



NEVADA TAX NOTES

The Official Newsletter of the Department of Taxation



Important Notice: Sales and use taxes are now due by the 20th day of the month following the end of each taxable period.

UPCOMING OFFICE CLOSURES



Friday, July 3

In Observance of Fourth of July

My Nevada Tax – Phase 3

The Department will launch Phase 3 of My Nevada Tax on Monday, December 7, 2026. The final phase will include Bank Excise, Exhibition Facility Fee, Local Government Finance (LGF), Lodging, Cannabis Excise — Wholesale and Retail, Property Tax on Interstate and Inter-County Companies — Centrally Assessed (Mining Valuations), Tire Fee and Transportation Connection. If you already have an account at My Nevada Tax, you will be able to request access to your Phase 3 tax type. If you are new to My Nevada Tax, please create an account and request access to your business.

Additional information on page 6.

INSIDE THIS ISSUE

- My Nevada Tax – Phase 3
- New Online Payment Options
- Closing an Account
- Amending a Return Online
- Hazardous Waste
- Photographers
- Heavy Equipment
- Vehicle, Watercraft and Aircraft Tax Evasion
- ACH Payment Requirements
- Fabrication Labor
- End of Penny Production
- Tips to Taxpayers

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](#).

**WE'RE
HIRING!**

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

Carson City
3850 Arrowhead Dr.
Carson City, Nevada 89706
By Appointment Only

Reno
9850 Double R Blvd.
Reno, Nevada 89521

Las Vegas
700 E. Warm Springs Road, 2nd Floor
Las Vegas, Nevada 89119

NEW ONLINE PAYMENT OPTIONS FOR SELECT TAX TYPES

The Department of Taxation has implemented online payment options for the following tax types through My Nevada Tax:

- Bank Excise Tax
- Exhibition Facility Fee
- Transportation Connection Tax
- Tire Surcharge Fee

Please note that while accounts for these tax types will not be available within My Nevada Tax until December 7, 2026, payments can still be submitted online to ensure they are made on time. To make a payment, please visit My Nevada Tax and scroll to the “Make a Payment” section on the homepage. From there, select the appropriate tax type and follow the prompts to complete your payment.

CLOSING YOUR NEVADA TAX ACCOUNTS

Businesses are responsible for filing tax returns and paying any taxes due for as long as their sales tax permit account remains open with the Department of Taxation. Even if business operations have ceased, an open account may continue to generate filing requirements and potential tax liabilities. For this reason, businesses should close their tax accounts immediately upon permanently discontinuing operations.

Businesses that need to close Sales Tax, Use Tax, and/or Commerce Tax accounts must complete the Close Account Form. This form provides the necessary information and instructions required to cancel tax accounts with the Department of Taxation.

In addition to closing the account, the Close Account Form allows businesses to request a refund of any security deposit or credit balance that may be available.

Closing a Modified Business Tax (MBT) account requires an additional step. Businesses must contact the Employment Security Division (ESD) at (775) 684-6300 and provide the date of their last payroll to close their Unemployment Insurance (UI) account.

Once the UI account has been successfully closed with ESD, the Department of Taxation will close the corresponding MBT account.

Businesses are required to file all applicable tax returns through the date payroll ceased, regardless of whether wages were paid during the reporting period. Even if there are no wages to report, all required returns must be submitted to ensure the account is properly closed and remains in good standing.

Avoid Unnecessary Tax Liabilities

Failing to close business tax accounts can result in ongoing filing obligations, penalties and tax liabilities. Business owners should promptly complete the necessary closure procedures and submit all final returns to ensure their accounts are properly terminated and any eligible refunds or credits are received.

AMENDING A SALES AND USE TAX RETURN ON MY NEVADA TAX

Need to correct a previously filed Sales and Use Tax return? The My Nevada Tax system makes it easy to amend a return online. Follow these steps to ensure your amendment is completed accurately and submitted for Department review.

After logging in to My Nevada Tax, select the “View and File Past Returns” hyperlink from the Sales and Use Tax (SUT) Account panel. Next, choose the “View or Amend Return” hyperlink for the return that needs to be corrected.

Before making changes, print a summary copy of the original return for your records. Then select “Amend” to make the return fields editable.

Navigate through the return and complete the required sections with the corrected information. When you reach the Sales and Use Tax by County stage, click the pencil icon to edit county reporting details. This section will allow you to edit counties individually if necessary. After making your updates, click “OK.” Clicking “Next” will take you to the Review Tax by County stage. If your business reports in multiple counties, you will have the opportunity to review the amounts reported for each county individually.

On the Amendment Details page, enter the amount paid with the original return and select the reason for amending the return. If you select “Other” you will need to describe your reasoning in the box provided to avoid delays in the review and processing of your amended return(s).

You will also need to upload supporting documentation, such as invoices or other records that show why the original return was incorrect. Be sure to include a brief description for each attachment submitted. If this information is not provided, the review and processing of the amended return(s) may be delayed.

After uploading documents, review any updated balance due information on the next page and complete the affidavit section. Once finished, submit the amendment for Department review.

If an additional amount is due as a result of the amendment, payment can be submitted immediately after filing the amended return.

Keeping your tax records accurate helps avoid delays and ensures compliance with Nevada tax requirements.

HAZARDOUS WASTE

Hazardous waste disposal fees are not taxable when they are separately stated and are not tied to the sale of product. Nevada treats the fee as a nontaxable service charge. Such fees include waste oil disposal fees, used antifreeze disposal fees, used tire disposal fees, etc.

PHOTOGRAPHERS

Tax Responsibilities for Tangible Personal Property

Photographers are considered the end consumers of the tangible personal property used in providing their professional services. Sales tax must be paid at the time these items are purchased. If sales tax is not collected at purchase, the photographer is responsible for selfassessing and remitting use tax.

Examples of taxable items include:

- Photographic equipment and accessories
- Film
- Chemicals

Use tax must be submitted to the Department by the 20th of the month following the period in which the untaxed property entered the State.

Exempt Professional Services

The services a photographer performs in creating visual images are exempt from taxation. These exempt services include:

- Consultation
- Setup
- Processing
- Initial rendering of a visual image

The initial rendering may be delivered as a proof, compact disc, flash drive, or via electronic transfer.

Taxable Sales of Tangible Personal Property

When photographers sell tangible personal property—such as contact sheets, duplicates, or enlargements—they are acting as retailers. The gross receipts from these sales are subject to sales tax.

Example

A photographer provides proofs electronically, then later sells printed photos derived from those proofs.

- Exempt: Electronic proofs
- Taxable: Physical prints

NRS 372.250, NRS 372.729, NAC 372.330

HEAVY EQUIPMENT RENTAL REGISTRATION & REPORTING

Effective July 1, 2025, Senate Bill No. 196 authorized qualifying heavy equipment rental companies to impose a recovery fee to offset certain taxes levied on heavy equipment.

By August 15 of each calendar year, any equipment rental company that has imposed a recovery fee is required to register for a Heavy Equipment Rental account on My Nevada Tax and file an annual fiscal report with the Department. The report must include the following information for each county and parcel number:

- Total recovery fees collected during the preceding fiscal year.
- Total taxes imposed on the company during the preceding fiscal year.

VEHICLE, WATERCRAFT AND AIRCRAFT TAX EVASION PROGRAM

Nevada law requires residents to pay Sales or Use Tax on motor vehicles, watercraft, and aircraft purchases for use, storage, or consumption within this State. If the Department determines that a Nevada resident has attempted to evade payment of taxes on the purchase of a motor vehicle, watercraft, or aircraft by registering the property in another state or jurisdiction, which imposes no tax or a lower tax rate, the resident will be assessed the applicable Nevada tax. In addition to the tax owed, a 10 percent penalty and interest at a rate of 0.75 percent per month will be applied. An additional evasion penalty of up to 300 percent may also be imposed.

The Department maintains an ongoing tax evasion detection program and receives information regarding potential violations from law enforcement agencies, the Department of Motor Vehicles, and Nevada taxpayers. The Department also receives purchaser information from surrounding states concerning sales of off-road vehicles, watercraft, aircraft, motorhomes, and other vehicles acquired with the intent of storing, using, or otherwise consuming them in Nevada.

The Department actively pursues the collection of applicable taxes, penalties and interest on the purchase of vehicles, watercraft and aircraft as described above. Retaining a vehicle or watercraft in Nevada for 90 days to avoid California Sales and Use Tax will result in the property being subject to Nevada tax. The State of California shares affidavit and tax information with Nevada.

NRS 360.340(2)

ACH PAYMENT REQUIREMENTS FOR THE NEVADA DEPARTMENT OF TAXATION

All ACH Credit payments to the Nevada Department of Taxation must be submitted using the ACH CCD+ TXP format. Before making live payments, taxpayers must complete a pre-notification (prenote) test through their financial institution. This zero-dollar transaction verifies that all required payment information is correctly formatted.

Taxpayers should work closely with their bank to ensure ACH payment information is transmitted correctly and to confirm processing cut-off times. Failure to provide required information in the proper format or by the due date may result in delayed payment posting, penalties and interest.

Each ACH Credit payment must include one Entry Detail Record and one Addenda Record. A separate record must be submitted for each tax type and tax period.

For ACH Debit payments, taxpayers should contact their bank before setup and provide the Nevada Department of Taxation's Company ID. Failure to do so may result in payment rejection and additional penalties and interest.

Nevada Department of Taxation Company ID (My Nevada Tax): P886000022

FABRICATION LABOR

In Nevada, some types of labor are considered fabrication labor, and these services are generally taxable.

Understanding what counts as fabrication labor helps businesses correctly apply sales tax and avoid confusion.

What Is Fabrication Labor?

Fabrication labor is any work that creates or helps create a product. If the work is a step in making or completing an item, it is fabrication. **The sale of fabrication labor is taxable even when the product created is not ultimately sold.**

Examples include:

- Quilting and piecing materials
- Binding or trimming
- Sewing or assembling items into a finished product
- Embroidering names, designs, or logos
- Engraving trophies, jewelry, or other items
- Altering new garments when the alteration contributes to the final custom product

Fabrication labor is taxable even when the customer supplies the materials. What matters is whether the labor helps produce the finished item.

What Is Not Taxable?

Labor is not taxable when it is considered repair or restoration, meaning it returns an existing item to its original condition. Examples include:

- Patching or mending an existing quilt
- Restitching or replacing binding on an existing item
- Altering or repairing garments that the customer already owns
- Restoring damaged items

These repair services are not taxable when they are separately stated on the invoice.

How to Tell the Difference

- Creates or completes a new product? → Taxable fabrication labor
- Fixes or restores an existing product? → Nontaxable repair labor

A helpful rule of thumb:

If the labor is part of making the item, it's taxable. If it's part of fixing the item, it's not.

Why This Matters

Businesses that sew, embroider, engrave, tailor, or create custom products often perform both taxable and nontaxable services. Understanding which category each type of labor fits into helps ensure proper tax reporting and avoids billing errors.

END OF PENNY PRODUCTION

The era of the penny has officially come to a close. In June 2025, the U.S. Department of the Treasury ended production of the one-cent coin, citing a simple but compelling reason: it now costs more than two cents to produce a single penny. Combined with its declining use in everyday transactions, the decision marks a significant shift in U.S. currency practices.

Despite the halt in production, pennies already in circulation will remain legal tender indefinitely. Consumers can continue to use them, and businesses may still accept them. However, as fewer pennies circulate over time, both retailers and financial institutions are being given a transition period to adapt their pricing systems and cash-handling procedures.

Rounding in Cash Transactions

While no federal mandate has been issued for pricing adjustments, many states have recommended that businesses round cash transactions to the nearest five-cent increment. This approach simplifies transactions in the absence of pennies and is already a common practice in several countries that have phased out low-denomination coins.

It's important to note that this rounding applies only to cash payments. Electronic transactions—such as credit, debit, or digital payments—should continue to be processed to the exact cent.

Sales and Use Tax Considerations

For Nevada businesses, the elimination of the penny introduces an important compliance consideration. Even if a retailer rounds the final cash amount, Sales and Use Tax (SUT) must still be calculated based on the full, unrounded sales price.

Under Nevada law:

- NRS 372.110 requires that SUT be calculated on gross receipts.
- NRS 372.025 defines gross receipts as the total amount received from the sale, without adjustment for rounding.

In other words, rounding affects only the final cash payment—not the taxable amount. Businesses must ensure their systems accurately track and report the original transaction value before rounding.

TIPS TO TAXPAYERS

The Nevada Department of Taxation is pleased to announce the launch the final phase of its modernized e-Services platform, My Nevada Tax, taking place on Monday, December 7, 2026. This next phase expands the platform's capabilities to include the following tax types: **Bank Excise, Exhibition Facility Fee, Local Government Finance (LGF), Lodging, Cannabis Excise — Wholesale and Retail, Property Tax on Interstate and Inter-County Companies — Centrally Assessed (Mining Valuations), Tire Fee and Transportation Connection.**

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.

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 3 marks the final milestone in the Department's effort to modernize its services, offering greater efficiency and transparency for businesses and individuals statewide.

For more information or to get started with My Nevada Tax, visit the Department of Taxation's website at 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.