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DEPARTMENT OF TAXATION**

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**Small Business Impact Statement
Per NRS 233B.0609**

LCB File No. R018-17

Regulation on Improvement to or Change in Actual or Authorized use of a property

The Department concluded there is no substantial impact on small businesses based on the contents of the regulation.

Section 1 amends NAC 361.610465 to reference "assessed value" to be excluded from each partial abatement rather than "property taxes" to align with current practice of the assessors.

Section 2 amends NAC 361.610485 by removing the base year calculations and utilizing an effective tax rate to determine the amount of assessed incremental new land value to be added for an improvement to or change in actual or authorized use

Section 3 amends NAC 361.61049 to reference "assessed value" to be excluded from each partial abatement rather than "taxes" to align with current practice of the assessors.

Methods Considered to Ascertain the Impact of Permanent Regulation

The Department solicited comments from the public through one workshop and an adoption hearing. Notice of the workshop and the hearing were noticed as required on three different websites and individual notices sent to the interested parties lists maintained by the Department. In addition, the Department sent a Small Business Impact Statement and Questionnaire to small businesses on its interested parties list, but received no response from small businesses.

Description of How Comment was Solicited from Affected Small Businesses

The Department of Taxation (Department) on behalf of the Nevada Tax Commission ("Commission") conducted a workshop on the date listed below to solicit input on a Permanent Regulation on Improvement to or Change in Actual or Authorized use of a property.

Date of Notice	Workshop or Hearing	Date of Workshop or Hearing	Total Number Notified	Number of Businesses Notified
05-15-2017	Workshop	05-31-2017	222	100
10-25-2017	Hearing	12-04-2017	222	100

The workshop was held at the Department of Taxation located on College Parkway in Carson City with video conferencing to the Department of Taxation, Grant Sawyer State Office Building, in Las Vegas, Nevada. The adoption hearing held on December 4, 2017, at the Nevada Legislative Building, 401 S. Carson Street, Room 2135, Carson City, Nevada, with video-conferencing to the Legislative Counsel Bureau, Grant Sawyer State Office Building, 555 E. Washington Avenue, Room 4412, Las Vegas, Nevada.

In accordance with NRS 241.020, meeting notices and agendas were posted at the principal office of the Department of Taxation in Carson City, Nevada, as well Department of Taxation offices in Reno, Henderson, and Las Vegas, and on the Department's website at www.tax.state.nv.us, the Department of Administration website at <https://notice.nv.gov/> and the Legislative Counsel Bureau website at <http://leg.state.nv.us>. The notices were also posted at the NV State Library and Archives, the Las Vegas Library, the Clark County Government Center, the Attorney General's office, and the Legislative Counsel Bureau. In addition, the notices were emailed to the following libraries for posting: Amargosa Valley Library, Boulder City Library District, Carson City Library, Clark County Library, Churchill County Library, Elko County Library, Esmeralda County Library District, Henderson District Public Libraries, Humboldt County Library, Lincoln County Library, Lyon County Library, Lander County Library, Mineral County Library, North Las Vegas Library, Pahrump Community Library, Pershing County Library, Round Mountain Public Library, Storey County Library, Tonopah Library District, and Washoe County Library. In addition, the workshop and meeting notices were mailed to all persons on the Department of Taxation's interested parties list.

The Department of Taxation also solicited input from small businesses by emailing a Small Business Impact Statement and Questionnaire on June 1, 2017 to persons on a list of businesses and trade associations maintained by the Department. No responses were received.

No small businesses commented on the regulation at the workshop or at the adoption hearing.

Copies of the minutes from these meetings are available from the Department of Taxation, Local Government Services Division, 1550 College Parkway, Carson City, Nevada 89706, or call Chali Spurlock at (775) 684-2066.

Estimated Economic Impact

The Department determined that the regulation does not impose a direct and significant economic burden upon a small business or restrict the formation, operation or expansion of a small business. The proposed permanent regulation presents no reasonably foreseeable or anticipated adverse economic effects to businesses or to the general public.

Beneficial Effects

The beneficial effects will be to clarify the determination of the calculation of property taxes for Improvement to or Change in Actual or Authorized Use of the Property. It also simplifies and standardizes the calculation.

Adverse Effects

The regulation presents no reasonably foreseeable or anticipated, adverse economic effects to small businesses or to the general public.

Immediate and Long-Term Effects

The immediate and long-term be to clarify the determination of the calculation of property taxes for Improvement to or Change in Actual or Authorized Use of the Property. It will simplify and standardize the calculation for assessors and for taxpayers.

CERTIFICATION

I certify that the information contained in this statement was prepared properly; a concerted effort was made to determine the impact of the proposed regulation on small business; and the information is accurate to the best of my knowledge or belief.



Jeffrey Mitchell
Deputy Executive Director
Nevada Department of Taxation

Date: 12/19/17