(REPRINTED WITH ADOPTED AMENDMENTS)
FIRST REPRINT **A.B. 581**

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 authorize legislature to provide not more than 2 weeks 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.

~

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 authorize the legislature to provide not more than 2 weeks without sales tax on school supplies; contingently providing 1 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:

Section 1. At the general election on November 7, 2000, a proposal must be submitted to the registered voters of this state to amend the Sales and Use Tax Act, which was enacted by the 47th session of the legislature of the State of Nevada and approved by the governor in 1955, and subsequently approved by the people of this state at the general election held on November 6, 1956.

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

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

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

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

THE PEOPLE OF THE STATE OF NEVADA DO ENACT AS FOLLOWS:

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

Sec. 56.3. The legislature may exempt from the taxes imposed by this act the gross receipts from the sale and the storage, use or other consumption of school supplies by or on behalf of an eligible pupil for a period of not more than 14 consecutive days at the beginning of each school year. If the legislature authorizes the exemption, it shall establish:

1. Standards for determining whether a pupil is eligible for the exemption and which school supplies are exempt;

2. The dates during which the exemption applies; and

3. Procedures for administering the provisions of this section.

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

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

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

Yes ☐ No ☐

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

(Explanation of Question)

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

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

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

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

Sec. 9. Chapter 372 of NRS is hereby amended by adding thereto a new section to read as follows:

1. There are exempted from the taxes imposed by this chapter the gross receipts from the sale and the storage, use or other consumption of school supplies by or on behalf of an eligible pupil during the last 7 days of August each year. To obtain the exemption, a pupil or his parent or legal guardian shall, in the manner prescribed by the Nevada tax commission, present to the retailer from whom he is purchasing a school supply, documentation of the eligibility of the pupil for the exemption. Upon the presentation of such documentation, the retailer shall provide the exemption to the pupil or his parent or legal guardian.

2. The department of taxation shall:

(a) In cooperation with the department of education, establish the type of documentation that may be presented to and must be accepted by a retailer pursuant to subsection 1; and

(b) Provide to each retailer:

(1) On or before May 24 of each year, a notice indicating that an eligible pupil or his parent or legal guardian may obtain the exemption provided in subsection 1 during the last 7 days of August;

(2) Information concerning the documentation that may be presented to and must be accepted by a retailer pursuant to subsection 1; and

(3) A copy of the regulations adopted by the Nevada tax commission pursuant to subsection 4.

3. The department of education shall provide to each school district:

(a) A notice of the exemption provided pursuant to subsection 1; and

(b) Samples of the documentation that the department of taxation determines may be presented to and must be accepted by a retailer pursuant to subsection 1. The school district shall copy and distribute the documentation to each pupil of the school district.

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

5. As used in this section:

(a) "Eligible pupil" means a person who is enrolled for the current academic year in a public or private school as evidenced by a photographic identification card or other enrollment documentation deemed acceptable for this purpose by the department of taxation as evidence of his enrollment.

(b) "Private school" has the meaning ascribed to it in NRS 394.103.

(c) "Public school" has the meaning ascribed to it in NRS 385.007.

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

Sec. 10. Chapter 374 of NRS is hereby amended by adding thereto a new section to read as follows:

1. There are exempted from the taxes imposed by this chapter the gross receipts from the sale and the storage, use or other consumption of school supplies by or on behalf of an eligible pupil during the last 7 days of August each year. To obtain the exemption, a pupil or his parent or legal guardian shall, in the manner prescribed by the Nevada tax commission, present to the retailer from whom he is purchasing a school supply, documentation of the eligibility of the pupil for the exemption. Upon the presentation of such documentation, the retailer shall provide the exemption to the pupil or his parent or legal guardian.

2. The department of taxation shall:

(a) In cooperation with the department of education, establish the type of documentation that may be presented to and must be accepted by a retailer pursuant to subsection 1; and

(b) Provide to each retailer:

(1) On or before May 24 of each year, a notice indicating that an eligible pupil or his parent or legal guardian may obtain the exemption provided in subsection 1 during the last 7 days of August;

(2) Information concerning the documentation that may be presented to and must be accepted by a retailer pursuant to subsection 1; and

(3) A copy of the regulations adopted by the Nevada tax commission pursuant to subsection 4.

3. The department of education shall provide to each school district:

(a) A notice of the exemption provided pursuant to subsection 1; and

(b) Samples of the documentation that the department of taxation determines may be presented to and must be accepted by a retailer pursuant to subsection 1. The school district shall copy and distribute the documentation to each pupil of the school district.

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

5. As used in this section:

(a) "Eligible student" means a person who is enrolled for the current academic year in a public or private school as evidenced by a photographic identification card or other enrollment documentation deemed acceptable for this purpose by the department of taxation as evidence of his enrollment.

(b) "Private school" has the meaning ascribed to it in NRS 394.103.

(c) "Public school" has the meaning ascribed to it in NRS 384.007.

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

Sec. 11. Sections 9 and 10 of this act become effective on January 1, 2001, only if the proposal submitted pursuant to sections 1 to 5, inclusive, of this act is approved by the voters at the general election on November 7, 2000.

~