

Third-Party Administrators



Nevada Department of Taxation

What “Third-Party Administrator” Means to Taxation

- ❖ Nevada uses the term **Third-Party Administrator** for payroll companies that file and/or pay taxes on behalf of employers.
- ❖ **Nevada Department of Taxation** administers the Modified Business Tax.
- ❖ Every employer who is subject to Nevada Unemployment Compensation Law (NRS 612), is also subject to Modified Business Tax on the total gross wages less employee health care benefits paid by the employer.
- ❖ Total gross wages = The amount of all gross wages and reported tips paid for a calendar quarter as reported to the Employment Security Division for Unemployment taxes.
- ❖ The total gross wages reported for Modified Business Tax must match the wages reported to the Employment Security Division.
- ❖ Exceptions (do not need to file Modified Business Tax):
 - ❖ Non-profit 501(c) organizations
 - ❖ Indian Tribes
 - ❖ Political Subdivisions
 - ❖ Employers with household employees only

Modernization What's New?



Third-party access to My Nevada Tax

<https://mynvtax.nv.gov/tap/>

- ❖ Employers must **grant third-party access** inside their **My Nevada Tax** account so payroll providers can file returns and make payments.
- ❖ Employers may need to complete a **Power of Attorney (POA)** form for Taxation to allow the third-party administrator to communicate with the Department.
- ❖ This applies to payroll processors like **ADP, Paychex, Gusto, Square**, etc.



Registering for Modified Business Tax & Filing Returns

- ❖ Once registered with the Employment Security Division to file unemployment taxes, a Modified Business Tax account is automatically set up with the Department of Taxation
- ❖ A Welcome Letter is emailed/mailed to the taxpayer to verify and update their records with the Department and includes an access code for online access
- ❖ Modified Business Tax returns are filed each calendar quarter, and payment is due by the last day of the month following the quarter
- ❖ The Department's new system does not accept duplicate or additional returns.
- ❖ If a return is filed with no healthcare or incorrect wages, instead of filing an additional return, you must amend the return.
- ❖ May no longer file \$0.00 returns as place holders



Wage Match

- ❖ The Department compares the total gross wages reported on the Modified Business Tax return to those reported to the Employment Security Division. If they do not match, a bill for the difference, plus penalty and interest will be generated.
- ❖ If you disagree with the bill, you must file a petition for redetermination within 45 days of the notice date. If a petition is not submitted within the 45 days, the bill becomes final and must be paid. If payment or a payment plan is not in place by the due date, an additional 10% penalty will be assessed on the unpaid tax.
- ❖ If the taxpayer paid for employee health insurance, but did not file a Modified Business Tax return, the return must be filed within 45 days to receive the health care deduction. If the reported wages match the Employment Security Division wages, the bill will be canceled.

Issues

Incorrect liability reporting

- ❖ Filing a \$0 return when wages or taxable activity occurred means:
- ❖ The employer's Modified Business Tax liability is reported incorrectly
- ❖ Commerce Tax thresholds may be misrepresented
- ❖ Not in Compliance



Issues

Automatic penalty and interest assessments

- ❖ If no Modified Business Tax return is filed, or lower wages were reported than those reported to the Employment Security Division a 10% penalty will be assessed on the unpaid tax. Interest will accrue on the unpaid tax at the rate of .75% per month (or fraction thereof) until paid in full.
- ❖ If a \$0.00 return is filed as a placeholder, and later a manual bill is created due to the difference in wages, a 10% negligence penalty may be charged pursuant to NRS 360.330.
- ❖ If a third-party administrator continues to disregard Nevada Law, in addition to a negligence penalty, they may be removed from being able to use the bulk filing accommodation to file on behalf of their clients.

Department Resources



Nevada Department of Taxation

Department Resources

- Team of experts to assist with questions:
 - Call Center – (866) 962-3707
 - Outreach Team – assists with helping taxpayers register for e-Services
outreach@tax.state.nv.us
 - Josh Nelson - Tax Program Supervisor
jonelson@tax.state.nv.us
 - Heidi Feticc – Tax Program Supervisor
hfeticc@tax.state.nv.us
 - Patricia Olmstead – Public Information Officer
taxpio@tax.state.nv.us
 - [Bulk Filing FAQs](#)