

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R045-24

April 11, 2024

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

AUTHORITY: § 1, NRS 360.090, 375A.150 and 375A.800.

A REGULATION relating to taxation; repealing regulations relating to the remittance of the state estate tax; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

The Nevada Constitution authorizes the Legislature to impose by law an estate tax but limits the amount of any such estate tax to the amount of a credit authorized by federal law to reduce the federal estate tax liability with respect to an estate by the amount of any state estate taxes paid with respect to that estate. (Nev. Const. Art. 10, § 4) Existing law imposes such a state estate tax on the transfer of the taxable estate of a person who resided in this State at the time of his or her death or a person who resided outside this State at the time of his or her death but who owned property situated in this State at that time. (Chapter 375A of NRS) However, the Economic Growth and Tax Relief Reconciliation Act of 2001 gradually reduced the credit against federal estate tax liability for any state estate taxes paid with respect to an estate until such credit was eliminated beginning January 1, 2005. (Pub. L. No. 107-16) Thus, estate tax is not currently imposed or collected by this State, but estate tax would be required to be imposed and collected by this State if a federal credit were ever reenacted. This regulation repeals existing regulations governing the payment of estate tax to this State and the documentation required to be filed with such a payment. (NAC 375A.010, 375A.020, 375A.030)

Section 1. NAC 375A.010, 375A.020 and 375A.030 are hereby repealed.

TEXT OF REPEALED SECTIONS

375A.010 “Department” defined. (NRS 360.090, 375A.800) As used in this chapter, unless the context otherwise requires, “Department” means the Department of Taxation.

375A.020 Documentation of tax due on transfer of certain taxable estates; remittance of tax. (NRS 360.090, 375A.150, 375A.800)

1. The documentation required pursuant to NRS 375A.150 includes, without limitation:

- (a) A copy of the first page of Form 706 of the Internal Revenue Service;
- (b) If the decedent owned any property in another state, a copy of any pertinent schedules showing the allocation of property belonging to each state and proof of payment for the portion of the estate tax of each state;

- (c) If a deferred payment plan has been accepted and approved by the Internal Revenue Service, a copy of the deferred payment plan and a copy of the acceptance and approval of the deferred payment plan by the Internal Revenue Service; and

- (d) A copy of each amended Form 706 of the Internal Revenue Service, if any, and the appropriate reconciliation.

2. A personal representative who is required to file documentation with the Department pursuant to NRS 375A.150 shall remit any applicable tax, interest and penalty owed to the Department pursuant to chapter 375A of NRS at the time the personal representative files the documentation required pursuant to NRS 375A.150.

375A.030 Conditions governing remittance of tax due, additional tax, interest and penalty; waiver of penalty. (NRS 360.090, 375A.170, 375A.800)

1. A personal representative who has obtained from the Internal Revenue Service an extension of time for filing Form 706 of the Internal Revenue Service shall remit an estimated

amount of tax due the Department pursuant to chapter 375A of NRS with the copy of the extension filed with the Department pursuant to NRS 375A.155.

2. If a personal representative who has obtained from the Internal Revenue Service an extension of time for filing Form 706 of the Internal Revenue Service files Form 706 within the time authorized in the extension and the personal representative owes additional tax to the Department pursuant to chapter 375A of NRS, the personal representative shall remit the tax and any interest owed to the Department pursuant to chapter 375A of NRS with the documentation required pursuant to NRS 375A.150.

3. If a personal representative who has obtained from the Internal Revenue Service an extension of time for filing Form 706 of the Internal Revenue Service files Form 706 after the time authorized in the extension and the personal representative owes additional tax to the Department pursuant to chapter 375A of NRS, the personal representative shall remit the tax, any interest and any penalty owed to the Department pursuant to chapter 375A of NRS with the documentation required pursuant to NRS 375A.150.

4. If a personal representative fails to file the return provided for in NRS 375A.150 within the time specified in that section or the extension specified in NRS 375A.155, his or her:

(a) Obtaining an extension of time for filing Form 706 of the Internal Revenue Service from the Internal Revenue Service; and

(b) Remitting an estimated amount of tax due the Department pursuant to chapter 375A of NRS with the copy of the extension filed with the Department pursuant to NRS 375A.155, ↪ shall be deemed to constitute reasonable cause for the purposes of NRS 375A.170 and the personal representative is not required to pay a penalty pursuant to NRS 375A.170.

5. The Department shall waive the penalty for failure to file a timely return imposed pursuant to NRS 375A.170 if the personal representative provides documentation to the Department proving that a similar penalty for failure to file timely the federal estate tax return was waived by the Internal Revenue Service.