NEVADA TAXPAYERS ASSOCIATION
Serving the citizens of Nevada since 1922

JOSHUA J. HICKS, *Chairman*
BECKY DUTRO, *President*

October 20, 2026

Nevada Tax Commission
3850 Arrowhead Drive
Carson City, Nevada 89706

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

RE: Proposed Regulation R140-26 – Voluntary Disclosure of failure to file a tax return

Distinguished members of the Nevada Tax Commission:

I am writing on behalf of the Nevada Taxpayers Association (NTA) and we are requesting that the following comments/questions be considered for changes to the proposed regulation:

Section 1, subsection 4 – we feel that this new language should be removed for several reasons. First, on the far-reaching concept of "such person is presumed to have knowledge of the registration and filing requirements administered by the Department". Many officers and members have no knowledge of the day-to-day operations of a business and thus may not know filing requirements. Additionally, the reason(s) for voluntary disclosure for late filing or underpayment of tax can be so diverse and unusual that they need to be considered on a case-by-case basis. Just because one of the parties is or may have been associated with another business does not mean that the reason for a particular late filing is not applicable or valid, and should be able to be submitted, reviewed, and considered. This new language casts a net that is so broad that fairness and equity to taxpayers will surely be hindered.

Second, the purpose of a voluntary disclosure is to create an incentive for people to come forward and self-disclose a tax liability. If a regulation is enacted that limits who is eligible to file a voluntary disclosure affidavit by suggesting that if that person has any involvement with another business entity is ineligible because they are deemed to have knowledge of filing requirements, it will create a disincentive for people to come forward. In that case, someone who realizes they should be paying back taxes will shy away from filing out of fear it will be rejected and they will be subject to penalties and interest. They are more likely to do nothing and hope they are not audited. That defeats the purpose of voluntary disclosure, requires the Department to allocate additional resources to an audit, deprives the state of readily accessible revenue, and discourages people from rectifying known tax problems.

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We still question what issue or problem the Department is trying to rectify with this language. If it is written with a select taxpayer or two in mind who may be abusing the voluntary disclosure process, then that is still able to be addressed through the rest of the regulation and the approval/denial process. We feel very strongly that the ability to submit a voluntary disclosure affidavit should not be hindered.

Thank you in advance for your consideration of these comments and suggestions for amending the proposed regulation. We also thank the Department for the interactive workshop process and their reply to our questions and concerns during that process. Please feel free to reach out if you need additional information or specific examples.

Sincerely,

Becky Dutro

Becky Dutro, President