

Gross Receipts/Other Miscellaneous:

Nevada: Refund Notice Issued After 2019 Modified Business Tax Rate Changes are Deemed Invalid

Modified Business Tax Refund Notice, Nev. Dept. of Tax. (6/21). The Nevada Department of Taxation (Department) issued a “refund notice” in light of the Nevada Supreme Court’s recent decision [see Case No. 81924 (137 Nev., Advance Opinion 21), Nev. (5/13/21) and *State Tax Matters*, Issue 2021-20, for more details on this case] that:

URL:

<https://tax.nv.gov/uploadedFiles/taxnvgov/Content/Home/Features/Modified%20Business%20Tax%20Refund%20Notice%206-9-21.pdf>

URL:

<http://caseinfo.nvsupremecourt.us/document/view.do?csNameID=60081&csIID=60081&deLinkID=816081&onBaseDocumentNumber=21-13709>

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/STM/210521_12.html

1. Affirmed certain Nevada modified business tax (MBT)-related sections of legislation enacted in 2019 [see S.B. 551 (2019) for more details on this 2019 enacted legislation] must be invalidated and are “void and stricken for lack of supporting votes of two-thirds of the members of the Senate in the 80th (2019) Legislative Session,” and
URL: <https://www.leg.state.nv.us/Session/80th2019/Reports/history.cfm?DocumentType=2&BillNo=551>
2. Ordered the Department to refund any resulting overpayments of the Nevada MBT plus interest.

In response, the Department explains that it is developing a plan to reduce the MBT rate for quarters ending September 31, 2019 through March 31, 2021, for general businesses, financial institutions, and mining, and will soon announce when underlying refunds will be issued. The Department notes that Nevada law requires it to verify that a credit is valid before any amounts can be refunded; therefore, “a taxpayer’s account must be in full compliance before any refund can be issued.” To refund any amounts owed without delay, the Department suggests that impacted taxpayers “bring their account into compliance” as all delinquent tax returns must be filed before underlying refunds may be issued. Please contact us with any questions.

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