

ASSEMBLY BILL NO. 567—ASSEMBLYMEN THOMAS, PARNELL, GOLDWATER, CARPENTER, SEGERBLOM, MARVEL, GIBBONS, BUCKLEY, WILLIAMS, PARKS, OHRENSCHALL, PRICE, BERMAN, COLLINS, MANENDO, LEE, BEERS, LESLIE, EVANS, CHOWNING, DE BRAGA, MORTENSON, NEIGHBORS, CLABORN, MCCLAIN, KOIVISTO, PERKINS, FREEMAN, BROWER AND DINI

MARCH 15, 1999

Referred to Committee on Taxation

SUMMARY—Provides exemption from business tax for business that provides pass for public transit to its employees. (BDR 32-1340)

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

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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 the business tax; providing an exemption for a business that provides a pass for public transit to its employees; and providing other matters properly relating thereto.

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

- 1 **Section 1.** NRS 364A.150 is hereby amended to read as follows:
2 364A.150 1. The total number of equivalent full-time employees
3 employed by a business in a quarter must be calculated by dividing the
4 total number of hours all employees have worked during the quarter by
5 468.
6 2. To determine the total number of hours all employees have worked
7 during the quarter, the business must add the total number of hours worked
8 by full-time employees based in this state during the quarter to the total
9 number of hours worked by part-time employees based in this state during
10 the quarter and to the total number of hours worked in this state by
11 employees described in subsection 6. A “full-time employee” is a person
12 who is employed to work at least 36 hours per week. All other employees
13 are part-time employees. An occasional reduction in the number of hours
14 actually worked in any week by a particular employee, as the result of

1 sickness, vacation or other compensated absence, does not affect his status
2 for the purposes of this section if his regular hours of work are 36 or more
3 per week. All hours for which a part-time employee is paid must be
4 included.

5 3. Except as otherwise provided in ~~subsection 7,~~ *subsections 7 and*
6 *8*, the total number of hours worked by full-time employees of a business
7 during the quarter may be calculated by:

8 (a) Determining from the records of the business the number of hours
9 each full-time employee has worked during the quarter up to a maximum
10 of 468 hours per quarter and totaling the results; or

11 (b) Multiplying 7.2 hours by the number of days each full-time
12 employee was employed by the business up to a maximum of 65 days per
13 quarter and totaling the results.

14 4. Except as otherwise provided in ~~subsection 7,~~ *subsections 7 and*
15 *8*, the total number of hours worked by part-time employees of a business
16 during the quarter must be calculated by determining from the records of
17 the business the number of hours each part-time employee has worked
18 during the quarter and totaling the results.

19 5. The total number of hours all employees have worked during the
20 quarter must be calculated excluding the hours worked by a sole proprietor
21 or one natural person in any unincorporated business, who shall be deemed
22 the owner of the business rather than an employee.

23 6. To determine the total number of hours all employees have worked
24 during the quarter, in the case of a business which employs a natural
25 person at a base or business location outside Nevada, but directs that
26 person to perform at least some of his duties in Nevada, the calculation
27 must include the total number of hours actually worked by that person in
28 Nevada during the quarter. To calculate the number of hours worked in
29 Nevada, the formula in paragraph (b) of subsection 3 must be used for full-
30 time employees, and the formula in subsection 4 must be used for part-time
31 employees.

32 7. Except as otherwise provided in subsection ~~8,~~ *9*, if a business
33 employs in a calendar quarter a person whose monthly income for that
34 calendar quarter is 150 percent or less of the federally designated level
35 signifying poverty, the business may exclude the total number of hours
36 which the employee worked during that calendar quarter in calculating the
37 total number of hours worked by employees of the business during the
38 quarter if the business provided to the employee for the whole calendar
39 quarter:

40 (a) Free child care for the children of the employee at an on-site child
41 care facility;

or

1 (b) One or more vouchers for use by the employee to pay the total cost
2 of child care for the calendar quarter at a licensed child care facility that is
3 within a reasonable distance from the business.

4 8. *Except as otherwise provided in subsection 9, if a business pays*
5 *for and provides a pass for public transit to an employee during a whole*
6 *calendar quarter, the business may exclude the total number of hours*
7 *which the employee worked during that calendar quarter in calculating*
8 *the total number of hours worked by employees of the business during*
9 *the quarter.*

10 9. The number of hours excluded pursuant to ~~subsection~~ *subsections*
11 *7 and 8* must not reduce the total tax liability of the business by more than
12 50 percent.

13 ~~9.~~ 10. As used in this section ~~the term "on-site"~~ :

14 (a) *"On-site* child care facility" has the meaning ascribed to it in NRS
15 432A.0275.

16 (b) *"Pass for public transit" means a card or other object that, when*
17 *held by a person, entitles that person to use one or more of the methods*
18 *of conveyance employed by a public transit system without paying an*
19 *additional fare.*

20 (c) *"Public transit system" has the meaning ascribed to it in NRS*
21 *377A.016.*

22 **Sec. 2.** This act becomes effective on July 1, 1999.