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March 9, 2005

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TO: ALL NONRESTRICTED LICENSEES AND INTERESTED PERSONS

SUBJECT: NRS 368A.210 – DEPOSIT ACCOUNTS FOR LIVE ENTERTAINMENT TAXES

NRS 368A.210 states the following regarding live entertainment taxes:

“Taxpayer to hold taxes in separate account. A taxpayer shall hold the amount of all taxes for which he is liable pursuant to this chapter in a separate account in trust for the State.”

The Board has recently received some inquiries regarding this statutory requirement. Our routine inquiries with several properties have disclosed that licensees may not be aware of this requirement. Each licensee that collects live entertainment tax on behalf of the state of Nevada needs to establish an account to be used specifically for this purpose. There is no provision in NRS 368A for a waiver of this requirement.

There is no need to establish a “trust” account, but the account must be restricted to live entertainment tax collections only. There are no specific requirements governing the frequency of deposits to this account, but all taxes collected should be deposited to and disbursed from this account, and not other accounts maintained by the licensee.

Questions about this letter should be directed to Chief Deputy Auditor Lynda Hartzell via email at lhartzell@gcb.nv.gov or at (702) 486-2060. Group II licensees should direct questions to Tax and License Division Chief Steve Hixon at (775) 684-7770.

Sincerely,

Dennis K. Neilander
Chairman

DKN/LLH

cc: Bobby L. Siller, Member
Mark A. Clayton, Member
Records and Research Services