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## **BILL EXPLANATION**

### **ASSEMBLY BILL NO. 342 Assembly Committee on Taxation Hearing: March 27, 2003**

EXPLANATION — Pursuant to **Section 13**, this bill would impose an occupancy tax of \$3 per day on the rental of transient lodging. If approved, **Section 32** provides that the act is effective upon passage and approval for adopting regulations and on July 1, 2003, for all other purposes, including imposition of the tax. **Section 32** also provides that the first payment of the tax is due on or before September 30, 2003.

**Section 1:** Adds sections 2 to 26 as a new chapter of the NRS.

**Sections 2 to 4:** Establishes statutory definitions for “temporary or transient paying guest” as someone who rents a room for not more than 28 consecutive days and “transient lodging establishment” as a place where sleeping accommodations are provided on temporary basis to members of the public.

**Section 5:** Requires the Department of Taxation to adopt regulations as necessary to administer the occupancy tax.

**Section 6:** Provides that records of the establishment must be maintained and made available to the department upon request.

**Section 7:** Provides that the department may perform audits of the records and that it will charge the establishment for the costs of auditing records that are kept outside Nevada.

**Section 8:** Provides that the records are confidential and privileged except under certain specified circumstances.

**Section 9:** Provides that all fees, taxes, interest and penalties associated with the tax are to be deposited in the Occupancy Tax Account in the General Fund and that the money may be used for refunds.

**Section 10:** Provides that a transient lodging establishment shall obtain a license to operate from the department and that the application for the license be accompanied by a \$25 fee.

**Section 11:** Provides for the annual renewal or reinstatement of a license and provides for a \$25 fee for such renewal or reinstatement.

**Section 12:** Establishes procedures for the suspension or revocation of a license.

**Section 14:** Provides that upon written application, the department may extend the date for the payment of the tax by 30 days.

**Section 15:** Provides that the department's remedies are cumulative.

**Sections 16 to 18:** Establish procedures and requirements for the crediting or refunding of any tax, penalty or interest erroneously or illegally computed or collected.

**Section 19:** Prohibits a legal action to prevent collection of tax and a legal action to recover any amount unless a claim for refund or credit has been filed.

**Section 20 & 21:** Establish procedures for claimant to file an action to recover amounts erroneously or illegally collected.

**Section 22 & 23:** Establish conditions for judgments, including the rate of interest.

**Section 24:** Provides for the recovery of amounts by the department through legal action.

**Section 25:** Establishes procedures for the cancellation of illegally determined amounts.

**Section 26:** Provides penalty for falsifying records with intent to evade tax or defraud state.

**Section 27 to 31:** Includes references to occupancy tax or provisions relating to occupancy tax in appropriate sections of chapter 360 of the NRS.