

LEGISLATIVE REVIEW OF ADOPTED REGULATIONS--NRS 233B.066
Informational Statement
LCB File No. R137-15

1. A clear and concise explanation of the need for the adopted regulation.

The need and purpose of the proposed regulations is to establish provisions relating to the imposition, collection and remittance of sales and use taxes by retailers located outside this State; and providing other matters properly relating thereto.

2. 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.

The Department of Taxation, as staff to the Nevada Tax Commission, solicited comment from the public by sending notice of workshops and hearings by electronic and regular mail as follows:

<u>Date of Notice</u>	<u>Workshop/ Hearing</u>	<u>Date of Workshop</u>	<u>Number Notified</u>
05/05/2016	Workshop	05/20/2016	208
07/13/2016	Workshop	08/08/2016	217
08/23/2016	Adoption Hearing	10/03/2016	195

The mailing list included the interested parties list maintained by the Department. Notices were also posted at the Nevada State Library; various Department of Taxation locations throughout the state; and at the Main Public Libraries in counties where an office of the Department of Taxation is not located. Comments were also solicited by direct email to other interested parties lists maintained by the Department.

See response to #5 for a summary of the public responses to the Regulation

A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2030 or by writing to the Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Department at hfettic@tax.state.nv.us

3. The number of persons who:

- (a) Attended the hearing:** 48 people attended the adoption hearing.
- (b) Testified at the hearing:** 0 person testified at the adoption hearing.
- (c) Submitted written comments:** None of the attendees that attended the adoption hearing submitted written comments.

4. **For each person identified in paragraphs (b) and (c) of number 3 above, the following information if provided to the agency conducting the hearing:**

Testified at the adoption hearing:

No one testified at the adoption hearing.

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

See response to #2 for description of how comments were solicited from affected businesses and an explanation on how interested persons may obtain a copy of the summary.

Summary of public responses:

The following general responses were received by email and mail.

1. One taxpayer made several recommendations which consisted of: 1. Remove the terms brick and mortar retailers, online retailers and domestic commercial entities since the terms are not defined and suggested that the Department use terms like “retailer located inside/outside this State”. 2. It was recommended to remove Section 2.2 for the reason that it is addressed in Statute. It was also recommend clarifying the meaning “significantly associated. It was stated that “any solicitation activities” seems inconsistent with “significantly associated” standard. 3. It was suggested to move section 5 to the beginning of the regulation and clarify the need for a retailer who is selling in to the state of Nevada and not rebutting it, have them register with the Department.
 2. One taxpayer suggested that section 5, subsections 2 and 3 be deleted from the draft for the reason that the bill uses the Gross Receipts from the past 4 quarters as a qualifier for an entity to recognize the need to register with the Department.
 3. At the May 20, 2016 workshop, the above public comment was received. The Department revised the regulation taking into account the public comment. The revision of the regulation was sent back to LCB for review. On June 29, 2016 the Department received the LCB Draft of Revised Proposed Regulation. On July 13, 2016 the Small Business Impact Questionnaire was sent out and a second workshop was scheduled for August 8, 2016 and adopted by the NTC on October 3, 2016 without any additional questions or concerns.
6. **If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.**

The LCB Draft of Revised Proposed Regulation was adopted without changes.

7. The estimated economic effect of the regulation on the business which it is to regulate and on the public.

(a) The adverse and beneficial:

The proposed permanent regulation presents no reasonably foreseeable or anticipated adverse or beneficial economic effects to businesses or to the general public. The benefit of this regulation is for industry and the Department to be provided additional clarity regarding Senate Bill 412.

(b) The immediate and long-term effect:

The proposed permanent regulation presents no reasonably foreseeable or anticipated immediate or long-term economic effects to business or to the general public. The benefit of this regulation is for industry and the Department to be provided additional clarity regarding Senate Bill 412.

8. The estimated cost to the agency for enforcement of the proposed regulation:

The proposed permanent regulation presents no significant foreseeable or anticipated cost or decrease in costs for enforcement other than the costs to implement the statutory provision.

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

The proposed regulations do not overlap or duplicate any regulation of other state or local governmental entities.

10. If the regulation includes provisions that are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.

The Department is not aware of any similar federal regulations of the same activity in which the state regulations are more stringent.

11. If the 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 regulations do not include any new or increases in existing fees.