

**LCB File No. R140-07**

**PROPOSED REGULATION OF THE  
NEVADA TAX COMMISSION**

AUTHORITY: NRS 360.247

**Section 1.** Chapter 360 of NAC is hereby amended by adding thereto a new section to read as follows:

*1. A taxpayer may request a closing hearing pursuant to NRS 360.247(2) by submitting a request in writing to the Commission no later than fourteen (14) calendar days before the date of the hearing. The request shall include a short statement explaining how the information identified by the taxpayer as confidential or proprietary meets the criteria set forth in NRS 360.247(8). The request shall also include a list or summary of the information which the taxpayer considers to be confidential or proprietary. Such information may include, without limitation, the taxpayer's bank records, financial statements, customer lists, vendor lists, trade secrets, unique business practices, or any other information deemed by the taxpayer to be confidential or proprietary. The list or summary submitted by the taxpayer and any substantive briefs filed in the appeal, including any supporting materials or exhibits, shall be held and protected in accordance with any applicable confidentiality statutes. After receiving a request made by the taxpayer, the Commission shall note on its written agenda that the taxpayer has requested a closed hearing. Except as otherwise stated in section 2, the taxpayer is deemed to have waived his right to request a closed hearing if a written request for a closed hearing is not received by the Commission within fourteen calendar days (14) before the date of the hearing.*

*2. For good cause, the Executive Director may extend the time for a taxpayer to request a closed hearing but the request and accompanying list or summary must be received by the Commission no later than five (5) calendar days prior to date of the hearing. Nothing in this paragraph precludes the taxpayer or his agent from requesting a continuance of the appeal.*

*3. The Department may, within five (5) calendar days before the date of the hearing, file a written objection to the taxpayer's request for a closed hearing and serve a copy of the objection on the taxpayer or his authorized representative. If the Executive Director extends the time for the taxpayer to request a closed hearing, the Department may file a written objection within three (3) calendar days prior to the hearing.*

*4. At the hearing, the Commission shall, pursuant to NRS 360.247(2)(a) and (b), go into closed session to determine whether the information to be relied on by the taxpayer in his appeal is proprietary or confidential information. The Commission may receive testimony from the taxpayer or witnesses to determine whether the information to be relied upon by the taxpayer is proprietary or confidential. The Commission in its sole discretion shall determine by deliberation and a vote as to whether the information sought to be presented is proprietary or confidential pursuant to NRS 360.247(8).*

5. *If the Commission determines that some or all of the information is proprietary or confidential, the Commission may continue to conduct the hearing in closed session until such time as the confidential or proprietary information has been adequately discussed within the context of the taxpayer's appeal. Otherwise, the Commission shall immediately open the hearing to the public and all other matters to be voted upon by the Commission, including the definitive vote on appeal, shall be conducted in an open meeting.*

6. *The Commission shall interpret the term "trade secret" to include any formula, pattern, device, or compilation of information which is used in one's business, and which gives a person an opportunity to obtain an advantage over competitors who do not know or use it.*