

SENATE BILL NO. 15—COMMITTEE ON TAXATION

(ON BEHALF OF THE DEPARTMENT OF TAXATION)

PREFILED FEBRUARY 1, 2005

Referred to Committee on Taxation

SUMMARY—Authorizes Nevada Tax Commission to compromise amounts owed by taxpayers under certain circumstances. (BDR 32-637)

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 Nevada Tax Commission to compromise amounts owed by taxpayers under certain circumstances; requiring the Nevada Tax Commission to adopt regulations concerning such compromises; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law creates the Nevada Tax Commission to serve as the head of the
- 2 Department of Taxation and oversee the administration of the tax laws in this State.
- 3 (Chapter 360 of NRS)
- 4 This bill authorizes the Nevada Tax Commission to compromise the amount
- 5 owed by a taxpayer to allow the Commission to accept an amount less than the
- 6 amount owed as full satisfaction under certain circumstances.

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

- 1 **Section 1.** Chapter 360 of NRS is hereby amended by adding
- 2 thereto a new section to read as follows:
- 3 ***1. The Nevada Tax Commission may enter into a compromise***
- 4 ***with a taxpayer concerning the liability of the taxpayer for any***
- 5 ***tax, contribution, premium, fee, interest or penalty that the***



- 1 *Department has determined the taxpayer is required to pay to the*
2 *State if a majority of the members of the Nevada Tax Commission*
3 *determine upon affirmative vote that:*
4 *(a) It is unlikely that the Department will be able to collect the*
5 *entire amount of the liability of the taxpayer;*
6 *(b) The amount of the liability of the taxpayer is unclear; or*
7 *(c) Such a compromise is appropriate based upon*
8 *considerations of equity and fairness.*
9 *2. The Nevada Tax Commission shall adopt regulations to*
10 *carry out the provisions of this section.*
11 *3. As used in this section, "compromise" means acceptance*
12 *of an amount that is less than the liability as full satisfaction of*
13 *that liability.*

