

SENATE BILL NO. 403—SENATOR WASHINGTON

MARCH 12, 1999

Referred to Committee on Taxation

SUMMARY—Revises provisions governing determination of business tax for employers who employ persons with low incomes. (BDR 32-6)

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 taxation; eliminating the provision of child care as a requirement for qualifying for a reduction of the business tax for employers who employ persons with low incomes; 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.** NRS 364A.150 is hereby amended to read as follows:
2 364A.150 1. The total number of equivalent full-time employees
3 employed by a business in a quarter must be calculated by dividing the total
4 number of hours all employees have worked during the quarter by 468.
5 2. To determine the total number of hours all employees have worked
6 during the quarter, the business must add the total number of hours worked
7 by full-time employees based in this state during the quarter to the total
8 number of hours worked by part-time employees based in this state during
9 the quarter and to the total number of hours worked in this state by
10 employees described in subsection 6. A “full-time employee” is a person
11 who is employed to work at least 36 hours per week. All other employees
12 are part-time employees. An occasional reduction in the number of hours
13 actually worked in any week by a particular employee, as the result of
14 sickness, vacation or other compensated absence, does not affect his status
15 for the purposes of this section if his regular hours of work are 36 or more
16 per week. All hours for which a part-time employee is paid must be
17 included.

1 3. Except as otherwise provided in subsection 7, the total number of
2 hours worked by full-time employees of a business during the quarter may
3 be calculated by:

4 (a) Determining from the records of the business the number of hours
5 each full-time employee has worked during the quarter up to a maximum of
6 468 hours per quarter and totaling the results; or

7 (b) Multiplying 7.2 hours by the number of days each full-time
8 employee was employed by the business up to a maximum of 65 days per
9 quarter and totaling the results.

10 4. Except as otherwise provided in subsection 7, the total number of
11 hours worked by part-time employees of a business during the quarter must
12 be calculated by determining from the records of the business the number
13 of hours each part-time employee has worked during the quarter and
14 totaling the results.

15 5. The total number of hours all employees have worked during the
16 quarter must be calculated excluding the hours worked by a sole proprietor
17 or one natural person in any unincorporated business, who shall be deemed
18 the owner of the business rather than an employee.

19 6. To determine the total number of hours all employees have worked
20 during the quarter, in the case of a business which employs a natural person
21 at a base or business location outside Nevada, but directs that person to
22 perform at least some of his duties in Nevada, the calculation must include
23 the total number of hours actually worked by that person in Nevada during
24 the quarter. To calculate the number of hours worked in Nevada, the
25 formula in paragraph (b) of subsection 3 must be used for full-time
26 employees, and the formula in subsection 4 must be used for part-time
27 employees.

28 7. Except as otherwise provided in subsection 8, if a business employs
29 in a calendar quarter a person whose monthly income for that calendar
30 quarter is 150 percent or less of the federally designated level signifying
31 poverty, the business may exclude the total number of hours which the
32 employee worked during that calendar quarter in calculating the total
33 number of hours worked by employees of the business during the quarter .

34 ~~if the business provided to the employee for the whole calendar quarter:~~

35 ~~—(a) Free child care for the children of the employee at an on-site child~~
36 ~~care facility; or~~

37 ~~—(b) One or more vouchers for use by the employee to pay the total cost~~
38 ~~of child care for the calendar quarter at a licensed child care facility that is~~
39 ~~within a reasonable distance from the business.]~~

40 8. The number of hours excluded pursuant to subsection 7 must not
41 reduce the total tax liability of the business by more than 50 percent.

- 1 ~~{9. — As used in this section, the term “on-site child care facility” has~~
- 2 ~~the meaning ascribed to it in NRS 432A.0275.}~~
- 3 **Sec. 2.** This act becomes effective on July 1, 1999.

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