

**PROPOSED REGULATION OF THE  
NEVADA TAX COMMISSION**

**LCB File No. R006-98**

February 6, 1998

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

AUTHORITY: §§2-11, NRS 360.090, 680B.027 and 680B.050.

**Section 1.** Chapter 680B of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 11, inclusive, of this regulation.

**Sec. 2.** *As used in sections 2 to 11, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3, 4 and 5 of this regulation have the meanings ascribed to them in those sections.*

**Sec. 3.** *“Credits for maintaining a home office in this state” means the two credits set forth in paragraphs (a) and (b) of subsection 1 of NRS 680B.050.*

**Sec. 4.** *“Executive director” means the executive director of the department of taxation.*

**Sec. 5.** *“Net direct premiums and net direct considerations written during the preceding calendar quarter” means those net direct premiums and net direct considerations written during the same quarter for which each quarterly report and payment is due pursuant to the provisions of NRS 680B.032.*

**Sec. 6.** *The following example is given to illustrate the proper application of NRS 680B.032. If an insurer writes \$500,000 of net direct premiums and net direct considerations during the quarter that runs from January 1 to March 31 of a calendar year and the insurer is*

*required to file quarterly reports and make quarterly payments pursuant to the provisions of NRS 680B.032, the insurer shall file its quarterly report and make its quarterly payment of taxes on that \$500,000 by April 30 of that same calendar year.*

**Sec. 7.** *1. Except as otherwise provided in section 10 of this regulation, an insurer who has established to the satisfaction of the executive director that it meets all the requirements set forth in NRS 680B.050 and 680B.055 may apply:*

*(a) The credit set forth in paragraph (a) of subsection 1 of NRS 680B.050; and*

*(b) The credit set forth in paragraph (b) of subsection 1 of NRS 680B.050,*

*against the tax otherwise imposed by NRS 680B.027.*

*2. Such an insurer shall apply these credits pursuant to the provisions of sections 8 to 11, inclusive, of this regulation.*

**Sec. 8.** *Except as otherwise provided in section 10 of this regulation, an insurer who has established to the satisfaction of the executive director that it meets all the requirements set forth in NRS 680B.050 and 680B.055 and wishes to apply the credit set forth in paragraph (a) of subsection 1 of NRS 680B.050 shall:*

*1. If the insurer is required to file quarterly reports and make quarterly payments pursuant to NRS 680B.032:*

*(a) Deduct 50 percent of the amount of the tax required to be paid on net direct premiums and net direct considerations written during the preceding calendar quarter when the insurer files the quarterly reports and makes the quarterly payments pursuant to the provisions of NRS 680B.032; and*

*(b) If after making the four quarterly payments the insurer determines that the total amount deducted pursuant to paragraph (a) of subsection 1 of this section does not equal 50 percent of*

*the aggregate amount of the tax required to be paid on net direct premiums and net direct considerations written during the immediately preceding calendar year, deduct or remit the amount that will make the total amount deducted equal 50 percent of the amount of the tax required to be paid pursuant to the provisions of NRS 680B.027 when the insurer files the annual report and makes the annual payment pursuant to the provisions of NRS 680B.030.*

*2. If the insurer is not required to file quarterly reports and make quarterly payments pursuant to the provisions of NRS 680B.032, deduct 50 percent of the aggregate amount of the tax required to be paid on net direct premiums and net direct considerations written during the immediately preceding calendar year when the insurer files the annual report and makes the annual payment pursuant to the provisions of NRS 680B.030.*

**Sec. 9.** *1. Except as otherwise provided in section 10 of this regulation, an insurer who has established to the satisfaction of the executive director that it meets all the requirements set forth in NRS 680B.050 and 680B.055 and wishes to apply the credit set forth in paragraph (b) of subsection 1 of NRS 680B.050 shall deduct the amount authorized pursuant to paragraph (b) of subsection 1 of NRS 680B.050 when the insurer files the annual report and makes the annual payment pursuant to the provisions of NRS 680B.030.*

*2. An insurer who is required to file quarterly reports and make quarterly payments pursuant to the provisions of NRS 680B.032 may not deduct the amount authorized pursuant to paragraph (b) of subsection 1 of NRS 680B.050 or any portion of that amount when the insurer files the quarterly reports and makes the quarterly payments pursuant to the provisions of NRS 680B.032.*

**Sec. 10.** *1. If an insurer fails to satisfy the requirements of NRS 680B.050 or 680B.055 for the entire year for which the credits for maintaining a home office in this state are claimed, the insurer is not entitled to those credits for that calendar year.*

*2. If the Nevada tax commission, the department of taxation or a court of competent jurisdiction determines that an insurer who applied the credit set forth in paragraph (a) of subsection 1 of NRS 680B.050 when the insurer filed a quarterly report and made a quarterly payment pursuant to the provisions of NRS 680B.032 has subsequently failed to satisfy the requirements of NRS 680B.050 or 680B.055 during the same calendar year in which the insurer made the quarterly payment, the insurer shall remit to the department of taxation:*

*(a) The difference between the amount the insurer submitted as the quarterly payment and the amount the insurer would have owed for the quarterly payment if it had not deducted the credit authorized pursuant to paragraph (a) of subsection 1 of NRS 680B.050 and any other amount that the Nevada tax commission, the department of taxation or a court of competent jurisdiction determines to be a deficiency; and*

*(b) All applicable penalties and interest owed for failure to pay the full amount in a timely manner. Such penalties must be based on the difference between the amount the insurer submitted as the quarterly payment and the amount the insurer would have owed for the quarterly payment if it had not deducted the credit authorized pursuant to paragraph (a) of subsection 1 of NRS 680B.050 and any other amount that the Nevada tax commission, the department of taxation or a court of competent jurisdiction determines to be a deficiency.*

**Sec. 11.** *If an insurer is not entitled to a certain amount of the credits for maintaining a home office in this state because it would reduce the amount of tax payable to less than 20*

*percent of the tax otherwise payable for that year pursuant to the provisions of NRS 680B.027, the insurer may not carry forward that amount of the credits for use as credits against the tax imposed by NRS 680B.027 in a succeeding calendar year.*