

SENATE BILL NO. 273—SENATOR RHOADS

MARCH 2, 2001

Referred to Committee on Taxation

SUMMARY—Proposes to exempt from sales and use taxes certain products that use renewable energy resource to generate electricity. (BDR 32-641)

FISCAL NOTE: Effect on Local Government: Yes.
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 taxes on retail sales; providing for the submission to the voters of the question whether the Sales and Use Tax Act of 1955 should be amended to provide an exemption from the tax for certain products designed or adapted to use a renewable energy resource to generate electricity; contingently providing the same exemption from the Local School Support Tax Law and certain analogous taxes; 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.** At the general election on November 5, 2002, a proposal
2 must be submitted to the registered voters of this state to amend the Sales
3 and Use Tax Act, which was enacted by the 47th session of the legislature
4 of the State of Nevada and approved by the governor in 1955, and
5 subsequently approved by the people of this state at the general election
6 held on November 6, 1956.
- 7 **Sec. 2.** At the time and in the manner provided by law, the secretary
8 of state shall transmit the proposed act to the several county clerks, and the
9 county clerks shall cause it to be published and posted as provided by law.
- 10 **Sec. 3.** The proclamation and notice to the voters given by the county
11 clerks pursuant to law must be in substantially the following form:
12 Notice is hereby given that at the general election on November 5,
13 2002, a question will appear on the ballot for the adoption or rejection
14 by the registered voters of the state of the following proposed act:
15 AN ACT to amend an act entitled “An Act to provide revenue for
16 the State of Nevada; providing for sales and use taxes; providing
17 for the manner of collection; defining certain terms; providing
18 penalties for violation, and other matters properly relating
19 thereto.” approved March 29, 1955, as amended.



THE PEOPLE OF THE STATE OF NEVADA
DO ENACT AS FOLLOWS:

Section 1. The above-entitled act, being chapter 397, Statutes of Nevada 1955, at page 762, is hereby amended by adding thereto a new section to read as follows:

Sec. 59.3. 1. There are exempted from the taxes imposed by this chapter the gross receipts from the sale of, and the storage, use or other consumption in this state of, any product designed or adapted to use a renewable energy resource to generate electricity.

2. As used in this section, "renewable energy resource" means a resource from which electricity is produced, but which is not consumed or combusted and is naturally regenerated, including, without limitation:

- (a) Wind;*
- (b) Solar energy; and*
- (c) Geothermal energy.*

Sec. 2. This act becomes effective on January 1, 2003.

Sec. 4. The ballot page assemblies and the paper ballots to be used in voting on the question must present the question in substantially the following form:

Shall the Sales and Use Tax Act of 1955 be amended to exempt products designed or adapted to use a renewable energy resource to generate electricity?

Yes ☐ No ☐

Sec. 5. The explanation of the question which must appear on each paper ballot and sample ballot and in every publication and posting of notice of the question must be in substantially the following form:

(Explanation of Question)

The proposed amendment to the Sales and Use Tax Act of 1955 would exempt from the taxes imposed by this act the sale of, and the storage, use or other consumption in this state of, any product designed or adapted to use a renewable energy resource to generate electricity. If this proposal is adopted, the legislature has provided that the Local School Support Tax Law and certain analogous taxes on retail sales will be amended to provide the same exemption.

Sec. 6. If a majority of the votes cast on the question is yes, the amendment to the Sales and Use Tax Act of 1955 becomes effective on January 1, 2003. If less than a majority of votes cast on the question is yes, the question fails and the amendment to the Sales and Use Tax Act of 1955 does not become effective.

Sec. 7. All general election laws not inconsistent with this act are applicable.

Sec. 8. Any informalities, omissions or defects in the content or making of the publications, proclamations or notices provided for in this act and by the general election laws under which this election is held must be so construed as not to invalidate the adoption of the act by a majority of



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1 the registered voters voting on the question if it can be ascertained with
2 reasonable certainty from the official returns transmitted to the office of the
3 secretary of state whether the proposed amendment was adopted by a
4 majority of those registered voters.

5 **Sec. 9.** Chapter 374 of NRS is hereby amended by adding thereto a
6 new section to read as follows:

7 *1. There are exempted from the taxes imposed by this chapter the*
8 *gross receipts from the sale of, and the storage, use or other consumption*
9 *in this state of, any product designed or adapted to use a renewable*
10 *energy resource to generate electricity.*

11 *2. As used in this section, "renewable energy resource" means a*
12 *resource from which electricity is produced, but which is not consumed*
13 *or combusted and is naturally regenerated, including, without limitation:*

14 *(a) Wind;*

15 *(b) Solar energy; and*

16 *(c) Geothermal energy.*

17 **Sec. 10.** Section 9 of this act becomes effective on January 1, 2003,
18 only if the proposal submitted pursuant to sections 1 to 5, inclusive, of this
19 act, is approved by the voters at the general election on November 5, 2002.

