>The total assessed value of the property for which the property taxes were billed;</li> <li>The total amount of the property taxes that would have been billed if not for the application of any general abatement, primary residential abatement or residential rental abatement;</li> <li>The total amount of any reduction in billable property taxes as a result of the application of any general abatement, primary residential abatement or residential rental abatement;</li> <li>The total amount of any reduction in billable property taxes as a result of the application of any exemptions from taxation other than a general abatement, a primary residential abatement or a residential rental abatement;</li> <li>The total amount of any taxes billed pursuant to NRS 361.4725;</li> <li>The total amount of property taxes actually billed.</li> </ol> </li> </ol>
351		Abatement for Remainder Parcels	
352	361.01002	Definitions.	As used in NAC 361.01002 to 361.01018, inclusive, unless the context otherwise requires, the words and terms defined in NAC 361.01004 to 361.01011, inclusive, have the meanings ascribed to them in those sections.
353	361.01004	"Abatement percentage" defined.	"Abatement percentage" means the percentage determined pursuant to paragraph (b) of subsection 2 of NRS 361.4722.
354	361.01006	"Agricultural use" defined.	"Agricultural use" has the meaning ascribed to it in NRS 361A.030.
355	361.01008	"Commercial or industrial use" defined.	"Commercial or industrial use" means: <ol style="list-style-type: none"> <li>Any use conducted primarily for profit, except for any agricultural use, open-space use, residential use, institutional use, recreational use or use as vacant land; or</li> <li>Any other use that does not constitute any agricultural use, open-space use, residential use, institutional use, recreational use or use as vacant land.</li> </ol>
356	361.01010	"Current year" defined.	"Current year" means the fiscal year for which a determination of the application of the partial abatement of taxes for any new parcel is being made.
357	361.01012	"Institutional use" defined.	"Institutional use" means any civic, charitable or religious use, including, without limitation, use as a church, cemetery or hospital.
358	361.01014	"New parcel" defined.	"New parcel" means a parcel for which a new or different assessor parcel number has been assigned from the prior year.
359	361.01016	"New parcel for development" defined.	"New parcel for development" means each new parcel which results from the division of any previously existing parcel or parcels, the combination of any previously existing parcels, or any change in the configuration of any parcels or of lot size or lot boundaries, by means of a parcel map, subdivision map, certificate of land division, long-term lease, action of any governmental entity or any other means.
360	361.01018	"Open-space use" defined.	"Open-space use" has the meaning ascribed to it in NRS 361A.050.
361	361.0102	"Partial abatement" defined.	"Partial abatement" means the partial abatement of taxes provided pursuant to subsection 2 of NRS 361.4722.
362	361.01022	"Prior year" defined.	"Prior year" means the fiscal year immediately preceding the current year.
363	361.01024	"Recreational use" defined.	"Recreational use" means any active or passive recreational use, including, without limitation, use as a park, community garden, playground or athletic field.

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361	361.61026	"Remainder parcel" defined.	"Remainder parcel" means each new parcel which is eligible for the partial abatement in the current year.	
365	361.61028	"Residential use" defined.	"Residential use" means use as a dwelling or for personal, family or household purposes, whether rented to particular persons or not, including, without limitation, use as a single-family detached housing unit, townhouse, condominium unit, mobile home or multifamily unit. The term includes the use of lots in a residential subdivision for which a final map has been recorded and on which residential improvements will be constructed, but does not include the use of parcels which are not yet divided into individual residential lots by the filing of a final map.	
366	361.6103	"Vacant land" defined.	"Vacant land" means land which does not have improvements sufficient to determine a residential use, commercial or industrial use, institutional use or recreational use.	
367	361.61032	Scope and purpose.	The provisions of NAC 361.61030, inclusive, set forth the methodology that must be followed to carry out the provisions of subsection 2 of NRS 361.4722 in evaluating each new parcel for the purposes of applying the partial abatement of taxes provided by that subsection.	
368	361.61034	New parcels for development.	1. Each new parcel for development must be separately evaluated to determine whether there has been any change in the use of the property that comprises the parcel. 2. A determination that there is a change in the use of the property must be based on a finding that: (a) The property was being used as vacant land as of the commencement of the current year; and (b) The property is held for residential use as of the commencement of the current year. (1) As the result of the recording of a subdivision map creating individual lots for residential development, the creation of new parcels within such a subdivision, the property is held for commercial or industrial use as of the commencement of the current year; or (2) As the result of the recording of a subdivision map creating a new commercial or industrial subdivision or the creation of new parcels within such a subdivision, the property is held for commercial or industrial use as of the commencement of the current year; or (3) As the result of new construction on the parcel sufficient to allow for an identification of the use of the property, the property is agricultural use, open-space use, recreational use, institutional use or recreational use as of the commencement of the current year; or (4) The use of the property as of the commencement of the current year for agricultural use, open-space use, residential use, commercial or industrial use, institutional use or recreational use is different from the use of the property as of the commencement of the prior year. 3. For the purpose of determining whether there has been a change in the use of the property that comprises a new parcel for development that was created from an existing parcel that had more than one use in the prior year, the use of the portion of the existing parcel from which the new parcel for development was created must be determined to be the use of the property that comprises that new parcel for development in the current year. 4. If the use of the property: (a) Has not changed, the parcel is a remainder parcel. (b) Has changed, the parcel is a new parcel for development which is not eligible for the partial abatement of taxes provided by subsection 2 of NRS 361.4722. 5. The provisions of this section apply to the determination of whether a new parcel or other taxable unit of property is a remainder parcel for the tax year beginning on July 1, 2015, and each subsequent tax year. 6. As used in this section, "use of the property" means the principal use of the property for one of the following purposes: (a) Agricultural use; (b) Open-space use; (c) Residential use; (d) Commercial or industrial use; (e) Institutional use; (f) Recreational use; or (g) Use as vacant land.	
369	361.61036	Calculation of amount of abatement and maximum amount of property taxes.	1. The partial abatement for a remainder parcel must be calculated as follows: (a) Determine the amount of net property taxes attributable to the land area of and any improvements to the remainder parcel for the prior year as provided in NAC 361.61038. (b) Multiply the net property taxes determined in accordance with subsection 1 by the abatement percentage applicable to the remainder parcel for the current year. (c) Add the amounts determined pursuant to paragraphs (a) and (b). If the sum is: (1) Less than the amount of taxes that would have been assessed on the remainder parcel for the current year without the abatement, the difference constitutes the amount of the partial abatement for the remainder parcel for the current year. (2) Greater than or equal to the amount of taxes that would have been assessed on the remainder parcel for the current year without the abatement, then there is no partial abatement for the remainder parcel for the current year. 2. The maximum amount of property taxes which may be levied on a remainder parcel for the current year must be calculated as follows: (a) Determine the amount of property taxes to be added to the tax roll for the current year attributable to: (1) An incremental change in land value resulting from a change in the actual or authorized use of the remainder parcel; or (2) A new improvement to the remainder parcel. --- that would not have been included in the calculation of the assessed value of the remainder parcel for the prior year had a separate valuation for the remainder parcel been established in the prior year. (b) Add the amounts determined pursuant to paragraph (a) and paragraphs (a) and (b) of subsection 1 to determine that maximum amount.	
370	361.61038	Determination of amount of net property taxes attributable to remainder parcel for prior year.	1. Except as otherwise provided in subsection 2, the amount of net property taxes attributable to the land area of and any improvements to a remainder parcel for the prior year must be determined as follows: (a) Identify each of the parcels which constituted the land area of the remainder parcel for the prior year. (b) Determine the taxable value of each of the parcels identified in paragraph (a) for the prior year. (c) Calculate the effective tax rate for each of the parcels identified in paragraph (a) for the prior year on each of the parcels identified in paragraph (a) for the prior year. (d) Calculate the effective tax rate for the remainder parcel for the prior year by dividing the total amount of taxes determined pursuant to paragraph (c) by the total of the taxable values identified pursuant to paragraph (b). (e) Determine the taxable value that the remainder parcel would have had if its taxable value for the remainder parcel had been separately established for the prior year based upon the assumptions, costs, values, calculations and other factors and considerations that would have been used for the valuation of that property for that prior fiscal year. (f) The amount of net property taxes attributable to the remainder parcel for the prior year is the amount obtained by multiplying the effective tax rate for the remainder parcel calculated pursuant to paragraph (d) by the taxable value of the remainder parcel determined pursuant to paragraph (e). 2. The owner of a remainder parcel may appeal to the Nevada Tax Commission pursuant to NRS 361.4734 and any regulations adopted to carry out that section to show that the method prescribed in subsection 1 produces an inequitable result. Pursuant to such an appeal, the Nevada Tax Commission may use an alternative method that provides an equitable result. 3. As used in this section, "total amount of taxes levied" means the lower of the total amount of property taxes assessed to a parcel or the total amount of property taxes assessed as the result of a final decision on an appeal. Less the amount of any partial abatement of property taxes applied to that parcel pursuant to NRS 361.4722, 361.4723 or 361.4724.	
371		Improvement to or Change in Actual or Authorized Use of Property		
372	361.6104	Definitions.	As used in NAC 361.6104 to 361.6109, inclusive, unless the context otherwise requires, the words and terms defined in NAC 361.61005 to 361.61046, inclusive, have the meanings ascribed to them in those sections.	
373	361.610405	"Agricultural use" defined.	"Agricultural use" has the meaning ascribed to it in NRS 361A.030.	
374	361.61041	"Commercial use" defined.	"Commercial use" means the current employment of property for any use other than agricultural use, industrial use, institutional use, mining use, multifamily residential use, open-space use, recreational use, single-family residential use or use as vacant land.	
375	361.610415	"Industrial use" defined.	"Industrial use" means the current employment of property for the purpose of: 1. Manufacturing, assembly, processing, fabricating, machining or woodworking; 2. Extracting sand and gravel, unless the net proceeds thereof are subject to taxation pursuant to chapter 362 of NRS.	
376	361.61042	"Institutional use" defined.	"Institutional use" has the meaning ascribed to it in NAC 361.61012.	
377	361.610425	"Mining use" defined.	"Mining use" means the current employment of property for the development or extraction of any mineral or on beneath the surface of land, including metal ores, oil, gas and other hydrocarbons, and geothermal resources.	
378	361.61043	"Multifamily residential use" defined.	"Multifamily residential use" means the current employment of property for any residential purpose other than single-family residential use.	
379	361.610435	"On-site improvement" defined.	"On-site improvement" means a physical change to the land area of any property which makes the site ready for its intended use or development, such as grading or landscaping or the addition of fencing, curbing, paving or walkways. The term does not include: 1. Any site improvement which is not limited to, sewer or drainage lines, utility hookups, sidewalks or roads which are not located on the property; or 2. Any change in the intensity of use of the property.	
380	361.61044	"Open-space use" defined.	"Open-space use" has the meaning ascribed to it in NRS 361A.050.	
381	361.610445	"Partial abatement" defined.	"Partial abatement" means a partial abatement of taxes provided pursuant to NRS 361.4722, 361.4723 or 361.4724.	
382	361.61045	"Recreational use" defined.	"Recreational use" has the meaning ascribed to it in NAC 361.61024.	
383	361.610455	"Single-family residential use" defined.	"Single-family residential use" means the current employment of property as a single-family residence, as that term is defined in NRS 361.4723.	
384	361.61046	"Vacant land" defined.	"Vacant land" means any land other than land on which there is an improvement sufficient to allow the identification of or establish actual use.	
385	361.610465	Scope and purpose; exception.	The provisions of NAC 361.6104 to 361.6109, inclusive: 1. Do not apply to any property of a state or to the methodology required to carry out the provisions of NRS 361.4722, 361.4723 and 361.4724 in determining the amount of any assessed value to be included from the calculation of each partial abatement and the amount of any property taxes to be added to the tax roll for the current fiscal year attributable to any incremental increase in the assessed value of any property from the immediately preceding fiscal year as a result of any improvement to or change in the actual or authorized use of the property; 2. Do not apply to any property of a state or to any incrementally nature regarding which the Commission establishes a valuation method for assessment purposes pursuant to subsection 1 of NRS 361.320 or NRS 361.321.	
386	361.61047	Determination of improvement to property.	Any determination by a county assessor or the Department, as applicable, that there is any improvement to the subject property must be based on a finding that: 1. There is an improvement erected upon or affixed to the land, including any on-site improvement, in the current fiscal year that did not exist at the immediately preceding fiscal year; or 2. The subject property consists in whole or in part of a community unit in a common-interest community and there is: (a) A common element in that common-interest community; or (b) An improvement erected upon or affixed to a common element in that common-interest community, including any on-site improvement. --- that did not exist in the immediately preceding fiscal year.	
387	361.610475	Determination of change in actual use.	1. Any determination by a county assessor or the Department, as applicable, that there is any change in the actual use of the subject property must be based on a finding that, upon the commencement of the immediately preceding fiscal year: (a) The property was vacant land and, as the result of new construction on the property sufficient to allow for an identification of the use of the property, the primary use of the property upon the commencement of the current fiscal year is agricultural use, commercial use, industrial use, institutional use, mining use, multifamily residential use, open-space use, recreational use or single-family residential use; (b) The primary use of the property as vacant land, agricultural use, commercial use, industrial use, institutional use, mining use, multifamily residential use, open-space use, recreational use or single-family residential use is different from the primary use of the property as vacant land, agricultural use, commercial use, industrial use, institutional use, mining use, multifamily residential use, open-space use, recreational use or single-family residential use upon the commencement of the current fiscal year; or (c) The property was assessed and taxed as part of a qualified subdivision but is no longer part of that qualified subdivision upon the commencement of the current fiscal year. The amount of any partial abatement that applies to the property must be subtracted if the property had not been assessed and taxed as part of a qualified subdivision during the immediately preceding or any other prior fiscal year. As used in this paragraph, "qualified subdivision" has the meaning ascribed to it in NAC 361.117. 2. If any improvement from which the actual use of the subject property was determined for the purposes of paragraph (a) of subsection 1 of NRS 361.227 are destroyed or otherwise removed from the property, the county assessor or the Department, as applicable, shall consider whether the actual use of the property, as determined from the destroyed or removed improvements, still exists for the current fiscal year. 3. If the subject property has more than one use, the county assessor may determine a single use for each individual portion of the property that is being used for only one use for the purpose of determining whether there is any change in the actual use of that portion of the property.	
388	361.61048	Determination of change in authorized use.	1. Any determination by a county assessor or the Department, as applicable, that there is any change in the authorized use of the subject property must be based on a finding that: (a) The use of the property as of the immediately preceding fiscal year and the commencement of the current fiscal year were the same, but there has been a change in the legal or governmental restrictions on the use of the property; (b) The change in the legal or governmental restrictions on the use of the property allows the property to be put to a use that was not an allowed use upon the commencement of the immediately preceding fiscal year; and (c) Either: (1) The property was vacant land upon the commencement of both the immediately preceding fiscal year and the current fiscal year; or (2) All the improvements to the property were removed from the property before the commencement of the current fiscal year. No finding may be made pursuant to this subparagraph if the taxpayer shows to the satisfaction of the county assessor or the Department, as applicable, that the owner has made or plans to make improvements to the property that would provide for the same use of the property as was authorized when the former improvements were removed. 2. If a combination of applications or approvals is required for any changes in the legal or governmental restrictions on the use of the subject property, no finding may be made pursuant to subsection 1 until all such applications and approvals have been obtained. 3. For the purposes of each partial abatement, no change in the authorized use of any property may be determined to occur as a result of any change by a governmental entity in: (a) The categorization or classification of the zoning designation for the property if there is no change in the allowed use of the property; or (b) Any procedure to apply for an authorized use of the property.	
389	361.610485	Determination of amount of assessed value excluded from calculation of partial abatement and amount of property taxes to be added to tax roll.	If a county assessor or the Department, as applicable, does not make a determination in compliance with the provisions of NAC 361.61047, 361.610475 or 361.61048 that there has been any improvement to or change in the actual or authorized use of the subject property, no amount of property taxes may be added to the tax roll for the current fiscal year attributable to any incremental increase in the assessed value of the property from the immediately preceding fiscal year as a result of any improvement to or change in the actual or authorized use of the property. 2. If a county assessor or the Department, as applicable, makes a determination in compliance with the provisions of NAC 361.61047, 361.610475 or 361.61048 that there has been any improvement to or change in the actual or authorized use of the subject property, the county assessor or the Department, as applicable, in cooperation with the county treasurer, must: (a) Determine the assessed value of the current fiscal year of any new improvements made on the land of the subject property, as determined for that fiscal year pursuant to NAC 361.61047, by determining the taxable value of such improvements in accordance with the provisions of paragraph (b) of subsection 1 of NRS 361.227 and multiplying that taxable value by 0.35. (b) Determine the incremental increase in the assessed value of the land of the subject property by: (1) Determining the full cash value of the land of the subject property in accordance with the provisions of paragraph (a) of subsection 1 of NRS 361.227, NRS 362.095 and paragraph (b) of subsection 1 of NRS 362.100, as applicable, considering any improvement to or change in the actual or authorized use of the property, as determined for the current fiscal year pursuant to NAC 361.61047, 361.610475 or 361.61048. (2) Determining the full cash value of the land of the subject property in accordance with the provisions of paragraph (a) of subsection 1 of NRS 361.227, NRS 362.095 and paragraph (b) of subsection 1 of NRS 362.100, as applicable, without considering any improvement to or change in the actual or authorized use of the property determined pursuant to NAC 361.61047, 361.610475 or 361.61048. (3) Subtracting the amount determined pursuant to paragraph (2) from the amount determined pursuant to paragraph (1). If the remainder is zero or a negative number, the amount determined pursuant to this subparagraph shall be deemed to be zero. (4) Multiplying the amount determined pursuant to paragraph (3) by the effective tax rate calculated for the subject parcel. (5) Dividing the amount calculated pursuant to paragraph (4) by the total of all property taxes imposed on the subject parcel in the prior fiscal year. (c) Apply the sum of the amounts determined pursuant to paragraphs (a) and (b) as the amount of assessed value to be excluded from the calculation of any partial abatement and the amount of any taxes to be added to the tax roll for the current fiscal year attributable to any incremental increase in the assessed value of the property from the immediately preceding fiscal year as a result of any improvement to or change in the actual or authorized use of the property. 3. In carrying out the provisions of this section, a county assessor and the Department, as applicable, shall ensure that the amount of any assessed value excluded from the calculation of any partial abatement and the amount of any property taxes added to the tax roll for the current fiscal year attributable to any incremental increase in the assessed value of any property from the immediately preceding fiscal year as a result of any improvement to or change in the actual or authorized use of the property: (a) Is not solely to an incremental increase in the assessed value of the property which is directly attributable to the improvement to or change in the actual or authorized use of the property; (b) Is not due to any increase in the assessed value of the property as a result of any other cause, including, but not limited to, a general appreciation in the market value of property in the area; and (c) Is assessed only to the specific property for which the assessed value has increased as a result of any improvement to or change in the actual or authorized use of the property. 4. As used in this section, "effective tax rate" means a rate determined for a subject property by dividing the total amount of taxes assessed to the subject property, or which would have been assessed to the subject parcel but for any exemptions from taxation, in the fiscal year prior to any improvement to, or change in the actual or authorized use of, the subject property, by the taxable value of the subject parcel for that fiscal year.	
390	361.61049	Notification of determination that will result in exclusion of any assessed value from calculation of partial abatement.	A county assessor shall include with each notice of assessed valuation or amended notice of assessed valuation provided to a taxpayer or an owner of property pursuant to NRS 361.300 a statement of whether any determination has been made that will result in the exclusion of any assessed value from the calculation of any partial abatement that applies to the subject property attributable to any incremental increase in the assessed value of the property from the immediately preceding fiscal year as a result of any improvement to or change in the actual or authorized use of the property. If the statement indicates that such a determination has been made, the statement must: 1. Set forth the determination. 2. Specify the amount of that incremental increase in the assessed value of the property; and 3. Describe the manner in which detailed information may be obtained for appealing the matter to the county board of equalization or the Commission.	
391		Appeal of Determination of Applicability of Certain Abatements		
392	361.6105	Definitions.	As used in NAC 361.6105 to 361.61074, inclusive, unless the context otherwise requires, the words and terms defined in NAC 361.61052 to 361.61092, inclusive, have the meanings ascribed to them in those sections.	
393	361.61052	"Contact person" defined.	"Contact person" means a person designated by a party to receive communications concerning a proceeding before a hearing officer.	
394	361.61054	"Hearing officer" defined.	"Hearing officer" has the meaning ascribed to it in NAC 360.025.	
395	361.61056	"Intervenor" defined.	"Intervenor" has the meaning ascribed to it in NAC 360.065.	
396	361.61058	"Party" defined.	"Party" means a person, government, governmental agency or political subdivision of a government entitled to appear in a proceeding of the Commission. The term includes an intervenor.	

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397	361.6106	Petitioner's defined	Petitioner has the meaning ascribed to it in NAC 360.005.
398	361.6102	Staff defined	Staff has the meaning ascribed to it in NAC 360.005.
399	361.6104	Notice of appeal of determination of county assessor or Department	<ol style="list-style-type: none"> <li>A petitioner who wishes to appeal a determination of a county assessor described in paragraph (a) of subsection 1 of NRS 361.474 or a determination of the Department described in paragraph (b) of subsection 1 of NRS 361.474 must file a written notice of appeal with the Commission on a form provided by the Department within the period prescribed by subsection 2 of NRS 361.474.</li> <li>In addition to the information required by subsection 4 of NAC 360.045, the notice of appeal must include:             <ol style="list-style-type: none"> <li>The name and mailing address of the petitioner and the petitioner's contact person, if any;</li> <li>The telephone number for daytime business hours and facsimile number of the petitioner and the petitioner's contact person, if any;</li> <li>The electronic mail address, if available, of the petitioner and the petitioner's contact person, if any;</li> <li>The tax year being appealed;</li> <li>A description of the property and the assessor's parcel number or the identifying number of the property that is the subject of the appeal;</li> <li>A copy of the decision of the assessor or the Department for the tax year in question on the property that is the subject of the appeal; and</li> <li>A statement of the relief requested.</li> </ol> </li> <li>Not later than 10 business days after receiving the notice of appeal of a determination issued pursuant to paragraph (a) of subsection 1 of NRS 361.474, the Department shall provide a copy of the notice of appeal to the county assessor.</li> </ol>
400	361.6106	Hearing before hearing officer: Findings and conclusions of hearing officer	<ol style="list-style-type: none"> <li>After receipt of a notice of appeal filed in compliance with subsection 2 of NRS 361.474 and NAC 360.045, the Commission will assign a hearing officer to hear the appeal.</li> <li>The hearing officer shall conduct the hearing in the manner prescribed in NAC 360.005 to 360.015, inclusive.</li> <li>Notice of the hearing must be provided in the manner prescribed in NAC 360.005.</li> <li>A person who wishes to intervene in a hearing must comply with the provisions set forth in NAC 360.070.</li> <li>At any evidentiary hearing, the petitioner and the county assessor or the Department may exercise the rights set forth in NAC 360.080.</li> <li>Appearance and representation of the parties must be made in the manner prescribed in NAC 360.085.</li> <li>After the close of the evidentiary hearing, the hearing officer shall file with the Commission within 60 calendar days a proposed order that sets forth the findings and conclusions of the hearing officer and the reasons and bases for those findings and conclusions. The proposed order must be served on each party.</li> <li>The findings of fact and conclusions of law made by a hearing officer are not required to be included in a stipulated agreement.</li> </ol>
401	361.6108	Proposed order of hearing officer: Written objection, reply to objection, action by Commission	<ol style="list-style-type: none"> <li>Except as otherwise provided in this subsection, a party may file a written objection to the proposed order with the Commission within 20 calendar days after receipt of the proposed order. The written objection must state with particularity the issues presented, the points of law or fact which are relied on and the relief requested. The Commission may allow a party, upon good cause shown, to file a written objection with the Commission more than 20 days after receipt of a proposed order.</li> <li>A party who files a written objection shall serve a copy of its objection on all parties.</li> <li>Except as otherwise provided in this subsection, a party may reply to the written objection within 15 days after receipt of the written objection. A reply must be served on all parties. The Executive Director may grant an extension of time for the responding party to reply upon good cause shown.</li> <li>If no party files a written objection with the Commission pursuant to subsection 1, the Commission will place the proposed order on the appropriate agenda for its next scheduled meeting for action by the Commission.</li> <li>If a party files a written objection to the proposed order with the Commission within 20 days after receipt of the proposed order or if the Commission chooses to take any action concerning the review of the proposed order, other than to remand the proposed order to the hearing officer for clarification of the order, the Commission will hold a hearing on the proposed order. The Commission will provide the parties at least 15 days' notice of the hearing, unless the parties waive the notice in writing or on the record before the Commission.</li> </ol>
402	361.6107	Hearing before Commission: Order of argument	In a hearing held before the Commission pursuant to NAC 361.6108, the order in which argument will ordinarily be received from the parties is: <ol style="list-style-type: none"> <li>Orientation by staff;</li> <li>Argument by the petitioner;</li> <li>Argument by intervenors;</li> <li>Argument by any other party; and</li> <li>Rebuttal by the petitioner.</li> </ol>
403	361.6102	Hearing before Commission: Basis on record before hearing officer, determination that record is inadequate	The hearing held before the Commission pursuant to NAC 361.6108 must be based on the record made before the hearing officer. If the Commission determines the record is inadequate, the Commission may remand the matter to the hearing officer for further proceedings or upon the record and hear new evidence.
404	361.6107A	Hearing before Commission: Action by Commission: issuance of written order	<ol style="list-style-type: none"> <li>After the close of oral argument, the Commission shall:             <ol style="list-style-type: none"> <li>Make a final order that adopts, reverses or modifies, in whole or in part, the proposed order of the hearing officer; or</li> <li>Remand the matter to the hearing officer for further proceedings.</li> </ol> </li> <li>The Executive Director shall issue the written order on behalf of the Commission within 60 calendar days after a final order is made or a matter is remanded pursuant to subsection 1.</li> </ol>
405		<b>POSTPONEMENT OF PAYMENT OF TAX</b>	
406	361.851	Claim: Filing form, contents, accompanying documentation	<ol style="list-style-type: none"> <li>The owner of a single-family residence who wishes to file a claim to postpone the payment of the property taxes accrued against his or her residence must file the claim with the county treasurer of the county in which the residence is located not later than 10 days after the date on which the last installment of due taxes is due for the current fiscal year. A claim:             <ol style="list-style-type: none"> <li>Must be filed for each fiscal year in which property taxes to be postponed are accrued.</li> <li>May not be filed for more than 1 consecutive fiscal year.</li> <li>A claim may not include a request to postpone the payment of any fees, special assessments, delinquent taxes, interest or other charges included on the tax bill for the residence.</li> <li>A claim must be filed on a form that has been approved by the Commission.</li> <li>A claim must contain:                 <ol style="list-style-type: none"> <li>The name, mailing address and daytime telephone number of the claimant;</li> <li>The names and mailing addresses of all other owners of the residence;</li> <li>The names and ages of all other members of the claimant's household and the relationship of each member to the claimant;</li> <li>The street address of the residence and the parcel number or identification number assigned to the property by the county assessor of the county in which the residence is located;</li> <li>The length of time the claimant has occupied the residence;</li> <li>The current assessed value of the residence;</li> <li>A list of any other real property in this State owned by the claimant and a list of any other real property in this State owned by any other owner of the residence. Each list must include, without limitation:                     <ol style="list-style-type: none"> <li>The county in which the real property is located;</li> <li>The street address of the real property;</li> <li>The parcel number or identification number assigned to the real property by the county assessor of the county in which the property is located; and</li> <li>The current assessed value of the real property.</li> </ol> </li> <li>A statement indicating whether or not the claimant or any other owner of the residence is the subject of any proceeding for bankruptcy and, if so, the name and social security number used to identify that owner for the proceeding;</li> <li>A statement indicating whether the residence is occupied by the claimant;</li> <li>A statement indicating whether or not the claimant or any other owner of the residence owes delinquent property taxes on the residence for a year other than the year in which the claim is filed;</li> <li>A description of the circumstances that were beyond the control of the claimant and caused the claimant to suffer severe economic hardship;</li> <li>The total annual income of the members of the claimant's household;</li> <li>The length of time the claimant expects the severe economic hardship to continue;</li> <li>A statement indicating whether or not the property taxes are paid by a mortgage company.</li> </ol> </li> </ol> </li> <li>Except as otherwise provided in NAC 361.851 to 361.871, inclusive, a claim must be accompanied by:             <ol style="list-style-type: none"> <li>A copy of the tax bill for the residence;</li> <li>A copy of the federal individual income tax return for the preceding taxable year for each owner of the residence and each member of the household. If an owner or member of the household did not file a federal individual income tax return, the claim must be accompanied by a copy of the most recent "Form W-2" received by the owner or member of the household from each of his or her employers and a copy of each "Form 1099" and each "Schedule E-T" received by the owner or member of the household in the taxable year in which the "Form W-2" was received. The county treasurer with whom the claim is filed may request a copy of any other supporting forms or schedules that are filed with the tax returns and are required to determine whether the claimant is eligible to postpone the payment of the property taxes;</li> <li>Evidence which indicates that the claimant has occupied the residence for at least 6 months immediately preceding the filing of the claim. A driver's license is not sufficient evidence of occupancy. Such evidence:                 <ol style="list-style-type: none"> <li>Must include copies of utility bills for each month of the immediately preceding 6-month period;</li> <li>Must include the name of the claimant or another owner of the residence, the address of the residence and a date that can be used to determine whether the residence has been occupied by the claimant for the 6 months immediately preceding the filing of the claim;</li> <li>Documentation that describes the circumstances causing the severe economic hardship suffered by the claimant. Such documentation may include, without limitation, a statement from an attending physician describing the nature of an illness or injury and the claimant's need for care over or a letter indicating that the claimant's employment has been terminated;</li> <li>The information required to be submitted with a claim pursuant to paragraphs (b) and (c) of subsection 5 shall be deemed to be confidential information for the purposes of NRS 361.784.</li> </ol> </li> </ol> </li> </ol>
407	361.853	Claim: Action by county treasurer	<ol style="list-style-type: none"> <li>Upon the receipt of a claim for the postponement of the payment of property tax, a county treasurer shall verify:             <ol style="list-style-type: none"> <li>The last known owner or record of the single-family residence for which the claim is made, by inspecting public records containing such information;</li> <li>The parcel number or identification number assigned to the residence by the county assessor of the county in which the residence is located, the land use and total assessed value of the residence, and whether the residence is on the secured or unsecured tax roll, by inspecting the records of the county assessor;</li> <li>Whether the claimant or any other owner of the residence is the subject of any proceeding in bankruptcy, by inspecting the records of the United States Bankruptcy Courts located in this State;</li> <li>Whether the claimant or any other owner of the residence owes delinquent property taxes on the residence for a year other than the year in which the claim is filed;</li> <li>The total assessed value of any other real property in this State owned by the claimant and the total assessed value of any other real property in this State owned by any other owner of the residence;</li> <li>Based upon the information verified pursuant to subsection 1, the county treasurer shall determine whether:                 <ol style="list-style-type: none"> <li>The assessed value of the residence exceeds \$175,000;</li> <li>The claimant or any other owner of the residence owns any other real property in this State that has an assessed value of more than \$30,000. For this purpose, the claimant or other owner may own multiple parcels of real property in this State so long as the total assessed value of all of his or her parcels, including the single-family residence that is the subject of the claim, does not exceed \$30,000;</li> <li>The residence has been occupied by the claimant for the 6 months immediately preceding the filing of the claim;</li> <li>The claimant or any other owner of the residence is the subject of any proceeding in bankruptcy;</li> <li>Delinquent property taxes are owed on the residence for a year other than the year in which the claim is filed, including taxes owed because of any changes made to the boundary of the parcel or to the parcel map;</li> <li>The total annual income of the members of the claimant's household is at or below the federally designated level signifying poverty. This determination must be based on income received for the 360 days immediately preceding the filing of the claim;</li> <li>There is sufficient evidence to indicate that the claimant suffered a severe economic hardship that was caused by circumstances beyond his or her control;</li> <li>The county treasurer shall deny the claim if he or she determines that the claimant does not comply with the requirements for eligibility set forth in NRS 361.776;</li> <li>If the county treasurer does not receive sufficient information to determine whether the claimant is eligible to postpone the payment of the property taxes accrued against the residence, the county treasurer shall:                     <ol style="list-style-type: none"> <li>Deny the claim until such time as the claimant provides sufficient information that indicates he or she is eligible to postpone the payment of those taxes; and</li> <li>Include in the notice of his or her decision a description of the additional information that is needed to approve the claim.</li> </ol> </li> <li>If the county treasurer denies a claim pursuant to subsection 4, the claimant may request the county treasurer to reconsider his or her determination by submitting the additional information that is needed to approve the claim not later than May 30 of the current fiscal year.</li> </ol> </li> </ol> </li></ol>
408	361.853	Claim: Action by county treasurer	<ol style="list-style-type: none"> <li>Upon the receipt of a claim for the postponement of the payment of property tax, a county treasurer shall verify:             <ol style="list-style-type: none"> <li>The last known owner or record of the single-family residence for which the claim is made, by inspecting public records containing such information;</li> <li>The parcel number or identification number assigned to the residence by the county assessor of the county in which the residence is located, the land use and total assessed value of the residence, and whether the residence is on the secured or unsecured tax roll, by inspecting the records of the county assessor;</li> <li>Whether the claimant or any other owner of the residence is the subject of any proceeding in bankruptcy, by inspecting the records of the United States Bankruptcy Courts located in this State;</li> <li>Whether the claimant or any other owner of the residence owes delinquent property taxes on the residence for a year other than the year in which the claim is filed;</li> <li>The total assessed value of any other real property in this State owned by the claimant and the total assessed value of any other real property in this State owned by any other owner of the residence;</li> <li>Based upon the information verified pursuant to subsection 1, the county treasurer shall determine whether:                 <ol style="list-style-type: none"> <li>The assessed value of the residence exceeds \$175,000;</li> <li>The claimant or any other owner of the residence owns any other real property in this State that has an assessed value of more than \$30,000. For this purpose, the claimant or other owner may own multiple parcels of real property in this State so long as the total assessed value of all of his or her parcels, including the single-family residence that is the subject of the claim, does not exceed \$30,000;</li> <li>The residence has been occupied by the claimant for the 6 months immediately preceding the filing of the claim;</li> <li>The claimant or any other owner of the residence is the subject of any proceeding in bankruptcy;</li> <li>Delinquent property taxes are owed on the residence for a year other than the year in which the claim is filed, including taxes owed because of any changes made to the boundary of the parcel or to the parcel map;</li> <li>The total annual income of the members of the claimant's household is at or below the federally designated level signifying poverty. This determination must be based on income received for the 360 days immediately preceding the filing of the claim;</li> <li>There is sufficient evidence to indicate that the claimant suffered a severe economic hardship that was caused by circumstances beyond his or her control;</li> <li>The county treasurer shall deny the claim if he or she determines that the claimant does not comply with the requirements for eligibility set forth in NRS 361.776;</li> <li>If the county treasurer does not receive sufficient information to determine whether the claimant is eligible to postpone the payment of the property taxes accrued against the residence, the county treasurer shall:                     <ol style="list-style-type: none"> <li>Deny the claim until such time as the claimant provides sufficient information that indicates he or she is eligible to postpone the payment of those taxes; and</li> <li>Include in the notice of his or her decision a description of the additional information that is needed to approve the claim.</li> </ol> </li> <li>If the county treasurer denies a claim pursuant to subsection 4, the claimant may request the county treasurer to reconsider his or her determination by submitting the additional information that is needed to approve the claim not later than May 30 of the current fiscal year.</li> </ol> </li> </ol> </li></ol>
409	361.855	Determination of eligible amount of income	<ol style="list-style-type: none"> <li>The Department will annually provide to the county treasurers of this State the amount of income for the current fiscal year that is at or below the federally designated level signifying poverty, based on the guidelines established in the Federal Register by the United States Department of Health and Human Services pursuant to 42 U.S.C. § 9902.2;</li> <li>Each county treasurer shall use the amount of income provided by the Department pursuant to subsection 1 to determine whether a claimant is eligible to postpone the payment of the property taxes accrued against his or her single-family residence.</li> </ol>
410	361.857	Approval of claim for taxes accrued against mobile or manufactured home	A county treasurer may approve a claim to postpone the property taxes accrued against a mobile home or manufactured home if: <ol style="list-style-type: none"> <li>That home is a single-family residence as defined in NRS 361.772; and</li> <li>The claimant is otherwise eligible to postpone the payment of those taxes.</li> </ol>
411	361.859	Approval of claim for taxes accrued against single-family residence owned by trust	A county treasurer may approve a claim to postpone the payment of the property taxes accrued against a single-family residence that is owned by a trust if: <ol style="list-style-type: none"> <li>The claimant or any other owner of the residence is one of the trustees;</li> <li>The claim is accompanied by a certificate of trust which indicates that the claimant or another owner of the residence is a trustee; and</li> <li>The claimant is otherwise eligible to postpone the payment of those taxes.</li> </ol>
412	361.861	Determination of amount for and period of postponement	<ol style="list-style-type: none"> <li>If a county treasurer approves a claim to postpone the payment of property taxes accrued against a single-family residence, the county treasurer shall determine the amount of property tax that will be postponed and the period for which the property tax will be postponed based on the information contained in the claim;</li> <li>If the property taxes are in arrears in the payment of the taxes for the current fiscal year, the county treasurer may postpone the payment of the taxes for the entire fiscal year or for any portion of that year;</li> <li>The period for which property tax accrued in a fiscal year will be postponed may not exceed 1 year.</li> </ol>
413	361.863	Certificate of eligibility: Form; inclusion of certain information	<ol style="list-style-type: none"> <li>The form for a certificate of eligibility prescribed by the Department will be:             <ol style="list-style-type: none"> <li>Submitted to the Commission for its approval;</li> <li>Designed to comply with the recording requirements of the county recorders in this State;</li> <li>Except as otherwise provided in NRS 361.786, information that is contained in or that accompanies a claim to postpone the payment of property taxes accrued against a single-family residence may not be included in a certificate of eligibility.</li> </ol> </li> </ol>
414	361.865	Certificate of eligibility: Effects of redemption and filing	<ol style="list-style-type: none"> <li>The recording of a copy of a certificate of eligibility pursuant to NRS 361.786 does not:             <ol style="list-style-type: none"> <li>Confer upon the claimant a right to a refund of property taxes already paid;</li> <li>Waive the duties of the county treasurer of the county in which the single-family residence is located:                 <ol style="list-style-type: none"> <li>Mail a notice of delinquency as required by NRS 361.564B; or</li> <li>Issue a trustee's certificate as required by NRS 361.570;</li> </ol> </li> <li>Change the date upon which the property taxes become delinquent or the period of redemption set forth in NRS 361.570.</li> </ol> </li> <li>If a certificate of eligibility is filed, the county treasurer of the county in which the single-family residence is located may postpone the publication of the notice of delinquency required by NRS 361.565 during the period for which the payment of the property tax will be postponed. If the publication of the notice of delinquency is postponed, the county treasurer shall not charge the claimant with the cost of publication until such notice is published.</li> <li>If the property taxes for a single-family residence for which a certificate of eligibility is recorded are paid by a mortgage company, the claimant is responsible for making arrangements with the mortgage company for the postponement of the payment of the taxes and for any adjustments that may be needed to an impound account for the payment of the taxes.</li> </ol>
415	361.867	Statement of amount postponed: Contents	A statement of the total amount of property tax postponed that is provided pursuant to NRS 361.792 must include: <ol style="list-style-type: none"> <li>The total amount of taxes owed as of the date of the statement. This amount must include possible penalties incurred for the current fiscal year and before the period of postponement becomes effective;</li> <li>The total amount of interest accrued as of the date of the statement.</li> </ol>
416	361.869	Application of payments made before amounts become due	If a claimant makes payments on the amount of property tax postponed before they become due and payable, the county treasurer of the county in which the single-family residence is located shall apply those payments to the taxes that have been postponed for the longest time.
417	361.871	Fraudulent claims	If a county treasurer determines that any person has willfully made a materially false statement or used any other fraudulent device to secure for himself or herself or any other person the postponed payment of property tax pursuant to the provisions of NRS 361.776 to 361.796, inclusive, the county treasurer shall refer the claim to the district attorney for prosecution.
		<b>End</b>	

# CHAPTER 361A - TAXES ON AGRICULTURAL REAL PROPERTY AND OPEN SPACE

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explanation; "Amend" with explanation, or "Maintain" as written)
1		GENERAL PROVISIONS		
2	361A.010	Definitions.	As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 361A.010 to 361A.065, inclusive, have the meanings ascribed to them in those sections.	
3	361A.015	"Animal unit" defined.	"Animal unit" has the meaning ascribed to it in paragraph (b) of subsection 1 of NRS 361.325.	
4	361A.020	"Animal unit month" defined.	"Animal unit month" has the meaning ascribed to it in paragraph (b) of subsection 1 of NRS 361.325.	
5	361A.025	"Assessing authority" defined.	"Assessing authority" means: 1. The county assessor if the property to be considered is 20 acres or more; or 2. The Department if the property to be considered is less than 20 acres.	
6	361A.030	"Business venture for profit" defined.	"Business venture for profit" means an agricultural pursuit engaged in by an operator for a reasonable profit or at least upon the expectation of a reasonable profit consistent with the productive capability of the land unit.	
7	361A.035	"Commission" defined.	"Commission" means the Nevada Tax Commission.	
8	361A.040	"Converted to a higher use" defined.	"Converted to a higher use" has the meaning ascribed to it in NRS 361A.031.	
9	361A.045	"Crop" defined.	"Crop" means any agricultural product, including, without limitation, alfalfa, barley, certified seed, Christmas trees, garlic, grass hay, nursery stock, oats, onions, pastureage, sod and wheat, that is grown in soil or any other medium.	
10	361A.050	"Department" defined.	"Department" means the Department of Taxation.	
11	361A.055	"Livestock" defined.	"Livestock" means domestic animals, including, without limitation, cattle, sheep, goats, swine, poultry, fish and equine animals, used for food, fiber, breeding, draft or profit.	
12	361A.060	"Operator" defined.	"Operator" means a person who engages in an agricultural pursuit as a business venture for profit. The operator may be either the owner or occupant of the agricultural real property.	
13	361A.065	"Poultry" defined.	"Poultry" means domestic and game birds produced for meat, eggs or other poultry products, including, without limitation, chickens, turkeys, ducks, geese, peafowl, ostriches, pheasants, quail and chukar.	
14		AGRICULTURAL PROPERTY - Assessment		
15	361A.110	Application: Date, form.	An owner of property who wishes to qualify the property for the agricultural use assessment pursuant to NRS 361A.110 must apply to the assessing authority on or before the date required by NRS 361A.110. The application must be on a form approved by the Commission.	
16	361A.120	Application: Contents.	1. An application for agricultural use assessment filed pursuant to NRS 361A.110 must contain: (a) The names, addresses and telephone numbers of the owner or his representative and, if applicable, the lessee; (b) A description of the uses to which the land is put, including residential use and other higher uses if applicable; (c) A description of the type of agricultural operation; (d) The size of the land devoted to agricultural use; (e) A description of any noncontiguous parcels which may qualify for agricultural use; (f) The number of years which the land has been devoted exclusively to agricultural use; (g) The gross income received from agricultural pursuits during the immediately preceding calendar year; and (h) Expenses and net income attributable to the agricultural pursuit. 2. As used in this section, "noncontiguous parcels" means parcels of land with no common boundary and completely detached from one another, including, without limitation, two portions of land connected only by a point, such as when the northeast corner of a parcel connects at the point of the southwest corner of another parcel.	
17	361A.130	Application: Additional documentation	Additional documentation may be requested by the assessing authority relating to a determination of agricultural pursuit or conducting a business venture for profit, including, without limitation, leases, receipts or rent paid, account balance sheets, profit and loss statements, audited financial statements and federal income tax returns. Such additional documentation must accompany the application but does not need to be recorded.	
18	361A.140	Application for property containing less than 20 acres: Forwarding to Department for review.	If a county assessor receives an application for agricultural use assessment for property containing less than 20 acres, the county assessor shall forward the application within 10 days after the date on which he receives the application to the Department for review and qualification of property as agricultural real property.	
19	361A.150	Determination of whether activities qualify as agricultural pursuits.	1. The assessing authority must determine from field inspection and other available information whether the activities conducted on the property qualify as agricultural pursuits. 2. In addition to the agricultural pursuits described in NRS 361A.030, including, raising crops, livestock, poultry, fur-bearing animals and bees, and dairying, the following activities qualify as an agricultural pursuit provided that the pursuit conducted is in accordance with generally accepted agricultural practices: (a) Aquatic agriculture, including, without limitation, hydroponic gardens; (b) Intensively produced fruits and vegetables, including, without limitation, fruits and vegetables produced in greenhouses; and (c) Experimental crop production. 3. Notwithstanding any specific statutory provision to the contrary, the following types of activities which may appear to be agricultural in nature do not by themselves qualify as an agricultural pursuit, including, without limitation: (a) Grazing on land by any animal kept as a hobby; (b) Harvesting shrubs or seeds that grow wild on the land; and (c) Hunting or harvesting game animals or birds. ... Such an activity may qualify as an agricultural pursuit if the activity is accompanied by other agricultural activities which would generate an expectation of profit consistent with the land. 4. In determining whether an activity qualifies as an agricultural pursuit, the assessing authority shall consider whether the activity occurs after the agricultural product has been raised and harvested or whether the activity is a process or step necessary and incident to the preparation and storage of products raised on the property. Processing activities, including, without limitation, pasteurizing and bottling milk, cheese making, honey or candy manufacturing, and slaughtering, dressing and packing meat, do not qualify for the agricultural use assessment. 5. As used in this section: (a) "Aquatic agriculture" means the propagation, cultivation and harvesting of plants or animals indigenous to water in a controlled or selected aquatic environment for the commercial production of food. (b) "Fur-bearing animals" means fur-bearing mammals, including, without limitation, mink, ermine, otter, chinchilla and fox. (c) "Greenhouse" means a fully or partially enclosed structure that is used for the propagation, cultivation or protection of food or fiber. The term includes weather shelters and hot or cold frames.	
20	361A.160	Determination of whether operator is engaged in business venture for profit.	1. Upon a determination that an activity on the land qualifies as an agricultural pursuit, the assessing authority must then determine whether the operator is engaged in the agricultural pursuit as a business venture for profit. When determining whether an operator is engaged in a business venture for profit, reasonable profit and the expectation of a reasonable profit are not affected by any independent intervening causes of production failure or nonproductive use that are beyond the control of the operator, including, without limitation, land sale under government programs. Property not otherwise fulfilling the requirements to be considered as land on which an agricultural pursuit is conducted may still qualify as such if there are extenuating circumstances, including, without limitation, use of the land for an orchard or other perennial crops with a long maturation period that have not yet matured. 2. To qualify as a business venture for profit, an agricultural pursuit must raise the expectation of profit consistent with: (a) The size of the property used in the operation; (b) The capacity of the property, including, without limitation, suitability, terrain, availability of water, soil capabilities, type of vegetation, ground, growing season, animal unit months, animal units and animal unit equivalents; (c) The suitability of the property, including, without limitation, the cost and availability of water, soil capabilities, market proximity, fencing and suitability of the property for other uses; and (d) Any other factors or criteria that the assessing authority deems appropriate under the circumstances. 3. In making a determination about whether the operator is engaged in a business venture for profit, especially in cases where the size of the land appears to be too small to sustain a monetary profit from agricultural pursuits, the assessing authority may consider whether a reasonable effort has been made to care for the land sufficiently and adequately, as evaluated in time, labor, equipment, management and capital consistent with accepted agricultural practices for the type of agricultural operation involved. 4. Gross income derived from nonagricultural uses of the land must not be included in the requirements for the total minimum gross income, including, without limitation: (a) Leasing of the land for billboards; (b) Leasing of the land for roadside produce stands; (c) Leasing of the land for hunting; (d) Income derived from the mineral estate, whether severed or not; (e) Income from the extraction of sand and gravel or other operations relating to products from the earth; (f) Interest income from a loan or investment, royalties or dividends; and (g) Transfer or sale of property rights such as conservation easements or severed mineral rights. 5. As used in this section, "animal unit equivalent" means the equivalent to the animal unit for various kinds and sizes of animals.	
21	361A.170	Categorization and valuation of land devoted to agriculture.	Land devoted to agriculture must be categorized and valued pursuant to the classifications in the Agricultural Instructions Bulletin that is annually prepared by the Commission in accordance with NRS 361A.140.	
22	361A.180	Annual study of value of lands designated for agricultural use.	1. On or before the first Monday in October of each year, the Department shall conduct a study of the value of lands designated for agricultural use and present the study for approval by the Commission. The Commission will incorporate the results of the study so approved into the bulletin prepared pursuant to NRS 361A.140 for use by county assessors. 2. The study conducted by the Department must, in accordance with NRS 361.325, be based on the productivity of the land. Productive capability of land may be determined by the classification of land and application of a capitalized earnings approach as follows: (a) For cultivated and native meadow or wild hay lands: (1) Agricultural income for lands designated as cultivated may be projected by developing estimates of gross income based on average commodity prices. Sources of commodity prices of agricultural products which the Department may use include, without limitation, the Nevada Agricultural Statistics Service and a survey of growers and local buyers. (2) A net operating income must be determined by subtracting an estimated allocation for expenses from the gross income. Expenses for lands must be appropriate to the type of land being valued and may include typical costs for water and the maintenance of irrigation systems, and loss in production due to necessary management practices, such as loss in production during the seed year or the first year of the hay stand. The expenses subtracted from the gross income results in a net operating income. (3) A 5-year weighted average of net operating income may be capitalized into an indication of the value of the land per acre by multiplying the yield per acre, measured in tons per acre, by the net income per ton and then dividing the result by the capitalization rate. The result must be multiplied by the level of assessment to obtain an assessed value per acre. (b) For pasture and grazing lands: (1) Agricultural income for lands designated as pasture may be projected by developing estimates of gross income based on the carrying capacity of the land as measured by rentals per animal unit months per acre. Sources of rental prices for pasture and grazing lands which the Department may use include, without limitation, the Nevada Agricultural Statistics Service and a survey of growers and local buyers. (2) A net operating income must be determined by subtracting an estimated allocation for expenses from the gross net per animal unit month. Expenses for lands must be appropriate to the type of land being valued and may include typical miscellaneous costs, including costs for management, insurance, stock water and maintenance of fences. The expenses subtracted from the gross income results in a net operating income to land. (3) A 5-year weighted average of net operating income must be capitalized into an indication of land value per acre by multiplying the net income per acre and then dividing the result by the capitalization rate. The result must be multiplied by the level of assessment to obtain an assessed value per acre. 3. As used in this section, "carrying capacity" means the measure of the capacity of grazing land to provide adequate forage to sustain livestock for a given period.	
23		Conversion to Higher Use		
24	361A.210	"Physical alteration" interpreted.	The Commission will interpret the term "physical alteration," as used in NRS 361A.031, to mean the application of man-made changes, including, without limitation, changes in the contour of the land, removal of native plant life, diversion of water channels and building site improvements intended to alter the land to be used for purposes other than agricultural uses.	
25	361A.220	Determination of whether final map or parcel map creates parcels not intended for agricultural use.	If a final map or parcel map has been recorded, the county assessor must determine whether the map creates one or more parcels not intended for agricultural use. In making such a determination, the county assessor must consider: 1. The size of the parcel or parcels being created. 2. The capacity of the property, including, without limitation, suitability, terrain, availability of water, soil capabilities, type of vegetation, ground, growing season, animal unit months and animal units; 3. The suitability of the property, including, without limitation, cost and availability of water, soil capabilities, market proximity, fencing and suitability of the property for other uses; and 4. Any other factors or criteria that the assessing authority deems appropriate under the circumstances.	
26	361A.230	Conversion of property by county assessor.	If the county assessor finds that a property has been converted to a higher use or otherwise becomes aware that such a conversion has taken place, the county assessor must convert the property, or that portion of the property no longer qualifying as agricultural property, to a higher use.	
27	361A.240	Calculation of deferred tax when property is converted.	To calculate the amount of deferred tax that must be assessed when property is converted to a higher use: 1. The county assessor must determine what the taxable value of the property would have been pursuant to the provisions of this chapter and NRS 361.227 for the fiscal year in which the conversion took place and for the 6 previous fiscal years. The value of the land must be established based on the taxable value of comparable property for the 6 previous fiscal years. 2. Using the taxable value so derived, the amount of taxes for each fiscal year in which taxes would have been due and payable must then be calculated. The tax rate to be applied to the assessed value must be the rate used in the year for which the taxable value is established. 3. The amount of taxes paid or payable based on the agricultural use assessment must then be subtracted from the amount of taxes calculated pursuant to subsection 2. The resulting difference is the amount of deferred tax which must be added on the net property tax statement pursuant to NRS 361A.280 if the deferred tax has not already been paid.	
28		GOLF COURSES		
29	361A.310	Definitions.	As used in NAC 361A.310 to 361A.440, inclusive, unless the context otherwise requires, the words and terms defined in NAC 361A.320 to 361A.370, inclusive, have the meanings ascribed to them in those sections.	
30	361A.320	"Converted to a higher use" defined.	"Converted to a higher use" has the meaning ascribed to it in NRS 361A.031.	
31	361A.330	"Golf course" defined.	"Golf course" has the meaning ascribed to it in NRS 361A.0315.	

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32	361A.340	"Golf course land" defined.	"Golf course land" means the land underlying: 1. A golf course; 2. Any related improvements used in connection with that golf course; and 3. Any appurtenant areas that are necessary for the use of any property described in subsection 1 or 2.	
33	361A.350	"Golfing improvements" defined.	"Golfing improvements" means any improvements to land which are typical and necessary for the use of the property as a golf course, including, without limitation, tees, fairways, bunkers, greens, trees, turf, irrigators, lakes, lake liners, bridges, practice ranges, cart paths, trails and service roads.	
34	361A.360	"Marshall and Swift" defined.	"Marshall and Swift" means the applicable manual published or furnished by the Marshall and Swift Publication Company, as that manual existed on October 1 of the year immediately preceding the current assessment year.	
35	361A.370	"Related improvements" defined.	"Related improvements" means any improvements to land, other than golfing improvements, which are used in connection with a golf course, including, without limitation, clubhouses, pro shops, restaurants, parking lots, swimming pools, tennis courts, maintenance buildings and areas, and nurseries.	
36	361A.380	Applicability.	The provisions of NAC 361A.310 to 361A.440, inclusive, apply to the determination by a county assessor of the taxable value of real property used as a golf course for the purposes of chapter 361A of NRS.	
37	361A.390	Golf course land: Determination of taxable value for open-space use.	A county assessor shall: 1. Determine the value of the golf course land in the same manner as the county assessor would determine the taxable value of the land for purposes other than open-space use; 2. Multiply the amount of acreage of the golf course land by the product obtained by multiplying \$2,860 by 1 plus the percentage change in the Consumer Price Index (All Items) for July 1 immediately preceding the date of valuation as compared to July 1, 2004; and 3. If the value calculated pursuant to subsection 1: (a) Greater than or equal to the value calculated pursuant to subsection 2, use the value calculated pursuant to subsection 2 as the taxable value for open-space use of the golf course land; or (b) Less than the value calculated pursuant to subsection 2, use the product obtained by multiplying the value calculated pursuant to subsection 1 by an open-space discount factor of 0.74 as the taxable value for open-space use of the golf course land.	
38	361A.400	Golfing improvements: Determination of taxable value for open-space use.	A county assessor shall: 1. Determine the replacement cost of the golfing improvements as provided in NAC 361A.410; 2. Subtract from the amount determined pursuant to subsection 1 an amount for the depreciation of the golfing improvements, calculated at 1.5 percent of the amount determined pursuant to subsection 1 for each year of the adjusted actual age of the golfing improvements, up to a maximum of 50 years; and 3. Multiply the remainder determined pursuant to subsection 2 by a factor for the obsolescence of the golfing improvements, calculated as provided in NAC 361A.420.	
39	361A.410	Golfing improvements: Determination of replacement cost.	1. For the purposes of subsection 1 of NAC 361A.400, a county assessor shall determine the replacement cost of the golfing improvements for a golf course in accordance with the provisions of this section. 2. Except as otherwise provided in subsection 3, the class of a golf course must be determined by the sum of the number of points assigned to the golf course in accordance with the following criteria: (a) A golf course must be assigned the number of points which is most nearly equal to the amount calculated by: (1) Dividing the number 18 by the number of holes on the golf course; and (2) Multiplying the figure obtained pursuant to subparagraph (1) by the total acreage of the golf course land. (b) If the slope rating of a golf course, as designated by the United States Golf Association, exceeds 94, the golf course must be assigned the number of points which is equal to the amount calculated by subtracting 94 from that slope rating and multiplying the remainder by 5. (c) If the total yardage of a golf course exceeds 5,000 yards, as determined from the tee which is farthest from each hole, the golf course must be assigned the number of points which is most nearly equal to the amount calculated by subtracting 5,000 from that total yardage and multiplying the remainder by 0.05. (d) If a golf course has: (1) Is 72 or more, the golf course must be assigned 80 points; (2) Is 71, the golf course must be assigned 60 points; (3) Is 70, the golf course must be assigned 40 points; (4) Is 60 or more but less than 70, the golf course must be assigned 30 points; or (5) Is less than 60, the golf course must be assigned 20 points. (e) If a golf course has: (1) Above-average water features, except as otherwise provided in subparagraph (2), the golf course must be assigned 10 points; or (2) Extensive and elaborate water features which come into play on a majority of the holes, the golf course must be assigned 30 points. (f) If a golf course has: (1) Above-average landscaping, except as otherwise provided in subparagraph (2), the golf course must be assigned 10 points; or (2) Extensive and elaborate landscaping, including many large, transplanted trees, the golf course must be assigned 30 points. (g) The total number of points assigned to a golf course pursuant to paragraphs (a) to (f), inclusive: (1) Does not exceed 300, the golf course must be designated as a class I course; (2) Is greater than 300 and does not exceed 450, the golf course must be designated as a class II course; (3) Is greater than 450 and does not exceed 540, the golf course must be designated as a class III course; (4) Is greater than 540 and does not exceed 610, the golf course must be designated as a class IV good championship course; (5) Is greater than 610 and does not exceed 650, the golf course must be designated as a class IV good championship course; or (6) Is greater than 650, the golf course must be designated as a class IV excellent championship course. <b>CONT...</b>	
40			3. If any information necessary to determine the class of a golf course pursuant to subsection 2 is unavailable, a county assessor shall use his best judgment to determine the class of the golf course. 4. A county assessor shall assign a cost per hole to a golf course which, except as otherwise provided in this subsection, must be within the cost range per hole for the class of the golf course, as specified in the recreational facilities section for golf courses in Marshall and Swift. The county assessor may assign a cost per hole which exceeds the maximum amount of that cost range only by: (a) A maximum amount of 7 percent, as appropriate, to account for any excessive grading required for the golf course land; and (b) The appropriate recreational facilities multiplier and local cost multiplier, as specified in Marshall and Swift. 5. The replacement cost of the golfing improvements must be calculated by: (a) Multiplying the appropriate cost per hole, as determined pursuant to subsection 4 for the class of the golf course, by the number of holes on the golf course; and (b) Adding the amount of any additional unit costs for bridges, man-made water features and special drainage requirements, as specified in Marshall and Swift, to the amount determined pursuant to paragraph (a).	
41	361A.420	Golfing improvements: Calculation of factor for obsolescence.	For the purposes of subsection 3 of NAC 361A.400, a county assessor shall: 1. Determine the number of rounds of golf played on a golf course during the 12-month period ending on June 30 immediately preceding the date of valuation; 2. Determine the number of rounds of golf played on that golf course during the business month of that period; 3. Multiply the number determined pursuant to subsection 2 by 12; 4. Divide the number determined pursuant to subsection 1 by the number determined pursuant to subsection 3; and 5. Apply the figure determined pursuant to subsection 4 as the factor for the obsolescence of the golfing improvements.	
42	361A.430	Determination of taxable value of real property used as golf course and related improvements and personal property.	A county assessor shall: 1. Except as otherwise provided in subsection 3: (a) Determine the taxable value for open-space use of real property used as a golf course by adding the amounts determined pursuant to subsection 3 of NAC 361A.390 and subsection 3 of NAC 361A.400; (b) Determine the taxable value of any related improvements used in connection with that golf course in the same manner as the county assessor would determine the value of similar improvements that are not used in connection with a golf course; and (c) Determine the taxable value of any personal property used in connection with that golf course in the same manner as the county assessor would determine the value of similar property that is not used in connection with a golf course; 2. Add the amounts determined pursuant to subsection 1; and 3. If the sum determined pursuant to subsection 2 exceeds the full cash value of the golf course and any related improvements and personal property used in connection with that golf course, when valued as a single unit, reduce the total taxable value of the golf course and any related improvements and personal property used in connection with that golf course to that full cash value.	
43	361A.440	Calculation of deferred tax due when property is converted to higher use.	A county assessor shall: 1. Except as otherwise provided in subsection 3: (a) Determine the taxable value for open-space use of real property used as a golf course by adding the amounts determined pursuant to subsection 3 of NAC 361A.390 and subsection 3 of NAC 361A.400; (b) Determine the taxable value of any related improvements used in connection with that golf course in the same manner as the county assessor would determine the value of similar improvements that are not used in connection with a golf course; and (c) Determine the taxable value of any personal property used in connection with that golf course in the same manner as the county assessor would determine the value of similar property that is not used in connection with a golf course; 2. Add the amounts determined pursuant to subsection 1; and 3. If the sum determined pursuant to subsection 2 exceeds the full cash value of the golf course and any related improvements and personal property used in connection with that golf course, when valued as a single unit, reduce the total taxable value of the golf course and any related improvements and personal property used in connection with that golf course to that full cash value.	
		<b>End</b>		

# CHAPTER 362 - TAXES ON PATENTED MINES AND PROCEEDS OF MINERALS GENERAL PROVISIONS

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explainain; "Amend" with explanation, or "Maintain" as written)
1		<b>GENERAL PROVISIONS</b>		
2	362.001	Definitions.	As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 362.005 to 362.008, inclusive, have the meanings ascribed to them in those sections.	
3	362.005	"Department" defined.	"Department" means the Department of Taxation.	
4	362.006	"Developmental work" defined.	1. Except as otherwise provided in subsection 2, "developmental work" means any activities performed on the property of a mine which outline the location of the mineral reserves of the mine or prepare the mineral reserves of the mine for production, including, without limitation, drilling, rock work and the construction of support systems to increase the mineral reserves of the mine. 2. The term does not include any mineral exploration.	
5	362.007	"Mineral exploration" defined.	"Mineral exploration" means any activities relating to the search for mineral reserves which do not occur during the development or production stages of a mine, including drilling, sampling, assaying, metallurgical testing, engineering studies, studies of economic feasibility and procedures to obtain appropriate permits.	
6	362.008	"Mineral reserves" defined.	Mineral reserves" means the portion of a measured or indicated mineral resource that has been analytically determined to justify mining, taking into account, at the time of that determination, any mining, metallurgical, marketing, legal, environmental, social, economic, and other conditions which apply to that determination.	
7		<b>PROCEEDS OF MINERALS - General Provisions</b>		
8	362.010	Determination of gross value of mineral products.	1. For the purposes of assessment and taxation of the net proceeds of minerals pursuant to chapter 362 of NRS, the gross value of mineral products must be determined in accordance with the provisions of this section. 2. In those cases where a mineral product is sold by the producer in an arms-length transaction in free market competition, the gross value of the product is an amount equal to the proceeds of the sale of the product. This subsection applies to sales realized on all minerals produced from mining, including, without limitation, reduction, beneficiation or any treatment used by the producer within or outside this State to obtain a mineral product which is commercially marketable. 3. In those cases where a product is exchanged for any thing or service or removed from the State in a form ready for use or sale, but not used or sold during the period covered by the statement required by NRS 362.110 to be filed, the gross value of the product is: (a) For sales of minerals that do not involve derivative financial transactions, the price stated in the contract or other document of sale if one is in existence; or (b) If minerals are transferred in kind or used to support derivative financial transactions, the closing spot price on the date of the taxable event. The spot price for precious metals will be determined by the Department by using a recognized national or international publication of prices such as the London PM fix. If no organized commodity exchange exists for a particular mineral product, the price will be the realized sales price of the mineral product. 4. In those cases where the mineral product is used by the producer or disposed of by the producer in any kind of transaction which is not an arms-length, including, without limitation, such transactions with associated or affiliated companies, the gross value of the mineral product so used or disposed of will be determined by the Department by utilizing information supplied by the producer under this subsection and from such other appropriate sources as the Department deems necessary. The mineral producer shall supply the Department with the following information for each reporting period: (a) The producer's profit and loss statements; (b) The proportionate profit reports and the calculations used to prepare them; (c) The allocation of income by states; (d) The amount used to calculate the percentage of depletion allowances; or (e) The monthly average price of the product for the months in which it was used in a manufacturing process or to provide a service. 5. Any information submitted pursuant to paragraphs (a) to (d), inclusive, of subsection 4 must be the same as submitted to the Internal Revenue Service. 6. The producer has the burden of proof in any determination under this section of the gross value of mineral products used or disposed of by the producer. 7. As used in this section: (a) "Derivative financial transaction" means a financial transaction which uses: (1) A financial instrument that has no intrinsic value, but which derives its value from a contract to deliver minerals in the future at a specific price; or (2) An option that gives a party to the transaction the opportunity to buy minerals from or sell minerals to the other party to the transaction at a prearranged price. (b) "Spot price" means the price established for physical delivery of a mineral by an organized commodity exchange on the date of the taxable event. (c) "Transferred in kind" means a transaction in which a mineral product is delivered instead of cash to complete the transaction.	
9	362.020	Separate report of royalties.	All royalties received by a lessee must be reported separately from other receipts.	
10	362.030	Annual statement of gross yield and claimed net proceeds: Form and contents.	1. All information in the statement which is required by NRS 362.110 to be filed must be submitted on forms supplied by the Department or in a manner which is acceptable to the Department. 2. The following property must be reported: (a) Leasehold improvements and buildings; (b) Fixed machinery and equipment; (c) Mobile machinery and equipment; and (d) Automobiles and light service vehicles such as pickups and panel trucks. 3. Each cost submitted for depreciation must be the complete cost to the taxpayer, and must include all delivery, taxes and installation charges. 4. Each asset must be listed on a table which sets forth: (a) A clear identification of the asset; (b) The cost of the construction or acquisition of the asset and the date on which the construction of the asset was completed or the asset was acquired; (c) The depreciation class, such as buildings, fixed equipment, mobile machinery and equipment, or automobile and light service vehicles; (d) The total amount of depreciation granted; and (e) The amount claimed for the present tax period. -- An integrated processing assembly which consists of components of individual manufacture, and which is installed as a unit, may be reported as a unit. The report must describe the function of the unit and list its principal components in detail.	
11	362.035	Deductions: Interpretation of certain statutory terms. [Effective through December 31, 2015.]	For the purposes of: 1. Paragraph (j) of subsection 3 of NRS 362.120, the Nevada Tax Commission will interpret the term "developmental work" to have the meaning ascribed to it in NAC 362.006. 2. Paragraph (g) of subsection 7 of NRS 362.120, the Nevada Tax Commission will interpret the term "costs of severing the employment of any employees" to: (a) Exclude, without limitation, the costs of: (1) Any wages, salary or production bonuses earned by an employee before the date of termination of his or her employment; and (2) Any pension benefits, vacation leave and sick leave accrued by an employee before the date of termination of his or her employment; and (b) Except as otherwise provided in paragraph (a), include, without limitation, the costs of any: (1) Additional payments based on length of service; (2) Cash bonuses; (3) Stock options; (4) Medical insurance, dental insurance and life insurance; (5) Payments made in lieu of a required period of notice; (6) Negotiated financial sums paid pursuant to an agreement absolving the employer from any further liability to an employee; (7) Voluntary redundancy packages offered by an employer to attract volunteers to leave the employment of the employer; and (8) Assistance in searching for new positions of employment. 3. Paragraph (f) of subsection 7 of NRS 362.120, the Nevada Tax Commission will interpret the term "mineral exploration" to have the meaning ascribed to it in NAC 362.007.	
12	362.035	Deductions: Interpretation of certain statutory terms. [Effective January 1, 2016.]	For the purposes of: 1. Paragraph (j) of subsection 3 of NRS 362.120, the Nevada Tax Commission will interpret the term "developmental work" to have the meaning ascribed to it in NAC 362.006. 2. Paragraph (g) of subsection 7 of NRS 362.120, the Nevada Tax Commission will interpret the term "costs of severing the employment of any employees" to: (a) Exclude, without limitation, the costs of: (1) Any wages, salary or production bonuses earned by an employee before the date of termination of his or her employment; and (2) Any pension benefits, vacation leave and sick leave accrued by an employee before the date of termination of his or her employment; and (b) Except as otherwise provided in paragraph (a), include, without limitation, the costs of any: (1) Additional payments based on length of service; (2) Cash bonuses; (3) Stock options; (4) Medical insurance, dental insurance and life insurance; (5) Payments made in lieu of a required period of notice; (6) Negotiated financial sums paid pursuant to an agreement absolving the employer from any further liability to an employee; (7) Voluntary redundancy packages offered by an employer to attract volunteers to leave the employment of the employer; and (8) Assistance in searching for new positions of employment. 3. Paragraph (f) of subsection 7 of NRS 362.120, the Nevada Tax Commission will interpret the term "mineral exploration" to have the meaning ascribed to it in NAC 362.007.	
13	362.040	Deductions: Depreciation of capitalized costs.	1. Leasehold improvements and buildings must be depreciated over a 20-year period using the straight-line method. 2. Fixed machinery and equipment must be depreciated over a 20-year period using the straight-line method. 3. Mobile machinery and equipment must be depreciated over a 10-year period using the straight-line method. 4. Automobiles and light service vehicles must be depreciated over a 3-year period using the straight-line method. 5. An integrated processing assembly must be depreciated over a 20-year period using the straight-line method. Subsequent additions to the unit must also be reported and be depreciated over a 20-year period using the straight-line method. 6. If any property is disposed of before the end of the depreciation period, the remaining amount of allowable depreciation, if the property had remained in use, may be reported in total as an additional expense of depreciation for the reporting period. The amount of depreciation must be reduced by the amount of any consideration received for the property from sale, insurance recovery, trade-in or any other reimbursement, but not below zero. 7. A mining operator may petition the Nevada Tax Commission for reconsideration of the allowable depreciation of property. The Commission may adjust the allowable depreciation if the petitioner presents satisfactory evidence that the expected life of the property is longer than that which is provided for in this section.	
14	362.050	Deductions: Operating costs. [Effective through December 31, 2015.]	1. In computing the costs enumerated in subsection 3 of NRS 362.120, the following specific items are deductible except as limited by subsection 2 of this section and subsection 6 of NRS 362.120: (a) The cost of renting equipment, if the amount paid as rental is commercially reasonable in the circumstances; (b) The cost of contracting for all or part of the mine's operations, if the contract price is commercially reasonable in the circumstances and the cost would otherwise be deductible if the service or activity contracted for was provided or performed directly by the operator of the mine; (c) The cost of Nevada-based corporate services, as defined in subsection 8 of NRS 362.120, which a Nevada mine receives under contract from its corporate office or the office of a related corporation, if: (1) The cost is commercially reasonable in the circumstances; and (2) The cost is separately stated in a manner consistent with good accounting practices; (d) The reasonable cost of management provided to a joint venture by a member, if the fees relate directly to the operation of the mine; (e) If the taxpayer has a policy which prohibits the personal use of a vehicle by an employee, the cost of vehicle allowances to the extent that the vehicle is actively engaged in the business of the mine; (f) The cost of transportation services between points of origin and destination within this State provided by a third party or the owner of the mine for employees to get to and from a point of extraction or reduction of the mine, excluding any cost for the repair, maintenance and depreciation of any facilities or equipment under the jurisdiction of the Public Utilities Commission of Nevada or the Nevada Transportation Authority; and (g) The cost of compensation for employees. As used in this paragraph, "compensation" means wages, salaries, paid vacation leave, paid sick leave, performance-related bonuses, contributions to and administrative costs of qualified pension and retirement plans, 401k and similar deferred benefit plans, Medicare contributions, social security payments, state and federal unemployment compensation contribution or payments, and postemployment training expenses for training conducted in compliance with the Mine Safety and Health Administration and the Division of Industrial Relations of the Department of Business and Industry or their successor organizations. <b>CONT.</b>	
15			2. In computing the costs enumerated in subsection 3 of NRS 362.120, the following specific items are not deductible: (a) Cost or expenses which are capitalized; (b) Gifts, grants and donations; (c) Costs of public relations and influencing or seeking to influence governmental activities; (d) Costs of developmental work related to ore bodies outside the geographic area described in the plan for the mine filed with the Division of Minerals of the Commission on Mineral Resources pursuant to NRS 519A.210; (e) Any tax that an operator of a mine is required to pay to the Federal Government, this State or any other state, or a political subdivision thereof; (f) Costs associated with providing health clubs for employees; (g) Costs incurred for preemployment activities, including, without limitation, reimbursement for expenses for moving and relocation; (h) Except as otherwise provided in paragraph (g) of subsection 1 of this section and paragraph (g) of subsection 3 of NRS 362.120, costs associated with union trust funds; (i) Costs associated with providing day care facilities for the children of employees; (j) General liability insurance; (k) Excess policies of general liability insurance; (l) Fire insurance on any machinery, equipment, apparatus, works, plants or facilities; and (m) Expenses described in subsection 7 of NRS 362.120. 3. The taxes described in paragraph (e) of subsection 2 of this section and paragraph (g) of subsection 7 of NRS 362.120 do not include any contributions or payments described in paragraph (g) of subsection 3 of NRS 362.120. 4. If a cost is partially deductible and partially nondeductible, the deductible portion must be allowed. In determining the portion of such costs which is allowable as a deduction, a reasonable allocation must be made based upon available information. For the purposes of paragraph (b) of subsection 1, there is a rebuttable presumption that not less than 20 percent of the cost of contracting for all or part of a mine's operations is attributable to the cost of services and activities that would not be deductible if provided or performed directly by the operator of the mine.	



# CHAPTER 362 - TAXES ON PATENTED MINES AND PROCEEDS OF MINERALS GENERAL PROVISIONS

362.050	Deductions: Operating costs. [Effective January 1, 2016.]	<p>1. In computing the costs enumerated in subsection 3 of NRS 362.120, the following specific items are deductible except as limited by subsection 2 of this section and subsection 6 of NRS 362.120:</p> <p>(a) The cost of renting equipment, if the amount paid as rental is commercially reasonable in the circumstances;</p> <p>(b) The cost of contracting for all or part of the mine's operations, if the contract price is commercially reasonable in the circumstances and the cost would otherwise be deductible if the service or activity contracted for was provided or performed directly by the operator of the mine;</p> <p>(c) The cost of Nevada-based corporate services, as defined in subsection 8 of NRS 362.120, which a Nevada mine receives under contract from its corporate office or the office of a related corporation, if:</p> <ol style="list-style-type: none"> <li>(1) The cost is commercially reasonable in the circumstances; and</li> <li>(2) The cost is separately stated in a manner consistent with good accounting practices; <p>(d) The reasonable cost of management provided to a joint venture by a member, if the fees relate directly to the operation of the mine;</p> <p>(e) If the taxpayer has a policy which prohibits the personal use of a vehicle by an employee, the cost of vehicle allowances to the extent that the vehicle is actively engaged in the business of the mine;</p> <p>(f) The cost of transportation services between points of origin and destination within this State provided by a third party or the owner of the mine for employees to get to and from a point of extraction or reduction of the mine, excluding any cost for the repair, maintenance and depreciation of any facilities or equipment under the jurisdiction of the Public Utilities Commission of Nevada or the Nevada Transportation Authority; and</p> <p>(g) The cost of compensation for employees. As used in this paragraph, "compensation" means wages, salaries, paid vacation leave, paid sick leave, performance-related bonuses, contributions to and administrative costs of qualified pension and retirement plans, 401(k) and similar deferred benefit plans, Medicare contributions, social security payments, state and federal unemployment compensation contributions or payments, and postemployment training expenses for training conducted in compliance with the Mine Safety and Health Administration and the Division of Industrial Relations of the Department of Business and Industry or their successor organizations.</p> <p>2. In computing the costs enumerated in subsection 3 of NRS 362.120, the following specific items are not deductible:</p> <ol style="list-style-type: none"> <li>(a) Cost or expenses which are capitalized;</li> <li>(b) Gifts, grants and donations;</li> <li>(c) Costs of public relations and influencing or seeking to influence governmental activities;</li> <li>(d) Costs of developmental work related to ore bodies outside the geographic area described in the plan for the mine filed with the Division of Minerals of the Commission on Mineral Resources pursuant to NRS 519A.210.</li> </ol> <p><b>CONT.</b></p> </li></ol>	
16			
17		<p>(e) Any tax that an operator of a mine is required to pay to the Federal Government, this State or any other state, or a political subdivision thereof;</p> <ol style="list-style-type: none"> <li>(f) Costs associated with providing health clubs for employees;</li> <li>(g) Costs incurred for preemployment activities, including, without limitation, reimbursement for expenses for moving and relocation;</li> <li>(h) Except as otherwise provided in paragraph (g) of subsection 1 of this section and paragraph (g) of subsection 3 of NRS 362.120, costs associated with union trust funds;</li> <li>(i) Costs associated with providing day care facilities for the children of employees;</li> <li>(j) General liability insurance;</li> <li>(k) Excess policies of general liability insurance;</li> <li>(l) Fire insurance on any machinery, equipment, apparatus, works, plants or facilities; and</li> <li>(m) Expenses described in subsection 7 of NRS 362.120.</li> </ol> <p>3. The taxes described in paragraph (e) of subsection 2 of this section and paragraph (g) of subsection 7 of NRS 362.120 do not include any contributions or payments described in paragraph (h) of subsection 3 of NRS 362.120.</p> <p>4. If a cost is partially deductible and partially nondeductible, the deductible portion must be allowed. In determining the portion of such costs which is allowable as a deduction, a reasonable allocation must be made based upon available information. For the purposes of paragraph (b) of subsection 1, there is a rebuttable presumption that not less than 20 percent of the cost of contracting for all or part of a mine's operations is attributable to the cost of services and activities that would not be deductible if provided or performed directly by the operator of the mine.</p>	
18	362.060 Deductions: Electric power.	<p>1. The installation of power and light lines is a capital charge, while the upkeep and purchase costs of electric power are operating costs.</p> <p>2. When electric power is generated and distributed to various departments, the upkeep of the power plant must be written off, and the distribution of the power is an operating cost. New engines, boilers and similar equipment are chargeable to a capital account.</p>	
19	362.070 Deductions: Loading and transportation costs.	The actual cost of transporting the product of the mine to the place of reduction, refining and sale, is affected directly by both demurrage charged and dispatch earned credits. These charges and credits become a part of the cost of loading and unloading ore. Additional assessments for demurrage penalties incurred for any cause increases the cost of loading and transportation; dispatch earned credit paid for efficiency in loading or unloading vessels or other transport equipment directly reduces the cost of transportation. The actual cost of loading is the gross cost less any dispatch earned credits plus any demurrage.	
20	362.081 Date of receipt of material mailed to Commission.	<p>1. An annual statement which is required to be filed pursuant to NRS 362.110 and which is transmitted through the United States mail shall be deemed to have been received on the date shown by the post office cancellation mark stamped on the envelope containing it, or on the date it was mailed if proof satisfactory to the Commission establishes that the document or certificate was timely deposited in the United States mail, postage prepaid, and properly addressed to the Commission.</p> <p>2. A receipt for material sent by certified or registered mail, if different than the post office cancellation mark, will prevail if the date on the receipt is earlier than the cancellation date.</p> <p>3. A record authenticated by the post office that the cancellation date on certain batches of mail was erroneous is proof satisfactory to the Commission that the mailing was made on a date other than the post office cancellation date.</p> <p>4. If it is known that the postal service was impervious at a certain time due to strikes, riots, warfare, acts of God or other reasons, the Commission will consider the circumstances and, if there is other evidence of timely mailing, will accept the evidence and deem the return or payment timely.</p> <ol style="list-style-type: none"> <li>5. Under no circumstances will:             <ol style="list-style-type: none"> <li>(a) The cancellation date affixed by a postage meter in the possession of the taxpayer or other person; or</li> <li>(b) Statements by the taxpayer or the taxpayer's employees</li> </ol>             --- be considered sufficient to refute the post office cancellation date as the date of mailing.         </li></ol>	
21	362.083 Annual statement of gross yield and claimed net proceeds: Failure to include all applicable information, documentation, reports and statements.	If a taxpayer submits an annual statement which is required to be filed pursuant to NRS 362.110 and which does not include all applicable information, documentation, reports and statements, the Department may require the taxpayer to resubmit the annual statement with all applicable information, documentation, reports and statements within 10 days after receiving notice from the Department. If all applicable information, documentation, reports and statements are not included with the statement upon the resubmission of the statement, the Department may consider the taxpayer to have failed to file the statement.	
22	362.085 Annual statement of gross yield and claimed net proceeds: Penalty for failure to file.	If a taxpayer fails to file the statement required by NRS 362.110, the Department shall impose a penalty pursuant to NRS 362.230 in the following amounts:	
23	362.087 Annual statement of gross yield and claimed net proceeds: Penalty for failure to file.	If the Department does not receive an annual statement which is required to be filed pursuant to NRS 362.110 and alleges that the taxpayer has not filed the statement, the taxpayer may submit documentation which establishes that the statement was properly filed. If the Department subsequently determines the annual statement was filed properly, the Department shall waive the penalty for failure to file a statement which is imposed pursuant to NAC 362.085.	
24	362.090 Report of amount of net proceeds of minerals taxes plus pro rata penalties and interest: distribution.	<p>1. The Department shall report to the State Controller pursuant to NRS 362.170 on or before May 25 the amount of any net proceeds of minerals taxes plus pro rata penalties and interest collected for distribution to each county.</p> <p>2. The Department shall distribute penalties and interest pursuant to NRS 362.170 in the same manner and percentage as computed for the net proceeds of minerals tax for each county.</p>	
25	<b>Deductions for Reclamation Costs</b>		
26	362.200 Definitions.	As used in NAC 362.200 to 362.310, inclusive, unless the context otherwise requires, the words and terms defined in NAC 362.210 to 362.290, inclusive, have the meanings ascribed to them in those sections.	
27	362.210 "Closure of a mine" defined.	"Closure of a mine" means the time at which: <ol style="list-style-type: none"> <li>1. The revegetation, treatment and rehabilitation of the site of the mine have been completed;</li> <li>2. Any excess chemical solutions have been eliminated from the site of the mine, to the extent practicable;</li> <li>3. The maximum degree of passive management has been implemented at the site of the mine in which a method of treatment is applied through the use of any naturally occurring chemical or biological processes to remove any metals or acidity from any waters of the mine which have been contaminated to clean the waters from such contamination; and</li> <li>4. A monitoring program has been implemented to monitor the site of the mine after the production of the mine has been completed.</li> </ol>	
28	362.250 "Reclamation" defined.	"Reclamation" means actions performed during or after a mining operation or developmental work which are consistent with the provisions of NRS concerning mines and minerals, and any regulations adopted pursuant thereto, and which are identified in a reclamation plan to shape, stabilize, revegetate or otherwise treat the land in order to return it to a safe, stable condition consistent with the establishment of a productive and lasting use of the land and the abandonment of a facility in a manner which ensures the public safety, as well as the encouragement of techniques which minimize the adverse visual effects. The term does not include any action performed after the closure of a mine.	
29	362.270 "Reclamation plan" defined.	"Reclamation plan" means a plan for reclamation, and any amendments or modifications thereto, which is approved by: <ol style="list-style-type: none"> <li>1. The Division of Environmental Protection of the State Department of Conservation and Natural Resources pursuant to chapter 519A of NRS for a mining operation or developmental work which is conducted on land administered by this State;</li> <li>2. The Bureau of Land Management of the Department of the Interior pursuant to 43 C.F.R. Part 3809 for a mining operation or developmental work which is conducted on land administered by a federal agency; or</li> <li>3. Any other state or federal agency pursuant to any state or federal law which:             <ol style="list-style-type: none"> <li>(a) Imposes a duty to reclaim the land disturbed by a mining operation or developmental work; or</li> <li>(b) Requires a permit to engage in a mining operation or developmental work which is substantially similar to the requirements for a permit set forth in chapter 519A of NRS and any regulations adopted pursuant thereto.</li> </ol> </li> </ol>	
30	362.280 "Reporting period" defined.	"Reporting period" means the calendar year for which the statement required by NRS 362.110 is filed.	
31	362.290 "Taxpayer" defined.	"Taxpayer" means a person who is required by the Department to pay a tax on the net proceeds of any mineral extracted in this State pursuant to chapter 362 of NRS.	
32	362.310 Allowable deduction. [Effective January 1, 2016.]	A taxpayer may claim a deduction pursuant to paragraph (i) of subsection 3 of NRS 362.120 for any money paid during the reporting period for reclamation performed by the taxpayer.	
33	<b>Geothermal Resources</b>		
34	362.350 Definitions.	As used in NAC 362.350 to 362.370, inclusive, unless the context otherwise requires, the words and terms defined in NAC 362.352 to 362.366, inclusive, have the meanings ascribed to them in those sections.	
35	362.352 "Field" defined.	"Field" means the area of operations from which a geothermal resource is extracted and transported before any further beneficiation of the geothermal resource occurs.	
36	362.354 "Mining function" defined.	"Mining function" means any activity relating to the extraction of a geothermal resource, including, but not limited to, any drilling, pumping, reinjection, roadwork or transportation of the geothermal resource, if the activity occurs before any further processing of the geothermal resource by a system for gathering the geothermal resource.	
37	362.356 "Plant" defined.	"Plant" means any facility at which the processing of a geothermal resource occurs, including, without limitation, a plant for generating power.	
38	362.358 "Processing" defined.	"Processing" means any activity that occurs beyond the inlet of a plant that: <ol style="list-style-type: none"> <li>1. Changes the physical or chemical characteristics of the production stream of a geothermal resource; or</li> <li>2. Enhances the marketability of the production stream or the value of any separate component of the production stream.</li> </ol> <p>---The term includes, without limitation, any beneficiation, compression, flaking, separation or stabilization that occurs within the plant, other than any reinjection, regulation of wellhead pressure, changing of pressures or temperatures in a reservoir or any other compression that occurs during the production of the geothermal resource.</p>	
39	362.360 "Processing allowance" defined.	"Processing allowance" means any cost associated with converting a geothermal resource into any electricity, heat or other by-product. The term includes, without limitation, any cost associated with an activity occurring after the completion of all mining functions but before the processed product is transported to a market for the product.	
40	362.362 "Repowering" defined.	"Repowering" means to: <ol style="list-style-type: none"> <li>1. Remove any inefficient, obsolete or aging equipment that is used in the production stream of a geothermal resource; and</li> <li>2. Replace that equipment with any new technology or equipment that increases or may increase the efficiency of the processing of the geothermal resource.</li> </ol>	
41	362.364 "Transaction" defined.	"Transaction" means a bona fide transaction conducted at arms length involving a geothermal resource at the wellhead.	
42	362.366 "Transportation allowance" defined.	"Transportation allowance" means any cost incurred for the movement of a geothermal resource that is converted to any electricity, heat or other by-product, if the movement of the geothermal resource is performed by the operator and occurs after the geothermal resource is processed.	

# CHAPTER 362 - TAXES ON PATENTED MINES AND PROCEEDS OF MINERALS GENERAL PROVISIONS

43	362.368 Determination of gross yield.	<p>1. To assess and tax the net proceeds of an operating facility which extracts geothermal resources, the gross yield of the geothermal resources must be determined pursuant to this section.</p> <p>2. If the transaction involves the direct, arms-length sale of the geothermal resource, the gross yield of the geothermal resource equals the proceeds of the sale of the geothermal resource.</p> <p>3. If the transaction involves the indirect sale of the geothermal resource, the gross yield of the geothermal resource is the total revenue received from the sale of any electricity, heat or other by-product of the geothermal resource that is agreed upon by the parties to the sale, less any processing allowance or transportation allowance. If the selling price includes any costs for processing or transportation, the person extracting the geothermal resource shall report those costs on a form prescribed by the Department. The Department shall consider those costs in determining the gross yield of the geothermal resource.</p> <p>4. In the case of an indirect sale of a geothermal resource that is used to produce electricity, all energy, capacity and other payments received, if any, must be included in the gross yield of the geothermal resource.</p> <p>5. If the costs associated with the processing allowance or transportation allowance are included in a bona fide arms-length contract, the costs shall be deemed to be an appropriate deduction from the selling price. Such costs may include the negotiated costs for the operation, maintenance and replacement of the plant which are paid by the operator of the field, reduced by any negotiated costs for the operation, maintenance and replacement of the field which are paid by the operator of the plant. The negotiated costs must be set forth in a written contract or other document specified by the Department and may include, but are not limited to:</p> <p>(a) A negotiated sharing by percentage of the operating and maintenance costs of the field and the plant; or</p> <p>(b) A negotiated agreement that the operator of the field will pay for necessary improvement to the plant.</p> <p>6. If the costs associated with the processing allowance or transportation allowance are not included in a bona fide arms-length contract, the Department must consider the following:</p> <p>(a) The annual total cost of operating and maintaining the plant, transmission line and any other facility or equipment used to transport the geothermal product after all mining functions and processing are complete, including, but not limited to, any reasonable and prudent costs incurred for direct wages, benefits, workers' compensation, supplies, materials and charges for overhead, general liability insurance incurred because of the plant and transmission line and costs for obtaining and maintaining any permit for a site, permit relating to air quality or any other permit or license required to operate the plant or transmission line. The transportation allowance for a transmission line is allowed only in direct proportion to the relationship of the field operator's investment to the total cost of the transmission line.</p> <p>(b) The depreciation of the capital investment in the plant and transmission line using the straight-line method over the useful life of the asset established in accordance with the Personal Property Manual.</p> <p>(c) Any charges for wheeling electricity or for loss of power in the transmission line.</p> <p>(d) Amortization of each long-term contract to purchase power using the straight-line method over the stated life of the contract. Any amount amortized pursuant to this paragraph must not exceed 60 percent of the original book value of the plant and transmission line.</p> <p>(e) An allowance for return on the investment in the plant and transmission line, calculated by multiplying the cost of acquiring the plant and transmission line, as recorded in the books and records of the operator, by the overall rate of return on capital. The overall rate of return on capital must be based on the appropriate electric industry cost of capital study conducted by the Department pursuant to NAC 360.408 and 361.425.</p> <p><b>CONT.</b></p>	
44		<p>7. For the purpose of paragraph (e) of subsection 6:</p> <p>(a) If an agreement for the purchase of power is in effect, the Department may grant an allowance for a return on the investment for a period that is equal to the remaining term of the agreement or 15 years, whichever is less. If such an agreement is not in effect, the Department may grant the allowance for a period that is equal to the remaining useful life of the plant and transmission line or 15 years, whichever is less.</p> <p>(b) If the plant or transmission line is repowered or a reinvestment in the plant or transmission line occurs, the taxpayer may apply to the Department for an extension of the allowance specified in paragraph (a). The Department may grant an extension pursuant to this paragraph for a period that is equal to the remaining life of the assets purchased for the repowering or reinvestment or 15 years, whichever is less. The remaining life of those assets must reasonably reflect the useful life of those assets established in accordance with the Personal Property Manual.</p> <p>(c) To calculate the allowance specified in paragraph (a), the Department may require the taxpayer to submit any additional information specified by the Department, including, without limitation:</p> <p>(1) A statement setting forth the amount of any recapitalization or repowering of the plant or transmission line;</p> <p>(2) A statement setting forth the established life of the assets purchased; or</p> <p>(3) An audit of the books and records of the taxpayer.</p> <p>(d) If the Department grants an extension pursuant to paragraph (b), the amount of the return on the investment must not exceed the amount of the recapitalization or repowering of the plant or transmission line.</p> <p>8. As used in this section, "Personal Property Manual" has the meaning ascribed to it in NAC 361.1361.</p>	
45	362.370	Calculation of net proceeds.	The net proceeds of a geothermal resource must be calculated using the gross yield of the geothermal resource, as determined pursuant to NRS 362.120 and NAC 362.368, less the amount of any deduction that is allowable pursuant to NRS 362.120 and this chapter.
46		<b>PATENTED MINES</b>	
47	362.410	Assessment; removal from secured roll for miscellaneous property.	<p>1. A patented mine which is used for a purpose related to mining or agriculture must be assessed:</p> <p>(a) At 35 percent of the taxable value of a site of comparable size and similar terrain and location which is used for purposes other than mining; or</p> <p>(b) At \$500, —whichever is greater.</p> <p>2. Any portion of a patented mine which is used for a purpose unrelated to mining or agriculture and taxed as other property is taxed must be removed from the secured roll of miscellaneous property and added to the secured roll of real property.</p>
		<b>End</b>	



# CHAPTER 363A - TAXES ON FINANCIAL INSTITUTIONS

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explanation; "Amend" with explanation, or "Maintain" as written)
1		<b>GENERAL PROVISIONS</b>		
2	363A.010	Definitions.	As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 363A.020 to 363A.110, inclusive, have the meanings ascribed to them in those sections.	
3	363A.020	"Commission" defined.	"Commission" means the Nevada Tax Commission.	
4	363A.030	"Department" defined.	"Department" means the Department of Taxation.	
5	363A.040	"Division" defined.	"Division" means the Employment Security Division of the Department of Employment, Training and Rehabilitation.	
6	363A.050	"Employer" defined.	"Employer" has the meaning ascribed to it in NRS 363A.030.	
7	363A.060	"Health care deduction" defined.	"Health care deduction" means the deduction allowed by NRS 363A.135.	
8	363A.070	"Indian Tribe" defined.	"Indian tribe" has the meaning ascribed to it in NRS 363A.030.	
9	363A.090	"Nonprofit Organization" defined.	"Nonprofit organization" has the meaning ascribed to it in NRS 363A.030.	
10	363A.100	"Political Subdivision" defined.	"Political subdivision" has the meaning ascribed to it in NRS 363A.030.	
11	363A.110	"Self-insured employer" defined.	"Self-insured employer" means an employer that provides a program of self-insurance for its employees.	
12		<b>ADMINISTRATION</b>		
	363A.330	Maintenance and availability of records of employer.	Each employer shall maintain and, upon the request of the Department, provide to the Department: 1. Copies of any reports filed with or submitted to the Division by the employer. 2. Copies of any records required to be maintained by the employer pursuant to NAC 612.020. 3. If the employer claims the health care deduction: (a) Records describing the nature and amount of any contributions for health insurance or an employee benefit plan made by any employees of the employer. (b) Proof of any payments for health insurance or a health benefit plan made by the employer. (c) A copy of any policy, agreement or other document describing: (1) Any health benefit for which the health care deduction is claimed, including, without limitation, the cost of the benefit; and (2) The number of employees covered under the applicable health insurance or health benefit plan. (d) Such records as are required to explain and verify any apportionment of payments between the employer and any of its employees for any pertinent health insurance or health benefit plan. (e) Any other records reasonably requested by the Department if: (a) The records are available to the employer; and (b) The disclosure of the records is not prohibited pursuant to NRS 49.225, 449.720, 683A.0873 or 689B.280, or any other state or federal law regarding the confidentiality of the records.	
13				
14		<b>IMPOSITION AND COLLECTION - Excise Tax on Banks</b>		
15	363A.350	"Bank" interpreted.	For the purposes of NRS 363A.120, the Commission interprets the term "bank" to exclude a federal land credit association, farm credit bank, agricultural credit association or similar institution organized under the provisions of the Farm Credit Act.	
	363A.360	Amount of tax due for calendar quarter.	1. The entire amount of the excise tax imposed by NRS 363A.120 becomes due for all the branch offices in excess of one operated or otherwise maintained by a bank in any county in this State on the first day of a calendar quarter, regardless of whether the bank ceases to operate or otherwise maintain any of those branch offices during that calendar quarter. 2. If the operation or other maintenance of a branch office commences after the first day of a calendar quarter, no excise tax is due pursuant to the provisions of NRS 363A.120 for the branch office for that calendar quarter. 3. For the purposes of this section: (a) The operation or other maintenance of a branch office shall be deemed to commence on the date the branch office first opens for business to the public. (b) If the first day of a calendar quarter does not occur on a regular banking day for a bank, the bank shall be deemed to operate or otherwise maintain a branch office on that date if the bank: (1) Holds the branch office open for business to the public at any time during the immediately preceding 5 regular banking days for the bank; and (2) Holds the branch office open for business to the public at any time during the immediately succeeding 5 regular banking days for the bank. 4. As used in this section, the words and terms defined in NRS 363A.120 have the meanings ascribed to them in that section.	
16				
17		<b>Payroll Tax</b>		
18	363A.380	Registration of employer with Department; filing of returns and reports.	1. An employer that fails to register with the Division pursuant to NRS 612.535 shall register with the Department for payment of the excise tax imposed by NRS 363A.130. 2. Each employer shall: (a) File with the Department each quarterly return required by paragraph (a) of subsection 3 of NRS 363A.130, regardless of whether any tax is due from the employer for that quarter; and (b) Forward to the Department, on such forms as the Department prescribes, any reports required by the Department for the administration or enforcement of this chapter or chapter 363A of NRS.	
19	363A.400	Exemption of Indian tribes, nonprofit organizations and political subdivisions.	1. An Indian tribe, a nonprofit organization or a political subdivision is exempt from the provisions of NRS 363A.130, regardless of whether the Indian tribe, nonprofit organization or political subdivision files a written election pursuant to NRS 612.565 or 612.570. 2. Any person who claims to be a nonprofit organization exempt from the provisions of NRS 363A.130 shall, upon the request of the Department: (a) If the person does not claim to be an exempt religious organization, provide to the Department a letter from the Internal Revenue Service indicating that the person has qualified as a tax-exempt organization pursuant to 26 U.S.C. § 501(c); or (b) If the person claims to be an exempt religious organization, provide to the Department such records as the Department deems necessary to demonstrate that the person meets the criteria to qualify as a religious organization pursuant to 26 U.S.C. § 501(c) and any federal regulations relating thereto.	
20	363A.411	Application by employer for designation as payroll provider; requirements for designation; revocation or cancellation of designation; commerce tax credit.	1. An employer may apply to the Department to be designated as a payroll provider by submitting to the Department such forms, application materials and supporting documents as the Department may require. 2. The Department shall designate an employer as a payroll provider if the employer demonstrates to the satisfaction of the Department that: (a) The employer is a member of an affiliated group which: (1) Provides payroll services for one or more members of the affiliated group; (2) Pays wages to employees who provide services on behalf of one or more members of the affiliated group; and (3) Reports and pays the tax imposed by NRS 363A.130 on wages paid to employees who provide services on behalf of one or more members of the affiliated group; and (b) Each member of the affiliated group for which a tax credit will be claimed pursuant to subsection 4 would have a liability for the tax imposed by NRS 363A.130 if the persons who provide services for that member were treated as employees of that member rather than as employees of the employer. 3. The Department may revoke or cancel the designation of an employer as a payroll provider if the employer no longer qualifies for that designation pursuant to subsection 2. The revocation or cancellation of the designation of an employer as a payroll provider does not preclude the Department from designating another employer as a payroll provider for the affiliated group if the other employer qualifies as a payroll provider pursuant to this section. 4. In reporting and computing the tax imposed by NRS 363A.130, a payroll provider may subtract from the amount calculated pursuant to subsection 1 of NRS 363A.130 a credit in an amount equal to 50 percent of the sum of the commerce tax paid by the payroll provider and each member of the affiliated group that would have been liable for the tax imposed by NRS 363A.130 if the persons who provide services for that member were treated as employees of that member rather than as employees of the payroll provider. 5. As used in this section: (a) "Affiliated group" means a group of two or more business entities, each of which is controlled by one or more common owners or by one or more members of the group. (b) "Commerce tax" means the tax required to be paid pursuant to chapter 363C of NRS. (c) "Controlled by" means the direct or indirect ownership, control or possession of 50 percent or more of the ownership interest in a business entity. (d) "Payroll provider" means an employer who has been designated by the Department as a payroll provider pursuant to subsection 2.	
21	363A.415	Employer ineligible to receive commerce tax credit if deficient in payment of commerce tax; amendment of tax return for payroll tax upon partial or full satisfaction of deficiency; adjustments to employer's account.	1. If an employer incurs a deficiency in the payment of the commerce tax, the employer is not entitled to the commerce tax credit for the amount of the deficiency until the employer satisfies all or part of the deficiency. The amount of the credit to which the employer is entitled pursuant to this subsection is equal to 50 percent of the amount of the deficiency paid by the employer. 2. Upon partial or full satisfaction of a deficiency in the payment of the commerce tax, an employer may amend a return of the tax imposed by NRS 363A.130 for any of the 4 calendar quarters immediately following the taxable year for which the commerce tax was required to be paid to claim the commerce tax credit in accordance with the provisions of subsection 4 of NRS 363A.130. 3. The Department may make such adjustments to the account of an employer as the Department deems necessary to apply a commerce tax credit and adjust a return of the tax imposed by NRS 363A.130 in accordance with this section. 4. As used in this section: (a) "Commerce tax" means the tax required to be paid pursuant to chapter 363C of NRS. (b) "Commerce tax credit" means the credit against the tax imposed by NRS 363A.130, which is set forth in subsection 4 of that section.	
22	363A.420	Health care deduction: Depreciation of property by self-insured employer.	If a self-insured employer claims the depreciation of property as a direct administrative services cost for purposes of the health care deduction, the employer must compute that depreciation for each calendar quarter, beginning with the calendar quarter in which the property is first placed into service, according to a straight-line method which is based upon: 1. For tangible personal property other than a mobile home: (a) Ninety-five percent of the cost of acquisition of the property; and (b) A useful life determined in accordance with the Personal Property Manual adopted by the Commission for the period in which the property is first placed into service; 2. For a mobile home which has not been converted to real property: (a) Eighty percent of the cost of acquisition of the mobile home; and (b) A useful life of 15 years; and 3. For an improvement to real property: (a) Seventy-five percent of the cost of acquisition of the improvement; and (b) A useful life of 50 years.	
23	363A.430	Correction of errors in filed returns.	If an employer files a return pursuant to paragraph (a) of subsection 3 of NRS 363A.130 which contains any errors, the employer shall: 1. File with the Department an amended or adjusted return which corrects those errors. Any corrections to: (a) The wages reported by the employer must be accompanied by an explanation of those corrections; and (b) Any health care deductions claimed by the employer must be supported by appropriate documentation and explained to the satisfaction of the Department. 2. Remit to the Department any applicable amount due.	
24		<b>Credit for Matching Employee Contributions to Prepaid Tuition Contracts and College Savings Accounts</b>		
25	363A.500	"Prepaid tuition contract" defined.	"Prepaid tuition contract" has the meaning ascribed to it in NRS 353B.030.	
26	363A.505	"Qualified beneficiary" defined.	"Qualified beneficiary" has the meaning ascribed to it in NRS 353B.050.	
27	363A.510	Employer required to provide verification of matching contribution with quarterly return; submission of list of all matching contributions made on behalf of employees.	An employer who, pursuant to NRS 363A.137, claims a credit against the excise tax imposed on the employer by NRS 363A.130 must include with the quarterly return filed by the employer pursuant to paragraph (a) of subsection 3 of NRS 363A.130: 1. Verification of a matching contribution made by the employer: (a) To the savings trust account of an employee of the employer in the Nevada College Savings Trust Fund created by NRS 353B.340; or (b) To the Nevada Higher Education Prepaid Trust Fund created by NRS 353B.140 to match a contribution made by an employee of the employer on behalf of a qualified beneficiary on whose behalf a prepaid tuition contract is drawn; and 2. A list of all matching contributions made on a form prescribed by the Department. The list must include, without limitation: (a) The name and taxpayer identification number of the employer; (b) The name of each employee for whom the matching contribution was made; (c) The amount of each matching contribution; and (d) The total amount of matching contributions made for each employee during the immediately preceding calendar year.	
28	363A.515	Computation of annual limit of tax credit.	The annual limit set forth in subsection 2 of NRS 363A.137 on the credit described in subsection 1 of that section must be computed based on a calendar year.	
		<b>End</b>		

# CHAPTER 363B - BUSINESS TAX

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explanation; "Amend" with explanation, or "Maintain" as written)
1		<b>GENERAL PROVISIONS</b>		
2	363B.010	Definitions.	As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 363B.020 to 363B.100, inclusive, have the meanings ascribed to them in those sections.	
3	363B.020	"Commission" defined.	"Commission" means the Nevada Tax Commission.	
4	363B.030	"Department" defined.	"Department" means the Department of Taxation.	
5	363B.040	"Division" defined.	"Division" means the Employment Security Division of the Department of Employment, Training and Rehabilitation.	
6	363B.050	"Employer" defined.	"Employer" has the meaning ascribed to it in NRS 363B.030.	
7	363B.060	"Health care deduction" defined.	"Health care deduction" means the deduction allowed by NRS 363B.115.	
8	363B.070	"Indian Tribe" defined.	"Indian tribe" has the meaning ascribed to it in NRS 363B.030.	
9	363B.080	"Nonprofit Organization" defined.	"Nonprofit organization" has the meaning ascribed to it in NRS 363B.030.	
10	363B.090	"Political subdivision" defined.	"Political subdivision" has the meaning ascribed to it in NRS 363B.030.	
11	363B.100	"Self-insured employer" defined.	"Self-insured employer" means an employer that provides a program of self-insurance for its employees.	
12		<b>ADMINISTRATION</b>		
13	363B.110	Maintenance and availability of records of employer.	<ol style="list-style-type: none"> <li>Copies of any reports filed with or submitted to the Division by the employer.</li> <li>Copies of any records required to be maintained by the employer pursuant to NAC 612.020.</li> <li>If the employer claims the health care deduction: <ol style="list-style-type: none"> <li>Records describing the nature and amount of any contributions for health insurance or an employee benefit plan made by any employees of the employer.</li> <li>Proof of any payments for health insurance or a health benefit plan made by the employer.</li> <li>A copy of any policy, agreement or other document describing: <ol style="list-style-type: none"> <li>Any health benefit for which the health care deduction is claimed, including, without limitation, the cost of the benefit; and</li> <li>The number of employees covered under the applicable health insurance or health benefit plan.</li> </ol> </li> <li>Such records as are required to explain and verify any apportionment of payments between the employer and any of its employees for any pertinent health insurance or health benefit plan.</li> </ol> </li> <li>Any other records reasonably requested by the Department if: <ol style="list-style-type: none"> <li>The records are available to the employer; and</li> <li>The disclosure of the records is not prohibited pursuant to NRS 49.225, 449.720, 683A.0873 or 689B.280, or any other state or federal law regarding the confidentiality of the records.</li> </ol> </li> </ol>	
14		<b>IMPOSITION AND COLLECTION - Payroll Tax</b>		
15	363B.130	Registration of employer with Department; filing of returns and reports.	<ol style="list-style-type: none"> <li>An employer that fails to register with the Division pursuant to NRS 612.535 shall register with the Department for payment of the excise tax imposed by NRS 363B.110.</li> <li>Each employer shall: <ol style="list-style-type: none"> <li>File with the Department each quarterly return required by paragraph (a) of subsection 3 of NRS 363B.110, regardless of whether any tax is due from the employer for that quarter; and</li> <li>Provide to the Department, on such forms as the Department prescribes, any reports required by the Department for the administration or enforcement of this chapter or chapter 363B of NRS.</li> </ol> </li> </ol>	
16	363B.150	Exemption of Indian tribes, nonprofit organizations and political subdivisions.	<ol style="list-style-type: none"> <li>An Indian tribe, a nonprofit organization or a political subdivision is exempt from the provisions of NRS 363B.110, regardless of whether the Indian tribe, nonprofit organization or political subdivision files a written election pursuant to NRS 612.505 or 612.570.</li> <li>Any person who claims to be a nonprofit organization exempt from the provisions of NRS 363B.110 shall, upon the request of the Department: <ol style="list-style-type: none"> <li>If the person does not claim to be an exempt religious organization, provide to the Department a letter from the Internal Revenue Service indicating that the person has qualified as a tax-exempt organization pursuant to 26 U.S.C. § 501(c); or</li> <li>If the person claims to be an exempt religious organization, provide to the Department such records as the Department deems necessary to demonstrate that the person meets the criteria to qualify as a religious organization pursuant to 26 U.S.C. § 501(c) and any federal regulations relating thereto.</li> </ol> </li> </ol>	
17	363B.161	Application by employer for designation as payroll provider; requirements for designation; revocation or cancellation of designation; commerce tax credit.	<ol style="list-style-type: none"> <li>An employer may apply to the Department to be designated as a payroll provider by submitting to the Department such forms, application materials and supporting documents as the Department may require.</li> <li>The Department shall designate an employer as a payroll provider if the employer demonstrates to the satisfaction of the Department that: <ol style="list-style-type: none"> <li>The employer is a member of an affiliated group which: <ol style="list-style-type: none"> <li>Provides payroll services for one or more members of the affiliated group;</li> <li>Pays wages to employees who provide services on behalf of one or more members of the affiliated group; and</li> <li>Returns and pays the tax imposed by NRS 363B.110 on wages paid to employees who provide services on behalf of one or more members of the affiliated group; and</li> </ol> </li> <li>Each member of the affiliated group for which a tax credit will be claimed pursuant to subsection 4 would have a liability for the tax imposed by NRS 363B.110 if the persons who provide services for that member were treated as employees of that member rather than as employees of the employer;</li> </ol> </li> <li>The Department may revoke or cancel the designation of an employer as a payroll provider if the employer no longer qualifies for that designation pursuant to subsection 2. The revocation or cancellation of the designation of an employer as a payroll provider does not preclude the Department from designating another employer as a payroll provider for the affiliated group if the other employer qualifies as a payroll provider pursuant to this section.</li> <li>In reporting and computing the tax imposed by NRS 363B.110, a payroll provider may subtract from the amount calculated pursuant to subsection 1 of NRS 363B.110 a credit in an amount equal to 50 percent of the sum of the commerce tax paid by the payroll provider and the members of the affiliated group that would have been liable for the tax imposed by NRS 363B.110 if the persons who provide services for that member were treated as employees of that member rather than as employees of the payroll provider.</li> <li>As used in this section: <ol style="list-style-type: none"> <li>"Affiliated group" means a group of two or more business entities, each of which is controlled by one or more common owners or by one or more members of the group.</li> <li>"Commerce tax" means the tax required to be paid pursuant to chapter 363C of NRS.</li> <li>"Controlled by" means the direct or indirect ownership, control or possession of 50 percent or more of the ownership interest in a business entity.</li> <li>"Payroll provider" means an employer who has been designated by the Department as a payroll provider pursuant to subsection 2.</li> </ol> </li> </ol>	
18	363B.165	Employer ineligible to receive commerce tax credit if deficient in payment of commerce tax; amendment of tax return for payroll tax upon partial or full satisfaction of deficiency; adjustments to employer's account.	<ol style="list-style-type: none"> <li>If an employer incurs a deficiency in the payment of the commerce tax, the employer is not entitled to the commerce tax credit for the amount of the deficiency until the employer satisfies all or part of the deficiency. The amount of the credit to which the employer is entitled pursuant to this subsection is equal to 50 percent of the amount of the deficiency paid by the employer.</li> <li>Upon partial or full satisfaction of a deficiency in the payment of the commerce tax, an employer may amend a return of the tax imposed by NRS 363B.110 for any of the 4 calendar quarters immediately following the taxable year for which the commerce tax was required to be paid to claim the commerce tax credit in accordance with the provisions of subsection 4 of NRS 363B.110.</li> <li>The Department may make such adjustments to the account of an employer as the Department deems necessary to apply a commerce tax credit and adjust a return of the tax imposed by NRS 363B.110 in accordance with this section.</li> <li>As used in this section: <ol style="list-style-type: none"> <li>"Commerce tax" means the tax required to be paid pursuant to chapter 363C of NRS.</li> <li>"Commerce tax credit" means the credit against the tax imposed by NRS 363B.110, which is set forth in subsection 4 of that section.</li> </ol> </li> </ol>	
19	363B.170	Health care deduction: Depreciation of property by self-insured employer.	<p>If a self-insured employer claims the depreciation of property as a direct administrative services cost for purposes of the health care deduction, the employer must compute that depreciation for each calendar quarter, beginning with the calendar quarter in which the property is first placed into service, according to a straight-line method which is based upon:</p> <ol style="list-style-type: none"> <li>For tangible personal property other than a mobile home: <ol style="list-style-type: none"> <li>Seventy-five percent of the cost of acquisition of the property; and</li> <li>A useful life determined in accordance with the Personal Property Manual adopted by the Commission for the period in which the property is first placed into service.</li> </ol> </li> <li>For a mobile home which has not been converted to real property: <ol style="list-style-type: none"> <li>Eighty percent of the cost of acquisition of the mobile home; and</li> <li>A useful life of 15 years; and</li> </ol> </li> <li>For an improvement to real property: <ol style="list-style-type: none"> <li>Seventy-five percent of the cost of acquisition of the improvement; and</li> <li>A useful life of 50 years.</li> </ol> </li> </ol>	
20	363B.180	Correction of errors in filed returns.	<ol style="list-style-type: none"> <li>File with the Department an amended or adjusted return which corrects those errors. Any corrections to: <ol style="list-style-type: none"> <li>The wages reported by the employer must be accompanied by an explanation of those corrections; and</li> <li>Any health care deduction claimed by the employer must be supported by appropriate documentation and explained to the satisfaction of the Department.</li> </ol> </li> <li>Resort to the Department any applicable amount due.</li> </ol>	
21		<b>Credit for Matching Employee Contributions to Prepaid Tuition Contracts and College Savings Accounts</b>		
22	363B.300	"Prepaid tuition contract" defined.	"Prepaid tuition contract" has the meaning ascribed to it in NRS 353B.030.	
23	363B.305	"Qualified beneficiary" defined.	"Qualified beneficiary" has the meaning ascribed to it in NRS 353B.050.	
24	363B.310	Employer required to provide verification of matching contribution with quarterly return; submission of list of all matching contributions made on behalf of employees.	<ol style="list-style-type: none"> <li>An employer who, pursuant to NRS 363B.117, claims a credit against the excise tax imposed on the employer by NRS 363B.110 must include with the quarterly return filed by the employer pursuant to paragraph (a) of subsection 3 of NRS 363B.110: <ol style="list-style-type: none"> <li>Verification of a matching contribution made by the employer: <ol style="list-style-type: none"> <li>To the savings trust account of an employee of the employer in the Nevada College Savings Trust Fund created by NRS 353B.340; or</li> <li>To the Nevada Higher Education Prepaid Trust Fund created by NRS 353B.140 to match a contribution made by an employee of the employer on behalf of a qualified beneficiary on whose behalf a prepaid tuition contract is drawn; and</li> </ol> </li> <li>A list of all matching contributions made on a form prescribed by the Department. The list must include, without limitation: <ol style="list-style-type: none"> <li>The name and taxpayer identification number of the employer;</li> <li>The name of each employee for whom the matching contribution was made;</li> <li>The amount of each matching contribution; and</li> <li>The total amount of matching contributions made for each employee during the immediately preceding calendar year.</li> </ol> </li> </ol> </li> </ol>	
25	363B.315	Computation of annual limit of tax credit.	The annual limit set forth in subsection 2 of NRS 363B.117 on the credit described in subsection 1 of that section must be computed based on the calendar year.	
		<b>End</b>		

# CHAPTER 363C - COMMERCE TAX

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explanation; "Amend" with explanation, or "Maintain" as written)
1		<b>GENERAL PROVISIONS</b>		
2	363C:100	"Fiduciary duty" defined for purposes of NRS 363C:070.	For the purposes of determining whether revenue received by a business entity is pass-through revenue pursuant to paragraph (a) of subsection 1 of NRS 363C:070, "fiduciary duty" means a duty arising from a relationship governed by the provisions of NRS 182.010 to 182.140, inclusive.	
3	363C:110	"Intangible investments" continued for purposes of NRS 363C:020.	For the purposes of the exemption from the commerce tax set forth in paragraph (m) of subsection 2 of NRS 363C:020, the term "intangible investments" includes, without limitation, the intangible investments described in that paragraph as well as any other investments, including, without limitation, a trust, a corporation, partnership, limited liability company or other entity in which a person owns an interest, regardless of whether that person controls or participates in the management of the entity in which the person owns an interest.	
4	363C:120	Goods or services provided on "complementary basis" continued for purposes of NRS 363C:045.	For the purposes of paragraph (c) of subsection 3 of NRS 363C:045, goods or services are provided on a complementary basis if the goods or services are provided at no charge, in exchange for the points or credits earned pursuant to a program under which points or credits are earned or awarded to the customers of a business entity or in exchange for a coupon, voucher or certificate.	
5		<b>IMPOSITION AND COLLECTION - General Provisions for Business Entities</b>		
6	363C:200	Business activities constituting nexus with this State.	<p>For the purpose of determining whether a business entity is engaging in a business in this State, a business entity is conducting or conducting business in this State if the business entity:</p> <ol style="list-style-type: none"> <li>1. In the ordinary course of business, enters this State to purchase, place or display advertising for the benefit of another person;</li> <li>2. Has consigned goods in this State;</li> <li>3. Performs a contract in this State, regardless of whether the person brings his or her own employees into this State, hires local labor or subcontractors with another person for each employment or labor;</li> <li>4. Delivers into this State in its own vehicles items which the business entity has sold;</li> <li>5. Has employees or representatives in this State doing the person's business;</li> <li>6. Does business in any area within this State, regardless of whether the area is leased by, owned by, ceded to or under the control of the Federal Government;</li> <li>7. Enters into one or more contracts as a franchisee with a franchisee by which:             <ol style="list-style-type: none"> <li>(a) The franchisee is granted the right to engage in the business of offering, selling or distributing goods or services under a marketing plan or system prescribed in substantial part by the franchisee; and</li> <li>(b) The operation of the franchisee's business pursuant to such plan is substantially associated with the franchisee's trademark, service mark, trade name, logo, type, advertising or other commercial symbol designating the franchisee or its affiliate;</li> </ol> </li> <li>8. Maintains a place of business in this State from which the person supervises the management of an entity in which the person has an ownership interest or managing, directing or providing services for fees in this State for an entity in which the person has an ownership interest;</li> <li>9. Has inventory in this State or has spot inventory in this State for the convenient delivery to customers, regardless of whether the bulk of orders are filled from outside of this State;</li> <li>10. Leases tangible personal property which is used in this State;</li> <li>11. Provides loan production activities in this State through employees, independent contractors, agents or other representatives, regardless of whether such persons reside in this State, including, without limitation, soliciting sales contracts or loans, gathering financial data, making credit checks, collecting accounts, repossessing property or providing other financial activities;</li> <li>12. In exchange for fees, acts as a general partner in a general partnership or limited partnership which is doing business in this State or as a director of a corporation which is doing business in this State;</li> <li>13. Maintains a place of business in this State;</li> <li>14. Assembles, processes, manufactures or stores goods in this State;</li> <li>15. Holds, acquires, leases or disposes of any real property located in this State;</li> </ol> <p><b>CONC.</b></p>	
7			<ol style="list-style-type: none"> <li>16. Provides any service while physically present in this State through employees, independent contractors, agents or other representatives, regardless of whether the employee, independent contractor, agent or representative providing the service resides in this State, including, without limitation:             <ol style="list-style-type: none"> <li>(a) Maintaining or repairing property located in this State whether under warranty or by separate contract;</li> <li>(b) Installing, erecting or modifying property in this State;</li> <li>(c) Conducting training classes, seminars or lectures in this State;</li> <li>(d) Providing any kind of technical assistance in this State, including, without limitation, engineering services; or</li> <li>(e) Investigating, handling or otherwise assisting in resolving customer complaints in this State;</li> </ol> </li> <li>17. Sends materials to this State to be stored while awaiting orders for the shipment of the materials;</li> <li>18. Stages or participates in shows, musical performances, sporting events or other such events in this State;</li> <li>19. Has an employee, independent contractor, agent or other representative in this State, regardless of whether that person resides in this State, to promote or induce sales of the person's goods or services;</li> <li>20. Has a telephone number that is answered in this State;</li> <li>21. Carries passengers or personal property, including, without limitation, oil and gas transmitted by pipeline, from one point in this State to another point within this State if pickup and delivery occurs within this State;</li> <li>22. Has facilities at an employee, independent contractor, agent or other representative in this State, regardless of whether the employee, independent contractor, agent or representative resides in this State;</li> <li>23. For storing, delivering or shipping goods from within this State:             <ol style="list-style-type: none"> <li>(a) For servicing, maintaining or repairing vehicles, trailers, containers or other equipment in this State;</li> <li>(b) For coordinating and directing the transportation of passengers or freight in this State; or</li> <li>(c) For doing any other business in this State; or</li> </ol> </li> <li>24. Engages in any other activity that constitutes sufficient nexus to subject the business entity to the commerce tax in a manner consistent with the United States Constitution.</li> </ol>	
8	363C:210	Imposition: factors for determining whether person or entity is business entity subject to filing requirement for Nevada Commerce Tax Return.	<ol style="list-style-type: none"> <li>1. The commerce tax is a tax imposed on each business entity engaging in a business in this State. To determine whether a business entity is engaging in a business in this State, the Department must consider the activities of the business entity and not the activities of other entities in which the business entity owns an interest.</li> <li>2. Except as otherwise provided in subsection 3 and chapter 363C of NRS, for the purpose of determining whether a person or other entity is subject to the commerce tax, a person or other entity is a business entity if the person:             <ol style="list-style-type: none"> <li>(a) An entity organized pursuant to title 7 of NRS or another equivalent statute of this State or another jurisdiction, other than an entity organized pursuant to chapter 82 or 84 of NRS.</li> <li>(b) A trust, national, domestic or foreign bank, whether organized under the laws of this State, another state or another country, or under federal law.</li> <li>(c) A savings and loan association or savings bank, whether organized under the laws of this State, another state or another country, or under federal law.</li> <li>(d) A partnership governed by chapter 87 of NRS or another equivalent statute of this State or another jurisdiction.</li> <li>(e) A registered limited liability partnership registered with the Secretary of State pursuant to NRS 87.440 to 87.500, inclusive.</li> <li>(f) A business association.</li> <li>(g) A joint venture, except a joint operating or co-ownership arrangement which meets the requirements of 26 C.F.R. § 1.761-2(a)(3), Treas. Reg. § 1.761-2(a)(3), that elects out of federal partnership treatment as provided by 26 C.F.R. § 1.761-2(a)(3).</li> <li>(h) A joint stock company.</li> <li>(i) A holding company.</li> <li>(j) An entity which is required to file with the Internal Revenue Service as:                 <ol style="list-style-type: none"> <li>(i) Schedule C (Form 1040), Profit or Loss from Business, or its equivalent or successor form;</li> <li>(ii) Schedule E (Form 1040), Supplemental Income and Loss, or its equivalent or successor form, if an activity of the natural person is reported on Part 1 of that Schedule; or</li> <li>(iii) Schedule F (Form 1040), Profit or Loss from Farming, or its equivalent or successor form.</li> </ol> </li> </ol> </li> <li>3. Any other person engaging in a business in this State.</li> </ol> <p>As used in this section:</p> <ol style="list-style-type: none"> <li>(a) "Holding company" means an entity that confines its activities to owning stock in, and supervising management of, other companies.</li> <li>(b) "Joint stock company" means a business law unincorporated business enterprise of natural persons possessing common capital with ownership interests represented by shares of stock.</li> <li>(c) "Joint venture" means a partnership engaged in the joint prosecution of a particular transaction for mutual profit.</li> </ol>	
9	363C:220	Requirement to file Nevada Commerce Tax Return: simplified reporting method for business entities with gross revenue less than \$4,000,000.	<ol style="list-style-type: none"> <li>1. Each business entity engaging in a business in this State during a taxable year must file a Nevada Commerce Tax Return for that taxable year pursuant to subsection 2 of NRS 363C:200, regardless of whether the business entity is liable for payment of the commerce tax pursuant to NRS 363C:300 to 363C:560, inclusive.</li> <li>2. A business entity engaging in a business in this State whose Nevada gross revenue for a taxable year is less than \$4,000,000 shall provide on its Nevada Commerce Tax Return only the following information:             <ol style="list-style-type: none"> <li>(a) The taxable year;</li> <li>(b) The tax identification number issued to the business entity by the Department;</li> <li>(c) The NAICS code that corresponds to the business category in which the business entity is primarily engaged, as set forth in NRS 363C:110 to 363C:550, inclusive, or, if the NAICS code of the business entity does not correspond to a business category set forth in those sections, the NAICS code of the business entity;</li> <li>(d) The legal name and address of the business entity; and</li> <li>(e) The affirmation of the business entity or the business entity's authorized representative, signed under penalty of perjury, that the Nevada gross revenue of the business entity for the taxable year was less than \$4,000,000.</li> </ol> </li> </ol> <p>For the purpose of calculating the amount of the deduction from gross revenue set forth in paragraphs (1) and (2) of subsection 1 of NRS 363C:210, the actual cost to a health care provider for uncompensated care is an amount equal to the operating expenses of the health care provider for the most recent federal tax year of the health care provider, multiplied by:</p> <ol style="list-style-type: none"> <li>(a) The uncompensated care rate of the health care provider calculated for the most recent federal tax year of the health care provider; or</li> <li>(b) If the health care provider elects to use the uncompensated care rate calculated for the most recent report filed by the health care provider pursuant to subsection 1 of NRS 449.490, the uncompensated care rate calculated for that report. A health care provider that elects to use the uncompensated care rate described in this subsection shall maintain sufficient records to verify the validity of the calculation of the uncompensated care rate.</li> </ol> <ol style="list-style-type: none"> <li>3. A health care provider shall maintain for all uncompensated care a record of the service provided, the standard charge for the service and the payments received by the health care provider for the service.</li> <li>4. As used in this section:             <ol style="list-style-type: none"> <li>(a) "Health care provider" has the meaning ascribed to it in NRS 363C:210.</li> <li>(b) "Operating expenses" means:                 <ol style="list-style-type: none"> <li>(i) The amount reported on lines 2 and 21 of Form 1065, U.S. Return of Partnership Income, or its equivalent or successor form;</li> <li>(ii) The amount reported on lines 2 and 20 of Form 1120S, U.S. Income Tax Return for an S Corporation, or its equivalent or successor form; or</li> <li>(iii) The corresponding line item from any other federal tax form filed by the health care provider.</li> </ol> </li> </ol> </li> <li>5. "Uncompensated care charges" means an amount equal to the standard charge for health care services for which the health care provider has not received any payment or for which the health care provider has received partial payment that does not cover the cost of the health care services provided to the patient, excluding any portion of a charge that the health care provider has no right to collect under a private health care plan, under an agreement with a patient for a reduced charge, limitation on the charge, limitation on the business entity's Nevada gross revenue for the taxable year or the health care provider, or (2) and (3) of paragraph (1) of NRS 363C:210. For the purposes of this paragraph, the standard charge for health care services must be comparable to the charges applied to health care services provided to all patients of the health care provider.</li> <li>6. "Uncompensated care rate" means the ratio equal to uncompensated care charges, less the amounts received toward uncompensated care charges that do not cover the cost of the health care services provided to a patient, divided by the total charges for health care services, including, without limitation, uncompensated care charges.</li> </ol>	
10	363C:230	Calculation of uncompensated care deduction for health care providers.	<ol style="list-style-type: none"> <li>1. For the purpose of calculating the amount of the deduction from gross revenue set forth in paragraphs (1) and (2) of subsection 1 of NRS 363C:210, the actual cost to a health care provider for uncompensated care is an amount equal to the operating expenses of the health care provider for the most recent federal tax year of the health care provider, multiplied by:             <ol style="list-style-type: none"> <li>(a) The uncompensated care rate of the health care provider calculated for the most recent federal tax year of the health care provider; or</li> <li>(b) If the health care provider elects to use the uncompensated care rate calculated for the most recent report filed by the health care provider pursuant to subsection 1 of NRS 449.490, the uncompensated care rate calculated for that report. A health care provider that elects to use the uncompensated care rate described in this subsection shall maintain sufficient records to verify the validity of the calculation of the uncompensated care rate.</li> </ol> </li> <li>2. A health care provider shall maintain for all uncompensated care a record of the service provided, the standard charge for the service and the payments received by the health care provider for the service.</li> <li>3. As used in this section:             <ol style="list-style-type: none"> <li>(a) "Health care provider" has the meaning ascribed to it in NRS 363C:210.</li> <li>(b) "Operating expenses" means:                 <ol style="list-style-type: none"> <li>(i) The amount reported on lines 2 and 21 of Form 1065, U.S. Return of Partnership Income, or its equivalent or successor form;</li> <li>(ii) The amount reported on lines 2 and 20 of Form 1120S, U.S. Income Tax Return for an S Corporation, or its equivalent or successor form; or</li> <li>(iii) The corresponding line item from any other federal tax form filed by the health care provider.</li> </ol> </li> </ol> </li> <li>4. "Uncompensated care charges" means an amount equal to the standard charge for health care services for which the health care provider has not received any payment or for which the health care provider has received partial payment that does not cover the cost of the health care services provided to the patient, excluding any portion of a charge that the health care provider has no right to collect under a private health care plan, under an agreement with a patient for a reduced charge, limitation on the charge, limitation on the business entity's Nevada gross revenue for the taxable year or the health care provider, or (2) and (3) of paragraph (1) of NRS 363C:210. For the purposes of this paragraph, the standard charge for health care services must be comparable to the charges applied to health care services provided to all patients of the health care provider.</li> <li>5. "Uncompensated care rate" means the ratio equal to uncompensated care charges, less the amounts received toward uncompensated care charges that do not cover the cost of the health care services provided to a patient, divided by the total charges for health care services, including, without limitation, uncompensated care charges.</li> </ol>	
11	363C:240	Change of NAICS code category and rate used to calculate amount of tax.	<ol style="list-style-type: none"> <li>1. For the purpose of determining the rate used to calculate the amount of commerce tax required to be paid by a business entity pursuant to NRS 363C:110 to 363C:560, inclusive, the business category of the business entity is the NAICS code designated by the business entity pursuant to subsection 2 of:             <ol style="list-style-type: none"> <li>(a) The NAICS code designated by the business entity as designated pursuant to subsection 1 or 4;</li> <li>(b) The NAICS code designated by the business entity as designated pursuant to subsection 1 or 4 of the initial Nevada Commerce Tax Return filed with the Department pursuant to subsection 2 of NRS 363C:200;</li> <li>(c) Except as otherwise provided in paragraph (b), the business entity must designate:                 <ol style="list-style-type: none"> <li>(i) The NAICS code of the business in which the business entity is engaged; and</li> <li>(ii) The tax rate set forth in NRS 363C:310 to 363C:550, inclusive, for the NAICS code designated by the business entity pursuant to paragraph (1) or, if the tax rate for that NAICS code is not set forth in those sections, the tax rate for the unclassified business category set forth in NRS 363C:560.</li> </ol> </li> <li>(d) The NAICS code of the business in which the business entity is engaged, if the NAICS code of the business in which the business entity is engaged is not set forth in those sections, the tax rate for the unclassified business category set forth in NRS 363C:560.</li> </ol> </li> <li>2. A business entity that wishes to change the NAICS code designated for the business entity pursuant to subsection 1 must submit to the Department, on or before the date on which the Nevada Commerce Tax Return for the taxable year is written or received by the Department, a request to change the NAICS code and the tax rate pursuant to subsection 1. A request submitted pursuant to this subsection must:             <ol style="list-style-type: none"> <li>(a) State the current NAICS code designated for the business entity, the proposed NAICS code for the business entity, the taxable year to which the proposed NAICS code will apply and the reason for the requested change; and</li> <li>(b) Be accompanied by documentation indicating that the current NAICS code designated for the business entity is erroneous or inaccurate.</li> </ol> </li> <li>3. Within 60 days after receipt of a request and the information required by subsection 1, the Department shall determine and notify the business entity of:             <ol style="list-style-type: none"> <li>(a) The NAICS code of the business entity;</li> <li>(b) The tax rate for the NAICS code of the business entity as set forth in NRS 363C:310 to 363C:560, inclusive; and</li> <li>(c) The period to which the NAICS code and tax rate will apply.</li> </ol> </li> <li>4. If the Department does not make such a determination within the period prescribed by this subsection, the request is deemed to be approved by the Department.</li> <li>5. If, based on fraudulent or incorrect information, the Department approves a change to the NAICS code of a business entity, the Department is not estopped from assessing a deficiency in the payment of the commerce tax and imposing the applicable penalty and interest for such deficiency.</li> </ol>	
12	363C:250	Waiver or reduction of penalty and interest for estimated deficiencies of interest on overpayment made intentionally or by reason of carelessness.	<ol style="list-style-type: none"> <li>1. In addition to the grounds for a waiver or reduction of the penalty and interest for a late payment of the commerce tax set forth in NAC 360.396, the Department may waive or reduce a penalty or interest, or both, for a late payment of the commerce tax if the Nevada Commerce Tax Return is timely filed pursuant to subsection 2 of NRS 363C:200, and the Department determines that the late payment was made because, in calculating the Nevada gross revenue of the taxpayer, the taxpayer or the taxpayer's agent relied on:             <ol style="list-style-type: none"> <li>(a) The commerce tax calculations of the taxpayer for the taxable year immediately preceding the taxable year for which the commerce tax was paid; or</li> <li>(b) Federal income tax calculations of the taxpayer for the most recent federal tax year of the taxpayer.</li> </ol> </li> <li>2. In determining whether to waive or reduce the penalty or interest, or both, for a late payment pursuant to subsection 1, the Department may consider whether the Nevada gross revenue reported on the taxpayer's Nevada Commerce Tax Return is the same as, or similar to, the:             <ol style="list-style-type: none"> <li>(a) Nevada gross revenue reported on the Nevada Commerce Tax Return of the taxpayer for the taxable year immediately preceding the taxable year for which the commerce tax was paid; or</li> <li>(b) The revenue reported on the federal income tax return of the taxpayer for the most recent taxable year of the taxpayer.</li> </ol> </li> <li>3. A taxpayer or the taxpayer's agent may request the waiver or reduction of the penalty or interest, or both, pursuant to subsection 1 by submitting to the Department the federal income tax returns or Nevada Commerce Tax Return on which the taxpayer or taxpayer's agent relied and a written statement signed under oath by the taxpayer or the taxpayer's agent which establishes that the taxpayer qualifies for the relief requested.</li> <li>4. The Department shall not consider a request made pursuant to subsection 1 until the taxpayer has paid in full the commerce tax upon which the interest or penalty is assessed.</li> <li>5. If an overpayment of the commerce tax was made because, in calculating the Nevada gross revenue of the taxpayer, the taxpayer or the taxpayer's agent relied on the information described in paragraph (a) or (b) of subsection 1, the overpayment must be deemed to be made intentionally or by reason of carelessness for the purposes of NRS 363C:420, and the Department must not allow any interest on the overpayment.</li> </ol>	
13		<b>Stating of Certain Gross Revenue in This State</b>		
14	363C:300	Provisions of NAC 363C:310 to 363C:590, inclusive, provide methods for stating of revenue from certain services for purposes of tax, but not exclusive.	<p>The provisions of NAC 363C:310 to 363C:590, inclusive, set forth the method for stating to this State the gross revenue from the provision of certain services for the purposes of the commerce tax. NAC 363C:310 to 363C:590, inclusive, are not intended to set forth a comprehensive list of services but provides the method for stating to this State the gross revenue from each service listed. If a service is not specifically listed in NAC 363C:310 to 363C:590, inclusive, the provisions of those sections providing the method for stating a similar service may provide guidance. The provision of a service that is not listed in NAC 363C:310 to 363C:590, inclusive, or similar to a service listed in those sections may be handled on a case-by-case basis, the revenue from such a service may be stated in this State in accordance with NRS 363C:220. The Department reserves the right to review and adjust any stating of gross revenue made by a business entity.</p>	
15	363C:310	Conditions under which purchaser is "located only in this State."	<ol style="list-style-type: none"> <li>1. For the purposes of NAC 363C:310 to 363C:590, inclusive, a purchaser is "located only in this State" if:             <ol style="list-style-type: none"> <li>(a) The purchaser is a natural person who is a resident of this State and has no business location outside of this State;</li> <li>(b) The purchaser is a person, other than a natural person, whose commercial domicile is in this State and that has no physical locations outside of this State;</li> <li>(c) As used in this section, "commercial domicile" means the principal place from which a person's trade or business is conducted.</li> </ol> </li> </ol>	
16	363C:320	Revenue from accounting services.	<ol style="list-style-type: none"> <li>1. If a business entity provides accounting services for a purchaser located only in this State, the gross revenue from those services is stated in this State, regardless of where the services are provided.</li> <li>2. If accounting services are provided to a purchaser with operations located both within and outside of this State, the gross revenue from those services is stated in this State if the services provided benefit specific operations of the purchaser that are located in this State.</li> <li>3. At the election of a business entity that provides accounting services, and as long as it is applied in a reasonable, consistent and uniform manner, the gross revenue from accounting services may be allocated according to the principal place of business of the purchaser, if the purchaser is a natural person who has no operations located outside of this State, to the residence of the purchaser.</li> <li>4. As used in this section, "principal place of business" means the location where the business unit purchasing the accounting services primarily maintains its operations. In determining the principal place of business of a purchaser, the following measures, if known, shall be considered in ascending order:             <ol style="list-style-type: none"> <li>(a) The branch, division or other business unit where the purchaser primarily receives the benefits of the accounting services;</li> <li>(b) The primary location of the management operations of the business unit of the purchaser; and</li> <li>(c) The billing address of the purchaser, if the billing address is provided in good faith and where the purchaser has actual operations and is not merely a post office box.</li> </ol> </li> </ol>	

# CHAPTER 363C - COMMERCE TAX

17	363C325	Revenue from advertising services.	<p>1. This section applies only to a business entity that provides advertising services and not to a business entity that receives advertising revenue for allowing an advertisement to be placed in a newspaper or magazine, or on the radio or television, or similar media.</p> <p>2. If a business entity provides advertising services for a purchaser located only in this State, the gross revenue from those services is situated in this State, regardless of where the services are provided.</p> <p>3. If a business entity provides advertising services for a purchaser with operations located both within and outside of this State, the gross revenue from the advertising services is situated in this State if the services provided are related to specific operations of the purchaser that are located in this State.</p> <p>4. At the election of a business entity that provides advertising services, and as long as it is applied in a reasonable, consistent and uniform manner, the gross revenue from advertising services may be situated according to the principal place of business of the purchaser or, if the purchaser is a natural person with no operations located outside of this State, to the residence of the purchaser.</p> <p>5. As used in this section, "principal place of business" means the location where the business unit purchasing the advertising services primarily maintains its operations. In determining the principal place of business of a purchaser, the following measures, if known, shall be considered in sequential order:</p> <p>(a) The branch, division or other business unit where the purchaser primarily receives the benefit of the advertising services;</p> <p>(b) The primary location of the management operations of the business unit of the purchaser; and</p> <p>(c) The billing address of the purchaser, if the billing address is provided in good faith, is a site where the purchaser has actual operations and is not merely a post office box.</p>
18	363C330	Revenue from architectural services.	<p>1. If a business entity provides architectural services for a purchaser and the property being designed is to be located wholly in this State, the gross revenue from those services is situated in this State, regardless of where the services are provided.</p> <p>2. If a business entity provides architectural services for a purchaser and the property being designed is to be located both within and outside of this State, the amount of the gross revenue from the architectural services that is situated in this State is equal to the amount of the gross revenue from those services multiplied:</p> <p>(a) By a fraction, the numerator of which is the number of properties anticipated to be built both within and outside of this State, and the denominator of which is the number of properties anticipated to be built both within and outside of this State; or</p> <p>(b) If the architectural services are not for standardized buildings, by a fraction, the numerator of which is the square footage of the properties anticipated to be built in this State and the denominator of which is the square footage of the properties anticipated to be built both within and outside of this State.</p>
19	363C335	Revenue from agency services.	<p>1. Except as otherwise provided in NAC 363C340, if a business entity provides agency services for a purchaser located only in this State, the gross revenue from those services is situated in this State, regardless of where the services are provided.</p> <p>2. If a business entity provides agency services for a purchaser with operations located both within and outside of this State, the gross revenue from those services is situated in this State if the services provided benefit specific operations of the purchaser that are located in this State.</p> <p>3. At the election of a business entity that provides agency services, and as long as it is applied in a reasonable, consistent and uniform manner, the gross revenue from agency services may be situated according to the principal place of business of the purchaser or, if the purchaser is a natural person who has no operations located outside of this State, to the residence of the purchaser.</p> <p>4. As used in this section, "principal place of business" means the location where the business unit purchasing the agency services primarily maintains its operations. In determining the principal place of business of a purchaser, the following measures, if known, shall be considered in sequential order:</p> <p>(a) The branch, division or other business unit where the purchaser primarily receives the benefit of the agency services;</p> <p>(b) The primary location of the management operations of the business unit of the purchaser; and</p> <p>(c) The billing address of the purchaser, if the billing address is provided in good faith, is a site where the purchaser has actual operations and is not merely a post office box.</p>
20	363C340	Revenue from agent or manager representing athlete or entertainer in contract negotiation.	<p>1. If an agent or manager represents an athlete in negotiating a contract to play for a sports team based in this State, or for a natural person to appear at a sporting event held in this State, the gross revenue from that service is situated in this State, regardless of where the negotiations occur.</p> <p>2. If an agent or manager represents an entertainer in negotiating a contract to perform at an event held in this State, the gross revenue related to that event is situated in this State, regardless of where the negotiations occur.</p> <p>3. If an agent or manager represents an entertainer in negotiating a contract to perform at locations both within and outside of this State, the gross revenue from that service is situated in this State based on the number of known events held in this State compared to all known events held both within and outside of this State.</p> <p>4. If an agent or manager represents an athlete or entertainer in negotiating a contract to perform a person, place or thing in this State, the gross revenue from that service is situated in this State based on the number of known events held in this State compared to all known events held both within and outside of this State. If no event locations are known, the gross revenue is situated to the location where the athlete or entertainer resides.</p>
21	363C345	Remuneration or payment to athlete for certain services.	<p>1. If an athlete receives remuneration, including, without limitation, money, property or services, for participating in, or obtaining prize money from, an event held in this State, the gross revenue received by the athlete is situated in this State.</p> <p>2. If an athlete is paid for appearing at an event held in this State, the gross revenue received by the athlete is situated in this State based on the number of known events held in this State compared to all known events held both within and outside of this State. If no event locations are known, the gross revenue is situated to the residence of the athlete.</p> <p>3. If an athlete is paid for endorsing a person, place or thing in this State, the gross revenue received by the athlete is situated in this State based on the number of known events held in this State compared to all known events held both within and outside of this State. If no event locations are known, the gross revenue is situated to the residence of the athlete.</p> <p>4. As used in this section, "athlete" includes, without limitation, the owner of an animal used in a sporting event.</p>
22	363C350	Remuneration or payment to entertainer for certain services.	<p>1. If an entertainer receives remuneration, including, without limitation, money, property or services, for participating in, or appearing at, an event held in this State, the gross revenue received by the entertainer is situated in this State.</p> <p>2. If an entertainer is paid for endorsing a person, place or thing in this State, the gross revenue received by the entertainer is situated in this State based on the number of known events held in this State compared to all known events held both within and outside of this State. If no event locations are known, the gross revenue is situated to the residence of the entertainer.</p> <p>3. If an entertainer's services relate to various locations both within and outside of this State, the gross revenue may be situated using any reasonable, consistent and uniform method of apportionment that is supported by the business records of the entertainer as they existed at the time the service was provided or within a reasonable time thereafter.</p>
23	363C355	Revenue from entertainment services.	<p>1. If entertainment services are provided wholly in this State, the gross revenue from those services is situated in this State, regardless of where the services are purchased.</p> <p>2. If entertainment services are provided both within and outside of this State and originate from and terminate at a location in this State, the gross revenue from those services are situated in this State, regardless of where the services are purchased.</p> <p>3. The gross revenue from the sale of passes that can be used for admission to locations both within and outside of this State is situated in this State if the admission is to be primarily used at locations in this State. The location of the primary use of an admission is presumed to be the closest facility to the location of the purchaser at the time of purchase.</p> <p>4. If entertainment services relate to various locations both within and outside of this State, the gross revenue from those services may be situated using any reasonable, consistent and uniform method of apportionment that is supported by the business records of the business entity as they existed at the time the service was provided or within a reasonable time thereafter.</p>
24	363C360	Revenue from barbing, cosmetology, beauty salon or spa services.	<p>1. If a business entity provides barbing, cosmetology, beauty salon or spa services in this State, the gross revenue from those services is situated in this State.</p>
25	363C365	Revenue from sale of cable or satellite service.	<p>1. If the primary place of use of cable or satellite service by the purchaser or subscriber of the service is in this State, the gross revenue from the sale of the cable or satellite service is situated in this State, regardless of where the cable or satellite service originates. The primary place of use of cable or satellite service by a purchaser or subscriber is deemed to be the billing address of the service unless the seller of the service knows the purchaser or subscriber is using the service at multiple locations.</p> <p>2. If a provider of cable or satellite service knows that the purchaser or subscriber is using the service at multiple locations both within and outside of this State, the amount of the gross revenue from the sale of the service that is situated in this State is equal to the gross revenue from the sale of the service multiplied by a fraction, the numerator of which is the number of properties in this State where the purchaser or subscriber receives the service and the denominator of which is the total number of properties where the purchaser or subscriber receives the service.</p> <p>3. If a purchaser or subscriber of cable or satellite service is located in this State, the gross revenue from providing billing and other ancillary services for the provider of the cable or satellite service is situated in this State. If the location of the purchaser or subscriber of the cable or satellite service is not known, the gross revenue from providing billing and other ancillary services for the provider of the cable or satellite service is situated in the location of the provider of the cable or satellite service.</p>
26	363C370	Revenue from sale of telecommunication service or mobile telecommunication service.	<p>1. Except as otherwise provided in this section, the gross revenue from the sale of telecommunication service or mobile telecommunication service is situated in this State if the primary place of the customer's use of the service is in this State.</p> <p>2. The gross revenue from the sale of telecommunication service sold on an individual call-by-call basis is situated in this State if:</p> <p>(a) The call both originates and terminates in this State; or</p> <p>(b) The call either originates or terminates in this State and the service address is located in this State.</p> <p>3. The gross revenue from the sale of prepaid telecommunication service is situated in this State if the origin point of the telecommunication signal is located in this State, as first identified by the service provider's telecommunication system or, if the telecommunication system used to transport the telecommunication signal is not the seller's system, as identified by information received by the seller of the telecommunication service from its service provider.</p> <p>4. The gross revenue from the sale of prepaid telecommunication service or prepaid mobile telecommunication service is situated in this State if the purchaser obtains the prepaid card or similar means of conveyance at a location in this State. The gross revenue from the sale of prepaid telecommunication service or mobile telecommunication service is situated in this State if the purchaser's billing information indicates a location in this State.</p> <p>5. The gross revenue from the sale of private communication service is situated in this State as follows:</p> <p>(a) The gross revenue from the sale of each channel termination point located within this State is situated in this State.</p> <p>(b) The gross revenue from the sale of the total channel mileage between each termination point located within this State is situated in this State.</p> <p>(c) Fifty percent of the gross revenue from the sale of service segments for a channel between two customer channel termination points, one of which is located in this State, and which segments are separately charged, is situated in this State.</p> <p>(d) The amount of the gross revenue situated in this State from the sale of service segments for a channel located in this State and in more than one other state or jurisdiction, and which segments are separately billed, equal to the gross revenue from the sale multiplied by a fraction, the numerator of which is the number of customer channel termination points located in this State and the denominator of which is the total number of customer channel termination points located both within and outside of this State.</p> <p>6. The amount of the gross revenue from the sale of billing services and ancillary services for telecommunication service which is situated in this State is equal to a fraction, the numerator of which is the number of customers of the purchaser of those services who are located both within and outside of this State and the denominator of which is the total number of customers of the purchaser of those services who are located both within and outside of this State. If the location of the customers of the purchaser of the billing or ancillary services is not known, the gross revenue may be situated to the state in which the purchaser of the services is located.</p> <p>7. The gross revenue from the sale of access fees, including, without limitation, the carrier access charge paid by an interexchange carrier to connect to a local exchange network in this State, is situated in this State as follows:</p> <p>(a) The gross revenue from access fees attributable to interstate telecommunication service is situated in this State if the interstate call either originates or terminates in this State.</p> <p>(b) Fifty percent of the gross revenue from access fees attributable to intrastate telecommunication service is situated in this State if the interstate call either originates or terminates in this State.</p> <p>(c) The gross revenue from intrastate call and non-access line charges, including, without limitation, the surcharge approved by the Federal Communications Commission and listed pursuant to the 47 C.F.R. Part 69, is situated in this State if the customer's service address is in this State.</p> <p>8. As used in this section, "primary place of the customer's use" means the street address of the location where the customer's use of the telecommunication service primarily occurs, which must be the customer's residential street address or the primary business address of the customer. In the case of mobile telecommunication service, such address is the place of primary use only if it is within the licensed service area of the customer's home service provider.</p>
27	363C375	Revenue from sale of advertising via television and radio broadcast or on Internet.	<p>1. The gross revenue from the sale of advertising via television or radio broadcast or on the Internet, including, without limitation, revenue from the sale of commercials and pay-per-click advertisements, must be situated in this State by the method of the sale of each advertising by a fraction, the numerator of which is the number of persons in the audience of the television or radio station, or the number of subscribers of the Internet provider, located in this State, and the denominator of which is the total number of persons in the audience of the television or radio station, or the total number of the subscribers of the Internet provider, located both within and outside of this State.</p>
28	363C380	Revenue from sale of subscriptions and advertising by business entity that publishes magazine or newspaper.	<p>1. The amount of the gross revenue from the sale of subscriptions and advertising by a business entity that publishes a magazine or newspaper which is situated in this State is equal to the gross revenue from those sales multiplied by a fraction, the numerator of which is the circulation of the magazine or newspaper in this State and the denominator of which is the total of the circulation of the magazine or newspaper both within and outside of this State.</p>
29	363C385	Revenue from Internet or web hosting services.	<p>1. If a business entity provides Internet or web hosting services for a purchaser located only in this State, the gross revenue from those services is situated in this State, regardless of where the web host is located.</p> <p>2. If a business entity provides Internet or web hosting services for a purchaser located only outside of this State, the gross revenue from those services is situated outside this State, regardless of where the web host is located in this State.</p> <p>3. At the election of a business entity that provides Internet or web hosting services, and as long as it is applied in a reasonable, consistent and uniform manner, the gross revenue from Internet or web hosting services may be situated according to the principal place of business of the purchaser or, if the purchaser is a natural person who is not engaging in a business, to the residence of the purchaser.</p> <p>4. As used in this section, "principal place of business" means the location where the business unit purchasing the Internet or web hosting services primarily maintains its operations. In determining the principal place of business of a purchaser, the following measures, if known, shall be considered in sequential order:</p> <p>(a) The branch, division or other business unit where the purchaser primarily receives the benefit of the Internet or web hosting services;</p> <p>(b) The primary location of the management operations of the business unit of the purchaser; and</p> <p>(c) The billing address of the purchaser, if the billing address is provided in good faith, is a site where the purchaser has actual operations and is not merely a post office box.</p>
30	363C390	Revenue from call centers.	<p>1. The gross revenue from providing call center services on a fixed-cost basis is situated to the location of the location of the services.</p> <p>2. The gross revenue from providing call center services on a variable, or per-call, cost basis is situated to the location of the purchaser of the call center services.</p> <p>3. For the purpose of this section, the location of the purchaser of call center services or the purchaser's customer is determined by applying the following, if known, in sequential order:</p> <p>(a) The location of the residence, branch, division or other business unit where the purchaser or purchaser's customer primarily receives the benefit of the call center services;</p> <p>(b) The primary location of the management operations of the business unit of the purchaser or purchaser's customer; and</p> <p>(c) The billing address of the purchaser or purchaser's customer, if the billing address is provided in good faith, is a site where the purchaser or customer has actual operations or resides and is not merely a post office box. To determine the billing address of the purchaser or purchaser's customer, a provider of call center services may use the area code or zip code of the purchaser or purchaser's customer.</p>
31	363C395	Revenue from child care services.	<p>1. If a business entity provides child care services in this State, the gross revenue from those services is situated in this State.</p>
32	363C400	Revenue from collection services.	<p>1. If a business entity provides collection services for a purchaser located only in this State, the gross revenue is situated in this State, regardless of where the services are provided.</p> <p>2. If a business entity provides collection services for a purchaser with operations located both within and outside of this State, the gross revenue is situated in this State if the services provided are related to specific operations of the purchaser that are located in this State.</p> <p>3. At the election of a business entity that provides collection services, and as long as it is applied in a reasonable, consistent and uniform manner, the gross revenue from collection services may be situated according to the principal place of business of the purchaser or, if the purchaser is a natural person who is not engaging in a business, to the residence of the purchaser.</p> <p>4. As used in this section, "principal place of business" means the location where the business unit purchasing the collection services primarily maintains its operations. In determining the principal place of business of a purchaser, the following measures, if known, shall be considered in sequential order:</p> <p>(a) The branch, division or other business unit where the purchaser primarily receives the benefit of the collection services;</p> <p>(b) The primary location of the management operations of the business unit of the purchaser; and</p> <p>(c) The billing address of the purchaser, if the billing address is provided in good faith, is a site where the purchaser has actual operations and is not merely a post office box.</p>
33	363C405	Revenue from computer programming services.	<p>1. If a business entity provides computer programming services for a purchaser located only in this State, the gross revenue is situated in this State, regardless of where the business entity is located.</p> <p>2. If a business entity provides computer programming services for a purchaser that will use the services both within and outside of this State:</p> <p>(a) The gross revenue is situated in this State if the services provided are related to specific operations of the purchaser that are located in this State.</p> <p>(b) If services are provided that do not relate to the specific operations of the purchaser in this State, the amount of the gross revenue situated in this State is equal to the gross revenue from the service multiplied by a fraction, the numerator of which is the purchaser's number of users in this State and the denominator of which is the purchaser's number of users both within and outside of this State.</p>
34	363C410	Revenue from construction contracting services.	<p>1. If a business entity provides construction contracting services for a purchaser and the property being constructed is located wholly in this State, the gross revenue from those services is situated in this State, regardless of where the services are provided.</p> <p>2. Except as otherwise provided in subsection 3, if a business entity provides construction contracting services for property that will be located both within and outside of this State and there is no separation of costs per location, the amount of the gross revenue from those services that is situated in this State is equal to the amount of the gross revenue from those services multiplied:</p> <p>(a) If the services are provided for standardized buildings, by a fraction, the numerator of which is the number of properties anticipated to be built in this State and the denominator of which is the number of properties to be built both within and outside of this State.</p> <p>(b) If the services are not provided for standardized buildings, by a fraction, the numerator of which is the square footage of properties anticipated to be built in this State and the denominator of which is the square footage of properties anticipated to be built both within and outside of this State.</p> <p>3. If a business entity provides construction contracting services for property that will be located both within and outside of this State and there is no separation of costs per location, the gross revenue from those services may be situated using any reasonable, consistent and uniform method of apportionment that is supported by the business records of the business entity as they existed at the time the service was provided.</p>
35	363C415	Revenue from contract manufacturing services.	<p>1. If a business entity provides contract manufacturing services, the gross revenue from those services is situated in this State if the property manufactured is delivered or shipped to a purchaser in this State, regardless of the F.O.B. point of any other condition of sale. If the purchaser of the property does not provide a location where the property manufactured is to be delivered or shipped, the gross revenue is situated in this State if the contract manufacturing services are provided in this State.</p> <p>2. As used in this section, "contract manufacturing services" includes, without limitation, the performance of manufacturing services on a piece of property that the contract manufacturer does not own.</p>
36	363C420	Revenue from data processing services.	<p>1. If a business entity provides data processing services for a purchaser located only in this State, the gross revenue from those services is situated in this State, regardless of where the services are provided.</p> <p>2. If a business entity provides data processing services for a purchaser with operations located both within and outside of this State, the gross revenue from those services is situated in this State if the services provided are related to specific operations of the purchaser that are located in this State.</p> <p>3. At the election of a business entity that provides data processing services, and as long as it is applied in a reasonable, consistent and uniform manner, the gross revenue from data processing services may be situated according to the principal place of business of the purchaser or, if the purchaser is a natural person who is not engaging in a business, to the residence of the purchaser.</p> <p>4. As used in this section, "principal place of business" means the location where the business unit purchasing the data processing services primarily maintains its operations. In determining the principal place of business of a purchaser, the following measures, if known, shall be considered in sequential order:</p> <p>(a) The branch, division or other business unit where the purchaser primarily receives the benefit of the data processing services;</p> <p>(b) The primary location of the management operations of the business unit of the purchaser; and</p> <p>(c) The billing address of the purchaser, if the billing address is provided in good faith, is a site where the purchaser has actual operations and is not merely a post office box.</p>
37	363C425	Remuneration, other than wages, received by director of corporation.	<p>1. The remuneration, other than wages, received by a director of a corporation for the performance of his or her duties are situated in the state in which the headquarters of the corporation are located.</p> <p>2. As used in this section, "remuneration" includes, without limitation, money, stock and the fair market value of property or services.</p>
38	363C430	Revenue from leasing of employee to another person.	<p>1. The gross revenue from the leasing of an employee to another person is situated in this State if the place where the employee primarily works is located in this State.</p>

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39	363C435	Revenue from engineering services.	<ol style="list-style-type: none"> <li>1. If a business entity provides engineering services for a purchaser and the property for which those services are provided is located wholly in this State, the gross revenue from those services is situated in this State, regardless of where the services are provided.</li> <li>2. Except as otherwise provided in subsection 3, if engineering services are provided for property that will be located both within and outside of this State, the amount of the gross revenue from those services that is situated in this State is equal to the amount of the gross revenue from those services multiplied by a fraction, the numerator of which is the number of properties located in this State and the denominator of which is the number of properties located both within and outside of this State.</li> <li>3. If engineering services are provided for property that will be located both within and outside of this State, the gross revenue from those services may be situated using any reasonable, consistent and uniform method of apportionment that is supported by the business records of the business entity as they existed at the time the service was provided.</li> </ol>
40	363C440	Revenue from extermination services.	<ol style="list-style-type: none"> <li>1. If a business entity provides extermination services in this State, the gross revenue from those services is situated in this State.</li> <li>2. If a business entity provides extermination services outside of this State, none of the gross revenue from those services is situated in this State.</li> <li>3. If extermination services relate to various locations both within and outside of this State, the gross revenue from those services may be situated using any reasonable, consistent and uniform method of apportionment that is supported by the business records of the business entity as they existed at the time the service was provided or within a reasonable time thereafter.</li> </ol>
41	363C445	Revenue from facilities management services.	<ol style="list-style-type: none"> <li>1. If a business entity provides facilities management services at a facility located wholly in this State, the gross revenue from those services is situated in this State.</li> <li>2. Except as otherwise provided in subsection 3, if the fee for facilities management services is not charged on a per-location basis and the services are provided both within and outside of this State, the amount of the gross revenue from those services that is situated in this State is equal to the amount of the gross revenue from those services multiplied by a fraction, the numerator of which is the number of facilities for which the services are provided which are located in this State and the denominator of which is the total number of facilities for which the services are provided.             <ol style="list-style-type: none"> <li>(a) If the services are provided for standardized buildings, by a fraction, the numerator of which is the number of buildings for which the services are provided which are located in this State and the denominator of which is the total number of buildings for which the services are provided.</li> <li>(b) If the services are not performed for standardized buildings, by a fraction, the numerator of which is the square footage of facilities for which the services are provided which are located in this State and the denominator of which is the total square footage of all facilities for which the services are provided.</li> </ol> </li> <li>3. If the fee for facilities management services is not charged on a per-location basis and the services are provided both within and outside of this State, the gross revenue from those services may be situated using any reasonable, consistent and uniform method of apportionment that is supported by the business records of the business entity as they existed at the time the service was provided or within a reasonable time thereafter.</li> <li>4. As used in this section, "facilities management services" includes, without limitation, landscaping services.</li> </ol>
42	363C450	Revenue from moving property from one location to another.	<ol style="list-style-type: none"> <li>1. If a business entity provides the service of moving property from one location to another and both the origin and the final destination of the property being moved is a location in this State, the gross revenue from those services is situated in this State. If, while providing moving services, a business entity charges fees for the incidental storage of property, the gross revenue from those fees is not situated in this State if:             <ol style="list-style-type: none"> <li>(a) The property is not stored in this State; and</li> <li>(b) The fee for the storage is separately billed from the moving services.</li> </ol> </li> <li>2. If a business entity provides long-haul or trucking services, the gross revenue from those services is situated in the location where such services are provided.</li> <li>3. If a business entity provides storage services, the gross revenue from those services is situated in this State if the location of the stored property is in this State.</li> <li>4. If moving services, packing or unpacking services or storage services relate to various locations both within and outside of this State, the gross revenue from those services may be situated using any reasonable, consistent and uniform method of apportionment that is supported by the business records of the business entity as they existed at the time the service was provided or within a reasonable time thereafter.</li> </ol>
43	363C455	Revenue from repair, maintenance or installation of personal property.	<ol style="list-style-type: none"> <li>1. If a business entity provides repair, maintenance or installation of personal property in this State, the gross revenue from those services is situated in this State.</li> <li>2. Except as otherwise provided in subsection 3, if a business entity provides financial services for a purchaser that is located both within and outside of this State, the amount of the gross revenue from those services that is situated in this State is equal to the amount of the gross revenue from those services multiplied by a fraction, the numerator of which is the number of locations of the purchaser in this State and the denominator of which is the number of locations of the purchaser both within and outside of this State.</li> <li>3. If a business entity provides financial services for a purchaser that is located both within and outside of this State, the gross revenue from those services may be situated using any reasonable, consistent and uniform method of apportionment that is supported by the business records of the business entity as they existed at the time the service was provided or within a reasonable time thereafter.</li> </ol>
44	363C460	Revenue from lease or sublease, rental or subrental of tangible personal property.	<ol style="list-style-type: none"> <li>1. The gross revenue from the lease or sublease, or rental or subrental, of tangible personal property may be situated in the location where the lease or sublease, or rental or subrental, is deemed to take place pursuant to NRS 360B.365, 360B.370 or 360B.375.</li> <li>2. The gross revenue from the lease or sublease, or rental or subrental of real property may be situated in the location of the real property.</li> </ol>
45	363C465	Revenue from services provided with respect to real property by real estate broker.	The gross revenue earned by a real estate broker, as defined in NRS 645.030, for services provided with respect to real property located in this State is situated in this State, regardless of where the services were performed.
46	363C470	Revenue from conducting appraisal of real property.	If a business entity conducts an appraisal of real property located in this State, the gross revenue from the appraisal is situated in this State, regardless of where the purchaser of the appraisal is located.
47	363C475	Revenue from financial services.	<ol style="list-style-type: none"> <li>1. If a business entity provides financial services for a purchaser located only in this State, the gross revenue from those services is situated in this State, regardless of where the services are provided.</li> <li>2. Except as otherwise provided in subsection 3, if a business entity provides financial services for a purchaser that is located both within and outside of this State, the amount of the gross revenue from those services that is situated in this State is equal to the amount of the gross revenue from those services multiplied by a fraction, the numerator of which is the number of locations of the purchaser in this State and the denominator of which is the number of locations of the purchaser both within and outside of this State.</li> <li>3. If a business entity provides financial services for a purchaser that is located both within and outside of this State, the gross revenue from those services may be situated using any reasonable, consistent and uniform method of apportionment that is supported by the business records of the business entity as they existed at the time the service was provided or within a reasonable time thereafter.</li> </ol>
48	363C480	Revenue from provision of funeral services.	<ol style="list-style-type: none"> <li>1. If a business entity provides in this State all funeral services with respect to a deceased person, the gross revenue from those services is situated in this State.</li> <li>2. If a business entity provides in this State only a portion of funeral services with respect to a deceased person but the burial or cremation of the deceased person takes place in this State, the gross revenue from all funeral services is situated in this State.</li> <li>3. As used in this section, "funeral services" includes, without limitation, making arrangements for viewing, embalming, burying, interring, cremating, arranging transportation of the deceased person and all other services associated with providing funeral services with respect to a deceased person.</li> </ol>
49	363C485	Revenue from dealing, operating, carrying on, conducting, maintaining or exposing game play.	The gross revenue from dealing, operating, carrying on, conducting, maintaining or exposing for play in this State any game, as defined in NRS 463.0152, is situated in this State.
50	363C490	Revenue from health care services.	<ol style="list-style-type: none"> <li>1. If a business entity provides health care services in this State, the gross revenue from those services is situated in this State.</li> <li>2. If a business entity provides health care services both within and outside of this State, the gross revenue from the service may be situated using any reasonable, consistent and uniform method of apportionment that is supported by the business records of the business entity as they existed at the time the service was provided or within a reasonable time thereafter.</li> </ol>
51	363C495	Revenue of writer or artist for writing or artistic services.	If a writer or artist is a business entity and delivers the product of his or her writing or artistic services in tangible or electronic form, the gross revenue is situated in this State if the purchaser receives the product in this State. If such a writer or artist does not have the location at which the purchaser receives the product, the gross revenue is situated in this State if the address to which the writer or artist sends the invoice is located in this State.
52	363C500	Revenue from investigative services.	<ol style="list-style-type: none"> <li>1. If a business entity provides investigative services for a purchaser located only in this State, the gross revenue from those services is situated in this State, regardless of where the services are provided.</li> <li>2. If a business entity provides investigative services for a purchaser with operations located both within and outside of this State, the gross revenue from those services is situated in this State if the services provided are related to specific operations of the purchaser that are located in this State.</li> <li>3. If a business entity provides investigative services that relate to specific operations of the purchaser that are located both within and outside of this State, the gross revenue may be situated using any reasonable, consistent and uniform method of apportionment that is supported by the business records of the business entity as they existed at the time the service was provided or within a reasonable time thereafter.</li> </ol>
53	363C505	Revenue from legal services.	<ol style="list-style-type: none"> <li>1. If a business entity provides legal services that relate to a matter within this State, the gross revenue from those services is situated in this State, regardless of where the services are performed. If the legal services provided for the purchaser relate to locations both within and outside of this State, the gross revenue from those services may be situated using any reasonable, consistent and uniform method of apportionment that is supported by the business records of the business entity as they existed at the time the service was provided or within a reasonable time thereafter.</li> <li>2. Except as otherwise provided in subsection 3, if a business entity provides legal services for a purchaser located only in this State, the gross revenue from those services is situated in this State, regardless of where the services are provided. If the legal services provided for the purchaser relate to a matter in another state, the gross revenue from those services are not situated in this State.</li> <li>3. At the election of a business entity that provides legal services, and as long as it is applied in a reasonable, consistent and uniform manner, the gross revenue from legal services may be situated according to the purchaser's principal place of business or, if the purchaser is a natural person not engaging in a business, to the residence of the purchaser.</li> <li>4. As used in this section, "principal place of business" means the location where the business unit purchasing the legal services primarily maintains its operations. In determining the principal place of business of a purchaser, the following measures, if known, shall be considered in sequential order:             <ol style="list-style-type: none"> <li>(a) The branch, division or other business unit where the purchaser primarily receives the benefit of the legal services;</li> <li>(b) The primary location of the management operations of the business unit of the purchaser; and</li> <li>(c) The billing address of the purchaser, if the billing address is provided in good faith, is a site where the purchaser has actual operations and is not merely a post office box.</li> </ol> </li> </ol>
54	363C510	Revenue from lines, uniform supply or dry cleaning services.	Except as otherwise provided in this section, if a business entity provides lines, uniform supply or dry cleaning services at a location in this State, the gross revenue from those services is situated in this State. If a business entity provides lines, uniform supply or dry cleaning services for an item that is delivered to or picked up at a location outside of this State, the gross revenue from the service is situated outside of this State.
55	363C515	Revenue from management consulting services.	<ol style="list-style-type: none"> <li>1. If a business entity provides management consulting services for a purchaser located only in this State, the gross revenue from those services is situated in this State, regardless of where the services are provided.</li> <li>2. If a business entity provides management consulting services for a purchaser with operations located both within and outside of this State, the gross revenue from those services is situated in this State if the services provided are related to specific operations of the purchaser that are located in this State.</li> <li>3. At the election of a business entity that provides management consulting services, and as long as it is applied in a reasonable, consistent and uniform manner, the gross revenue from management consulting services may be situated according to the principal place of business of the purchaser or, if the purchaser is a natural person who is not engaging in a business, to the residence of the purchaser.</li> <li>4. As used in this section, "principal place of business" means the location where the business unit purchasing the management consulting services primarily maintains its operations. In determining the principal place of business of a purchaser, the following measures, if known, shall be considered in sequential order:             <ol style="list-style-type: none"> <li>(a) The branch, division or other business unit where the purchaser primarily receives the benefit of the management consulting services;</li> <li>(b) The primary location of the management operations of the business unit of the purchaser; and</li> <li>(c) The billing address of the purchaser, if the billing address is provided in good faith, is a site where the purchaser has actual operations and is not merely a post office box.</li> </ol> </li> </ol>
56	363C520	Revenue from market research services.	<ol style="list-style-type: none"> <li>1. If a business entity provides market research services for a purchaser located only in this State, the gross revenue from those services is situated in this State, regardless of where the services are provided.</li> <li>2. If a business entity provides market research services for a purchaser with operations located both within and outside of this State, the gross revenue from those services is situated in this State if the services provided are related to specific operations of the purchaser that are located in this State.</li> <li>3. At the election of a business entity that provides market research services, and as long as it is applied in a reasonable, consistent and uniform manner, the gross revenue from market research services may be situated according to the principal place of business of the purchaser or, if the purchaser is a natural person who is not engaging in a business, to the residence of the purchaser.</li> <li>4. As used in this section, "principal place of business" means the location where the business unit purchasing the market research services primarily maintains its operations. In determining the principal place of business of a purchaser, the following measures, if known, shall be considered in sequential order:             <ol style="list-style-type: none"> <li>(a) The branch, division or other business unit where the purchaser primarily receives the benefit of the market research services;</li> <li>(b) The primary location of the management operations of the business unit of the purchaser; and</li> <li>(c) The billing address of the purchaser, if the billing address is provided in good faith, is a site where the purchaser has actual operations and is not merely a post office box.</li> </ol> </li> </ol>
57	363C525	Revenue from sale of membership to enter or participate in activity.	<ol style="list-style-type: none"> <li>1. If a business entity sells a membership that allows a person to enter, or participate in an activity at, a location which is located only in this State, the gross revenue from the sale of the membership is situated in this State, regardless of where the membership is purchased.</li> <li>2. If a business entity sells a membership that allows a person to enter, or participate in an activity at, multiple locations both within and outside of this State, the gross revenue from the sale of the membership is situated in this State if the membership is primarily used or located in this State. The location of the primary use of a membership is presumed to be the location chosen by the purchaser's business primary maintains its operations. In determining the principal place of business of a purchaser, the following measures, if known, shall be considered in sequential order:             <ol style="list-style-type: none"> <li>(a) The branch, division or other business unit where the purchaser primarily receives the benefit of the membership;</li> <li>(b) The primary location of the management operations of the business unit of the purchaser; and</li> <li>(c) The billing address of the purchaser, if the billing address is provided in good faith, is a site where the purchaser has actual operations and is not merely a post office box.</li> </ol> </li> <li>3. At the election of a business entity that sells memberships, and as long as it is applied in a reasonable, consistent and uniform manner, the gross revenue from the sale of a membership may be situated according to the principal place of business of the purchaser or, if the purchaser is a natural person who is not engaging in a business, to the residence of the purchaser.</li> <li>4. As used in this section, "principal place of business" means the location where the business unit purchasing the membership primarily maintains its operations. In determining the principal place of business of a purchaser, the following measures, if known, shall be considered in sequential order:             <ol style="list-style-type: none"> <li>(a) The branch, division or other business unit where the purchaser primarily receives the benefit of the membership;</li> <li>(b) The primary location of the management operations of the business unit of the purchaser; and</li> <li>(c) The billing address of the purchaser, if the billing address is provided in good faith, is a site where the purchaser has actual operations and is not merely a post office box.</li> </ol> </li> </ol>
58	363C530	Revenue from money order or wire transfer services.	If a business entity provides money order or wire transfer services and the money order or wire transfer is delivered to, or picked up at, a location in this State, the gross revenue from the fees for such services is situated in this State, regardless of where the money order or wire transfer service originates.
59	363C535	Revenue from payroll services.	<ol style="list-style-type: none"> <li>1. If a business entity provides payroll services for a purchaser whose employees are located only in this State, the gross revenue from those services is situated in this State, regardless of where the services are performed.</li> <li>2. If a business entity provides payroll services for a purchaser whose employees are located both within and outside of this State and the payroll services are provided for employees located in this State and at least one other state, the amount of the gross revenue from those services which is situated in this State is equal to the total gross revenue from those services multiplied by a fraction, the numerator of which is the number of employees located in this State for which payroll services are performed and the denominator of which is the total number of employees located both within and outside of this State for which payroll services are performed.</li> </ol>
60	363C540	Revenue from promotion services for events.	<ol style="list-style-type: none"> <li>1. If a business entity promotes an event that will be held in this State, the gross revenue from the promotion services are situated in this State, regardless of where the promotion services are performed.</li> <li>2. If a business entity promotes a group of events that will be held both within and outside of this State, the amount of the gross revenue from the promotion services that is situated in this State is equal to the total gross revenue from the promotion services multiplied by a fraction, the numerator of which is the number of known events held in this State for which promotion services are performed and the denominator of which is the number of all known events held both within and outside of this State for which promotion services are performed. If no event locations are known, the gross revenue from those services may be situated using any reasonable, consistent and uniform method of apportionment that is supported by the business records of the business entity as they existed at the time the service was provided or within a reasonable time thereafter.</li> </ol>
61	363C545	Revenue from security services.	<ol style="list-style-type: none"> <li>1. If a business entity provides security services and the services are performed in this State, the gross revenue from those services is situated in this State.</li> <li>2. If a business entity provides security services and the services are performed outside of this State, the gross revenue from those services is situated outside of this State.</li> <li>3. If security services provided by a business entity relate to various locations both within and outside of this State, the gross revenue may be situated using any reasonable, consistent and uniform method of apportionment that is supported by the business entity's business records as they existed at the time the service was provided or within a reasonable time thereafter.</li> </ol>
62	363C550	Revenue from tax preparation services.	<ol style="list-style-type: none"> <li>1. If a business entity provides tax preparation services for a purchaser located only in this State, the gross revenue from those services is situated in this State, regardless of where the services are provided.</li> <li>2. If a business entity provides tax preparation services for a purchaser with operations located both within and outside of this State, the gross revenue from those services is situated in this State if the services provided are related to specific operations of the purchaser that are located in this State.</li> <li>3. At the election of a business entity that provides tax preparation services, and as long as it is applied in a reasonable, consistent and uniform manner, the gross revenue from tax preparation services may be situated according to the principal place of business of the purchaser or, if the purchaser is a natural person who is not engaging in a business, to the residence of the purchaser.</li> <li>4. As used in this section, "principal place of business" means the location where the business unit purchasing the tax preparation services primarily maintains its operations. In determining the principal place of business of a purchaser, the following measures, if known, shall be considered in sequential order:             <ol style="list-style-type: none"> <li>(a) The branch, division or other business unit where the purchaser primarily receives the benefit of the tax preparation services;</li> <li>(b) The primary location of the management operations of the business unit of the purchaser; and</li> <li>(c) The billing address of the purchaser, if the billing address is provided in good faith, is a site where the purchaser has actual operations and is not merely a post office box.</li> </ol> </li> </ol>
66	363C555	Revenue from technical assistance services.	<ol style="list-style-type: none"> <li>1. If a business entity provides technical assistance services for a purchaser located only in this State, the gross revenue from those services is situated in this State, regardless of where the services are provided.</li> <li>2. If a business entity provides technical assistance services for a purchaser with operations located both within and outside of this State, the gross revenue from those services is situated in this State if the services performed are related to specific operations of the purchaser that are located in this State.</li> <li>3. At the election of a business entity that provides technical assistance services, and as long as it is applied in a reasonable, consistent and uniform manner, the gross revenue from technical assistance services may be situated according to the principal place of business of the purchaser or, if the purchaser is a natural person who is not engaging in a business, to the residence of the purchaser.</li> <li>4. As used in this section, "principal place of business" means the location where the business unit purchasing the technical assistance services primarily maintains its operations. In determining the principal place of business of a purchaser, the following measures, if known, shall be considered in sequential order:             <ol style="list-style-type: none"> <li>(a) The branch, division or other business unit where the purchaser primarily receives the benefit of the technical assistance services;</li> <li>(b) The primary location of the management operations of the business unit of the purchaser; and</li> <li>(c) The billing address of the purchaser, if the billing address is provided in good faith, is a site where the purchaser has actual operations and is not merely a post office box.</li> </ol> </li> </ol>
64	363C560	Revenue from testing services at testing laboratory.	<ol style="list-style-type: none"> <li>1. Except as otherwise provided in subsection 3, if a business entity provides testing services at a testing laboratory located in this State, the gross revenue from the sale of the testing services is situated in this State.</li> <li>2. Except as otherwise provided in subsection 3, if a business entity provides testing services at a testing laboratory outside of this State, the gross revenue from the sale of those services is situated outside of this State.</li> <li>3. If a business entity provides testing services and the testing services relate to various locations both within and outside of this State, the gross revenue from those services may be situated using any reasonable, consistent and uniform method of apportionment that is supported by the business records of the business entity as they existed at the time the service was provided or within a reasonable time thereafter.</li> </ol>
65	363C565	Revenue from towing services.	The gross revenue of a business entity that provides towing services is situated in this State if the towing services originate from a location in this State and the destination of the towing services is a location in this State.

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66	363C.570	Revenue from transportation services, air transportation services and logistics services.	<p>1. Except as otherwise provided in subsection 2, the gross revenue of a business entity from transportation services is situated in this State if the transportation services originate from a location in this State and the final destination of the transportation services, as determined by the bill of lading, proof of delivery or other document containing both the origin and final destination of the transportation services, is a location in this State.</p> <p>2. The gross revenue of a business entity from air transportation services or transportation services provided pursuant to chapter 706 of NRS is situated in this State if the transportation services originate from a location in this State and the destination at which the passenger or property being transported finally exits the vehicle or aircraft is in this State.</p> <p>3. The gross revenue from the performance of logistics services that relate to:</p> <p>(a) Inventory management or warehousing operations is situated to the location of the inventory or warehouse.</p> <p>(b) Purchasing operations is situated to the location where the purchaser of the logistics services benefits from such services. In determining the location of such a purchaser, the following measures, if known, shall be considered in sequential order:</p> <p>(1) The branch, division or other business unit where the purchaser primarily receives the benefits of the logistics services;</p> <p>(2) The primary location of the management operations of the business unit of the purchaser; and</p> <p>(3) The billing address of the purchaser, if the billing address is provided in good faith, is a site where the purchaser has actual operations and is not merely a post office box.</p> <p>4. The gross receipts from logistics services that relate to multiple types of logistics operations may be apportioned using any reasonable, consistent and uniform method of apportionment that is supported by the business records of the business entity as they existed at the time the service was provided or within a reasonable time thereafter.</p> <p>5. As used in this section, "logistics services" includes, without limitation, purchasing, inventory management, warehousing, shipping and customer returns but does not include transportation or brokerage services.</p>	
67	363C.575	Revenue from travel arrangement services.	<p>1. If a business entity provides travel arrangement services for a purchaser located only in this State, the gross revenue from those services is situated in this State, regardless of where the services are performed or the location of the travel destination.</p> <p>2. If a business entity provides travel arrangement services for a purchaser with operations located both within and outside of this State, the gross revenue from those services is situated in this State if the services performed are related to a specific employee whose post of duty is in this State.</p>	
68	363C.580	Revenue from veterinarian services.	If a business entity provides veterinarian services in this State, the gross revenue from those services is situated in this State.	
69	363C.585	Revenue from waste management services.	If a business entity provides waste management services in this State, the gross revenue from those services is situated in this State.	
70	363C.590	Business interruption insurance proceeds.	The gross revenue received by a business entity engaging in a business in this State from business interruption insurance proceeds for lost revenue is situated to the location of the business entity.	
		<b>Foot</b>		

# CHAPTER 363D - TAX ON GROSS REVENUE OF GOLD AND SILVER MINING BUSINESSES

(R130-21 - Adopted by NTC but deferred at LCB)

# CHAPTER 364 - TAX ON RENTAL OF TRANSIENT LODGING

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explanation; "Amend" with explanation, or "Maintain" as written)
1		CHAPTER 364 - TAX ON RENTAL OF TRANSIENT LODGING		
2	364.010	Definitions.	As used in this chapter, unless the context otherwise requires: 1. "Department" means the department of taxation. 2. "Governing body" means the governing body of a county, city or town which is required to impose a tax pursuant to NRS 244.1352 or 248.096. 3. "Tax" means the tax on lodging required to be imposed pursuant to NRS 244.1352 or 248.096.	
3	364.020	Payment to department.	A governing body shall pay to the department three-eighths of all proceeds of the tax within 30 days after the date on which the tax is to be paid to the governing body.	
4	364.030	Disputes relating to payment of tax.	1. Any dispute relating to an overpayment or underpayment made to a governing body by a person in the business of providing lodging must be resolved pursuant to the ordinance adopted by the governing body imposing the tax. 2. Except as otherwise provided in subsection 1, a person or governing body may petition the Nevada tax commission to resolve any disputes relating to overpayments or underpayments made to the department by a governing body or any other dispute relating to the tax, including exemptions.	
5	364.040	Retention of records by governing body; inspection.	A governing body shall retain its records relating to the tax for 3 years. The records must be open to inspection by the department so that it may ascertain such information as may be necessary to enforce the tax.	
6	364.050	Annual examination of records; availability of working papers to department.	1. In conjunction with its annual audit, a governing body shall provide for the examination of the records it maintains which relate to the tax to determine that the provisions of the law and this chapter relating to the proceeds of the tax which must be paid to the department have been complied with. All findings of noncompliance must be included in the auditor's report. 2. Upon request, the working papers of the auditor relating to the examination of the records maintained by the governing body must be made available without charge to the department for inspection so that it may ascertain such information as may be necessary to enforce the tax. The auditor shall retain these working papers for 3 years.	
		<b>Foot</b>		



# CHAPTER 368A - TAX ON LIVE ENTERTAINMENT

\*\*Please note, any sections highlighted in orange have been adopted, but not yet codified.

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explain; "Amend" with explanation, or "Maintain" as written)
1	368A-21	<b>LET - Local Government Exempt</b>		
2	R056-21 - Section 1		Chapter 368A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.	
3	R056-21 - Section 2		1. For the purposes of paragraph (d) of subsection 4 of NRS 368A.200, as amended by section 1.7 of Senate Bill No. 367, chapter 417, Statutes of Nevada 2021, at page 2708, live entertainment is provided by or entirely for the benefit of a governmental entity if the proceeds of the admission charges to the facility where the live entertainment is provided become the property of the governmental entity. The proceeds of the admission charges do not become the property of a person other than a governmental entity as long as the person retains not more of the proceeds than is necessary to cover the direct, supportable costs of housing, promoting or sponsoring the event at which the live entertainment is provided. 2. Except as otherwise provided in this section and chapter 368A of NRS and NAC 368A.010 to 368A.170, inclusive, and section 3 of this regulation, unless the live entertainment is provided by or entirely for the benefit of a governmental entity, the Department shall assess and compute the excise tax in accordance with NAC 368A.190.	
4	R056-21 - Section 3		1. Any person who claims to be a governmental entity exempt from the provisions of NRS 368A.200, as amended by section 1.7 of Senate Bill No. 367, chapter 417, Statutes of Nevada 2021, at page 2708, or any person who claims to provide live entertainment entirely for the benefit of such a governmental entity, has the burden of proving by a preponderance of the evidence that the person is exempt from the tax imposed by chapter 368A of NRS. 2. Any person who claims to be a governmental entity exempt from the provisions of NRS 368A.200, as amended by section 1.7 of Senate Bill No. 367, chapter 417, Statutes of Nevada 2021, at page 2708, or any person who claims to provide live entertainment entirely for the benefit of such a governmental entity, shall, upon the request of the Department, provide to the Department documents necessary to demonstrate that the person who claims to be a governmental entity or the organization for whose benefit the person provided live entertainment is a governmental entity.	
5	368A.010	Definitions.	As used in NAC 368A.010 to 368A.170, inclusive, and sections 2 and 3 of this regulation, unless the context otherwise requires, the words and terms defined in NAC 368A.010 to 368A.095, inclusive, have the meanings ascribed to them in those sections.	
6	368A.030	"Commission" defined.	"Commission" means the Nevada Tax Commission.	
7	368A.040	"Department" defined.	"Department" means the Department of Taxation.	
8	368A.070	"Nonprofit organization" defined.	"Nonprofit organization" means any organization described in paragraph (a) of subsection 2 of NRS 368A.200 or paragraph (d) of subsection 4 of that section.	
9	368A.080	"Patron" defined.	"Patron" means a person who gains access to a facility where live entertainment is provided and who neither solicits nor receives, from any source, any payment, reimbursement, remuneration or other form of consideration, other than a prize for participation in a contest between patrons, for being present in the facility or providing live entertainment at the facility.	
10	368A.090	"Taxpayer" defined.	"Taxpayer" means any person described in NRS 368A.110.	
11	368A.093	"Ticket broker" defined.	"Ticket broker" means a person who is not affiliated with a taxpayer and who purchases an admission to a facility where live entertainment is provided from the taxpayer for the purpose of resale to a patron.	
12	368A.095	"Ticket service provider" defined.	"Ticket service provider" means a person who, pursuant to an agreement with a taxpayer and on behalf of the taxpayer, sells to a patron an admission to a facility where live entertainment is provided.	
13	368A.100	Interpretation of certain terms.	368A.100 For the purposes of chapter 368A of NRS and NAC 368A.010 to 368A.170, inclusive, and sections 2 and 3 of this regulation, the Commission will interpret the term: 1. "Admission" to mean the playing of recorded music, the mixing of audio or the adding of sound, video and lighting effects by a person or group of persons to a patron or group of patrons. For the purposes of this subsection and paragraph (9) of subsection 2 of NRS 368A.090, the Commission will interpret the term "recorded music" to include, without limitation, music on a cassette tape, compact disc, photograph album, digital media or video tape or disc, or on live television. 2. "Boxing contest or exhibition" to have the meaning ascribed in NRS 467.010 to the term "unarmed combat". 3. "Complimentary" to mean the granting of admission to a facility where live entertainment is provided without the receipt of any form of payment or consideration by the taxpayer from any person who is not affiliated with the taxpayer. 4. "Marketing or promotional activity" to mean an activity described in subparagraphs (1) to (8), inclusive, of paragraph (a) of subsection 2 of NRS 368A.090 that is provided for the primary purpose of drawing attention to a particular product, service or brand. 5. "Membership fee" to mean an amount paid for a membership that provides admission to a facility where live entertainment is provided. 6. "Performance" to mean the presentation of an activity described in subparagraphs (1) to (8), inclusive, of paragraph (a) of subsection 2 of NRS 368A.090 that is the primary reason for which a patron or patrons paid an admission charge to enter, or have access to, the facility. In determining whether an activity constitutes a performance pursuant to this subsection, the Commission may consider, without limitation, the following factors: (a) Whether the activity is advertised, promoted or otherwise marketed; and (b) Whether the activity garners the predominant attention of a patron or patrons of the facility. 7. "Performance by a disc jockey" to mean the playing of recorded music, the mixing of audio or the adding of sound, video and lighting effects by a person or group of persons to a patron or group of patrons. For the purposes of this subsection and paragraph (9) of subsection 2 of NRS 368A.090, the Commission will interpret the term "recorded music" to include, without limitation, music on a cassette tape, compact disc, photograph album, digital media or video tape or disc, or on live television. 8. "Service charge or any other fee or charge" to mean an amount imposed and received by, or on behalf of, a taxpayer without the payment of which a patron could not obtain admission to a facility where live entertainment is provided. The term does not include an amount imposed and retained by a ticket broker or a ticket service provider. 9. "Shopping mall" to include any area or premises where multiple vendors assemble for the primary purpose of selling goods or services, regardless of whether consideration is collected for the right or privilege of entering that area or those premises and regardless of whether the vendors gather indoors or outdoors. 10. "Ticket" to mean a physical or electronic document that provides a patron admission to a facility where live entertainment is provided.	
14	368A.110	Taxpayers: General requirements; specification of provisions applicable to licensed gaming establishments, escorts and escort services.	1. Except as otherwise provided in subsection 3, if a taxpayer intends to provide live entertainment at a facility that is not a licensed gaming establishment, the taxpayer shall register with the Department to collect the tax. The taxpayer shall thereafter collect and remit the tax to the Department in accordance with the provisions of chapter 368A of NRS and NAC 368A.010 to 368A.170, inclusive, and sections 2 and 3 of this regulation. 2. Except as otherwise provided in subsection 3, if a taxpayer intends to provide live entertainment at a facility that is a licensed gaming establishment, the taxpayer shall act in accordance with NAC 368A.300 to 368A.540, inclusive. 3. If a taxpayer is an escort or escort service, the taxpayer must: (a) Register with the Department to collect the tax on live entertainment. The taxpayer shall thereafter collect and remit the tax to the Department in accordance with the provisions of chapter 368A of NRS and NAC 368A.010 to 368A.170, inclusive. (b) Maintain the following records for a period of at least 4 years after the date on which the record is created: (1) The date on which the service of escorting a person or persons at one or more locations in the State is provided; and (2) The full amount charged for that service. (c) Make the records available for inspection by the Department upon demand at reasonable times during regular business hours.	
15	368A.120	Applicability of tax: Admission charge to facility: exceptions.	1. An admission charge is subject to the tax imposed by chapter 368A of NRS when the admission charge is paid in addition to a facility where taxable live entertainment is provided, regardless of when the live entertainment actually commences and regardless of whether the patron is present for any portion of the live entertainment. 2. Except as otherwise provided in NRS 368A.200, the tax imposed by chapter 368A of NRS: (a) Applies to an admission charge for a patron regardless of whether the patron is present for any portion of the live entertainment. (b) Applies to each sale of an admission that affords a patron the right to enter, or have access to, a facility where live entertainment is provided, unless the taxpayer establishes that the person has received a full refund of the amount paid for the admission. 3. The tax imposed by chapter 368A of NRS does not apply to: (a) An admission charge paid after the conclusion of the last performance of the taxable live entertainment. (b) Any amount of consideration paid in addition to the admission charge to have access to a table, seat or chair within a facility where live entertainment is provided. (c) Entertainment provided by a patron or patrons who receive a prize for participation in a contest between patrons.	
16	368A.130	Determination of maximum occupancy by Department: presumption when maximum occupancy not designated on permit: rebuttal of presumption by taxpayer.	1. For the purposes of subsection 4 of NRS 368A.020, the Department shall determine the maximum occupancy of a facility where live entertainment is provided in accordance with the provisions of paragraph (b) of subsection 5 of NRS 368A.200. 2. For the purposes of subsection 1 and paragraph (b) of subsection 5 of NRS 368A.200, there is no governmental permit designating the maximum occupancy of a facility where live entertainment is provided, the Department must presume that the actual seating capacity of the facility is at least 200 persons and less than 7,500 persons. To rebut this presumption, the taxpayer must establish, to the reasonable satisfaction of the Department, that the actual seating capacity of the facility is less than 200 persons or at least 7,500 persons. In determining whether the taxpayer has successfully rebutted the presumption, the Department shall consider all evidence provided by the taxpayer, including, without limitation, evidence of actual attendance, the number of admissions sold or offered for sale, the square footage of the facility, the physical needs or requirements of the patrons in relation to the nature of the live entertainment provided and any other evidence tending to establish the actual seating capacity of the facility.	
17	368A.140	Computation of amount of tax due: Generally.	1. Pursuant to the provisions of subsection 1 of NRS 368A.200: (a) If the taxable event is an admission to a facility in this State where live entertainment is provided, the Department shall apply the tax rate to the total admission charge less the sum of any tax imposed by the United States upon or with respect to an admission charge to live entertainment, whether imposed upon the taxpayer or the patron. (b) If the taxable event is the live entertainment provided by an escort who is escorting a person or persons at one or more locations in this State, the Department shall apply the tax rate to the total amount, expressed in terms of money, of consideration paid for the service of escorting a person or persons at one or more locations in this State. 2. The tax must be paid on all taxable admission charges and amounts paid for the service of escorting a person or persons at one or more locations in this State, regardless of whether the taxable amounts are paid in cash. 3. The amount of any fees imposed in connection with the use of credit cards or debit cards which is excluded from taxation pursuant to paragraph (c) of subsection 2 of NRS 368A.200 must be determined from the actual amount imposed, collected and retained by the independent financial institution and not from an estimate of that amount. 4. The tax must be paid on all the proceeds received by a taxpayer, in exchange for the sale of an admission to a facility, including, without limitation, the proceeds of any service charge or other fee or charge, other than that excluded from the tax pursuant to paragraph (c) of subsection 2 of NRS 368A.200 that is imposed and received by, or on behalf of, the taxpayer. 5. The tax on any taxable admission to a facility where live entertainment is provided which is sold as a component of a package must be computed in accordance with the following provisions: (a) Except as otherwise provided in paragraph (b). (1) The average retail value of the admission must be prorated against the average retail value of all the components of the package, and the tax must be paid on the sum obtained by multiplying the resulting prorated fraction by the actual price paid for the package. (2) Any value advertised to the public as the retail value of a component of a package is rebuttably presumed to constitute the actual retail value of that component. (3) If no average retail value can be established for a component of a package, the cost of the component to the taxpayer must be used to carry out subparagraph (1). (b) This subsection does not prohibit a taxpayer from paying, at the option of the taxpayer, the tax on the full retail value of all the admission components of a package. 6. The amount of any charge or fee excluded from the tax pursuant to subsection 3 and of NRS 368A.020 must be determined from the actual amount imposed, collected and retained by the taxpayer, and not from an estimate of that amount. 7. As used in this section, "package" means any aggregation of rights to rooms, food, refreshments, merchandise, entertainment, services or other items which is advertised to the public as a single unit and sold for a single price.	
18	368A.143	Computation of amount of tax due: License or rental fee paid for luxury suite, box or similar product.	1. For the purposes of subsection 4 of NRS 368A.020: (a) If a license or rental fee is paid for a luxury suite, box or similar product at a facility with a maximum occupancy of at least 7,500 persons includes the admission of a certain number of patrons to live entertainment provided at the facility, the amount of the proceeds from the license or rental fee that is subject to the tax imposed by chapter 368A of NRS is equal to the lowest priced admission charge for the live entertainment event at the facility multiplied by the number of admissions to the live entertainment event included in the license or rental fee, regardless of the number of admissions utilized for the live entertainment event. Upon request, a taxpayer shall provide to the Department records to support the lowest priced admission charge for the live entertainment event at the facility and the number of admissions to the live entertainment event included in the license or rental fee. (b) If a license or rental fee is paid for a luxury suite, box or similar product at a facility with a maximum occupancy of less than 7,500 persons, the entire amount of the proceeds from the license or rental fee is subject to the tax imposed by chapter 368A of NRS. 2. For the purposes of this section and subsection 4 of NRS 368A.020, the Commission will interpret the term "lowest priced admission charge" to mean the lowest price available to the general public for an admission to the facility where the live entertainment is provided.	
19	368A.147	Collection of tax due.	The tax imposed by chapter 368A of NRS must be collected by: 1. A taxpayer from a ticket broker or patron at the time of the sale of an admission to a facility where taxable live entertainment is provided. 2. A ticket service provider from a patron at the time of the sale of an admission to a facility where taxable live entertainment is provided.	
20	368A.150	Scope of exemption for nonprofit organizations; assessment and computation of tax by Department.	1. For the purposes of paragraph (d) of subsection 4 of NRS 368A.200, live entertainment is provided by or entirely for the benefit of a nonprofit organization if the proceeds of the admission charges to the facility where the live entertainment is provided become the property of the nonprofit organization. The proceeds of the admission charges do not become the property of a person other than a nonprofit organization as long as the person retains not more of the proceeds than is necessary to cover the direct, supportable costs of housing, promoting or sponsoring the event at which the live entertainment is provided. 2. Except as otherwise provided in chapter 368A of NRS and NAC 368A.010 to 368A.170, inclusive, unless live entertainment is provided by or entirely for the benefit of a nonprofit organization and the number of tickets to that live entertainment which are offered for sale or other distribution to patrons is less than 7,500, the Department shall assess and compute the excise tax in accordance with NAC 368A.140. 3. For the purpose of determining the number of tickets to live entertainment which are offered for sale or other distribution to patrons pursuant to paragraph (a) of subsection 2 of NRS 368A.200 and paragraph (d) of subsection 4 of that section: (a) A single ticket providing admission to more than one live entertainment event constitutes a ticket for each such event. (b) A live entertainment event that is part of an offering of multiple live entertainment events and that requires a separate ticket for admission constitutes a separate live entertainment event.	
21	368A.160	Documentation required for exemption of nonprofit organization.	1. Any person who claims to be a nonprofit organization exempt from the provisions of NRS 368A.200, or any person who claims to provide live entertainment entirely for the benefit of such a nonprofit organization, has the burden of proving by a preponderance of the evidence that the person is exempt from the tax imposed by chapter 368A of NRS. 2. Any person who claims to be a nonprofit organization exempt from the provisions of NRS 368A.200, or any person who claims to provide live entertainment entirely for the benefit of such a nonprofit organization, shall, upon the request of the Department, provide to the Department: (a) Such records as the Department deems necessary to demonstrate that the person who claims to be a nonprofit organization or the organization for whose benefit the person provided live entertainment: (1) Meets the criteria to qualify as a religious organization pursuant to 26 U.S.C. § 501(c) and any federal regulations relating thereto; (2) Has qualified as a tax-exempt organization pursuant to 26 U.S.C. § 501(c); or (3) Is organized or existing under the provisions of chapter 42 of NRS. (b) Documentation to support the number of tickets for live entertainment offered for sale or other distribution to patrons, either directly or indirectly through a partner, subsidiary, client, affiliate or other collaborator. 3. As used in this section, "over-collection" means any amount collected as a tax on live entertainment that is exempt from taxation pursuant to subsection 4 of NRS 368A.200, or any amount in excess of the amount of the applicable tax computed in accordance with subsection 1, 2 and 3 of NRS 368A.200.	
22	368A.170	Over-collection of tax: Duties of taxpayer and Department: refund to patron; payment of over-collection to Department under certain circumstances.	1. As used in this section, "over-collection" means any amount collected as a tax on live entertainment that is exempt from taxation pursuant to subsection 4 of NRS 368A.200, or any amount in excess of the amount of the applicable tax computed in accordance with subsection 1, 2 and 3 of NRS 368A.200. 2. Any over-collection must, if possible, be refunded by the taxpayer to the patron from whom it was collected. 3. A taxpayer shall: (a) Use all practical methods to determine any amount to be refunded pursuant to subsection 2 and the name and address of the person to whom the refund is to be made. (b) Within 60 days after reporting to the Department that a refund must be made, make an accounting to the Department of all refunds paid. The accounting must be accompanied by any supporting documents required by the Department. 4. If a taxpayer is unable for any reason to refund an over-collection, the taxpayer shall pay the over-collection to the Department. 5. If an audit of a taxpayer reveals the existence of an over-collection, the Department shall: (a) Credit the over-collection toward any deficiency that results from the audit, if the taxpayer furnishes the Department with satisfactory evidence that the taxpayer has refunded the over-collection as required by subsection 2. (b) Within 60 days after receiving notice from the Department that a refund must be made, seek an accounting of all refunds paid. The accounting must be accompanied by any supporting documents required by the Department.	
		<b>End</b>		

# CHAPTER 369 - INTOXICATING LIQUOR: LICENSES AND TAXES

\*\*Please note, any sections highlighted in orange have been adopted, but not yet codified.

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explanation; "Amend" with explanation, or "Maintain" as written)
	369.001	Definitions.	As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 369.002 to 369.008, inclusive, have the meanings ascribed to them in those sections.	
2	369.002	"Case of wine" defined.	"Case of wine" means 12 bottles of wine, each containing 750 milliliters of wine, or an amount equal to that volume of wine which equals 2.37753 wine gallons.	
3	369.003	"Department" defined.	"Department" means the Department of Taxation.	
4	369.004	"Fiscal year" or "year" defined.	"Fiscal year" or "year" means the 12-month period from July 1 through June 30.	
5	369.006	"Liquor" defined.	"Liquor" has the meaning ascribed to it in NRS 369.040.	
6	369.008	"Supplier" defined.	"Supplier" has the meaning ascribed to it in NRS 369.111.	
7	369.010	Shipments to wholesale persons.	1. A person with a valid certificate of compliance may ship direct to a person with a permit as a permissible person without the necessity of delivery being made first to a licensed importer-wholesaler if the shipment is made only to an institution, school, hospital or church in this State for industrial, medical, scientific or sacramental purposes and not for consuming beverages for drink. 2. The person ordering the shipment must present the number of his or her permit with the order and the shipment must be reported by the holder of the certificate of compliance on the monthly reporting form.	
8	369.012	Certificate of compliance.	Before a supplier ships liquor into this State pursuant to paragraph (b) or (c) of subsection 2 of NRS 369.490, the supplier must obtain a certificate of compliance issued pursuant to NRS 369.430.	
9	369.014	Payment of excise tax; penalty and interest on late payment.	A supplier who ships liquor into this State pursuant to paragraph (b) or (c) of subsection 2 of NRS 369.490 must pay to the Department the excise tax levied pursuant to NRS 369.330 on or before the 20th day of the month after the date that the liquor was shipped to a person in this State. If the supplier pays the excise tax on or before the 15th day of the month after the date that the liquor was shipped to a person in this State, the supplier may deduct 3 percent of the amount of the excise tax. The Department shall assess a penalty and interest on any late taxes pursuant to the provisions of NRS 360.417.	
10	369.016	Submission of report for shipments of liquor; failure to comply.	1. A supplier shall submit to the Department, with documentation, a report on a form prescribed by the Department that includes, without limitation, the: (a) Name and address of the person to whom the liquor was shipped; (b) Kind of liquor shipped in each order; (c) Quantity of liquor shipped in each order in gallons rounded to the nearest one-hundredth; (d) Percentage of alcohol by volume; and (e) Date of shipping. 2. A supplier shall submit the report set forth in subsection 1 on: (a) The date that the supplier pays the excise tax pursuant to NAC 369.014; or (b) The 20th day of each month in which the supplier does not ship any liquor. 3. Failure to file the report set forth in this section is grounds for suspension of the certificate of compliance of the supplier issued pursuant to NRS 369.430.	
11	369.020	Conversion of liters to gallons.	1. The reports of licensees must be in wine gallons. 2. To convert liters to wine gallons for reporting purposes, licensees shall use the following standards: (a) For wine, to convert to wine gallons on any record or report, the quantity in liters must be multiplied by 0.26417 to determine the equivalent quantity in wine gallons. The resulting figures must be rounded to the nearest one-hundredth of a gallon. (b) For distilled spirits, to convert liters to wine gallons on any record or report, the quantity in liters shall be multiplied by 0.264172 to determine the equivalent quantity in wine gallons. The resulting figure must be rounded to the nearest one-hundredth of a gallon.	
12	369.026	Designation of importer; notice.	A supplier who designates an importer in this State pursuant to NRS 369.386 shall submit a written notice to the Department which includes, without limitation, the name and address of each designated importer before he or she ships any liquor into this State.	
13	369.028	Notice required for certain shipments of wine; fee; failure to comply.	1. A supplier who is required to pay the fee set forth in NRS 369.466 shall notify the Department in writing that the supplier has shipped 200 cases or more of wine on the date that the supplier pays the fee. 2. Failure to pay the fee pursuant to the provisions of NRS 369.466 is grounds for suspension of the certificate of compliance of the supplier issued pursuant to NRS 369.430.	
14	369.030	Receipt by Commission of reports, returns and remittances.	1. Any report, return or remittance to cover a payment required by chapter 369 of NRS, which is transmitted through the United States mail shall be deemed filed or received on the date shown by the post office cancellation mark stamped upon the envelope containing it, or on the date it was mailed if proof satisfactory to the Nevada Tax Commission establishes that the document or remittance was timely deposited in the United States mail, postage prepaid and properly addressed to the Commission. 2. A receipt for material sent by certified or registered mail, if different than the post office cancellation mark, will prevail if the date on the receipt is earlier than the cancellation date. 3. A record authenticated by the post office that the cancellation date on certain batches of mail was erroneous is proof satisfactory to the Commission that the mailing was made on a date other than the post office cancellation date. 4. If it is known that the postal service was inoperative at a certain time due to strikes, riots, warfare, acts of God or other reasons, the Commission will consider the circumstances, and if there is other evidence of timely mailing will accept the evidence and deem the return or payment timely. 5. The cancellation date affixed by a postage meter in possession of the taxpayer or other person will be disregarded as proof of the date mailed whenever it is contradicted by an official post office cancellation mark stamped upon the envelope containing it. Statements by a taxpayer or the taxpayer's employees, alone, will not be sufficient to refute the post office cancellation date as the date of mailing.	
15	369.055	Payment to wholesale dealer by retail liquor store by electronic transfer of money authorized.	1. A retail liquor store may make payment to a wholesale dealer for liquor pursuant to NRS 369.485 by use of the electronic transfer of money if the wholesale dealer: (a) Consents to the use of the electronic transfer of money for such payment; and (b) Does not pay any costs incurred by the retail liquor store for use of the electronic transfer of money. 2. A retail liquor store shall not condition any purchase of liquor from a wholesale dealer upon the consent of the wholesale dealer to the use of the electronic transfer of money to make payment for the liquor. 3. As used in this section, "electronic transfer of money" means any transfer of money, other than a transaction initiated by a check, draft or other similar instrument, that is initiated through an electronic terminal, telephone, computer or magnetic tape for the purpose of ordering, instructing or authorizing a financial institution or person holding an account on behalf of another to debit or credit an account.	
16	R068-21	<b>Liquor Delivery and Periodic Auditing</b>		
17	R068-21 - Section 1		Chapter 369 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 9, inclusive, of this regulation.	
18	R068-21 - Section 2		1. A retail liquor store, or a delivery support service acting on behalf of a retail liquor store, may accept orders for and deliver liquor in its original package to a consumer pursuant to NRS 369.489, only if: (a) The liquor is not for resale; (b) The original package of liquor originates from the premises of the retail liquor store making the sale; (c) The liquor is sold by the retail liquor store; (d) The retail liquor store has met all local licensing requirements to engage in business as a retailer of liquor in the jurisdiction where the retail liquor store is located and where the delivery occurs; (e) The liquor was purchased by the retail liquor store from a wholesaler in compliance with the marketing area of the wholesaler; (f) The delivery originates during the posted business hours of the retail liquor store; and (g) In the case of a delivery support service acting on behalf of a retail liquor store, the delivery support service has entered into a written agreement with the retail liquor store to deliver liquor to consumers on behalf of the retail liquor store. 2. A retail liquor store or its agent may accept an order for the sale and delivery of liquor pursuant to this section and NRS 369.489 that is made in person, is submitted in writing or is made by telephone or through the Internet. 3. As used in this section, "marketing area" has the meaning ascribed to it in NRS 597.136.	
19	R068-21 - Section 3		1. A retail liquor store, or a delivery support service acting on behalf of a retail liquor store, shall ensure that any person making a delivery on behalf of the retail liquor store or delivery support service pursuant to NRS 369.489: (a) Is not less than 21 years of age; and (b) Maintains the delivery log required by section 5 of this regulation. 2. A retail liquor store, or a delivery support service acting on behalf of a retail liquor store, shall make a delivery of liquor pursuant to NRS 369.489, only to a person at the address specified in the order or the delivery address who is 21 years of age or older. The address specified in the order as the delivery address may be the designated pick-up area of the retail liquor store. If no person 21 years of age or older is present at the delivery address to accept the order, the retail liquor store, or delivery support service acting on behalf of the retail liquor store, shall retain possession of the liquor and return it to the retail liquor store. 3. A retail liquor store, or a delivery support service acting on behalf of a retail liquor store, shall not make a delivery of liquor to a person who appears to show signs of intoxication.	
20	R068-21 - Section 4		Action taken by a delivery support service on behalf of a retail liquor store to facilitate a sale of liquor by the retail liquor store, including, without limitation, the soliciting or receiving of an order for liquor or the delivery of liquor on behalf of a retail liquor store, shall not be deemed a sale, as defined in NRS 369.100, by the delivery support service.	
21	R068-21 - Section 5		1. Each person who makes a delivery pursuant to NRS 369.489, on behalf of a retail liquor store, or delivery support service acting on behalf of a retail liquor store, shall maintain a delivery log which includes the following for each delivery of liquor made: (a) The name of the purchaser; (b) The name and date of birth of the person who accepts delivery as shown on his or her form of identification shown pursuant to subsection 2; (c) The street address of the delivery location; (d) The time and date of the purchase and delivery; and (e) The signature or other verification of the identity of the person who accepts the delivery. 2. A person who makes a delivery pursuant to NRS 369.489, on behalf of a retail liquor store, or a delivery support service acting on behalf of a retail liquor store, shall not release the delivery until he or she has been shown an acceptable form of identification by the person who accepts delivery at the address listed on the order as the delivery address. Acceptable forms of identification are a valid driver's license, permanent resident card, tribal identification card or any other written or documentary evidence issued by a governmental entity indicating that the person is 21 years of age or older.	
22	R068-21 - Section 6		A retail liquor store shall maintain the delivery orders, delivery logs, receipts and journals relevant to each delivery made by the retail liquor store, or delivery support service acting on behalf of the retail liquor store, and preserve those records for at least 4 years. All such delivery orders, delivery logs, receipts and journals shall be exhibited at any time during business hours, upon reasonable notice, to the Department or any of its agents. Pursuant to NRS 369.550, any person preventing or interfering with such inspection shall be guilty of a misdemeanor.	
23	R068-21 - Section 7		The Department may impose the following penalties on a retail liquor store that violates any of the provisions of sections 2 to 6, inclusive, of this regulation within any 24-month period: 1. For the first violation, a penalty of not more than \$500. 2. For the second violation, a penalty of not more than \$1,000. 3. For the third and any subsequent violation, a penalty of not more than \$5,000 or a license suspension, or both such penalty and suspension.	
24	R068-21 - Section 8		1. Each county and city in this State shall adopt ordinances regulating liquor delivery which are consistent with the provisions of NRS 369.489 and sections 2 to 7, inclusive, of this regulation. 2. Nothing in sections 2 to 8, inclusive, of this regulation shall be construed to prohibit a local government from adopting ordinances as otherwise authorized by law.	
25	R068-21 - Section 9		1. A brew pub which manufactures and sells malt beverages to a wholesaler located outside of this State shall maintain such records as are necessary to determine the amount of malt beverages manufactured by the brew pub for sale to a wholesaler located outside of this State, including, without limitation, records documenting: (a) The kind and quantity of malt beverages shipped in each order of malt beverages; (b) The name of the wholesaler located outside of this State to whom each order of malt beverages was shipped; and (c) The physical location to which each order of malt beverages was shipped and the date of shipping. 2. The records maintained pursuant to this section must be preserved for not less than 4 years. 3. A brew pub shall make the records maintained pursuant to this section available for inspection and auditing by the Department or any of its agents, on demand, at reasonable times during regular business hours.	
		End		

# CHAPTER 370 - TOBACCO: LICENSES AND TAXES; SUPERVISION OF MANUFACTURERS AND WHOLESALE DEALERS

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explanation; "Amend" with explanation, or "Maintain" as written)
1		<b>GENERAL PROVISIONS</b>		
2	370.010	Definitions.	As used in this chapter, unless the context otherwise requires: <ol style="list-style-type: none"> <li>"Commission" means the Nevada Tax Commission.</li> <li>"Department" means the Department of Taxation.</li> </ol>	
3	370.015	Applicant for license: Compliance with chapter 370A of NRS.	The Department will not approve an application for a license pursuant to this chapter if the applicant is not in compliance with the provisions of chapter 370A of NRS.	
4		<b>CIGARETTES</b>		
5	370.020	Application for subsidiary place of business.	1. A cigarette wholesaler may maintain a warehouse for keeping merchandise on hand at another place than the established principal place of business, by listing the subsidiary place of business with the Department.	
6	370.030	Conditions for use of stamping machine by dealer.	1. The privilege of using a stamping machine to apply cigarette revenue stamps will be granted to licensed wholesale cigarette dealers upon written request to the Department subject to compliance with the following terms: <ol style="list-style-type: none"> <li>Cigarette revenue stamps applied by machines must be approved by the Department with the security codes provided by the manufacturer.</li> <li>Only cigarettes bearing clear and legible cigarette revenue stamps may be distributed by wholesale dealers.</li> <li>Cigarette revenue stamps may only be applied by machines owned or leased by the licensed wholesale dealer for which a security code has been provided to the Department.</li> <li>All cigarette revenue stamps applied upon packages must be of a special type devised and specified for the machines by the manufacturer. All cigarette revenue stamps must be applied on the bottom of the original package.</li> <li>The design of the cigarette revenue stamp must be that particular design approved by the Department.</li> <li>All wholesale dealers permitted to use stamping machines must take every reasonable precaution to prevent the theft of, unauthorized use of or tampering with the machines.</li> <li>All repairs to the machine must be made by an authorized representative of the manufacturer.</li> <li>All equipment must be serviced and cleaned according to the instructions issued by the manufacturer of the machine.</li> <li>All cigarette revenue stamps must be purchased from an authorized agent or representative of the Department.</li> </ol> <ol style="list-style-type: none"> <li>Upon the failure of any licensed wholesale dealer to fully comply with subsection 1, the permission to use the machines will be summarily withdrawn and the dealer will be required to affix water decal stamps until such time as he or she satisfies the Department that the provisions of subsection 1 have been met and will be fully complied with in the future.</li> </ol>	
7	370.100	Placement of cigarettes in vending machines; inspection of machines by Department.	1. All packages or packets of cigarettes in each vending machine which has an opening or transparent panel through which a sampling of all of the brands of cigarettes are visible must be placed in the machine so that the cigarette revenue stamp is visible from the front of the machine. <ol style="list-style-type: none"> <li>On demand, an operator of cigarette vending machines shall allow any authorized representative of the Department to accompany any employee of the operator on his or her route, during business hours and on working days, and the employee or operator shall open vending machines in control of the operator for inspection by the representative of the Department.</li> </ol>	
8	370.120	Receipt of reports, returns and remittances sent by mail.	1. Any report, return or remittance to cover a payment required by NRS 370.001 to 370.438, inclusive, which is transmitted through the United States mail, shall be deemed filed or received on the date shown by the postmark stamped upon the envelope containing it, or provided in NRS 238.100, or on the date it was mailed if other proof satisfactory to the Commission establishes that it was timely deposited in the United States mail, postage prepaid and properly addressed to the Commission. <ol style="list-style-type: none"> <li>The date on a receipt for material sent by certified or registered mail, if different from the postmark, prevails if the date on the receipt is earlier than the date of the postmark.</li> <li>A receipt authenticated by the post office that the postmark on certain batches of mail was erroneous is proof satisfactory to the Commission that the mailing was made on a date other than the date of the postmark.</li> <li>If it is known that the postal service was incompetent at a certain time because of a strike, riot, war or for some other reason, the Commission will consider the circumstances, and if there is other evidence of timely mailing, will accept the evidence and deem the return or payment timely.</li> <li>A postmark effected by a postage meter in the possession of the taxpayer or other person outside the post office will be disregarded as proof of the date mailed whenever it is contradicted by an official postmark stamped upon the envelope containing the payment. Unless corroborated, statements by a taxpayer or the taxpayer's employees are not sufficient to refute the postmark as the date of mailing.</li> </ol>	
9		<b>OTHER PRODUCTS MADE FROM TOBACCO</b>		
10	370.140	Wholesale dealer to notify Department of intent to sell taxable product.	A wholesale dealer in products made from tobacco, other than cigarettes, shall notify the Department of his or her intention to sell such products in this State before making any sales. The notification must be given on a form provided by the Department.	
11	370.150	Indicating tax on invoice; tax not to be charged to retail dealer as separate item.	A wholesale dealer in products made from tobacco, other than cigarettes, shall indicate on his or her invoices of sale the amount of the tax he or she is required to pay pursuant to NRS 370.450 as a part of the total price of those products. This amount must not be charged to the retail dealer as a separate item.	
12	370.160	Payment of tax; monthly return.	1. The tax imposed by NRS 370.450 must be paid to the Department on or before the 20th day of each month for sales made during the preceding month. <ol style="list-style-type: none"> <li>Each wholesale dealer shall submit with his or her payment a return on a form provided by the Department. If a wholesale dealer does not make a taxable sale during the preceding month, he or she shall file a return with the Department indicating this fact.</li> </ol>	
13	370.165	Allowance of tax credits.	1. The Department will allow a credit authorized by NRS 370.490 only if the wholesale dealer who files the claim for the credit is the wholesale dealer who originally reported and paid the tax to the Department. <ol style="list-style-type: none"> <li>A wholesale dealer who did not originally report and pay the tax to the Department may request from the wholesale dealer who originally reported and paid the tax to the Department payment of an amount equal to the credit authorized by NRS 370.490. Such request must include a credit memo of the manufacturer for proof of returned merchandise or a duplicate or copy of the invoice as proof of the sale outside the State.</li> <li>A wholesale dealer who is allowed a credit authorized by NRS 370.490 and who, pursuant to subsection 2, makes a payment to a wholesale dealer who did not originally report and pay the tax to the Department may complete and file with the Department an amended return.</li> </ol>	
14		<b>SALES ON INDIAN RESERVATIONS AND COLONIES</b>		
15	370.210	Sales by tribe that imposes tax equal to or greater than state tax.	1. A tribe that is located and sells and delivers cigarettes or other products made from tobacco on an Indian reservation or colony whose governing body has imposed and is enforcing an excise tax on the products being sold at a rate which is equal to or greater than the rate of the tax imposed by the State on the same products shall furnish the Department a copy of the tribal ordinance which imposes the tribal tax. <ol style="list-style-type: none"> <li>The tribal tax must be applicable to at least all consumers who would otherwise be taxed under NRS 370.001 to 370.430, inclusive, and be actually collected whether or not the retail establishment from which the cigarettes or other products made from tobacco are sold is owned by the tribe.</li> <li>The Department will presume that the tax is being imposed and actually enforced by the tribe if the retail price of the cigarettes or other products made from tobacco exceeds the wholesale price charged to the tribe by an amount which is at least equal to the tax.</li> <li>Except as otherwise provided in NRS 370.240 and 370.255, the tribe is not required to maintain any records of cigarettes received, sold or distributed by the tribe that reservation or colony.</li> </ol>	
16	370.220	Purchase of tobacco by retail dealers; application for refund of precollected sales tax.	1. Retail dealers who are located and sell and deliver cigarettes on an Indian reservation or colony shall purchase all of the cigarettes or other products made from tobacco that are to be sold and delivered on the reservation or colony from a licensed wholesale dealer who has precollected the state tax on the cigarettes and other products. <ol style="list-style-type: none"> <li>If a tribal tax has been imposed on the cigarettes and other products made from tobacco, the tribe may apply for a refund of the precollected tax pursuant to NRS 370.280 or 370.500 and NAC 370.230.</li> </ol>	
17	370.230	Refund of precollected state tax: Procedure; rate.	1. As used in this section, unless the context otherwise requires: <ol style="list-style-type: none"> <li>"Department" means the Department of Taxation of the State of Nevada.</li> <li>"Governing body" means the governmental entity that has the authority to make decisions for a tribe, commonly known as a tribal government.</li> <li>"Month" means a calendar month.</li> <li>"Reservation" means an Indian reservation, Indian colony or lands set aside for the use and occupancy of a tribe.</li> <li>"Retail dealer" means any person, other than a wholesale dealer or a smokeshop owned by a tribe, who is located on a reservation and who offers to sell or who is engaged in selling cigarettes, other tobacco products or both of them at retail on the reservation.</li> <li>"Tribe" means any Indian tribe, Indian band, Indian colony or group of Indians recognized by the Federal Government as possessing a government-to-government relationship with the United States.</li> </ol> <ol style="list-style-type: none"> <li>Upon application being made by a governing body which meets the requirements of this section, the Department shall refund to the governing body the tobacco taxes collected by the State on sales of tobacco to retail dealers in accordance with NRS 370.280 and 370.500.                             <ol style="list-style-type: none"> <li>A refund made pursuant to this section must be made at the tax rate less any discounts allowed for a tobacco wholesaler or importer.</li> <li>Except as otherwise provided in subsections 6, only the governing body may apply for a refund of taxes on sales of cigarettes or other tobacco products to retail dealers. Each application for a refund must be made for all sales which occurred during not less than 1 month. The application must include:                                     <ol style="list-style-type: none"> <li>The amount of tobacco purchased by retail dealers during the month or months for which the refund is requested;</li> <li>The name and location of the wholesaler or importer from whom the tobacco was purchased; and</li> <li>The county or counties where the retail dealers are located, and the quantity of tobacco purchased by retail dealers located in each county.</li> </ol> </li> <li>The governing body shall maintain, and provide to the Department upon request, documentation substantiating all affidavits requested. The documentation must include:                                     <ol style="list-style-type: none"> <li>Identification of the purchasers of tobacco as retail dealers, by name and address;</li> <li>For each transaction for which a refund is requested, the:   <ol style="list-style-type: none"> <li>Name and address of the retail dealer;</li> <li>Price paid;</li> <li>Quantity purchased; and</li> <li>Date of sale; and</li> </ol> </li> <li>Such other information as the Department determines is reasonably necessary to document that a purchase qualifies for a refund pursuant to this section.</li> </ol> </li> </ol> </li> </ol> <p><b>NOTE.</b></p> <ol style="list-style-type: none"> <li>If a governing body fails to maintain the records required by this section, files a fraudulent refund request or refuses to transmit to the Department information required pursuant to this section, the Department may after the refund procedure authorized by this section and, in lieu thereof, make direct refunds to a retail dealer who:                             <ol style="list-style-type: none"> <li>Is located on the reservation;</li> <li>Purchases tobacco;</li> <li>Pays the applicable tax imposed on the tobacco by the tribe; and</li> <li>Complies with the requirements of this section that are applicable to governing bodies.</li> </ol> </li> </ol>	
18	370.240	Refund of precollected state tax: Effect of provisions.	NAC 370.230 does not limit state statutes regarding the sale of cigarettes or other tobacco products, including, without limitation, chapter 370 of NRS, and is not a waiver of the sovereign powers of tribes.	
19	370.250	List of tribes eligible to purchase cigarettes with tribal tax stamps affixed and other products exempt from state tax.	The Department will, as frequently as it deems necessary, publish and distribute to all licensed cigarette wholesale dealers a list of all tribes that are eligible to purchase: <ol style="list-style-type: none"> <li>Cigarettes to which tribal tax stamps are affixed instead of state tax stamps; and</li> <li>Other products made from tobacco, exempt from the tax imposed by the State on products made from tobacco.</li> </ol>	
20	370.260	MANUFACTURERS OF TOBACCO PRODUCTS		
21	370.300	Definitions.	As used in NAC 370.300 to 370.330, inclusive, unless the context otherwise requires, the words and terms defined in NRS 370.610 to 370.660, inclusive, and NAC 370.510 and 370.520 have the meanings ascribed to them in those sections.	
22	370.310	"Calendar quarter" defined.	"Calendar quarter" means a period of 3 consecutive calendar months ending on March 31, June 30, September 30 or December 31 in each calendar year.	
23	370.320	"Escrow deposit" defined.	"Escrow deposit" means a deposit required from a manufacturer of tobacco products pursuant to subsection 2 of NRS 370A.140.	
24	370.330	Nonparticipating manufacturer: Requirements for quarterly escrow deposits and reports; noncompliance with requirements.	1. A nonparticipating manufacturer shall make escrow deposits in quarterly installments for the calendar year in which the sales covered by those deposits are made if: <ol style="list-style-type: none"> <li>The nonparticipating manufacturer:                             <ol style="list-style-type: none"> <li>Has not previously established a qualified escrow fund and made escrow deposits to that fund for sales in Nevada;</li> <li>Has not any escrow deposits for more than 1 year;</li> <li>Has failed to make any escrow deposits in a complete and timely manner for any prior calendar year;</li> <li>Has failed to pay any judgments entered against the nonparticipating manufacturer in any jurisdiction, including, without limitation, any judgments for any civil penalties arising from a failure to comply with the law of any jurisdiction requiring a deposit into a qualified escrow fund; or</li> <li>Sells more than 1.6 million cigarettes in Nevada during a calendar quarter; or</li> </ol> </li> <li>The Department, in consultation with the Attorney General:                             <ol style="list-style-type: none"> <li>Has reasonable cause to believe that the nonparticipating manufacturer may not make the entire annual escrow deposit otherwise required by subsection 2 of NRS 370A.140 in a timely manner for a particular year; and</li> <li>Serves the nonparticipating manufacturer with a notice that the nonparticipating manufacturer is required to make quarterly installments for that year.</li> </ol> </li> </ol> <ol style="list-style-type: none"> <li>A nonparticipating manufacturer who is required to make a quarterly installment pursuant to this section shall:                             <ol style="list-style-type: none"> <li>Deposit the full amount of that installment on or before the last day of the month following the calendar quarter in which the sales covered by the installment are made; and</li> <li>Not later than 10 days after the last date upon which that installment is required pursuant to paragraph (a), provide the Attorney General with a quarterly report that includes such information as the Attorney General determines to be necessary to ascertain whether the nonparticipating manufacturer is in compliance with NRS 370.600 to 370.700, inclusive, chapter 370A of NRS and NAC 370.500 to 370.530, inclusive. The report required pursuant to this paragraph must be provided:                                     <ol style="list-style-type: none"> <li>On a form prescribed by the Attorney General; or</li> <li>Electronically, in a format prescribed by the Attorney General.</li> </ol> </li> <li>If a nonparticipating manufacturer fails to comply with any provision of subsections 2, the Department shall:                                     <ol style="list-style-type: none"> <li>Serve the nonparticipating manufacturer with a notice that the Department will remove the name and brand families of the nonparticipating manufacturer from the directory in 5 days, excluding weekends and holidays, unless the nonparticipating manufacturer fully complies with the provisions of subsection 2 within that time; and</li> <li>Upon the expiration of 5 days, excluding weekends and holidays, after the service of the notice pursuant to paragraph (a), remove the name and brand families of the nonparticipating manufacturer from the directory unless the nonparticipating manufacturer has fully complied with the provisions of subsection 2 within that time.</li> </ol> </li> </ol> </li> </ol>	
25	370.340	ADMINISTRATIVE PROCEEDINGS; SUSPENSION OR REVOCATION OF LICENSE; REMOVAL FROM DIRECTORY OF MANUFACTURERS AND BRAND FAMILIES		
26	370.500	Definitions.	As used in NAC 370.500 to 370.595, inclusive, unless the context otherwise requires, the words and terms defined in NAC 370.510 to 370.525, inclusive, have the meanings ascribed to them in those sections.	
27	370.510	"Directory" defined.	"Directory" means the directory created pursuant to NRS 370.675.	
28	370.515	"Hearing officer" defined.	"Hearing officer" means an administrative law judge appointed by the Commission pursuant to subsection 4 of NAC 370.545.	
29	370.520	"Manufacturer of tobacco products" or "manufacturer" defined.	"Manufacturer of tobacco products" or "manufacturer" has the meaning ascribed to the term "manufacturer of tobacco products" in NRS 370A.060.	
30	370.525	"Respondent" defined.	"Respondent" means a licensee or manufacturer of tobacco products to whom the Department has issued a notice of hearing pursuant to NAC 370.545.	

# CHAPTER 370 - TOBACCO: LICENSES AND TAXES; SUPERVISION OF MANUFACTURERS AND WHOLESALE DEALERS

32	370.540 Notice of intent to suspend or revoke license or remove from directory, contents and service of notice; opportunity to demonstrate compliance; effect of subsequent alleged violation.	<p>1. When the Department has cause to believe that:</p> <p>(a) The license of a retail dealer or wholesale dealer should be temporarily suspended or permanently revoked; or</p> <p>(b) A manufacturer of tobacco products and its brand families should be removed from the directory;</p> <p>the Department may issue a notice of intent to suspend or revoke the license or a notice of intent to remove the manufacturer and its brand families from the directory, as applicable.</p> <p>2. A notice issued pursuant to subsection 1 must include:</p> <p>(a) A statement of the legal authority for the suspension or revocation of the license or removal of the manufacturer and its brand families from the directory, as applicable;</p> <p>(b) A statement of the facts which support the belief of the Department that the license should be suspended or revoked or that the manufacturer and its brand families should be removed from the directory, as applicable;</p> <p>(c) Except as otherwise provided in subsection 6, if the notice issued is:</p> <p>(1) A notice of intent to suspend or revoke a license, a statement that the Department may issue a notice of hearing pursuant to NAC 370.545 if the licensee does not, within 10 business days after receipt of the notice issued pursuant to subsection 1, demonstrate to the satisfaction of the Department that the licensee is in full compliance with all lawful requirements for retention of the license; or</p> <p>(2) A notice of intent to remove a manufacturer and its brand families from the directory, a statement that the Department may issue a notice of hearing pursuant to NAC 370.545 if the manufacturer does not, within 10 business days after receipt of the notice issued pursuant to subsection 1, demonstrate to the satisfaction of the Department that the manufacturer is in compliance with all applicable legal requirements necessary to remain listed in the directory.</p> <p>3. A notice of intent to suspend or revoke a license must be served on the licensee by certified mail at the location mailing address identified by the licensee on the license application submitted by the licensee to the Department.</p> <p>4. A notice of intent to remove a manufacturer of tobacco products and its brand families from the directory must be served on the manufacturer by certified mail at the address identified by the manufacturer in the most recent annual certification made by the manufacturer to the Attorney General pursuant to NRS 370A.160.</p> <p>5. Any evidence to demonstrate compliance offered by a licensee or a manufacturer of tobacco products within the period described in subparagraph (1) or (2) of paragraph (c) of subsection 2 must be delivered in person or by certified mail to the employee of the Department identified in the notice served on the licensee or manufacturer.</p> <p>6. If a licensee or manufacturer of tobacco products has received a notice issued pursuant to subsection 1, for any subsequent alleged violation of the same statutory provision during the 2-year period immediately following the issuance of such notice, the licensee or manufacturer is not entitled to the 10-day period to demonstrate compliance described in subparagraphs (1) and (2) of paragraph (c) of subsection 2 and the Department may immediately issue a notice of hearing pursuant to NAC 370.545.</p>	
33	370.545 Notice of hearing; contents and service of notice; appointment of hearing officer.	<p>1. If a licensee or manufacturer of tobacco products does not demonstrate compliance within the 10-day period described in subparagraph (1) or (2) of paragraph (c) of subsection 2 of NAC 370.540, or if pursuant to subsection 6 of NAC 370.540, a licensee or manufacturer of tobacco products is not entitled to the 10-day period to demonstrate compliance, the Department may issue a notice of hearing.</p> <p>2. A notice of hearing issued pursuant to this section must:</p> <p>(a) State the date, time and location of the hearing, which may be held at an office of the Department or at such other place in this State as is designated in the notice;</p> <p>(b) Include a statement of the legal authority for the suspension or revocation of the license or removal of the manufacturer and its brand families from the directory, as applicable;</p> <p>(c) Identify the specific provision or provisions of chapter 370 or 370A of NRS which the Department alleges the licensee or manufacturer of tobacco products has violated;</p> <p>(d) Include a statement of the facts which support the belief of the Department that the license should be suspended or revoked or that the manufacturer and its brand families should be removed from the directory, as applicable; and</p> <p>(e) Include as attachments all documentary evidence on which the Department intends to rely to demonstrate that the licensee or manufacturer of tobacco products, as applicable, is in violation of the provision or provisions of chapter 370 or 370A of NRS identified pursuant to paragraph (c).</p> <p>3. A notice of hearing issued pursuant to this section must be served on:</p> <p>(a) All parties at least 20 business days before the date of the hearing;</p> <p>(b) A licensee by certified mail at the location mailing address identified by the licensee on the license application submitted by the licensee to the Department; and</p> <p>(c) A manufacturer of tobacco products by certified mail at the address identified by the manufacturer in the most recent annual certification made by the manufacturer to the Attorney General pursuant to NRS 370A.160.</p> <p>4. Upon the issuance of a notice of hearing by the Department pursuant to this section, the Commission will appoint an administrative law judge to act as a hearing officer.</p>	
34	370.550 Submission of documentation by respondent; exclusion by hearing officer for untimely submission.	<p>1. Except as otherwise provided in subsection 2, a respondent must, not later than 5 business days before the date of the hearing set forth in the notice of hearing issued pursuant to NAC 370.545, provide to the Department a copy of each document which is reasonably available to the respondent and which the respondent reasonably believes will be used in support of his or her position.</p> <p>2. A respondent may supplement the documents provided pursuant to subsection 1 on or before the date of the hearing only if good cause exists to demonstrate why the supplemental documents were not provided within the time required by subsection 1.</p> <p>3. A hearing officer may exclude any document not timely provided pursuant to subsection 1 or 2.</p>	
35	370.555 Submission and service of motions and responses to motions.	<p>1. All motions, unless made at a hearing, must be:</p> <p>(a) Made in writing; and</p> <p>(b) Served on the opposing party and the hearing officer at least 10 business days before the date of the hearing.</p> <p>2. Any response to a motion, other than a motion made at a hearing, must be:</p> <p>(a) Made in writing; and</p> <p>(b) Served on the opposing party and the hearing officer within 7 business days after receipt of the motion.</p>	
36	370.560 Filing and service of briefs.	<p>1. A hearing officer may order the parties to file briefs with the hearing officer before the hearing.</p> <p>2. Any brief filed with a hearing officer must be accompanied by an affidavit from the proponent showing service on all other parties of record.</p>	
37	370.565 Appearance of party at hearing; representation by authorized representative of party; qualifications of attorney.	<p>1. A party may appear at a hearing or may be represented by an attorney, an accountant or an officer, employee or other authorized representative of the party.</p> <p>2. An attorney who represents a party at a hearing:</p> <p>(a) Must be admitted to practice and in good standing before the highest court of any state of the United States; and</p> <p>(b) If the attorney is not admitted to practice and in good standing before the Supreme Court of Nevada, must be associated with an agency so admitted and in good standing.</p>	
38	370.570 Continuances or recesses granted by hearing officer.	<p>A hearing officer may, in his or her discretion, either before or during a hearing, grant continuances or recesses.</p>	
39	370.575 Failure to appear.	<p>If:</p> <p>1. A respondent fails to appear at a hearing;</p> <p>2. The hearing officer has not granted a continuance;</p> <p>3. The Department offers proof that the respondent was given proper notice of the hearing; and</p> <p>4. The hearing officer makes a determination that the respondent was given proper notice of the hearing;</p> <p>the hearing officer may proceed to consider the case on its merits without the participation of the respondent and dispose of the case based on the evidence before him or her.</p>	
40	370.580 Order of proceedings; written findings and conclusions; issuance and service of decision date on which decision becomes final.	<p>1. At a hearing conducted pursuant to NAC 370.540 to 370.595, inclusive:</p> <p>(a) The Department will present witnesses and evidence and the respondent may cross-examine the witnesses in the order in which they are presented by the Department.</p> <p>(b) After the Department has completed its presentation of witnesses and evidence, the respondent may present witnesses and evidence and the Department may cross-examine the witnesses in the order in which they are presented by the respondent.</p> <p>(c) After the respondent has completed its presentation of witnesses and evidence, the Department may call any rebuttal witnesses and the respondent may cross-examine the witnesses.</p> <p>(d) The hearing officer may question any witness, party, counsel or representative at any time.</p> <p>2. After the close of the hearing, the hearing officer shall prepare written findings of fact, conclusions of law and his or her decision on the issues presented at the hearing.</p> <p>3. A hearing officer shall issue his or her decision and serve on all parties of record a copy of the decision and the accompanying findings of fact and conclusions of law within 45 business days after the date on which the hearing concluded.</p> <p>4. A decision issued by a hearing officer pursuant to this section becomes final 20 business days after the date of service of the decision unless a party files a timely notice of appeal pursuant to NAC 370.585.</p>	
41	370.585 Filing and service of notice of appeal; rebuttal response by opposing party.	<p>1. A party may, within 20 business days after service of a decision issued by a hearing officer pursuant to NAC 370.580, file a notice of appeal with the Commission.</p> <p>2. A notice of appeal filed pursuant to this section must be served on all parties and must:</p> <p>(a) Identify the decision from which the party appeals, the date on which the decision was issued and the basis for the appeal;</p> <p>(b) State with particularity each point of law or fact which, in the opinion of the appellant, the hearing officer overlooked or misconstrued;</p> <p>(c) Identify the parts of the record before the hearing officer that the appellant deems relevant to the appeal; and</p> <p>(d) State each argument in support of the appeal that the appellant intends to present.</p> <p>3. An opposing party may, not later than 15 business days after service of a notice of appeal, file with the Commission a response rebutting only the issues raised in the notice of appeal. Such a response may include identification of the parts of the record before the hearing officer that the opposing party deems relevant to his or her response.</p>	
42	370.590 Oral argument on appeal; consideration of certain evidence; issuance of written decision; final decision the purposes of judicial review.	<p>1. Upon the filing of a response to the notice of appeal pursuant to NAC 370.585 or the expiration of the time for filing such a response, the Executive Director will schedule oral argument on the appeal at the next meeting of the Commission.</p> <p>2. Oral argument before the Commission will be limited to 15 minutes for each party. The appellant must present his or her argument first but may reserve time for rebuttal following the presentation of argument by the opposing party. The Commission will consider only evidence which was submitted to the hearing officer and identified in the notice of appeal or response to the notice of appeal.</p> <p>3. The Commission may affirm, reverse or modify the decision of the hearing officer or remand the case to the hearing officer. The Executive Director shall, on behalf of the Commission, issue a written decision on the appeal.</p> <p>4. Unless the Commission remands a case to the hearing officer, the decision of the Commission is a final decision in a contested case for the purposes of judicial review.</p>	
43	370.595 Effective date of suspension or revocation of license; dates of wholesale dealer; continuation of activities until suspension or revocation is effective.	<p>If a final order issued by a hearing officer or the Commission temporarily suspends or permanently revokes the license of a wholesale dealer:</p> <p>1. The final order issued by the hearing officer or the Commission shall not be effective until the date of the hearing or until 20 business days after the date of issuance of the final order.</p> <p>2. The wholesale dealer shall, within 5 business days after the date on which the final order is issued:</p> <p>(a) Notify each retail dealer that is a customer of the wholesale dealer of the revocation or suspension of the license of the wholesale dealer and the date on which the revocation or suspension becomes effective; and</p> <p>(b) Notify each manufacturer of tobacco products from whom the wholesale dealer purchases tobacco products of the revocation or suspension of the license of the wholesale dealer and the date on which the revocation or suspension becomes effective.</p> <p>3. Until the date on which the revocation or suspension of the license is effective, the wholesale dealer may continue to engage in any lawful activity otherwise authorized or permitted pursuant to chapters 370 and 370A of NRS.</p>	
	End		

# CHAPTER 372 - SALES AND USE TAXES

No.	NAC Citation	Description of NAC Section	Language	Analysis/Recommendation ("Repeal" with explanation; "Amend" with explanation, or "Maintain" as written)
1		General Provisions		
2	372.010	Definitions.	As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 372.010 to 372.035, inclusive, have the meanings ascribed to them in these sections.	
3	372.011	"Commissioner" defined.	"Commissioner" means the Nevada Tax Commissioner.	
4	372.012	"Computer" defined.	"Computer" has the meaning ascribed to it in NRS 368B.020.	
5	372.013	"Computer software" defined.	"Computer software" has the meaning ascribed to it in NRS 368B.035.	
6	372.014	"Consumer computer software" defined.	"Consumer computer software" means computer software which is any personal computer software.	
7	372.015	"Delivered electronically" defined.	"Delivered electronically" has the meaning ascribed to it in NRS 368B.020.	
8	372.016	"Delivery charge" defined.	"Delivery charge" has the meaning ascribed to it in NRS 368B.025.	
9	372.017	"Department" defined.	"Department" means the Department of Taxation.	
10	372.018	"Drug" defined.	"Drug" has the meaning ascribed to it in NRS 368B.035 and includes, without limitation, injectable dermal fillers, vitreous fillers, vitreous, medical-grade gases and fluids.	
11	372.019	"Durable Medical Equipment" defined.	"Durable medical equipment" means any of the following: 1. An orthotic or prosthetic device. 2. A wheelchair. 3. A can walker or similar device. 4. A hearing aid. 5. A generally not used to a person in the absence of illness or injury and 6. Is not worn on or inside the body, and 7. Includes, without limitation, audiotape players, anesthesia ventilators, blood glucose monitors, dialysis and kidney dialysis machines.	
12	372.020	"Electronic" defined.	"Electronic" has the meaning ascribed to it in NRS 368B.040.	
13	372.021	"Food" defined.	"Food" has the meaning ascribed to it in NRS 368B.045.	
14	372.022	"Food or drink" defined.	"Food and drink" means delivery to a purchaser by use of tangible storage media where the tangible storage media is not physically transferred to the purchaser.	
15	372.023	"Motor Vehicle" defined.	"Motor vehicle" means equipment, including any repair and replacement parts thereto, which: 1. Is primarily and customarily used to provide or increase the ability to move from one place to another and which is appropriate for use either in a home or a motor vehicle; 2. Is not primarily and customarily used to provide or increase the ability to move from one place to another and which is appropriate for use either in a home or a motor vehicle; 3. Does not include any motor vehicle or equipment on a motor vehicle normally provided by a manufacturer of motor vehicles, and 4. Includes, without limitation, mobility equipment for use for children with a disability and wheel chairs for persons with a disability.	
16	372.024	"Pre-written computer software" defined.	"Pre-written computer software" has the meaning ascribed to it in NRS 368B.035.	
17	372.025	"Prosthetic device" defined.	"Prosthetic device" has the meaning ascribed to it in NRS 368B.035 and includes, without limitation, breast implants, feeding catheters, medicine delivery catheters, insulin pumps, ocular implants, orthodontic devices, and implants, corneas, protheses and gold, silver and other metal alloys used to fill work.	
18	372.026	"Purchase price" defined.	"Purchase price" means the amount a seller receives for the sale of tangible personal property, excluding the amount of sales tax and the amount of any other taxes or fees.	
19	372.027	"Retailer" defined.	"Retailer" has the meaning ascribed to it in NRS 368B.060.	
20	372.028	"Retail sale" defined.	"Retail sale" has the meaning ascribed to it in NRS 368B.060.	
21	372.029	"Sales price" defined.	"Sales price" has the meaning ascribed to it in NRS 368B.060.	
22	372.030	"Sales tax" defined.	"Sales tax" has the meaning ascribed to it in NRS 368B.070.	
23	372.031	"Seller" defined.	"Seller" has the meaning ascribed to it in NRS 368B.060.	
24	372.032	"Tangible personal property" defined.	"Tangible personal property" has the meaning ascribed to it in NRS 368B.095.	
25	372.033	"Use tax" defined.	"Use tax" has the meaning ascribed to it in NRS 368B.095.	
26	372.034	Announcement of sale of tangible personal property.	As required by this subsection, the seller shall notify the state on which the sale first is reported. The seller shall: (1) Notify the state on which the sale first is reported by the seller on or before the date that the seller files the return on which the sale is reported. (2) For the first four days of the calendar quarter that begins on or after the first day of the month in which the sale is reported, the seller shall file a return with the Department of Taxation on or before the first day of the month in which the sale is reported. (3) For the first four days of the calendar quarter that begins on or after the first day of the month in which the sale is reported, the seller shall file a return with the Department of Taxation on or before the first day of the month in which the sale is reported. (4) The failure of a person to provide actual notice of a change in the sales and use tax jurisdiction is cause for the Department of Taxation to suspend the person's right to deduct the amount of the change until the person files a return on which the sale is reported.	
27		Application of Tax		
28	372.040	Provision of capital goods. Acquisition of later payment of tax.	1. The proceeds for which related purchases of capital goods made to expand a business, establish a new business, or otherwise replace capital equipment which may be approved to defer payment of the tax are: (a) Six months, if the purchase price is a total sales price of at least \$100,000 but less than \$500,000. (b) One year, if the purchase price is a total sales price of at least \$500,000. 2. The Department may extend the initial deferral period of the taxpayer's request for an extension of time before the expiration of that period. The request must: (a) Include evidence that the purchase to be deferred was within the scope of the program approved by the Division of Economic Development. (b) Include the date on which the program is to be completed, and (c) Include evidence that the purchase to be deferred was within the scope of the program approved by the Division of Economic Development. 3. Payment of deferred taxes must be accompanied by forms provided by the Commission.	
29	372.045	Bandied transactions.	1. Except as otherwise provided by specific statute or regulation, the sales tax on use tax, as applicable, applies to the total amount of consideration received by a seller in connection with a bandied transaction. 2. For the purposes of this section: (a) Except as otherwise provided by statute or regulation, "bandied transaction" means the retail sale of two or more products, except real property and services to real property, where the products are: (i) Sold to one individual; (ii) "Bandied transaction" does not include: (A) The sale of tangible personal property to which a sales tax is applicable based on the collection by the purchaser of the product included in the transaction. (B) The retail sale of tangible personal property and a service where the tangible personal property is essential to the use of the service and is provided exclusively in connection with the service, and the true object of the transaction is the service. (C) The sale of two or more products, where the products are sold together with the purchase price of each product being a percentage of the total purchase price, or sales price of the bandied products. (D) "On receipt" means that the seller's purchase price or sales price of the multiple products is 10 percent or less of the total purchase price or sales price of the bandied products. (E) Sellers must use either the purchase price or the sales price of the products to determine if the multiple products do determine. Sellers may not use a combination of the purchase price and sales price of the products to determine if the multiple products do determine. (F) Sellers must use the full terms of a receipt contract to determine if the multiple products do determine. (3) The total sales tax on the sale of tangible personal property and tangible personal property, where: (a) The transactions include food, drug, durable medical equipment, including orthotic equipment, prosthetic devices and medical supplies, and (b) The seller's purchase price or price of the tangible personal property or 50 percent or less of the total purchase price or sales price of the bandied tangible personal property. Sellers may not use a combination of the purchase price and sales price of the tangible personal property for the purpose of making the 50 percent determination for a transaction. (4) "On receipt and identifiable" products do not include: (a) Services, such as container, lease, rental, repair and maintenance, such as shipping, labels, tags and instruction guides, that accompany the retail sale of the product and are included or incidental to the retail sale of the product including books, software, digital downloads, audio and video files, and electronic services, such as streaming, downloading, and software updates, such as software updates, such as software updates, such as software updates. (b) Services, such as container, lease, rental, repair and maintenance, such as shipping, labels, tags and instruction guides, that accompany the retail sale of the product and are included or incidental to the retail sale of the product including books, software, digital downloads, audio and video files, and electronic services, such as streaming, downloading, and software updates, such as software updates. (c) Items included in the sales price. (d) "On receipt and identifiable" products do not include a product that is separately identified by product or branding labels or other supporting sales-related documentation made available to the customer in paper or electronic form, including, but not limited to, an invoice, bill of sale, receipt, contract, service agreement, home agreement, periodic notice of rates and services, and cost or price list. (e) "Sales price" applies to the amount of sales price tax.	
30	372.050	Child Sales.	1. If tangible personal property is sold on credit, either under a conditional sale or lease contract or otherwise, the whole amount of the contract to tangible sales and complete receipt to show separately the sales price of the tangible personal property, and the interest, finance, carrying and other charges made in the contract. If such records are kept by the retailer, the invoice, interest, finance and carrying charges may be included from the completion of the sale. 2. The total amount of the tax on the entire sales price of a retail transaction is due on the date the returns to be filed after the date of the reporting period in which the sale was made. 3. No reduction in the amount of sales tax by the retailer or seller or his or her transfer to a discount of a conditional sale or lease contract or other evidence of indebtedness.	
31	372.055	Calculation of credit used toward amount of tax due on later purchases of goods.	1. Determining the amount of tax due in the event from a purchase, the Department will allow a credit toward the amount due to the State in an amount equal to sales tax legitimately paid on the same purchase of tangible personal property to a state or local government outside of Nevada, upon proof of payment deemed satisfactory to the Department.	
32	372.060	Collection of tax and documentation by resale agent or agent of delivery.	1. Except as otherwise provided in subsections 1 and 2, if a retailer located in Nevada delivers, or an agent acting for an unlicensed out-of-state retailer, tangible personal property in this State, the retailer shall collect from the person to whom it is delivered the appropriate amount of sales tax on the basis of the sales price. 2. If the person to whom it is delivered informs the retailer that the tangible personal property is for resale, the retailer shall acquire a properly completed resale certificate. 3. If the person to whom it is delivered informs the retailer that the tangible personal property is for use in a business, the retailer shall acquire a properly completed resale certificate. 4. The retailer shall collect from the person to whom it is delivered the appropriate amount of sales tax on the basis of the sales price. 5. The retailer shall collect from the person to whom it is delivered the appropriate amount of sales tax on the basis of the sales price. 6. The retailer shall collect from the person to whom it is delivered the appropriate amount of sales tax on the basis of the sales price. 7. The retailer shall collect from the person to whom it is delivered the appropriate amount of sales tax on the basis of the sales price.	
33	372.065	Merchandise returned by customers.	1. For the purpose of the deduction from gross receipts of the sales price of merchandise which was returned by customers, "full sales price" includes the portion of the price which was designated as sales tax. 2. When a charge for restocking or handling is deducted from the retail sales price of merchandise which was returned, the retailer shall acquire a properly completed resale certificate. 3. The charge may include compensation for increased overhead costs because of the return, for refurbishing or restoring the property to salable condition where the necessary return was obtained by the customer, or for any expense which is directly the result of the return, such as the cost of transferring the title or reconditioning a conditional sale contract.	
34	372.070	Delivery Charges.	1. Delivery charges included in the sale of tangible personal property are subject to sales and use taxes, including, but not limited to, any charges for: (a) Transportation, shipping, postage which are not stated separately on applicable invoices or other billing documents. Any charges for transportation, shipping or postage which are stated separately on applicable invoices or other billing documents shall be deemed not to be included in such a sale and are not subject to sales and use taxes. (b) Handling, crating or packing, whether or not separately stated. 2. An delivery charge that is not connected with the sale of tangible personal property is a charge for a service and is not subject to sales and use taxes. 3. If a charge of tangible personal property is subject to sales and use taxes, the seller of the property shall comply with the provisions of NRS 368B.255.	
35	372.110	Actions which cannot bind the seller or her property.	Sales tax does not apply when a return of property delivered to an auctioneer for auction and both sales tax has been on a property at the auction.	
36	372.120	Financiar sales.	1. The tax does not apply to sales of tangible personal property or public auction property to the provision of a chattel mortgage, if: (a) The sale is made pursuant to a court decree of foreclosure by an officer appointed by the court to the purchaser; (b) The property is sold to the mortgagee; (c) The taxpayer is other than the mortgagor; and (d) The taxpayer is other than the mortgagor or the person who has had the property in the same extent to other sales.	
37	372.130	Advertising agencies.	1. As used in this section, an "advertising agency" is a person who is primarily in the business of furnishing advertising and promotional services to clients. 2. An advertising agency may be the customer of the tangible personal property used in the normal course of the business, such as ink, rubber cement and other items used for the purposes of the agency. 3. The development of primary advertising materials on behalf of a client for the press or broadcast media, a printer or a supplier of a graphic service and the charges for such materials are not subject to the sales tax. As used in this subsection, the phrase "development of primary advertising materials" includes all activities involved in the conceptualization, production and refinement of the advertisement or public relations material before the subsequent reproduction by a printer or supplier. The phrase "development of primary advertising materials" includes all activities involved in the conceptualization, production and refinement of the advertisement or public relations material before the subsequent reproduction by a printer or supplier. The phrase "development of primary advertising materials" includes all activities involved in the conceptualization, production and refinement of the advertisement or public relations material before the subsequent reproduction by a printer or supplier. The phrase "development of primary advertising materials" includes all activities involved in the conceptualization, production and refinement of the advertisement or public relations material before the subsequent reproduction by a printer or supplier. 4. The sales tax applies to the gross receipts from the creation of reproduction of the primary advertising materials, whether the reproduction is performed by a printer or supplier or is performed directly by the advertising agency. 5. An advertising agency may not be a purchaser agent for a customer for whom the reproduction of primary advertising materials is a primary or sole business. (a) Once the printer writes authorization from the customer to create the reproduction on his or her behalf; (b) Once the printer is notified of the name of the customer for whom the reproduction is being made; (c) Once the customer for the reproduction is known to be the amount paid by the advertising agency, including the tax; (d) Once separately the charge to the customer is fully and properly (b) or (c) in the invoice to the customer; and (e) Does not use the reproduction for itself or any other customer. (f) The sales tax does not apply to any charges for: (i) Supervision, consultation, research, postage, telephone and telegraph messages, transportation and travel expenses, or related fees, if the charge is stated separately on the invoice or is part of a charge for other services. (ii) Resending or preparing artwork or telephone for reproduction. 6. The sales tax does not apply to any charges for: (a) Supervision, consultation, research, postage, telephone and telegraph messages, transportation and travel expenses, or related fees, if the charge is stated separately on the invoice or is part of a charge for other services. (b) Resending or preparing artwork or telephone for reproduction.	
38	372.140	Bathes, beauty shop operators, hairdressers, landlards and cleaners.	Bathes, beauty shop operators, hairdressers, landlards and cleaners are the customers of the copier and other property used in performing their services and the tax applies to the sales price of their purchases of each property. These persons are retailers of any supplies or other tangible personal property which they sell to their customers and the tax applies to the sales price of their purchases of each property.	
39	372.150	Beer, wine, and liquor dealers.	The tax applies to the retail sale of beer, wine and liquor to the entire amount charged for the product, including the amount of all other state and federal taxes imposed on the product.	
40	372.155	Broadcasters.	1. As used in this section, the terms "broadcaster" means a radio or television broadcasting station properly engaged in, and deriving income from, the business of facilitating speech via over-the-air communications, both as to press speech and commercial speech. 2. The gross receipts from the licensing of broadcasting services are not subject to the sales tax, including, without limitation, the gross receipts from the sale of airtime and any charge for transmission of the signal. 3. Purchase of tangible personal property by broadcasters are subject to the sales tax if the property is consumed by the station and is not used in the normal course of business. As an example of the application of this subsection, the purchase of a transmitter by a broadcaster is subject to the sales tax. 4. When a broadcaster engages a production service, including the development of commercially viable advertising and videotapes intended for broadcasting purposes only, the gross receipts from the sale of the copy to the client are not subject to the sales tax. The broadcaster or the customer, not the writer, of any tangible personal property which is used incidentally in producing the service, does not have the sales tax liability on the purchase of the property by the broadcaster. As an example of the application of this subsection, a television advertisement prepared by a client and the television station. (a) Purchases paid for other materials necessary to create a copy which the advertisement will be filmed; (b) Purchase one videotape format onto which will be the advertisement; (c) Engage in activities such as writing copy, preparing animation, editing photographs and putting tapes in the price of the production of the advertisement; (d) Prepare videotapes of the advertisement which will be distributed to various other television stations for broadcasting. 5. The gross receipts from the sale of the finished videotape are not subject to the sales tax but the sales tax on the purchase of the tape, videotape and other materials necessary for the production of the videotape must be paid by the station at the time of purchase by the station. 6. If a broadcaster engages the business of duplicating videotapes or videotapes beyond that intended for broadcasting purposes only, the gross receipts from the copies are subject to the sales tax, except that, if a part of the charge for the copies is for services and that portion of the charge is separately stated on the invoice, the portion of the charge that is attributable to services is not subject to the sales tax. As an example of the application of this subsection, if a television station produces an advertisement for a client producing its or her law practice and the client orders three commercially viable videotapes of the advertisement intended for broadcast purposes only, the gross receipts from the sale of the videotapes to the client are not subject to the sales tax but the gross receipts from the three copies and for use in broadcasting are subject to the sales tax. 7. The sales tax does not apply to any charges for: (a) Supervision, consultation, research, postage, telephone and telegraph messages, transportation and travel expenses, or related fees, if the charge is stated separately on the invoice or is part of a charge for other services.	
41	372.160	Produce and other commodities.	1. A producer having possession of tangible personal property for the purpose of sale is a retailer with respect to sales of the property and the tax applies to the gross receipts from such sales. 2. A consumer having possession of tangible personal property owned by another person, or the authority to sell such property at a consumer price of full retail price, is a retailer with respect to sales of the property and the tax applies to the gross receipts from such sales.	
42	372.170	Cash and money - holders.	1. The tax applies to sales of coins or uncollected stamps at a premium price for purposes other than use as a medium of exchange or postage. The tax does not apply to sales of coins or uncollected stamps, even though sold at a premium price, for the purpose of the sale of the coins or stamps as a medium of exchange or postage. 2. If the sales price exceeds the face value of the coins or stamps by 50 percent, they will be deemed to have value as collectors' items and will be taxable. If the sales price does not exceed the face value of the coins or stamps by 50 percent, they will be deemed to have value as a medium of exchange or postage and will be taxable. 3. Sales of coins to postage establishments at a price for use in postage operations are not taxable, except that, sales of coins at a premium price to postage establishments for postage other than use as a medium of exchange are governed by subsection 2. 4. The tax applies to sales of uncollected stamps at a premium price for purposes other than use as a medium of exchange. The tax does not apply to sales of uncollected stamps, even though sold at a premium price, for the purpose of the sale of the stamps as a medium of exchange.	
43	372.180	Commissioners, organizers or promoters of religious sales.	1. A retailer is liable for the payment of the tax measured by the receipts from all retail sales made by the operation of a concession stand or a place of business unless the concessionaire has a valid seller's permit from the Department. 2. If the retailer fails to make a return and remit the amount of tax due for the operation of the concession stand or a place of business, the commissioner may secure a permit and file a return together with the remittance of the amount of tax and use that. 3. Organizers or promoters of religious sales on a regular basis, such as bazaars, fund raisers and sales of seasonal donations, are not registered retailers and are therefore liable for the tax on all concession sales, may only simplified sales, but not tax on their concessionaires, collect the taxes due due to the termination of the sale and remit the tax due to a single return to the Department. Any person desiring to use a simplified sales and use tax return for concessionaires must secure the approval of the Department at least 10 days in advance of the sale. Any retailer, organizer or promoter desiring the assistance of the Department in determining questions of liability must contact the Department at least 30 days before the date of the planned sale.	





# CHAPTER 372 - SALES AND USE TAXES

\*\*Please note, any sections highlighted in orange have been adopted, but not yet codified.

65	Property used in manufacturing.	<p>1. The tax applies to the sale of tangible personal property to persons who purchase it for the purpose of use in manufacturing, producing or processing tangible personal property and not for the purpose of physically incorporating it into the manufactured article to be sold. An example is a chemical used as a catalyst or otherwise in the manufacture of a product.</p> <p>2. The tax does not apply to the sale of tangible personal property to persons who purchase it for the purpose of incorporating it into the manufactured article to be sold. An example is a raw material which becomes part of the manufactured article.</p> <p>3. Where a manufacturer, job contractor, assembler, repair shop or other manufacturing unit for the account of a customer who assembles, jobs, repairs, or alters the manufacturer's product, the manufacturer will be regarded as having purchased the property other than an agent of the manufacturer. An example is when, pursuant to the purchase order of a customer, a manufacturer obtains a particular part, die or tool which is required to manufacture the goods ordered by the customer and identifies the special tool separately from the bill for the goods and other items in the customer's bill for the goods. An example is when, pursuant to the purchase order of a customer, a manufacturer obtains a particular part, die or tool which is required to manufacture the goods ordered by the customer and identifies the special tool separately from the bill for the goods and other items in the customer's bill for the goods.</p> <p>4. The tax applies either to the sale to the manufacturer as agent of his or her customer or to the sale by the manufacturer to the customer.</p> <p>5. In determining whether the manufacturer purchases the property as an agent of his or her customer, the terms of the contract with the customer, the custom of trade and any other pertinent factors will be considered.</p>
66	372.380	Production, "fabricating and processing" defined for tax purposes.
67	372.390	Repairing and reconditioning: Generally.
68	372.400	Repairing and reconditioning: Specifics of parts and materials which are substituted in substantial value in relation to total charge.
69	372.410	Repairing and reconditioning: Specifics of parts and materials which are substituted in substantial value in relation to total charge.
70	372.420	Paints, primers and finishes: Repainting and refinishing.
71	372.430	Replacement parts and materials.
72	372.470	Signs, overheads and posters.
73	372.480	Tandemsters.
74	372.500	Vending machines: Operator to obtain receipt and pay tax on receipts.
75	372.520	Vending machines: Sales price: computation of tax.
76	372.530	Producers of X-ray film for diagnostic use.
77	372.540	Bad Debt Deduction.
78	372.550	"Bad debt deduction" defined.
79	372.560	Claim for bad debt deduction.
80	372.580	Maintenance and availability of records relating to bad debt.
81	372.590	Value of property sold that has been represented.
82	372.595	Method for determining actual cash value of motor vehicle.
83	372.600	Method for determining actual cash value of motor vehicle.
84	372.610	Exemptions.
85	372.620	Snack and plans.
86	372.630	Food—Prepared food intended for immediate consumption—concessions.
87	372.640	Food—Discontinuing whether food sold or retail value of food sold.
88	372.650	Food—Discontinuing whether food sold or retail value of food sold.
89	372.660	Food—Records maintained by retailers.
90	372.670	Tandemsters.
91	372.680	Newspapers: Sales of property to receive exempt transaction.
92	372.690	Newspapers: Retailer's certificate.









# CHAPTER 372A - TAX ON CONTROLLED SUBSTANCES

\*\*Please note, any sections highlighted in orange have been adopted, but not yet codified.

No.	NAC Citation	Discription of NAC	Language	Analysis/Recommendation ("Repeal" with explainain; "Amend" with explanation, or "Maintain" as written)
1		General Provisions		
2	372A.001	Effect of criminal proceeding on collection of tax.	<ol style="list-style-type: none"> <li>1. An action brought to recover any tax, fee or civil penalty imposed pursuant to chapter 372A of NRS is not barred by a prior acquittal of the defendant in a criminal action arising out of the same transaction or occurrence.</li> <li>2. The Department may postpone an administrative hearing concerning the assessment of a tax, fee or civil penalty imposed pursuant to chapter 372A of NRS if a criminal prosecution of the defendant arising out of the same transaction or occurrence is pending.</li> <li>3. In a civil proceeding brought pursuant to chapter 372A of NRS, the doctrine of collateral estoppel may bar the relitigation of an issue determined in a previous criminal proceeding in which the party sought to be estopped had a full and fair opportunity to litigate that issue.</li> </ol>	
3	372A.020	Use of revenue stamps; applicability.	<ol style="list-style-type: none"> <li>1. Each dealer in controlled substances who purchases revenue stamps from the Department pursuant to NRS 372A.090 shall affix the stamps to each package, packet or container of a controlled substance he or she sells.</li> <li>2. This section does not apply to any sale that is subject to an excise tax imposed by NRS 372A.290.</li> </ol>	
4		Excise Tax on Cannabis		
5	372A.100	Definitions.	As used in NAC 372A.100 to 372A.160, inclusive, unless the context otherwise requires, the words and terms defined in NAC 372A.102 to 372A.140, inclusive, have the meanings ascribed to them in those sections.	
6	372A.102	"Batch" defined.	"Batch" means the usable flower and trim contained within one or more specific lots of cannabis grown by a cannabis cultivation facility from one or more seeds or cuttings of the same strain of cannabis and harvested on or before a specified final date of harvest.	
7	372A.104	"Cannabis" defined.	"Cannabis" has the meaning ascribed to it in NRS 372A.015.	
8	372A.105	"Cannabis cultivation facility" defined.	"Cannabis cultivation facility" has the meaning ascribed to it in NRS 372A.210.	
9	372A.106	"Cannabis establishment" defined.	"Cannabis establishment" has the meaning ascribed to it in NRS 678A.095.	
10	372A.107	"Cannabis producer" defined.	"Cannabis producer" has the meaning ascribed to it in NRS 372A.290.	
11	372A.109	"Department" defined.	"Department" means the Department of Taxation.	
12	372A.110	"Excise tax on cannabis" defined.	"Excise tax on cannabis" has the meaning ascribed to it in NRS 372A.220.	
13	372A.112	"Extractor" defined.	"Extractor" has the meaning ascribed to it in NRS 455.0825.	
14	372A.115	"Fair Market Value" defined.	"Fair market value" means the value established by the Department based on the price that a buyer would pay to a seller in an arm's length transaction for cannabis in the wholesale market.	
15	372A.118	"Lot" defined.	<p>"Lot" means:</p> <ol style="list-style-type: none"> <li>1. The flowers from one or more cannabis plants of the same batch, in a quantity that weighs 5 pounds or less;</li> <li>2. The leaves or other plant matter from one or more cannabis plants of the same batch, other than full female flowers, in a quantity that weighs 15 pounds or less; or</li> <li>3. The wet leaves or other plant matter from one or more cannabis plants of the same batch used only for extraction, in a quantity that weighs 125 pounds or less within 2 hours of harvest.</li> </ol>	
16	372A.140	"Taxpayer" defined.	"Taxpayer" has the meaning ascribed to it in NRS 372A.290.	
17	372A.155	Method for calculating fair market value at wholesale for various categories of cannabis.	<ol style="list-style-type: none"> <li>1. Cannabis bud must be calculated on the basis of the total weight of all cannabis bud that is sold, excluding the inadvertent inclusion of an inconsequential amount of cannabis bud in a sale of cannabis trim.</li> <li>2. Cannabis trim must be calculated on the basis of the total weight of all cannabis trim that is sold, including the total weight of an inconsequential amount of cannabis bud which is inadvertently included.</li> <li>3. Immature cannabis plants must be calculated on the basis of the total number of immature cannabis plants sold.</li> <li>4. Whole wet cannabis plants must be calculated on the basis of the total weight of the entire whole wet cannabis plant. A cannabis cultivation facility shall maintain records of the time each batch containing whole wet cannabis plants is harvested and weighed which contain the weight of each plant, are in writing and are created contemporaneously with the harvesting and weighing. To determine the total weight of the whole wet cannabis plant:             <ol style="list-style-type: none"> <li>(a) The plant must not undergo any further processing, including, without limitation, drying the plant and subsequently selling separately the cannabis bud and cannabis trim from the plant, before being weighed; and</li> <li>(b) The plant must be weighed within 2 hours after the harvesting of the batch containing the plant and without any further processing of the plant, including, without limitation, increasing the ambient temperature of the room in which the plant is held or drying, curing or trimming the plant. If the whole wet cannabis plant is not weighed within 2 hours after the harvest of the batch containing the plant or is subjected to further processing, the fair market value of the whole wet cannabis plant must be calculated using this subsection and must be calculated using subsection 1 or 2.</li> </ol> </li> <li>5. Cannabis seeds must be calculated on the basis of the total number of seeds sold.</li> <li>6. Pre-rolls must be calculated on the basis of the total weight of cannabis contained in each pre-roll and sold by a cultivator, as reported in the seed-to-sale tracking system, regardless of whether the pre-roll is made by a cultivator or a subsequent cannabis establishment. As used in this subsection, "pre-roll" means an individual cannabis cigarette or joint.</li> <li>7. Any other category of cannabis must be determined by the Department on a case-by-case basis.</li> </ol>	
18	372A.160	Payment of tax; monthly return; supporting documentation; submission of financial statement upon request of Department.	<ol style="list-style-type: none"> <li>1. Each taxpayer responsible for an excise tax pursuant to subsection 1, 2 or 3 of NRS 372A.290 shall, on or before the last day of the month immediately following each month for which the taxpayer is subject to the imposition of the excise tax on cannabis, file with the Department a return on a form prescribed by the Department and remit to the Department any tax due for the month covered by the return. Each taxpayer shall file a return even if the taxpayer has no liability for the tax.</li> <li>2. Each taxpayer responsible for an excise tax on the wholesale sale of cannabis by an adult-use cannabis cultivation facility to another cannabis establishment pursuant to subsection 1 or 2 of NRS 372A.290 shall pay the excise tax on cannabis to the Department upon the first sale of cannabis or cannabis products to a cannabis establishment or consumer.</li> <li>3. If a cannabis cultivation facility sells cannabis to another cannabis cultivation facility and pays to the Department the excise tax on the wholesale sale of cannabis imposed by subsection 1 or 2 of NRS 372A.290, as applicable, the excise tax imposed by subsection 1 or 2 of NRS 372A.290 is not required for any subsequent wholesale sale of that cannabis.</li> <li>4. Each taxpayer responsible for an excise tax on a retail sale of cannabis or cannabis products by an adult-use cannabis retail store or cannabis consumption lounge pursuant to subsection 3 of NRS 372A.290 shall pay the excise tax on cannabis to the Department upon the first retail sale of that cannabis.</li> <li>5. Each taxpayer shall keep all supporting documentation for verification that the excise tax imposed by subsection 1, 2 or 3 of NRS 372A.290 was properly reported and paid.</li> <li>6. The Department may require a cannabis establishment to submit a financial statement as determined to be necessary by the Department to ensure the collection of any taxes which may be owed by the cannabis establishment.</li> </ol>	
19	T004-22	Consumption Lounge		
20	T004-22 - Section 1		Chapter 372A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 32, inclusive of this regulation.	
21	T004-22 - Section 2		As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 2 to 32 have the meanings ascribed to them in those sections.	
22	T004-22 - Section 3		<p>Adult-use cannabis establishment" means:</p> <ol style="list-style-type: none"> <li>1. An adult-use cannabis independent testing laboratory;</li> <li>2. An adult-use cannabis cultivation facility;</li> <li>3. An adult-use cannabis production facility;</li> <li>4. An adult-use cannabis retail store;</li> <li>5. An adult-use cannabis distributor;</li> <li>6. A retail cannabis consumption lounge; or</li> <li>7. An independent cannabis consumption lounge.</li> </ol>	
23	T004-22 - Section 4		"Adult-use cannabis cultivation facility" has the meaning ascribed to it in NRS 678A.025.	
24	T004-22 - Section 5		"Adult-use cannabis-infused product" has the meaning ascribed to it in NRS 678A.050.	
25	T004-22 - Section 6		"Adult-use cannabis producer" has the meaning ascribed to it in NRS 678A.055.	
26	T004-22 - Section 7		"Adult-use cannabis retail store" has the meaning ascribed to it in NRS 678A.065.	
27	T004-22 - Section 8		"Adult-use edible cannabis product" has the meaning ascribed to it in NRS 678A.070.	
28	T004-22 - Section 9		"Cannabis" has the meaning ascribed to it in NRS 372A.015.	
29	T004-22 - Section 10		<p>"Cannabis Consumption lounge" means:</p> <ol style="list-style-type: none"> <li>1. A retail cannabis consumption lounge; or</li> <li>2. An independent cannabis consumption lounge.</li> </ol>	
30	T004-22 - Section 11		"Cannabis cultivation facility" has the meaning ascribed to it in NRS 678A.090.	
31	T004-22 - Section 12		"Cannabis establishment" has the meaning ascribed to it in NRS 678A.095.	
32	T004-22 - Section 13		"Cannabis producer" has the meaning ascribed to it in NRS 678A.120.	
33	T004-22 - Section 14		"Cannabis production facility" has the meaning ascribed to it in NRS 678A.125.	
34	T004-22 - Section 15		"Cannabis sales facility" has the meaning ascribed to it in NRS 678A.130.	
35	T004-22 - Section 16		"Excise Tax on cannabis" has the meaning ascribed to it in NRS 372A.220.	
36	T004-22 - Section 17		<p>"Independent cannabis consumption lounge" means a business that:</p> <ol style="list-style-type: none"> <li>1. Is licensed by the Cannabis Compliance Board pursuant to NRS 678B.250;</li> <li>2. Is not attached or immediately adjacent to an adult-use cannabis retail store; and</li> <li>3. Allows single-use cannabis products or ready-to-consume cannabis products to be consumed on the premises of the business by persons 21 years of age or older.</li> </ol>	
37	T004-22 - Section 18		"Medical cannabis cultivation facility" has the meaning ascribed to it in NRS 678A.170.	
38	T004-22 - Section 19		"Medical cannabis dispensary" has the meaning ascribed to it in NRS 678A.175.	
39	T004-22 - Section 20		"Medical cannabis-infused product" has the meaning ascribed to it in NRS 678A.195.	
40	T004-22 - Section 21		"Medical cannabis producer" has the meaning ascribed to it in NRS 678A.200.	
41	T004-22 - Section 22		"Medical edible cannabis product" has the meaning ascribed to it in NRS 678A.210.	
42	T004-22 - Section 23		"Purchase" has the meaning ascribed to it in NRS 372.045.	
43	T004-22 - Section 24		<p>"Ready-to-consume cannabis product" means an adult-use edible cannabis product that is:</p> <ol style="list-style-type: none"> <li>1. Prepared on the premises of a cannabis consumption lounge;</li> <li>2. Presented in the form of a foodstuff or beverage;</li> <li>3. Sold in a sealed or unsealed state; and</li> <li>4. Intended for immediate consumption; or</li> <li>5. Further defined by the Cannabis Compliance Board by regulation.</li> </ol>	
44	T004-22 - Section 25		<p>"Retail cannabis consumption lounge" means a business that:</p> <ol style="list-style-type: none"> <li>1. Is licensed by the Cannabis Compliance Board pursuant to NRS 678B.250;</li> <li>2. Is attached or immediately adjacent to an adult-use cannabis retail store; and</li> <li>3. Allows single-use cannabis products or ready-to-consume cannabis products to be consumed on the premises of the business by persons 21 years of age or older.</li> </ol>	
45	T004-22 - Section 26		"Retail Sale" has the meaning ascribed to it in NRS 372.090.	
46	T004-22 - Section 27		"Retailer" has the meaning ascribed to it in NRS 372.095.	
47	T004-22 - Section 28		"Seller" means a taxpayer who makes any sale of cannabis or cannabis product.	
48	T004-22 - Section 29		"Single-use cannabis product" means a type of cannabis or adult-use cannabis product, other than a ready-to-consume cannabis product, that the Cannabis Compliance Board has determined to be appropriate for consumption in a cannabis consumption lounge as further defined by the Cannabis Compliance Board by regulation.	
49	T004-22 - Section 30		Cannabis and adult-use cannabis products obtained by a retail cannabis consumption lounge from an adult-use cannabis retail store are not subject to the excise tax on cannabis and should not be included in the taxable measure on the return as provided in NAC 372A.140 until the retail cannabis consumption lounge sells the cannabis or adult-use cannabis products to a consumer.	
50	T004-22 - Section 31		<ol style="list-style-type: none"> <li>1. Cannabis and adult-use cannabis products purchased by an independent cannabis consumption lounge from an adult-use cannabis retail store to be resold by the independent cannabis consumption lounge are not subject to the excise tax until the adult-use cannabis product is sold by the independent cannabis consumption lounge to a consumer.</li> <li>2. Sales by an adult-use cannabis retail store to an independent cannabis consumption lounge shall be reported by the adult-use cannabis retail store to the Department on a form prescribed by the Department and remitted with the return as provided in NAC 372A.170. These sales shall also be exempted from the taxable measure on the return.</li> <li>3. Cannabis and adult-use cannabis products sold are subject to sales tax when sold at an adult-use retail store, a medical cannabis dispensary, a retail cannabis consumption lounge or an independent cannabis consumption lounge. These cannabis establishments must register with the Department pursuant to NRS 372.125. Sales tax returns and payments must be submitted as provided in NRS 372.354 to 372.395, inclusive.</li> </ol>	
51	T004-22 - Section 32		<ol style="list-style-type: none"> <li>1. Every cannabis consumption lounge shall keep such records, receipts, invoices and other pertinent papers in such form as required by the Department to determine the amount of the liability of the taxpayer for the excise tax on cannabis.</li> <li>2. Independent cannabis consumption lounges are required to contract with one or more adult-use cannabis retailers to purchase cannabis and adult-use cannabis products. The records of each such contract must also be maintained and made available to the Department upon request by the Department.</li> <li>3. Each contract must contain language granting the seller the ability to sell, to the independent cannabis consumption lounge, single-use products for resale and granting any such lounge the ability to purchase and prepay for the ready-to-consume products for sale to customers.</li> <li>4. Preserve those records for not less than 4 years or until any proceedings pursuant to NRS 360.300 to NRS 360.400, inclusive, are finally determined, whichever is longer; and</li> <li>5. Make the records available for inspection by the Department upon demand at reasonable times during regular business hours.</li> </ol>	
		End		

# CHAPTER 372B - TAXES ON PASSENGER CARRIERS

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explanation; "Amend" with explanation, or "Maintain" as written)
1		CHAPTER 372B - TAXES ON PASSENGER CARRIERS		
2	372B.100	"Excise tax on passenger transportation" defined.	As used in this chapter, unless the context otherwise requires, "excise tax on passenger transportation" means the taxes imposed by NRS 372B.140, 372B.150 and 372B.160.	
3	372B.200	Duties of Department: Identification, registration and notification of taxpayer; failure to register or notify does not excuse requirement to pay tax.	<ol style="list-style-type: none"> <li>1. The Department shall:               <ol style="list-style-type: none"> <li>(a) Use the best information available to identify each taxpayer;</li> <li>(b) Register each taxpayer; and</li> <li>(c) Notify each taxpayer of the requirement to pay the excise tax on passenger transportation.</li> </ol> </li> <li>2. The failure of the Department to register or notify a taxpayer pursuant to subsection 1, or the failure of a taxpayer to be registered or receive notice of the requirement to pay the excise tax on passenger transportation, does not constitute or excuse the requirement to pay the tax.</li> </ol>	
4	372B.210	Tax due and payable monthly.	The excise tax on passenger transportation is due and payable to the Department monthly on or before the last day of the month next succeeding the month in which the tax accrued.	
5	372B.215	Filing of returns with Department.	<ol style="list-style-type: none"> <li>1. On or before the last day of the month following each reporting period, a return for the preceding period must be filed with the Department on a form prescribed by the Department.</li> <li>2. A return required by this section to be filed must be signed by the person required to file the return or by his or her authorized agent but need not be verified by oath.</li> </ol>	
6	372B.220	Requirements for return.	<ol style="list-style-type: none"> <li>1. A return filed pursuant to NAC 372B.215 must show:               <ol style="list-style-type: none"> <li>(a) The total amount of the fares charged by the taxpayer for transportation services during the preceding reporting period;</li> <li>(b) The amount of the taxes due from the taxpayer for the reporting period covered by the return; and</li> <li>(c) Such other information as the Department deems necessary for the proper administration of the excise tax on passenger transportation.</li> </ol> </li> <li>2. For the purposes of this section, the total amount of the fares charged for transportation services includes, without limitation, all fees, surcharges, technology fees, convenience charges for the use of a credit or debit card and any other amount that is part of the fare.</li> </ol>	
7	372B.230	Calculation of amount of tax due.	<p>In determining the amount of the excise tax on passenger transportation due from a taxpayer:</p> <ol style="list-style-type: none"> <li>1. A transportation network company, common motor carrier of passengers or certificate holder shall multiply the tax rate by the total of all amounts charged to its customer for transportation services, including, without limitation, all fees, surcharges, technology fees, convenience charges for the use of a credit or debit card and any other amount that is part of the fare.</li> <li>2. The amount due must be computed to the third decimal place and rounded to a whole cent using a method that rounds up to the next cent if the numeral in the third decimal place is greater than 4.</li> </ol>	
		<b>End</b>		

# CHAPTER 374 - LOCAL SCHOOL SUPPORT TAX

No.	NAC Citation	Discription of NAC	Language	Analysis/Recommendation ("Repeal" with explaintain; "Amend" with explanation, or "Maintain" as written)
1		CHAPTER 374 - LOCAL SCHOOL SUPPORT TAX	<b>The provisions of NAC 372 apply to Chapter 374</b>	
	374.005	Trade-in allowances.	The amount upon which the tax is computed includes any allowance for property which is traded in. If the Nevada Tax Commission finds that an allowance stated in an agreement is less than the fair market value, the allowance actually agreed upon shall be deemed the market value.	
		End		



# CHAPTER 375A - TAX ON ESTATES

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explanation; "Amend" with explanation, or "Maintain" as written)
1		CHAPTER 375A - TAX ON ESTATES		
2	375A.010	"Department" defined.	As used in this chapter, unless the context otherwise requires, "department" means the department of taxation.	
3	375A.020	Documentation of tax due on transfer of certain taxable estates; remittance of tax.	<p>1. The documentation required pursuant to NRS 375A.150 includes, without limitation:</p> <p>(a) A copy of the first page of Form 706 of the Internal Revenue Service;</p> <p>(b) If the decedent owned any property in another state, a copy of any pertinent schedules showing the allocation of property belonging to each state and proof of payment for the portion of the estate tax of each state;</p> <p>(c) If a deferred payment plan has been accepted and approved by the Internal Revenue Service, a copy of the deferred payment plan and a copy of the acceptance and approval of the deferred payment plan by the Internal Revenue Service; and</p> <p>(d) A copy of each amended Form 706 of the Internal Revenue Service, if any, and the appropriate reconciliation.</p> <p>2. A personal representative who is required to file documentation with the department pursuant to NRS 375A.150 shall remit any applicable tax, interest and penalty owed to the department pursuant to chapter 375A of NRS at the time he files the documentation required pursuant to NRS 375A.150.</p>	
4	375A.030	Conditions governing remittance of tax due, additional tax, interest and penalty - waiver of penalty.	<p>1. A personal representative who has obtained from the Internal Revenue Service an extension of time for filing Form 706 of the Internal Revenue Service shall remit an estimated amount of tax due the department pursuant to chapter 375A of NRS with the copy of the extension filed with the department pursuant to NRS 375A.155.</p> <p>2. If a personal representative who has obtained from the Internal Revenue Service an extension of time for filing Form 706 of the Internal Revenue Service files Form 706 within the time authorized in the extension and the personal representative owes additional tax to the department pursuant to chapter 375A of NRS, the personal representative shall remit the tax and any interest owed to the department pursuant to chapter 375A of NRS with the documentation required pursuant to NRS 375A.150.</p> <p>3. If a personal representative who has obtained from the Internal Revenue Service an extension of time for filing Form 706 of the Internal Revenue Service files Form 706 after the time authorized in the extension and the personal representative owes additional tax to the department pursuant to chapter 375A of NRS, the personal representative shall remit the tax, any interest and any penalty owed to the department pursuant to chapter 375A of NRS with the documentation required pursuant to NRS 375A.150.</p> <p>4. If a personal representative fails to file the return provided for in NRS 375A.150 within the time specified in that section or the extension specified in NRS 375A.155, he:</p> <p>(a) Obtaining an extension of time for filing Form 706 of the Internal Revenue Service; and</p> <p>(b) Remitting an estimated amount of tax due the department pursuant to chapter 375A of NRS with the copy of the extension filed with the department pursuant to NRS 375A.155, shall be deemed to constitute reasonable cause for the purposes of NRS 375A.170 and the personal representative is not required to pay a penalty pursuant to NRS 375A.170.</p> <p>5. The department shall waive the penalty for failure to file a timely return imposed pursuant to NRS 375A.170 if the personal representative provides documentation to the department proving that a similar penalty for failure to file timely the federal estate tax return was waived by the Internal Revenue Service.</p>	
		End		

# CHAPTER 377 - CITY-COUNTY RELIEF TAX

The provisions of NAC 372 apply to Chapter 377



# CHAPTER 387 - FINANCIAL SUPPORT OF SCHOOL SYSTEM

No.	NAC Citation	Discription of NAC	Language	Analysis/Recommendation ("Repeal" with explaintain; "Amend" with explanation, or "Maintain" as written)
1		FINANCING OF CONSTRUCTION OF SCHOOLS AND OTHER SPECIAL PROJECTS		
2	387.550	Fund to Assist School Districts in Financing Capital Improvements. Determination by Department of Taxation of compliance with criteria for grant of money.	<p>If the board of trustees of a school district applies to the Director of the Department of Administration for a grant of money from the Fund to Assist School Districts in Financing Capital Improvements created pursuant to NRS 387.333, the Department of Taxation shall establish whether:</p> <ol style="list-style-type: none"> <li>1. A comparison of the assessed valuation of the taxable property of the county in which the school district is located for each of the immediately preceding 3 years illustrates that the assessed valuation is declining as required pursuant to subsection 1 of NRS 387.3335;</li> <li>2. All resources other than the information required pursuant to subsection 1 that are available to the school district are diminishing as required pursuant to subsection 1 of NRS 387.3335; and</li> <li>3. The combined ad valorem tax rate of the county in which the school district is located is at the limit imposed by NRS 361.453 as required by NRS 387.3335.</li> </ol>	
End				

# CHAPTER 444A - PROGRAMS FOR RECYCLING

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explanation, "Amend" with explanation, or "Maintain" as written)
1		FEE FOR PURCHASE OF NEW TIRE.		
2	444A.005	Definitions.	As used in NAC 444A.005 to 444A.051, inclusive, unless the context otherwise requires, the words and terms defined in NAC 444A.011 to 444A.015, inclusive, have the meanings ascribed to them in those sections.	
3	444A.011	"Department" defined.	"Department" means the Department of Taxation.	
4	444A.015	"Retail sale" and "sale at retail" defined.	"Retail sale" or "sale at retail" means a sale of tangible personal property for any purpose other than resale in the regular course of business.	
5	444A.021	"Tire for a vehicle" defined.	"Tire for a vehicle" means a new tire for a motorized vehicle that is 12 inches or larger in diameter. The term does not include a recycled tire or a used tire which is sold again.	
6	444A.025	"Tire retailer" defined.	"Tire retailer" includes: 1. Every person who: (a) Is engaged in the business of selling tangible personal property of a kind, the gross receipts from the retail sale of which are required to be included in the measure of the sales tax; and (b) Makes any retail sale or sale of tires for vehicles. 2. Every person engaged in the business of making retail sales at auction of tires for vehicles whether the tires are owned by the person or others. 3. Every person making more than two retail sales of tires for vehicles during any 12-month period, including sales made in the capacity of assignee for the benefit of creditors, or receiver or trustee in bankruptcy.	
7	444A.031	"Tire surcharge" defined.	"Tire surcharge" means the fee imposed pursuant to subsection 1 of NRS 444A.090 on each tire for a vehicle that is sold.	
8	444A.035	"Vehicle" defined.	"Vehicle" means any device in, upon or by which any person or property is or may be transported or drawn upon land. The term does not include: 1. Devices moved by human power; 2. Devices moved by electrical power, except for a device in, upon or by which any person or property is or may be transported or drawn upon a highway as defined in NRS 482.045, which is powered in whole or in part by one or more electric motors. Commercial coaches as defined in NRS 489.062; 4. Electric personal assistive mobility devices as defined in NRS 482.029; and 5. Mobile homes as defined in NRS 489.120.	
9	444A.041	Registration of tire retailers. Requirement: procedure.	1. A person shall not sell at retail a tire for a vehicle unless the person has registered with the Department as a tire retailer. 2. A person may register with the Department by submitting a copy of a properly completed application for a permit to engage in or conduct business as a seller, as that term is defined in NRS 372.070, or by submitting a registration form. If a person registers by submitting a registration form, the form must: (a) State the name under which the registrant transacts or intends to transact business. (b) State the location and telephone number of the registrant's place or places of business. (c) Be signed: (1) If the owner is a natural person, by the owner. (2) If the owner is an association or partnership, by a member or partner. (3) If the owner is a corporation, by an executive officer or other person specifically authorized by the corporation to sign the registration form. The person signing shall attach to the registration form written evidence of his or her authority to sign. 3. As used in this section, "tire retailer" does not include a person who transports or stores tires for vehicles without selling them at retail.	
10	444A.045	Collection and remittance of tire surcharge; submission of monthly returns; assessment of penalties and interest.	1. A tire retailer shall collect the tire surcharge from the purchaser of each tire for a vehicle sold for the purchaser's use and not for resale. 2. The tire surcharge collected by the tire retailer from the purchaser must be deposited separately from the list price of the tire, the price of the tire advertised in the premises, the marked price of the tire or other price of the tire on the sales receipt or other proof of sale. The tire surcharge must be identified as the State Recycling Fee on the sales receipt or other proof of sale and must be added after the calculation of any tax. 3. The tire retailer shall hold in an account the tire surcharge collected pursuant to this section until remitted to the Department. 4. A tire retailer shall submit a monthly return on a form prescribed by the Department. The return must include: (a) The total number of tires for vehicles sold at retail during the preceding month. (b) The total amount of tire surcharges collected. (c) The total amount of the tire surcharges retained by the tire retailer pursuant to NRS 444A.090. (d) The total amount of the tire surcharges payable to the Department pursuant to NRS 444A.090. (e) The signature of the person required to file the return or of the person's authorized agent. 5. Each tire retailer shall, on or before the last day of the month following the month in which the tire surcharges are collected, deliver to the Department the return and the remittance of the amount of the tire surcharges payable to the Department. 6. A check tendered before the due date prescribed in this section, but subsequently dishonored after the due date, does not constitute timely payment. 7. The Department may, for good cause, extend for a period not to exceed 1 month, the due date prescribed in this section for submitting a return or remittance of the tire surcharges. 8. The Department may assess all applicable penalties and interest pursuant to chapters 360 and 372 of NRS for each month, or portion thereof, after the due date that the tire surcharges remain unpaid.	
11	444A.051	Maintenance of records regarding tire surcharges.	1. A tire retailer shall keep records regarding the tire surcharges collected and reported pursuant to NAC 444A.045. Upon request of the Department, the records must be made available for examination by an auditor on behalf of the Department. 2. Every tire retailer or person who files the returns required pursuant to NAC 444A.045 shall keep the records for not less than 4 years from their making unless the Department in writing sooner authorizes their destruction. 3. Every tire retailer or person who files the returns required pursuant to NAC 444A.045 shall keep the records for not less than 8 years from their making unless the Department in writing sooner authorizes their destruction.	
		End		

# CHAPTER 482 - MOTOR VEHICLES AND TRAILERS: LICENSING, REGISTRATION, SALES AND LEASES

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explanation; "Amend" with explanation, or "Maintain" as written)
1	Gay	SHORT-TERM LESSORS		
2	482.270	Acknowledgment of lease concerning short-term lease of replacement vehicle.	<p>1. In a county where a fee is imposed pursuant to NRS 244A.810 or 244A.860 upon the lease of a passenger car by a short-term lessee, a short-term lessee may include in such a lease an acknowledgment in substantially the following form:</p> <p style="text-align: center;">ACKNOWLEDGMENT OF LESSEE CONCERNING SHORT-TERM LEASE OF REPLACEMENT VEHICLE</p> <p>I understand and acknowledge that if I am renting this vehicle for the purpose of using it in place of a motor vehicle I own that is unavailable for use because of mechanical breakdown, repair, service, damage or loss as defined in my policy of liability insurance for that unavailable motor vehicle, I may claim an exemption from the county fee imposed pursuant to chapter 244A of the Nevada Revised Statutes upon the short-term lease of a passenger vehicle.</p> <p>I understand and acknowledge that by placing my initials below, I am in fact renting this vehicle for the purpose of using it in place of a motor vehicle I own that is unavailable for use as described above. I may be held liable for any fee that is waived or refunded to me by virtue of my having placed my initials below.</p> <p>_____ (initials)</p> <p>2. The Department of Taxation shall make available at its office and on its Internet website acknowledgments in substantially the form prescribed in subsection 1.</p> <p>3. A short-term lessee who obtains the initials of a short-term lessee on an acknowledgment in substantially the form prescribed in subsection 1:</p> <p>(a) is not required to collect from the short-term lessee any fee imposed by a county pursuant to NRS 244A.810 or 244A.860 upon any lease to which the acknowledgment applies, unless the short-term lessee obtains these initials with intent to defraud the Department of Taxation or evade the payment of the fee.</p> <p>(b) Shall file the initial acknowledgment with his or her records and make the acknowledgment available to the Department of Taxation for inspection upon request.</p> <p>4. This section does not require a short-term lessee to inform a short-term lessee of the potential availability of any exemption from a fee imposed by a county pursuant to NRS 244A.810 or 244A.860 upon the lease of a passenger car by a short-term lessee.</p> <p>5. As used in this section, the words and terms defined in NRS 482.053 and 482.087 have the meanings ascribed to them in those sections.</p>	
		End		

# Chapter 482C - Peer to Peer Car-Sharing Programs

\*\*Please note, any sections highlighted in orange have been adopted, but not yet codified.

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explanation; "Amend" with explanation, or "Maintain" as written)
	<b>R082-21</b>	<b>Peer to Peer</b>		
2		R082-21 - Section 1	Chapter 482C of NAC is hereby amended by adding thereto the provisions set forth in sections 2, 3 and 4 of this regulation.	
3		R082-21 - Section 2	<p>1. A person who operates a peer-to-peer car sharing program shall submit to the Department of Taxation, upon request, proof that the person has obtained or attempted to obtain, from each shared vehicle owner who places a vehicle on the digital network or software application of the peer-to-peer car sharing program, the electronic certification required by section 11.9 of Senate Bill No. 389, chapter 313, Statutes of Nevada 2021, at page 1843 (NRS 482C-240).</p> <p>2. The electronic certification must include, for each such shared vehicle:</p> <p>(a) The full name of the shared vehicle owner;</p> <p>(b) The license plate number, year, make and model of the shared vehicle;</p> <p>(c) An attestation by the shared vehicle owner, under penalty of perjury, as to whether the shared vehicle owner has paid all sales and use taxes due on the purchase of the shared vehicle; and</p> <p>(d) An attestation by the shared vehicle owner that if the shared vehicle owner attests that all sales and use taxes due on the purchase of the shared vehicle have been paid and it is determined that any sales or use tax has not been paid, the shared vehicle owner is liable for any sales or use tax due on the shared vehicle, measured by the gross charges for the sharing of the shared vehicle plus any applicable interest and penalties for failure to pay tax.</p> <p>3. A shared vehicle owner who has paid sales and use taxes due on the purchase of a shared vehicle shall retain documentation evidencing the payment. The documentation must set forth the:</p> <p>(1) Year, make and model of the shared vehicle;</p> <p>(2) Vehicle identification number of the shared vehicle;</p> <p>(3) Date of purchase of the shared vehicle;</p> <p>(4) Full amount paid for the shared vehicle; and</p> <p>(5) Amount of sales or use tax paid on the purchase of the shared vehicle.</p> <p>(b) May consist of:</p> <p>(1) A purchase contract or extended bill of sale;</p> <p>(2) A dealer invoice; or</p> <p>(3) Any other document provided by the seller of the shared vehicle that contains the information required by paragraph (a).</p> <p>4. If a shared vehicle owner provides incorrect or false information to a peer-to-peer car sharing program regarding the payment of sales and use taxes due on the purchase of the shared vehicle, the shared vehicle owner is liable for any sales or use tax due on the purchase of the shared vehicle, measured by the gross charges for the sharing of the vehicle plus any applicable interest and penalties for failure to pay tax.</p>	
4		R082-21 - Section 3	<p>1. On or before March 31, June 30, September 30 and December 31 of each year, a person who operates a peer-to-peer car sharing program shall submit to the Department of Taxation a report containing information about each shared vehicle placed on the digital network or software application of the peer-to-peer car sharing program during the immediately preceding calendar quarter.</p> <p>2. The report must be in the form prescribed by the Department of Taxation and include, for each shared vehicle:</p> <p>(a) The name and contact information of the shared vehicle owner;</p> <p>(b) The license plate number and vehicle identification number of the shared vehicle;</p> <p>(c) Whether the shared vehicle owner has certified that all sales and use taxes due on the purchase of the shared vehicle have been paid;</p> <p>(d) The state in which the shared vehicle is registered; and</p> <p>(e) Any other information required by the Department of Taxation.</p>	
5		R082-21 - Section 4	<p>1. Each person responsible for entering the records of a peer-to-peer car sharing program shall retain:</p> <p>(a) A copy of each car sharing program agreement entered into by the peer-to-peer car sharing program;</p> <p>(b) Any records or other pertinent documents substantiating the information contained in each report filed on behalf of the peer-to-peer car sharing program pursuant to section 3 of this regulation; and</p> <p>(c) Each electronic certification obtained by the peer-to-peer car sharing program from a shared vehicle owner pursuant to section 11.9 of Senate Bill No. 389, chapter 313, Statutes of Nevada 2021, at page 1843 (NRS 482C-240).</p> <p>2. The records described in subsection 1 must be retained:</p> <p>(a) For not less than 4 years after the date of any such agreement, record, certification or other document; or</p> <p>(b) Until any litigation or proceeding pursuant to chapter 389 of NRS or until payment is received in full pursuant to section 11.1 of Senate Bill No. 389, chapter 313, Statutes of Nevada 2021, at page 1842 (NRS 482C-230) is finally determined, -- whichever is longer.</p> <p>3. Each person responsible for entering the records of a peer-to-peer car sharing program shall make the records retained pursuant to this section available for inspection and copying by the Department of Taxation or any of its authorized agents upon demand at reasonable times during regular business hours.</p>	
		<b>End</b>		

# CHAPTER 490 - OFF-HIGHWAY VEHICLES

No.	NAC Citation	Discription of NAC	Language	Analysis/Recommendation ("Repeal" with explaintain; "Amend" with explanation, or "Maintain" as written)
1		GENERAL PROVISIONS		
2	490.010	Definitions.	As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 490.015 to 490.055, inclusive, have the meanings ascribed to them in those sections.	
3	490.020	"Authorized dealer" defined.	"Authorized dealer" has the meaning ascribed to it in NRS 490.020.	
4	490.040	"Department" defined.	"Department" means the Department of Motor Vehicles.	
5	490.050	"Off-highway vehicle" defined.	"Off-highway vehicle" has the meaning ascribed to it in NRS 490.060.	
		End		

# CHAPTER 585 - TAXATION OF AMYGDALIN AND PROCAINE HYDROCHLORIDE

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explanation; "Amend" with explanation, or "Maintain" as written)
		TAXATION OF AMYGDALIN AND PROCAINE HYDROCHLORIDE		
1	585.600	Applicability.	NAC 585.600 and 585.670 apply to the substances amygdalin (laetrile) and procaine hydrochloride with preservatives and stabilizers (Gerovital H1) which are licensed for manufacture pursuant to NRS 585.495.	
2	585.600	Definitions.	<p>As used in this section and NAC 585.670:</p> <ol style="list-style-type: none"> <li>1. "Gross receipts" means the total amount of the sale of each substance, valued in money, whether received in money or otherwise, without a deduction for any of the following:               <ol style="list-style-type: none"> <li>(a) The cost of the substance sold.</li> <li>(b) The cost of the materials used, labor or service, or interest paid, or for losses or any other expense.</li> <li>(c) The cost of marketing the substance.</li> <li>(d) The cost of transporting the substance before its sale to the purchaser.</li> </ol> </li> <li>2. "Sale" includes any transfer of title or possession, exchange or barter, whether conditional or otherwise, of a substance for a consideration.</li> <li>3. "Total amount of the sale" includes:               <ol style="list-style-type: none"> <li>(a) Any services that are part of a sale; and</li> <li>(b) All receipts, cash, credits and property of any kind.</li> </ol> </li> </ol>	
3	585.670	Reporting of gross receipts by manufacturer.	<ol style="list-style-type: none"> <li>1. A manufacturer of these substances shall report his or her gross receipts based upon the manufacturer's designated sales price whether or not the revenue from the sales is actually received by the manufacturer in the quarter covered by the report or in a subsequent quarter. The manufacturer's report must be made on a form prescribed by the Nevada Tax Commission.</li> <li>2. No allowance for nonpayment of the sales price by any purchaser may be deducted from the manufacturer's gross receipts.</li> <li>3. Any sales of the substances to the manufacturer's subsidiaries must be included in the manufacturer's gross receipts at the sales price computed and charged to the subsidiaries without deduction for expenses incurred for intercorporate accounting or transactions.</li> <li>4. Each manufacturer shall maintain accurate and complete records of all sales of the substances for at least 4 years.</li> </ol>	
		End		

# CHAPTER 680B - INSURANCE: FEES AND TAXES

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explanation, "Amend" with explanation, or "Maintain" as written)
1		GENERAL TAX ON PREMIUMS		
2	680B.150	Definitions.	As used in NAC 680B.150 to 680B.250, inclusive, unless the context otherwise requires, the words and terms defined in NAC 680B.160 to 680B.190, inclusive, have the meanings ascribed to them in those sections.	
3	680B.160	"Ad valorem credit" defined.	"Ad valorem credit" means the credit set forth in paragraph (b) of subsection 1 of NRS 680B.050.	
4	680B.170	"Executive Director" defined.	"Executive Director" means the Executive Director of the Department of Taxation.	
5	680B.180	"Fifty percent credit" defined.	"Fifty percent credit" means the credit set forth in paragraph (a) of subsection 1 of NRS 680B.050.	
6	680B.190	"Net direct premiums and net direct considerations written during the preceding calendar quarter" defined.	"Net direct premiums and net direct considerations written during the preceding calendar quarter" means those net direct premiums and net direct considerations written during the same quarter for which each quarterly report and payment is due pursuant to the provisions of NRS 680B.032.	
7	680B.200	Illustration of proper application of NRS 680B.032.	The following example is given to illustrate the proper application of NRS 680B.032. If an insurer writes \$500,000 of net direct premiums and net direct considerations during the quarter that runs from January 1 to March 31 of a calendar year and the insurer is required to file quarterly reports and make quarterly payments pursuant to the provisions of NRS 680B.032, the insurer shall file its quarterly report and make its quarterly payment of taxes on that \$500,000 by April 30 of that same calendar year.	
8	680B.210	Application of fifty percent credit and ad valorem credit against tax imposed for privilege of transacting business in this State.	1. Except as otherwise provided in NAC 680B.240, an insurer who has established to the satisfaction of the Executive Director that it meets all the requirements set forth in NRS 680B.050 and 680B.055 may apply: (a) The fifty percent credit; and (b) The ad valorem credit, -- against the tax imposed by NRS 680B.027. 2. Such an insurer shall apply these credits pursuant to the provisions of NAC 680B.220 to 680B.250, inclusive.	
9	680B.220	Application of fifty percent credit if home office or regional home office in Nevada.	Except as otherwise provided in NAC 680B.240, an insurer who has established to the satisfaction of the Executive Director that it meets all the requirements set forth in NRS 680B.050 and 680B.055 and wishes to apply the fifty percent credit shall: 1. If the insurer is required to file quarterly reports and make quarterly payments pursuant to NRS 680B.032, reduce by 50 percent the amount of the tax required to be paid on net direct premiums and net direct considerations written during the preceding calendar quarter when the insurer files the quarterly reports and makes the quarterly payments pursuant to the provisions of NRS 680B.032. 2. If the insurer is not required to file quarterly reports and make quarterly payments pursuant to the provisions of NRS 680B.032, reduce by 50 percent the aggregate amount of the tax required to be paid on net direct premiums and net direct considerations written during the immediately preceding calendar year when the insurer files the annual report and makes the annual payment pursuant to the provisions of NRS 680B.030.	
10	680B.230	Application of ad valorem credit if home office or regional home office in Nevada.	1. Except as otherwise provided in NAC 680B.240, an insurer who has established to the satisfaction of the Executive Director that it meets all the requirements set forth in NRS 680B.050 and 680B.055 and wishes to apply the ad valorem credit shall reduce the amount of tax the insurer is required to pay pursuant to NRS 680B.027 by the amount of the ad valorem credit when the insurer files the annual report and makes the annual payment pursuant to the provisions of NRS 680B.030. 2. An insurer who is required to file quarterly reports and make quarterly payments pursuant to the provisions of NRS 680B.032 may not reduce the amount of tax the insurer is required to pay pursuant to NRS 680B.027 by the amount of the ad valorem credit or any portion of that amount when the insurer files the quarterly reports and makes the quarterly payments pursuant to the provisions of NRS 680B.032.	
11	680B.240	Failure to satisfy requirements for credits for maintaining home office; payment of deficiency and interest.	1. If an insurer fails to satisfy the requirements of NRS 680B.050 or 680B.055 for the entire year for which the credits for maintaining a home office in this State are claimed, the insurer is not entitled to any credit for that entire calendar year. 2. If the Nevada Tax Commission, the Department of Taxation or a court of competent jurisdiction determines that an insurer who applied the fifty percent credit when the insurer filed a quarterly report and made a quarterly payment pursuant to the provisions of NRS 680B.032 has subsequently failed to satisfy the requirements of NRS 680B.050 or 680B.055 during the same calendar year in which the insurer made the quarterly payment, the insurer shall remit to the Department of Taxation: (a) The difference between the amount the insurer set forth as the quarterly payment in the quarterly report filed with the Department of Taxation and the amount the insurer would have owed for the quarterly payment if the insurer had not applied the fifty percent credit and any other amount that the Nevada Tax Commission, the Department of Taxation or a court of competent jurisdiction determines to be a deficiency; and (b) All applicable interest owed for failure to pay the full amount in a timely manner. Such interest must be based on the difference between the amount the insurer set forth as the quarterly payment in the quarterly report filed with the Department of Taxation and the amount the insurer would have owed for the quarterly payment if the insurer had not applied the fifty percent credit and any other amount that the Nevada Tax Commission, the Department of Taxation or a court of competent jurisdiction determines to be a deficiency.	
12	680B.250	Credit against tax imposed in succeeding calendar year.	If an insurer is not entitled to a certain amount of the fifty percent credit or the ad valorem credit because it would reduce the amount of tax payable to less than 20 percent of the tax otherwise payable for that year pursuant to the provisions of NRS 680B.027, the insurer may not carry forward that amount of either credit for use as a credit against the tax imposed by NRS 680B.027 in a succeeding calendar year.	
		<b>End</b>		

# CHAPTER 701A - ENERGY-RELATED TAX INCENTIVES

No.	NAC Citation	Description of NAC	Language	Analysis/Recommendation ("Repeal" with explanation; "Amend" with explanation, or "Maintain" as written)
1		GREEN BUILDINGS: ELIGIBILITY FOR PARTIAL ABATEMENT OF PROPERTY TAXES	NAC 701A.010 - 701A.290 are Adopted by the Office of Energy (not responsibility of Taxation)	
2	701A.010	Definitions.	As used in NAC 701A.010 to 701A.290, inclusive, unless the context otherwise requires, the words and terms defined in NAC 701A.020 to 701A.190, inclusive, have the meanings ascribed to them in those sections.	
3	701A.020	Applicable LEED standard" defined.	"Applicable LEED standard" means the version of the LEED standard in effect at the time an applicant registers a project with the U.S. Green Building Council.	
4	701A.030	"Building or other structure" defined.	"Building or other structure" means an improvement on real property that is being considered for or has been granted certification by the U.S. Green Building Council or the Green Building Initiative.	
5	701A.040	"Construction contract" defined.	"Construction contract" means a contract between an owner of real property or an affiliate or subsidiary of the owner, and a contractor or construction manager which: <ol style="list-style-type: none"> <li>1. Defines their respective roles and responsibilities for the construction of a project on the property;</li> <li>2. Establishes the scope of work, the amount of money to be paid to the contractor or construction manager and the allowable time for the duration of the contract; and</li> <li>3. Describes the terms and conditions of construction projects.</li> </ol>	
6	701A.050	"Director" defined.	"Director" means the Director of the Office of Energy within the Office of the Governor.	
7	701A.060	"Funding" defined.	"Funding" includes, without limitation, equity, any form of indebtedness, any grant, any gift or anything else of value.	
8	701A.065	"GG-CRIP" defined.	"GG-CRIP" means the Green Globes standard for Continued Improvement of Existing Buildings.	
9	701A.065	"GG-NC" defined.	"GG-NC" means the Green Globes standard for New Construction.	
10	701A.067	"Green Globes standard" defined.	"Green Globes standard" means a standard for energy efficiency developed by the Green Building Initiative and adopted for use in this State by the Director pursuant to NAC 701A.213.	
11	701A.070	"LEED" defined.	"LEED" means Leadership in Energy and Environmental Design.	
12	701A.080	"LEED Accredited Professional" defined.	"LEED Accredited Professional" means a person who holds a LEED Accredited Professional Certificate issued by the U.S. Green Building Council.	
13	701A.090	"LEED-CF" defined.	"LEED-CF" means the LEED Green Building Rating System for Core and Shell Developments.	
14	701A.090	"LEED-EB" defined.	"LEED-EB" means the LEED Green Building Rating System for Existing Buildings, Existing Operations and Maintenance.	
15	701A.110	"LEED Green Building Rating System" defined.	"LEED Green Building Rating System" means those portions of the Leadership in Energy and Environmental Design Green Building Rating System developed by the U.S. Green Building Council that are adopted by the Director pursuant to NAC 701A.200.	
16	701A.120	"LEED-NC" defined.	"LEED-NC" means the LEED Green Building Rating System for New Construction A Major Renovation.	
17	701A.130	"LEED standard" defined.	"LEED standard" means all versions of a specific rating system within the LEED Green Building Rating System, including, without limitation, LEED-NC, LEED-EB and LEED-CS.	
18	701A.140	"Local government approval" defined.	"Local government approval" means any document which, in the judgment of the Director, demonstrates that the local government in which a construction project is located has granted approval to begin construction of the building or other structure that is the subject of an application for a partial tax abatement.	
19	701A.150	"Partial tax abatement" defined.	"Partial tax abatement" means a partial abatement from the taxes imposed on real property by chapter 361 of NRS.	
20	701A.160	"Pre-2007 applicant" defined.	"Pre-2007 applicant" means an applicant for a partial tax abatement for a construction project that includes a building or other structure: <ol style="list-style-type: none"> <li>1. Which is constructed pursuant to a pre-construction or construction contract executed on or before December 31, 2005;</li> <li>2. Which is part of a construction project for which the Office of Energy Project Registration Form was filed and received by the Office of Energy pursuant to the provisions of former NAC 701.400; and</li> <li>3. For which an opinion letter was issued by the Department of Taxation before February 1, 2007, stating that the project will qualify for a partial sales and use tax exemption under Assembly Bill No. 1 (Special Session 2005) if certain conditions are met.</li> </ol>	
21	701A.170	"Pre-2007 Green Building Rating System" defined.	"Pre-2007 Green Building Rating System" means the LEED Green Building Rating System adopted by the Director pursuant to the provisions of former NRS 701.217, on that rating system existed before June 15, 2007, including the provisions of the regulation that are repealed by section 11 of this regulation.	
22	701A.180	"Preconstruction contract" defined.	"Preconstruction contract" means a written and executed agreement that: <ol style="list-style-type: none"> <li>1. Precedes the construction of or the execution of a construction contract for a project for which a partial tax abatement is sought;</li> <li>2. Clearly indicates a commitment to construct the project; and</li> <li>3. Is entered into to provide at least one of the following services relating to the construction project:             <ol style="list-style-type: none"> <li>(a) Project financing;</li> <li>(b) Engineering;</li> <li>(c) Design;</li> <li>(d) Architecture;</li> <li>(e) Labor; or</li> <li>(f) Advertising.</li> </ol> </li> </ol>	
23	701A.190	"Significant change in the scope of the project" defined.	"Significant change in the scope of the project" means: <ol style="list-style-type: none"> <li>1. A change by more than 10 percent in the gross square footage of any building or other structure for which a partial tax abatement is sought;</li> <li>2. A change in the level of certification under an applicable LEED standard or Green Globes standard being sought if the change will affect the amount of the partial tax abatement being sought; or</li> <li>3. Any other change, including, without limitation, any change in the square footage or contained costs of any building or other structure for which a partial tax abatement is sought, which will change the amount of the partial tax abatement being sought by more than 10 percent, except that changes resulting from construction in equal footage, costs or any other factor which do not affect the amount of the partial tax abatement relating to the project or represented in the application file, including any amendments or disposal claims to that construction or applying relating to those costs, will not be considered a significant change in the scope of the project and they are automatically filed and known to the owner.</li> </ol>	
24	701A.200	LEED Green Building Rating System: Adoption of certain Green Globes standards, review and effect of new or updated standards.	1. The LEED Green Building Rating System is adopted for use in this State with regard to certain buildings or other structures for the purposes of determining eligibility for partial tax abatements. <ol style="list-style-type: none"> <li>(a) Except as otherwise provided in this subsection NAC 701A.210, the Director hereby adopts by reference all versions of the following LEED standard:             <ol style="list-style-type: none"> <li>(i) LEED-NC;</li> <li>(ii) LEED-EB; and</li> <li>(iii) LEED-CS.</li> </ol> </li> <li>(b) If the U.S. Green Building Council adopts a new or updated version of a LEED standard after December 4, 2007, the Director will determine whether the new or updated version is appropriate for use in this State and, if the Director determines that the new or updated version:             <ol style="list-style-type: none"> <li>(i) Is appropriate for use in this State;</li> <li>(ii) The new or updated standard becomes effective on such a date as may be determined by the Director; and</li> <li>(iii) The Director will post a notice of approval, a copy of the new or updated version and the effective date thereof at the State Library, Archives and Public Records and the Office of Energy, and on the Internet website of the Office of Energy; or</li> </ol> </li> <li>(c) It is not appropriate in this State, the new or updated LEED standard that was most recently adopted by the Director or determined to be appropriate for use in this State pursuant to the subsection continues to be effective.</li> </ol> 2. The Director will review, evaluate and consider new and updated versions of LEED standards at least once each year.         3. A copy of the LEED Green Building Rating System is available for change on the Internet website of the U.S. Green Building Council.	
25	701A.210	LEED Green Building Rating System: Inclusion and modification of a third-party commissioning firm's application for partial tax abatement.	1. In accordance with the provisions of NRS 701A.100, the LEED Green Building Rating System adopted by the Director pursuant to NAC 701A.200: <ol style="list-style-type: none"> <li>(a) Does not include any Green Globes standard;</li> <li>(b) That has not been included in the LEED Green Building Rating System for at least 2 years at the time the applicant provides proof to the Director pursuant to NAC 701A.240 and 701A.250 that the building or other structure meets the equivalent of the silver level or higher of the LEED Green Building Rating System as required by the Director; or</li> <li>(c) For bonus:             <ol style="list-style-type: none"> <li>(i) At least 7 points in the Optimize Energy Performance credits to meet the equivalent of the silver level;</li> <li>(ii) At least 7 points in the Optimize Energy Performance credits to meet the equivalent of the gold level; and</li> <li>(iii) At least 11 points in the Optimize Energy Performance credits to meet the equivalent of the platinum level.</li> </ol> </li> </ol> 2. An applicant for a partial tax abatement must utilize an independent third-party commissioning firm to facilitate the fundamental building system commissioning or existing building commissioning, as applicable, required by the LEED Green Building Rating System Energy and Atmosphere Prerequisite 1.         3. As used in this section, "bonus" has the meaning ascribed to it in NRS 701A.100.	
26	701A.213	Green Globes standard: Adoption by reference review and effect of new or updated standards.	1. Except as otherwise provided in this subsection NAC 701A.210: <ol style="list-style-type: none"> <li>(a) The Director hereby adopts for use in this State the following Green Globes standard which are in effect on June 23, 2014:             <ol style="list-style-type: none"> <li>(i) GG-NC; and</li> <li>(ii) GG-CRIP.</li> </ol> </li> <li>(b) If the Green Building Initiative adopts a new or updated Green Globes standard after June 23, 2014, the Director will determine whether the new or updated standard is appropriate for use in this State and, if the Director determines that the new or updated standard:             <ol style="list-style-type: none"> <li>(i) Is appropriate for use in this State;</li> <li>(ii) The new or updated standard becomes effective on such a date as may be determined by the Director; and</li> <li>(iii) The Director will post a notice of approval and the effective date thereof at the State Library, Archives and Public Records and the Office of Energy, and on the Internet website of the Office of Energy; or</li> </ol> </li> <li>(c) It is not appropriate in this State, the Green Globes standard that was most recently adopted by the Director or determined to be appropriate for use in this State pursuant to this subsection continues to be effective.</li> </ol> 2. The Director will review, evaluate and consider any new and updated Green Globes standard at least once each year.	
27	701A.215	Green Globes standard: Inclusion and modification of a third-party commissioning firm's application for partial tax abatement.	1. In accordance with the provisions of NRS 701A.100, the Green Globes standard adopted pursuant to NAC 701A.213: <ol style="list-style-type: none"> <li>(a) Does not include any Green Globes standard;</li> <li>(b) That has not been a Green Globes standard for at least 2 years at the time the applicant provides proof to the Director pursuant to NAC 701A.240 and 701A.250 that the building or other structure meets the equivalent of a rating of two globes or higher under the Green Globes standard; or</li> <li>(c) For bonus:             <ol style="list-style-type: none"> <li>(i) At least 32 points for energy conservation under the Energy Performance standard of a Green Globes standard, to meet the equivalent of a rating of two globes;</li> <li>(ii) At least 40 points for energy conservation under the Energy Performance standard of a Green Globes standard, to meet the equivalent of a rating of three globes; and</li> <li>(iii) At least 56 points for energy conservation under the Energy Performance standard of a Green Globes standard, to meet the equivalent of a rating of four globes.</li> </ol> </li> </ol> 2. An applicant for a partial tax abatement: <ol style="list-style-type: none"> <li>(a) Must use a third-party assessor, assigned by the Green Building Initiative, to review and verify the information submitted by the applicant and prepare the project for the purpose of obtaining certification by the Green Building Initiative;</li> <li>(b) Shall submit to the Director within 60 days of application a copy of the report and findings of the assessor to the credit of the assessment conducted pursuant to paragraph (a).</li> </ol> 3. As used in this section, "bonus" has the meaning ascribed to it in NRS 701A.100.	
28	701A.217	Supersedes between LEED Green Building Rating System and Green Globes standards.	For the purposes of determining whether a building or other structure is eligible for a tax abatement pursuant to NRS 701A.110 and NAC 701A.010 to 701A.290, inclusive: <ol style="list-style-type: none"> <li>(a) A rating of two globes under a Green Globes standard shall be deemed to be equivalent to the silver level of the LEED Green Building Rating System;</li> <li>(b) A rating of three globes under a Green Globes standard shall be deemed to be equivalent to the gold level of the LEED Green Building Rating System;</li> <li>(c) A rating of four globes under a Green Globes standard shall be deemed to be equivalent to the platinum level of the LEED Green Building Rating System.</li> </ol>	
29	701A.220	Application for partial tax abatement: notification by Director.	1. A person who, with respect to a construction project involving a building or other structure, wishes to apply to the Director pursuant to this chapter and NRS 701A.110 for a partial tax abatement, must, if the certification of the building or other structure: <ol style="list-style-type: none"> <li>(a) Will be based on a LEED standard or GG-NC, submit an application to the Office of Energy no later than 120 days after receiving local government approval of the construction project; or</li> <li>(b) Will be based on a LEED standard other than LEED-NC or LEED-CS or based on GG-CRIP, submit an application to the Office of Energy no later than 120 days after registering the project with the U.S. Green Building Council or the Green Building Initiative, as applicable.</li> </ol> 2. The application must include: <ol style="list-style-type: none"> <li>(a) The name, address and telephone number of the applicant;</li> <li>(b) The name and address of the owner of the affected real property, if the applicant is not the owner;</li> <li>(c) The address of the real property;</li> <li>(d) The address of the local or county commissioning firm of the county in which the real property is located;</li> <li>(e) If the real property is located in a city, the name and address of the city manager and the address of the city council, if any, that city;</li> <li>(f) Any present title associated with the development or modification of the real property;</li> <li>(g) For each building or other structure included in the construction project:             <ol style="list-style-type: none"> <li>(i) The estimated gross square footage and number of floors of the building or other structure;</li> <li>(ii) The proposed use of the building or other structure;</li> <li>(iii) The estimated cost of the design and construction or retrofit, and maintenance and operation, of the building or other structure;</li> <li>(iv) The actual or estimated date of the start of the construction or retrofit;</li> <li>(v) The expected date of occupancy of the building or other structure;</li> <li>(vi) If applicable, a copy of each executed preconstruction or construction contract the applicant is relying upon to qualify as a pre-2007 applicant;</li> <li>(vii) Proof that the building or other structure has been registered with the U.S. Green Building Council or the Green Building Initiative, as applicable;</li> <li>(viii) The applicable LEED standard or Green Globes standard on which the certification of the building or other structure will be based;</li> <li>(ix) A statement containing the level or rating number of points of the applicable LEED standard or Green Globes standard to which the applicant expects the building or other structure to be certified, in the format of a checklist identifying the specific credits or points that the project team intends to achieve under the applicable LEED standard or Green Globes standard;</li> <li>(x) A statement whether the building or other structure is being constructed, design or construction of the building or other structure, and associated land, being provided by a governmental entity in this State;</li> <li>(xi) A list of all sources of funding for the acquisition, design, construction or renovation of the building or other structure, and associated land, provided by a governmental entity in this State; and</li> <li>(xii) A statement whether the building or other structure is occupying or is expected to occupy any other abatement or exemption pursuant to NRS 361.045 or 361.119, inclusive, or chapter 701A of NRS from the taxes imposed on real property by chapter 361 of NRS.</li> </ol> </li> </ol> 3. The name and contact information of the professional accredited by the U.S. Green Building Council or the Green Building Initiative and assigned to the design team for the project or other person designated in the contract between the applicant: <ol style="list-style-type: none"> <li>(a) A statement whether the building or other structure, or any part thereof, is or is expected to be exempt from the taxes imposed on real property by chapter 361 of NRS pursuant to any provision of law other than NRS 361.045 or 361.119, inclusive, or chapter 701A of NRS;</li> <li>(b) A list of any improvements to the project that are not expected to be considered for certification under the applicable LEED standard or Green Globes standard;</li> <li>(c) If the project is registered with the U.S. Green Building Council or the Green Building Initiative in a campus or multibuilding setting, a list of the buildings or other structures on the affected real property and the construction phase of each building or other structure;</li> <li>(d) Any other information requested by the Director.</li> </ol> 4. Upon receipt of all information required by this section, the Director will: <ol style="list-style-type: none"> <li>(a) Notify the applicant in writing, acknowledging that the application has been received and</li> <li>(b) In accordance with the provisions of NRS 701A.110, forward a copy of the application and the written notification provided to the applicant to the:             <ol style="list-style-type: none"> <li>(i) Chief of the Budget Division of the Office of Finance;</li> <li>(ii) Department of Taxation;</li> <li>(iii) County treasurer;</li> <li>(iv) County assessor;</li> <li>(v) Board of county commissioning;</li> <li>(vi) City manager and city council, if any; and</li> <li>(vii) Office of Economic Development.</li> </ol> </li> </ol> 5. The applicant must: <ol style="list-style-type: none"> <li>(a) Identify any information included in the application which the applicant considers to be confidential; and</li> <li>(b) Promptly amend the application if there is a significant change in the scope of the project.</li> </ol> 6. The Director will not accept an application pursuant to this section for a building or other structure that on the date the application is registered has been issued a certificate of occupancy and has been certified by the U.S. Green Building Council or the Green Building Initiative.	
30	701A.225	Fee for review and approval of application.	1. An applicant shall pay to the Director a fee in the amount of \$1,750 for the review and approval of an application submitted pursuant to NRS 701A.110. An applicant shall pay the fee concurrently with the submission of the application. The Director will not accept an application for which the fee has not been timely paid pursuant to this subsection. <ol style="list-style-type: none"> <li>(a) The Director will review each fee provided by subsection 1 on or before December 31 of each even-numbered year to ensure that the amount of the fee reflects the actual cost to the Office of Energy in carrying out the duties described in subsection 1.</li> <li>(b) The fee collected pursuant to subsection 1 must be deposited by the Director into an interest-bearing account. The money deposited pursuant to this subsection and any interest earned on such money must be used only to pay the costs incurred by the Office of Energy in carrying out the duties described in subsection 1.</li> </ol>	
31	701A.230	Abatement of application after registration change in scope of project.	1. If an application for a partial tax abatement is submitted for a project that has not been completed the date of that submission and there is a significant change in the scope of the project after that date, the applicant must amend the application to include the change within 60 days after the occurrence of the change. If the applicant fails to amend the application in a timely manner, the Director may, without limitation: <ol style="list-style-type: none"> <li>(a) Allow a partial tax abatement of those portions of the project that were part of the original application, including timely amendments; or</li> <li>(b) For good cause shown, extend the time or other which it issued the application.</li> </ol> 2. Upon receipt of an amendment to an application for a partial tax abatement, the Director will forward a copy of the amendment to the: <ol style="list-style-type: none"> <li>(a) Chief of the Budget Division of the Office of Finance;</li> <li>(b) Department of Taxation;</li> <li>(c) County treasurer;</li> <li>(d) County assessor;</li> <li>(e) Board of county commissioning;</li> <li>(f) City manager and city council, if any; and</li> <li>(g) Office of Economic Development.</li> </ol>	





	(2) Multiplying the result determined pursuant to subparagraph (1) by the percentage of the net taxable value of the building or other structure which is subject to the abatement, as indicated pursuant to subparagraph (3) of paragraph (a); (3) Calculating the weighted abatement percentage for the property by adding the weighted abatement percentage determined for the property pursuant to paragraph (2); (4) Calculating the applicable abatement and tax due for each category of taxing entity listed on the tax bill for the property, other than any category of taxing entity on behalf of which any taxes imposed for public education are being billed, as follows: (i) The applicable abatement for any category of taxing entity pursuant to paragraph (2) by the total amount of tax due for the taxing entity after the application of any partial abatement of taxes required by NRS 361.4722 or 361.4724; (ii) The tax due not being abated by subtracting the applicable abatement determined pursuant to subparagraph (1) from the total amount of tax due to the taxing entity after the application of any partial abatement of taxes required by NRS 361.4722 or 361.4724; (iii) Calculating: (A) The total abatement for the property by adding all the sums determined for the property pursuant to subparagraph (1) of paragraph (4); and (B) The total tax due for the property by adding all the sums determined for the property pursuant to subparagraph (2) of paragraph (4); (4) Allocating the tax abatement for the property among the eligible taxing entities and other structures by: (i) Dividing the weighted abatement percentage for each eligible building or other structure determined pursuant to paragraph (2) by the weighted average abatement percentage for the property determined pursuant to paragraph (4); and (ii) Multiplying the result determined pursuant to subparagraph (1) by the total abatement for the property determined pursuant to subparagraph (1) of paragraph (4); (5) The amount of the amounts allocated pursuant to this paragraph may exceed the total abatement for the property determined pursuant to subparagraph (1) of paragraph (4); 2. A county tax receiver may not be a workload provider for the Department to facilitate the calculations required by this section. (b) For the purpose of this section: (1) The abatement applies to: (i) Zero percent of the net taxable value of any land and (ii) Zero percent of the net taxable value of any building or other structure that is not eligible for the abatement. (3) The abatement percentage for any land and for any building or other structure that is not eligible for the abatement is zero percent. (4) The weighted abatement percentage for any land and for any building or other structure that is not eligible for the abatement is zero percent.	
46	Reports by county tax receiver: A county tax receiver shall, not later than: 1. June 1 of each year, submit to the Department and each taxing entity a summary report of the total amount of property taxes subject to the abatement which are billed on behalf of each taxing entity for the current year for property on the unsecured tax roll. The report must separately state for each taxing entity: (a) The total number of parcels or other taxable units of property subject to the abatement for which the property taxes were billed; (b) The total amount of the property taxes that would have been billed if not for the application of the abatement; (c) The total amount of any reduction in billable property taxes as a result of the application of the abatement; and (d) The total amount of property taxes actually billed. 2. September 1 of each year, submit to the Department and each taxing entity a summary report of the total amount of property taxes subject to the abatement which are billed on behalf of each taxing entity for the current year for property on the secured tax roll. The report must separately state for each taxing entity: (a) The total number of parcels or other taxable units of property subject to the abatement for which the property taxes were billed; (b) The total amount of the property taxes that would have been billed if not for the application of the abatement; (c) The total amount of any reduction in billable property taxes as a result of the application of the abatement; and (d) The total amount of property taxes actually billed.	
47	<b>RENEWABLE ENERGY FACILITIES: PARTIAL ABATEMENT OF TAXES</b> NAC 701A.500 - 701A.660 are Adopted by the Office of Energy (not responsibility of Taxation)	
48	Definitions: As used in NAC 701A.500 to 701A.660, inclusive, the words and terms defined in NRS 701A.300 to 701A.495, inclusive, and NAC 701A.500 to 701A.595, inclusive, have the meanings ascribed to them in those sections.	
49	Abatement agreement defined: "Abatement agreement" means an agreement executed by the Director and an applicant upon the issuance of a final decision by the Director that the applicant is eligible for a partial abatement of taxes.	
50	Applicant defined: "Applicant" means an owner who submits an application for a partial abatement of taxes.	
51	Applicability defined: "Applicability" means an application for a partial abatement of taxes and includes, without limitation, the completed application form and all supporting documents.	
52	Facility defined: "Facility" means: 1. A facility for the generation of electricity from renewable energy in this State; 2. A renewable facility for the generation of electricity from renewable energy in this State; 3. A facility for the transmission of electricity; 4. A facility for the interconnection of a facility described in subsection 1 or 2; 5. The facility connects to the capability of the electrical grid to accommodate and transmit electricity produced from a facility described in subsection 1 or 2; 6. A facility for the generation of process heat from solar renewable energy in this State.	
53	Generating capacity defined: "Generating capacity" means the maximum capacity of a facility.	
54	Owner defined: "Owner" means a person who holds an ownership interest in a project or facility or a possessory interest in public lands, or his or her successor in interest.	
55	Partial abatement of taxes defined: "Partial abatement of taxes" means an abatement of a portion of: 1. Land taxes and net taxes; 2. The property taxes imposed pursuant to chapter 361 of NRS; or 3. Both land taxes and net taxes imposed pursuant to chapter 361 of NRS. --- authorized by NRS 701A.300 and approved by the Director in a final decision issued pursuant to NAC 701A.580	
56	Project defined: "Project" means all the necessary purchasing and construction that will result in a facility for which an applicant applies for a partial abatement of taxes.	
57	Significant change defined: "Significant change" means a substantial and material change in the size or scope of a project or facility from that described in an application and includes, without limitation: 1. A change of more than 10 percent in: (a) The site or location of the land on which the project or facility is located; (b) The generating capacity of the facility or the output capacity for a facility for the generation of process heat from solar renewable energy; (c) The estimated cost of any building or other structure or other project to which the partial abatement of taxes would be applicable; (d) The amount of the partial abatement of taxes which the applicant is seeking; and (e) The ownership of any or more parcels of land on which the project or facility is located; 2. A substantial and material change in the schedule or ability to meet the time commitments established in the application; 3. Any similar substantial and material change in the information upon which an applicant relies in establishing eligibility for a partial abatement of taxes.	
58	Waiver defined: "Waiver" has the meaning ascribed to it in NRS 701A.010.	
59	Submission of application: To apply for a partial abatement of taxes, an applicant must submit electronically an application to the Director on the form and in the manner prescribed by the Director. 1. The Director will assign an application filing number to an applicant not later than 2 business days after the Director receives the completed application. The application filing number must appear on all correspondence and other documents related to the application which are submitted by the applicant to the Director. 2. The application filing number of an applicant expires if the application is rejected by the Director. 3. Upon receipt of an application, the Director will review the application for completeness and compliance. An application is timely filed if the Director receives a completed application on or before the date on which commercial operations of the facility will commence. If the Director determines that an application is not timely filed and the Director determines that the application is not ready for filing or that the timing of the filing requires the purpose of NAC 701A.500 to 701A.660, inclusive, the Director may reject the application. If the Director rejects an application pursuant to this section, the Director will provide written notice to the applicant that the application is incomplete and will identify in the notice the information which is necessary to complete the application. An applicant shall, not later than 10 business days after the receipt of a notice that an application is incomplete, provide to the Director the information necessary to complete the application. If the applicant does not provide the information within the specified time, the Director will consider the application and provide written notice of the rejection to the applicant. 4. After identifying an application pursuant to NAC 701A.500, the applicant may submit a copy of the application to the board of county commissioners of the county in which the project or facility is proposed for location. 5. In addition to the requirements of subsection 4 of this section, the Director will provide a copy of the application to the governing body of each city or town in which the project or facility is proposed for location. 6. An applicant shall, not later than 15 business days after any submission of the application, submit an amended application. The Director will provide a copy of the amended application in accordance with subsection 4 of this section and subsection 3 of NRS 701A.300.	
60	Confidentiality of application and related information: 1. In accordance with the provisions of chapter 239 of NRS, all information relating to an application which is submitted to the Director and which is not otherwise declared by law to be confidential is a public record. If an applicant believes that information contained in an application is confidential and should be reduced and protected from publication, the applicant must: (a) Submit with the original application a redacted copy of the application which clearly identifies each item in the application that the applicant believes is confidential and should be reduced and protected from publication; (b) Provide for each identified item a written certification as to the legal authority for and agreement as to why the particular item is confidential and should be reduced and protected from publication; (c) As soon as practicable after receipt of copies of the original and redacted applications, the Director will, for each individual item which the applicant believes is confidential and should be reduced and protected from publication, make a determination as to whether the item has been declared by law to be confidential and may be reduced from the application; and (d) Provide the applicant with written notice regarding the Director's determination. 2. Not later than 3 business days after an applicant receives the written notice of the Director's determination made pursuant to subsection 1, the applicant shall indicate to the Director in writing with respect to each item which the Director has determined may not be reduced from the application: (a) That the applicant consents to publication of the item; or (b) That the applicant objects to publication of the item and indicates the legal basis, if any, and any argument in support of the applicant's objection. If the Director accepts the applicant's argument that the item should not be made public, the applicant may withdraw the application or such other items of confidential information pertaining to the item from publication. 3. If the Director determines that one or more items in an application are confidential and should not be made public, or if a court of competent jurisdiction that the one or more items in an application are confidential and should not be made public, the applicant will prepare a copy of the application from which the item or items that are not to be made public have been removed. The Director will, as soon as practicable, provide a copy of the redacted application to: (a) The Chief of the Budget Division of the Office of Finance; (b) The board of county commissioners of each county in which the project or facility is located; (c) The county assessor of each county in which the project or facility is located; (d) The board of county commissioners of each county in which the project or facility is located; (e) The governing body of each city or town in which the project or facility is located; (f) The governing body of each city or town in which the project or facility is located; (g) The Office of Economic Development. 4. If an applicant submits an application which the applicant believes contains information that is confidential and should be reduced and protected from publication: (a) An applicant of a copy of the original application public before the Director has issued a written determination concerning the item which the applicant believes is confidential and should be reduced and protected from publication; and (b) Shall not make any portion of the original application public before the Director has issued a written determination concerning the item which the applicant believes is confidential and should be reduced and protected from publication; and (c) May make public only the portion of the original application public before the Director has issued a written determination concerning the item which the applicant believes is confidential and should be reduced and protected from publication; and (d) An applicant of a redacted application may make public only the information contained in the redacted application prepared by the Director. 5. Any of the person or governmental entity additionally provide to the person or governmental entity any information which the Director has determined is confidential. The Director may, in his or her discretion, provide the requested information. If the Director provides any such information, the person or governmental entity to whom he or she provides the information must limit access to and use of the information only to those purposes for which such information is necessary in the performance of their duties. The Director will provide written notice to an applicant before providing any confidential information pursuant to this subsection. Confidential information provided pursuant to this subsection must not be made public.	
61	Fiscal note not to include information determined to be confidential: In preparing a fiscal note pursuant to NRS 701A.370, the Chief of the Budget Division of the Office of Finance and the Department of Economic Development shall: 1. Exclude information which the Director has determined is confidential and should be reduced and protected from publication and need only be provided to those persons who must have access to the redacted information for the purposes of preparing the fiscal note; and 2. The published fiscal note does not contain any information that the Director has determined is confidential and should be reduced and protected from publication.	
62	Approval of application by board of county commissioners: 1. The Director will issue a final decision denying an application for a partial abatement of taxes imposed pursuant to chapter 361 of NRS if the Director receives written notice of approval of the application from the board of county commissioners of each county in which the facility is located or the application is deemed approved. 2. The Director will process an application for a redacted partial abatement of taxes and net taxes pursuant to the provisions of NAC 701A.500 to 701A.660, inclusive.	
63	Hearing on application, determination of eligibility: 1. Except as otherwise described in NRS 701A.500 to 701A.575, the Director will set a date for a hearing on an application. The Director will provide notice of the hearing to: (a) The Director of Finance; (b) The Chief of the Budget Division of the Office of Finance; (c) The board of county commissioners of each county in which the project or facility is located; (d) The county assessor of each county in which the project or facility is located; (e) The board of county commissioners of each county in which the project or facility is located; (f) The governing body of each city or town in which the project or facility is located; (g) The governing body of each city or town in which the project or facility is located; (h) The Office of Economic Development; and (i) The applicant. 2. As a hearing conducted pursuant to this section, the applicant has the burden of proving by reasonable evidence that he or she or the applicant satisfies all the requirements for eligibility for a partial abatement of taxes. 3. A hearing conducted pursuant to this section, the Director or the Director's designee may ask questions of any witness. 4. If the Director takes any action authorized by subsection 1 of NRS 701A.360, the Director will set a date for the hearing conducted pursuant to this section and will not enter the record for or reasons for doing so. 5. The Director will issue findings of fact, conclusions of law and a final decision regarding an application not later than 10 business days after the date on which the hearing is concluded. The Director may conduct the approval of an application upon such terms as he or she determines are necessary if the Director determines that an applicant is eligible for a partial abatement of taxes, the Director will execute an abatement agreement with the applicant on a pro-rata basis. The date on which the abatement agreement is executed by the Director is the date of the approval of the application for the purposes of NRS 701A.370.	
64	Notice to hearing notice of intent to participate: 1. In addition to the applicant, any of the following persons or governmental entities may be a party to a hearing of the notice of intent to participate with the Director: (a) The Director of Finance; (b) The Department of Taxation; (c) The board of county commissioners of any county in which the project or facility is located; (d) The county assessor of any county in which the project or facility is located; (e) The board of county commissioners of any county in which the project or facility is located; (f) The governing body of any city or town in which the project or facility is located; and (g) The Office of Economic Development. 2. A person or governmental entity described in paragraph (a) or (b) of subsection 1 of this section shall file a notice of intent to participate pursuant to this section shall file the notice with the Director and provide a copy of the notice to the applicant not later than 3 business days after the date on which notice of the hearing is published. The notice of intent to participate must include, without limitation: (a) A statement of whether the party intends to support or oppose all or any portion of the party's position; (b) The legal argument in support of the party's position; and (c) The identification of any witnesses or evidence that the party intends to present in support of the party's position. 3. Except as otherwise provided in subsection 4, any person or governmental entity that files a notice of intent to participate may attend the hearing personally or be represented at the hearing by an attorney, agent or other representative. 4. The Director may require any person who files a notice of intent to participate to appear personally at the hearing if the Director determines that the appearance will assist the Director in determining whether the applicant is qualified for a partial abatement of taxes.	
65	Criteria for determining eligibility for persons of abatement: 1. In determining whether an applicant has established that he or she can make the capital investment required by subparagraph (2) of paragraph (b) of subsection 1 of NRS 701A.360 or subparagraph (2) of paragraph (b) of subsection 1 of NRS 701A.365, the Director will consider: (a) The amount paid for such an asset, including any capitalized interest; (b) The amount of the capital investment for the asset. Any fringe charges, tax or interest paid for the asset must not be included in the determination of the amount of the capital investment for that asset. 2. In determining whether an applicant has satisfied the requirements of subparagraph (2) of paragraph (b) of subsection 1 of NRS 701A.360 or subparagraph (2) of paragraph (b) of subsection 1 of NRS 701A.365, the Director will consider an applicant: (a) If he or she is a full-time employee working on construction of the facility the applicant establishes that the employee works or was regularly scheduled to work or more hours per week engaged in active labor before construction of the facility; (b) If he or she is a resident of Nevada who has established that the employee possesses a current and valid Nevada driver's license or a current valid identification card issued by the Department of Motor Vehicles. 3. In determining whether an applicant has satisfied the average hourly wage requirements of subparagraph (1) of paragraph (b) of subsection 1 of NRS 701A.360 or subparagraph (1) of paragraph (b) of subsection 1 of NRS 701A.365, the Director will consider a person to be an employee of the facility if the applicant establishes that the person works on the site of the facility and is engaged in work that furthers the maintenance or operation of the facility. The Director will consider an employee who has satisfied the average hourly wage requirements of subparagraph (1) of paragraph (b) of subsection 1 of NRS 701A.360 or subparagraph (1) of paragraph (b) of subsection 1 of NRS 701A.365 if the applicant establishes that the average hourly wage paid to an employee engaged in the construction of a project exceeds 175 percent of the average monthly hourly wage, including management and administrative employees, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation based on reports submitted on a weekly basis and calculated during the construction period on a total wage paid to all employees who performed construction work on the project during the course of the construction period. 4. Except as otherwise provided in subsection 3 of NRS 701A.360, the Director will consider an employee to be an employee of the facility if the applicant establishes that the average hourly wage paid to an employee engaged in the construction of a project exceeds 175 percent of the average monthly hourly wage, including management and administrative employees, as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation based on reports submitted on a weekly basis and calculated during the construction period on a total wage paid to all employees who performed construction work on the project during the course of the construction period. 5. DDOE.	
66	Establishment of insurance, or other arrangements which are approved by the Director, that the health insurance plan for an employee and the employer's deposits during the construction of the project include, without limitation: (a) Emergency care; (b) Hospital and outpatient hospital services; (c) Physician services; (d) Outpatient medical services; (e) Laboratory services; (f) Diagnostic testing services; and (g) Except as otherwise provided in this paragraph, for an in-network provider, a minimum employer contribution of at least five percent of medical expenses after the employee's deductible limit is met. The Director may approve a minimum employer contribution of less than 5 percent if an employee submits a written request establishing reasonable grounds for such a request. 6. An applicant may satisfy the average hourly wage requirements in subsection 3 or 4 if the applicant's employees are paid: (a) The prescribed average hourly wage; or (b) If the wage has been adjusted higher, an amount equivalent to the difference between the employee was actually paid and the adjusted wage for all hours worked between July 1 through July 31. A payment made under this paragraph must be made not later than 30 days after publication of the average monthly hourly wage by the Employment Security Division of the Department of Employment, Training and Rehabilitation. 7. As used in this section, "provide of insurance" has the meaning ascribed to it in NRS 679A.115.	
67	Final decision on eligibility: 1. The Director issues a final decision in which he or she determines that an applicant has satisfied all the requirements for eligibility for a partial abatement of taxes, the final decision must include: (a) A certificate of eligibility; and (b) A copy of the abatement agreement executed by the Director and the applicant. 2. A partial abatement of taxes approved by the Director is retroactive only and must be applied retroactively to any tax imposed before the execution of the abatement agreement between the Director and the applicant.	
68	Applicability after denial of application: If the Director issues a final decision denying an application for a partial abatement, the applicant who executes a partial abatement in a partial abatement has been denied may reapply for the partial abatement pursuant to NRS 701A.500.	

