

BDR 32-922

AB 281

EXECUTIVE AGENCY FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 17, 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
Personnel (Expense)		\$5,691		
Operating (Expense)		(\$187,402)	(\$187,402)	(\$374,804)
Lockbox (Expense)		(\$24,663)	(\$24,663)	(\$49,326)
Information Technology (Expense)		\$52,500		
Total	0	(\$153,874)	(\$212,065)	(\$424,130)

Explanation

(Use Additional Sheets of Attachments, if required)

Please see attached

Name Deonne Contine

Title Executive Director

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Thursday, March 16, 2017

The agency's response appears reasonable.

Name Laura Freed

Title Executive Budget Officer

DESCRIPTION OF FISCAL EFFECTBDR/Bill/Amendment Number: 32-922Name of Agency: Department of Taxation

Division/Department: _____

Date: March 9, 2017

BDR 32-922 removes the requirements for certain business entities to file a commerce tax return with the Department of Taxation. This bill requires a business to include with its yearly renewal with the Secretary of State, a declaration as to whether the business is exempt from the tax or a declaration as to whether the Nevada gross revenue for the prior fiscal year was less than \$4 million.

The Department could collect the declaration information from the Secretary of State's office. Though the bill does not mandate it, if the Department were to enter into an agreement to obtain this data, programming changes would be needed. The Department would incur FY 2018 costs for re-programming. This fiscal note assumes that those programming changes would occur.

This change would also reduce the number of businesses that would be required to file a tax return. The Department estimates a reduction in lockbox and correspondence costs.

Expenses:

FY 2018: Savings of \$153,874

FY 2019: Savings of \$212,065

Future Biennia: Savings of \$424,130