

PROPOSED REGULATION OF THE NEVADA TAX COMMISSION

LCB File No. R068-15

Explanation – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted

AUTHORITY: Section 20 of Senate Bill No. 376 of the 2015 Legislative Session; NRS 360.090

Sec. 1. *Definitions.* *As used in this regulation, unless the context otherwise requires, the words and terms defined herein have the meanings ascribed to them in those sections.*

“Excise tax on passenger transportation” defined. “Excise tax on passenger transportation” means the tax imposed by Sections 28, 51 and 52 of Assembly Bill No. 175 of the 2015 Legislative session as amended in Sections 35, 36 and 37 of Senate Bill No. 376 of the 2015 Legislative session.

“Taxpayer” defined. “Taxpayer” means those entities designated in section 16 of Senate Bill No. 376 of the 2015 Legislative session.

“Common motor carrier” defined. “Common motor carrier” has the meaning ascribed in section 12 of Senate Bill No. 376 of the 2015 Legislative session.

“Taxicab” defined. “Taxicab” has the meaning ascribed to it in section 15 of Senate Bill No. 376 of the 2015 Legislative session.

“Transportation network company” defined. Transportation network company has the meaning ascribed to it in section 19 of Assembly Bill No. 176 of the 2015 Legislative session.

Sec. 2. *Registration of Taxpayer*

a. The Department shall use the best information available to identify the taxpayer and shall register and notify the taxpayer of its requirement to pay the excise tax. Failure to notify or register a taxpayer does not eliminate the requirement to pay the excise tax on passenger transportation.

Sec. 3. *Date tax due.* *The excise tax on passenger transportation is due and payable to the Department monthly on or before the last day of the month next succeeding each month.*

- a. For a transportation network company, the taxes are due and payable monthly beginning the month after the transportation network company receives the authority to operate in the State of Nevada from the Nevada Transportation Authority.*
- b. For a common motor carrier and a taxicab the effective date is August 28, 2015 and the first return is due and payable by the end of October 2015 and monthly thereafter.*

Sec. 4. *Return: Filing requirements; signatures.*

a. On or before the last day of the month following each reporting period, a return for the preceding period must be filed with the Department in such form and manner as the Department may prescribe. Returns must be signed by the person required to file the return or by his or her authorized agent but need not be verified by oath.

Sec. 5. *Contents of return*

a. For the purposes of the excise tax on passenger transportation the return must show the total fare charged for transportation as provided in Sections 28, 51, and 52 of Assembly Bill No. 175 of the 2015 Legislative session as amended in Sections 35, 36 and 37 of Senate Bill No. 376 of the 2015 Legislative session for the reporting period.

b. The return must also show the amount of the taxes for the period covered by the return and such other information as the Department deems necessary for the proper administration of the excise tax on passenger transportation.

Sec. 6. *Computation of amount of taxes due.*

In determining the amount of taxes due pursuant to Sections 28, 51 and 52 of Assembly Bill No. 175 of the 2015 Legislative session, the amount due must be computed to the third decimal place and rounded to a whole cent using a method that rounds up to the next cent if the numeral in the third decimal place is greater than 4.

Sec. 7. *The passenger transportation tax is a 3% excise tax imposed on the company providing the transportation service. It is not a tax on the consumer or the customer and the taxpayer is not required to collect it from the consumer. If the taxpayer decides to directly pass the charge onto its customers, a company must do the following:*

1) If asked, explain to its customers that the charge is made in order to recoup money paid by the company for taxes imposed on it.

2) Keep records that clearly delineate the amount of the fare as separate from any charge the company may assess to recover the cost of complying with the tax; and

3) Not represent that the charge is a tax imposed directly on the customer.

To comply with 1 through 3 above, a taxpayer must recover the cost of the tax with the use of the following language in a separate line item on any receipt or invoice provided to a customer: “3% transportation recovery charge.” In addition, taxpayers must use the same language to identify the recovery of the tax in its own records.