

LCB File No. R089-02

PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION

May 31, 2002

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

AUTHORITY: NRS 360.090 AND NRS 374.286.

Section 1. Chapter 374 of NAC is hereby amended by adding thereto the provisions set forth as sections 2, 3, 4, and 5 of this regulation.

Sec. 2. 1. *Machinery and equipment only “incidentally employed for agricultural use” means any item whose direct and primary function is for some other use than agricultural use of real property.*

Sec. 3. 2. *An implement of husbandry does not include tools, shop equipment, communication equipment, stationary fencing materials, and building materials and supplies used in construction of farm buildings. Also not included are household equipment items used for residential purposes, such as lawn mowers and snow blowers.*

Sec. 4. 3. *Replacement parts used in the repair and maintenance of farm machinery and equipment do not include items that are consumed through the regular use of such equipment, such as fuel, oil, cleaning agents, and solutions.*

Sec. 5. 4. *Purchasers requesting this exemption from a retailer must complete an “Affidavit of Purchaser – Farm Machinery and Equipment” form for the retailer’s records. These affidavits must be maintained in the retailer’s files. A separate affidavit need not be taken for each sale or purchase. However, an affidavit must be updated on a yearly basis or as otherwise directed by the Department. When a retailer has knowledge of facts that give rise to a reasonable doubt that the purchase of an item would not qualify as farm machinery or equipment as defined in NRS 374.286, the retailer cannot rely on the affidavit and must collect the sales tax.*