

ASSEMBLY BILL NO. 581—ASSEMBLYMEN WILLIAMS, MANENDO, COLLINS,
VON TOBEL, OHRENSCHALL, PARKS, GIUNCHIGLIANI, ARBERRY,
CARPENTER, SEGERBLOM, PRICE, GIBBONS AND LEE

MARCH 15, 1999

JOINT SPONSORS: SENATORS AMODEI AND WASHINGTON

Referred to Committee on Taxation

SUMMARY—Proposes to provide week without sales tax on school supplies. (BDR 32-1501)

FISCAL NOTE: Effect on Local Government: Yes.
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 taxes on retail sales; providing for the submission to the voters of the question whether the Sales and Use Tax Act of 1955 should be amended to provide a week without sales tax on school supplies; contingently creating the same exemption from certain analogous taxes; 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.** At the general election on November 7, 2000, a proposal
2 must be submitted to the registered voters of this state to amend the Sales
3 and Use Tax Act, which was enacted by the 47th session of the legislature
4 of the State of Nevada and approved by the governor in 1955, and
5 subsequently approved by the people of this state at the general election
6 held on November 6, 1956.

7 **Sec. 2.** At the time and in the manner provided by law, the secretary
8 of state shall transmit the proposed act to the several county clerks, and the
9 county clerks shall cause it to be published and posted as provided by law.

1 **Sec. 3.** The proclamation and notice to the voters given by the county
2 clerks pursuant to law must be in substantially the following form:

3 Notice is hereby given that at the general election on November 7,
4 2000, a question will appear on the ballot for the adoption or rejection
5 by the registered voters of the state of the following proposed act:

6 AN ACT to amend an act entitled "An Act to provide revenue for
7 the State of Nevada; providing for sales and use taxes; providing
8 for the manner of collection; defining certain terms; providing
9 penalties for violation, and other matters properly relating
10 thereto." approved March 29, 1955, as amended.

11
12 THE PEOPLE OF THE STATE OF NEVADA
13 DO ENACT AS FOLLOWS:

14
15 Section 1. The above-entitled act, being chapter 397, Statutes of
16 Nevada 1955, at page 762, is hereby amended by adding thereto a
17 new section to be designated as section 56.3, immediately following
18 section 56.2, to read as follows:

19 *Sec. 56.3. 1. There are exempted from the taxes imposed by*
20 *this act the gross receipts from the sale and the storage, use or*
21 *other consumption of school supplies by or on behalf of an*
22 *eligible student during the last 7 days of August each year.*

23 *2. The Nevada tax commission shall adopt regulations to*
24 *carry out the provisions of this section.*

25 *3. As used in this section:*

26 *(a) "Eligible student" means a person who is enrolled for the*
27 *current academic year in a public or private school, community*
28 *college or university as evidenced by a photographic identification*
29 *card or other enrollment documentation deemed acceptable for*
30 *this purpose by the Nevada tax commission as evidence of his*
31 *enrollment.*

32 *(b) "School supplies" means paper, pencils, pens, markers,*
33 *crayons, notebooks, binders, poster board, scissors, rulers,*
34 *lunchboxes, backpacks, dictionaries, thesauruses, tape, tape*
35 *dispensers, staples, staplers and calculators. Except as otherwise*
36 *provided in this subsection, the term includes, without limitation,*
37 *any other similar supplies determined by the Nevada tax*
38 *commission to be for use by pupils and students to assist in the*
39 *performance of their course work. The term does not include*
40 *clothing, shoes, computers, computer software or any single item*
41 *sold at retail for more than \$100.*

1 Sec. 2. This act becomes effective on January 1, 2001.

2 **Sec. 4.** The ballot page assemblies and the paper ballots to be used in
3 voting on the question must present the question in substantially the
4 following form:

5 Shall the Sales and Use Tax Act of 1955 be amended to provide a
6 **limited** exemption from the taxes imposed by this act on the gross
7 receipts from the sale and the storage, use or other consumption of
8 school supplies?

9 Yes ☐ No ☐

10 **Sec. 5.** The explanation of the question which must appear on each
11 paper ballot and sample ballot and in every publication and posting of
12 notice of the question must be in substantially the following form:

13
14 (Explanation of Question)

15 The proposed amendment to the Sales and Use Tax Act of 1955
16 would exempt from the taxes imposed by this act the gross receipts
17 from the sale and storage, use or other consumption of school supplies
18 during a limited period at the beginning of each school year. If this
19 proposal is adopted, the legislature has provided that the Local School
20 Support Tax Law and the City-County Relief Tax Law will be
21 amended to provide the same exemption.

22 **Sec. 6.** If a majority of the votes cast on the question is yes, the
23 amendment to the Sales and Use Tax Act of 1955 becomes effective on
24 January 1, 2001. If less than a majority of votes cast on the question is yes,
25 the question fails and the amendment to the Sales and Use Tax Act of 1955
26 does not become effective.

27 **Sec. 7.** All general election laws not inconsistent with this act are
28 applicable.

29 **Sec. 8.** Any informalities, omissions or defects in the content or
30 making of the publications, proclamations or notices provided for in this
31 act and by the general election laws under which this election is held must
32 be so construed as not to invalidate the adoption of the act by a majority of
33 the registered voters voting on the question if it can be ascertained with
34 reasonable certainty from the official returns transmitted to the office of
35 the secretary of state whether the proposed amendment was adopted by a
36 majority of those registered voters.

37 **Sec. 9.** Chapter 374 of NRS is hereby amended by adding thereto a
38 new section to read as follows:

39 **1. *There are exempted from the taxes imposed by this chapter the***
40 ***gross receipts from the sale and the storage, use or other consumption of***
41 ***school supplies by or on behalf of an eligible student during the last 7***
42 ***days of August each year.***

1 2. *The Nevada tax commission shall adopt regulations to carry out*
2 *the provisions of this section.*

3 3. *As used in this section:*

4 (a) *“Eligible student” means a person who is enrolled for the current*
5 *academic year in a public or private school, community college or*
6 *university as evidenced by a photographic identification card or other*
7 *enrollment documentation deemed acceptable for this purpose by the*
8 *Nevada tax commission as evidence of his enrollment.*

9 (b) *“School supplies” means paper, pencils, pens, markers, crayons,*
10 *notebooks, binders, poster board, scissors, rulers, lunchboxes, backpacks,*
11 *dictionaries, thesauruses, tape, tape dispensers, staples, staplers and*
12 *calculators. Except as otherwise provided in this subsection, the term*
13 *includes, without limitation, any other similar supplies determined by the*
14 *Nevada tax commission to be for use by pupils and students to assist in*
15 *the performance of their course work. The term does not include*
16 *clothing, shoes, computers, computer software or any single item sold at*
17 *retail for more than \$100.*

18 **Sec. 10.** Section 9 of this act becomes effective on January 1, 2001,
19 only if the proposal submitted pursuant to sections 1 to 5, inclusive, of this
20 act is approved by the voters at the general election on November 7, 2000.