

**PROPOSED REGULATION OF THE  
NEVADA TAX COMMISSION**

**LCB FILE NO. R066-25I**

**The following document is the initial draft regulation proposed  
by the agency submitted on 10/08/2025**

## AGENCY PROPOSED REGULATION

### NEVADA TAX COMMISSION

#### ~~LCB File No. R035-24~~ Chapter 360

(This draft makes changes to NAC 360.472, 360.475, 360.4765 & 360.4775, originally submitted to LCB on 3/4/24)

EXPLANATION – Matter in (1) *blue bold italics* is original language in Agency’s proposed regulation submitted to LCB 3/4/24; (2) ~~red strikethrough~~ is deleted language in Agency’s proposed regulation submitted LCB on 3/4/24; (3) variations of bold purple underlined is revised language proposed to be added to the Agency’s proposed draft after submission to LCB; (3); and (4) ~~green strikethrough~~ is language proposed to be deleted in this revised proposed regulation.

NAC 360.472 Application: Date of submittal; consideration by *the Office*

~~{Commission}~~; certificate of eligibility upon approval.

(NRS 360.750, 361.0687, ~~{364A.170}~~ *363B.120*, 374.357, 701A.210)

1. To apply for a partial abatement, a person must submit an application to the *Office* ~~[Commission]~~ on a form prescribed by the *Office* ~~[Commission]~~ ~~within the period prescribed in subsection 2.~~
- ~~—2.— If the application is for a partial abatement of the taxes imposed pursuant to chapter 361 or ~~363B~~364A of NRS, the application must be submitted not earlier than [18] 12 months before the business is located or expanded in this State. If the application is for a partial abatement of the taxes imposed pursuant to chapter 374 of NRS, the application must be submitted not later than 60 days after the date of acquisition of the eligible machinery or equipment.~~
- ~~—3.—~~ Except as otherwise provided in subsection ~~2~~4, the *Office* ~~[Commission]~~ will

consider an application submitted pursuant to subsection 1 if the application is received:

- (a) At least 15 working days before a regularly scheduled meeting of the *Office* ~~[Commission]~~, at that meeting; or
- (b) Less than 15 working days before a regularly scheduled meeting of the *Office* ~~[Commission]~~, at the next regularly scheduled meeting immediately following that meeting.

~~2.4.~~ If the *Office* ~~[Commission]~~ determines that an application submitted pursuant to subsection 1 requires special or additional review and consideration by the *Office* ~~[Commission]~~, the *Office* ~~[Commission]~~ may postpone consideration of the application until the next regularly scheduled meeting of the *Office* ~~[Commission]~~.

~~3.5.~~ If the *Office* ~~[Commission]~~ approves an application for a partial abatement, the *Office* ~~[Commission]~~ will forward to the Department, with the certificate of eligibility required pursuant to subsection 6 of NRS 360.750, any materials submitted to the *Office* ~~[Commission]~~ in support of the application submitted pursuant to subsection 1.

**NAC 360.475 Business tax: Date of eligibility; determination of amount of capital investment required; filing of form of compliance with proof of capital investment.** (NRS 360.750, *363B.120*~~[364A.170]~~)

1. For the purposes of NRS 360.225, ~~to determine eligibility for a partial abatement of the taxes imposed pursuant to chapter 363B[364A] of NRS, a proposed or expanded business which qualifies as an employer pursuant to NRS 612.055 shall be deemed by the Department to have begun operations in this State:~~

~~(a) If the business is a proposed business, on the date on which the business first pays wages to an employee of the business who performs services for the business in this State.~~

~~(b) If the business is an expanded business, on the date on which the business first pays wages to an employee of the business who was not employed by the business before the expansion.~~

~~2.~~ To determine the amount of capital investment required pursuant to paragraph (d), (e) or (f) of subsection 2 of NRS 360.750 for a partial abatement of the taxes imposed pursuant to chapter ~~363B~~~~[364A]~~ of NRS:

(a) A capital investment shall be deemed to be any expenditure for ~~an asset that qualifies as “section 1245 property,” as defined in 26 U.S.C. § 1245, if the asset will be used by the proposed business to establish its operations in this State or by the expanded business to expand its operations in this State; and~~ “Eligible machinery or equipment”. Eligible machinery or equipment is machinery or equipment for which a deduction is authorized pursuant to 26 U.S.C. § 179. The term does not include:

(1) Buildings or the structural components of buildings;

(2) Equipment used by a public utility;

(3) Equipment used for medical treatment;

(4) Machinery or equipment used in mining; or

(5) Machinery or equipment used in gaming; and

(b) The amount paid for such machinery or equipment ~~an asset~~, including any capitalized interest, shall be deemed to be the amount of the capital investment for that machinery or equipment ~~asset~~. Any finance charge, tax or interest paid for the machinery or

equipment ~~asset~~ must not be included in the determination of the amount of the capital investment for that machinery or equipment ~~asset~~.

2. The eligible machinery and equipment must be retained at the location of the business in that county or city until at least the date which is 5 years after the effective date of the abatement as shown on the “Tax Abatement and Incentives Agreement”.

3. A business for which the **Office** ~~[Commission]~~ has approved a partial abatement of the taxes imposed pursuant to chapter **363B**~~[364A]~~ of NRS shall, not later than 30 days after the fourth calendar quarter following the calendar quarter in which the abatement becomes effective, ~~the end of the first fourth quarter in which the business has been in operation after the approval of the partial abatement~~, file with the Department on a form prescribed by the Department, a statement that the business has complied with the requirements of NRS 360.750. ~~The form must be accompanied by proof that the business has made the capital investment required by the Commission pursuant to NRS 360.750.~~

**NAC 360.4765 Minimum period of employment of required number of employees.** (NRS 360.750, **363B.120**~~[364A.170]~~, 374.357) If the **Office** ~~[Commission]~~ approves an application for a partial abatement of the taxes imposed pursuant to chapter **363B**~~[364A]~~ or 374 of NRS, the applicant must employ the number of employees required by the ~~Office~~ ~~[Commission]~~ Tax Abatement and Incentive Agreement by the fourth calendar quarter following the calendar quarter after the effective date of the abatement as shown on the “Tax Abatement and Incentives Agreement” ~~for approval of the application by the last day of the first fourth quarter that the applicant has been in~~

~~operation after the partial abatement has been approved by the *Office* [Commission]~~

and must continue to employ at least that number of employees for:

1. At least 5 years after the date which the abatement becomes effective; or
2. ~~The~~ Another period specified in the Tax Abatement and Incentive

Agreement; ~~executed by the applicant with the *Office* [Commission]~~ pursuant to paragraph (b) of subsection 2 of NRS 360.750,

↪ whichever is later, ~~after the last day of that fourth quarter.~~

**NAC 360.4775 Determination of tax owed upon failure to continue to meet requirements; appeal.** (NRS 360.750, ~~363B.120~~364A.170, 374.357)

1. If the Department finds that a business for which the *Office* [Commission] has approved an application for a partial abatement of the taxes imposed pursuant to chapter ~~363B~~364A or 374 of NRS has failed to continue to meet the requirements as set forth in the Tax Abatement and Incentive Agreement ~~for the partial abatement imposed by the *Office* [Commission]~~ pursuant to NRS 360.750, the Department shall determine the amount of tax owed to the Department in the manner prescribed in NRS 360.300 to 360.400, inclusive.

2. A business against whom the Department has made such a determination may, in the manner prescribed in NRS 360.300 to 360.400, inclusive, file an appeal with the Department of Taxation ~~Nevada Tax Commission~~ for a determination whether the business has substantially complied with the requirements ~~for the partial abatement approved by the *Office* [Commission]~~ pursuant to of NRS 360.750.