
ASSEMBLY BILL NO. 9—COMMITTEE ON REVENUE

(ON BEHALF OF THE DEPARTMENT OF TAXATION)

PREFILED NOVEMBER 18, 2020

Referred to Committee on Revenue

SUMMARY—Revises provisions governing the disclosure of certain confidential information by the Department of Taxation. (BDR 32-270)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; authorizing the Department of Taxation to disclose certain confidential information to the Budget Division of the Office of Finance under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law creates the Department of Taxation, which has various powers and
2 duties related to the administration and collection of certain taxes, fees, assessments
3 and other amounts of money or the imposition of disciplinary action. (Chapter 360
4 of NRS) Existing law makes confidential and privileged the records and files of the
5 Department of Taxation concerning the administration and collection of those
6 taxes, fees, assessments and other amounts and the imposition of disciplinary
7 action, but authorizes the disclosure of such records and files under certain
8 circumstances. (NRS 360.255) Existing law creates the Office of Finance in the
9 Office of the Governor, consisting of the Budget Division and the Division of
10 Internal Audits. (NRS 223.400) Under existing law, the Budget Division has
11 various powers and duties relating to preparation of the budget for the Executive
12 Department of the State Government, the fiscal management of the Executive
13 Department and the projection of revenue, including the provision of technical
14 assistance to the Economic Forum. (Chapter 353 of NRS) This bill authorizes the
15 disclosure of the records and files of the Department concerning the administration
16 and collection of certain taxes, fees, assessments and other amounts and the
17 imposition of disciplinary action to the Budget Division of the Office of Finance for
18 use in the projection of revenue.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 360.255 is hereby amended to read as follows:

2 360.255 1. Except as otherwise provided in this section and
3 NRS 239.0115 and 360.250, the records and files of the Department
4 concerning the administration or collection of any tax, fee,
5 assessment or other amount required by law to be collected or the
6 imposition of disciplinary action are confidential and privileged.
7 The Department, an employee of the Department and any other
8 person engaged in the administration or collection of any tax, fee,
9 assessment or other amount required by law to be collected or the
10 imposition of disciplinary action or charged with the custody of any
11 such records or files:

12 (a) Shall not disclose any information obtained from those
13 records or files; and

14 (b) May not be required to produce any of the records or files for
15 the inspection of any person or governmental entity or for use in any
16 action or proceeding.

17 2. The records and files of the Department concerning the
18 administration and collection of any tax, fee, assessment or other
19 amount required by law to be collected or the imposition of
20 disciplinary action are not confidential and privileged in the
21 following cases:

22 (a) Testimony by a member or employee of the Department and
23 production of records, files and information on behalf of the
24 Department or a person in any action or proceeding before
25 the Nevada Tax Commission, the State Board of Equalization, the
26 Department, a grand jury or any court in this State if that testimony
27 or the records, files or information, or the facts shown thereby, are
28 directly involved in the action or proceeding.

29 (b) Delivery to a person or his or her authorized representative
30 of a copy of any document filed by the person pursuant to the
31 provisions of any law of this State.

32 (c) Publication of statistics so classified as to prevent the
33 identification of a particular business or document.

34 (d) Exchanges of information with the Internal Revenue Service
35 in accordance with compacts made and provided for in such cases,
36 or disclosure to any federal agency, state or local law enforcement
37 agency, including, without limitation, the Cannabis Compliance
38 Board, or local regulatory agency that requests the information for
39 the use of the agency in a federal, state or local prosecution or
40 criminal, civil or regulatory investigation.

41 (e) Disclosure in confidence to ~~the~~:



1 (1) *The* Governor or his or her agent in the exercise of the
2 Governor's general supervisory powers ~~[, or to any]~~ ;

3 (2) *The Budget Division of the Office of Finance for use in*
4 *the projection of revenue;*

5 (3) *Any* person authorized to audit the accounts of the
6 Department in pursuance of an audit ~~[, or to the]~~ ;

7 (4) *The* Attorney General or other legal representative of the
8 State in connection with an action or proceeding relating to a
9 taxpayer or licensee ; ~~[,]~~ or ~~[to any]~~

10 (5) *Any* agency of this or any other state charged with the
11 administration or enforcement of laws relating to workers'
12 compensation, unemployment compensation, public assistance,
13 taxation, labor or gaming.

14 (f) Exchanges of information pursuant to an agreement between
15 the Nevada Tax Commission and any county fair and recreation
16 board or the governing body of any county, city or town.

17 (g) Upon written request made by a public officer of a local
18 government, disclosure of the name and address of a taxpayer or
19 licensee who must file a return with the Department. The request
20 must set forth the social security number of the taxpayer or licensee
21 about which the request is made and contain a statement signed by
22 the proper authority of the local government certifying that the
23 request is made to allow the proper authority to enforce a law to
24 recover a debt or obligation owed to the local government. Except
25 as otherwise provided in NRS 239.0115, the information obtained
26 by the local government is confidential and privileged and may not
27 be used or disclosed for any purpose other than the collection of a
28 debt or obligation owed to that local government. The Executive
29 Director may charge a reasonable fee for the cost of providing the
30 requested information.

31 (h) Disclosure of information as to amounts of any unpaid tax or
32 amounts of tax required to be collected, interest and penalties to
33 successors, receivers, trustees, executors, administrators, assignees
34 and guarantors, if directly interested.

35 (i) Disclosure of relevant information as evidence in an appeal
36 by the taxpayer from a determination of tax due if the Nevada Tax
37 Commission has determined the information is not proprietary or
38 confidential in a hearing conducted pursuant to NRS 360.247.

39 (j) Disclosure of the identity of a person and the amount of tax
40 assessed and penalties imposed against the person at any time after a
41 determination, decision or order of the Executive Director or other
42 officer of the Department imposing upon the person a penalty for
43 fraud or intent to evade a tax imposed by law becomes final or is
44 affirmed by the Nevada Tax Commission.



1 (k) Disclosure of the identity of a licensee against whom
2 disciplinary action has been taken and the type of disciplinary action
3 imposed against the licensee at any time after a determination,
4 decision or order of the Executive Director or other officer of the
5 Department imposing upon the licensee disciplinary action becomes
6 final or is affirmed by the Nevada Tax Commission.

7 (l) Disclosure of information pursuant to subsection 2 of
8 NRS 370.257.

9 (m) With respect to an application for a registration certificate to
10 operate a medical marijuana establishment pursuant to chapter 453A
11 of NRS, as that chapter existed on June 30, 2020, or a license to
12 operate a marijuana establishment pursuant to chapter 453D of
13 NRS, as that chapter existed on June 30, 2020, which was submitted
14 on or after May 1, 2017, and on or before June 30, 2020, and
15 regardless of whether the application was ultimately approved,
16 disclosure of the following information:

17 (1) The identity of an applicant, including, without
18 limitation, any owner, officer or board member of an applicant;

19 (2) The contents of any tool used by the Department to
20 evaluate an applicant;

21 (3) The methodology used by the Department to score and
22 rank applicants and any documentation or other evidence showing
23 how that methodology was applied; and

24 (4) The final ranking and scores of an applicant, including,
25 without limitation, the score assigned to each criterion in the
26 application that composes a part of the total score of an applicant.

27 (n) Disclosure of the name of a licensee and the jurisdiction of
28 that licensee pursuant to chapter 453A or 453D of NRS, as those
29 chapters existed on June 30, 2020, and any regulations adopted
30 pursuant thereto.

31 3. The Executive Director shall periodically, as he or she
32 deems appropriate, but not less often than annually, transmit to the
33 Administrator of the Division of Industrial Relations of the
34 Department of Business and Industry a list of the businesses of
35 which the Executive Director has a record. The list must include the
36 mailing address of the business as reported to the Department.

37 4. The Executive Director may request from any other
38 governmental agency or officer such information as the Executive
39 Director deems necessary to carry out his or her duties with respect
40 to the administration or collection of any tax, fee, assessment or
41 other amount required by law to be collected or the imposition of
42 disciplinary action. If the Executive Director obtains any
43 confidential information pursuant to such a request, he or she shall
44 maintain the confidentiality of that information in the same manner



1 and to the same extent as provided by law for the agency or officer
2 from whom the information was obtained.

3 5. As used in this section:

4 (a) "Applicant" means any person listed on the application for a
5 registration certificate to operate a medical marijuana establishment
6 pursuant to chapter 453A of NRS, as that chapter existed on
7 June 30, 2020, or a license to operate a marijuana establishment
8 pursuant to chapter 453D of NRS, as that chapter existed on
9 June 30, 2020.

10 (b) "Disciplinary action" means any suspension or revocation of
11 a license, registration, permit or certificate issued by the Department
12 pursuant to this title or chapter 453A or 453D of NRS, as those
13 chapters existed on June 30, 2020, or any other disciplinary action
14 against the holder of such a license, registration, permit or
15 certificate.

16 (c) "Licensee" means a person to whom the Department has
17 issued a license, registration, permit or certificate pursuant to this
18 title or chapter 453A or 453D of NRS, as those chapters existed on
19 June 30, 2020. The term includes, without limitation, any owner,
20 officer or board member of an entity to whom the Department has
21 issued a license.

22 (d) "Records" or "files" means any records and files related to
23 an investigation or audit or a disciplinary action, financial
24 information, correspondence, advisory opinions, decisions of a
25 hearing officer in an administrative hearing and any other
26 information specifically related to a taxpayer or licensee.

27 (e) "Taxpayer" means a person who pays any tax, fee,
28 assessment or other amount required by law to the Department.

29 **Sec. 2.** This act becomes effective upon passage and approval.



