

ASSEMBLY BILL NO. 293—ASSEMBLYMEN PARKS, HARDY, HOGAN, MCCLEARY, HORNE, ANDERSON, CARPENTER, CLABORN, GIUNCHIGLIANI, GRADY, KIRKPATRICK, KOIVISTO, LESLIE, MANENDO, MCCLAIN, PIERCE, SEALE AND SMITH (BY REQUEST)

MARCH 21, 2005

Referred to Committee on Transportation

SUMMARY—Provides exemption from governmental services tax for vehicles registered by resident of Nevada who is on active duty in Armed Forces of United States. (BDR 32-948)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

~

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

AN ACT relating to taxation; providing an exemption from the governmental services tax for vehicles registered by a resident of Nevada who is on active duty in the Armed Forces of the United States; authorizing such a person to waive his exemption and designate any additional amount to be credited to the Gift Account for Veterans' Homes; providing a penalty; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 371 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A vehicle registered by any actual bona fide resident of the State of Nevada who is on active duty in the Armed Forces of the United States is exempt from the governmental services tax.

2. Before allowing an exemption pursuant to the provisions of this section, the Department shall require such proof of the status of the applicant for the exemption as may be necessary to



1 *determine his qualifications for the exemption. After the*
2 *Department determines that the applicant is entitled to the*
3 *exemption, the Department shall annually grant the exemption for*
4 *all vehicles registered by that person until the Department*
5 *determines that the person is no longer entitled to the exemption.*

6 3. *If a person provides false proof to the Department and as a*
7 *result of the false proof a tax exemption is allowed to a person not*
8 *entitled to the exemption, he is guilty of a misdemeanor.*

9 4. *If a vehicle ceases to be exempt from taxation pursuant to*
10 *this section after the beginning of a registration year, the amount*
11 *of the tax otherwise due must be reduced by one-twelfth for each*
12 *month that has elapsed since the beginning of that year.*

13 **Sec. 2.** NRS 371.1035 is hereby amended to read as follows:

14 371.1035 1. Any person who qualifies for an exemption
15 pursuant to NRS 371.103 or 371.104 *or section 1 of this act* may, in
16 lieu of claiming his exemption:

17 (a) Pay to the Department all or any portion of the amount by
18 which the tax would be reduced if he claimed his exemption; and

19 (b) Direct the Department to deposit that amount for credit to
20 the Gift Account for Veterans' Homes established pursuant to
21 NRS 417.145.

22 2. Any person who wishes to waive his exemption pursuant to
23 this section shall designate the amount to be credited to the Account
24 on a form provided by the Department.

25 3. The Department shall deposit any money received pursuant
26 to this section with the State Treasurer for credit to the Gift Account
27 for Veterans' Homes established pursuant to NRS 417.145. The
28 State Treasurer shall not accept more than a total of \$2,000,000 for
29 credit to the Account pursuant to this section and NRS 361.0905
30 during any fiscal year.

31 **Sec. 3.** NRS 371.105 is hereby amended to read as follows:

32 371.105 ~~{Claims}~~ *Except as otherwise provided in NRS*
33 *371.103 and section 1 of this act, claims* pursuant to NRS 371.101,
34 371.102, 371.103 or 371.104 *or section 1 of this act* for tax
35 exemption on the governmental services tax and designations of any
36 amount to be credited to the Gift Account for Veterans' Homes
37 pursuant to NRS 371.1035 must be filed annually at any time on or
38 before the date when payment of the tax is due. All exemptions
39 provided for in this section must not be in an amount which gives
40 the taxpayer a total exemption greater than that to which he is
41 entitled during any fiscal year.

42 **Sec. 4.** NRS 371.106 is hereby amended to read as follows:

43 371.106 1. Whenever any vehicle ceases to be exempt from
44 taxation under NRS 371.101, 371.102, 371.103 or 371.104 *or*
45 *section 1 of this act* because the owner no longer meets the



1 requirements for the exemption provided in those sections, its owner
2 shall immediately notify the Department of the fact.

3 2. If a person fails to notify the Department as required by
4 subsection 1 and as a result of such failure is allowed a tax
5 exemption to which he is not entitled, there ~~shall~~ *must* be added to
6 and collected with the tax otherwise due a penalty equal to double
7 the amount of the tax. If the person's failure is fraudulent and results
8 in his receiving a tax exemption to which he is not entitled, the
9 person is also guilty of a gross misdemeanor.

10 **Sec. 5.** This act becomes effective on July 1, 2005.



