

Chapter 360 of NAC

LCB File No. T010-07

**ADOPTED TEMPORARY REGULATION
OF THE NEVADA TAX COMMISSION**

Filed with the Secretary of State on February 9, 2007

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

AUTHORITY: NRS 360.090, 360.247, 360.795, 363A.110, 363B.100, 368A.180, and 372.750.

Section 1. Chapter 360 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 6, inclusive, of this regulation.

Sec. 2. *As used in NRS 360.247, the term “hearing” means the entire decision-making process which includes the receipt of confidential taxpayer information from the taxpayer, discussion about the confidential taxpayer information between the taxpayer, Tax Department and members of the Commission, deliberation among the members of the Commission themselves concerning the confidential taxpayer information, as well as any motion(s) and vote(s) of the Commission which culminate in the making of the Commission’s decision.*

Sec. 3. *If a taxpayer requests a closed hearing pursuant to NRS 360.247, then the entire hearing process as defined in sub-section (1) above will be conducted in closed session of the Commission. Accordingly, all the receipt, discussion and deliberation of confidential taxpayer information, including the Commission’s motion(s) and vote(s) will be conducted in closed session.*

Sec. 4. *Immediately upon reaching a decision in closed session, the Commission will reconvene in public session and:*

- (a) The chairman will restate the motion that has passed; and*
- (b) The chairman will then poll the members of the Commission who will publicly state how they voted on the motion.*

Sec. 5. *As soon as reasonably practical, but no later than forty-five days after issuance of the Commission’s decision, the Executive Director will issue an abstract of the decision that will allow the public to understand the reasons for the Commission’s decision and which individual Commissioners voted for or against the decision, but does not disclose any confidential taxpayer information. The abstract will include a description of the taxpayer’s business under the current North American Industry Classification System, in the event such can be included without disclosing information made confidential by law or in the event that the taxpayer consents at hearing or in writing thereto.*

Sec. 6. *This regulation is intended to be prospective only and will become effective upon adoption by the Commission and filing with the Secretary of State.*

NOTICE OF ADOPTION OF TEMPORARY REGULATION
LCB File No. T010-07

The Nevada Tax Commission adopted temporary regulations assigned LCB File No. T010-07 which pertain to chapter 360 of the Nevada Administrative Code on January 5, 2007.

INFORMATIONAL STATEMENT

The following statement is submitted for adopted amendments to Nevada Administrative Code (NAC) 360.

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 temporary regulation were 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; and Department of Taxation, 2550 Paseo Verde Parkway, Suite 180, Henderson, Nevada.

A copy of the notice of hearing and the proposed temporary regulation were 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 temporary regulation were 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, 2550 Paseo Verde Parkway, Suite 180, Henderson, 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 January 5, 2007 at the Nevada State Contractor's Board, 2310 Corporate Circle, Suite 200, Henderson, Nevada and Video Conferenced to the Nevada State Contractor's Board, 9670 Gateway Drive, Suite 100, Reno, Nevada. It appears that due to the primarily procedural nature of the proposed temporary regulation, only affected or interested persons and businesses as set forth in #3 below responded to the proposed temporary 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 (775) 684-2096 or by writing to the Nevada Department of Taxation at 1550 East College Parkway, Suite 115, Carson City, Nevada, 89706.

The proposed temporary regulation, for practical purposes, was discussed at one workshop and as been heard and considered at one public hearing of the Nevada Tax Commission.

2. The number of persons who:

(a) Attended the hearing: 35

(b) Testified at the hearing: 4

(c) Submitted to the Tax Commission written comments: Written comments were submitted by Mr. Barry Smith of the Nevada Press Association requesting the 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 250 interested businesses and persons on the Department of Taxation's mailing list.

Comments from the above-referenced party in #2 were received relative to the proposed draft of the temporary regulation with respect to the closed hearing process.

4. If the temporary regulation were adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the temporary regulations without change.

The proposed temporary regulation was modified at the public workshop prior to adoption, due to issues raised by the Department of Taxation and by the affected direct sales organizations. The proposed temporary regulations was changed at the public hearing reflecting minor technical corrections raised by the affected industry, 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 temporary 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 temporary regulation presents no foreseeable or anticipated adverse economic effects to businesses or the public. However, the temporary regulation could have a beneficial impact on businesses and the general public for clarification and procedural purposes. 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 temporary regulations.

The proposed temporary 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 temporary regulations overlap or duplicate and a statement explaining why the duplication or overlap is necessary. If the temporary regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

The proposed temporary regulations are particular to the Department of Taxation practices and procedures and do not appear to overlap or duplicate regulations of other state or local governmental agencies.

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

There are no known federal regulations' pertaining to state's closed hearing procedures, which are the subject of the proposed temporary regulation.

9. If the temporary regulations provide 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 temporary regulation does not provide a new fee or increase an existing fee.