

LCB File No. R062-05

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

(This proposed regulation was previously adopted as T050-05)

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

AUTHORITY: NRS 360.090.

Section 1. Chapter 360 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this regulation.

Section 2. *Definitions.*

The following definitions, for the purposes of electronic registration for, filing, and payment of taxes/fees, interest, penalties or other charges through electronic funds transfer, apply to NRS 360, 361, 362, 363A, 363B, 368A, 369, 370, 372, 372A, 374, 377, 377A, 444A; or any fee provided for in NRS 482.313, or NRS 680B as administered by the Department, as the respective tax/fee applications are implemented on the Department's website:

"nevadatax.nv.gov" means the Department's taxpayer service center website that provides taxpayers with the ability to conduct transactions and review tax account information over the internet.

"Authorized user" means an individual, granted authority by the taxpayer account security administrator to access taxpayer information available on the nevadatax.nv.gov website.

"Automated clearinghouse" (ACH) means any federal reserve bank, or an organization established in agreement with the National Automated Clearing House Association, that operates as a clearinghouse for transmitting or receiving entries between banks or bank accounts and which authorizes an electronic transfer of funds between these banks or bank accounts.

"Automated clearinghouse debit" means a transaction in which the Department, through its designated vendor originates an automated clearinghouse transaction debiting the person's bank account and crediting the State's bank account for the amount due.

"Automated clearinghouse credit" means the electronic transfer of funds cleared through the ACH system that is generated by the taxpayer instructing the taxpayer's bank to charge the taxpayer's account and deposit the funds to the State's bank account. Any fees assessed the taxpayer by the taxpayer's bank shall be the responsibility of the taxpayer.

"Electronic check" (E-Check) means an ACH debit transaction.

"Electronic funds transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, or computer or magnetic tape, so as to order, instruct, or authorize a financial institution (for the purposes electronic payments only, financial institution is as defined in Title 31 U.S.C. 5312, paragraphs 2(A thru F) and means: an insured bank (as defined in section 3(h) of the Federal Deposit Insurance Act (12 U.S.C. 1813 (h))); a commercial bank or trust company; a private banker; an agency or branch of foreign bank in the United

States; and any credit union; or, a thrift institution) to debit or credit an account. Electronic funds transfers shall be accomplished by an automated clearinghouse debit, or an automated clearinghouse credit.

"Electronic return, statement or other document" means all data entered into a return, statement, or other document that is prepared using computer software and transmitted electronically to the Department.

"Electronic Signature" means a user name attached to or logically associated with a record and executed or adopted by a taxpayer with the intent to sign an electronic return, statement or other document on the nevadatax.nv.gov website.

"Nevadatax Access Code" means a personal identification number (PIN) issued by the Department for the purposes of becoming a website user for access to, and filing of tax information.

"Permit" means one or more tax licenses or registrations obtained from the Department by completing and submitting a Nevada Business Registration by mailing or delivering it to the Department or by completing the Nevada Business Registration online at nevadatax.nv.gov.

"Security access" means the unlimited ability of the taxpayer or the taxpayer account security administrator to access the taxpayer's online accounts, conduct online transactions for the taxpayer, designate authorized users, specify the level of access granted to an authorized user, and modify or terminate the access of any authorized user.

"Signature" (NRS 360.780,3.) includes electronic signatures. A person shall be deemed to have affixed their signature to a tax return or business license application, by utilizing their Department issued nevadatax Access Code and they have checked the checkbox on the nevadatax online registration, that by submitting, they certify that the business for which they are registering to use nevadatax has granted them the authority to perform this action. They also certify that all information and statements supplied on the nevadatax online application are true and correct.

"Sole Proprietor" includes any business that is treated as a sole proprietor for purposes of federal income taxation.

"Taxpayer account security administrator" means an individual appointed and authorized by the taxpayer to administer security access on the nevadatax.nv.gov website for the specified taxpayer. The security administrator authorizes and assumes responsibility for, the authorized user(s) to access the taxpayer's account on the nevadatax.nv.gov website and electronically file the return on behalf of the taxpayer.

"Transaction fee" means a per-item fee, delineated in the State contract with a third party electronic services provider, for every online transaction conducted with the Department. Transaction fees will be funded by the Department.

"Website User" means a taxpayer that has, by means of providing specific information requested by the Department through its nevadatax.nv.gov website registration process, obtained a username and password entitling that taxpayer to conduct transactions and access its account information through the nevadatax.nv.gov website.

Section 3. Recordkeeping Requirements

For each electronic return of taxes/fees, interest, penalties or other charges, the taxpayer shall keep records, receipts, invoices and other pertinent papers to substantiate the electronic

return for four years following the later of the return's due date or the date the electronic return was filed with the Department.

Section 4. Online Registration for filing and payment of taxes/fees, interest, penalties or other charges

A. To register online with the Department:

1. Submit to the Department a completed nevadatax.nv.gov online Nevada Business Registration and confirm by pressing the certification box button on the website upon completion of the registration process, that:

a. The information contained in the online Nevada Business Registration is true and correct, and

b. The signatory is duly authorized to act on behalf of the business.

B. To become a website user of the nevadatax.nv.gov website, a taxpayer that has not obtained a permit from the Department shall:

1. Provide the following information during the nevadatax.nv.gov website registration process:

a. The legal name of the registrant and any one of the following numbers:

i. The registrant's Federal employer identification number, or

ii. The registrant's social security number, if the registrant is a sole proprietor, and

b. The legal name and e-mail address of the taxpayer account security administrator, and

2. Submit to the Department a completed nevadatax.nv.gov online Nevada Business Registration and confirm, by pressing the certification box button on the website upon completion of the registration process, that:

a. The information contained in the Nevada Business Registration submitted during the online business registration is true and correct,

b. The signatory is duly authorized to act on behalf of the business, receive confidential information, and

c. Security access is granted to the taxpayer's security administrator.

C. To become a website user of the nevadatax.nv.gov website, a taxpayer that has a permit issued by the Department shall:

1. Provide the following information during the nevadatax.nv.gov website registration process:

a. The legal name of the registrant and any one of the following numbers:

i. The registrant's Federal employer identification number, or

ii. The registrant's social security number, if the registrant is a sole proprietor, or the identification (permit) number(s) assigned to the registrant by the Department, and

b. Selected information from a return, previously filed by the registrant, and

c. The legal name and e-mail address of the taxpayer account security administrator, and

2. Submit to the Department the nevadatax.nv.gov website registration and confirm by pressing the button on the website upon completion of the registration process that:

a. The website user is duly authorized to act on behalf of the business, receive confidential information, and

b. Security access is granted to the taxpayer's security administrator.

D. To file online, a taxpayer, their security administrator, or authorized user shall use the taxpayer's electronic signature to sign any of the taxpayer's electronic returns. Use of the taxpayer's electronic signature is the taxpayer's declaration, that the electronic return is, to the best of the taxpayer's knowledge and belief, true, correct, and complete.

Section 5. Return and Payment Requirements

- A. For each electronic return of taxes/fees, interest, penalties or other charges a timely return must be completed and submitted with payment no later than midnight Pacific Time on the return due date. Online payment may be submitted only by ACH debit or ACH credit.*
- B. If a return is submitted electronically but payment is mailed, a copy of the printout of the electronic return confirmation page must be submitted with the payment and must be postmarked by the return due date.*
- C. A Zero-return must be submitted in the event that no taxes are due for the reporting period in accordance with the appropriate statute.*