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**Guidance Letter 11-002**

Date: 6-15-11

To: County Assessors

From: Terry E. Rubald, Chief, Division of Assessment Standards

CC: Christopher G. Nielsen, Interim Executive Director, Department of Taxation  
Bruce Bartolowits, Supervisor, Locally Assessed Properties

Subject: **AMENDMENT TO APPLICATION OF MARSHALL VALUATION SERVICE OR MARSHALL AND SWIFT RESIDENTIAL COST HANDBOOK INFORMATION TO CONVERTED SHIPPING CONTAINER BOXES (CONEX BOXES)**

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**SUMMARY:** Guidance Letter 10-004 discussed how to determine whether a Converted Shipping Container Box (Conex Box) is a fixture and if it is a fixture, the application of Marshall Valuation Service or Marshall and Swift Residential Cost Handbook information. This amendment clarifies the meaning of NAC 361.085 for exemption purposes.



*Example Conex Box*

**AUTHORITY:**

**NRS 360.215(2):** The Department shall consult and assist county assessors to develop and maintain standard assessment procedures to be applied and used in all of the counties of the State, to ensure that assessments of property by county assessors are made equal in each of the several counties of this state.

**APPLICATION:**

1. Determine whether the conex box is real or personal property. If the conex box meets the criteria of a fixture as defined in LCB File No. R039-10, Section 16, then it is real property. In general, conex boxes are converted shipping containers which have been physically or constructively annexed to the land and are intended to remain as a permanent fixture. Exceptions to this generality must be based on the conditions

present for the individual conex box, consistent with the requirements of LCB File No. R039-10, Section 16. See also Appendix E in the 2012-2013 Personal Property Manual which discusses the fixture test.

2. If the conex box is determined to be a fixture, and is 120 square feet or greater, it must be valued as a shed. See page C-2 of Marshall Swift Residential Cost Manual or Section 17, Page 25, Secure Storage Modular Shed Buildings. *See also LCB File No. R039-10, Section 54 modifying NAC 361.128(1), requiring the use of the Marshall Swift Residential Cost Handbook and Marshall Valuation Service.* The square footage is an important component in determining whether the conex box should be treated as a shed, in order to be consistent with NAC 361.085. NAC 361.085 interprets the exemption provided in NRS 361.069 for portable goods and storage shed and other house equipment to include “a portable shed which is less than 120 square feet in area and which does not have a foundation.” By inference, therefore, a storage shed less than 120 square feet which does have a foundation is not included in the exemption provided in NRS 361.069. Furthermore, a storage shed that is 120 square feet or greater, whether or not it has a foundation, is also not included in the exemption provided in NRS 361.069.

#### WEBSITE LOCATIONS:

Nevada Revised Statutes (NRS): <http://www.leg.state.nv.us/NRS/>  
Nevada Administrative Code: <http://www.leg.state.nv.us/NAC/CHAPTERS.html>

Department of Taxation Guidance letters: <http://www.tax.state.nv.us>; then select “Publications;” then select Local Government Services Publications and “Guidance letters.”