

ASSEMBLY BILL NO. 430—ASSEMBLYMEN SIBLEY AND HARDY

MARCH 25, 2005

Referred to Committee on Government Affairs

SUMMARY—Proposes to exempt sales of medical goods and equipment from sales and use taxes and analogous taxes. (BDR 32-1003)

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

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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 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 medical goods and equipment; providing for such an exemption from certain analogous taxes if the voters approve the amendment to the Sales and Use Tax Act of 1955; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law creates the Sales and Use Tax Act of 1955, which was approved by the voters in a referendum on November 6, 1956. (Chapter 372 of NRS) Under existing law, if the voters approve a statute or resolution in a referendum, the statute or resolution is the law of the State and may not be amended, annulled, repealed, set aside, suspended or in any way made inoperative except by the direct vote of the people. (Nev. Const., Art. 19, § 1)

Existing law creates the Local School Support Tax Law. (Chapter 374 of NRS) Any amendment to the Local School Support Tax Law is also applicable to other sales and use taxes imposed under existing law. (NRS 354.705, 374A.010, 376A.060, 377.040, 377A.030, 377B.110 and 543.600 and various special and local acts)

This bill requires that a question be submitted to the voters at the 2006 General Election on whether the Sales and Use Tax Act of 1955 should be amended to provide an exemption for medical goods and equipment.

This bill amends the Local School Support Tax Law to provide an exemption for medical goods and equipment.



17 The exemption from sales and use taxes for medical goods and equipment
18 becomes effective on January 1, 2007, only if the voters approve the amendment to
19 the Sales and Use Tax Act of 1955 at the General Election in 2006.

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

1 **Section 1.** At the General Election on November 7, 2006, a
2 proposal must be submitted to the registered voters of this State to
3 amend the Sales and Use Tax Act, which was enacted by the 47th
4 Session of the Legislature of the State of Nevada and approved by
5 the Governor in 1955, and subsequently approved by the people of
6 this State at the General Election held on November 6, 1956.

7 **Sec. 2.** At the time and in the manner provided by law, the
8 Secretary of State shall transmit the proposed act to the several
9 county clerks, and the county clerks shall cause it to be published
10 and posted as provided by law.

11 **Sec. 3.** The proclamation and notice to the voters given by the
12 county clerks pursuant to law must be in substantially the following
13 form:

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

18 AN ACT to amend an Act entitled "An Act to provide
19 revenue for the State of Nevada; providing for sales
20 and use taxes; providing for the manner of collection;
21 defining certain terms; providing penalties for
22 violation, and other matters properly relating thereto."
23 approved March 29, 1955, as amended.
24

25 THE PEOPLE OF THE STATE OF NEVADA
26 DO ENACT AS FOLLOWS:
27

28 Section 1. The above-entitled Act, being chapter 397,
29 Statutes of Nevada 1955, at page 762, is hereby amended by
30 adding thereto a new section to be designated as section 55.7,
31 immediately following section 55, to read as follows:

32 Sec. 55.7. *There are exempted from the taxes*
33 *imposed by this Act the gross receipts from the sale of,*
34 *and the storage, use or other consumption of, medical*
35 *goods and equipment.*

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



1 **Sec. 4.** The ballot page assemblies and the paper ballots to be
2 used in voting on the question must present the question in
3 substantially the following form:

4 Shall the Sales and Use Tax Act of 1955 be amended to
5 provide an exemption from the taxes imposed by this Act on
6 the gross receipts from the sale and the storage, use or other
7 consumption of medical goods and equipment?

8 Yes ☐ No ☐

9 **Sec. 5.** The explanation of the question which must appear on
10 each paper ballot and sample ballot and in every publication and
11 posting of notice of the question must be in substantially the
12 following form:

13 (Explanation of Question)

14 The proposed amendment to the Sales and Use Tax Act of
15 1955 would exempt from the taxes imposed by this Act the
16 gross receipts from the sale and storage, use or other
17 consumption of medical goods and equipment. If this
18 proposal is adopted, the Legislature has provided that the
19 Local School Support Tax Law and the City-County Relief
20 Tax Law will be amended to provide the same exemption.

21 **Sec. 6.** If a majority of the votes cast on the question is yes,
22 the amendment to the Sales and Use Tax Act of 1955 becomes
23 effective on January 1, 2007. If less than a majority of votes cast on
24 the question is yes, the question fails and the amendment to the
25 Sales and Use Tax Act of 1955 does not become effective.

26 **Sec. 7.** All general election laws not inconsistent with this act
27 are applicable.

28 **Sec. 8.** Any informalities, omissions or defects in the content
29 or making of the publications, proclamations or notices provided for
30 in this act and by the general election laws under which this election
31 is held must be so construed as not to invalidate the adoption of the
32 act by a majority of the registered voters voting on the question if it
33 can be ascertained with reasonable certainty from the official returns
34 transmitted to the Office of the Secretary of State that the proposed
35 amendment was adopted by a majority of those registered voters.

36 **Sec. 9.** Chapter 374 of NRS is hereby amended by adding
37 thereto a new section to read as follows:

38 ***There are exempted from the taxes imposed by this chapter the***
39 ***gross receipts from the sale of, and the storage, use or other***
40 ***consumption of, medical goods and equipment.***

41 **Sec. 10.** NRS 374.265 is hereby amended to read as follows:
42 374.265 "Exempted from the taxes imposed by this chapter,"
43 as used in NRS 374.265 to 374.355, inclusive, ***and section 9 of this***



1 **act** means exempted from the computation of the amount of taxes
2 imposed.

3 **Sec. 11.** 1. This section and sections 1 to 8, inclusive, of this
4 act become effective on July 1, 2005.

5 2. Sections 9 and 10 of this act become effective on January 1,
6 2007, only if the proposal submitted pursuant to sections 1 to 8,
7 inclusive, of this act is approved by the voters at the general election
8 on November 7, 2006.

