

LEGISLATIVE REVIEW OF ADOPTED REGULATIONS - NRS 233B.066
Informational Statement
LCB File No. R114-24

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

Proposed permanent regulation (R114-24) revises provisions relating to the waiver or reduction of a penalty or interest, or both, for the late payment of certain taxes and fees; and provides other matters properly relating thereto.

This Regulation is necessary to provide clarity to taxpayers who are otherwise subject to penalty and interest liabilities for late paid taxes but seek a waiver of such liabilities for late payment of the taxes. The Regulation confirms that the penalty and interest is computed as of the date the late payment of taxes is made. This Regulation further clarifies the scope of penalty and interest and the applicability of the waiver or reduction to specific reporting periods based on considerations of the taxpayer's history of compliance. Clarity in the liability avoids unnecessary disputes and hearings on these issues.

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 issuing a questionnaire to interested parties regarding any impact on small businesses and sending notice of workshops¹ and hearings by electronic or regular mail as follows:

<u>Date of Notice</u>	<u>Workshop/ Hearing</u>	<u>Date of Workshop/Hearing</u>	<u>Number Notified</u>
5/8/24	Workshop	5/23/24	197
7/15/24	Adoption Hearing	8/14/24	203

The mailing list included the interested parties list maintained by the Department. Notices were also posted at the Nevada State Library, Legislative Counsel Bureau and various Department of Taxation locations throughout the State. Comments were also solicited by direct email.

No public responses to the Regulation.

¹ At the time of Workshop, this Regulation was designated as LCB File No. 158-22.

A copy of the recorded comments, the record of proceedings, and/or the Small Business Impact Statement may be obtained by calling the Nevada Department of Taxation at (775) 684-2059 or by writing to the Department of Taxation, 3850 Arrowhead Dr., 2nd Floor, Carson City, Nevada 89706, or by e-mailing the Department at sglazner@tax.state.nv.us.

- 3. The number of persons (not including Department staff or Commission Members) who:**
- (a) Attended each hearing:**
 - (b) Testified at each hearing:**
 - (c) Submitted written comments:**

Workshop date: May 23, 2024

(a) Number in attendance: 7

(b) Number testifying: 0

(c) Written statements submitted: 0

Adoption Hearing date: August 14, 2024

(a) Number in attendance: 15

(b) Number testifying: 0

(c) Written statements submitted: 0

- 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 Adoption Hearing:

None

Provided written public comment for Adoption Hearing:

None

- 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 of how interested persons may obtain a copy of the summary.

Summary of public responses: No public responses.

Summary of workshop discussion: No public comments/responses at workshop.

Summary of Public Comment at Adoption Hearing: N/A

A copy of the written and recorded comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2059 or by writing to the Department of Taxation, 3850 Arrowhead Dr., 2nd Floor, Carson City, Nevada 89706, or by e-mailing the Department at sglazner@tax.state.nv.us.

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 Nevada Tax Commission adopted the regulation without changing any part of the proposed regulation. There was no public opposition to the proposed regulation and the language satisfied the intent of the Commission for adoption in its current form.

7. The estimated economic effect of the regulation on the business which it is to regulate and on the public. This must include adverse, beneficial, immediate and long-term effects.

(a) Estimated economic effect on the businesses which they are to regulate.

The adopted permanent regulation presents no reasonably foreseeable or anticipated adverse or beneficial economic effects on businesses. The regulation does not change the amount of interest or penalties owed to create any economic effect. Rather, it clarifies the scope of liability and the requirements for waiver. Similarly, there is no short-term or long-term effect on businesses.

(b) Estimated economic effect on the public which they are to regulate.

The adopted permanent regulation presents no reasonably foreseeable or anticipated adverse or beneficial economic effects to the public. The regulation does not change the amount of interest or penalties owed and does not change the anticipated amount of waivers. Rather, it only clarifies the requirements for waiver. There are no short-term or long-term effects on the public.

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

Enforcement of the adopted regulation presents no significant foreseeable or anticipated cost or decrease in costs.

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