

This Week in State Tax (TWIST)

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Nevada: Commission Broadens Applicability and Revises Rules for VDAs

The Nevada Tax Commission recently adopted revised regulations governing the state's voluntary disclosure agreement (VDA) program for nonfilers. The revised regulation broadens the applicability of the program to include the modified business tax, the tax imposed on gold and silver mining businesses, taxes imposed on transportation network companies and passenger carriers, and taxes imposed on peer-to-peer car sharing programs. In addition, the revisions transfer administration of the VDA program fully to the Department of Taxation (Department).

The existing regulation provides that if the Tax Commission determines that a taxpayer has made a "good faith effort" to comply with the VDA program requirements, penalties and interest are waived, provided the tax due is paid. The revised regulation eliminates the "good faith effort" clause, instead conditioning the penalties and interest waiver on full compliance with the requirements of the program. Procedurally, a non-filing taxpayer must now file an application for participation with the Department. If the Department determines that it has not initiated an investigation or audit of the taxpayer prior to the date of the application, the taxpayer is accepted into the program. Within 90 days of acceptance, the taxpayer must file any required registrations and delinquent returns as well as pay the estimated tax owed, subject to an eight-year look-back period. The Department, in its discretion, may grant a 90-day extension to comply in event of disaster (natural or otherwise), death or hospitalization of the taxpayer or its representative, or other similar, unforeseeable situation beyond the control of the taxpayer.

If the Department determines that the taxpayer did not meet the requirements of the program, it is to assess any additional tax determined to be owed, as well as penalty and interest. The taxpayer may file a petition disputing the determination by the Department, and a determination on the petition will be made by the Tax Commission. A taxpayer that participates in the VDA program does not waive other appeal rights. Please contact [Eric Gee](#) with questions about [LCB File No. R152-22](#).

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