

SENATE BILL NO. 393—COMMITTEE ON TAXATION

(ON BEHALF OF THE DEPARTMENT OF TAXATION)

MARCH 29, 2005

Referred to Committee on Taxation

SUMMARY—Provides discount for electronic payment of certain taxes. (BDR 32-387)

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; increasing the discount or allowance provided to certain taxpayers who remit certain taxes collected under certain circumstances if the taxpayer uses a credit card, debit card or electronic transfer of money to pay the taxes and the accompanying report or return, if any, is submitted to the Department of Taxation electronically; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law imposes a tax on licensed liquor importers and manufacturers and provides a 0.5 percent discount for paying the tax to the Department of Taxation by a specified date. (NRS 369.370) Existing law also imposes a tax on the purchase or possession of cigarettes or other tobacco products by a consumer and on the revenue from retail sales. The taxpayers who remit these taxes to the Department are entitled to a 0.5 percent discount or allowance for services rendered by the taxpayer in affixing tax stamps or administering or collecting the tax for the Department. (NRS 370.220, 370.450, 372.370, 374.375)

This bill increases those discounts and allowances by 0.5 percent if the taxes are paid to the Department of Taxation with a credit card, debit card or electronic transfer of money, and if any accompanying report or return is submitted electronically.



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

Section 1. NRS 369.370 is hereby amended to read as follows:
369.370 1. For the privilege of importing, possessing, storing or selling liquors, all licensed importers and manufacturers of liquor in this State shall pay the excise tax imposed and established by this chapter.

2. If, after the tax is paid on any such liquor, satisfactory evidence is presented to the Department that the imports have been actually exported and sold outside this State in a manner not in conflict with the law of the place of sale, the Department shall direct that a refund or credit of the tax so paid be made to the taxpayer. The taxpayer shall report all such exports and imports, and pay the tax on the imports monthly, on forms and subject to regulations prescribed by the Department.

3. The excise tax imposed by this chapter is due on or before the 20th day of the following month. ~~If all such taxes are paid on or before the 15th day of the following month, a discount in the amount of 0.5 percent of the tax must be allowed to the taxpayer.~~ The Department may, for good cause, extend for not more than 15 days after the date the tax is due the time for paying the tax if a request for such an extension of time is received by the Department on or before the date the tax was due. If such an extension is granted, interest accrues from the original date the tax was due.

4. *If the excise tax imposed by this chapter is paid on or before the 15th day of the following month, the taxpayer is entitled to a discount against the amount of excise tax otherwise due of:*

(a) *One-half of 1 percent; and*

(b) *One-half of 1 percent if the taxpayer uses a credit card, debit card or electronic transfer of money to pay the excise tax and submits the accompanying return electronically.*

5. The Department shall allow refunds or credits on any shipments lost, stolen or damaged in transit, or damaged or spoiled on the premises, may require all claims in connection therewith to be sworn to and may make ratable tax adjustments, credits or refunds to effectuate the purposes of this chapter.

Sec. 2. NRS 370.220 is hereby amended to read as follows:

370.220 In the sale of any cigarette revenue stamps or any metered machine ~~{settings}~~ *impressions* to a licensed cigarette dealer, the Department and its agents shall allow the purchaser a discount ~~{of 0.5 percent}~~ against the amount of excise tax otherwise due *of:*



1 **1. One-half of 1 percent** for the services rendered in affixing
2 cigarette revenue stamps or metered machine impressions to the
3 cigarette packages ~~11~~; and

4 **2. One-half of 1 percent if the purchaser uses a credit card,**
5 **debit card or electronic transfer of money to pay for the cigarette**
6 **revenue stamps or metered machine impressions.**

7 **Sec. 3.** NRS 370.450 is hereby amended to read as follows:

8 370.450 1. Except as otherwise provided in subsection 2,
9 there is hereby imposed upon the purchase or possession of products
10 made from tobacco, other than cigarettes, by a customer in this State
11 a tax of 30 percent of the wholesale price of those products.

12 2. The provisions of subsection 1 do not apply to those
13 products which are:

14 (a) Shipped out of the State for sale and use outside the State; or

15 (b) Displayed or exhibited at a trade show, convention or other
16 exhibition in this State by a manufacturer or wholesale dealer who is
17 not licensed in this State.

18 3. This tax must be collected and paid by the wholesale dealer
19 to the Department, in accordance with the provisions of NRS
20 370.465, after the sale or distribution of those products by the
21 wholesale dealer. ~~11 The wholesale dealer is entitled to retain 0.5~~
22 ~~percent of the taxes collected to cover the costs of collecting and~~
23 ~~administering the taxes if~~ **If** the taxes are paid in accordance with
24 the provisions of NRS 370.465 ~~11~~, **the wholesale dealer is entitled**
25 **to retain:**

26 **(a) One-half of 1 percent of the taxes collected to cover the**
27 **costs of collecting and administering the taxes; and**

28 **(b) One-half of 1 percent of the taxes collected if the wholesale**
29 **dealer uses a credit card, debit card or electronic transfer of**
30 **money to pay the Department and the accompanying report is**
31 **submitted to the Department electronically.**

32 4. Any wholesale dealer who sells or distributes any of those
33 products without paying the tax provided for by this section is guilty
34 of a misdemeanor.

35 **Sec. 4.** NRS 370.490 is hereby amended to read as follows:

36 370.490 1. The Department shall allow a credit of 30 percent
37 of the wholesale price, less ~~11 a discount of 0.5 percent for the~~
38 ~~services rendered in collecting the tax,~~ **any amounts retained**
39 **pursuant to NRS 370.450**, for products made from tobacco, other
40 than cigarettes, upon which the tax has been paid pursuant to NRS
41 370.450 and that may no longer be sold. If the products have been
42 purchased and delivered, a credit memo of the manufacturer is
43 required for proof of returned merchandise.

44 2. A credit must also be granted for any products made from
45 tobacco, other than cigarettes, shipped from this State and destined



1 for retail sale and consumption outside the State on which the tax
2 has previously been paid. A duplicate or copy of the invoice is
3 required for proof of the sale outside the State.

4 3. A wholesale dealer may claim a credit by filing with the
5 Department the proof required by this section. The claim must be
6 made on a form prescribed by the Department.

7 **Sec. 5.** NRS 372.370 is hereby amended to read as follows:

8 372.370 1. Except as otherwise provided in subsection 2, if
9 the taxes imposed by this chapter are paid in accordance with NRS
10 372.355, a taxpayer may deduct and withhold from the taxes
11 otherwise due from him ~~10.5~~:

12 *(a) One-half of 1 percent of those taxes to reimburse himself for*
13 *the cost of collecting the tax ~~1~~; and*

14 *(b) One-half of 1 percent of those taxes if the taxpayer uses a*
15 *credit card, debit card or electronic transfer of money and the*
16 *accompanying return is submitted to the Department*
17 *electronically.*

18 2. The regulations adopted by the Department pursuant to NRS
19 360B.110 may authorize the deduction and withholding from the
20 taxes otherwise due from a taxpayer such other amounts as are
21 required to carry out the Streamlined Sales and Use Tax Agreement.

22 **Sec. 6.** NRS 374.375 is hereby amended to read as follows:

23 374.375 1. Except as otherwise provided in subsection 2, if
24 the taxes imposed by this chapter are paid in accordance with NRS
25 374.360, a taxpayer may deduct and withhold from the taxes
26 otherwise due from him ~~10.5~~:

27 *(a) One-half of 1 percent thereof to reimburse himself for the*
28 *cost of collecting the tax ~~1~~; and*

29 *(b) One-half of 1 percent of those taxes if the taxpayer uses a*
30 *credit card, debit card or electronic transfer of money to pay the*
31 *Department and the accompanying return is submitted to the*
32 *Department electronically.*

33 2. The regulations adopted by the Department pursuant to NRS
34 360B.110 may authorize the deduction and withholding from the
35 taxes otherwise due from a taxpayer such other amounts as are
36 required to carry out the Streamlined Sales and Use Tax Agreement.

37 **Sec. 7.** 1. This section and sections 5 and 6 of this act
38 become effective on July 1, 2006.

39 2. Sections 1 to 4, inclusive, of this act become effective on
40 July 1, 2007.

