

**PROPOSED REGULATION OF THE  
NEVADA TAX COMMISSION**

**LCB FILE NO. R043-24I**

**The following document is the initial draft regulation proposed  
by the agency submitted on 03/04/2024**

## Informational Report – Executive Order 2023-003

Name of department, agency, board, or commission: **Nevada Department of Taxation**

Address: **1550 College Parkway Suite 115**

City: **Carson City**

Zip: **89706**

Telephone: **775-684-2096**

Name of Director: **Shellie Hughes**

Director Email: [shughes@tax.state.nv.us](mailto:shughes@tax.state.nv.us)

### **Section 1 - Comprehensive Review of Regulations / Section 3 – Mandatory Meeting and Report**

The above-named department, agency, board, or commission conducted a comprehensive review of the regulations subject to its enforcement that can be streamlined, clarified, reduced, or otherwise improved to ensure those regulations provide for the general welfare of the State without unnecessarily inhibiting economic growth. The regulations identified for Section 1 of Executive Order 2023-03 are listed below with the information as required on page 1 of the instruction sheet on the following pages of the report:

#### **Regulation/ Information as required on page 1**

1. [NAC 372.280](#)    [Morticians: General provisions.](#)
2. [NAC 372.320](#)    [Oculists, optometrists and dispensing opticians.](#)
3. [NAC 372.607](#)    [Food: Determination whether food sold at retail by seller is sold with eating utensils provided by seller; method for calculating percentage of prepared food sold by seller.](#)
4. [NAC 372.770](#)    [Receipts for tax paid to retailer.](#)
5. [NAC 372.780](#)    [Deduction for property resold after being purchased for purpose other than resale.](#)
6. [NAC 372.908](#)    [Sales of tangible personal property by independent salesperson.](#)
7. [NAC 372.910](#)    [Sales tax collection agreement: Authority of Department; contents.](#)

### **Section 2 – Regulation for Removal / Section 3 – Mandatory Meeting and Report**

The above-named department, agency, board or commission conducted a comprehensive review of the regulations subject to its enforcement and identified the following ten (10) or more regulations recommended for removal. The regulations identified for Section 2 of Executive Order 2023-03, ranked in descending order of priority, are listed below with the information as required on page 1 of the instruction sheet on the following pages of the report:

#### **Regulation/Information as required on page 1**

1. [NAC 372.715](#)    [Application by air carrier.](#)
2. [NAC 372.240](#)    [Garment or fur repairers, alterers and remodelers.](#)
3. [NAC 372.400](#)    [Repairing and reconditioning: Examples of parts and materials which are substantial or insubstantial in value in relation to total charge.](#)
4. [NAC 372.110](#)    [Auctions when owner bids on his or her property.](#)
5. [NAC 372.290](#)    [Morticians: Transactions with other states.](#)
6. [NAC 372.300](#)    [Morticians: Funeral expenses paid by United States.](#)

## **Informational Report – Executive Order 2023-003**

### **Section 1 - Comprehensive Review of Regulations**

#### CHAPTER 372 - SALES AND USE TAXES

##### APPLICATION OF TAX

- 1. The citation of the regulation with clear indication of the proposed modification in blue italics and matters to be omitted in red and bracketed.**

**NAC 372.280 Morticians: General provisions, *Transactions with other states, and Funeral expenses paid by United States.*** (NRS 360.090, *372.725*)

1. Morticians are the retailers of the tangible personal property which they furnish in connection with rendering their services. The tax applies to the sale by the mortician of all tangible personal property so furnished.

2. The tax applies to:

(a) The fair retail value of clothing, boxes, vaults and any other property furnished in addition to that customarily furnished with standard service.

(b) Acknowledgment cards and appreciation cards, when furnished as part of the regular service, or when the family is charged for them.

(c) All other items of tangible personal property which are furnished by the mortician, computed upon 50 percent of the remainder of the charge for the funeral, except as provided in subsection 3.

3. If the items of tangible personal property are segregated in the billings to customers and specific charges are made, the tax applies to the charges.

4. The tax does not apply to accommodation cash advances for such items as cemetery charges, newspaper notices, railroad tickets, ministerial fees and flowers.

*5. When death occurs in this State and burial is to occur in another state, the casket and other personal property purchased in this State for the preparation and delivery of the body to its ultimate burial destination are subject to Nevada sales tax.*

*6. Where burial occurs in this State, through ashes in urn, entombment in mausoleum or ground burial, the casket, urn or other materials purchased outside this State are not purchased for use in Nevada and are not subject to use tax. The taxable use has occurred outside this State.*

*7. If a portion of the expense of a funeral is paid by the United States directly to the mortician, the transaction is regarded as a sale to the United States and is exempt from the tax to the extent of the payment.*

*8. Payment to a relative or other person as reimbursement for a portion of the funeral expense is not a sale to the United States and is not exempt from the tax.*

*9. In cases where the family assigns the death benefits due from the Veterans' Administration or Social Security to the mortician, the United States is not considered the purchaser and no part of the transaction is considered a tax-exempt sale to the United States.*

*10. Only when the governmental agency makes a payment directly to the mortician is that portion of the funeral expense considered exempt from the tax.*

[Tax Comm'n, Combined Sales and Use Tax Ruling part No. 7, eff. 6-7-68; A 7-8-80]

## Exhibit 372.1-A

**2. A clear and concise explanation on why such change should occur.**

Amend to combine NAC 372.290 and 372.300 within NAC 372.280 “Morticians: General provisions, Transactions with other states and Funeral expenses paid by United States.” NAC 372.290 and 372.300 are being recommended for repeal.

**3. Information for each public meeting held to discuss the proposed regulation change, as mandated by Section 3 of Executive Order 2023-003, which must include:**

- a. The date of the meeting(s) and the number of persons who attended (not including Department staff or Commissioners):**

Workshop – 4/7/23 (11 people attended)

Hearing – 4/21/23 (12 people attended)

- b. Information for each person who provided public oral or written comment or testimony on the regulation:**

There was no public comment, either made orally or in writing for this regulation.

**4. The estimated impact on any business, person, or agency if the change is to occur, which must include:**

- a. The adverse and beneficial effects;**  
**b. The positive or negative economic impact; and**  
**c. Cost savings to the state or agency.**

The amendment to this regulation presents no foreseeable or anticipated impact on any business, person, or agency if this change is to occur.

**Informational Report – Executive Order 2023-003**

**Section 1 - Comprehensive Review of Regulations**

CHAPTER 372 - SALES AND USE TAXES

APPLICATION OF TAX

- 1. The citation of the regulation with clear indication of the proposed modification in blue italics and matters to be omitted in red and bracketed.**

**NAC 372.320 Oculists, optometrists and dispensing opticians.** (*[NRS 360.090](#), [372.055](#), [372.725](#)*)

1. Oculists and optometrists are the consumers of ophthalmic materials including eyeglasses, frames and lenses used or furnished in the performance of their professional services in the diagnosis, treatment or correction of conditions of the human eye. The tax applies to the sale of the materials to oculists and optometrists.

2. The tax applies to the entire charge made by a dispensing optician for eyeglasses and related products furnished in filling a prescription, *whether the dispensing optician is licensed or not.*

[Tax Comm'n, Combined Sales and Use Tax Ruling No. 10, eff. 3-1-68]

- 2. A clear and concise explanation on why such change should occur.**

Amend to clarify that the tax applies to the entire charge made by a dispensing optician for eyeglasses and related products furnished in filling a prescription, whether the dispensing optician is licensed or not.

- 3. Information for each public meeting held to discuss the proposed regulation change, as mandated by Section 3 of Executive Order 2023-003, which must include:**

- a. The date of the meeting(s) and the number of persons who attended (not including Department staff or Commissioners):**

Workshop – 4/7/23 (11 people attended)

Hearing – 4/21/23 (12 people attended)

- b. Information for each person who provided public oral or written comment or testimony on the regulation:**

There was no public comment, either made orally or in writing for this regulation.

- 4. The estimated impact on any business, person, or agency if the change is to occur, which must include:**

## Exhibit 372.2-A

- a. The adverse and beneficial effects;**
- b. The positive or negative economic impact; and**
- c. Cost savings to the state or agency.**

The amendment to this regulation presents no foreseeable or anticipated impact on any business, person, or agency if this change is to occur.

## Informational Report – Executive Order 2023-003

### Section 1 - Comprehensive Review of Regulations

#### CHAPTER 372 - SALES AND USE TAXES

#### EXEMPTIONS

1. The citation of the regulation with clear indication of the proposed modification in blue italics and matters to be omitted in red and bracketed.

**NAC 372.607 Food: Determination whether food sold at retail by seller is sold with eating utensils provided by seller; method for calculating percentage of prepared food sold by seller.** (*NRS 360.090, 360B.110, 372.284, 372.725*) For the purpose of determining whether food sold at retail by a seller is a food sold with eating utensils provided by the seller pursuant to subsection 3 of *NRS 360B.460* and *NAC 372.605*:

1. Except as otherwise provided in subsection 2, a seller who made retail sales of prepared food during a tax year or business fiscal year, whichever is selected by the seller, as soon as practicable after accounting records for that tax year or business fiscal year, as applicable, are available to the seller but not later than 90 days after the beginning of the seller's next tax year or business fiscal year, as applicable, shall calculate a percentage by:

(a) Calculating the sum of:

(1) The total dollar value of all retail sales of food which is described in subsection 1 of *NRS 360B.460* and which was sold at retail by the seller during the immediately preceding tax year or business fiscal year, as applicable;

(2) The total dollar value of all retail sales of food which is described in subsection 2 of *NRS 360B.460* and which was sold at retail by the seller during the immediately preceding tax year or business fiscal year, as applicable; and

(3) The total dollar value of all retail sales of food which is incapable of being transferred to the purchaser without the use of a plate, bowl, glass or cup, including, without limitation, soft drinks dispensed from a fountain and food dispensed at a salad bar, and which was sold at retail by the seller during the immediately preceding tax year or business fiscal year, as applicable; and

(b) Dividing the amount calculated pursuant to paragraph (a) by the total dollar value of all retail sales of food by the seller, including, without limitation, prepared food, candy, *and* soft drinks ~~and dietary supplements~~.

- If, during a tax year or business fiscal year, as applicable, a seller made retail sales of any type of food described in paragraph (a) at more than one establishment, the seller must perform the calculation required by this subsection for each establishment and, for the purposes of this section, use the average of those calculations as the percentage of the seller's sales of food that were sales of prepared food.

2. If a seller did not make any retail sales of prepared food during the immediately preceding tax year or business fiscal year, whichever is selected by the seller, or is a new business and the seller intends to make retail sales of prepared food during the seller's current tax year or business fiscal year, the seller must calculate a percentage by:

(a) Calculating the sum of:

(1) An estimate of the total dollar value of all retail sales of food which is described in subsection 1 of *NRS 360B.460* and which the seller expects to sell at retail during the current tax year or business fiscal year, as applicable;

## **Informational Report – Executive Order 2023-003**

### **Section 1 - Comprehensive Review of Regulations**

#### CHAPTER 372 - SALES AND USE TAXES

##### APPLICATION OF TAX

- 1. The citation of the regulation with clear indication of the proposed modification in blue italics and matters to be omitted in red and bracketed.**

**NAC 372.770 Receipts for tax paid to retailer. (*NRS 360.090, 372.195, 372.725*)**

- Each retailer who is required or authorized to collect sales or use tax from purchasers must give a receipt to each purchaser for the amount of the tax collected.
- The receipt must show the following:
  - The name and place of business of the retailer;
  - The date on which the property was sold;
  - The sales price of the property; and
  - The amount of *any third-party price reduction or discount; and* ~~tax collected by the retailer from the purchaser~~.
  - The amount of tax collected by the retailer from the purchaser.*
- A sales invoice which contains the data required in subsection 2 and evidence of payment constitutes a receipt.
- Each purchaser is liable for the payment of the tax to the Commission unless he or she obtains and retains for inspection the receipts which are required by this section.  
[Tax Comm'n, Combined Sales and Use Tax Ruling No. 42, eff. 3-1-68]—(NAC A 8-26-96)

- 2. A clear and concise explanation on why such change should occur.**

Amend to clarify that the receipt from a retailer who is required or authorized to collect sales or use tax must show both the amount of any third-party price reduction or discount and the amount of tax collected by the retailer from the purchaser.

- 3. Information for each public meeting held to discuss the proposed regulation change, as mandated by Section 3 of Executive Order 2023-003, which must include:**

- a. The date of the meeting(s) and the number of persons who attended (not including Department staff or Commissioners):**

Workshop – 4/7/23 (11 people attended)

Hearing – 4/21/23 (12 people attended)

**Exhibit 372.7-A**

- b. Information for each person who provided public oral or written comment or testimony on the regulation:**

There was no public comment, either made orally or in writing for this regulation.

- 4. The estimated impact on any business, person, or agency if the change is to occur, which must include:**
- a. The adverse and beneficial effects;**
  - b. The positive or negative economic impact; and**
  - c. Cost savings to the state or agency.**

The amendment to this regulation presents no foreseeable or anticipated impact on any business, person, or agency if this change is to occur.

**Informational Report – Executive Order 2023-003**

**Section 1 - Comprehensive Review of Regulations**

CHAPTER 372 - SALES AND USE TAXES

APPLICATION OF TAX

- 1. The citation of the regulation with clear indication of the proposed modification in blue italics and matters to be omitted in red and bracketed.**

**NAC 372.780 Deduction for property resold after being purchased for purpose other than resale.** (*[NRS 360.090](#), [372.025](#), [372.725](#)*) A retailer who takes a deduction pursuant to section 12 of chapter 397, Statutes of Nevada 1955, (*[NRS 372.025](#)*) for property which was resold after being purchased for a purpose other than resale shall:

1. Hold a valid permit issued pursuant to *[NRS ~~372.135~~ 360.5973](#)*;
2. Take the deduction on the retailer's tax return which covers the period in which he or she resold the property; and
3. Maintain complete records which are adequate to substantiate the deduction.  
[Tax Comm'n, Combined Sales and Use Tax Ruling part No. 68, eff. 6-14-68]

- 2. A clear and concise explanation on why such change should occur.**

Amend to remove the reference to NRS 372.135 as it was repealed in 2021 and add the correct authority, NRS 360.5973.

- 3. Information for each public meeting held to discuss the proposed regulation change, as mandated by Section 3 of Executive Order 2023-003, which must include:**

- a. The date of the meeting(s) and the number of persons who attended (not including Department staff or Commissioners):**

Workshop – 4/7/23 (11 people attended)

Hearing – 4/21/23 (12 people attended)

- b. Information for each person who provided public oral or written comment or testimony on the regulation:**

There was no public comment, either made orally or in writing for this regulation.

- 4. The estimated impact on any business, person, or agency if the change is to occur, which must include:**

**Exhibit 372.8-A**

- a. The adverse and beneficial effects;**
- b. The positive or negative economic impact; and**
- c. Cost savings to the state or agency.**

The amendment to this regulation presents no foreseeable or anticipated impact on any business, person, or agency if this change is to occur.

**Informational Report – Executive Order 2023-003**

**Section 1 - Comprehensive Review of Regulations**

CHAPTER 372 - SALES AND USE TAXES

**DIRECT SALES ORGANIZATIONS**

- 1. The citation of the regulation with clear indication of the proposed modification in blue italics and matters to be omitted in red and bracketed.**

**NAC 372.908 Sales of tangible personal property by independent salesperson.** (*[NRS 360.090, 372.725](#)*) Except as otherwise provided in *[NAC 372.910](#)*, an independent salesperson who sells tangible personal property obtained from a direct sales organization to a customer at retail:

1. Is considered a retailer with respect to such sales and the gross receipts from those sales are subject to the sales tax.

2. Shall obtain a permit to engage in or conduct business as a seller pursuant to *[NRS 360.5971](#)* ~~*[372.125](#)*~~.

3. Shall obtain a state business registration to conduct business in this State pursuant to *[NRS 76.100](#)*.  
(Added to NAC by Tax Comm'n by R021-05, eff. 10-31-2005)

- 2. A clear and concise explanation on why such change should occur.**

Amend to remove the reference to NRS 372.125 as it was repealed in 2021 and add the correct authority, NRS 360.5971.

- 3. Information for each public meeting held to discuss the proposed regulation change, as mandated by Section 3 of Executive Order 2023-003, which must include:**

- a. The date of the meeting(s) and the number of persons who attended (not including Department staff or Commissioners):**

Workshop – 4/7/23 (11 people attended)

Hearing – 4/21/23 (12 people attended)

- b. Information for each person who provided public oral or written comment or testimony on the regulation:**

There was no public comment, either made orally or in writing for this regulation.

- 4. The estimated impact on any business, person, or agency if the change is to occur, which must include:**

### **Exhibit 372.9-A**

- a. The adverse and beneficial effects;**
- b. The positive or negative economic impact; and**
- c. Cost savings to the state or agency.**

The amendment to this regulation presents no foreseeable or anticipated impact on any business, person, or agency if this change is to occur.

## **Informational Report – Executive Order 2023-003**

### **Section 1 - Comprehensive Review of Regulations**

#### CHAPTER 372 - SALES AND USE TAXES

##### DIRECT SALES ORGANIZATIONS

- 1. The citation of the regulation with clear indication of the proposed modification in blue italics and matters to be omitted in red and bracketed.**

**NAC 372.910 Sales tax collection agreement: Authority of Department; contents.** (*[NRS 360.090, 372.725](#)*)

1. The Department may enter into a sales tax collection agreement with a direct sales organization.
2. A sales tax collection agreement must provide that:
  - (a) Before a direct sales organization may report and remit taxes due for the sales made by independent salespersons of tangible personal property obtained from the direct sales organization, the direct sales organization will obtain a permit to engage in or conduct business as a seller pursuant to *[NRS \[372.125\] 360.5971](#)*.
  - (b) Tangible personal property sold to an independent salesperson for personal use is taxed based on:
    - (1) The actual sales price paid by the independent salesperson; or
    - (2) If the direct sales organization does not have evidence that the tangible personal property was purchased for personal use by the independent salesperson, the sales price determined pursuant to paragraph (c).
  - (c) Tangible personal property obtained from a direct sales organization and sold by an independent salesperson at retail is taxed based on:
    - (1) The actual sales price paid by the retail customer; or
    - (2) If the direct sales organization does not have evidence as to the actual sales price paid by the retail customer, the suggested retail price.
  - (d) The tax due on the sale of tangible personal property is computed at:
    - (1) The tax rate in effect at the location of the sale to the retail customer; or
    - (2) If the direct sales organization does not have evidence as to the actual location of the sale to the retail customer, the tax rate in effect at the location to which the tangible personal property is shipped or delivered.
  - (e) The direct sales organization is entitled to the same deductions, allowances and collection credits to which an independent salesperson would be entitled if the sales tax collection agreement were not in effect.
  - (f) The direct sales organization will make available to the Department, upon request, such books and records as may be reasonably required by the Department to conduct an audit of the direct sales organization.
3. The Department shall not regard a sales tax collection agreement as a factor in determining whether or not the direct sales organization has a nexus with this State for the purpose of imposing any tax or tax collection obligation except for the sales or use tax collected by the direct sales organization pursuant to the sales tax collection agreement.

(Added to NAC by Tax Comm'n by R021-05, eff. 10-31-2005)

## Exhibit 372.10-A

**2. A clear and concise explanation on why such change should occur.**

Amend to remove the reference to NRS 372.125 as it was repealed in 2021 and add the correct authority, NRS 360.5971.

**3. Information for each public meeting held to discuss the proposed regulation change, as mandated by Section 3 of Executive Order 2023-003, which must include:**

**a. The date of the meeting(s) and the number of persons who attended (not including Department staff or Commissioners):**

Workshop – 4/7/23 (11 people attended)

Hearing – 4/21/23 (12 people attended)

**b. Information for each person who provided public oral or written comment or testimony on the regulation:**

There was no public comment, either made orally or in writing for this regulation.

**4. The estimated impact on any business, person, or agency if the change is to occur, which must include:**

- a. The adverse and beneficial effects;**
- b. The positive or negative economic impact; and**
- c. Cost savings to the state or agency.**

The amendment to this regulation presents no foreseeable or anticipated impact on any business, person, or agency if this change is to occur.

**Informational Report – Executive Order 2023-003**

**Section 2 – Regulation for Removal**

CHAPTER 372 - SALES AND USE TAXES

APPLICATION OF TAX

**1. The citation of the regulation with matters to be omitted in red and bracketed.**

~~[NAC 372.110 – Auctions when owner bids on his or her property. (NRS 360.090, 372.725) – Sales tax does not apply when an owner of property delivers it to an auctioneer for auction and bids on his or her own property at the auction. —[Tax Comm’n, Combined Sales and Use Tax Ruling part No. 21, eff. 6-14-68]~~

**2. A clear and concise explanation of the need for the elimination of the regulation.**

Repeal - If someone bids on their own property at auction, they are more than likely attempting to surreptitiously drive the price of the item up and in doing so are risking buying back their own property. This section of NAC should be removed because if the owner wins the bid, they should be subject to sales tax like any other bidder.

**3. Information for each public meeting held to discuss the proposed regulation elimination, as mandated by Section 3 of Executive Order 2023-003, which must include:**

**a. The date of the meeting(s) and the number of persons who attended (not including Department staff or Commissioners):**

Workshop – 4/7/23 (11 people attended)

Hearing – 4/21/23 (12 people attended)

**b. Information for each person who provided public oral or written comment or testimony on the regulation:**

There was no public comment, either made orally or in writing for this regulation.

**4. The estimated impact on any business, person, or agency if the change is to occur, which must include:**

**Exhibit 372.1-R**

- a. The adverse and beneficial effects;**
- b. The positive or negative economic impact; and**
- c. Cost savings to the state or agency.**

The repeal of this regulation presents no foreseeable or anticipated impact on any business, person, or agency if this change is to occur.

**Informational Report – Executive Order 2023-003**

**Section 2 – Regulation for Removal**

CHAPTER 372 - SALES AND USE TAXES

APPLICATION OF TAX

**1. The citation of the regulation with matters to be omitted in red and bracketed.**

~~[NAC 372.240 – Garment or fur repairers, alterers and remodelers. (NRS 360.090, 372.725)]~~

~~—1.— Repairers, alterers and remodelers of garments or furs are consumers of the thread, buttons, linings and other similar items used in repairing, altering and remodeling garments or furs. Except as provided in subsection 2, the tax applies to the sales price of their purchases of those items.~~

~~—2.— A repairer, alterer or remodeler who makes a separately stated charge for an item listed in subsection 1 is a seller making a retail sale of the item.~~

~~—3.— If the repairer, alterer or remodeler furnishes additional fur or material in connection with his or her services and the fair retail price of the fur or material is not segregated on the invoice to the customer, the tax applies to the entire amount charged.~~

~~—[Tax Comm'n, Combined Sales and Use Tax Ruling part No. 3, eff. 6-14-68]~~

**2. A clear and concise explanation of the need for the elimination of the regulation.**

Repeal –NAC 372.390 was amended by R174-22 to cover all tangible personal property. It is no longer necessary to break out different types of tangible personal property.

**3. Information for each public meeting held to discuss the proposed regulation elimination, as mandated by Section 3 of Executive Order 2023-003, which must include:**

**a. The date of the meeting(s) and the number of persons who attended (not including Department staff or Commissioners):**

Workshop – 4/7/23 (11 people attended)

Hearing – 4/21/23 (12 people attended)

**b. Information for each person who provided public oral or written comment or testimony on the regulation:**

There was no public comment, either made orally or in writing for this regulation.

**Exhibit 372.2-R**

- 4. The estimated impact on any business, person, or agency if the change is to occur, which must include:**
  - a. The adverse and beneficial effects;**
  - b. The positive or negative economic impact; and**
  - c. Cost savings to the state or agency.**

The repeal of this regulation presents no foreseeable or anticipated impact on any business, person, or agency if this change is to occur.

**Informational Report – Executive Order 2023-003**

**Section 2 – Regulation for Removal**

CHAPTER 372 - SALES AND USE TAXES

APPLICATION OF TAX

**1. The citation of the regulation with matters to be omitted in red and bracketed.**

~~[NAC 372.290 – Morticians: Transactions with other states. (NRS 360.090, 372.725)]~~

~~—1. When death occurs in this State and burial is to occur in another state, the casket and other personal property purchased in this State for the preparation and delivery of the body to its ultimate burial destination are subject to Nevada sales tax.~~

~~—2. Where burial occurs in this State, through ashes in urn, entombment in mausoleum or ground burial, the casket, urn or other materials purchased outside this State are not purchased for use in Nevada and are not subject to use tax. The taxable use has occurred outside this State.~~

~~—[Tax Comm’n, Combined Sales and Use Tax Ruling part No. 7, eff. 6-7-68; A 7-8-80]~~

**2. A clear and concise explanation of the need for the elimination of the regulation.**

Repeal – Proposed to repeal and replace within NAC 372.280 “Morticians: General provisions, Transactions with other states and Funeral expenses paid by United States,” so that all provisions related to morticians are in a single section of NAC.

**3. Information for each public meeting held to discuss the proposed regulation elimination, as mandated by Section 3 of Executive Order 2023-003, which must include:**

**a. The date of the meeting(s) and the number of persons who attended (not including Department staff or Commissioners):**

Workshop – 4/7/23 (11 people attended)

Hearing – 4/21/23 (12 people attended)

**b. Information for each person who provided public oral or written comment or testimony on the regulation:**

There was no public comment, either made orally or in writing for this regulation.

**Exhibit 372.3-R**

- 4. The estimated impact on any business, person, or agency if the change is to occur, which must include:**
  - a. The adverse and beneficial effects;**
  - b. The positive or negative economic impact; and**
  - c. Cost savings to the state or agency.**

The repeal of this regulation presents no foreseeable or anticipated impact on any business, person, or agency if this change is to occur.

**Informational Report – Executive Order 2023-003**

**Section 2 – Regulation for Removal**

CHAPTER 372 - SALES AND USE TAXES

APPLICATION OF TAX

**1. The citation of the regulation with matters to be omitted in red and bracketed.**

~~[NAC 372.300 – Morticians: Funeral expenses paid by United States. (NRS 360.090, 372.325, 372.725)]~~

~~— 1. — If a portion of the expense of a funeral is paid by the United States directly to the mortician, the transaction is regarded as a sale to the United States and is exempt from the tax to the extent of the payment.~~

~~— 2. — Payment to a relative or other person as reimbursement for a portion of the funeral expense is not a sale to the United States and is not exempt from the tax.~~

~~— 3. — In cases where the family assigns the death benefits due from the Veterans’ Administration or Social Security to the mortician, the United States is not considered the purchaser and no part of the transaction is considered a tax exempt sale to the United States.~~

~~— 4. — Only when the governmental agency makes a payment directly to the mortician is that portion of the funeral expense considered exempt from the tax.~~

~~— [Tax Comm’n, Combined Sales and Use Tax Ruling part No. 7, eff. 6-7-68; A 7-8-80]~~

**2. A clear and concise explanation of the need for the elimination of the regulation.**

Repeal – Proposed to repeal and replace within NAC 372.280 “Morticians: General provisions, Transactions with other states and Funeral expenses paid by United States,” so that all provisions related to morticians are in a single section of NAC.

**3. Information for each public meeting held to discuss the proposed regulation elimination, as mandated by Section 3 of Executive Order 2023-003, which must include:**

**a. The date of the meeting(s) and the number of persons who attended (not including Department staff or Commissioners):**

Workshop – 4/7/23 (11 people attended)

Hearing – 4/21/23 (12 people attended)

**Exhibit 372.4-R**

- b. Information for each person who provided public oral or written comment or testimony on the regulation:**

There was no public comment, either made orally or in writing for this regulation.

- 4. The estimated impact on any business, person, or agency if the change is to occur, which must include:**

- a. The adverse and beneficial effects;**
- b. The positive or negative economic impact; and**
- c. Cost savings to the state or agency.**

The repeal of this regulation presents no foreseeable or anticipated impact on any business, person, or agency if this change is to occur.

**Informational Report – Executive Order 2023-003**

**Section 2 – Regulation for Removal**

CHAPTER 372 - SALES AND USE TAXES

APPLICATION OF TAX

**1. The citation of the regulation with matters to be omitted in red and bracketed.**

~~[NAC 372.400 – Repairing and reconditioning: Examples of parts and materials which are substantial or insubstantial in value in relation to total charge. (NRS 360.090, 372.725)]~~

~~— 1. — Repairs to motor vehicles, airplanes, machinery, appliances, farm implements, boats, radios and television sets and the repair of furniture, involving expensive cushion filling, brocades or other materials for covering, are jobs in which the parts and materials are substantial in value in relation to the total charge and must be separately stated and taxed.~~

~~— 2. — Repairs to tires, tubes, clothing, watches, jewelry and shoes and the repair of a table by filling a dent with wood putty or filler, or sectioning of the wood with similar wood, staining and varnishing, are repair jobs in which the parts and materials are insubstantial in value in relation to the total charge, and the tax must be paid on the purchase of the parts and materials by the repairer.~~

~~— [Tax Comm'n, Combined Sales and Use Tax Ruling part No. 16, eff. 6-14-68]~~

**2. A clear and concise explanation of the need for the elimination of the regulation.**

Repeal – NAC 372.390 was amended by R174-22 to cover all tangible personal property. It is no longer necessary to break out different types of tangible personal property.

**3. Information for each public meeting held to discuss the proposed regulation elimination, as mandated by Section 3 of Executive Order 2023-003, which must include:**

**a. The date of the meeting(s) and the number of persons who attended (not including Department staff or Commissioners):**

Workshop – 4/7/23 (11 people attended)

Hearing – 4/21/23 (12 people attended)

**b. Information for each person who provided public oral or written comment or testimony on the regulation:**

## **Exhibit 372.5-R**

There was no public comment, either made orally or in writing for this regulation.

- 4. The estimated impact on any business, person, or agency if the change is to occur, which must include:**
  - a. The adverse and beneficial effects;**
  - b. The positive or negative economic impact; and**
  - c. Cost savings to the state or agency.**

The repeal of this regulation presents no foreseeable or anticipated impact on any business, person, or agency if this change is to occur.

**Informational Report – Executive Order 2023-003**

**Section 2 – Regulation for Removal**

CHAPTER 372 - SALES AND USE TAXES

EXEMPTIONS

1. The citation of the regulation with matters to be omitted in red and bracketed.

~~[NAC 372.715 – Application by air carrier. (NRS 360.090, 372.317, 372.725, 374.725) – An air carrier which desires to be exempt from the tax imposed pursuant to chapter 372, 374, 377, or 377A of NRS must file a written application on a form prescribed by the Department and submit evidence of its eligibility for the exemption. Upon approval of the application, the Department will issue a certificate of exemption.~~

~~—(Added to NAC by Tax Comm’n, eff. 9-13-85; A by Dep’t of Taxation, 1-18-90)]~~

2. A clear and concise explanation of the need for the elimination of the regulation.

Repeal - In 1997, NRS 372.317 was found to be unconstitutional. The only reason it hasn’t been repealed is because it requires a vote of the people to do so. This section of NAC should be repealed because the statute is not being enforced.

3. Information for each public meeting held to discuss the proposed regulation elimination, as mandated by Section 3 of Executive Order 2023-003, which must include:

- a. The date of the meeting(s) and the number of persons who attended (not including Department staff or Commissioners):

Workshop – 4/7/23 (11 people attended)

Hearing – 4/21/23 (12 people attended)

- b. Information for each person who provided public oral or written comment or testimony on the regulation:

There was no public comment, either made orally or in writing for this regulation.

4. The estimated impact on any business, person, or agency if the change is to occur, which must include:

- a. The adverse and beneficial effects;
- b. The positive or negative economic impact; and
- c. Cost savings to the state or agency.

The repeal of this regulation presents no foreseeable or anticipated impact on any business, person, or agency if this change is to occur.