

SENATE BILL NO. 154—COMMITTEE ON TAXATION

FEBRUARY 26, 2007

Referred to Committee on Taxation

SUMMARY—Clarifies certain provisions governing taxes on transfers of real property. (BDR 32-712)

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

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; clarifying the applicability of an exemption from the taxes on transfers of real property for transfers relating to changes in identity, form or place of organization; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Existing law provides for the imposition of taxes on transfers of real property.  
2 (NRS 375.020, 375.023, 375.026) Existing law also provides that certain transfers  
3 are exempt from such taxes. (NRS 375.090) This bill revises an exemption for  
4 transfers relating to a change in identity, form or place of organization to clarify  
5 that the exemption applies to the reorganization of any business entity.

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

1 **Section 1.** NRS 375.090 is hereby amended to read as follows:  
2 375.090 The taxes imposed by NRS 375.020, 375.023 and  
3 375.026 do not apply to:  
4 1. A mere change in identity, form or place of organization,  
5 such as a transfer between a ~~corporation~~ *business entity* and its  
6 parent ~~corporation, a~~ , *its* subsidiary or an affiliated ~~corporation~~  
7 *business entity* if the affiliated ~~corporation~~ *business entity* has  
8 identical common ownership.  
9 2. A transfer of title to the United States, any territory or state  
10 or any agency, department, instrumentality or political subdivision  
11 thereof.



1       3. A transfer of title recognizing the true status of ownership of  
2 the real property.

3       4. A transfer of title without consideration from one joint  
4 tenant or tenant in common to one or more remaining joint tenants  
5 or tenants in common.

6       5. A transfer, assignment or other conveyance of real property  
7 if the owner of the property is related to the person to whom it is  
8 conveyed within the first degree of lineal consanguinity or affinity.

9       6. A transfer of title between former spouses in compliance  
10 with a decree of divorce.

11       7. A transfer of title to or from a trust without consideration if a  
12 certificate of trust is presented at the time of transfer.

13       8. Transfers, assignments or conveyances of unpatented mines  
14 or mining claims.

15       9. A transfer, assignment or other conveyance of real property  
16 to a corporation or other business organization if the person  
17 conveying the property owns 100 percent of the corporation or  
18 organization to which the conveyance is made.

19       10. A conveyance of real property by deed which becomes  
20 effective upon the death of the grantor pursuant to NRS 111.109.

21       11. The making, delivery or filing of conveyances of real  
22 property to make effective any plan of reorganization or adjustment:

23       (a) Confirmed under the Bankruptcy Act, as amended, 11 U.S.C.  
24 §§ 101 et seq.;

25       (b) Approved in an equity receivership proceeding involving a  
26 railroad, as defined in the Bankruptcy Act; or

27       (c) Approved in an equity receivership proceeding involving a  
28 corporation, as defined in the Bankruptcy Act,

29       ➤ if the making, delivery or filing of instruments of transfer or  
30 conveyance occurs within 5 years after the date of the confirmation,  
31 approval or change.

32       12. The making or delivery of conveyances of real property to  
33 make effective any order of the Securities and Exchange  
34 Commission if:

35       (a) The order of the Securities and Exchange Commission in  
36 obedience to which the transfer or conveyance is made recites that  
37 the transfer or conveyance is necessary or appropriate to effectuate  
38 the provisions of section 11 of the Public Utility Holding Company  
39 Act of 1935, 15 U.S.C. § 79k;

40       (b) The order specifies and itemizes the property which is  
41 ordered to be transferred or conveyed; and

42       (c) The transfer or conveyance is made in obedience to the  
43 order.



1       13. A transfer to an educational foundation. As used in this  
2 subsection, “educational foundation” has the meaning ascribed to it  
3 in subsection 3 of NRS 388.750.

4       14. A transfer to a university foundation. As used in this  
5 subsection, “university foundation” has the meaning ascribed to it in  
6 subsection 3 of NRS 396.405.

7       **Sec. 2.** This act becomes effective on July 1, 2007.

