

SENATE BILL NO. 317—SENATORS WIENER, MCGINNESS, PORTER, TOWNSEND, TITUS, AMODEI, CARE, NEAL, O’CONNELL, O’DONNELL, RAWSON, RHOADS, SCHNEIDER AND SHAFFER

MARCH 5, 1999

Referred to Committee on Taxation

SUMMARY—Provides for reduction in business tax for businesses that provide care for adult dependents of employees. (BDR 32-1100)

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 ~~for omitted material~~ is material to be omitted.

AN ACT relating to taxation; providing for a reduction in the business tax for businesses that provide or subsidize day care for certain adult dependents of 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.** Chapter 364A of NRS is hereby amended by adding thereto
- 2 a new section to read as follows:
- 3 ***1. To the extent allowed by subsection 3, a business is entitled to a***
- 4 ***credit against the tax imposed by this chapter equal to one-half the***
- 5 ***amount the business expends to provide day care on its premises to***
- 6 ***qualified dependents or to reimburse qualified employees for the cost of***
- 7 ***day care for qualified dependents of the employees at a licensed facility,***
- 8 ***but the amount of the credit may not exceed \$35 per day or \$5,000 per***
- 9 ***year, whichever is less, for each qualified dependent.***
- 10 ***2. An employee whose qualified dependent receives care provided or***
- 11 ***paid for by the business that employs him shall, if requested, provide***
- 12 ***proof to the business that the dependent needs continuous supervision.***
- 13 ***An employee whose qualified dependent receives care paid for by the***
- 14 ***business that employs him shall provide proof to the business of his***
- 15 ***payments to the licensed facility.***

1 **3. The total credit allowed to a business under this section may not**
2 **exceed 25 percent of the liability of the business for tax under this**
3 **chapter calculated without the allowance.**

4 **4. As used in this section:**

5 **(a) "Licensed facility" means a facility licensed pursuant to chapter**
6 **449 of NRS.**

7 **(b) "Qualified dependent" means a person who:**

8 **(1) Has attained the age of 21 years;**

9 **(2) Needs continuous supervision;**

10 **(3) Resides permanently with a qualified employee; and**

11 **(4) Is related to the qualified employee or his spouse within the**
12 **third degree of consanguinity at common law and for whom the qualified**
13 **employee or his spouse is entitled to claim an exemption for the purpose**
14 **of federal income tax.**

15 **(c) "Qualified employee" means an employee who works 35 hours or**
16 **more per week for the business.**

17 **Sec. 2.** NRS 364A.140 is hereby amended to read as follows:

18 364A.140 1. A tax is hereby imposed upon the privilege of
19 conducting business in this state. The tax for each calendar quarter is due
20 on the last day of the quarter and must be paid on or before the last day of
21 the month immediately following the quarter on the basis of the total
22 number of equivalent full-time employees employed by the business in the
23 quarter.

24 2. The total number of equivalent full-time employees employed by the
25 business in the quarter must be calculated pursuant to NRS 364A.150.

26 3. Except as otherwise provided in NRS 364A.152 and 364A.170, **and**
27 **section 1 of this act**, the amount of tax due per quarter for a business is \$25
28 for each equivalent full-time employee employed by the business in the
29 quarter.

30 4. Each business shall file a return on a form prescribed by the
31 department with each remittance of the tax. If the payment due is greater
32 than \$1,000, the payment must be made by direct deposit at a bank in
33 which the state has an account, unless the department waives this
34 requirement pursuant to regulations adopted by the commission. The return
35 must include a statement of the number of equivalent full-time employees
36 employed by the business in the preceding quarter and any other
37 information the department determines is necessary.

38 5. The commission shall adopt regulations concerning the payment of
39 the tax imposed pursuant to this section by direct deposit.

1 **Sec. 3.** This act becomes effective upon passage and approval for the
2 purpose of adoption by the Nevada tax commission of any regulations
3 necessary to implement the provisions of this act and on January 1, 2000,
4 for all other purposes.

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