LEGISLATIVE REVIEW OF ADOPTED REGULATIONS - NRS 233B.066
Informational Statement
LCB File No. R082-26

1. **A clear and concise explanation of the need for the adopted regulation.**

Proposed permanent regulation (R082-26) establishes requirements related to taxation; creates provisions governing certain contested cases relating to holders of licenses relating to cigarette or other tobacco products and manufacturers of tobacco products; eliminates procedures for refunding precollected cigarette and other tobacco product taxes to Indian tribes; revises provisions governing administrative proceedings for the suspension or revocation of licenses relating to cigarette or other tobacco products or the removal of manufacturers of cigarettes and brand families from the directory of manufacturers and brand families maintained by the Department of Taxation; eliminates certain definitions and other provisions relating to cigarettes and other tobacco products; and provides other matters properly relating thereto.

Various provisions of NAC Chapter 370 require updating as identified in response to the Governor's Executive Order 2023-003. This proposed permanent regulation updates and clarifies the regulatory framework governing taxation and licensing of cigarette and other tobacco products in Nevada. It establishes procedures for handling contested cases involving license holders and tobacco product manufacturers, while revising administrative processes related to the suspension or revocation of licenses and the removal of manufacturers and brand families from the Department of Taxation's directory. The proposed permanent regulation also eliminates outdated provisions, including those governing refunds of precollected taxes to Indian tribes and certain obsolete definitions, in order to improve consistency, transparency, and administrative efficiency. Overall, the proposed regulation streamlines enforcement, ensures clearer standards for regulated entities, and aligns existing rules with current practices.

2. **Description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.**

The Department of Taxation, as staff to the Nevada Tax Commission, solicited comment from the public by issuing a questionnaire to interested parties regarding any impact on the public and small businesses and by sending copies of the proposed regulation, notice of workshop and notice of public hearings to provide public comment by electronic or regular mail as follows:

Date of Notice	Workshop/ Hearing	Date of Workshop/Hearing	Number Notified
4/1/26	Workshop	4/16/26	212
5/22/26	Adoption Hearing	6/25/26	212

The mailing list included the interested parties list maintained by the Department. Notices were also posted at the Nevada State Library, the Legislative Building, the Nevada Legislature's website, the Nevada Public Notice website, Department's website, and various Department of Taxation physical locations throughout the State. Comments were also solicited by direct email.

Summary of the small business impact questionnaire response(s):
One response was received by the Department in response to the small business impact questionnaire. The respondent expressed support for the regulation as drafted and stated it would have no negative impact.

Summary of the public responses from the April 16, 2026 Workshop: None.

Summary of the public responses from the June 25, 2026 Adoption Hearing:
Brett Scolari of Strategies360 submitted written public comment requesting clarification regarding the proposed repeal of regulations governing refunds of pre-collected state tobacco taxes. Mr. Scolari asked whether removal of these provisions could present a concern if a distributor mistakenly applied stamps or taxes to Tribal products, and whether an alternative mechanism exists for Tribes to recover taxes in the event of such errors. Mr. Scolari also requested background on the Department's rationale for repealing the regulations. The Department provided written response to Mr. Scolari's request and Mr. Scolari agreed that the correspondence be included in the June 25, 2026 Adoption Hearing meeting materials.

The summary of the public/business response to the regulation, the record of proceedings, and/or the Small Business Impact Statement may be obtained by calling the Nevada Department of Taxation at (775) 684-2041 or by writing to the Department of Taxation, 3850 Arrowhead Dr., Carson City, Nevada 89706, or by e-mailing the Department at kskalsky@tax.state.nv.us.

3. The number of persons (not including Department staff or Commission Members) who:
(a) Attended each hearing:
(b) Testified at each hearing:
(c) Submitted written comments:

Workshop date: April 16, 2026
(a) Number in attendance: 9
(b) Number testifying: 0
(c) Written statements submitted: 0

Adoption Hearing date: June 25, 2026
(a) Number in attendance: 34
(b) Number testifying: 0
(c) Written statements submitted: 1

4. For each person identified in paragraphs (b) and (c) of number 3 above, the following information if provided to the agency conducting the hearing:

Submitted written statements for the June 25, 2026 Workshop:
Name: **Brett Scolari**
Telephone number: **775-240-2007**
Business address: **810 E. 5th Street, Carson City, NV 89701**
Electronic mail address: bretts@strategies360.com
Name of entity or organization represented: **Strategies360**

5. **A description of how comment was solicited from affected businesses, a summary of their response and an explanation of how other interested persons may obtain a copy of the summary.**

The Department of Taxation, as staff to the Nevada Tax Commission, solicited comment from the public by issuing a questionnaire to interested parties regarding any impact on the public and small businesses and sending notice of workshops and hearings for public meetings to provide public comment by electronic or regular mail.

See same response as Section 2 for summary of responses.

The summary of the public/business response to the regulation and/or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2041 or by writing to the Department of Taxation, 3850 Arrowhead Dr, Carson City, Nevada 89706, or by e-mailing the Department at kskalsky@tax.state.nv.us.

6. **If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.**

The Nevada Tax Commission adopted the proposed permanent regulation on June 25, 2026 with the agreed-upon changes reflected in the Agency Revised LCB Second Revised Proposed Draft of the regulation. These changes were noticed to the public one week in advance of the Public Hearing to reflect stakeholder input and the potential impact to the regulated industry. None of the updates were substantive to the purpose or the intent of the regulation. Section 2.5 was revised to clarify that the provisions of the regulation, as well as existing regulations relating to tobacco licenses, apply to all types of tobacco licenses issued by the Department, including licenses authorizing remote retail sales of cigars and pipe tobacco. In addition, Sections 2, 5, 11, 12, 15, and 16 were updated to ensure consistent language across chapters.

7. **The estimated economic effect of the regulation on the business which it is to regulate and on the public. This must include adverse, beneficial, immediate and long-term effects.**

(a) Estimated economic effect on the businesses which they are to regulate.

The adopted permanent regulation does not present any reasonable, foreseeable or anticipated adverse or beneficial, short-term or long-term economic effects on businesses.

(b) Estimated economic effect on the public which they are to regulate.

The adopted permanent regulation does not present any reasonable, foreseeable or anticipated adverse or beneficial, short-term or long-term economic effects to the public.

8. **The estimated cost to the agency for enforcement of the proposed regulation:**

Enforcement of the adopted regulation presents no significant foreseeable or anticipated cost or decrease in costs.

9. A description of any regulations of other State or governmental agencies which the regulation overlaps or duplicates and a statement explaining why the duplication or overlap is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

The adopted permanent regulation does not overlap or duplicate any regulation of other state or local governmental entities.

10. If the regulation includes provisions that are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.

The Department is not aware of any similar federal regulations of the same activity in which the state regulations are more stringent.

11. If the 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 adopted permanent regulation does not include new fees or increase an existing fee.