



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 April 6, 2026

NOTICE OF INTENT TO ACT UPON A REGULATION

Notice of Hearing for the Adoption of

LCB File No. R005-26

Nevada Tax Commission

The Nevada Tax Commission will hold a Public Hearing at **9:00 a.m. on Wednesday, May 6, 2026**. The purpose of the hearing is to receive comments from all interested parties regarding the adoption of the regulation that pertains to LCB File No. R005-26.

You may attend this meeting at either of the following physical locations:

Nevada Department of Taxation
700 E. Warm Springs Rd., Room 150
Las Vegas, Nevada 89119

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

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. Need and purpose of the proposed regulations or amendments

LCB File No. R005-26, establishes requirements related to intoxicating liquor; imposes a surcharge on certain sales of alcoholic beverages by a covered food establishment for consumption off the premises of the establishment; provides for the administration and collection of the surcharge; and provides other matters properly relating thereto.

This proposed permanent regulation is needed and intended to impose a surcharge on certain sales of alcoholic beverages by food establishments for off-premises consumption, providing a clear framework for its administration, collection, and enforcement. The purpose of the proposed permanent regulation is to ensure compliance among covered establishments and clarify legal and administrative procedures relating thereto.

2. How to obtain the approved or revised text of regulations prepared by LCB

You may obtain a copy of the proposed permanent regulation by writing to the Nevada Department of Taxation, 3850 Arrowhead Drive, Carson City, Nevada 89706; or by calling the office at (775) 684-2041. The proposed permanent regulation is also available for review and download on the Department of Taxation's website at <https://tax.nv.gov/> or on the Nevada Legislature's website at <https://www.leg.state.nv.us/>.

3. Methods used in determining the impact on a small business

The agency used informed, reasonable judgment in determining that there will not be an impact on small businesses. The Department prepared a small business impact questionnaire that was forwarded to the Department's Interested Parties List. One emailed response was received in which the respondent listed 117 employees currently employed by their business and provided that the proposed regulation could create unnecessary complexity, impose tracking burdens, and offer no benefits to small businesses lacking the required computer systems. There was concern with calculating the amount to charge and the record retention requirement. The respondent claimed the proposed regulation may cost the state more to administer than it collects.

The Department will continue to accept input on the impact of the proposed permanent regulation on small businesses through the regulatory process.

The Department has scheduled a workshop on April 16, 2026, for members of the public to state their concerns and submit correspondence regarding the regulation. The Department will consider the response(s) received, make necessary changes to the proposed language, and include response summaries in the Informational Statement.

4. Estimated economic effect of regulation on businesses and the public

a. Adverse and beneficial effects

The proposed permanent regulation does not present any reasonable, foreseeable or anticipated adverse or beneficial economic effects on small businesses or the public.

b. Immediate and Long-Term effects

The proposed permanent regulation does not present any reasonable, foreseeable or anticipated immediate or long-term economic effects on small businesses or the public.

5. Cost for enforcement of the regulations

The proposed permanent regulation does not present any significant, foreseeable or anticipated cost or decrease in costs for enforcement.

6. Overlap or duplication of other state or local governmental agencies

The proposed permanent regulation does not overlap or duplicate any regulation of other state or local governmental entities.

7. Regulation required by federal law

Not Applicable.

8. More stringent than federal regulations

The Department is not aware of any similar federal regulations of the same activity in which the state regulations are more stringent.

9. New or increases in existing fees

The proposed permanent regulation does not include new fees or increase an existing fee.

Persons wishing to comment on the proposed action of the Nevada Tax Commission may appear at the above scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the Nevada Tax Commission, 3850 Arrowhead Drive, Carson City, Nevada 89706. Written submissions must be received at least two weeks prior to the above scheduled public hearing.

Under NRS 233B.064(2), when adopting any regulation, the Agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption and incorporation, and its reason for overruling the consideration urged against its adoption.

A copy of the Notice and the proposed permanent regulation to be adopted and/or amended is on file and has been posted at the following location: The Department of Taxation - 3850 Arrowhead Drive, Carson City, Nevada 89706.

Members of the public may inspect these documents during regular business hours at the above location. Additional copies of the notice and proposed permanent regulation to be adopted and/or amended are available at the below locations.

The text of the proposed permanent regulation will include the entire text of any section of the Nevada Administrative Code, which is proposed for amendment or repeal. Copies will be mailed to members of the public upon request. A reasonable fee may be charged for copies if deemed necessary.

Notice has been EMAILED/MAILED for posting at the following locations:

Department of Taxation - 9850 Double R. Blvd, Ste. 101, Reno, Nevada, 89521; Department of Taxation - 700 E. Warm Springs Rd, Ste 200, Las Vegas, Nevada, 89119; The Legislative Building – 401 S. Carson St., Carson City, Nevada; 7120 Amigo St., Las Vegas, Nevada; The Nevada State Library -100 Stewart Street, Carson City, Nevada; Interested Parties Group maintained by the Department. Notice of this meeting was posted on the Department of Taxation website at <https://tax.nv.gov/>, on the Legislative website at <https://www.leg.state.nv.us/>, and the Nevada Public Notice Website at <https://notice.nv.gov/>.

In compliance with the Americans with Disabilities Act, individuals requiring special accommodations to participate in this hearing should notify Kari Skalsky at 775-684-2041 or kskalsky@tax.state.nv.us at least 3 days before the hearing. 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 hearing, 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.

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R005-26

March 16, 2026

EXPLANATION – Matter in *italics* is LCB 2-2-26 draft language; matter in brackets ~~omitted material~~ is material omitted in LCB 2-2-26 draft; purple underlined is revised LCB language by Agency; ~~green strikethrough~~ is omitted LCB language by Agency.

AUTHORITY: §§ 1-4, NRS 360.090 and section 1 of Assembly Bill No. 375, chapter 422, Statutes of Nevada 2025, at page 2695.

A REGULATION relating to intoxicating liquor; imposing a surcharge on certain sales of alcoholic beverages by a covered food establishment for consumption off the premises of the establishment; providing for the administration and collection of the surcharge; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes certain establishments to sell alcoholic beverages by the drink for consumption on the premises of the establishment. (NRS 369.090, 369.620) Existing law authorizes the board of county commissioners of a county or the governing body of an incorporated city to enact an ordinance authorizing, under such conditions as may be imposed by the ordinance: (1) a covered food establishment to sell at retail alcoholic beverages in a sealed container for consumption off the premises; and (2) a covered food establishment, or delivery support service acting on behalf of a covered food establishment, to deliver an alcoholic beverage in a sealed container to a consumer in connection with a retail sale of such an alcoholic beverage. With respect to such retail sales of alcoholic beverages, existing law requires the Department of Taxation to adopt regulations that provide for the imposition and collection of a surcharge not to exceed 50 cents per retail sale. (Section 1 of Assembly Bill No. 375, Chapter 422, Statutes of Nevada 2025, at page 2695)

Section 2 of this regulation provides that the surcharge applies only to a covered food establishment that holds a valid license to sell alcoholic beverages for consumption on the premises and that is authorized by local ordinance to sell alcoholic beverages in sealed containers for consumption off the premises. (Section 1 of Assembly Bill No. 375, chapter 422, Statutes of Nevada 2025, at page 2695). **Section 2** also imposes a surcharge of 50 cents upon each retail sale of an alcoholic beverage for consumption off the premises made by such a covered food establishment, including each retail sale that occurs as part of a single transaction.

Section 3 of this regulation requires a covered food establishment to: (1) collect the surcharge from the purchaser at the time of the sale; and (2) deliver a ~~monthly~~ return and the remittance of the amount of the surcharges to the Department on or before the 20th day of the month following the month filing period in which the surcharges were collected. **Section 3** also requires a covered food establishment to display the amount of the surcharge separately from the price of the alcoholic beverage. **Section 4** of this regulation requires a covered food

establishment to maintain certain records regarding the surcharge. **Section 4** authorizes the Department, or any person authorized by the Department, to examine the books, papers, records and ~~equipment~~ **premises** of a covered food establishment and investigate the business of the covered food establishment to verify the accuracy of a return or, if no return is made, determine the amount required to be paid to the Department. **Section 5 of this regulation adds enforcement provisions pursuant to chapter 369 of NRS and NAC.**

Section 1. Chapter 369 of NAC is hereby amended by adding thereto the provisions set forth as sections 2, 3, ~~and 4~~ **and 5** of this regulation.

Sec. 2. 1. The provisions of this section apply only to a covered food establishment that:

(a) Meets the definition of a covered food establishment set forth in section 1 of Assembly Bill No. 375, chapter 422, Statutes of Nevada 2025, at page 2695;

(b) Holds a valid license issued by the appropriate local licensing authority to sell alcoholic beverages for consumption on the premises; and

(c) Is authorized by ordinance of the board of county commissioners of a county or the governing body of an incorporated city, as applicable, to sell alcoholic beverages in sealed containers for consumption off the premises pursuant to section 1 of Assembly Bill No. 375, chapter 422, Statutes of Nevada 2025, at page 2695.

2. There is hereby imposed upon each retail sale of an alcoholic beverage pursuant to subsection 1 of section 1 of Assembly Bill No. 375, chapter 422, Statutes of Nevada 2025, at page 2695, a surcharge of 50 cents.

3. If multiple retail sales of an alcoholic beverage pursuant to subsection 1 of section 1 of Assembly Bill No. 375, chapter 422, Statutes of Nevada 2025, at page 2695, occur as part of a single transaction, the surcharge imposed by this section must be collected for each such retail sale.

4. If a covered food establishment seals two or more individually packaged alcoholic

beverages sold at retail pursuant to subsection 1 of section 1 of Assembly Bill No. 375, chapter 422, Statutes of Nevada 2025, at page 2695, in a bag, box or other delivery container, the sale of each such alcoholic beverage is ~~nonetheless~~ considered a separate retail sale for the purposes of calculating the amount of the surcharge owed pursuant to this section.

Sec. 3. 1. A covered food establishment shall, at the time of the sale, collect the surcharge imposed by section 2 of this regulation from the purchaser.

2. The amount collected by the covered food establishment from the purchaser for the surcharge must be displayed separately from the list price of the alcoholic beverage, the price of the alcoholic beverage advertised on the premises, the marked price of the alcoholic beverage or any other price of the alcoholic beverage on the sales receipt or other proof of sale. The surcharge must be identified on the receipt or other proof of sale and must be added after the calculation of any tax.

3. The covered food establishment shall hold in an account any surcharge collected pursuant to this section until remitted to the Department.

4. ~~5.~~ Each covered food establishment that collects a surcharge pursuant to this section shall, on or before the 20th day of the month following the filing period ~~month~~ in which the surcharge is collected, electronically submit through ~~deliver to the Department's~~ online portal the form prescribed by the Department, together with the sales and use tax return for the same filing period, and ~~monthly return and the remittance of the amount of~~ the surcharge that is payable to the Department.

*5. ~~4.~~ The covered food establishment shall ~~submit a monthly return on a form prescribed by the Department~~ submit the form with the sales and use tax return for the same filing period. ~~The return~~ form required by subsection 4 *must include, without limitation:**

(a) The total number of retail sales of alcoholic beverages pursuant to subsection 1 of

section 1 of Assembly Bill No. 375, chapter 422, Statutes of Nevada 2025, at page 2695, made during the ~~immediately preceding~~ filing period ~~month~~;

(b) The total amount of surcharges collected pursuant to section 2 of this regulation. ~~;~~ and

(c) The signature of the person required to file the return or the signature of the person's authorized agent.

Sec. 4. 1. A covered food establishment shall keep records, receipts, invoices and other ~~pertinent papers~~ relevant documents regarding any surcharge collected pursuant to section 2 of this regulation.

2. Every covered food establishment or person who files the ~~monthly~~ return required pursuant to section 3 of this regulation shall keep such record for a period of not less than 4 years ~~from~~ following the later of the due date of the return or the date the electronic return was filed with the Department. ~~their making unless the Department, in writing, sooner authorizes their destruction.~~

3. Every covered food establishment or person who fails to file the ~~monthly~~ return required by section 3 of this regulation shall keep such records for a period of not less than 8 years ~~from~~ the due date of the return. ~~their making unless the Department, in writing, sooner authorizes their destruction.~~

4. The Department, or any person authorized in writing by the Department, may examine the books, papers, records and ~~equipment~~ premises of any covered food establishment and may investigate the nature ~~character~~ of the business of the covered food establishment to verify the accuracy of any ~~monthly~~ return made pursuant to section 3 of this regulation, or, if no ~~monthly~~ return is made by the covered food establishment, to ascertain and determine the amount required to be paid to the Department.

Sec 5. 1. Any covered food establishment that violates any provision of sections 2 to

4, inclusive, of this regulation is subject to the enforcement provisions of chapter 369 of NRS and chapter 369 of NAC, including, without limitation, administrative fines, suspension or revocation of any applicable license or permit, and any other penalty authorized by law.



STATE OF NEVADA

JOE LOMBARDO
Governor

DEPARTMENT OF TAXATION

GEORGE KELESIS
Chair, Nevada Tax Commission

MAIN OFFICE
3850 Arrowhead Drive
Carson City, Nevada 89706

SHELLIE HUGHES
Executive Director

Posted April 6, 2026

NOTICE OF INTENT TO ACT UPON A REGULATION

Notice of Hearing for the Adoption of

LCB File No. R035-24

Nevada Tax Commission

The Nevada Tax Commission will hold a Public Hearing at **9:00 a.m.** on **Wednesday, May 6, 2026**. The purpose of the hearing is to receive comments from all interested parties regarding the adoption of the regulation that pertains to LCB File No. R035-24.

You may attend this meeting at either of the following physical locations:

Nevada Department of Taxation
700 E. Warm Springs Rd., Room 150
Las Vegas, Nevada 89119

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

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. Need and purpose of the proposed regulations or amendments

LCB File No. R035-24, establishes requirements related to taxation; revises procedures governing proceedings before the Nevada Tax Commission; requires the electronic filing of certain returns or other documents unless otherwise waived; revises provisions governing communications with the Executive Director of the Department of Taxation; expands the methods by which certain payments are required to be made to the Department; revises provisions governing the issuance of subpoenas by a hearing officer; revises requirements for the issuance and delivery of an advisory opinion by the Executive Director; revises provisions governing the issuance of permits to collect sales and use taxes; imposes certain duties on persons who are required to file certain returns, statements, reports or other documents for certain taxes, fees, assessments, contributions or premiums; revises standards to determine whether the Department is required to pay interest to a taxpayer who overpays certain taxes; revises the procedures by which a taxpayer may dispute the findings of an audit and petition the Department for a redetermination; revises, updates and repeals various provisions which are obsolete, redundant or relate to tax abatements which are no longer available; and provides other matters properly relating thereto.

This proposed permanent regulation is intended to modernize and streamline the administration of Nevada's tax system by updating procedures, improving efficiency, and removing outdated provisions. It establishes clearer rules for proceedings before the Nevada Tax Commission, expands the use of electronic filing and payment methods, and enhances communication protocols with the Department of Taxation. The proposed permanent regulation also clarifies requirements for permits, filings, and advisory opinions, strengthens procedural tools such as subpoenas and audit dispute processes, and refines standards related to taxpayer refunds and interest on overpayments. Additionally, it eliminates obsolete, redundant, or no-longer-applicable provisions, including those related to expired tax abatements, to ensure the regulatory framework is current, consistent, and easier for taxpayers and the Department to navigate.

2. How to obtain the approved or revised text of regulations prepared by LCB

You may obtain a copy of the proposed permanent regulation by writing to the Nevada Department of Taxation, 3850 Arrowhead Drive, Carson City, Nevada 89706; or by calling the office at (775) 684-2041. The proposed permanent regulation is also available for review and download on the Nevada Department of Taxation's website at <https://tax.nv.gov/> or on the Nevada Legislature's website at <https://www.leg.state.nv.us/>.

3. Methods used in determining the impact on a small business

The agency used informed, reasonable judgment in determining that there will not be an impact on small businesses. The Department prepared a small business impact questionnaire that was forwarded to the Department's Interested Parties List. The Department received two responses from interested parties. Of the two responses received, one emailed response indicated that this regulation would have a direct and significant economic burden upon a small business unless the Director administers the changes fairly, justly and with common sense. The respondent acknowledged that a change in Section 22 of the proposed permanent regulation will change the current process. The respondent listed 0 employees currently employed by their small business. The other email response provided support for the proposed permanent regulation and acknowledged there is no negative impact.

The Department will continue to accept input on the impact of the proposed permanent regulation on small businesses through the regulatory process.

The Department has scheduled a workshop on April 16, 2026, for members of the public to state their concerns and submit correspondence regarding the regulation. The Department will consider the response(s) received, make necessary changes to the proposed language, and include response summaries in the Informational Statement.

4. Estimated economic effect of regulation on businesses and the public

a. Adverse and beneficial effects

The proposed permanent regulation does not present any reasonable, foreseeable or anticipated adverse or beneficial economic effects on small businesses or the public.

b. Immediate and Long-Term effects

The proposed permanent regulation does not present any reasonable, foreseeable or anticipated immediate or long-term economic effects on small businesses or the public.

5. Cost for enforcement of the regulations

The proposed permanent regulation does not present any significant, foreseeable or anticipated cost or decrease in costs for enforcement.

6. Overlap or duplication of other state or local governmental agencies

The proposed permanent regulation does not overlap or duplicate any regulation of other state or local governmental entities.

7. Regulation required by federal law

Not Applicable.

8. More stringent than federal regulations

The Department is not aware of any similar federal regulations of the same activity in which the state regulations are more stringent.

9. New or increases in existing fees

The proposed permanent regulation does not include new fees or increase an existing fee.

Persons wishing to comment on the proposed action of the Nevada Tax Commission may appear at the above scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the Nevada Tax Commission, 3850 Arrowhead Drive, Carson City, Nevada 89706. Written submissions must be received at least two weeks prior to the above scheduled public hearing.

Under NRS 233B.064(2), when adopting any regulation, the Agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption and incorporation, and its reason for overruling the consideration urged against its adoption.

A copy of the Notice and the proposed permanent regulation to be adopted and/or amended is on file and has been posted at the following location: The Department of Taxation - 3850 Arrowhead Drive, Carson City, Nevada 89706.

Members of the public may inspect these documents during regular business hours at the above location. Additional copies of the notice and proposed permanent regulation to be adopted and/or amended are available at the below locations.

The text of the proposed permanent regulation will include the entire text of any section of the Nevada Administrative Code, which is proposed for amendment or repeal. Copies will be mailed to members of the public upon request. A reasonable fee may be charged for copies if deemed necessary.

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meeting was posted on the Department of Taxation website at <https://tax.nv.gov/>, on the Legislative website at <https://www.leg.state.nv.us/>, and the Nevada Public Notice Website at <https://notice.nv.gov/>.

In compliance with the Americans with Disabilities Act, individuals requiring special accommodations to participate in this hearing should notify Kari Skalsky at 775-684-2041 or kskalsky@tax.state.nv.us at

least 3 days before the hearing. 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 hearing, 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.

**REVISED PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R035-24

March 19, 2026

EXPLANATION – Matter in *italics* is LCB 2-2-26 draft language; matter in brackets ~~omitted material~~ is material omitted in LCB 2-2-26 draft; purple underlined is revised LCB language by Agency; ~~green strikethrough~~ is omitted LCB language by Agency.

AUTHORITY: §§ 1-3, 5-16, 22 and 23, NRS 360.090; §§ 4 and 17-21, NRS 360.090 and 360.092; § 24, NRS 360.090 and 360.750.

A REGULATION relating to taxation; revising procedures governing proceedings before the Nevada Tax Commission; requiring the electronic filing of certain returns or other documents unless otherwise waived; revising provisions governing communications with the Executive Director of the Department of Taxation; expanding the methods by which certain payments are required to be made to the Department; revising provisions governing the issuance of subpoenas by a hearing officer; revising requirements for the issuance and delivery of an advisory opinion by the Executive Director; revising provisions governing the issuance of permits to collect sales and use taxes; imposing certain duties on persons who are required to file certain returns, statements, reports or other documents for certain taxes, fees, assessments, contributions or premiums; revising standards to determine whether the Department is required to pay interest to a taxpayer who overpays certain taxes; revising the procedures by which a taxpayer may dispute the findings of an audit and petition the Department for a redetermination; revising, updating and ~~eliminating various obsolete provisions~~; repealing various provisions which are obsolete, redundant or relate to tax abatements which are no longer available; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Nevada Tax Commission to adopt regulations for carrying on the business of the Nevada Tax Commission and the Department of Taxation. (NRS 360.090)

Section 2 of this regulation establishes the method the Commission and the Department will use to calculate any period prescribed or allowed for an action or filing in an administrative proceeding of the Commission or Department for the purpose of determining whether the action or filing occurs by the prescribed deadline.

Existing regulations authorize the hearing officer in certain administrative proceedings conducted by the Department to request a prehearing statement to explain the issues for consideration by the hearing officer and set forth the requirements for such a prehearing statement. (NAC 360.706) **Section 3** of this regulation applies the procedures for prehearing statements to all administrative proceedings of the Department and Commission.

Section 5 of this regulation makes **sections 2 and 3** apply to administrative proceedings of the Commission or Department in the same manner as other regulations governing such proceedings.

Existing regulations establish certain requirements for communications with the Executive Director of the Department. (NAC 360.045) **Section 6** of this regulation eliminates provisions governing informal communications and other communications. **Section 6** also: (1) authorizes all pleadings to be sent by United States mail or by electronic means; and (2) provides that such pleadings are deemed to be filed with the Department when a true copy of the paper or document, properly addressed and stamped, is deposited in the United States mail or sent by electronic means. **Section 23** of this regulation eliminates a requirement to include in certain appeals filed with ~~to~~ the Department ~~Commission~~ information that **section 6** no longer requires to be included in communications to the Commission.

Section 8 of this regulation eliminates existing requirements for: (1) a hearing calendar to be maintained by the Executive Director; (2) current assignments for hearings to be made from the calendar; and (3) a current copy of the hearing calendar to be posted at all offices of the Department. (NAC 360.055) Instead, **section 8**: (1) provides that notices of the meetings of the Commission will be given to the public by posting a notice and an agenda in accordance with the Open Meeting Law (chapter 241 of NRS); and (2) specifies the locations at which meeting notices and agendas will be posted in accordance with the Open Meeting Law, including, without limitation, on the Internet website of the Department and at the Carson City, Reno and Las Vegas offices of the Department at least 3 business working days before the meeting.

Existing regulations set forth certain requirements relating to transcripts of any hearings held before the Commission or a hearing officer. (NAC 360.058) **Section 9** of this regulation requires a court reporter who transcribes a hearing held before the Commission or a hearing officer to be certified pursuant to provisions of existing law governing certified court reporters. (chapter 656 of NRS)

Section 10 of this regulation eliminates the prohibition of smoking during all meetings of the Commission and hearings before a hearing officer, a provision made redundant by the Nevada Clean Indoor Air Act. (NRS 202.2483)

Existing regulations provide that hearings will be held at the offices of the Department in Carson City, Nevada, or at such other place in the State as may be designated in the notice of hearing. (NAC 360.095) **Section 11** of this regulation eliminates the reference to Carson City and, instead, provides that hearings will be held at the offices of the Department or at such other place in the State as may be designated in the notice of hearing.

Existing law authorizes the Department to issue subpoenas for witnesses to appear and testify on any subject material to its responsibilities or for the production of books and papers. (NRS 360.240) **Section 12** of this regulation revises provisions governing the issuance of subpoenas to specifically authorize a hearing officer to order the production of certain records if such records are located in this State.

Existing law requires certain state agencies 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 require an advisory opinion to: (1) be issued by the Executive Director within 45 days after the filing of the petition therefor unless the Executive Director in writing orders an extension of time up to a maximum of 60 days after filing; and (2) be delivered to the petitioner in person or by certified mail. (NAC 360.200) **Section 13** of this regulation: (1) extends the time for the

Executive Director to issue an advisory opinion to not later than 60 days after the filing of the petition; (2) increases the period of time of an extension of time for the issuance of an advisory opinion to not more than an additional 60 days; and (3) authorizes the delivery of an advisory opinion to the petitioner by electronic means if the petitioner has agreed in writing to accept delivery of the advisory opinion by electronic means.

Existing law requires a person conducting business in this State as a seller of tangible personal property to register with, or obtain a permit from, the Department of Taxation to collect sales and use tax in this State. (NRS 360.5971) Senate Bill No. 441 (S.B. 441) of the 2021 Session of the Nevada Legislature consolidated into one provision multiple provisions of law governing such registrations and permits. (Chapter 342, Statutes of Nevada 2021, at page 2007) **Sections 14** of this regulation updates a reference to those provisions of law in an existing regulation that requires the application of an unemancipated manner for a permit from the Department to include a statement from the parent or legal guardian of the minor acknowledging the responsibility of the parent or legal guardian to report and remit sales and use taxes to the Department if the minor fails to do so.

Existing law requires the Nevada Tax Commission to adopt regulations providing for the electronic submission of returns to the Department and the payment of taxes, fees, interest and penalties to the Department through the use of credit cards, debit cards and electronic transfers of money. (NRS 360.092) Existing regulations establish the procedures and requirements for the electronic submission of a tax return to the Department and the electronic transfer of money for the payment of taxes, fees, interest and penalties to the Department. (NRS 360.550-360.598) **Section 4** of this regulation: (1) requires a taxpayer or a tax preparer or other tax professional to file tax returns and certain other documents by electronic means, to the extent that the Department has a system for filing documents that accepts electronic filing of those returns and documents; and (2) authorizes a taxpayer or a tax preparer or other tax professional to request a waiver of the requirement to electronically file such a return or other document upon establishing certain facts to the satisfaction of the Department. **Sections 17 and 18** of this regulation make the provisions of existing regulations governing the electronic submission of tax returns and the electronic transfer of money to the Department apply to the tax returns and documents required by **section 4** to be filed electronically with the Department. **Section 7** of this regulation adds electronic funds transfers, credit cards and debit cards to the methods by which fees and remittances are authorized to be paid to the Department. (NAC 360.050) **Section 19** of this regulation revises provisions setting forth the requirements to complete online Nevada Business Registration to conform to the online tax system of the Department. **Sections 20 and 21** of this regulation add credit cards as a method by which an electronic transfer of money may be made to pay taxes, fees, interest and penalties to the Department. (NAC 360.594, 360.596)

Existing regulations impose certain duties on a person who is required to file a return pursuant to provisions of law governing sales and use taxes and who fails to do so within the time prescribed by specific statute, regulation or rule, or who files an incorrect, false or fraudulent return. (NAC 360.435) **Section 15** of this regulation imposes the same duties on a person who is required to file a return, statement, report or other document for other taxes, fees, assessments, contributions and premiums required to be collected by the Department.

Existing law requires interest to be paid to a taxpayer who receives a refund of an overpayment of certain taxes unless the Department determines that the overpayment was made intentionally or by reason of carelessness. (NRS 360.2935, 360.2937, 363A.170, 363B.160, 363C.620, 368A.270, 372.665, 372A.320, 372B.200, 374.670) Existing regulations establish the

standards to be used by the Department in determining whether an overpayment of such taxes was made intentionally or by reason of carelessness. (NAC 360.485) **Section 16** of this regulation revises the standards to determine whether an overpayment was made by reason of carelessness. Specifically, **section 16** removes the seeking of advice on complex tax matters from certain professionals who have knowledge of, or experience in, tax matters as a factor indicating that the taxpayer made reasonable and prudent efforts to avoid the overpayment.

Section 22 of this regulation revises the procedure by which a taxpayer may dispute the findings of an audit and petition the Department for a redetermination by: (1) providing for an appeal to the Commission if the **Executive** Director of the Department denies a request to extend the deadline for filing a petition for redetermination; (2) requiring the Department to issue a notice that sets forth the results of the redetermination; and (3) authorizing the taxpayer to request a hearing before a hearing officer within a certain period after receiving the notice of the results of the redetermination.

Section 24 of this regulation repeals: (1) definitions of terms that are unnecessary because the term is defined by existing law; (2) provisions related to petitions for redetermination that are reenacted in **section 22**; (3) provisions governing contracts between the Department and a private debt collector for the collection of debt owed to the Department because such debt collection is assigned to the State Controller pursuant to NRS 353C.200; (4) obsolete provisions governing tax abatements for new or expanding business; and (6) provisions governing tax abatements for certain energy-efficient structures which have expired pursuant to subsection 5 of section 15 of chapter 539, Statutes of Nevada 2007, at page 3387.

Section 1. Chapter 360 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 4, inclusive, of this regulation.

Sec. 2. *In computing any period prescribed or allowed by the provisions of this section, NAC 360.043 to 360.200, inclusive, and section 3 of this regulation, if:*

1. The period begins to run on the occurrence of an act or event, the day on which the act or event begins is excluded from the computation.

2. The last day of the period is included in the computation, except that if the last day falls on a Saturday, Sunday, legal holiday or holiday proclaimed by the Governor or on a day on which the office of the Department is not open for the conduct of business, the period is extended to the close of business on the next business day.

Sec. 3. *1. The hearing officer may request that the parties file prehearing statements. The parties may file a joint prehearing statement. If the parties cannot agree on a joint*

prehearing statement, each party must file its statement by the date set by the hearing officer. The prehearing statement must be limited to a brief explanation of the issues for consideration by the hearing officer and must include, without limitation:

(a) A statement of the unresolved issues that will be presented to the hearing officer, the nature of the specific transaction at issue, the amount in dispute and the legal issues involved in the matter.

(b) A statement of the issues that have been resolved by the parties, including, without limitation, the uncontested facts.

(c) A list of exhibits that each party expects to introduce at the hearing and any objections to those exhibits. The exhibits must be marked in advance of the hearing.

(d) A list of the witnesses that each party expects to testify at the hearing.

(e) An estimate of the time required for the hearing.

(f) A statement regarding whether the party will submit a post hearing brief.

2. A prehearing statement must be filed by the date set by the hearing officer. The hearing officer may grant an extension for filing the prehearing statement if the motion or stipulation requesting the extension is filed with the hearing officer before the date set for filing the statement. The hearing officer shall issue a written decision on the motion or stipulation requesting the extension.

3. Failure of a party to file a prehearing statement will not delay the scheduling of the hearing. The hearing officer shall provide notice of the hearing to the parties at least 10 days before the date of the hearing.

4. *If a party wishes to raise an issue that was not included in its prehearing statement before or during the hearing, the hearing officer shall grant a continuance to allow the opposing party to prepare a response to the issue.*

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~~ Electronic 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.~~*

Sec. 5. NAC 360.043 is hereby amended to read as follows:

360.043 1. The provisions of NAC 360.043 to 360.200, inclusive ~~+~~, *and sections 2 and 3 of this regulation:*

(a) Govern the practice and procedure in contested cases before the Commission and Department.

(b) Govern all practice and procedure before the Commission or Department under titles 31 and 32 of NRS.

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

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. 6. NAC 360.045 is hereby amended to read as follows:

360.045 1. All pleadings, including, but not limited to, complaints, petitions, answers, briefs, motions, affidavits and applications, should be addressed to the Executive Director and not to individual members of the Commission or its staff. All pleadings ~~may be sent by United States mail or by electronic means and~~ are deemed to be officially received by ~~officially received by~~ filed with the Department ~~when~~ if when:

1. ~~A~~ A true copy of the paper or document, properly addressed and stamped, is deposited in the United States mail;

2. An electronic copy of a paper or document is submitted through the Department's online portal under the taxpayer's account; or

3. An electronic copy of a paper or document is submitted by electronic mail at the direction of the hearing officer.

~~2. Informal communications may be made with individual members of the staff and these communications and documents are deemed to be officially received by the Department when they are properly addressed and stamped and deposited in the United States mail. 3. Informal communications from the Department or Commission must be signed by the responsible staff member or Commissioner.~~

~~—4.— Each communication must be limited to one subject, contain the name and address of the person originating the communication and the appropriate permit or account number, if any, pertaining to the subject of the communication.] *or sent by electronic means, as applicable.*~~

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.~~

3. Postage stamps will not be accepted as remittances.

Sec. 8. NAC 360.055 is hereby amended to read as follows:

360.055 ~~1.— A hearing calendar will be maintained by the Director and current assignments for hearings will be made from the calendar. A current copy of the hearing calendar will be posted at all of the offices of the Department.~~

~~—2.]~~ Notice of the meetings of the Commission will be given to the public by posting a notice and an agenda *in accordance with the requirements of chapter 241 of NRS, including, without limitation, posting a notice and an agenda on the Internet website of the Department and* at the Carson City, Reno ~~+] and~~ Las Vegas ~~[and Elko]~~ offices of the Department at least 3 business ~~working~~ days before the meeting.

Sec. 9. NAC 360.058 is hereby amended to read as follows:

360.058 1. If a transcript of any hearing held before the Commission or ~~a~~ the hearing officer is desired by the petitioner or appellant, they ~~he or she~~ must:

- (a) Furnish the certified court reporter;
- (b) Bear all costs associated with pay for the transcription; and
- (c) Deliver, free of charge, a copy of the transcript to the Executive Director within 20 days after preparation of the transcript. ~~requesting a rehearing or filing an appeal of the matter.~~

2. If ~~a transcript is prepared by~~ the petitioner or appellant wishes to use, in a subsequent hearing or appeal, a transcript which has been prepared from an audio ~~tape~~ recording provided by the Department of any hearing held before the Commission or a hearing officer, the petitioner or appellant must: ~~if he or she wishes to use the transcript in any~~

- (a) Retain a certified court reporter to perform the transcription; and
- (b) Deliver, free of charge, ~~subsequent hearing or appeal of the matter, deliver~~ a copy of the transcript to the Department within the period of time set forth in ~~required by~~ subsection 1.

3. A court reporter who transcribes a hearing held before the Commission or a hearing officer must be certified pursuant to chapter 656 of NRS.

Sec. 10. NAC 360.060 is hereby amended to read as follows:

360.060 ~~H+~~ 1. A person appearing in a proceeding shall conform to the recognized standards of ethical and courteous conduct, as determined by the hearing officer or Commission. All parties to the hearing, counsel for the parties and any spectators shall conduct themselves in a respectful manner during the proceeding.

2. The hearing officer or Commission may take any action it determines is necessary to maintain order during a hearing, including, without limitation:

- (a) Excluding a party or the party's attorney or authorized representative from the hearing;
- (b) Excluding a witness from the hearing; and

(c) Limiting the taking of testimony and presentation of evidence during the hearing.

~~{2. Smoking is prohibited during all meetings of the Commission and hearings before the hearing officer.}~~

Sec. 11. NAC 360.095 is hereby amended to read as follows:

360.095 1. Hearings will be held before the **Executive** Director or other designated hearing officer. Except as provided in subsection 3, notice of the place, date and hour of the hearing will be served at least 10 days before the date set for the hearing.

2. Hearings will be held at the offices of the Department ~~{in Carson City, Nevada,}~~ or at such other place in the State as may be designated in the notice of hearing.

3. In all hearings ordered to be held by the hearing officer, the hearing date may be set with less than 10 days' notice if the petitioner, or the petitioner's counsel, and staff agree in writing.

Sec. 12. NAC 360.135 is hereby amended to read as follows:

360.135 1. Subject to the restrictions imposed by NRS 360.240, **a subpoena requiring the attendance of a witness from any place in the State to any designated place of a hearing for the purpose of taking testimony may be issued by the a hearing officer.** ~~may issue a subpoena [requiring the] for:~~

~~(a) The attendance of a witness from any place in the State to any designated place of a~~

~~(b) The production of books, waybills, papers, accounts or other documents located in this State.~~

2. A party desiring to subpoena ~~a witness~~ must submit an application in writing to the hearing officer stating the reasons why a subpoena is requested.

3. **An application to compel a person to appear and give oral testimony at the hearing must identify whether the witness is a nonparty witness.**

4. ~~The hearing officer may require that~~ **An application for** a subpoena **duces tecum**

~~requested by a party~~ for the production of books, waybills, papers, accounts or other documents must contain a complete and specific description of the documents or other tangible things desired. ~~be issued only after the submission of an application in writing, which specifies as clearly as may be, the books, waybills, papers, accounts or other documents desired.~~

5. An application for a subpoena must be accompanied by a proposed subpoena, on a form prescribed by the Department and which contains the name and account number of the taxpayer, the name of the person to whom the subpoena will be directed, the address for service of the subpoena, the date, time, and place of the hearing, and the name and signature of the requesting party or the attorney for the requesting party.

6. The hearing officer, upon receipt of an application for a subpoena, shall:

- (a) Grant the application and issue the subpoena;
- (b) Deny the application; or
- (c) Schedule a hearing to decide whether to grant or deny the application.

7. A subpoena must be served by the requesting party at least 10 days before the hearing. A subpoena will be issued during the hearing or upon less than 10 days' notice only upon order of the hearing officer for reasonable cause shown by the requesting party. A subpoena duces tecum must be served on the opposing party not less than 7 days before service on the person to whom the subpoena is directed.

8. The requesting party must arrange for service of the subpoena. All costs incident to the subpoenas ~~issued at the request of the petitioner~~ must be paid by the requesting party. ~~petitioner, and the hearing officer may demand payment of the costs before the issuance of a subpoena.~~

Sec. 13. NAC 360.200 is hereby amended to read as follows:

360.200 1. Advisory opinions must:

- (a) Be written;
- (b) Include a statement of facts, question, analysis and opinion;
- (c) Be issued by the Executive Director ~~{within 45}~~ *not later than 60* days after the date the

Department sends the petitioner a letter acknowledging receipt ~~the filing~~ of the petition. If the Executive Director requests additional information from the petitioner, the Executive Director shall issue the advisory opinion not later than 60 days after the petitioner submits the additional information.

~~unless~~ ~~†~~The Executive Director may, in writing, extend either period ~~orders an extension of time~~ ~~{up to a maximum of}~~ ~~not to exceed an~~ for not more than an additional 60 days; ~~{after filing;}~~ and

- (d) Be delivered to the petitioner in person or by certified mail ~~{}~~, *unless the petitioner agrees in writing to accept delivery by electronic means.*

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

- (a) The question or issue raised in the petition is the subject of a pending audit involving the petitioner or a pending administrative, civil, criminal or judicial proceeding in which the petitioner is a party; or
- (b) The petition does not comply with the requirements of subsection 3 of NAC 360.190.

3. An advisory opinion:

- (a) Is limited to the facts or circumstances set forth in the petition and any additional information submitted by the petitioner; and
- (b) Is not applicable if the facts or circumstances are materially different from those set forth in the advisory opinion.

4. Advisory opinions are confidential pursuant to chapter 360.255 of NRS.

5. Advisory opinions of the Executive Director are appealable to the Commission in the same manner as ~~any other~~ *an* appealable decision but are not considered a contested case under chapter 233B of NRS.

Sec. 14. NAC 360.425 is hereby amended to read as follows:

360.425 Unless the applicant provides to the Department a decree of emancipation issued to the applicant pursuant to NRS 129.080 to 129.140, inclusive, the application of a person who is under the age of 18 years for a license or permit issued pursuant to NRS ~~372.125 or 374.130~~ 360.5971 must include a statement signed by the parent or legal guardian of the applicant in substantially the following language:

I, the undersigned, hereby acknowledge responsibility until the applicant reaches 18 years of age for reporting or remitting to the Department any taxes imposed pursuant to (chapter 372 or 374 of NRS, as applicable) that the applicant fails to report or remit to the Department.

.....
Signature of applicant's parent or legal guardian

Sec. 15. NAC 360.435 is hereby amended to read as follows:

360.435 *I.* Any person who is required to file a return ~~pursuant to chapter 372 or 374 of NRS~~ and fails to do so within the time prescribed by specific statute, regulation or rule, or who files an incorrect, false or fraudulent return, must, upon written demand of the Executive Director or the Executive Director's designee, file the return required or the corrected return, as

appropriate, within 10 days after the written demand for the return or corrected return has been mailed to the person. The person shall pay any tax due on the basis of such a return when filing the return.

2. As used in subsection 1, “return” includes any tax return, statement, report or other document for a tax, fee, assessment, contribution or premium provided for in chapter 360, 360B, 362, 363A, 363B, 363C, 363D, 368A, 369, 370, 372, 372A, 372B, 374, 377, 377A, 377C, 377D, 444A, 585 or 680B of NRS or NRS 482.313, 482C.230 or 482C.240.

Sec. 16. NAC 360.485 is hereby amended to read as follows:

360.485 For the purposes of NRS 363A.170, 363B.160, 363C.620, 368A.270, 372.665, 372A.320, 372B.200 and 374.670, an overpayment of a tax imposed by chapter 363A, 363B, 363C, 368A, 372, 372A, 372B or 374 of NRS, as applicable, and administered by the Department was made:

1. Intentionally if the overpayment was made for any reason other than a good-faith belief that the taxpayer owed the tax and paid the amount of tax owed by the taxpayer.
2. By reason of carelessness if the overpayment is the result of the failure of the taxpayer to make reasonable and prudent efforts to avoid the overpayment. Such reasonable and prudent efforts may include, without limitation:
 - (a) Maintaining accurate and complete books and records;
 - (b) Correcting errors in the computation of the tax which were identified by an audit conducted before the overpayment;
 - (c) Investigating the taxability of transactions during an audit when the overpayment was reasonably identifiable;

(d) Ceasing to make overpayments after receiving a refund for a prior overpayment involving the same or similar issues;

(e) Ceasing to make overpayments resulting from repeated transactions or transactions of a similar type when the taxability of the transactions is governed by a regulation or law that is commonly followed in the taxpayer's industry, trade or practice and the transactions are conducted over a period of time of sufficient length that a reasonable person would have discovered and corrected the issue causing the overpayment; *and*

(f) Seeking an advisory opinion or other written advice from the Department concerning an interpretation of law when the taxpayer is unsure of the correct interpretation of the law. ~~}; and~~

~~—(g) Seeking advice on complex tax matters from a certified public accountant certified to practice in this State pursuant to chapter 628 of NRS or any other person who is certified or licensed in this State to practice a profession the members of which engage in the provision of advice on tax matters and who has knowledge of, or experience in, tax matters.}~~

Sec. 17. NAC 360.550 is hereby amended to read as follows:

360.550 As used in NAC 360.550 to 360.598, inclusive, *and section 4 of this regulation*, the words and terms defined in NAC 360.552 to 360.582, inclusive, have the meanings ascribed to them in those sections.

Sec. 18. NAC 360.584 is hereby amended to read as follows:

360.584 NAC 360.550 to 360.598, inclusive, *and section 4 of this regulation* apply to online registration, filing and payment by electronic transfer of money for taxes, fees, interest, penalties or other charges provided for in chapters 360, 361, 362, 363A, 363B, 363C, 368A, 369, 370, 372, 372A, 374, 377, 377A and 444A of NRS and to any fee provided for in NRS 482.313 or chapter 680B of NRS.

Sec. 19. NAC 360.588 is hereby amended to read as follows:

360.588 1. To register online with the Department, a person must submit a completed Nevada Business Registration and confirm the registration by clicking on the ~~{certification}~~ *submit* button on the Department's ~~website~~ online portal. By clicking on the ~~{certification}~~ *submit* button, a person represents that:

(a) The information contained in the online Nevada Business Registration is true and accurate; and

(b) The signatory is duly authorized to act on behalf of the business.

2. To become a ~~website~~ user of the Department's ~~website~~ online portal, a taxpayer who has not obtained a permit or license from the Department must:

(a) Provide, during the ~~website~~ online registration process:

(1) The legal name and the federal employer identification number of the registrant; or

(2) If the registrant is a sole proprietor, the legal name and the social security number of the registrant;

(b) Submit the legal name and electronic mail address of the taxpayer account security administrator;

(c) Submit a completed online Nevada Business Registration; and

(d) Confirm, by clicking on the ~~{certification}~~ *submit* button on the ~~website~~ online portal upon completion of the registration process, that:

(1) The information contained in the online Nevada Business Registration is true and accurate;

(2) The signatory is duly authorized to act on behalf of the business; and

(3) Security access is granted to the taxpayer account security administrator.

3. To become a website user of the Department's website online portal, a taxpayer who has a permit or license issued by the Department must:

(a) Provide, during the website online registration process, the legal name of the registrant and any one of the following:

(1) The registrant's federal employer identification number;

(2) If the registrant is a sole proprietor, the registrant's social security number; ~~or~~ and

(3) The permit account number assigned to the registrant by the Department;

(b) Provide selected information from a return that was previously filed by the registrant;

(c) Provide the legal name and electronic mail address of the taxpayer account security administrator; and

(d) Confirm, by clicking on the ~~certification~~ submit button on the website online portal upon completion of the registration process, that:

(1) The information contained in the website online registration is true and accurate;

(2) The website online user is duly authorized to act on behalf of the business and to receive confidential information; and

(3) Security access is granted to the taxpayer account security administrator.

Sec. 20. NAC 360.594 is hereby amended to read as follows:

360.594 1. For each electronic return of taxes, fees, interest, penalties or other charges, a return must be completed and submitted with payment made no later than midnight Pacific Time on the return due date. Online payment may be submitted only by automated clearinghouse credit, ~~or~~ automated clearinghouse debit ~~or~~ credit card or debit card.

2. If a person submits an electronic return and has been given a waiver pursuant to subsection 2 of section 4 of this regulation and ~~but~~ sends payment through the United States mail, a copy of the printout of the electronic return confirmation page must be submitted with the

payment and must be postmarked by the return due date.

3. A zero-return must be submitted in the event that no taxes are due for the reporting period in accordance with statute.

Sec. 21. NAC 360.596 is hereby amended to read as follows:

360.596 1. An electronic transfer of money must be made by an automated clearinghouse credit, ~~or~~ automated clearinghouse debit ~~or~~ credit card or debit card.

2. A taxpayer is responsible for paying any fees assessed against the taxpayer by the taxpayer's bank in connection with an electronic transfer of money.

3. The Department is responsible for paying transaction fees assessed by the State's bank in connection with an electronic transfer of money.

Sec. 22. NAC 360.706 is hereby amended to read as follows:

360.706 1. If, after an audit, the Department determines that delinquent taxes are due, the Department shall issue to the taxpayer a notice of the deficiency determination. The notice must be issued on or before the estimated completion date or revised estimated completion date of the audit. The Department shall include with the notice a form prescribed by the Department for filing a petition for redetermination.

2. If the taxpayer ~~wishes to dispute~~ disputes the findings of the audit, the taxpayer ~~must~~ may petition the Department for a redetermination within 45 days after ~~he or she~~ the taxpayer is served with the notice of the deficiency determination. A petition for redetermination must be submitted:

- (a) Electronically through the Department's online portal unless a waiver is given pursuant to subsection 2 of section 4 of this regulation. If a waiver is given, a petition for redetermination must be submitted:

(1) On a form prescribed by the Department for filing a petition for redetermination; or

(2) (b) In the form of a letter which contains sufficient information to give notice to the Department that the taxpayer is disputing the deficiency determination

~~[- The letter must include,]~~ **including**, without limitation ~~[- the]~~ :

(I) (1) *The* name of the taxpayer ~~[- the]~~ ;

(II) (2) *The* account number assigned to the taxpayer by the Department ~~[- and the]~~ ;

(III) (3) *The* amount of the tax, interest or penalty in dispute ~~[-]~~ ; **and**

(IV) (4) *The reason the taxpayer disputes the deficiency determination.*

3. *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.*

4. The **Executive** Director may grant an extension for the filing of a petition for redetermination **pursuant to subsection 2** if ~~[- the]~~ :

(a) *The* request for an extension is ~~[- made]~~ :

(1) Made in writing and **submitted electronically through the Department's online portal unless a waiver is given pursuant to subsection 2 of section 4 of this regulation** ~~[- to]~~; **and**

(2) Filed with the Department ~~[- and the]~~ **not later than 45 days after the taxpayer is served with the notice of the deficiency determination; and**

(b) *The Executive* Director finds ~~[- that the petition for redetermination was not filed or was filed late despite the exercise of ordinary care by and without the intent of the taxpayer and that the cause of the failure to file or late filing of the petition was circumstances beyond the control of the taxpayer. Such circumstances include, without limitation, a natural disaster or other disaster beyond the control of the taxpayer and the death or hospitalization of the person responsible for filing the petition for redetermination.~~

~~—4.]~~ **good cause for the extension.**

5. A petition for redetermination ~~will be sent to a hearing officer after:~~

~~(a) The~~ that is filed with the Department in accordance with an extension of time granted by the Executive Director pursuant to subsection 4 shall be deemed to be timely filed.

6. If the Executive Director denies a request for an extension for the filing of a petition for redetermination pursuant to subsection 4, the taxpayer may file an appeal with the Department ~~Commission~~ not later than 30 ~~calendar~~ days after service of the denial on the taxpayer. The notice of appeal must include:

- (a) An explanation of the reason the taxpayer failed to timely file the petition for redetermination or a request for an extension; and
- (b) A copy of the petition for redetermination with the information required by subsection 2.

7. An appeal of a denial of a request for an extension of time ~~to file for the filing of a~~ petition for redetermination pursuant to subsection 4:

- (a) Shall be limited to the issue of whether the petition for redetermination must be considered by the Department; and
- (b) Shall not include the merits of the underlying notice of deficiency determination.

8. Upon the filing of a notice of appeal pursuant to subsection 6, the Commission will issue a final decision as to whether the Department is required to consider the petition for redetermination. A decision to grant the appeal by the Commission must be made upon a finding of good cause.

9. Upon receipt of a timely filed petition for redetermination or a final decision of the Commission to grant an appeal pursuant to subsection 8, the Department ~~has reviewed~~ :

- (a) Shall notify the taxpayer of receipt by the Department of the petition for redetermination;

(b) *May require the taxpayer to provide additional documentation or information*

regarding the petition;

(c) *Shall review* any additional documentation that the taxpayer has submitted ; ~~{with his or her petition;}~~ and {

~~—(b) The taxpayer and the Department have not agreed to a settlement based upon such documentation provided by the taxpayer.~~

~~—5. The hearing officer may request that the parties file prehearing statements. The parties may file a joint prehearing statement. If the parties cannot agree on a joint prehearing statement, each party must file its statement by the date set by the hearing officer. The prehearing statement must be limited to a brief explanation of the issues from the audit for consideration by the hearing officer and must include, without limitation:~~

~~—(a) A statement of the unresolved issues that will be presented to the hearing officer, the nature of the specific transaction at issue, the amount in dispute and the legal issues involved in the matter.~~

~~—(b) A statement of the issues that have been resolved by the parties, including, without limitation, the uncontested facts.~~

~~—(c) A list of exhibits that each party expects to introduce at the hearing and any objections to those exhibits. The exhibits must be marked in advance of the hearing.~~

~~—(d) A list of the witnesses that each party expects to testify at the hearing.~~

~~—(e) An estimate of the time required for the hearing.~~

~~—(f) A statement regarding whether the party will submit a posthearing brief.~~

~~—6. A prehearing statement must be filed by the date set by the hearing officer. The hearing officer may grant an extension for filing the prehearing statement if the motion or stipulation requesting the extension is filed with the hearing officer before the date set for filing the~~

~~statement. The hearing officer shall issue a written decision on the motion or stipulation requesting the extension.~~

~~—7.— Failure of a party to file a prehearing statement will not delay the scheduling of the hearing. The hearing officer shall provide notice of the hearing to the parties at least 10 days before the date of the hearing.~~

~~—8.— If a party wishes to raise an issue that was not included in its prehearing statement before or during the hearing, the hearing officer shall grant a continuance to allow the opposing party to prepare a response to the issue.~~

~~—9.—~~

(d) Shall issue a notice of redetermination setting forth the results of the redetermination.

10. If a taxpayer disputes the results of the redetermination, the taxpayer may, not later than 30 days after the notice of redetermination is served on the taxpayer, request a hearing. A request for a hearing must be filed:

(a) Electronically through the Department’s online portal unless a waiver is given pursuant to subsection 2 of 4 of this regulation. If a waiver is given, a request for a hearing must be filed:

(1) On a form prescribed by the Department for filing such a request; or

(b) (2) In the form of a letter which: Contains sufficient information to give notice to the Department that the taxpayer disputes the redetermination and is requesting a hearing; And Includes, without limitation:

(I) The name of the taxpayer;

(II) The account number assigned to the taxpayer by the Department;

(III) The amount of ~~each~~ the tax, interest or penalty ~~and interest~~ in dispute; and

(IV) The reason the taxpayer disputes the redetermination.

11. The Executive Director may grant an extension ~~of time~~ for the filing of a request for a hearing pursuant to subsection 10 if:

(a) The request for an extension is:

(1) Made in writing and submitted electronically through the Department's online portal unless a waiver is given pursuant to subsection 2 of section 4 of this regulation; ~~Filed not later than 30 days after the notice of redetermination is served on the taxpayer; and~~

(2) Filed not later than 30 days after the notice of redetermination is served on the taxpayer ~~Made in writing to the Department; and~~

(b) The Executive Director finds that there is good cause for the extension.

12. A request for a hearing that is filed with the Department in accordance with an extension of time granted by the Executive Director pursuant to subsection 11 shall be deemed to be timely filed.

13. If the Executive Director denies a request for an extension for the filing of a request for a hearing ~~of time~~ pursuant to subsection 11, the taxpayer may file an notice of appeal of the denial with the Department Commission not later than 30 ~~calendar~~ days after service the notice of the denial is served on the taxpayer. The notice of appeal ~~of the denial~~ must include:

(a) An explanation of the reason the taxpayer failed to timely file the request for a hearing or a request for an extension; and

(b) A copy of the request for a hearing with the information required by subsection 10.

14. An appeal of a denial of a request for an extension of time to file a request for a hearing pursuant to subsection 11:

(a) Shall be limited to the issue of whether a hearing will be granted; and

(b) Shall not include the merits of the underlying notice of redetermination.

15. Upon the filing of a notice of appeal pursuant to subsection 13, the Commission will issue a final decision as to whether the Department is required to conduct a hearing. A decision to grant the appeal by the Commission must be made upon a finding of good cause.

16. Upon receipt of a timely request for a hearing or a final decision of the Commission to grant an appeal pursuant to subsection 15, the Department shall notify the taxpayer of receipt and that ~~the Department~~ it will refer the matter to a hearing officer.

17. The taxpayer may, at any time, withdraw their ~~his or her~~ petition for redetermination by submitting a written request ~~[, in the form of a letter,]~~ for withdrawal to the Department.

18. As used in this section, “good cause” 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 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.

Sec. 23. NAC 361.61064 is hereby amended to read as follows:

361.61064 1. A petitioner who wishes to appeal a determination of a county assessor described in paragraph (a) of subsection 1 of NRS 361.4734 or a determination of the Department described in paragraph (b) of subsection 1 of NRS 361.4734 must file a written notice of appeal with the Department ~~Commission~~ on a form provided by the Department within the period prescribed in subsection 2 of NRS 361.4734.

2. ~~In addition to the information required by subsection 4 of NAC 360.045, the~~ *The* notice of appeal must include:

- (a) The name and mailing address of the petitioner and the petitioner's contact person, if any;
- (b) The telephone number for daytime business hours and facsimile number of the petitioner and the petitioner's contact person, if any;
- (c) The electronic mail address, if available, of the petitioner and the petitioner's contact person, if any;
- (d) The tax year being appealed;
- (e) A description of the property and the assessor's parcel number or the identifying number of the property that is the subject of the appeal;
- (f) A copy of the decision of the county assessor or the Department for the tax year in question on the property that is the subject of the appeal; and
- (g) A statement of the relief requested.

3. Not later than 10 business days after receiving the notice of appeal of a determination issued pursuant to paragraph (a) of subsection 1 of NRS 361.4734, the Department shall provide a copy of the notice of appeal to the county assessor.

Sec. 24. NAC 360.025, 360.096, 360.432, 360.476, 360.477 and 360.479 are hereby repealed.

TEXT OF REPEALED SECTIONS

360.025 “Department” defined. (NRS 360.090) “Department” means the Department of Taxation.

360.096 Petition for redetermination in contested case; issues. (NRS 360.090, 360.360, 360.370) If a person files a petition for a redetermination in a contested case, all contested issues involved in the case shall be deemed to have been raised in the petition.

360.432 Contract with private debt collector: Authorization by Commission; prior notification of debtor by Department. (NRS 353C.200, 360.090)

1. Subject to the conditions set forth in NRS 353C.200, the Department may enter into a contract with a private debt collector or any other person for the assignment of the collection of a debt if the Commission authorizes the Department to enter into a contract with regard to the debt.

2. Upon the authorization of the Commission pursuant to subsection 1 and before entering into a contract pursuant to subsection 1, the Department shall notify the debtor that the debt may be assigned to a private debt collector if the debt is not paid in full. Notice provided to the debtor pursuant to this subsection must be served personally upon the debtor or by mail at his or her last address of record filed with the Department.

3. As used in this section, “debt” has the meaning ascribed to it in NRS 353C.040.

360.476 Local school support tax: Date of eligibility of machinery or equipment. (NRS 360.750, 374.357) If an application is approved by the Commission for a partial abatement of the taxes imposed pursuant to chapter 374 of NRS, the period of abatement begins on the date on which the applicant takes possession of the first delivery of eligible machinery or equipment at the location designated in the certificate of eligibility issued by the Commission. Upon taking possession of such eligible machinery or equipment, the applicant shall immediately notify the Commission and the Nevada Tax Commission.

360.477 Refund upon approval of application. (NRS 360.750, 364A.170, 374.357)

1. If the Commission approves an application for a partial abatement of the taxes imposed pursuant to chapter 364A of NRS, the applicant is eligible for a refund of any taxes imposed pursuant to chapter 364A of NRS which were paid previously by the applicant and which are subject to the abatement.

2. If the Commission approves an application for a partial abatement of the taxes imposed pursuant to chapter 374 of NRS, the applicant is eligible for a refund of any taxes imposed pursuant to chapter 374 of NRS which were paid previously by the applicant and which are subject to the abatement, if the Department determines pursuant to NAC 360.4755 that the machinery or equipment qualifies as eligible machinery or equipment and:

(a) If the machinery or equipment was acquired outside this State from a retailer that is not registered with the Nevada Tax Commission, the application for the partial abatement was made:

- (1) Before the acquisition of the machinery or equipment; or
- (2) After the acquisition of the machinery or equipment and within 60 days after the date on which the taxes on the acquisition imposed pursuant to chapter 374 of NRS were due; or

(b) If the machinery or equipment was acquired from a retailer that is registered with the Nevada Tax Commission, the application for the partial abatement was made within 60 days after the payment of the taxes on the acquisition imposed pursuant to chapter 374 of NRS.

360.479 Abatements for certain energy-efficient structures: Interpretation of certain statutory terms. (NRS 360.090, 360.200, §§ 15 and 15.5 of ch. 539, Stats. 2007) For the purposes of:

1. Subsection 5 of section 15 of chapter 539, Statutes of Nevada 2007, the Department shall interpret the term:

(a) “Building” to mean a building or other structure that:

- (1) Meets the requirements of paragraphs (a), (b) and (c) of that subsection; and
- (2) Is described in the application for registration of the construction project with the Office of Energy for the purpose of obtaining the tax exemption provided pursuant to paragraph (d) of subsection 1 of NRS 374.307, as amended by chapter 2, Statutes of Nevada 2005, 22nd Special Session, at page 71,

↳ other than any building or other structure for which the principal use is as a residential dwelling for not more than four families.

(b) “Construction contract” to mean a contract between an owner of real property or an affiliate or subsidiary of the owner, and a contractor or construction manager which:

- (1) Defines their respective roles and responsibilities for the construction of a project on the property;
- (2) Establishes the scope of work, the amount of money to be paid to the contractor or construction manager and the allowable time for the duration of the contract; and
- (3) Describes the terms and conditions of a construction project.

(c) “Preconstruction contract” to mean a written and executed agreement that:

(1) Precedes the construction of or the execution of a construction contract for a project for which a partial tax abatement is sought;

(2) Clearly indicates a commitment to construct the project; and

(3) Is entered into to provide at least one of the following services relating to the construction project:

(I) Project financing;

(II) Engineering;

(III) Design;

(IV) Architecture;

(V) Labor; or

(VI) Subcontracting.

(d) “Used in the construction of a building” to mean attached to or incorporated into a building by a contractor in the performance of a construction contract in such a manner as to:

(1) Become an integral or inseparable part of the building; or

(2) Become a fixture to the building.

2. Section 15.5 of chapter 539, Statutes of Nevada 2007, the Department shall interpret the term “building or other structure” to mean a building or other structure that:

(a) Meets the requirements of paragraphs (a), (b) and (c) of subsection 1 of that section; and

(b) Is described in the application for registration of the construction project with the Office of Energy for the purpose of obtaining the partial abatement of taxes provided pursuant to the former provisions of NRS 361.0775,

↳ other than any building or other structure for which the principal use is as a residential dwelling for not more than four families.



STATE OF NEVADA

JOE LOMBARDO
Governor

DEPARTMENT OF TAXATION

GEORGE KELESIS
Chair, Nevada Tax Commission

MAIN OFFICE
3850 Arrowhead Drive
Carson City, Nevada 89706

SHELLIE HUGHES
Executive Director

Posted April 6, 2026

NOTICE OF INTENT TO ACT UPON A REGULATION

Notice of Hearing for the Adoption of

LCB File No. R042-24

Nevada Tax Commission

The Nevada Tax Commission will hold a Public Hearing at **9:00 a.m. on Wednesday, May 6, 2026**. The purpose of the hearing is to receive comments from all interested parties regarding the adoption of the regulation that pertains to LCB File No. R042-24.

You may attend this meeting at either of the following physical locations:

Nevada Department of Taxation
700 E. Warm Springs Rd., Room 150
Las Vegas, Nevada 89119

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

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. Need and purpose of the proposed regulations or amendments

LCB File No. R042-24, establishes requirements related to taxation; creates provisions governing certain contested cases relating to holders of licenses relating to cigarette or other tobacco products and manufacturers of tobacco products; eliminates procedures for refunding precollected cigarette and other tobacco product taxes to Indian tribes; revises provisions governing administrative proceedings for the suspension or revocation of licenses relating to cigarette or other tobacco products or the removal of manufacturers of cigarettes and brand families from the directory of manufacturers and brand families maintained by the Department of Taxation; eliminates certain definitions and other provisions relating to cigarettes and other tobacco products; and provides other matters properly relating thereto.

The proposed permanent regulation is intended to update and clarify the regulatory framework governing taxation and licensing of cigarette and other tobacco products in Nevada. It establishes procedures for handling contested cases involving license holders and tobacco product manufacturers, while revising administrative processes related to the suspension or revocation of licenses and the removal of

manufacturers and brand families from the Department of Taxation’s directory. The proposed permanent regulation also eliminates outdated provisions, including those governing refunds of precollected taxes to Indian tribes and certain obsolete definitions, in order to improve consistency, transparency, and administrative efficiency. Overall, the proposed changes are designed to streamline enforcement, ensure clearer standards for regulated entities, and align existing rules with current practices.

2. How to obtain the approved or revised text of regulations prepared by LCB

You may obtain a copy of the proposed permanent regulation by writing to the Nevada Department of Taxation, 3850 Arrowhead Drive, Carson City, Nevada 89706; or by calling the office at (775) 684-2041. The proposed permanent regulation is also available for review and download on the Department of Taxation’s website at <https://tax.nv.gov/> or on the Nevada Legislature’s website at <https://www.leg.state.nv.us/>.

3. Methods used in determining the impact on a small business

The agency used informed, reasonable judgment in determining that there will not be an impact on small businesses. The Department prepared a small business impact questionnaire that was forwarded to the Department’s Interested Parties List. One emailed response was received for LCB File No. R042-24. The respondent commented their support of the adoption as proposed and acknowledged there is no negative impact.

The Department will continue to accept input on the impact of the proposed permanent regulation on small businesses through the regulatory process.

The Department has scheduled a workshop on April 16, 2026, for members of the public to state their concerns and submit correspondence regarding the regulation. The Department will consider the response(s) received, make necessary changes to the proposed language, and include response summaries in the Informational Statement.

4. Estimated economic effect of regulation on businesses and the public

a. Adverse and beneficial effects

The proposed permanent regulation does not present any reasonable, foreseeable or anticipated adverse or beneficial economic effects on small businesses or the public.

b. Immediate and Long-Term effects

The proposed permanent regulation does not present any reasonable, foreseeable or anticipated immediate or long-term economic effects on small businesses or the public.

5. Cost for enforcement of the regulations

The proposed permanent regulation does not present any significant, foreseeable or anticipated cost or decrease in costs for enforcement.

6. Overlap or duplication of other state or local governmental agencies

The proposed permanent regulation does not overlap or duplicate any regulation of other state or local governmental entities.

7. Regulation required by federal law

Not Applicable.

8. More stringent than federal regulations

The Department is not aware of any similar federal regulations of the same activity in which the state regulations are more stringent.

9. New or increases in existing fees

The proposed permanent regulation does not include new fees or increase an existing fee.

Persons wishing to comment on the proposed action of the Nevada Tax Commission may appear at the above scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the Nevada Tax Commission, 3850 Arrowhead Drive, Carson City, Nevada 89706. Written submissions must be received at least two weeks prior to the above scheduled public hearing.

Under NRS 233B.064(2), when adopting any regulation, the Agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption and incorporation, and its reason for overruling the consideration urged against its adoption.

A copy of the Notice and the proposed permanent regulation to be adopted and/or amended is on file and has been posted at the following location: The Department of Taxation - 3850 Arrowhead Drive, Carson City, Nevada 89706.

Members of the public may inspect these documents during regular business hours at the above location. Additional copies of the notice and proposed permanent regulation to be adopted and/or amended are available at the below locations.

The text of the proposed permanent regulation will include the entire text of any section of the Nevada Administrative Code, which is proposed for amendment or repeal. Copies will be mailed to members of the public upon request. A reasonable fee may be charged for copies if deemed necessary.

Notice has been EMAILED/MAILED for posting at the following locations:

Department of Taxation - 9850 Double R. Blvd, Ste. 101, Reno, Nevada, 89521; Department of Taxation - 700 E. Warm Springs Rd, Ste 200, Las Vegas, Nevada, 89119; The Legislative Building – 401 S. Carson St., Carson City, Nevada; 7120 Amigo St., Las Vegas, Nevada; The Nevada State Library -100 Stewart Street, Carson City, Nevada; Interested Parties Group maintained by the Department. Notice of this meeting was posted on the Department of Taxation website at <https://tax.nv.gov/>, on the Legislative website at <https://www.leg.state.nv.us/>, and the Nevada Public Notice Website at <https://notice.nv.gov/>.

In compliance with the Americans with Disabilities Act, individuals requiring special accommodations to participate in this hearing should notify Kari Skalsky at 775-684-2041 or kskalsky@tax.state.nv.us at least 3 days before the hearing. 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 hearing, 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.

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R042-24

March 18, 2026

EXPLANATION – Matter in *italics* is LCB 2-2-26 draft language; matter in brackets ~~omitted material~~ is material omitted in LCB 2-2-26 draft; purple underlined is revised LCB language by Agency; ~~green strikethrough~~ is omitted LCB language by Agency.

AUTHORITY: §§ 1-18, 20-22 and 26-30 NRS 360.090 and 370.510; § 19, NRS 360.090, 370.501, 370.510 and 370.515; §§ 22-25 and 31, NRS 370.510, 370.597 and 370.675; § 32, NRS 370.510.

A REGULATION relating to taxation; creating provisions governing certain contested cases relating to holders of licenses relating to cigarette or other tobacco products and manufacturers of tobacco products; eliminating procedures for refunding precollected cigarette and other tobacco product taxes to Indian tribes; revising provisions governing administrative proceedings for the suspension or revocation of licenses relating to cigarette or other tobacco products or the removal of manufacturers of cigarettes and brand families from the directory of manufacturers and brand families maintained by the Department of Taxation; eliminating certain definitions and other provisions relating to cigarettes and other tobacco products; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires the members of the Nevada Tax Commission to prescribe regulations for carrying on the business of the Commission and the Department of Taxation. (NRS 360.090) Existing regulations set forth various provisions governing the practice and procedure in contested cases before the Commission and Department. (NAC 360.043-360.200) **Section 2** of this regulation provides that, notwithstanding those provisions, each hearing of a contested case heard by the Commission and Department relating to disciplinary proceedings, disputes over property seized by or transmitted to the Department and appeals of civil penalties under existing law relating to tobacco licensees and manufacturers will be conducted in accordance with the provisions of the Nevada Administrative Procedure Act and regulations relating to contested cases involving tobacco licensees and manufacturers. **Sections 2-17** of this regulation set forth various provisions governing contested cases relating to tobacco licensees and manufacturers. **Sections 3 and 5** establish requirements governing pleadings and acknowledgments of service for certain documents, respectively. **Sections 4, 10 and 11** set forth evidentiary procedures in such proceedings. **Section 6** establishes requirements governing transcripts of proceedings, including, without limitation, stating the party responsible for furnishing a reporter and bearing associated costs. **Section 7** sets forth requirements governing ethical and courteous conduct during a proceeding. **Section 8** authorizes a hearing officer to hold a prehearing conference.

Section 9: (1) authorizes a hearing officer to issue a subpoena subject to certain restrictions; and (2) provides certain requirements that must be satisfied to obtain the subpoena. **Section 12** requires the Commission to assign a hearing officer to hear any appeal to the Commission in which certain parties have not received an evidentiary hearing. **Section 13:** (1) authorizes certain parties to request a closed hearing; and (2) sets forth requirements for making such a request. **Section 14** sets forth provisions governing the rehearing or reconsideration of a matter.

Sections 15 and 16 set forth the procedure for disputing the seizure of property seized by or transmitted to the Department under provisions of existing law authorizing the seizure and disposition of certain counterfeit, contraband or unlawfully used property relating to tobacco. **Section 17** sets forth the procedure for a tobacco licensee or manufacturer to appeal a civil penalty issued by the Department. **Section 21** of this regulation applies certain definitions to **sections 2-17**.

Existing law imposes a tax on cigarettes and other tobacco products. (Chapter 370 of NRS) Existing law authorizes a refund for the taxes paid on cigarettes or other tobacco products for cigarettes or other tobacco products that are sold to: (1) any person if sold and delivered on an Indian reservation or colony where an excise tax has been imposed that is equal to or greater than the rate of tax imposed pursuant to provisions of existing law; or (2) an Indian if sold and delivered on an Indian reservation or colony where no excise tax has been imposed or the excise tax is less than the rate of the tax imposed pursuant to provisions of existing law. (NRS 370.280, 370.503; NAC 370.230) Existing law prohibits the Department from collecting the tax on cigarettes and other tobacco products sold on an Indian reservation or Indian colony if the governing body of the reservation or colony imposes an excise tax on cigarettes and other tobacco products that is equal to or greater than the tax imposed by provisions of existing law and the governing body submits a copy of the ordinance imposing the tax to the Department. (NRS 370.515) **Sections 20 and 32** of this regulation eliminate provisions which set forth procedures for an Indian tribe to apply for and receive a refund from the Department of the tax on cigarettes and other tobacco products.

Existing law provides for the licensing by the Department of persons engaged in the manufacture, distribution and sale of cigarettes and other tobacco products, including persons who operate a warehouse or distribution center or who conduct business as a manufacturer, a wholesale dealer of cigarettes, a wholesale dealer of other tobacco products, a tobacco retail dealer, a cigarette vending machine operator or a logistics company. (NRS 370.531-370.597) Existing law authorizes the Department to suspend or revoke such licenses and to adopt regulations establishing a procedure for the suspension and revocation of a license. (NRS 370.595, 370.597) Existing law also requires the Department to maintain a directory of manufacturers of tobacco products who have made current and accurate certifications to the Department concerning the manufacturer and its brand families. Existing law further requires the Department to update the directory and to remove from the directory any manufacturer and its brand families that do not conform to the requirements for listing in the directory. (NRS 370.675)

Existing regulations establish procedures for the suspension and revocation of the license of a retail dealer or wholesale dealer and the removal of a manufacturer of tobacco products and its brand families from the directory. (NAC 370.500-370.595) **Section 22** of this regulation applies the procedures for the suspension or revocation of the license of a retail dealer or wholesale dealer to the suspension or revocation of any of the licenses issued pursuant to chapter 370 of NRS. **Sections 22-26, 28 and 31** of this regulation revise the timeline for such procedures

by changing: (1) the amount of time licensees and manufacturers have to demonstrate compliance with the law after the Department issues a notice of intent to suspend or revoke a license or remove a manufacturer and its brand families from the directory, as applicable; (2) when a notice of hearing must be served relative to the date of the hearing; (3) the deadline for a respondent to submit supporting documents before the hearing; (4) the deadline for serving any motion not made at the hearing; (5) the deadline for a hearing officer to issue their ~~his or her~~ decision and for a party to appeal that decision; and (6) when a final order suspending or revoking a license of a wholesale dealer of cigarettes or a wholesale dealer of other tobacco products becomes effective and the amount of time a wholesale dealer has to notify the retail dealers and manufacturers with whom the wholesale dealer does business of the suspension or revocation.

Existing regulations prescribe the order of proceedings for a hearing conducted to suspend or revoke the license of a licensee or to remove a manufacturer of tobacco products and its brand families from the directory. (NAC 370.580) **Section 28** provides that evidence at the hearing may be received in any manner ordered by the hearing officer, but that a hearing will ordinarily proceed in the prescribed order.

Existing regulations authorize a party to file a notice of appeal with the Department ~~Commission~~ within 20 business days after service of a decision issued by a hearing officer regarding the suspension or revocation of a license or the removal of a manufacturer of tobacco products and its brand families from the directory. Existing regulations authorize an opposing party to file a response to the notice of appeal. (NAC 370.585) Existing regulations provide that, in hearing such an appeal, the Commission will consider only evidence which was submitted to the hearing officer and identified in the notice of appeal or response to the notice of appeal. (NAC 370.590) **Section 29** of this regulation requires a notice of appeal, if any, to be filed within 30 days after service of the decision of the hearing officer and revises the information which is required to be included in a notice of appeal. **Section 29** requires an appellant to file, within 30 days after filing the notice of appeal, an opening brief which includes certain information previously required to be included in the notice of appeal. **Sections 29 and 30** of this regulation make conforming changes to provide that an opposing party may respond, in the form of an answering brief, to issues raised in the opening brief of the appellant rather than the notice of appeal. **Section 30** provides that the Commission will consider only evidence which was identified in the opening brief or answering brief. **Section 30** increases the amount of time each party has for oral argument before the Commission.

Sections 18, 19 and 20 of this regulation replace references to “other products made from tobacco” and “products made from tobacco, other than cigarettes” with the term “other tobacco products” to conform with the terminology used in provisions of existing law. (NRS 370.0318, as amended by section 4 of Assembly Bill No. 471, chapter 477, Statutes of Nevada 2025, at page 3131)

Section 1. Chapter 370 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 17, inclusive, of this regulation.

Sec. 2. 1. *Notwithstanding the provisions of NAC 360.043, the provisions of chapter 233B of NRS and NAC 370.500 to 370.595, inclusive, and sections 2 to 17, inclusive, of this*

regulation:

(a) Govern the practice and procedure in contested cases before the Commission and Department under chapter 370 of NRS for disciplinary proceedings, claims of ownership disputes over ~~in the seizure of~~ property seized by or transmitted to the Department pursuant to NRS 370.415 and appeals of civil penalties.

(b) Will be liberally construed to secure the just, speedy and economical determination of all issues presented to the Commission or Department.

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. 3. All pleadings, including, without limitation, complaints, petitions, answers, briefs, motions and affidavits, should be addressed to the Executive Director and not to individual members of the Commission or its staff. All pleadings are deemed to be officially received by the Department when:

1. A true copy of the paper or document, properly addressed and stamped, is deposited in the United States mail;

2. An electronic copy of a paper or document is submitted through the Department's online portal ~~maintained by the Department through the account of~~ under the licensee's or manufacturer's account; or

3. An electronic copy of a paper or document is submitted by electronic mail at the direction of the hearing officer.

Sec. 4. Oral evidence will be taken only upon oath or affirmation administered by the hearing officer, Executive Director or a Commissioner. Before taking the witness stand, each person

must swear, or affirm, that the testimony they are ~~he or she is~~ about to give will be the truth, the whole truth and nothing but the truth.

Sec. 5. With all documents required to be served, an acknowledgment of service or a certificate in substantially the following form must be included:

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding (by delivering a copy thereof in person to) (by mailing a copy thereof, properly addressed, with postage prepaid, to)
Dated at, this(day) of(month) of (year)

.....

Signature

Sec. 6. 1. If a transcript of any hearing held before the Commission or a hearing officer is desired by a licensee or manufacturer, they ~~he or she~~ must:

- (a) Furnish the certified court reporter;
- (b) Bear all costs associated with transcription; and
- (c) Deliver, free of charge, a copy of the transcript to the Executive Director within 20 days after preparation of the transcript.

2. If the licensee or manufacturer wishes to use, in a subsequent hearing or appeal, a transcript which has been prepared from an audio recording provided by the Department of any hearing held before the Commission or a hearing officer, the licensee or manufacturer must:

- (a) Retain a certified court reporter to perform the transcription; and

(b) Deliver, free of charge, a copy of the transcript to the Department within the period of time set forth in subsection 1.

~~3. A court reporter who transcribes a hearing held before the Commission or a hearing officer must be certified pursuant to chapter 656 of NRS. If a transcript of any hearing before the Commission is desired, the licensee or manufacturer must make a request to the Commission and pay for the copy of the transcript.~~

Sec. 7. 1. A person appearing in a proceeding shall conform to the recognized standards of ethical and courteous conduct, as determined by the hearing officer or Commission. ~~Department~~. All parties to the hearing, counsel for the parties and any spectators shall conduct themselves in a respectful manner during the proceeding.

2. The hearing officer or Commission may take any action it determines is necessary to maintain order during a hearing, including, without limitation:

- (a) Excluding a party or the party's ~~his or her~~ attorney or authorized representative from the hearing;*
- (b) Excluding a witness from the hearing; and*
- (c) Limiting the taking of testimony and presentation of evidence during the hearing.*

Sec. 8. 1. The hearing officer may, upon their ~~his or her~~ own motion or the motion of a party, hold a prehearing conference for the purpose of formulating or simplifying the issues, obtaining admissions of fact or documents which will avoid unnecessary proof, arranging for the exchange of proposed exhibits or prepared expert testimony, limiting the number of witnesses, any procedure for the hearing and any other matters which may expedite orderly conduct and the disposition of the proceedings or settlements thereof.

2. The action taken at a prehearing conference and the agreements, admissions or stipulations made by the parties concerned must be made a part of the record. The action will

control the course of subsequent proceedings, unless otherwise stipulated to by all ~~the~~ parties of record with the consent of the hearing officer.

3. In any proceeding, the hearing officer may, in their ~~his or her~~ discretion, call all ~~of the~~ parties together for a conference before the taking of testimony. The hearing officer shall state on the record the results of the conference.

Sec. 9. 1. *Subject to the restrictions imposed by NRS 360.240, a subpoena requiring the attendance of a witness from any place in the State to any designated place of a hearing for the purpose of taking testimony may be issued by the hearing officer.*

2. A party desiring a subpoena must submit an application in writing to the hearing officer stating the reasons why a subpoena is requested.

3. An application to compel a person to appear and give oral testimony at the hearing must identify whether the witness is a nonparty witness.

4. ~~3.~~ An application for a subpoena duces tecum for the production of books, waybills, papers, accounts or other documents must contain a complete and specific description of the documents or other tangible things desired.

5. ~~4.~~ An application for a subpoena must be accompanied by a proposed subpoena, on a form prescribed by the Department, and which contains the name and license number of the licensee or manufacturer, the name of the person to whom the subpoena will be directed, ~~and~~ the address for service of the subpoena, the date, time, and place of the hearing, and the name and signature of the requesting party or the attorney for the requesting party.

6. ~~5.~~ The hearing officer, upon receipt of an application for a subpoena, shall:

(a) Grant the application and issue the subpoena;

(b) Deny the application; or

(c) Schedule a hearing to decide whether to grant or deny the application.

7. ~~6.~~ *A subpoena must be served by the requesting party at least 10 ~~calendar~~ days before the hearing. A subpoena will be issued during the hearing or upon less than 10 days notice only upon order of the hearing officer for reasonable cause shown by the requesting party. A subpoena duces tecum must be served on the opposing party not less than 7 days before service on the person to whom the subpoena is directed.*

8. *The requesting party must arrange for service of the subpoena. All costs incident to the subpoena must be paid by the requesting party.*

Sec. 10. 1. *A hearing will not be conducted according to the technical rules of evidence. Any relevant evidence may be admitted, except where precluded by law, if it is of a type commonly relied upon by reasonable and prudent persons in the conduct of their affairs, even though the evidence might be subject to objection in civil actions.*

2. *Hearsay evidence, as that term is used in civil actions, may be admitted for the purpose of supplementing or explaining other evidence, but it is not sufficient to support findings of fact unless it would be admissible over objection in civil actions.*

3. *The rules of privilege will be applied as they are applied in civil actions.*

4. *Irrelevant, cumulative and unduly repetitious evidence is not admissible, nor is incompetent evidence, as that term is used in civil trials, with the exception of hearsay evidence as above provided ~~in subsection 2.~~*

5. *The parties or their counsel ~~for the parties~~ may, by written stipulation, agree that certain specified evidence may be admitted, even though the evidence would otherwise be subject to objection.*

6. *The affidavit of any person may be admitted in evidence if all ~~the~~ parties stipulate and consent to its admission.*

Sec. 11. *The hearing officer may take official notice of the following matters when*

properly introduced into the record and the opposing party has had an opportunity to examine the matter and present rebuttal evidence:

1. Rules, regulations, official reports, decisions and orders of the Commission and any regulatory agency of the State.

2. Contents of decisions, orders, certificates and permits issued by the Department and Commission.

3. Matters of common knowledge and technical or scientific facts of established character.

4. Matters which may be judicially noticed by the courts of this State.

Sec. 12. 1. The Commission will assign a hearing officer to hear any appeal to the Commission in which a licensee or manufacturer has not received an evidentiary hearing before a hearing officer.

2. The hearing officer assigned pursuant to subsection 1 shall conduct an evidentiary hearing in the manner prescribed in this chapter for contested cases.

3. After the close of the evidentiary hearing, the hearing officer shall file with the Commission within 30 days the proposed findings of fact, conclusions of law and decision. The proposed order ~~decision~~ must be served on each party.

4. A party may file a written objection to the proposed order ~~decision~~ with the Department ~~Commission~~ within 30 days after receipt of the proposed order ~~decision~~. The written objection must state with particularity the issues presented, the points of law or fact which are relied on and the relief requested. A party who files a written objection shall serve a copy of its objection on all parties.

5. A party may reply to the written objection within ~~15~~ 30 ~~calendar~~ days after receipt of the written objection. A reply must be served on all parties.

6. *If no party files a written objection to the proposed order with the Department Commission pursuant to subsection 4, the Commission will place the proposed order on the appropriate agenda for its next scheduled meeting for action by the Commission.*

7. *If a party files a written objection pursuant to subsection 4 ~~to the proposed order with the Commission~~ within 30 days after receipt of the proposed order ~~decision~~, the Commission will hold a hearing on the proposed order pursuant to NAC 370.590.*

Sec. 13. *1. A licensee or manufacturer may request a closed hearing by submitting the request in writing to the Commission:*

(a) Not later than 14 days before the date of the hearing; or

(b) If authorized by the Executive Director for good cause shown, not later than 5 days before the date of the hearing.

2. A request for a closed hearing must include:

(a) A list or summary of the information the licensee or manufacturer alleges to be proprietary or confidential information, which may include bank records, financial statements, customer lists, vendor lists, trade secrets and unique business practices of the licensee or manufacturer, and any other information the licensee or manufacturer considers to be proprietary or confidential information; and

(b) A short statement explaining how the information alleged by the licensee or manufacturer to be proprietary or confidential information qualifies as such pursuant to this section.

3. If the Commission receives a request for a closed hearing in accordance with the provisions of this section, the Commission will:

(a) Indicate on its written agenda that the licensee or manufacturer has requested a closed hearing; and

(b) Hold and protect the information included in the request and any information included in any briefs filed in the pertinent appeal, including any supporting materials and exhibits, in accordance with any applicable laws pertaining to the confidentiality of that information.

4. If a licensee or manufacturer submits a request for a closed hearing pursuant to:

(a) Paragraph (a) of subsection 1, the Department may, not later than 5 days before the date of the hearing; or

(b) Paragraph (b) of subsection 1, the Department may, not later than 3 days before the date of the hearing,

↪ file a written objection to the request with the Department ~~Commission~~ and serve a copy of the objection upon the licensee or manufacturer or the authorized representative of the licensee or manufacturer.

5. In a closed hearing, the Commission:

(a) May receive testimony from the licensee or manufacturer and other witnesses regarding the information the licensee or manufacturer alleges to be proprietary or confidential information; and

(b) Must determine by a majority vote of a quorum of its members whether that information qualifies as proprietary or confidential information. If the Commission determines that any of that information qualifies as proprietary or confidential information, the Commission may continue to hold a closed hearing regarding that proprietary or confidential information until the Commission determines that the proprietary or confidential information has been adequately discussed within the context of the appeal.

6. *A licensee or manufacturer who fails to submit a request for a closed hearing in accordance with the provisions of this section shall be deemed to have waived their ~~his or her~~ right to request a closed hearing. The provisions of this section do not affect the right of a licensee or manufacturer or the agent of the licensee or manufacturer to request a continuance of any hearing on an appeal by the licensee or manufacturer.*

7. *As used in this section:*

(a) *“Closed hearing” means a hearing before the Commission which is closed to the public pursuant to this section.*

(b) *“Confidential economic information”:*

(1) *Means:*

(I) Any information which is not available to the public generally, which confers an economic benefit on the holder of the information as a result of its unavailability and which is the subject of reasonable efforts by the taxpayer to maintain its secrecy.

(II) Includes, without limitation, information relating to the amount or source of any income, profits, losses or expenditures of the taxpayer, such as data relating to costs, prices or customers.

(c) ~~(b)~~ *“Proprietary or confidential information”:*

(1) *Means:*

(I) Any trade secret, confidential economic information or business information that is submitted to the Commission by the licensee or manufacturer and is determined to be proprietary or confidential information by the Commission; or

(II) Any information that a specific statute declares to be confidential or prohibits the Commission from making public.

(2) *Does not include any information that has been published for public distribution or*

is otherwise available to the public generally or in the public domain.

Sec. 14. 1. The Commission may issue an order granting a rehearing or reconsideration of all or part of any matter on its own motion or on a petition by an aggrieved party. A motion or petition for rehearing or reconsideration will not be granted if the motion is made or the petition is filed more than 15 days after service of the final decision of the Commission on the matter or if a petition on the matter has been filed in the district court. The Commission will serve an order granting or denying a rehearing or reconsideration on all parties of record at least 5 days before the expiration of the time for filing a petition for judicial review pursuant to NRS 233B.130. The right of a person to file a petition in the district court is not affected by the person's failure of the person to have petitioned for the Commission's rehearing or reconsideration by the Commission.

2. No oral argument concerning a motion or petition for rehearing or reconsideration will be permitted.

3. Except as otherwise provided in subsection 4, if the Commission has not taken action on a motion or petition for rehearing or reconsideration within the 15-day period allowed for making such a motion or filing such a petition, the motion or petition shall be deemed denied.

4. If a motion or petition for rehearing or reconsideration is made or filed within the 15-day period, but the Commission is not scheduled to meet within that ~~the~~ period, the Executive Director may, upon a showing of good cause, stay enforcement of the Commission's original decision of the Commission until the Commission can grant or deny the motion or petition.

5. A stay of enforcement may be ordered upon the condition that the petitioner comply with specific terms which are reasonably related to the original findings and decision.

6. If the Commission issues an order granting a rehearing or reconsideration, the

subsequent decision by the Commission:

(a) Will be based on all pertinent parts of the record and such additional evidence and argument as it may permit.

(b) Is the final decision of the Commission for the purposes of judicial review.

Sec. 15. 1. To dispute or claim ownership interest in property transmitted to or seized by ~~contest the seizure of property by the Department or the seizure of property which has been transmitted to the Department pursuant to NRS 370.415, a person~~ must file a written claim ~~complaint~~ with the Department within 20 days after the property is seized by or transmitted to the Department.

2. Failure to file a written claim within the time prescribed in subsection 1 constitutes a waiver of any right to challenge the seizure, transmission or disposition of the property, and the person shall be deemed to have forfeited any interest in the property.

3. ~~2.~~ A written claim ~~complaint~~ filed pursuant to subsection 1 must be executed under oath by the person making filing the claim ~~complaint~~ and must contain:

(a) The name of the person filing the dispute or claim ~~complaint~~;

(b) If the person filing the claim does not hold a license issued by the Department pursuant to Chapter 370 of NRS, An address in this State where the person may be served by mail;

(c) A description of the property that is the subject of the claims ~~complaint~~;

(d) A description of the person's interest in the property; and

(e) A statement that sets forth the facts and law upon which the person bases their ~~his~~ or her claim ~~complaint~~.

↪ The person may attach to the written claim ~~complaint~~ any documents that support the claim ~~complaint~~.

4. ~~3.~~ If a claim ~~complaint~~ is filed pursuant to this section, the Department shall not sell,

destroy or dispose of the seized or transmitted property pursuant to NRS 370.415 until a decision on the claim becomes final.

Sec. 16. 1. A hearing officer shall conduct an administrative hearing to consider a claim ~~Except as otherwise provided in this subsection, within 20 days after the Department receives a complaint~~ filed pursuant to section 15 of this regulation within 20 days after the Department receives, ~~a hearing officer shall conduct an administrative hearing regarding the claim~~ ~~complaint~~. The hearing officer may continue such a hearing for good cause shown.

2. Notice of an administrative hearing conducted pursuant to this section must be served electronically, or unless opted out of electronic noticing by mail, at least 10 days before the date of the hearing to the person who submitted the claim ~~complaint~~.

3. The notice of a hearing must specify:

(a) The purpose of the hearing; and

(b) The date, time and location of the hearing.

4. A person who files a claim ~~complaint~~ pursuant to section 15 of this regulation has the burden of proof at the hearing held pursuant to this section. The hearing officer shall determine the order and manner in which evidence will be received at the hearing.

5. After a hearing held pursuant to this section, the hearing officer shall prepare written findings of fact, conclusions of law and their ~~his or her~~ decision on the issues presented at the hearing. The hearing officer shall serve a copy of their ~~his or her~~ findings of fact, conclusions of law and decision upon the person who filed the claim ~~complaint~~ and the Department within 20 days after the date of the hearing.

6. A decision issued by a hearing officer pursuant to this section becomes final 30 days after the date of service of the decision unless a party files a timely notice of appeal pursuant

to NAC 370.585.

Sec. 17. 1. *To appeal a civil penalty issued by the Department pursuant to chapter 370 of NRS, a licensee or manufacturer must file with the Department ~~Commission~~ a written notice of appeal within 30 days after service of the notice of a civil penalty.*

2. A written notice of appeal must be filed with the Department ~~Director~~ and must identify the civil penalty from which the licensee or manufacturer appeals, the date on which the civil penalty was issued and the basis for the appeal. The licensee or manufacturer may attach to the written appeal any documents that support the appeal.

3. An appeal filed pursuant to this section is an appeal to the Commission which has not received an evidentiary hearing and will first be heard by a hearing officer pursuant to section 12 of this regulation.

Sec. 18. NAC 370.010 is hereby amended to read as follows:

370.010 As used in this chapter, unless the context otherwise requires:

1. “Commission” means the Nevada Tax Commission.
2. “Department” means the Department of Taxation.
3. “Executive Director” means the Executive Director of the Department of Taxation.
4. “Other tobacco product” has the meaning ascribed to it in NRS 370.440.

Sec. 19. NAC 370.210 is hereby amended to read as follows:

370.210 1. A tribe that is located and sells and delivers cigarettes or other *tobacco* products ~~{made from tobacco}~~ on an Indian reservation or colony whose governing body has imposed and is enforcing an excise tax on the products being sold at a rate which is equal to or greater than the rate of the tax imposed by the State on the same products shall furnish the Department a copy of the tribal ordinance which imposes the tribal tax.

2. The tribal tax must be applicable to at least all consumers who would otherwise be taxed

under NRS ~~370.001~~ **370.007** to 370.430, inclusive, and be actually collected whether or not the retail establishment from which the cigarettes or other *tobacco* products ~~made from tobacco~~ are sold is owned by the tribe.

3. The Department will presume that the tax is being imposed and actually enforced by the tribe if the retail price of the cigarettes or other *tobacco* products ~~made from tobacco~~ exceeds the wholesale price charged to the tribe by an amount which is at least equal to the tax.

4. Except as otherwise provided in NRS 370.240 and 370.255, the tribe is not required to maintain any records of cigarettes received, sold or distributed by the tribe on that reservation or colony.

Sec. 20. NAC 370.220 is hereby amended to read as follows:

370.220 ~~1.1~~ Retail dealers who are located and sell and deliver cigarettes on an Indian reservation or colony shall purchase all of the cigarettes or other *tobacco* products ~~made from tobacco~~ that are to be sold and delivered on the reservation or colony from a licensed wholesale dealer. ~~who has precollected the state tax on the cigarettes and other products.~~

~~2. If a tribal tax has been imposed on the cigarettes and other products made from tobacco, the tribe may apply for a refund of the precollected tax pursuant to NRS 370.280 or 370.503 and NAC 370.230.~~

Sec. 21. NAC 370.500 is hereby amended to read as follows:

370.500 As used in NAC 370.500 to 370.595, inclusive, *and sections 2 to 17, inclusive, of this regulation*, unless the context otherwise requires, the words and terms defined in NAC 370.510 to 370.525, inclusive, have the meanings ascribed to them in those sections.

Sec. 22. NAC 370.515 is hereby amended to read as follows:

370.515 “Hearing officer” means an administrative law judge appointed by the Commission *to hear a case* pursuant to ~~subsection 4 of NAC 370.545.~~ *NAC 370.500 to 370.595, inclusive,*

and sections 2 to 17, inclusive, of this regulation.

Sec. 23. NAC 370.525 is hereby amended to read as follows:

370.525 “Respondent” means a licensee or manufacturer of tobacco products to whom the Department has issued a notice of hearing concerning license suspension, revocation or removal from the directory pursuant to NAC 370.545.

Sec. 23~~4~~. NAC 370.540 is hereby amended to read as follows:

370.540 1. When the Department has cause to believe that:

(a) ~~{The}~~ A license ~~{of a retail dealer or wholesale dealer}~~ *issued pursuant to NRS 370.531 to 370.597, inclusive*, should be temporarily suspended or permanently revoked; or

(b) A manufacturer of tobacco products and its brand families should be removed from the directory,

↳ the Department may issue a notice of intent to suspend or revoke the license or a notice of intent to remove the manufacturer and its brand families from the directory, as applicable.

2. A notice issued pursuant to subsection 1 must include:

(a) A statement of the legal authority for the suspension or revocation of the license or removal of the manufacturer and its brand families from the directory, as applicable;

(b) A statement of the facts which support the belief of the Department that the license should be suspended or revoked or that the manufacturer and its brand families should be removed from the directory, as applicable; and

(c) Except as otherwise provided in subsection 6, if the notice issued is:

(1) A notice of intent to suspend or revoke a license, a statement that the Department may issue a notice of hearing pursuant to NAC 370.545 if the licensee does not, within 10 ~~{business}~~ days after receipt of the notice issued pursuant to subsection 1, demonstrate to the satisfaction of the Department that the licensee is in full compliance with all lawful requirements for retention

of the license; or

(2) A notice of intent to remove a manufacturer and its brand families from the directory, a statement that the Department may issue a notice of hearing pursuant to NAC 370.545 if the manufacturer does not, within 10 ~~{business}~~ days after receipt of the notice issued pursuant to subsection 1, demonstrate to the satisfaction of the Department that the manufacturer is in compliance with all applicable legal requirements necessary to remain listed in the directory.

3. A notice of intent to suspend or revoke a license must be served on the licensee by certified mail at the location mailing address identified by the licensee on the license application submitted by the licensee to the Department.

4. A notice of intent to remove a manufacturer of tobacco products and its brand families from the directory must be served on the manufacturer by certified mail at the address identified by the manufacturer in the most recent annual certification made by the manufacturer to the Attorney General pursuant to NRS 370A.160.

5. Any evidence to demonstrate compliance offered by a licensee or a manufacturer of tobacco products within the period described in subparagraph (1) or (2) of paragraph (c) of subsection 2 must be delivered in person or by certified mail to the employee of the Department identified in the notice served on the licensee or manufacturer.

6. If a licensee or manufacturer of tobacco products has received a notice issued pursuant to subsection 1, for any subsequent alleged violation of the same statutory provision during the 2-year period immediately following the issuance of such notice, the licensee or manufacturer is not entitled to the 10-day period to demonstrate compliance described in subparagraphs (1) and (2) of paragraph (c) of subsection 2 and the Department may immediately issue a notice of hearing pursuant to NAC 370.545.

Sec. 245. NAC 370.545 is hereby amended to read as follows:

370.545 1. If a licensee or manufacturer of tobacco products does not demonstrate compliance within the 10-day period described in subparagraph (1) or (2) of paragraph (c) of subsection 2 of NAC 370.540, or if, pursuant to subsection 6 of NAC 370.540, a licensee or manufacturer of tobacco products is not entitled to the 10-day period to demonstrate compliance, the Department may issue a notice of hearing.

2. A notice of hearing issued pursuant to this section must:

(a) State the date, time and location of the hearing, which may be held at an office of the Department or at such other place in this State as is designated in the notice;

(b) Include a statement of the legal authority for the suspension or revocation of the license or removal of the manufacturer and its brand families from the directory, as applicable;

(c) Identify the specific provision or provisions of chapter 370 or 370A of NRS which the Department alleges the licensee or manufacturer of tobacco products has violated;

(d) Include a statement of the facts which support the belief of the Department that the license should be suspended or revoked or that the manufacturer and its brand families should be removed from the directory, as applicable; and

(e) Include as attachments all documentary evidence on which the Department intends to rely to demonstrate that the licensee or manufacturer of tobacco products, as applicable, is in violation of the provision or provisions of chapter 370 or 370A of NRS identified pursuant to paragraph (c).

3. A notice of hearing issued pursuant to this section must be served on:

(a) All parties at least ~~20 business~~ 10 days before the date of the hearing;

(b) A licensee by certified mail at the location mailing address identified by the licensee on the license application submitted by the licensee to the Department; and

(c) A manufacturer of tobacco products by certified mail at the address identified by the

manufacturer in the most recent annual certification made by the manufacturer to the Attorney General pursuant to NRS 370A.160.

~~{4. Upon the issuance of a notice of hearing by the Department pursuant to this section, the Commission will appoint an administrative law judge to act as a hearing officer.}~~

Sec. 256. NAC 370.550 is hereby amended to read as follows:

370.550 1. Except as otherwise provided in subsection 2, a respondent must, not later than ~~{5 business}~~ 7 days before the date of the hearing set forth in the notice of hearing issued pursuant to NAC 370.545, provide to the Department a copy of each document which is reasonably available to the respondent and which the respondent reasonably believes will be used in support of their ~~his or her~~ position.

2. A respondent may supplement the documents provided pursuant to subsection 1 on or before the date of the hearing only if good cause exists to demonstrate why the supplemental documents were not provided within the time required by subsection 1.

3. A hearing officer may exclude any document not timely provided pursuant to subsection 1 or 2.

Sec. 267. NAC 370.555 is hereby amended to read as follows:

370.555 1. All motions, unless made at a hearing, must be:

- (a) Made in writing; and
- (b) Served on the opposing party and the hearing officer at least ~~{10 business}~~ 7 days before the date of the hearing.

2. Any response to a motion, other than a motion made at a hearing, must be:

- (a) Made in writing; and
- (b) Served on the opposing party and the hearing officer within ~~{7 business}~~ 5 days after receipt of the motion.

Sec. ~~278~~. NAC 370.560 is hereby amended to read as follows:

370.560 1. A hearing officer may order the parties to file briefs with the hearing officer before *or after* the hearing.

2. ~~{Any brief filed with a}~~ A hearing officer ~~{must be accompanied by an affidavit from the proponent showing service on all other}~~ *may consider any request by the* parties ~~{of record.}~~ *to file briefs with the hearing officer before or after the hearing.*

Sec. ~~289~~. NAC 370.580 is hereby amended to read as follows:

370.580 1. At a hearing conducted pursuant to NAC 370.500 to 370.595, inclusive ~~{}~~, *and sections 2 to 17, inclusive, of this regulation, evidence may be received in any manner ordered by the hearing officer, but the hearing will ordinarily proceed in the following order:*

(a) The Department will present witnesses and evidence and the respondent may cross-examine the witnesses in the order in which they are presented by the Department.

(b) After the Department has completed its presentation of witnesses and evidence, the respondent may present witnesses and evidence and the Department may cross-examine the witnesses in the order in which they are presented by the respondent.

(c) After the respondent has completed its presentation of witnesses and evidence, the Department may call any rebuttal witnesses and the respondent may cross-examine the witnesses.

(d) The hearing officer may question any witness, party, counsel or representative at any time.

2. After the close of the hearing, the hearing officer shall prepare written findings of fact, conclusions of law and ~~their~~ ~~his or her~~ decision on the issues presented at the hearing.

3. A hearing officer shall issue ~~their~~ ~~his or her~~ decision and serve on all parties of record a

copy of the decision and the accompanying findings of fact and conclusions of law within 45 ~~{business}~~ days after the date on which the hearing concluded.

4. A decision issued by a hearing officer pursuant to this section becomes final ~~{20-business}~~ 30 days after the date of service of the decision unless a party files a timely notice of appeal pursuant to NAC 370.585.

Sec. ~~2930~~ NAC 370.585 is hereby amended to read as follows:

370.585 1. A party may, within ~~{20-business}~~ 30 days after service of a decision issued by a hearing officer pursuant to NAC 370.580, file a notice of appeal with the Department ~~Commission~~. *A notice of appeal filed pursuant to this section must be served on all parties and must identify the decision from which the party appeals, the date on which the decision was issued and the basis for the appeal.*

2. ~~{A}~~ *Within 30 days after filing a* notice of appeal ~~{filed}~~ pursuant to ~~{this section must be served on all parties and}~~ *subsection 1, the appellant shall file with the Department ~~Commission~~ an opening*

brief. The brief must ~~{}~~ be served on all parties and:

(a) Identify the decision from which the party appeals, the date on which the decision was issued and the basis for the appeal;

(b) State with particularity each point of law or fact which, in the opinion of the appellant, the hearing officer overlooked or misconstrued;

(c) Identify the parts of the record before the hearing officer that the appellant deems relevant to the appeal; and

(d) State each argument in support of the appeal that the appellant intends to present.

3. An opposing party may, not later than ~~{15-business}~~ 30 days after service of ~~{a notice of appeal,}~~ *an opening brief*, file with the Commission ~~{a response}~~ *an answering brief* rebutting only the issues raised in the ~~{notice of appeal. Such a response may}~~ *opening brief. The*

answering brief must include identification of the parts of the record before the hearing officer that the opposing party deems relevant to their ~~his or her~~ response.

*4. Upon the filing of an answering brief or the expiration of the time provided for filing such a brief, the **Department** ~~Director~~ will schedule an oral argument on the appeal at the next meeting of the Commission.*

Sec. 301. NAC 370.590 is hereby amended to read as follows:

370.590 1. ~~{Upon the filing of a response to the notice of appeal pursuant to NAC 370.585 or the expiration of the time for filing such a response, the Executive Director will schedule oral argument on the appeal at the next meeting of the Commission.~~

~~—2.}~~ Oral argument before the Commission will be limited to ~~{15}~~ **20** minutes for each party.

(a) In an appellate hearing before the Commission, the order in which argument will ordinarily be received from the parties is:

(1) The staff will provide a brief orientation;

(2) The appellant;

(3) The respondent; and

(4) Rebuttal by the appellant.

(b) The appellant must present their ~~his or her~~ argument first but may reserve time for rebuttal following the presentation of argument by the opposing party. The Commission will consider only evidence which was submitted to the hearing officer and identified in the ~~{notice of appeal}~~

opening brief or ~~{response to the notice of appeal.~~

~~—3.}~~ *answering brief.*

2. The Commission may affirm, **adopt**, reverse or modify the decision **or proposed decision** of

the hearing officer or remand the case to the hearing officer. The ~~Executive~~ ~~Executive~~ Director shall, on behalf of the Commission, issue a written decision on the appeal.

~~4.1~~ 3. Unless the Commission remands a case to the hearing officer, the decision of the Commission is a final decision in a contested case for the purposes of judicial review.

Sec. 3~~1~~2. NAC 370.595 is hereby amended to read as follows:

370.595 1. If a final order issued by a hearing officer or the Commission temporarily suspends or permanently revokes the license of a wholesale dealer:

~~1.1~~ (a) The final order must not become effective and the license of the wholesale dealer must not be suspended or revoked until 20 ~~business~~ days after the date of issuance of the final order.

~~1.2~~ (b) The wholesale dealer shall, within ~~5 business~~ 7 days after the date on which the final order is issued:

~~1.a~~ (1) Notify each *tobacco* retail dealer that is a customer of the wholesale dealer of the revocation or suspension of the license of the wholesale dealer and the date on which the revocation or suspension becomes effective; and

~~1.b~~ (2) Notify each manufacturer of tobacco products from whom the wholesale dealer purchases tobacco products of the revocation or suspension of the license of the wholesale dealer and the date on which the revocation or suspension becomes effective.

~~1.3~~ (c) Until the date on which the revocation or suspension of the license is effective, the wholesale dealer may continue to engage in any lawful activity otherwise authorized or permitted pursuant to chapters 370 and 370A of NRS.

2. *As used in this section:*

(a) *“Tobacco retail dealer” has the meaning ascribed to it in NRS 370.559.*

(b) *“Wholesale dealer” has the meaning ascribed to:*

(1) “Wholesale dealer” in NRS 370.055; and

(2) “Wholesale dealer of other tobacco products” in NRS 370.440, as amended by section 6 of Assembly Bill No. 471, chapter 477, Statutes of Nevada 2025, at page 3132.

Sec. ~~323~~. NAC 370.020, 370.140, 370.230, 370.240 and 370.250 are hereby repealed.

TEXT OF REPEALED SECTIONS

370.020 Application for subsidiary place of business. (NRS 360.090, 370.100, 370.510)

1. A cigarette wholesaler may maintain a warehouse for keeping merchandise on hand at another place than the established principal place of business, by listing the subsidiary place of business with the Department.

2. Application must be made to the Department for each subsidiary location and the application must specify the location by street and number.

370.140 Wholesale dealer to notify Department of intent to sell taxable product. (NRS 370.510) A wholesale dealer in products made from tobacco, other than cigarettes, shall notify the Department of his or her intention to sell such products in this State before making any sales. The notification must be given on a form provided by the Department.

370.230 Refund of precollected state tax: Procedure; rate. (NRS 360.090, 370.280, 370.503, 370.510)

1. As used in this section, unless the context otherwise requires:

(a) “Department” means the Department of Taxation of the State of Nevada.

(b) “Governing body” means the governmental entity that has the authority to make decisions

for a tribe, commonly known as a tribal government.

(c) “Month” means a calendar month.

(d) “Reservation” means an Indian reservation, Indian colony or lands set aside for the use and occupancy of a tribe.

(e) “Retail dealer” means any person, other than a wholesale dealer or a smokeshop owned by a tribe, who is located on a reservation and who offers to sell or who is engaged in selling cigarettes, other tobacco products or both of them at retail on the reservation.

(f) “Tribe” means any Indian tribe, Indian band, Indian colony or group of Indians recognized by the Federal Government as possessing a government-to-government relationship with the United States.

2. Upon application being made by a governing body which meets the requirements of this section, the Department shall refund to the governing body the tobacco taxes collected by the State on sales of tobacco to retail dealers in accordance with NRS 370.280 and 370.503.

3. A refund made pursuant to this section must be made at the tax rate less any discounts allowed for a tobacco wholesaler or importer.

4. Except as otherwise provided in subsection 6, only the governing body may apply for refunds of taxes on sales of cigarettes or other tobacco products to retail dealers. Each application for a refund must be made for all sales which occurred during not less than 1 month. The application must include:

(a) The amount of tobacco purchased by retail dealers during the month or months for which the refund is requested;

(b) The name and location of the wholesaler or importer from whom the tobacco was purchased; and

(c) The county or counties where the retail dealers are located, and the quantity of tobacco

purchased by retail dealers located in each county.

5. The governing body shall maintain, and provide to the Department upon request, documentation substantiating all refunds requested. The documentation must include:

- (a) Identification of the purchasers of tobacco as retail dealers, by name and address;
- (b) For each transaction for which a refund is requested, the:
 - (1) Name and address of the retail dealer;
 - (2) Price paid;
 - (3) Quantity purchased; and
 - (4) Date of sale; and

(c) Such other information as the Department determines is reasonably necessary to document that a purchase qualifies for a refund pursuant to this section.

6. If a governing body fails to maintain the records required by this section, files a fraudulent refund request or refuses to transmit to the Department information required pursuant to this section, the Department may alter the refund procedure authorized by this section and, in lieu thereof, make direct refunds to a retail dealer who:

- (a) Is located on the reservation;
- (b) Purchases tobacco;
- (c) Pays the applicable tax imposed on the tobacco by the tribe; and
- (d) Complies with the requirements of this section that are applicable to governing bodies.

370.240 Refund of precollected state tax: Effect of provisions. (NRS 360.090, 370.510, 370.520) NAC 370.230 does not limit state statutes regarding the sale of cigarettes or other tobacco products, including, without limitation, chapter 370 of NRS, and is not a waiver of the sovereign powers of tribes.

370.250 List of tribes eligible to purchase cigarettes with tribal tax stamps affixed and

other products exempt from state tax. (NRS 360.090, 370.510) The Department will, as frequently as it deems necessary, publish and distribute to all licensed cigarette wholesale dealers a list of all tribes that are eligible to purchase:

1. Cigarettes to which tribal tax stamps are affixed instead of state tax stamps; and
2. Other products made from tobacco, exempt from the tax imposed by the State on

products made from tobacco.