

**EMERGENCY REGULATION¹ OF THE
NEVADA TAX COMMISSION**

June 2, 2008

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

AUTHORITY: §1, NRS 360.090 and 360.419; and §§1 and 2, NRS 360.263.

A REGULATION relating to the implementation of the Amnesty Program by incorporating changes to the waiver of certain penalties and interest.

Section 1. NAC 360.405 is hereby amended as follows:

1. Except as otherwise provided in ~~sub~~ section 3 ~~2~~ *and subject to the conditions set forth in this regulation, ~~the Department may relieve a person who has not paid a tax or fee imposed pursuant to NRS 370.440 to 370.503, inclusive, chapter 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 person's failure to make a timely return or payment of a tax or fee imposed pursuant to chapter 372, 374, 377, 377A or 377B of NRS or NRS 360A.130 or 363B.110 shall be deemed to be the result of circumstances beyond his control and occurred despite the exercise of ordinary care and without intent; and a person's failure to timely obtain or renew a state business license as required pursuant to NRS 360.780 and 360.784 shall be deemed to be the result of considerations based on equity and fairness. In these circumstances, the Department, as staff to the Tax Commission, may relieve a person of all or part of the penalties and interest imposed pursuant to NRS 360.300, 360.417 or 360.784 with regard to the unpaid tax or fee if:*

¹ The "Statement of Emergency" is found at the end of the text of this Emergency Regulation.

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

(b) Not earlier than *July 1, 2008* ~~[February 1, 2002,]~~ and not later than *September 30, 2008* ~~[June 30, 2002,]~~, the person files with the Department a request for relief pursuant to this section;

(c) The person, *no later than September 30, 2008*, registers pursuant to NRS 372.220 ~~[or NAC 444A.041]~~, if required;

(d) The person, *no later than September 30, 2008*, obtains *any other applicable* license ~~[a license pursuant to NRS 370.445]~~, if required;

(e) The person, *no later than September 30, 2008*, 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, *no later than September 30, 2008*, pays in full the unpaid tax or fee; and

(g) *The person satisfies any other conditions permitted by law that are deemed relevant by the Executive Director or the Tax Commission.* ~~[The Commission authorizes the Department to relieve the person of the penalties and interest]~~

2. *Except as otherwise provided in this paragraph and for the purposes of NRS 360.784, a person shall be deemed to have submitted the annual fee required to be paid pursuant to that section in a timely manner if the person files any required return and remits the fee on or before September 30, 2008.*

~~3[2].~~ The Department may not, pursuant to ~~[sub]~~section 1, relieve the person of any interest that accrues or penalties that are imposed on or after *September 30, 2008* ~~[July 1, 2002,]~~, on any portion of the unpaid tax or fee that remains unpaid on or after *September 30, 2008* ~~[July 1, 2002,]~~.

~~4[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.

~~5[4]~~. The limitations set forth in NRS 360.355 apply to taxes and fees paid pursuant to this section.

~~6[5]~~. *The provisions of sections 1 through 5 apply only to taxes and fees that are due and payable before June 1, 2008*

7. Notwithstanding section 6 and NAC 360.440, 360.442, and 360.444, the Department may accept a voluntary disclosure if:

(a) All the conditions set forth in this regulation are met; and

(b) The Executive Director is satisfied that the amount disclosed is representative of the amount of tax or fee that is due to the Department.

**NEVADA TAX COMMISSION'S
STATEMENT OF EMERGENCY**

WHEREAS, the Nevada Tax Commission (“Commission”) has convened this public meeting for the purpose of considering the adoption of the foregoing Emergency Regulation, which relates to the implementation of the 2008 Tax Amnesty Program by incorporating changes to waivers of certain penalties and interest with respect to the taxes and fees imposed by chapters 360, 363A, 363B, 372, 274, 377, 377A and 377B of the Nevada Revised Statutes.

WHEREAS, the Commission finds that an emergency exists insofar as:

1. Beginning in 2007, the revenues attributable to certain taxes imposed by state law began declining. In 2008, the revenue sources that build the state’s General Fund have continued to decline. The budget shortfall for the current biennium totals approximately \$898 million. *See* <http://gov.state.nv.us/PressReleases/2008/2008-03-31Budget.htm>. The most recent data indicates that revenue collections (for sales/use tax, the modified business tax and the business license fee) show a continuing downward trend. *See* http://tax.state.nv.us/press_release.htm.

2. Based in part of the success of prior amnesty programs, the Commission believes that implementing a tax amnesty program for 2008 may result in additional revenue for the State that may help alleviate the current budget shortfall.

NOW THEREFORE, the Commission hereby adopts the foregoing Emergency Regulation.

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(signature page to follow)

June _____, 2008.

FOR THE COMMISSION:

DINO DICIANNO
Executive Director
Nevada Department of Taxation

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GOVERNOR'S ENDORSEMENT

I, Governor Jim Gibbons, endorse the Nevada Tax Commission's foregoing Statement of Emergency.

June _____, 2008.

JIM GIBBONS
Governor of Nevada