

ASSEMBLY BILL NO. 317—ASSEMBLYWOMAN LESLIE (BY REQUEST)

MARCH 21, 2005

Referred to Committee on Commerce and Labor

SUMMARY—Provides for imposition of tax on live entertainment provided by all houses of prostitution. (BDR 32-926)

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; providing for the imposition of the tax on live entertainment provided by all houses of prostitution; 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. NRS 368A.200 is hereby amended to read as follows:

368A.200 1. Except as otherwise provided in this section, there is hereby imposed an excise tax on admission to any facility in this State where live entertainment is provided. If the live entertainment is provided at a facility with a maximum seating capacity of:

(a) Less than 7,500, the rate of the tax is 10 percent of the admission charge to the facility plus 10 percent of any amounts paid for food, refreshments and merchandise purchased at the facility.

(b) At least 7,500, the rate of the tax is 5 percent of the admission charge to the facility.

2. ***The tax imposed pursuant to subsection 1 must be collected for live entertainment provided at any house of prostitution. For this purpose:***

(a) The amount of the admission charge to the house of prostitution must be determined based on the total amount,



1 *expressed in terms of money, paid by a patron for live*
2 *entertainment provided to that patron by the house of prostitution.*

3 *(b) The amounts paid for food, refreshments and merchandise*
4 *purchased by the patron must be determined based on food,*
5 *refreshments and merchandise purchased within any area of the*
6 *house of prostitution.*

7 3. Amounts paid for gratuities directly or indirectly remitted to
8 persons employed at a facility where live entertainment is provided
9 or for service charges, including those imposed in connection with
10 the use of credit cards or debit cards, which are collected and
11 retained by persons other than the taxpayer are not taxable pursuant
12 to this section.

13 ~~{3-}~~ 4. A business entity that collects any amount that is
14 taxable pursuant to subsection 1 is liable for the tax imposed, but is
15 entitled to collect reimbursement from any person paying that
16 amount.

17 ~~{4-}~~ 5. Any ticket for live entertainment must state whether the
18 tax imposed by this section is included in the price of the ticket. If
19 the ticket does not include such a statement, the taxpayer shall pay
20 the tax based on the face amount of the ticket.

21 ~~{5. —The}~~

22 6. *Except as otherwise provided in this section, the* tax
23 imposed by subsection 1 does not apply to:

24 (a) Live entertainment that this State is prohibited from taxing
25 under the Constitution, laws or treaties of the United States or the
26 Nevada Constitution.

27 (b) Live entertainment that is provided by or entirely for the
28 benefit of a nonprofit religious, charitable, fraternal or other
29 organization that qualifies as a tax-exempt organization pursuant to
30 26 U.S.C. § 501(c).

31 (c) Any boxing contest or exhibition governed by the provisions
32 of chapter 467 of NRS.

33 (d) Live entertainment that is not provided at a licensed gaming
34 establishment if the facility in which the live entertainment is
35 provided has a maximum seating capacity of less than 300.

36 (e) Live entertainment that is provided at a licensed gaming
37 establishment that is licensed for less than 51 slot machines, less
38 than six games, or any combination of slot machines and games
39 within those respective limits, if the facility in which the live
40 entertainment is provided has a maximum seating capacity of less
41 than 300.

42 (f) Merchandise sold outside the facility in which the live
43 entertainment is provided, unless the purchase of the merchandise
44 entitles the purchaser to admission to the entertainment.

45 (g) Live entertainment that is provided at a trade show.



1 (h) Music performed by musicians who move constantly
2 through the audience if no other form of live entertainment is
3 afforded to the patrons.

4 (i) Live entertainment that is provided at a licensed gaming
5 establishment at private meetings or dinners attended by members of
6 a particular organization or by a casual assemblage if the purpose of
7 the event is not primarily for entertainment.

8 (j) Live entertainment that is provided in the common area of a
9 shopping mall, unless the entertainment is provided in a facility
10 located within the mall.

11 ~~16.1~~ 7. As used in this section, "maximum seating capacity"
12 means, in the following order of priority:

13 (a) The maximum occupancy of the facility in which live
14 entertainment is provided, as determined by the State Fire Marshal
15 or the local governmental agency that has the authority to determine
16 the maximum occupancy of the facility;

17 (b) If such a maximum occupancy has not been determined, the
18 maximum occupancy of the facility designated in any permit
19 required to be obtained in order to provide the live entertainment; or

20 (c) If such a permit does not designate the maximum occupancy
21 of the facility, the actual seating capacity of the facility in which the
22 live entertainment is provided.

23 **Sec. 2.** This act becomes effective on July 1, 2005.



