

## SENATE BILL NO. 372—SENATOR BEERS

MARCH 19, 2007

## Referred to Committee on Taxation

SUMMARY—Provides for the exemption of fully disabled veterans from the payment of certain fees and taxes required for the registration of certain vehicles. (BDR 43-745)

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 vehicles; exempting fully disabled veterans from the payment of any fees and governmental services taxes required to register or obtain license plates for certain vehicles; providing for the submission to the voters of the question whether the Sales and Use Tax Act of 1955 should be amended to provide an exemption from the tax for certain vehicles when purchased by fully disabled veterans for personal use; contingently providing the same exemption from the Local School Support Tax Law and certain analogous taxes; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law requires the Department of Motor Vehicles and its agents, when registering a vehicle, to collect the registration fee, the fees for license plates, the governmental services tax on the vehicle and any applicable sales and use taxes. (NRS 482.260) **Section 1** of this bill exempts a fully disabled veteran from the payment of any registration fees and license plate fees for certain vehicles if the veteran is an owner of the vehicle and the use of the vehicle is restricted to the personal use of the veteran or a member of the household of the veteran. **Sections 3-6** of this bill exempt a fully disabled veteran from any governmental services taxes applicable to such vehicles, provide for the administration of that tax exemption, and impose various penalties on persons who falsely claim the tax exemption or fail to notify the Department when the tax exemption no longer applies.

Existing law creates the Sales and Use Tax Act of 1955, which was approved by the voters in a referendum on November 6, 1956. (Chapter 372 of NRS) Under existing law, if the voters approve a statute or resolution in a referendum, that statute or resolution is the law of the State and may not be amended, annulled,



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repealed, set aside, suspended or in any way made inoperative except by the direct vote of the people. (Nev. Const. Art. 19, § 1)

Existing law creates the Local School Support Tax Law. (Chapter 374 of NRS) Any amendment to the Local School Support Tax Law is also applicable to other sales and use taxes imposed under existing law. (NRS 354.705, 374A.020, 376A.060, 377.040, 377A.030, 377B.110 and 543.600 and various special and local acts)

**Sections 9-16** of this bill require that a question be submitted to the voters at the 2008 General Election on whether the Sales and Use Tax Act of 1955 should be amended to provide an exemption for the same types of vehicles as this bill exempts from registration fees and governmental services taxes when purchased by fully disabled veterans for personal use. **Sections 7 and 8** of this bill amend the Local School Support Tax Law to provide the same exemption. These exemptions from sales and use taxes become effective on January 1, 2009, only if the voters approve the amendment to the Sales and Use Tax Act of 1955 at the General Election in 2008.

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

**Section 1.** Chapter 482 of NRS is hereby amended by adding thereto a new section to read as follows:

***1. Notwithstanding any other specific statute to the contrary:***

***(a) A fully disabled veteran who is identified by name on the certificate of title for the vehicle as a legal owner of any interest in the vehicle and who certifies in writing that the vehicle will be used only for the personal use of the veteran or a member of the household of the veteran and will not be used in the operation of a business, is exempt from the payment of any fees otherwise required to be paid to the Department or its agents for:***

***(1) The registration, renewal of registration or reinstatement of registration of, or the transfer of registration to, every:***

***(I) Passenger car;***

***(II) Light commercial vehicle having a manufacturer's rated carrying capacity of 1 ton or less; and***

***(III) Motor home,***

***↪ which is registered to the veteran; and***

***(2) The issuance, renewal or replacement of any regular or special license plates, including any personalized prestige license plates, for any vehicle described in subparagraph (1) for which the vehicle and veteran qualify, except for any qualifications requiring the payment of any fee.***

***(b) The Department and its agents shall, without collecting any of the fees from which a fully disabled veteran is exempt pursuant to paragraph (a), register any vehicle described in that paragraph to the veteran and issue, renew or replace any license plates***



1 *described in that paragraph as requested by the veteran, if the*  
2 *veteran would otherwise be entitled to register that vehicle and*  
3 *obtain those license plates for the vehicle upon the payment of*  
4 *such fees.*

5 *2. As used in this section, "fully disabled veteran" means a*  
6 *veteran of the Armed Forces of the United States who, as a result*  
7 *of his service, has suffered a 100-percent service-connected*  
8 *disability and who receives compensation from the United States*  
9 *for his disability.*

10 **Sec. 2.** NRS 482.216 is hereby amended to read as follows:

11 482.216 1. Upon the request of a new vehicle dealer, the  
12 Department may authorize the new vehicle dealer to:

13 (a) Accept applications for the registration of the new motor  
14 vehicles he sells and the related fees and taxes;

15 (b) Issue certificates of registration to applicants who satisfy the  
16 requirements of this chapter; and

17 (c) Accept applications for the transfer of registration pursuant  
18 to NRS 482.399 if the applicant purchased from the new vehicle  
19 dealer a new vehicle to which the registration is to be transferred.

20 2. A new vehicle dealer who is authorized to issue certificates  
21 of registration pursuant to subsection 1 shall:

22 (a) Transmit the applications he receives to the Department  
23 within the period prescribed by the Department;

24 (b) Transmit the fees he collects from the applicants and  
25 properly account for them within the period prescribed by the  
26 Department;

27 (c) Comply with the regulations adopted pursuant to subsection  
28 4; and

29 (d) Bear any cost of equipment which is necessary to issue  
30 certificates of registration, including any computer hardware or  
31 software.

32 3. A new vehicle dealer who is authorized to issue certificates  
33 of registration pursuant to subsection 1 shall not:

34 (a) Charge any additional fee for the performance of those  
35 services;


36 (b) Receive compensation from the Department for the  
37 performance of those services;

38 (c) Accept applications for the renewal of registration of a motor  
39 vehicle; or

40 (d) Accept an application for the registration of a motor vehicle  
41 if the applicant wishes to:

42 (1) Obtain special license plates pursuant to NRS 482.3667  
43 to 482.3825, inclusive; ~~for~~



(2) Claim the exemption from the governmental services tax provided pursuant to NRS 361.1565 to veterans and their relations ; or

(3) *Claim an exemption from the governmental services tax or from the payment of any fees pursuant to section 1 or 3 of this act.*

4. The Director shall adopt such regulations as are necessary to carry out the provisions of this section. The regulations adopted pursuant to this subsection must provide for:

(a) The expedient and secure issuance of license plates and decals by the Department; and

(b) The withdrawal of the authority granted to a new vehicle dealer pursuant to subsection 1 if that dealer fails to comply with the regulations adopted by the Department.

**Sec. 3.** Chapter 371 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. A bona fide resident of the State of Nevada who is a fully disabled veteran is entitled to an exemption from the payment of governmental services taxes on every:*

*(a) Passenger car;*

*(b) Light commercial vehicle having a manufacturer's rated carrying capacity of 1 ton or less; and*

*(c) Motor home,*

*↪ registered to the veteran if the veteran is identified by name on the certificate of title for the vehicle as a legal owner of any interest in the vehicle, the vehicle is used only for the personal use of the veteran or a member of the household of the veteran, and the vehicle is not used in the operation of a business.*

*2. A person claiming the exemption shall file annually with the Department in the county where the exemption is claimed an affidavit declaring that he and any vehicles for which he claims the exemption meet all the requirements of subsection 1, and that the exemption is claimed in no other county within this State. The affidavit must be made before the county assessor or a notary public. After the filing of the original affidavit, the county assessor shall mail a form for the renewal of the exemption to the person each year following a year in which the exemption was allowed for that person. The form must be designed to facilitate its return by mail by the person claiming the exemption.*

*3. Before allowing any exemption pursuant to the provisions of this section, the Department shall require such proof of the applicant's status as the Department deems necessary.*

*4. If any person makes a false affidavit or produces false proof to the Department, and as a result of the false affidavit or*



*false proof the person is allowed a tax exemption to which he is not entitled, he is guilty of a gross misdemeanor.*

*5. As used in this section:*

*(a) "Fully disabled veteran" means a veteran of the Armed Forces of the United States who, as a result of his service, has suffered a 100-percent service-connected disability and who receives compensation from the United States for his disability.*

*(b) "Motor home" has the meaning ascribed to it in NRS 482.071.*

*(c) "Passenger car" has the meaning ascribed to it in NRS 482.087.*

**Sec. 4.** NRS 371.103 is hereby amended to read as follows:

371.103 1. Vehicles, to the extent of \$2,000 determined valuation, registered by any actual bona fide resident of the State of Nevada who:

(a) Has served a minimum of 90 days on active duty, who was assigned to active duty at some time between April 21, 1898, and June 15, 1903, or between April 6, 1917, and November 11, 1918, or between December 7, 1941, and December 31, 1946, or between June 25, 1950, and May 7, 1975, or between September 26, 1982, and December 1, 1987, or between October 23, 1983, and November 21, 1983, or between December 20, 1989, and January 31, 1990, or between August 2, 1990, and April 11, 1991, or between December 5, 1992, and March 31, 1994, or between November 20, 1995, and December 20, 1996;

(b) Has served a minimum of 90 continuous days on active duty none of which was for training purposes, who was assigned to active duty at some time between January 1, 1961, and May 7, 1975;

(c) Has served on active duty in connection with carrying out the authorization granted to the President of the United States in Public Law 102-1; or

(d) Has served on active duty in connection with a campaign or expedition for service in which a medal has been authorized by the government of the United States, regardless of the number of days served on active duty,

➤ and who received, upon severance from service, an honorable discharge or certificate of satisfactory service from the Armed Forces of the United States, or who, having so served, is still serving in the Armed Forces of the United States, is exempt from taxation.

2. For the purpose of this section, the first \$2,000 determined valuation of vehicles in which such a person has any interest shall be deemed to belong to that person.

3. A person claiming the exemption shall file annually with the Department in the county where the exemption is claimed an affidavit declaring that he is an actual bona fide resident of the State



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1 of Nevada who meets all the other requirements of subsection 1 and  
2 that the exemption is claimed in no other county in this State. The  
3 affidavit must be made before the county assessor or a notary  
4 public. After the filing of the original affidavit, the county assessor  
5 shall mail a form for:

6 (a) The renewal of the exemption; and

7 (b) The designation of any amount to be credited to the Gift  
8 Account for Veterans' Homes established pursuant to NRS 417.145,  
9 ➔ to the person each year following a year in which the exemption  
10 was allowed for that person. The form must be designed to facilitate  
11 its return by mail by the person claiming the exemption.

12 4. Persons in actual military service are exempt during the  
13 period of such service from filing annual affidavits of exemption  
14 and the Department shall grant exemptions to those persons on the  
15 basis of the original affidavits filed. In the case of any person who  
16 has entered the military service without having previously made and  
17 filed an affidavit of exemption, the affidavit may be filed in his  
18 behalf during the period of such service by any person having  
19 knowledge of the facts.

20 5. Before allowing any ~~[veteran's]~~ exemption pursuant to the  
21 provisions of this ~~[chapter,]~~ *section*, the Department shall require  
22 proof of status of the veteran, and for that purpose shall require  
23 production of an honorable discharge or certificate of satisfactory  
24 service or a certified copy thereof, or such other proof of status as  
25 may be necessary.

26 6. If any person files a false affidavit or produces false proof to  
27 the Department, and as a result of the false affidavit or false proof a  
28 tax exemption is allowed to a person not entitled to the exemption,  
29 he is guilty of a gross misdemeanor.

30 7. Beginning with the 2005-2006 Fiscal Year, the monetary  
31 amounts in subsections 1 and 2 must be adjusted for each fiscal year  
32 by adding to each amount the product of the amount multiplied by  
33 the percentage increase in the Consumer Price Index (All Items)  
34 from December 2003 to the December preceding the fiscal year for  
35 which the adjustment is calculated.

36 **Sec. 5.** NRS 371.105 is hereby amended to read as follows:

37 371.105 Claims pursuant to NRS 371.101, 371.102, 371.103 or  
38 371.104 *or section 3 of this act* for tax exemption on the  
39 governmental services tax and designations of any amount to be  
40 credited to the Gift Account for Veterans' Homes pursuant to NRS  
41 371.1035 must be filed annually at any time on or before the date  
42 when payment of the tax is due. All exemptions provided for in this  
43 section must not be in an amount which gives the taxpayer a total  
44 exemption greater than that to which he is entitled during any fiscal  
45 year.



**Sec. 6.** NRS 371.106 is hereby amended to read as follows:

371.106 1. Whenever any vehicle ceases to be exempt from taxation under NRS 371.101, 371.102, 371.103 or 371.104 *or section 3 of this act* because the owner *or vehicle* no longer meets the requirements for the exemption provided in those sections, its owner shall immediately notify the Department of the fact.

2. If a person fails to notify the Department as required by subsection 1 and as a result of such failure is allowed a tax exemption to which he is not entitled, there shall be added to and collected with the tax otherwise due a penalty equal to double the amount of the tax. If the person's failure is fraudulent and results in his receiving a tax exemption to which he is not entitled, the person is also guilty of a gross misdemeanor.

**Sec. 7.** Chapter 374 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. There are exempted from the taxes imposed by this chapter the gross receipts from the sales and storage, use or other consumption of any:*

*(a) Passenger car;*

*(b) Light commercial vehicle having a manufacturer's rated carrying capacity of 1 ton or less; or*

*(c) Motor home,*

*↳ when purchased by a fully disabled veteran for the personal use of the veteran or a member of the household of the veteran and not for use in the operation of a business.*

*2. As used in this section, "fully disabled veteran" means a veteran of the Armed Forces of the United States who, as a result of his service, has suffered a 100-percent service-connected disability and who receives compensation from the United States for his disability.*

**Sec. 8.** NRS 374.265 is hereby amended to read as follows:

374.265 "Exempted from the taxes imposed by this chapter," as used in NRS 374.265 to 374.355, inclusive, *and section 7 of this act*, means exempted from the computation of the amount of taxes imposed.

**Sec. 9.** At the General Election on November 4, 2008, a proposal must be submitted to the registered voters of this State to amend the Sales and Use Tax Act, which was enacted by the 47th Session of the Legislature of the State of Nevada and approved by the Governor in 1955, and subsequently approved by the people of this State at the General Election held on November 6, 1956.

**Sec. 10.** At the time and in the manner provided by law, the Secretary of State shall transmit the proposed act to the several county clerks, and the county clerks shall cause it to be published and posted as provided by law.



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**Sec. 11.** The proclamation and notice to the voters given by the county clerks pursuant to law must be in substantially the following form:

Notice is hereby given that at the General Election on November 4, 2008, a question will appear on the ballot for the adoption or rejection by the registered voters of the State of the following proposed act:

AN ACT to amend an Act entitled "An Act to provide revenue for the State of Nevada; providing for sales and use taxes; providing for the manner of collection; defining certain terms; providing penalties for violation, and other matters properly relating thereto." approved March 29, 1955, as amended.

THE PEOPLE OF THE STATE OF NEVADA  
DO ENACT AS FOLLOWS:

Section 1. The above-entitled Act, being chapter 397, Statutes of Nevada 1955, at page 773, is hereby amended by adding thereto a new section to be designated as section 62.5, immediately following section 62, to read as follows:

*Sec. 62.5. 1. There are exempted from the taxes imposed by this chapter the gross receipts from the sale, storage, use or other consumption of any:*

*(a) Passenger car;*

*(b) Light commercial vehicle having a manufacturer's rated carrying capacity of 1 ton or less; or*

*(c) Motor home,*

*↳ when purchased by a fully disabled veteran for the personal use of the veteran or a member of the household of the veteran and not for use in the operation of a business.*

*2. As used in this section, "fully disabled veteran" means a veteran of the Armed Forces of the United States who, as a result of his service, has suffered a 100-percent service-connected disability and who receives compensation from the United States for his disability.*

Sec. 2. This act becomes effective on January 1, 2009.

**Sec. 12.** The ballot page assemblies and the paper ballots to be used in voting on the question must present the question in substantially the following form:

Shall the Sales and Use Tax Act of 1955 be amended to provide an exemption from the taxes imposed by this Act on



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passenger cars, light commercial vehicles with a carrying capacity of 1 ton or less and motor homes when purchased by fully disabled veterans for personal use?

Yes ☐ No ☐

**Sec. 13.** The explanation of the question which must appear on each paper ballot and sample ballot and in every publication and posting of notice of the question must be in substantially the following form:

(Explanation of Question)

The proposed amendment to the Sales and Use Tax Act of 1955 would exempt from the taxes imposed by this Act the sale of, and the storage, use or other consumption in this State of, passenger cars, light commercial vehicles with a carrying capacity of 1 ton or less and motor homes when purchased by fully disabled veterans for personal use. If this proposal is adopted, the Legislature has provided that the Local School Support Tax Law and certain analogous taxes on retail sales will be amended to provide the same exemption.

**Sec. 14.** If a majority of the votes cast on the question is yes, the amendment to the Sales and Use Tax Act of 1955 becomes effective on January 1, 2009. If less than a majority of votes cast on the question is yes, the question fails and the amendment to the Sales and Use Tax Act of 1955 does not become effective.

**Sec. 15.** All general election laws not inconsistent with this act are applicable.

**Sec. 16.** Any informalities, omissions or defects in the content or making of the publications, proclamations or notices provided for in this act and by the general election laws under which this election is held must be so construed as not to invalidate the adoption of the act by a majority of the registered voters voting on the question if it can be ascertained with reasonable certainty from the official returns transmitted to the Office of the Secretary of State whether the proposed amendment was adopted by a majority of those registered voters.

**Sec. 17.** 1. This section and sections 1 to 6, inclusive, and 9 to 16, inclusive, of this act become effective on July 1, 2007.

2. Sections 7 and 8 of this act become effective on January 1, 2009, only if the proposal submitted pursuant to sections 9 to 16, inclusive, of this act is approved by the voters at the General Election on November 4, 2008.

