

**PROPOSED REGULATION OF THE  
NEVADA TAX COMMISSION**

**LCB File No. R111-97**

September 28, 1997

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

AUTHORITY: NRS 360.090 AND 372.725.

**Section 1.** Chapter 372 of NRS is hereby amended by adding a new section to read as follows:

- 1. The gross receipts from the retail sale of cellular telephones, pagers, satellite dishes and other similar types of telecommunications equipment are subject to the sales and use taxes.*
- 2. The department shall consider the gross receipts from the retail sale of this type of equipment to be the retail price the purchaser would have to pay the retailer for that equipment if purchased without the contemporaneous purchase of telecommunications services when the retailer makes a retail sale of this equipment to a purchaser in a transaction together with the sale of telecommunications services which will be provided either by the retailer or another company for which the retailer is acting as agent and:
  - (a) The price charged to the purchaser by the retailer for the telecommunications equipment is less than the price paid by the retailer to its supplier for the equipment; and*
  - (b) The purchaser is required to subscribe to or purchase service from a provider of telecommunications services to obtain the equipment at the reduced price.**

*3. The receipt given to the purchaser must separately state the full retail price for the telecommunications equipment as well as the amount of sales tax using that price as the measure, together with such service credits or adjustments as are necessary to arrive at the net charge made to the purchaser at the time of the transaction.*

*4. The purchase of access to or a subscription to telecommunications services that is not made in connection with the purchase of telecommunications equipment is not subject to the tax.*