

**ADOPTED REGULATION OF THE
NEVADA TAX COMMISSION**

LCB File No. R167-01

Effective December 17, 2001

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

AUTHORITY: §1, NRS 360.090 and 360.419.

Section 1. Chapter 360 of NAC is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 2, the department may relieve a person who has not paid a tax or fee imposed pursuant to chapter 364A of NRS, NRS 370.440 to 370.503, inclusive, chapters 372 or 374 of NRS or NRS 444A.090 or 482.313 of all or part of the penalties and interest imposed pursuant to NRS 360.300, 360.330 or 360.417 with regard to the unpaid tax or fee if:

(a) The person failed to pay the unpaid tax or fee for a reason other than fraud or intentional evasion of the payment of the unpaid tax or fee;

(b) Not earlier than February 1, 2002, and not later than June 30, 2002, the person files with the department a request for relief pursuant to this section;

(c) The person registers pursuant to NRS 372.220 or NAC 444A.041, if required;

(d) The person obtains a license pursuant to NRS 364A.130 or 370.445, if required;

(e) The person pays in full the fee for any permit or license required for any business in which he engages that is related to the unpaid tax or fee;

(f) The person pays in full the unpaid tax or fee; and

(g) The commission authorizes the department to relieve the person of the penalties and interest.

2. The department may not, pursuant to subsection 1, relieve the person of any interest that accrues or penalties that are imposed on or after July 1, 2002, on any portion of the unpaid tax or fee that remains unpaid on or after July 1, 2002.

3. A person who requests or receives relief pursuant to this section may be selected for an audit and audited by the department in the same manner as a person who does not request or receive relief pursuant to this section.

4. The limitations set forth in NRS 360.355 apply to taxes and fees paid pursuant to this section.

INFORMATIONAL STATEMENT
Permanent Regulation of the Nevada Tax Commission

LCB File No. R167-01

The following statement is submitted for adopted amendments to Nevada Administrative Code (NAC) 360.

1. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

Notices of hearing for the adoption and amendment of the proposed regulation were posted at the following locations: Department of Taxation, 1550 East College Parkway, Carson City, Nevada; Nevada State Library, 100 Stewart Street, Carson City, Nevada; The Legislative Building, Capitol Complex, Carson City, Nevada; each County Main Public Library; Department of Taxation, 4600 Kietzke Lane, Building O, Suite 263, Reno, Nevada; Department of Taxation, 555 East Washington Avenue, Las Vegas, Nevada.

A copy of the notice of hearing and the proposed regulation were placed on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the proposed regulation were also made available and placed on file at the Department of Taxation, 1550 East College Parkway, Carson City, Nevada; Department of Taxation, 4600 Kietzke Lane, Building O, Suite 263, Reno, Nevada; Department of Taxation, 555 East Washington Avenue, Suite 1300, Las Vegas, Nevada; Department of Taxation, 850 Elm Street, No. 2, Elko, Nevada; and in all counties in which an office of the Department of Taxation is not maintained, at the main public library, for inspection and copying by members of the public during business hours.

The hearing was held on December 3, 2001 at the Grant Sawyer Office Building, LCB Room 4401, 555 E. Washington Avenue, Las Vegas, Nevada. It appears that due to the primarily procedural nature of the proposed regulation, only affected or interested persons and businesses as set forth in #3 below responded to the proposed regulation and testified at the hearing. A copy of the transcript of the hearing, for which a reasonable fee may be charged, may be obtained by calling the Nevada Department of Taxation at (702) 6874896, or by writing to the Nevada Department of Taxation at 1550 East College Parkway, Suite 115, Carson City, Nevada, 89706. The proposed regulation was submitted to the Legislative Counsel Bureau, which completed its review and minor revisions on November 19, 2001. Thus, the proposed regulation, for practical purposes, was discussed at two workshops and has been heard and considered at one public hearing of the Nevada Tax Commission.

- 2. The number of persons who:**
(a) Attended the hearing: 43
(b) Testified at the hearing: 3

(c) Submitted to the Tax Commission written comments: Written comments were submitted to, or received by, the Department of Taxation or the Nevada Tax Commission from Ms. Carole Vilardo of the Nevada Taxpayers Association.

3. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Comments were solicited from affected and interested businesses and persons by the notices set forth in #1 above, by direct mail to all county assessors, and by direct mail to the approximately 150 interested businesses and persons on the Department of Taxation's mailing list.

4. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

Section 1, paragraphs 1 and 1(b) of the proposed regulation was slightly modified prior to adoption, due to issues raised by the Department of Taxation and by affected or interested businesses and persons. The remaining sections of the proposed regulation were not changed since no concerns were raised by the public, affected or interested businesses or persons, the Department of Taxation or Tax Commission members, and the Tax Commission believed no changes other than those made were necessary.

5. The estimated economic effect of the adopted regulation on the business which it is to regulate and on the public. These must be stated separately, and each case must include: (a) Both adverse and beneficial effects; and (b) Both immediate and long-term effects.

(a) Adverse and beneficial effects.

The proposed regulation presents no foreseeable or anticipated adverse economic effects to businesses or the public. There may be some beneficial economic effects to persons who do qualify for the tax amnesty program. Those benefits are not quantifiable at this time.

(b) Immediate and long-term effects.

Same as #5(a) above.

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

The proposed regulation does present some minor foreseeable or anticipated cost for the administration of the amnesty program. Those minor costs are not quantifiable at this time.

7. A description of any regulations of other state or governmental agencies which the regulation overlaps or duplicates and a statement explaining why the duplication or overlap is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

The proposed regulation is particular to the Department of Taxation practices and procedures and does not appear to overlap or duplicate regulations of other state or local governmental agencies.

8. If the regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

There are no known federal regulations pertaining to state tax amnesty program procedures, which are the subject of the proposed regulation.

9. If the 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 regulation does not provide a new fee or increase an existing fee.