

**SMALL BUSINESS IMPACT STATEMENT AS REQUIRED BY
NRS 233B.0608 and NRS 233B.0609**

LCB File No. R150-22

1. Background

LCB File No. R150-22, revises provisions relating to the effectiveness of a letter of exemption issued by the Department of Taxation to a religious, charitable or educational organization; and providing other matters properly relating thereto.

Existing law exempts from sales and use taxes the gross receipts from the sale of, and the storage, use or other consumption in this State of, any tangible personal property sold by or to a nonprofit organization created for religious, charitable or educational purposes. (NRS 372.326) An organization that wishes to claim this exemption must apply to the Department of Taxation for a letter of exemption. If the Department determines that the organization qualifies for the exemption, the Department is required to issue a letter of exemption. (NRS 372.348) This regulation provides that such a letter: (1) is effective only with respect to sales or use tax obligations that would otherwise accrue on or after the date of issuance of the letter; and (2) does not affect any such obligation accruing before that date.

2. A description of the manner in which comment was solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.

The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R150-22. The proposed language and questionnaire were dispersed to the following:

- Emailed by the Department to 188 members of its interested parties list.
- Mailed to 10 Rural Businesses
- Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

The content of the response is summarized below:

- No response was received for LCB Draft of Proposed Regulation - File No. R150-22.

Anyone interested in obtaining a copy of the completed small business impact questionnaire used for this summary, can contact:

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3. The manner in which the analysis was conducted, including the methods used to determine the impacts of the proposed regulation on small businesses.

No response was received for LCB Draft of Proposed Regulation R150-22. No response was received for the questionnaire regarding the impact of the regulation on small businesses. Accordingly, the Department analyzed the proposed language and used informed, reasonable judgment in determining that there will not be an impact on small businesses due to the nature of the regulatory changes, which confirms that the issuance of an exemption from sales and use tax is not retroactive.

4. The estimated economic effect of the proposed regulation on the small businesses which it is to regulate:

Direct and indirect adverse effects

The Department finds that there is no reasonable, foreseeable or anticipated direct or indirect adverse economic effect on small businesses.

Direct and indirect beneficial effects

The Department finds that there is no reasonable, foreseeable or anticipated direct or indirect beneficial economic effect on small businesses.

5. A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.

The proposed regulation presents no reasonable, foreseeable or anticipated adverse impact to small businesses; therefore, no efforts were required to reduce the impact on small businesses.

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

The proposed regulation presents no significant foreseeable or anticipated cost or decrease in costs for enforcement.

- 7. If the proposed 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 permanent regulation does not include new fees or increase an existing fee.

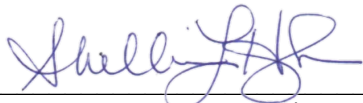
- 8. If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.**

The proposed regulation does not overlap or duplicate any regulation of other federal, state or local government entities.

- 9. The reasons for the conclusion of the agency regarding the impact of a regulation on small businesses.**

The Department has determined that there will be no adverse impacts to small businesses based on its analysis of the proposed regulation and lack of public comment.

I hereby certify, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that this statement was properly prepared, and the information contained herein is accurate.



Shellie Hughes, Executive Director

March 11, 2024