ASSEMBLY BILL NO. 669–COMMITTEE ON TAXATION

MARCH 22, 1999

Referred to Committee on Taxation

SUMMARY—Revises provisions relating to casino entertainment tax. (BDR 41-1655)

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 gaming; revising the provisions governing the imposition of the casino entertainment tax on certain service charges; 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. NRS 463.401 is hereby amended to read as follows:

463.401 1. In addition to any other license fees and taxes imposed by this chapter, a casino entertainment tax equivalent to 10 percent of all amounts paid for admission, food, refreshments and merchandise is hereby levied, except as provided in subsection 2, upon each licensed gaming establishment in this state where music and dancing privileges or any other entertainment is provided to the patrons in a cabaret, nightclub, cocktail lounge or casino showroom in connection with the serving or selling of food or refreshments or the selling of any merchandise. Amounts paid for gratuities directly or indirectly remitted to employees of the licensee or for service charges ~~[collected and]~~ retained by persons other than the licensee are not taxable pursuant to this section.

2. A licensed gaming establishment is not subject to tax pursuant to this section if:

(a) The establishment is licensed for less than 51 slot machines, less than six games, or any combination of slot machines and games within those respective limits;

(b) The entertainment is presented in a facility that would not have been subject to taxation pursuant to 26 U.S.C. § 4231(6) as that provision existed in 1965;

(c) The entertainment is presented in a facility that would have been subject to taxation pursuant to 26 U.S.C. § 4231(1), (2), (3), (4) or (5) as those provisions existed in 1965; or

(d) In other cases, if:

(1) No distilled spirits, wine or beer is served or permitted to be consumed;

(2) Only light refreshments are served;

(3) Where space is provided for dancing, no charge is made for dancing; and

(4) Where music is provided or permitted, the music is provided without any charge to the owner, lessee or operator of the establishment or to any concessionaire.

3. The tax imposed by this section does not apply to merchandise sold outside the facility in which the entertainment is presented, unless the purchase of the merchandise entitles the purchaser to admission to the entertainment.

4. The tax imposed by this section must be paid by the licensee of the establishment.

Sec. 2. This act becomes effective upon passage and approval.

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