



NEVADA TAX NOTES

The Official Newsletter of the Department of Taxation



Important Notice: Beginning with the January 1, 2026 filing period, sales and use taxes will be due on the 20th day of the month following the close of each taxable period. Accordingly, the first sales and use tax return subject to this change will be due on February 20, 2026.

UPCOMING OFFICE CLOSURES

Thursday, January 1

New Years Day



Monday, January 19

Martin Luther King Jr. Day

My Nevada Tax - Phase 2

The Department successfully launched Phase 2 of My Nevada Tax on Monday, December 8, 2025. This phase included Modified Business Tax, Commerce Tax, Insurance Premium Tax, Peer to Peer Car Sharing Fee, Short-Term Lessor Fee and Gold and Silver Excise Tax. If you already have an account at My Nevada Tax, you will be able to request access to your Phase 2 tax type. If you are new to My Nevada Tax, please create an account and request access to your business.

Additional information on page 6.

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The Department of Taxation is hiring! We are recruiting for multiple positions in our Northern and Southern Nevada offices. If you are interested in applying, check out the Department's careers [page](#).

**WE'RE
HIRING!**

Call Center: (866) 962-3707 Monday - Friday 7:30AM-5:00PM

Carson City
3850 Arrowhead Dr.
Carson City, Nevada 89706

Reno
9850 Double R Blvd.
Reno, Nevada 89521

Las Vegas
700 E. Warm Springs Road, 2nd Floor
Las Vegas, Nevada 89119

BOTOX AND DERMA FILLERS

Botox and dermal fillers are interpreted by the Department as "drugs," which must be prescribed and administered by a person authorized to prescribe medicine for the treatment of an illness, in accordance with NRS 454.217.

"Medicine" refers to any substance or preparation intended for external or internal application to the human body for the diagnosis, cure, mitigation, treatment or prevention of disease or any affliction. It is commonly recognized as a substance or preparation intended for such use. Medicine includes "drugs," and its use affects the structure or function of the body.

Therefore, when Botox or dermal fillers are prescribed and administered by an individual authorized to prescribe medicine, their administration is not subject to sales tax.

CREDIT CARD OR CHARGE CARD PROCESSING FEES

A credit card or charge card processing fee included on a sales receipt or invoice of a taxable sale is subject to Nevada sales tax. The credit card or charge card processing fee that is charged to the retailer by the merchant card processor or banking/financial institution is the retailer's expense or an overhead cost. If a retailer includes a pass-through processing fee on the sales receipt or invoice, then that charge must be included in the taxable sales reported to the Department. If a sale is not otherwise subject to sales tax, then the card processing fee is not subject to sales tax.

NRS 360B.480, NRS 372.025, NRS 372.060, NRS 372.065, NRS 372.085

SALES TO TRIBAL GOVERNMENTS

Vendors selling tangible personal property to an Indian Tribal Government may do so tax-exempt only under specific conditions. The exemption letter issued by the Department of Taxation is valid solely when the Tribal Government purchases tangible personal property that is delivered onto the reservation, in accordance with NRS 372.335. This exemption does not apply to sales that occur outside the reservation.

Furthermore, the exemption may not be transferred to individual tribal members or any other parties for personal use. It also does not extend to tangible personal property used by third-party contractors in connection with tribal construction projects.

ORIGINAL ARTWORK VS. RENDERINGS

In Nevada, there is no general exemption for art under sales tax law. However, specific regulations provide exemptions for "First Renderings" under the following Nevada Administrative Code (NAC) sections:

- NAC 372.227 – Designers
- NAC 372.330 – Photographers
- NAC 372.365 – Producers

When an artist contracts with a customer for the development of original art, sales tax does not apply as this constitutes the sale of professional services. In these cases, the materials used to provide the service (e.g. canvas, paint) are considered incidental to the service provided pursuant to NRS 372.045. In such cases, while the final artwork is exempt, the supplies used to create the artwork are taxable to the artist at the time of purchase. Any replication of the original artwork is considered a retail sale of tangible personal property and is taxable. Note that the exemption applies to the transaction and not the artwork itself.

Examples:

- A person or business commissions an artist to create an original painting; however, the artist retains ownership if the painting is subsequently sold.
- Exempt: The customer is paying for a creative service.
- An art gallery purchases an original painting from the artist and resells it to a customer.
- Taxable: The gallery is selling tangible personal property.
- An art gallery sells copies (prints) of an original painting on behalf of an artist.
- Taxable: Only the first rendering is exempt; all copies are taxable, even if made by the original artist.
- A photographer sells proofs viewed electronically and then later sells prints created from the proofs.
- Exempt: Proofs
- Taxable: Physical prints produced from the proofs.

Even if purchased directly from the creator, these items are taxable due to the significant value of the tangible property involved.

Examples:

- An artist is hired to paint a design on a customer's van.
- Exempt: The customer is paying for the service, therefore the painting, as an original rendering, is exempt.
- An artist paints a design on a van they own and sells the van.
- Taxable: As the owner of the van, the labor to paint the design is considered fabrication labor. The entire cost of the van, including the artwork, is taxable.

Bundled transactions are taxable when the value of the tangible item (for example, a van) is substantial in relation to the labor involved. This treatment applies to transactions such as custom-built motorcycles and custom-created jewelry, as well as other similar transactions in which the tangible item represents a substantial portion of the overall value. Under NAC 372.045, these transactions are taxable even when the item is purchased directly from the creator.

PEER TO PEER CAR SHARING FEE

The Nevada Peer-to-Peer Car Sharing Fee is a state-imposed charge applied to peer-to-peer car sharing programs operating within Nevada. The fee reflects the state's effort to regulate and tax peer-to-peer vehicle sharing in a manner comparable to traditional car rental services.

Effective October 1, 2021, vehicles shared through a registered peer-to-peer car sharing program in Nevada are subject to a state fee. The fee is intended to ensure that peer-to-peer car sharing activities contribute to state transportation funding in a manner similar to conventional rental car operations.

How It Works

- Peer-to-Peer Car Sharing: This model allows individuals to rent their personal vehicles to others through digital platforms that facilitate the transactions.
- Fee Application: The fee is applied to the rental transaction, generally calculated as a percentage of the total rental charge paid by the renter, and is collected and remitted by the peer-to-peer car sharing program or platform.

LEASING AND SUBLEASING

NRS 360B.067 defines a retail sale as a sale, lease or rental for any purposes other than for resale, sublease or sub-rent. The Nevada Tax Commission has adopted NAC 372.920 – 372.946, which are regulations dealing with the leasing and renting of tangible personal property. The transaction of leasing/renting is considered a sale and the same principles for a sale apply to the leasing/renting of tangible property. Leasing/renting to a Nevada exempt organization (that holds a valid Sales/Use Tax Exemption Letter issued by the Department) is exempt from sales tax in the same manner that a sale to a Nevada exempt organization is exempt. Gross receipts from leasing/renting property should be reported in the "Total Sales" – Column A of the tax return and the collection allowance is allowed.

In a sublease/sub-rental situation, a resale certificate must be presented to the owner of the property to avoid double taxation. In lieu of collecting sales tax on the lease stream, a lessor (retailer) still has the option of electing to remit sales tax on the cost of the property to the retailer. However, the sublease/sub-rental of property is a separate transaction from the original purchase. In other words, if a retailer rents property for the purpose of subleasing it, whether or not tax was paid on the original purchase of the property does not affect the taxability of the second transaction. An example of this is when the original owner purchases property and pays sales tax on the property at the time of purchase. If the owner leases the property to another retailer for the purpose of subleasing, sales tax is still owed on the gross lease charges of the subleasing transaction. This is the same principle as when a retailer buys property for resale but uses the property before it is sold; use tax is owed on the use of the property, and sales tax is owed on the subsequent sale of the property because they are two separate transactions.

TIPS TO TAXPAYERS

The Nevada Department of Taxation is pleased to announce the successful launch of Phase 2 of its modernized e-Services platform, My Nevada Tax on Monday, December 8, 2025. This phase expands the platform's capabilities to include the following tax types: **Modified Business Tax, Commerce Tax, Insurance Premium Tax, Peer to Peer Car Sharing Fee, Short Term Lessor Fee and Gold and Silver Excise Tax.**

My Nevada Tax offers taxpayers a convenient, secure and user-friendly online portal to manage their tax obligations, file returns, make payments and access important account information across a broad range of tax types.

Enhanced Features and Functionalities:

In addition to expanding tax types, My Nevada Tax continues to offer robust features that simplify tax compliance for Nevada taxpayers:

- File Returns and Make Payments
- Update Account Information
- View and Manage Permits and Licenses
- Business Registration & Secure Access
- Manage Multiple Business Locations
- Schedule Appointments with the Department
- Manage Corporate Officers
- Close a Tax Account



The Launch of Phase 2 marks a significant milestone in the Department's effort to modernize its services, offering greater efficiency and transparency for businesses and individuals statewide.

Looking Ahead:

Full integration is expected when Phase 3 launches in December of 2026.

For more information or to get started with My Nevada Tax, visit the Department of Taxation's website at tax.nv.gov.

My Nevada Tax videos can be found here: <https://tax.nv.gov/education/how-to-videos-for-nevada-tax/>.

*Tips to Taxpayers Column: The Nevada Department of Taxation's newsletter was called *Tips to Taxpayers* from its 1968 inception until 1990. The Department is paying homage to the newsletter's first decades of taxpayer assistance by including a *Tips to Taxpayers* column with tax account tips and hints in each edition of *Nevada Tax Notes*.*

If you have any questions with any matters addressed in this newsletter, please call our call center at (866) 962-3707.

The information expressed in this Newsletter constitutes general guidance regarding the interpretation of the statutes and regulations under the jurisdiction of the Department of Taxation. No reliance should be placed on any information herein for fact-specific purposes not described herein. Any subsequent statutory or administrative rule change or judicial interpretation of the statutes or rules upon which these articles are based may result in contrary interpretations or guidance. The articles in this Newsletter are not binding on any administrative body or court of law, but rather serve as the Department's summaries of applicable statutes, regulations and other rules within its jurisdiction. Nothing contained in this Newsletter should be construed as legal advice.