

ASSEMBLY BILL NO. 53—ASSEMBLYMAN COLLINS

PREFILED JANUARY 29, 2001

Referred to Committee on Taxation

SUMMARY—Repeals business tax under certain conditions. (BDR 32-830)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: 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; repealing the business tax under certain conditions; 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 360.225 is hereby amended to read as follows:  
2     360.225 1. During the course of an investigation undertaken pursuant  
3 to NRS 360.130 of a person claiming:  
4     (a) A partial abatement of property taxes pursuant to NRS 361.0687;  
5     (b) ~~[An exemption from taxes upon the privilege of doing business in~~  
6 ~~this state pursuant to NRS 364A.170;~~  
7 ~~—(c)]~~ A deferral of the payment of taxes on the sale of capital goods  
8 pursuant to NRS 372.397 or 374.402; or  
9     ~~[(d)]~~ (c) An abatement of taxes on the gross receipts from the sale,  
10 storage, use or other consumption of eligible machinery or equipment  
11 pursuant to NRS 374.357,  
12 the department shall investigate whether the person meets the eligibility  
13 requirements for the abatement, partial abatement, exemption or deferral  
14 that the person is claiming.  
15     2. If the department finds that the person does not meet the eligibility  
16 requirements for the abatement, exemption or deferral which the person is  
17 claiming, the department shall report its findings to the commission on  
18 economic development and take any other necessary actions.  
19     **Sec. 2.** NRS 360.300 is hereby amended to read as follows:  
20     360.300 1. If a person fails to file a return or the department is not  
21 satisfied with the return or returns of any tax, contribution or premium or  
22 amount of tax, contribution or premium required to be paid to the state by  
23 any person, in accordance with the applicable provisions of this chapter,

1 chapter 362, ~~[364A.]~~ 369, 370, 372, 372A, 374, 377, 377A or 444A of  
2 NRS, NRS 482.313, or chapter 585 or 680B of NRS as administered or  
3 audited by the department, it may compute and determine the amount  
4 required to be paid upon the basis of:

5 (a) The facts contained in the return;

6 (b) Any information within its possession or that may come into its  
7 possession; or

8 (c) Reasonable estimates of the amount.

9 2. One or more deficiency determinations may be made with respect to  
10 the amount due for one or for more than one period.

11 3. In making its determination of the amount required to be paid, the  
12 department shall impose interest on the amount of tax determined to be  
13 due, calculated at the rate and in the manner set forth in NRS 360.417,  
14 unless a different rate of interest is specifically provided by statute.

15 4. The department shall impose a penalty of 10 percent in addition to  
16 the amount of a determination that is made in the case of the failure of a  
17 person to file a return with the department.

18 5. When a business is discontinued, a determination may be made at  
19 any time thereafter within the time prescribed in NRS 360.355 as to  
20 liability arising out of that business, irrespective of whether the  
21 determination is issued before the due date of the liability.

22 **Sec. 3.** NRS 360.412 is hereby amended to read as follows:

23 360.412 If the department believes that the collection of any amount of  
24 sales or use tax ~~[business tax]~~ or other excise due pursuant to this Title,  
25 NRS 482.313 or chapter 585 of NRS will be jeopardized by delay, ~~[it]~~ **the**  
26 **department** shall make a determination of the amount required to be  
27 collected and serve notice of the determination upon the person against  
28 whom it is made.

29 **Sec. 4.** NRS 360.417 is hereby amended to read as follows:

30 360.417 Except as otherwise provided in NRS 360.232 and 360.320,  
31 and unless a different penalty or rate of interest is specifically provided by  
32 statute, any person who fails to pay any tax provided for in chapter 362,  
33 ~~[364A.]~~ 369, 370, 372, 374, 377, 377A, 444A or 585 of NRS, or the fee  
34 provided for in NRS 482.313, to the state or a county within the time  
35 required ~~[it]~~ shall pay a penalty of not more than 10 percent of the amount  
36 of the tax or fee which is owed, as determined by the department, in  
37 addition to the tax or fee, plus interest at the rate of 1 percent per month, or  
38 fraction of a month, from the last day of the month following the period for  
39 which the amount or any portion of the amount should have been reported  
40 until the date of payment. The amount of any penalty imposed must be  
41 based on a graduated schedule adopted by the Nevada tax commission  
42 which takes into consideration the length of time the tax or fee remained  
43 unpaid.

44 **Sec. 5.** NRS 360.419 is hereby amended to read as follows:

45 360.419 1. If the executive director or a designated hearing officer  
46 finds that the failure of a person to make a timely return or payment of a  
47 tax imposed pursuant to NRS 361.320 or chapter 361A, 376A, 377 or  
48 377A of NRS, or by chapter 362, ~~[364A.]~~ 369, 370, 372, 372A, 374, 375A  
49 or 375B of NRS ~~[it]~~ is the result of circumstances beyond his control and

1 occurred despite the exercise of ordinary care and without intent, the  
2 department may relieve him of all or part of any interest or penalty or both.

3 2. A person seeking this relief must file with the department a  
4 statement under oath setting forth the facts upon which he bases his claim.

5 3. The department shall disclose, upon the request of any person:

6 (a) The name of the person to whom relief was granted; and

7 (b) The amount of the relief.

8 4. The executive director or a designated hearing officer shall act upon  
9 the request of a taxpayer seeking relief pursuant to NRS 361.4835 which is  
10 deferred by a county treasurer or county assessor.

11 **Sec. 6.** NRS 360.510 is hereby amended to read as follows:

12 360.510 1. If any person is delinquent in the payment of any tax or  
13 fee administered by the department or if a determination has been made  
14 against him which remains unpaid, the department may:

15 (a) Not later than 3 years after the payment became delinquent or the  
16 determination became final; or

17 (b) Not later than 5 years after the last recording of an abstract of  
18 judgment or of a certificate constituting a lien for tax owed,

19 give a notice of the delinquency and a demand to transmit personally or by  
20 registered or certified mail to any person, including, without limitation, any  
21 officer or department of this state or any political subdivision or agency of  
22 this state, who has in his possession or under his control any credits or  
23 other personal property belonging to the delinquent **taxpayer**, or owing  
24 any debts to the delinquent **taxpayer** or person against whom a  
25 determination has been made which remains unpaid, or owing any debts to  
26 the delinquent **taxpayer** or that person. In the case of any state officer,  
27 department or agency, the notice must be given to the officer, department  
28 or agency before the department presents the claim of the delinquent  
29 taxpayer to the state controller.

30 2. A state officer, department or agency which receives such a notice  
31 may satisfy any debt owed to it by that person before it honors the notice of  
32 the department.

33 3. After receiving the demand to transmit, the person notified by the  
34 demand may not transfer or otherwise dispose of the credits, other personal  
35 property, or debts in his possession or under his control at the time he  
36 received the notice until the department consents to a transfer or other  
37 disposition.

38 4. Every person notified by a demand to transmit shall, within 10 days  
39 after receipt of the demand to transmit, inform the department of, and  
40 transmit to the department all such credits, other personal property, or  
41 debts in his possession, under his control or owing by him within the time  
42 and in the manner requested by the department. Except as otherwise  
43 provided in subsection 5, no further notice is required to be served to that  
44 person.

45 5. If the property of the delinquent taxpayer consists of a series of  
46 payments owed to him, the person who owes or controls the payments shall  
47 transmit the payments to the department until otherwise notified by the  
48 department. If the debt of the delinquent taxpayer is not paid within 1 year  
49 after the department issued the original demand to transmit, the department

1 shall issue another demand to transmit to the person responsible for making  
2 the payments informing him to continue to transmit payments to the  
3 department or that his duty to transmit the payments to the department has  
4 ceased.

5 6. If the notice of the delinquency seeks to prevent the transfer or other  
6 disposition of a deposit in a bank or credit union or other credits or  
7 personal property in the possession or under the control of a bank, credit  
8 union or other depository institution, the notice must be delivered or mailed  
9 to the branch or office of the bank, credit union or other depository  
10 institution at which the deposit is carried or at which the credits or personal  
11 property is held.

12 7. If any person notified by the notice of the delinquency makes any  
13 transfer or other disposition of the property or debts required to be withheld  
14 or transmitted, to the extent of the value of the property or the amount of  
15 the debts thus transferred or paid, he is liable to the state for any  
16 indebtedness due pursuant to this chapter, or chapter 362, ~~[364A.]~~ 369,  
17 370, 372, 372A, 374, 377, 377A or 444A of NRS, NRS 482.313, or chapter  
18 585 or 680B of NRS from the person with respect to whose obligation the  
19 notice was given if solely by reason of the transfer or other disposition the  
20 state is unable to recover the indebtedness of the person with respect to  
21 whose obligation the notice was given.

22 **Sec. 7.** NRS 360.750 is hereby amended to read as follows:

23 360.750 1. A person who intends to locate or expand a business in  
24 this state may apply to the commission on economic development for a  
25 partial abatement of one or ~~[more]~~ **both** of the taxes imposed on the new or  
26 expanded business pursuant to chapter 361 ~~[364A.]~~ or 374 of NRS.

27 2. The commission on economic development shall approve an  
28 application for a partial abatement if the commission makes the following  
29 determinations:

30 (a) The business is consistent with:

31 (1) The state plan for industrial development and diversification that  
32 is developed by the commission pursuant to NRS 231.067; and

33 (2) Any guidelines adopted pursuant to the state plan.

34 (b) The applicant has executed an agreement with the commission  
35 which states that the business will, after the date on which a certificate of  
36 eligibility for the abatement is issued pursuant to subsection 5, continue in  
37 operation in this state for a period specified by the commission, which  
38 must be at least 5 years, and will continue to meet the eligibility  
39 requirements set forth in this subsection. The agreement must bind the  
40 successors in interest of the business for the specified period.

41 (c) The business is registered pursuant to the laws of this state or the  
42 applicant commits to obtain a valid business license and all other permits  
43 required by the county, city or town in which the business operates.

44 (d) Except as otherwise provided in NRS 361.0687, if the business is a  
45 new business in a county or city whose population is 50,000 or more, the  
46 business meets at least two of the following requirements:

47 (1) The business will have 75 or more full-time employees on the  
48 payroll of the business by the fourth quarter that it is in operation.

(2) Establishing the business will require the business to make a capital investment of at least \$1,000,000 in this state.

(3) The average hourly wage that will be paid by the new business to its employees in this state is at least 100 percent of the average statewide hourly wage as established by the employment security division of the department of employment, training and rehabilitation on July 1 of each fiscal year and:

(I) The business will provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its employees in this state will meet the minimum requirements for benefits established by the commission by regulation pursuant to subsection 9.

(e) Except as otherwise provided in NRS 361.0687, if the business is a new business in a county or city whose population is less than 50,000, the business meets at least two of the following requirements:

(1) The business will have 25 or more full-time employees on the payroll of the business by the fourth quarter that it is in operation.

(2) Establishing the business will require the business to make a capital investment of at least \$250,000 in this state.

(3) The average hourly wage that will be paid by the new business to its employees in this state is at least 100 percent of the average statewide hourly wage as established by the employment security division of the department of employment, training and rehabilitation on July 1 of each fiscal year and:

(I) The business will provide a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees; and

(II) The cost to the business for the benefits the business provides to its employees in this state will meet the minimum requirements for benefits established by the commission by regulation pursuant to subsection 9.

(f) If the business is an existing business, the business meets at least two of the following requirements:

(1) The business will increase the number of employees on its payroll by 10 percent more than it employed in the immediately preceding fiscal year or by six employees, whichever is greater.

(2) The business will expand by making a capital investment in this state in an amount equal to at least 20 percent of the value of the tangible property possessed by the business in the immediately preceding fiscal year. The determination of the value of the tangible property possessed by the business in the immediately preceding fiscal year must be made by the:

(I) County assessor of the county in which the business will expand, if the business is locally assessed; or

(II) Department, if the business is centrally assessed.

(3) The average hourly wage that will be paid by the existing business to its new employees in this state is at least 100 percent of the average statewide hourly wage as established by the employment security

1 division of the department of employment, training and rehabilitation on  
2 July 1 of each fiscal year and:

3 (I) The business will provide a health insurance plan for all new  
4 employees that includes an option for health insurance coverage for  
5 dependents of the employees; and

6 (II) The cost to the business for the benefits the business provides  
7 to its new employees in this state will meet the minimum requirements for  
8 benefits established by the commission by regulation pursuant to  
9 subsection 9.

10 3. Notwithstanding the provisions of subsection 2, the commission on  
11 economic development may:

12 (a) Approve an application for a partial abatement by a business that  
13 does not meet the requirements set forth in paragraph (d), (e) or (f) of  
14 subsection 2;

15 (b) Make the requirements set forth in paragraph (d), (e) or (f) of  
16 subsection 2 more stringent; or

17 (c) Add additional requirements that a business must meet to qualify for  
18 a partial abatement,

19 if the commission determines that such action is necessary.

20 4. If a person submits an application to the commission on economic  
21 development pursuant to subsection 1, the commission shall provide notice  
22 to the governing body of the county and the city or town, if any, in which  
23 the person intends to locate or expand a business. The notice required  
24 pursuant to this subsection must set forth the date, time and location of the  
25 hearing at which the commission will consider the application.

26 5. If the commission on economic development approves an  
27 application for a partial abatement, the commission shall immediately  
28 forward a certificate of eligibility for the abatement to:

29 (a) The department;

30 (b) The Nevada tax commission; and

31 (c) If the partial abatement is from the property tax imposed pursuant to  
32 chapter 361 of NRS, the county treasurer.

33 6. An applicant for a partial abatement pursuant to this section or an  
34 existing business whose partial abatement is in effect shall, upon the  
35 request of the executive director of the commission on economic  
36 development, furnish the executive director with copies of all records  
37 necessary to verify that the applicant meets the requirements of subsection  
38 2.

39 7. If a business whose partial abatement has been approved pursuant to  
40 this section and is in effect ceases:

41 (a) To meet the requirements set forth in subsection 2; or

42 (b) Operation before the time specified in the agreement described in  
43 paragraph (b) of subsection 2,

44 the business shall repay to the department or, if the partial abatement was  
45 from the property tax imposed pursuant to chapter 361 of NRS, to the  
46 county treasurer, the amount of the exemption that was allowed pursuant to  
47 this section before the failure of the business to comply unless the Nevada  
48 tax commission determines that the business has substantially complied  
49 with the requirements of this section. Except as otherwise provided in NRS

360.232 and 360.320, the business shall, in addition to the amount of the exemption required to be paid pursuant to this subsection, pay interest on the amount due at the rate most recently established pursuant to NRS 99.040 for each month, or portion thereof, from the last day of the month following the period for which the payment would have been made had the partial abatement not been approved until the date of payment of the tax.

8. A county treasurer:

(a) Shall deposit any money that he receives pursuant to subsection 7 in one or more of the funds established by a local government of the county pursuant to NRS 354.611, 354.6113 or 354.6115; and

(b) May use the money deposited pursuant to paragraph (a) only for the purposes authorized by NRS 354.611, 354.6113 and 354.6115.

9. The commission on economic development:

(a) Shall adopt regulations relating to:

(1) The minimum level of benefits that a business must provide to its employees if the business is going to use benefits paid to employees as a basis to qualify for a partial abatement; and

(2) The notice that must be provided pursuant to subsection 4.

(b) May adopt such other regulations as the commission on economic development determines to be necessary to carry out the provisions of this section.

10. The Nevada tax commission:

(a) Shall adopt regulations regarding:

(1) The capital investment that a new business must make to meet the requirement set forth in paragraph (d) or (e) of subsection 2; and

(2) Any security that a business is required to post to qualify for a partial abatement pursuant to this section.

(b) May adopt such other regulations as the Nevada tax commission determines to be necessary to carry out the provisions of this section.

11. An applicant for an abatement who is aggrieved by a final decision of the commission on economic development may petition for judicial review in the manner provided in chapter 233B of NRS.

**Sec. 8.** NRS 244.335 is hereby amended to read as follows:

244.335 1. Except as otherwise provided in subsection 2, the board of county commissioners may:

(a) Regulate all character of lawful trades, callings, industries, occupations, professions and business conducted in its county outside of the limits of incorporated cities and towns.

(b) Except as otherwise provided in NRS 244.3359 and 576.128, fix, impose and collect a license tax for revenue or for regulation, or ~~for both revenue and regulation~~ **both**, on such trades, callings, industries, occupations, professions and business.

2. The county license boards have the exclusive power in their respective counties to regulate entertainers employed by an entertainment by referral service and the business of conducting a dancing hall, escort service, entertainment by referral service or gambling game or device permitted by law, outside of an incorporated city. The county license boards may fix, impose and collect license taxes for revenue or for

1 regulation, or ~~for both revenue and regulation,~~ **both**, on such employment  
2 and businesses.

3 3. ~~No license to engage in any type of business may be granted unless~~  
4 ~~the applicant for the license signs an affidavit affirming that the business~~  
5 ~~has complied with the provisions of chapter 364A of NRS. The county~~  
6 ~~license board shall provide upon request an application for a business~~  
7 ~~license pursuant to chapter 364A of NRS.~~

8 ~~—4.]~~ No license to engage in business as a seller of tangible personal  
9 property may be granted unless the applicant for the license presents  
10 written evidence that:

11 (a) The department of taxation has issued or will issue a permit for this  
12 activity, and this evidence clearly identifies the business by name; or

13 (b) Another regulatory agency of the state has issued or will issue a  
14 license required for this activity.

15 ~~{5.]~~ 4. Any license tax levied ~~for the purposes of~~ **pursuant to** NRS  
16 244.3358 or 244A.597 to 244A.655, inclusive, constitutes a lien upon the  
17 real and personal property of the business upon which the tax was levied  
18 until the tax is paid. The lien has the same priority as a lien for general  
19 taxes. The lien must be enforced in the following manner:

20 (a) By recording in the office of the county recorder, within 6 months  
21 after the date on which the tax became delinquent or was otherwise  
22 determined to be due and owing, a notice of the tax lien containing the  
23 following:

24 (1) The amount of tax due and the appropriate year;

25 (2) The name of the record owner of the property;

26 (3) A description of the property sufficient for identification; and

27 (4) A verification by the oath of any member of the board of county  
28 commissioners or the county fair and recreation board; and

29 (b) By an action for foreclosure against the property in the same manner  
30 as an action for foreclosure of any other lien, commenced within 2 years  
31 after the date of recording of the notice of the tax lien, and accompanied by  
32 appropriate notice to other lienholders.

33 ~~{6.]~~ 5. The board of county commissioners may delegate the authority  
34 to enforce liens from taxes levied ~~for the purposes of~~ **pursuant to** NRS  
35 244A.597 to 244A.655, inclusive, to the county fair and recreation board.  
36 If the authority is so delegated, the board of county commissioners shall  
37 revoke or suspend the license of a business upon certification by the county  
38 fair and recreation board that the license tax has become delinquent ~~{}~~ and  
39 shall not reinstate the license until the tax is paid. Except as otherwise  
40 provided in NRS 244.3357, all information concerning license taxes levied  
41 by an ordinance authorized by this section or other information concerning  
42 the business affairs or operation of any licensee obtained as a result of the  
43 payment of such license taxes or as the result of any audit or examination  
44 of the books by any authorized employee of a county fair and recreation  
45 board of the county for any license tax levied ~~for the purpose of~~ **pursuant**  
46 **to** NRS 244A.597 to 244A.655, inclusive, is confidential and must not be  
47 disclosed by any member, officer or employee of the county fair and  
48 recreation board or the county imposing the license tax unless the  
49 disclosure is authorized by the affirmative action of a majority of the



members of the appropriate county fair and recreation board. Continuing disclosure may be so authorized under an agreement with the department of taxation for the exchange of information concerning taxpayers.

**Sec. 9.** NRS 268.095 is hereby amended to read as follows:

268.095 1. The city council or other governing body of each incorporated city in this state, whether organized under general law or special charter, may:

(a) Except as otherwise provided in NRS 268.0968 and 576.128, fix, impose and collect for revenues or for regulation, or both, a license tax on all character of lawful trades, callings, industries, occupations, professions and businesses conducted within its corporate limits.

(b) Assign the proceeds of any one or more of such license taxes to the county within which the city is situated ~~for the purpose or purposes of making~~ to make the proceeds available to the county:

(1) As a pledge as additional security for the payment of any general obligation bonds issued pursuant to NRS 244A.597 to 244A.655, inclusive;

(2) For redeeming any general obligation bonds issued pursuant to NRS 244A.597 to 244A.655, inclusive;

(3) For defraying the costs of collecting or otherwise administering any such license tax so assigned, of the county fair and recreation board and of officers, agents and employees hired thereby, and of incidentals incurred thereby;

(4) For operating and maintaining recreational facilities under the jurisdiction of the county fair and recreation board;

(5) For improving, extending and bettering recreational facilities authorized by NRS 244A.597 to 244A.655, inclusive; and

(6) For constructing, purchasing or otherwise acquiring such recreational facilities.

(c) Pledge the proceeds of any tax imposed on the revenues from the rental of transient lodging pursuant to this section for the payment of any general obligations issued by the city for a purpose authorized by the City Bond Law, NRS 268.672 to 268.740, inclusive.

(d) Use the proceeds of any tax imposed pursuant to this section on the revenues from the rental of transient lodging:

(1) To pay the principal, interest or any other indebtedness on any general or special obligations issued by the city pursuant to the City Bond Law, NRS 268.672 to 268.740, inclusive;

(2) For the expense of operating or maintaining, or both, any facilities of the city; and

(3) For any other purpose for which other money of the city may be used.

2. The proceeds of any tax imposed pursuant to this section that are pledged for the repayment of general obligations may be treated as "pledged revenues" for the purposes of NRS 350.020.

3. ~~No license to engage in any type of business may be granted unless the applicant for the license signs an affidavit affirming that the business has complied with the provisions of chapter 364A of NRS. The city licensing agency shall provide upon request an application for a business license pursuant to chapter 364A of NRS.~~

1 ~~—4.]~~ No license to engage in business as a seller of tangible personal  
2 property may be granted unless the applicant for the license presents  
3 written evidence that:

4 (a) The department of taxation has issued or will issue a permit for this  
5 activity, and this evidence clearly identifies the business by name; or

6 (b) Another regulatory agency of the state has issued or will issue a  
7 license required for this activity.

8 ~~[5.]~~ 4. Any license tax levied under the provisions of this section  
9 constitutes a lien upon the real and personal property of the business upon  
10 which the tax was levied until the tax is paid. The lien has the same priority  
11 as a lien for general taxes. The lien must be enforced in the following  
12 manner:

13 (a) By recording in the office of the county recorder, within 6 months  
14 ~~[following]~~ after the date on which the tax became delinquent or was  
15 otherwise determined to be due and owing, a notice of the tax lien  
16 containing the following:

17 (1) The amount of tax due and the appropriate year;

18 (2) The name of the record owner of the property;

19 (3) A description of the property sufficient for identification; and

20 (4) A verification by the oath of any member of the board of county  
21 commissioners or the county fair and recreation board; and

22 (b) By an action for foreclosure against such property in the same  
23 manner as an action for foreclosure of any other lien, commenced within 2  
24 years after the date of recording of the notice of the tax lien ~~[ ]~~ and  
25 accompanied by appropriate notice to other lienholders.

26 ~~[6.]~~ 5. The city council or other governing body of each incorporated  
27 city may delegate the power and authority to enforce such liens to the  
28 county fair and recreation board. If the authority is so delegated, the  
29 governing body shall revoke or suspend the license of a business upon  
30 certification by the board that the license tax has become delinquent ~~[ ]~~ and  
31 shall not reinstate the license until the tax is paid. Except as otherwise  
32 provided in NRS 268.0966, all information concerning license taxes levied  
33 by an ordinance authorized by this section or other information concerning  
34 the business affairs or operation of any licensee obtained as a result of the  
35 payment of those license taxes or as the result of any audit or examination  
36 of the books of the city by any authorized employee of a county fair and  
37 recreation board for any license tax levied ~~[for the purpose of]~~ pursuant to  
38 NRS 244A.597 to 244A.655, inclusive, is confidential and must not be  
39 disclosed by any member, official or employee of the county fair and  
40 recreation board or the city imposing the license tax unless the disclosure is  
41 authorized by the affirmative action of a majority of the members of the  
42 appropriate county fair and recreation board. Continuing disclosure may be  
43 so authorized under an agreement with the department of taxation for the  
44 exchange of information concerning taxpayers.

45 ~~[7.]~~ 6. The powers conferred by this section are in addition and  
46 supplemental to, and not in substitution for, and the limitations imposed by  
47 this section do not affect the powers conferred by, any other law. No part  
48 of this section repeals or affects any other law or any part thereof, it being

intended that this section provide a separate method of accomplishing its objectives, and not an exclusive one.

**Sec. 10.** NRS 459.3824 is hereby amended to read as follows:

459.3824 1. The owner of a regulated facility shall pay to the division an annual fee based on the fiscal year. The annual fee for each facility is the sum of a base fee set by the state environmental commission and any additional fee imposed by the commission pursuant to subsection 2. The annual fee must be prorated and may not be refunded.

2. The state environmental commission may impose an additional fee upon the owner of a regulated facility in an amount determined by the commission to be necessary to enable the division to carry out its duties pursuant to NRS 459.380 to 459.3874, inclusive. The additional fee must be based on a graduated schedule adopted by the commission which takes into consideration the quantity of hazardous substances located at each facility.

3. After the payment of the initial annual fee, the division shall send the owner of a regulated facility a bill in July for the annual fee for the fiscal year then beginning which is based on the applicable reports for the preceding year.

~~4. [The owner of a regulated facility shall submit, with any payment required by this section, the number assigned by the department of taxation, for the imposition and collection of taxes pursuant to chapter 364A of NRS, to the business for which the payment is made.~~

~~—5.]~~ All fees collected pursuant to this section and penalties collected pursuant to NRS 459.3833, 459.3834 and 459.3874, and any interest earned thereon, must be deposited with the state treasurer for credit to the fund for precaution against chemical accidents, which is hereby created as a special revenue fund.

**Sec. 11.** NRS 612.265 is hereby amended to read as follows:

612.265 1. Except as otherwise provided in this section, information obtained from any employing unit or person pursuant to the administration of this chapter and any determination as to the benefit rights of any person is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person's or employing unit's identity.

2. Any claimant or his legal representative is entitled to information from the records of the division, to the extent necessary for the proper presentation of his claim in any proceeding pursuant to this chapter. A claimant or an employing unit is not entitled to information from the records of the division for any other purpose.

3. Subject to such restrictions as the administrator may by regulation prescribe, the information obtained by the division may be made available to:

(a) Any agency of this or any other state or any federal agency charged with the administration or enforcement of laws relating to unemployment compensation, public assistance, workers' compensation or labor and industrial relations, or the maintenance of a system of public employment offices;

(b) Any state or local agency for the enforcement of child support;

(c) The Internal Revenue Service of the Department of the Treasury;

(d) The department of taxation; and  
(e) The state contractors' board in the performance of its duties to enforce the provisions of chapter 624 of NRS.

Information obtained in connection with the administration of the employment service may be made available to persons or agencies for purposes appropriate to the operation of a public employment service or a public assistance program.

4. Upon written request made by a public officer of a local government, the administrator shall furnish from the records of the division the name, address and place of employment of any person listed in the records of employment of the division. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by proper authority of the local government certifying that the request is made to allow the proper authority to enforce a law to recover a debt or obligation owed to the local government. The information obtained by the local government is confidential and may not be used or disclosed for any purpose other than the collection of a debt or obligation owed to that local government. The administrator may charge a reasonable fee for the cost of providing the requested information.

5. The administrator may publish or otherwise provide information on the names of employers, their addresses, their type or class of business or industry, and the approximate number of employees employed by each such employer ☐ if the information released will assist unemployed persons to obtain employment or will be generally useful in developing and diversifying the economic interests of this state. Upon request by a state agency which is able to demonstrate that its intended use of the information will benefit the residents of this state, the administrator may, in addition to the information listed in this subsection, disclose the number of employees employed by each employer and the total wages paid by each employer. The administrator may charge a fee to cover the actual costs of any administrative expenses relating to the disclosure of this information to a state agency. The administrator may require the state agency to certify in writing that the agency will take all actions necessary to maintain the confidentiality of the information and prevent its unauthorized disclosure.

6. Upon request therefor the administrator shall furnish to any agency of the United States charged with the administration of public works or assistance through public employment ☐ and may furnish to any state agency similarly charged, the name, address, ordinary occupation and employment status of each recipient of benefits and the recipient's rights to further benefits pursuant to this chapter.

7. To further a current criminal investigation, the chief executive officer of any law enforcement agency of this state may submit a written request to the administrator that he furnish, from the records of the division, the name, address and place of employment of any person listed in the records of employment of the division. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by the chief executive officer certifying that the request is made to further a criminal investigation currently being conducted by the agency. Upon receipt of such a request, the administrator

1 shall furnish the information requested. He may charge a fee to cover the  
2 actual costs of any related administrative expenses.

3 ~~8. In addition to the provisions of subsection 5, the administrator shall~~  
4 ~~provide lists containing the names and addresses of employers, the number~~  
5 ~~of employees employed by each employer and the total wages paid by each~~  
6 ~~employer to the department of taxation, upon request, for use in verifying~~  
7 ~~returns for the business tax. The administrator may charge a fee to cover~~  
8 ~~the actual costs of any related administrative expenses.~~

9 ~~—9.]~~ A private carrier that provides industrial insurance in this state shall  
10 submit to the administrator a list containing the name of each person who  
11 received benefits pursuant to chapters 616A to 616D, inclusive, or 617 of  
12 NRS during the preceding month and request that he compare the  
13 information so provided with the records of the division regarding persons  
14 claiming benefits pursuant to chapter 612 of NRS for the same period. The  
15 information submitted by the private carrier must be in a form determined  
16 by the administrator and must contain the social security number of each  
17 such person. Upon receipt of the request, the administrator shall make such  
18 a comparison and, if it appears from the information submitted that a  
19 person is simultaneously claiming benefits under chapter 612 of NRS and  
20 under chapters 616A to 616D, inclusive, or 617 of NRS, the administrator  
21 shall notify the attorney general or any other appropriate law enforcement  
22 agency. The administrator shall charge a fee to cover the actual costs of  
23 any related administrative expenses.

24 ~~[10.]~~ 9. The administrator may request the Comptroller of the  
25 Currency of the United States to cause an examination of the correctness of  
26 any return or report of any national banking association rendered pursuant  
27 to the provisions of this chapter ~~[11]~~ and may, in connection with the request  
28 , transmit any such report or return to the Comptroller of the Currency of  
29 the United States as provided in Section 3305(c) of the Internal Revenue  
30 Code of 1954.

31 ~~[11.]~~ 10. If any employee or member of the board of review, the  
32 administrator or any employee of the administrator, in violation of the  
33 provisions of this section, discloses information obtained from any  
34 employing unit or person in the administration of this chapter, or if any  
35 person who has obtained a list of applicants for work, or of claimants or  
36 recipients of benefits pursuant to this chapter uses or permits the use of the  
37 list for any political purpose, he is guilty of a gross misdemeanor.

38 ~~[12.]~~ 11. All letters, reports or communications of any kind, oral or  
39 written, from the employer or employee to each other or to the division or  
40 any of its agents, representatives or employees are privileged and must not  
41 be the subject matter or basis for any lawsuit if the letter, report or  
42 communication is written, sent, delivered or prepared pursuant to the  
43 requirements of this chapter.

44 **Sec. 12.** NRS 616B.012 is hereby amended to read as follows:

45 616B.012 1. Except as otherwise provided in this section and in NRS  
46 616B.015, 616B.021 and 616C.205, information obtained from any insurer,  
47 employer or employee is confidential and may not be disclosed or be open  
48 to public inspection in any manner which would reveal the person's  
49 identity.

2. Any claimant or his legal representative is entitled to information from the records of the insurer ~~§~~ to the extent necessary for the proper presentation of a claim in any proceeding under chapters 616A to 616D, inclusive, or chapter 617 of NRS.

3. The division and administrator are entitled to information from the records of the insurer which is necessary for the performance of their duties. The administrator may, by regulation, prescribe the manner in which otherwise confidential information may be made available to:

(a) Any agency of this or any other state charged with the administration or enforcement of laws relating to industrial insurance, unemployment compensation, public assistance or labor law and industrial relations;

(b) Any state or local agency for the enforcement of child support;

(c) The Internal Revenue Service of the Department of the Treasury;

(d) The department of taxation; and

(e) The state contractors' board in the performance of its duties to enforce the provisions of chapter 624 of NRS.

Information obtained in connection with the administration of a program of industrial insurance may be made available to persons or agencies for purposes appropriate to the operation of a program of industrial insurance.

4. Upon written request made by a public officer of a local government, an insurer shall furnish from its records the name, address and place of employment of any person listed in its records. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by proper authority of the local government certifying that the request is made to allow the proper authority to enforce a law to recover a debt or obligation owed to the local government. The information obtained by the local government is confidential and may not be used or disclosed for any purpose other than the collection of a debt or obligation owed to that local government. The insurer may charge a reasonable fee for the cost of providing the requested information.

5. To further a current criminal investigation, the chief executive officer of any law enforcement agency of this state may submit to the administrator a written request for the name, address and place of employment of any person listed in the records of an insurer. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by the chief executive officer certifying that the request is made to further a criminal investigation currently being conducted by the agency. Upon receipt of a request, the administrator shall instruct the insurer to furnish the information requested. Upon receipt of such an instruction, the insurer shall furnish the information requested. The insurer may charge a reasonable fee to cover any related administrative expenses.

~~6. Upon request by the department of taxation, the administrator shall provide:~~

~~—(a) Lists containing the names and addresses of employers; and~~

~~—(b) Other information concerning employers collected and maintained by the administrator or the division to carry out the purposes of chapters 616A to 616D, inclusive, or chapter 617 of NRS, to the department for its use in verifying returns for the business tax. The administrator may charge a reasonable fee to cover any related administrative expenses.~~

~~7.]~~ Any person who, in violation of this section, discloses information obtained from files of claimants or policyholders or obtains a list of claimants or policyholders under chapters 616A to 616D, inclusive, or chapter 617 of NRS and uses or permits the use of the list for any political purposes, is guilty of a gross misdemeanor.

~~[8.]~~ 7. All letters, reports or communications of any kind, oral or written, from the insurer, or any of its agents, representatives or employees are privileged and must not be the subject matter or basis for any lawsuit if the letter, report or communication is written, sent, delivered or prepared pursuant to the requirements of chapters 616A to 616D, inclusive, or chapter 617 of NRS.

**Sec. 13.** NRS 616B.679 is hereby amended to read as follows:

616B.679 1. Each application must include:

(a) The applicant's name and title of his position with the employee leasing company.

(b) The applicant's age, place of birth and social security number.

(c) The applicant's address.

(d) The business address of the employee leasing company.

(e) The business address of the resident agent of the employee leasing company ~~[ ]~~ if the applicant is not the resident agent.

(f) If the applicant is a:

(1) Partnership, the name of the partnership and the name, address, age, social security number and title of each partner.

(2) Corporation, the name of the corporation and the name, address, age, social security number and title of each officer of the corporation.

(g) Proof of:

(1) The payment of any ~~[taxes required by chapter 364A of NRS.~~

~~—(2) The payment of any]~~ premiums for industrial insurance required by chapters 616A to 617, inclusive, of NRS.

~~[3)]~~ (2) The payment of contributions or payments in lieu of contributions required by chapter 612 of NRS.

~~[4)]~~ (3) Insurance coverage for any benefit plan from an insurer authorized pursuant to Title 57 of NRS that is offered by the employee leasing company to its employees.

(h) Any other information the administrator requires.

2. Each application must be notarized and signed under penalty of perjury:

(a) If the applicant is a sole proprietorship, by the sole proprietor.

(b) If the applicant is a partnership, by each partner.

(c) If the applicant is a corporation, by each officer of the corporation.

3. An applicant shall submit to the administrator any change in the information required by this section within 30 days after the change occurs. The administrator may revoke the certificate of registration of an employee



1 leasing company which fails to comply with the provisions of NRS  
2 616B.670 to 616B.697, inclusive.

3 4. If an insurer cancels an employee leasing company's policy, the  
4 insurer shall immediately notify the administrator in writing. The notice  
5 must comply with the provisions of NRS 687B.310 to 687B.355, inclusive,  
6 and must be served personally on or sent by first-class mail or electronic  
7 transmission to the administrator.

8 **Sec. 14.** NRS 616B.691 is hereby amended to read as follows:

9 616B.691 1. For the purposes of chapters ~~364A.~~ 612 and 616A to  
10 617, inclusive, of NRS, an employee leasing company which complies  
11 with the provisions of NRS 616B.670 to 616B.697, inclusive, shall be  
12 deemed to be the employer of the employees it leases to a client company.

13 2. An employee leasing company shall be deemed to be the employer  
14 of its leased employees ~~[for the purposes of sponsoring and maintaining]~~ to  
15 *sponsor and maintain* any benefit plans.

16 3. An employee leasing company shall not offer its employees any  
17 self-funded insurance program. An employee leasing company shall not act  
18 as a self-insured employer or be a member of an association of self-insured  
19 public or private employers pursuant to chapters 616A to 616D, inclusive,  
20 or chapter 617 of NRS or pursuant to Title 57 of NRS.

21 4. If an employee leasing company fails to:

22 (a) Pay any contributions, premiums, forfeits or interest due; or

23 (b) Submit any reports or other information required,  
24 pursuant to this chapter or chapter 612, 616A, 616C, 616D or 617 of NRS,  
25 the client company is jointly and severally liable for the contributions,  
26 premiums, forfeits or interest attributable to the wages of the employees  
27 leased to it by the employee leasing company.

28 **Sec. 15.** NRS 364A.010, 364A.020, 364A.030, 364A.040, 364A.050,  
29 364A.060, 364A.070, 364A.080, 364A.090, 364A.100, 364A.110,  
30 364A.120, 364A.130, 364A.135, 364A.140, 364A.150, 364A.151,  
31 364A.152, 364A.1525, 364A.160, 364A.170, 364A.175, 364A.180,  
32 364A.190, 364A.230, 364A.240, 364A.250, 364A.260, 364A.270,  
33 364A.280, 364A.290, 364A.300, 364A.310, 364A.320, 364A.330,  
34 364A.340 and 364A.350 are hereby repealed.

35 **Sec. 16.** The provisions of this act do not apply to any rights,  
36 requirements, penalties, procedures or proceedings relating to the  
37 imposition, collection or payment of a tax due pursuant to chapter 364A of  
38 NRS for any period ending before the effective date of this act.

39 **Sec. 17.** Except as otherwise provided in section 16 of this act, the  
40 regulations adopted by the Nevada tax commission pursuant to chapter  
41 364A of NRS are void. The legislative counsel shall remove those  
42 regulations from the Nevada Administrative Code as soon as practicable  
43 after the effective date of this act.

44 **Sec. 18.** This act becomes effective on:

45 1. July 1, 2003, only if the Nevada Tax Fairness and Quality School  
46 Funding Accountability Act is enacted by the 71st session of the Nevada  
47 legislature and approved by the governor pursuant to section 2 of article 19  
48 of the constitution of the State of Nevada;



- 1     2. July 1, 2004, only if the Nevada Tax Fairness and Quality School  
2 Funding Accountability Act is submitted to and approved by the voters at  
3 the general election in 2002 pursuant to section 2 of article 19 of the  
4 constitution of the State of Nevada; or  
5     3. The first day of the first calendar quarter immediately following the  
6 effective date of a tax imposed on businesses generally, other than a sales  
7 and use tax, by the 71st session of the Nevada legislature,  
8 whichever occurs first.

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## LEADLINES OF REPEALED SECTIONS

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- 364A.010 Definitions.**  
**364A.020 “Business” defined.**  
**364A.030 “Commission” defined.**  
**364A.040 “Employee” defined.**  
**364A.050 “Wages” defined.**  
**364A.060 Regulations of Nevada tax commission.**  
**364A.070 Maintenance and availability of records of business; penalty.**  
**364A.080 Examination of records by department; payment of expenses of department for examination of records outside state.**  
**364A.090 Authority of executive director to request information to carry out chapter.**  
**364A.100 Confidentiality of records and files of department.**  
**364A.110 Business tax account: Deposits; refunds.**  
**364A.120 Activities constituting business.**  
**364A.130 Business license required; application for license; activities constituting conduct of business.**  
**364A.135 Revocation or suspension of business license for failure to comply with statutes or regulations.**  
**364A.140 Imposition, payment and amount of tax; filing and contents of return.**  
**364A.150 Calculation of total number of equivalent full-time employees; exclusion of hours of certain employees with lower incomes who received free child care from business.**  
**364A.151 Exclusion of hours from calculation for employment of pupil as part of program that combines work and study.**  
**364A.152 Responsibility of operator of facility for trade shows or conventions to pay tax on behalf of participants who do not have business license; exception.**  
**364A.1525 Requirements to qualify as organization created for religious, charitable or educational purposes.**  
**364A.160 Exemption for natural person with no employees during calendar quarter.**  
**364A.170 Partial abatement of tax on new or expanded business.**

364A.175 Exemption for activities conducted pursuant to certain contracts executed before July 1, 1991.

364A.180 Extension of time for payment; payment of interest during period of extension.

364A.190 Payment of penalty or interest not required under certain circumstances.

364A.230 Remedies of state are cumulative.

364A.240 Certification of excess amount collected; credit and refund.

364A.250 Limitations on claims for refund or credit; form and contents of claim; failure to file claim constitutes waiver; service of notice of rejection of claim.

364A.260 Interest on overpayments; disallowance of interest.

364A.270 Injunction or other process to prevent collection of tax prohibited; filing of claim condition precedent to maintaining action for refund.

364A.280 Action for refund: Time to sue; venue of action; waiver.

364A.290 Right of appeal on failure of department to mail notice of action on claim; allocation of judgment for claimant.

364A.300 Allowance of interest in judgment for amount illegally collected.

364A.310 Standing to recover.

364A.320 Action for recovery of erroneous refund: Jurisdiction; venue; prosecution by attorney general.

364A.330 Cancellation of illegal determination: Procedure; limitation.

364A.340 Proof of subcontractor's compliance with provisions of chapter.

364A.350 Penalty for false or fraudulent returns, statements or records.

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