



STATE OF NEVADA
DEPARTMENT OF TAXATION

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Posted 7/15/24

NOTICE OF INTENT TO ACT UPON A REGULATION

Notice of Hearing for the Adoption of

LCB File No. R045-24

Nevada Tax Commission

The Nevada Tax Commission will hold a Public Hearing at **9:00 a.m.** on **Wednesday, August 14, 2024**. The purpose of the hearing is to receive comments from all interested parties regarding the adoption of the regulation that pertains to LCB File No. R045-24.

You may attend this meeting at either of the following physical locations:

Nevada Department of Taxation
700 E. Warm Springs Road, 1st Floor
Las Vegas, Nevada 89119

Legislative Counsel Bureau
401 South Carson Street, Room 2135
Carson City, NV 89701

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. Need and purpose of the proposed regulations or amendments

Proposed permanent regulation R045-24, repeals regulations relating to the remittance of the state estate tax; and provides other matters properly relating thereto.

This Regulation is necessary to comport with recent changes to Federal and State estate tax laws. The estate tax is not currently imposed or collected in Nevada and this Regulation repeals provisions which otherwise require documentation and payment with the Department of Taxation.

2. How to obtain the approved or revised text of regulations prepared by LCB

You may obtain a copy of the proposed permanent regulation by writing to the Nevada Department of Taxation, 3850 Arrowhead Drive, 2nd Floor, Carson City, Nevada 89706; or by calling the office at (775) 684-2059. The proposed permanent regulation is also available for review and download on the Department of Taxation website at <https://tax.nv.gov/> or on the Nevada Legislature website at <https://www.leg.state.nv.us/>.

3. Methods used in determining the impact on a small business

The agency used informed, reasonable judgment in determining that there will not be an impact on small businesses due to the nature of the regulation changes. The Department prepared a small business impact questionnaire that was forwarded to the Interested Parties List which is maintained by the Department. No comment was returned by members of the public.

The Department will continue to accept input on the impact of the proposed permanent regulation on small businesses through the regulatory process. No respondents indicated that this regulation would have a direct and significant economic burden upon a small business.

The Department held a workshop for concerned members of the public to state their concerns and submit correspondence regarding the regulation. No members of the public expressed concern about impacts to small businesses.

4. Estimated economic effect of regulation on businesses and the public

a. Adverse and beneficial effects

The proposed permanent regulation does not present any reasonable, foreseeable or anticipated adverse economic effects on small businesses or the public.

b. Immediate and long-term effects

The proposed permanent regulation does not present any reasonable, foreseeable or anticipated immediate or long-term economic effects on small businesses or the public.

5. Cost for enforcement of the regulations

The proposed permanent regulation does not present any significant, foreseeable or anticipated cost or decrease in costs for enforcement.

6. Overlap or duplication of other state or local governmental agencies

The proposed permanent regulation does not overlap or duplicate any regulation of other state or local governmental entities.

7. Regulation required by federal law

Not Applicable

8. More stringent than federal regulations

The Department is not aware of any similar federal regulations of the same activity in which the state regulations are more stringent.

9. New or increases in existing fees

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

Persons wishing to comment on the proposed action of the Nevada Tax Commission may appear at the above scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the Nevada Tax Commission, 3850 Arrowhead Drive, 2nd Floor, Carson City, Nevada 89706. Written submissions must be received at least two weeks prior to the above scheduled public hearing.

Under NRS 233B.064(2), when adopting any regulation, the Agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption and incorporation, and its reason for overruling the consideration urged against its adoption.

A copy of the Notice and the proposed permanent regulation to be adopted and/or amended is on file and has been posted at the following location: The Department of Taxation - 3850 Arrowhead Drive, 2nd Floor, Carson City, Nevada 89706.

Members of the public may inspect these documents during regular business hours at the above location. Additional copies of the notice and proposed permanent regulation to be adopted and/or amended are available at the below locations.

The text of the proposed permanent regulation will include the entire text of any section of the Nevada Administrative Code, which is proposed for amendment or repeal. Copies will be mailed to members of the public upon request. A reasonable fee may be charged for copies if deemed necessary.

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

Department of Taxation - 4600 Kietzke Lane, Building L, Ste 235, Reno, Nevada; Department of Taxation - 700 E. Warm Springs Rd, Ste 200, Las Vegas, Nevada; The Legislative Building – 401 S. Carson St., Carson City, Nevada and 555 E. Washington Ave. # 4400, Las Vegas, Nevada; The Nevada State Library -100 Stewart Street, Carson City, Nevada; 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/>.

In compliance with the Americans with Disabilities Act, individuals requiring special accommodations to participate in this hearing should notify Tina Padovano at 775-684-2096 or tpadovano@tax.state.nv.us at least 3 days before the hearing. 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 hearing, 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.

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.

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R045-24

April 11, 2024

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

AUTHORITY: § 1, NRS 360.090, 375A.150 and 375A.800.

A REGULATION relating to taxation; repealing regulations relating to the remittance of the state estate tax; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

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)

Section 1. NAC 375A.010, 375A.020 and 375A.030 are hereby repealed.

TEXT OF REPEALED SECTIONS

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.

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 the personal representative files the documentation required pursuant to NRS 375A.150.

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 or her:

(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.