

Amendment No. 67

Senate Amendment to Senate Bill No. 154

(BDR 32-712)

Proposed by: Senate Committee on Taxation**Amends:** Summary: Yes Title: Yes 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.

SJC/BJE



Date: 4/9/2007

S.B. No. 154—Revises provisions governing taxes on transfers of real property.
(BDR 32-712)



SENATE BILL NO. 154—COMMITTEE ON TAXATION

FEBRUARY 26, 2007

Referred to Committee on Taxation

SUMMARY—~~[Revises]~~ **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; ~~[providing]~~ **clarifying the applicability of** an exemption from the taxes on transfers of real property ~~[between a business entity and its owners if the transfer to each owner is proportional to his respective ownership interest in the business entity;]~~ **for transfers relating to changes in identity, form or place of organization;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the imposition of taxes on transfers of real property. (NRS 375.020, 375.023, 375.026) Existing law also provides that certain transfers are exempt from such taxes. (NRS 375.090) This bill revises an exemption for transfers relating to ~~[the reorganization of a corporation to apply to]~~ **a change in identity, form or place of organization to clarify that the exemption applies to** the reorganization of any business entity. ~~[This bill also provides an exemption for transfers between a business entity and its owners if the transfer to each owner is proportional to his respective ownership interest in the business entity.]~~

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

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

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

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

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

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

10 8. Transfers, assignments or conveyances of unpatented mines or mining
11 claims.

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

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

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

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

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

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

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

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

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

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

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

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

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

43 ~~15. Transfers between a business entity and its owners if the transfer to~~
44 ~~each owner is proportional to his respective ownership interest in the business~~
45 ~~entity.~~

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