



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 May 5, 2026

NOTICE OF REGULATORY WORKSHOP AND AGENDA

Nevada Tax Commission **Proposed Permanent Regulations** **LCB File Nos. R005-26 and R085-26**

Conducted by:

NEVADA DEPARTMENT OF TAXATION

Date and Time of Meeting: ***May 21, 2026*** ***11:00 a.m.***

Place of Meeting:

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

This meeting will also be available by zoom. Please use the link below to join the webinar:

Or One tap mobile:

+16694449171,,89589759249# US
+16699009128,,89589759249# US (San Jose)

Or join by phone:

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

Webinar ID: 895 8975 9249

International numbers available: <https://us02web.zoom.us/j/89589759249>

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

To provide public comment by telephone, please dial:

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

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- II. Workshop to solicit comments from interested parties regarding the proposed permanent regulation of the Nevada Tax Commission, LCB File No. R005-26, which 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.
- III. Workshop to solicit comments from interested parties regarding the proposed permanent regulation of the Nevada Tax Commission, LCB File No. R085-26, which establishes requirements related to taxation; combines into one section of Nevada Administrative Code certain rules governing the furnishing of tangible personal property by a mortician; clarifies the application of sales and use taxes to the entire charge by a dispensing optician for eyeglasses and related products furnished in filling a prescription; revises a calculation used to determine the circumstances under which food sold by a retailer is subject to sales and use tax as prepared food intended for immediate consumption; revises the information that a retailer is required to include on a receipt provided to a purchaser of tangible personal property; updates references to sections of the Nevada Revised Statutes that have been reorganized; repeals a provision providing that sales tax does not apply when an owner of property bids on that property at an auction; removes provisions governing an application for an obsolete sales and use tax exemption for aircraft and major components of aircraft; and provides other matters properly relating thereto.

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

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

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

To provide public comment by telephone, please dial:

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

Enter Webinar ID: 895 8975 9249

V. Adjourn

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

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

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

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

If you need an accommodation in order to communicate during the Workshop, the Department will provide one at no cost to you. Arrangements for an interpreter should be made as soon as possible, but no later than 14 days before the scheduled meeting. Please contact Kari Skalsky at 775-684-2041 at least 14 days in advance to request an interpreter in your preferred language. You may also submit your request to kskalsky@tax.state.nv.us.

Si necesita una ayuda para comunicarse durante la Audiencia, el Departamento se lo proporcionará sin costo alguno. Los trámites para conseguir un intérprete deben hacerse lo antes posible, pero a más tardar 14 días antes de la cita programada. Por favor, póngase en contacto con Kari Skalsky al 775-684-2041 con al menos 14 días de anticipación para solicitar un intérprete en su idioma de preferencia. También puede solicitarlo a través de kskalsky@tax.state.nv.us.

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

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

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

LCB File No. R005-26

1. Background

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.

Existing law requires: (1) the Department of Taxation to carry out the provisions of existing law regulating the distribution of alcoholic beverages in this State; and (2) the Nevada Tax Commission to adopt regulations for carrying on the business of the Department. (NRS 360.090, 369.150)

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 return and the remittance of the amount of the surcharges to the Department on or before the 20th day of the month following the 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 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.

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

The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R005-26. The proposed language and questionnaire were dispersed to the following:

- Emailed by the Department 211 members of its interested parties list.
- Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

The content responses are summarized below:

- One response was received for LCB Draft of Proposed Permanent Regulation - File No. R005-26. The respondent listed 117 employees currently employed by their business on the Small Business Impact Questionnaire and provided the following summarized response:
 - The proposed regulation would 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, the record retention requirement and that the proposed regulation may cost the state more to administer than it collects.

Anyone interested in obtaining a copy of the completed small business impact questionnaire used for this summary can contact:

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

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

One response was received for LCB Draft of Proposed Regulation R005-26 for the questionnaire regarding the impact of the regulation on small businesses as summarized in the response to #2 above. Accordingly, the Department analyzed the proposed language and used informed, reasonable judgment in determining that there will not be an impact on small businesses.

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

Adverse and Beneficial Effects

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

Direct and Indirect Effects

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

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

The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R005-26. The proposed language and questionnaire were dispersed to the following:

- Emailed by the Department 211 members of its interested parties list.
- Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

One response was received for LCB Draft of Proposed Permanent Regulation R005-26 for the questionnaire regarding the impact of the regulation on small businesses as summarized in the response to #2 above. Accordingly, the Department analyzed the proposed language and used informed, reasonable judgment in determining that there will not be an impact on small businesses.

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

In an unsolicited fiscal note provided by the Department on May 15, 2025, for BDR 32-1049, Assembly Bill No. 375 Chapter 422, Statutes of Nevada 2025(AB375), Reprint 1, the Department included a \$225,244 effect on future biennia to enforce the Proposed Permanent Regulation. Assembly Amendment 441 to AB375 included provisions in Section 1 subsection 2 outlining the distribution of revenues collected from the surcharge. The Department submitted a subsequent unsolicited fiscal note on May 30, 2025, acknowledging that with this inclusion there will not be an additional enforcement cost as the expense to the Department will be covered by the surcharge in the bill.

7. If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

Pursuant to Section 1 subsection 2 of AB375, the revenues collected from the surcharge must be distributed (a) to the Department in an amount determined to be necessary by the Department in carrying out the provisions of this section, which must not exceed \$250,000 each year; and (b) if any money remains after the revenues are distributed pursuant to paragraph (a), to the Account for the Ignition Interlock and DUI Reduction Program created by NRS 484C.454 to be used for purposes specified in that section.

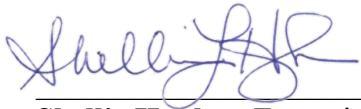
- 8. If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.**

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

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

The Department has determined that there will be no adverse impacts to small businesses based on its analysis of the proposed regulation.

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



Shellie Hughes, Executive Director

May 5, 2026

**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.

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

LCB File No. R085-26

1. Background

LCB File No. R085-26, establishes requirements related to taxation; combines into one section of Nevada Administrative Code certain rules governing the furnishing of tangible personal property by a mortician; clarifies the application of sales and use taxes to the entire charge by a dispensing optician for eyeglasses and related products furnished in filling a prescription; revises a calculation used to determine the circumstances under which food sold by a retailer is subject to sales and use tax as prepared food intended for immediate consumption; revises the information that a retailer is required to include on a receipt provided to a purchaser of tangible personal property; updates references to sections of the Nevada Revised Statutes that have been reorganized; repeals a provision providing that sales tax does not apply when an owner of property bids on that property at an auction; removes provisions governing an application for an obsolete sales and use tax exemption for aircraft and major components of aircraft; and provides other matters properly relating thereto.

Existing law imposes a sales tax on the gross receipts of a retailer from the retail sale of tangible personal property in this State. (NRS 372.105, 374.110, 374.111) Under existing law, with certain exceptions, a retailer who makes a retail sale of tangible personal property in this State is required to collect the sales tax from the purchaser at the time of the purchase. (NRS 372.110, 374.115) Existing law also imposes a use tax on the storage, use or consumption of tangible personal property in this State. (NRS 372.185, 374.190, 374.191)

Existing regulations establish rules governing the applicability of sales and use taxes on tangible personal property furnished by a mortician in connection with the services provided by the mortician. (NAC 372.280-372.300) Section 8 of this regulation repeals rules governing the applicability of such taxes to tangible personal property furnished by a mortician when a death occurs in this State but burial occurs outside this State, when a death occurs outside this State but burial occurs in this State and when the funeral expenses are paid by the United States or any other governmental entity. (NAC 372.290, 372.300) **Section 1** of this regulation reenacts these rules in an existing section of the Nevada Administrative Code. Thus, **sections 1 and 8** combine into one section the rules governing the applicability of sales and use taxes to tangible personal property furnished by a mortician in connection with the services provided by the mortician.

Under existing regulations, when a dispensing optician furnishes eyeglasses and related products in filling a prescription, the sale is considered a retail sale of tangible personal property and the entire charge by the dispensing optician is subject to sales tax. (NAC 372.320) **Section 2** of this regulation clarifies that the sales tax applies to the furnishing of eyeglasses and related products whether or not a licensed dispensing optician sells the eyeglasses and related products.

Existing law exempts from sales and use tax food for human consumption except that sales and use tax is imposed on prepared food intended for immediate consumption. (NRS 372.284, 374.289) Under existing law, food that is sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins or straws, is prepared food intended for immediate consumption and, thus, subject to sales and use tax. (NRS 360B.460) Existing regulations establish different criteria for determining whether food is sold with eating utensils provided by the seller, and the criteria applicable to a seller is based on the percentage of the total dollar value of food sold by a seller that is prepared food. (NAC 372.607) **Section 3** of this regulation removes dietary supplements from this calculation. Under existing law, dietary supplements are not considered to be food and, thus, are subject to sales and use tax. (NRS 360B.445, 360B.495, 372.284, 374.289)

Existing law includes in the sales price used to calculate sales and use tax the amount of certain price reductions or discounts for which the seller receives reimbursement from a third party. Among other criteria required for such a price reduction or discount to be included in the sales price, existing law requires the price reduction or discount to be identified as a third-party price reduction or discount on the invoice received by the purchaser or on a coupon, certificate or other documentation presented by the purchaser. (NRS 360B.480) **Section 4** of this regulation amends the requirements of existing regulations for the information that must be included on a receipt given to a purchaser to additionally require the receipt to state separately the amount of any manufacturer's rebate, any buy down of a sales price by a supplier of the retailer or any third-party price reduction or discount. (NAC 372.770)

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 of the 2021 Legislative Session consolidated into one provision multiple provisions of law governing such registrations and permits. (Chapter 342, Statutes of Nevada 2021, at page 2007) **Sections 5-7** of this regulation update references in existing regulations to those provisions of law governing registration and permits to collect sales and use tax in this State.

In 1997, the Nevada Supreme Court held that a sales and use tax exemption for the gross receipts from the sale of aircraft and major components of aircraft to an air carrier that maintains its central office and bases a majority of its aircraft in Nevada was unconstitutional because it discriminated against interstate commerce. (*Worldcorp v. State, Dep't of Taxation*, 113 Nev. 1032 (1997)) Assembly Bill No. 161 of the 2015 Legislative Session repealed this exemption and related provisions governing the administration of the exemption. (Section 12 of Assembly Bill No. 161, chapter 406, Statutes of Nevada 2015, at page 2336) **Section 8** removes an obsolete regulation requiring an air carrier which desires to qualify for this exemption to file a written application on a form prescribed by the Department and submit evidence of its eligibility for the exemption. (NAC 372.715).

Section 8 also repeals an existing regulation that provides that sales tax does not apply when an owner delivers property to an auctioneer and bids on that property at the auction. (NAC 372.110)

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

The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R085-26. The proposed language and questionnaire were dispersed to the following:

- Emailed by the Department 221 members of its interested parties list.
- Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

The content responses are summarized below:

- No response was received for LCB Draft of Proposed Permanent Regulation - File No. R085-26.

Anyone interested in obtaining a copy of the completed Small Business Impact Questionnaire used for this summary can contact:

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

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

No response was received for LCB Draft of Proposed Permanent Regulation R085-26 for the questionnaire regarding the impact of the regulation on small businesses. Accordingly, the Department analyzed the proposed language and used informed, reasonable judgment in determining that there will not be an impact on small businesses.

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

Adverse and Beneficial Effects

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

Direct and Indirect Effects

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

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

The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R085-26. The proposed language and questionnaire were dispersed to the following:

- Emailed by the Department 221 members of its interested parties list.
- Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

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

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

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

7. If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

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

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

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

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

The Department has determined that there will be no adverse impacts to small businesses based on its analysis of the proposed regulations and lack of public comment.

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



Shellie Hughes, Executive Director
May 5, 2026

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

LCB File No. R085-26

April 21, 2026

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

AUTHORITY: §§ 1, 2 and 5-8, NRS 360.090 and 372.725; § 3, NRS 360.090, 360B.110, 372.284 and 372.725; § 4, NRS 360.090, 372.195 and 372.725.

A REGULATION relating to taxation; combining into one section of the Nevada Administrative Code certain rules governing the furnishing of tangible personal property by a mortician; clarifying the application of sales and use taxes to the entire charge by a dispensing optician for eyeglasses and related products furnished in filling a prescription; revising a calculation used to determine the circumstances under which food sold by a retailer is subject to sales and use tax as prepared food intended for immediate consumption; revising the information that a retailer is required to include on a receipt provided to a purchaser of tangible personal property; updating references to sections of the Nevada Revised Statutes that have been reorganized; repealing a provision providing that sales tax does not apply when an owner of property bids on that property at an auction; removing provisions governing an application for an obsolete sales and use tax exemption for aircraft and major components of aircraft; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law imposes a sales tax on the gross receipts of a retailer from the retail sale of tangible personal property in this State. (NRS 372.105, 374.110, 374.111) Under existing law, with certain exceptions, a retailer who makes a retail sale of tangible personal property in this State is required to collect the sales tax from the purchaser at the time of the purchase. (NRS 372.110, 374.115) Existing law also imposes a use tax on the storage, use or consumption of tangible personal property in this State. (NRS 372.185, 374.190, 374.191)

Existing regulations establish rules governing the applicability of sales and use taxes on tangible personal property furnished by a mortician in connection with the services provided by the mortician. (NAC 372.280-372.300) **Section 8** of this regulation repeals rules governing the applicability of such taxes to tangible personal property furnished by a mortician when a death occurs in this State but burial occurs outside this State, when a death occurs outside this State but burial occurs in this State and when the funeral expenses are paid by the United States or any other governmental entity. (NAC 372.290, 372.300) **Section 1** of this regulation reenacts these rules in an existing section of the Nevada Administrative Code. Thus, **sections 1 and 8** combine

into one section the rules governing the applicability of sales and use taxes to tangible personal property furnished by a mortician in connection with the services provided by the mortician.

Under existing regulations, when a dispensing optician furnishes eyeglasses and related products in filling a prescription, the sale is considered a retail sale of tangible personal property and the entire charge by the dispensing optician is subject to sales tax. (NAC 372.320) **Section 2** of this regulation clarifies that the sales tax applies to the furnishing of eyeglasses and related products whether or not a licensed dispensing optician sells the eyeglasses and related products.

Existing law exempts from sales and use tax food for human consumption except that sales and use tax is imposed on prepared food intended for immediate consumption. (NRS 372.284, 374.289) Under existing law, food that is sold with eating utensils provided by the seller, including plates, knives, forks, spoons, glasses, cups, napkins or straws, is prepared food intended for immediate consumption and, thus, subject to sales and use tax. (NRS 360B.460) Existing regulations establish different criteria for determining whether food is sold with eating utensils provided by the seller, and the criteria applicable to a seller is based on the percentage of the total dollar value of food sold by a seller that is prepared food. (NAC 372.607) **Section 3** of this regulation removes dietary supplements from this calculation. Under existing law, dietary supplements are not considered to be food and, thus, are subject to sales and use tax. (NRS 360B.445, 360B.495, 372.284, 374.289)

Existing law includes in the sales price used to calculate sales and use tax the amount of certain price reductions or discounts for which the seller receives reimbursement from a third party. Among other criteria required for such a price reduction or discount to be included in the sales price, existing law requires the price reduction or discount to be identified as a third-party price reduction or discount on the invoice received by the purchaser or on a coupon, certificate or other documentation presented by the purchaser. (NRS 360B.480) **Section 4** of this regulation amends the requirements of existing regulations for the information that must be included on a receipt given to a purchaser to additionally require the receipt to state separately the amount of any manufacturer's rebate, any buy down of a sales price by a supplier of the retailer or any third-party price reduction or discount. (NAC 372.770)

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 of the 2021 Legislative Session consolidated into one provision multiple provisions of law governing such registrations and permits. (Chapter 342, Statutes of Nevada 2021, at page 2007) **Sections 5-7** of this regulation update references in existing regulations to those provisions of law governing registration and permits to collect sales and use tax in this State.

In 1997, the Nevada Supreme Court held that a sales and use tax exemption for the gross receipts from the sale of aircraft and major components of aircraft to an air carrier that maintains its central office and bases a majority of its aircraft in Nevada was unconstitutional because it discriminated against interstate commerce. (*Worldcorp v. State, Dep't of Taxation*, 113 Nev. 1032 (1997)) Assembly Bill No. 161 of the 2015 Legislative Session repealed this exemption and related provisions governing the administration of the exemption. (Section 12 of Assembly Bill No. 161, chapter 406, Statutes of Nevada 2015, at page 2336) **Section 8** removes an obsolete regulation requiring an air carrier which desires to qualify for this exemption to file a written application on a form prescribed by the Department and submit evidence of its eligibility for the exemption. (NAC 372.715)

Section 8 also repeals an existing regulation that provides that sales tax does not apply when an owner delivers property to an auctioneer and bids on that property at the auction. (NAC 372.110)

Section 1. NAC 372.280 is hereby amended to read as follows:

372.280 1. Morticians are the retailers of the tangible personal property which they furnish in connection with rendering their services. The tax applies to the sale by the mortician of all tangible personal property so furnished.

2. The tax applies to:

(a) The fair retail value of clothing, boxes, vaults and any other property furnished in addition to that customarily furnished with standard service.

(b) Acknowledgment cards and appreciation cards, when furnished as part of the regular service, or when the family is charged for them.

(c) All other items of tangible personal property which are furnished by the mortician, computed upon 50 percent of the remainder of the charge for the funeral, except as provided in subsection 3.

3. If the items of tangible personal property are segregated in the billings to customers and specific charges are made, the tax applies to the charges.

4. The tax does not apply to accommodation cash advances for such items as cemetery charges, newspaper notices, railroad tickets, ministerial fees and flowers.

5. When death occurs in this State and burial is to occur in another state, the casket and other personal property purchased in this State for the preparation and delivery of the body to its ultimate burial destination are subject to Nevada sales tax.

6. Where burial occurs in this State, through ashes in urn, entombment in mausoleum or ground burial, the casket, urn or other materials purchased outside this State are not

purchased for use in Nevada and are not subject to use tax. The taxable use has occurred outside this State.

7. If a portion of the expense of a funeral is paid by the United States directly to the mortician, the transaction is regarded as a sale to the United States and is exempt from the tax to the extent of the payment.

8. Payment to a relative or other person as reimbursement for a portion of the funeral expense is not a sale to the United States and is not exempt from the tax.

9. In cases where the family assigns the death benefits due from the Department of Veterans Affairs or the Social Security Administration to the mortician, the United States is not considered the purchaser and no part of the transaction is considered a tax-exempt sale to the United States.

10. Only when the governmental agency makes a payment directly to the mortician is that portion of the funeral expense considered exempt from the tax.

Sec. 2. NAC 372.320 is hereby amended to read as follows:

372.320 1. Oculists and optometrists are the consumers of ophthalmic materials including eyeglasses, frames and lenses used or furnished in the performance of their professional services in the diagnosis, treatment or correction of conditions of the human eye. The tax applies to the sale of the materials to oculists and optometrists.

2. The tax applies to the entire charge made by a dispensing optician for eyeglasses and related products furnished in filling a prescription ~~§~~, *whether or not the dispensing optician is licensed pursuant to chapter 637 of NRS.*

Sec. 3. NAC 372.607 is hereby amended to read as follows:

372.607 For the purpose of determining whether food sold at retail by a seller is a food sold with eating utensils provided by the seller pursuant to subsection 3 of NRS 360B.460 and NAC 372.605:

1. Except as otherwise provided in subsection 2, a seller who made retail sales of prepared food during a tax year or business fiscal year, whichever is selected by the seller, as soon as practicable after accounting records for that tax year or business fiscal year, as applicable, are available to the seller but not later than 90 days after the beginning of the seller's next tax year or business fiscal year, as applicable, shall calculate a percentage by:

(a) Calculating the sum of:

(1) The total dollar value of all retail sales of food which is described in subsection 1 of NRS 360B.460 and which was sold at retail by the seller during the immediately preceding tax year or business fiscal year, as applicable;

(2) The total dollar value of all retail sales of food which is described in subsection 2 of NRS 360B.460 and which was sold at retail by the seller during the immediately preceding tax year or business fiscal year, as applicable; and

(3) The total dollar value of all retail sales of food which is incapable of being transferred to the purchaser without the use of a plate, bowl, glass or cup, including, without limitation, soft drinks dispensed from a fountain and food dispensed at a salad bar, and which was sold at retail by the seller during the immediately preceding tax year or business fiscal year, as applicable; and

(b) Dividing the amount calculated pursuant to paragraph (a) by the total dollar value of all retail sales of food by the seller, including, without limitation, prepared food, candy ~~and~~ *and* soft drinks . ~~and dietary supplements.~~

↪ If, during a tax year or business fiscal year, as applicable, a seller made retail sales of any type of food described in paragraph (a) at more than one establishment, the seller must perform the calculation required by this subsection for each establishment and, for the purposes of this section, use the average of those calculations as the percentage of the seller's sales of food that were sales of prepared food.

2. If a seller did not make any retail sales of prepared food during the immediately preceding tax year or business fiscal year, whichever is selected by the seller, or is a new business and the seller intends to make retail sales of prepared food during the seller's current tax year or business fiscal year, the seller must calculate a percentage by:

(a) Calculating the sum of:

(1) An estimate of the total dollar value of all retail sales of food which is described in subsection 1 of NRS 360B.460 and which the seller expects to sell at retail during the current tax year or business fiscal year, as applicable;

(2) An estimate of the total dollar value of all retail sales of food which is described in subsection 2 of NRS 360B.460 and which the seller expects to sell at retail during the current tax year or business fiscal year, as applicable; and

(3) An estimate of the total dollar value of all retail sales of food which is incapable of being transferred to the purchaser without the use of a plate, bowl, glass or cup, including, without limitation, soft drinks dispensed from a fountain and food dispensed at a salad bar, and which the seller expects to sell during the current tax year or business fiscal year, as applicable; and

(b) Dividing the amount calculated pursuant to paragraph (a) by an estimate of the total dollar value of all retail sales of food, including, without limitation, prepared food, candy ~~and~~ *and* soft

drinks , ~~[and dietary supplements,]~~ which the seller expects to make during the current tax year or business fiscal year, as applicable.

↪ If a seller described in this subsection intends to make retail sales of any type of food described in paragraph (a) at more than one establishment, the seller must perform the calculation required by this subsection for each such establishment and, for the purposes of this section, use the average of those calculations as the percentage of the seller's sales of food that will be sales of prepared food. If the actual retail sales of prepared food by a seller described in this subsection during the first three months of such sales materially affect the calculation required by this subsection, the seller must perform the calculation required by this subsection using reasonable revised estimates and, for the purposes of this section, use that calculation as the percentage of the seller's sales of food that will be sales of prepared food.

3. If the percentage calculated by a seller pursuant to subsection 1 or 2, as applicable, is 75 percent or less, food sold at retail by the seller is deemed to be food sold with eating utensils provided by the seller:

(a) If the practice of the seller for sales of that food, as represented by the seller, is to directly give or hand a utensil to the purchaser to use to consume the food being sold; or

(b) If the food being sold is incapable of being transferred without the use of a plate, bowl, glass or cup and the practice of the seller, as represented by the seller, is to make plates, bowls, glasses or cups available to the purchaser of such food, including, without limitation, by permitting a purchaser to obtain such plates, bowls, glasses or cups at a kiosk or common area.

4. If the percentage calculated by a seller pursuant to subsection 1 or 2, as applicable, is more than 75 percent, food sold at retail by the seller is deemed to be food sold with eating utensils provided by the seller if the seller:

(a) Directly gives or hands a utensil to the purchaser to use to consume the food being sold;

or

(b) Makes utensils available to the purchaser, including, without limitation, by permitting the purchaser to obtain utensils at a kiosk or common area.

5. A seller who makes retail sales of prepared food shall maintain records in accordance with NRS 372.735 which are adequate to substantiate the calculations made by the seller pursuant to this section.

Sec. 4. NAC 372.770 is hereby amended to read as follows:

372.770 1. Each retailer who is required or authorized to collect sales or use tax from purchasers must give a receipt to each purchaser for the amount of the tax collected.

2. The receipt must show the following:

(a) The name and place of business of the retailer;

(b) The date on which the property was sold;

(c) The sales price of the property; ~~and~~

(d) *The amount of any manufacturer's rebate, any buy down of the sales price received from a supplier of the retailer or any third-party price reduction or discount; and*

(e) The amount of tax collected by the retailer from the purchaser.

3. A sales invoice which contains the data required in subsection 2 and evidence of payment constitutes a receipt.

4. Each purchaser is liable for the payment of the tax to the Commission unless ~~he or she~~ *the purchaser* obtains and retains for inspection the receipts which are required by this section.

Sec. 5. NAC 372.780 is hereby amended to read as follows:

372.780 A retailer who takes a deduction pursuant to section 12 of chapter 397, Statutes of Nevada 1955, (NRS 372.025) for property which was resold after being purchased for a purpose other than resale ~~[shall:]~~ **must:**

1. Hold a valid permit issued pursuant to NRS ~~[372.135:]~~ **360.5973 or be registered with the Department pursuant to NRS 360B.200;**
2. Take the deduction on the retailer's tax return which covers the period in which ~~[he or she]~~ **the retailer** resold the property; and
3. Maintain complete records which are adequate to substantiate the deduction.

Sec. 6. NAC 372.908 is hereby amended to read as follows:

372.908 Except as otherwise provided in NAC 372.910, an independent salesperson who sells tangible personal property obtained from a direct sales organization to a customer at retail:

1. Is considered a retailer with respect to such sales and the gross receipts from those sales are subject to the sales tax.
2. ~~[Shall]~~ **Must** obtain a permit to engage in or conduct business as a seller pursuant to NRS ~~[372.125:]~~ **360.5971 or register with the Department pursuant to NRS 360B.200.**
3. ~~[Shall]~~ **Must** obtain a state business ~~[registration]~~ **license** to conduct business in this State pursuant to NRS 76.100.

Sec. 7. NAC 372.910 is hereby amended to read as follows:

372.910 1. The Department may enter into a sales tax collection agreement with a direct sales organization.

2. A sales tax collection agreement must provide that:
 - (a) Before a direct sales organization may report and remit taxes due for the sales made by independent salespersons of tangible personal property obtained from the direct sales

organization, the direct sales organization will obtain a permit to engage in or conduct business as a seller pursuant to NRS ~~[372.125.]~~ *360.5971 or register with the Department pursuant to NRS 360B.200.*

(b) Tangible personal property sold to an independent salesperson for personal use is taxed based on:

- (1) The actual sales price paid by the independent salesperson; or
- (2) If the direct sales organization does not have evidence that the tangible personal property was purchased for personal use by the independent salesperson, the sales price determined pursuant to paragraph (c).

(c) Tangible personal property obtained from a direct sales organization and sold by an independent salesperson at retail is taxed based on:

- (1) The actual sales price paid by the retail customer; or
- (2) If the direct sales organization does not have evidence as to the actual sales price paid by the retail customer, the suggested retail price.

(d) The tax due on the sale of tangible personal property is computed at:

- (1) The tax rate in effect at the location of the sale to the retail customer; or
- (2) If the direct sales organization does not have evidence as to the actual location of the sale to the retail customer, the tax rate in effect at the location to which the tangible personal property is shipped or delivered.

(e) The direct sales organization is entitled to the same deductions, allowances and collection credits to which an independent salesperson would be entitled if the sales tax collection agreement were not in effect.

(f) The direct sales organization will make available to the Department, upon request, such books and records as may be reasonably required by the Department to conduct an audit of the direct sales organization.

3. The Department shall not regard a sales tax collection agreement as a factor in determining whether or not the direct sales organization has a nexus with this State for the purpose of imposing any tax or tax collection obligation except for the sales or use tax collected by the direct sales organization pursuant to the sales tax collection agreement.

Sec. 8. NAC 372.110, 372.290, 372.300 and 372.715 are hereby repealed.

TEXT OF REPEALED SECTIONS

372.110 Auctions when owner bids on his or her property. (NRS 360.090, 372.725)

Sales tax does not apply when an owner of property delivers it to an auctioneer for auction and bids on his or her own property at the auction.

372.290 Morticians: Transactions with other states. (NRS 360.090, 372.725)

1. When death occurs in this State and burial is to occur in another state, the casket and other personal property purchased in this State for the preparation and delivery of the body to its ultimate burial destination are subject to Nevada sales tax.

2. Where burial occurs in this State, through ashes in urn, entombment in mausoleum or ground burial, the casket, urn or other materials purchased outside this State are not purchased for use in Nevada and are not subject to use tax. The taxable use has occurred outside this State.

372.300 Morticians: Funeral expenses paid by United States. (NRS 360.090, 372.325, 372.725)

1. If a portion of the expense of a funeral is paid by the United States directly to the mortician, the transaction is regarded as a sale to the United States and is exempt from the tax to the extent of the payment.

2. Payment to a relative or other person as reimbursement for a portion of the funeral expense is not a sale to the United States and is not exempt from the tax.

3. In cases where the family assigns the death benefits due from the Veterans' Administration or Social Security to the mortician, the United States is not considered the purchaser and no part of the transaction is considered a tax-exempt sale to the United States.

4. Only when the governmental agency makes a payment directly to the mortician is that portion of the funeral expense considered exempt from the tax.

372.715 Application by air carrier. (NRS 360.090, 372.317, 372.725, 374.725) An air carrier which desires to be exempt from the tax imposed pursuant to chapter 372, 374, 377, or 377A of NRS must file a written application on a form prescribed by the Department and submit evidence of its eligibility for the exemption. Upon approval of the application, the Department will issue a certificate of exemption.