

Amendment No. 216

Assembly Amendment to Assembly Bill No. 243

(BDR 32-117)

Proposed by: Assembly Committee on Taxation**Amends:** Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	☐	Lost	☐	_____	Adopted	☐	Lost	☐	_____
Concurred In	☐	Not	☐	_____	Concurred In	☐	Not	☐	_____
Receded	☐	Not	☐	_____	Receded	☐	Not	☐	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold* is newly added transitory language.

DLJ/BJE



Date: 4/15/2007

A.B. No. 243—Provides for reduction of certain excise taxes payable by employers that make donations to public schools. (BDR 32-117)



ASSEMBLY BILL NO. 243—ASSEMBLYMEN PARNELL, SMITH, DENIS, BUCKLEY,
KIHUEN, KOIVISTO AND MCCLAIN

MARCH 5, 2007

Referred to Committee on Taxation

SUMMARY—Provides for reduction of certain excise taxes payable by employers that make donations to public schools. (BDR 32-117)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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

AN ACT relating to taxation; providing for the reduction of certain excise taxes payable by employers that make donations to public schools in this State; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1 of this bill provides for a reduction of the payroll tax of 2 percent that is imposed on financial institutions by NRS 363A.130. A financial institution that donates cash or property to a public school in this State may take a deduction for the donation that is equal to the fair market value of the donation, except that the deduction, when combined with all other deductions and abateements applicable to the payroll tax, may not exceed 100 percent of the payroll tax that the financial institution would otherwise pay. If the deduction claimed for an item or group of similar items of donated property is more than \$5,000, the deduction must be supported by a written appraisal.

Section 2 of this bill similarly provides for a reduction of the business tax of 0.63 percent that is imposed on other employers by NRS 363B.110. An employer that donates cash or property to a public school in this State may take a deduction for the donation that is equal to the fair market value of the donation, except that the deduction, when combined with all other deductions and abateements applicable to the business tax, may not exceed 100 percent of the business tax that the financial institution would otherwise pay. If the deduction claimed for an item or group of similar items of donated property is more than \$5,000, the deduction must be supported by a written appraisal.

Section 3 of this bill makes the provisions of this bill expire by limitation on June 30, 2009.

WHEREAS, The formation of informal partnerships between businesses and the public schools in this State may be beneficial in providing additional funding and materials helpful in the educational process; and

WHEREAS, Such partnerships may improve the educational capacities of the public schools in this State by providing resources to complement the public funding of education, increasing access to new technology and providing greater opportunities for interested pupils through the provision of equipment for enhanced vocational training; and

WHEREAS, Such partnerships may benefit pupils by providing pupils with apprenticeship programs, tutoring and mentoring programs to improve academic and job skills, and college and vocational scholarships, thereby assisting pupils to make the transition to college or the workplace and improving their chances of success; and

WHEREAS, Such partnerships may result in the enhancement of the corporate images of such businesses locally, statewide and nationally, and reduce the costs to those businesses of recruiting and training qualified employees; and

WHEREAS, The provision of contributions of property to the public schools in this State would allow businesses to recycle useful, excess equipment and materials for the benefit of the public schools in an environmentally friendly way; and

WHEREAS, Businesses in this State should be encouraged to strengthen the connections between business and education in this State; and

WHEREAS, The Nevada Legislature finds and declares that it encourages the formation of such informal partnerships between businesses and public schools in this State; now, therefore,

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

Section 1. Chapter 363A of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 6, an employer may, from the total amount of wages reported and upon which the excise tax is imposed by NRS 363A.130, deduct any amount donated by the employer to public schools in this State in the calendar quarter for which the tax is paid. The amounts for which the deduction is allowed include donations of cash and property.

2. Donations of property must be valued based on the fair market value of the property on the date of the donation. If the deduction claimed for an item or group of similar items of donated property is more than \$5,000, the deduction must be supported by the written appraisal of a qualified appraiser.

3. An employer claiming the deduction allowed pursuant to this section shall, upon the request of the Department, explain the amount claimed to the satisfaction of the Department and provide the Department with such documentation as the Department deems appropriate for that purpose.

4. If the amount of the deduction allowed pursuant to this section to an employer for a calendar quarter exceeds the amount of reported wages for that calendar quarter, the excess amount of that deduction may not be carried forward to the following calendar quarter.

5. The deduction allowed pursuant to this section is in addition to any other deduction or abatement otherwise provided for by law with respect to the tax imposed by NRS 363A.130.

6. In no case may the amount of a deduction allowed pursuant to this section, when combined with all other deductions and abatements otherwise provided for by law with respect to the tax imposed by NRS 363A.130, exceed 100 percent of the taxes otherwise payable by the employer pursuant to NRS 363A.130.

7. As used in this section, unless the context otherwise requires:

(a) "Public schools" has the meaning ascribed to it in NRS 385.007.

(b) "Qualified appraiser" means a person who, on a written appraisal prepared by him, declares that he:

(1) Is aware that the appraisal is being made for the purposes of this section;

1 (2) Holds himself out to the public as an appraiser or performs
2 appraisals on a regular basis;

3 (3) Is qualified to make appraisals of the type of property being valued;
4 and

5 (4) To the best of his knowledge and belief, is not the donor of the
6 property, an officer or employee of the donor, or related within the third degree of
7 consanguinity or affinity to the donor or an officer or employee of the donor.

8 **Sec. 2.** Chapter 363B of NRS is hereby amended by adding thereto a new
9 section to read as follows:

10 1. Except as otherwise provided in subsection 6, an employer may, from the
11 total amount of wages reported and upon which the excise tax is imposed by NRS
12 363B.110, deduct any amount donated by the employer to public schools in this
13 State in the calendar quarter for which the tax is paid. The amounts for which
14 the deduction is allowed include donations of cash and property.

15 2. Donations of property must be valued based on the fair market value of
16 the property on the date of the donation. If the deduction claimed for an item or
17 group of similar items of donated property is more than \$5,000, the deduction
18 must be supported by the written appraisal of a qualified appraiser.

19 3. An employer claiming the deduction allowed pursuant to this section
20 shall, upon the request of the Department, explain the amount claimed to the
21 satisfaction of the Department and provide the Department with such
22 documentation as the Department deems appropriate for that purpose.

23 4. If the amount of the deduction allowed pursuant to this section to an
24 employer for a calendar quarter exceeds the amount of reported wages for that
25 calendar quarter, the excess amount of that deduction may not be carried
26 forward to the following calendar quarter.

27 5. The deduction allowed pursuant to this section is in addition to any other
28 deduction or abatement otherwise provided for by law with respect to the tax
29 imposed by NRS 363B.110.

30 6. In no case may the amount of a deduction allowed pursuant to this
31 section, when combined with all other deductions and abatements otherwise
32 provided for by law with respect to the tax imposed by NRS 363B.110, exceed 100
33 percent of the taxes otherwise payable by the employer pursuant to
34 NRS 363B.110.

35 7. As used in this section, unless the context otherwise requires:

36 (a) "Public schools" has the meaning ascribed to it in NRS 385.007.

37 (b) "Qualified appraiser" means a person who, on a written appraisal
38 prepared by him, declares that he:

39 (1) Is aware that the appraisal is being made for the purposes of this
40 section;

41 (2) Holds himself out to the public as an appraiser or performs
42 appraisals on a regular basis;

43 (3) Is qualified to make appraisals of the type of property being valued;
44 and

45 (4) To the best of his knowledge and belief, is not the donor of the
46 property, an officer or employee of the donor, or related within the third degree of
47 consanguinity or affinity to the donor or an officer or employee of the donor.

48 **Sec. 3.** This act becomes effective on July 1, 2007 ~~HH~~, and expires by
49 limitation on June 30, 2009.