

# NEVADA DEPARTMENT OF TAXATION

HTTP://TAX.STATE.NV.US



# NEVADA TAX NOTES

*The official newsletter of the Department of Taxation*

JULY 2003

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## DEPARTMENT OF TAXATION OFFICES

### MAIN OFFICE

1550 E. College Parkway, Suite 100  
Carson City, Nevada 89706  
Mailing: 1550 E. College Parkway, Suite 115  
Carson City, Nevada 89706  
Phone: (775) 687-4820 (Compliance - Switchboard)  
1-800-992-0900 (In-State Toll Free)  
Fax: (775) 687-5981

### RENO DISTRICT OFFICE

Kietzke Plaza  
4600 Kietzke Lane Building O, Suite 263  
Reno, Nevada 89502  
Phone: (775) 688-1295  
Fax: (775) 688-1303

### LAS VEGAS DISTRICT OFFICE

Grant Sawyer Office Building  
555 E. Washington Avenue, Suite 1300  
Las Vegas, Nevada 89101  
Phone: (702) 486-2300  
Fax: (702) 486-2373

### ELKO FIELD OFFICE

850 Elm Street  
Elko, Nevada 89801  
Phone: (775) 753-1115  
Fax: (775) 778-6814

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### Communicating by Mail with the Department

If you are writing or sending information to one of the Department's Revenue Officers, or Tax Examiners, or other staff, please use the **mailing address** of the appropriate office. If you are filing your sales and use tax return, please use the envelope the Department provided because it is addressed directly to the bank.

## 2003 LEGISLATIVE SESSION

The 2003 Legislative Session was scheduled to end on June 2, 2003, however, they went into Special Session. Legislative updates on current taxes, new taxes and other changes to Nevada Revised Statutes can be viewed at the Nevada State Legislature's website at <http://leg.state.nv.us>.

## WASHOE COUNTY SALES TAX INCREASE

Effective July 1, 2003, the sales/use tax rate in Washoe County will increase by 1/8 percent to a total rate of 7 3/8%. All vendors selling in, or delivering into, that county on or after that date must collect and report 7 3/8% sales tax on their taxable sales. Existing construction contracts entered into and signed prior to July 1, 2003 are exempt from the 1/8 percent increase, if an exemption letter is obtained from the Department of Taxation. Contact the Carson City office of the Department of Taxation for more information. (775) 687-4820.

## EFFECTIVE JUNE 25, 2003

### NEW MAILING ADDRESSES FOR SALES/USE TAX AND BUSINESS TAX RETURNS AND REMITTANCES

For Sales/Use Tax Returns and Remittances  
P O Box 52609  
Phoenix, AZ 85072-2609  
For Business Tax Returns and Remittances  
P O Box 52635  
Phoenix AZ 85072-2635

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## **TOBACCO SALES COMPLIANCE CHECKS EXPLAINED**

***AG Brian Sandoval wants the public and retailers to  
be aware of and support the process***

**Carson City**—The Attorney General's Office, under the supervision of Senior Deputy Attorney General John Albrecht, conducts compliance checks on retail stores that sell tobacco to enforce the state law prohibiting the sale of tobacco to minors. In the interest of awareness on the part of the public and affected retailers, Attorney General Brian Sandoval offers the following clarification of the compliance check process:

**First, encourage clerks to verify age:** wise employers do, and we provide training and materials, but the public—as customers—can help, too, by being patient during the little time it takes for a clerk to verify age, and recognizing a necessary task well done by mentioning to the clerk that their effort to do so is appreciated.

**Compliance checks are fair and not deceptive:** all retail outlets that sell tobacco products are checked for compliance at least twice each year. When a compliance check is conducted, a youth between the ages of 15 and 17½ enters a store and asks to purchase a particular brand of cigarettes, smokeless tobacco, or a cigar. The youth will respond with his or her true age if asked for it by store personnel. If asked for a photo ID, the youth will either: present their own photo ID with their true age, say they do not have an ID with them, or simply say they do not have an ID. At no time will the youth lie.

If a clerk sells a tobacco product to the under age youth, the investigator supervising the compliance check will enter the establishment and issue a citation to the clerk. This may require interrupting the work routine in your store for a short period of time. The supervising investigator will be willing and available to answer any questions you or your staff may have regarding the compliance check and citation.

**You get the results, positive or negative:** whether or not a citation is issued, you will receive a copy of the report with the results of the compliance check. This way, you can use positive report(s) to praise and encourage other employees to verify age prior to sales.

The report will be mailed to you, or you may choose to have it faxed to you. If you wish to receive compliance check reports by fax, simply send a fax to the Retail Tobacco Enforcement Unit at (775) 688-1844, with the following information: your fax number, the name of the person to address report(s) to, and a list of the physical addresses of all stores that you own or supervise.

**Failing to comply can be expensive:** the maximum fine for selling tobacco to a minor is \$500.00, plus court costs. The local justice of the peace will ultimately decide on the amount of the fine. Other costs to consider are the time and expense of obtaining and training another employee if a clerk resigns or is terminated by you.

Free training materials and in-store signs are available from the WE CARD program at 1-800-934-3968, or on the Internet at: <http://wecard.org>, where a free, web-based training program is available for your store staff, as well.

If you have any further questions regarding this enforcement program, please call John Albrecht, Senior Deputy Attorney General, at (775) 688-1872.

## **NEW FREIGHT REGULATION**

Effective August 5, 2002, the Nevada Tax Commission adopted a permanent regulation concerning the taxability of freight charges. When a retailer charges his customer for freight in connection with a retail sale of tangible personal property, he must collect sales tax on the charge unless: (1) he separately states the freight charge on his invoice, and (2) the customer accepts title to the property before the retailer/common carrier physically delivers the property to the customer. The customer will be deemed to have accepted title to the property prior to its delivery only if the retailer and customer have executed a written agreement clearly stating their intention that title should pass to the customer prior to delivery. Absent such a written agreement, the retailer is responsible for collecting sales tax on the freight charge, even if the retailer has separately stated the charge on his invoice.

## **SUCCESSOR'S LIABILITY**

Taxpayers are reminded if you are purchasing an existing business, be aware of successor's liability, NRS 360.525. Be sure to request a "certificate of amount due" for any tax or fee administered by the Department. If you don't take this action, you may become personally liable for the payment of any taxes due from the prior owner up to the extent of the consideration paid for the business or stock of goods, valued in money.

## **MOVING OR SELLING BUSINESS**

Please remember to advise the Department of business location changes and changes in ownership of your business which includes forming a corporation. A new or a revised application with the owner's signature is required to update our records and ensure you have the appropriate permit. In addition, if you're selling your business, you're responsible for filing any required sales/use or business tax returns to cover all of the time that your business was in operation. Contact your local Department of Taxation office for forms or returns and please ask for help if needed. You may also visit our website at <http://tax.state.nv.us> for this information.

## **HOLIDAY CLOSURES**

The Department of Taxation offices will be closed the following days in the third quarter of 2003:

Friday, July 4, 2003 – 4<sup>th</sup> of July  
Monday, Sept 1, 2003 – Labor Day