
ASSEMBLY BILL NO. 347—ASSEMBLYMEN GOICOECHEA, GRADY
AND CARPENTER

MARCH 22, 2005

JOINT SPONSORS: SENATORS MCGINNESS, AMODEI AND BEERS

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing exemptions from sales
and use taxes on farm machinery and equipment.
(BDR 32-981)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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; clarifying certain provisions governing the administration of the exemption from the Sales and Use Tax Act of 1955 and certain analogous taxes for property shipped out of State; providing for the submission to the voters of the question whether the Sales and Use Tax Act of 1955 should be amended to provide an exemption from the tax for farm machinery and equipment; providing such an exemption from certain analogous taxes; 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.** NRS 372.7263 is hereby amended to read as
2 follows:
3 372.7263 1. In administering the provisions of NRS 372.335,
4 the Department shall apply the exemption for the sale of tangible
5 personal property delivered by the vendor to a forwarding agent for
6 shipment out of State to include:



(a) The sale of a vehicle to a nonresident to whom a special movement permit has been issued by the Department of Motor Vehicles pursuant to subsection 1 of NRS 482.3955;

(b) The sale of farm machinery and equipment to a nonresident who submits proof to the vendor that the farm machinery and equipment will be delivered out of State not later than 15 days after the sale; and

(c) The sale of a vessel to a nonresident who submits proof to the vendor that the vessel will be delivered out of State not later than 15 days after the sale.

2. As used in this section:

(a) ~~["Agricultural use" has the meaning ascribed to it in NRS 361A.030.~~

~~(b)~~ "Farm machinery and equipment" means a farm tractor, implement of husbandry, piece of equipment used for irrigation, or a part used in the repair or maintenance of farm machinery and equipment. The term does not include:

(1) A vehicle required to be registered pursuant to the provisions of chapter 482 or 706 of NRS; or

(2) Machinery or equipment only incidentally employed for ~~the agricultural use of real property.~~

~~(c)~~ *agricultural purposes.*

(b) "Farm tractor" means a motor vehicle designed and used primarily for drawing an implement of husbandry.

~~(d)~~ (c) "Implement of husbandry" means a vehicle that is designed, adapted or used for agricultural purposes, including, without limitation, a plow, machine for mowing, hay baler, combine, piece of equipment used to stack hay, till, harvest, handle agricultural commodities or apply fertilizers, or other heavy, movable equipment designed, adapted or used for agricultural purposes.

Sec. 2. NRS 372.7263 is hereby amended to read as follows:

372.7263 ~~(1)~~ In administering the provisions of NRS 372.335, the Department shall apply the exemption for the sale of tangible personal property delivered by the vendor to a forwarding agent for shipment out of State to include:

~~(a)~~ 1. The sale of a vehicle to a nonresident to whom a special movement permit has been issued by the Department of Motor Vehicles pursuant to subsection 1 of NRS 482.3955;

~~(b)~~ 2. The sale of farm machinery and equipment, *as defined in section 10 of this act*, to a nonresident who submits proof to the vendor that the farm machinery and equipment will be delivered out of State not later than 15 days after the sale; and



~~[(e)] 3.~~ The sale of a vessel to a nonresident who submits proof to the vendor that the vessel will be delivered out of State not later than 15 days after the sale.

~~[2. As used in this section:~~

~~—(a) “Farm machinery and equipment” means a farm tractor, implement of husbandry, piece of equipment used for irrigation, or a part used in the repair or maintenance of farm machinery and equipment. The term does not include:~~

~~—(1) A vehicle required to be registered pursuant to the provisions of chapter 482 or 706 of NRS; or~~

~~—(2) Machinery or equipment only incidentally employed for agricultural purposes.~~

~~—(b) “Farm tractor” means a motor vehicle designed and used primarily for drawing an implement of husbandry.~~

~~—(c) “Implement of husbandry” means a vehicle that is designed, adapted or used for agricultural purposes, including, without limitation, a plow, machine for mowing, hay baler, combine, piece of equipment used to stack hay, till, harvest, handle agricultural commodities or apply fertilizers, or other heavy, movable equipment designed, adapted or used for agricultural purposes.]~~

Sec. 3. Chapter 374 of NRS is hereby amended by adding thereto a new section to read as follows:

1. There are exempted from the taxes imposed by this chapter the gross receipts from the sale, storage, use or other consumption in a county of farm machinery and equipment.

2. As used in this section:

(a) “Farm machinery and equipment” means a farm tractor, implement of husbandry, piece of equipment used for irrigation, or a part used in the repair or maintenance of farm machinery and equipment. The term does not include:

(1) A vehicle required to be registered pursuant to the provisions of chapter 482 or 706 of NRS; or

(2) Machinery or equipment only incidentally employed for agricultural purposes.

(b) “Farm tractor” means a motor vehicle designed and used primarily for drawing an implement of husbandry.

(c) “Implement of husbandry” means a vehicle that is designed, adapted or used for agricultural purposes, including, without limitation, a plow, machine for mowing, hay baler, combine, piece of equipment used to stack hay, till, harvest, handle agricultural commodities or apply fertilizers, or other heavy, movable equipment designed, adapted or used for agricultural purposes.



1 **Sec. 4.** NRS 374.265 is hereby amended to read as follows:
2 374.265 “Exempted from the taxes imposed by this chapter,”
3 as used in NRS 374.265 to 374.355, inclusive, *and section 3 of this*
4 *act* means exempted from the computation of the amount of taxes
5 imposed.

6 **Sec. 5.** NRS 374.286 is hereby amended to read as follows:
7 374.286 1. There are exempted from the taxes imposed by
8 this chapter the gross receipts from the sale , ~~[of, and the]~~ storage,
9 use or other consumption in a county of ~~[]~~ farm machinery and
10 equipment . ~~[employed for the agricultural use of real property.]~~

11 2. As used in this section:

12 (a) ~~[“Agricultural use” has the meaning ascribed to it in~~
13 ~~NRS 361A.030.~~

14 ~~—(b)—~~ “Farm machinery and equipment” means a farm tractor,
15 implement of husbandry, piece of equipment used for irrigation, or a
16 part used in the repair or maintenance of farm machinery and
17 equipment. The term does not include:

18 (1) A vehicle required to be registered pursuant to the
19 provisions of chapter 482 or 706 of NRS; or

20 (2) Machinery or equipment only incidentally employed for
21 ~~[the agricultural use of real property.~~

22 ~~—(c)—~~ *agricultural purposes.*

23 (b) “Farm tractor” means a motor vehicle designed and used
24 primarily for drawing an implement of husbandry.

25 ~~[(d)]~~ (c) “Implement of husbandry” means a vehicle that is
26 designed, adapted or used for agricultural purposes, including,
27 without limitation, a plow, machine for mowing, hay baler,
28 combine, piece of equipment used to stack hay, till, harvest, handle
29 agricultural commodities or apply fertilizers, or other heavy,
30 movable equipment designed, adapted or used for agricultural
31 purposes.

32 **Sec. 6.** NRS 374.7273 is hereby amended to read as follows:

33 374.7273 1. In administering the provisions of NRS 374.340,
34 the Department shall apply the exemption for the sale of tangible
35 personal property delivered by the vendor to a forwarding agent for
36 shipment out of State to include:

37 (a) The sale of a vehicle to a nonresident to whom a special
38 movement permit has been issued by the Department of Motor
39 Vehicles pursuant to subsection 1 of NRS 482.3955;

40 (b) The sale of farm machinery and equipment to a nonresident
41 who submits proof to the vendor that the farm machinery and
42 equipment will be delivered out of State not later than 15 days after
43 the sale; and



(c) The sale of a vessel to a nonresident who submits proof to the vendor that the vessel will be delivered out of State not later than 15 days after the sale.

2. As used in this section:

~~(a) ["Agricultural use" has the meaning ascribed to it in NRS 361A.030.~~

~~(b)~~ "Farm machinery and equipment" means a farm tractor, implement of husbandry, piece of equipment used for irrigation, or a part used in the repair or maintenance of farm machinery and equipment. The term does not include:

(1) A vehicle required to be registered pursuant to the provisions of chapter 482 or 706 of NRS; or

(2) Machinery or equipment only incidentally employed for ~~the agricultural use of real property.~~

~~(c)~~ *agricultural purposes.*

(b) "Farm tractor" means a motor vehicle designed and used primarily for drawing an implement of husbandry.

~~(d)~~ (c) "Implement of husbandry" means a vehicle that is designed, adapted or used for agricultural purposes, including, without limitation, a plow, machine for mowing, hay baler, combine, piece of equipment used to stack hay, till, harvest, handle agricultural commodities or apply fertilizers, or other heavy, movable equipment designed, adapted or used for agricultural purposes.

Sec. 7. NRS 374.7273 is hereby amended to read as follows:

374.7273 ~~(1)~~ In administering the provisions of NRS 374.340, the Department shall apply the exemption for the sale of tangible personal property delivered by the vendor to a forwarding agent for shipment out of State to include:

~~(a)~~ 1. The sale of a vehicle to a nonresident to whom a special movement permit has been issued by the Department of Motor Vehicles pursuant to subsection 1 of NRS 482.3955;

~~(b)~~ 2. The sale of farm machinery and equipment, *as defined in section 3 of this act*, to a nonresident who submits proof to the vendor that the farm machinery and equipment will be delivered out of State not later than 15 days after the sale; and

~~(c)~~ 3. The sale of a vessel to a nonresident who submits proof to the vendor that the vessel will be delivered out of State not later than 15 days after the sale.

~~2. As used in this section:~~

~~(a) "Farm machinery and equipment" means a farm tractor, implement of husbandry, piece of equipment used for irrigation, or a part used in the repair or maintenance of farm machinery and equipment. The term does not include:~~



~~(1) A vehicle required to be registered pursuant to the provisions of chapter 482 or 706 of NRS; or~~

~~(2) Machinery or equipment only incidentally employed for agricultural purposes.~~

~~(b) "Farm tractor" means a motor vehicle designed and used primarily for drawing an implement of husbandry.~~

~~(c) "Implement of husbandry" means a vehicle that is designed, adapted or used for agricultural purposes, including, without limitation, a plow, machine for mowing, hay baler, combine, piece of equipment used to stack hay, till, harvest, handle agricultural commodities or apply fertilizers, or other heavy, movable equipment designed, adapted or used for agricultural purposes.]~~

Sec. 8. At the general election on November 7, 2006, a proposal must be submitted to the registered voters of this State to amend the Sales and Use Tax Act, which was enacted by the 47th Session of the Legislature of the State of Nevada and approved by the Governor in 1955, and subsequently approved by the people of this State at the General Election held on November 6, 1956.

Sec. 9. At the time and in the manner provided by law, the Secretary of State shall transmit the proposed act to the several county clerks, and the county clerks shall cause it to be published and posted as provided by law.

Sec. 10. The proclamation and notice to the voters given by the county clerks pursuant to law must be in substantially the following form:

Notice is hereby given that at the General Election on November 7, 2006, a question will appear on the ballot for the adoption or rejection by the registered voters of the State of the following proposed act:

AN ACT to amend an act entitled "An Act to provide revenue for the State of Nevada; providing for sales and use taxes; providing for the manner of collection; defining certain terms; providing penalties for violation, and other matters properly relating thereto." approved March 29, 1955, as amended.

THE PEOPLE OF THE STATE OF NEVADA
DO ENACT AS FOLLOWS:

Section 1. The above-entitled Act, being chapter 397, Statutes of Nevada 1955, at page 762, is hereby amended by adding thereto a new section to be designated section 55.5, immediately following section 55 to read as follows:

Sec. 55.5. 1. *There are exempted from the taxes imposed by this Act the gross receipts from the sale, storage,*



1 *use or other consumption in a county of farm machinery*
2 *and equipment.*

3 2. *As used in this section:*

4 (a) *“Farm machinery and equipment” means a farm*
5 *tractor, implement of husbandry, piece of equipment used*
6 *for irrigation, or a part used in the repair or maintenance of*
7 *farm machinery and equipment. The term does not include:*

8 (1) *A vehicle required to be registered pursuant to the*
9 *provisions of chapter 482 or 706 of NRS; or*

10 (2) *Machinery or equipment only incidentally*
11 *employed for agricultural purposes.*

12 (b) *“Farm tractor” means a motor vehicle designed and*
13 *used primarily for drawing an implement of husbandry.*

14 (c) *“Implement of husbandry” means a vehicle that is*
15 *designed, adapted or used for agricultural purposes,*
16 *including, without limitation, a plow, machine for mowing,*
17 *hay baler, combine, piece of equipment used to stack hay,*
18 *till, harvest, handle agricultural commodities or apply*
19 *fertilizers, or other heavy, movable equipment designed,*
20 *adapted or used for agricultural purposes.*

21 Sec. 2. This Act becomes effective on January 1, 2007.

22 **Sec. 11.** The ballot page assemblies and the paper ballots to be
23 used in voting on the question must present the question in
24 substantially the following form:

25 Shall the Sales and Use Tax Act of 1955 be amended to
26 provide an exemption from the taxes imposed by this Act on
27 the gross receipts from the sale, storage, use or other
28 consumption of farm machinery and equipment?

29 Yes ☐ No ☐

30 **Sec. 12.** The explanation of the question which must appear on
31 each paper ballot and sample ballot and in every publication and
32 posting of notice of the question must be in substantially the
33 following form:

34
35 (Explanation of Question)

36 The proposed amendment to the Sales and Use Tax Act of
37 1955 would exempt from the taxes imposed by this Act the
38 gross receipts from the sale, storage, use or other
39 consumption of farm machinery and equipment. The
40 Legislature has amended the Local School Support Tax Law
41 and the City-County Relief Tax Law to provide the same
42 exemption if this proposal is adopted.

43 **Sec. 13.** If a majority of the votes cast on the question is yes,
44 the amendment to the Sales and Use Tax Act of 1955 becomes
45 effective on January 1, 2007. If less than a majority of votes cast on



1 the question is yes, the question fails and the amendment to the
2 Sales and Use Tax Act of 1955 does not become effective.

3 **Sec. 14.** All general election laws not inconsistent with this
4 Act are applicable.

5 **Sec. 15.** Any informalities, omissions or defects in the content
6 or making of the publications, proclamations or notices provided for
7 in this Act and by the general election laws under which this
8 election is held must be so construed as not to invalidate the
9 adoption of the Act by a majority of the registered voters voting on
10 the question if it can be ascertained with reasonable certainty from
11 the official returns transmitted to the Office of the Secretary of State
12 that the proposed amendment was adopted by a majority of those
13 registered voters.

14 **Sec. 16.** 1. This section becomes effective upon passage and
15 approval.

16 2. Section 5 of this act:

17 (a) Becomes effective upon passage and approval for the
18 purpose of adopting regulations and on July 1, 2005, for all other
19 purposes; and

20 (b) Expires by limitation on December 21, 2005.

21 3. Sections 8 to 15, inclusive, of this act become effective on
22 July 1, 2005.

23 4. Sections 1 and 6 of this act become effective on January 1,
24 2006.

25 5. Sections 2, 3, 4 and 7 of this act become effective on
26 January 1, 2007, only if the proposal submitted pursuant to sections
27 8 to 15, inclusive, of this act is approved by the voters at the General
28 Election on November 7, 2006.

