S.B. 300

SENATE BILL NO. 300–SENATORS ROBERSON, HUTCHISON AND HAMMOND

MARCH 18, 2013

Referred to Committee on Revenue and Economic Development

SUMMARY—Contingently reduces by half the valuation of vehicles for the purpose of determining the amount of the governmental services taxes imposed. (BDR 32-1007)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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 taxation; contingently reducing by half the valuation of vehicles for the purpose of determining the amount of the governmental services taxes imposed; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Governmental services taxes are imposed for the privilege of operating a vehicle upon the public highways of this State. The amount of those taxes is determined based upon the valuation of each vehicle. (Chapter 371 of NRS) This bill will reduce that valuation by 50 percent only if a new tax is enacted by this Session of the Legislature which the Fiscal Analysis Division of the Legislative Counsel Bureau estimates will produce at least as much tax revenue as will be lost as a result of this reduction in the valuation of vehicles for the purpose of determining the amount of the governmental services taxes imposed.

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

Section 1. NRS 371.050 is hereby amended to read as follows:

371.050 1. Except as otherwise provided in subsections 3 and 4, valuation of vehicles must be determined by the Department upon the basis of ~~[35]~~ ***17.5*** percent of the manufacturer's suggested retail price in Nevada excluding options and extras, as of the time the

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particular make and model for that year is first offered for sale in Nevada.

2. If the Department is unable to determine the manufacturer's suggested retail price in Nevada with respect to any vehicle because the vehicle is specially constructed, or for any other reason, the Department shall determine the valuation upon the basis of ~~[35]~~ ***17.5*** percent of the original retail price to the original purchaser of the vehicle as evidenced by such document or documents as the Department may require.

3. For each:

(a) Bus, truck, truck-tractor or combination of vehicles having a declared gross weight of 10,000 pounds or more; and

(b) Trailer or semitrailer having an unladen weight of 4,000 pounds or more,

➥ the Department may use 85 percent of the original purchaser's cost price in lieu of the manufacturer's suggested retail price.

4. If the Department is unable to determine the original manufacturer's suggested retail price in Nevada, or the original retail price to the purchaser, the Department may determine the original value of the vehicle on the basis of ~~[50]~~ ***25*** cents per pound.

5. For motor carriers which register pursuant to the provisions of the Interstate Highway User Fee Apportionment Act, the Department may determine the original purchaser's cost price of the vehicle on the basis of its declared gross weight in a manner which the Department finds appropriate and equitable.

Sec. 2. NRS 371.060 is hereby amended to read as follows:

371.060 1. Except as otherwise provided in subsection 2, each vehicle must be depreciated by the Department for the purposes of the annual governmental services tax according to the following schedule:

Age	Percentage of Initial Value
New	100 percent
1 year	95 percent
2 years	85 percent
3 years	75 percent
4 years	65 percent
5 years	55 percent
6 years	45 percent
7 years	35 percent
8 years	25 percent
9 years or more	15 percent

2. Each bus, truck or truck-tractor having a declared gross weight of 10,000 pounds or more and each trailer or semitrailer having an unladen weight of 4,000 pounds or more must be depreciated by the Department for the purposes of the annual governmental services tax according to the following schedule:

Age	Percentage of Initial Value
New	100 percent
1 year	85 percent
2 years	69 percent
3 years	57 percent
4 years	47 percent
5 years	38 percent
6 years	33 percent
7 years	30 percent
8 years	27 percent
9 years	25 percent
10 years or more	23 percent

3. Notwithstanding any other provision of this section, the minimum amount of the governmental services tax:

(a) On any trailer having an unladen weight of 1,000 pounds or less is $3; and

(b) On any other vehicle is ~~[$16.]~~ ***$8.***

4. For the purposes of this section, a vehicle shall be deemed a "new" vehicle if the vehicle has never been registered with the Department and has never been registered with the appropriate agency of any other state, the District of Columbia, any territory or possession of the United States or any foreign state, province or country.

Sec. 3. Notwithstanding any other provision of this act to the contrary, the provisions of this act must not be applied to modify, directly or indirectly, any taxes levied or revenues pledged in such a manner as to impair adversely any outstanding obligations of this State, any political subdivision of this State or any other local governmental entity in this State, including, without limitation, bonds, medium-term financing, letters of credit and any other financial obligations, until all such obligations have been discharged in full or provision for their payment and redemption has been fully made.

Sec. 4. 1. If one or more new taxes are enacted or existing taxes are increased by the 77th Session of the Nevada Legislature, the Fiscal Analysis Division of the Legislative Counsel Bureau shall, before the effective date of each new tax and increase:

(a) Estimate the total amount of revenue that will be produced by the new tax or increase in an existing tax during the first full year of imposition; and

(b) Determine whether a sufficient amount of revenue from the new or increased tax is committed by law to be distributed to the school districts and other local governments to fully replace all revenue that would have been distributed to the local governments but for the reduction in revenue resulting from the provisions of this act.

2. The Fiscal Analysis Division shall post on the Internet website of the Legislature a notice of each estimate and determination made pursuant to subsection 1.

Sec. 5. 1. This section and sections 3 and 4 of this act become effective upon passage and approval.

2. Sections 1 and 2 of this act become effective upon the earliest effective date of any new tax or increase in an existing tax enacted by the 77th Session of the Nevada Legislature which the Fiscal Analysis Division of the Legislative Counsel Bureau:

(a) Estimated pursuant to section 4 of this act to produce, during the first full year of imposition or increase, a total amount of revenue that equals or exceeds the total amount of the reduction in tax revenue that would result from the application of the provisions of this act for that same period; and

(b) Determined pursuant to section 4 of this act is committed by law to be distributed to the school districts and other local governments to fully replace all revenue that would have been distributed to the local governments but for the reduction in revenue resulting from the provisions of this act.