

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB FILE NO. R056-211

**The following document is the initial draft regulation proposed
by the agency submitted on 10/09/2021**

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LCB File No. xxx

[Date]

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

AUTHORITY: §1, NRS 360.090, NRS 368A.140(2)(b), NRS 368A.200 and Senate Bill 367 (2021)

A REGULATION relating to taxation; concerning excise tax on live entertainment; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law provides for the imposition of an excise tax on admission to certain facilities where live entertainment is provided. Existing law also provides an exemption from this tax for live entertainment that is provided by or entirely for the benefit of a governmental entity.

This regulation clarifies when live entertainment is provided by or entirely for the benefit of a governmental entity and what documentation is required to support the exemption.

Section 1. Chapter xxx of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 4, inclusive of this regulation.

Sec. 2. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 3 to 5, inclusive, of this act have the meanings ascribed to them in NRS 368A and in Senate Bill 307 (2021).*

Sec. 3. 1. *Live entertainment that is provided by or entirely for the benefit of a governmental entity is not subject to live entertainment tax if the proceeds of the admission charges to the facility where the live entertainment is provided become the property of the governmental entity. The proceeds of the admission charges do not become the property of a person other than a governmental entity as long as any such person retains only a portion of*

the proceeds necessary to cover the direct and supportable costs of hosting, promoting or sponsoring the event at which the live entertainment is provided.

2. Except as otherwise provided in chapter 368A of NRS and NAC 368A.010 to 368A.170, inclusive, unless live entertainment is provided by or entirely for the benefit of a governmental entity the Department shall assess and compute the excise tax in accordance with NAC 368A.140.

Sec. 4. 1. Any person who claims to be a governmental entity exempt from the provisions of NRS 368A.200, or any person who claims to provide live entertainment entirely for the benefit of such a governmental entity, has the burden of proving by a preponderance of the evidence that the person is exempt from the tax imposed by chapter 368A of NRS.

2. Any person who claims to be a governmental entity exempt from the provisions of NRS 368A.200, or any person who claims to provide live entertainment entirely for the benefit of such a governmental entity, shall, upon the request of the Department, provide to the Department:

(a) Such records as the Department deems necessary to demonstrate that the asserted governmental entity is a governmental entity;

(b) Such records as the Department deems necessary to demonstrate that the person who claims to have provided live entertainment entirely for the benefit of a governmental entity provided the live entertainment entirely for the benefit of a governmental entity.