

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R082-02

June 11, 2002

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

AUTHORITY: §1, NRS 360.090, 372.065 and 374.070.

Section 1. NAC 372.101 is hereby amended to read as follows:

372.101 1. Except as otherwise provided in subsection ~~{3.}~~ **2**, any charge for freight, transportation or delivery included in the sale of tangible personal property is subject to sales and use taxes.

2. ~~{Any charge for freight, transportation or delivery that appears on the invoice of the seller is part of the selling price even if stated separately and is not deductible from the price of the property as shown on the invoice.}~~

~~—3.}~~ A charge for freight, transportation or delivery *included in the sale of tangible personal property* is not taxable if:

(a) It is ~~{invoiced to the purchaser by the freight carrier;}~~ *stated separately on the invoice given to the purchaser;* and

(b) Title to the property passes *to the purchaser, as determined pursuant to NRS 104.2401,* before shipment.

FLUSH ~~{As used in this subsection, “freight carrier” means a common, contract or international carrier that is licensed and regulated by the transportation services authority of Nevada or the Surface Transportation Board, or both.}~~

~~4.]~~ 3. A charge for freight, transportation or delivery that is not connected with the sale of tangible personal property is a charge for a service and is not subject to sales and use taxes.