

ASSEMBLY BILL NO. 320—ASSEMBLYMAN PERKINS

MARCH 21, 2005

Referred to Committee on Commerce and Labor

SUMMARY—Prescribes sales tax holiday from certain sales and use taxes for certain sales of computer equipment, clothing and school supplies. (BDR 32-1201)

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 taxes on retail sales; prescribing a sales tax holiday from certain sales and use taxes for certain sales of computer equipment, clothing and school supplies; 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.** Chapter 374 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 ***1. There are exempted from the taxes imposed by this chapter***
4 ***the gross receipts from the sale of, and the storage, use or other***
5 ***consumption in a county of, any:***

6 ***(a) Computer equipment;***

7 ***(b) Article of clothing, the sales price of which does not exceed***
8 ***\$1,000; and***

9 ***(c) School supplies,***

10 ***↪ sold from August 26, 2005, to August 28, 2005, inclusive.***

11 ***2. For the purposes of this section:***

12 ***(a) “Computer” means an electronic device that accepts***
13 ***information in digital or similar form and manipulates it for a***
14 ***result based on a sequence of instructions.***

15 ***(b) “Computer equipment” means:***

16 ***(1) Computers.***

17 ***(2) Computer software.***



(3) Computer storage media, including, without limitation, diskettes and compact disks.

(4) Handheld electronic schedulers, except devices that are cellular phones.

(5) Personal digital assistants, except devices that are cellular phones.

(6) Computer printers.

(7) Printer supplies for computers, including, without limitation, printer paper and printer ink.

(c) "Computer software" means a set of coded instructions designed to cause a computer or automatic data processing equipment to perform a task.

(d) "Clothing" means all human wearing apparel suitable for general use. The term:

(1) Includes, without limitation, household and shop aprons, athletic supporters, baby receiving blankets, bathing suits and caps, beach capes and coats, belts and suspenders, boots, coats and jackets, costumes, diapers for children or adults, including disposable diapers, ear muffs, footlets, formal wear, garters and garter belts, girdles, gloves and mittens for general use, hats and caps, hosiery, insoles for shoes, lab coats, neckties, overshoes, pantyhose, rainwear, rubber pants, sandals, scarves, shoes and shoe laces, slippers, sneakers, socks and stockings, steel-toed shoes, underwear, athletic and non-athletic uniforms, and wedding apparel.

(2) Does not include:

(I) Belt buckles sold separately;

(II) Costume masks sold separately;

(III) Patches and emblems sold separately;

(IV) Sewing equipment and supplies, including, without limitation, knitting needles, patterns, pins, scissors, sewing machines, sewing needles, tape measures and thimbles; and

(V) Sewing materials that become part of clothing, including, without limitation, buttons, fabric, lace, thread, yarn and zippers.

(e) "School supplies" means the following items commonly used by a student in a course of study:

(1) Binders.

(2) Book bags.

(3) Calculators.

(4) Cellophane tape.

(5) Blackboard chalk.

(6) Compasses.

(7) Composition books.

(8) Crayons.



- 1 (9) Erasers.
- 2 (10) Folders, whether expandable, pocket, plastic or
- 3 manila.
- 4 (11) Glue, paste and paste sticks.
- 5 (12) Highlighters.
- 6 (13) Index cards.
- 7 (14) Index card boxes.
- 8 (15) Legal pads.
- 9 (16) Lunch boxes.
- 10 (17) Markers.
- 11 (18) Notebooks.
- 12 (19) Paper, whether loose-leaf ruled notebook paper, copy
- 13 paper, graph paper, tracing paper, manila paper, colored paper,
- 14 poster board or construction paper.
- 15 (20) Pencil boxes and other school supply boxes.
- 16 (21) Pencil sharpeners.
- 17 (22) Pencils.
- 18 (23) Pens.
- 19 (24) Protractors.
- 20 (25) Rulers.
- 21 (26) Scissors.
- 22 (27) Writing tablets.

23 **Sec. 2.** NRS 374.120 is hereby amended to read as follows:

24 374.120 1. It is unlawful for any retailer to advertise or hold
25 out or state to the public or to any customer, directly or indirectly,
26 that the tax or any part thereof will be assumed or absorbed by the
27 retailer , ~~for~~ that *if applicable* it will not be added to the selling
28 price of the property sold , or that if added it or any part thereof will
29 be refunded.

30 2. Any person violating any provision of this section is guilty
31 of a misdemeanor.

32 **Sec. 3.** NRS 374.210 is hereby amended to read as follows:

33 374.210 It is unlawful for any retailer to advertise or hold out
34 or state to the public or to any customer, directly or indirectly, that
35 the tax or any part thereof will be assumed or absorbed by the
36 retailer , ~~for~~ that *if applicable* it will not be added to the selling
37 price of the property sold , or that if added it or any part thereof will
38 be refunded.

39 **Sec. 4.** NRS 374.265 is hereby amended to read as follows:

40 374.265 "Exempted from the taxes imposed by this chapter,"
41 as used in NRS 374.265 to 374.355, inclusive, *and section 1 of this*
42 *act* means exempted from the computation of the amount of taxes
43 imposed.



1 **Sec. 5.** This act becomes effective upon passage and approval
2 and expires by limitation on August 31, 2005.

