

## Amendment No. 935

Senate Amendment to Senate Bill No. 429

(BDR 32-1320)

**Proposed by:** Senator Horsford**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of S.B. 429 (§§ 1-4, 7, 8).

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

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 dashed underlining is newly added transitory language.

SJC/BJE



Date: 5/22/2009

S.B. No. 429—Provides additional revenue for the provision of governmental services. (BDR 32-1320)



## SENATE BILL NO. 429—COMMITTEE OF THE WHOLE

MAY 19, 2009

Referred to Committee of the Whole

SUMMARY—Provides additional revenue for the provision of governmental services. (BDR 32-1320)

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

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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 state financial administration; temporarily increasing the state business license fee; temporarily revising the rate of the payroll tax imposed on certain businesses other than financial institutions; revising the provisions governing the calculation of governmental services taxes due annually for used vehicles and allocating a portion of the proceeds of the basic governmental services tax for 4 years to the State General Fund ~~and thereafter to the State Highway Fund~~; temporarily increasing the rate of the Local School Support Tax; providing for the creation of the Nevada Study Commission on Revenue Stabilization and an advisory committee to address the economic, fiscal and long-term needs of the State, making an appropriation; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

**Sections 1 and 2** of this bill increase the fee for a state business license from \$100 to \$200.

Existing law imposes an excise tax on certain businesses other than financial institutions at the rate of 0.63 percent of the total wages paid by the business each calendar quarter. (NRS 363B.110) **Section 3** of this bill changes that rate to 0.5 percent of the amount paid that does not exceed \$62,500, plus 1.17 percent of the amount paid in excess of \$62,500.

Existing law sets forth depreciation schedules for determining the amount of governmental services taxes due each year for used vehicles and establishes a minimum tax of \$6. (NRS 371.060) **Section 4** of this bill increases the amount of governmental services taxes due annually for used vehicles by reducing the amount of depreciation allowed and increasing the minimum tax to \$16. **Sections 5 and 13-15** of this bill allocate the revenue from these increases in the basic governmental services tax to the State General Fund ~~and for the next 4 years~~. **Sections 15.5 and 18.5 of this bill provide for the money from the increases to be deposited in the State Highway Fund thereafter.**

Under existing law, the Local School Support Tax Law imposes sales and use taxes at the rate of 2.25 percent. (NRS 374.110, 374.190) **Sections 6-8** of this bill increase that rate to 2.6 percent.

**Section 18.7 of this bill creates the Nevada Study Commission on Revenue Stabilization to develop state revenue strategies for the State of Nevada during the interim. In addition to other duties, the Commission is required to ensure that the State**

is prepared to implement the imposition of a broad-based business tax. The Commission is also required to collaborate with the Department of Taxation regarding the status of its computer hardware and software used to collect tax revenues to ensure readiness for any modifications to the revenue system. Finally, the Commission is required to submit a report of its findings and recommendations to the Governor and the Legislature by November 15, 2010. Section 18.8 of this bill creates the Technical Advisory Committee on State Revenue to assist the Commission with analyzing any modification of the State's existing revenue system and preparing a plan for implementation of any such modifications. Section 18.9 of this bill appropriates \$500,000 for a consultant to assist the Commission and conduct a study of existing taxes and their allocation among the various levels of government in Nevada.

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

**Section 1.** NRS 360.780 is hereby amended to read as follows:

360.780 1. Except as otherwise provided in subsection 7, a person shall not conduct a business in this State unless he has a state business license issued by the Department.

2. An application for a state business license must:

- (a) Be made upon a form prescribed by the Department;
- (b) Set forth the name under which the applicant transacts or intends to transact business and the location of his place or places of business;
- (c) Be accompanied by a fee of ~~(\$100.)~~ \$200; and
- (d) Include any other information that the Department deems necessary.

3. The application must be signed by:

- (a) The owner, if the business is owned by a natural person;
- (b) A member or partner, if the business is owned by an association or partnership; or
- (c) An officer or some other person specifically authorized to sign the application, if the business is owned by a corporation.

4. If the application is signed pursuant to paragraph (c) of subsection 3, written evidence of the signer's authority must be attached to the application.

5. The state business license required to be obtained pursuant to this section is in addition to any license to conduct business that must be obtained from the local jurisdiction in which the business is being conducted.

6. For the purposes of NRS 360.760 to 360.798, inclusive, a person shall be deemed to conduct a business in this State if a business for which the person is responsible:

(a) Is organized pursuant to title 7 of NRS, other than a business organized pursuant to chapter 82 or 84 of NRS;

(b) Has an office or other base of operations in this State; or

(c) Pays wages or other remuneration to a natural person who performs in this State any of the duties for which he is paid.

7. A person who takes part in an exhibition held in this State for a purpose related to the conduct of a business is not required to obtain a state business license specifically for that event if the operator of the facility where the exhibition is held pays the licensing fee on behalf of that person pursuant to NRS 360.787.

**Sec. 2.** NRS 360.784 is hereby amended to read as follows:

360.784 1. Except as otherwise provided in subsection 2, a person who has been issued a state business license shall submit a fee of ~~(\$100.)~~ \$200 to the Department on or before:

(a) The last day of the month in which the anniversary date of issuance of the state business license occurs in each year; or

(b) Such other annual date as the Department and person may mutually agree, unless the person submits a written statement to the Department, at least 10 days before that date, indicating that the person will not be conducting business in this State after that date.

2. The Department may reduce the amount of any initial fee required pursuant to paragraph (b) of subsection 1 to allow credit for the remaining portion of a year for which the fee has been paid for the state business license pursuant to paragraph (a) of subsection 1 or NRS 360.780.

3. A person who fails to submit the annual fee required pursuant to this section in a timely manner shall pay a penalty in the amount of \$100 in addition to the annual fee.

**Sec. 3.** NRS 363B.110 is hereby amended to read as follows:

363B.110 1. There is hereby imposed an excise tax on each employer ~~at the rate of 0.63 percent of the wages, as defined in NRS 612.190,~~ *in the amount determined as follows:*

*(a) If the sum of all the wages paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer ~~is~~ does not exceed \$62,500, the amount of the tax for that calendar quarter is 0.5 percent of the sum of those wages; or*

*(b) If the sum of all the wages paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer exceeds \$62,500, the amount of the tax for that calendar quarter is \$312.50 plus 1.17 percent of the amount by which the sum of those wages exceeds \$62,500.*

2. The tax imposed by this section:

(a) Does not apply to any person or other entity or any wages this State is prohibited from taxing under the Constitution, laws or treaties of the United States or the Nevada Constitution.

(b) Must not be deducted, in whole or in part, from any wages of persons in the employment of the employer.

3. Each employer shall, on or before the last day of the month immediately following each calendar quarter for which the employer is required to pay a contribution pursuant to NRS 612.535:

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

(b) Remit to the Department any tax due pursuant to this chapter for that calendar quarter.

**Sec. 4.** NRS 371.060 is hereby amended to read as follows:

371.060 1. Except as otherwise provided in subsection 2, each vehicle must be depreciated by the Department for the purposes of the annual governmental services tax according to the following schedule:

Age	Percentage of Initial Value
New .....	100 percent
1 year .....	<del>85</del> 95 percent
2 years .....	<del>75</del> 85 percent
3 years .....	<del>65</del> 75 percent
4 years .....	<del>55</del> 65 percent
5 years .....	<del>45</del> 55 percent
6 years .....	<del>35</del> 45 percent

1	7 years .....	<del>[25]</del> 35 percent
2	8 years .....	<del>[15]</del> 25 percent
3	9 years or more .....	<del>[15]</del> 15 percent

2. Each bus, truck or truck-tractor having a declared gross weight of 10,000 pounds or more and each trailer or semitrailer having an unladen weight of 4,000 pounds or more must be depreciated by the Department for the purposes of the annual governmental services tax according to the following schedule:

Age	Percentage of Initial Value
New .....	100 percent
1 year .....	<del>[75]</del> 85 percent
2 years .....	<del>[59]</del> 69 percent
3 years .....	<del>[47]</del> 57 percent
4 years .....	<del>[37]</del> 47 percent
5 years .....	<del>[28]</del> 38 percent
6 years .....	<del>[23]</del> 33 percent
7 years .....	<del>[20]</del> 30 percent
8 years .....	<del>[17]</del> 27 percent
9 years .....	<del>[15]</del> 25 percent
10 years or more .....	<del>[13]</del> 23 percent

3. Notwithstanding any other provision of this section, the minimum amount of the governmental services tax:

(a) On any trailer having an unladen weight of 1,000 pounds or less is \$3; and

(b) On any other vehicle is ~~[\$6-]~~ \$16.

4. For the purposes of this section, a vehicle shall be deemed a "new" vehicle if the vehicle has never been registered with the Department and has never been registered with the appropriate agency of any other state, the District of Columbia, any territory or possession of the United States or any foreign state, province or country.

**Sec. 5.** NRS 371.230 is hereby amended to read as follows:

371.230 Except as otherwise provided in NRS 371.1035, 482.180 ~~[or]~~ *and* 482.181, *and section 13 of this act*, money collected by the Department for governmental services taxes and penalties pursuant to the provisions of this chapter must be deposited with the State Treasurer to the credit of the Motor Vehicle Fund.

**Sec. 6.** Chapter 374 of NRS is hereby amended by adding thereto the provisions set forth as sections 7 and 8 of this act.

**Sec. 7.** *In addition to the amount of tax imposed pursuant to NRS 374.110, for the privilege of selling tangible personal property at retail an additional amount of tax is hereby imposed upon all retailers at the rate of 0.35 percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in a county.*

**Sec. 8. 1.** *In addition to the amount of excise tax imposed pursuant to NRS 374.190, an additional amount of excise tax is hereby imposed on the storage, use or other consumption in a county of tangible personal property purchased from any retailer for storage, use or other consumption in the county at the rate of 0.35 percent of the sales price of the property.*

**2.** *The additional amount of tax is imposed on all property which was acquired out of State in a transaction which would have been a taxable sale if it had occurred within this State.*

**Sec. 8.5. NRS 374.315 is hereby amended to read as follows:**

374.315 1. There are exempted from the taxes imposed by this chapter the gross receipts from the sale of, and the storage, use or other consumption in a county of, tangible personal property used for the performance of a written contract entered into before July 1, 1967.

2. There are exempted from the additional taxes imposed by amendment to this chapter the gross receipts from the sale of, and the storage, use or other consumption in a county of, tangible personal property used for the performance of a written contract for construction entered into before May 1, 1981.

3. There are exempted from the additional taxes imposed by this chapter the gross receipts from the sale of, and the storage, use or other consumption in a county of, tangible personal property used for the performance of a written contract for construction of an improvement to real property, entered into before July 30, 1991, or for which a binding bid was submitted before that date if the bid was afterward accepted, if under the terms of the contract or bid the contract price or bid amount cannot be adjusted to reflect the imposition of the additional taxes.

4. There are exempted from the taxes imposed by this chapter the gross receipts from the sale of, and the storage, use or other consumption in a county of, tangible personal property used for the performance of a written contract entered into before July 2009.

**Sec. 9. NRS 374.635 is hereby amended to read as follows:**

374.635 1. If the Department determines that any amount, penalty or interest has been paid more than once or has been erroneously or illegally collected or computed, the Department shall set forth that fact in the records of the Department and shall certify to the board of county commissioners the amount collected in excess of the amount legally due and the person from whom it was collected or by whom paid. If approved by the board of county commissioners, the excess amount collected or paid must, after being credited against any amount then due from the person in accordance with section 1 of ~~this act.~~ **Assembly Bill No. 23 of this session**, be refunded to the person or his successors, administrators or executors.

2. Any overpayment of the use tax by a purchaser to a retailer who is required to collect the tax and who gives the purchaser a receipt therefor pursuant to NRS 374.190 to 374.260, inclusive, **and section 8 of this act**, and 374.727 must be credited or refunded by the county to the purchaser, subject to the requirements of section 1 of ~~this act.~~ **Assembly Bill No. 23 of this session.**

**Sec. 10. NRS 374.645 is hereby amended to read as follows:**

374.645 No credit or refund of any amount paid pursuant to NRS 374.190 to 374.260, inclusive, **and section 8 of this act**, and 374.727 may be allowed on the ground that the storage, use or other consumption of the property is exempted pursuant to NRS 374.350, unless the person who paid the amount reimburses his vendor for the amount of the sales tax imposed upon his vendor with respect to the sale of the property and paid by the vendor to the county.

**Sec. 11. NRS 374.726 is hereby amended to read as follows:**

374.726 In its administration of the use tax imposed by NRS 374.190 ~~and~~ **and section 8 of this act**, the Department shall not consider the storage, use or other consumption in a county of tangible personal property which:

1. Does not have significant value; and

2. Is acquired free of charge at a convention, trade show or other public event.

**Sec. 12. NRS 374.727 is hereby amended to read as follows:**

374.727 In administering the provisions of this chapter, the Department shall, pursuant to NRS 374.190 ~~and~~ **and section 8 of this act**, calculate the amount of tax

imposed on the use or other consumption of meals provided by an employer to his employee based on the cost of the specific components of those meals if:

1. The meals are furnished on a regular basis on the premises of the employer for the convenience of the employer; and

2. The employer does not charge the employees a specific fixed price per meal.

**Sec. 13.** Chapter 482 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. After deducting the amount withheld by the Department and the amount credited to the Department pursuant to subsection 6 of NRS 482.180 and before carrying out the provisions of NRS 482.181 each month, the Department shall direct the State Controller to transfer to the State General Fund from the proceeds of the basic governmental services tax collected by the Department and its agents during the preceding month the amounts indicated pursuant to this section.*

*2. Except as otherwise provided in subsection 3, the amount required to be transferred pursuant to subsection 1 from the proceeds of the basic governmental services tax imposed on vehicles depreciated in accordance with:*

*(a) Subsection 1 of NRS 371.060 based upon an age of:*

*(1) One year, is a sum equal to 11 percent of those proceeds;*

*(2) Two years, is a sum equal to 12 percent of those proceeds;*

*(3) Three years, is a sum equal to 13 percent of those proceeds;*

*(4) Four years, is a sum equal to 15 percent of those proceeds;*

*(5) Five years, is a sum equal to 18 percent of those proceeds;*

*(6) Six years, is a sum equal to 22 percent of those proceeds;*

*(7) Seven years, is a sum equal to 29 percent of those proceeds;*

*(8) Eight years, is a sum equal to 40 percent of those proceeds; and*

*(9) Nine years or more, is a sum equal to 67 percent of those proceeds;*

*and*

*(b) Subsection 2 of NRS 371.060 based upon an age of:*

*(1) One year, is a sum equal to 12 percent of those proceeds;*

*(2) Two years, is a sum equal to 14 percent of those proceeds;*

*(3) Three years, is a sum equal to 18 percent of those proceeds;*

*(4) Four years, is a sum equal to 21 percent of those proceeds;*

*(5) Five years, is a sum equal to 26 percent of those proceeds;*

*(6) Six years, is a sum equal to 30 percent of those proceeds;*

*(7) Seven years, is a sum equal to 33 percent of those proceeds;*

*(8) Eight years, is a sum equal to 37 percent of those proceeds;*

*(9) Nine years, is a sum equal to 40 percent of those proceeds; and*

*(10) Ten years or more, is a sum equal to 43 percent of those proceeds.*

*3. The amount required to be transferred pursuant to subsection 1 from the proceeds of the basic governmental services tax imposed on vehicles to which the minimum amount of that tax applies pursuant to paragraph (b) of subsection 3 of NRS 371.060 is a sum equal to 63 percent of those proceeds.*

**Sec. 14.** NRS 482.180 is hereby amended to read as follows:

482.180 1. The Motor Vehicle Fund is hereby created as an agency fund. Except as otherwise provided in subsection 4 or by a specific statute, all money received or collected by the Department must be deposited in the State Treasury for credit to the Motor Vehicle Fund.

2. The interest and income on the money in the Motor Vehicle Fund, after deducting any applicable charges, must be credited to the State Highway Fund.

3. Any check accepted by the Department in payment of the governmental services tax or any other fee required to be collected pursuant to this chapter must,

1 if it is dishonored upon presentation for payment, be charged back against the  
2 Motor Vehicle Fund or the county to which the payment was credited pursuant to  
3 this section or NRS 482.181, in the proper proportion.

4 4. Except as otherwise provided in subsection 6, all money received or  
5 collected by the Department for the basic governmental services tax must be  
6 distributed in the manner set forth in NRS 482.181 ~~H~~ *and section 13 of this act*.

7 5. Money for the administration of the provisions of this chapter must be  
8 provided by direct legislative appropriation from the State Highway Fund or other  
9 legislative authorization, upon the presentation of budgets in the manner required  
10 by law. Out of the appropriation or authorization, the Department shall pay every  
11 item of expense.

12 6. The Department shall withhold 6 percent from the amount of the  
13 governmental services tax collected by the Department as a commission. From the  
14 amount of the governmental services tax collected by a county assessor, the State  
15 Controller shall credit 1 percent to the Department as a commission and remit 5  
16 percent to the county for credit to its general fund as commission for the services of  
17 the county assessor. All money withheld by or credited to the Department pursuant  
18 to this subsection must be used only for the administration of this chapter as  
19 authorized by the Legislature pursuant to subsection 5.

20 7. When the requirements of this section and NRS 482.181 *and section 13 of*  
21 *this act* have been met, and when directed by the Department, the State Controller  
22 shall transfer monthly to the State Highway Fund any balance in the Motor Vehicle  
23 Fund.

24 8. If a statute requires that any money in the Motor Vehicle Fund be  
25 transferred to another fund or account, the Department shall direct the *State*  
26 Controller to transfer the money in accordance with the statute.

27 **Sec. 15.** NRS 482.181 is hereby amended to read as follows:

28 482.181 1. Except as otherwise provided in subsection 5, after deducting the  
29 amount withheld by the Department and the amount credited to the Department  
30 pursuant to subsection 6 of NRS 482.180, *and the amount transferred to the State*  
31 *General Fund pursuant to section 13 of this act*, the Department shall certify  
32 monthly to the State Board of Examiners the amount of the basic and supplemental  
33 governmental services taxes collected for each county by the Department and its  
34 agents during the preceding month, and that money must be distributed monthly as  
35 provided in this section.

36 2. Any supplemental governmental services tax collected for a county must be  
37 distributed only to the county, to be used as provided in NRS 371.045 and 371.047.

38 3. The distribution of the basic governmental services tax received or  
39 collected for each county must be made to the county school district within each  
40 county before any distribution is made to a local government, special district or  
41 enterprise district. For the purpose of calculating the amount of the basic  
42 governmental services tax to be distributed to the county school district, the taxes  
43 levied by each local government, special district and enterprise district are the  
44 product of its certified valuation, determined pursuant to subsection 2 of NRS  
45 361.405, and its tax rate, established pursuant to NRS 361.455 for the fiscal year  
46 beginning on July 1, 1980, except that the tax rate for school districts, including the  
47 rate attributable to a district's debt service, is the rate established pursuant to NRS  
48 361.455 for the fiscal year beginning on July 1, 1978, but if the rate attributable to a  
49 district's debt service in any fiscal year is greater than its rate for the fiscal year  
50 beginning on July 1, 1978, the higher rate must be used to determine the amount  
51 attributable to debt service.

52 4. After making the distributions set forth in subsection 3, the remaining  
53 money received or collected for each county must be deposited in the Local



Government Tax Distribution Account created by NRS 360.660 for distribution to local governments, special districts and enterprise districts within each county pursuant to the provisions of NRS 360.680 and 360.690.

5. An amount equal to any basic governmental services tax distributed to a redevelopment agency in the Fiscal Year 1987-1988 must continue to be distributed to that agency as long as it exists but must not be increased.

6. The Department shall make distributions of the basic governmental services tax directly to county school districts.

7. As used in this section:

(a) "Enterprise district" has the meaning ascribed to it in NRS 360.620.

(b) "Local government" has the meaning ascribed to it in NRS 360.640.

(c) "Received or collected for each county" means:

(1) For the basic governmental services tax collected on vehicles subject to the provisions of chapter 706 of NRS, the amount determined for each county based on the following percentages:

Carson City.....	1.07 percent	Lincoln .....	3.12 percent
Churchill.....	5.21 percent	Lyon .....	2.90 percent
Clark .....	22.54 percent	Mineral .....	2.40 percent
Douglas.....	2.52 percent	Nye .....	4.09 percent
Elko .....	13.31 percent	Pershing .....	7.00 percent
Esmeralda .....	2.52 percent	Storey .....	.19 percent
Eureka.....	3.10 percent	Washoe.....	12.24 percent
Humboldt.....	8.25 percent	White Pine .....	5.66 percent
Lander.....	3.88 percent		

(2) For all other basic and supplemental governmental services tax received or collected by the Department, the amount attributable to each county based on the county of registration of the vehicle for which the tax was paid.

(d) "Special district" has the meaning ascribed to it in NRS 360.650.

**Sec. 15.5. NRS 482.181 is hereby amended to read as follows:**

482.181 1. Except as otherwise provided in subsection 5, after deducting the amount withheld by the Department and the amount credited to the Department pursuant to subsection 6 of NRS 482.180, and the amount transferred to the State ~~[General]~~ Highway Fund pursuant to section 13 of this act, the Department shall certify monthly to the State Board of Examiners the amount of the basic and supplemental governmental services taxes collected for each county by the Department and its agents during the preceding month, and that money must be distributed monthly as provided in this section.

2. Any supplemental governmental services tax collected for a county must be distributed only to the county, to be used as provided in NRS 371.045 and 371.047.

3. The distribution of the basic governmental services tax received or collected for each county must be made to the county school district within each county before any distribution is made to a local government, special district or enterprise district. For the purpose of calculating the amount of the basic governmental services tax to be distributed to the county school district, the taxes levied by each local government, special district and enterprise district are the product of its certified valuation, determined pursuant to subsection 2 of NRS 361.405, and its tax rate, established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1980, except that the tax rate for school districts, including the rate attributable to a district's debt service, is the rate established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1978, but if the rate attributable to a district's debt service in any fiscal year is greater than its rate for the fiscal year

beginning on July 1, 1978, the higher rate must be used to determine the amount attributable to debt service.

4. After making the distributions set forth in subsection 3, the remaining money received or collected for each county must be deposited in the Local Government Tax Distribution Account created by NRS 360.660 for distribution to local governments, special districts and enterprise districts within each county pursuant to the provisions of NRS 360.680 and 360.690.

5. An amount equal to any basic governmental services tax distributed to a redevelopment agency in the Fiscal Year 1987-1988 must continue to be distributed to that agency as long as it exists but must not be increased.

6. The Department shall make distributions of the basic governmental services tax directly to county school districts.

7. As used in this section:

(a) "Enterprise district" has the meaning ascribed to it in NRS 360.620.

(b) "Local government" has the meaning ascribed to it in NRS 360.640.

(c) "Received or collected for each county" means:

(1) For the basic governmental services tax collected on vehicles subject to the provisions of chapter 706 of NRS, the amount determined for each county based on the following percentages:

Carson City .....	1.07 percent	Lincoln .....	3.12 percent
Churchill .....	5.21 percent	Lyon .....	2.90 percent
Clark .....	22.54 percent	Mineral .....	2.40 percent
Douglas .....	2.52 percent	Nye .....	4.09 percent
Elko .....	13.31 percent	Pershing .....	7.00 percent
Esmeralda .....	2.52 percent	Storey .....	.19 percent
Eureka .....	3.10 percent	Washoe .....	12.24 percent
Humboldt .....	8.25 percent	White Pine .....	5.66 percent
Lander .....	3.88 percent		

(2) For all other basic and supplemental governmental services tax received or collected by the Department, the amount attributable to each county based on the county of registration of the vehicle for which the tax was paid.

(d) "Special district" has the meaning ascribed to it in NRS 360.650.

**Sec. 16.** NRS 482.260 is hereby amended to read as follows:

482.260 1. When registering a vehicle, the Department and its agents or a registered dealer shall:

(a) Collect the fees for license plates and registration as provided for in this chapter.

(b) Collect the governmental services tax on the vehicle, as agent *for the State and* for the county where the applicant intends to base the vehicle for the period of registration, unless the vehicle is deemed to have no base.

(c) Collect the applicable taxes imposed pursuant to chapters 372, 374, 377 and 377A of NRS.

(d) Issue a certificate of registration.

(e) If the registration is performed by the Department, issue the regular license plate or plates.

(f) If the registration is performed by a registered dealer, provide information to the owner regarding the manner in which the regular license plate or plates will be made available to him.

2. Upon proof of ownership satisfactory to the Director, he shall cause to be issued a certificate of title as provided in this chapter.

3. Except as otherwise provided in NRS 371.070, every vehicle being registered for the first time in Nevada must be taxed for the purposes of the governmental services tax for a 12-month period.

4. The Department shall deduct and withhold 2 percent of the taxes collected pursuant to paragraph (c) of subsection 1 and remit the remainder to the Department of Taxation.

5. A registered dealer shall forward all fees and taxes collected for the registration of vehicles to the Department.

**Sec. 17.** NRS 482.280 is hereby amended to read as follows:

482.280 1. The registration of every vehicle expires at midnight on the day specified on the receipt of registration, unless the day specified falls on a Saturday, Sunday or legal holiday. If the day specified on the receipt of registration is a Saturday, Sunday or legal holiday, the registration of the vehicle expires at midnight on the next judicial day. The Department shall mail to each holder of a certificate of registration an application for renewal of registration for the following period of registration. The applications must be mailed by the Department in sufficient time to allow all applicants to mail the applications to the Department and to receive new certificates of registration and license plates, stickers, tabs or other suitable devices by mail before the expiration of their registrations. An applicant may present or submit the application to any agent or office of the Department.

2. An application:

(a) Mailed or presented to the Department or to a county assessor pursuant to the provisions of this section;

(b) Submitted to the Department pursuant to NRS 482.294; or

(c) Presented to an authorized inspection station or authorized station pursuant to the provisions of NRS 482.281,

must include, if required, evidence of compliance with standards for *the* control of emissions.

3. The Department shall insert in each application mailed pursuant to subsection 1:

(a) The amount of the governmental services tax to be collected ~~for the county~~ pursuant to the provisions of NRS 482.260.

(b) The amount set forth in a notice of nonpayment filed with the Department by a local authority pursuant to NRS 484.444.

(c) A statement which informs the applicant that, pursuant to NRS 485.185, he is legally required to maintain insurance during the period in which the motor vehicle is registered.

4. An owner who has made proper application for renewal of registration before the expiration of the current registration but who has not received the license plate or plates or card of registration for the ensuing period of registration is entitled to operate or permit the operation of that vehicle upon the highways upon displaying thereon the license plate or plates issued for the preceding period of registration for such a time as may be prescribed by the Department as it may find necessary for the issuance of the new plate or plates or card of registration.

**Sec. 18.** NRS 706.211 is hereby amended to read as follows:

706.211 All money collected by the Department under the provisions of NRS 706.011 to 706.861, inclusive, must be deposited in the State Treasury for credit to the Motor Vehicle Fund. Except as otherwise provided in this chapter and NRS 482.180 and 482.181, *and except for any money transferred to the State General Fund pursuant to section 13 of this act*, all money collected under the provisions of NRS 706.011 to 706.861, inclusive, must be used for the construction, maintenance and repair of the public highways of this State.

**Sec. 18.5.** Section 13 of this act is hereby amended to read as follows:

Sec. 13. Chapter 482 of NRS is hereby amended by adding thereto a new section to read as follows:

1. After deducting the amount withheld by the Department and the amount credited to the Department pursuant to subsection 6 of NRS 482.180 and before carrying out the provisions of NRS 482.181 each month, the Department shall direct the State Controller to transfer to the State ~~General~~ Highway Fund from the proceeds of the basic governmental services tax collected by the Department and its agents during the preceding month the amounts indicated pursuant to this section.

2. Except as otherwise provided in subsection 3, the amount required to be transferred pursuant to subsection 1 from the proceeds of the basic governmental services tax imposed on vehicles depreciated in accordance with:

(a) Subsection 1 of NRS 371.060 based upon an age of:

- (1) One year, is a sum equal to 11 percent of those proceeds;
- (2) Two years, is a sum equal to 12 percent of those proceeds;
- (3) Three years, is a sum equal to 13 percent of those proceeds;
- (4) Four years, is a sum equal to 15 percent of those proceeds;
- (5) Five years, is a sum equal to 18 percent of those proceeds;
- (6) Six years, is a sum equal to 22 percent of those proceeds;
- (7) Seven years, is a sum equal to 29 percent of those proceeds;
- (8) Eight years, is a sum equal to 40 percent of those proceeds; and
- (9) Nine years or more, is a sum equal to 67 percent of those

proceeds; and

(b) Subsection 2 of NRS 371.060 based upon an age of:

- (1) One year, is a sum equal to 12 percent of those proceeds;
- (2) Two years, is a sum equal to 14 percent of those proceeds;
- (3) Three years, is a sum equal to 18 percent of those proceeds;
- (4) Four years, is a sum equal to 21 percent of those proceeds;
- (5) Five years, is a sum equal to 26 percent of those proceeds;
- (6) Six years, is a sum equal to 30 percent of those proceeds;
- (7) Seven years, is a sum equal to 33 percent of those proceeds;
- (8) Eight years, is a sum equal to 37 percent of those proceeds;
- (9) Nine years, is a sum equal to 40 percent of those proceeds; and
- (10) Ten years or more, is a sum equal to 43 percent of those

proceeds.

3. The amount required to be transferred pursuant to subsection 1 from the proceeds of the basic governmental services tax imposed on vehicles to which the minimum amount of that tax applies pursuant to paragraph (b) of subsection 3 of NRS 371.060 is a sum equal to 63 percent of those proceeds.

**Sec. 18.6. The Legislature hereby finds and declares that:**

**1. A prolonged recession has underscored the need of the State of Nevada to broaden and diversify its revenue base and reduce its dependence on sales taxes and gaming taxes to support essential state services.**

**2. It is critical to Nevada's economic future to provide adequate funding for K-12 public education and higher education, because significant new economic development will not occur without a qualified and educated workforce to attract and retain businesses in this State.**

**3. Nevada currently ranks poorly when compared to other states in many of the areas that specifically contribute to whether the residents of this State enjoy a high quality of life, including education, health and human services and public safety, such as:**

1 --- (a) In K-12 public education:

2 --- (1) Nevada ranks 47th in per pupil investment, ranks 47th in pupil-to-  
3 teacher ratios and ranks 44th and 45th, respectively, in proficiency among 4th  
4 graders in math and reading.

5 --- (2) Nevada ranks 46th in the percentage of high school students who  
6 successfully complete high school.

7 --- (b) In higher education, Nevada ranks 49th in per capita state and local  
8 spending, ranks 41st in the percentage of enrolled persons 18-24 years of age  
9 and ranks 45th in the percentage of residents with at least a bachelor's degree.

10 --- (c) In public safety, Nevada ranks 2nd in the percentage of the male  
11 population in prison, ranks 5th in the percentage of females in prison and  
12 ranks 4th in the percentage of violent crime per 100,000 residents.

13 --- (d) In public health, Nevada ranks 46th in the number of physicians to the  
14 population, ranks 49th in the number of registered nurses to the population  
15 and ranks 42nd in the number of dentists to the population.

16 --- (e) Nevada ranks 3rd in the percentage of children without health  
17 insurance, ranks 1st for the rate of women who fail to receive prenatal care  
18 and ranks 50th in the number of eligible children who are covered by  
19 Medicaid, who are immunized and who receive preventative dental and  
20 medical care.

21 --- 4. Although the Nevada Constitution states that "taxes may be levied  
22 upon the income or revenue of any business in whatever form it may be  
23 conducted for profit in the State," Nevada is one of only five states in the  
24 nation without a corporate income tax, and is surrounded geographically by  
25 states that impose a corporate income tax.

26 --- 5. A corporate net profits tax or any alternative tax, such as a business  
27 transaction tax or any other alternative for the generation of revenue should  
28 be evaluated for viability and implemented only after determining the manner  
29 in which such a tax can be most effectively levied.

30 --- 6. Diversification of the State's revenue base will provide a stable and  
31 fair allocation formula for the residents of Nevada.

32 Sec. 18.7. 1. The Nevada Study Commission on Revenue Stabilization  
33 is hereby created to oversee and direct the process to develop state revenue  
34 strategies for the State of Nevada.

35 --- 2. The Commission consists of:

36 --- (a) Two members appointed by the Majority Leader of the Senate;

37 --- (b) Two members appointed by the Speaker of the Assembly;

38 --- (c) One member appointed by the Minority Leader of the Senate;

39 --- (d) One member appointed by the Minority Leader of the Assembly; and

40 --- (e) One member appointed by the Governor.

41 --- 3. The members of the Commission shall elect a Chairman and Vice  
42 Chairman by majority vote.

43 --- 4. The Commission shall ensure that this State is prepared to do the  
44 following on or before July 1, 2011, should the 2011 Nevada Legislature  
45 determine that it is in the best interests of the State of Nevada to implement  
46 the imposition of a broad-based business tax.

47 --- 5. The Commission shall:

48 --- (a) Focus on a broader-based tax policy, including, without limitation,  
49 optimal tax rates and structural budgetary deficits;

50 --- (b) Consider the public's willingness to decrease sales and use taxes as  
51 other tax revenues become available;

52 --- (c) Provide business impact analysis of alternative revenue strategies;

1       (d) Develop a visioning process for the State of Nevada for a 5-year period,  
2 10-year period and 20-year period; and

3       (e) Using current statistical information, propose strategies and  
4 recommendations to advance the State of Nevada in the nationwide rankings  
5 in key quality-of-life areas, including education, health and human services,  
6 public safety, economic diversification and creation of jobs.

7       6. The Commission shall collaborate with the Department of Taxation  
8 regarding the status of the computer software and hardware currently utilized  
9 to collect revenues from the taxes imposed in this State. Upon recommendation  
10 of the Commission, the Executive Director of the Department of Taxation may  
11 request an allocation from the Contingency Fund pursuant to NRS 353.266,  
12 353.268 and 353.269 to acquire a technologically sound computer system  
13 necessary for the collection of taxes in this State.

14       7. The Commission shall direct the activities of the Technical Advisory  
15 Committee on State Revenues created pursuant to section 18.8 of this act and  
16 the consultant with whom a contract is entered into pursuant to section 18.9 of  
17 this act and may request such assistance as it deems necessary from those  
18 entities.

19       8. The Commission is subject to the provisions of chapter 241 of NRS and  
20 shall hold public hearings designed to ensure that each revenue alternative is  
21 fully analyzed, that the revenue alternatives are efficiently constructed and  
22 that the recommendations consider the unique economic and fiscal structure of  
23 the State of Nevada.

24       9. The Commission may accept gifts, grants and donations from any  
25 source for the purpose of carrying out the provisions of sections 18.6 to 18.9,  
26 inclusive, of this act.

27       10. On or before November 15, 2010, the Commission shall submit a final  
28 report that summarizes its findings and recommendations and the activities of  
29 the Technical Advisory Committee on State Revenues and the consultant to  
30 the Governor and the 76th Session of the Nevada Legislature. The report:

31       (a) Must include:

32       (1) A summary analysis illustrating the manner in which each  
33 revenue-generating alternative recommended by the Commission would  
34 impact the State, local governments, the different regions of the State and  
35 various types of businesses, including, without limitation, large and small  
36 businesses, capital-intensive and labor-intensive businesses and high-margin  
37 and low-margin businesses.

38       (2) A summary of any upgrades to software that have been made by  
39 the Department of Taxation, which provides in detail any additional work that  
40 is necessary to ensure that the necessary administrative infrastructure is in  
41 place to:

42       (I) Appropriately reallocate state and local revenues as  
43 recommended by the Commission;

44       (II) Impose a net profits tax;

45       (III) Impose a business transaction tax; and

46       (IV) Impose any other alternatives for generating revenue deemed  
47 appropriate by the Commission on or before July 1, 2011.

48       (b) May include, without limitation, recommendations for legislation and  
49 regulations, including, without limitation, legislation and regulations relating  
50 to:

51       (1) Any proposed realignment of collections or distribution of state or  
52 local government revenue;

1       --- (2) The imposition of a net profits tax or a business transaction tax;  
2       and

3       --- (3) Any other revenue-generating alternatives deemed appropriate by  
4       the Commission.

5       11. In addition to the summary of findings, the Commission may submit  
6       to the Governor and the Legislature on or before November 15, 2010:

7       --- (a) Not more than 5 bill drafts proposing methods for broadening the tax  
8       base, providing additional revenue for state programs, stabilizing the tax base  
9       and reducing long-term structural deficits of the state budget;

10       --- (b) Draft regulations for any proposed realignment of collections or  
11       distributions of state or local government revenues, or both; and

12       --- (c) Draft regulations for the implementation of a net profits tax, a business  
13       transaction tax and any other revenue generating alternatives deemed  
14       appropriate by the Commission.

15       Sec. 18.8. 1. The Technical Advisory Committee on State Revenues,  
16       consisting of six members, is hereby created.

17       2. The members of the Committee are the persons serving in the  
18       following positions or their designees:

19       --- (a) The Senate Fiscal Analyst;

20       --- (b) The Assembly Fiscal Analyst;

21       --- (c) The Chief of the Budget Division of the Department of Administration;

22       --- (d) The Director of the Department of Taxation;

23       --- (e) The Vice Chancellor for Finance of the Nevada System of Higher  
24       Education; and

25       --- (f) The Chairman of the Committee on Local Government Finance.

26       3. The Committee shall:

27       --- (a) At the direction of the Nevada Study Commission on Revenue  
28       Stabilization, analyze any modification of the State's existing revenue system,  
29       including, without limitation, any upgrade or replacement of equipment or  
30       software required for such a modification, and prepare a plan for  
31       implementation of the modification on or before July 1, 2011; and

32       --- (b) Provide all assistance requested by the Nevada Study Commission on  
33       Revenue Stabilization pursuant to section 18.7 of this act.

34       Sec. 18.9. 1. There is hereby appropriated from the State General  
35       Fund to the Legislative Fund created by NRS 218.085 the sum of \$500,000 for  
36       use by the Nevada Study Commission on Revenue Stabilization created by  
37       section 18.7 of this act to contract with a qualified, independent consultant for  
38       a comprehensive study of existing taxes and their allocation among levels of  
39       government and governmental agencies in Nevada.

40       2. The study conducted pursuant to this section must include, without  
41       limitation:

42       --- (a) The allocation of revenue from taxation and other sources between  
43       state and local government and among local governments and the equity of  
44       that allocation;

45       --- (b) The impact on the state economy of reducing or eliminating existing  
46       taxes and imposing new or increased taxes;

47       --- (c) The methods for implementing any new taxes;

48       --- (d) The relative stability of the revenue sources of state and local  
49       government and each level of government and each governmental agency;

50       --- (e) The extent to which the revenue sources of the state and local  
51       governmental agencies increase in proportion to increased population and the  
52       corresponding increased demand for the services provided by the respective  
53       governments and governmental agencies;



1     (f) Any recommendations to improve the equity of the allocation of  
2 revenue and the stability of the sources of revenue for state government and  
3 the various local governmental entities; and

4     (g) An analysis of methods for improving the stability, equity,  
5 transparency and competitiveness of the State's revenue system.

6     3. The consultant shall provide a written report of the study, including  
7 the findings, conclusions and recommendations, to the Interim Finance  
8 Committee on or before January 1, 2011.

9     4. Any remaining balance of the appropriation made by subsection 1  
10 must not be committed for expenditure after June 30, 2011, by the entity to  
11 which the appropriation is made or any entity to which money from the  
12 appropriation is granted or otherwise transferred in any manner, and any  
13 portion of the appropriated money remaining must not be spent for any  
14 purpose after September 16, 2011, by either the entity to which the money was  
15 appropriated or the entity to which the money was subsequently granted or  
16 transferred, and must be reverted to the State General Fund on or before  
17 September 16, 2011.

18 **Sec. 19.** The amendatory provisions of:

19 1. Section 3 of this act ~~do~~;

20     (a) Do not apply to any taxes due for any period ending on or before June 30,  
21 2009 ~~to~~; and

22     (b) Except as otherwise provided in paragraph (a) and notwithstanding  
23 the expiration of that section by limitation pursuant to section 20 of this act,  
24 apply to taxes due pursuant to NRS 363B.110 for each calendar quarter  
25 ending on or before June 30, 2011.

26 2. Sections 4, 5 ~~(and 13 to 18, inclusive), 13, 14, 15, 16, 17 and 18~~ of this  
27 act apply to governmental services taxes imposed for any period of registration of a  
28 vehicle that begins on or after September 1, 2009.

29 **Sec. 20.** 1. This section and ~~section~~ sections 18.6 to 19, inclusive, of this  
30 act become effective upon passage and approval.

31 2. Sections 1, 2, 3 and 6 to 12, inclusive, of this act become effective on July  
32 1, 2009 ~~to~~, and expire by limitation on June 30, 2011.

33 3. Sections 4, 5 ~~(and 13 to 18, inclusive), 13, 14, 15, 16, 17 and 18~~ of this  
34 act become effective:

35 (a) Upon passage and approval for the purpose of performing any preparatory  
36 administrative tasks that are necessary to carry out the provisions of this act; and

37 (b) On September 1, 2009, for all other purposes.

38     4. Sections 15.5 and 18.5 of this act become effective on July 1, 2013.

39     5. Section 18 of this act expires by limitation on June 30, 2013.