SENATE BILL NO. 403–SENATOR WASHINGTON

MARCH 12, 1999

Referred to Committee on Taxation

SUMMARY—Eliminates provision authorizing reduction in business tax for business that provides child care for certain employees with low income. (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 that authorizes a reduction in the business tax for a business that provides child care for certain employees with low income; 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 364A.150 is hereby amended to read as follows:

364A.150 1. The total number of equivalent full-time employees employed by a business in a quarter must be calculated by dividing the total number of hours all employees have worked during the quarter by 468.

2. To determine the total number of hours all employees have worked during the quarter, the business must add the total number of hours worked by full-time employees based in this state during the quarter to the total number of hours worked by part-time employees based in this state during the quarter and to the total number of hours worked in this state by employees described in subsection 6. A "full-time employee" is a person who is employed to work at least 36 hours per week. All other employees are part-time employees. An occasional reduction in the number of hours actually worked in any week by a particular employee, as the result of sickness, vacation or other compensated absence, does not affect his status for the purposes of this section if his regular hours of work are 36 or more per week. All hours for which a part-time employee is paid must be included.

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

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

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

4. ~~[Except as otherwise provided in subsection 7, the]~~ ***The*** total number of hours worked by part-time employees of a business during the quarter must be calculated by determining from the records of the business the number of hours each part-time employee has worked during the quarter and totaling the results.

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

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

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

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

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

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

~~9. As used in this section, the term “on-site child care facility” has the meaning ascribed to it in NRS 432A.0275.]~~

Sec. 2. This act becomes effective on July 1, 1999.

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