



STATE OF NEVADA
DEPARTMENT OF TAXATION

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VIA EMAIL

Craig Johnson, Executive Director
Streamlined Sales Tax Governing Board, Inc.
100 Majestic Drive, Suite 400
Westby, WI 54667

Nevada Statement of Noncompliance with Requirements of the Streamlined Sales and Use Tax Agreement

Dear Craig,

The Streamlined Sales Tax Governing Board determined that **Nevada** is not in compliance with the following requirement of the Streamlined Sales and Use Tax Agreement (Agreement):

- Section 322 – Sales Tax Holidays – The Section provides in part that “A. If a member state allows for temporary exemption periods, commonly referred to as sales tax holidays, the member state shall: 1. Not apply an exemption unless the items to be exempted are specifically defined in Part II or Part III(B) of the Library of Definitions and the exemptions are uniformly applied to state and local sales and use taxes. 2. Provide notice of the exemption period at least sixty days’ prior to the first day of the calendar month in which the exemption period will begin. 3. Not apply an entity or use based exemption to items except a member state may limit a product based exemption to items purchased for personal or non-business use. 4. Not require a seller to obtain an exemption certificate or other certification from a purchaser for items to be exempted during a sales tax holiday.”

The Nevada legislature in 2021 expanded the entity-based exemption for sales to qualified members of the Nevada National Guard in SB440. The legislation provides for a new temporary sales tax exemption for all tangible personal property every year through 2031 on “Nevada Day” and the weekend immediately following the holiday. The exemption only applies to qualified Nevada National Guard members, thereby making it an entity-based exemption which is prohibited under SSUTA Section 322(A)(4).

Our online taxability matrix and certificate of compliance clearly reflect how our state’s provisions differ from the above requirements of the Agreement, as required by Section 805.1 of the Agreement.

In an effort to get back into substantial compliance with the above requirements, Nevada is taking the following steps:

- The Department of Taxation is pursuing legislation during Nevada's 2023 Legislative session that will revise the existing statute. This legislation will bring Nevada into compliance with requirements of the Streamlined Sales and Use Tax Agreement.

Please let me know if you have any questions regarding this or need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shellie Hughes", with a stylized flourish at the end.

Shellie Hughes
Executive Director
Nevada Department of Taxation