



**STATE OF NEVADA
DEPARTMENT OF TAXATION**

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**STREAMLINED SALES AND USE TAX AGREEMENT
ANNUAL RECERTIFICATION FOR FULL MEMBERSHIP**

July 28, 2011

Scott Peterson
Executive Director
Streamlined Sales Tax Governing Board
4205 Hillsboro Pike, # 305
Nashville, TN 37215-3339

Re: Nevada's 2011 Recertification Letter

Dear Mr. Peterson:

Pursuant to Section 803 of the Streamlined Sales and Use Tax Agreement (Agreement), on behalf of the State of Nevada, a Full Member State, I as Interim Executive Director of the Nevada Department of Taxation hereby re-certify to the Governing Board compliance with the terms of the Agreement.

Further, in your letter dated January 20, 2011, you identified four issues that required our attention. Those issues have been addressed as follows:

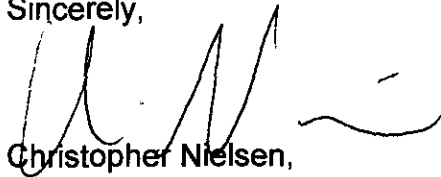
1. The first issue concerned the definition of "receive". The 2011 Nevada Legislature enacted S.B. 34, a copy of which is attached. Section 5 deleted the language in NRS 360B.350 concerning "first use" and replaced it with the applicable definition under the Agreement. "Receive" now means ". . . taking possession of tangible personal property".
2. Sections 9 and 10 of S.B. 34 deleted the provisions in NRS 372.155 and NRS 372.225 concerning the "good faith" acceptance of resale certificates. The effectiveness of a resale certificate is no longer contingent upon a showing of good faith.
3. Under NRS 372.7285 and NRS 374.731, the sale of a "medical device" is deemed to be an exempt sale to the government if certain conditions are satisfied and payment for the device is made by Medicare or Medicaid. "Medical device" expressly includes "durable medical equipment" and "mobility enhancing equipment". The applicable definitions are at Nevada Administrative Code (NAC) 372.020, 372.024 and 372.698. Additionally, there is a separate exemption at NRS 372.283 and NRS 374.287 for the sale of a "prosthetic device" which is prescribed or applied by a physician for human use. The exemption for prosthetic devices is independent of the exemption at NRS 372.7285 and NRS 374.731. "Prosthetic device" is defined at NRS 360B.475 and NAC 372.027, as amended by LCB File No. R104-09 (2009).

Scott Peterson
Re: Annual Streamlined Recertification
July 28, 2011

4. With regard to ACH Credit, tests were run with Avalara. We received two payments which identified some areas needing changes. Those changes have been implemented and we expect additional test payments soon. In October, we plan to make ACH Credit available to all taxpayers as we received funding from the 2011 Legislature to specifically support this type of payment.

Enclosed you will find Nevada's Certificate of Compliance and Taxability Matrix. These documents will be posted on our website: www.tax.state.nv.us by August 1, 2011.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Nielsen', with a horizontal flourish extending to the right.

Christopher Nielsen,
Interim Executive Director