

SENATE BILL NO. 523—COMMITTEE ON FINANCE

JUNE 5, 2005

Referred to Committee on Finance

SUMMARY—Temporarily reduces rate of tax on certain businesses. (BDR 32-1478)

FISCAL NOTE: Effect on Local Government: No.
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 the taxation of business; temporarily reducing the rate of the tax on certain businesses; 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 363B.110 is hereby amended to read as follows:

363B.110 1. There is hereby imposed an excise tax on each employer at the rate of ~~10.65~~ *0.63* percent of the wages, as defined in NRS 612.190, paid by the employer during a calendar quarter with respect to employment.

2. The tax imposed by this section must not be deducted, in whole or in part, from any wages of persons in the employment of the employer.

3. Each employer shall, on or before the last day of the month immediately following each calendar quarter for which the employer is required to pay a contribution pursuant to NRS 612.535:

(a) File with the Department:

(1) A return on a form prescribed by the Department; and

(2) A copy of any report required by the Employment Security Division of the Department of Employment, Training and Rehabilitation for determining the amount of the contribution



1 required pursuant to NRS 612.535 for any wages paid by the
2 employer during that calendar quarter; and

3 (b) Remit to the Department any tax due pursuant to this chapter
4 for that calendar quarter.

5 4. Except as otherwise provided in subsection 5, an employer
6 may deduct from the total amount of wages reported and upon
7 which the excise tax is imposed pursuant to this section any amount
8 authorized pursuant to this section that is paid by the employer for
9 health insurance or a health benefit plan for its employees in the
10 calendar quarter for which the tax is paid. The amounts for which
11 the deduction is allowed include:

12 (a) For an employer providing a program of self-insurance for
13 its employees, all amounts paid during the calendar quarter for
14 claims, direct administrative services costs, including such services
15 provided by the employer, and any premiums paid for individual or
16 aggregate stop-loss insurance coverage. An employer is not
17 authorized to deduct the costs of a program of self-insurance unless
18 the program is a qualified employee welfare benefit plan pursuant to
19 the Employee Retirement Income Security Act of 1974, 29 U.S.C.
20 §§ 1001 et seq.

21 (b) The premiums for a policy of health insurance or reinsurance
22 for a health benefit plan for its employees.

23 (c) Any amounts paid by an employer to a Taft-Hartley trust
24 formed pursuant to 29 U.S.C. § 186(c)(5) for participation in an
25 employee welfare benefit plan.

26 (d) Such other similar payments for health care or insurance for
27 health care for employees as are authorized by the Department.

28 5. An employer may not deduct from the wages upon which
29 the excise tax is imposed pursuant to this section:

30 (a) Amounts paid for health care or premiums paid for insurance
31 for an industrial injury or occupational disease for which coverage is
32 required pursuant to chapters 616A to 616D, inclusive, or 617 of
33 NRS; or

34 (b) Any payments made by employees for health care or health
35 insurance or amounts deducted from the wages of employees for
36 such care or insurance.

37 6. An employer claiming the deduction allowed pursuant to
38 subsection 4 shall submit with the return filed pursuant to subsection
39 3 proof of the amount paid in the calendar quarter that qualifies for
40 the deduction. If the amount of the deduction exceeds the amount of
41 reported wages, the excess amount may be carried forward to the
42 following calendar quarter until the deduction is exhausted.

43 7. As used in this section, "employee welfare benefit plan" has
44 the meaning ascribed to it in 29 U.S.C. § 1002.



- 1 **Sec. 2.** The amendatory provisions of section 1 of this act do
2 not apply to any taxes due for any period ending on or before
3 June 30, 2005.
4 **Sec. 3.** This act becomes effective on July 1, 2005, and expires
5 by limitation on June 30, 2007.



