

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB FILE NO. R156-22I

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

NAC 372.350 Premiums; gifts; complimentary food and beverages. (NRS 360.090, 372.725)

1. Tangible personal property which is delivered as a premium, together with other merchandise which is sold, if the obtaining of the premium by the purchaser is certain and not dependent upon chance or skill, shall be deemed a sale of both the premium and the merchandise. The tax applies to the gross receipts received from the purchaser for the goods and the premium except when the premium is delivered along with a tax-exempt item. In such case the tax applies to the gross receipts from the sale of the premium, which shall be deemed to be the cost of the premium to the retailer, in the absence of any evidence that the retailer received a larger sum for the premium.

2. The tax applies to tangible personal property which is purchased for resale and given away in the form of gifts, as a use of the property other than retention, demonstration or display, while holding it for sale in the regular course of business.

3. The tax applies to tangible personal property purchased for resale and given away ~~in the form of~~ with complimentary food and beverages as a use of the property other than retention, demonstration, or display while holding it for sale in the regular course of business. The taxable cost ~~of disposable items purchased for resale of the complimentary food and beverage includes the cost of the food or beverage and other ingredients, including,~~ includes, but is not limited to, napkins, straws, and utensils.

[Tax Comm'n, Combined Sales and Use Tax Ruling No. 76, eff. 1-10-74]

Reason for change: Clean up of regulation to align with NRS 372.7273; NRS 360B.480 Sec 2. (g); NRS 372.723.