

# PROPOSED REGULATION OF THE DEPARTMENT OF TAXATION

## LCB File No. R059-14

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

AUTHORITY: §§1-26, 31, 35 and 36, NRS 375.015; §§27-29, NRS 375.015 and 375.030; §30, NRS 375.015 and 375.060; §32, NRS 375.015 and 375.290; §33 and 34, NRS 375.015 and 375.320; §37, NRS 375.015 and 375.023.

A REGULATION relating to taxation; revising various provisions relating to the real property transfer tax; and providing other matters properly relating thereto.

**Section 1.** Chapter 375 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 25, inclusive, of this regulation.

**Sec. 2.** *“Nominal consideration” means a consideration for the transfer of title to real property which bears no relation to the ~~current~~ market value or actual value of the real property on the date of transfer.*

**Sec. 3.** *“Trust” means an entity created in accordance with the provisions of chapter 163 of NRS for the purpose of holding real or personal property for the benefit of another person.*

**Sec. 4.** *The Department may publish a Real Property Transfer Tax Manual which may include, without limitation:*

- 1. A glossary of real estate terms which includes, without limitation, a description of interests in real property and a definition of the terms used in chapter 375 of NRS;*
- 2. A compilation of current, applicable and published judicial decisions and attorney general opinions concerning the taxes imposed by chapter 375 of NRS; and*

3. *Examples of the methods and standards for the collection and administration of the taxes imposed by chapter 375 of NRS.*

Sec. 5. 1. *The value of real property acquired ~~[by the holder of a mortgage or other lien on the real property]~~ pursuant to ANY ~~[a strict]~~ foreclosure action or a voluntary transfer in lieu of a foreclosure ~~[sale or a trustee's sale is the sum of:]~~ is either the consideration as defined in NAC 375.030, or, if the consideration is nominal consideration, the estimated fair market value of the real property in accordance with subsection 2 of NRS 375.010 and sections 6 through 9 of this regulation. †*

~~(a) The outstanding principal sum owed by the mortgagor or the person who held the beneficial interest in the real property before the transfer;~~

~~(b) Amounts paid by the person acquiring the real property to discharge other interests in the real property;~~

~~(c) Liens and encumbrances assumed by the person acquiring the real property; and~~

~~(d) Any amounts paid to the mortgagor or person who held the beneficial interest in the real property in order to acquire title.†~~

2. ~~†The calculation set forth in this section applies only to deeds which specify that the transfer is performed to relieve the burden of debt.†~~ For purposes of this section, “foreclosure action” means any process by which the power of sale of real property is exercised by a lender, lienholder, or by action of the court, pursuant to the requirements of Nevada law, including without limitation, Chapters 17, Judgments, 68, Judgments; 107, Deeds of Trust, 108, Statutory Liens, 116, Common-Interest Ownership; 116B, Condominium Hotel Act; 117, Condominiums; 119A, Timeshares; 125B, Obligations of Support; 353C, Collection of Debts Owed to State Agencies; 361, Property Tax; 375A, Tax

*on Estates; 375B, Generation-skipping tax; 444, Sanitation; or 463, Licensing and Control of Gaming, of Nevada Revised Statutes.*

*3. Examples of the tax base on which to compute tax imposed by Chapter 375 of NRS for transfers of title to real property pursuant to foreclosure actions or transfers in lieu of foreclosure actions include, without limitation:*

*(a) The holder of a trust deed in the amount of \$120,000 foreclosed upon the property securing the deed. At the foreclosure or trustee's sale, because of taxes and additional expenses incurred, the trustee bid \$122,500, and a trustee's deed upon sale was issued transferring the real property from the former owner to the trustee. the consideration was not deemed to be nominal consideration, there were no other outstanding liens or debts on the property, and no exemptions per nrs 375.090 were applicable. the tax on the trustee's deed is computed on the consideration as defined in nac 375.030. in this example, the consideration is the amount bid for the property plus any costs, or \$122,500.*

*(b) For a full purchase price of \$500,000, "A" conveys to "B" land on which there is an outstanding encumbrance of \$410,000 at the time of sale. The consideration, as defined in NAC 375.030, is the sum of the amount paid of \$500,000 plus the amount remaining unpaid at the time of the transfer of the real property of \$410,000 for total consideration of \$910,000. The consideration was not deemed to be nominal consideration and no exemptions per NRS 375.090 were applicable. The tax is computed based on a taxable value of \$910,000.*

*(c) The owner of a property subject to a homeowners association (HOA) organized pursuant to chapter 117 of NRS owes \$5,000 for past due HOA fees. The property is also subject to a mortgage with a balance of \$400,000. The HOA foreclosed on the property. The estimated fair market value at the time of the HOA sale was \$399,000. The HOA bid \$5,500 at*

*the sale representing the past due fees of \$5,000 plus costs of \$500. A deed was recorded transferring the property from the former owner to the HOA. The consideration, as defined in NAC 375.030, is the bid amount of \$5,500 plus the amount remaining unpaid at the time of the transfer of the real property of \$400,000. No exemptions per NRS 375.090 were applicable. The tax is computed based on a taxable value of \$405,500.*

*(d) The owner of a property failed to pay the property taxes on the property. The County Treasurer and other county officers performed the duties required by NRS chapter 361 regarding delinquencies, redemptions, and sale. at the conclusion of the delinquency process, the property was sold to the highest bidder by the county treasurer. The successful bidder offered \$10,000 plus costs of \$200. The bid of \$10,000 was not deemed nominal consideration. There was an outstanding mechanics lien of \$700 on the property that was to be paid from the proceeds. No exemptions per NRS 375.090 were applicable. To complete the process, the County Treasurer paid the outstanding mechanics lien in the amount of \$700, applied \$4,000 to the bill for outstanding property taxes, penalties and interest, retained \$200 for costs, and remitted the remaining \$5,300 to the former owner. The County Treasurer executed and recorded a deed to the successful bidder. The consideration as defined in NAC 375.030 is the amount paid of \$10,200. The mechanics lien was released and therefore, the property was not taken subject to the mechanics lien. Therefore, the mechanics lien is not part of consideration as defined in NAC 375.030. The real property transfer tax is based on the \$10,000 bid for the property plus the costs of \$200, for a total of \$10,200.*

*(e) "A" owned property valued at \$300,000. "A" owed Mortgage Company XYZ \$350,000 on the property representing principal, interest, fees, and costs. "A" deeded the property to Mortgage Company in lieu of foreclosure. The consideration as defined in NAC 375.030 is*

*the amount remaining unpaid at the time of transfer. No exemptions per NRS 375.090 were applicable. There were no other outstanding liens or debts on the property. In this case, the tax is based on \$350,000.*

*(f) "A" purchased real property from "B". The real property was encumbered by a \$50,000 lien. "A" did not formally assume liability for the encumbrance but the amount remained unpaid at the time of the transfer of the real property. "A" paid "B" \$100,000. The consideration as defined in NAC 375.030 is the sum of the \$100,000 amount paid and the \$50,000 amount remaining unpaid at the time of the transfer for a total of \$150,000. The consideration was not deemed to be nominal consideration, there were no other outstanding liens or debts on the property and no exemptions per NRS 375.090 were applicable. The tax is computed based on a taxable value of \$150,000.*

*(g) "A" owned a home worth \$250,000. "A" has a first mortgage on the home with a current balance of \$200,000. "A" has a second mortgage on the home with a balance of \$75,000. A buyer is located that is willing to buy the home for \$250,000. The holders of the first and second mortgage AGREE NOT TO seek recovery from "A" for the deficiency of \$25,000. The consideration as defined in NAC 375.030 is the amount paid plus any other amount remaining unpaid at the time of the transfer. The tax should be computed based on a taxable value of \$250,000.*

**Sec. 6. 1.** *If the value of real property which is stated in a declaration of value submitted pursuant to NRS 375.060 reflects nominal consideration or if no value is stated, the county recorder shall determine the estimated fair market value of the real property in accordance with subsection 2 of NRS 375.010.*

**2.** *For the purposes of subsection 2 of NRS 375.010, if:*

*(a) The real property being transferred pursuant to the deed or land sale installment contract is a common element being transferred to or from a community association;*

*(b) The value stated in the declaration of value reflects nominal consideration or no value is stated; and*

*(c) The taxable value of the real property is allocated to community units pursuant to NRS 361.233,*

*□□the assessor's taxable value of the real property is the sum of the portions of the taxable value allocated to each community unit.*

*3. As used in this section:*

*(a) "Common element" has the meaning ascribed to it in NRS 361.233.*

*(b) "Community association" has the meaning ascribed to it in NRS 361.233.*

*(c) "Community unit" has the meaning ascribed to it in NRS 361.233.*

*Sec. 7. 1. Except as otherwise provided in this section, a county recorder may determine whether a value stated in a declaration of value submitted pursuant to NRS 375.060 reflects nominal consideration by dividing the ~~purchase price~~ CONSIDERATION, AS DEFINED IN NAC 375.030, FOR ACQUISITION of the real property, ~~as determined pursuant to section 8 of this regulation,~~ by an estimate of the fair market value of the real property, as determined pursuant to section ~~9~~ 8 of this regulation. If the resulting figure is 0.30 or less, a rebuttable presumption is created that the value reflects nominal consideration.*

~~2. [A county recorder may not use the calculation set forth in subsection 1 to determine whether a value stated in a declaration of value reflects nominal consideration if the value is for property consisting solely of water rights or timber rights.]~~

~~3.] A person liable for the taxes imposed pursuant to chapter 375 of NRS may rebut the presumption created pursuant to subsection 1 by providing evidence sufficient to demonstrate that the value stated in the declaration of value is the estimated fair market value of the real property. Such evidence may include, without limitation, an appraisal or certified market analysis of the real property which is performed by an appraiser who is authorized to perform appraisals in this State.~~

~~Sec. 8. [For the purposes of the calculation set forth in subsection 1 of section 7 of this regulation, the purchase price of the real property is the sum of the following amounts:~~

~~1. The total cash equivalent purchase price for the real property;~~

~~2. The amount of debt assumed by the buyer; and~~

~~3. If the sale of the real property is a short sale and the amount of debt forgiven pursuant to the short sale must be reported as income on the federal income tax return of the mortgagor or person who held the beneficial interest in the property, the amount of debt forgiven.~~

~~Sec. 9.] 1. Except as otherwise provided in this section, for the purposes of the calculation set forth in subsection 1 of section 7 of this regulation, the estimate of the fair market value of the real property is the taxable value of the real property stated on the assessment roll published pursuant to subsection 1 of NRS 361.310 or on the tax roll equalized by the State Board of Equalization pursuant to subsection 1 of NRS 361.395,~~

*whichever is most current, except the taxable value established for properties enumerated in NRS Chapter 361A. The taxable value must be adjusted to reflect any partial interest being transferred.*

*2. If the value stated in the declaration of value is for real property of an interstate or intercounty nature which is assessed pursuant to NRS 361.320, the county recorder may request from the Department an estimate of the portion of the taxable value determined pursuant to NRS 361.320 which represents real property. For the purposes of the calculation set forth in subsection 1 of section 7 of this regulation, the county recorder shall determine the fair market value of real property based on the estimate of the portion of the taxable value which represents real property which was provided by the Department pursuant to this subsection.*

*3. If the taxable value pursuant to subsection 1 or 2 of this section is not available or the taxable value does not approximate fair market value, the county recorder may consider other indicators or value, including but not limited to, an appraisal or certified market analysis of the real property which is performed by an appraiser who is authorized to perform appraisals in this State.*

*4. Examples of the tax base on which to compute tax imposed by Chapter 375 of NRS for transfers of title to real property based on the estimated fair market value of the real property in accordance with subsection 2 of NRS 375.010 include, without limitation:*

*(a) "A" transferred real property to "B" as a gift, with no consideration. No exemptions per NRS 375.090 were applicable. The real property consisted of land and improvements with a total taxable value of \$250,000 based on the county assessor records.*

*The taxpayer did not provide any evidence to rebut the presumption of estimated fair market value. The real property transfer tax is computed based on a value of \$250,000.*

*(b) “A” transferred real property to “B” for consideration of \$50,000. No exemptions per NRS 375.090 were applicable. The real property consisted of land and improvements with a total taxable value of \$250,000 based on the county assessor records. The nominal value test per section 7 of this regulation reveals that the consideration of \$50,000 divided by the estimated market value of \$250,000 is 0.20, which is less than the .30 threshold. A rebuttable presumption is created that the consideration is nominal consideration and therefore, the base for the real property transfer tax would be computed pursuant to subsection 2 of NRS 375.010. The taxpayer, however, provided evidence that the home on the property burned down between the lien date of the last assessment roll and the transfer to “B”. Further analysis of the county assessor taxable value reveals that \$49,000 represented taxable value for the land and \$201,000 represented taxable value for improvements, including the home that burned down. The information rebuts the presumption that real property transfer tax should be based on estimated fair market value pursuant to subsection 2 of NRS 375.010. Therefore, real property transfer tax is based on the consideration of \$50,000.*

*(c) “A” owned water rights not presently associated with a particular parcel of land. “A” sold the water rights to “B” for \$300,000. The water rights are not separately assessed for property tax purposes in the county assessor’s office, therefore, a taxable value of the water rights is not available. Similar water rights have sold for \$200,000. The nominal value test per section 7 of this regulation reveals that the consideration of \$300,000 divided by the estimated market value of \$200,000 is 1.5. This is above the .30 threshold, therefore*

*nominal consideration is not applicable to the transaction. No exemptions per NRS 375.090 were applicable. No other liens or encumbrances exist. Therefore, real property transfer tax is based on the consideration of \$300,000.*

*(d) "A" sold land and mineral rights originally acquired as patented mining claims. There have been no parcel maps or other changes to the legal descriptions. "B" paid "A" \$700,000 for the land and mineral rights legally described as patented mining claims. The taxable value for the patented mining claims per the county assessor's records was \$200,000, representing only the surface estate value and not the mineral estate value. The declaration of value submitted by the taxpayer claims that the value for purposes of calculating real property transfer tax is \$150,000 and that the remaining \$550,000 of consideration paid for the claims is for the mineral estate and thus not taxable for real property transfer tax purposes. The nominal consideration test pursuant to subsection 7 of this regulation is not applicable because the claimed consideration of \$150,000 divided by the taxable value of \$200,000 is above the 0.30 threshold. Therefore, real property transfer tax should be based on the consideration of \$150,000. The consideration paid for the mineral estate is not taxable for real property transfer tax purposes pursuant to NRS 375.010.*

*(e) "A" owns land upon which standing timber exists. "A" agrees to sell the timber on a portion of the land to "B". Pursuant to the agreement, "B" cuts the timber and ownership to the timber passes to "B" as the timber is cut. "B" pays "A" \$100,000 under the agreement. Real property transfer tax is based on the consideration of \$100,000.*

*(f) "A" sells land used for agriculture to "B" for \$250,000. "A" previously applied for and was granted deferral of property taxes pursuant to chapter 361A of NRS. The taxable*

*value based on county assessor records was \$50,000. Nominal consideration is not applicable and real property transfer tax should be based on the consideration of \$250,000.*

*Sec. ~~H0~~9. A person claiming that a transfer, assignment or other conveyance of real property is exempt from taxation pursuant to NRS 375.090 has the burden of establishing to the satisfaction of the county recorder that the transfer, assignment or conveyance qualifies for the claimed exemption.*

*~~Sec. 11. 1.—For the purposes of subsection 1 of NRS 375.090, a business entity includes, without limitation, a corporation, any type of partnership, a limited-liability company and a sole proprietorship.~~*

*~~2.—A transfer of real property from one business entity to another business entity is exempt from taxation pursuant to subsection 1 of NRS 375.090 if, after the transfer, the owners of the business entity that is the grantor own the same pro rata share of the real property as they owned before the transfer. If a transfer of real property results in the owners of the business entity that is the grantor having a different proportional ownership interest in the real property after the transfer, the transfer is subject to the tax imposed by chapter 375 of NRS.~~*

*~~3.—A transfer of real property is exempt from taxation pursuant to subsection 1 of NRS 375.090 if, for the purposes of federal income tax, the transfer does not involve the recognition of gain or loss pursuant to 26 U.S.C. § 368(a)(1)(F) and 26 C.F.R. § 1.368-1. In determining whether a transfer of real property does not involve the recognition of gain or loss for the purposes of federal income tax, the laws, regulations, bulletins, technical memoranda and letter rulings governing the federal income tax, as interpreted by the courts, must be considered. If a determination is~~*

~~made that a transfer of real property does not involve the recognition of gain or loss for the purposes of federal income tax, the transfer is exempt from the taxes imposed by chapter 375 of NRS.~~

~~4.—A person who claims an exemption from taxation pursuant to this section and subsection 1 of NRS 375.090 shall provide to the county recorder documents which are sufficient to show the organization of each business entity before and after the change in identity, form or place of organization. Documents which fulfill the requirements of this subsection include, without limitation, signed and acknowledged, as applicable:~~

~~(a) Articles of incorporation;~~

~~(b) Partnership agreements;~~

~~(c) Operating agreements;~~

~~(d) Resolutions and minutes of meetings of boards of directors;~~

~~(e) Minutes of meetings of shareholders;~~

~~(f) A plan of reorganization with adoption of the plan evidenced by the acts of persons authorized to act on behalf of the business entity and by the appearance of the plan in the official records of the business entity; and~~

~~(g) Any other similar documents.~~

~~5.—A business entity claiming exemption from taxation pursuant to subsection 1 of NRS shall submit to the county recorder with the declaration of value required pursuant to NRS 375.060 an affidavit signed by a representative of the business entity transferring the real property which includes, without limitation:~~

~~(a) A statement that the transfer is eligible for exemption from taxation pursuant to subsection 1 of NRS 375.090;~~

~~(b) A statement that the business entity has complied with the requirements of this section;~~

~~(c) A description of the change in identity, form or place of organization; and~~

~~(d) A statement that the transfer does not constitute a taxable sale of assets or affairs.~~

~~6.—Each county recorder shall administer the provisions of this section and subsection 1 of NRS 375.090 in a manner which will impose the taxes set forth in chapter 375 of NRS when a transfer of real property involving a business entity is structured to avoid the payment of those taxes.~~

~~7.—The following are examples of the applicability of the taxes imposed by chapter 375 of NRS:~~

~~(a) “A” and “B” are equal partners in “AB” general partnership. One of the assets of “AB” is real estate that A and B contributed to the partnership but own in their individual names. “A” and “B” want to convert their general partnership to a limited partnership known as “AB, LP.” “A” and “B” create a limited-liability company and the limited-liability company will own a 1 percent general partner interest in “AB, LP.” “A” and “B” will each own a 49.5 percent limited partner interest in “AB, LP.” “A” and “B” convert “AB” into “AB, LP” so that “AB” ceases to exist and “AB, LP” is the surviving entity. As a result of the conversion, “AB” has changed its form of business organization from a general partnership to a limited partnership. Further, ownership of the business has not changed since “A” and “B” were equal owners of “AB” and are equal owners of “AB, LP” through their equal ownership of the limited-liability company and their equal limited partnership~~

~~interests in “AB, LP.” After the conversion, “A” and “B” prepare a deed, which transfers the real property from “A” and “B,” individually, and “AB” to “AB, LP.” The deed is taxable because the real property was owned by “A” and “B” individually. Legal title was never transferred to “AB.” Therefore, the deed effectuates a transfer of title to the real property from “A” and “B,” individually, to “AB, LP.” “AB” is merely joining in the deed. A document that transfers title to real property from individuals to business entities is taxable.~~

~~(b) Assume the same facts as in paragraph (a), except that “AB” purchased the real property with partnership funds and titled the real property in the name of “AB.” Because “AB,” the general partnership, holds title to the real estate and because the deed merely confirms the ownership of the real property by “AB, LP” after the conversion from “AB” to “AB, LP,” the deed is not taxable.~~

~~Sec. 12.—1.—The exemption from taxation which is set forth in subsection 2 of NRS 375.090 is not applicable when real property is transferred from the United States, any territory or state or any agency, department, instrumentality or political subdivision thereof to a person or entity other than the United States, any territory or state or any agency, department, instrumentality or political subdivision thereof.~~

~~2.—A transfer of title is exempt from taxation pursuant to subsection 2 of NRS 375.090 only if:~~

~~(a) The entity to which title is being transferred is listed in the Redbook or any other list of agencies, departments, instrumentalities or political subdivisions of the United States or any territory or state thereof which is prepared by the Department; or~~

~~(b) The entity to which title is being transferred satisfies the criteria set forth in subsection 4.~~

~~3. The Department will publish on its website a list of typical political subdivisions in this State.~~

~~4. For the purposes of subsection 2 of NRS 375.090:~~

~~(a) An entity is an instrumentality or political subdivision of this State if the entity is included in the Redbook or if the entity is a local government.~~

~~(b) An entity is an agency, department, instrumentality or political subdivision of another state if the entity is organized in a manner similar to the manner in which an agency, department, instrumentality or political subdivision of this State is organized.~~

~~(c) An entity is an agency, department, instrumentality or political subdivision of the United States if:~~

~~(1) The activities of the entity are within the authority of its enabling legislation, as enacted by Congress;~~

~~(2) The entity is not engaged in commercial activity for the private profit of its owners or members, other than the Federal Government;~~

~~(3) The Federal Government holds all, or substantially all, of the ownership of the entity;~~

~~(4) The Federal Government or its appointees directly controls the activities of the entity;~~

~~(5) The Federal Government contributes significant financial aid to the entity, either at the inception of the entity or as the entity operates; and~~

~~(6) Congress intended the entity to be immune from taxation.~~

~~5.—Documents or information submitted to show that a transfer of title is exempt from taxation pursuant to subsection 2 of NRS 375.090 may include, without limitation:~~

~~(a) A copy of the Redbook which indicates that the entity to which title is being transferred is listed in the Redbook; or~~

~~(b) Any other official list of agencies, departments, instrumentalities or political subdivisions of the United States, or any territory or state thereof, which indicates that the entity to which title is being transferred is the United States, any territory or state or any agency, department, instrumentality or political subdivision thereof.~~

~~6.—As used in this section:~~

~~(a) “Local government” has the meaning ascribed to it in NRS 354.474.~~

~~(b) “Redbook” means the Property Tax Rates for Nevada Local Governments published by the Department.~~

~~Sec. 13.—1.—A transfer of title is exempt from taxation pursuant to subsection 3 of NRS 375.90 if:~~

~~(a) The grantee holds title to the real property interest described in the deed under a previous deed;~~

~~(b) The deed is made solely for the purpose of making the legal title of the grantee sure and unavoidable; and~~

~~(c) The grantor has no interest in the real property being transferred or the grantor received his or her interest pursuant to a document that is void from its inception.~~

~~2.—Documents or information submitted to show that a transfer of title is exempt from taxation pursuant to subsection 3 of NRS 375.090 must include the document recording number of the previous deed to which the true status of title is being compared and may include, without limitation:~~

~~(a) Contracts of sale with proof that the taxes imposed pursuant to chapter 375 of NRS have been paid.~~

~~(b) Land exchange agreements, qualified intermediary agreements and contracts written to effect a tax free exchange of real property pursuant to 26 U.S.C. § 1031 along with proof that the taxes imposed by chapter 375 of NRS were paid on a previous deed.~~

~~(c) Agency agreements between an agent and his or her principal.~~

~~(d) Documents governing the merger of one or more business entities.~~

~~(e) Proof of marriage or domestic partnership, which may include, without limitation, a copy of the marriage certificate, the Certificate of Registered Domestic Partnership issued by the Secretary of State pursuant to NRS 122A.100 or the recording or registration number of such certificate.~~

~~(f) In the case of a deed correcting an error in the grantee or property indicated in a previously recorded document, a purchase agreement showing the intended grantee and property.~~

~~(g) Documents governing the development of property which indicate that the transfer of common elements to a common-interest community are required.~~

~~3.—If a dealer or declarant transfers legal title to a common element to a community association, the beneficial interest in the common element was previously conveyed to the owners of units and the dealer or declarant is not reserving developmental rights, the county~~

~~recorder may consider whether the transfer is exempt from taxation pursuant to subsection 3 of NRS 375.090. The beneficial interest in a common element has been conveyed to the owners of units if:~~

~~(a) The purchase agreements signed by the owners of units indicate that the purchase includes an interest in the common element; or~~

~~(b) The declaration indicates that a beneficial interest in the common element has been transferred to the owners of units.~~

~~4.—If a dealer or declarant has reserved developmental rights to a common element and the common element is subsequently transferred to the community association, the transfer is subject to the taxes imposed by chapter 375 of NRS.~~

~~5.—Examples of transfers of title to real property which are exempt from taxation pursuant to subsection 3 of NRS 375.090 include, without limitation:~~

~~(a) A transfer of title to real property subject to a right of survivorship to reflect a transfer of title to the real property by operation of law pursuant to the right of survivorship.~~

~~(b) A curative water rights deed, whether conveying only water rights or both water rights and the appurtenant land, dated before January 1, 1995.~~

~~(c) A transfer of water rights if the deed is to clarify a chain of title previously recorded in a county or filed with the State Engineer, whether the water rights are conveyed with or severed from the land to which it is appurtenant. If no supporting deed specifically including water rights or all appurtenances can be presented to the recorder at the time of recording, the transfer is subject to the taxes imposed by chapter 375 of NRS.~~

~~(d) A transfer of title to real property to reflect a change in marital status or domestic partnership.~~

~~(e) A deed to correct errors in a previously recorded document.~~

~~(f) Change in vesting as a joint tenant or tenants in common.~~

~~(g) A name change or correction.~~

~~(h) Completion of the terms of a contract for sale with title vesting in the equitable owner, if the taxes imposed pursuant to chapter 375 of NRS were paid when the contract for sale was recorded.~~

~~(i) A conveyance from an agent to his or her principal within 180 days after the transfer to the agent, if the tax was paid upon the transfer to the agent, including, without limitation, a transfer to complete a tax free exchange pursuant to 26 U.S.C. § 1031.~~

~~(j) A merger or consolidation.~~

~~6. As used in this section:~~

~~(a) "Common element" has the meaning ascribed to it in NRS 361.233.~~

~~(b) "Common-interest community" has the meaning ascribed to it in NRS 361.233.~~

~~(c) "Community association" has the meaning ascribed to it in NRS 361.233.~~

~~(d) "Dealer" has the meaning ascribed to it in NRS 116.033.~~

~~(e) "Declarant" has the meaning ascribed to it in NRS 116.035.~~

~~(f) "Declaration" has the meaning ascribed to it in NRS 116.037.~~

~~(g) "Developmental rights" has the meaning ascribed to it in NRS 116.039.~~

~~(h) "Unit" has the meaning ascribed to it in NRS 116.093.~~

~~Sec. 14. 1. The exemption from taxation which is set forth in subsection 4 of NRS 375.090 applies only to a transfer among existing joint tenants or tenants in common and does~~

~~not apply to a transfer to a person who is not an existing joint tenant or tenant in common with respect to the real property.~~

~~2.—Documents or information submitted to show that a transfer of title is exempt from taxation pursuant to subsection 4 of NRS 375.090 must include the document number of the deed which created the joint tenancy or tenancy in common.~~

~~Sec. 15.—1.—Except as otherwise provided in subsection 2, if a person is claiming that a transfer, assignment or other conveyance of real property is exempt from taxation pursuant to subsection 5 of NRS 375.090 and the deed does not indicate that the owner of the real property is related within the first degree of lineal consanguinity or affinity to the person to whom the real property is being transferred, assigned or otherwise conveyed, the person must submit to the county recorder with the declaration of value documents which are sufficient to indicate that the person is entitled to the exemption. Such documents may include, without limitation:~~

~~(a) Proof of marriage, which may include, without limitation, a marriage certificate, or the recording or registration number of the certificate, which indicates that the owner of the real property is married to the person to whom the real property is being transferred, assigned or otherwise conveyed.~~

~~(b) A birth certificate indicating the relationship of parent and child between the owner of the real property and the person to whom the real property is being transferred, assigned or otherwise conveyed.~~

~~(c) An order or decree of adoption issued by a court indicating the relationship of parent and child between the owner of the real property and the person to whom the real property is being transferred, assigned or otherwise conveyed.~~

~~(d) Proof of marriage, which may include, without limitation, a marriage certificate, or the recording or registration number of the certificate, and a birth certificate indicating the relationship of stepchild and stepparent between the owner of the real property and the person to whom the real property is being transferred, assigned or otherwise conveyed.~~

~~(e) A Certificate of Registered Domestic Partnership issued by the Secretary of State pursuant to NRS 122A.100 indicating the relationship of domestic partners between the owner of the real property and the person to whom the real property is being transferred, assigned or otherwise conveyed.~~

~~2.—If the county recorder or his or her designee has personal knowledge of the parties to the transaction, the county recorder may waive the requirements of subsection 1. If, pursuant to this subsection, the county recorder or his or her designee waives the requirements of subsection 1, the county recorder or his or her designee shall state on the declaration of value that he or she has personal knowledge of the parties.~~

~~3.—The exemption from taxation which is set forth in subsection 5 of NRS 375.090 applies only to transfers, assignments or other conveyances of real property between natural persons and does not apply to a transfer, assignment or other conveyance of real property from or to a trust or business entity.~~

~~4.—As used in this section:~~

~~(a) “Affinity” means spouses, domestic partners or the relation that one spouse or domestic partner has to the blood relatives of the other spouse or domestic partner, including, without limitation, the relationships of stepparent and stepchild and parent-in-law and child-in-law.~~

~~(b) “Domestic partners” has the meaning ascribed to it in NRS 122A.030.~~

~~(c) “Lineal consanguinity” means the relationship between persons who are directly descended or ascended from one another, including, without limitation, the relationships of natural parent and natural child and adoptive parent and adopted child.~~

~~Sec. 16.—Documents or information submitted to show that a transfer of title is exempt from taxation pursuant to subsection 6 of NRS 375.090 must include:~~

~~1.—A judgment or decree of divorce issued by a court; or~~

~~2.—A judgment, decree or settlement agreement concerning property rights issued or approved by a court.~~

~~Sec. 17.—Documents or information submitted to show that a transfer of title is exempt from taxation pursuant to subsection 7 of NRS 375.090 may include, without limitation, a copy of any document creating the trust or a certification of trust as set forth in NRS 164.400.~~

~~Sec. 18.—Documents or information submitted to show that a transfer, assignment or conveyance is exempt from taxation pursuant to subsection 8 of NRS 375.090 may include, without limitation:~~

~~1.—United States Bureau of Land Management mineral title plats indicating that the mining claim has not been patented; and~~

~~2.—Previously recorded unpatented mining claim documents or the recording numbers thereof.~~

~~Sec. 19.—1.—A transfer, assignment or other conveyance of real property is exempt from taxation pursuant to subsection 9 of NRS 375.090 only if:~~

~~(a) The grantor owns 100 percent of the grantee; and~~

~~(b) The transfer is not from a corporation or business organization to a natural person.~~

~~2.—Documents or information submitted to show that a transfer, assignment or other conveyance of real property is exempt from taxation pursuant to subsection 9 of NRS 375.090 must include documents which indicate that 100 percent of the grantee is owned by the grantor. Examples of such documents include, without limitation, signed and acknowledged:~~

~~(a) Federal income tax returns of the grantee;~~

~~(b) Operating agreement of the grantee;~~

~~(c) Articles of incorporation of the grantee; or~~

~~(d) Corporate bylaws or stock agreements of the grantee.~~

~~3.—Examples of transfers, assignments or other conveyances of real property which are exempt from taxation pursuant to subsection 9 of NRS 375.090 include, without limitation:~~

~~(a) A transfer, assignment or other conveyance of real property from an individual to a corporation or business organization of which the individual owns 100 percent.~~

~~(b) A transfer, assignment or other conveyance of real property from a limited liability company to another limited liability company of which the transferring limited liability company owns 100 percent.~~

~~Sec. 20.—The exemption from taxation which is set forth in subsection 10 of NRS 375.090 applies only to the deed upon the death of the grantor pursuant to section 12 of Senate Bill No. 88, chapter 258, Statutes of Nevada 2011, at page 1348 (NRS 111.671). Upon the recording of a Death of Grantor Affidavit pursuant to section 25.5 of Senate Bill No. 88, chapter 258, Statutes of Nevada 2011, at page 1352 (NRS 111.699), the taxes imposed pursuant to chapter 375 of NRS are due.~~

~~Sec. 21.—Documents or information submitted to show that the making, delivery or filing of a conveyance of real property is exempt from taxation pursuant to subsection 11 of NRS 375.90 must include an order of a bankruptcy court or a receivership summary which states the case number of the bankruptcy or receivership, is signed by the judge presiding over the bankruptcy or receivership case and requires the conveyance of the real property being conveyed.~~

~~Sec. 22.—Documents or information submitted to show that a transfer is exempt from taxation pursuant to subsection 12 of NRS 375.090, as amended by section 31 of Senate Bill No. 88, chapter 258, Statutes of Nevada 2011, at page 1354, may include, without limitation:~~

~~1.—Articles of incorporation which indicate that the grantee is a nonprofit corporation, association or institution or a charitable organization that is:~~

~~(a) Organized and operated exclusively for the purpose of supporting one or more kindergartens, elementary schools, junior high or middle schools or high schools, or any combination thereof; and~~

~~(b) Formed pursuant to the laws of this State.~~

~~2.—A letter from the Internal Revenue Service stating that the grantee is exempt from taxation pursuant to 26 U.S.C. § 501(c)(3).~~

~~Sec. 23.—Documents or information submitted to show that a transfer is exempt from taxation pursuant to subsection 13 of NRS 375.090, as amended by section 31 of Senate Bill No. 88, chapter 258, Statutes of Nevada 2011, at page 1354, may include, without limitation:~~

~~1.—Articles of incorporation which indicate that the grantee is a nonprofit corporation, association or institution or a charitable organization that is:~~

~~(a) Organized and operated primarily for the purpose of fundraising in support of a university, state college or a community college; and~~

~~(b) Formed pursuant to the laws of this State.~~

~~2.—A letter from the Internal Revenue Service stating that the grantee is exempt from taxation pursuant to 26 U.S.C. § 501(c)(3).~~

~~Sec. [24] 10. A notice of appeal filed pursuant to NRS 375.320 by a person who has paid the tax imposed by chapter 375 of NRS and is aggrieved by a decision of the county recorder must be on a form developed by the Department and approved by the Nevada Tax Commission.~~

~~Sec. [25] 11. 1. A taxpayer who has paid the taxes imposed pursuant to chapter 375 of NRS because a deed was inadvertently recorded before the close of escrow may request a refund of the taxes paid.~~

~~2. To request a refund pursuant to subsection 1, the taxpayer must submit a request for a refund to the county recorder not later than 20 business days after the date on which the taxpayer paid the tax. The request for a refund must be accompanied by:~~

~~(a) A deed to be recorded by which the property is transferred back to the person who, before the recording of the deed, owned the property on which the tax was paid;~~

~~(b) A declaration of value which claims that the deed submitted pursuant to paragraph (a) is exempt from taxation pursuant to subsection 3 of NRS 375.090; and~~

~~(c) At least one of the following:~~

*(1) An affidavit from the title company or other agent involved in the transaction stating that the transaction has not been completed and that it was not the intent of the parties to transfer the property by the deed. The affidavit must be accompanied by an original letter signed by the taxpayer and stating that the transaction has not been completed. The letter may be submitted 5 business days after the request for a refund if a request for such an extension is submitted.*

*(2) A copy of the purchase and sales agreements, if any, and any amendments thereto, for the transaction for which the deed was inadvertently recorded.*

*(3) A copy of the closing document, if any, which provides complete details of the amounts due to and from each party to the transaction for which the deed was inadvertently recorded.*

*(4) Any other documentation which proves that the taxpayer is entitled to a refund pursuant to this section.*

*3. A county recorder who receives a request for a refund pursuant to this section shall disapprove or grant the refund not later than 30 days after receiving the information required pursuant to subsection 2.*

*4. The provisions of this section do not apply to any other type of recording error.*

**Sec. ~~26~~ 12.** NAC 375.030 is hereby amended to read as follows:

375.030 “Consideration” means ~~[that which is regarded as the equivalent or return given or suffered by one for the act or promise of another. It means the price paid for the real property transferred. The consideration can be in the form of money, or in the form of other things of value, or a combination of both.]~~ *money or anything of value, either tangible or intangible, paid or delivered, or contracted to be paid or delivered, including the*

*performance of services, in return for the transfer of real property. The term includes, without limitation:*

*1. The amount of any lien, mortgage, contract indebtedness or other encumbrance given to secure the purchase price, or any part thereof, or any other amount remaining unpaid at the time of the transfer of the real property.*

*2. The issuance of an ownership interest in a corporation, partnership, limited-liability company or any other type of entity in exchange for a transfer of real property to the entity. If the entity is a partnership, consideration includes the increase in the capital account of a partner because of the partner's transfer of real property to the partnership.*

*3. The assumption of an underlying debt on the real property by the grantee at the time of transfer.*

Sec. ~~127~~. 13. NAC 375.150 is hereby amended to read as follows:

375.150 The following examples are given to illustrate methods of determining value or the tax base on which to compute any tax imposed by chapter 375 of NRS:

~~1~~ "A," the owner of a residence, sold the residence for \$250,000. The tax is based on \$250,000, the amount paid for the property.

~~2~~ "A," the owner of certain real estate, sold it to "B" for \$144,000. "B" paid the amount of \$25,000 in cash, leaving a balance of \$119,000, and "A" gave "B" a deed to the property. The tax is computed on \$144,000, the amount paid or to be paid.

~~3. The holder of a trust deed in the amount of \$120,000 foreclosed upon the property securing the deed. At the foreclosure or trustee's sale, because of taxes and additional expenses incurred, the trustee bid \$122,500, and a trustee's deed was issued . [to the beneficiary. The beneficiary then accepted a mortgage in the amount of \$125,000 as consideration for the~~

~~retransfer of the property to the former owner. The tax on the trustee's deed should be computed on the amount bid for the property plus the amount of any liability assumed and any costs, in this example \$122,500. The deed from the beneficiary to the former owner of the property is a conveyance of realty sold, and the tax should be computed upon the amount paid, namely \$125,000.~~

~~{4.} For a full purchase price of \$500,000, "A" conveys to "B" land on which there is an encumbrance of \$410,000 at the time of sale. "A" signs a contract agreeing to pay off the encumbrance at a later date. The deed of conveyance from "A" to "B" is subject to tax on the full purchase price of \$500,000. The fact that the seller retained a contractual obligation on the property does not diminish the amount that "B" will pay {,} for the real property being transferred, \$500,000.~~

3. "A," the owner of certain real estate, sold it to "B" for a consideration of \$240,000. "B" paid the amount of \$125,000 in cash, leaving a balance due of \$115,000. "A" accepted bonds of the Home Owners' Loan Corporation for the balance of \$115,000 and gave "B" a deed to the property. The tax is based on the total purchase price of \$240,000. ~~{,} the \$125,000 in cash and the \$115,000 value of the bonds.~~

~~{5.} 4. Two corporations that do not have identical *common* ownership *and that are not a direct parent or subsidiary of one another* exchange properties ~~{worth}~~ *with an estimated fair market value of* \$450,000 each. Each transfer is taxable on the \$450,000 value. ~~{Each corporation is receiving something of value in exchange for the property it is transferring.}~~~~

~~{6.} 5. To qualify for a loan to refinance their home, a married couple adds the husband's ~~{parents}~~ *cousin* to the title, with the married couple and the husband's ~~{parents}~~ *cousin* all as joint tenants. The value of the property is \$145,000. Because the transfer to the husband's~~

~~{parents}~~ *cousin* from the wife is not exempt from the tax and the joint tenants each have a right to the whole property, the transfer is taxable on the \$145,000 value.

~~{7.}~~ 6. A couple buys a home from the ~~{Veteran's Administration}~~ *Department of Veterans Affairs* for ~~{\\$97,142.36.}~~ *\$250,000*. The transfer is taxable on the amount of purchase, ~~{\\$97,142.36.}~~ *\$250,000*.

~~{9.}~~ 7. A university foundation receives property valued at \$1,000,000. The transfer is exempt from taxation pursuant to subsection ~~{15.}~~ *13* of NRS 375.090 ~~{,}~~ *, as amended by section 31 of Senate Bill No. 88, chapter 258, Statutes of Nevada 2011, at page 1354*. The university foundation sells the property to another party in a transaction that is not exempt pursuant to NRS 375.090 for \$750,000. The second transfer is taxable on the amount of purchase, \$750,000.

~~{10.}~~ 8. A corporation owns property valued at ~~{\\$180,000.}~~ *\$1,000,000, which represents the fair market value of the property*. To refinance the property, the corporation transfers the property to one of its shareholders pursuant to the requirements of the lender. The transfer is taxable on the value of the property, ~~{\\$180,000.}~~ ~~{11.}~~ *\$1,000,000*.

~~{10.}~~ 9. "A" owns property worth ~~{\\$50,000.}~~ *\$250,000*. "B" owns property worth ~~{\\$75,000.}~~ *\$275,000*. "A" and "B" form a limited-liability company and are the only two members. "A" and "B" transfer their properties to the limited-liability company. Each transfer is taxable for the value of the properties, ~~{\\$50,000 and \$75,000.}~~ *\$250,000 and \$275,000*, respectively.

~~{12.}~~ 10. "A" and "B," who are not married, *do not have a registered domestic partnership* and *are* not related within the first degree of consanguinity ~~{,}~~ *or affinity*, own two identical properties, each worth ~~{\\$50,000.}~~ *\$200,000*, as joint tenants. "A" and "B" wish to

transfer their interest in each property to the other so that “A” owns one property as the sole owner and “B” owns the other property as the sole owner. Because “A” and “B” are giving up their respective rights in the other parcel, the transfers are made with consideration and thus each transfer is taxable for the ~~150,000~~ **200,000** value. If “A” and “B” held title to each property in 50 percent fractional interests, each transfer would be taxable for ~~75,000~~.

~~13. “A” and “B” are joint tenants of a 10-acre parcel that is worth \$150,000. “A” and “B” are not married and are not related within the first degree of consanguinity. They wish to partition the property with each receiving a 5-acre parcel in his own name. The transfer of each 5-acre parcel is taxable at a \$75,000 value. If they each owned a 50 percent fractional interest in the parcel, the transfer of each 5-acre parcel would be exempt from taxation, but if 6 acres were transferred to “A” and 4 acres were transferred to “B,” the transfer to “A” would be taxed on the value of 1 acre, \$15,000.~~

~~14.~~ **100,000.**

~~11.~~ **11.** A partnership owns real property worth ~~100,000~~ **350,000**. There is a mortgage on the property, and the partnership wishes to refinance the mortgage. As a condition of refinancing, the lender requires the property to be held in title by only one partner. The transfer from the partnership to the single partner is taxable on the entire ~~100,000~~ **350,000** value. Once the refinancing is complete, any transfer of title back to the partnership is also taxable on the entire ~~100,000~~ **350,000** value.

~~15.~~ **12.** “A” and “B” own adjoining lots. “A” agrees to buy part of “B’s” lot for \$1,500,000. To expedite the mapping requirements, “B” transfers 100 percent of his lot to “A,” but retains a contractual obligation from “A” that after all mapping and adjustments to the legal description of the lot are complete, “A” will transfer back to “B” the property outside the

purchased area. The first transfer is taxable on the \$1,500,000 amount. Because the second transfer is made without stated consideration, the transfer back to “B” of the excess area is taxable based on the *estimated* fair market value of that area ~~†~~, *calculated in accordance with subsection 2 of NRS 375.010.*

~~*†14.—A deed is given by a master in chancery, sheriff or clerk of a court for real property sold pursuant to a foreclosure or an execution on a judgment. The tax is computed on the amount bid for the real property by the purchaser plus any costs paid by the purchaser, whether the purchaser is the mortgagee, judgment creditor or any other person.†*~~

Sec. ~~†28†~~. 14. NAC 375.160 is hereby amended to read as follows:

375.160 1. The following are examples of transfers or conveyances subject to any tax imposed by chapter 375 of NRS:

~~†1.†~~(a) A conveyance of realty in exchange for other property and the conveyance of the other property, if it is realty.

~~†2.—A conveyance of realty in consideration of life maintenance. The tax is computed on the net value of the realty conveyed.~~

~~—3.—Deeds given by persons such as masters in chancery, sheriffs and clerks of court for realty sold under foreclosure or execution. The tax is computed on the amount bid for the property plus the costs if paid by the purchaser, whether the purchaser is the mortgagee, judgment creditor or any other person.~~

~~—4.†~~(b) A conveyance of realty by a judgment or decree in a condemnation proceeding under the power of eminent domain or a conveyance of property under threat of imminence of the proceeding ~~†~~

~~—5.— Conveyances to or by building and loan associations except that the tax does not apply to a conveyance of realty to a building and loan association for the purpose of securing a loan thereon, nor to the reconveyance of the realty to its owner as part of the loan transaction.~~

~~—6.—~~, unless the conveyance is exempt from taxation pursuant to NRS 375.090.

(c) A conveyance of realty to a corporation in exchange for shares of its capital stock ~~†~~

~~—7.—~~, unless the conveyance is exempt from taxation pursuant to NRS 375.090.

(d) A conveyance of realty by a ~~†corporation†~~ *business entity* in liquidation or in dissolution ~~†to its shareholders subject to the debts of the corporation except that if there are no corporate debts and the conveyance is made solely for the cancellation and retirement of the capital stock, the tax does not apply.~~

~~—8.—~~, unless the conveyance is exempt from taxation pursuant to NRS 375.090.

(e) Deeds to standing timber, patented mines and water rights ~~†~~

~~—9.—~~ *transferred separately from the appurtenances and tenements transferred with the land. A grantor's irrevocable agreement to sell timber and pass ownership to the timber as it is cut is subject to the taxes imposed by chapter 375 of NRS if the total amount of the sale is specified in the original contract. A contract to transfer ownership of timber after it has been cut and removed from the land by the grantee is not subject to the taxes imposed by chapter 375 of NRS. A contract between a timber owner and a harvester pursuant to which the harvester provides the service of cutting the timber and transporting the timber to a mill is not subject to the taxes imposed by chapter 375 of NRS if the timber owner retains ownership of the timber until the timber is delivered to and purchased by the mill.*

(f) A transfer by which a contract ~~†for deed†~~ *of sale* is recorded which sets forth the purchase price, legal description, the buyer and the seller and which provides that the buyer has

received custody of the real property and a deed will be delivered to the buyer when he fulfills his contractual obligations. If only a memorandum of such a contract is recorded, the transfer is also taxable.

*(g) A transfer from one business entity to another through intervening entities without identical common ownership or direct parent or subsidiary ownership.*

*(h) A transfer of water rights that are being or have been severed from the real property to which the water rights are or were attached which does not meet the criteria for exemption pursuant to chapter 375 of NRS.*

2. *As used in this section, “appurtenances” means:*

*(a) That which belongs to something else;*

*(b) An adjunct;*

*(c) Something which is annexed to another thing more worthy as principal and which passes as incident to it, such as a right-of-way or other easement to land;*

*(d) An out-building, barn, garden or orchard to a house or message; or*

*(e) An article adapted to the use of the property to which it is connected and which was intended to be a permanent accession to the freehold, including without limitation, a right to water.*

Sec. ~~291~~. 15. NAC 375.170 is hereby amended to read as follows:

375.170 ~~In addition to the exemptions provided by NRS 375.090, the~~ *The* following are examples of transfers or conveyances which are not subject to any tax imposed by chapter 375 of NRS:

1. ~~The reconveyance of realty, conveyed to secure a debt, upon payment of the debt.~~

~~2. A deed to or by a trustee not pursuant to a sale.~~

~~—3.1~~ A deed to confirm title already *delivered to, accepted and* vested in the grantee, such as a quitclaim deed to correct a flaw in title. *Title may not pass to another person or entity.*

~~{4.1}~~-2. A deed given by an executor in accordance with the terms of the will except that, if, by reason of a consideration passing between the devisees, one of them takes a greater share in the realty than that to which he is entitled under the will, the deed given by the executor to convey the greater share is subject to a tax computed upon the amount of the consideration ~~†~~.

~~—5.1~~ *or, if the consideration is nominal consideration, the estimated fair market value, unless the transfer is exempt from the taxes imposed by chapter 375 of NRS pursuant to NRS 375.090.*

3. A deed from an agent to his principal conveying real estate purchased for and with money of the principal. A valid agency agreement must exist between the agency and his principal. No money may be supplied by the agent.

~~{6.1}~~-4. An option or contingent agreement for the purchase of real property, ~~{or a contract for the sale of real property,}~~ if the ~~{contract}~~*option or agreement* does not vest legal title until a future event occurs.

~~{7.1}~~-5. Partition deeds, unless, for consideration, some of the parties take shares greater in value than their undivided interests, in which event a tax attaches to each deed conveying a greater share computed upon the consideration for *, or estimated fair market value of,* the excess. If, however, the parties hold title as joint tenants or tenants in common, the tax is applicable, unless another exemption applies.

~~{8.}~~ 6. Ordinary leases of real property for any term of years. If the lease is for life or in perpetuity, or if the lease is terminable at the option of the lessee only, the tax is applicable.

~~{9.} A deed executed by a debtor conveying property to a trustee for the benefit of his creditors except that when the trustee conveys the property to a creditor or sells it to any other person, the conveyance executed by him is taxable.~~

~~—{10.}~~ 7. Conveyance to a receiver of realty included in the receivership assets ~~{,}~~ *by a plan or reorganization adopted in an equity receivership proceeding involving a corporation*, and reconveyance of the realty upon the termination of the receivership ~~{,~~

~~—{11.} A deed conveying real estate situated in a foreign country.~~

~~—{12.}~~ *including, without limitation, reconveyances from the Federal Deposit Insurance Corporation.*

8. Transfer of real estate in a statutory merger *or* consolidation from a constituent ~~{corporation}~~ *business entity* to the continuing or new ~~{corporation}~~.

~~{13.} Distribution of interests in real property owned by a corporation as part of the liquidation of a corporation to the shareholders of the corporation in percentages equal to their ownership in the corporation. To receive title to his interest in the property, each shareholder must redeem his stock.~~

~~—{14.}~~ *business entity.*

9. Transfer of title in real property to a trustee in a bankruptcy proceeding pursuant to a written plan of reorganization approved by the bankruptcy court.

~~{15.}~~ 10. Transfer of real property from “A” to “A’s” trust, without consideration. ~~{“A” is trustor of the trust.~~

~~—16. Transfer of real property from “A” to “A’s” trust, without consideration. “B” is grantor on the deed and is the legal representative of “A,” the trustor of the trust.~~

~~—17. Real property is owned by “A” as trustee of the “A” Family Trust. “A” is also trustor of that trust. “A” transfers the real property to “C,” “A’s” son, without consideration.~~

~~—18.~~ **11.** A purchase agreement that is recorded which sets forth the purchase price, legal description, buyer and seller of the property, but which also provides that the transaction is not complete until the seller obtains a zoning change and the buyer has not yet received a present interest in the property.

**Sec. ~~130.~~ 16.** NAC 375.180 is hereby amended to read as follows:

375.180 1. ~~Except as otherwise provided in subsection 3, if~~ **If** a deed evidencing a transfer of title of real property is offered for recording to a county recorder, the county recorder shall require a declaration of value to be made, on a form prescribed by the Nevada Tax Commission, and personally signed under penalty of perjury by ~~the~~ **at least one** grantee ~~the~~ **or** grantor ~~or~~ **and** the agent of the grantee or grantor ~~+~~, **if the agent is acting in compliance with an agency agreement.** The declaration of value:

(a) Must contain, without limitation:

(1) The name and mailing address of ~~the~~ **at least one** grantor ~~the~~ **and at least one** grantee and the **name and address of the** business or natural person requesting the recording if ~~the~~ **a** grantor or grantee does not request the recording;

(2) A description of the use of the property;

(3) The full amount paid or to be paid for the property; ~~and~~

**(4) The date of the sale;**

**(5) The percentage of ownership transferred; and**

(6) Information concerning the possible penalties and interest that may be imposed pursuant to NRS 375.030.

*(b) At the option of the grantor and grantee, the telephone numbers of the grantor and grantee.*

*(c) If no claim for exemption from the taxes imposed by chapter 375 of NRS is being made, must contain:*

*(1) The total ~~{purchase price for the real property}~~ CONSIDERATION, AS DEFINED IN NAC 375.030, FOR THE TRANSFER, excluding any ~~{amount paid}~~ CONSIDERATION for property that is not real property ~~{and including, without limitation, any liabilities assumed}~~; and*

*(2) Verification that the reported ~~{purchase price}~~ CONSIDERATION does not include any value attributable to property that is not real property.*

*(d) May contain information regarding a claim for an exemption from the tax, including, without limitation:*

*(1) The type of exemption claimed;*

*(2) A statement explaining ~~{the reason for the claim;}~~ that the transaction qualifies for the exemption;*

*(3) A ~~{statement indicating whether or not the exemption is being applied to a partial interest in the property;}~~ list of documents presented to support the claim of exemption, if any; and*

*(4) ~~{The sales price of the property, if that information is available.}~~ A statement concerning whether consideration was given for the transfer.*

*(e) May be supplemented with attachments which list, as necessary:*

*(1) Additional assessor parcel numbers subject to the transaction; and*

*(2) Supporting documents submitted for review to support a claim of exemption*

*from the taxes imposed by chapter 375 of NRS.*

*2. The county recorder shall indicate on the declaration of value:*

*(a) Whether the county recorder used the formula set forth in section 7 of this regulation to determine whether the value stated in the declaration of value reflects nominal consideration; and*

*(b) If, based on the formula set forth in section 7 of this regulation, the county recorder determined that the value stated in the declaration of value reflects nominal consideration, whether the county recorder used the assessor's taxable value or the previous purchase price of the real property, if the previous purchase was within the 5 years immediately preceding the date of valuation, to determine the fair market value of the real property.*

3. The county recorder shall not accept an incomplete form except:

(a) If the transfer of title of real property is exempt from a tax imposed by chapter 375 of NRS, no value for the property need be declared on the form.

(b) If multiple parcels of real property are being transferred, at least one parcel must be listed on the form. If additional space is needed to list all the parcels of real property being transferred, the words "see attached" must be written next to the listed parcel number and an attachment that lists the number of each parcel being transferred must accompany the form.

~~3. If the value of the property is stated incorrectly on the declaration of value or the amount of tax is computed incorrectly, the person who pays an amount of tax which exceeds the amount due may make a claim for a refund of the amount of tax which he overpaid by completing a refund request form, which may be obtained from the office of the county~~

~~recorder of the county in which the tax is paid. The form must be signed under penalty of perjury by the person entitled to the refund or his legal representative and submitted to the county recorder of the county in which the tax is paid. If the claim is unaudited, the claim must be submitted within 6 months after the date of recording pursuant to NRS 244.250. If the claim for a refund is submitted pursuant to an audit, the claim may be submitted within 3 years after the date of recording.]~~

*4. The county recorder or his or her designee shall review the information contained in the declaration of value and shall note on the declaration of value any documents or information reviewed which substantiate any claim for exemption. The county recorder or his or her designee may list the documents or information reviewed in the designated area on the face of the declaration of value or may use the following code:*

- (a) "1" to designate a birth certificate;*
- (b) "2" to designate a marriage license or Certificate of Registered Domestic Partnership;*
- (c) "3" to designate articles of incorporation;*
- (d) "4" to designate a partnership agreement;*
- (e) "5" to designate an operating agreement for a business entity;*
- (f) "6" to designate entity information or research from the Department;*
- (g) "7" to designate a contract of sale;*
- (h) "8" to designate an agency agreement;*
- (i) "9" to designate merger documents;*
- (j) "10" to designate a last will and testament;*
- (k) "11" to designate a court order;*
- (l) "12" to designate an original vesting deed;*

- (m) "13" to designate an order or decree of adoption;*
- (n) "14" to designate a divorce decree;*
- (o) "15" to designate a property settlement agreement approved by a court;*
- (p) "16" to designate a trust document or certificate of trust;*
- (q) "17" to designate a settlement statement;*
- (r) "18" to designate MT plat or patent records;*
- (s) "19" to designate a federal corporate income tax return;*
- (t) "20" to designate the bylaws of a corporation;*
- (u) "21" to designate stock agreements;*
- (v) "22" to designate a determination by the Internal Revenue Service that a person is tax exempt pursuant to 26 U.S.C. § 501(c)(3);*
- (w) "23" to designate a qualified intermediary agreement or other documents concerning a tax free exchange pursuant to 26 U.S.C. § 1031;*
- (x) "24" to designate a land exchange agreement;*
- (y) "25" to designate a business entity affidavit;*
- (z) "26" to designate a trust certificate;*
- and (aa) "27" to designate any other document.*

*5. The county recorder or his or her designee shall initial the declaration of value to indicate who reviewed the declaration of value and supporting documentation or information, if any.*

**Sec. ~~131.1~~ 17.** NAC 375.200 is hereby amended to read as follows:

375.200 ~~{1-}~~ If the property transferred is located in more than one county and the value *reported on the declaration of value is nominal consideration or the value attributable to each county* has not been determined by the buyer and the seller, ~~{as to each county,}~~ the value *attributable to each county* must be ~~{established by applying the ratio of the assessed valuation in each county to the total assessed valuation of all the property.~~

~~—2.— A person seeking a refund of any tax imposed by chapter 375 of NRS for property located in more than one county must submit a request for refund to the county recorder in each county in which the property is located on the form prescribed by the county recorder in each county.~~

~~—3.— Refunds must be made pursuant to the same distribution formula under which the tax was initially paid.}~~ *determined using the estimated fair market value of each parcel in each county pursuant to this chapter and subsection 2 of NRS 375.010.*

Sec. ~~{32}~~ 18. NAC 375.210 is hereby amended to read as follows:

375.210 1. The provisions of NAC 375.180, 375.190 and 375.200 do not afford a person claiming a refund a right to a hearing conducted by a hearing officer appointed by a county pursuant to NRS 375.320.

2. A claim for a refund must be *on a form developed by the Department and approved by the Nevada Tax Commission or, if no such form has been developed and approved, in another written form and the claim must be* accompanied by:

- (a) A statement setting forth the amount of the claim;
- (b) A statement setting forth all grounds upon which the claim is based;
- (c) All evidence the claimant relied upon in determining the claim, including affidavits of any witnesses; and

(d) Any other information and documentation requested by the county recorder.

*3. If the value of the property is stated incorrectly on the declaration of value or the amount of tax is computed incorrectly, the person who pays an amount of tax which exceeds the amount due may make a claim for a refund of the amount of tax which the person overpaid by completing a refund request form. The form may be obtained from the office of the county recorder of the county in which the tax is paid. The form must be signed under penalty of perjury by the person entitled to the refund or his or her legal representative and submitted to the county recorder of the county in which the tax is paid. If the claim is unaudited, the claim must be submitted within 6 months after the date of recording pursuant to NRS 244.250. If the claim for a refund is submitted pursuant to an audit by the county recorder or the Department, the claim may be submitted within 3 years after the date of recording.*

*4. A person seeking a refund of any tax imposed by chapter 375 of NRS for property located in more than one county must submit a request for refund to the county recorder in each county in which the property is located on the form prescribed by the county recorder in each county.*

*5. Refunds must be made pursuant to the same distribution formula under which the tax was initially paid.*

*6. If a person files a claim for a refund in a contested case, all contested cases involved in the case shall be deemed to have been raised in the claim.*

**Sec. ~~133~~ 19.** NAC 375.320 is hereby amended to read as follows:

375.320 1. In any hearing, a hearing officer appointed by a county pursuant to NRS 375.320 may order briefs filed within such time as he allows ~~+~~***but not less than 45 calendar days preceding the hearing date.***

2. Briefs must be filed with the hearing officer and be accompanied by an ~~acknowledgment or an~~ affidavit , ***with a receipt therefor from all parties,*** showing service ***and acceptance*** on all other parties of record ~~+~~***not later than 20 calendar days before the hearing date.***

**Sec. ~~34~~. 20.** NAC 375.330 is hereby amended to read as follows:

375.330 1. After the hearing of a contested case, a hearing officer appointed by a county pursuant to NRS 375.320 shall prepare findings of fact, conclusions of law and his final decision on the issues presented in the hearing.

2. The hearing officer shall service a copy of his findings of fact, conclusions of law and decision upon all the parties of record within 60 ***calendar*** days after the date of the hearing.

3. The decision of the hearing officer is a final decision for the purposes of judicial review.

**Sec. ~~35~~. 21.** NAC 375.400 is hereby amended to read as follows:

375.400 1. The Department will periodically prepare reports regarding the collection and administration of taxes imposed by chapter 375 of NRS.

2. ~~Except as otherwise provided in this section, each~~ ***Each*** county recorder shall submit to the Department monthly reports regarding the collection and administration of taxes imposed by chapter 375 of NRS in his county. The reports must include:

(a) The total number of deeds evidencing a transfer of title to real property that were subject to the taxes imposed by chapter 375 of NRS for the immediately preceding month;

- (b) The total amount of taxes collected for the immediately preceding month;
- (c) The total number of exemptions granted for the immediately preceding month listed by the types of exemptions granted; and
- (d) Such other information as may be useful in coordinating the collection and administration of the taxes imposed by chapter 375 of NRS.

3. ~~{A county recorder is not required to report information required by paragraph (c) of subsection 2 if the system used by the county to collect, process, distribute and store information relating to the collection of the taxes imposed by chapter 375 of NRS cannot provide the required information.~~

~~—4.}~~ Each county recorder shall submit to the Department a copy of any documentation that is submitted to the State Controller by the county concerning the amount of the proceeds of the tax imposed by NRS 375.020 that is required to be transmitted to the State Controller pursuant to NRS 375.070.

**Sec. ~~136}. 22.~~** NAC 375.410 is hereby amended to read as follows:

375.410 The Department may examine the records of each county to determine whether the county is complying with statutory and regulatory requirements governing the calculation, collection and distribution of the tax imposed by NRS 375.023. In conducting such examinations, the Department will:

1. Review a sample of the deeds presented to the county recorder for recordation to verify that the amount of tax collected was proper and whether the basis of the tax was reported correctly and exemptions were properly allowed.
2. Verify that the collection allowance authorized to be deducted and withheld from the taxes collected is properly calculated.

3. Verify that required reports are submitted in a timely manner.
4. Verify that all amounts collected are transmitted to the proper authority in a timely manner.

~~{5. Verify that proper procedures are being followed for recording certificates of delinquency, releasing liens and administering requests for the correction of assessments.}~~

**Sec. ~~{37.}~~ 23.** NAC 375.440 is hereby amended to read as follows:

375.440 *1.* A county may, at the time any tax imposed by NRS 375.023 is collected, remit to the credit of the general fund of the county the collection allowance that the county is authorized to deduct and withhold by subsection 4 of that section.

*2. The collection allowance authorized pursuant to subsection 4 of NRS 375.023 must be calculated by multiplying the amount of tax calculated pursuant to subsection 1 of NRS 375.023 by the percentage of the collection allowance set forth in subsection 4 of NRS 375.023.*