
SENATE BILL NO. 156—COMMITTEE ON TRANSPORTATION

FEBRUARY 10, 1999

Referred to Committee on Taxation

SUMMARY—Proposes to exclude from calculation of certain taxes on retail sales fees charged by retailer for documents that are required to complete sale of vehicle. (BDR 32-357)

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 exclude from the sales price of a vehicle and from the gross receipts from the sale of a vehicle the amount of fees charged by a retailer for documents that are required to complete the sale of the vehicle; contingently providing for the same exclusions for 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 of
8 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.
- 10 **Sec. 3.** The proclamation and notice to the voters given by the county
11 clerks pursuant to law must be in substantially the following form:
12 Notice is hereby given that at the general election on November 7,
13 2000, a question will appear on the ballot for the adoption or rejection by
14 the registered voters of the state of the following proposed act:

1 AN ACT to amend an act entitled "An Act to provide revenue for the
2 State of Nevada; providing for sales and use taxes; providing for the
3 manner of collection; defining certain terms; providing penalties for
4 violation, and other matters properly relating thereto." approved March
5 29, 1955, as amended.
6

7 THE PEOPLE OF THE STATE OF NEVADA
8 DO ENACT AS FOLLOWS:
9

10 Section 1. Section 11 of the above-entitled act, being chapter
11 397, Statutes of Nevada 1955, at page 764, is hereby amended to read
12 as follows:

13 Sec. 11. 1. "Sales price" means the total amount for which
14 tangible property is sold, valued in money, whether paid in money
15 or otherwise, without any deduction on account of any of the
16 following:

- 17 (a) The cost of the property sold.
18 (b) The cost of materials used, labor or service cost, interest
19 charged, losses, or any other expenses.
20 (c) The cost of transportation of the property ~~prior to~~ **before** its
21 purchase.

22 2. The total amount for which property is sold includes all of
23 the following:

- 24 (a) Any services that are a part of the sale.
25 (b) Any amount for which credit is given to the purchaser by the
26 seller.

27 3. "Sales price" does not include any of the following:

- 28 (a) Cash discounts allowed and taken on sales.
29 (b) The amount charged for property returned by customers
30 when the entire amount charged therefor is refunded either in cash
31 or credit . ~~[-; but this exclusion shall]~~ **This exclusion does** not apply
32 in any instance when the customer, in order to obtain the refund, is
33 required to purchase other property at a price greater than the
34 amount charged for the property that is returned.

35 (c) The amount charged for labor or services rendered in
36 installing or applying the property sold.

37 (d) The amount of any tax ~~[(not including, however,)]~~ , **other**
38 **than** any manufacturers' or importers' excise tax , ~~[()]~~ imposed by
39 the United States upon or with respect to retail sales, whether
40 imposed upon the retailer or the consumer.

41 (e) **The amount of any fees charged by the retailer for**
42 **documents that are required to complete the sale of a vehicle.**

1 Sec. 2. Section 12 of the above-entitled act, being chapter 397,
2 Statutes of Nevada 1955, at page 764, is hereby amended to read as
3 follows:

4 Sec. 12. 1. "Gross receipts" means the total amount of the
5 sale or lease or rental price, as the case may be, of the retail sales of
6 retailers, valued in money, whether received in money or otherwise,
7 without any deduction on account of any of the following:

8 (a) The cost of the property sold. However, in accordance with
9 such rules and regulations as the tax commission may prescribe, a
10 deduction may be taken if the retailer has purchased property for
11 some other purpose than resale, has reimbursed his vendor for tax
12 which the vendor is required to pay to the state or has paid the use
13 tax with respect to the property, and has resold the property ~~prior to~~
14 **before** making any use of the property other than retention,
15 demonstration or display while holding it for sale in the regular
16 course of business. If such a deduction is taken by the retailer, no
17 refund or credit will be allowed to his vendor with respect to the
18 sale of the property.

19 (b) The cost of the materials used, labor or service cost, interest
20 paid, losses or any other expense.

21 (c) The cost of transportation of the property ~~prior to~~ **before** its
22 sale to the purchaser.

23 2. The total amount of the sale or lease or rental price includes
24 all of the following:

25 (a) Any services that are a part of the sale.

26 (b) All receipts, cash, credits and property of any kind.

27 (c) Any amount for which credit is allowed by the seller to the
28 purchaser.

29 3. "Gross receipts" does not include any of the following:

30 (a) Cash discounts allowed and taken on sales.

31 (b) Sale price of property returned by customers when the full
32 sale price is refunded either in cash or credit . ~~but this exclusion~~
33 ~~shall~~ **This exclusion does** not apply in any instance when the
34 customer, in order to obtain the refund, is required to purchase other
35 property at a price greater than the amount charged for the property
36 that is returned.

37 (c) The price received for labor or services used in installing or
38 applying the property sold.

39 (d) The amount of any tax ~~[(not including, however,], other~~
40 **than** any manufacturers' or importers' excise tax , ~~]]~~ imposed by
41 the United States upon or with respect to retail sales, whether
42 imposed upon the retailer or the consumer.

1 ***(e) The amount of any fees charged by the retailer for***
2 ***documents that are required to complete the sale of a vehicle.***

3 **4.** For purposes of the sales tax, if the retailers establish to the
4 satisfaction of the tax commission that the sales tax has been added
5 to the total amount of the sale price and has not been absorbed by
6 them, the total amount of the sale price shall be deemed to be the
7 amount received exclusive of the tax imposed.

8 Sec. 3. This act becomes effective on January 1, 2001.

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

12 Shall the Sales and Use Tax Act of 1955 be amended to exclude
13 from the sales price of a vehicle and from the gross receipts from the
14 sale of a vehicle the amount of fees charged by a retailer for
15 documents that are required to complete the sale of the vehicle?

16 Yes ☐ No ☐

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

20
21 (Explanation of Question)

22 The proposed amendment to the Sales and Use Tax Act of 1955
23 would exclude from the sales price of a vehicle and from the gross
24 receipts from the sale of a vehicle the amount of fees charged by a
25 retailer for documents that are required to complete the sale of the
26 vehicle. If this proposal is adopted, the legislature has provided that
27 the Local School Support Tax Law and the City-County Relief Tax
28 Law will be amended to provide the same exclusion.

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

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

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

1 **Sec. 9.** NRS 374.030 is hereby amended to read as follows:

2 374.030 1. "Gross receipts" means the total amount of the sale or
3 lease or rental price, as the case may be, of the retail sales of retailers,
4 valued in money, whether received in money or otherwise, without any
5 deduction on account of any of the following:

6 (a) The cost of the property sold. However, in accordance with such
7 rules and regulations as the department may prescribe, a deduction may be
8 taken if the retailer has purchased property for some other purpose than
9 resale, has reimbursed his vendor for tax which the vendor is required to
10 pay to the county or has paid the use tax with respect to the property, and
11 has resold the property ~~prior to~~ **before** making any use of the property
12 other than retention, demonstration or display while holding it for sale in
13 the regular course of business. If such a deduction is taken by the retailer,
14 no refund or credit will be allowed to his vendor with respect to the sale of
15 the property.

16 (b) The cost of the materials used, labor or service cost, interest paid,
17 losses or any other expense.

18 (c) The cost of transportation of the property ~~prior to~~ **before** its sale to
19 the purchaser.

20 2. The total amount of the sale or lease or rental price includes all of
21 the following:

22 (a) Any services that are a part of the sale.

23 (b) All receipts, cash, credits and property of any kind.

24 (c) Any amount for which credit is allowed by the seller to the
25 purchaser.

26 3. "Gross receipts" does not include any of the following:

27 (a) Cash discounts allowed and taken on sales.

28 (b) Sale price of property returned by customers when the full sale price
29 is refunded either in cash or credit . ~~}; but this exclusion shall~~ **This**
30 **exclusion does** not apply in any instance when the customer, in order to
31 obtain the refund, is required to purchase other property at a price greater
32 than the amount charged for the property that is returned.

33 (c) The price received for labor or services used in installing or applying
34 the property sold.

35 (d) The amount of any tax ~~{(not including, however,}~~ **, other than** any
36 manufacturers' or importers' excise tax , ~~{}~~ imposed by the United States
37 upon or with respect to retail sales, whether imposed upon the retailer or
38 the consumer.

39 (e) The amount of any allowance against the selling price given by a
40 retailer for the value of:

41 (1) A used vehicle which is taken in trade on the purchase of another
42 vehicle; or

1 (2) A used piece of farm machinery or equipment which is taken in
2 trade on the purchase of another piece of farm machinery or equipment.

3 ***(f) The amount of any fees charged by a retailer for documents that***
4 ***are required to complete the sale of a vehicle.***

5 4. For purposes of the sales tax, if the retailers establish to the
6 satisfaction of the department that the sales tax has been added to the total
7 amount of the sale price and has not been absorbed by them, the total
8 amount of the sale price shall be deemed to be the amount received
9 exclusive of the tax imposed.

10 **Sec. 10.** NRS 374.070 is hereby amended to read as follows:

11 374.070 1. "Sales price" means the total amount for which tangible
12 property is sold, valued in money, whether paid in money or otherwise,
13 without any deduction on account of any of the following:

14 (a) The cost of the property sold.

15 (b) The cost of the materials used, labor or service cost, interest
16 charged, losses, or any other expenses.

17 (c) The cost of transportation of the property before its purchase.

18 2. The total amount for which property is sold includes all of the
19 following:

20 (a) Any services that are a part of the sale.

21 (b) Any amount for which credit is given to the purchaser by the seller.

22 3. "Sales price" does not include any of the following:

23 (a) Cash discounts allowed and taken on sales.

24 (b) The amount charged for property returned by customers when the
25 entire amount charged therefor is refunded either in cash or credit. ~~It but~~
26 ~~this~~ **This** exclusion does not apply in any instance when the customer, in
27 order to obtain the refund, is required to purchase other property at a price
28 greater than the amount charged for the property that is returned.

29 (c) The amount charged for labor or services rendered in installing or
30 applying the property sold.

31 (d) The amount of any tax ~~{(not including, however,}~~ **, other than** any
32 manufacturers' or importers' excise tax ~~, }~~ imposed by the United States
33 upon or with respect to retail sales, whether imposed upon the retailer or
34 the consumer.

35 (e) The amount of any tax imposed by the State of Nevada upon or with
36 respect to the storage, use or other consumption of tangible personal
37 property purchased from any retailer.

38 (f) The amount of any allowance against the selling price given by a
39 retailer for the value of a used vehicle which is taken in trade on the
40 purchase of another vehicle.

41 ***(g) The amount of any fees charged by a retailer for documents that***
42 ***are required to complete the sale of a vehicle.***

1 4. For the purpose of a sale of a vehicle by a seller who is not required
2 to be registered with the department of taxation, the sales price is the value
3 established in the manner set forth in NRS 374.112.

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

~