



NEVADA DEPARTMENT OF TAXATION  
Division of Local Government Services

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# RESIDENTIAL CONSTRUCTION TAX

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REFERENCE GUIDE

Division of Local Government Services

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# Residential Construction Tax

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## RESIDENTIAL CONSTRUCTION TAX

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### TAX ON RESIDENTIAL CONTRUCTION

This package is to be utilized by school districts to prepare an original application or a renewal application for the tax on residential construction, pursuant to NRS 387.329 – 387.332.

Please contact the Local Government Finance Section if you need additional information or guidance.

## STATUTES

### **NRS 387.329 Definitions.** As used in [NRS 387.331](#):

1. “Apartment house” means a building arranged in several suites of connecting rooms, each suite designed for independent housekeeping, but with certain typical mechanical conveniences, such as air-conditioning, heat, light or elevator services shared in common by all families occupying the building.

2. “Lot for a mobile home” means any area or tract of land designated, designed or used for the occupancy of a mobile home. A “mobile home” is a vehicle without motive power designed or equipped for living purposes and to carry property or passengers wholly on its own structure and to be drawn by a motor vehicle.

3. “Residential dwelling unit” means a building or a portion of a building planned, designed or used as a residence for one family only, living independently of other families or persons, and having its own bathroom and housekeeping facilities included in the unit.

(Added to NRS by 1979, 1287)

### **NRS 387.331 Imposition of tax in school district whose population is less than 55,000; limitation on amount; deposit of proceeds.**

1. The tax on residential construction authorized by this section is a specified amount which must be the same for each:

- (a) Lot for a mobile home;
- (b) Residential dwelling unit; and
- (c) Suite in an apartment house,

↪ imposed on the privilege of constructing apartment houses and residential dwelling units and developing lots for mobile homes.

2. The board of trustees of any school district whose population is less than 55,000 may request that the board of county commissioners of the county in which the school district is located impose a tax on residential construction in the school district to construct, remodel and make additions to school buildings. Whenever the board of trustees takes that action, it shall notify the board of county commissioners and shall specify the areas of the county to be served by the buildings to be erected or enlarged.

3. If the board of county commissioners decides that the tax should be imposed, it shall notify the Nevada Tax Commission. If the Commission approves, the board of county commissioners may then impose the tax, whose specified amount must not exceed \$1,600.

4. The board shall collect the tax so imposed, in the areas of the county to which it applies, and may require that administrative costs, not to exceed 1 percent, be paid from the amount collected.

5. The money collected must be deposited with the county treasurer in the school district’s fund for capital projects to be held and expended in the same manner as other money deposited in that fund.

(Added to NRS by 1979, 1287; A 1983, 1635; [1989, 1924](#); [1997, 2358](#); [2001, 1987](#); [2011, 1247](#))

**NRS 387.332 Duty of Nevada Tax Commission to review need for tax.** The Nevada Tax Commission shall, every 4 years after it has approved the imposition of a tax on residential construction in a particular county or area of a county, review the need for the tax under the circumstances existing at the time of the review. If the Commission finds that the tax is no longer needed, it shall so inform the board of county commissioners of that county, who shall repeal the tax as of the end of the current fiscal year.

(Added to NRS by 1979, 1288)

## PROCEDURES

The school district needs to write a letter addressed to the Nevada Tax Commission requesting approval of the imposition of the tax on residential construction, pursuant to statute. If this is the District's initial request for imposition of the tax, it must be accompanied by a business impact statement. Please refer to the Department's Guidelines & References for Business Impact Statements, which can be found at the Department's website: [www.tax.state.nv.us](http://www.tax.state.nv.us).

If the District's request is for renewal of the tax for another 4 year period, information supporting the continuation of the imposition must be included in the submission.

### DOCUMENTATION REQUIRED BY THE DEPARTMENT

The completed request for imposition of the tax on residential construction should be submitted to the Department of Taxation in a timely manner prior to a scheduled meeting of the Nevada Tax Commission. Please coordinate with the budget analyst assigned to your District relative to timing. **No less than 21 days prior to a meeting of the Nevada Tax Commission, the Department must know of the District's intention in order for the item to be properly agendaized and noticed. The district's package requesting imposition or renewal of the tax must be received not less than 2 full weeks prior to the scheduled NTC meeting. This will provide ample time for duplication & distribution.** The Department needs sufficient time to review your request & prepare its recommendation to the Commission.

If the District's request is for renewal of the tax for another 4 year period, please submit the request for renewal with the proper lead time to ensure action by the Commission prior to the expiration of the current imposition.

### DOCUMENTATION TO BE PRESENTED TO THE NEVADA TAX COMMISSION

The Local Government Finance Section, Division of Local Government Services, Nevada Department of Taxation will review the proposal submitted by the school district for imposition or renewal of the tax on residential construction.