



STATE OF NEVADA
DEPARTMENT OF TAXATION

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Posted 10/30/24

NOTICE OF INTENT TO ACT UPON A REGULATION

Notice of Hearing for the Adoption of

LCB File No. R191-24

Nevada Tax Commission

The Nevada Tax Commission will hold a Public Hearing at **9:00 a.m.** on **Wednesday, December 4, 2024**. The purpose of the hearing is to receive comments from all interested parties regarding the adoption of the regulation that pertains to LCB File No. R191-24.

You may attend this meeting at either of the following physical locations:

Nevada Department of Taxation
700 E. Warm Springs Rd., Room 150
Las Vegas, Nevada 89119

Nevada Department of Taxation
4600 Kietzke Lane, Suite L235
Reno, Nevada 89502

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. Need and purpose of the proposed regulations or amendments

This regulation ensures that the taxable value of real and personal property in Nevada does not exceed its full cash value, in accordance with existing laws. It requires a review and potential reduction of taxable values if they surpass the property's full cash value. This applies to assessments made by county assessors, boards of equalization, and the Department of Taxation. Taxable values must be reduced if they exceed the cash value, particularly for personal property assessed before July 1 of the previous fiscal year. The regulation aims to prevent over-taxation by aligning property values with market conditions.

2. How to obtain the approved or revised text of regulations prepared by LCB

You may obtain a copy of the proposed permanent regulation by writing to the Nevada Department of Taxation, 3850 Arrowhead Drive, 2nd Floor, Carson City, Nevada 89706; or by calling the office at (775) 684-2059. The proposed permanent regulation is also available for review and download on the Department of Taxation website at <https://tax.nv.gov/> or on the Nevada Legislature website at <https://www.leg.state.nv.us/>.

3. Methods used in determining the impact on a small business

The agency used informed, reasonable judgment in determining that there will not be an impact on small businesses. The Department prepared a small business impact questionnaire that was forwarded to the Interested Parties List which is maintained by the Department. No comment was returned by members of the public.

The Department will continue to accept input on the impact of the proposed permanent regulation on small businesses through the regulatory process. No respondents indicated that this regulation would have a direct and significant economic burden upon a small business.

The Department held a workshop for members of the public to state their concerns and submit correspondence regarding the regulation. The Clark County Assessor's Office provided written comments and recommended that the language be streamlined to avoid some redundancies. The Department met with representatives of the Assessor's Office, and the agreed-upon changes are now included in the Agency's Revised Proposed draft of the regulation, which is intended for adoption by the Tax Commission.

4. Estimated economic effect of regulation on businesses and the public

a. Adverse and beneficial effects

The proposed permanent regulation does not present any reasonable, foreseeable or anticipated adverse or beneficial economic effects on small businesses or the public.

b. Immediate and long-term effects

The proposed permanent regulation does not present any reasonable, foreseeable or anticipated immediate or long-term economic effects on small businesses or the public.

5. Cost for enforcement of the regulations

The proposed permanent regulation does not present any significant, foreseeable or anticipated cost or decrease in costs for enforcement.

6. Overlap or duplication of other state or local governmental agencies

The proposed permanent regulation does not overlap or duplicate any regulation of other state or local governmental entities.

7. Regulation required by federal law

Not Applicable

8. More stringent than federal regulations

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

9. New or increases in existing fees

The proposed permanent regulation does not include new fees or increase an existing fee.

Persons wishing to comment on the proposed action of the Nevada Tax Commission may appear at the above scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the Nevada Tax Commission, 3850 Arrowhead Drive, 2nd Floor, Carson City, Nevada 89706. Written submissions must be received at least two weeks prior to the above scheduled public hearing.

Under NRS 233B.064(2), when adopting any regulation, the Agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption and incorporation, and its reason for overruling the consideration urged against its adoption.

A copy of the Notice and the proposed permanent regulation to be adopted and/or amended is on file and has been posted at the following location: The Department of Taxation - 3850 Arrowhead Drive, 2nd Floor, Carson City, Nevada 89706.

Members of the public may inspect these documents during regular business hours at the above location. Additional copies of the notice and proposed permanent regulation to be adopted and/or amended are available at the below locations.

The text of the proposed permanent regulation will include the entire text of any section of the Nevada Administrative Code, which is proposed for amendment or repeal. Copies will be mailed to members of the public upon request. A reasonable fee may be charged for copies if deemed necessary.

Notice has been EMAILED/MAILED for posting at the following locations: Department of Taxation - 4600 Kietzke Lane, Building L, Ste 235, Reno, Nevada; Department of Taxation - 700 E. Warm Springs Rd, Ste 200, Las Vegas, Nevada; The Legislative Building – 401 S. Carson St., Carson City, Nevada; 7120 Amigo St., Las Vegas, Nevada; The Nevada State Library -100 Stewart Street, Carson City, Nevada; Interested Parties Group; and the Mailing List maintained by the Department. Notice of this meeting was posted on the Department of Taxation website at <https://tax.nv.gov/>, on the Legislative website at <https://www.leg.state.nv.us/>, and the Nevada Public Notice Website at <https://notice.nv.gov/>.

In compliance with the Americans with Disabilities Act, individuals requiring special accommodations to participate in this hearing should notify Tina Padovano at 775-684-2096 or tpadovano@tax.state.nv.us at least 3 days before the hearing. In order to comply with the security procedures of the Department, you will be required to show identification and sign a visitor's log prior to entering the meeting room.

If you need an accommodation in order to communicate during the hearing, the Department will provide one at no cost to you. Arrangements for an interpreter should be made as soon as possible, but no later than 14 days before the scheduled meeting. Please contact Tina Padovano at 775-684-2096 at least 14 days in advance to request an interpreter in your preferred language. You may also submit your request to tpadovano@tax.state.nv.us.

Si necesita una ayuda para comunicarse durante la audiencia, el Departamento se lo proporcionará sin costo alguno. Los trámites para conseguir un intérprete deben hacerse lo antes posible, pero a más tardar 14 días antes de la cita programada. Por favor, póngase en contacto con Tina Padovano al 775-684-2096 con al menos 14 días de anticipación para solicitar un intérprete en su idioma de preferencia. También puede solicitarlo a través de tpadovano@tax.state.nv.us.

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R191-24

Agency Revised Proposed Draft

October 29, 2024

EXPLANATION – Matter in *italics* is new; matter in brackets **[omitted material]** is material to be omitted;
Matter in *italics* is new; matter in brackets **[omitted material]** after LCB Proposed draft.

AUTHORITY: §§ 1 and 2, NRS 360.090, 360.250 and 361.227.

A REGULATION relating to property tax; revising provisions governing the determination of obsolescence to be deducted from the taxable value of property; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires the Nevada Tax Commission to adopt regulations governing the assessment of property by county assessors, county boards of equalization, the State Board of Equalization and the Department of Taxation. (NRS 360.250)

Existing law establishes the method for determining the taxable value of real property and personal property. (NRS 361.227) Under existing law, the taxable value of any property must not exceed the full cash value of the property, and each person determining the taxable value of property is required to reduce the taxable value of the property if necessary to ensure that the taxable value of the property is less than its full cash value. (NRS 361.227)

Under existing regulations, if the initially determined taxable value of real property exceeds the full cash value, the person determining the taxable value of the real property is required to reduce, as appropriate, the taxable value determined for the land, the improvements on the land and any pertinent personal property so that the taxable value of the property does not exceed its full cash value. (NAC 361.131) **Section 1** of this regulation provides that the personal property for which the value may be reduced is the personal property assessed on or before July 1 of the fiscal year immediately preceding the fiscal year for which the taxes on the real property are levied.

Under existing regulations, in determining the amount of obsolescence to be deducted from the taxable value of improvements to real property so that the taxable value of the real property does not exceed its full cash value, the State Board and county boards of equalization are required to consider the total value of the land and improvements. (NAC 361.6405) **Section 2** of this regulation additionally requires that in determining such obsolescence of the improvements to real property: (1) the State Board and the county boards of equalization must determine whether the total taxable value of the land, improvements and pertinent personal property exceeds full cash value; and (2) the pertinent personal property to be considered is the pertinent personal property assessed before July 1 of the fiscal year immediately preceding the fiscal year for which the taxes on the real property are levied. **Section 2** also requires that in

determining any reduction to the taxable value of personal property on the unsecured tax roll because of obsolescence, the State Board and county boards of equalization must consider only whether the taxable value of that personal property exceeds full cash value, without considering the value of any property on the secured tax roll.

Section 1. NAC 361.131 is hereby amended to read as follows:

361.131 If the initially determined taxable value for any real property *that is subject to valuation before the completion of the assessment roll on or before January 1 of a fiscal year pursuant to NRS 361.310* is found to exceed the full cash value of the property, the person determining taxable value shall examine the taxable value determined for the land ~~{}~~ and, if *appropriate, reduce the taxable value of the land. If* the land is properly valued, he or she shall appropriately reduce ~~{the}~~ :

1. *The* taxable values determined for the improvements ~~{and, if}~~ ; *and*

~~2. *[If appropriate, the taxable value of the land ; and]*~~

2. *If appropriate and applicable to the determination of the taxable value of the real property, the taxable value of* any pertinent personal property ~~{}~~ *assessed on or before July 1 of the fiscal year immediately preceding the fiscal year for which the taxes on the real property will be levied.*

Sec. 2. NAC 361.6405 is hereby amended to read as follows:

361.6405 1. The State Board of Equalization will or a county board of equalization shall, in ~~{fixing a percentage of}~~ *determining* obsolescence ~~{to be deducted from}~~ *of* the taxable value of any improvements *the valuation of which is* subject to *appeal in* its jurisdiction, consider the total value of land and improvements *and, if applicable to the valuation, any pertinent personal property assessed as of July 1 of the fiscal year immediately preceding the fiscal year for which the taxes are levied,* to determine whether *total* taxable value exceeds full cash value.

2. *The State Board of Equalization will or a county board of equalization shall, in determining obsolescence of the taxable value of personal property on the unsecured tax roll the valuation of which is subject to appeal in its jurisdiction, consider only the value of that personal property, ~~[without considering the value of any property on the secured tax roll,]~~ to determine whether the taxable value of the personal property on the unsecured roll exceeds full cash value.*