



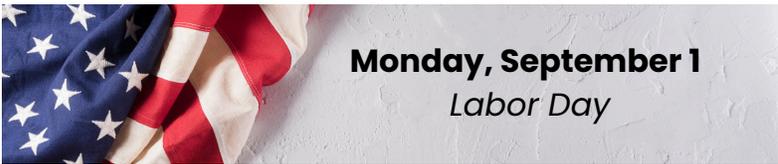
# NEVADA TAX NOTES

The Official Newsletter of the Department of Taxation



**The Reno Office has moved to  
9850 Double R Blvd. Reno, NV 89521.**

## UPCOMING OFFICE CLOSURES



## My Nevada Tax – Phase 2

The Department will launch Phase 2 of My Nevada Tax on Monday, December 8, 2025. The next phase will include Modified Business Tax and Commerce Tax. If you already have an account at My Nevada Tax, you will be able to request access to your MBT or Commerce Tax. If you are new to My Nevada Tax, please create an account and request access to your business.

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The Department of Taxation is hiring! We are recruiting for multiple positions in our Northern and Southern Nevada offices. If you are interested in applying, check out the Department's [careers page](#).



Call Center: (866) 962-3707 Monday – Friday 7:30AM–5:00PM

Carson City  
3850 Arrowhead Dr.  
Carson City, Nevada 89706  
 (775) 684-2000

Reno  
9850 Double R Blvd.  
Reno, Nevada 89521  
 (775) 687-9999

Las Vegas  
700 E. Warm Springs Road, 2nd Floor  
Las Vegas, Nevada 89119  
 (702) 486-2300

# LEGISLATIVE UPDATE

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## Legislative Wins: Department Secures Passage of Key Bills

The Department is pleased to announce the successful passage of several important pieces of legislation during this session. These new laws enhance transparency, modernize communications and strengthen tax administration—ensuring more effective and efficient service to the public.

### **AB11: Enhancing Budget and Legislative Transparency**

AB11 revises the Department’s reporting timeline, requiring that proposed budgets and legislative initiatives be submitted to the Commission in January of each odd-numbered year, rather than June of each even-numbered year. This change aligns the Department’s planning process more closely with the state’s biennial budget cycle.

### **AB594: Modernization and Tax Code Updates**

AB594 brings several key improvements:

- **Electronic Communication Authorization:** The Department is now authorized to send notices, decisions and other official communications electronically—unless a recipient opts out or another law mandates a specific delivery method.
- **Updated Business Classification Standards:** The bill replaces outdated NAICS (North American Industry Classification System) references with the most recent edition, provides that the industry in which a business entity is engaged is determined based on the most recent edition of the NAICS. Updates certain NAICS codes in the publishing, software and data processing business categories to reflect the 2022 version of the NAICS, which is the most recent version published by the Bureau of the Census effective July 1, 2025.
- **Revised Tax Deadlines:** Starting January 1, 2026, businesses must remit sales and use taxes to the Department by the 20th day of the month following the taxable period, promoting timely revenue collection.

### **SB41: Strengthening Cannabis Tax Compliance**

SB41 introduces a new requirement for cannabis businesses:

- Beginning January 1, 2027, any person seeking to sell cannabis or cannabis products must obtain a cannabis tax permit from the Department for each business location before applying for a license from the Cannabis Compliance Board.
- The bill also establishes procedures for permit suspension or revocation in cases of non-compliance with excise tax laws and provides a process for licensees to request a certificate of outstanding tax obligations when transferring a license.

### **SB477: Investment in Project MYNT**

SB477 secures critical funding for Project MYNT, with:

- \$12.46 million allocated for FY2025–26
- \$15.28 million for FY2026–27
- An additional \$5 million in ARPA funds available for use in either fiscal year.

These legislative achievements position the Department to better serve Nevada residents and businesses by streamlining operations, improving compliance and supporting forward-looking initiatives.

# LEGISLATIVE UPDATE CONTINUED

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## **AB375: Alcohol Delivery**

- Authorizes certain restaurants to sell/deliver alcohol off-premises, with new surcharge and recordkeeping requirements enforced by the Department. While this bill is effective upon passage and approval, an order for a restaurant to be able to sell and deliver alcohol off premise, the city or county will first need to adopt an ordinance to authorize the activity. Additionally, the Department will be drafting regulations to provide the amount of the surcharge and what records are required to be kept.

## **AB404: Expanded Brew Pub Operations**

- Permits brew pubs to operate up to two retail locations.
- Revises rules for liquor license investigations, suspensions and revocations.
- Updates payment methods between retailers and wholesalers and mandates record retention for audits.
- This bill becomes effective October 1, 2025.

## **AB471: Remote Tobacco Sales Regulation**

- Allows for online cigar and pipe tobacco sales, including licensing, age verification, and tax compliance.
- The Department will be adopting regulations to carry out the provisions of this bill.
- The bill becomes effective January 1, 2026.

## **SB196: Heavy Equipment Tax Recovery Fee**

- Authorizes a recovery fee for property taxes on rented heavy equipment and requires annual reporting by affected companies.
- Taxpayers will submit their first report to the Department in August 2026.

## **AB535: Tax-Exempt Status Clarity**

- Clarifies criteria for sales tax exemptions for charitable organizations.
- Requires the Department to provide report regarding those entities denied the exemption to the Legislature every odd-numbered year.
- This bill becomes effective July 1, 2025.

The Department will be providing more information on the progress of the implementation of these bills over the next several months.

# TINY HOMES SALES TAXABILITY

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The Department of Taxation (Department) has received inquiries regarding the taxability of tiny homes. Tiny homes have become increasingly popular and are an alternative way for people to purchase a home of their own. A tiny home can be assembled on to a permanent foundation or a mobile platform.

Are tiny homes subject to Nevada sales or use tax? The short answer is yes. To date, tiny homes have not been defined under Nevada Revised Statute (NRS). However, a tiny home is considered tangible personal property and currently does not meet the definition of real property, manufactured home or mobile home. Furthermore, tiny homes do not meet the definitions of mobile vehicles or trailers.

The Nevada Department of Motor Vehicles under Chapter 482 NRS is responsible for titling of mobile vehicles and trailers including recreational park trailers. This agency can collect tax or any additional tax due on purchases made outside of Nevada on behalf of the Department. NRS 372.185.

The Nevada Housing Division under Chapter 489 is responsible for the titling of manufactured homes, mobile homes and other similar vehicles. This agency may require proof of sales tax paid on the purchase of a tiny home before a title can be issued or may require the Department to provide the taxpayer with proof of compliance.

A retailer must collect sales tax on the retail sale of a tiny home. Taxpayers purchasing a tiny home must ensure that the retailer collects sales tax at the time of purchase. If the retailer failed to collect the tax due or the correct amount of tax due, the taxpayer may request a use tax clearance from the Department and remit any additional tax due, if applicable, to obtain proof of compliance.

Requests for a clearance certificate can be submitted through the Departments e-service website: <https://myNVtax.gov/TAP/> .

## CATERERS AND BANQUET MANAGERS

Pursuant to NRS 372.025(2)(a), services provided as part of the sale of tangible personal property are considered an integral component of catering and banquet services and are therefore subject to sales tax.

The following charges are considered taxable: corkage fees, additional bartender fees, additional wait staff fees, charger fees, setup services, cleanup services and carving station fees. Gratuities voluntarily paid to servers are not taxable. Please note that other charges not explicitly listed here may also be taxable if they are considered part of the sale of tangible personal property.

Conversely, services such as facility rental, room decorating, providing music, and similar offerings are not taxable.

# DIRECT MAIL ADVERTISING

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Businesses engaged in direct mail advertising, including the transfer of printed advertising materials (i.e. coupons, flyers, post cards, ads, etc.), are considered to be selling tangible property under NRS 372.060, and are liable to impose and collect sales tax on the gross receipts of the transactions. Non-taxable services, if stated separately on the invoice, and are not directly connected to the sale may be exempt from the tax (NRS 372.025). These services may include graphic art design fees, artwork, die cutting, embossing, folding, stuffing, binding, addressing, inserting or collating, printing addresses, postage, etc. These businesses may also be liable for Use Tax under NRS 372.185 on materials consumed incidental to the service and upon which sales tax has not been paid. Such materials include computers used for creating graphic art, paper used to generate original graphics, machines used for inserting or collating, etc.

For direct mail companies providing pure services wherein the coupons, flyers, post card ads, etc. are customer provided, the act of mailing is a non-taxable transaction. In this case, direct mailers may still be liable for Use Tax on incidental materials consumed as described above.

## DIRECT SALES ORGANIZATIONS (DSO) AKA MULTILEVEL MARKETERS (MLM)

In accordance with the *Nevada Administrative Code* (NAC), sections 372.900–372.912, the Department may, at its discretion, enter into sales tax collection agreements with DSOs authorizing the DSO to collect, report and remit the tax due on its own sales and the sales made by its independent salespersons.

Products sold **to** an independent salesperson for his/her own use are taxed based on the actual sales price paid by the independent salesperson or, if the DSO does not know whether the product was purchased for the salesperson's own use, *on the suggested retail price*.

Products sold **by** an independent salesperson to a retail customer are taxed based on the actual sales price paid by the retail customer or, if the DSO does not have documentation indicating the actual sales price, *on the suggested retail sales price*.

Independent salespersons are not required to separately register with the Department to report and remit sales or use tax on any products purchased from a DSO if the product is covered by the provisions of a sales tax collection agreement with the Department. If the independent salesperson sells other products, then he/she must register with the Department and report and remit his/her own sales/use tax directly to the Department. When an independent salesperson is required to be registered with the Department, it provides the DSO with a resale certificate in lieu of sales tax (NRS 372.155–NRS 372.180 and NAC 372.730).

Sellers registered to collect Nevada sales tax who wish to operate as DSOs must submit a written request to the Department seeking authorization to act as a DSO in this State. ***Unless a seller enters into a signed Nevada Sales/Use Tax Collection Agreement, which is approved by the Nevada Tax Commission, it is not authorized to operate as a Direct Sales Organization and may not collect and remit tax on behalf of its independent salespersons.***

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# DROP SHIPMENTS IN NEVADA

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You sell a product, but a third party ships it directly to your customer from the supplier or manufacturer. So, the product never passes through your hands—you're the "middleman."

Do You Need a Nevada Sales Tax Permit?

YES, if you:

- Have a store, warehouse, or employees in Nevada
- Ship regularly to NV customers
- Exceed \$100,000 in sales or 200+ transactions in Nevada (economic nexus)

NO, if you have no nexus and don't meet these thresholds.

If registered in NV you can use a Nevada resale certificate. If NOT registered in NV, you can use Multistate Tax Commission (MTC) certificate or Streamlined Sales Tax (SST) exemption certificate.

Common Scenarios

- If you do not have physical or economic nexus, use a Nevada drop shipper utilizing an out of state resale certificate or MTC or SST certificate.
- If you have a Nevada business with physical nexus a Permit is required, and you will use your Nevada resale certificate.
- If you meet the economic nexus threshold a Permit is required.

NRS 360.5973, NRS 372.155, NRS 372.225, NRS 360B.200

# DISCOUNT COUPONS

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Many businesses offer their own coupons involving reductions in the price of meals and beverages as an inducement to trade at their place of business. Examples are "\$2.00 off a lunch buffet," "buy-one-get one- free" or "two-for-one." The Department has received a number of complaints from customers who were charged sales tax on the full retail price of the items for which they had a discount coupon. If a retailer provides its own non-reimbursable coupon to a customer, the coupon must be treated as a "cash discount." In other words, sales tax must only be calculated on the net sales price charged the customer (NRS 372.025(3)(a) and 372.065(3)(a)).

EXAMPLES:

- 1) Get \$2.00 off an \$8.00 lunch buffet—the tax is due on the actual cash selling price of \$6.00.
- 2) Buy one dinner entrée for \$15.00, get one entrée free—tax is due on the actual cash-selling price of \$15.00.
- 3) Buy two buffets for the price of one at \$10.00—tax is due on the actual cash selling price of the one buffet, \$10.00. Since these coupons are treated as discounts rather than "complimentary," the value of coupons redeemed should not be included in tax calculations by the seller. If a retailer receives a manufacturer's coupon for which he is reimbursed, it is considered part of gross receipts and is subject to sales tax.

## **SALES TAX EXEMPTIONS REQUIRE DOCUMENTATION**

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All of a Nevada retailer's gross receipts are presumed to be subject to sales tax. Where a retailer treats a sale as exempt, the retailer will be required to prove that the sale is exempt. The two most common exemptions are sales for resale and out-of-state sales. For retailers making sales to other retailers (sales for resale), the seller should get and keep a copy of the purchaser's resale certificate. For sales of goods which are shipped out of state to non-Nevada residents, documents which may be used to substantiate the exemption of these sales include: invoices showing the shipping address, a notarized affidavit signed by the purchaser at the time of delivery, a truck log, invoices for expenses related to delivery, documents evidencing tax remitted to the state of delivery, and purchase orders providing delivery details. The Department's regulations on these exemptions can be found in Nevada Administrative Code (NAC) Sections 372.712 and 372.730. Information on other sales tax exemptions may be found in NAC Sections 372.540 through 372.715, NAC Section 372.735, and the Department's Website under Sales Tax FAQs.

## **DISCOUNTS ON CELL PHONES AND SERVICE PLANS**

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If a cell phone retailer sells only the phone or equipment and the sale does not include the service contract, the sales tax only applies to the retail price of the cell phone and or equipment. If the sales includes a service contract, then the sales tax is on the total value of the cell phone, not the price sold to the customer. While cash discounts the retailer gives to the customer are not subject to sales tax, where the discount amount is reimbursed to the retailer by a third-party, such as the manufacturer, that additional amount received by the retailer is considered gross receipts and the sales tax is applicable to the amount received from the third-party as well as the amount received from the purchaser. See Nevada Revised Statutes (NRS) 360B.480.

## **BUYING A BUSINESS**

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If you are purchasing an existing Nevada business, you can protect yourself from purchasing a tax liability. You can submit a written request for a certificate of amount due to the Department to learn if that business has a tax debt and the amount of that debt. If the business owes any taxes to the Department, the purchaser is required to withhold from the purchase price the amount of taxes due (either in money or in assets) and pay it to the Department instead of the seller. If the purchaser fails to withhold the money or assets and pay those funds to the Department, the purchaser of the business becomes personally liable for the taxes. This is true whether or not the purchaser requested the certificate of amount due from the Department. See Nevada Revised Statutes (NRS) 360.525.

# TIPS TO TAXPAYERS

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The Nevada Department of Taxation is pleased to announce the launch of Phase 2 of its modernized e-Services platform, My Nevada Tax, taking place on Monday, December 8, 2025. This next phase expands the platform's capabilities to include two additional key tax types: Modified Business Tax (MBT) and Commerce Tax.

My Nevada Tax offers taxpayers a convenient, secure and user-friendly online portal to manage their tax obligations, file returns, make payments and access important account information across a broad range of tax types.

Taxpayers will use My Nevada Tax to manage the following tax types:

- Modified Business Tax (NEW)
- Commerce Tax (NEW)

Enhanced Features and Functionalities:

In addition to expanding tax types, My Nevada Tax continues to offer robust features that simplify tax compliance for Nevada taxpayers:

- File Returns and Make Payments
- Update Account Information
- View and Manage Permits and Licenses
- Business Registration & Secure Access
- Manage Multiple Business Locations
- Schedule Appointments with the Department
- Manage Corporate Officers
- Close a Tax Account



The launch of Phase 2 marks a significant milestone in the Department's effort to modernize its services, offering greater efficiency and transparency for businesses and individuals statewide.

Looking Ahead:

Full integration is expected when Phase 3 launches in December of 2026.

For more information or to get started with My Nevada Tax, visit the Department of Taxation's website at [tax.nv.gov](https://tax.nv.gov).

**My Nevada Tax videos can be found here: <https://tax.nv.gov/education/how-to-videos-for-nevada-tax/>.**

*Tips to Taxpayers Column: The Nevada Department of Taxation's newsletter was called Tips to Taxpayers from its 1968 inception until 1990. The Department is paying homage to the newsletter's first decades of taxpayer assistance by including a Tips to Taxpayers column with tax account tips and hints in each edition of Nevada Tax Notes.*

If you have any questions with any matters addressed in this newsletter, please call our call center at (866) 962-3707.

The information expressed in this Newsletter constitutes general guidance regarding the interpretation of the statutes and regulations under the jurisdiction of the Department of Taxation. No reliance should be placed on any information herein for fact-specific purposes not described herein. Any subsequent statutory or administrative rule change or judicial interpretation of the statutes or rules upon which these articles are based may result in contrary interpretations or guidance. The articles in this Newsletter are not binding on any administrative body or court of law, but rather serve as the Department's summaries of applicable statutes, regulations and other rules within its jurisdiction. Nothing contained in this Newsletter should be construed as legal advice.