

**ADOPTED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R182-99

Effective May 16, 2000

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

AUTHORITY: §§1, 2 and 4, NRS 360.090 and 375A.800; §3, NRS 360.090, 375A.150 and 375A.800.

Section 1. Chapter 375A of NAC is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this regulation.

Sec. 2. *As used in this chapter, unless the context otherwise requires, “department” means the department of taxation.*

Sec. 3. 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 he files the documentation required pursuant to NRS 375A.150.

Sec. 4. *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:

(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.

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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.

INFORMATIONAL STATEMENT
Permanent Regulation of the Nevada Tax Commission
LCB File No. R182-99

The following statement is submitted for adopted amendments to Nevada Administrative Code (NAC) 375A.

1. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

Notices of hearing for the adoption and amendment of the proposed permanent regulation was posted at the following locations: Department of Taxation, 1550 East College Parkway, Carson City, Nevada; Nevada State Library, 100 Stewart Street, Carson City, Nevada; The Legislative Building, Capitol Complex, Carson City, Nevada; each County Main Public Library; Department of Taxation, 4600 Kietzke Lane, Building O, Suite 263, Reno, Nevada; Department of Taxation, 555 East Washington Avenue, Las Vegas, Nevada.

A copy of the notice of hearing and the proposed permanent regulation was placed on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the proposed permanent regulation was also made available and placed on file at the Department of Taxation, 1550 East College Parkway, Carson City, Nevada; Department of Taxation, 4600 Kietzke Lane, Building O, Suite 263, Reno, Nevada; Department of Taxation, 555 East Washington Avenue, Suite 1300, Las Vegas, Nevada; Department of Taxation, 850 Elm Street, No. 2, Elko, Nevada; and in all counties in which an office of the Department of Taxation is not maintained, at the main public library, for inspection and copying by members of the public during business hours.

The hearing was held on February 15, 2000 at the Nevada State Legislative Building, Room 1214, 401 South Carson Street, Carson City, Nevada. It appears that due to the primarily procedural nature of the proposed permanent regulation, only affected or interested persons and businesses as set forth in #3 below responded to the proposed permanent regulation and testified at the hearing. A copy of the transcript of the hearing, for which a reasonable fee may be charged, may be obtained by calling the Nevada Department of Taxation at (702) 687-4896, or by writing to the Nevada Department of Taxation at 1550 East College Parkway, Suite 115, Carson City, Nevada, 89706.

The proposed permanent regulation was submitted to the Legislative Counsel Bureau, which completed its review on December 23, 1999. Thus, the proposed regulation, for practical purposes, was discussed at two workshops and has been heard and considered at one public hearing of the Nevada Tax Commission.

- 2. The number of persons who:**
- (a) Attended the hearing: 34**
 - (b) Testified at the hearing: 2**

(c) **Submitted to the Tax Commission written comments:** Written comments were submitted by Department staff, Legislative Council Bureau – Legal Division and a law firm representative dealing with estate taxes requesting amendments to the administrative code prior to the hearing. No other written comments by the general public were submitted to, or received by, the Department of Taxation or the Nevada Tax Commission.

3. A description of how comment was solicited from affected and interested persons, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Comments were solicited from affected and interested businesses and persons by the notices set forth in #1 above, by direct mail to all county assessors, and by direct mail to the approximately 150 interested businesses and persons on the Department of Taxation's mailing list.

Comments from the above-referenced in #2 were received relative to the original regulation and proposed draft of the permanent regulation with respect to estate taxes and procedures associated with NRS 375A.150 and 375A.800.

4. If the permanent regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the permanent regulation without change.

The proposed permanent regulation was modified at public workshops prior to adoption, due to issues raised by the Department of Taxation and by those referred to in #2.

The proposed permanent regulation was not changed at the public hearing since no additional concerns were raised by the affected public, the Department of Taxation or Tax Commission members, and the Tax Commission believed no changes other than those made were necessary.

5. The estimated economic effect of the adopted permanent regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include: (a) Both adverse and beneficial effects; and (b) Both immediate and long-term effects.

(a) Adverse and beneficial effects.

The proposed permanent regulation presents no foreseeable or anticipated adverse economic effects to businesses or the public. However, the permanent regulation does impact the Department, which could have an economic effect on businesses and the general public. That effect cannot be quantified at this time.

(b) Immediate and long-term effects.

Same as #5(a) above.

6. The estimated cost to the agency for enforcement of the adopted permanent regulation.

The proposed permanent regulation presents no significant foreseeable or anticipated cost or decrease in costs for enforcement. However, it appears that there may be some minor additional administrative costs for the Department of Taxation, which cannot be quantified at this time.

7. A description of any regulations of other state or governmental agencies which the permanent regulation overlaps or duplicates and a statement explaining why the duplication or overlap is necessary. If the permanent regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

The proposed permanent regulation is particular to the Department of Taxation practices and procedures and does not appear to overlap or duplicate regulations of other state or local governmental agencies.

8. If the permanent regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

There are known federal regulations pertaining to estate tax procedures, which are the subject of the proposed permanent regulation. However, those federal regulations compliment and/or coincide with the proposed permanent regulation.

9. If the permanent regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The proposed permanent regulation does not provide a new fee or increase an existing fee.