

**ADOPTED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R049-01

Effective November 1, 2001

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

AUTHORITY: §1, NRS 360.090.

Section 1. NAC 372.330 is hereby amended to read as follows:

372.330 1. As used in this section, ~~the term~~ “photographer” means a person who is primarily engaged in the creation of visual images *that are formed by the chemical action of light or other radiation on sensitive film* for which he receives consideration.

2. The services performed by a photographer in the creation of ~~an~~ *a visual* image represent the rendering of professional services ~~and, as a result, the photographer is the consumer of tangible personal property which is used incidentally in rendering the service and must pay the sales tax on the property at the time of purchase. As an example of the application of this subsection, the purchase by a photographer of such material as photographic equipment and accessories, film, chemicals, and all other tangible personal property which is not transferred to a client in the normal course of business is subject to the sales tax.~~

~~3. If, in addition to rendering a service, the photographer regularly] and are exempt from taxation. Such professional services include, without limitation:~~

(a) Consultation, visualization, set-up, exposure and processing;

(b) The initial rendering of a visual image and the original proofs that are furnished by a photographer to a customer; and

(c) The creation of a visual image by combining two or more existing photographs or visual images.

*3. A photographer who sells tangible personal property to a ~~[client]~~ customer, such as ~~[proofs,]~~ contact sheets, ~~[duplications,]~~ *duplicates* or enlargements, ~~[the photographer will be]~~ is considered a retailer with respect to such sales and the gross receipts from those sales are subject to the sales tax . ~~[, except that, any charges for the property that are attributable to services and are stated separately on the invoice are not subject to the sales tax. For the purposes of taxation, the first rendering will be regarded as the material from which reproductions may be made such as negatives. As an example of the application of this subsection, if a client commissions a photograph for use in a newspaper advertisement, the cost for the consultation, visualization, set-up, exposure, and processing necessary for the first rendering is not subject to the sales tax but the charge for any reproductions sold in addition to the first rendering is subject to the sales tax as well as any tangible personal property sold with the reproduction such as mats and frames.~~*

~~—4.— The sales tax does not apply to the services necessary for a first rendering made by combining two or more existing photographs or visual images (photo montage). The sales tax does apply to any reproductions made from the first rendering of the montage.~~

~~—5.— The sales tax does not apply to any charges for supervision, consultation, research, postage, express, telephone and telegraph messages, transportation and travel expenses, or talent fees, if the charge is stated separately on the invoice or is part of a charge for other services.]~~

4. A photographer is the consumer of the tangible personal property that he uses in rendering his professional services and shall pay the tax at the time he purchases such property. Such property includes, without limitation, photographic equipment and accessories, film and chemicals.