

**ADOPTED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R020-05

Effective October 31, 2005

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

AUTHORITY: §§1-3; NRS 360.090 and 372.725.

A REGULATION relating to taxation; clarifying the application of the Sales and Use Tax to the provision of the service of court reporting; and providing other matters properly relating thereto.

Section 1. Chapter 372 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.

Sec. 2. *As used in this section and section 3 of this regulation, unless the context otherwise requires:*

1. “Captioning services” means the reporting of a proceeding by means of manual or mechanical shorthand writing and real time translation of the spoken word with open or closed captioning capabilities.

2. “Communication access real time translation services” means the reporting of a proceeding by means of mechanical shorthand writing and real time transmission of the spoken word, including, without limitation, for use in assisting in communications.

3. “Convention services” means the reporting of a convention proceeding by means of manual or mechanical shorthand writing of the spoken word through the use of real time translation or a certified transcript of the proceedings.

4. *“Court reporter” means a person who is certified pursuant to chapter 656 of NRS to provide the service of court reporting.*

5. *“Proceeding” means any judicial proceeding, quasi-judicial proceeding, legislative proceeding, quasi-legislative proceeding or other similar proceeding or meeting, including, without limitation:*

(a) Grand jury proceedings;

(b) Court proceedings;

(c) Pretrial examinations, depositions, motions and related proceedings of like character;

(d) Proceedings of an administrative agency if the final decision of the agency with reference thereto is subject to judicial review;

(e) Arbitration proceedings;

(f) Regulatory proceedings;

(g) A meeting of a board of directors; or

(h) Any other proceeding or meeting during which the certification of a court reporter is of significant value to the client of the court reporter.

6. *“Real time translation” means reporting by means of mechanical shorthand writing of the spoken word that is simultaneously transmitted from the system used for reporting to a laptop computer or a screen.*

7. *“Service as a depository” means providing service as a depository of documents related to a court proceeding pursuant to the order of a court, including, without limitation:*

(a) Storing documents used in litigation;

(b) Copying and imaging of documents used in litigation;

(c) Bate stamping documents used in litigation; and

(d) Providing access to documents used in litigation.

8. “Service of court reporting” means the reporting of a proceeding by the use of any system of manual or mechanical shorthand writing.

9. “System of manual or mechanical shorthand writing” means a system used for the reporting of a proceeding, including, without limitation:

(a) A system for communication access real time translation services.

(b) A system for captioning services.

(c) A system for convention services.

10. “Transcript” means a written reproduction of a proceeding, including:

(a) A reproduction on paper.

(b) A reproduction on a computer disc or similar medium.

(c) A reproduction transmitted in an electronic or digital medium or format.

Sec. 3. 1. *Purchases of tangible personal property by a court reporter are subject to the sales tax if the property is acquired for use in the operation of the business. As an example of the application of this section, if a court reporter purchases office supplies, computer equipment, computer software or devices used in providing the service of court reporting, the court reporter is the consumer of the tangible personal property and must therefore pay the sales tax at the time of purchase.*

2. The sales tax does not apply to any charge for providing the service of court reporting if the charge is stated separately on the invoice or is part of a charge for other services.

Charges for providing the service of court reporting include, without limitation, any fee or charge for:

(a) Attending a proceeding;

- (b) Providing a transcript of a proceeding, or a copy thereof, to any party to that proceeding;*
- (c) Providing to any person a single copy of the transcript of a proceeding if such a copy is ordered for use in another proceeding;*
- (d) Providing real time translation of a proceeding;*
- (e) Producing a condensed transcript of a proceeding;*
- (f) Providing to a representative of a convention proceeding a single copy of the transcript of the convention proceeding or any meeting conducted at the convention;*
- (g) Providing service as a depository; or*
- (h) Supervision, consulting, research, postage, express delivery, telephone messages, transportation and travel expenses, copies or computer discs.*

**NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R020-05**

The Nevada Tax Commission adopted regulations assigned LCB File No. R020-05 which pertain to chapter 372 of the Nevada Administrative Code on September 19, 2005.

Notice date: 8/16/2005
Hearing date: 9/19/2005

Date of adoption by agency: 9/19/2005
Filing date: 10/31/2005

INFORMATIONAL STATEMENT

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 regulation were 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; Department of Taxation, 2550 Paseo Verde Parkway, Suite 180, Henderson, Nevada.

A copy of the notice of hearing and the proposed regulation were 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 regulation were 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, 2550 Paseo Verde Parkway, Suite 180, Henderson, 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 September 19, 2005 video conferenced between the Nevada Legislative Building, 401 S. Carson Street, Room 3138, Carson City, Nevada and the Grant Sawyer State Office Building, 555 E. Washington Avenue, Room 4401, Las Vegas, Nevada. It appears that due to the primarily procedural nature of the proposed regulation, only affected or interested persons and businesses as set forth in #3 below responded to the proposed 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 (775) 684-2096 or by writing to the Nevada Department of Taxation at 1550 East College Parkway, Suite 115, Carson City, Nevada, 89706.

The proposed regulation was submitted to the Legislative Counsel Bureau, which completed its review and minor revisions on August 2, 2005. 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: 39

(b) Testified at the hearing: 2

(c) Submitted to the Tax Commission written comments: Written comments were submitted to, and received by, the Department of Taxation and the Nevada Tax Commission from counsel to the Court Reporters and legal counsel to the Department of Taxation. Those written comments were made available at the adoption hearing for review.

3. A description of how comment was solicited from affected businesses, 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 240 interested businesses and persons on the Department of Taxation's mailing list.

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

Sections 2 and 3 of the proposed regulation were modified prior to adoption, due to issues raised by the Department of Taxation and by affected or interested businesses and persons. The remaining sections of the proposed regulation were not changed since no concerns were raised by the public, affected or interested businesses or persons, the Department of Taxation or Tax Commission members, and the Tax Commission believed no changes other than those made were necessary.

5. The estimated economic effect of the adopted regulation on the business 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 regulation presents no foreseeable or anticipated adverse economic effects to businesses or the public. There may be some beneficial economic effects to court reporters which are the subject of the adopted regulation. Those anticipated benefits are not quantifiable 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 regulation.

The proposed regulation presents no significant foreseeable or anticipated cost for enforcement. There may be some minor administrative costs for the Department, which are not quantifiable at this time.

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

The proposed 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 regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

There are no known federal regulations pertaining to the service of court reporting, which is the subject of the proposed regulation.

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