

STATE OF NEVADA DEPARTMENT OF TAXATION



CONSTRUCTION

CONSTRUCTION CONTRACTORS

Construction Contract

NAC 372.190(1) Construction Contract for improvement to real property defined: A contract for

- Erecting,
- Constructing,
- Affixing a structure

Type of contracts:

- Formal or informal,
- Advertised contracts,
- Negotiated contracts,
- Fixed price contracts,
- Cost reimbursable contracts,
- Lump-sum contracts,
- Time and material contracts

CONSTRUCTION CONTRACTORS

Construction Contractor

NAC 372.190(2) Construction Contractor Defined:

Any person who acts solely in a professional capacity to alter, repair, add to, remodel or otherwise improve any real property.

This includes:

- Subcontractor,
- interior decorators,
- specialty contractors

This does not include:

- Licensed architect,
- licensed engineer
- Manufacturer of: Modular homes, sectionalized housing, prefabricated homes or factory-built home except when installing a prefabricated unit to real property under contract with a government entity.

CONSTRUCTION CONTRACTORS

Application of Tax

NAC 372.200 Tangible Personal Property purchased for performance of contract:

- **A construction contractor is considered a consumer of all tangible personal property purchased for use in improving real property**
- **A construction contractor is required to pay the tax on all material purchases that will be used in the construction job**

CONSTRUCTION CONTRACTORS

Public Works Contracts

NRS 338.1423

- A contractor may not enter into a contract for a public work claiming to be a constituent part of the governmental entity which sponsors or finances the public work
- A contract for a public work may be entered into provided that the contract requires the payment of any state/local taxes that would normally be due had the contract not been with a tax-exempt entity
- If the public body is going to perform the public work itself, it is not required to pay any local or state taxes for the purchase and use of construction materials or goods

Technical Bulletin 16-0002

NEVADA DEPARTMENT OF TAXATION
CONSUMER USE TAX RETURN

This return is for use by consumers of tangible personal property not sellers.
If you are a seller, you must apply for a Sales Tax Permit.

TID No:002-TX-

MAIL ORIGINAL TO: STATE OF NEVADA - SALES/USE
PO BOX 7165
SAN FRANCISCO, CA 94120-7165

For Department Use Only

Return for Ending
Due on or before
Date paid

If the name or address as shown is incorrect, if the ownership or business location has changed, or if you are out of business, you must notify a Nevada Department of Taxation District Office immediately.

IF POSTMARKED AFTER DUE DATE, PENALTY AND INTEREST WILL APPLY

A RETURN MUST BE FILED EVEN IF NO TAX LIABILITY EXISTS

ENTER AMOUNTS IN COUNTY OF USE	AMOUNT SUBJECT TO USE TAX	TAX RATE	CALCULATED TAX
TAX CALCULATION FORMULA	COLUMN A	x COLUMN B	= COLUMN C
01 CHURCHILL		7.800%	
02 CLARK		8.250%	
03 DOUGLAS		7.100%	
04 ELKO		7.100%	
05 ESMERALDA		6.850%	
06 EUREKA		6.850%	
07 HUMBOLDT		6.850%	
08 LANDER		7.100%	
09 LINCOLN		7.100%	
10 LYON		7.100%	
11 MINERAL		6.850%	
12 NYE		7.800%	
13 CARSON CITY		7.800%	
14 PERSHING		7.100%	
15 STOREY		7.800%	
16 WASHOE		8.265%	
17 WHITE PINE		7.725%	
TOTAL			

I HEREBY CERTIFY THAT THIS RETURN INCLUDING ANY ACCOMPANYING SCHEDULE AND STATEMENTS HAS BEEN EXAMINED BY ME AND TO THE BEST OF MY KNOWLEDGE AND BELIEF IS A TRUE, CORRECT AND COMPLETE RETURN. **RETURN MUST BE SIGNED.**

ENTER NAME OF PERSON SIGNING RETURN

SIGNATURE OF TAXPAYER OR AUTHORIZED AGENT

TITLE PHONE NUMBER (WITH AREA CODE)

FEDERAL TAX ID NUMBER (EIN OR SSN) DATE



18. NET USE TAX (SUM OF COLUMN C)	18.	<input type="text"/>
19. PENALTY (LINE 18 x 0%)	19.	<input type="text"/>
20. INTEREST (See instructions for current rate and calculation)	20.	<input type="text"/>
21. PLUS LIABILITIES ESTABLISHED BY THE DEPARTMENT	21.	<input type="text"/>
22. LESS CREDIT(S) APPROVED BY THE DEPARTMENT	22.	<input type="text"/>
23. TOTAL AMOUNT DUE AND PAYABLE	23.	<input type="text"/>
24. TOTAL AMOUNT REMITTED WITH RETURN	24.	<input type="text"/>

**MAKE CHECKS PAYABLE TO:
NEVADA DEPARTMENT OF TAXATION**

To e-mail, save this form to your computer and e-mail the attachment to nevadaoit@tax.state.nv.us with the subject of 'Consumer Use Tax Return'. Your e-mail, including attachments, cannot exceed 10 MB.

CONSTRUCTION CONTRACTORS Consumer Use Tax Return

CONSTRUCTION CONTRACTORS

Change in Sales Tax Rate

NRS 377B.110(6) Construction contractors bid future jobs which include the current sales tax rate.

➤ **When the sales tax rate changes....**

the construction contractor can apply for an exemption from the increased tax rate. Contractors must complete a Contract Summary Form and submit to the Department. Once approved, the contractor will be required to self-report the use tax at the former tax rate. Complete instructions and the form are available on the Department of Taxation's website under "Common Forms".

CONSTRUCTION CONTRACTORS

Resale Certificates

- A construction contractor may be registered as a retailer
- As a retailer, the contractor may use a resale certificate for purchases, and report the tax when the materials are used in a job or sold at retail.
- A retailer construction contractor may NOT use a resale certificate for purchases of tools or supplies which are used in the trade.

CONSTRUCTION CONTRACTORS

Resale Certificates

I hereby certify that I hold valid seller's permit number _____ issued pursuant to chapters 372, 374 and 377 of the Nevada Revised Statutes; that I am engaged in the business of selling _____ ; and that the tangible personal property described in the second paragraph of this certificate, which I purchase from: _____ , will be resold by me in the form of tangible personal property. I further certify that in the event any of the property is used for any purpose other than retention, demonstration or display while I am holding it for sale in the regular course of business, it is understood that I am required by chapters 372, 374 and 377 of the Nevada Revised Statutes to report it and pay the tax measured by the purchase price of the property.

Description of the property to be purchased:

Purchaser _____

Address _____

Signature of Authorized Purchaser

Dated _____

at _____

CONSTRUCTION CONTRACTORS

Fabrication Labor

NAC 372.380 Producing, Fabrication, Processing

- Fabrication labor is labor which results in the creation of tangible personal property.
- Fabrication labor is taxable in a retail sale *where no installation to real property is involved*.
- A contract for improvement to real property which includes fabrication and installation is not considered a retail transaction; the contractor is liable for tax on the materials only in such a transaction.

CONSTRUCTION CONTRACTORS

Purchases out of State

Taxes Paid

NRS 375.185 Imposition and rate

- Materials purchased out of state and delivered to Nevada for a Nevada job are subject to Nevada tax.

NAC 375.055 Use tax for purchase outside of Nevada

- Tax legitimately paid to other state is honored by Nevada; however, if the other state tax rate is lower than the Nevada rate, the difference is due to Nevada

CONSTRUCTION CONTRACTORS

RECORDS TO KEEP

NRS 372.735 Records to be kept by sellers, retailers and others consuming in this State tangible personal property from a retailer:

- Purchase invoices
- Sales journals
- General ledgers
- Job files
- Other records
- Must keep records for four (4) years

WRITTEN RESPONSE

Most tax issues can be addressed by the Department of Taxation. Please be advised that any responses to inquiries made to the Department are only binding if put in writing, such as Nevada Revised Statutes, Administrative Code, Nevada Tax Notes, or in written correspondence.

DEPARTMENT OF TAXATION

Contact Information

**Our offices are open Monday-Friday
8:00 AM – 5:00 PM**

**Contact our Call Center at
1-866-962-3707**

**Southern Nevada:
Grant Sawyer Office Building
555 E. Washington Avenue
Suite 1300
Las Vegas, NV 89101**

OR

**2550 Paseo Verde Parkway
Suite 180
Henderson, NV 89074**

**Carson City:
1550 College Parkway
Suite 115
Carson City, NV 89706-7937**

**Reno:
4600 Kietzke Lane
Building L, Suite 235
Reno, NV 89502**