

REQUIRES TWO-THIRDS MAJORITY VOTE

(§§ 1, 2, 3, 5, 6, 7, 10, 12)

(Reprinted with amendments adopted on May 15, 2015)

FIRST REPRINT

S.B. 483

SENATE BILL NO. 483—COMMITTEE ON REVENUE  
AND ECONOMIC DEVELOPMENT

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 23, 2015

Referred to Committee on Revenue and  
Economic Development

SUMMARY—Revises provisions relating to governmental  
financial administration. (BDR 32-1182)

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 governmental financial administration; revising provisions governing the rate of the payroll tax imposed on certain businesses engaged in mining in this State; revising provisions governing the rate and distribution of the excise tax on cigarettes; extending the prospective expiration of certain requirements regarding the advance payment and computation of the tax on the net proceeds from certain mining operations conducted in this State; removing the prospective expiration of certain requirements regarding the imposition of the local school support tax; temporarily extending the allocation of a portion of the proceeds of the basic governmental services tax to the State General Fund; requiring businesses to provide additional information in an application for the issuance or renewal of a state business license that is submitted during a specified period; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

- 1 Existing law imposes an excise tax on certain financial institutions at a rate of 2
- 2 percent of the total wages paid by the financial institution each calendar quarter.
- 3 (NRS 363A.130) **Sections 1 and 2** of this bill require businesses that are subject to



\* S B 4 8 3 R 1 \*

the tax on the net proceeds of mining to pay the tax on the wages paid by the business at the same rate as the rate paid by financial institutions under existing law.

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 \$85,000. (NRS 363B.110) On July 1, 2015, 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, 2898, as last amended by chapter 518, Statutes of Nevada 2013, p. 3427; chapter 518, Statutes of Nevada 2013, p. 3424) **Sections 10 and 12-14** of this bill remove this scheduled rate change and permanently 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.

Existing law imposes an excise tax on the purchase, possession or use of cigarettes at the rate of 80 cents per pack of 20 cigarettes. (NRS 370.165, 370.350) Under existing law, the Department of Taxation must remit 70 cents of the tax on each pack of 20 cigarettes, less the costs of collecting the tax, to the State Treasurer for deposit in the Account for the Tax on Cigarettes in the State General Fund, and the remaining amount of the tax must be deposited in the Local Government Tax Distribution Account for distribution to local governments. (NRS 370.260) **Sections 3-5** of this bill increase the excise tax on cigarettes to \$1.80 per pack of 20 cigarettes and require the additional amount of tax to be deposited in the Account in the State General Fund. **Section 16** of this bill requires a wholesale dealer who purchases a revenue stamp evidencing payment of the tax before July 1, 2015, but who has not affixed that stamp to a pack of cigarettes before that date to pay the additional tax on the stamp.

Existing law requires, until June 30, 2015, 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, p. 14, as last amended by chapter 518, Statutes of Nevada 2013, p. 3425) **Section 6** of this bill delays the expiration of this requirement for advance payment until June 30, 2016, and **section 11** of this bill makes conforming changes to related transitory provisions governing the duties of the Department of Taxation in 2017 and the appropriation and apportionment of money to counties and other local governments during that year.

Existing law provides that effective January 1, 2016, in computing the net proceeds from certain mining operations conducted in this State, a person may deduct certain amounts expended for health care for employees actually engaged in mining operations in this State. (Chapter 449, Statutes of Nevada 2011, p. 2690, as amended by chapter 518, Statutes of Nevada 2013, p. 3426) **Section 9** of this bill extends to January 1, 2017, the effective date of this deduction. **Section 8** of this bill makes conforming changes to transitory provisions governing the computation of the proceeds from certain mining operations for calendar years 2016 and 2017 and all subsequent calendar years.

Existing law requires, until June 30, 2015, an increase in the rate of the Local School Support Tax of 0.35 percent. (Chapter 395, Statutes of Nevada 2009, pp. 2191-93, as last amended by chapter 518, Statutes of Nevada 2013, p. 3426) **Section 7** of this bill removes the expiration date of this rate thereby requiring the payment of this rate indefinitely.

The State of Nevada imposes a governmental services tax for the privilege of operating any vehicle upon the public highways of this State. (NRS 371.030) The annual amount of the basic governmental services tax is 4 cents on each \$1 of valuation of the vehicle, as determined by the Department of Motor Vehicles. (NRS 371.040) Existing law sets forth depreciation schedules for determining the amount of the basic governmental services tax due each year for used vehicles and



establishes a minimum tax. (NRS 371.060) In 2009, the amount of the basic governmental services tax due annually was increased for used vehicles by reducing the amount of depreciation allowed and increasing the minimum tax. The revenue from these increases in the basic governmental services tax were allocated to the State General Fund until June 30, 2015, and then were required to be deposited in the State Highway Fund thereafter. (Chapter 395, Statutes of Nevada 2009, p. 2188, as last amended by chapter 518, Statutes of Nevada 2013, p. 3426) **Section 7** of this bill extends for an additional 2 years the period during which the increases in the basic governmental services tax are allocated to the State General Fund. Therefore, those increases will be deposited in the State Highway Fund commencing on July 1, 2017.

**Section 14.5** of this bill requires a person who, on or after October 1, 2015, and before October 1, 2016, applies for the issuance or renewal of a state business license to include in the application certain information concerning the revenue earned by that person from the sale of services used in this State.

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

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**Section 1.** NRS 363A.030 is hereby amended to read as follows:

363A.030 ~~["Employer"]~~

*1. Except as otherwise provided in this section, "employer" means any ~~financial~~ :*

*(a) Financial institution who is required to pay a contribution pursuant to NRS 612.535 for any calendar quarter with respect to any business activity of the financial institution . ~~[-except]~~*

*(b) Person who is subject to the tax on the net proceeds of minerals imposed pursuant to the provisions of NRS 362.100 to 362.240, inclusive, whether or not the person is required to pay that tax in a particular calendar year, and who is required to pay a contribution pursuant to NRS 612.535 for any calendar quarter with respect to any business activity of the person.*

*2. The term does not include* an Indian tribe, a nonprofit organization or a political subdivision.

*3. For the purposes of this section:*

~~11~~ *(a) "Indian tribe" includes any entity described in subsection 10 of NRS 612.055.*

~~12~~ *(b) "Nonprofit organization" means a nonprofit religious, charitable, fraternal or other organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C. § 501(c).*

~~13~~ *(c) "Political subdivision" means any entity described in subsection 9 of NRS 612.055.*

**Sec. 2.** NRS 363B.030 is hereby amended to read as follows:

363B.030 ~~["Employer"]~~

*1. Except as otherwise provided in this section, "employer" means any employer who is required to pay a contribution pursuant*



1 to NRS 612.535 for any calendar quarter with respect to any  
2 business activity of the employer. ~~[-except a]~~

3 **2. The term does not include:**

4 (a) A financial institution ~~[-an]~~;

5 (b) *Any person who is subject to the tax on the net proceeds of*  
6 *minerals imposed pursuant to the provisions of NRS 362.100 to*  
7 *362.240, inclusive, whether or not the person is required to pay*  
8 *that tax in a particular calendar year, and who is required to pay a*  
9 *contribution pursuant to NRS 612.535 for any calendar quarter*  
10 *with respect to any business activity of the person;*

11 (c) An Indian tribe ~~[-a]~~;

12 (d) A nonprofit organization ~~[-a]~~;

13 (e) A political subdivision ; or ~~[-any]~~

14 (f) Any person who does not supply a product or service, but  
15 who only consumes a service.

16 **3. For the purposes of this section:**

17 ~~[-1-]~~ (a) "Financial institution" has the meaning ascribed to it in  
18 NRS 363A.050.

19 ~~[-2-]~~ (b) "Indian tribe" includes any entity described in  
20 subsection 10 of NRS 612.055.

21 ~~[-3-]~~ (c) "Nonprofit organization" means a nonprofit religious,  
22 charitable, fraternal or other organization that qualifies as a tax-  
23 exempt organization pursuant to 26 U.S.C. § 501(c).

24 ~~[-4-]~~ (d) "Political subdivision" means any entity described in  
25 subsection 9 of NRS 612.055.

26 **Sec. 3.** NRS 370.165 is hereby amended to read as follows:

27 370.165 There is hereby levied a tax upon the purchase or  
28 possession of cigarettes by a consumer in the State of Nevada at the  
29 rate of ~~[-40]~~ 90 mills per cigarette. The tax may be represented and  
30 precollected by the affixing of a revenue stamp or other approved  
31 evidence of payment to each package, packet or container in which  
32 cigarettes are sold. The tax must be precollected by the wholesale or  
33 retail dealer, and must be recovered from the consumer by adding  
34 the amount of the tax to the selling price. Each person who sells  
35 cigarettes at retail shall prominently display on the premises a notice  
36 that the tax is included in the selling price and is payable under the  
37 provisions of this chapter.

38 **Sec. 4.** NRS 370.260 is hereby amended to read as follows:

39 370.260 1. All taxes and license fees imposed by the  
40 provisions of NRS 370.001 to 370.430, inclusive, less any refunds  
41 granted as provided by law, must be paid to the Department in the  
42 form of remittances payable to the Department.

43 2. The Department shall:

44 (a) As compensation to the State for the costs of collecting the  
45 taxes and license fees, transmit each month the sum the Legislature



specifies from the remittances made to it pursuant to subsection 1 during the preceding month to the State Treasurer for deposit to the credit of the Department. The deposited money must be expended by the Department in accordance with its work program.

(b) From the remittances made to it pursuant to subsection 1 during the preceding month, less the amount transmitted pursuant to paragraph (a), transmit each month the portion of the tax which is equivalent to ~~135~~ 85 mills per cigarette to the State Treasurer for deposit to the credit of the Account for the Tax on Cigarettes in the State General Fund.

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

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

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

**Sec. 5.** NRS 370.350 is hereby amended to read as follows:

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

2. The amount of the use tax is ~~140~~ 90 mills per cigarette.

3. The use tax does not apply where:

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

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

**Sec. 6.** Section 16 of chapter 4, Statutes of Nevada 2008, 25th Special Session, as last amended by chapter 518, Statutes of Nevada 2013, at page 3425, 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, ~~2015~~ 2016.



**Sec. 7.** Section 20 of chapter 395, Statutes of Nevada 2009, as last amended by chapter 518, Statutes of Nevada 2013, at p. 3426, 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, 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, ~~{2015.}~~ 2017.

7. Section 18 of this act expires by limitation on June 30, ~~{2015.}~~ 2017.

**Sec. 8.** Section 17.5 of chapter 449, Statutes of Nevada 2011, as amended by chapter 518, Statutes of Nevada 2013, at page 3426, 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 ~~{2015.}~~ 2016.

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 ~~{2016}~~ 2017 and each calendar year thereafter.

**Sec. 9.** Section 19 of chapter 449, Statutes of Nevada 2011, as amended by chapter 518, Statutes of Nevada 2013, at p. 3426, 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, ~~{2016.}~~ 2017.



**Sec. 10.** Section 13 of chapter 476, Statutes of Nevada 2011, as amended by chapter 518, Statutes of Nevada 2013, at page 3427, is hereby amended to read as follows:

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

~~1. Do~~ **do** not apply to any taxes due for any period ending on or before June 30, 2011. ~~is 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, 2015.~~

**Sec. 11.** Section 15 of chapter 476, Statutes of Nevada 2011, as amended by chapter 518, Statutes of Nevada 2013, at page 3427, 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 ~~2016,~~ **2017**, 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 ~~2015,~~ **2016** pursuant to NRS 362.115, as that section read on January 1, ~~2015,~~ **2016**; 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 ~~2016,~~ **2017** must be reduced by the amount appropriated to the county pursuant to that section for distribution to the county during the calendar year ~~2015,~~ **2016**, excluding any portion of the amount appropriated to the county pursuant to that section for distribution to the county during the calendar year ~~2015,~~ **2016** 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 ~~2016,~~ **2017**, the county treasurer shall reduce the amount required to be determined pursuant to paragraph (a) of that subsection for



1 that calendar year by the amount determined pursuant to that  
2 paragraph for the calendar year ~~[2015.]~~ 2016.

3 **Sec. 12.** Section 17 of chapter 476, Statutes of Nevada 2011,  
4 as amended by chapter 518, Statutes of Nevada 2013, at page 3427,  
5 is hereby amended to read as follows:

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

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

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

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

16 **Sec. 13.** Section 11 of chapter 518, Statutes of Nevada 2013,  
17 at page 3427, is hereby amended to read as follows:

18 Sec. 11. The amendatory provisions of section 1 of this  
19 act ~~[:~~

20 ~~—1. Do]~~ do not apply to any taxes due for any period  
21 ending on or before June 30, 2013. ~~[and~~

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

27 **Sec. 14.** Section 12 of chapter 518, Statutes of Nevada 2013,  
28 at page 3428, is hereby amended to read as follows:

29 Sec. 12. ~~[1.]~~ This act becomes effective upon passage  
30 and approval.

31 ~~[2. Section 1 of this act expires by limitation on June 30,~~  
32 ~~2015.]~~

33 **Sec. 14.5.** 1. In addition to the information required by law  
34 to be included in an application for the issuance or renewal of a state  
35 business license, each application for the issuance or renewal of a  
36 state business license submitted on or after October 1, 2015, and  
37 before October 1, 2016, must include the following information:

38 (a) The total dollar amount of revenue earned by each business  
39 conducted by the applicant during the immediately preceding  
40 federal tax year of the business from the sale of services used in this  
41 State or, if the applicant conducted no business in this State during  
42 the immediately preceding federal tax year, an estimate of the total  
43 dollar amount of revenue that the applicant will earn from the sale  
44 of services used in this State during the 12-month period  
45 commencing with the date the application is submitted.





(b) The industry in which each business conducted by the applicant is primarily engaged.

2. The agency responsible for administering the state business license shall collect the information required by subsection 1 in the manner that is least burdensome for the businesses required to submit such information.

3. Upon request, the agency responsible for administering the state business license shall provide the information collected pursuant to subsection 1 to the Fiscal Analysis Division of the Legislative Counsel Bureau and the Department of Taxation.

4. The Fiscal Analysis Division and the Department of Taxation may analyze the information obtained pursuant to subsection 3 and issue written reports based on that information but shall not disclose any proprietary or confidential information obtained from the agency responsible for administering the state business license pursuant to subsection 3. Any written report based on the information obtained pursuant to subsection 3 may include only aggregate information for statistical purposes and must exclude any identifying information related to a particular person or business.

5. Except as otherwise provided in subsections 3 and 4:

(a) If the information collected pursuant to subsection 1 is collected by the Secretary of State, the provisions of NRS 76.160 apply to the information.

(b) If the information collected pursuant to subsection 1 is collected by the Department of Taxation, the provisions of NRS 360.255 apply to the information.

(c) Any information obtained by the Fiscal Analysis Division pursuant to subsection 3 shall be deemed a work product that is confidential pursuant to NRS 218F.150.

6. As used in this section, "federal tax year" means any period of 12 months for which a person is required to report income, tax deductions and tax credits pursuant to the provisions of the Internal Revenue Code and any regulations adopted pursuant thereto.

**Sec. 15.** The amendatory provisions of sections 1 and 2 of this act do not apply to taxes due for any period ending on or before June 30, 2015.

**Sec. 16.** 1. The amendatory provisions of sections 3 and 5 of this act apply to cigarettes to which a stamp is affixed on or after July 1, 2015, regardless of the date on which a wholesale dealer purchased the stamp from the Department of Taxation.

2. As used in this section:

(a) "Stamp" has the meaning ascribed to it in NRS 370.048.

(b) "Wholesale dealer" has the meaning ascribed to it in NRS 370.055.



1     **Sec. 17.** 1. This section and sections 6 to 14, inclusive, of  
2 this act become effective upon passage and approval.

3     2. Sections 1 to 5, inclusive, 15 and 16 of this act become  
4 effective on July 1, 2015.

5     3. Section 14.5 of this act becomes effective:

6       (a) Upon passage and approval for the purpose of adopting any  
7 regulations and performing any other preparatory administrative  
8 tasks necessary to carry out the provisions of this act; and

9       (b) On October 1, 2015, for all other purposes.

