

**ADOPTED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R180-99

Effective March 2, 2001

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

AUTHORITY: §§1-12, NRS 360.090 and 369.150.

Section 1. Chapter 369 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 12, inclusive, of this regulation.

Sec. 2. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 3 to 7, inclusive, of this regulation have the meanings ascribed to them in those sections.*

Sec. 3. *“Case of wine” means 12 bottles of wine, each containing 750 milliliters of wine, or an amount equal to that volume of wine which equals 2.37753 wine gallons.*

Sec. 4. *“Department” means the department of taxation.*

Sec. 5. *“Fiscal year” or “year” means the 12-month period from July 1 through June 30.*

Sec. 6. *“Liquor” has the meaning ascribed to it in NRS 369.040.*

Sec. 7. *“Supplier” has the meaning ascribed to it in NRS 369.111.*

Sec. 8. *Before a supplier ships liquor into this state pursuant to paragraph (b) or (c) of subsection 2 of NRS 369.490, he must obtain a certificate of compliance issued pursuant to NRS 369.430.*

Sec. 9. *A supplier who ships liquor into this state pursuant to paragraph (b) or (c) of subsection 2 of NRS 369.490 must pay to the department the excise tax levied pursuant to NRS*

369.330 on or before the 20th day of the month after the date that the liquor was shipped to a person in this state. If the supplier pays the excise tax on or before the 15th day of the month after the date that the liquor was shipped to a person in this state, the supplier may deduct 3 percent of the amount of the excise tax. The department shall assess a penalty and interest on any late taxes pursuant to the provisions of NRS 360.417.

Sec. 10. 1. *A supplier shall submit to the department, with documentation, a report on a form prescribed by the department that includes, without limitation, the:*

- (a) Name and address of the person to whom the liquor was shipped;*
- (b) Kind of liquor shipped in each order;*
- (c) Quantity of liquor shipped in each order in gallons rounded to the nearest one-hundredth;*
- (d) Percentage of alcohol by volume; and*
- (e) Date of shipping.*

2. *A supplier shall submit the report set forth in subsection 1 on:*

- (a) The date that he pays the excise tax pursuant to section 10 of this regulation; or*
- (b) The 20th day of each month in which he does not ship any liquor.*

3. *Failure to file the report set forth in this section is grounds for suspension of the certificate of compliance of the supplier issued pursuant to NRS 369.430.*

Sec. 11. *A supplier who designates an importer in this state pursuant to NRS 369.386 shall submit a written notice to the department which includes, without limitation, the name and address of each designated importer before he ships any liquor into this state.*

Sec. 12. 1. *A supplier who is required to pay the fee set forth in NRS 369.466 shall notify the department in writing that the supplier has shipped 200 cases or more of wine on the date that the supplier pays the fee.*

2. Failure to pay the fee pursuant to the provisions of NRS 369.466 is grounds for suspension of the certificate of compliance of the supplier issued pursuant to NRS 369.430.

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NOTICE OF ADOPTION OF REGULATION

MEMORANDUM

Date: February 12, 2001
To: Brenda Erdoes, Legislative Counsel
Via: Mary Bennett
From: Dino DiCianno, Deputy Executive Director
CC: David P. Pursell, Executive Director
Subject: Filing of Permanent Regulations of the Nevada Tax Commission

Enclosed, are four permanent regulations recently adopted by the Nevada Tax Commission to be filed with the Legislative Counsel Bureau – Legal Division. Your attention to this matter is appreciated. Thank you.

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INFORMATIONAL STATEMENT

Permanent Regulation of the Nevada Tax Commission LCB File No. R180-99

The following statement is submitted for adopted amendments to Nevada Administrative Code (NAC) 369.

1. A 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.

Notices of hearing for the adoption and amendment of the proposed permanent regulation was posted at the following locations: Department of Taxation, 1550 East College Parkway, Carson City, Nevada; Nevada State Library, 100 Stewart Street, Carson City, Nevada; The Legislative Building, Capitol Complex, Carson City, Nevada; each County Main Public Library; Department of Taxation, 4600 Kietzke Lane, Building O, Suite 263, Reno, Nevada; Department of Taxation, 555 East Washington Avenue, Las Vegas, Nevada.

A copy of the notice of hearing and the proposed permanent regulation was placed on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the proposed permanent regulation was also made available and placed on file at the Department of Taxation, 1550 East College Parkway, Carson City, Nevada; Department of Taxation, 4600 Kietzke Lane, Building O, Suite 263, Reno, Nevada; Department of Taxation, 555 East Washington Avenue, Suite 1300, Las Vegas, Nevada; Department of Taxation, 850 Elm Street, No. 2, Elko, Nevada; and in all counties in which an office of the Department of Taxation is not maintained, at the main public library, for inspection and copying by members of the public during business hours.

The hearing was held on June 26, 2000 at the Grant Sawyer State Office Building, 555 East Washington Avenue, Room 4412, Las Vegas, Nevada. It appears that due to the primarily procedural nature of the proposed permanent regulation, only affected or interested persons and businesses as set forth in #3 below responded to the proposed permanent regulation and testified at the hearing. A copy of the transcript of the hearing, for which a reasonable fee may be charged, may be obtained by calling the Nevada Department of Taxation at (702) 687-4896, or by writing to the Nevada Department of Taxation at 1550 East College Parkway, Suite 115, Carson City, Nevada, 89706.

The proposed permanent regulation was submitted to the Legislative Counsel Bureau, which completed its review on December 22, 1999. Thus, the proposed regulation, for practical purposes, was discussed at two workshops and has been heard and considered at one public hearing of the Nevada Tax Commission.

2. The number of persons who:

(a) Attended the hearing: 31

(b) Testified at the hearing: 2

(c) Submitted to the Tax Commission written comments: Written comments were submitted by Department staff, Legislative Council Bureau – Legal Division, Senator Schneider and Mr. And Mrs. Scott Miller – owners of Single Leaf Winery, requesting amendments to the administrative code prior to the hearing. No other written comments by the general public were submitted to, or received by, the Department of Taxation or the Nevada Tax Commission.

3. A description of how comment was solicited from affected and interested persons, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Comments were solicited from affected and interested businesses and persons by the notices set forth in #1 above, by direct mail to all county assessors, and by direct mail to the approximately 150 interested businesses and persons on the Department of Taxation's mailing list.

Comments from the above-referenced in #2 were received relative to the original regulation and proposed draft of the permanent regulation with respect to liquor tax enforcement.

4. If the permanent regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the permanent regulation without change.

The proposed permanent regulation was modified at public workshops prior to adoption, due to issues raised by the Department of Taxation and by those referred to in #2.

The proposed permanent regulation was changed at the public hearing since concerns were raised by the affected public, the Department of Taxation and Tax Commission members, and the Tax Commission believed no changes other than those made were necessary.

5. The estimated economic effect of the adopted permanent regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include: (a) Both adverse and beneficial effects; and (b) Both immediate and long-term effects.

(a) Adverse and beneficial effects.

The proposed permanent regulation presents no foreseeable or anticipated adverse economic effects to businesses or the public. However, the permanent regulation does impact the Department and wine suppliers, which could have an economic effect on businesses and the general public.

That effect cannot be quantified at this time.

(b) Immediate and long-term effects.

Same as #5(a) above.

6. The estimated cost to the agency for enforcement of the adopted permanent regulation.

The proposed permanent regulation presents no significant foreseeable or anticipated cost or decrease in costs for enforcement. However, it appears that there may be some additional administrative costs for the Department of Taxation and for wine suppliers affected, which cannot be quantified at this time.

7. A description of any regulations of other state or governmental agencies which the permanent regulation overlaps or duplicates and a statement explaining why the duplication or overlap is necessary. If the permanent regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

The proposed permanent regulation is particular to the Department of Taxation practices and procedures and does not appear to overlap or duplicate regulations of other state or local governmental agencies.

8. If the permanent regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

There are known federal regulations pertaining to liquor shipment and tax procedures, which compliment the subject of the proposed permanent regulation.

9. If the permanent 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 proposed permanent regulation does not provide a new fee or increase an existing fee.