

SENATE BILL NO. 455—COMMITTEE ON REVENUE  
AND ECONOMIC DEVELOPMENT

MARCH 23, 2015

Referred to Committee on Revenue and  
Economic Development

SUMMARY—Increases the excise tax on cigarettes. (BDR 32-779)

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; increasing the rate of the excise tax on cigarettes; providing for the distribution of the increased rate of the tax; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Existing law imposes an excise tax on the purchase, possession or use of  
2 cigarettes at the rate of 80 cents per pack of cigarettes. (NRS 370.165, 370.350)  
3 Under existing law, the Department of Taxation must remit 70 cents of the tax on  
4 each pack of cigarettes, less the costs of collecting the tax, to the State Treasurer for  
5 deposit in the Account for the Tax on Cigarettes in the State General Fund, and the  
6 remaining amount of the tax must be deposited in the Local Government Tax  
7 Distribution Account for distribution to local governments. (NRS 370.260)  
8 **Sections 1-3** of this bill increase the excise tax on cigarettes to \$1.20 per pack of  
9 cigarettes and require the additional amount of the tax to be deposited in the  
10 Account for the Tax on Cigarettes in the State General Fund. **Section 4** of this bill  
11 requires a wholesale dealer who purchases a revenue stamp evidencing payment of  
12 the tax before July 1, 2015, but who has not affixed that stamp to a pack of  
13 cigarettes before that date to pay the additional tax on the stamp.

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

1 **Section 1.** NRS 370.165 is hereby amended to read as follows:  
2 370.165 There is hereby levied a tax upon the purchase or  
3 possession of cigarettes by a consumer in the State of Nevada at the  
4 rate of ~~40~~ 60 mills per cigarette. The tax may be represented and



1 precollected by the affixing of a revenue stamp or other approved  
2 evidence of payment to each package, packet or container in which  
3 cigarettes are sold. The tax must be precollected by the wholesale or  
4 retail dealer, and must be recovered from the consumer by adding  
5 the amount of the tax to the selling price. Each person who sells  
6 cigarettes at retail shall prominently display on the premises a notice  
7 that the tax is included in the selling price and is payable under the  
8 provisions of this chapter.

9 **Sec. 2.** NRS 370.260 is hereby amended to read as follows:

10 370.260 1. All taxes and license fees imposed by the  
11 provisions of NRS 370.001 to 370.430, inclusive, less any refunds  
12 granted as provided by law, must be paid to the Department in the  
13 form of remittances payable to the Department.

14 2. The Department shall:

15 (a) As compensation to the State for the costs of collecting the  
16 taxes and license fees, transmit each month the sum the Legislature  
17 specifies from the remittances made to it pursuant to subsection 1  
18 during the preceding month to the State Treasurer for deposit to the  
19 credit of the Department. The deposited money must be expended  
20 by the Department in accordance with its work program.

21 (b) From the remittances made to it pursuant to subsection 1  
22 during the preceding month, less the amount transmitted pursuant to  
23 paragraph (a), transmit each month the portion of the tax which is  
24 equivalent to ~~35~~ 55 mills per cigarette to the State Treasurer for  
25 deposit to the credit of the Account for the Tax on Cigarettes in the  
26 State General Fund.

27 (c) Transmit the balance of the payments each month to the  
28 State Treasurer for deposit in the Local Government Tax  
29 Distribution Account created by NRS 360.660.

30 (d) Report to the State Controller monthly the amount of  
31 collections.

32 3. The money deposited pursuant to paragraph (c) of  
33 subsection 2 in the Local Government Tax Distribution Account is  
34 hereby appropriated to Carson City and to each of the counties in  
35 proportion to their respective populations and must be credited to  
36 the respective accounts of Carson City and each county.

37 **Sec. 3.** NRS 370.350 is hereby amended to read as follows:

38 370.350 1. Except as otherwise provided in subsection 3, a  
39 tax is hereby levied and imposed upon the use of cigarettes in this  
40 state.

41 2. The amount of the use tax is ~~40~~ 60 mills per cigarette.

42 3. The use tax does not apply where:

43 (a) Nevada cigarette revenue stamps have been affixed to  
44 cigarette packages as required by law.

45 (b) Tax exemption is provided for in this chapter.



1     **Sec. 4.** 1. The amendatory provisions of sections 1 and 3 of  
2 this act apply to cigarettes to which a stamp is affixed on or after  
3 July 1, 2015, regardless of the date on which a wholesale dealer  
4 purchased the stamp from the Department of Taxation.

5     2. As used in this section:

6     (a) “Stamp” has the meaning ascribed to it in NRS 370.048.

7     (b) “Wholesale dealer” has the meaning ascribed to it in  
8 NRS 370.055.

9     **Sec. 5.** This act becomes effective on July 1, 2015.

