ASSEMBLY BILL NO. 270–COMMITTEE ON WAYS AND MEANS

MARCH 14, 2011

Referred to Concurrent Committees on
Taxation and Ways and Means

SUMMARY—Reduces the amount of the governmental services taxes imposed on certain older motor vehicles. (BDR 32-526)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

~

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

AN ACT relating to taxation; reducing the amount of the governmental services taxes imposed on certain older motor vehicles; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law sets forth depreciation schedules for determining the amount of the governmental services taxes due each year for used vehicles. (NRS 371.060) **Section 1** of this bill decreases the amount of those taxes due annually for passenger vehicles that are 9 years of age or older by revising the depreciation schedule for those vehicles to reduce from 15 percent to 10 percent the portion of the initial value of those vehicles upon which the governmental services taxes are imposed. **Section 2** of this bill accordingly reduces the amount of the pertinent tax revenue which is allocated to the State.

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

Section 1. NRS 371.060 is hereby amended to read as follows:

371.060 1. Except as otherwise provided in ~~[subsection 2,]~~ ***subsections 2 and 3,*** 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	95 percent
2 years	85 percent
3 years	75 percent
4 years	65 percent
5 years	55 percent
6 years	45 percent
7 years	35 percent
8 years	25 percent
9 years or more	15 percent

2. ***Except as otherwise provided in subsection 3, each passenger 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	***95 percent***
2 years	***85 percent***
3 years	***75 percent***
4 years	***65 percent***
5 years	***55 percent***
6 years	***45 percent***
7 years	***35 percent***
8 years	***25 percent***
9 years or more	***10 percent***

3. 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	85 percent
2 years	69 percent
3 years	57 percent

Age	Percentage of Initial Value
4 years	47 percent
5 years	38 percent
6 years	33 percent
7 years	30 percent
8 years	27 percent
9 years	25 percent
10 years or more	23 percent

~~[3.]~~ ***4.*** 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 $16.

~~[4.]~~ ***5.*** 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.

6. As used in this section, "passenger vehicle" means a motor vehicle designed for carrying 10 persons or less, other than a motor vehicle designed to travel on not more than three wheels in contact with the ground.

Sec. 2. NRS 482.182 is hereby amended to read as follows:

482.182 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 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 50 percent of those proceeds; and

(c) Subsection ~~[2]~~ ***3*** 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]~~ ***4*** of NRS 371.060 is a sum equal to 63 percent of those proceeds.

Sec. 3. The amendatory provisions of this act do not apply to any governmental services taxes imposed for any period of registration of a vehicle that begins before July 1, 2011.

Sec. 4. This act becomes effective:

1. Upon passage and approval for the purpose of performing any preparatory administrative tasks that are necessary to carry out the provisions of this act; and

2. On July 1, 2011, for all other purposes.