

## Digest for Adopted Regulation R\_080-11

Existing law requires a person to obtain a state business license from the Secretary of State before conducting a business in this State. (NRS 76.100) Existing law exempts certain persons from the requirement to obtain a state business license, including, without limitation, governmental entities, certain persons who operate a business from home and businesses whose primary purpose is to create or produce motion pictures. (NRS 76.020) Under existing law, the Secretary of State is authorized to adopt regulations to carry out existing law relating to state business licenses. (NRS 76.140) Existing regulations adopted by the Nevada Tax Commission further define the circumstances under which a person is exempt from the requirement to obtain a state business license because: (1) the person operates a business from home; or (2) the activity is in furtherance of the business of a partnership, limited-liability company or other specified entity in which the person has an ownership interest. (NAC 360.750-360.772)

In **sections 2-5 and 8-10** of this regulation, the Secretary of State adopts certain provisions of existing regulations of the Nevada Tax Commission relating to exemptions from the requirement to obtain a state business license. **Section 5** changes two provisions of those regulations by: (1) adding to those regulations a definition of the term “governmental entity” for the purpose of determining whether a person is exempt from the requirement to obtain a state business license; and (2) changing the definition of the term “person who operates a business from his or her home.” **Section 9** also changes the manner in which the Secretary of State determines the net earnings of a person who operates a business from his or her home so that the person is not required to submit a

copy of his or her federal income tax return but is required to disclose annually the amount of net earnings reported on the federal income tax return for that business.

**Sections 6 and 7** of this regulation adopt provisions not included in the regulations of the Nevada Tax Commission. **Section 6** provides that a person qualifies for the exemption from the requirement to obtain a state business license for businesses whose primary purpose is to create or produce motion pictures if: (1) the person is registered with the Division of Motion Pictures; (2) provides that registration number annually to the Secretary of State; and (3) creates or produces in this State feature films, movies made for broadcast on television or programs made for broadcast on television in episodes.

Existing law provides that a person who holds a license or certificate of authority issued under the insurance laws of this State is authorized to transact the business authorized by that license or certificate and is exempt from any other requirement to obtain a license to transact insurance business within this State other than a requirement to obtain certain licenses from a city, town or county. (NRS 680B.020) **Section 7** of this regulation provides that this provision exempts a person from the requirement to obtain a state business license if the person: (1) conducts business under a license or certificate of authority issued by the Division of Insurance of the Department of Business and Industry; and (2) provides the number of the license or certificate of authority to the Secretary of State.