

LCB File No. R181-99

PROPOSED REGULATION OF THE NEVADA TAX COMMISSION

EXPLANATION – Matter in *italics* is new; matter in brackets **[]** is material to be omitted

AUTHORITY: NRS 360.090, 373.326, 372.3261, 372.725 and in accordance with AB 207.

Section 1. NAC 372.700 is hereby amended to read as follows:

1. An organization requesting exempt status must submit to the department an application on a form prescribed by the department and copies of:

- (a) Its bylaws;
- (b) Its articles of incorporation;
- (c) Financial information which provides verifiable sources of income and expenditures, which may include, without limitation, financial statements and independent audit reports;
- (d) Letters of exemption issued to it by any governmental agency;
- (e) If the application is for a charitable organization, an outline of its charitable activities, fund raisers and goals, and a copy of its business or strategic plan must be attached; and
- (f) Any other information which the department deems relevant.

2. Upon approval of an application, the department will issue a letter of exemption. The letter is not transferable. The organization must notify the department of changes to the name, address, telephone number or responsible person of the organization. Each organization must apply for the renewal of its letter of exemption every 5 years. The department will mail a renewal application to the last known address of the organization at least 90 days before the expiration of the letter of exemption. Failure to receive a renewal application does not extend the validity of the exemption beyond the 5 years.

~~3. The department will construe the term, “operation of a church, synagogue or other place of religious worship” as used in paragraph (b) of subsection 2 of NRS 372.3261 to mean a place: —(a) Which is properly zoned for religious worship; and —(b) Which has unrestricted public access on scheduled days of worship.]~~

3. ~~[4.]~~ The department may deny an application for exemption if it finds that:

- (a) The organization has failed to submit sufficient information on which to grant an exemption; or
- (b) The organization does not meet the standards for exemption.

4. ~~[5.]~~ The department may withdraw the letter of exemption issued to any organization if the department finds that:

- (a) The organization is no longer engaged in charitable, religious or educational pursuits;
- (b) The organization has ceased to comply with the standards for exemption; or
- (c) The application contained false or misleading information.

5. ~~[6.]~~ A charitable, religious or educational organization may petition the commission for reconsideration of any action by the department denying or withdrawing a letter of exemption. Upon reconsideration, the commission may grant or reissue the letter of exemption if the organization has presented satisfactory evidence that it complies with the standards for exemption.

6. ~~7.~~ As used in this section, “standards for exemption” means the criteria set out in this section and NRS 372.326 and 372.3261.

Section 2. Chapter 372 of NAC is hereby amended by adding thereto the provisions set forth as sections 3 and 4 of this regulation:

Sec. 3. *The department will construe the term, “operation of a church, synagogue or other place of religious worship” as used in paragraph (b) of subsection 2 of NRS 372.3261 to mean a place:*

(a) Which is properly zoned for religious worship; and

(b) Which has unrestricted public access on scheduled days of worship.

Sec. 4. *Apprenticeship programs requesting exemption status must meet the Nevada State Apprenticeship Council requirements as described in NRS 610.144.*