



BRIAN SANDOVAL  
Governor

## NEVADA GAMING CONTROL BOARD

1919 College Parkway, P.O. Box 8003, Carson City, Nevada 89702  
555 E. Washington Avenue, Suite 2600, Las Vegas, Nevada 89101  
3650 S. Pointe Circle, Suite 203, P.O. Box 31109, Laughlin, Nevada 89028  
557 W. Silver Street, Suite 207, Elko, Nevada 89801  
9790 Gateway Drive, Suite 100, Reno, Nevada 89521  
750 Pilot Road, Suite I, Las Vegas, Nevada 89119

A.G. BURNETT, *Chairman*  
SHAWN R. REID, *Member*  
TERRY JOHNSON, *Member*

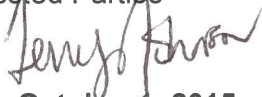
### NOTICE TO LICENSEES

Notice #2015-82

Issuing Division: Audit

**DATE:** September 16, 2015

**TO:** All Nonrestricted Licensees and Interested Parties

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

**SUBJECT:** **Live Entertainment Tax Effective on October 1, 2015**

The Nevada Gaming Commission (“Commission”) will be conducting a workshop on September 17, 2015 to seek input from interested persons regarding the possible 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, in part to effectuate Senate Bill 266 (“SB 266”) passed during the 2015 Legislative Session. SB 266 makes certain changes to Nevada Revised Statutes 368A (“NRS 368A”) concerning the Live Entertainment Tax (“LET”).

The provisions of NRS 368A, as amended, become effective on **October 1, 2015**. Under the revised statutes, 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. After October 1, 2015, the tax will **not** be imposed on the amounts paid for food, refreshments and merchandise.

For the transition to the revised NRS 368A effective October 1, 2015, the Audit Division is hereby providing the following guidance:

#### Entertainment Area Evaluation Form

In accordance with the provisions of Regulation 6.090(15) and Entertainment Minimum Internal Control Standard (“MICS”) #15, the Board is adopting a revised “Entertainment Area Evaluation Form”. This form is located at <http://www.gaming.nv.gov/index.aspx?page=63>. Effective October 1, 2015, this revised form is to be used by licensees and the licensees’ internal auditors in documenting and evaluating areas and activities potentially subject to live entertainment tax.

#### Entertainment MICS

Upon adoption to the proposed changes to NAC 368A, the Audit Division will be releasing proposed revisions to the Entertainment MICS, pursuant to the MICS adoption process outlined in Regulation 6.090. Until the revised Entertainment MICS are adopted and compliance is required with the revised MICS, licensees are to be in compliance with the Version 7 Entertainment MICS, as applicable with NRS 368A effective on October 1, 2015 and NAC 368A on its effective date.

### **Internal Audit/CPA Procedures**

After the adoption of the revised Entertainment MICS, the Audit Division will be releasing the programs and checklists to be utilized by an internal auditor and a CPA in its work to be performed for entertainment. Procedures for entertainment are to be performed once during the licensee's business year by internal audit and by a CPA. For a licensee's business year ending in 2015, it is recommended the annual entertainment procedures be performed on or before September 30, 2015. If performed on or after October 1, 2015, these procedures are to be performed by determining compliance with the Version 7 Entertainment MICS, in accordance with NRS 368A and NAC 368A, respectively, and as revised. For a licensee's business year ending in 2016, the annual procedures for entertainment are recommended to be performed after the release of the revised programs and checklists to be used for entertainment. By performing the review at the recommended times, it will alleviate any transition issues into revised NRS 368A.

Due to extensive changes to NRS 368A, it is recommended that you review the entire text of SB 266 available on the Legislative Counsel Bureau's Board's website at [http://www.leg.state.nv.us/Session/78th2015/Bills/SB/SB266\\_EN.pdf](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 (Live Entertainment Tax), it is also recommended that you periodically check the Board's website at <http://gaming.nv.gov> for new developments and information.

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