

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB FILE NO. R192-22I

**The following document is the initial draft regulation proposed
by the agency submitted on 10/11/2022**

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

AUTHORITY: §1, NRS 360.090, 360.250 and 361.227; §2, NRS 361.340 and 361.375.

A REGULATION relating to property tax; revising provisions governing the taxable value of property; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law prohibits the computed taxable value of any property from exceeding its full cash value and requires each person determining the taxable value of property to reduce the taxable value if necessary to ensure that it is less than the full cash value of the property. (NRS 361.227)

Existing regulations require the person determining taxable value of real property, if the taxable value of the property exceeds the full cash value, to examine the taxable value for the land, and if the land is properly valued, to reduce the taxable values determined for improvements and, if appropriate, the value of the land and any pertinent personal property. (NAC 361.131) **Section 1** of this regulation limits the foregoing procedure to real property subject to valuation prior to the completion of the assessment roll. **Section 1** also specifies that the personal property for which the value may be reduced is personal property assessed before July 1 of the fiscal year immediately preceding the fiscal year in which the taxes are levied.

Existing regulations provide that the State Board of Equalization will and requires a county board of equalization to, in fixing a percentage of obsolescence to be deducted from the taxable value of any improvements, consider the total value of land and improvements to determine whether taxable value exceeds full cash value. (NAC 361.6405) **Section 2** of this regulation provides that the State Board of Equalization will and requires a county board of equalization to, in determining the obsolescence of the taxable value of any improvements, also consider the total value of pertinent personal property assessed before July 1 of the fiscal year immediately preceding the fiscal year in which the taxes are levied to determine whether taxable value exceeds full cash value. **Section 2** also provides that the State Board of Equalization will and requires a county board of equalization to, in determining the obsolescence of the taxable value of personal property, consider the personal property on its own merit to determine whether taxable value exceeds full cash value.

Section 1. NAC 361.131 is hereby amended to read as follows:

361.131 If the initially determined taxable value for any real property *subject to valuation prior to the completion of the assessment roll on or before January 1 pursuant to NRS 361.310*

is found to exceed the full cash value of the property, the person determining taxable value shall

examine the taxable value determined for the land, and if the land is properly valued, he or she shall appropriately reduce the taxable values determined for the improvements and, if appropriate, the value of the land and *, if applicable to a property valuation,* any pertinent personal property ~~+~~ *assessed on or before July 1 of the fiscal year immediately preceding the fiscal year for which the taxes are levied.*

Sec. 2. NAC 361.6405 is hereby amended to read as follows:

361.6405 *1.* The State Board of Equalization will or a county board of equalization shall, in ~~{fixing a percentage of}~~ *determining* obsolescence ~~{to be deducted from}~~ *of* the taxable value of any improvements *the valuation of which are* subject to *appeal in* its jurisdiction, consider the total value of land and improvements *and, if applicable to a property valuation, any pertinent personal property assessed as of July 1 of the fiscal year immediately preceding the fiscal year for which the taxes are levied,* to determine whether *total* taxable value exceeds full cash value.

2. The State Board of Equalization will or a county board of equalization shall, in determining obsolescence of the taxable value of personal property the valuation of which is subject to appeal in its jurisdiction, consider the personal property on its own merit to determine whether taxable value exceeds full cash value.