

TAX TOPICS

A Publication of the Nevada Taxpayers Association serving the citizens of Nevada since 1922

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TAX AMNESTY PROGRAM ANNOUNCED

A three month tax Amnesty Program for taxes collected by the Department of Taxation was one of the provisions in AB 6 which was passed during the February 2010 Special Session. The program began on July 1, 2010 and will end September 30, 2010. It allows a waiver of penalty and interest to businesses and individuals who owe taxes that were due before July 1, 2010 and have not been paid. The tax debt must be paid in full during the Amnesty Program. The taxes included in the program are: sales and use tax; modified business tax; exhibition facilities fees; cigarette tax; other tobacco products tax; liquor tax; bank branch excise tax; Insurance Premium Tax; Live Entertainment tax (non-gaming businesses); net proceeds of minerals tax; short term lease tax (car rental tax); centrally assessed property tax; and tire tax. Also included is an outstanding business license tax from registered businesses for periods beginning prior to October 1, 2009.

Program Eligibility

Persons and companies doing business in Nevada, as well as individuals, who may have a Use Tax liability are eligible. Some businesses that file returns are unaware of the full liability they have in reporting and paying taxes. In fact, many businesses and individuals believe they have no tax liability on purchases they have made out of state and for which the seller did not collect Nevada Sales Tax (catalogue, phone and internet sales); however, in almost all cases these businesses and individuals do owe use tax.

The Amnesty Program is also available to a person or business who has not previously registered with the Department of Taxation.

The program does not apply to a person or business that has entered into a compromise or settlement agreement with the Department of Taxation or the Nevada Tax Commission regarding the unpaid tax, fee or assessment. Also, it does not apply to a person or business that cannot pay the tax owed in full.

Applying for the Program

Send a completed Amnesty Application, available on the department's website www.tax.state.nv.us to the Department. Mail the application and any required documents, along with payment in full to the Nevada Department of Taxation, 1550 College Parkway, Suite 115, Carson City, NV 89706-7937. "Amnesty" must be clearly written on the outside of the envelope

and should also be written on all tax returns submitted. Please note: Do not mail the Amnesty Application to the Department's post office box. Additionally, amnesty payments cannot be made online.

You can also visit one of the Department's offices to obtain the form and receive more information on the Amnesty Program. For a contact list of addresses for the Department of Taxation, see page 4.

If you are an individual or business who purchased an aircraft, vessel, automobile or other tangible personal property, you must provide a copy of the bill of sale or purchaser's agreement.

Continued on page 2

IN THIS ISSUE

Tax News	2
Property Tax	
Department of Taxation	
Tanning Salon Tax	
Federal Tax Credits	
Business Assistance	3
Web addresses	
Department of Taxation	4
Contact Information	
Initiatives in Circulation	4

TAX NEWS

Property Taxes

Property tax bills will be sent out by County Treasurers this month. The first payment is due August 16. Centrally assessed property taxpayers will receive their bills from the Department of Taxation.

From the Department of Taxation

The Department has implemented a new Call Center. The Center should help eliminate taxpayers' frustration with trying to get through to one of the Department's offices. Taxpayers can call to receive assistance resolving issues with their accounts or to establish a new account. You can also call with questions regarding taxes collected by the Department.

The toll-free phone number to the Call Center is 1-866-962-3707. Hours are 8:10 a.m. to 11:50 a.m. and 1:00 p.m. to 4:45 p.m. PST.

The phone number for the Department's Reno office has changed to 775-688-1303.

As part of the State budget reductions, the Elko district office of the Department has been closed (July 1, 2010).

From the Internal Revenue Service

As part of the federal health care bill, tanning salons must now charge their customers a 10% excise tax on tanning.

Two new tax benefits are available to employers hiring workers who were previously unemployed or only working part time. These provisions were part of the Hiring Incentives to Restore Employment (HIRE) Act enacted into law on March 18, 2010. Employer groups eligible for the credit are businesses, agricultural employers, tax-exempt organizations and public colleges and universities. Household employers cannot claim the credit.

continued next column

Employers who hire unemployed workers this year (after February 3, 2010 and before January 1, 2011) may qualify for a 6.2 percent payroll tax incentive which exempts them from their share of Social Security taxes on wages paid to these employees after March 18, 2010. The reduced tax withholding has no effect on the employee's future Social Security benefits. Employers still need to withhold the employee's 6.2 percent share of Social Security taxes, as well as income taxes. The employer and employee's shares of Medicare taxes still apply.

Additionally, for each worker retained for 52 weeks, businesses may claim an additional general business tax credit, up to \$1,000 per worker, when they file their 2011 income tax returns.

The HIRE Act requires that the employer get a statement from each eligible new hire certifying that he or she was unemployed during the 60 days before beginning work or, alternatively, worked no more than 40 hours for anyone during the 60 day period. In addition, the new employee may not replace another employee of that employer, unless the other employee separated from the employment voluntarily or was terminated for cause. They may not be family members of or related in certain other ways to the employer. The employee must sign an affidavit, under penalties of perjury, that they have not been employed for more than 40 hours during the 60 day period ending on the date they started employment. Note: IRS is planning to issue a model affidavit. As of this printing, it had not been issued. For more information visit www.IRS.gov

Amnesty Program, continued from page 1

Documentation Required

If you are in business, fill out the Amnesty Application along with the reporting form for the tax on which you have the liability. The application form can be found on the Department's website --- www.tax.state.nv.us. To obtain the form for the tax you are applying for amnesty on, go to the "Forms" link on the Department's site and download the form(s) you need. Be sure to download the form for the correct reporting period. In some cases you will need multiple forms for the same tax, as the rate may have changed during the period for which you have the reporting liability.

BUSINESS HELP - ADDRESSES OF IMPORT

“Small,” is the characteristic of the majority of businesses in Nevada. In this economy, owners are focused on maintaining their businesses; but it is also the very time there are more and more changes in various laws that they must be aware of and comply with accordingly. Many of the agencies and departments that businesses must interface with have improved the information available to small business owners via the web. Following is a partial list of web addresses that have information available to assist small business.

NAME/ WEB ADDRESS	GO TO	TYPE OF INFORMATION
Internal Revenue Service www.irs.gov	“Businesses” or Use the “Search” box to enter a word or phrase to describe what you are looking for. “Taxpayer Advocate- Nevada”, type in “Search” Box	Information available includes, but is not limited to: <ul style="list-style-type: none"> • Registering for e-filings • Employment taxes for business • Employer ID numbers (EIN) • Small business and self-employed tax center • Available benefit programs. •Independent arm of IRS to help individual and business taxpayers resolve problems with IRS
Social Security Administration www.socialsecurity.gov/employer/ss_nv.htm		<ul style="list-style-type: none"> • File W-2's electronically • Verify names & social security numbers
Small Business Administration www.sba.gov	“Small Business Planner” “Services” “Tools” “Local Resources”	<ul style="list-style-type: none"> • Information on managing your business • Information from available financial assistance to contracting opportunities • Resource library • Includes contacts for Score, the Microenterprise Initiative and Nevada Small Business Development Center
Department of Taxation www.tax.state.nv.us	“ Electronic Filings” “Public Meetings” “Publications”	<ul style="list-style-type: none"> • Reporting and payment of taxes • “Ask the Advisor training for business” and regulatory workshops. • <i>Tax Notes</i> and manuals
Secretary of State www.sos.state.nv.us	“Business Center”	<ul style="list-style-type: none"> • Filing and payment of State business license. • Filing annual business lists
Nevada Department of Labor www.laborcommissioner.org		Information on State and Federal wage requirements
Nevada Department of Employment Security www.nvdetr.com	“Employment Security Division”	<ul style="list-style-type: none"> • Forms • Job postings by employers • Persons available for hire
Workers’ Compensation www.webdir.state.nv.us	“Workers’ Compensation”	<ul style="list-style-type: none"> • Forms • Training • Newsletters
State Licensing Agencies www.nv.gov	“Nevada Government - Agencies and Departments”	Contact information and listing of services provided

**ADDRESSES -
DEPARTMENT OF TAXATION****Main Office**

1550 College Parkway
Carson City 89706

Las Vegas District Office

Grant Sawyer Office Building
555 E. Washington Avenue, Suite 1300
Las Vegas 89101

Reno District Office

Kietzke Plaza
4600 Kietzke Lane, Building L, Suite 235
Reno 89502

Henderson Field Office

2550 Paseo Verde Parkway, Suite 180
Henderson 89704

Call Center Phone Number (toll free)

1-866-962-3707

INITIATIVES IN CIRCULATION

Of the seven initiative petitions that were filed for this cycle to amend Nevada's Constitution, four were withdrawn and three failed to gain a sufficient number of signatures to qualify for the November ballot.

Four initiatives which seek to amend or add to statute are still being circulated. Proponents need to obtain 97,002 signatures and submit the petitions to the County Clerks by November 9, 2010. Note: Proponents generally need to obtain at least 25 percent more signatures than are required because of signatures that may be disqualified. Qualified initiatives are delivered to the Secretary of State's office and delivered to the Legislature the first day of session. The Legislature will have 40 days to act. If the Legislature accepts the initiative as submitted, it will become law. If the Legislature takes no action, the initiative will appear on the November 2012 ballot. If the Legislature drafts legislation similar to the initiative, both the initiative and the legislative bill will appear on the November 2012 ballot.

TAX TOPICS

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NEVADA TAXPAYERS ASSOCIATION

www.nevadataxpayers.org

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