

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 30, 2015

Agency Submitting: Department of Taxation

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
Expenses to implement and administer this bill (Expense)		\$19,706	\$41,144	\$145,759
Total	0	\$19,706	\$41,144	\$145,759

Explanation

(Use Additional Sheets of Attachments, if required)

Please see attached

Name Deonne Contine

Title Executive Director

DEPARTMENT OF ADMINISTRATION'S COMMENTS

Date Monday, March 30, 2015

The agency's response appears reasonable.

Name James R. Wells, CPA

Title Interim Director

DESCRIPTION OF FISCAL EFFECTBDR/Bill/Amendment Number: BDR 32-585Name of Agency: Department of Taxation

Division/Department: _____

Date: March 18, 2015

BDR 32-585 revises provisions governing the tax on live entertainment and establishes the Luxury Discretionary Spending tax on admission and amusement services. This bill revises the current rate from 10% on admission charges, food, refreshments and merchandise for facilities with maximum occupancy of less than 7,500 and also the 5% rate on admissions charges for facilities with a maximum occupancy of at least 7,500. The new rate is 8% paid for the admission or amusement service. In addition, 8% tax applies to food, beverage and other refreshments if the facility where live entertainment is provided has occupancy of less than 7,500. This bill also revises the exemptions to the Luxury Discretionary Spending tax and reenacts provisions of the existing law governing licensed gaming establishments to a new chapter. This bill is effective January 1, 2016.

Expenses:

The Department will have to make programming changes to the Unified Tax System in order to administer the Luxury Discretionary Spending Tax. Additionally, the Department would require one additional support staff as this bill will now qualify additional businesses to pay this tax. The below figures reflect a new Auditor II effective January 1, 2017.

FY 2016: \$19,706

FY 2017: \$41,144

Future Biennia: \$145,759

Revenue:

The Department does not have the necessary information to determine the impact on revenues.

Expense Summary
BDR 32-585
Nevada Department of Taxation
March 27, 2015

Budget Account: 2361 DEPARTMENT OF TAXATION

Department: 13 DEPARTMENT OF TAXATION

Catg	Description	FY 2016 Est	FY 2017 Est	Future Biennia
01	Personnel Services	\$ 3,470.00	\$ 29,896.00	\$ 128,705.00
03	In-State Travel		\$ 644.00	\$ 2,772.00
04	Operating		\$ 3,201.00	\$ 13,781.00
05	Equipment		\$ 4,861.00	\$ -
15	Lockbox	\$ -	\$ -	\$ -
26	Information Technology	\$ 16,236.00	\$ 2,542.00	\$ 501.00
30	Training	\$ -	\$ -	\$ -
Total		\$ 19,706.00	\$ 41,144.00	\$ 145,759.00