

**ADOPTED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R137-16

Effective January 27, 2017

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

AUTHORITY: §§1-5, NRS 363A.070; §§6-10, NRS 363B.060.

A REGULATION relating to taxation; establishing requirements for an employer to claim a credit against taxes imposed on certain employers if the employer matches the contribution of an employee to certain college savings plans; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law provides for college savings plans offered through the Nevada Higher Education Prepaid Tuition Program and the Nevada College Savings Program. Both programs allow persons to pay into investment funds offered by the State, with money paid into the fund and any interest earned on that money available for the costs of higher education. (Chapter 353B of NRS)

Existing law also provides a credit against the excise tax on the wages paid by certain employers to employers who match a contribution of an employee to one of the college savings plans. (NRS 363A.137, 363B.117) **Sections 4 and 9** of this regulation require an employer claiming a tax credit against either excise tax imposed by NRS 363A.130 or 363B.110 to submit both a list of all matching contributions made to an employee’s account with the Nevada Higher Education Prepaid Tuition Program or the Nevada College Savings Program and verification that the contribution was made.

Existing law provides that the amount of the tax credit to which an employer is entitled must not exceed \$500 per contributing employee per year. (NRS 363A.137, 363B.117) **Sections 5 and 10** of this regulation require this limit to be computed based on the calendar year.

Section 1. Chapter 363A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this regulation.

Sec. 2. *“Prepaid tuition contract” has the meaning ascribed to it in NRS 353B.030.*

Sec. 3. *“Qualified beneficiary” has the meaning ascribed to it in NRS 353B.050.*

Sec. 4. *An employer who, pursuant to NRS 363A.137, claims a credit against the excise tax imposed on the employer by NRS 363A.130 must include with the quarterly return filed by the employer pursuant to paragraph (a) of subsection 3 of NRS 363A.130:*

1. Verification of a matching contribution made by the employer:

(a) To the savings trust account of an employee of the employer in the Nevada College Savings Trust Fund created by NRS 353B.340; or

(b) To the Nevada Higher Education Prepaid Trust Fund created by NRS 353B.140 to match a contribution made by an employee of the employer on behalf of a qualified beneficiary on whose behalf a prepaid tuition contract is drawn; and

2. A list of all matching contributions made on a form prescribed by the Department. The list must include, without limitation:

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

(b) The name of each employee for whom the matching contribution was made;

(c) The amount of each matching contribution; and

(d) The total amount of matching contributions made for each employee during the immediately preceding calendar year.

Sec. 5. *The annual limit set forth in subsection 2 of NRS 363A.137 on the credit described in subsection 1 of that section must be computed based on a calendar year.*

Sec. 6. Chapter 363B of NAC is hereby amended by adding thereto the provisions set forth as sections 7 to 10, inclusive, of this regulation.

Sec. 7. *“Prepaid tuition contract” has the meaning ascribed to it in NRS 353B.030.*

Sec. 8. *“Qualified beneficiary” has the meaning ascribed to it in NRS 353B.050.*

Sec. 9. *An employer who, pursuant to NRS 363B.117, claims a credit against the excise tax imposed on the employer by NRS 363B.110 must include with the quarterly return filed by the employer pursuant to paragraph (a) of subsection 3 of NRS 363B.110:*

1. Verification of a matching contribution made by the employer:

(a) To the savings trust account of an employee of the employer in the Nevada College Savings Trust Fund created by NRS 353B.340; or

(b) To the Nevada Higher Education Prepaid Trust Fund created by NRS 353B.140 to match a contribution made by an employee of the employer on behalf of a qualified beneficiary on whose behalf a prepaid tuition contract is drawn; and

2. A list of all matching contributions made on a form prescribed by the Department. The list must include, without limitation:

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

(b) The name of each employee for whom the matching contribution was made;

(c) The amount of each matching contribution; and

(d) The total amount of matching contributions made for each employee during the immediately preceding calendar year.

Sec. 10. *The annual limit set forth in subsection 2 of NRS 363B.117 on the credit described in subsection 1 of that section must be computed based on the calendar year.*