

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

LCB File No. R157-22

1. Background

LCB File No. R157-22, revises provisions governing the scheduling of an audit; revises provisions governing the calculation of delinquent taxes due if a taxpayer fails to provide necessary records to an auditor; and provides other matters properly relating thereto.

Existing law requires the Department of Taxation to notify a taxpayer who is the subject of an audit by the Department. (NRS 360.232) Existing regulations require an auditor to attempt to contact a taxpayer who is the subject of an audit first by telephone to schedule an appointment for conducting the audit. (NAC 360.700) **Section 1** of this regulation removes the requirement that an auditor attempt to contact a taxpayer who is the subject of the audit by telephone and, instead, requires the auditor to attempt to contact the taxpayer by one of the preferred methods of contact for the taxpayer that is on file with the Department.

Existing regulations authorize an auditor to determine an amount of delinquent taxes due from records provided by a taxpayer in the event the taxpayer fails to provide all of the records necessary to complete an audit by the estimated completion date or revised estimated completion date of the audit. (NAC 360.700) **Section 1** of this regulation authorizes an auditor to determine or estimate an amount of delinquent taxes due from the records provided.

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 R157-22. The proposed language and questionnaire were dispersed to the following:

- Emailed by the Department to 187 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 responses are summarized below:

- One response was received for LCB Draft of Proposed Regulation – File No. R157-22 and had no impact.

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.

One response was received for LCB Draft of Proposed Regulation R157-22 for the questionnaire regarding the impact of the regulation on small businesses. The questionnaire showed no impact. 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.

4. The estimated economic effect of the proposed regulation on 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 regulations 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
May 7, 2024