Kari Skalsky

From: Sarah Glazner
Sent: Wednesday, June 17, 2026 4:18 PM
To: BeckyD@nevadataxpayers.org
Cc: Shellie Hughes; Kari Skalsky; Adriane Roberts-Larson; Jeffrey Mitchell; Patric Starr
Subject: FW: Notice of Regulation Workshop - R005-26-Liquor Surcharge, R035-24-Chapter 360 and R042-24-Chapter 370 - April 16, 2026
Attachments: R081-26 - Answers to NTA Questions for R081-26 with NTA Response 5.18.26.docx; R173-22AP.pdf

Good afternoon,

Thank you for your email and for your follow-up questions.

The Department has updated the language in Sections 4(3) and 22(3). Please see the screenshots below for reference.

Regarding Section 13(4), advisory opinions are confidential pursuant to NRS 360.255, unless they are appealed to the Commission, in which case they become subject to open meeting laws. Under those circumstances, you may submit a public records request to obtain a copy of the advisory opinion; however, this applies only to advisory opinions that have been appealed.

With respect to Section 13(5), advisory opinions are distinct from declaratory orders, and the Department has adopted a separate regulation governing declaratory orders. For your convenience, I have attached the regulation (LCB File No. R173-22, not yet codified).

Section
4(3)

3. A taxpayer, or a tax preparer or other tax professional, who is unable to make submissions by electronic means or who timely submits a request for a waiver pursuant to subsection 2 may continue to submit returns, payments, or

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other required documents by paper filing until the Department issues a determination on the waiver request, or the taxpayer, or a tax preparer, or other tax professional is able to file by electronic means, as applicable. Such submissions shall be deemed compliant with subsection 1 during that period.

Section 22(3)

3. ***If a person files a petition for redetermination in a contested case, all contested issues***

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***involved in the case shall be deemed to have been raised in the petition*, regardless of whether those issues are expressly stated in the petition.**

Thank you,

Sarah Glazner
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***Important Notice:** *Sales & Use Tax Returns are now due on the 20th of the month. Please file all Modified Business Tax and Commerce Tax returns through My Nevada Tax.*

From: Becky Dutro <BeckyD@nevadataxpayers.org>
Sent: Tuesday, June 2, 2026 11:38 AM
To: Kari Skalsky <kskalsky@tax.state.nv.us>
Cc: Shellie Hughes <shughes@tax.state.nv.us>; Adriane Roberts-Larson <arlarson@tax.state.nv.us>; Jeffrey Mitchell <jmitchell@tax.state.nv.us>; Sarah Glazner <sglazner@tax.state.nv.us>; Tina Padovano <tpadovano@tax.state.nv.us>
Subject: Re: Notice of Regulation Workshop - R005-26-Liquor Surcharge, R035-24-Chapter 360 and R042-24-Chapter 370 - April 16, 2026

Good morning all!

First, thank you for the reply to the NTA's questions/concerns regarding R081-26, as well as the accommodations you made while I was handling my family situation. The NTA's response was originally sent on May 20th but we learned we recently had another email issue and it appears no email was being sent or received for several days so I want to ensure this one went through.

The information was very helpful and answered some of the concerns. After review by our Executive Committee, there were some minor suggestions or further questions which I have attached. As much of this regulation relates to legal proceedings, if it makes the dialogue more efficient, we may want to set up a call to discuss and I can have one of the Board members who has a better understanding of the processes join to ask the procedural questions.

I look forward to our continued collaborative efforts and again want to express my appreciation for your considerations recently.

Regards,

Becky

Becky Dutro, President

Nevada Taxpayers Association

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From: Kari Skalsky <kskalsky@tax.state.nv.us>
Sent: Friday, May 8, 2026 8:41:23 AM
To: Becky Dutro
Cc: Shellie Hughes; Adriane Roberts-Larson; Jeffrey Mitchell; Sarah Glazner; Tina Padovano
Subject: RE: Notice of Regulation Workshop - R005-26-Liquor Surcharge, R035-24-Chapter 360 and R042-24-Chapter 370 - April 16, 2026

Good morning,

Please find attached the Department's answers to the general comments you provided relating to LCB File No. R081-26. If you could review and provide your approval/comments no later than end of day May 13, 2026, so we can submit the updated language to LCB, that would be greatly appreciated.

Don't hesitate to reach out with any questions.

Thank you,

Kari

***Important Notice:** *Sales & Use Tax returns are now due on the 20th of every month. Please file all Modified Business Tax and Commerce Tax returns through My Nevada Tax.*

Kari Skalsky
Management Analyst III
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From: Becky Dutro <BeckyD@nevadataxpayers.org>
Sent: Thursday, April 16, 2026 8:26 AM
To: Kari Skalsky <kskalsky@tax.state.nv.us>
Cc: Shellie Hughes <shughes@tax.state.nv.us>; Adriane Roberts-Larson <arlarson@tax.state.nv.us>; Jeffrey Mitchell <jmitchell@tax.state.nv.us>; Sarah Glazner <sglazner@tax.state.nv.us>; Tina Padovano <tpadovano@tax.state.nv.us>
Subject: Re: Notice of Regulation Workshop - R005-26-Liquor Surcharge, R035-24-Chapter 360 and R042-24-Chapter 370 - April 16, 2026

Kari,

First, my apologies on the lateness of this submission. We had drafted a letter with general comments and thought it had been submitted during the Small Business Impact period. However, we have learned that it was not sent. I was awaiting additional details from our Board and members who are attorneys, agents, and tax professionals regarding some of the processes before the Tax Commission to submit full comments. I am currently out of state taking care of my mother who is on hospice so the attached was delayed by my own accord.

I am planning on viewing the hearing today and will give some general public comments but wanted to make sure I submitted the full details as well.

We completely understand the reason for the electronic filing system and electronic payments; we just want to ensure that there is fairness for taxpayers and ease of processes for both the Department and taxpayers as these are implemented.

Again, I apologize for the last minute submission and as we have done in the past know that we will be able to have dialogue that may answer many of the questions/concerns prior to the adoption hearing of the Commission.

Kindest regards,

Becky

Becky Dutro, President

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From: Kari Skalsky <kskalsky@tax.state.nv.us>
Sent: Wednesday, April 1, 2026 8:22 AM
To: Kari Skalsky
Cc: Shellie Hughes; Adriane Roberts-Larson; Jeffrey Mitchell; Sarah Glazner; Tina Padovano
Subject: Notice of Regulation Workshop - R005-26-Liquor Surcharge, R035-24-Chapter 360 and R042-24-Chapter 370 - April 16, 2026

Good morning,

Please find attached a copy of the Notice of Workshops and Agenda, Small Business Impact Statements and Proposed Regulations for LCB File No. **R005-26, R035-24** and **R042-24**. This email is being sent to the interested parties list maintained by the Nevada Department of Taxation. Any information found in the attachment is meant to keep you informed of the process and to make apparent the date of the workshops; **April 16, 2026**. If you have any questions, please contact me at (775) 684-2041 or by email at kskalsky@tax.state.nv.us.

Thank you for your time,

***Important Notice:** *Sales & Use Tax returns are now due on the 20th of every month. All Modified Business Tax and Commerce Tax returns must be filed through My Nevada Tax.*

Kari Skalsky

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Answers to NTA Questions for R081-26 (R035-24 – Chapter 360)

1) **Section 4:** The Department is developing a process that will enable attorneys, agents, and tax professionals to submit petitions, hearing requests, and appeals through the Department's online portal on behalf of their clients. To address your concern regarding the waiver request, the NAC will be revised to incorporate the language shown in pink font.

Sec. 4. ***1. Except as otherwise provided in subsection 2, a taxpayer, ~~or a~~ tax preparer or other tax professional*** **required to submit any registration, license or permit application,** ***~~who files a~~ return*****, payment, waiver request, refund claim,** ***or other document*** **relating to taxes administered by** ***~~with~~ the Department ~~pursuant to Title 32 of NRS must file~~*** **shall submit** ***such*** **items** ***~~return or document~~ by electronic means, to the extent ~~that~~ the Department has a system ~~for filing documents~~ that accepts electronic ~~filing for~~*** **submissions** ***~~that return or document~~.***

2. A taxpayer, ~~or a~~ tax preparer or other tax professional may request a waiver of the requirement **of electronic submission** ***set forth in subsection 1 ~~to file returns or other documents by electronic means~~. The Department may grant a waiver of the requirement for a period of not more than 1 year if the taxpayer, ~~or~~ tax preparer or other tax professional, ~~as applicable~~, establishes to the satisfaction of the Department that:***

(a) The taxpayer, ~~or~~ tax preparer or other tax professional lacks the facilities ~~to file by~~ **for** ***electronic*** **submission** ***~~means~~;***

(b) ~~Filing by~~ **E*****lectronic*** **submission** ***~~means~~ would impose a severe economic hardship on the taxpayer, ~~or~~ tax preparer or other tax professional; or***

(c) Other good cause shown which excuses compliance with the requirement ~~to file by~~ **of** ***electronic*** **submission** ***~~means~~.***

3. A taxpayer, tax preparer or other tax professional, who submits a request for a waiver pursuant to subsection 2 may continue to submit returns, payments, or other required documents by paper filing until the Department issues a determination on the waiver request. Such submissions shall be deemed compliant with subsection 1 during that period.

NTA Comment

While section 4(3) is better, we still question whether the waiver process creates more bureaucracy and administrative burdens on taxpayers and the Department, and it does not address a situation where a taxpayer, tax professional or tax preparer is unable to utilize the Department's e-filing system. We recommend section 4(3) be amended as follows:

A taxpayer, tax preparer or other tax professional, who ***is unable to submit an item for filing by electronic means or who*** *submits a request for a waiver pursuant to subsection*

2 may continue to submit returns, payments, or other required documents by paper filing until the Department issues a determination on the waiver request or the taxpayer is able to file by electronic means, as applicable. ~~Such submissions shall be deemed compliant with subsection 1 during that period~~.

2) **Section 7:** The NAC will be revised to incorporate the language shown in pink font.

Sec. 7. NAC 360.050 is hereby amended to read as follows:

360.050 1. Fees and remittances to the Department must be by ~~money order, bank draft,~~ ***electronic funds transfer, credit card~~,~~*** **or** ***debit card*** **unless a waiver is given pursuant to subsection 2 of section 4 of this regulation. If a waiver is given, fees and remittances may be by money order, cashier's check** or check payable to the Department.

2. ~~Remittances in currency or coin are wholly at the risk of the remitter and the Department assumes no responsibility for loss thereof.~~ **The Department may accept payment by cashier's check, money order, or check without a waiver when the taxpayer demonstrates exigent or time-sensitive circumstances, including but not limited to enforcement actions, account seizures, or other situations where electronic payment methods are not reasonably available.**

3. Postage stamps will not be accepted as remittances.

NTA Comment

This is better.

3) **Section 9:** NAC 360.058 has long placed responsibility on the petitioner or appellant to furnish the court reporter if a transcript is desired. In practice, the Department has historically provided a court reporter at Commission hearings as a matter of policy. The recent regulatory revisions do not shift that responsibility but instead clarify that any court reporter used must be properly certified in accordance with NRS 656 and update the language, so it is consistent with the corresponding provision in Chapter 370.

NTA Comment

This comment does not answer the NTA question of whether the Commission will continue to provide a court reporter for proceedings before the Tax Commission. Under current practice, a taxpayer pays for a transcription, but under this regulation the taxpayer must "bear all costs associated with transcription." It is unclear what this means for taxpayers.

4) **Section 13(4):** Pursuant to NRS 360.255(5)(d), advisory opinions are confidential. A change to statue would need to go through legislation.

NTA Comment

NRS 360.255(2)(a) provides that records and files are not confidential when they are part of "any action or proceeding before the Nevada Tax Commission, the State Board of Equalization, the Department . . . if that testimony or the records, files or information, or the facts shown thereby, are directly involved in the action or proceeding." "Records and files" includes an advisory opinion. NRS 260.255(5)(d). An appeal of an advisory opinion to the Tax Commission would clearly be covered by this exception to NRS 360.255. Consequently, Section 13(4) of the proposed regulation conflicts with statute.

5) **<u>Section 13(5):</u>** Only matters that qualify as contested cases may be brought through a petition for judicial review. An advisory opinion does not meet the definition of a contested case under Nevada Revised Statutes 233B.032, and therefore it is not subject to judicial review.

<u>NTA Comment</u>

The Department's interpretation means that a taxpayer has no recourse if they receive an advisory opinion from the Tax Commission that they disagree with. We question whether the Department can enact a regulation that expands the definition of "contested case" in NRS 233B.032. That statute defines a "contested case" as "a proceeding . . . in which the legal rights, duties or privileges of a party are required by law to be determined by an agency after an opportunity for a hearing, or in which an administrative fine may be imposed." NRS 233B.120 provides that every agency must provide for advisory opinions and declaratory orders and that declaratory orders "shall have the same status as agency decisions." If the Department is going to prevent judicial review of advisory opinions, it must create a process to obtain declaratory orders and allow for judicial review.

6) **<u>Section 16(2):</u>** If you want to add a provision allowing interest on refunds for taxes paid under protest, it will require a statutory change and will need to go through legislation.

<u>NTA Comment</u>

NRS 360.2925(1)(d) provides that the Department must provide taxpayers with instructions on "procedures for recovering interest on overpayments of taxes." NRS 360.2937(1) provides a specific interest rate to be paid on overpayment of taxes. Interest is not allowed on "over-collected" tax "which the taxpayer is required to refund to the person from whom it was collected." NRS 360.2935(2)(b). Accordingly, an overpayment of use tax is subject to interest on overpayment. NRS 372.665 allows the Department to deny interest on sales or use tax if it "determines that any overpayment has been made intentionally or by reason of carelessness . . ."

Section 16 (which is codified as NAC 360.485) defines intentional or careless behavior for purposes of NRS 372.665. When a taxpayer has no choice but to pay a tax that it believes will be refunded in the future, that should be considered non-intentional pursuant to NAC 360.485(1) and non-careless pursuant to NAC 360.485(2). This regulation should be amended to clarify that when a taxpayer has no choice but to pay the tax (i.e. to register a vehicle with the DMV when it knows that in 12 months the taxpayer will be entitled to an interstate commerce refund), it should be considered both non-intentional and non-careless.

7) **Section 19:** Attorneys, tax consultants and other 3rd parties may register and file on behalf of their clients as long as they have the applicable demographic information.

8) **Section 22(2):** See response to #1.

9) **Section 22(3):** This was NAC 360.096 and was moved to NAC 360.706. This concern is mitigated by the governing rule that **all contested issues are deemed to be raised in the petition**, even if not specifically identified. As a result, taxpayers are not required to fully articulate every issue at the time of filing. This actually preserves taxpayer rights by allowing them to file a timely petition to secure jurisdiction, while still retaining the ability to develop and refine arguments as the case proceeds. Therefore, the rule does not restrict taxpayers' ability to have issues considered; rather, it ensures that no issue is waived due to time constraints at the filing stage.

NTA Comment

This is a helpful interpretation but there remains concern that the language could be interpreted differently to preclude raising issues at a later stage that were not identified in the petition. To accomplish the stated intent of this section, we suggest a revision as follows:

If a person files a petition for redetermination in a contested case, all contested issues involved in the case shall be deemed to have been raised in the petition, regardless of whether those issues are expressly stated in the petition.

10) **Section 22(6):** All appeals are made "to the Commission," but they are filed with the Department on the Commission's behalf. Accordingly, any reference to "appeal with" has been revised to "Department," while references to "appeal to" now state "Commission." These changes are purely for consistency in wording and do not alter the meaning.

11) **Section 22(10):** See response to #1.

12) **Section 22(13):** See response to #10.

13) **Section 22 (18):** Nevada Rule of Civil Procedure 55(c) permits setting aside an entry of default for 'good cause,' and Nevada Supreme Court case law, including Intermountain Lumber & Builders Supply, Inc. v. Glens Falls Insurance Co. provides the factors used to evaluate whether good cause exists. Section 18 is intended to establish a strict but fair standard for "good cause" determinations by requiring taxpayers to meet all enumerated criteria while also clearly identifying their burden to provide supporting documentation. The structure is designed to promote consistency, transparency, and administrability in decision-making. To make the language clearer, the NAC will be revised to incorporate the language shown in pink font.

Sec. 18. ***As used in this section, "good cause" exists only if the taxpayer demonstrates all of the following ~~requires documentation supporting the request of the taxpayer and includes, without limitation, documentation which supports that~~:***

(a) ***The reason for the request is not a result of unreasonable delay or failure to exercise due diligence by the taxpayer to respond in a timely manner;***

(b) ***The reason for the request is due to mistake, inadvertence, surprise, excusable neglect or factors outside the taxpayer's ability to control, including, ~~without limitation~~:***

(1) ***A natural disaster or other event ~~disaster~~ beyond the control of the taxpayer; or***

(2) ***The death or hospitalization of the person responsible for filing the petition for redetermination;***

(c) ***The request is reasonable in light of the reason for the delay;***

(d) ***The taxpayer exercised ordinary diligence with regard to*** **their** ***~~his or her~~ responsibilities for the taxes;***

(e) ***The taxpayer is not merely delaying collection of the debt; and***

(f) ***The taxpayer demonstrates a meritorious dispute with the determination.***

2. The taxpayer bears the burden of demonstrating good cause and shall provide documentation sufficient to support the request.

NTA Comment

Under the current version of NAC 360.706, a petition for redetermination can be late-filed if the Director determines the late-filing occurred "despite the exercise of ordinary care by and without the intent of the taxpayer" and "the cause of or the failure to file or late filing of the petition was circumstances beyond the control of the taxpayer."

This regulation replaces 3 conditions the taxpayer must satisfy with 6, all of which must be satisfied, including several highly speculative conditions which are solely within the discretion of the Department, including whether the request is "reasonable in light of the reason for the delay," whether the "taxpayer is not merely delaying collection of the debt," and whether the "taxpayer demonstrates a meritorious dispute with the determination." The last condition is particularly egregious in that it requires a taxpayer to not only explain the reason for the late-filed petition, but must also demonstrate that it has a credible claim on the merits. The whole point of redetermination is to allow taxpayers an opportunity to contest the merits of a determination. This condition means a taxpayer has to prevail on the merits before it can even get to redetermination.

Including these "strict" requirements will undoubtedly limit the ability of taxpayers, and particularly taxpayers with limited resources, from due process of challenging determinations due to a missed deadline. We are curious why the current standard doesn't work for the Department justifying such a significant change.

April 15, 2026

Kari Skalsky, Management Analyst III
Nevada Department of Taxation
3850 Arrowhead Drive
Carson City, Nevada 89706

Sent via email: kskalsky@tax.state.nv.us

RE: Proposed Regulation R035-24 – Revisions to procedures related to taxation

Dear Ms. Skalsky:

I am writing on behalf of the Nevada Taxpayers Association (NTA) to request that the following comments be considered for changes to the proposed regulation:

- Section 4 – Does the department allow attorneys, agents, and tax professionals to submit documents electronically on behalf of the taxpayer through the portal? We have heard from our membership that as a taxpayer's attorney or agent they have tried to submit appeals, requests for hearing, and petitions via the electronic portal on behalf of the taxpayers and the system does not allow them to. If the requirement is that all requests must be made through the electronic filing system, then there needs to be a way for a taxpayer's agent, attorney, or tax professional to be registered on the portal as well. Additionally, although taxpayers may request a waiver to submit items through other means than the electronic filing system, this may cause a burden for smaller taxpayers who do not have electronic means or prefer to use paper. Additionally, for time-sensitive matters, the process to request a waiver may delay requirements. If the waiver is granted will the deadline requirements be extended? We fully understand the benefit of an electronic filing system but want to ensure it can be used by all taxpayers and their designees and that waiver processes are not adding burdensome steps on the Department or the taxpayers.

- Section 7 - This could be problematic when a taxpayer has a time-sensitive need to get a payment in. For example, if a taxpayer is experiencing a lock and seal or a seizure and needs to open and the final step is payment, waiting even a day for funds to clear via EFT or credit card can be devastating. A cashier's check is preferable in those situations. Additionally, if a business is switching staff, management, or banks; there is often a delay in setting up electronic banking options, but a check payment could still be effectuated. We have similar thoughts on the waiver process and if a deadline would be extended while the taxpayer is waiting for the waiver to be reviewed and approved, and if this adds extra burdens on the Department and taxpayer.

- Section 9 - Does this mean the Commission is no longer furnishing a court reporter? Currently, the Commission furnishes a court reporter, and a taxpayer can request a copy of the transcript by paying the court reporter for it.

- Section 13(4) – We are questioning why advisory opinions should be confidential. Per the taxpayer bill of rights, taxpayers have a right to be treated with uniformity. It's already exceedingly hard to get copies of Commission, ALJ or Department decisions. Why can't advisory opinions be non-confidential so long as confidential information within them is redacted?

- Section 13 (5) - Making advisory opinions not subject to judicial review is problematic. What if a taxpayer disagrees with the conclusion of the advisory opinion? Under this rule, they are stuck and have no recourse but to follow the opinion. If they are appealable to the Commission, they should be appealable to the court as well. Otherwise, the Commission has the final say and the taxpayer has no additional recourse.

- Section 16 (2) – We have received feedback that suggests a new subsection should be added as "reasonable and prudent" for situations where the tax is paid under protest. For example, a taxpayer might have a piece of property that they believe will be exempt from taxation under the interstate commerce exemption. The taxpayer and the Department won't know if the property is exempt until 12 months after it is put to first use in Nevada (because the statutory test requires 12 months of continuous use in interstate commerce). Many taxpayers, and particularly taxpayers with vehicles where the DMV requires the tax to be paid to issue the registration, have to pay the tax, wait 12 months, obtain a refund, only to find out that the Department won't give interest on the refund because the tax was "intentionally overpaid." These taxpayers should be able to pay under protest because they are given no choice but to pay the tax that they know they won't owe, but they still have to wait 12 months before they can seek a refund.

- Section 19 - There should be a way for attorneys and tax consultants to register and file within the system for multiple taxpayers who they represent.

- Section 22 (2) - As noted above, a mandatory filing of a petition for redetermination is problematic when the petition is being filed by an attorney or a tax consultant because the system won't allow it currently.

- Section 22 (3) - Petitions are often filed with limited notice (i.e., a taxpayer hires an attorney the day before it is due). Expecting all issues to be raised in the petition is unrealistic and restricts the rights of taxpayers to have adequate time for tax professionals to evaluate a case and identify issues.

- Section 22 (6) - This says that if the Department denies a request to late-file a petition, the appeal is to the Department. That is nonsensical. If the Department has already denied it, they are just going to deny it again. Appeals should be to the Commission. This is also inconsistent with subsection 8, which says the Commission issues a final decision.

- Section 22 (10) - Same issue with electronic filing by attorneys and tax consultants.

- Section 22 (13) - Same comment about denials by the Department being appealed to the Department, should be the Commission.

- Section 22 (18) - (a) – (f) should be separated by "or" instead of "and." Nobody is going to be able to satisfy all of the conditions. Alternatively, there should be three criteria: (a) <u>or</u> (b), <u>and</u> (c)-(f).

Thank you in advance for your consideration of these comments and suggestions for amending the proposed regulation. Please feel free to reach out if you need additional information or specific examples.

Sincerely,

Becky Dutro

Becky Dutro