

**PROPOSED REGULATION OF THE  
NEVADA TAX COMMISSION**

**LCB File No. R129-13**

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

AUTHORITY: §1, NRS 360.090 and 372.725.

A REGULATION relating to taxation; providing for the application of sales and use taxes when a vehicle dealer loans a motor vehicle purchased for resale; and providing other matters properly relating thereto.

**Section 1.** Chapter 372 of NAC is hereby amended by thereto a new section to read as follows:

*1. Except as otherwise provided in subsection 2 and 3, if a vehicle dealer who purchases and gives a resale certificate for a motor vehicle uses or loans the motor vehicle to any person, the use of the motor vehicle is taxable to the dealer and the measure of the tax is the purchase price of the motor vehicle by the dealer.*

*2. The use described in subsection 1 is not taxable to the dealer if each loan of the motor vehicle by the dealer is:*

*(a) Exempt from taxation pursuant to NRS 372.327; or*

*(b) Made for the purpose of demonstration or display of the motor vehicle while holding it for sale in the regular course of business.*

*3. The loan of a motor vehicle by a vehicle dealer will be presumed to be made for the purpose of demonstration or display of the motor vehicle while holding it for sale in the regular course of business if:*

*(1) The motor vehicle is being operated with a special license plated issued by the Department of Motor Vehicles in accordance with NAC 482.020 through NAC 482.048 and pursuant to NRS 482.320 or NRS 482.330;*

*(2) The cumulative period of all the loans of the motor vehicle by the dealer is less than 180 days; and*

*(3) The vehicle dealer maintains, and provides to the Department of Taxation upon request, a written record which includes:*

- (a) The vehicle identification number and stock number of the motor vehicle;*
- (b) The number of the special license plate; and*
- (c) Each date on which the special license plate was displayed on the motor vehicle.*

*4. If the motor vehicle is sold following its taxable use pursuant to this section to a purchaser who receives delivery of the property within this State, the sales tax applies to the sales price of the property to the purchaser without any deduction or credit for the tax paid on the purchase price of the property by the dealer.*

*5. As used in this section:*

- (a) “Dealer” or “vehicle dealer” has the meaning ascribed to it in NRS 482.020.*
- (b) “Loan” means the gratuitous transfer of possession or control of a motor vehicle for a fixed or indeterminate term.*
- (c) “Motor vehicle” has the meaning ascribed to it in NRS 482.075.*