

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:

1 This bill requires the Director of the Department of Administration to prepare
2 and send a report of tax expenditures to the Governor and to the Legislature in
3 November of each even-numbered year. A "tax expenditure" is defined as any law
4 of this State that exempts, in whole or in part, certain persons, income, goods,
5 services or property from the impact of established taxes. The report must include
6 certain information regarding each such tax expenditure, including a description of
7 the tax expenditure, the year the tax expenditure was enacted, the purpose of the tax
8 expenditure, any subsequent amendments to the tax expenditure and, to the extent
9 that the pertinent information is available, estimates of: (1) the fiscal impact of the
10 tax expenditure on both the State and local governments; (2) the number of
11 taxpayers benefitting from the tax expenditure; and (3) the revenue that would
12 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***



1 *Legislative Counsel Bureau for transmittal to the Legislature and*
2 *the appropriate interim committee or committees of the*
3 *Legislature.*

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

6 (a) *A description of the tax expenditure;*

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

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

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

11 (e) *To the extent that the pertinent information is available,*
12 *estimates of:*

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

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

18 (3) *The number of taxpayers receiving benefit from the tax*
19 *expenditure; and*

20 (f) *A statement of:*

21 (1) *The pertinent information, if any, which is not available*
22 *to prepare the estimates required by paragraph (e); and*

23 (2) *The reasons for the unavailability of that information.*

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

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

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

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

