

Amendment No. 152

Senate Amendment to Senate Bill No. 164	(BDR 32-878)
<b>Proposed by:</b> Senate Committee on Revenue and Economic Development	
<b>Amends:</b> Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: No	

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

SJQ/AAK



Date: 4/8/2019

S.B. No. 164—Recognizes certain virtual currencies as a form of intangible personal property for purposes of taxation. (BDR 32-878)





## SENATE BILL NO. 164—SENATOR KIECKHEFER

FEBRUARY 14, 2019

Referred to Committee on Revenue and  
Economic Development

SUMMARY—Recognizes certain virtual currencies as a form of intangible personal property for purposes of taxation. (BDR 32-878)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: No.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; clarifying that certain virtual currencies are intangible personal property for the purposes of taxation; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Shares of stock and certain other forms of intangible personal property are exempt from property taxation under existing law. (Nev. Const. Art. 10, §1; NRS 361.228) This bill clarifies that certain virtual currencies are intangible personal property for this purpose. This bill defines "virtual currency" to mean a digital representation of value that: (1) is created, issued and maintained on a public blockchain; (2) is not attached to a tangible asset or fiat currency; (3) is accepted as a means of payment; and (4) may only be transferred, stored or traded electronically.

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

**Section 1.** NRS 361.228 is hereby amended to read as follows:

361.228 1. All intangible personal property is exempt from taxation, including, without limitation:

(a) Shares of stock, bonds, mortgages, notes, bank deposits, *virtual currencies*, book accounts such as an acquisition adjustment and credits, and securities and choses in action of like character; and

(b) Goodwill, customer lists, contracts and contract rights, patents, trademarks, trade names, custom computer programs, copyrights, trade secrets, franchises and licenses.

2. The value of intangible personal property must not enhance or be reflected in the value of real property or tangible personal property.

3. The attributes of real property, such as zoning, location, water rights, view and geographic features, are not intangible personal property and must be considered in valuing the real property, if appropriate.

*4. As used in this section:*

1       (a) *“Public blockchain” means an electronic record of transactions or other*  
2 *data which:*

3       (1) *Is uniformly ordered;*

4       (2) *Is processed using a decentralized method by which two or more*  
5 *unaffiliated computers or machines verify the recorded transactions or other*  
6 *data;*

7       (3) *Is redundantly maintained by two or more unaffiliated computers or*  
8 *machines to guarantee the consistency or nonrepudiation of the recorded*  
9 *transactions or other data;*

10       (4) *Is validated by the use of cryptography; and*

11       (5) *Does not restrict the ability of any computer or machine to:*

12       (I) *View the network on which the record is maintained; or*

13       (II) *Maintain or validate the state of the public blockchain.*

14       (b) *“State of the public blockchain” means the cumulative record of data on*  
15 *a public blockchain, consisting of the first block of the public blockchain, all*  
16 *finalized transactions on the public blockchain and all block rewards recorded on*  
17 *the public blockchain.*

18       (c) *“Unaffiliated computers or machines” means computers or machines*  
19 *that are not under common ownership or control.*

20       (d) *“Virtual currency” means a digital representation of value that:*

21       (1) *Is created, issued and maintained on a public blockchain;*

22       (2) *Is not attached to any tangible asset or fiat currency;*

23       (3) *Is accepted as a means of payment; and*

24       (4) *May only be transferred, stored or traded electronically.*

25       **Sec. 2.** This act becomes effective on July 1, 2019.