REQUIRES TWO-THIRDS MAJORITY VOTE (§§ 2, 4)

A.B. 526

ASSEMBLY BILL NO. 526–ASSEMBLYMEN PARKS, GIBBONS, SEGERBLOM, MORTENSON, KOIVISTO, GIUNCHIGLIANI, BACHE, THOMAS, EVANS, OHRENSCHALL, CHOWNING, COLLINS, MANENDO, WILLIAMS, FREEMAN, CLABORN, NEIGHBORS, PRICE AND BERMAN

MARCH 15, 1999

Referred to Committee on Taxation

SUMMARY—Increases tax on transient lodging to fund artistic and cultural programs. (BDR 18-1571)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

AN ACT relating to taxation; increasing the mandatory tax on the rental of transient lodging; providing for the use of the additional revenue for artistic and cultural programs; creating the account for artistic and cultural programs; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 233C of NRS is hereby amended by adding thereto a new section to read as follows:

1. The account for artistic and cultural programs is hereby created in the state general fund. The director of the council shall administer the account. The council shall allocate money in the account for appropriate artistic and cultural programs and for no other purpose.

2. The money in the account must not be used to replace or supplant funding available from other sources. The money in the account does not lapse to the state general fund at the end of any fiscal year.

Sec. 2. NRS 244.3352 is hereby amended to read as follows:

244.3352 1. The board of county commissioners:

(a) In a county whose population is 400,000 or more, shall impose a tax at a rate of ~~[2]~~ ***3*** percent; and

(b) In a county whose population is less than 400,000, shall impose a tax at the rate of ~~[1]~~ ***2*** percent,

of the gross receipts from the rental of transient lodging in that county upon all persons in the business of providing lodging. This tax must be imposed by the board of county commissioners in each county, regardless of the existence or nonexistence of any other license fee or tax imposed on the revenues from the rental of transient lodging. The ordinance imposing the tax must include a schedule for the payment of the tax and the provisions of subsection 4.

2. The tax imposed pursuant to subsection 1 must be collected and administered pursuant to NRS 244.335.

3. The tax imposed pursuant to subsection 1 may be collected from the paying guests and may be shown as an addition to the charge for the rental of transient lodging. The person providing the transient lodging is liable to the county for the tax whether or not it is actually collected from the paying guest.

4. If the tax imposed pursuant to subsection 1 is not paid within the time set forth in the schedule for payment, the county shall charge and collect in addition to the tax:

(a) A penalty of not more than 10 percent of the amount due, exclusive of interest, or an administrative fee established by the board of county commissioners, whichever is greater; and

(b) Interest on the amount due at the rate of not more than 1.5 percent per month or fraction thereof from the date on which the tax became due until the date of payment.

5. As used in this section, “gross receipts from the rental of transient lodging” does not include the tax imposed and collected from paying guests pursuant to this section or NRS 268.096.

Sec. 3. NRS 244.3354 is hereby amended to read as follows:

244.3354 The proceeds of the tax imposed pursuant to NRS 244.3352 and any applicable penalty or interest must be distributed as follows:

1. In a county whose population is 400,000 or more:

(a) Three-eighths of the first 1 percent of the proceeds must be paid to the department of taxation for deposit with the state treasurer for credit to the fund for the promotion of tourism.

(b) ***One-third of the proceeds must be paid to the department of taxation for deposit with the state treasurer for credit to the account for artistic and cultural programs.***

(c) The remaining proceeds must be transmitted to the county treasurer for deposit in the county school district’s fund for capital projects established pursuant to NRS 387.328, to be held and expended in the same manner as other money deposited in that fund.

To reimburse the county for the administrative costs to collect the tax, the county treasurer shall deduct and retain 5 percent of the money described in paragraph (b) before paying it to the department of taxation.

2. In a county whose population is less than 400,000:

(a) ~~[Three-eighths]~~ ***Three sixteenths*** must be paid to the department of taxation for deposit with the state treasurer for credit to the fund for the promotion of tourism.

(b) ~~[Five-eighths]~~ ***Five-sixteenths*** must be deposited with the county fair and recreation board created pursuant to NRS 244A.599 or, if no such board is created, with the board of county commissioners, to be used to advertise the resources of that county related to tourism, including available accommodations, transportation, entertainment, natural resources and climate, and to promote special events related thereto.

(c) Thirty-nine eightieths of the proceeds must be paid to the department of taxation for deposit with the state treasurer for credit to the account for artistic and cultural programs.

(d) One-eightieth of the proceeds must be deducted and retained by the county treasurer for deposit in the county general fund as commission for collecting the tax.

Sec. 4. NRS 268.096 is hereby amended to read as follows:

268.096 1. The city council or other governing body of each incorporated city:

(a) In a county whose population is 400,000 or more, shall impose a tax at a rate of ~~[2]~~ ***3*** percent; and

(b) In a county whose population is less than 400,000, shall impose a tax at the rate of ~~[1]~~ ***2*** percent,

of the gross receipts from the rental of transient lodging in that city upon all persons in the business of providing lodging. This tax must be imposed by the city council or other governing body of each incorporated city, regardless of the existence or nonexistence of any other license fee or tax imposed on the revenues from the rental of transient lodging. The ordinance imposing the tax must include a schedule for the payment of the tax and the provisions of subsection 4.

2. The tax imposed pursuant to subsection 1 must be collected and administered pursuant to NRS 268.095.

3. The tax imposed pursuant to subsection 1 may be collected from the paying guests and may be shown as an addition to the charge for the rental of transient lodging. The person providing the transient lodging is liable to the city for the tax whether or not it is actually collected from the paying guest.

4. If the tax imposed pursuant to subsection 1 is not paid within the time set forth in the schedule for payment, the city shall charge and collect in addition to the tax:

(a) A penalty of not more than 10 percent of the amount due, exclusive of interest, or an administrative fee established by the governing body, whichever is greater; and

(b) Interest on the amount due at the rate of not more than 1.5 percent per month or fraction thereof from the date on which the tax became due until the date of payment.

5. As used in this section, "gross receipts from the rental of transient lodging" does not include the tax imposed or collected from paying guests pursuant to this section or NRS 244.3352.

Sec. 5. NRS 268.0962 is hereby amended to read as follows:

268.0962 The proceeds of the tax imposed pursuant to NRS 268.096 and any applicable penalty or interest must be distributed as follows:

1. In a county whose population is 400,000 or more:

(a) Three-eighths of the first 1 percent of the proceeds must be paid to the department of taxation for deposit with the state treasurer for credit to the fund for the promotion of tourism.

(b) ***One-third of the proceeds must be paid to the department of taxation for deposit with the state treasurer for credit to the account for artistic and cultural programs.***

(c) The remaining proceeds must be transmitted to the county treasurer for deposit in the county school district's fund for capital projects established pursuant to NRS 387.328, to be held and expended in the same manner as other money deposited in that fund.

To reimburse the city for the administrative costs to collect the tax, the city treasurer shall deduct and retain 5 percent of the money described in paragraph (b) before paying it to the department of taxation.

2. In a county whose population is less than 400,000:

(a) ~~[Three-eighths]~~ ***Three-sixteenths*** must be paid to the department of taxation for deposit with the state treasurer for credit to the fund for the promotion of tourism.

(b) ~~[Five-eighths]~~ ***Five-sixteenths*** must be deposited with the county fair and recreation board created pursuant to NRS 244A.599 or, if no such board is created, with the city council or other governing body of the incorporated city, to be used to advertise the resources of that county or incorporated city related to tourism, including available accommodations, transportation, entertainment, natural resources and climate, and to promote special events related thereto.

(c) Thirty-nine eightieths of the proceeds must be paid to the department of taxation for deposit with the state treasurer for credit to the account for artistic and cultural programs.

(d) One-eighthieth of the proceeds must be deducted and retained by the city treasurer for deposit in the city general fund as commission for collecting the tax.

Sec. 6. This act becomes effective on July 1, 1999.

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