LEGISLATIVE REVIEW OF ADOPTED REGULATIONS - NRS 233B.066
Informational Statement
LCB File No. R081-26

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

Proposed permanent regulation (R081-26), establishes requirements related to taxation; revises procedures governing proceedings before the Nevada Tax Commission; requires the electronic filing of certain returns or other documents unless otherwise waived; revises provisions governing communications with the Executive Director of the Department of Taxation; expands the methods by which certain payments are required to be made to the Department; revises provisions governing the issuance of subpoenas by a hearing officer; revises requirements for the issuance and delivery of an advisory opinion by the Executive Director; revises provisions governing the issuance of permits to collect sales and use taxes; imposes certain duties on persons who are required to file certain returns, statements, reports or other documents for certain taxes, fees, assessments, contributions or premiums; revises standards to determine whether the Department is required to pay interest to a taxpayer who overpays certain taxes; revises the procedures by which a taxpayer may dispute a determination, decision or action of the Department and petition the Department for a redetermination; revises, updates and eliminates various obsolete provisions; repeals various provisions which are obsolete or redundant or relate to tax abatements which are no longer available; and provides other matters properly relating thereto.

Various provisions of NAC Chapter 360 require updating as identified in response to the Governor's Executive Order 2023-003. This proposed permanent regulation is intended to modernize and streamline the administration of Nevada's tax system by updating procedures, improving efficiency, and removing outdated provisions. It establishes clearer rules for proceedings before the Nevada Tax Commission, expands the use of electronic filing and payment methods, and enhances communication protocols with the Department of Taxation. The proposed permanent regulation also clarifies requirements for permits, filings, and advisory opinions, strengthens procedural tools such as subpoenas and determination dispute processes, and refines standards related to taxpayer refunds and interest on overpayments. Additionally, it eliminates obsolete, redundant, or no-longer-applicable provisions, including those related to expired tax abatements, to ensure the regulatory framework is current, consistent, and easier for taxpayers and the Department to navigate.

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
7/13/26	Adoption Hearing	8/19/26	304

The mailing list included the interested parties list maintained by the Department. Notices were 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):
Two responses were received by the Department in response to the small business impact questionnaire. One respondent expressed support for the regulation as drafted and stated it would have no negative impact. The second respondent, who reported having no employees, did not identify adverse or beneficial effects but raised several concerns with the proposed changes. The respondent asserted that most tax overpayments result from incorrect guidance by Department auditors, whom they believe lack sufficient professional qualifications, and therefore opposed removal of what they referred to as "expert witness" language in NAC 360.485. They further stated that the proposed language in NAC 360.706(2) appeared inconsistent with current practice, where non-response to a redetermination results in automatic transfer of a case to the Administrative Law Judge. Regarding NAC 360.706(4) and 360.706(9), the respondent indicated that the revisions could be acceptable provided the Executive Director and the Department apply fairness, justice, common sense, and principles consistent with the Taxpayers' Bill of Rights and recent Nevada Supreme Court precedent.

Summary of the public responses from the April 16, 2026 Workshop:
Nevada Taxpayers Association President Becky Dutro provided testimony and written public comment raising several concerns regarding the proposed regulation, emphasizing that multiple sections requiring electronic filing and payment, specifically Sections 4, 7, 19, 22(2), and 22(10), would limit the ability of attorneys, agents, and tax professionals to submit documents electronically on behalf of taxpayers, noting that representatives had already been unable to file appeals and petitions through the portal, creating potential delays in time-sensitive matters; cautioned that reliance on waiver processes could impose undue burdens on smaller taxpayers without electronic access and requested clarity on whether deadlines would be tolled during waiver review. Ms. Dutro stated that mandatory electronic payments could cause harmful delays for taxpayers facing urgent enforcement actions and for businesses undergoing staffing or banking changes that complicate establishing electronic payment options. Additional questions were raised regarding whether court reporters would continue to be furnished under Section 9. Regarding Section 13, Ms. Dutro recommended that advisory opinions remain publicly accessible in redacted form and expressed concern with language making them not subject to judicial review, asserting that taxpayers should retain recourse beyond the Commission. Ms. Dutro also proposed amendments to Section 16(2) to ensure interest may be allowed when taxes are paid under protest or as required by statute, such as in interstate commerce determinations or vehicle registration processes. Ms. Dutro highlighted concerns with Section 22 subsection 3 requiring all issues to be raised at the time of filing, explaining that taxpayers often secure legal representation close to deadlines; objected to subsections 6 and 13 directing appeals of Department denials back to the Department rather than the Commission, noting an apparent conflict with subsection 8; and recommended revising subsection 18 so its criteria could be satisfied in the alternative, as meeting all listed conditions appeared impracticable. Ms. Dutro concluded by thanking the Department for allowing stakeholder participation and reiterated the Association's desire to ensure the regulation promotes fairness, uniformity, and workable processes for all taxpayers.

Summary of the public responses from the Adoption Hearing held August 19, 2026:
Nevada Taxpayers Association President Becky Dutro provided testimony and written public comment acknowledging the collaborative efforts of the Department in developing the regulation and noting that many of the Association's previously submitted questions, concerns, and proposed language edits had been addressed through either incorporation or clarification. While the Association stated it could support much of the regulation as presented, it maintained outstanding concerns—specifically regarding Section 11 and the continued use of court reporters at Commission hearings, Section 30 and the treatment of taxes paid when taxpayers had no choice but to pay, and Section 45, which the Association believed imposed requirements that would be difficult for taxpayers to fulfill. The Association also noted that it had not yet completed a full review of the second revised draft distributed the prior week, but its initial assessment indicated that most changes were formatting or wording adjustments. The Association expressed concern with new criteria added in Section 4, subsection 2, asserting that they complicated the waiver process and could result in disparate treatment of taxpayers, and recommended removing the "not later than 20 days before" language as well as the "aggregated amount of $10,000 or more" requirement. Finally, the Association reserved its right to provide additional comments to the interim Legislative Committee upon further review of the regulation and thanked the Department and Commission for their consideration and collaborative approach.

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: 1
(c) Written statements submitted: 1

Adoption Hearing date: August 19, 2026
(a) Number in attendance: 43
(b) Number testifying: 1
(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:**

Testified at the April 16, 2026 Workshop:
Name: **Becky Dutro**
Telephone number: **702-457-8442**
Business address: **2303 East Sahara Avenue, Suite 102, Las Vegas, NV 89104**
Electronic mail address: beckyd@nevadataxpayers.org
Name of entity or organization represented: **Nevada Taxpayers Association**

Submitted written statements for the April 16, 2026 Workshop:

Name: **Becky Dutro**
Telephone number: **702-457-8442**
Business address: **2303 East Sahara Avenue, Suite 102, Las Vegas, NV 89104**
Electronic mail address: beckyd@nevadataxpayers.org
Name of entity or organization represented: **Nevada Taxpayers Association**

Testified at the August 19,2026 Adoption Hearing:

Name: **Becky Dutro**
Telephone number: **702-457-8442**
Business address: **2303 East Sahara Avenue, Suite 102, Las Vegas, NV 89104**
Electronic mail address: beckyd@nevadataxpayers.org
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Submitted written statements for the August 19, 2026 Workshop:

Name: **Becky Dutro**
Telephone number: **702-457-8442**
Business address: **2303 East Sahara Avenue, Suite 102, Las Vegas, NV 89104**
Electronic mail address: beckyd@nevadataxpayers.org
Name of entity or organization represented: **Nevada Taxpayers Association**

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 August 19, 2026, with the agreed-upon proposed 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 Adoption Hearing and were made to incorporate stakeholder input and address identified industry impacts. Department staff collaborated with the Nevada Taxpayers Association and concurred with the inclusion of two minor updates to the regulatory language, neither of which materially altered the purpose or intent of the adopted regulation. The changes include replacing “in the aggregate, amounts to $10,000 or more” with a reference to NRS 353.1467 in Section 4 subsection 2 and replacing “preparation” with “receipt” in Section 11 subsection 1.

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:**

   The adopted regulation does not present any significant, foreseeable or anticipated cost or decrease in costs for enforcement.

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.