

SENATE BILL NO. 571—SENATORS JAMES, RAGGIO, O'DONNELL, AMODEI,  
RAWSON, JACOBSEN, MCGINNESS, PORTER, TOWNSEND AND  
WASHINGTON

MAY 15, 2001

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing business tax. (BDR 32-1548)

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; excluding the first five employees from the computation of the tax on conducting a business; requiring certain businesses to file an annual statement with the department of taxation; 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 364A.130 is hereby amended to read as follows:
- 2 364A.130 1. Except as otherwise provided in subsection ~~16.1~~ 7, a
- 3 person shall not conduct a business in this state unless he has a business
- 4 license issued by the department ~~11~~ *and has filed the annual statement*
- 5 *required by subsection 2, if applicable.*
- 6 2. *On or before August 1 of each year, a person who conducted a*
- 7 *business in this state during the preceding fiscal year for which no tax*
- 8 *was paid pursuant to this chapter shall transmit to the department a*
- 9 *statement of the total number of equivalent full-time employees that were*
- 10 *employed by the business during each quarter of the fiscal year to which*
- 11 *the statement applies. The total number of equivalent full-time employees*
- 12 *must be determined in the manner provided in NRS 364A.150 and*
- 13 *364A.151. The statement must be made upon a form prescribed by the*
- 14 *department.*
- 15 3. The application for a business license must:
- 16 (a) Be made upon a form prescribed by the department;
- 17 (b) Set forth the name under which the applicant transacts or intends to
- 18 transact business and the location of his place or places of business;



1 (c) Declare the estimated number of employees for the ~~previous~~ *first*  
2 calendar quarter ~~of operation of the business following the filing of the~~  
3 *application*;  
4 (d) Be accompanied by a fee of \$25; and  
5 (e) Include any other information that the department deems necessary.  
6 ~~3-1~~ 4. The application *for a business license and the statement*  
7 *required by subsection 2* must be signed by:  
8 (a) The owner, if the business is owned by a natural person;  
9 (b) A member or partner, if the business is owned by an association or  
10 partnership; or  
11 (c) An officer or some other person specifically authorized to sign the  
12 ~~application~~ *document*, if the business is owned by a corporation.  
13 ~~4-1~~ 5. If the application *for a business license or the annual*  
14 *statement required by subsection 2* is signed pursuant to paragraph (c) of  
15 subsection ~~3-1~~ 4, written evidence of the signer's authority must be  
16 attached to the ~~application~~.  
17 ~~5-1~~ *document*.  
18 6. For the purposes of this chapter, a person shall be deemed to  
19 conduct a business in this state if a business for which the person is  
20 responsible:  
21 (a) Is incorporated pursuant to chapter 78 or 78A of NRS;  
22 (b) Has an office or other base of operations in this state; or  
23 (c) Pays wages or other remuneration to a natural person who performs  
24 in this state any of the duties for which he is paid.  
25 ~~16-1~~ 7. A person who takes part in a trade show or convention held in  
26 this state for a purpose related to the conduct of a business is not required  
27 to obtain a business license specifically for that event.  
28 **Sec. 2.** NRS 364A.140 is hereby amended to read as follows:  
29 364A.140 1. A tax is hereby imposed upon the privilege of  
30 conducting business in this state. The tax for each calendar quarter is due  
31 on the last day of the quarter and must be paid on or before the last day of  
32 the month immediately following the quarter on the basis of the ~~total~~  
33 *taxable* number of equivalent full-time employees employed by the  
34 business in the quarter.  
35 2. The ~~total~~ *taxable* number of equivalent full-time employees *must*  
36 *be determined by subtracting five equivalent full-time employees from the*  
37 *total number* employed by the business in the quarter ~~must be~~ *as*  
38 calculated pursuant to NRS 364A.150 ~~and 364A.151~~.  
39 3. Except as otherwise provided in NRS 364A.152 and 364A.170, the  
40 amount of tax due per quarter for a business is \$25 for each *taxable*  
41 equivalent full-time employee employed by the business in the quarter.  
42 4. Each business shall file a return on a form prescribed by the  
43 department with each remittance of the tax. If the payment due is greater  
44 than \$1,000, the payment must be made by direct deposit at a bank or  
45 credit union in which the state has an account, unless the department  
46 waives this requirement pursuant to regulations adopted by the  
47 commission. The return must include a statement of the number of  
48 equivalent full-time employees employed by the business in the preceding  
49 quarter and any other information the department determines is necessary.



\* S B 5 7 1 \*

1 5. The commission shall adopt regulations concerning the payment of  
2 the tax imposed pursuant to this section by direct deposit.

3 **Sec. 3.** Section 1 of Assembly Bill No. 656 of this session is hereby  
4 amended to read as follows:

5 Section 1. NRS 364A.140 is hereby amended to read as follows:

6 364A.140 1. A tax is hereby imposed upon the privilege of  
7 conducting business in this state. ~~The~~ *Except as otherwise provided*  
8 *in this section, the* tax for each calendar quarter is due on the last day  
9 of the quarter and must be paid on or before the last day of the month  
10 immediately following the quarter on the basis of the *taxable* number  
11 of equivalent full-time employees employed by the business in the  
12 quarter.

13 2. *If the tax required to be paid by a business for a calendar*  
14 *quarter pursuant to subsection 1 is less than \$25, the business may*  
15 *submit a written request to the department to pay the tax annually*  
16 *for each calendar quarter of a fiscal year ending June 30. Upon*  
17 *approval of the request, the tax becomes due on the last day of the*  
18 *fiscal year and must be paid on or before the last day of July*  
19 *immediately following the fiscal year. If a business ceases operation*  
20 *before the end of the fiscal year, the tax becomes due on the date on*  
21 *which the business ceases its operation and must be paid on or*  
22 *before the last day of the month immediately following the calendar*  
23 *quarter in which the business ceases its operation. A business may*  
24 *continue to pay the tax annually until the department withdraws its*  
25 *approval for the annual payment. The department may withdraw its*  
26 *approval at any time if it determines that the tax due for any*  
27 *calendar quarter is at least \$25.*

28 3. The taxable number of equivalent full-time employees must be  
29 determined by subtracting five equivalent full-time employees from  
30 the total number employed by the business in the quarter as calculated  
31 pursuant to NRS 364A.150 and 364A.151.

32 ~~3.4~~ 4. Except as otherwise provided in NRS 364A.152 and  
33 364A.170, the amount of tax due ~~per quarter~~ for a business is \$25 for  
34 each *taxable* equivalent full-time employee employed by the business  
35 in the quarter.

36 ~~4.4~~ 5. Each business shall file a return on a form prescribed by  
37 the department with each remittance of the tax. If the payment due is  
38 greater than \$1,000, the payment must be made by direct deposit at a  
39 bank or credit union in which the state has an account, unless the  
40 department waives this requirement pursuant to regulations adopted  
41 by the commission. The return must include ~~a~~ :

42 (a) *If the tax is paid quarterly, a* statement of the number of  
43 equivalent full-time employees employed by the business in the  
44 preceding quarter and any other information the department  
45 determines is necessary.

46 ~~5.4~~ (b) *If the tax is paid annually, a statement of the number of*  
47 *equivalent full-time employees employed by the business for each*  
48 *calendar quarter of the preceding fiscal year and any other*  
49 *information the department determines is necessary.*



\* S B 5 7 1 \*

1           6. The commission shall adopt regulations concerning the  
2           payment of the tax imposed pursuant to this section by direct deposit.

3           **Sec. 4.** 1. This section and section 3 of this act become effective  
4           upon passage and approval.

5           2. Section 2 of this act becomes effective upon passage and approval  
6           for purposes of the adoption of regulations by the department of taxation  
7           and on July 1, 2001, for all other purposes.

8           3. Section 1 of this act becomes effective on July 1, 2002.

