

BDR 32-710

AB 441

EXECUTIVE AGENCY FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 8, 2017

Agency Submitting: Department of Taxation

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
Support Staff (Expense)		\$879,928	\$761,470	\$1,667,896
Total	0	\$879,928	\$761,470	\$1,667,896

Explanation

(Use Additional Sheets of Attachments, if required)

Please see attached

Name Deonne Contine

Title Executive Director

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Friday, April 07, 2017

The agency's response appears reasonable.

Name Laura Freed

Title Executive Budget Officer

DESCRIPTION OF FISCAL EFFECTBDR/Bill/Amendment Number: 32-710Name of Agency: Department of Taxation

Division/Department: _____

Date: January 25, 2017

BDR 32-710 requires that any forms governing the computation of the amount of any tax payable and any instructions for such forms (tax returns and instructions) must be adopted by the Nevada Tax Commission by regulation.

This bill also makes changes to the Live Entertainment Tax including:

1. Excluding service charges which are not required to be paid in exchange for admission from the Tax
2. Excluding membership fees that:
 - a. are not paid in exchange for admission to a facility where live entertainment is provided
 - b. membership was not sold in this State
 - c. the member is not a resident of this State
3. Excluding fees imposed by an independent provider of ticketing services
4. If an admission charge is part of a single charge for a package that includes the admission to a facility, the taxable charge must be equal to the lowest priced admission for the live entertainment
5. Revising the exemption for nonprofit organizations under 7,500 patrons to reflect that the tax is imposed only on each admission in excess of 7,499 rather than on all admissions. And also providing for direction on calculating number of tickets when live entertainment is provided for more than 1 day.
6. If admission is purchased under an installment plan, the tax is imposed on each installment payment
7. Allows for a taxpayer to file the tax return and remit the tax due within 10 days after the conclusion of the event in which the taxable receipts were collected.

This bill is effective July 1, 2017.

Revenue:

Revenue will be reduced, however, the impact on cannot be determined.

Expense:

Section 1 of this bill requires the Department to process all tax return and instruction forms through the regulatory process. This process will require additional staff in order to support this process. Tax return forms are created when new taxes are implemented. Additionally, the Department revises their forms on a regularly occurring basis due to tax rate changes, to create efficiencies with processing, alignment with lockbox vendors, and ease of use for taxpayers. The regulatory process requires public noticing requirements, workshops and processing through the Legislative Counsel Bureau. The Department currently has approximately 500 forms. More forms are being developed as new taxes and programs are administered. These staff would support the forms and the process they would now be required to take through the regulatory process.

FY 2018: \$879,928

FY 2019: \$761,470

Future Biennia: \$1,667,896