

**REVISED PROPOSED REGULATION OF
THE NEVADA TAX COMMISSION**

LCB File No. R084-07

October 30, 2007

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

AUTHORITY: §1, NRS 360.090 and 360.200 and §§15 and 15.5 of chapter 539, Statutes of Nevada 2007, at pages 3386-87).

A REGULATION relating to taxation; providing for the interpretation of certain tax exemptions and abatements based upon the use of energy; and providing other matters properly relating thereto.

Section 1. Chapter 360 of NAC is hereby amended by adding thereto a new section to read as follows:

For the purposes of:

1. Subsection 5 of section 15 of chapter 539, Statutes of Nevada 2007, the Department shall interpret the term:

(a) “Building” to mean a building or other structure that:

- (1) Meets the requirements of paragraphs (a), (b) and (c) of that subsection; and*
 - (2) Is described in the application for registration of the construction project with the Office of Energy for the purpose of obtaining the tax exemption provided pursuant to paragraph (d) of subsection 1 of NRS 374.307, as amended by chapter 2, Statutes of Nevada 2005, 22nd Special Session, at page 71,*
- ↳ other than any building or other structure for which the principal use is as a residential dwelling for not more than four families.*

(b) “Construction contract” to mean:

(1) A contract between an owner of real property and a contractor which:

(I) Defines their respective roles and responsibilities for the construction of a project on the property;

(II) Establishes the scope of work, the amount of money to be paid to the contractor and the allowable time for the duration of the contract; and

(III) Describes laws and ordinances that apply to the project; or

(2) Any writing that evidences the terms and conditions of a project constructed by the owner of the project or by an affiliate or subsidiary of the owner.

(c) “Preconstruction contract” to mean a written and executed agreement that:

(1) Precedes construction or the execution of a construction contract;

(2) Is entered into for the purpose of project financing or engineering, design, architectural, cost-estimating, labor, demolition or subcontracting services; and

(3) Evidences a commitment to construct a project for which a partial tax abatement is sought.

(d) “Used in the construction of a building” to mean attached to or incorporated into a building by a contractor in the performance of a construction contract in such a manner as to:

(1) Become an integral or inseparable part of the building; or

(2) Become a fixture to the building.

2. Section 15.5 of chapter 539, Statutes of Nevada 2007, the Department shall interpret the term “building or other structure” to mean a building or other structure that:

(a) Meets the requirements of paragraphs (a), (b) and (c) of subsection 1 of that section; and

(b) Is described in the application for registration of the construction project with the Office of Energy for the purpose of obtaining the partial abatement of taxes provided pursuant to the former provisions of NRS 361.0775,

↳ other than any building or other structure for which the principal use is as a residential dwelling for not more than four families.