

LCB File No. R180-99

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

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

AUTHORITY: NRS 360.090, and NRS 369.150 in accordance with SB 428.

Section 1. NAC 369.020 is hereby amended to read as follows:

1. The reports of licensees must be in wine gallons.
2. To convert liters to wine gallons for reporting purposes, licensees shall use the following standards:
 - (a) For wine, to convert to wine gallons on any record or report, the quantity in liters must be multiplied by 0.26417 to determine the equivalent quantity in wine gallons. *As used in this chapter, one case of wine means 12 bottles each containing 750 milliliters of wine or an amount equal to that volume of wine, which converted equals 2.378 wine gallons.* The resulting figures must be rounded to the nearest one-hundredth of a gallon.
 - (b) For distilled spirits, to convert liters to wine gallons on any record or report, the quantity in liters shall be multiplied by 0.264172 to determine the equivalent quantity in wine gallons. The resulting figure must be rounded to the nearest one-hundredth of a gallon.

Section 2. Chapter 369 of NAC is hereby amended by adding thereto the provisions set forth as sections 3, 4, 5, 6 and 7 of this regulation:

SUPPLIERS SHIPPING LIQUOR DIRECTLY TO CONSUMER

Sec. 3. *Definition: As used in NRS 369, “fiscal year” or “year” means the 12-month period from July 1 through June 30.*

Sec. 4. *Consumer: (1) A person in Nevada, who is 21 years of age or older, may import from another state, up to one gallon of liquor per month for his own household or personal use.*

(2) A Nevada resident, who is 21 years of age or older, and is not a liquor supplier, wholesaler or retailer acting in his professional capacity, may import 12 cases or less of wine per year for his own household or personal use.

Sec. 5. *Licensing Requirements; fees: (1) Prior to a supplier shipping liquor into Nevada pursuant to NRS 369.490 2(b) or (c) the supplier must be the holder of a Nevada certificate of compliance. The supplier is subject to all the provisions of NRS 369.430, including payment to the Department of the \$50.00 fee.*

Sec. 6. *Payment of Tax: (1) A supplier who ships liquor, as defined in NRS 369.040, into Nevada pursuant to NRS 369.490, must pay excise tax levied pursuant to NRS 369.330. The excise tax is due on or before the 20th day of the following month in which the liquor was shipped to the consumer in Nevada. If the tax is paid on or before the 15th day of the*

following month, a discount in the amount of three percent of the tax must be allowed to the taxpayer. Penalty and interest, pursuant to NRS 360.417, will be assessed on all late paid taxes.

Sec. 7. Reporting Requirements: *(1) Payment of tax and any penalty and interest due shall be submitted to the Department of Taxation along with a report prescribed by the Department. Included in the report must be the name of the person the liquor was shipped to, the person's address, the type of liquor, the percentage of alcohol by volume, the quantity of liquor in gallons rounded to the nearest one-hundredth, the total amount of the sale and the date of shipment. This report is due even if there were no shipments into Nevada during the reporting month. Failure to file this report each month is grounds for suspension of the certificate of compliance.*

(2) It is the responsibility of the supplier to substantiate the person to whom the liquor is being shipped to is 21 years of age or older. In the case of wine shipments, in addition to the person being 21 years of age or older, the person must be a Nevada resident. The only acceptable documentation to substantiate age and Nevada residency is a Nevada Driver's License or a Nevada Identification Card. A copy of the documentation must be kept with the supplier's shipment records.

(3) A wine supplier must submit a written notice to the Department indicating the name and address of its designated importer when the supplier ships 25 cases or more of wine into Nevada in a fiscal year. Suppliers, other than suppliers of wine, pursuant to NRS 369.490 (2)(b), shall file with the Department a written notice indicating the name and address of each designated importer upon application for a certificate of compliance.

(4) Upon the shipment of the 200th case of wine into Nevada, the supplier must notify the Department in writing and pay a fee equal to the amount of license fees paid by a Nevada beer, wine and liquor importer pursuant to NRS 369.300. This fee will cover successive shipments of wine for the remainder of the current fiscal year. Failure to pay this fee by the 30th calendar day after the 200th case of wine is shipped to Nevada is grounds for suspension of the certificate of compliance.