

**PROPOSED REGULATION OF  
THE NEVADA TAX COMMISSION**

**LCB File No. R140-07**

November 30, 2007

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

AUTHORITY: §§1-4, NRS 360.090 and 360.247.

A REGULATION relating to taxation; providing for the consideration of proprietary or confidential information of a taxpayer by the Nevada Tax Commission in a hearing which is closed to the public; and providing other matters properly relating thereto.

**Section 1.** Chapter 360 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.

**Sec. 2.** *For the purposes of NRS 360.247 and section 3 of this regulation, the Commission interprets the term “trade secret” to have the meaning ascribed to it in NRS 600A.030.*

**Sec. 3. 1.** *A taxpayer may request a closed hearing by submitting the request in writing to the Commission:*

*(a) Not later than 14 calendar days before the date of the hearing; or*

*(b) If authorized by the Director for good cause shown, not later than 5 calendar days before the date of the hearing.*

**2.** *A request for a closed hearing must include:*

*(a) A list or summary of the information the taxpayer alleges to be proprietary or confidential information, which may include bank records, financial statements, customer*

*lists, vendor lists, trade secrets and unique business practices of the taxpayer, and any other information the taxpayer considers to be proprietary or confidential information; and*

*(b) A short statement explaining how the information alleged by the taxpayer to be proprietary or confidential information qualifies as such pursuant to NRS 360.247.*

*3. If the Commission receives a request for a closed hearing in accordance with the provisions of this section, the Commission will:*

*(a) Indicate on its written agenda that the taxpayer has requested a closed hearing; and*

*(b) Hold and protect the information included in the request and any information included in any briefs filed in the pertinent appeal, including any supporting materials and exhibits, in accordance with any applicable laws pertaining to the confidentiality of that information.*

*4. If a taxpayer submits a request for a closed hearing pursuant to:*

*(a) Paragraph (a) of subsection 1, the Department may, not later than 5 calendar days before the date of the hearing; or*

*(b) Paragraph (b) of subsection 1, the Department may, not later than 3 calendar days before the date of the hearing,*

*↪ file a written objection to the request with the Commission and serve a copy of the objection upon the taxpayer or his authorized representative.*

*5. In a closed hearing, the Commission:*

*(a) May receive testimony from the taxpayer and other witnesses regarding the information the taxpayer alleges to be proprietary or confidential information; and*

*(b) Must determine by a majority vote of a quorum of its members whether that information qualifies as proprietary or confidential information pursuant to NRS 360.247. If the Commission determines that any of that information qualifies as proprietary or*

*confidential information pursuant to NRS 360.247, the Commission may continue to hold a closed hearing regarding that proprietary or confidential information until the Commission determines that the proprietary or confidential information has been adequately discussed within the context of the appeal.*

*6. A taxpayer who fails to submit a request for a closed hearing in accordance with the provisions of this section shall be deemed to have waived his right to request a closed hearing. The provisions of this section do not affect the right of a taxpayer or his agent to request a continuance of any hearing on an appeal by the taxpayer.*

*7. As used in this section, “closed hearing” means a hearing before the Commission which is closed to the public pursuant to NRS 360.247.*

**Sec. 4.** NAC 360.043 is hereby amended to read as follows:

360.043 1. *The provisions of* NAC 360.043 to 360.200, inclusive ~~[ ]~~, *and sections 2 and 3 of this regulation:*

(a) ~~[Governs]~~ *Govern* the practice and procedure in contested cases before the Commission and Department.

(b) ~~[Governs]~~ *Govern* all practice and procedure before the Commission or Department under titles 31 and 32 of NRS.

(c) Will be liberally construed to secure the just, speedy and economical determination of all issues presented to the Commission or Department.

2. In special cases, where good cause appears, not contrary to statute, deviation from these rules, if stipulated to by all parties of record, will be permitted.