

ASSEMBLY BILL NO. 595—COMMITTEE ON TRANSPORTATION

(ON BEHALF OF THE DEPARTMENT OF MOTOR VEHICLES)

MARCH 26, 2007

Referred to Concurrent Committees on Transportation and Taxation

SUMMARY—Makes various changes relating to taxes on fuels and the provision of funding for highway projects. (BDR 32-643)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.

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 vehicles; making various changes regarding the imposition, reporting, payment, collection, refunding, administration and enforcement of certain taxes on fuels; allocating a portion of the proceeds of certain taxes and fees to the construction and maintenance of public highways; increasing the maximum maturity period allowed for certain special obligation bonds issued to finance highway construction projects; requiring a short-term lessor of a passenger car to impose a recovery surcharge fee; providing for the imposition and payment of a licensing fee on the operation of certain heavyweight vehicles; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Under existing law, a taxpayer is entitled to receive interest on an overpayment
2 of taxes. (NRS 360.2935, 360A.110) **Section 2** of this bill provides that no interest
3 will be paid on an overpayment of taxes on fuels if the overpayment is made
4 intentionally or carelessly.

5 Under existing law, if the Department of Motor Vehicles issues a deficiency
6 determination against a taxpayer for underpayment of taxes on fuels, the taxpayer
7 may file a petition for redetermination and seek an oral hearing on the petition.



(NRS 360A.160, 360A.180) **Section 3** of this bill changes the hearing to an administrative hearing.

Under existing law, persons licensed under chapter 365 of NRS are required to submit reports and pay excise taxes to the Department for motor vehicle and other fuels subject to that chapter. (NRS 365.170, 365.175) **Section 5** of this bill imposes similar requirements on unlicensed persons who collect such excise taxes.

Existing law in chapter 366 of NRS concerning taxes on special fuels includes provisions relating to the confidentiality of records, the unlawful disclosure of information, false or fraudulent reports, and the sealing of fuel pumps. (NRS 366.160, 366.180, 366.710, 366.715) **Sections 6-9** of this bill add similar provisions to chapter 365 of NRS concerning taxes on motor vehicle and other fuels.

Under existing law, licenses issued pursuant to chapter 365 of NRS for dealers, suppliers, transporters and exporters are valid until suspended, revoked or cancelled. (NRS 365.304) **Section 15** of this bill limits the validity of each such license to 1 year and requires the Department to adopt regulations providing for the renewal of such licenses.

Existing law in chapter 366 of NRS concerning taxes on special fuels includes provisions governing the due date of such taxes. (NRS 366.370) **Section 18** of this bill adds similar provisions to chapter 365 of NRS concerning taxes on motor vehicle and other fuels. (NRS 365.330)

Section 21 of this bill increases the power of the Department and its agents to make examinations and inspections, including the power to stop and inspect motor vehicles that are using or transporting motor vehicle and other fuels, to determine whether all excise taxes due pursuant to chapter 365 of NRS are being properly reported and paid. (NRS 365.500)

Under existing law, persons licensed under chapter 366 of NRS are required to file tax returns and pay excise taxes to the Department for special fuels subject to that chapter. (NRS 366.380, 366.383, 366.386, 366.540) **Section 26** of this bill imposes similar requirements on unlicensed persons who collect such excise taxes.

Existing law in chapter 365 of NRS concerning taxes on motor vehicle and other fuels includes provisions relating to the liability of a person for willfully failing to collect or pay excise taxes, the records that must be maintained by retailers, the payment of the costs of prosecuting violations, and the enforcement of the provisions of the chapter by county sheriffs and other peace officers. (NRS 365.351, 365.510, 365.590, 365.610) **Sections 27-30** of this bill add similar provisions to chapter 366 of NRS concerning taxes on special fuel.

Under existing law, licenses issued pursuant to chapter 366 of NRS for special fuel dealers, special fuel suppliers, special fuel transporters and special fuel exporters are valid until suspended, revoked or cancelled, and licenses for special fuel users are valid for 1 year. (NRS 366.260) **Section 36** of this bill limits the validity of each such license to 1 year and requires the Department to adopt regulations providing for the renewal of such licenses.

Section 46 of this bill revises the provisions in NRS 366.720 that establish various violations and penalties relating to taxes on special fuels by specifying that each day during which such a violation occurs constitutes a separate offense.

Existing law authorizes a county to impose an ad valorem tax for capital projects in the amount of 5 cents per \$100 of the assessed valuation of the county. (NRS 354.59815) **Section 47** of this bill requires the allocation of 60 percent of the proceeds of any such tax imposed in a county with a population of 400,000 or more (currently Clark County) to the State Highway Fund for use in the construction and maintenance of the public highways in that county.

Existing law authorizes the issuance of special obligation bonds of the State to provide money for highway construction projects, and limits the term of those



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bonds to not more than 20 years. (NRS 408.273) **Section 48** of this bill extends that limitation to not more than 30 years.

Existing law authorizes a short-term lessor of a passenger car to impose a recovery surcharge of 4 percent of the total amount for which the car is leased. (NRS 482.313) **Section 49** of this bill mandates the imposition of that fee and requires the deposit of half the proceeds thereof into the State Highway Fund for use in the construction and maintenance of the public highways.

Section 50 of this bill provides for the imposition and payment of a licensing fee for the operation of certain heavyweight vehicles by motor carriers in this State in the amount of 15 cents per mile traveled. **Section 52** provides for the prepayment of this licensing fee by a person who obtains a temporary permit to operate such a vehicle in this State. **Section 54** provides that any violation of the requirements regarding this licensing fee constitutes a misdemeanor.

Existing law authorizes a purchaser of motor vehicle fuel or special fuel from a supplier to apply to the Department for a permit to defer payment of the taxes to the supplier, and authorizes the supplier to deduct from his tax payments to the Department the amount of such deferred taxes. (NRS 365.326, 365.328, 366.397, 366.540) **Sections 42 and 55** of this bill delete or repeal those provisions. **Section 55** also repeals NRS 366.360 because its provisions are being added to NRS 366.350 by **section 38** of this bill.

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

Section 1. NRS 360A.050 is hereby amended to read as follows:

360A.050 ~~{Except for any payments authorized pursuant to NRS 365.328, 365.340, 366.375 and 366.397, if}~~ *If* the Department grants an extension of time for paying any amount required to be paid pursuant to chapter 365, 366 or 373 of NRS or NRS 590.120 or 590.840, a person who pays the amount within the period for which the extension is granted shall pay, in addition to the amount owing, interest at the rate of 1 percent per month from the date the amount would have been due without the extension until the date of payment.

Sec. 2. NRS 360A.110 is hereby amended to read as follows:

360A.110 ~~{H}~~

1. Except as otherwise provided in subsection 2, in making a determination, the Department may offset overpayments for a period or periods, together with interest on the overpayments, against underpayments for another period or periods or against penalties and the interest on underpayments.

2. No interest is allowed on any overpayment that the Department determines has been made intentionally or by reason of careless reporting.

Sec. 3. NRS 360A.180 is hereby amended to read as follows:

360A.180 1. If a petition for redetermination is filed within the period prescribed in NRS 360A.160, the Department shall



1 reconsider the determination and, if the person has so requested in
2 the petition, grant the person an ~~oral~~ *administrative* hearing and
3 give him at least 10 days' notice of the time and place of the
4 hearing.

5 2. ~~[The Department may continue the]~~ *Any hearing held*
6 *pursuant to subsection 1 may be continued* from time to time as
7 may be necessary.

8 3. *A petitioner aggrieved by the decision of the Department*
9 *may appeal the decision by submitting a written request to the*
10 *Department for an administrative hearing not more than 30 days*
11 *after notice of the redetermination was made by the Department.*

12 **Sec. 4.** Chapter 365 of NRS is hereby amended by adding
13 thereto the provisions set forth as sections 5 to 9, inclusive, of this
14 act.

15 **Sec. 5.** *Every person not licensed pursuant to this chapter*
16 *who collects an excise tax shall:*

17 1. *Not later than the last day of each calendar month, submit*
18 *a statement to the Department of all such taxes collected during*
19 *the preceding calendar month; and*

20 2. *In accordance with the provisions of NRS 365.330, pay the*
21 *tax to the Department.*

22 **Sec. 6.** *All supporting schedules, invoices and other pertinent*
23 *papers relating to the business affairs and operations of any*
24 *supplier, dealer, exporter or transporter, and any information*
25 *obtained by an investigation of the records and equipment of any*
26 *supplier, dealer, exporter or transporter, shall be deemed*
27 *confidential and must not be revealed to any person except as*
28 *necessary to administer this chapter or as otherwise provided by*
29 *law.*

30 **Sec. 7.** 1. *It is unlawful for the Department or any person*
31 *having an administrative duty under this chapter to divulge or to*
32 *make known in any manner whatever the business affairs,*
33 *operations or information obtained by an investigation or*
34 *examination of the records of any person visited or examined in*
35 *the discharge of official duty, or the amount or source of income,*
36 *profits, losses, expenditures or any particular thereof set forth or*
37 *disclosed in any report, or to permit any report or copy thereof to*
38 *be seen or examined by any person except as otherwise provided in*
39 *section 6 of this act and NRS 365.140.*

40 2. *Any violation of the provisions of subsection 1 is a gross*
41 *misdemeanor.*

42 **Sec. 8.** *Any person required to make, submit, sign or verify*
43 *any report who makes any false or fraudulent report with intent to*
44 *defeat or evade the assessment required by law to be made is guilty*
45 *of a gross misdemeanor.*



Sec. 9. 1. The Department may seal a fuel pump of a retailer or dealer, or the metered pipes and hoses of a rack of a dealer or supplier, if the retailer, dealer or supplier:

(a) Becomes delinquent in payment of any amount due pursuant to the provisions of this chapter;

(b) Operates without the license required by the provisions of this chapter; or

(c) Operates without the bond or cash deposit required by the provisions of this chapter.

2. A fuel pump of a retailer or dealer, or the metered pipes and hoses of a rack of a dealer or supplier, may be sealed until all required reports are filed, the tax, penalties and interest are paid in full, the required license is obtained and the bond or cash deposit is provided.

3. Before sealing a fuel pump or the metered pipes and hoses of a rack, the Department must send a notice by registered or certified mail to the retailer, dealer or supplier at his last known address ordering him to appear before the Department at a time not less than 10 days after the mailing of the notice and show cause why the fuel pump or the metered pipes and hoses of the rack should not be sealed.

Sec. 10. NRS 365.092 is hereby amended to read as follows:

365.092 "Transporter" means a person, except a supplier or an exporter licensed pursuant to this chapter, who transports motor vehicle fuel or fuel for jet or turbine-powered aircraft **by pipeline, rail or truck** in interstate commerce to or from any point within this State, or solely within this State.

Sec. 11. NRS 365.140 is hereby amended to read as follows:

365.140 The Department ~~[shall,]~~ **may**, upon a request from the officials to whom is entrusted the enforcement of the motor vehicle fuel tax laws of any other state, if the other state furnishes ~~[like]~~ **similar** information to this State, forward any information which it may have in its possession relative to the manufacture, receipt, **storage, delivery**, sale, use, transportation, ~~[or]~~ shipment **or other disposition** by any **supplier, dealer, exporter, transporter or other** person of motor vehicle fuel or fuel for jet or turbine-powered aircraft.

Sec. 12. NRS 365.170 is hereby amended to read as follows:

365.170 Except as otherwise provided in NRS 365.135, every dealer shall ~~[, not]~~ :

1. Not later than the last day of each calendar month ~~[,]~~ **—1.—Render]** , **submit** to the Department a statement of all aviation fuel and fuel for jet or turbine-powered aircraft sold, distributed or used by him in this State, as well as all such fuel sold, distributed or used in this State by a purchaser thereof upon which



1 sale, distribution or use the dealer has assumed liability for the tax
2 thereon pursuant to NRS 365.020, during the preceding calendar
3 month; and

4 2. ~~{Pay}~~ *In accordance with the provisions of NRS 365.330,*
5 *pay* an excise tax on:

6 (a) All fuel for jet or turbine-powered aircraft in the amount of 1
7 cent per gallon, plus any applicable amount imposed pursuant to
8 NRS 365.203; and

9 (b) Aviation fuel in the amount of 2 cents per gallon, plus any
10 applicable amount imposed pursuant to NRS 365.203,

11 ~~so sold, distributed or used . {, in the manner and within the time~~
12 ~~prescribed in this chapter.}~~

13 **Sec. 13.** NRS 365.175 is hereby amended to read as follows:

14 365.175 Except as otherwise provided in NRS 365.135, every
15 supplier shall ~~{, not}~~ :

16 1. *Not* later than the last day of each calendar month ~~{,~~
17 ~~—1.— Submit}~~ , *submit* to the Department a statement of all motor
18 vehicle fuel, except aviation fuel, sold, distributed or used by him in
19 this State ~~{,}~~ *during the preceding calendar month;* and

20 2. ~~{Pay}~~ *In accordance with the provisions of NRS 365.330,*
21 *pay* an excise tax on all motor vehicle fuel, except aviation fuel, in
22 the amount of 17.65 cents per gallon *so* sold, distributed or used . ~~{in~~
23 ~~the manner prescribed in this chapter.}~~

24 **Sec. 14.** NRS 365.290 is hereby amended to read as follows:

25 365.290 1. Before granting any application for a license as a
26 dealer or supplier, the Department shall require the applicant to file
27 with the Department a bond executed by the applicant as principal,
28 and by a corporation qualified under the laws of this State as surety,
29 payable to this State and conditioned upon the faithful performance
30 of all the requirements of this chapter and upon the punctual
31 payment of all excise taxes, penalties and other obligations of the
32 applicant as a dealer or supplier.

33 2. The total amount of the bond or bonds required of any dealer
34 or supplier must be fixed by the Department at three times the
35 estimated maximum monthly tax, determined in such a manner as
36 the Department deems proper, or \$1,000, whichever is greater. If
37 ~~{the Department determines that}~~ a person is habitually delinquent in
38 the payment of amounts due pursuant to this chapter, ~~{,}~~ *the*
39 *Department* may increase the amount of his security to not more
40 than five times the estimated maximum monthly tax. When cash or
41 a savings certificate, certificate of deposit or investment certificate
42 is used, the amount required must be rounded off to the next larger
43 integral multiple of \$100, within the same upper limit.



3. The Department may increase or decrease the amount of security required by this section subject to the limitations provided in this section.

4. No recovery on any bond, ~~[nor the]~~ execution of any new bond, ~~[nor the]~~ or revocation, cancellation or suspension of any license, affects the validity of any bond.

5. In lieu of any bond or bonds, a dealer or supplier may deposit with the Department, under such terms and conditions as the Department may prescribe, ~~[a like]~~ *an equivalent* amount of lawful money of the United States or any other form of security authorized by NRS 100.065. If security is provided in the form of a savings certificate, certificate of deposit or investment certificate, the certificate must state that the amount is unavailable for withdrawal except upon order of the Department.

6. If the amount of security required by this section is decreased pursuant to subsection 3, the Department shall immediately reinstate the original requirements for a bond for a holder of a license as a dealer or supplier upon his:

(a) Lack of faithful performance of the requirements of this chapter; or

(b) Failure to pay punctually all taxes, fees, penalties and interest due the State of Nevada.

7. For the purposes of this section, a person is "habitually delinquent" if, within any 12-month period, the person commits each of the following acts or commits either of the following acts more than once:

(a) Fails timely to file a monthly tax return, unless the Department determines that:

(1) The failure to file was caused by circumstances beyond the control of the person and occurred notwithstanding the exercise of ordinary care; and

(2) The person has paid any penalty and interest imposed by the Department because of the failure to file.

(b) Fails timely to submit to the Department any tax collected by the person pursuant to this chapter.

Sec. 15. NRS 365.304 is hereby amended to read as follows:

365.304 1. A license issued pursuant to this chapter:

~~[1-]~~ (a) Is valid ~~[until]~~ *for 1 year, unless* suspended, revoked or cancelled.

~~[2-]~~ (b) Is not transferable.

2. The Department shall adopt regulations providing for the renewal of such licenses.



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Sec. 16. NRS 365.306 is hereby amended to read as follows:

365.306 If any person ceases to be a dealer, supplier, exporter or transporter within this State by reason of the discontinuance, sale or transfer of his business, he shall:

1. Notify the Department in writing at the time the discontinuance, sale or transfer takes effect. The notice must give the date of the discontinuance, sale or transfer, and the name and address of any purchaser or transferee.

2. Surrender to the Department the license issued to him pursuant to this chapter.

3. If he is:

(a) A dealer, file a monthly tax return and pay all taxes, interest and penalties required pursuant to chapter 360A of NRS and NRS 365.170 and 365.203 on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(b) A supplier, file a monthly tax return and pay all taxes, interest and penalties required pursuant to chapter 360A of NRS and NRS 365.175 to 365.192, inclusive, on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(c) An exporter, file the report required pursuant to NRS 365.515 on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(d) A transporter, file the report required pursuant to NRS 365.520 ~~[within 25 days after the end]~~ *on or before the last day* of the month *following the month* of the discontinuance, sale or transfer of the business.

Sec. 17. NRS 365.324 is hereby amended to read as follows:

365.324 1. Except as otherwise provided in ~~[subsections 2 and 3,]~~ *subsection 2*, each supplier who sells or distributes motor vehicle fuel, other than aviation fuel, shall, at the time the motor vehicle fuel is distributed from a terminal, collect the taxes imposed pursuant to NRS 365.175 to 365.192, inclusive.

2. ~~[A supplier may sell motor vehicle fuel, other than aviation fuel, to a purchaser without collecting the taxes imposed pursuant to NRS 365.175 to 365.192, inclusive, if the purchaser of the motor vehicle fuel:~~

~~—(a) Has been issued a permit by the Department pursuant to NRS 365.328; and~~

~~—(b) Elects to defer payment of the taxes.~~

~~3.]~~ A supplier shall not collect the taxes imposed pursuant to NRS 365.175 to 365.192, inclusive, if the purchaser of the motor vehicle fuel is:

(a) A supplier; or



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(b) An exporter.

3. A supplier or exporter shall not purchase motor vehicle fuel on which the tax has been paid, except that a newly licensed supplier or exporter may purchase such fuel during its first month of operation.

4. A supplier who sells motor vehicle fuel, other than aviation fuel, to any other supplier shall keep such records of the transaction as the Department may require. The Department shall adopt regulations setting forth:

(a) The records which must be kept by ~~[the dealer]~~ *a supplier* pursuant to this subsection; and

(b) The period for which those records must be kept. ~~[by the dealer.]~~

Sec. 18. NRS 365.330 is hereby amended to read as follows:

365.330 1. The excise taxes ~~[prescribed in]~~ *imposed by* this chapter ~~[must be paid on or before the last day of each calendar month to the Department.]~~ *are due on or before the last day of the first month following the month to which they relate.*

2. If the due date falls on a Saturday, Sunday or legal holiday, the next business day is the final due date.

3. Payment shall be deemed received on the date shown by the cancellation mark stamped by the United States Postal Service or the postal service of any other country upon an envelope containing payment properly addressed to the Department.

4. The Department shall deliver the taxes to the State Treasurer, who shall provide ~~[to the dealer, supplier or user]~~ a receipt for the payment of the taxes ~~[~~ *—2.] to the person who made the payment.*

5. Except as otherwise provided in subsection ~~[3:]~~ *6:*

(a) From the tax found to be due upon any statement submitted by a dealer pursuant to NRS 365.170, the dealer may retain an amount equal to 2 percent of the amount of the tax collected to cover the dealer's costs of collection of the tax and of compliance with this chapter, and the dealer's handling losses occasioned by evaporation, spillage or other similar causes.

(b) Each supplier may retain an amount equal to 2 percent of the amount of the tax collected by the supplier to cover the supplier's costs of collection of the tax and of compliance with this chapter, and the supplier's handling losses occasioned by evaporation, spillage or other similar causes.

~~[3:]~~ *6.* A dealer or supplier who fails to submit a tax return when due pursuant to this chapter or fails to pay the tax when due pursuant to this chapter is not entitled to retain any of the amount authorized pursuant to subsection ~~[2]~~ *5* for any month for which a tax return is not filed when due or a payment is not made when due.



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~~[4.]~~ 7. If the Department determines that a dealer or supplier , *or any unlicensed person who collects an excise tax*, has failed to submit a tax return when due pursuant to this chapter or failed to pay the tax when due pursuant to this chapter, the Department may order the dealer , ~~[or]~~ supplier *or unlicensed person* to hold the amount of all taxes collected pursuant to this chapter in a separate account in trust for the State. The dealer , ~~[or]~~ supplier *or unlicensed person* shall comply with the order immediately upon receiving notification of the order from the Department.

Sec. 19. NRS 365.340 is hereby amended to read as follows:

365.340 1. If the amount of any excise tax for any month is not paid to the State on or before the ~~[last day of the next month,]~~ *date due*, it becomes delinquent at the close of business on that day. ~~[A dealer, supplier or user may have up to 15 additional days to make the payment if he makes written application to the Department on or before the day the payment is due and the Department finds good cause for the extension.]~~

2. The proceeds from any penalty levied for the delinquent payment of an excise tax must be deposited with the State Treasurer to the credit of the State Highway Fund.

Sec. 20. NRS 365.370 is hereby amended to read as follows:

365.370 Any person who exports any motor vehicle fuel or fuel for jet or turbine-powered aircraft from this State, or who sells any such fuel to the United States Government for official use of the United States Armed Forces, or who buys and uses any such fuel for purposes other than for the propulsion of motor vehicles or jet or turbine-powered aircraft, and who has paid any tax on such fuel levied or directed to be paid as provided by this chapter, either directly by the collection of the tax by the vendor from the customer or indirectly by the addition of the amount of the tax to the price of the fuel, must be reimbursed and repaid the amount of the tax so paid by him , except as follows:

1. ~~[Refund claims]~~ *Claims for refunds* must be paid by prescribed classes in accordance with the ~~[department's regulations.]~~ *regulations of the Department.*

2. The minimum claim for *a* refund must be based on at least 200 gallons *of such fuel* purchased ~~[and used]~~ *in this State within a* 6-month period ~~[.]~~ *which is used for a purpose that is exempt from payment of the excise taxes imposed by this chapter.*

3. No refund of motor vehicle fuel taxes may be made for off-highway use of motor vehicle fuel consumed in watercraft in this State for recreational purposes.

4. A person who exports, sells, buys or uses aviation fuel for any purpose is not entitled to reimbursement of any tax paid by him on such fuel.



Sec. 21. NRS 365.500 is hereby amended to read as follows:

365.500 1. Every dealer, supplier, exporter and transporter shall cause to be kept a true record, in such form as may be prescribed or approved by the Department, of all stocks of motor vehicle fuel and fuel for jet or turbine-powered aircraft and of other inflammable or combustible liquids, and of all manufacture, refining, compounding, blending, purchases, receipts, exportations, transportations, use, sales and distribution thereof.

2. The *Department or its authorized agents may:*

(a) *Examine the books, records, papers and equipment of any dealer, supplier, exporter or transporter of such fuel or liquids, or of any other person transporting or storing such fuel or liquids;*

(b) *Investigate the character of the disposition which any person makes of such fuel or liquids; and*

(c) *Stop and inspect a motor vehicle that is using or transporting such fuel or liquids,*

↪ to determine whether all excise taxes due pursuant to this chapter are being properly reported and paid.

3. Books and records ~~are subject to inspection at all times within business hours by the Department or its authorized agents, and~~ *subject to examination pursuant to subsection 2* must remain available for ~~inspection~~ *examination* for a period of 4 years after the date of any entry therein.

~~[3.]~~ 4. If a dealer, supplier, exporter or transporter wishes to keep proper books and records pertaining to business done in Nevada elsewhere than within the State of Nevada for inspection as provided in this section, he must pay a fee for the examination in an amount per day equal to the amount set by law for out-of-state travel for each day or fraction thereof during which the examiner is actually engaged in examining those books and records, plus the actual expenses of the examiner during the time that the examiner is absent from this State for the purpose of making the examination, but the time must not exceed 1 day going to and 1 day coming from the place where the examination is to be made in addition to the number of days or fractions thereof the examiner is actually engaged in auditing those books and records. Not more than two such examinations may be charged against any dealer, supplier, exporter or transporter in any year.

~~[4.]~~ 5. Any money received must be deposited by the Department to the credit of the fund or operating account from which the expenditures for the examination were paid.

~~[5.]~~ 6. Upon the demand of the Department, each dealer, supplier, exporter or transporter shall furnish a statement showing the contents of the *books and* records to such extent and in such detail and form as the Department may require.



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Sec. 22. NRS 365.520 is hereby amended to read as follows:

365.520 1. Every transporter, except a dealer licensed under this chapter or a wholesale distributor transporting the products of a dealer licensed under this chapter, who transports motor vehicle fuel or fuel for jet or turbine-powered aircraft in interstate commerce to or from any point within this State, or solely within this State, shall report all ~~of~~ those deliveries to the Department.

2. A report must be made for each calendar month and must be filed ~~[within 25 days after the end of the month for which the report is made.]~~ *not later than the last day of each month for the deliveries made during the preceding month.* The report must show:

(a) The name and address of every consignor and consignee and of every person other than the designated consignee to whom delivery has actually been made.

(b) The date of every delivery.

(c) The amount of every delivery in gallons.

(d) Such other information as the Department may require.

Sec. 23. NRS 365.545 is hereby amended to read as follows:

365.545 1. The proceeds of all taxes on fuel for jet or turbine-powered aircraft imposed pursuant to the provisions of NRS 365.170 or 365.203 must be deposited in the Account for Taxes on Fuel for Jet or Turbine-Powered Aircraft in the State General Fund and must be allocated monthly by the Department to the:

(a) Governmental entity which operates the airport at which the tax was collected, if the airport is operated by a governmental entity;

(b) Governmental entity which owns the airport at which the tax was collected, if the airport is owned but not operated by a governmental entity; or

(c) County in which is located the airport at which the tax was collected, if the airport is neither owned nor operated by a governmental entity.

2. Except as otherwise provided in subsection 3, the money allocated pursuant to subsection 1:

(a) Must be used by the governmental entity receiving it to pay the cost of:

(1) Transportation projects related to airports, including access on the ground to airports;

(2) The payment of principal and interest on notes, bonds or other obligations incurred to fund projects described in subparagraph (1);

(3) Promoting the use of an airport located in a county whose population is less than 400,000, including, without limitation, increasing the number and availability of flights at the airport;



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(4) Contributing money to the Trust Fund for Aviation created by NRS 494.048; or

(5) Any combination of those purposes; and

(b) May also be pledged for the payment of general or special obligations issued to fund projects described in paragraph (a). Any money pledged pursuant to this paragraph may be treated as pledged revenues of the project for the purposes of subsection 3 of NRS 350.020.

3. Any money allocated pursuant to subsection 1 to a county whose population is 400,000 or more and in which a regional transportation commission has been created pursuant to chapter 373 of NRS, from the proceeds of the tax imposed pursuant to ~~subparagraph (1) of paragraph (b) of subsection 1~~ **paragraph (a) of subsection 2** of NRS 365.170 on fuel for jet or turbine-powered aircraft sold, distributed or used in that county, excluding the proceeds of any tax imposed pursuant to NRS 365.203, may, in addition to the uses authorized pursuant to subsection 2, be allocated by the county to that regional transportation commission. The money allocated pursuant to this subsection to a regional transportation commission:

(a) Must be used by the regional transportation commission:

(1) To pay the cost of transportation projects described in a regional plan for transportation established by that regional transportation commission pursuant to NRS 373.1161;

(2) For the payment of principal and interest on notes, bonds or other obligations incurred to fund projects described in subparagraph (1); or

(3) For any combination of those purposes; and

(b) May also be pledged for the payment of general or special obligations issued by the county at the request of the regional transportation commission to fund projects described in paragraph (a). Any money pledged pursuant to this paragraph may be treated as pledged revenues of the project for the purposes of subsection 3 of NRS 350.020.

Sec. 24. NRS 365.575 is hereby amended to read as follows:

365.575 An exporter shall not sell or distribute motor vehicle fuel ~~[, other than aviation fuel,]~~ in this State. An exporter who violates the provisions of this section:

1. Is guilty of a misdemeanor; and

2. Shall, within the period prescribed in NRS ~~[365.175,]~~ **365.330**, pay to the Department the taxes imposed pursuant to NRS 365.175 to 365.192, inclusive, on all motor vehicle fuel ~~[, other than aviation fuel,]~~ sold or distributed in this State.



1 **Sec. 25.** Chapter 366 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 26 to 30, inclusive, of this
3 act.

4 **Sec. 26.** *Every person not licensed pursuant to this chapter*
5 *who collects an excise tax shall, not later than the last day of each*
6 *calendar month, file with the Department a tax return upon which*
7 *is reported all such taxes collected during the preceding calendar*
8 *month and, in accordance with the provisions of NRS 366.370,*
9 *pay the tax to the Department.*

10 **Sec. 27.** 1. *A responsible person who willfully fails to*
11 *collect or pay to the Department the tax imposed by this chapter or*
12 *who willfully attempts to evade the payment of the tax is jointly*
13 *and severally liable with the special fuel dealer or special fuel*
14 *supplier for the tax owed, plus interest and all applicable penalties.*
15 *The responsible person shall pay the tax upon notice from the*
16 *Department that it is due.*

17 2. As used in this section, "responsible person" includes:

18 (a) *An officer or employee of a corporation; and*

19 (b) *A member or employee of a partnership or limited-liability*
20 *company,*

21 ↪ *whose job or duty it is to collect, account for or pay to the*
22 *Department the tax imposed by this chapter.*

23 **Sec. 28.** 1. *Every retailer shall maintain and keep within*
24 *the State for a period of 4 years a true record of special fuel*
25 *received, the price thereof and the name of the person who*
26 *supplied the special fuel, together with delivery tickets, invoices*
27 *and such other records as the Department may require.*

28 2. *Such records are subject to inspection by the Department*
29 *or its authorized agents at all times during business hours.*

30 **Sec. 29.** *The Department is authorized to have paid out of the*
31 *State Highway Fund all expenses incurred in the prosecution*
32 *before any court of this State of any person charged with the*
33 *violation of any provision of this chapter.*

34 **Sec. 30.** *County sheriffs and all other peace officers and*
35 *traffic officers of this State shall, without further compensation,*
36 *assist in the enforcement of this chapter, and make arrests for that*
37 *purpose when requested by the Department or its duly authorized*
38 *agents.*

39 **Sec. 31.** NRS 366.075 is hereby amended to read as follows:

40 366.075 "Special fuel transporter" means a person, except a
41 special fuel supplier or special fuel exporter licensed pursuant to this
42 chapter, who transports special fuel in interstate commerce *by*
43 *pipeline, rail or truck* to or from any point within this State, or
44 solely within this State.



Sec. 32. NRS 366.140 is hereby amended to read as follows:

366.140 1. Every special fuel supplier, special fuel dealer, special fuel exporter, special fuel transporter, special fuel user and retailer, and every other person transporting or storing special fuel in this State shall keep such records, receipts, invoices and other pertinent papers with respect thereto as the Department requires.

2. The records, receipts, invoices and other pertinent papers described in subsection 1 must be preserved for 4 years after the date on which the record, receipt, invoice or other pertinent paper was created or generated.

3. The records, receipts, invoices and other pertinent papers must be available at all times during business hours to the Department or its authorized agents.

4. In addition to any other penalty that may be imposed, any violation of the provisions of this section constitutes grounds for the Department to deny any future application for a license pursuant to this chapter that is submitted by a person who is determined to be responsible for the violation.

Sec. 33. NRS 366.207 is hereby amended to read as follows:

366.207 1. Except as otherwise provided in ~~subsections 2 and 3,~~ *subsection 2*, each special fuel supplier who sells or distributes special fuel to which dye has not been added shall, at the time the special fuel is purchased, collect the tax imposed pursuant to NRS 366.190.

2. ~~[A special fuel supplier may sell special fuel to a purchaser without collecting the tax imposed pursuant to NRS 366.190 if the purchaser of the special fuel:~~

~~—(a) Has been issued a permit by the Department pursuant to NRS 366.397; and~~

~~—(b) Elects to defer payment of the tax.~~

~~3.]~~ A special fuel supplier shall not collect the tax imposed pursuant to NRS 366.190 if the purchaser of the special fuel is:

(a) A special fuel supplier;

(b) A special fuel exporter; or

(c) A special fuel dealer.

3. A special fuel supplier or special fuel exporter shall not purchase special fuel on which the tax imposed pursuant to NRS 366.190 has been paid, except that a newly licensed special fuel supplier or special fuel exporter may purchase such fuel during its first month of operation.

4. A special fuel supplier who sells special fuel to any other special fuel supplier, ~~or~~ special fuel dealer *or special fuel exporter* shall keep such records of the transaction as the Department may require. The Department shall adopt regulations setting forth:



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(a) The records which must be kept by the special fuel supplier pursuant to this subsection; and

(b) The period for which those records must be kept by the special fuel supplier.

5. If, within a period of 6 months, a person purchases ~~not less than~~ 200 gallons *or more* of special fuel in this State which is used for a purpose that is exempt from the payment of the tax on special fuel pursuant to NRS 366.200, he may apply to the Department for a refund in the manner prescribed in subsection 6 of NRS 366.650.

6. Any person who resells, for a taxable purpose, special fuel that was exempt from the tax imposed by this chapter and to which dye has not been added shall collect the tax and remit it to the Department.

Sec. 34. NRS 366.220 is hereby amended to read as follows:

366.220 1. Except as otherwise provided in this chapter ~~it is unlawful for any:~~

~~—(a) Special fuel supplier, special fuel dealer or special fuel user to sell or use special fuel within this State unless the special fuel supplier, special fuel dealer or special fuel user is the holder of a special fuel supplier's, special fuel dealer's or special fuel user's license issued to him by the Department.~~

~~—(b) Person to be a:~~

~~—(1) Special fuel exporter unless the person is the holder of a special fuel exporter's license issued to him by the Department.~~

~~—(2) Special fuel transporter unless the person is the holder of a special fuel transporter's license issued to him by the Department.~~

~~—(c) Retailer or other person to sell or distribute dyed special fuel unless the retailer or person controls the access to the dyed special fuel.] :~~

(a) Before becoming a special fuel dealer, special fuel supplier, special fuel exporter, special fuel transporter or special fuel user, a person must apply to the Department, on forms to be prescribed by the Department, for a license authorizing the applicant to engage in business as a special fuel dealer, special fuel supplier, special fuel exporter or special fuel transporter, or to operate as a special fuel user.

(b) It is unlawful for any person to be:

(1) A special fuel dealer without holding a license as a special fuel dealer pursuant to this chapter.

(2) A special fuel supplier without holding a license as a special fuel supplier pursuant to this chapter.

(3) A special fuel exporter without holding a license as a special fuel exporter pursuant to this chapter.

(4) A special fuel transporter without holding a license as a special fuel transporter pursuant to this chapter.



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1 (5) *A special fuel user without holding a license as a special*
2 *fuel user pursuant to this chapter.*

3 2. The Department may adopt regulations relating to the
4 issuance of any ~~{special fuel supplier's, special fuel dealer's, special~~
5 ~~fuel exporter's, special fuel transporter's or special fuel user's}~~
6 license *pursuant to this chapter* and the collection of fees therefor.

7 **Sec. 35.** NRS 366.235 is hereby amended to read as follows:

8 366.235 1. An applicant for or holder of a *license as a*
9 special fuel ~~{supplier's}~~ *supplier* or special fuel ~~{dealer's license}~~
10 *dealer* shall provide a bond executed by him as principal, and by a
11 corporation qualified pursuant to the laws of this State as surety,
12 payable to the State of Nevada, and conditioned upon the faithful
13 performance of all ~~{of}~~ the requirements of this chapter and upon the
14 punctual payment of all excise taxes, penalties and interest due ~~{to}~~
15 the State of Nevada. The total amount of the bond or bonds of any
16 holder of *such* a ~~{special fuel supplier's or special fuel dealer's}~~
17 license must be fixed by the Department at not less than three times
18 the estimated maximum monthly tax, determined in such a manner
19 as the Department deems proper, but the amount must not be less
20 than \$1,000 for a special fuel supplier and must not be less than
21 \$100 for a special fuel dealer. If ~~{the Department determines that a~~
22 ~~person}~~ *a special fuel supplier or special fuel dealer* is habitually
23 delinquent in the payment of amounts due *pursuant to this chapter*,
24 the Department ~~{, it}~~ may increase the amount of his security to not
25 more than five times the estimated maximum monthly tax. When
26 cash or a savings certificate, certificate of deposit or investment
27 certificate is used, the amount required must be rounded off to the
28 next larger integral multiple of \$100.

29 2. *If a special fuel user is habitually delinquent in the*
30 *payment of amounts due pursuant to this chapter, the Department*
31 *shall require the special fuel user to provide a bond executed by*
32 *him as principal, and by a corporation qualified pursuant to the*
33 *laws of this State as surety, payable to the State of Nevada, and*
34 *conditioned upon the faithful performance of all the requirements*
35 *of this chapter and upon the punctual payment of all excise taxes,*
36 *penalties and interest due the State of Nevada. The total amount of*
37 *the bond must not be less than \$2,500.*

38 3. No recovery on any bond, ~~{nor the}~~ execution of any new
39 bond ~~{, nor the}~~ or suspension or revocation of any *license as a*
40 special fuel ~~{supplier's or}~~ *supplier*, special fuel ~~{dealer's license}~~
41 *dealer or special fuel user* affects the validity of any bond.

42 ~~{3.}~~ 4. In lieu of a bond or bonds, an applicant for or holder of a
43 *license as a* special fuel ~~{supplier's}~~ *supplier* or special fuel
44 ~~{dealer's license}~~ *dealer, or a person required to provide a bond*
45 *pursuant to subsection 2,* may deposit with the State Treasurer,



under such terms as the Department may prescribe, ~~[a-like]~~ *an equivalent* amount of lawful money of the United States or any other form of security authorized by NRS 100.065. If security is provided in the form of a savings certificate, certificate of deposit or investment certificate, the certificate must state that the amount is unavailable for withdrawal except upon order of the Department.

~~[4.]~~ 5. If the holder of a *license as a* special fuel ~~[supplier's]~~ *supplier* or special fuel ~~[dealer's license]~~ *dealer* is required to provide a bond of more than \$5,000, the Department may reduce the requirements for the bond to not less than \$5,000 upon the ~~[supplier's or dealer's]~~ faithful performance of *the special fuel supplier or special fuel dealer* of all the requirements of this chapter and the punctual payment of all taxes due the State of Nevada for the 3 preceding calendar years.

~~[5.]~~ 6. The Department shall immediately reinstate the original requirements for a bond for a holder of a *license as a* special fuel ~~[supplier's]~~ *supplier* or special fuel ~~[dealer's license]~~ *dealer* upon his:

(a) Lack of faithful performance of the requirements of this chapter; or

(b) Failure to pay punctually all taxes, fees, penalties and interest due the State of Nevada.

7. *For the purposes of this section, a person is "habitually delinquent" if, within any 12-month period, the person commits each of the following acts or commits either of the following acts more than once:*

(a) *Fails timely to file a monthly or quarterly special fuel tax return, unless the Department determines that:*

(1) *The failure to file was caused by circumstances beyond the control of the person and occurred notwithstanding the exercise of ordinary care; and*

(2) *The person has paid any penalty and interest imposed by the Department because of the failure to file.*

(b) *Fails timely to submit to the Department any tax collected by the person pursuant to this chapter.*

Sec. 36. NRS 366.260 is hereby amended to read as follows:

366.260 1. A license issued pursuant to this chapter:

(a) ~~[Except as otherwise provided in subsection 2, is valid until]~~ *Is valid for 1 year unless* suspended, revoked or cancelled.

(b) Is not transferable.

2. ~~[Each special fuel user's license is valid for a calendar year unless suspended, revoked or cancelled.]~~ *The Department shall adopt regulations providing for the renewal of such licenses.*



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Sec. 37. NRS 366.270 is hereby amended to read as follows:

366.270 If any person ceases to be a special fuel supplier, special fuel dealer, special fuel exporter, special fuel transporter or special fuel user within this State by reason of the discontinuance, sale or transfer of his business, he shall:

1. Notify the Department in writing at the time the discontinuance, sale or transfer takes effect. The notice must give the date of the discontinuance, sale or transfer, and the name and address of any purchaser or transferee.

2. Surrender to the Department the license issued to him by the Department.

3. If he is:

(a) A special fuel user ~~is~~ *registered under the Interstate Highway User Fee Apportionment Act*, file the tax return required pursuant to NRS 366.380 and pay all taxes, interest and penalties required pursuant to this chapter and chapter 360A of NRS, except that both the filing and payment are due on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(b) A special fuel supplier, file the tax return required pursuant to NRS 366.383 and pay all taxes, interest and penalties required pursuant to this chapter and chapter 360A of NRS on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(c) A special fuel dealer, file the tax return required pursuant to NRS 366.386 and pay all taxes, interest and penalties required pursuant to this chapter and chapter 360A of NRS, except that both the filing and payment are due on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(d) A special fuel exporter, file the report required pursuant to NRS 366.387 on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(e) A special fuel transporter, file the report required pursuant to NRS 366.695 ~~{within 25 days after the end}~~ *on or before the last day* of the month *following the month* of the discontinuance, sale or transfer of the business.

Sec. 38. NRS 366.350 is hereby amended to read as follows:

366.350 1. The Department may *suspend*, revoke *or cancel* the license of any special fuel dealer, special fuel supplier, special fuel exporter, special fuel transporter or special fuel user for ~~{reasonable cause, including, without limitation,}~~ refusing or neglecting to comply with the provisions of this chapter.

2. *If a special fuel dealer or special fuel supplier becomes delinquent in the payment of excise taxes as prescribed by this*



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chapter to the extent that his liability exceeds the total amount of bond or bonds furnished by the special fuel dealer or special fuel supplier, the Department shall suspend his license immediately.

3. Before revoking ~~or cancelling~~ a license ~~[.]~~ issued pursuant to this chapter, the Department shall send a notice by registered or certified mail to the ~~[licensee]~~ special fuel dealer, special fuel supplier, special fuel exporter or special fuel transporter at his last known address . ~~[ordering him to appear before the Department at a time not less than 10 days after the mailing of the notice and]~~ The notice must order the special fuel dealer, special fuel supplier, special fuel exporter or special fuel transporter to show cause why ~~[the]~~ his license should not be revoked ~~[.]~~ by appearing before the Department at Carson City, Nevada, or such other place in this State as may be designated by the Department, at a time not less than 10 days after the mailing of the notice. The Department shall allow the special fuel dealer, special fuel supplier, special fuel exporter or special fuel transporter an opportunity to be heard. The Department may revoke or cancel his license after reviewing all information received.

4. The Department shall cancel any license issued pursuant to this chapter upon the surrender of the license by the holder.

5. If a surety has lodged with the Department a written request to be released and discharged of liability, the Department shall notify the special fuel supplier or special fuel dealer who furnished the bond, and unless he files a new bond as required by the Department or makes a deposit in lieu thereof as provided in NRS 366.235, the Department shall cancel his license.

Sec. 39. NRS 366.375 is hereby amended to read as follows:

366.375 1. If the amount of any excise tax for any reporting period is not paid to the State on or before the ~~[day the payment is due pursuant to this chapter,]~~ date due, the payment becomes delinquent at the close of business on that day. ~~[A special fuel supplier, special fuel dealer or special fuel user may have up to 15 additional days to make the payment if he makes written application to the Department on or before the day the payment is due and the Department finds good cause for the extension.]~~

2. The proceeds from any penalty levied for the delinquent payment of an excise tax must be deposited with the State Treasurer to the credit of the State Highway Fund.

Sec. 40. NRS 366.380 is hereby amended to read as follows:

366.380 1. ~~[Except as otherwise provided in subsection 2, on]~~ On or before the last day of January, April, July and October in each year, each special fuel user *registered under the Interstate Highway User Fee Apportionment Act* shall file with the Department a quarterly tax return for the preceding quarter,



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1 regardless of the amount of excise tax due, on a form prescribed by
2 the Department. *The special fuel user shall include with the tax*
3 *return payment of any excise tax due. If the due date falls on a*
4 *Saturday, Sunday or legal holiday, the next business day is the*
5 *final due date.*

6 2. ~~[A special fuel user may, upon the issuance or renewal of a~~
7 ~~special fuel license, request to file a tax return annually with~~
8 ~~the Department. If the request is approved by the Department, the~~
9 ~~special fuel user shall file with the Department a tax return for the~~
10 ~~preceding year on or before the last day of January of each year,~~
11 ~~regardless of the amount of excise tax due, on a form prescribed by~~
12 ~~the Department.~~

13 ~~—3.]~~ The return must show such information as the Department
14 may reasonably require for the proper administration and
15 enforcement of this chapter.

16 **Sec. 41.** NRS 366.395 is hereby amended to read as follows:

17 366.395 1. Any special fuel user who fails to *file a tax return*
18 *or* pay any excise tax ~~[within the time prescribed by this chapter]~~ *by*
19 *the date due* shall pay, in addition to ~~[the tax, a penalty]~~ *any tax*
20 *that may be due, a delinquent filing fee* of \$50 ~~[or]~~ *and a penalty*
21 *of* 10 percent of the amount *of tax* owed, ~~[whichever is greater,]~~
22 plus interest on the amount of ~~[the]~~ *any tax that may be due* at the
23 rate of 1 percent per month or fraction thereof, from the date the tax
24 ~~[became finally]~~ *was* due until the date of payment.

25 2. A tax return , ~~[or]~~ statement *or payment* is considered
26 delinquent ~~[when it has not been]~~ *if it is not* received by the
27 Department ~~[by]~~ *on or before* the date the tax return , ~~[or]~~ statement
28 *or payment* is due, as prescribed by the provisions of this chapter.

29 3. *A tax return, statement or payment shall be deemed*
30 *received on the date shown by the cancellation mark stamped by*
31 *the United States Postal Service or the postal service of any*
32 *country upon an envelope containing the tax return, statement or*
33 *payment.*

34 **Sec. 42.** NRS 366.540 is hereby amended to read as follows:

35 366.540 1. The tax provided for by this chapter must be paid
36 by special fuel suppliers, special fuel dealers and special fuel users.
37 A special fuel supplier or special fuel dealer shall pay to the
38 Department the excise tax he collects from purchasers of special
39 fuel with the return filed pursuant to NRS 366.383 or 366.386,
40 respectively. The tax paid by a special fuel user must be computed
41 by multiplying the tax rate per gallon provided in this chapter by the
42 amount that the number of gallons of special fuel consumed by
43 the special fuel user in the propulsion of motor vehicles on the
44 highways of this State exceeds the number of gallons of special fuel
45 purchases by him.



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2. ~~Except as otherwise provided in subsection 3, in computing the amount of tax on special fuel a special fuel supplier owes to the Department, the special fuel supplier may deduct from the amount due pursuant to subsection 1 any amount which is due but has not been paid by a purchaser who is authorized by the Department to defer payment of the tax pursuant to NRS 366.397. If such a deduction is claimed, the claim must identify the purchaser and the amount of taxes that he failed to pay.~~

~~3. A special fuel supplier shall not deduct from the amount he owes the Department pursuant to subsection 1 any amount which has not been paid by a person whose permit to defer the payment of the tax has been revoked pursuant to subsection 4 of NRS 366.397 if, before the special fuel was purchased, the special fuel supplier had been notified by the Department pursuant to subsection 5 of NRS 366.397 that it had revoked the purchaser's permit.~~

~~4.]~~ If the Department determines that a special fuel supplier or special fuel dealer , *or any unlicensed person who collects an excise tax*, has failed to submit a tax return when due pursuant to this chapter or failed to pay the tax when due pursuant to this chapter, the Department may order the special fuel supplier , ~~or~~ special fuel dealer *or unlicensed person* to hold the amount of all taxes collected pursuant to this chapter in a separate account in trust for the State. The special fuel supplier , ~~or~~ special fuel dealer *or unlicensed person* shall comply with the order immediately upon receiving notification of the order from the Department.

3. A retailer who receives or sells special fuel for which the taxes imposed pursuant to this chapter have not been paid is liable for the taxes and any applicable penalty or interest if the retailer knew or should have known that the applicable taxes on the special fuel had not been paid.

Sec. 43. NRS 366.650 is hereby amended to read as follows:

366.650 1. If illegally or through error the Department collects or receives any excise tax, penalty or interest imposed pursuant to this chapter, the excise tax, penalty or interest must be refunded to the person who paid the tax, penalty or interest. A written application for a refund, *including, without limitation, a request for a refund that is submitted on an amended tax return*, stating the specific grounds therefor, must be made within 12 months after the date of payment, whether or not the excise tax, penalty or interest was paid voluntarily or under protest.

2. Refunds must be made to a successor, assignee, estate or heir of the person if written application is made within the time limit.



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3. Any amount determined to be refundable by the Department must be refunded or credited to any amounts then due from the special fuel supplier or special fuel dealer.

4. All amounts refunded pursuant to the provisions of this chapter must be paid from the State Highway Fund on claims presented by the Department, approved by the State Board of Examiners, and allowed and paid as other claims against the State are allowed and paid.

5. A licensed special fuel user operating interstate or off road, or both, who can prove to the satisfaction of the Department that his special fuel purchases in Nevada exceed his use of the special fuel over the highways of this State for a certain quarter must apply credit to any excise taxes, penalties or interest required by this chapter or fees, taxes, penalties or interest applicable pursuant to chapter 371, 482 or 706 of NRS and any balance may be refunded or credited to succeeding reports.

6. A person who wishes to apply for a refund of the tax on special fuel paid by him pursuant to subsection 5 of NRS 366.207 must:

(a) Submit an application for the refund on a form prescribed by the Department; and

(b) Establish to the satisfaction of the Department that within a period of 6 months he purchased not less than 200 gallons of special fuel in this State which was used for a purpose that is exempt from the tax on special fuel pursuant to NRS 366.200.

➤ The Department shall refund to an applicant who complies with the provisions of this subsection a refund in an amount equal to the tax paid by the applicant less the percentage allowed the special fuel supplier pursuant to NRS 366.390.

7. To establish the validity of any claim for a refund, the Department may, upon demand, examine the books and records of the claimant. The failure of the claimant to accede to such a demand constitutes a waiver of all rights to the refund claimed on account of the transactions questioned.

8. No refund of special fuel taxes may be made for off-highway use of special fuel consumed in watercraft in this State for recreational purposes.

Sec. 44. NRS 366.695 is hereby amended to read as follows:

366.695 1. Every special fuel transporter, except a wholesale distributor transporting the products of a special fuel supplier licensed pursuant to this chapter, who transports special fuel in interstate commerce to or from any point within this State, or solely within this State, shall report all of those deliveries to the Department.



2. A report must be made for each calendar month and must be filed ~~[within 25 days after the end of the month for which the report is made.]~~ *not later than the last day of each month for the deliveries made during the preceding month.* The report must show:

(a) The name and address of every consignor and consignee and of every person other than the designated consignee to whom delivery has actually been made;

(b) The date of each delivery;

(c) The number of gallons of special fuel delivered for each delivery; and

(d) Such other information as the Department may require.

Sec. 45. NRS 366.715 is hereby amended to read as follows:

366.715 1. The Department may seal a special fuel pump of a *retailer or* special fuel dealer, or the metered pipes and hoses of a rack *of a special fuel dealer or special fuel supplier*, if the *retailer*, special fuel dealer or special fuel supplier:

(a) Becomes delinquent in payment of any amount due pursuant to the provisions of this chapter;

(b) Operates without the license required by the provisions of this chapter; or

(c) Operates without the bond or cash deposit required by the provisions of this chapter.

2. A special fuel pump of a *retailer or* special fuel dealer, or the metered pipes and hoses of the rack *of a special fuel dealer or special fuel supplier*, may be sealed until all required reports are filed, the tax, penalties and interest are paid in full, the required license is obtained and the bond or cash deposit is provided.

3. Before sealing ~~[the]~~ a fuel pump or *the* metered pipes and hoses of a rack, the Department must send a notice by registered or certified mail to the ~~[licensed]~~ *retailer*, special fuel ~~[supplier]~~ *dealer* or special fuel ~~[dealer]~~ *supplier* at his last known address ordering him to appear before the Department at a time not less than 10 days after the mailing of the notice and show cause why the fuel pump or the metered pipes and hoses of the rack should not be sealed.

Sec. 46. NRS 366.720 is hereby amended to read as follows:

366.720 1. Any person who:

~~[1-]~~ (a) Fails or refuses to pay the tax imposed by this chapter;

~~[2-]~~ (b) Engages in business in this State as a special fuel user, special fuel exporter, special fuel dealer or special fuel supplier, or acts in this State as a special fuel transporter, without being the holder of a license to engage in that business or to act in that capacity;

~~[3-]~~ (c) Fails to make any of the reports required by this chapter;



~~[4.]~~ (d) Makes any false statement in any application, report or statement required by this chapter;

~~[5.]~~ (e) Refuses to permit the Department or any authorized agent to examine records as provided by this chapter;

~~[6.]~~ (f) Fails to keep proper records of quantities of special fuel received, produced, refined, manufactured, compounded, used or delivered in this State as required by this chapter;

~~[7.]~~ (g) Makes any false statement in connection with an application for the refund of any money or taxes provided in this chapter;

~~[8.]~~ (h) Violates the provisions of NRS 366.265;

~~[9.]~~ (i) Fails or refuses to stop his motor vehicle for an inspection to determine if all excise taxes due pursuant to the provisions of this chapter are being properly reported and paid; or

~~[10.]~~ (j) Refuses to allow the Department or an authorized agent to inspect a motor vehicle to determine whether all excise taxes due pursuant to the provisions of this chapter are being properly reported and paid,

↪ is guilty of a misdemeanor.

2. Each day or part thereof during which any person engages in business as a special fuel dealer, special fuel supplier or special fuel exporter or acts as a special fuel transporter without being the holder of a license authorizing him to engage in that business or to act in that capacity constitutes a separate offense within the meaning of this section.

Sec. 47. NRS 354.59815 is hereby amended to read as follows:

354.59815 1. In addition to the allowed revenue from taxes ad valorem determined pursuant to NRS 354.59811, the board of county commissioners may levy a tax ad valorem on all taxable property in the county at a rate not to exceed 5 cents per \$100 of the assessed valuation of the county.

2. ~~[The]~~ *If a tax is levied pursuant to subsection 1 in:*

(a) *A county whose population is less than 400,000, the board of county commissioners shall direct the county treasurer to distribute quarterly the proceeds of ~~[any tax levied pursuant to the provisions of subsection 1]~~ the tax among the county and the cities and towns within that county in the proportion that the supplemental city-county relief tax distribution factor of each of those local governments for the 1990-1991 fiscal year bears to the sum of the supplemental city-county relief tax distribution factors of all of the local governments in the county for the 1990-1991 fiscal year.*

(b) *A county whose population is 400,000 or more, the board of county commissioners shall direct the county treasurer to distribute quarterly:*



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(1) *Forty percent of the proceeds of the tax among the county and the cities and towns within that county in the proportion that the supplemental city-county relief tax distribution factor of each of those local governments for the 1990-1991 Fiscal Year bears to the sum of the supplemental city-county relief tax distribution factors of all of the local governments in the county for the 1990-1991 Fiscal Year; and*

(2) *Sixty percent of the proceeds of the tax to the State Treasurer for deposit in a separate account in the State Highway Fund. The money deposited in the State Highway Fund pursuant to this subparagraph:*

(I) *Must be used exclusively for the construction, reconstruction, improvement and maintenance of public highways in the county; and*

(II) *May not be used for any costs of administration or to purchase any equipment.*

3. The board of county commissioners shall not reduce the rate of any tax levied pursuant to the provisions of subsection 1 without the approval of each of the local governments that receives a portion of the tax, except that, if a local government declines to receive its portion of the tax in a particular year the levy may be reduced by the amount that local government would have received.

Sec. 48. NRS 408.273 is hereby amended to read as follows:

408.273 1. The State Board of Finance shall, when so requested by the Board, issue special obligation bonds of the State of Nevada to provide money to enable the Department to complete pending and currently projected highway construction projects, in an amount specified in the request. The bonds may be issued at one time or from time to time, and must be issued in accordance with the State Securities Law. These bonds must be secured by:

(a) A pledge of the appropriate federal highway grants payable to the State; or

(b) The appropriate federal highway grants payable to the State and taxes which are credited to the State Highway Fund,

➡ and must mature within not more than ~~20~~ 30 years from their date.

2. The Department shall cooperate with the State Treasurer in the issuance of the bonds.

3. The State Treasurer may employ any necessary legal, financial or other professional services in connection with the issuance of the bonds.

Sec. 49. NRS 482.313 is hereby amended to read as follows:

482.313 1. Upon the lease of a passenger car by a short-term lessor in this State, the short-term lessor ~~is~~

~~—(a) Shall~~ shall charge and collect from the short-term lessee:



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~~[(1)]~~ (a) A governmental services fee of 6 percent of the total amount for which the passenger car was leased, excluding the items described in subsection 7; ~~and~~

~~[(2)]~~ (b) Any fee required pursuant to NRS 244A.810 or 244A.860; and

~~[(b) May charge and collect from the short-term lessee a]~~

(c) A recovery surcharge ~~[not to exceed]~~ fee of 4 percent of the total amount for which the passenger car was leased, excluding the items described in subsection 8, as reimbursement for vehicle licensing fees and taxes paid by the short-term lessor.

➤ The amount of ~~[any]~~ each fee charged pursuant to this subsection must be indicated in the lease agreement.

2. The fees due from a short-term lessor to the Department of Taxation pursuant to subsection 1 are due on the last day of each calendar quarter. On or before the last day of the month following each calendar quarter, the short-term lessor shall:

(a) File with the Department of Taxation, on a form prescribed by the Department of Taxation, a report indicating the total amount of:

(1) Each of the fees collected by the short-term lessor pursuant to ~~[paragraph (a) of]~~ subsection 1 during the immediately preceding calendar quarter; *and*

(2) ~~[Recovery surcharges, if any, collected by the short-term lessor pursuant to paragraph (b) of subsection 1 during the immediately preceding calendar quarter; and~~

~~[(3)]~~ Vehicle licensing fees and taxes paid by the short-term lessor pursuant to this chapter during the immediately preceding calendar quarter.

(b) Remit to the Department of Taxation ~~[, the]~~ :

(1) The fees collected by the short-term lessor pursuant to ~~[paragraph]~~ paragraphs (a) and (b) of subsection 1 during the immediately preceding calendar quarter ~~[(1)]~~; and

(2) Half of the fees collected by the short-term lessor pursuant to paragraph (c) of subsection 1 during the immediately preceding calendar quarter.

3. Except as otherwise provided in a contract made pursuant to NRS 244A.820 or 244A.870, the Department of Taxation shall deposit all money received from short-term lessors pursuant to the provisions of ~~[this section]~~ :

(a) Subparagraph (1) of paragraph (b) of subsection 2 with the State Treasurer for credit to the State General Fund ~~[(1)]~~; and

(b) Subparagraph (2) of paragraph (b) of subsection 2 with the State Treasurer for credit to the State Highway Fund. The money deposited in the State Highway Fund pursuant to this paragraph:



(1) Must be used exclusively for the construction, reconstruction, improvement and maintenance of public highways; and

(2) May not be used for any costs of administration or to purchase any equipment.

4. To ensure compliance with this section, the Department of Taxation may audit the records of a short-term lessor.

5. The provisions of this section do not limit or affect the payment of any taxes or fees imposed pursuant to the provisions of this chapter.

6. The Department of Motor Vehicles shall, upon request, provide to the Department of Taxation any information in its records relating to a short-term lessor that the Department of Taxation considers necessary to collect the fees described in subsection 1.

7. For the purposes of charging and collecting the governmental services fee described in ~~[subparagraph (1) of]~~ paragraph (a) of subsection 1, the following items must not be included in the total amount for which the passenger car was leased:

(a) The amount of ~~[any recovery surcharge]~~ *the fees* charged and collected pursuant to ~~[paragraph]~~ *paragraphs* (b) *and* (c) of subsection 1;

(b) The amount of any charge for fuel used to operate the passenger car;

(c) The amount of any fee or charge for the delivery, transportation or other handling of the passenger car;

(d) The amount of any fee or charge for insurance, including, without limitation, personal accident insurance, extended coverage or insurance coverage for personal property; *and*

(e) The amount of any charges assessed against a short-term lessee for damages for which the short-term lessee is held responsible.

8. For the purposes of charging and collecting the recovery surcharge *fee* described in paragraph ~~[(b)]~~ (c) of subsection 1, the following items must not be included in the total amount for which the passenger car was leased:

(a) The amount of the fees charged and collected pursuant to ~~[paragraph]~~ *paragraphs* (a) *and* (b) of subsection 1;

(b) The amount of any charge for a collision damage waiver or a similar instrument that acts as a waiver of the short-term lessor's right to collect from the short-term lessee for any damage to the passenger car;

(c) The amount of any charge for fuel used to operate the passenger car;

(d) The amount of any fee or charge for the delivery, transportation or other handling of the passenger car;



(e) The amount of any fee or charge for insurance, including, without limitation, personal accident insurance, extended coverage or insurance coverage for personal property;

(f) The amount of any charges assessed against a short-term lessee for damages for which the short-term lessee is held responsible; and

(g) The amount of any concession fee or charge that the short-term lessor:

(1) Is required to pay to do business at an airport, if applicable; and

(2) Passes on to the short-term lessee of the passenger car.

9. The Executive Director of the Department of Taxation shall:

(a) Adopt such regulations as he determines are necessary to carry out the provisions of this section; and

(b) Upon the request of the Director of the Department of Motor Vehicles, provide to the Director of the Department of Motor Vehicles a copy of any record or report described in this section.

10. As used in this section, "vehicle licensing fees and taxes" means:

(a) The fees paid by a short-term lessor for the registration of, and the issuance of certificates of title for, the passenger cars leased by him; and

(b) The basic and supplemental governmental services taxes paid by the short-term lessor with regard to those passenger cars.

Sec. 50. Chapter 706 of NRS is hereby amended by adding thereto a new section to read as follows:

1. In addition to any other applicable licensing fees, each common, contract or private motor carrier who operates a motor vehicle with a declared gross weight in excess of 55,000 pounds in this State shall pay a licensing fee of 15 cents for each mile traveled by that motor vehicle within this State during each calendar quarter.

2. Each common, contract or private motor carrier who operates a motor vehicle with a declared gross weight in excess of 55,000 pounds in this State during a calendar quarter shall, on or before the last day of the calendar month immediately following that calendar quarter:

(a) File with the Department a return on a form prescribed by the Department; and

(b) Remit to the Department the licensing fee due pursuant to this section for that calendar quarter.

3. Any person who fails to:

(a) File a return as required pursuant to this section shall, in addition to any other applicable penalties, pay a penalty of \$25 for each delinquent return.



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(b) Remit a licensing fee as required pursuant to this section shall, in addition to any other applicable penalties, pay a penalty of 10 percent of the amount of the fee plus interest on the amount of the fee at the rate of 1 percent per month or fraction of a month from the last day of the calendar month immediately following the calendar quarter for which the fee is due until the date of payment.

Sec. 51. NRS 706.011 is hereby amended to read as follows:

706.011 As used in NRS 706.011 to 706.791, inclusive, *and section 50 of this act*, unless the context otherwise requires, the words and terms defined in NRS 706.013 to 706.146, inclusive, have the meanings ascribed to them in those sections.

Sec. 52. NRS 706.521 is hereby amended to read as follows:

706.521 1. Any person has the option, in lieu of causing a motor vehicle which has a declared gross weight in excess of 26,000 pounds to be licensed pursuant to the provisions of NRS 482.482 or 706.841, of purchasing a temporary permit and paying ~~fee~~:

(a) A permit fee of \$5 plus 15 cents for each mile the Department estimates the vehicle will travel within the State of Nevada during the effective period of the temporary permit ~~fee~~; and

(b) If the person and vehicle are subject to the licensing fee required by section 50 of this act, an additional sum of 15 cents for each mile the Department estimates the vehicle will travel within the State of Nevada during the effective period of the temporary permit. Any money collected pursuant to this paragraph must be credited against the licensing fee required by section 50 of this act.

2. Except as otherwise provided in subsection 3, a temporary permit authorizes operation over the highways of this State from point of entry to point of exit for not more than 24 consecutive hours.

3. The Department may issue to the owner or operator of a common motor carrier of passengers a temporary permit which authorizes operation for not more than 120 consecutive hours.

4. If a person is issued a temporary permit pursuant to the provisions of this section, the Department shall credit the cost of *the permit fee for* that permit against the cost of any license subsequently issued to that person pursuant to the provisions of either NRS 482.482 or 706.841 whose effective dates include the effective dates of the temporary permit, or if that license fee has been satisfied, against any fee owed to the Department pursuant to the provisions of chapter 366 of NRS.

Sec. 53. NRS 706.546 is hereby amended to read as follows:

706.546 Where credit is allowed against any subsequent fee for a permit *fee* paid pursuant to the provisions of *paragraph (a) of subsection 1 of* NRS 706.521, there is a nonrefundable charge of \$5.



Sec. 54. NRS 706.756 is hereby amended to read as follows:

706.756 1. Except as otherwise provided in subsection 2, any person who:

(a) Operates a vehicle or causes it to be operated in any carriage to which the provisions of NRS 706.011 to 706.861, inclusive, *and section 50 of this act* apply without first obtaining a certificate, permit or license, or in violation of the terms thereof;

(b) Fails to make any return or report required by the provisions of NRS 706.011 to 706.861, inclusive, *and section 50 of this act* or by the Authority or the Department pursuant to the provisions of NRS 706.011 to 706.861, inclusive ~~§~~, *and section 50 of this act*;

(c) Violates, or procures, aids or abets the violating of, any provision of NRS 706.011 to 706.861, inclusive ~~§~~, *and section 50 of this act*;

(d) Fails to obey any order, decision or regulation of the Authority or the Department;

(e) Procures, aids or abets any person in his failure to obey such an order, decision or regulation of the Authority or the Department;

(f) Advertises, solicits, proffers bids or otherwise holds himself out to perform transportation as a common or contract carrier in violation of any of the provisions of NRS 706.011 to 706.861, inclusive ~~§~~, *and section 50 of this act*;

(g) Advertises as providing:

(1) The services of a fully regulated carrier; or

(2) Towing services,

↳ without including the number of his certificate of public convenience and necessity or contract carrier's permit in each advertisement;

(h) Knowingly offers, gives, solicits or accepts any rebate, concession or discrimination in violation of the provisions of this chapter;

(i) Knowingly, willfully and fraudulently seeks to evade or defeat the purposes of this chapter;

(j) Operates or causes to be operated a vehicle which does not have the proper identifying device;

(k) Displays or causes or permits to be displayed a certificate, permit, license or identifying device, knowing it to be fictitious or to have been cancelled, revoked, suspended or altered;

(l) Lends or knowingly permits the use of by one not entitled thereto any certificate, permit, license or identifying device issued to the person so lending or permitting the use thereof; or

(m) Refuses or fails to surrender to the Authority or Department any certificate, permit, license or identifying device which has been suspended, cancelled or revoked pursuant to the provisions of this chapter,



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1 ➤ is guilty of a misdemeanor, and upon conviction thereof shall be
2 punished by a fine of not less than \$100 nor more than \$1,000, or by
3 imprisonment in the county jail for not more than 6 months, or by
4 both fine and imprisonment.

5 2. Any person who, in violation of the provisions of NRS
6 706.386, operates as a fully regulated common motor carrier without
7 first obtaining a certificate of public convenience and necessity or
8 any person who, in violation of the provisions of NRS 706.421,
9 operates as a contract motor carrier without first obtaining a permit
10 is guilty of a misdemeanor and shall be punished:

11 (a) For a first offense within a period of 12 consecutive months,
12 by a fine of not less than \$500 nor more than \$1,000. In addition to
13 the fine, the person may be punished by imprisonment in the county
14 jail for not more than 6 months.

15 (b) For a second offense within a period of 12 consecutive
16 months and for each subsequent offense that is committed within a
17 period of 12 consecutive months of any prior offense under this
18 subsection, by a fine of \$1,000. In addition to the fine, the person
19 may be punished by imprisonment in the county jail for not more
20 than 6 months.

21 3. Any person who, in violation of the provisions of NRS
22 706.386, operates or permits the operation of a vehicle in passenger
23 service without first obtaining a certificate of public convenience
24 and necessity is guilty of a gross misdemeanor.

25 4. If a law enforcement officer witnesses a violation of any
26 provision of subsection 2 or 3, the law enforcement officer may
27 cause the vehicle to be towed immediately from the scene and
28 impounded in accordance with NRS 706.476.

29 5. The fines provided in this section are mandatory and must
30 not be reduced under any circumstances by the court.

31 6. Any bail allowed must not be less than the appropriate fine
32 provided for by this section.

33 **Sec. 55.** NRS 365.326, 365.328, 366.360 and 366.397 are
34 hereby repealed.

35 **Sec. 56.** 1. The amendatory provisions of section 47 of this
36 act:

37 (a) Do not apply to the distribution of the proceeds of any taxes
38 imposed for any period ending on or before June 30, 2007; and

39 (b) Must not be applied to modify, directly or indirectly, any
40 taxes levied or revenues pledged in such a manner as to impair
41 adversely any outstanding obligations of any county, city or town,
42 including, without limitation, bonds, medium-term financing, letters
43 of credit and any other financial obligation, until all such obligations
44 have been discharged in full or provision for their payment and
45 redemption has been fully made.



2. The amendatory provisions of section 49 of this act do not apply to the lease of a passenger car before July 1, 2007.

3. The provisions of section 50 of this act do not apply to the operation of a vehicle before January 1, 2008.

Sec. 57. 1. This section and sections 1 to 46, inclusive, 55 and 56 of this act become effective upon passage and approval.

2. Sections 50 to 54, inclusive, of this act become effective upon passage and approval for the purpose of adopting regulations and conducting any preliminary activities necessary to carry out the provisions of this act in a timely manner, and on January 1, 2008, for all other purposes.

3. Sections 47, 48 and 49 of this act become effective on July 1, 2007.

TEXT OF REPEALED SECTIONS

365.326 Calculation of amount due from supplier: Deduction of amount due from purchaser who is authorized to defer payment.

1. Except as otherwise provided in subsection 2, in calculating the amount of tax on motor vehicle fuel, other than aviation fuel, a supplier owes to the Department, the supplier may deduct from the amount due pursuant to NRS 365.175 to 365.192, inclusive, any amount that is due but has not been paid by a purchaser who is authorized by the Department to defer payment of the tax pursuant to NRS 365.328. If such a deduction is claimed, the claim must identify the purchaser and the amount of the taxes that he failed to pay.

2. A supplier shall not deduct from the amount he owes the Department pursuant to subsection 1 any amount that has not been paid by a person whose permit to defer the payment of the tax has been revoked pursuant to subsection 4 of NRS 365.328 if, before the motor vehicle fuel, other than aviation fuel, was purchased, the supplier was notified by the Department pursuant to subsection 5 of NRS 365.328 that it had revoked the permit of the purchaser.

365.328 Deferral of payment by purchaser of certain motor vehicle fuel: Permit; bond; time and method of payment; failure to pay; regulations.

1. A purchaser of motor vehicle fuel, other than aviation fuel, who wishes to defer payment to the supplier of the taxes imposed pursuant to NRS 365.175 to 365.192, inclusive, until 20 days after



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the end of the month in which the fuel is purchased must apply for a permit to defer payment of the taxes.

2. The Department may require an applicant for a permit to defer payment of the taxes imposed pursuant to NRS 365.175 to 365.192, inclusive, to provide a bond executed by him as principal, and by a corporation qualified pursuant to the laws of this State as surety, payable to this State. The bond must indemnify the Department against any deduction claimed pursuant to NRS 365.326 by a supplier because of the failure of the principal to pay the taxes as required by this chapter.

3. If a purchaser of motor vehicle fuel, other than aviation fuel:

(a) Has been issued a permit to defer the payment of the taxes imposed pursuant to NRS 365.175 to 365.192, inclusive; and

(b) Elects to defer payment of the taxes,

➔ he shall, not later than 25 days after the end of the month in which the fuel is purchased, pay the taxes to the supplier by electronic transfer of money.

4. If a purchaser fails to make a payment to a supplier as required by this section, the Department may:

(a) Revoke the permit of the purchaser;

(b) If the purchaser was required to provide a bond pursuant to subsection 2, require the purchaser to increase the amount of the bond; or

(c) Take any other action to ensure that the taxes imposed pursuant to NRS 365.175 to 365.192, inclusive, are paid.

5. The Department shall notify each supplier in this State when it revokes a permit issued pursuant to this section.

6. The Department shall adopt regulations to carry out the provisions of this section.

7. As used in this section, "electronic transfer of money" means any transfer of money, other than a transaction initiated by a check, draft or other similar instrument, that is initiated through an electronic terminal, telephone, computer or magnetic tape to order, instruct or authorize a financial institution or person holding an account on behalf of a purchaser of motor vehicle fuel to debit an account.

366.360 Cancellation of license.

1. The Department shall cancel any license to act as a special fuel supplier, special fuel dealer, special fuel exporter, special fuel transporter or special fuel user immediately upon the surrender thereof by the holder.

2. If a surety has lodged with the Department a written request to be released and discharged of liability, the Department shall immediately notify the special fuel supplier or special fuel dealer who furnished the bond, and unless he files a new bond as required



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by the Department within 30 days or makes a deposit in lieu thereof as provided in NRS 366.235, the Department may cancel his license.

3. If a special fuel supplier or special fuel dealer becomes delinquent in the payment of excise taxes as prescribed by this chapter to the extent that his liability exceeds the total amount of bond furnished by him, the Department may cancel his license immediately.

366.397 Permit to defer payment of tax: Application; bond; payment of tax by electronic transfer; effect of failure to pay tax; notice of revocation; regulations.

1. A purchaser of special fuel who wishes to defer payment of the tax imposed pursuant to NRS 366.190 to the special fuel supplier until 25 days after the end of the month in which the fuel is purchased must apply for a permit to defer payment of the tax.

2. The Department may require an applicant for a permit to defer payment of the tax imposed pursuant to NRS 366.190 to provide a bond executed by him as principal, and by a corporation qualified pursuant to the laws of this State as surety, payable to this State. The bond must indemnify the Department against any deduction claimed pursuant to subsection 2 of NRS 366.540 by a special fuel supplier because of the principal's failure to pay the tax as required by this chapter.

3. If a purchaser of special fuel:

(a) Has been issued a permit to defer the payment of the tax imposed pursuant to NRS 366.190; and

(b) Elects to defer payment of the tax,
➔ he shall, not later than 25 days after the end of the month in which the fuel is purchased, pay the tax to the special fuel supplier by electronic transfer of money.

4. If a purchaser fails to make a payment to a special fuel supplier as required by this section, the Department may:

(a) Revoke the purchaser's permit;

(b) If the purchaser was required to provide a bond pursuant to subsection 2, require the purchaser to increase the amount of the bond; or

(c) Take any other action to ensure that the tax imposed pursuant to NRS 366.190 is paid.

5. The Department shall notify each special fuel supplier in this State when it revokes a permit issued pursuant to this section.

6. The Department shall adopt regulations to carry out the provisions of this section.

7. As used in this section, "electronic transfer of money" means any transfer of money, other than a transaction initiated by a check, draft or other similar instrument, that is initiated through an electronic terminal, telephone, computer or magnetic tape to order,



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instruct or authorize a financial institution or person holding an account on behalf of a purchaser of special fuel to debit an account.

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