

SENATE BILL NO. 381—SENATOR JACOBSEN

MARCH 19, 2001

Referred to Committee on Taxation

SUMMARY—Revises definitions of “wholesale dealer” and “wholesale price” for purpose of imposing tax on products made from tobacco, other than cigarettes. (BDR 32-818)

FISCAL NOTE: Effect on Local Government: No.  
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; revising the definitions of “wholesale dealer” and “wholesale price” for the purpose of imposing the tax on products made from tobacco, other than cigarettes; 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 370.440 is hereby amended to read as follows:  
2     370.440 As used in NRS 370.440 to 370.503, inclusive, unless the  
3     context otherwise ~~provides:~~ ***requires:***  
4     1. “Retail dealer” means any person who is engaged in selling products  
5     made from tobacco, other than cigarettes, to customers ~~at~~ ***at retail.***  
6     2. “Sale” means any transfer, exchange, barter, gift, offer for sale, or  
7     distribution for consideration of products made from tobacco, other than  
8     cigarettes.  
9     3. “Wholesale dealer” means any person who ~~purchases products~~  
10    ~~made from tobacco, other than cigarettes, directly from the manufacturer or~~  
11    ~~who purchases those products from any other person who purchases them~~  
12    ~~from the manufacturer to sell to retail dealers and who serves retail outlets~~  
13    ~~from an established place of business including, but not limited to, the~~  
14    ~~maintenance of a warehouse for the storage and distribution of those~~  
15    ~~products.~~ ***:***  
16    (a) ***Brings or causes to be brought into this state products made from***  
17    ***tobacco, other than cigarettes, purchased from the manufacturer or***  
18    ***another wholesale dealer and who stores, sells or otherwise disposes of***  
19    ***those products within this state;***  
20    (b) ***Manufactures or produces products made from tobacco, other***  
21    ***than cigarettes, within this state and who sells or distributes those***



1 *products within this state to other wholesale dealers, retail dealers or*  
2 *customers; or*

3 *(c) Acquires products made from tobacco, other than cigarettes, solely*  
4 *for the purpose of bona fide resale to retail dealers or to other persons*  
5 *for the purpose of resale only.*

6 4. "Wholesale price" means :

7 *(a) For a wholesale dealer described in paragraph (a) of subsection 3,*  
8 *the established price for which he purchases a product made from*  
9 *tobacco, other than cigarettes, before any discount or other reduction is*  
10 *made;*

11 *(b) For a wholesale dealer described in paragraph (b) of subsection 3,*  
12 *the established price for which he sells a product made from tobacco,*  
13 *other than cigarettes, before any discount or other reduction is made; or*

14 *(c) For all other wholesale dealers,* the established price for which a  
15 manufacturer sells a product made from tobacco, other than cigarettes, to  
16 ~~the~~ the wholesale dealer before any discount or other reduction is made.

17 **Sec. 2.** NRS 370.465 is hereby amended to read as follows:

18 370.465 1. ~~1A~~ **Except as otherwise provided in subsection 2, a**  
19 **wholesale dealer or retail dealer shall, not later than 20 days after the end**  
20 **of each month, submit to the department:**

21 (a) A list setting forth each purchase of products made from tobacco,  
22 other than cigarettes, that he made during the previous month; and

23 (b) A copy of the invoice for each such purchase that is required to be  
24 provided to him pursuant to NRS 370.470.

25 2. *A wholesale dealer described in paragraph (b) of subsection 3 of*  
26 *NRS 370.440 shall, not later than 20 days after the end of each month,*  
27 *submit to the department a list setting forth each sale of products made*  
28 *from tobacco, other than cigarettes, that he made during the previous*  
29 *month. The list must include:*

30 *(a) The type and quantity of each product sold;*

31 *(b) The established price for each product sold; and*

32 *(c) The date of each sale.*

33 3. The department shall maintain a record of the invoices for not less  
34 than 3 years after the receipt of those invoices.

35 ~~3-1~~ 4. The department may impose a penalty on a wholesale dealer or  
36 retail dealer who violates any of the provisions of subsection 1 **or 2** as  
37 follows:

38 (a) For the first violation within 7 years, a fine of \$1,000.

39 (b) For a second violation within 7 years, a fine of \$5,000.

40 (c) For a third or subsequent violation within 7 years, revocation of the  
41 license of the wholesale dealer or retail dealer.

42 **Sec. 3.** The amendatory provisions of this act do not apply to offenses  
43 that were committed before July 1, 2001.

44 **Sec. 4.** This act becomes effective on July 1, 2001.

