

ASSEMBLY BILL NO. 243—ASSEMBLYMEN DINI, DE BRAGA, MARVEL,
CARPENTER, NEIGHBORS, GOLDWATER AND HETTRICK

FEBRUARY 26, 2001

Referred to Committee on Taxation

SUMMARY—Provides exemption from certain sales and use taxes for farm machinery and equipment. (BDR 32-866)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State: No.

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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; providing an exemption from certain sales and use taxes for farm machinery and equipment; 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 374 of NRS is hereby amended by adding thereto a
2 new section to read as follows:
3 *There are exempted from the taxes imposed by this chapter the gross*
4 *receipts from the sale of, and the storage, use or other consumption in a*
5 *county of, farm machinery and equipment.*
6 **Sec. 2.** NRS 374.030 is hereby amended to read as follows:
7 374.030 1. “Gross receipts” means the total amount of the sale or
8 lease or rental price, as the case may be, of the retail sales of retailers,
9 valued in money, whether received in money or otherwise, without any
10 deduction on account of any of the following:
11 (a) The cost of the property sold. However, in accordance with such
12 rules and regulations as the department may prescribe, a deduction may be
13 taken if the retailer has purchased property for some other purpose than
14 resale, has reimbursed his vendor for tax which the vendor is required to
15 pay to the county or has paid the use tax with respect to the property, and
16 has resold the property ~~prior to~~ *before* making any use of the property
17 other than retention, demonstration or display while holding it for sale in
18 the regular course of business. If such a deduction is taken by the retailer,
19 no refund or credit will be allowed to his vendor with respect to the sale of
20 the property.



- 1 (b) The cost of the materials used, labor or service cost, interest paid,
2 losses or any other expense.
- 3 (c) The cost of transportation of the property ~~prior to~~ *before* its sale to
4 the purchaser.
- 5 2. The total amount of the sale or lease or rental price includes all of
6 the following:
- 7 (a) Any services that are a part of the sale.
- 8 (b) All receipts, cash, credits and property of any kind.
- 9 (c) Any amount for which credit is allowed by the seller to the
10 purchaser.
- 11 3. "Gross receipts" does not include any of the following:
- 12 (a) Cash discounts allowed and taken on sales.
- 13 (b) ~~sale~~ *The sale* price of property returned by customers when the
14 full sale price is refunded either in cash or credit, ~~it~~ but this exclusion
15 ~~shall~~ *does* not apply in any instance when the customer, in order to obtain
16 the refund, is required to purchase other property at a price greater than the
17 amount charged for the property that is returned.
- 18 (c) The price received for labor or services used in installing or applying
19 the property sold.
- 20 (d) The amount of any tax, ~~it~~ not including ~~it, however,~~ any
21 manufacturers' or importers' excise tax, ~~it~~ imposed by the United States
22 upon or with respect to retail sales, whether imposed upon the retailer or
23 the consumer.
- 24 (e) The amount of any allowance against the selling price given by a
25 retailer for the value of ~~it~~:
- 26 ~~(1) A~~ *a* used vehicle which is taken in trade on the purchase of
27 another vehicle. ~~it or~~
- 28 ~~(2) A used piece of farm machinery or equipment which is taken in~~
29 ~~trade on the purchase of another piece of farm machinery or equipment.~~
- 30 4. For purposes of the sales tax, if the retailers establish to the
31 satisfaction of the department that the sales tax has been added to the total
32 amount of the sale price and has not been absorbed by them, the total
33 amount of the sale price shall be deemed to be the amount received
34 exclusive of the tax imposed.
- 35 **Sec. 3.** NRS 374.265 is hereby amended to read as follows:
- 36 374.265 "Exempted from the taxes imposed by this chapter," as used
37 in NRS 374.265 to 374.355, inclusive, *and section 1 of this act* means
38 exempted from the computation of the amount of taxes imposed.
- 39 **Sec. 4.** This act becomes effective upon passage and approval for the
40 purpose of adopting any regulations necessary to carry out the provisions
41 of this act and on July 1, 2002, for all other purposes.

