

S.J.R. 1 of the 17th Special Session

SENATE JOINT RESOLUTION NO. 1—COMMITTEE ON TAXATION

JUNE 14, 2001

Referred to Committee on Taxation

SUMMARY—Proposes to amend Nevada Constitution to provide requirements for enactment of property and sales tax exemptions. (BDR C-28)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

SENATE JOINT RESOLUTION—Proposing to amend the Constitution of the State of Nevada to provide requirements for the enactment of property and sales tax exemptions.

1 RESOLVED BY THE SENATE AND ASSEMBLY OF THE STATE OF
2 NEVADA, JOINTLY, That a new section, designated section 6, be
3 added to article 10 of the Constitution of the State of Nevada to read
4 as follows:

5 *Sec. 6. 1. The Legislature shall not enact an*
6 *exemption from any ad valorem tax on property or excise*
7 *tax on the sale, storage, use or consumption of tangible*
8 *personal property sold at retail unless the Legislature:*

9 *(a) Determines that the exemption will achieve a bona*
10 *fide social or economic purpose;*

11 *(b) Restricts the eligibility for the exemption solely to the*
12 *intended beneficiaries of the exemption;*

13 *(c) Determines that the exemption will not have a*
14 *material adverse effect on the finances of the state or any*
15 *local government that would otherwise receive revenue from*
16 *the tax from which the exemption would be granted;*

17 *(d) Determines that the exemption will not impair*
18 *adversely the ability of the state or a unit of government to*
19 *pay, when due, all interest and principal on any outstanding*
20 *bonds or any other obligations for which revenue from the*



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1 *tax from which the exemption would be granted was*
2 *pledged; or*

3 *(e) Ensures that the requirements for claiming the*
4 *exemption are as similar as practicable for similar classes of*
5 *taxpayers.*

6 *2. The Legislature shall review any exemption from*
7 *any tax on property or on the sale, storage, use or*
8 *consumption of tangible personal property sold at retail at*
9 *least once every 6 years to determine whether the purpose of*
10 *the exemption is still valid and that the exemption is being*
11 *used effectively.*

