

**MINUTES OF THE
SENATE COMMITTEE ON TAXATION**

**Seventy-fifth Session
March 17, 2009**

The Senate Committee on Taxation was called to order by Chair Bob Coffin at 1:36 p.m. on Tuesday, March 17, 2009, in Room 2135 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Bob Coffin, Chair
Senator Terry Care, Vice Chair
Senator Michael A. Schneider
Senator Maggie Carlton
Senator Randolph Townsend
Senator Mike McGinness

COMMITTEE MEMBERS ABSENT:

Senator Maurice E. Washington (Excused)

GUEST LEGISLATORS PRESENT:

Senator William J. Raggio, Washoe County Senatorial District No. 3

STAFF MEMBERS PRESENT:

Isaiah Price, Intern, Senator Raggio
Joe Reel, Deputy Fiscal Analyst
Kyle Casci, Committee Secretary

OTHERS PRESENT:

Dino DiCianno, Executive Director, Department of Taxation
Carole Vilardo, President, Nevada Taxpayers Association
Geoffrey Lawrence, Fiscal Policy Analyst, Nevada Policy Research Institute
Brett Kandt, Special Deputy Attorney General, Office of the Attorney General

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CHAIR COFFIN:

To start off today's meeting, we are going to hear from Senator Bill Raggio on Senate Bill 177.

SENATE BILL 177: Requires the Department of Taxation to create on the Internet a searchable database of tax rates in this State. (BDR 32-929)

SENATOR WILLIAM J. RAGGIO (Washoe County Senatorial District No. 3):

I have provided my testimony ([Exhibit C](#)) about and in support of S.B. 177 from which I will read.

In her opening speech to the Assembly, Speaker Barbara Buckley spoke of the silver lining that we can find in the midst of this nationwide budget crisis: the spirit of bipartisan cooperation. I hope you are willing to overlook all of the heavy handedness that occurred in previous sessions when we had the majority and ask for your complete bipartisan support in this Session. The willingness to set aside petty politics and work together for the common good of Nevadans is certainly something we need this Session, and that has given us the opportunity to fix problems and make improvements that until now have been pushed off time and time again.

No issue crosses party lines and boundaries more than the issue of budget and tax transparency. President Obama has spoken of, and I am quoting, "a new era of accountability," where he has promised an accounting for every dollar spent in the nationwide stimulus package as an example. This exact spirit of transparency has also been echoed by the Nevada Policy Research Institute, a think tank that is not famous for agreeing with the policies of the current President.

In Washington State, a similar bill has been sponsored and, I might indicate by a Democrat, and supported there by a conservative think tank. In Iowa, the Legislature and the Governor have competing ideas of who can accomplish this legislation fastest and get the most credit.

Efforts such as these show that transparent budget and tax policy is an issue that has support from both sides of the aisle. There is a groundswell of support building nationwide for the idea that access to the information of how much our citizens are taxed, how we spend their money is a basic right and a basic function of government. Nineteen states are currently either considering or

implementing similar budget and tax transparency measures. I might indicate that this came to my attention because a task force of the American Legislative Exchange Counsel has been working on this for a number of years and, it seemed to me extremely appropriate now that we are talking so much about transparency in government.

The first step in transparency for government has been to put the government checkbook online, so that the citizens can see how tax money is spent. But how much do they pay? How much does it differ from county to county in Nevada, and from city to city even? These questions would be answered by the implementation of Senate Bill 177, by creating an online, searchable database that would tell our citizens how much they pay in taxes and what taxes they pay.

I have attached copies of the bills ([Exhibit D](#)) that are currently under consideration in the Iowa and Washington state legislatures. There are a couple of quotes in my prepared remarks from the media in Washington that have argued for passage of the bill.

This is the first time, however, that this kind of legislation has been introduced in Nevada. There have been arguments against transparency legislation in other states, and they claim complexity and excessive cost of implementation as reasons to reject similar proposals.

On the budget transparency side, these concerns have proven to simply not have merit. There was a lot of opposition to just putting online budget information. The fiscal impact statement from the 2007 legislation passed in Oklahoma, and that was a budget transparency issue, estimated that the cost for programming and implementation would be \$300,000. The total capital outlay for the project ended up being \$8,000, plus staff time. So, if there is a will to do this, it can be done.

Missouri created their budget transparency site within their current resources, and little was spent to increase transparency reporting for budgets of Kansas, South Carolina and Alaska.

Our proposal is twofold. First, this bill will establish a searchable database where taxpayers can enter their street address or their zip code and they can see the tax rates that may be applicable within the jurisdiction of a local

government selected by the user. Second, it will establish a calculator that will allow taxpayers to calculate taxes, such as property tax and sales and use tax. Taxpayers can receive the benefit of making informed decisions by knowing what taxes they pay and at what rate. Some will want to pay higher local rates in exchange for more services. We saw examples of that here just recently in town hall meetings, where people came forth and said, we need essential services and we are willing to pay extra. They would know by going to this Website what the rates are, and certainly there are those who question why they are paying higher rates if they are not receiving, in their mind, adequate services, or those who frankly would like to know what the rates are and who object to any particular rate increases.

This type of program can foster competition and accountability between local governments and local municipalities by enabling a comparison of what it costs to live whether you are in Reno, or Sparks, or Henderson, or North Las Vegas.

Technology is expanding at a rate where this kind of transparency is now within reach. Now is the perfect time to implement this kind of measure, even if we only make a start. Our challenges this Legislative Session are significant, but our opportunity to make great strides is equally significant.

CHAIR COFFIN:

To clarify, the ultimate goal is to make all taxes searchable on the Internet?

SENATOR RAGGIO:

Yes, that is correct.

ISAIAH PRICE (Intern, Senator Raggio):

The main thing this bill will do is make tax information easier to find. It will take all the tax information that is on varied Websites, and it will make this information available and cohesive.

SENATOR CARLTON:

Would a private citizen be able to search the taxes that a business pays or will they only be able to search their own taxes?

SENATOR RAGGIO:

Eventually, a citizen will have access to both their tax information and a business's tax information on the Website. Hopefully, all tax information will be searchable in time.

DINO DICIANNO (Executive Director, Department of Taxation):

The Department of Taxation's Website already contains the information regarding all the taxes we administer. On our Website is a map that indicates the sales and use tax rates for each county. Under this bill, I envision taking that map and making it interactive. The Modified Business Tax could also be made interactive. It could become problematic to identify all the different districts for the property tax. Creating that address and zip code database will take some time to develop. It will also be a job in progress to gather and add the information for the taxes we do not collect, such as the gaming tax and the taxes assessed by the Department of Motor Vehicles.

CHAIR COFFIN:

It would be nice to have all the information regarding Property Tax accessible online. A link from the Department of Taxation to local government and having information explaining how to use the county's Website and how to calculate one's taxes would be a good first step in this process.

MR. DICIANNO:

I believe what you mentioned is doable.

SENATOR TOWNSEND:

Do you have the staff available to develop and implement the software?

MR. DICIANNO:

No, we do not. We would have to find someone to develop the software indicated, and we would need personnel to maintain and update information on the Website. After further discussions I could give you a specific answer.

CHAIR COFFIN:

What is the Website address for the Department of Taxation?

MR. DICIANNO:

Our Website address is: < <http://www.tax.state.nv.us/> > . There is a map that will give you the correct sales tax rate in the various counties.

CAROLE VILARDO (President, Nevada Taxpayers Association):

We support the concept of S.B. 177. Our organization receives numerous phone calls on property tax, sales tax and motor vehicle registration, so a searchable or calculating database would be convenient for everybody. There is a link on the Department of Taxation's Website to each county for property tax excepting the two counties that do not have Internet capability. The Department of Taxation provides information on property tax, but it does not allow you the ability to calculate property tax.

CHAIR COFFIN:

To clarify, it would provide a citizen access ability to compare their property tax and the cost of their neighbor's property tax?

MS. VILARDO:

You can already achieve that information on the Department of Taxation's Website by clicking on the links to the different offices and inputting the appropriate information needed. There should also be an explanation of how property taxes and abatements are calculated in layman's terms, so all people can understand it better when they access the information.

SENATOR MCGINNESS:

What two counties do not have Internet capability of providing information?

MR. DICIANNO:

One county is Esmeralda County, and I will have to check on the other. The issue is counties not having funds available to establish Internet capability.

GEOFFREY LAWRENCE (Fiscal Policy Analyst, Nevada Policy Research Institute):

I will read from my testimony ([Exhibit E](#)) in support of S.B. 177.

CHAIR COFFIN:

There is nobody else to testify, so I will close the hearing on S.B. 177. The Attorney General's Office has made me aware that Senate Bill 48 is ready to be processed and voted upon.

SENATE BILL 48: Repeals certain requirements regarding the delivery of cigarettes sold to consumers. (BDR 32-270)

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BRETT KANDT (Special Deputy Attorney General, Office of the Attorney General):
The amendments to S.B. 48 proposed from members of the tobacco industry have since been canceled. They have communicated to our office they no longer want to pursue those amendments. We would like the Committee to consider the original prefiled bill.

SENATOR TOWNSEND:
Who submitted the amendments to S.B. 48?

MR. KANDT:
The submitted amendments came from the Attorney General's Office generated from a request from Sam McMullen and other representatives of the tobacco industry. Those representatives told us to drop the amendments and proceed with the bill as originally written.

SENATOR TOWNSEND:
You speak on their behalf to submit the bill without any amendments?

MR. KANDT:
Yes, that is correct. Mr. McMullen and other representatives told us to proceed with our original prefiled bill.

SENATOR TOWNSEND MOVED TO DO PASS S.B. 48.

SENATOR CARE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR SCHNEIDER WAS ABSENT FOR THE VOTE.)

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CHAIR COFFIN:

The bill passes. Nobody has any further business for the Committee. I adjourn this meeting at 2:21 p.m.

RESPECTFULLY SUBMITTED:

Kyle Casci,
Committee Secretary

APPROVED BY:

Senator Bob Coffin, Chair

DATE: _____