



STATE OF NEVADA  
DEPARTMENT OF TAXATION

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Posted 6/20/24

## NOTICE OF WORKSHOPS

### Proposed Permanent Regulations

LCB File No. R036-24, R040-24, R041-24, R044-24, R045-24, R046-24 and R052-23

**Date and Time of Meeting:**

**July 9, 2024**

**9:00 a.m.**

**Place of Meeting:**

**Nevada Department of Taxation  
4600 Kietzke Lane, Suite L235  
Reno, NV 89502**

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This meeting will also be available by zoom. Please use the link below to join the webinar:

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**Webinar ID: 840 1962 8659**

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The Department of Taxation will hold workshops to solicit comments from interested parties on the following proposed permanent regulations:

**LCB File No. R036-24**, revises provisions relating to the determination of the taxable value of land within a qualified subdivision; revises provisions relating to the partial abatement of property taxes; provides that staff who provide orientation in certain hearings held before the Nevada Tax Commission are staff of the Department of Taxation; repeals various provisions relating to property tax; and provides other matters properly relating thereto.

Existing law provides methods for determining the taxable value of property and requires the Nevada Tax Commission to establish by regulation the criteria for the valuation of two or more parcels as a subdivision. (NRS 361.227) Existing regulations require the county assessor to use certain information, as he or she deems appropriate, in determining the taxable value of land within a qualified subdivision, including the estimated 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. (NAC 361.1295) **Section 5** of this regulation clarifies that the parcels to be used in calculating the estimated retail selling price are all parcels which have not been sold, rented or otherwise occupied.

Existing law provides a partial abatement of the property taxes levied on property for which an assessed valuation has previously been established, a remainder parcel of real property, certain single-family residences which serve as the primary residence of the owner and certain residential rental dwellings. (NRS 361.4722, 361.4723, 361.4724) Existing regulations set forth procedures for claiming the primary residential abatement and the residential rental abatement. (NAC 361.606, 361.607) Existing regulations require a county assessor, before delivering the tax roll to the county tax receiver each year, to 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. (NAC 361.6055) **Section 7** of this regulation provides that such a determination is only required for such properties for which a claim for a primary residential abatement or a residential rental abatement is made. **Section 6** of this regulation defines the term “abatement percentage” for the purposes of provisions relating to the partial abatement of taxes.

Under existing law, if a new parcel or other taxable unit of property is a remainder parcel, the remainder parcel qualifies for a partial abatement of property taxes, and the taxes on the remainder parcel may not increase by more than a certain percentage of the taxes which would have been imposed on the remainder parcel in the immediately preceding fiscal year if an assessed valuation had been separately established for the remainder parcel for the immediately preceding fiscal year. (NRS 361.4722) Existing regulations set forth the manner in which a new parcel is determined to be a remainder parcel that qualifies for a partial abatement of property taxes. Under existing regulations, each new parcel for development must be evaluated to determine whether there has been any change in the use of the property that comprises the parcel. If the use of such property has not changed, the parcel is a remainder parcel and qualifies for the partial abatement of taxes. However, if the use of such property has changed, the parcel is a new parcel for development and does not qualify for a partial abatement of taxes. Existing regulations require a determination that there is a change in the use of the property to be based on certain findings, including a finding that the property was being used as vacant land as of the commencement of the prior year and, 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 subdivisions, the property is held for commercial or industrial use as of the commencement of the current year. (NAC 361.61034) **Section 8** of this regulation authorizes a determination that there is a change in the use of a property to be based on a finding that the property was being used as vacant land as of the commencement of the prior year and as the result of the recording of a subdivision map creating new commercial or industrial parcels, the property is held for commercial or industrial use as of the commencement of the current year.

Existing law authorizes a taxpayer who is aggrieved by a determination relating to the applicability of certain partial abatements from taxation to, under certain circumstances, submit a written petition for the review of such a determination to the county assessor or the Department of Taxation, as applicable. Existing law further authorizes a taxpayer who is aggrieved by a decision rendered by the county assessor or the Department in such a review to appeal the decision to the Commission. (NRS 361.4734) Existing regulations set forth procedures for such appeals to the Commission. (NAC 361.6105-361.61074) Existing regulations provide that the order in which arguments will ordinarily be received from the parties in a hearing held before the Commission is: (1) orientation by staff; (2) argument by the petitioner; (3) argument by interveners; (4) argument by any other party; and (5) rebuttal by the petitioner. (NAC 361.6107) Existing regulations define the term “staff” for purposes of such provisions to mean staff of the Department. (NAC 361.61062) **Section 10** of this regulation provides that the staff who provide such orientation are staff of the Department. **Section 11** of this regulation repeals the definition of “staff” which is made duplicative by the changes in **section 10**. **Section 9** of this regulation makes a conforming change to remove a reference to this repealed provision.

Existing law exempts certain property from taxation, including, with certain exceptions, fine art for public display. (NRS 361.068, 361.186) Existing law requires a person claiming such an exemption to make available for educational purposes and not for resale, upon written request and without charge to any public school, private school and parent of a child who receives instruction in a home, one copy of a poster depicting the fine art that the facility has on public display if such a poster is available for purchase by the public at the time of the request. (NRS 361.068) Existing regulations require, upon the receipt of a request for such a poster, the taxpayer claiming such an exemption to select which poster to provide to the school or parent. (NAC 361.044) **Section 11** repeals this requirement and **section 1** of this regulation makes a conforming change to remove a reference to the repealed provision.

Existing law provides that, with certain exceptions, certain qualified systems that provide heating, cooling or electricity are exempt from taxation for purposes of the assessment of property pursuant to chapter 361 of NRS. (NRS 701A.200) Assembly Bill No. 621, which was enacted during the 2007 Legislative Session, repealed a substantially similar provision of law which provided an exemption from property taxes for any value added to the assessed value of a building by certain qualified systems that provide heating, cooling or electricity. (Section 16, chapter 539, Statutes of Nevada 2007, at page 3389) **Section 11** repeals provisions relating to the valuation of a qualified system and reporting requirements relating to buildings containing such systems. (NAC 361.052-361.058)

**Section 11** also repeals provisions: (1) requiring each county assessor of a county to furnish to the Department certain information regarding the appraisal and valuation of property; (2) describing the stock and debt approach to valuing certain property used in the operation of utilities; and (3) providing a method to adjust apportionments to school districts during the fiscal year, as authorized by law prior to the enactment of Senate Bill No. 543 of the 2019 Legislative Session, which established the Pupil-Centered Funding Plan. **Sections 2-4** of this regulation make conforming changes to remove references to provisions repealed by **section 11**.

**LCB File No. R040-24**, repeals the regulation requiring a business entity whose Nevada gross revenue for a taxable year is less than \$4,000,000 to file a commerce tax return; and provides other matters properly relating thereto.

Existing law imposes an annual commerce tax upon each business entity whose Nevada gross revenue in a taxable year exceeds \$4,000,000. (NRS 363C.200) Before the passage of Senate Bill No. 497 of the 2019 Legislative Session (S.B. 497), a business entity whose Nevada gross revenue in a taxable year was \$4,000,000 or less, while not liable for the payment of commerce tax, was nonetheless required to file a commerce tax report with the Department of Taxation. S.B. 497 removed the requirement for a business entity whose Nevada gross revenue in a taxable year is \$4,000,000 or less to file a commerce tax report. (NRS 363C.200, as amended by section 1 of Senate Bill No. 497, chapter 329, Statutes of Nevada 2019, at page 2021) Existing regulations: (1) require each business entity engaging in a business in this State during a taxable year to file a commerce tax return regardless of whether the business entity is liable for payment of the commerce tax; and (2) limit the information which a business entity whose Nevada gross revenue for a taxable year is less than \$4,000,000 is required to provide on its commerce tax return. (NAC 363C.220) This regulation repeals these provisions to reflect that a business entity whose Nevada gross revenue for a taxable year is less than \$4,000,000 is not required to file a commerce tax return.

**LCB File No. R041-24**, revises requirements for the maintenance of certain records by a taxpayer that is an escort or escort service; and provides other matters properly relating thereto.

Existing law imposes a tax on admission to a facility where live entertainment is provided and on the charge for live entertainment provided by an escort. (NRS 368A.200) Under existing regulations, if a taxpayer is an escort or an escort service, the taxpayer is required to: (1) register with the Department of Taxation to collect the tax on live entertainment and remit that tax to the Department; (2) maintain certain records for at least 4 years after creation of the record, including the date on which an escort service was provided and the full amount charged for the service; and (3) make such records available to the Department for inspection under certain conditions. (NAC 368A.110) This regulation requires that the full amount charged for the escort service, as recorded by the taxpayer, must not include any deductions for any service cost, interest, losses, tips or gratuities or any other expense.

**LCB File No. R044-24**, revises provisions governing the administration and collection of excise taxes on the connection of a passenger to certain forms of transportation; and provides other matters properly relating thereto.

Existing law imposes an excise tax on the use of certain means by a transportation network company or autonomous vehicle network company to connect a passenger to a driver or a fully autonomous vehicle, respectively, for the purpose of providing transportation services at the rate of 3 percent of the total fare charged for the transportation services. (NRS 372B.140, 372B.145) Existing law imposes a similar excise tax on the connection of a passenger to a person or operator or a taxicab by a common motor carrier of passengers or a person who holds a certificate of public convenience and necessity to operate a taxicab business, at the rate of 3 percent of the total fare charged for the transportation. (NRS 372B.150, 372B.160) Existing law requires the Department of Taxation to adopt all necessary regulations to carry out the provisions relating to such excise taxes. (NRS 372B.110)

Existing regulations use the term “excise tax on passenger transportation” to refer to such excise taxes. Sections 1-5 of this regulation replace the term “excise tax on passenger transportation” with the term “excise tax on the connection to passenger transportation.”

Existing regulations set forth procedures for the administration and collection of such excise taxes, with the exception of the excise tax on the use of certain means by an autonomous vehicle network company to connect a passenger to a fully autonomous vehicle. (NAC 372B.100 372B.230) **Sections 1 and 5** apply these existing procedures to the administration and collection of the excise tax on the use of certain means by an autonomous vehicle network company to connect a passenger to a fully autonomous vehicle.

**LCB File No. R045-24**, repeals regulations relating to the remittance of the state estate tax; and provides other matters properly relating thereto.

The Nevada Constitution authorizes the Legislature to impose by law an estate tax but limits the amount of any such estate tax to the amount of a credit authorized by federal law to reduce the federal estate tax liability with respect to an estate by the amount of any state estate taxes paid with respect to that estate. (Nev. Const. Art. 10, § 4) Existing law imposes such a state estate tax on the transfer of the taxable estate of a person who resided in this State at the time of his or her death or a person who resided outside this State at the time of his or her death but who owned property situated in this State at that time. (Chapter 375A of NRS) However, the Economic Growth and Tax Relief Reconciliation Act of 2001 gradually reduced the credit against federal estate tax liability for any state estate taxes paid with respect to an estate until such credit was eliminated beginning January 1, 2005. (Pub. L. No. 107-16) Thus, estate tax is not currently imposed or collected by this State, but estate tax would be required to be imposed and collected by this State if a federal credit were ever reenacted. This regulation repeals existing regulations governing the payment of estate tax to this State and the documentation required to be filed with such a payment. (NAC 375A.010, 375A.020, 375A.030)

**LCB File No. R046-24**, repeals provisions relating to certain credits against an insurer’s liability for the general tax on insurance premiums which have been eliminated; repeals a provision illustrating the application of existing law requiring certain insurers to report and pay the tax on a quarterly basis; and provides other matters properly relating thereto.

Existing law requires each insurer to pay to the Department of Taxation a tax upon net direct premiums and net direct considerations written at the rate of 3.5 percent. (NRS 680B.027) Before the enactment of Assembly Bill No. 3 (A.B. 3) of the 28th Special Session of the Nevada Legislature, the provisions of former NRS 680B.050 authorized a domestic or foreign insurer which owned and substantially occupied and used any building in this State as its home office or as a regional home office to take a credit against the general tax on insurance premiums. A.B. 3 repealed NRS 680B.050, effective on January 1, 2021, which had the effect of eliminating this credit beginning January 1, 2021. (Section 3 of Assembly Bill No. 3, chapter 1, Statutes of Nevada 2014, 28th Special Session, at p. 3) This regulation repeals provisions of the Nevada Administrative Code related to the eliminated credit. This regulation also repeals a provision of the Nevada Administrative Code illustrating the application of existing law requiring certain insurers to report and pay the tax on a quarterly basis. (NRS 680B.032; NAC 680B.220)

**LCB File No. R052-23**, establishes certain requirements relating to the excise tax on cannabis concerning cannabis and adult-use cannabis products obtained or purchased by a cannabis consumption lounge; requires an adult-use cannabis retail store to document and report to the

Department of Taxation each sale of cannabis or an adult-use cannabis product to an independent cannabis consumption lounge; imposes and revises certain requirements relating to the keeping of records concerning the excise tax on cannabis; imposes certain requirements on cannabis sales facilities and cannabis consumption lounges relating to the payment of sales tax; revises the manner in which the Department will calculate the fair market value at wholesale of cannabis; eliminates certain obsolete and duplicative provisions; and provides other matters properly relating thereto.

Existing law imposes an excise tax on each retail sale of cannabis or cannabis products by an adult-use cannabis retail store or cannabis consumption lounge at the rate of 10 percent of the sales price of the cannabis or cannabis products. Existing law also imposes an excise tax on the first wholesale sale of cannabis by a medical or adult-use cannabis cultivation facility to another cannabis establishment at the rate of 15 percent of: (1) the fair market value at wholesale of the cannabis, if the sale is made to an affiliate of the medical or adult-use cannabis cultivation facility; or (2) the sales price of the cannabis, if the sale is made to a cannabis establishment that is not an affiliate of the medical or adult-use cannabis cultivation facility. (NRS 372A.290) Existing regulations set forth various procedures and requirements concerning the excise tax on cannabis. (NAC 372A.100-372A.160)

Existing law authorizes a retail cannabis consumption lounge to obtain from the adult-use cannabis retail store to which the lounge is attached or immediately adjacent: (1) single-use cannabis products for the purposes of resale; and (2) cannabis or cannabis products for the purposes of producing ready-to consume cannabis products to be sold to customers of the lounge. (NRS 678D.470) Existing law similarly authorizes an independent cannabis consumption lounge to obtain such cannabis and cannabis products for such purposes from an adult-use cannabis retail store with which the lounge has entered into a contract. (NRS 678D.475) Existing regulations require a taxpayer, in each month following a month for which the taxpayer is subject to the imposition of the excise tax on cannabis, to file with the Department of Taxation a return and remit to the Department any tax due for the month covered by the return. (NAC 372A.160)

**Sections 11 and 12** of this regulation provide that any cannabis or adult-use cannabis product obtained or purchased by a cannabis consumption lounge is not subject to the excise tax on cannabis and must not be included in the measure of the tax on a tax return until the cannabis consumption lounge: (1) for a single use cannabis product, sells the single-use cannabis product to a customer of the lounge; or (2) uses the cannabis or adult-use cannabis product to prepare a ready-to-consume cannabis product and sells the ready-to-consume cannabis product to a customer of the lounge.

**Section 13** of this regulation requires each adult-use cannabis retail store that has entered into a contract with an independent cannabis consumption lounge to sell cannabis and cannabis products to the lounge to document each sale of cannabis or an adult-use cannabis product to the lounge on a form prescribed by the Department and submit the form with the tax return required to be filed by the adult-use cannabis retail store concerning the excise tax on cannabis. **Section 13** additionally requires an adult-use cannabis retail store or independent cannabis consumption lounge that has entered into such a contract to maintain a copy of the contract and make the copy available to the Department upon request.

**Section 14** of this regulation provides that sales of cannabis and cannabis products to a consumer by a cannabis sales facility or cannabis consumption lounge are subject to sales tax and sets forth certain requirements concerning the imposition of sales tax on such sales.

Existing law requires each person responsible for maintaining the records of a person subject to the excise tax on cannabis to keep such records as may be necessary to determine the amount of the liability of the taxpayer for the excise tax on cannabis. (NRS 372A.270) **Section 15** of this regulation provides that such records: (1) may include receipts, invoices and other pertinent papers; and (2) must be kept in such form as required by the Department.

Before the enactment of Assembly Bill No. 430 (A.B. 430) of the 2023 Legislative Session, existing law required the Department to adopt regulations to establish procedures to determine the fair market value at wholesale of cannabis. (NRS 678B.640) A.B. 430 amended that requirement to require that such regulations provide that the fair market value of cannabis: (1) will be calculated and published by the Department on a quarterly basis not more than 30 days after the end of each calendar quarter; and (2) is the median sales price for wholesale sales between cannabis cultivation facilities and cannabis establishments that are not affiliates, per pound or each, during the calendar quarter. (NRS 678B.640, as amended by section 9 of Assembly Bill No. 430, chapter 450, Statutes of Nevada 2023, at page 2753) Existing regulations adopted before the enactment of A.B. 430 establish various categories of cannabis and set forth the manner in which the Department will calculate the fair market value at wholesale of cannabis for those categories. (NAC 372A.155) **Section 17** of this regulation revises the manner by which the Department will calculate the fair market value at wholesale of a category of cannabis to conform to the requirements imposed by A.B. 430. Additionally, **section 17** revises the categories of cannabis for which the Department will calculate the fair market value at wholesale.

Before the enactment of A.B. 430, existing law imposed the excise tax on cannabis on each wholesale sale in this State of cannabis by a medical or adult-use cannabis cultivation facility to another cannabis establishment. (NRS 372A.290) A.B. 430 revised provisions imposing the excise tax on wholesale sales of cannabis to apply the tax only to the first wholesale sale in this State of cannabis. (NRS 372A.290) **Section 18** of this regulation removes provisions of existing regulations that have been rendered duplicative of provisions of existing law after the enactment of A.B. 430. **Section 18** also revises provisions requiring each taxpayer to keep documentation for verification that the excise tax on wholesale sales of cannabis was paid to instead require all taxpayers, whether subject to the excise tax on wholesale sales or retail sales of cannabis, to keep documentation for verification that the applicable excise tax on cannabis was properly reported and paid.

**Sections 2-10** of this regulation define words and terms used in this regulation. **Section 16** of this regulation makes a conforming change to indicate the proper placement of **sections 2-15** in the Nevada Administrative Code.

**Section 19** of this regulation repeals certain obsolete provisions concerning the administration and enforcement of certain taxes imposed on certain sales of cannabis by a marijuana cultivation facility or retail marijuana store.

A copy of the regulations referenced above can be found on the Department's website at [https://tax.nv.gov/Boards/Public\\_Meetings/](https://tax.nv.gov/Boards/Public_Meetings/) and at the Nevada Legislature's website at <https://www.leg.state.nv.us/App/Notice/A/>.

All interested parties will have the opportunity to present their ideas. Please submit all suggestions in writing at least one week prior to the Workshop so the suggestions can be disseminated at the meeting. Written comments may be accepted at any time. Please email any comments to Sarah Glazner at [sglazner@tax.state.nv.us](mailto:sglazner@tax.state.nv.us) so they may be posted to the Departments website. All public input will be

considered in preparing a proposed regulation to be presented to the Nevada Tax Commission for adoption.

In compliance with the Americans with Disabilities Act, individuals requiring special accommodations to participate in this workshop should notify Tina Padovano at 775-684-2096 or [tpadovano@tax.state.nv.us](mailto:tpadovano@tax.state.nv.us) at least 3 days before the workshop. In order to comply with the security procedures of the Department, you will be required to show identification and sign a visitor's log prior to entering the meeting room.

If you need an accommodation in order to communicate during the workshop, the Department will provide one at no cost to you. Arrangements for an interpreter should be made as soon as possible, but no later than 14 days before the scheduled meeting. Please contact Tina Padovano at 775-684-2096 at least 14 days in advance to request an interpreter in your preferred language. You may also submit your request to [tpadovano@tax.state.nv.us](mailto:tpadovano@tax.state.nv.us).

Si necesita una ayuda para comunicarse durante la audiencia, el Departamento se lo proporcionará sin costo alguno. Los trámites para conseguir un intérprete deben hacerse lo antes posible, pero a más tardar 14 días antes de la cita programada. Por favor, póngase en contacto con Tina Padovano al 775-684-2096 con al menos 14 días de anticipación para solicitar un intérprete en su idioma de preferencia. También puede solicitarlo a través de [tpadovano@tax.state.nv.us](mailto:tpadovano@tax.state.nv.us).

**Notice has been posted at the following location:** The Department of Taxation – 3850 Arrowhead Drive, Carson City.

**Notice has been EMAILED/MAILED for posting at the following locations:** Department of Taxation - 4600 Kietzke Lane, Building L, Ste 235, Reno; Department of Taxation - 700 E. Warm Springs Rd, Ste 200, Las Vegas; The Legislative Building - Capitol Complex, Carson City; The Nevada State Library -100 Stewart Street, Carson City; Interested Parties Group, and the Mailing List maintained by the Department. Notice of this meeting was posted on the Department of Taxation website at <https://tax.nv.gov/>, on the Legislative website at <https://www.leg.state.nv.us/>, and the Nevada Public Notice Website at <https://notice.nv.gov/>.

If you have any questions, please feel free to call Sarah Glazner at 775-684-2059.



**Nevada Tax Commission**  
**Proposed Regulations**

**R036-24, R040-24, R041-24, R044-24, R045-24, R046-24 and R052-23**

**Regulatory Workshops**

**Agenda**

**Conducted by:**

NEVADA DEPARTMENT OF TAXATION

***Date and Time of Meeting:***

***July 9, 2024***

***9:00 a.m.***

**Place of Meeting:**

**Nevada Department of Taxation  
4600 Kietzke Lane, Suite L235  
Reno, NV 89502**

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- I. **\*\*Public Comment** – In consideration of others, who may also wish to provide public comment, please avoid repetition and limit your comments to no more than five (5) minutes. Please email any comments to Tina Padovano at [tpadovano@tax.state.nv.us](mailto:tpadovano@tax.state.nv.us) so they may be posted to the Departments website.

To provide public comment by telephone, please dial:

+1 669 444 9171 US or +1 669 900 9128 US (San Jose) or +1 719 359 4580 US +1 253 205 0468 US or + 1 253 215 8782 or +1 346 248 7799 US (Houston) or +1 309 205 3325 US or +1 312 626 6799 US (Chicago) or +1 360 209 5623 US or +1 386 347 5053 US or +1 507 473 4847 US or +1 564 217 2000 US or +1 646 558 8656 US (New York) or +1 646 931 3860 US or +1 689 278 1000 US or +1 301 715 8592 US (Washington DC) or +1 305 224 1968 US

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- II. Workshop to solicit comments from interested parties regarding the proposed permanent regulation of the Nevada Tax Commission, LCB File No. R036-24, which revises provisions relating to the determination of the taxable value of land within a qualified subdivision; revises provisions relating to the partial abatement of property taxes; provides that staff who provide orientation in certain hearings held before the Nevada Tax Commission are staff of the Department of Taxation; repeals various provisions relating to property tax; and provides other matters properly relating thereto.
- III. Workshop to solicit comments from interested parties regarding the proposed permanent regulation of the Nevada Tax Commission, LCB File No. R040-24, which repeals the regulation requiring a business entity whose Nevada gross revenue for a taxable year is less than \$4,000,000 to file a commerce tax return; and provides other matters properly relating thereto.
- IV. Workshop to solicit comments from interested parties regarding the proposed permanent regulation of the Nevada Tax Commission, LCB File No. R041-24, which revises requirements for the maintenance of certain records by a taxpayer that is an escort or escort service; and provides other matters properly relating thereto.
- V. Workshop to solicit comments from interested parties regarding the proposed permanent regulation of the Nevada Tax Commission, LCB File No. R044-24, which revises provisions governing the administration and collection of excise taxes on the connection of a passenger to certain forms of transportation; and provides other matters properly relating thereto.
- VI. Workshop to solicit comments from interested parties regarding the proposed permanent regulation of the Nevada Tax Commission, LCB File No. R045-24, which repeals regulations relating to the remittance of the state estate tax; and provides other matters properly relating thereto.
- VII. Workshop to solicit comments from interested parties regarding the proposed permanent regulation of the Nevada Tax Commission, LCB File No. R046-24, which repeals

provisions relating to certain credits against an insurer's liability for the general tax on insurance premiums which have been eliminated; repeals a provision illustrating the application of existing law requiring certain insurers to report and pay the tax on a quarterly basis; and provides other matters properly relating thereto.

- VIII. Workshop to solicit comments from interested parties regarding the proposed permanent regulation of the Nevada Tax Commission, LCB File No. R052-23, which establishes certain requirements relating to the excise tax on cannabis concerning cannabis and adult-use cannabis products obtained or purchased by a cannabis consumption lounge; requires an adult-use cannabis retail store to document and report to the Department of Taxation each sale of cannabis or an adult-use cannabis product to an independent cannabis consumption lounge; imposes and revises certain requirements relating to the keeping of records concerning the excise tax on cannabis; imposes certain requirements on cannabis sales facilities and cannabis consumption lounges relating to the payment of sales tax; revises the manner in which the Department will calculate the fair market value at wholesale of cannabis; eliminates certain obsolete and duplicative provisions; and provides other matters properly relating thereto.

A copy of the regulations referenced above can be found on the Department's website at [https://tax.nv.gov/Boards/Public\\_Meetings/](https://tax.nv.gov/Boards/Public_Meetings/) and at the Nevada Legislature's website at <https://www.leg.state.nv.us/App/Notice/A/>.

- IX. \*\*Public Comment – In consideration of others, who may also wish to provide public comment, please avoid repetition and limit your comments to no more than five (5) minutes.

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- X. Adjourn

**Note: Items on this agenda may be taken in a different order than listed. Items may be combined for consideration by the Department of Taxation. Items may be pulled or removed from the agenda at any time.**

**\*\*This item is to receive public comment on any issue and any discussion of those issues, provided that comment will be limited to areas relevant to and within the authority of the Nevada Department of Taxation. No action will be taken on any items raised in the public comment period. Public Comment may not be limited based on viewpoint.**

Please contact Sarah Glazner at 775-684-2059 or [sglazner@tax.state.nv.us](mailto:sglazner@tax.state.nv.us) for any support materials. The support materials will be available at <https://tax.nv.gov/> and made available during the meeting located at the Nevada Department of Taxation, 4600 Kietzke Lane, Ste L235, Reno.

In compliance with the Americans with Disabilities Act, individuals requiring special accommodations to participate in this workshop should notify Tina Padovano at 775-684-2096 or [tpadovano@tax.state.nv.us](mailto:tpadovano@tax.state.nv.us) at least 3 days before the workshop. In order to comply with the security procedures of the Department, you will be required to show identification and sign a visitor's log prior to entering the meeting room.

If you need an accommodation in order to communicate during the workshop, the Department will provide one at no cost to you. Arrangements for an interpreter should be made as soon as possible, but no later than 14 days before the scheduled meeting. Please contact Tina Padovano at 775-684-2096 at least 14 days in advance to request an interpreter in your preferred language. You may also submit your request to [tpadovano@tax.state.nv.us](mailto:tpadovano@tax.state.nv.us).

Si necesita una ayuda para comunicarse durante la audiencia, el Departamento se lo proporcionará sin costo alguno. Los trámites para conseguir un intérprete deben hacerse lo antes posible, pero a más tardar 14 días antes de la cita programada. Por favor, póngase en contacto con Tina Padovano al 775-684-2096 con al menos 14 días de anticipación para solicitar un intérprete en su idioma de preferencia. También puede solicitarlo a través de [tpadovano@tax.state.nv.us](mailto:tpadovano@tax.state.nv.us).

**Notice of this workshop has been posted at the following location:** The Department of Taxation – 3850 Arrowhead Drive, Carson City.

**Notice has been EMAILED/MAILED for posting at the following locations:**

Department of Taxation - 4600 Kietzke Lane, Building L, Ste 235, Reno; Department of Taxation - 700 E. Warm Springs Rd, Ste 200, Las Vegas; The Legislative Building - Capitol Complex, Carson City; The Nevada State Library -100 Stewart Street, Carson City; Interested Parties Group, and the Mailing List maintained by the Department. Notice of this meeting was posted on the Department of Taxation website at <https://tax.nv.gov/>, on the Legislative website at <https://www.leg.state.nv.us/>, and the Nevada Public Notice Website at <https://notice.nv.gov/>.

**SMALL BUSINESS IMPACT STATEMENT AS REQUIRED BY  
NRS 233B.0608 and NRS 233B.0609**

**LCB File No. R036-24**

**1. Background**

LCB File No. R036-24, revises provisions relating to the determination of the taxable value of land within a qualified subdivision; revises provisions relating to the partial abatement of property taxes; provides that staff who provide orientation in certain hearings held before the Nevada Tax Commission are staff of the Department of Taxation; repeals various provisions relating to property tax; and provides other matters properly relating thereto.

Existing law provides methods for determining the taxable value of property and requires the Nevada Tax Commission to establish by regulation the criteria for the valuation of two or more parcels as a subdivision. (NRS 361.227) Existing regulations require the county assessor to use certain information, as he or she deems appropriate, in determining the taxable value of land within a qualified subdivision, including the estimated 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. (NAC 361.1295) **Section 5** of this regulation clarifies that the parcels to be used in calculating the estimated retail selling price are all parcels which have not been sold, rented or otherwise occupied.

Existing law provides a partial abatement of the property taxes levied on property for which an assessed valuation has previously been established, a remainder parcel of real property, certain single-family residences which serve as the primary residence of the owner and certain residential rental dwellings. (NRS 361.4722, 361.4723, 361.4724) Existing regulations set forth procedures for claiming the primary residential abatement and the residential rental abatement. (NAC 361.606, 361.607) Existing regulations require a county assessor, before delivering the tax roll to the county tax receiver each year, to 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. (NAC 361.6055) **Section 7** of this regulation provides that such a determination is only required for such properties for which a claim for a primary residential abatement or a residential rental abatement is made. **Section 6** of this regulation defines the term “abatement percentage” for the purposes of provisions relating to the partial abatement of taxes.

Under existing law, if a new parcel or other taxable unit of property is a remainder parcel, the remainder parcel qualifies for a partial abatement of property taxes, and the taxes on the remainder parcel may not increase by more than a certain percentage of the taxes which would have been imposed on the remainder parcel in the immediately preceding fiscal year if an assessed valuation had been separately established for the remainder

parcel for the immediately preceding fiscal year. (NRS 361.4722) Existing regulations set forth the manner in which a new parcel is determined to be a remainder parcel that qualifies for a partial abatement of property taxes. Under existing regulations, each new parcel for development must be evaluated to determine whether there has been any change in the use of the property that comprises the parcel. If the use of such property has not changed, the parcel is a remainder parcel and qualifies for the partial abatement of taxes. However, if the use of such property has changed, the parcel is a new parcel for development and does not qualify for a partial abatement of taxes. Existing regulations require a determination that there is a change in the use of the property to be based on certain findings, including a finding that the property was being used as vacant land as of the commencement of the prior year and, 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 subdivisions, the property is held for commercial or industrial use as of the commencement of the current year. (NAC 361.61034) **Section 8** of this regulation authorizes a determination that there is a change in the use of a property to be based on a finding that the property was being used as vacant land as of the commencement of the prior year and as the result of the recording of a subdivision map creating new commercial or industrial parcels, the property is held for commercial or industrial use as of the commencement of the current year.

Existing law authorizes a taxpayer who is aggrieved by a determination relating to the applicability of certain partial abatements from taxation to, under certain circumstances, submit a written petition for the review of such a determination to the county assessor or the Department of Taxation, as applicable. Existing law further authorizes a taxpayer who is aggrieved by a decision rendered by the county assessor or the Department in such a review to appeal the decision to the Commission. (NRS 361.4734) Existing regulations set forth procedures for such appeals to the Commission. (NAC 361.6105-361.61074) Existing regulations provide that the order in which arguments will ordinarily be received from the parties in a hearing held before the Commission is: (1) orientation by staff; (2) argument by the petitioner; (3) argument by interveners; (4) argument by any other party; and (5) rebuttal by the petitioner. (NAC 361.6107) Existing regulations define the term “staff” for purposes of such provisions to mean staff of the Department. (NAC 361.61062) **Section 10** of this regulation provides that the staff who provide such orientation are staff of the Department. **Section 11** of this regulation repeals the definition of “staff” which is made duplicative by the changes in **section 10**. **Section 9** of this regulation makes a conforming change to remove a reference to this repealed provision.

Existing law exempts certain property from taxation, including, with certain exceptions, fine art for public display. (NRS 361.068, 361.186) Existing law requires a person claiming such an exemption to make available for educational purposes and not for resale, upon written request and without charge to any public school, private school and parent of a child who receives instruction in a home, one copy of a poster depicting the fine art that the facility has on public display if such a poster is available for purchase by the public at the time of the request. (NRS 361.068) Existing regulations require, upon the receipt of a request for such a poster, the taxpayer claiming such an exemption to select which poster to provide to the school or parent.

(NAC 361.044) **Section 11** repeals this requirement and **section 1** of this regulation makes a conforming change to remove a reference to the repealed provision.

Existing law provides that, with certain exceptions, certain qualified systems that provide heating, cooling or electricity are exempt from taxation for purposes of the assessment of property pursuant to chapter 361 of NRS. (NRS 701A.200) Assembly Bill No. 621, which was enacted during the 2007 Legislative Session, repealed a substantially similar provision of law which provided an exemption from property taxes for any value added to the assessed value of a building by certain qualified systems that provide heating, cooling or electricity. (Section 16, chapter 539, Statutes of Nevada 2007, at page 3389) **Section 11** repeals provisions relating to the valuation of a qualified system and reporting requirements relating to buildings containing such systems. (NAC 361.052-361.058)

**Section 11** also repeals provisions: (1) requiring each county assessor of a county to furnish to the Department certain information regarding the appraisal and valuation of property; (2) describing the stock and debt approach to valuing certain property used in the operation of utilities; and (3) providing a method to adjust apportionments to school districts during the fiscal year, as authorized by law prior to the enactment of Senate Bill No. 543 of the 2019 Legislative Session, which established the Pupil-Centered Funding Plan. **Sections 2-4** of this regulation make conforming changes to remove references to provisions repealed by **section 11**.

**2. A description of the manner in which comment was solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R036-24. The proposed language and questionnaire were dispersed to the following:

- Emailed by the Department to 192 members of its interested parties list.
- Mailed to 10 Rural Businesses
- Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

The content of the response is summarized below:

- No response was received for LCB Draft of Proposed Regulation - File No. R036-24.

Anyone interested in obtaining a copy of the completed small business impact questionnaire used for this summary, can contact:

Sarah Glazner  
Nevada Department of Taxation  
3850 Arrowhead Drive, 2<sup>nd</sup> Floor  
Carson City, NV 89706  
[sglazner@tax.state.nv.us](mailto:sglazner@tax.state.nv.us)  
Phone: (775) 684-2059  
Fax: (775) 684-2020

**3. The manner in which the analysis was conducted, including the methods used to determine the impacts of the proposed regulation on small businesses.**

Governor's Executive Order No. 2023-003 mandated that the Nevada Tax Commission recommend the removal of at least 10 regulations and suggest amendments to other regulations under its jurisdiction that could be streamlined, clarified, reduced, or otherwise improved. This review was aimed at ensuring the regulations are effective, relevant, and as minimally burdensome as possible while still achieving their intended purpose.

The Department developed a comprehensive spreadsheet listing every regulation within each chapter under the Commission's jurisdiction. This spreadsheet was shared with Department staff and public stakeholders to solicit recommendations for amendments or repeals under the Executive Order in 2023 and the recommendations were approved by the Commission as well as the Governors Office.

No response was received to the questionnaire dispersed on June 3, 2024.

The Department of Taxation has concluded that the changes proposed to NAC Chapter 361 (LCB File No. R036-24) will not affect small businesses.

**4. The estimated economic effect of the proposed regulation on the small businesses which it is to regulate:**

**Direct and indirect adverse effects**

Not Applicable – Please see number 2.

**Direct and indirect beneficial effects**

Not Applicable – Please see number 2.



5. **A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.**

Not Applicable – Please see number 2.

6. **The estimated cost to the agency for enforcement of the proposed regulation.**

The proposed regulation presents no significant foreseeable or anticipated cost or decrease in costs for enforcement.

7. **If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

The proposed permanent regulation does not include new fees or increase an existing fee.

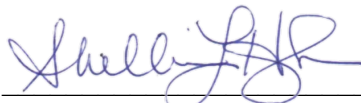
8. **If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.**

The proposed regulation does not overlap or duplicate any regulation of other federal, state or local government entities.

9. **The reasons for the conclusion of the agency regarding the impact of a regulation on small businesses.**

The Department has determined that there will be no impacts to small businesses based on its analysis of the proposed regulation.

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



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**Shellie Hughes**, Executive Director

June 20, 2024

**PROPOSED REGULATION OF THE  
NEVADA TAX COMMISSION**

**LCB File No. R036-24**

April 15, 2024

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

AUTHORITY: §§ 1 and 11, NRS 360.090; §§ 2-4, NRS 361.090 and 360.250; § 5, NRS 360.090, 360.250 and 361.227; § 7, NRS 360.090, 361.4722, 361.4723 and 361.4724; §§ 6 and 8, NRS 360.090 and 361.4722; §§ 9 and 10, NRS 360.090 and 361.4734.

A REGULATION relating to taxation; revising provisions relating to the determination of the taxable value of land within a qualified subdivision; revising provisions relating to the partial abatement of property taxes; providing that staff who provide orientation in certain hearings held before the Nevada Tax Commission are staff of the Department of Taxation; repealing various provisions relating to property tax; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law provides methods for determining the taxable value of property and requires the Nevada Tax Commission to establish by regulation the criteria for the valuation of two or more parcels as a subdivision. (NRS 361.227) Existing regulations require the county assessor to use certain information, as he or she deems appropriate, in determining the taxable value of land within a qualified subdivision, including the estimated 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. (NAC 361.1295) **Section 5** of this regulation clarifies that the parcels to be used in calculating the estimated retail selling price are all parcels which have not been sold, rented or otherwise occupied.

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claim for a primary residential abatement or a residential rental abatement is made. **Section 6** of this regulation defines the term “abatement percentage” for the purposes of provisions relating to the partial abatement of taxes.

Under existing law, if a new parcel or other taxable unit of property is a remainder parcel, the remainder parcel qualifies for a partial abatement of property taxes, and the taxes on the remainder parcel may not increase by more than a certain percentage of the taxes which would have been imposed on the remainder parcel in the immediately preceding fiscal year if an assessed valuation had been separately established for the remainder parcel for the immediately preceding fiscal year. (NRS 361.4722) Existing regulations set forth the manner in which a new parcel is determined to be a remainder parcel that qualifies for a partial abatement of property taxes. Under existing regulations, each new parcel for development must be evaluated to determine whether there has been any change in the use of the property that comprises the parcel. If the use of such property has not changed, the parcel is a remainder parcel and qualifies for the partial abatement of taxes. However, if the use of such property has changed, the parcel is a new parcel for development and does not qualify for a partial abatement of taxes. Existing regulations require a determination that there is a change in the use of the property to be based on certain findings, including a finding that the property was being used as vacant land as of the commencement of the prior year and, 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 subdivisions, the property is held for commercial or industrial use as of the commencement of the current year. (NAC 361.61034) **Section 8** of this regulation authorizes a determination that there is a change in the use of a property to be based on a finding that the property was being used as vacant land as of the commencement of the prior year and as the result of the recording of a subdivision map creating new commercial or industrial parcels, the property is held for commercial or industrial use as of the commencement of the current year.

Existing law authorizes a taxpayer who is aggrieved by a determination relating to the applicability of certain partial abatements from taxation to, under certain circumstances, submit a written petition for the review of such a determination to the county assessor or the Department of Taxation, as applicable. Existing law further authorizes a taxpayer who is aggrieved by a decision rendered by the county assessor or the Department in such a review to appeal the decision to the Commission. (NRS 361.4734) Existing regulations set forth procedures for such appeals to the Commission. (NAC 361.6105-361.61074) Existing regulations provide that the order in which arguments will ordinarily be received from the parties in a hearing held before the Commission is: (1) orientation by staff; (2) argument by the petitioner; (3) argument by interveners; (4) argument by any other party; and (5) rebuttal by the petitioner. (NAC 361.6107) Existing regulations define the term “staff” for purposes of such provisions to mean staff of the Department. (NAC 361.61062) **Section 10** of this regulation provides that the staff who provide such orientation are staff of the Department. **Section 11** of this regulation repeals the definition of “staff” which is made duplicative by the changes in **section 10**. **Section 9** of this regulation makes a conforming change to remove a reference to this repealed provision.

Existing law exempts certain property from taxation, including, with certain exceptions, fine art for public display. (NRS 361.068, 361.186) Existing law requires a person claiming such an exemption to make available for educational purposes and not for resale, upon written request and without charge to any public school, private school and parent of a child who receives instruction in a home, one copy of a poster depicting the fine art that the facility has on public display if such a poster is available for purchase by the public at the time of the request. (NRS

361.068) Existing regulations require, upon the receipt of a request for such a poster, the taxpayer claiming such an exemption to select which poster to provide to the school or parent. (NAC 361.044) **Section 11** repeals this requirement and **section 1** of this regulation makes a conforming change to remove a reference to the repealed provision.

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**Section 11** also repeals provisions: (1) requiring each county assessor of a county to furnish to the Department certain information regarding the appraisal and valuation of property; (2) describing the stock and debt approach to valuing certain property used in the operation of utilities; and (3) providing a method to adjust apportionments to school districts during the fiscal year, as authorized by law prior to the enactment of Senate Bill No. 543 of the 2019 Legislative Session, which established the Pupil-Centered Funding Plan. **Sections 2-4** of this regulation make conforming changes to remove references to provisions repealed by **section 11**.

**Section 1.** NAC 361.030 is hereby amended to read as follows:

361.030 As used in NAC 361.030 to ~~361.044,~~ **361.040**, 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 361.068.

**Sec. 2.** NAC 361.106 is hereby amended to read as follows:

361.106 As used in NAC 361.106 to ~~361.1315,~~ **361.131**, inclusive, unless the context otherwise requires, the words and terms defined in NAC 361.107 to 361.1176, inclusive, have the meanings ascribed to them in those sections.

**Sec. 3.** NAC 361.1218 is hereby amended to read as follows:

361.1218 For the purposes of carrying out the provisions of NAC 361.106 to ~~361.1315,~~ **361.131**, 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.

**Sec. 4.** NAC 361.1285 is hereby amended to read as follows:

361.1285 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 361.106 to ~~361.1315~~, **361.131**, inclusive.

2. When determining the taxable value of a community unit, a county assessor must, in addition to any other adjustments, adjust the sales prices of, or the base lot or comparative unit values derived from, properties which are comparable to the community unit as necessary, based upon verifiable market data, to reflect the unique physical characteristics of the common-interest community and the characteristics of ownership of the community unit, including, without limitation:

(a) The relative location of the community unit 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 361.233 have the meanings ascribed to them in that section.

**Sec. 5.** NAC 361.1295 is hereby amended to read as follows:

361.1295 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~~ *have* not *been* 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~~ *has* not *been* 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.

**Sec. 6.** NAC 361.6015 is hereby amended to read as follows:

361.6015 “Abatement percentage” ~~has~~ *means, with regard to any property for which* the ~~meaning ascribed~~ *owner thereof is entitled to* ~~fit in~~ *a partial abatement from taxation pursuant to:*

*1. Subsection 1 of NRS ~~361.4711~~ 361.4722, the percentage determined pursuant to paragraph (b) of that subsection; or*

*2. Subsection 2 of NRS 361.4722, the percentage determined pursuant to paragraph (b) of that subsection.*

**Sec. 7.** NAC 361.6055 is hereby amended to read as follows:

361.6055 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, determine whether each parcel or other taxable unit of property designated on the tax roll *for which a claim for a primary residential abatement or a residential rental abatement was received* is:

(1) Eligible for a primary residential abatement ~~;~~

~~—(2) Eligible for~~ *or* a residential rental abatement ~~;~~ *, as applicable;*

~~{(3)}~~ (2) Eligible for a general abatement; or

~~(4)~~ (3) 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.

**Sec. 8.** NAC 361.61034 is hereby amended to read as follows:



361.61034 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 ~~at~~ 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 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.

**Sec. 9.** NAC 361.6105 is hereby amended to read as follows:

361.6105 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 ~~361.61062,~~ 361.6106, inclusive, have the meanings ascribed to them in those sections.

**Sec. 10.** NAC 361.6107 is hereby amended to read as follows:

361.6107 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~~ *of the Department*;
2. Argument by the petitioner;
3. Argument by interveners;
4. Argument by any other party; and
5. Rebuttal by the petitioner.

**Sec. 11.** NAC 361.044, 361.052, 361.054, 361.056, 361.058, 361.1315, 361.150, 361.151, 361.427 and 361.61062 are hereby repealed.

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## TEXT OF REPEALED SECTIONS

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**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.

**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.

**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.

**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.

**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.

**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.

**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.

**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.

**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.

**361.61062 “Staff” defined.** (NRS 360.090, 361.4734) “Staff” has the meaning ascribed to it in NAC 360.040.