

## Amendment No. 965

Senate Amendment to Senate Bill No. 475

(BDR 32-1124)

**Proposed by:** Senate Committee on Finance**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of S.B. 475 (§§ 1, 3, 4, 5, 8, 10).

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/> _____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/> _____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/> _____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/> _____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/> _____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/> _____

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.

TMC



Date: 6/2/2013

S.B. No. 475—Makes various changes concerning governmental financial administration. (BDR 32-1124)



SENATE BILL NO. 475—COMMITTEE ON FINANCE  
(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 25, 2013

Referred to Committee on Revenue and  
Economic Development

SUMMARY—Makes various changes concerning governmental financial administration. (BDR 32-1124)

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; revising the provisions governing the rate and calculation of the payroll tax imposed on certain businesses other than financial institutions; ~~revising certain provisions governing the appropriation of money from the State Supplemental School Support Account;~~ extending the prospective expiration of certain requirements regarding the imposition and advance payment of certain taxes and fees; revising provisions relating to the computation of the net proceeds from certain mining operations conducted in this State; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law imposes an excise tax on certain businesses other than financial institutions at the rate of 1.17 percent of the total wages paid by the business each calendar quarter that exceed \$62,500. (NRS 363B.110) On July 1, 2013, this rate is scheduled to change to 0.63 percent of the total wages paid by the business each calendar quarter. (Chapter 476, Statutes of Nevada 2011, pp. 2891-92, 2898) **Sections 1, 8 and 10** of this bill delay that rate change until June 30, 2015, and provide for the imposition of the tax at the rate of 1.17 percent of the total wages paid by the business each calendar quarter in excess of \$85,000 until June 30, 2015.

~~Existing law imposes an additional tax on the gross receipts from the rental of transient lodging in certain counties and provides for the transfer of that money to the State Supplemental School Support Account. Existing law further provides that on and after July 1, 2013, the money in the State Supplemental School Support Account is appropriated to the school districts and charter schools of the State for the operation of such schools. (NRS 244.32561, 387.191) Section 2 of this bill extends to July 1, 2015, the prospective effective date of the provisions requiring that the money in the State Supplemental School Support Account be appropriated to such schools.~~

Existing law requires, until June 30, 2013, the advance payment of the tax on the net proceeds of minerals based upon the estimated net proceeds and royalties of a mining operation for the current calendar year. (Chapter 4, Statutes of Nevada 2008, 25th Special Session, as last amended by chapter 476, Statutes of Nevada 2011, at pp. 2896-97) **Section 3**

of this bill delays the expiration of this requirement for advance payment until June 30, 2015, and **section 9** of this bill makes conforming changes to related transitory provisions governing the duties of the Department of Taxation in 2016 and the appropriation and apportionment of money to counties and other local governments during that year.

**Section 7** of this bill extends to January 1, 2016, the prospective effective date of certain other provisions revising the computation of the net proceeds from certain mining operations conducted in this State. **Section 6** of this bill makes conforming changes to transitory provisions governing the computation for 2015, 2016 and subsequent calendar years.

Existing law imposes an annual fee of \$200 for a state business license. (NRS 76.100, 76.130) On July 1, 2013, this fee is scheduled to change to \$100. (Chapter 429, Statutes of Nevada 2009, as last amended by chapter 476, Statutes of Nevada 2011, at p. 2897) **Section 4** of this bill delays this change until July 1, 2015.

Existing law requires, until June 30, 2013, an increase in the rate of the Local School Support Tax of 0.35 percent. (Chapter 395, Statutes of Nevada 2009, as amended by chapter 476, Statutes of Nevada 2011, at pp. 2897-98) **Section 5** of this bill delays the expiration of this increase until June 30, 2015.

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

**Section 1.** NRS 363B.110 is hereby amended to read as follows:

363B.110 1. There is hereby imposed an excise tax on each employer at the rate of 1.17 percent of the amount by which the sum of all the wages, as defined in NRS 612.190, paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer exceeds ~~\$62,500~~ **\$85,000**.

2. The tax imposed by this section:

(a) Does not apply to any person or other entity or any wages this State is prohibited from taxing under the Constitution, laws or treaties of the United States or the Nevada Constitution.

(b) Must not be deducted, in whole or in part, from any wages of persons in the employment of the employer.

3. Each employer shall, on or before the last day of the month immediately following each calendar quarter for which the employer is required to pay a contribution pursuant to NRS 612.535:

(a) File with the Department a return on a form prescribed by the Department; and

(b) Remit to the Department any tax due pursuant to this chapter for that calendar quarter.

**Sec. 2.** ~~NRS 387.191 is hereby amended to read as follows:~~

~~387.191 1. Except as otherwise provided in this subsection, the proceeds of the tax imposed pursuant to NRS 244.33561 and any applicable penalty or interest must be paid by the county treasurer to the State Treasurer for credit to the State Supplemental School Support Account, which is hereby created in the State General Fund. The county treasurer may retain from the proceeds an amount sufficient to reimburse the county for the actual cost of collecting and administering the tax, to the extent that the county incurs any cost it would not have incurred but for the enactment of this section or NRS 244.33561, but in no case exceeding the amount authorized by statute for this purpose. Any interest or other income earned on the money in the State Supplemental School Support Account must be credited to the Account.~~

~~2. On and after July 1, [2013,] 2015, the money in the State Supplemental School Support Account is hereby appropriated for the operation of the school~~

~~districts and charter schools of the state, as provided in this section. The money so appropriated is intended to supplement and not replace any other money appropriated, approved or authorized for expenditure to fund the operation of the public schools for kindergarten through grade 12. Any money that remains in the State Supplemental School Support Account at the end of the fiscal year does not revert to the State General Fund, and the balance in the State Supplemental School Support Account must be carried forward to the next fiscal year.~~

~~3. On or before February 1, May 1, August 1 and November 1 of [2014,] 2016, and on those dates each year thereafter, the Superintendent of Public Instruction shall transfer from the State Supplemental School Support Account all the proceeds of the tax imposed pursuant to NRS 244.22561, including any interest or other income earned thereon, and distribute the proceeds proportionally among the school districts and charter schools of the state. The proportionate amount of money distributed to each school district or charter school must be determined by dividing the number of students enrolled in the school district or charter school by the number of students enrolled in all the school districts and charter schools of the state. For the purposes of this subsection, the enrollment in each school district and the number of students who reside in the district and are enrolled in a charter school must be determined as of the last day of the first school month of the school district for the school year. This determination governs the distribution of money pursuant to this subsection until the next annual determination of enrollment is made. The Superintendent may retain from the proceeds of the tax an amount sufficient to reimburse the Superintendent for the actual cost of administering the provisions of this section, to the extent that the Superintendent incurs any cost the Superintendent would not have incurred but for the enactment of this section, but in no case exceeding the amount authorized by statute for this purpose.~~

~~4. The money received by a school district or charter school from the State Supplemental School Support Account pursuant to this section must be used to improve the achievement of students and for the payment of salaries to attract and retain qualified teachers and other employees, except administrative employees, of the school district or charter school. Nothing contained in this section shall be deemed to impair or restrict the right of employees of the school district or charter school to engage in collective bargaining as provided by chapter 288 of NRS.~~

~~5. On or before November 10 of [2014,] 2016, and on that date each year thereafter, the board of trustees of each school district and the governing body of each charter school shall prepare a report to the Superintendent of Public Instruction, in the form prescribed by the Superintendent. The report must provide an accounting of the expenditures by the school district or charter school of the money it received from the State Supplemental School Support Account during the preceding fiscal year.~~

~~6. As used in this section, "administrative employee" means any person who holds a license as an administrator, issued by the Superintendent of Public Instruction, and is employed in that capacity by a school district or charter school.]~~  
**(Deleted by amendment.)**

**Sec. 3.** Section 16 of chapter 4, Statutes of Nevada 2008, 25th Special Session, as last amended by chapter 476, Statutes of Nevada 2011, at page 2896, is hereby amended to read as follows:

Sec. 16. 1. This section and sections 2, 4, 14 and 15 of this act become effective upon passage and approval.

2. Sections 6 to 12, inclusive, of this act become effective on January 1, 2009.

3. Sections 4 and 6 to 12, inclusive, of this act expire by limitation on June 30, 2009.

4. Sections 1, 3, 5 and 13 of this act become effective on July 1, 2009.

5. Sections 1, 2, 3 and 5 of this act expire by limitation on June 30, ~~2013~~ 2015.

**Sec. 4.** Section 47 of chapter 381, Statutes of Nevada 2009, as last amended by chapter 476, Statutes of Nevada 2011, at page 2897, is hereby amended to read as follows:

Sec. 47. 1. This section and section 45.5 of this act become effective upon passage and approval.

2. Sections 1 to 44, inclusive, 45, 46 and 46.5 of this act become effective:

(a) Upon passage and approval for the purposes of adopting regulations and performing any other preparatory actions that are necessary to carry out the provisions of this act; and

(b) On October 1, 2009, for all other purposes.

3. Sections 44.3 and 44.7 of this act become effective on July 1, ~~2013~~ 2015.

**Sec. 5.** Section 20 of chapter 395, Statutes of Nevada 2009, as amended by chapter 476, Statutes of Nevada 2011, at page 2897, is hereby amended to read as follows:

Sec. 20. 1. This section and section 19 of this act become effective upon passage and approval.

2. Sections 1 and 2 of this act become effective on July 1, 2009.

3. Section 3 of this act becomes effective on July 1, 2009, and expires by limitation on June 30, 2011.

4. Sections 6 to 12, inclusive, of this act become effective on July 1, 2009, and expire by limitation on June 30, ~~2013~~ 2015.

5. Sections 4, 5, 13, 14, 15, 16, 17 and 18 of this act become effective:

(a) 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

(b) On September 1, 2009, for all other purposes.

6. Sections 15.5 and 18.5 of this act become effective on July 1, 2013.

7. Section 18 of this act expires by limitation on June 30, 2013.

**Sec. 6.** Section 17.5 of chapter 449, Statutes of Nevada 2011, at page 2701, is hereby amended to read as follows:

Sec. 17.5. The amendatory provisions of section 12.7 of this act:

1. Do not apply to or affect any determination of gross yield or net proceeds required pursuant to NRS 362.100 to 362.240, inclusive, for the calendar year ~~2013~~ 2015.

2. Apply for the purposes of estimating and determining gross yield and net proceeds pursuant to NRS 362.100 to 362.240, inclusive, for the calendar year ~~2014~~ 2016 and each calendar year thereafter.

**Sec. 7.** Section 19 of chapter 449, Statutes of Nevada 2011, at page 2701, is hereby amended to read as follows:

Sec. 19. 1. This section and sections 1 to 12, inclusive, and 13 to 18, inclusive, of this act become effective upon passage and approval.

2. Section 12.5 of this act becomes effective on January 1, 2012.

3. Section 12.7 of this act becomes effective on January 1, ~~2014~~ 2016.

**Sec. 8.** Section 13 of chapter 476, Statutes of Nevada 2011, at page 2898, is hereby amended to read as follows:

Sec. 13. The amendatory provisions of section 4 of this act:

1. Do not apply to any taxes due for any period ending on or before June 30, 2011; and

2. Except as otherwise provided in subsection 1 and notwithstanding the expiration of that section by limitation pursuant to section 17 of this act, apply to taxes due pursuant to NRS 363B.110 for each calendar quarter ending on or before June 30, ~~2013~~ 2015.

**Sec. 9.** Section 15 of chapter 476, Statutes of Nevada 2011, at page 2898, is hereby amended to read as follows:

Sec. 15. 1. When preparing its certificate of the tax due from a taxpayer pursuant to NRS 362.130 during the calendar year ~~2014~~ 2016, the Department of Taxation shall reduce the amount of the tax due from the taxpayer by the amount of:

(a) Any estimated payments of the tax made by or on behalf of the taxpayer during the calendar year ~~2013~~ 2015 pursuant to NRS 362.115, as that section read on January 1, ~~2013~~ 2015; and

(b) Any unused credit to which the taxpayer may be entitled as a result of any previous overpayment of the tax.

2. Notwithstanding any provision of NRS 362.170 to the contrary:

(a) The amount appropriated to each county pursuant to that section for distribution to the county during the calendar year ~~2014~~ 2016 must be reduced by the amount appropriated to the county pursuant to that section for distribution to the county during the calendar year ~~2013~~ 2015, excluding any portion of the amount appropriated to the county pursuant to that section for distribution to the county during the calendar year ~~2013~~ 2015 which is attributable to a pro rata share of any penalties and interest collected by the Department of Taxation for the late payment of taxes distributed to the county.

(b) In calculating the amount required to be apportioned to each local government or other local entity pursuant to subsection 2 of that section for the calendar year ~~2014~~ 2016, the county treasurer shall reduce the amount required to be determined pursuant to paragraph (a) of that subsection for that calendar year by the amount determined pursuant to that paragraph for the calendar year ~~2013~~ 2015.

**Sec. 10.** Section 17 of chapter 476, Statutes of Nevada 2011, at page 2898, is hereby amended to read as follows:

Sec. 17. 1. This section and sections 1 and 7 to 16, inclusive, of this act become effective upon passage and approval.

2. Sections 4.5 and 6 of this act become effective on July 1, 2011.

3. Sections 4 and 6.5 of this act become effective on July 1, 2011, and expire by limitation on June 30, ~~2013~~ 2015.

4. Section 5 of this act becomes effective on the date that the balance of the separate account required by subsection 8 of NRS 408.235 is reduced to zero.

**Sec. 11.** The amendatory provisions of section 1 of this act:

1. Do not apply to any taxes due for any period ending on or before June 30, 2013; and

2. Except as otherwise provided in subsection 1 and notwithstanding the expiration of that section by limitation pursuant to section 12 of this act, apply to taxes due pursuant to NRS 363B.110 for each calendar quarter ending on or before June 30, 2015.

**Sec. 12.** 1. This act becomes effective upon passage and approval.

2. Section 1 of this act expires by limitation on June 30, 2015.