

**LCB File No. R168-09**

**PROPOSED REGULATION OF THE  
NEVADA TAX COMMISSION**

(Formerly proposed as R200-08, which was withdrawn)

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

AUTHORITY: §§1 NRS 360.090; and NRS 372.185 and NRS 372.265

A REGULATION relating to taxation of vehicles used as loaner cars by vehicle dealers *and short term lessors*.

**Section 1.** Chapter 372 of the NAC is hereby amended by adding thereto a new section to read as follows:

*1. Notwithstanding NRS 372.327, NRS 372.7283, and NRS 372.7287, if the use of a vehicle purchased under a resale certificate is limited to the loan, but not the rental, of the vehicle to customers while they are awaiting delivery of vehicles purchased or leased from the dealer, or while their vehicles are being repaired by the dealer, the measure of tax is the purchase price of the vehicle.*

*2. If a lessor loans a vehicle to a lessee while the lessee is awaiting delivery of the leased vehicle, or while the leased vehicle is being repaired, and the regular lease payments continue to accrue during the period of the loan, the regular lease payments will be considered to cover the use of the substitute loan vehicle. No additional tax beyond the tax measured by the regular lease payments will be due as a result of the loan.*

*3. If a vehicle dealer removes a vehicle from resale inventory and loans it to persons other than those specified under subsection 1, tax must be paid measured by the purchase price of the vehicle, unless the loan is of such short duration as to constitute only incidental*

*use. Incidental use is defined as a maximum loan that is not greater than 31 days or less, or by the day, or by the trip during the period of time that the vehicle dealer owns the vehicle.*