

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB FILE NO. R072-201

**The following document is the initial draft regulation proposed
by the agency submitted on 06/10/2020**

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[Date]

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

AUTHORITY: §1, NRS 360.090, 372.3261, 372.725

A REGULATION relating to taxation; concerning the taxability of any tangible personal property sold by or to a nonprofit organization created for religious, charitable or education purposes; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law exempts from sales and use tax the gross receipts from the sale of, and the storage, use or other consumption in this State, any tangible personal property sold by or to a nonprofit organization created for religious, charitable or educational purposes. Existing law provides that an organization is created for religious, charitable or educational purposes if no substantial part of the business of the organization is devoted to the advocacy of any political principle or the defeat or passage of any state or federal legislation.

This regulation defines what it means for a substantial part of the business of the organization to be devoted to the advocacy of any political principle or the defeat or passage of any state or federal legislation.

Section 1. Chapter 372 of NAC is hereby amended by adding thereto the provisions set forth as section 2, inclusive of this regulation.

Sec. 2. *The Department will conclude that a “substantial part of the business of the organization is devoted to the advocacy of any political principle or the defeat or passage of any state or federal legislation,” for purposes of NRS 372.3261(5)(c), where an organization makes any effort to influence any legislative action, political campaign or ballot initiative, including by:*

- a. Contributing money or other tangible resources;*
- b. Communicating directly with legislators or other political representatives or governmental officials at any level of government, including by in-person discussion, telephone, mail or email;*
- c. Publishing or distributing statements, including pamphlets, mailings or online statements;*
- d. Organizing or signing petitions, including online petitions;*
- e. Endorsing campaigns or ballot initiatives;*
- f. Participating in political demonstrations or picketing;*
- g. Using or providing any of the organization's resources, such as mailing lists of members or access to members at meetings, to encourage any of the foregoing; and*
- h. Paying or encouraging any person or persons to attempt to accomplish any of the foregoing.*