ASSEMBLY BILL NO. 505–COMMITTEE ON TAXATION

MARCH 28, 2011

Referred to Committee on Taxation

SUMMARY—Revises provisions relating to governmental financial administration. (BDR 32-1147)

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 governmental financial administration; requiring the Director of the Department of Administration to prepare and send a report of tax expenditures to the Governor and the Legislature; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This bill requires the Director of the Department of Administration to prepare and send a report of tax expenditures to the Governor and to the Legislature in November of each even-numbered year. A "tax expenditure" is defined as any law of this State that exempts, in whole or in part, certain persons, income, goods, services or property from the impact of established taxes. The report must include certain information regarding each such tax expenditure, including a description of the tax expenditure, the year the tax expenditure was enacted, the purpose of the tax expenditure, any subsequent amendments to the tax expenditure and estimates of: (1) the fiscal impact of the tax expenditure on both the State and local governments; (2) the number of taxpayers benefitting from the tax expenditure; and (3) the revenue that would result from repeal of the tax expenditure.

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

Section 1. Chapter 360 of NRS is hereby amended by adding thereto a new section to read as follows:

1. On or before November 10 of each even-numbered year, the Director of the Department of Administration shall submit a tax expenditure report to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Legislature and

the appropriate interim committee or committees of the Legislature.

2. The report required pursuant to subsection 1 must provide, for each tax expenditure:

(a) A description of the tax expenditure;

(b) The year in which the tax expenditure was enacted;

(c) The purpose for which the tax expenditure was enacted;

(d) A summary of any amendments to the tax expenditure since it was enacted; and

(e) Estimates of:

(1) The fiscal impact to this State and local governments of the tax expenditure during each fiscal year of the biennium in which the report is prepared;

(2) The revenue that would result from repeal of the tax expenditure; and

(3) The number of taxpayers receiving benefit from the tax expenditure.

3. Each state entity, county treasurer and county assessor shall respond fully and appropriately to any request for information made by the Director of the Department of Administration for use in the report required by this section not later than 30 days after such a request is made.

4. As used in this section, "tax expenditure" means any law of this State that exempts, in whole or in part, certain persons, income, goods, services or property from the impact of established taxes, including, without limitation, tax abatements, tax credits, tax deductions, tax deferrals, tax exemptions, tax exclusions, tax subtractions and preferential tax rates.

Sec. 2. The initial report required by section 1 of this act must be submitted on or before November 10, 2012.

Sec. 3. This act becomes effective upon passage and approval.