REVISED PROPOSED REGULATION OF THE

NEVADA TAX COMMISSION

LCB File No. R111-26

September 14, 2026

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

AUTHORITY: §§ 1-7, NRS 360.090, 363A.070, 363A.139 and 388D.288; §§ 8-14, NRS 360.090, 363B.060, 363B.119 and 388D.288.

A REGULATION relating to taxation; establishing the manner in which the Department of Taxation will verify the eligibility of a scholarship organization to receive a donation for which the Department may approve a credit against the modified business tax; requiring a scholarship organization to report certain information to the Department concerning the receipt of such a donation or the forfeiture of the approved credit; authorizing the Department to take certain actions if a scholarship organization fails to submit certain information to the Department; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law imposes an excise tax on financial institutions, mining businesses and other employers based on the wages paid by those employers, commonly known as the modified business tax. (NRS 363A.130, 363B.110) Existing law also establishes the Nevada Educational Choice Scholarship Program, which authorizes a taxpayer to receive a credit against the modified business tax equal to the amount of a donation of money made by the taxpayer to a scholarship organization that provides grants on behalf of pupils who are members of a household with a household income of not more than 300 percent of the federally designated level signifying poverty to allow those pupils to attend schools in this State, including private schools, chosen by the parents or legal guardians of those pupils. (NRS 363A.139, 363B.119, 388D.250, 388D.270)

Under existing law, to participate in the Program and receive donations for which such a tax credit may be approved, a scholarship organization is required to register with the Department of Education and satisfy certain other requirements. (NRS 388D.282) To obtain approval of a tax credit under the Program, a scholarship organization is required to apply for and obtain the approval of the Department of Taxation. The Department of Taxation is required to approve or deny such applications in the order in which they are received until the maximum amount of tax credits authorized by existing law has been approved and to notify the scholarship organization of the approval or denial of the application. Upon receiving notice from the Department of Taxation of the approval of the application for the tax credit, the scholarship organization is required to notify the taxpayer of the approval of the tax credit and the taxpayer is required to make the donation to the scholarship organization within 30 days after receiving the notice. If the taxpayer does not make the donation within 30 days after receiving the notice from the scholarship organization of the approval of the tax credit, the taxpayer forfeits eligibility for the tax credit. (NRS 363A.139, 363B.119) If the taxpayer makes the donation, the scholarship organization is required to notify the Department of Taxation in writing of the amount of the donation not more than 10 days after receiving the donation. (NRS 388D.288)

Sections 2-5 and 9-12 of this regulation provide definitions of terms used in this regulation.

Sections 6 and 13 of this regulation require the Department of Taxation to use the list of scholarship organizations that are registered with the Department of Education, which is maintained by the Department of Education and submitted to the Department of Taxation at the end of each calendar quarter, to verify the eligibility of a scholarship organization to receive a donation for which a tax credit may be approved. (NRS 388D.292) Under **sections 6 and 13**, if the Department of Taxation finds that a scholarship organization is not eligible to receive such a donation, the Department of Taxation is authorized to request such additional information from the scholarship organization as is necessary to determine whether the scholarship organization is eligible to receive a donation for which a tax credit may be approved. **Sections 6 and 13** authorize the Department of Taxation to delay approval of an application for a tax credit until such information is received or deny approval of such an application if such information is not received by the Department of Taxation within a certain period.

Sections 7 and 14 of this regulation require a scholarship organization to submit a report electronically to the Department of Taxation not later than 10 days after the receipt of a donation for which a tax credit has been approved or the reporting of a forfeiture of the tax credit. **Sections 7 and 14** additionally require a scholarship organization that discovers an error in such a report to submit an amended report to the Department of Taxation not later than 5 business days after the discovery of the error. **Sections 7 and 14** further establish the dates on which a scholarship organization is deemed to have received a donation for which a tax credit is approved and the date on which the Department of Taxation is deemed to have received the report notifying the Department of Taxation of the receipt of the donation or the forfeiture of the credit. Under **sections 7 and 14**, the Department of Taxation is authorized to request a scholarship organization to submit any additional information or documentation that is necessary to verify the information submitted in a report, and a scholarship organization is required to maintain records of a donation for which a tax credit is approved for at least 5 years after the donation is received and make such records available to the Department of Taxation. Finally, **sections 7 and 14** provide that if a scholarship organization fails to submit a report in accordance with **section 7 or 14**, as applicable, the Department of Taxation is authorized to consider the tax credits approved for the donation to be forfeited.

Section 1. Chapter 363A of NAC is hereby amended by adding thereto a new section to consist of the provisions set forth as sections 2 to 7, inclusive, of this regulation.

Sec. 2. ***As used in sections 2 to 7, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3, 4 and 5 of this regulation have the meanings ascribed to them in those sections.***

Sec. 3. ***"Donation" means a contribution of money made by a taxpayer to a scholarship organization for which a tax credit may be claimed pursuant to NRS 363A.139.***

Sec. 4. ***"Forfeiture" means the forfeiture of a tax credit approved by the Department pursuant to NRS 363A.139 because the taxpayer does not make the approved donation of money to the scholarship organization within 30 days after receiving notice from the scholarship organization of the approval of the application for the tax credit.***

Sec. 5. ***"Scholarship organization" has the meaning ascribed to it in NRS 388D.260.***

Sec. 6. ***1. To be eligible to apply to the Department of Taxation for approval of a credit authorized by NRS 363A.139 and to receive a donation for which such a credit may be claimed, a scholarship organization must be registered with the Department of Education pursuant to NRS 388D.282. The Department of Taxation shall use the list of scholarship organizations submitted by the Department of Education pursuant to NRS 388D.292 to verify the eligibility of a scholarship organization to apply for approval of a credit authorized by NRS 363A.139 and to receive a donation.***

2. If the Department of Taxation finds that a scholarship organization that has applied for approval of a credit authorized by NRS 363A.139 is not eligible to receive a donation, the Department may request additional information from the scholarship organization and:

(a) Delay approval of the application for a credit until the Department receives information establishing that the scholarship organization is eligible to receive a donation.

(b) Deny the application for approval of a credit if information establishing that the scholarship organization is eligible to receive a donation is not received by the Department within the period in which the Department is required to approve or deny the application pursuant to NRS 363A.139.

Sec. 7. ***1. Not later than 10 days after receiving a donation or reporting a forfeiture, a scholarship organization that is registered with the Department of Education shall notify the Department of Taxation of the donation or forfeiture by submitting to the Department of Taxation a report concerning the donation or forfeiture. The report must be submitted electronically using the system designated by the Department of Taxation and include, without limitation:***

(a) The name and federal taxpayer identification number of the donor;

(b) The amount of the donation or forfeiture;

(c) The date on which the scholarship organization received the donation or reported the forfeiture;

(d) The tax credit program number assigned to the scholarship organization by the Department of Taxation;

(e) The date on which the scholarship organization notified the donor of the amount of tax credit authorized by the Department of Taxation; and

(f) Any other information required by the Department of Taxation to administer the provisions of NRS 363A.139.

2. Not later than 5 business days after discovering that a report submitted pursuant to subsection 1 contains an error, the scholarship organization shall submit electronically using the system designated by the Department of Taxation an amended report which corrects the error.

3. For the purposes of reporting a donation pursuant to subsection 1:

(a) A donation is deemed to be received by the scholarship organization on the date on which the money is made available for use in the bank account of the scholarship organization.

(b) A report is deemed to be filed on the date on which the report is accepted in the electronic system of the Department of Taxation.

4. The Department of Taxation may request such additional information or documentation from a scholarship organization as the Department determines is necessary to verify any information reported pursuant to this section.

5. A scholarship organization shall maintain records of each donation for not less than 5 years and shall make such records available to the Department of Taxation upon request at reasonable times during regular business hours.

6. If a scholarship organization fails to submit a report in accordance with the requirements of this section, the Department of Taxation shall notify the scholarship organization of the failure to file the report. If the scholarship organization does not file the required report within 15 days after the date of the notice, the Department may consider the credit approved by the Department pursuant to NRS 363A.139 for the donation to be forfeited.

Sec. 8. Chapter 363B of NAC is hereby amended by adding thereto the provisions set forth as sections 9 to 14, inclusive, of this regulation.

Sec. 9. *As used in sections 9 to 14, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 10, 11 and 12 of this regulation have the meanings ascribed to them in those sections.*

Sec. 10. *"Donation" means a contribution of money made by a taxpayer to a scholarship organization for which a tax credit may be claimed pursuant to NRS 363B.119.*

Sec. 11. ***"Forfeiture" means the forfeiture of a credit approved by the Department pursuant to NRS 363B.119 because the taxpayer does not make the approved donation of money to the scholarship organization within 30 days after receiving notice from the scholarship organization of the approval of the application for the credit.***

Sec. 12. ***"Scholarship organization" has the meaning ascribed to it in NRS 388D.260.***

Sec. 13. ***1. To be eligible to apply to the Department of Taxation for approval of a credit authorized by NRS 363B.119 and to receive a donation for which such a credit may be claimed, a scholarship organization must be registered with the Department of Education pursuant to NRS 388D.282. The Department of Taxation shall use the list of scholarship organizations submitted by the Department of Education pursuant to NRS 388D.292 to verify the eligibility of a scholarship organization to apply for approval of a credit authorized by NRS 363B.119 and to receive a donation.***

2. If the Department of Taxation finds that a scholarship organization that has applied for approval of a credit authorized by NRS 363B.119 is not eligible to receive a donation, the Department may request additional information from the scholarship organization and:

(a) Delay approval of the application for a credit until the Department receives information establishing that the scholarship organization is eligible to receive a donation.

(b) Deny the application for approval of a credit if information establishing that the scholarship organization is eligible to receive a donation is not received by the Department within the period in which the Department is required to approve or deny the application pursuant to NRS 363B.119.

Sec. 14. ***1. Not later than 10 days after receiving a donation or reporting a forfeiture, a scholarship organization that is registered with the Department of Education shall notify the***

Department of Taxation of the donation or forfeiture by submitting to the Department of Taxation a report concerning the donation or forfeiture. The report must be submitted electronically using the system designated by the Department of Taxation and include, without limitation:

(a) The name and federal taxpayer identification number of the donor;

(b) The amount of the donation or forfeiture;

(c) The date on which the scholarship organization received the donation or reported the forfeiture;

(d) The tax credit program number assigned to the scholarship organization by the Department of Taxation;

(e) The date on which the scholarship organization notified the taxpayer of the amount of tax credit authorized by the Department of Taxation; and

(f) Any other information required by the Department of Taxation to administer the provisions of NRS 363B.119.

2. Not later than 5 business days after discovering that a report submitted pursuant to subsection 1 contains an error, the scholarship organization shall submit electronically using the system designated by the Department of Taxation an amended report which corrects the error.

3. For the purposes of reporting a donation pursuant to subsection 1:

(a) A donation is deemed to be received by the scholarship organization on the date on which the money is made available for use in the bank account of the scholarship organization.

(b) A report is deemed to be filed on the date on which the report is accepted in the electronic system of the Department of Taxation.

4. The Department of Taxation may request such additional information or documentation from a scholarship organization as the Department determines is necessary to verify any information reported pursuant to this section.

5. A scholarship organization shall maintain records of each donation for not less than 5 years and shall make such records available to the Department of Taxation upon request at reasonable times during regular business hours.

6. If a scholarship organization fails to submit a report in accordance with the requirements of this section, the Department of Taxation shall notify the scholarship organization of the failure to file the report. If the scholarship organization does not file the required report within 15 days after the date of such notice, the Department may consider the credit approved by the Department pursuant to NRS 363B.119 for the donation to be forfeited.