

**APPROVED REGULATION OF THE
NEVADA GAMING COMMISSION**

LCB File No. R063-24

Filed July 7, 2025

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

AUTHORITY: § 1, NRS 368A.140.

A REGULATION relating to taxation; eliminating certain requirements relating to the internal control procedures of a taxpayer who provides live entertainment at a gaming establishment; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires the Nevada Gaming Control Board to collect the tax imposed on live entertainment from taxpayers who are licensed gaming establishments. Existing law further requires the Nevada Gaming Commission to adopt regulations that are necessary to carry out the provisions relating to the collection of that tax. (NRS 368A.140)

Existing regulations require a taxpayer identified as a group I licensee to: (1) include in its system of internal control a description of the procedures adopted by the licensee to comply with the provisions relating to the live entertainment tax; and (2) comply with its system of internal control and with any minimum standards for internal control adopted by the Chair of the Board. To determine compliance with the requirements for entertainment, existing regulations require a group I licensee to: (1) direct its independent accountant to perform certain tasks and to prepare a report for submission the Board; and (2) have its internal auditor perform certain tasks and submit to the Board certain reports that summarize instances of noncompliance. (NAC 368A.510; Nev. Gaming Comm’n Regs § 6.090) This regulation eliminates such requirements.

Section 1. NAC 368A.510 is hereby amended to read as follows:

368A.510 1. Each:

(a) Group I licensee that provides live entertainment shall ~~+~~

~~—(1) Include in its system of internal control, submitted pursuant to Regulation 6.090 of the Nevada Gaming Commission, a description of the procedures adopted by the licensee to comply with NAC 368A.300 to 368A.540, inclusive; and~~

~~——(2) Comply~~ **comply** with ~~{that system of internal control and}~~ any minimum standards for internal control for entertainment adopted by the Chair pursuant to Regulation 6.090 of the Nevada Gaming Commission.

(b) Group II licensee that provides live entertainment and each taxpayer that holds a restricted license shall comply with any procedures for internal control for entertainment adopted by the Chair pursuant to Regulation 6.100 of the Nevada Gaming Commission.

↪ Except as otherwise approved in writing by the Chair, a taxpayer shall not carry out any procedures for internal control that deviate from any standards or procedures for internal control for entertainment adopted and published by the Chair.

2. ~~{Each group I licensee that provides live entertainment shall direct its independent accountant to perform observations, examinations of documents and inquiries of employees, using any applicable guidelines, checklists and other criteria established by the Chair, to determine compliance with the requirements for entertainment. The independent accountant shall report his or her findings as part of the report required by subsection 9 of Regulation 6.090 of the Nevada Gaming Commission.~~

~~——3. The internal auditor of each group I licensee that provides live entertainment shall:~~

~~——(a) Using any applicable guidelines, checklists and other criteria established by the Chair, perform observations, examinations of documents and inquiries of employees to determine compliance with the requirements for entertainment.~~

~~——(b) Submit to the Board within 120 days after the last day of the first 6 months of the business year of the licensee a report by the internal auditor summarizing all instances of noncompliance with the requirements for entertainment during the first 6 months of the business year of the licensee and any applicable responses by the management of the licensee, including~~

~~any work required to be performed during the reporting period and any additional procedures that were performed.~~

~~—(c) Submit to the Board within 150 days after the end of the business year of the licensee a report by the internal auditor summarizing all instances of noncompliance with the requirements for entertainment during the final 6 months of the business year of the licensee and any applicable responses by the management of the licensee, including any work required to be performed during the reporting period and any additional procedures that were performed.~~

~~—4.} As used in this section {:~~

~~—(a) “Group}, “group~~ I licensee” and “group II licensee” have the meanings ascribed to those terms in Regulation 6.010 of the Nevada Gaming Commission.

~~{(b) “Requirements for entertainment” means the provisions of chapter 368A of NRS, NAC 368A.300 to 368A.540, inclusive, and any minimum standards for internal control for entertainment adopted by the Chair.}~~