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CIGARETTE TAX

1 **Sec. 118.** NRS 370.165 is hereby amended to read as follows:

2 370.165 There is hereby levied a tax upon the purchase or possession of cigarettes by a
3 consumer in the State of Nevada at the rate of ~~{17.5}~~ 50 mills per cigarette. The tax may be
4 represented and precollected by the affixing of a revenue stamp or other approved evidence of
5 payment to each package, packet or container in which cigarettes are sold. The tax must be
6 precollected by the wholesale or retail dealer, and must be recovered from the consumer by
7 adding the amount of the tax to the selling price. Each person who sells cigarettes at retail shall
8 prominently display on his premises a notice that the tax is included in the selling price and is
9 payable under the provisions of this chapter.

10
11 **Sec. 120.** NRS 370.260 is hereby amended to read as follows:

12 370.260 1. All taxes and license fees imposed by the provisions of NRS 370.001 to
13 370.430, inclusive, less any refunds granted as provided by law, must be paid to the Department
14 in the form of remittances payable to the Department.

15 2. The Department shall:

16 (a) As compensation to the State for the costs of collecting the taxes and license fees,
17 transmit each month the sum the Legislature specifies from the remittances made to it pursuant
18 to subsection 1 during the preceding month to the State Treasurer for deposit to the credit of the
19 Department. The deposited money must be expended by the Department in accordance with its
20 work program.

(b) From the remittances made to it pursuant to subsection 1 during the preceding month, less the amount transmitted pursuant to paragraph (a), transmit each month the portion of the tax which is equivalent to ~~{12.5}~~ 45 mills per cigarette to the State Treasurer for deposit to the credit of the Account for the Tax on Cigarettes in the State General Fund.

(c) Transmit the balance of the payments each month to the State Treasurer for deposit in the Local Government Tax Distribution Account created by NRS 360.660.

(d) Report to the State Controller monthly the amount of collections.

3. The money deposited pursuant to paragraph (c) of subsection 2 in the Local Government Tax Distribution Account is hereby appropriated to Carson City and to each of the counties in proportion to their respective populations and must be credited to the respective accounts of Carson City and each county.

Sec. 121. NRS 370.350 is hereby amended to read as follows:

370.350 1. Except as otherwise provided in subsection 3, a tax is hereby levied and imposed upon the use of cigarettes in this state.

2. The amount of the use tax is ~~47.5}~~ 50 mills per cigarette.

3. The use tax does not apply where:

(a) Nevada cigarette revenue stamps have been affixed to cigarette packages as required by law.

(b) Tax exemption is provided for in this chapter.