

ASSEMBLY BILL NO. 10—ASSEMBLYMAN PARKS

PREFILED JANUARY 18, 2007

Referred to Committee on Ways and Means

SUMMARY—Provides an exemption from the governmental services tax for vehicles registered by a resident of Nevada who is on active duty in the Armed Forces of the United States. (BDR 32-196)

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 an exemption from the governmental services tax for vehicles registered by a resident of Nevada who is on active duty in the Armed Forces of the United States; authorizing such a person to waive his exemption and designate any additional amount to be credited to the Gift Account for Veterans' Homes; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

The Governmental Services Tax Law imposes a tax for the privilege of operating a vehicle on the public highways of Nevada. (Chapter 371 of NRS) Existing law provides a partial exemption from the tax for surviving spouses, blind persons, veterans, disabled veterans and their surviving spouses. (NRS 371.101-371.104)

Section 1 of this bill authorizes a total exemption from the governmental services tax for any Nevada resident who is on active duty in the Armed Forces of the United States. **Section 1** also establishes the procedure for claiming the exemption and makes it a misdemeanor for a person to obtain an exemption with false proof.

Existing law authorizes veterans and disabled veterans and their surviving spouses to waive the exemption and direct the Department of Motor Vehicles to deposit in the Gift Account for Veterans' Homes all or a portion of the amount by which the tax would be reduced if the exemption is claimed. (NRS 371.1035)



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15 **Section 2** of this bill expands the application of a waiver of that exemption to
16 any Nevada resident who is on active duty in the Armed Forces of the United
17 States.

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

1 **Section 1.** Chapter 371 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 1. *A vehicle registered by any actual bona fide resident of the*
4 *State of Nevada who is on active duty in the Armed Forces of the*
5 *United States is exempt from the governmental services tax.*

6 2. *Before allowing an exemption pursuant to the provisions*
7 *of this section, the Department shall require such proof of the*
8 *status of the applicant for the exemption as may be necessary to*
9 *determine his qualifications for the exemption. After the*
10 *Department determines that the applicant is entitled to the*
11 *exemption, the Department shall annually grant the exemption for*
12 *all vehicles registered by that person until the Department*
13 *determines that the person is no longer entitled to the exemption.*

14 3. *If any vehicle ceases to be exempt from taxation pursuant*
15 *to this section because the owner is no longer on active duty in the*
16 *Armed Forces of the United States, the owner shall notify the*
17 *Department of that fact as soon as practicable after he becomes*
18 *ineligible for the exemption. Upon receipt of the notice, the*
19 *Department shall charge the governmental services tax to the*
20 *owner in an amount that is prorated pursuant to subsection 6.*

21 4. *If the owner of a vehicle specified in subsection 3 fails to*
22 *notify the Department pursuant to that subsection that he is no*
23 *longer on active duty in the Armed Forces of the United States, the*
24 *owner shall pay to the Department the governmental services tax*
25 *for each year the owner fails to provide that notice, prorated*
26 *pursuant to subsection 6 for the portion of the year in which the*
27 *vehicle was exempt from the tax, together with the governmental*
28 *services tax for the next registration year and any fees for the*
29 *renewal of the registration of the vehicle for that registration year.*

30 5. *If a person provides false proof to the Department and as a*
31 *result of the false proof a tax exemption is allowed to a person not*
32 *entitled to the exemption, he is guilty of a misdemeanor.*

33 6. *If a vehicle ceases to be exempt from taxation pursuant to*
34 *this section after the beginning of a registration year, the amount*
35 *of the tax otherwise due must be reduced by one-twelfth for each*
36 *month that has elapsed since the beginning of that year.*

37 7. As used in this section, "active duty" means any period
38 during which a person:



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1 (a) Serves as a member of the Armed Forces of the United
2 States or the National Guard or any reserve component thereof;
3 and

4 (b) While serving in that capacity, is required to serve outside
5 the State of Nevada in support of a worldwide contingency
6 operation of the Armed Forces of the United States.

7 **Sec. 2.** NRS 371.1035 is hereby amended to read as follows:

8 371.1035 1. Any person who qualifies for an exemption
9 pursuant to NRS 371.103 or 371.104 **or section 1 of this act** may, in
10 lieu of claiming his exemption:

11 (a) Pay to the Department all or any portion of the amount by
12 which the tax would be reduced if he claimed his exemption; and

13 (b) Direct the Department to deposit that amount for credit
14 to the Gift Account for Veterans' Homes established pursuant to
15 NRS 417.145.

16 2. Any person who wishes to waive his exemption pursuant to
17 this section shall designate the amount to be credited to the Account
18 on a form provided by the Department.

19 3. The Department shall deposit any money received pursuant
20 to this section with the State Treasurer for credit to the Gift Account
21 for Veterans' Homes established pursuant to NRS 417.145. The
22 State Treasurer shall not accept more than a total of \$2,000,000 for
23 credit to the Account pursuant to this section and NRS 361.0905
24 during any fiscal year.

25 **Sec. 3.** NRS 371.105 is hereby amended to read as follows:

26 371.105 ~~{Claims}~~ **Except as otherwise provided in NRS**
27 **371.103 and section 1 of this act, claims** pursuant to NRS 371.101,
28 371.102, 371.103 or 371.104 **or section 1 of this act** for tax
29 exemption on the governmental services tax and designations of any
30 amount to be credited to the Gift Account for Veterans' Homes
31 pursuant to NRS 371.1035 must be filed annually at any time on or
32 before the date when payment of the tax is due. All exemptions
33 provided for in this section must not be in an amount which gives
34 the taxpayer a total exemption greater than that to which he is
35 entitled during any fiscal year.

36 **Sec. 4.** This act becomes effective on July 1, 2007.

