

**MINUTES OF THE  
SENATE COMMITTEE ON REVENUE**

**Seventy-sixth Session  
June 6, 2011**

The Senate Committee on Revenue was called to order by Chair Sheila Leslie at 8:48 a.m. on Monday, June 6, 2011, in Room 2144 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 Sheila Leslie, Chair  
Senator Steven A. Horsford, Vice Chair  
Senator Michael A. Schneider  
Senator Moises (Mo) Denis  
Senator Mike McGinness  
Senator Joseph (Joe) P. Hardy  
Senator Elizabeth Halseth

**STAFF MEMBERS PRESENT:**

Russell Guindon, Principal Deputy Fiscal Analyst  
Joe Reel, Deputy Fiscal Analyst  
Mike Wiley, Committee Secretary

**OTHERS PRESENT:**

Helen Foley, National Association of Professional Employer Organizations

CHAIR LESLIE:

I will open the hearing on Assembly Bill (A.B.) 561. We have a chart ([Exhibit C](#)) which our fiscal staff will cover.

[ASSEMBLY BILL 561 \(1st Reprint\)](#): Makes various changes concerning governmental financial administration. (BDR 31-1166)

RUSSELL GUINDON (Principal Deputy Fiscal Analyst):

You have the first reprint of A.B. 561, and I will review a summary of the bill, [Exhibit C](#).

Senate Committee on Revenue  
June 6, 2011  
Page 2

HELEN FOLEY (National Association of Professional Employer Organizations):  
I have prepared testimony ([Exhibit D](#)).

CHAIR LESLIE:  
What is your understanding of why section 3 was deleted in the Assembly?

MS. FOLEY:  
They had done add-ons and the committee felt they had to remove some of them. The Office of the Governor is still supportive of this bill.

CHAIR LESLIE:  
That is not my understanding.

MR. GUINDON  
We were directed that those provisions be removed under the understanding the Modified Business Tax (MBT) is tied to wages paid by an employer to the employees. The MBT is tied to *Nevada Revised Statutes* (NRS) 612. The employer reporting those wages for those employees is the employee leasing company. There is consistency in regard to the administration of the MBT. For the Department of Taxation, the wages reported are for the employees of the employee leasing company, which is consistent with NRS 612. The provisions were removed to keep consistency with the MBT.

SENATOR SCHNEIDER:  
If we pass this bill as it is, we will do harm to the small companies. They will no longer aggregate and they will have employees who will lose insurance because the small companies cannot afford to buy it. As a large group, they have the buying power they need, so I would put this back in the bill and go with Ms. Foley's recommendation.

MS. FOLEY:  
Without the provision, I estimated these small companies would have to pay approximately \$2,900 more in taxes per year. I would encourage you to add back the provisions.

SENATOR DENIS MOVED TO DO PASS A.B. 561.

SENATOR HORSFORD SECONDED THE MOTION.

Senate Committee on Revenue  
June 6, 2011  
Page 3

SENATOR SCHNEIDER:

On the Senate Committee on Commerce, Labor and Energy, we have worked with employee leasing companies to help build coalitions and buying power for small business. I cannot support the motion to do pass.

THE MOTION CARRIED. (SENATORS HALSETH AND SCHNEIDER VOTED NO.)

\* \* \* \* \*

CHAIR LESLIE:

This hearing is closed. The Senate Committee on Revenue is adjourned at 9:25 p.m.

RESPECTFULLY SUBMITTED:

---

Mike Wiley,  
Committee Secretary

APPROVED BY:

---

Senator Sheila Leslie, Chair

DATE: \_\_\_\_\_

<u>EXHIBITS</u>			
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Roster
A.B. 561	C	Russell Guindon	Summary of Assembly Bill 561
A.B. 561	D	Helen Foley	Prepared Testimony