Amendment No. 311

Assembly Amendment to Assembly Bill No. 443	(BDR 32-711)
Proposed by: Assembly Committee on Taxation	
Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: No	

ASSEMBLY ACTION		Initial and Date	SENATE ACTION		Initial and Date
Adopted ☐	Lost ☐	________	Adopted ☐	Lost ☐	________
Concurred In ☐	Not ☐	________	Concurred In ☐	Not ☐	________
Receded ☐	Not ☐	________	Receded ☐	Not ☐	________

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 underlining** is newly added transitory language.

JLW/BJE Date: 4/23/2011

A.B. No. 443—Provides a deduction from the payroll tax for wages paid to newly hired full-time employees under certain circumstances. (BDR 32-711)

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ASSEMBLY BILL NO. 443–ASSEMBLYMEN BROOKS; BENITEZ-THOMPSON, BUSTAMANTE ADAMS, ELLISON, HICKEY, KIRKPATRICK **, OCEGUERA** AND SHERWOOD

MARCH 21, 2011

JOINT SPONSORS: SENATORS DENIS, LEE AND MANENDO

Referred to Committee on Taxation

SUMMARY—Provides a deduction from the payroll tax for wages paid to newly hired full-time employees under certain circumstances. (BDR 32-711)

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 taxation; providing a deduction from the payroll tax for wages paid to newly hired full-time employees under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires employers to pay a payroll tax on the wages paid to their respective employees during each calendar quarter. The tax is imposed on financial institutions at the rate of 2 percent per calendar quarter and on other employers at the rate of 0.63 percent per calendar quarter. (NRS 363A.130, 363B.110) **Sections 1 and 2** of this bill authorize financial institutions and other employers, respectively, to deduct from the total amount of wages reported and upon which the payroll tax is imposed all wages paid to a newly hired full-time employee during the first 4 full calendar quarters next following the hiring of the employee, and 50 percent of all wages paid to the employee during the fifth through eighth full calendar quarters next following the hiring of the employee if, at the time of hiring, the employee has been unemployed for a continuous period of not less than 60 days and certain other conditions are satisfied.

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

Section 1. Chapter 363A of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 2, an employer may deduct from the total amount of wages reported and upon which the excise tax is imposed pursuant to NRS 363A.130 all wages paid by the employer to an

employee during the first 4 full calendar quarters next following the hiring of the employee, and 50 percent of all wages paid by the employer to the employee during the fifth through eighth full calendar quarters next following the hiring of the employee, if:

(a) The employee is first hired by the employer on or after July 1, 2011;

(b) At the time of hiring, the employee has been unemployed for a continuous period of not less than 60 days;

(c) The employee is employed in a full-time position throughout the entire calendar quarter for which the deduction is claimed;

(d) The total number of employees employed by the employer on the last day of the calendar quarter for which the deduction is claimed exceeds the total number of employees employed by the employer on the last day of the corresponding calendar quarter of the immediately preceding calendar year; and

(e) The total number of hours worked by all employees employed by the employer during the calendar quarter for which the deduction is claimed exceeds the total number of hours worked by all employees employed by the employer during the corresponding calendar quarter of the immediately preceding calendar year.

2. The total amount of wages with respect to which an employer may, pursuant to subsection 1, claim a deduction from the excise tax imposed pursuant to NRS 363A.130 must not, under any circumstances, exceed the amount by which the total wages paid by the employer to all employees during the calendar quarter for which the deduction is claimed exceed the total wages paid by the employer to all employees during the corresponding calendar quarter of the immediately preceding calendar year.

3. An employer claiming the deduction allowed pursuant to this section shall, upon the request of the Department, explain the amount claimed to the satisfaction of the Department and provide the Department with such documentation as the Department deems appropriate for that purpose.

Sec. 2. Chapter 363B of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 2, an employer may deduct from the total amount of wages reported and upon which the excise tax is imposed pursuant to NRS 363B.110 all wages paid by the employer to an employee during the first 4 full calendar quarters next following the hiring of the employee, and 50 percent of all wages paid by the employer to the employee during the fifth through eighth full calendar quarters next following the hiring of the employee, if:

(a) The employee is first hired by the employer on or after July 1, 2011;

(b) At the time of hiring, the employee has been unemployed for a continuous period of not less than 60 days;

(c) The employee is employed in a full-time position throughout the entire calendar quarter for which the deduction is claimed;

(d) The total number of employees employed by the employer on the last day of the calendar quarter for which the deduction is claimed exceeds the total number of employees employed by the employer on the last day of the corresponding calendar quarter of the immediately preceding calendar year; and

(e) The total number of hours worked by all employees employed by the employer during the calendar quarter for which the deduction is claimed exceeds the total number of hours worked by all employees employed by the employer during the corresponding calendar quarter of the immediately preceding calendar year.

2. The total amount of wages with respect to which an employer may, pursuant to subsection 1, claim a deduction from the excise tax imposed pursuant to NRS 363B.110 must not, under any circumstances, exceed the amount by which the total wages paid by the employer to all employees during the calendar quarter for which the deduction is claimed exceed the total wages paid by the employer to all employees during the corresponding calendar quarter of the immediately preceding calendar year.

3. An employer claiming the deduction allowed pursuant to this section shall, upon the request of the Department, explain the amount claimed to the satisfaction of the Department and provide the Department with such documentation as the Department deems appropriate for that purpose.

Sec. 3. This act becomes effective on July 1, 2011.