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NOTICE TO LICENSEES

Notice #2015-65

Issuing Division: Audit

DATE: August 4, 2015

TO: All Nonrestricted Licensees and Interested Parties

FROM: Terry Johnson, Esq., Board Member *Terry Johnson*

SUBJECT: **Live Entertainment Tax Reporting Changes enacted during the 2015 Legislative Session – Advanced Ticket Sales**

The Nevada Gaming Control Board ("Board") is currently in the process of adoption, amendment or repeal of regulations pertaining to Chapter 368A of the Nevada Administrative Code (Live Entertainment Tax) as it applies to licensed gaming establishments, including provisions to effectuate Senate Bill 266 ("SB 266") passed during the 2015 Legislative Session. SB 266 changes chapter 368A of the Nevada Revised Statutes ("NRS 368A") pertaining to the Live Entertainment Tax ("LET"). The provisions of NRS 368A become effective on **October 1, 2015**. Under NRS 368A, as revised, a tax rate of **9%** will be imposed on an admission charge to a facility where live entertainment is provided, regardless of the maximum occupancy of the facility; however, the tax will not be imposed on the amounts paid for food, refreshments and merchandise.

Currently, under NRS 368A admission ticket sales may be reported on an accrual basis, (i.e., an advanced admission sale is reported in the month of the show/event rather than the month the sale occurred) as long as documentation is maintained and audit procedures are performed pursuant to Entertainment Minimum Internal Control Standard #28. Due to the change in the tax rate from 10% or 5%, as applicable, to 9%, effective on October 1, 2015, **advanced admission ticket sales made on or before September 30, 2015 are to be reported on the September 2015 NGC tax return or an earlier month's tax return.** Thus, an admission sales transaction will be reported at the correct tax rate imposed on the date of the sale transaction. Beginning October 1, 2015, admission charges will be reported at the 9% tax rate on the revised NGC-11 tax return.

Due to extensive changes to NRS 368A, it is recommended that you review the entire text of SB 266. A copy is available on the Legislature's website at http://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB266_EN.pdf. Due to the ongoing process of the adoption, amendment or repeal of regulations pertaining to Chapter 368A of the Nevada Administrative Code, it is also recommended that you periodically check the Board's website at <http://gaming.nv.gov> for new developments and information.

Please contact Audit Division Deputy Chief Joy English at (702) 486-2060 or via e-mail at jenglish@gcb.nv.gov if you have any questions.