PROPOSED REGULATION OF

THE NEVADA TAX COMMISSION

LCB File No. R177-08

July 30, 2008

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

AUTHORITY: §1, NRS 360.090 and 360.297.

A REGULATION relating to taxation; establishing criteria for determining the responsibility of certain persons for the payment of certain taxes and fees to the Department of Taxation; and providing other matters properly relating thereto.

Section 1. Chapter 360 of NAC is hereby amended by adding thereto a new section to read as follows:

1. The Department shall consider at least two of the following criteria when determining whether an officer or employee of a corporation or a member or employee of a partnership or limited-liability company is a person "whose job or duty it is to collect, account for or pay to the Department any tax or fee imposed by this chapter, chapter 363A, 363B, 368A, 369, 370, 372 or 374 of NRS, NRS 444A.090 or 482.313, or chapter 680B of NRS" within the meaning of subsection 2 of NRS 360.297:

(a) Whether the person had an entrepreneurial stake in the taxpayer.

(b) Whether the person was directly involved in the day-to-day management of the taxpayer.

(c) Whether the person made decisions regarding which outstanding debts or taxes due from the taxpayer would be paid and the time of such payment.

(d) Whether the person was a supervisor with control over:

(1) The daily bank accounts and disbursement records of the taxpayer;

(2) The filing of the tax returns of the taxpayer;

(3) The renewal of the licenses of the taxpayer; and

(4) The issuance of the checks of the taxpayer.

(e) Any other criteria the Department deems relevant. If the Department considers any criteria authorized by this paragraph, the Department shall notify any person who is thereby determined to be a responsible person pursuant to subsection 2 of NRS 360.297 of the specific criteria considered pursuant to this paragraph.

2. As used in this section, "taxpayer" means a corporation, partnership or limited-liability company that is required to pay any tax or fee imposed by chapter 360, 363A, 363B, 368A, 369, 370, 372 or 374 of NRS, NRS 444A.090 or 482.313, or chapter 680B of NRS.