

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB FILE NO. R150-22I

**The following document is the initial draft regulation proposed
by the agency submitted on 06/30/2022**

NAC 372.700 Charitable, religious or educational organizations: Letters of exemption. (NRS 360.090, 372.348, 372.725)

1. An organization requesting exempt status must submit to the Department an application on a form prescribed by the Department and copies of:

- (a) Its bylaws;
- (b) Its articles of incorporation;
- (c) Financial information which provides verifiable sources of income and expenditures, which may include, without limitation, financial statements and independent audit reports;
- (d) Letters of exemption issued to it by any governmental agency;
- (e) If the application is for a charitable organization, an outline of its charitable activities, fund raisers and goals, and a copy of its business or strategic plan must be attached; and
- (f) Any other information which the Department deems relevant.

2. Upon approval of an application, the Department will issue a letter of exemption.

The letter is not transferable. The organization must notify the Department of changes to the name, address, telephone number or responsible person of the organization. Each organization must apply for the renewal of its letter of exemption every 5 years. The Department will mail a renewal application to the last known address of the organization at least 90 days before the expiration of the letter of exemption. Failure to receive a renewal application does not extend the validity of the exemption beyond the 5 years.

3. The exemption takes effect upon issuance of the letter of exemption. The organization is only exempt from sales tax after the letter of exemption is issued. Sales tax paid before the letter of exemption is issued shall not be refunded.

~~3.~~ 4. The Department may deny an application for exemption if it finds that:

- (a) The organization has failed to submit sufficient information on which to grant an exemption; or
- (b) The organization does not meet the standards for exemption.

~~4.~~ 5. The Department may withdraw the letter of exemption issued to any organization if the Department finds that:

- (a) The organization is no longer engaged in charitable, religious or educational pursuits;
- (b) The organization has ceased to comply with the standards for exemption; or
- (c) The application contained false or misleading information.

~~5.~~ 6. A charitable, religious or educational organization may petition the Commission for reconsideration of any action by the Department denying or withdrawing a letter of exemption. Upon reconsideration, the Commission may grant or reissue the letter of exemption if the organization has presented satisfactory evidence that it complies with the standards for exemption.

~~6.~~ 7. As used in this section, “standards for exemption” means the criteria set out in this section and [NRS 372.326](#) and [372.3261](#).

[Tax Comm’n, Combined Sales and Use Tax Ruling part No. 78, eff. 9-17-80] —
(NAC A by R084-97, 11-26-97; R181-99, 5-16-2000)