STATE OF NEVADA

DEPARTMENT OF TAXATION

MAIN OFFICE
3850 Arrowhead Drive
Carson City, Nevada 89706

JOE LOMBARDO
Governor

GEORGE KELESIS
Chair, Nevada Tax Commission

SHELLIE HUGHES
Executive Director

Posted September 10, 2026

NOTICE OF REGULATORY WORKSHOP AND AGENDA
Proposed Permanent Regulations
LCB File Nos. R100-26, R138-26, R139-26 & R140-26

AND

EXECUTIVE ORDER 2026-003 STAKEHOLDER PUBLIC HEARING

Conducted by:
NEVADA DEPARTMENT OF TAXATION

Date and Time of Meeting: ***September 29, 2026*** ***9:00 a.m.***

Place of Meeting:
Nevada Department of Taxation
9850 Double R Blvd., Ste 101
Reno, NV 89521

- -

This meeting will also be available by zoom. Please use the link below to join the webinar:
https://us02web.zoom.us/j/83846368069

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+1 719 359 4580 US or +1 253 205 0468 US or +1 253 215 8782 US (Tacoma) or +1 346 248 7799 US (Houston) or +1 669 444 9171 US or +1 669 900 9128 US (San Jose) or +1 646 931 3860 US or +1 689 278 1000 US or +1 301 715 8592 US (Washington DC) or +1 305 224 1968 US or +1 309 205 3325 US or +1 312 626 6799 US (Chicago) or +1 360 209 5623 US or +1 386 347 5053 US or +1 507 473 4847 US or +1 564 217 2000 US or +1 646 558 8656 US (New York)

Webinar ID: 838 4636 8069

International numbers available: https://us02web.zoom.us/u/kbKa4poRDo

I. **Public Comment – In consideration of others, who may also wish to provide public comment, please avoid repetition and limit your comments to no more than five (5) minutes. Please email any comments to Kari Skalsky at kskalsky@tax.state.nv.us so they may be posted to the Departments website.

To provide public comment by telephone, please dial:
+1 719 359 4580 US or +1 253 205 0468 US or +1 253 215 8782 US (Tacoma) or +1 346 248 7799 US (Houston) or +1 669 444 9171 US or +1 669 900 9128 US (San Jose) or +1 646 931 3860 US or +1 689 278 1000 US or +1 301 715 8592 US (Washington DC) or +1 305 224 1968 US or +1 309 205 3325 US or +1 312 626 6799 US (Chicago) or +1 360 209 5623 US or +1 386 347 5053 US or +1 507 473 4847 US or +1 564 217 2000 US or +1 646 558 8656 US (New York)

Enter Webinar ID: 838 4636 8069

II. Workshop to solicit comments from interested parties regarding the proposed permanent regulation of the Nevada Tax Commission, LCB File No. R100-26, which establishes requirements related to commerce tax; designates the edition of the North American Industry Classification System applicable to certain regulations; requires the Department of Taxation to provide certain notice regarding the applicability of new editions of the North American Industry Classification System to the calculation of the commerce tax; and provides other matters properly relating thereto.

III. Workshop to solicit comments from interested parties regarding the proposed permanent regulation of the State Board of Equalization, LCB File No. R138-26, which establishes requirements related to property tax; revises the requirements for a petition for an advisory opinion concerning matters within the jurisdiction of the Department of Taxation or the State Board of Equalization; requires the Secretary of the State Board to take certain actions upon the receipt of a petition for an advisory opinion; revises the period within which the Secretary must issue an advisory opinion; authorizes the Secretary to deliver an advisory opinion by electronic means; authorizes the Secretary to refuse to review a petition for an advisory opinion under certain circumstances; and provides other matters properly relating thereto.

IV. Workshop to solicit comments from interested parties regarding the proposed permanent regulation of the Committee on Local Government Finance, LCB File No. R139-26, which establishes requirements related to government finance; requires the Executive Director of the Department of Taxation to take certain actions upon the receipt of a petition for an advisory opinion concerning matters within the jurisdiction of the Committee on Local Government Finance; revises provisions governing the period within which the Director must issue an advisory opinion; authorizes the Director to deliver an advisory opinion by electronic means under certain circumstances; and provides other matters properly relating thereto.

V. Workshop to solicit comments from interested parties regarding the proposed permanent regulation of the Nevada Tax Commission, LCB File No. R140-26, which establishes requirements related to taxation; revises provisions relating to the voluntary disclosure of the failure to file a tax return with the Department of Taxation; and provides other matters properly relating thereto.

A copy of the regulations referenced above can be found on the Department's website at https://tax.nv.gov/Boards/Public_Meetings/ and at the Nevada Legislature's website at https://www.leg.state.nv.us/App/Notice/A/.

All interested parties will have the opportunity to present their ideas. Please submit all suggestions in writing at least one week prior to the Workshop so the suggestions can be disseminated at the meeting. Written comments may be accepted at any time. Please email any comments to Kari Skalsky at kskalsky@tax.state.nv.us so they may be posted to the Departments website. All public input will be considered in preparing a proposed regulation to be presented to the Nevada Tax Commission for adoption.

VI. Executive Order 2026-003 Stakeholder Public Hearing to solicit recommendations from key industry stakeholders regarding Department regulations that should be streamlined, clarified, or removed.

VII. **Public Comment – In consideration of others, who may also wish to provide public comment, please avoid repetition and limit your comments to no more than five (5) minutes.

To provide public comment by telephone, please dial:
+1 719 359 4580 US or +1 253 205 0468 US or +1 253 215 8782 US (Tacoma) or +1 346 248 7799 US (Houston) or +1 669 444 9171 US or +1 669 900 9128 US (San Jose) or +1 646 931 3860 US or +1 689 278 1000 US or +1 301 715 8592 US (Washington DC) or +1 305 224 1968 US or +1 309 205 3325 US or +1 312 626 6799 US (Chicago) or +1 360 209 5623 US or +1 386 347 5053 US or +1 507 473 4847 US or +1 564 217 2000 US or +1 646 558 8656 US (New York)

Enter Webinar ID: 838 4636 8069

VIII. Adjourn

**Note: Items on this agenda may be taken in a different order than listed.
Items may be combined for consideration by the Department of Taxation.
Items may be pulled or removed from the agenda at any time.**

**This item is to receive public comment on any issue and any discussion of those issues, provided that comment will be limited to areas relevant to and within the authority of the Nevada Department of Taxation. No action will be taken on any items raised in the public comment period. Public Comment may not be limited based on viewpoint.

Please contact Kari Skalsky at 775-684-2041 or kskalsky@tax.state.nv.us for any support materials. The support materials will be available at https://tax.nv.gov/ and made available during the meeting located at the Nevada Department of Taxation, 9850 Double R Blvd., Ste 101, Reno.

In compliance with the Americans with Disabilities Act, individuals requiring special accommodations to participate in this workshop should notify Kari Skalsky at 775-684-2041 or kskalsky@tax.state.nv.us at least 3 days before the workshop. In order to comply with the security procedures of the Department, you will be required to show identification and sign a visitor's log prior to entering the meeting room.

If you need an accommodation in order to communicate during the workshop, the Department will provide one at no cost to you. Arrangements for an interpreter should be made as soon as possible, but no later than 14 days before the scheduled meeting. Please contact Kari Skalsky at 775-684-2041 at least 14 days in advance to request an interpreter in your preferred language. You may also submit your request to kskalsky@tax.state.nv.us.
Si necesita una ayuda para comunicarse durante la audiencia, el Departamento se lo proporcionará sin costo alguno. Los trámites para conseguir un intérprete deben hacerse lo antes posible, pero a más tardar 14 días antes de la cita programada. Por favor, póngase en contacto con Kari Skalsky al 775-684-2041 con al menos 14 días de anticipación para solicitar un intérprete en su idioma de preferencia. También puede solicitarlo a través de kskalsky@tax.state.nv.us.

Notice of this workshop has been posted at the following location: The Nevada Department of Taxation – 3850 Arrowhead Drive, Carson City.

Notice has been EMAILED/MAILED for posting at the following locations: Nevada Department of Taxation – 9850 Double R Blvd., Ste 101, Reno; Nevada Department of Taxation – 700 E. Warm Springs Rd, Ste 200, Las Vegas; The Nevada State Library – 100 Stewart Street, Carson City; Interested Parties Group maintained by the Department. Notice of this meeting was posted on the Nevada Department of Taxation website at https://tax.nv.gov/, on the Nevada Legislative website at https://www.leg.state.nv.us/, and the Nevada Public Notice Website at https://notice.nv.gov/.

SMALL BUSINESS IMPACT STATEMENT AS REQUIRED BY NRS 233B.0608 and NRS 233B.0609

LCB File No. R100-26

1. **Background**

LCB File No. R100-26, establishes requirements related to commerce tax; designates the edition of the North American Industry Classification System applicable to certain regulations; requires the Department of Taxation to provide certain notice regarding the applicability of new editions of the North American Industry Classification System to the calculation of the commerce tax; and provides other matters properly relating thereto.

Existing law imposes a commerce tax on the Nevada gross revenue of certain business entities whose Nevada gross revenue exceeds $4,000,000 in a taxable year, at a rate that is based on the industry in which a business entity is engaged. In classifying industries, existing law uses business categories from the North American Industry Classification System published by the Bureau of the Census of the United States Department of Commerce. (Chapter 363C of NRS)

Existing law requires the Department of Taxation to review each new edition of the North American Industry Classification System. Generally, the most recent edition of the North American Industry Classification System is the edition which is applicable to the provisions of law governing the commerce tax. However, if the Department determines that the adoption of a new edition of the North American Industry Classification System would cause a business entity to be categorized in a different business category or would cause a business entity to no longer be categorized in the unclassified business category, the new edition of the North American Industry Classification System does not become effective unless legislation adopting the new edition is enacted by the Legislature and approved by the Governor. (NRS 363C.091)

This regulation provides that the edition of the North American Industry Classification System which is applicable to regulations governing the commerce tax is the same edition which is applicable to the provisions of statute governing the commerce tax. This regulation also requires the Department to publish a notice on its Internet website if a new edition of the North American Industry Classification System will not go into effect unless legislation adopting the new edition is enacted by the Legislature and approved by the Governor.

2. **A description of the manner in which comment was solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R100-26. The proposed language and questionnaire were dispersed to the following:

- Emailed by the Department to 210 members of its interested parties list.
- Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

The content responses are summarized below:

- No response was received for LCB Draft of Proposed Regulation, File No. R100-26.

Anyone interested in obtaining a copy of the small business impact questionnaire response summary can contact:

Kari Skalsky
Nevada Department of Taxation
3850 Arrowhead Drive
Carson City, NV 89706
kskalsky@tax.state.nv.us
Phone: (775) 684-2041

3. The manner in which the analysis was conducted, including the methods used to determine the impacts of the proposed regulation on small businesses.

No response was received for LCB Draft of Proposed Regulation R100-26 for the questionnaire regarding the impact of the regulation on small businesses. Accordingly, the Department analyzed the proposed language and used informed, reasonable judgment in determining that there will not be an impact on small businesses.

4. The estimated economic effect of the proposed regulation on the small businesses which it is to regulate:

Adverse and Beneficial Effects

The Department finds that there is no reasonable, foreseeable or anticipated adverse or beneficial economic effect on small businesses.

Direct and Indirect Effects

The Department finds that there is no reasonable, foreseeable or anticipated direct or indirect economic effect on small businesses.

5. A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.

The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R100-26. The proposed language and questionnaire were dispersed to the following:

- Emailed by the Department to 210 members of its interested parties list.
- Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

As no responses were received from small businesses. the Department determined there was not an impact on small businesses.

6. **The estimated cost to the agency for enforcement of the proposed regulation.**

   The proposed regulation presents no significant foreseeable or anticipated cost or decrease in costs for enforcement.

7. **If the proposed 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 proposed permanent regulation does not include new fees or increase an existing fee.

8. **If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions arc necessary.**

   The proposed regulation does not overlap or duplicate any regulation of other federal, state or local government entities.

9. **The reasons for the conclusion of the agency regarding the impact of a regulation on small businesses.**

   The Department has determined that this regulation is not likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business based on its analysis of the proposed regulation.

I hereby certify, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that this statement was properly prepared, and the information contained herein is accurate.

____
Shellie Hughes, Executive Director
September 10, 2026

PROPOSED REGULATION OF

THE NEVADA TAX COMMISSION

LCB File No. R100-26

May 21, 2026

EXPLANATION – Matter in ***italics*** is new; matter in brackets **[~~omitted material~~]** is material to be omitted.

AUTHORITY: § 1, NRS 360.090 and 363C.100.

A REGULATION relating to commerce tax; designating the edition of the North American Industry Classification System applicable to certain regulations; requiring the Department of Taxation to provide certain notice regarding the applicability of new editions of the North American Industry Classification System to the calculation of the commerce tax; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law imposes a commerce tax on the Nevada gross revenue of certain business entities whose Nevada gross revenue exceeds $4,000,000 in a taxable year, at a rate that is based on the industry in which a business entity is engaged. In classifying industries, existing law uses business categories from the North American Industry Classification System published by the Bureau of the Census of the United States Department of Commerce. (Chapter 363C of NRS) Existing law requires the Department of Taxation to review each new edition of the North American Industry Classification System. Generally, the most recent edition of the North American Industry Classification System is the edition which is applicable to the provisions of law governing the commerce tax. However, if the Department determines that the adoption of a new edition of the North American Industry Classification System would cause a business entity to be categorized in a different business category or would cause a business entity to no longer be categorized in the unclassified business category, the new edition of the North American Industry Classification System does not become effective unless legislation adopting the new edition is enacted by the Legislature and approved by the Governor. (NRS 363C.091)

This regulation provides that the edition of the North American Industry Classification System which is applicable to regulations governing the commerce tax is the same edition which is applicable to the provisions of statute governing the commerce tax. This regulation also requires the Department to publish a notice on its Internet website if a new edition of the North American Industry Classification System will not go into effect unless legislation adopting the new edition is enacted by the Legislature and approved by the Governor.

Section 1. Chapter 363C of NAC is hereby amended by adding thereto a new section to read as follows:

1. Unless the context otherwise requires, for the purposes of this chapter, references to the "North American Industry Classification System" or "NAICS" are to the same edition of the North American Industry Classification System published by the Bureau of the Census of the United States Department of Commerce which is effective for the purposes of chapter 363C of NRS as provided by NRS 363C.091.

2. If the Department makes the determination pursuant to NRS 363C.091 that the adoption of a new edition of the North American Industry Classification System would cause a business entity to be categorized in a different business category than set forth in NRS 363C.310 to 363C.550, inclusive, or would cause a business entity categorized in the unclassified business category pursuant to NRS 363C.560 to be recategorized in a business category set forth in NRS 363C.310 to 363C.550, inclusive, the Department will post a notice on its Internet website that the new edition will not become effective unless legislation adopting the new edition is enacted by the Legislature and approved by the Governor.

SMALL BUSINESS IMPACT STATEMENT AS REQUIRED BY NRS 233B.0608 and NRS 233B.0609

LCB File No. R138-26

1. Background

LCB File No. R138-26, establishes requirements related to property tax; revises the requirements for a petition for an advisory opinion concerning matters within the jurisdiction of the Department of Taxation or the State Board of Equalization; requires the Secretary of the State Board to take certain actions upon the receipt of a petition for an advisory opinion; revises the period within which the Secretary must issue an advisory opinion; authorizes the Secretary to deliver an advisory opinion by electronic means; authorizes the Secretary to refuse to review a petition for an advisory opinion under certain circumstances; and provides other matters properly relating thereto.

Existing law creates the State Board of Equalization and provides that the Executive Director of the Department of Taxation is the Secretary of the State Board. (NRS 361.375) Under existing law, the State Board equalizes property valuations in the State, reviews the property tax roll of each county as corrected by the county board of equalization of the county and hears and determines appeals of certain valuations of property for the purposes of property taxes. (NRS 361.360, 361.402, 361.403) Existing law authorizes the State Board of Equalization to adopt regulations governing the conduct of its business. (NRS 361.375) Existing law also requires certain agencies in the Executive Department of State Government to provide by regulation for the filing and prompt disposition of petitions for advisory opinions as to the applicability of any statutory provision, agency regulation or decision of the agency. (NRS 233B.120)

Existing regulations authorize any person to petition for an advisory opinion concerning matters within the jurisdiction of the Department or the State Board and establish procedures for the issuance of such an advisory opinion. (NAC 361.749, 361.753) **Section 2** of this regulation removes the authorization for any person to petition for such an advisory opinion and instead authorizes only a person with a direct and tangible interest in the matter, or a person acting on behalf of such a person, to petition for an advisory opinion.

Section 3 of this regulation requires the Secretary of the State Board, upon receipt of a petition for an advisory opinion, to issue to the petitioner a written acknowledgment of the receipt of the petition. **Section 3** also requires the Secretary to notify and request from the petitioner any additional information that is necessary for the Secretary to render the advisory opinion.

Existing regulations require the Secretary to issue an advisory opinion within 45 days after the filing of the petition for the advisory opinion, unless the Secretary orders an extension of time up to a maximum of 60 days after filing. (NAC 361.753) **Section 3** instead requires the Secretary to issue the advisory opinion within: (1) 60 days after the Secretary acknowledges his or her receipt of the petition; or (2) if the Secretary has requested additional information from the petitioner, 60 days after the Secretary's receipt of the additional information. **Section 3** also maintains the existing authority of the Secretary under certain circumstances to extend, for a period not to exceed 60 days, the applicable period of time for issuing an advisory opinion.

Existing regulations require the Secretary to deliver an advisory opinion in person or by certified mail. (NAC 361.753) **Section 3** authorizes the Secretary, with written authorization by the petitioner, to deliver an advisory opinion by electronic means.

Section 3 also: (1) authorizes the Secretary to refuse to review a petition for an advisory opinion if the question or issue is the subject of a pending audit involving the petitioner or certain proceedings to which the petitioner is a party, if the petitioner does not have a direct and tangible interest in the matter or if the petition does not include all required information; (2) limits an advisory opinion issued by the Secretary to the facts and circumstances set forth in the petition and in any response to a request for additional information; and (3) provides that an appeal of an advisory opinion to the State Board is not considered a contested case.

Because **section 3** provides that the appeal of an advisory opinion to the State Board is not a contested case, **section 1** of this regulation makes a conforming change to provide that the provisions of existing regulations governing practice and procedure in contested cases before the State Board do not apply where those provisions are inconsistent with the provisions governing advisory opinions.

2. **A description of the manner in which comment was solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R138-26. The proposed language and questionnaire were dispersed to the following:

- Emailed by the Department to 276 members of its interested parties list.
- Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

The content responses are summarized below:

- Two responses were received for LCB Draft of Proposed Regulation, File No. R138-26.
  - One respondent did not include the number of employees currently employed and answered “no” to all questions without further explanation or clarification, indicating no impact on the respondent’s business.
  - The second respondent, reporting 68 employees, indicated that provisions of the proposed regulation would create a direct and significant economic burden, have an adverse effect and result in direct or indirect impacts on their business. They stated it would not directly restrict the formation, operation or expansion, or have a beneficial effect on the respondent’s business. An attachment to the questionnaire included the following concerns and suggestions:
    - The revised language in NAC 361.749 could unintentionally narrow who may petition for advisory opinions. To avoid excluding county assessors or assessor organizations—who rely on advisory opinions for statutory and regulatory guidance—it was recommended that the regulation be clarified to explicitly include these parties.
    - Objection to the allowance for the Secretary to refuse advisory opinions when the subject matter overlaps an audit or ongoing proceeding; viewed as limiting the Department’s ability to provide essential guidance, shifting interpretive responsibility to the State

Board, and conflicting with the Department's duty under NRS 360.215(6) to continually advise assessors. This change could increase administrative burdens on assessors and create inconsistencies in statewide practices. Removal of this provision was recommended.

- The proposed extension of the advisory opinion timeline from 45 days to potentially 120 days or more raised concern, as advisory opinions are time-sensitive and delays could prolong incorrect practices. Recommended maintaining the current 45-day deadline.
- Making advisory opinions appealable to the State Board and treating such appeals as non-contested cases would improperly expand the Board's authority. Removal of the proposed language was requested.

Anyone interested in obtaining a copy of the small business impact questionnaire response summary can contact:

Kari Skalsky
Nevada Department of Taxation
3850 Arrowhead Drive
Carson City, NV 89706
kskalsky@tax.state.nv.us
Phone: (775) 684-2041

3. The manner in which the analysis was conducted, including the methods used to determine the impacts of the proposed regulation on small businesses.

Two responses were received for LCB Draft of Proposed Regulation R138-26 for the questionnaire regarding the impact of the regulation on small businesses as summarized in the response to #2 above. Accordingly, the Department analyzed the proposed language and responses received and used informed, reasonable judgment in determining that there will not be an impact on small businesses. The Department will continue to monitor and analyze the impact of the proposed regulation on small businesses throughout the rulemaking process through collaborative efforts with industry stakeholders.

4. The estimated economic effect of the proposed regulation on the small businesses which it is to regulate:

Adverse and Beneficial Effects

The Department finds that there is no reasonable, foreseeable or anticipated adverse or beneficial economic effect on small businesses.

Direct and Indirect Effects

The Department finds that there is no reasonable, foreseeable or anticipated direct or indirect economic effect on small businesses.

5. **A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.**

   The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R138-26. The proposed language and questionnaire were dispersed to the following:
   - Emailed by the Department to 276 members of its interested parties list.
   - Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

   Two responses were received for LCB Draft of Proposed Regulation R138-26 for the questionnaire regarding the impact of the regulation on small businesses as summarized in the response to #2 above. Accordingly, the Department analyzed the proposed language and responses received and used informed, reasonable judgment in determining that there will not be an impact on small businesses. The Department will continue to monitor and analyze the impact of the proposed regulation on small businesses throughout the rulemaking process through collaborative efforts with industry stakeholders.

6. **The estimated cost to the agency for enforcement of the proposed regulation.**

   The proposed regulation presents no significant foreseeable or anticipated cost or decrease in costs for enforcement.

7. **If the proposed 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 proposed permanent regulation does not include new fees or increase an existing fee.

8. **If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions arc necessary.**

   The proposed regulation does not overlap or duplicate any regulation of other federal, state or local government entities.

9. **The reasons for the conclusion of the agency regarding the impact of a regulation on small businesses.**

   The Department has determined that this regulation is not likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business based on its analysis of the proposed regulation.

I hereby certify, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that this statement was properly prepared, and the information contained herein is accurate.

Shellie Hughes, Executive Director
September 10, 2026

PROPOSED REGULATION OF THE

STATE BOARD OF EQUALIZATION

LCB File No. R138-26

September 10, 2026

EXPLANATION – Matter in ***italics*** is LCB 7-10-26 draft language; matter in brackets [~~omitted material~~] is material omitted in LCB 7-10-26 draft; **purple underlined** is revised LCB language by Agency; ***~~green strikethrough~~*** is omitted LCB language by Agency.

AUTHORITY: § 1, NRS 361.375; §§ 2 and 3, NRS 233B.120 and 361.375.

A REGULATION relating to property tax; revising the requirements for a petition for an advisory opinion concerning matters within the jurisdiction of the Department of Taxation or the State Board of Equalization; requiring the Secretary of the State Board to take certain actions upon the receipt of a petition for an advisory opinion; revising the period within which the Secretary must issue an advisory opinion; authorizing the Secretary to deliver an advisory opinion by electronic means; authorizing the Secretary to refuse to review a petition for an advisory opinion under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law creates the State Board of Equalization and provides that the Executive Director of the Department of Taxation is the Secretary of the State Board. (NRS 361.375) Under existing law, the State Board equalizes property valuations in the State, reviews the property tax roll of each county as corrected by the county board of equalization of the county and hears and determines appeals of certain valuations of property for the purposes of property taxes. (NRS 361.360, 361.402, 361.403) Existing law authorizes the State Board of Equalization to adopt regulations governing the conduct of its business. (NRS 361.375) Existing law also requires certain agencies in the Executive Department of State Government to provide by regulation for the filing and prompt disposition of petitions for advisory opinions as to the applicability of any statutory provision, agency regulation or decision of the agency. (NRS 233B.120)

Existing regulations authorize any person to petition for an advisory opinion concerning matters within the jurisdiction of the Department or the State Board and establish procedures for the issuance of such an advisory opinion. (NAC 361.749, 361.753) **Section 2** of this regulation removes the authorization for any person to petition for such an advisory opinion and instead authorizes only a person with a direct and tangible interest in the matter, or a person acting on behalf of such a person, to petition for an advisory opinion.

Section 3 of this regulation requires the Secretary of the State Board, upon receipt of a petition for an advisory opinion, to issue to the petitioner a written acknowledgment of the receipt of the petition. **Section 3** also requires the Secretary to notify and request from the petitioner any additional information that is necessary for the Secretary to render the advisory opinion.

Existing regulations require the Secretary to issue an advisory opinion within 45 days after the filing of the petition for the advisory opinion, unless the Secretary orders an extension of time up to a maximum of 60 days after filing. (NAC 361.753) **Section 3** instead requires the Secretary to issue the advisory opinion within: (1) 60 days after the Secretary acknowledges his or her receipt of the petition; or (2) if the Secretary has requested additional information from the petitioner, 60 days after the Secretary's receipt of the additional information. **Section 3** also maintains the existing authority of the Secretary under certain circumstances to extend, for a period not to exceed 60 days, the applicable period of time for issuing an advisory opinion.

Existing regulations require the Secretary to deliver an advisory opinion in person or by certified mail. (NAC 361.753) **Section 3** authorizes the Secretary, with written authorization by the petitioner, to deliver an advisory opinion by electronic means.

Section 3 also: (1) authorizes the Secretary to refuse to review a petition for an advisory opinion if the question or issue is the subject of a pending audit involving the petitioner or certain proceedings to which the petitioner is a party, if the petitioner does not have a direct and tangible interest in the matter or if the petition does not include all required information; (2) limits an advisory opinion issued by the Secretary to the facts and circumstances set forth in the petition and in any response to a request for additional information; and (3) provides that an appeal of an advisory opinion to the State Board is not considered a contested case.

Because **section 3** provides that the appeal of an advisory opinion to the State Board is not a contested case, **section 1** of this regulation makes a conforming change to provide that the provisions of existing regulations governing practice and procedure in contested cases before the State Board do not apply where those provisions are inconsistent with the provisions governing advisory opinions.

Section 1. NAC 361.682 is hereby amended to read as follows:

361.682 1. The provisions of NAC 361.682 to 361.753, inclusive:

(a) ~~[Govern]~~ ***Except where inconsistent with the provisions of NAC 361.749, 361.751 and 361.753, govern*** the practice and procedure in contested cases before the State Board.

(b) Except where inconsistent with the provisions of NAC 361.650 to 361.669, inclusive, apply to proceedings before the State Board to carry out the provisions of NRS 361.395.

(c) Will be liberally construed to secure the just, speedy and economical determination of all issues presented to the State Board.

2. In special cases, where good cause appears, not contrary to statute, deviation from these rules, if stipulated to by all parties of record, will be permitted.

Sec. 2. NAC 361.749 is hereby amended to read as follows:

361.749 1. Any person ***with a direct and tangible interest in the applicability of any statutory provision, regulation or decision within the jurisdiction of the Department or State Board, or a person acting on behalf of such a person,*** may petition for an advisory opinion concerning ~~[matters within the jurisdiction of the Department or State Board.]~~ ***the applicability of the statutory provision, regulation or decision.***

2. All petitions must be in writing, be addressed to the Secretary and set forth at least the following:

(a) A statement that an advisory opinion is requested;

(b) A succinct statement of all the facts and circumstances necessary to dispose of the petition;

(c) A clear, simple statement of the issue or question to be resolved;

(d) A statement of all statutes, rules, agency decisions or other authorities which the petitioner believes may be relevant in disposing of the petition; and

(e) A statement with supporting arguments and authorities of the petitioner's opinion of a proper disposition of the petition.

Sec. 3. NAC 361.753 is hereby amended to read as follows:

361.753 1. ~~[Advisory opinions]~~ ***Upon receipt of a petition for an advisory opinion submitted pursuant to NAC 361.749, the Secretary shall issue and send to the petitioner a written acknowledgment of receipt of the petition. If the Secretary determines after receipt of the petition that additional information from the petitioner is necessary to render the requested advisory opinion, the Secretary shall, as soon as practicable after making that determination,***

notify and request from the petitioner in writing the specific information necessary to render the advisory opinion.

2. The Secretary may refuse to issue an advisory opinion if:

(a) The question or issue set forth in the petition is the subject of a pending audit involving the petitioner or is an issue in a pending administrative, civil, ~~or~~ criminal or judicial proceeding in which the petitioner is a party;

(b) The petitioner does not have a direct and tangible interest in the resolution of the issue or question concerning the applicability of the statutory provisions, regulation or decision of the Department or State Board; or

(c) The petition does not comply with the requirements of subsection 2 of NAC 361.749.

3. An advisory opinion must:

(a) Be written;

(b) Include a statement of facts, question, analysis and opinion;

(c) ~~[Be]~~ ***Except as otherwise provided in subsection 4, be*** issued by the Secretary within ~~[45]~~ ***60*** days after ~~[filing of]~~ ***sending the acknowledgment of receipt of*** the petition ***pursuant to subsection 1,*** unless the Secretary ~~[, in writing, orders an extension of time up to a maximum of 60 days after filing;]~~ ***requests additional information from the petitioner pursuant to subsection 1, in which case the advisory opinion must be issued by the Secretary within 60 days after receipt of the requested information;*** and

(d) Be delivered to the petitioner in person ***,*** ~~[or]~~ by certified mail ~~[.~~

~~2. Advisory opinions of]~~ ***or by electronic means, if the petitioner has authorized the Secretary in writing to deliver the advisory opinion by electronic means.***

4. The Secretary may extend for not more than 60 additional days the applicable period of time provided by paragraph (c) of subsection 3 for issuing an advisory opinion if the Secretary determines that such additional time is necessary to render a complete and adequate advisory opinion.

5. An advisory opinion issued by the Secretary:

(a) Will be limited to the facts and circumstances set forth in the petition and any additional information submitted by the petitioner pursuant to a request by the Secretary for additional information; and

(b) Does not apply to facts or circumstances that are materially different from the facts or circumstances set forth in the advisory opinion.

6. An advisory opinion issued by the Secretary ~~[are]~~ ***is*** appealable to the State Board in the same manner as any other valuation decision. ***An appeal of an advisory opinion is not a contested case*** **under chapter 233B of NRS**.

SMALL BUSINESS IMPACT STATEMENT AS REQUIRED BY NRS 233B.0608 and NRS 233B.0609

LCB File No. R139-26

1. Background

LCB File No. R139-26, establishes requirements related to government finance; requires the Executive Director of the Department of Taxation to take certain actions upon the receipt of a petition for an advisory opinion concerning matters within the jurisdiction of the Committee on Local Government Finance; revises provisions governing the period within which the Director must issue an advisory opinion; authorizes the Director to deliver an advisory opinion by electronic means under certain circumstances; and provides other matters properly relating thereto.

Existing law creates the Committee on Local Government Finance and authorizes the Committee to adopt regulations and take certain other actions necessary to administer provisions of law, including the Local Government Budget and Finance Act, which establish certain requirements, procedures and limitations relating to the financial administration of local governments. (NRS 354.105, 354.107, 354.470-354.725) Existing law requires certain agencies of the Executive Department of State Government to provide by regulation for the filing and prompt disposition of petitions for advisory opinions as to the applicability of any statutory provision, agency regulation or decision of the agency. (NRS 233B.031, 233B.120) Existing regulations authorize any person to petition the Executive Director of the Department of Taxation for an advisory opinion concerning matters within the jurisdiction of the Committee and establishes procedures for the issuance of such an advisory opinion. (NAC 354.940, 354.942)

This regulation requires the Director, upon receipt of a petition for an advisory opinion, to issue and send to the petitioner a written acknowledgment of receipt of the petition. This regulation also requires the Director, if the Director determines that additional information from the petitioner is necessary to render the advisory opinion, to notify the petitioner in writing as soon as practicable of the specific information necessary to render the advisory opinion.

Existing regulations require the Director to issue an advisory opinion within 45 days after the filing of the petition for the advisory opinion, unless the Director orders an extension of time up to a maximum of 60 days after the filing of the petition. (NAC 354.942) This regulation instead requires the Director to issue the advisory opinion within: (1) 60 days after the Director issues the written acknowledgment of receipt of the petition; or (2) if the Director has requested additional information from the petitioner, 60 days after the Director's receipt of the additional information. This regulation also authorizes the Director extend for a period not to exceed 60 additional days the applicable time period prescribed for issuing the advisory opinion.

Existing regulations require the Director to deliver an advisory opinion by certified mail. (NAC 354.942) This regulation authorizes the Director to deliver an advisory opinion by electronic means, if the petitioner has provided the Director with written authorization to deliver the advisory opinion by electronic means.

2. **A description of the manner in which comment was solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

   The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R139-26. The proposed language and questionnaire were dispersed to the following:
   - Emailed by the Department to 277 members of its interested parties list.
   - Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

   No response was received for LCB Draft of Proposed Regulation, File No. R139-26.

   Anyone interested in obtaining a copy of the small business impact questionnaire response summary can contact:

   Kari Skalsky
   Nevada Department of Taxation
   3850 Arrowhead Drive
   Carson City, NV 89706
   kskalsky@tax.state.nv.us
   Phone: (775) 684-2041

3. **The manner in which the analysis was conducted, including the methods used to determine the impacts of the proposed regulation on small businesses.**

   No response was received for LCB Draft of Proposed Regulation R139-26 for the questionnaire regarding the impact of the regulation on small businesses. Accordingly, the Department analyzed the proposed language and used informed, reasonable judgment in determining that there will not be an impact on small businesses.

4. **The estimated economic effect of the proposed regulation on the small businesses which it is to regulate:**

   Adverse and Beneficial Effects

   The Department finds that there is no reasonable, foreseeable or anticipated adverse or beneficial economic effect on small businesses.

   Direct and Indirect Effects

   The Department finds that there is no reasonable, foreseeable or anticipated direct or indirect economic effect on small businesses.

5. **A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.**

   The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R139-26. The proposed language and questionnaire were dispersed to the following:
   - Emailed by the Department to 210 members of its interested parties list.
   - Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

As no responses were received from small businesses. the Department determined there was not an impact on small businesses.

6. **The estimated cost to the agency for enforcement of the proposed regulation.**

   The proposed regulation presents no significant foreseeable or anticipated cost or decrease in costs for enforcement.

7. **If the proposed 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 proposed permanent regulation does not include new fees or increase an existing fee.

8. **If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions arc necessary.**

   The proposed regulation does not overlap or duplicate any regulation of other federal, state or local government entities.

9. **The reasons for the conclusion of the agency regarding the impact of a regulation on small businesses.**

   The Department has determined that this regulation is not likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business based on its analysis of the proposed regulation.

I hereby certify, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that this statement was properly prepared, and the information contained herein is accurate.

Shellie Hughes, Executive Director
September 10, 2026

PROPOSED REGULATION OF THE

COMMITTEE ON LOCAL GOVERNMENT FINANCE

LCB File No. R139-26

September 10, 2026

EXPLANATION – Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: § 1, NRS 233B.120 and 354.107.

A REGULATION relating to local government finance; requiring the Executive Director of the Department of Taxation to take certain actions upon the receipt of a petition for an advisory opinion concerning matters within the jurisdiction of the Committee on Local Government Finance; revising provisions governing the period within which the Director must issue an advisory opinion; authorizing the Director to deliver an advisory opinion by electronic means under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law creates the Committee on Local Government Finance and authorizes the Committee to adopt regulations and take certain other actions necessary to administer provisions of law, including the Local Government Budget and Finance Act, which establish certain requirements, procedures and limitations relating to the financial administration of local governments. (NRS 354.105, 354.107, 354.470-354.725) Existing law requires certain agencies of the Executive Department of State Government to provide by regulation for the filing and prompt disposition of petitions for advisory opinions as to the applicability of any statutory provision, agency regulation or decision of the agency. (NRS 233B.031, 233B.120) Existing regulations authorize any person to petition the Executive Director of the Department of Taxation for an advisory opinion concerning matters within the jurisdiction of the Committee and establishes procedures for the issuance of such an advisory opinion. (NAC 354.940, 354.942)

This regulation requires the Director, upon receipt of a petition for an advisory opinion, to issue and send to the petitioner a written acknowledgment of receipt of the petition. This regulation also requires the Director, if the Director determines that additional information from the petitioner is necessary to render the advisory opinion, to notify the petitioner in writing as soon as practicable of the specific information necessary to render the advisory opinion.

Existing regulations require the Director to issue an advisory opinion within 45 days after the filing of the petition for the advisory opinion, unless the Director orders an extension of time up to a maximum of 60 days after the filing of the petition. (NAC 354.942) This regulation instead requires the Director to issue the advisory opinion within: (1) 60 days after the Director issues the written acknowledgment of receipt of the petition; or (2) if the Director has requested additional information from the petitioner, 60 days after the Director's receipt of the additional information. This regulation also authorizes the Director extend for a period not to exceed 60 additional days the applicable time period prescribed for issuing the advisory opinion.

Existing regulations require the Director to deliver an advisory opinion by certified mail. (NAC 354.942) This regulation authorizes the Director to deliver an advisory opinion by electronic means, if the petitioner has provided the Director with written authorization to deliver the advisory opinion by electronic means.

Section 1. NAC 354.942 is hereby amended to read as follows:

354.942 1. ~~[Advisory opinions]~~ ***Upon receipt of a petition for an advisory opinion submitted pursuant to NAC 354.940, the Director shall issue and send to the petitioner a written acknowledgment of receipt of the petition. If the Director determines after receipt of the petition that additional information from the petitioner is necessary to render the requested advisory opinion, the Director shall, as soon as practicable after making that determination, notify and request from the petitioner in writing the specific information necessary to render the advisory opinion.***

2. **The Secretary may refuse to issue an advisory opinion if:**

a) The question or issue set forth in the petition is the subject of a pending audit involving the petitioner or is an issue in a pending administrative, civil, or criminal or judicial proceeding in which the petitioner is a party;

b) The petitioner does not have a direct and tangible interest in the resolution of the issue or question concerning the applicability of the statutory provisions, regulation or decision of the Department or State Board; or

c) The petition does not comply with the requirements of subsection 2 of NAC 361.749.

3. An advisory opinion must:

(a) Be written;

(b) Include a statement of facts, question, analysis and opinion;

(c) ~~[Be]~~ ***Except as otherwise provided in subsection 3, be*** issued by the Director within ~~[45]~~

60 days after ~~[the filing of]~~ ***sending the acknowledgment of receipt of*** the petition ***pursuant to subsection 1,*** unless the Director ~~[in writing orders an extension of time up to a maximum of 60 days after filing;]~~ ***requests additional information from the petitioner pursuant to subsection 1, in which case the advisory opinion must be issued by the Director within 60 days after receipt of the requested information;*** and

(d) Be delivered to the petitioner in person ***,*** ~~[or]~~ by certified mail ~~[.~~
~~2. Advisory opinions]~~ ***or by electronic means, if the petitioner has authorized the Director in writing to deliver the advisory opinion by electronic means.***

~~*3.*~~ ***The Director may extend for not more than 60 additional days the applicable period of time provided by paragraph (c) of subsection 2 for issuing an advisory opinion if the Director determines that such additional time is necessary to render a complete and adequate advisory opinion.***

~~*4.*~~ ***An advisory opinion*** issued by the Director ~~[are]~~ ***is*** appealable to the Committee. An appeal of an advisory opinion issued by the Director must be filed not later than 20 days after receipt of the advisory opinion and state with particularity the issues presented, the points of law or fact on which the party relies and the relief requested. ***An appeal of an advisory opinion is not a contested case*** <u>**under chapter 233B of NRS**</u>***.***

~~[3.]~~ ***5.*** If a person files an appeal of an advisory opinion pursuant to subsection ~~[2,]~~ ***4,*** the Committee will hold a hearing on the advisory opinion. The Committee will provide notice of the hearing to the person who filed the appeal not later than 15 days before the hearing.

~~[4.]~~ ***6.*** After the close of a hearing held pursuant to subsection ~~[3,]~~ ***5,*** the Committee will issue an order that adopts, reverses or modifies, in whole or in part, the advisory opinion issued by the Director. The Director shall issue the written order and an advisory opinion that reflects the order not later than 60 days after the order is made.

SMALL BUSINESS IMPACT STATEMENT AS REQUIRED BY NRS 233B.0608 and NRS 233B.0609

LCB File No. R140-26

1. Background

LCB File No. R140-26, establishes requirements related to taxation; revises provisions relating to the voluntary disclosure of the failure to file a tax return with the Department of Taxation; and provides other matters properly relating thereto.

If a person fails to file a tax return as required by law or the Department of Taxation is not satisfied with the tax return filed, existing law authorizes the Department to compute and determine the amount required to be paid by the taxpayer. Existing law requires the Department to impose interest on the amount of tax determined to be due and, in the case where no tax return was filed, to impose a penalty of 10 percent. (NRS 360.300) Existing regulations provide that a taxpayer who fails to file a tax return with the Department as required by various provisions of law, and wishes to disclose that fact voluntarily to the Nevada Tax Commission, must file with the Department an application for voluntary disclosure before the Department has initiated an audit or investigation of the taxpayer. (NAC 360.440) Under existing regulations, if the Commission determines that a taxpayer has made a good faith effort to comply with the requirements relating to voluntary disclosure of the failure to file a tax return, the Department is prohibited from assessing the penalty and interest otherwise prescribed by law on the entire amount of the tax liability of the taxpayer. (NAC 360.446)

Section 1 of this regulation expands the applicability of the voluntary disclosure provisions to include, without limitation, the entirety of existing provisions of law relating to revenue and taxation while excluding provisions of existing law relating to property tax, taxes on agricultural real property and open space, taxes on patented mines and proceeds of minerals and taxes on transfers of real property. **Section 1** requires an application for voluntary disclosure to identify the taxpayer on whose behalf the application is submitted. **Section 1** expands the circumstances under which an extension of time to comply with the requirements of voluntary disclosure may be requested to include events beyond the control of the taxpayer.

Sections 2 of this regulation makes conforming changes related to the expanded applicability of voluntary tax disclosure as provided in section 1. **Section 2** further expands the compliance requirements necessary for a determination of voluntary disclosure to include a variance of not more than 10 percent between the estimated tax liability of the taxpayer and the actual tax liability of the taxpayer. **Section 3** of this regulation amends Department notification requirements to align with statutory provisions. **Section 3** sets forth the eligibility of a taxpayer to request a waiver or reduction of penalty, interest, or both, when assessed by the Department, while specifying the types of tax for which a taxpayer may dispute the determination of the Department related to the tax liability, penalty or interest assessed by the Department. Finally, **section 3** eliminates the timeline and notification requirements of the Department related to review of a petition filed by a taxpayer.

2. **A description of the manner in which comment was solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R140-26. The proposed language and questionnaire were dispersed to the following:

- Emailed by the Department to 251 members of its interested parties list.
- Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

The content responses are summarized below:

- No response was received for LCB Draft of Proposed Regulation, File No. R140-26.

Anyone interested in obtaining a copy of the small business impact questionnaire response summary can contact:

Kari Skalsky
Nevada Department of Taxation
3850 Arrowhead Drive
Carson City, NV 89706
kskalsky@tax.state.nv.us
Phone: (775) 684-2041

3. **The manner in which the analysis was conducted, including the methods used to determine the impacts of the proposed regulation on small businesses.**

No response was received for LCB Draft of Proposed Regulation R140-26 for the questionnaire regarding the impact of the regulation on small businesses. Accordingly, the Department analyzed the proposed language and used informed, reasonable judgment in determining that there will not be an impact on small businesses.

4. **The estimated economic effect of the proposed regulation on the small businesses which it is to regulate:**

Adverse and Beneficial Effects

The Department finds that there is no reasonable, foreseeable or anticipated adverse or beneficial economic effect on small businesses.

Direct and Indirect Effects

The Department finds that there is no reasonable, foreseeable or anticipated direct or indirect economic effect on small businesses.

5. **A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.**

   The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R140-26. The proposed language and questionnaire were dispersed to the following:
   - Emailed by the Department to 251 members of its interested parties list.
   - Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

   As no responses were received from small businesses. the Department determined there was not an impact on small businesses.

6. **The estimated cost to the agency for enforcement of the proposed regulation.**

   The proposed regulation presents no significant foreseeable or anticipated cost or decrease in costs for enforcement.

7. **If the proposed 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 proposed permanent regulation does not include new fees or increase an existing fee.

8. **If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions arc necessary.**

   The proposed regulation does not overlap or duplicate any regulation of other federal, state or local government entities.

9. **The reasons for the conclusion of the agency regarding the impact of a regulation on small businesses.**

   The Department has determined that this regulation is not likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business based on its analysis of the proposed regulation.

I hereby certify, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that this statement was properly prepared, and the information contained herein is accurate.

Shellie Hughes, Executive Director
September 10, 2026

PROPOSED REGULATION OF THE

NEVADA TAX COMMISSION

LCB File No. R140-26

August 14, 2026

EXPLANATION – Matter in ***italics*** is LCB 8-5-26 draft language; matter in brackets [~~omitted material~~] is material omitted in LCB 8-5-26 draft; **purple underlined** is revised LCB language by Agency; ***~~green strikethrough~~*** is omitted LCB language by Agency.

AUTHORITY: §§ 1 and 2, NRS 360.090; § 3, NRS 360.090 and 360.300.

A REGULATION relating to taxation; revising provisions relating to the voluntary disclosure of the failure to file a tax return with the Department of Taxation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

If a person fails to file a tax return as required by law or the Department of Taxation is not satisfied with the tax return filed, existing law authorizes the Department to compute and determine the amount required to be paid by the taxpayer. Existing law requires the Department to impose interest on the amount of tax determined to be due and, in the case where no tax return was filed, to impose a penalty of 10 percent. (NRS 360.300) Existing regulations provide that a taxpayer who fails to file a tax return with the Department as required by various provisions of law, and wishes to disclose that fact voluntarily to the Nevada Tax Commission, must file with the Department an application for voluntary disclosure before the Department has initiated an audit or investigation of the taxpayer. (NAC 360.440) Under existing regulations, if the Commission determines that a taxpayer has made a good faith effort to comply with the requirements relating to voluntary disclosure of the failure to file a tax return, the Department is prohibited from assessing the penalty and interest otherwise prescribed by law on the entire amount of the tax liability of the taxpayer. (NAC 360.446)

Section 1 of this regulation expands the applicability of the voluntary disclosure provisions to include, without limitation, the entirety of existing provisions of law relating to revenue and taxation while excluding provisions of existing law relating to property tax, taxes on agricultural real property and open space, taxes on patented mines and proceeds of minerals and taxes on transfers of real property. **Section 1** requires an application for voluntary disclosure to identify the taxpayer on whose behalf the application is submitted. **Section 1** expands the circumstances under which an extension of time to comply with the requirements of voluntary disclosure may be requested to include events beyond the control of the taxpayer.

Sections 2 of this regulation makes conforming changes related to the expanded applicability of voluntary tax disclosure as provided in section 1. **Section 2** further expands the compliance requirements necessary for a determination of voluntary disclosure to include a variance of not more than 10 percent between the estimated tax liability of the taxpayer and the actual tax liability of the taxpayer. **Section 3** of this regulation amends Department notification requirements to align with statutory provisions. **Section 3** sets forth the eligibility of a taxpayer to request a waiver or reduction of penalty, interest, or both, when assessed by the Department, while specifying the types of tax for which a taxpayer may dispute the determination of the Department related to the tax liability, penalty or interest assessed by the Department. Finally, **section 3** eliminates the timeline and notification requirements of the Department related to review of a petition filed by a taxpayer.

Section 1. NAC 360.440 is hereby amended to read as follows:

360.440 1. If a taxpayer fails to file a return as required by the applicable provisions of chapter ~~[360, 360B, 362, 363A, 363B, 363C, 363D, 369, 370, 372, 372B, 374, 377, 377a, 377C or]~~ 444A of NRS, NRS 482.313, 482C.230, 482C.240, or chapter 585 or 680B of NRS, ***or any provision of title 32 of NRS which is administered by the Department, excluding chapters 361, 361A, 362 and 375 of NRS,*** the taxpayer or the taxpayer's representative may file with the Department an application for voluntary disclosure in a form prescribed by the Department before the Department has initiated an audit or investigation of the taxpayer. ***The application must identify the taxpayer on whose behalf the application is submitted and, if applicable, the taxpayer's representative. The Department will not accept an anonymous application for voluntary disclosure.*** An application is deemed to be filed with the Department on the date the application is received by the Department.

2. If the Department verifies that it did not initiate an audit or investigation of the taxpayer before the date on which the application was filed, the Department shall ~~[accept the application and notify]~~ ***provide a notice to*** the taxpayer ~~[or]~~ ***and*** the taxpayer's representative, as applicable, ~~[of the acceptance]~~ ***acknowledging receipt*** of the application within 30 days after the date on which the application was filed.

3. For the purposes of subsections 1 and 2, the Department has initiated an audit or investigation of a taxpayer if the Department has:

(a) Contacted the taxpayer by telephone, in person or in writing regarding a possible tax liability or registration requirements; or

(b) Given the taxpayer written notice that an audit will be conducted by the Department concerning liability for the type of tax that the taxpayer wishes to disclose voluntarily pursuant to this section.

4. The Department shall deny an application for voluntary disclosure if any owner, officer, member, partner, or other principle identified in the application is, or previously was, an owner, officer, member, partner, or other principle of any business that is or was registered with the Department because such person is presumed to have knowledge of the registration and filing requirements administered by the Department.

4. **5.** Except as otherwise provided in subsection 5, the Department shall not consider the tax liability of a taxpayer as being voluntarily disclosed unless, within 90 days after the date on which notice ~~[of acceptance]~~ ***acknowledging receipt*** of the taxpayer's application is given pursuant to subsection 2, the taxpayer or the taxpayer's representative ***, as applicable,*** complies with the requirements of this subsection. The taxpayer or the taxpayer's representative must:

(a) File with the Department any required registration and the delinquent tax returns for the tax estimated to be owed for the period being disclosed or, if the period being disclosed exceeds 8 years, for the 8 years immediately preceding the date on which the application was filed;

(b) Pay the tax estimated to be owed for the period being disclosed or, if the period being disclosed exceeds 8 years, for the 8 years immediately preceding the date on which the application was filed; and

(c) Submit any additional information or material required by the Department.

5. **6.** If a request for an extension of time to satisfy the requirements of subsection 4 is made in writing to the Department after the filing of an application and within 90 days after the date

on which notice ~~[of acceptance]~~ ***acknowledging receipt*** of the application is given pursuant to subsection 2, the **Executive** Director or a person designated by the **Executive** Director may grant a taxpayer or the taxpayer's representative ***, as applicable,*** one extension of time, not to exceed 90 days, to satisfy those requirements. The request must be accompanied by proof satisfactory to the **Executive** Director or ~~his or her~~ designee that the requirements cannot be satisfied within the time otherwise required by subsection 4 despite the exercise of ordinary care by the taxpayer or the taxpayer's representative and because of circumstances beyond the control of the taxpayer or the taxpayer's representative.

6. **7.** The circumstances described in subsection 5 include, without limitation:

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

(b) The death or hospitalization of the taxpayer or the taxpayer's representative; or

(c) Any other circumstance that could not reasonably have been anticipated at the time the application was filed.

Sec. 2. NAC 360.444 is hereby amended to read as follows:

360.444 The Department shall not consider the tax liability of a taxpayer as being voluntarily disclosed if, after filing an application for voluntary disclosure pursuant to NAC 360.440, the taxpayer or the taxpayer's representative ~~[:]~~ ***, as applicable:***

1. Fails to satisfy the requirements of subsection 4 of NAC 360.440 within the time provided by that subsection or extended pursuant to subsection 5 of NAC 360.440;

2. Fails to comply with the applicable provisions of chapter ~~[360, 360B, 362, 363A, 363B, 363C, 363D, 369, 370, 372, 372A, 372B, 374, 377, 377A, 377C, or]~~ 444A of NRS, NRS 482.313, 482C.230, 482C.240, or chapter 585 or 680B of NRS, ***or the applicable provisions of title 32 of NRS which are administered by the Department, excluding chapters 361, 361A, 362 and 375 of NRS,*** including, without limitation, registering with the Department **for any**

applicable tax, filing current tax returns, paying any tax liability and remitting any taxes collected; or

3. Fails to provide an accurate estimate of ~~[his or her]~~ ***the taxpayer's*** tax liability in the application for voluntary disclosure filed pursuant to NAC 360.440. The taxpayer shall be deemed to have provided an inaccurate estimate of ~~[his or her]~~ ***the taxpayer's*** tax liability if:

(a) The ***estimated*** tax liability provided in the application for voluntary disclosure ~~[is less than]~~ ***differs from*** the taxpayer's actual tax liability by 10 percent or more; and

(b) The taxpayer is unable to demonstrate to the Department that ~~[he or she]~~ ***the taxpayer*** made a good faith effort to report accurately ~~[his or her]~~ ***the taxpayer's*** tax liability in the application for voluntary disclosure.

Sec. 3. NAC 360.446 is hereby amended to read as follows:

360.446 1. If the Department determines that the taxpayer has complied with the requirements set forth in NAC 360.440 and 360.444, the Department shall not assess the penalty and interest set forth in NRS 360.300 on the entire amount of the tax liability.

2. If the Department determines that the tax liability of a taxpayer has not been voluntarily disclosed pursuant to NAC 360.440 and 360.444, the Department shall:

(a) Assess the penalty and interest set forth in NRS 360.300 on the entire amount of the tax liability; and

(b) Notify the taxpayer ***and the taxpayer's representative, as applicable,*** of its determination and issue a bill for the amount of any tax, penalty or interest owed by the taxpayer. The notice and bill must be sent to the taxpayer ~~[by registered or certified mail, return receipt requested.]~~ ***and the taxpayer's representative, as applicable, in accordance with NRS 360.350.***

3. If the Department determines that the tax liability of a taxpayer has not been voluntarily disclosed and assesses a penalty or interest pursuant to NRS 360.300 and subsection 2, the

taxpayer:

(a) Shall, within 60 days after receiving the notice and bill described in subsection 2, file any additional returns and pay the amount of any tax, penalty or interest that the Department has determined is owed by the taxpayer . ~~[; and]~~

(b) May ~~[,]~~ ~~:~~

~~*(1)*~~ ***Request a waiver or reduction of a penalty or interest, or both, pursuant to NAC 360.396***.~~*; or*~~

~~***(2) If NAC 360.396 is not applicable to the tax at issue,*** within 45 days after receiving the notice and bill described in subsection 2, file a written petition with the Department ***pursuant to NRS 360.360*** disputing its determination or the amount of any tax, penalty or interest assessed by the Department. The petition must set forth any information that supports the dispute.~~

~~[4. The Commission will review any petition filed pursuant to subsection 3 and determine the amount of any tax, penalty or interest owed by the taxpayer. The Commission will notify the taxpayer of its decision by registered or certified mail, return receipt requested.~~

~~5. The taxpayer shall file any additional returns and pay the amount of any tax, penalty or interest that the Commission determines is owed by the taxpayer pursuant to subsection 4 within 60 days after he or she receives the notification from the Commission pursuant to subsection 4.~~

~~6. Any action taken with respect to a taxpayer by the Department or Commission pursuant to this section does not affect the right of the taxpayer to request a waiver or reduction of a penalty or interest, or both, pursuant to NAC 360.396.]~~

State of Nevada

Executive Department

Executive Order 2026-003

Order Requiring a Review of Existing Regulations by All Executive Branch Agencies, Departments, Boards, and Commissions

WHEREAS, *state regulations should protect workers, consumers, and the environment, while promoting entrepreneurship and economic growth; and*

WHEREAS, *state regulations can become outdated, result in unintended consequences, create conflicts, or impose an unnecessary burden on citizens, businesses, or government entities; and*

WHEREAS, *it is in the best interest of the state of Nevada that its regulatory environment be concise, transparent, stable, balanced, predictable, and thoughtfully constructed; and*

WHEREAS, *Nevada's current regulatory structure is too often unfocused and inefficient, contains regulations that are obsolete, and includes regulations that are unnecessarily onerous, thereby limiting the economic potential of the State; and*

WHEREAS, *Executive Order 2023-003 was a critically necessary first step in addressing Nevada's outdated, inefficient regulatory structure by streamlining, clarifying, and reducing over 900 unnecessarily burdensome regulations; and*

WHEREAS, *the continued, thoughtful review of Nevada's regulations should be driven by citizen and industry input, including an initial meeting to garner stakeholder feedback, receive recommendations, and engage in nuanced discussions regarding regulations that should be considered for revision or removal (to improve the general welfare and foster innovation); and*

WHEREAS, *Article 5, Section 1 of the Nevada Constitution provides that, "The Supreme Executive Power of this State shall be vested in a Chief Magistrate who shall be Governor of the State of Nevada;*

NOW, THEREFORE, by the authority vested in me as Governor by the Constitution and laws of the State of Nevada, it is hereby ordered as follows:

SECTION 1:

Every executive branch department, agency, board, and commission shall hold a public hearing, after having provided reasonable notice consistent with Chapter 241 of the Nevada Revised Statutes, to key industry stakeholders, to: (i) solicit from those stakeholders recommendations regarding regulations that should be streamlined, clarified, or removed; (ii) undertake a comprehensive review of the regulations subject to its enforcement; and (iii) identify other regulatory changes the subject department, agency, board, or commission determines worthy of consideration. Any meeting(s) necessary to carry out the directives in this Section must be held no later than October 29, 2026.

SECTION 2:

After receiving the comprehensive stakeholder input described in Section 1, every executive branch department, agency, board, and commission shall substantively review the regulations discussed and/or proposed for revision or removal during those meetings. On or before December 31, 2026, each department, agency, board, and commission shall provide a report to the Governor's office detailing how the regulations subject to its enforcement can be streamlined, clarified, reduced, or otherwise improved to ensure those regulations provide for the general welfare of the State without unnecessarily inhibiting economic growth.

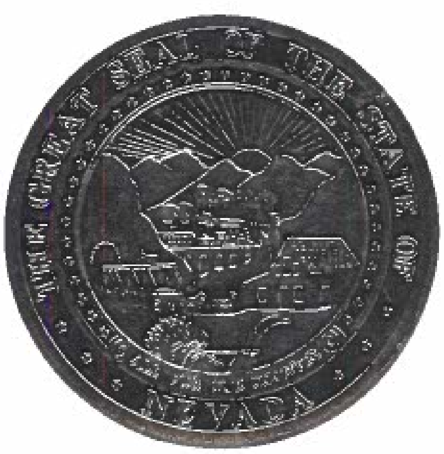
SECTION 3:

As part of its report, every executive branch department, agency, board, and commission shall provide a list of between five (5) and ten (10) regulations recommended for such consideration, ranking them in descending order of priority. Additionally, each report shall include a description of: (i) any recommendations raised by stakeholders; (ii) whether those recommendations were accepted and incorporated into the department's, agency's, board's, or commission's final recommendation; and (iii) if those recommendations were not incorporated, an explanation for that non-incorporation.

SECTION 4:

Reports shall be emailed to the Governor's Office at regreview@gov.nv.gov no later than December 31, 2026. Any questions from any executive branch department, agency, board, or commission regarding reporting obligations should be sent to the same address.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Nevada to be affixed at the State Capitol in Carson City, this 17th day of August, in the year two thousand twenty-six.



Governor

Secretary of State

Deputy