

**ADOPTED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R181-99

Effective May 16, 2000

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

AUTHORITY: §§1-5, NRS 360.090 and 372.725.

Section 1. Chapter 372 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.

Sec. 2. *The department will construe the term “church, synagogue or other place of religious worship” as used in paragraph (b) of subsection 2 of NRS 372.3261 to mean a place which:*

- 1. Is properly zoned for religious worship; and*
- 2. Has unrestricted public access on scheduled days of worship.*

Sec. 3. *A program of apprenticeship in this state that requests exempt status must be eligible for registration and approval by the state apprentice council pursuant to NRS 610.144.*

Sec. 4. NAC 372.680 is hereby amended to read as follows:

372.680 1. The tax does not apply to sales to:

(a) The departments of the United States such as the ~~[War]~~ *Department of Defense* and *Department of the Navy* ~~[Departments,]~~ and to the various unincorporated independent offices, agencies ~~[,]~~ and establishments of the government.

(b) ~~[Such corporations as the Reconstruction Finance Corporation, Defense Plant Corporation, Defense Supplies Corporation, Metals Reserve Company, and Rubber Reserve~~

~~Company, all of~~ *Corporations* which are wholly owned either by the United States or by other corporations which are wholly owned by the United States.

2. The tax applies to sales to such corporations as national banks, joint stock land banks, federal reserve banks, federal savings and loan associations, and federal land banks, which are not wholly owned by the United States, or which are not wholly owned by other corporations wholly owned by the United States.

Sec. 5. NAC 372.700 is hereby amended to read as follows:

372.700 1. An organization requesting exempt status must submit to the department an application on a form prescribed by the department and copies of:

- (a) Its bylaws;
- (b) Its articles of incorporation;
- (c) Financial information which provides verifiable sources of income and expenditures, which may include, without limitation, financial statements and independent audit reports;
- (d) Letters of exemption issued to it by any governmental agency;
- (e) If the application is for a charitable organization, an outline of its charitable activities, fund raisers and goals, and a copy of its business or strategic plan must be attached; and
- (f) Any other information which the department deems relevant.

2. Upon approval of an application, the department will issue a letter of exemption. The letter is not transferable. The organization must notify the department of changes to the name, address, telephone number or responsible person of the organization. Each organization must apply for the renewal of its letter of exemption every 5 years. The department will mail a renewal application to the last known address of the organization at least 90 days before the expiration of

the letter of exemption. Failure to receive a renewal application does not extend the validity of the exemption beyond the 5 years.

3. ~~[The department will construe the term, “operation of a church, synagogue or other place of religious worship” as used in paragraph (b) of subsection 2 of NRS 372.3261 to mean a place:—(a) Which is properly zoned for religious worship; and—(b) Which has unrestricted public access on scheduled days of worship.~~

~~4.]~~ The department may deny an application for exemption if it finds that:

(a) The organization has failed to submit sufficient information on which to grant an exemption; or

(b) The organization does not meet the standards for exemption.

~~5.]~~ 4. The department may withdraw the letter of exemption issued to any organization if the department finds that:

(a) The organization is no longer engaged in charitable, religious or educational pursuits;

(b) The organization has ceased to comply with the standards for exemption; or

(c) The application contained false or misleading information.

~~6.]~~ 5. A charitable, religious or educational organization may petition the commission for reconsideration of any action by the department denying or withdrawing a letter of exemption.

Upon reconsideration, the commission may grant or reissue the letter of exemption if the organization has presented satisfactory evidence that it complies with the standards for exemption.

~~7.]~~ 6. As used in this section, “standards for exemption” means the criteria set out in this section and NRS 372.326 and 372.3261.