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September 16, 2024

RECEIVED
SEP 18 2024
State of Nevada
Department of Taxation

Ms. Sarah Glazner
Management Analyst III
Department of Taxation
3850 Arrowhead Drive
Carson City, Nevada 89706

Re: LCB File No. R045-24

Dear Ms. Glazner,

A regulation adopted by the Nevada Tax Commission has been filed today with the Secretary of State pursuant to NRS 233B.067 or 233B.0675 as appropriate. As provided in NRS 233B.070, this regulation becomes effective upon filing, unless otherwise indicated.

Enclosed are two copies of the regulation bearing the stamp of the Secretary of State which indicates that it has been filed. One copy is for your records and the other is for delivery to the State Library and Archives Administrator pursuant to subsection 6 of NRS 233B.070.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Killian".

Asher A. Killian
Legislative Counsel

Jeffrey W. Chronister
Deputy Legislative Counsel

Bryan J. Fernley
Chief Deputy Legislative Counsel

AAK/amh
Enclosure

SECRETARY OF STATE
FILING DATA

FILED.NV.SOS
2024 SEP 16 AM 8:57

**Form For Filing
Administrative Regulations**

Agency: Department of Taxation

Permanent Regulation
LCB File No. **R045-24**

FOR EMERGENCY
REGULATIONS ONLY

Effective date _____

Expiration date _____

Governor's signature

Classification: ADOPTED BY AGENCY

Brief description of action: The Nevada Tax Commission adopted LCB File No. **R045-24**, to repeal regulations relating to the remittance of the state estate tax; and provide other matters properly relating thereto.

Authority citation other than 233B: NRS 360.090 and NRS 360.245

Notice date: July 15, 2024

Date of Adoption by Agency: August 14, 2024

Hearing date: August 14, 2024

**APPROVED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R045-24

Filed on September 16, 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.

LEGISLATIVE REVIEW OF ADOPTED REGULATIONS - NRS 233B.066
Informational Statement
LCB File No. R045-24

1. A clear and concise explanation of the need for the adopted regulation.

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. Description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

The Department of Taxation, as staff to the Nevada Tax Commission, solicited comment from the public by issuing a questionnaire to interested parties regarding any impact on small businesses and sending notice of workshops and hearings by electronic or regular mail as follows:

<u>Date of Notice</u>	<u>Workshop/ Hearing</u>	<u>Date of Workshop/Hearing</u>	<u>Number Notified</u>
6/20/24	Workshop	7/9/24	202
7/15/24	Adoption Hearing	8/14/24	203

The mailing list included the interested parties list maintained by the Department. Notices were also posted at the Nevada State Library, Legislative Counsel Bureau and various Department of Taxation locations throughout the State. Comments were also solicited by direct email.

No public responses.

A copy of the recorded comments, the record of proceedings, and/or the Small Business Impact Statement may be obtained by calling the Nevada Department of Taxation at (775) 684-2059 or by writing to the Department of Taxation, 3850 Arrowhead Dr., 2nd Floor, Carson City, Nevada 89706, or by e-mailing the Department at sglazner@tax.state.nv.us.

3. The number of persons (not including Department staff or Commission Members) who:

- (a) Attended each hearing:**
- (b) Testified at each hearing:**
- (c) Submitted written comments:**

Workshop date: July 9, 2024

- (a) Number in attendance: 12
- (b) Number testifying: 0
- (c) Written statements submitted: 0

Adoption Hearing date: August 14, 2024

- (a) Number in attendance: 15
- (b) Number testifying: 0
- (c) Written statements submitted: 0

4. For each person identified in paragraphs (b) and (c) of number 3 above, the following information if provided to the agency conducting the hearing:

Testified at Adoption Hearing:

None

Provided written public comment for Adoption Hearing:

None

5. A description of how comment was solicited from affected businesses, a summary of their response and an explanation of how other interested persons may obtain a copy of the summary.

See response to #2 for description of how comments were solicited from affected businesses and an explanation of how interested persons may obtain a copy of the summary.

Summary of public responses: None

Summary of workshop discussion: None

Summary of Public Comment at Adoption Hearing: None

A copy of the written and recorded comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2059 or by writing to the Department of Taxation, 3850 Arrowhead Dr., 2nd Floor, Carson City, Nevada 89706, or by e-mailing the Department at sglazner@tax.state.nv.us.

6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The Nevada Tax Commission adopted the regulation without changing any part of the proposed regulation. There was no opposition, and the language accomplished the intent of the regulation.

7. The estimated economic effect of the regulation on the business which it is to regulate and on the public. This must include adverse, beneficial, immediate and long-term effects.

(a) Estimated economic effect on the businesses which they are to regulate.

The adopted permanent regulation presents no reasonably foreseeable or anticipated adverse, beneficial, short-term or long-term economic effects on businesses. The federal tax credit was eliminated in 2005 and this regulation is catching up to current law.

(b) Estimated economic effect on the public which they are to regulate.

The adopted permanent regulation presents no reasonably foreseeable or anticipated adverse, beneficial, short-term or long-term economic effects to the public. The federal tax credit was eliminated in 2005 and this regulation is catching up to current law.

8. The estimated cost to the agency for enforcement of the proposed regulation:

Enforcement of the adopted regulation presents no significant foreseeable or anticipated cost or decrease in costs.

9. A description of any regulations of other State or governmental agencies which the regulation overlaps or duplicates and a statement explaining why the duplication or overlap is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

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

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- 10. If the regulation includes provisions that are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.**

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

- 11. If the 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 adopted permanent regulation does not include new fees or increase an existing fee.