

REVISED ADOPTED REGULATION OF THE

NEVADA TAX COMMISSION

LCB File No. R111-97

(Effective November 14, 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. 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 a provider of the telecommunication services, which is commonly referred to as a bundled transaction, 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, the gross receipts from the retail sale of this type of equipment shall be deemed to be the sales price paid by the retailer to the supplier for that equipment. The department will consider the

cost of the telecommunications equipment as reflective of the true gross receipts from the retail sale of the tangible personal property in such a transaction.

3. The receipt given to the purchaser must separately state the amount of the gross receipts allocated to the telecommunications equipment pursuant to subsection 2 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.