

LCB File No. R082-02

PROPOSED REGULATION OF THE  
NEVADA TAX COMMISSION

May 14, 2002

**Explanation:** Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: NRS 360.090, 372.065, 372.725 and 374.070.

Amending NAC 372.101 to read as follows:

NAC 372.101 **Charges for freight, transportation or delivery.**

1. Except as otherwise provided in subsection ~~[3]~~ 2, any charge for freight, transportation or delivery included in the sale of tangible personal property is subject to sales and use taxes.

~~[2. Any charge for freight, transportation or delivery that appears on the invoice of the seller is part of the selling price even if stated separately and is not deductible from the price of the property as shown on the invoice.]~~

2. ~~[3.]~~ A charge for freight, transportation or delivery is not taxable if:

(a) It is ~~[invoiced to the purchaser by the freight carrier]~~ *stated separately in the invoice to the purchaser*; and

(b) ~~[Title to the property passes before]~~ *The passing of title to the purchaser, as determined under NRS 104.2401, occurs prior to* shipment.

~~[As used in this subsection, "freight carrier" means a common, contract or international carrier that is licensed and regulated by the transportation services authority of Nevada or the Surface Transportation Board, or both.]~~

3. ~~[4.]~~ A charge for freight, transportation or delivery that is not connected with the sale of tangible personal property is a charge for a service and is not subject to sales and use taxes.