

SENATE BILL NO. 152—SENATOR SEEVERS GANSERT

FEBRUARY 13, 2019

Referred to Committee on Revenue and
Economic Development

SUMMARY—Eliminates the requirement for certain businesses to
file a commerce tax return. (BDR 32-521)

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

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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 taxation; revising provisions governing the
administration of commerce tax on the Nevada gross
revenue of certain business entities engaged in business in
this State; and providing other matters properly relating
thereto.

Legislative Counsel's Digest:

Existing law imposes an annual commerce tax on each business entity engaged
in business in this State whose Nevada gross revenue in a fiscal year exceeds
\$4,000,000 at a rate that is based on the industry in which the business entity is
primarily engaged. (Chapter 363C of NRS)

Existing law requires each business entity engaged in business in this State to
file a return with the Department of Taxation at the end of every taxable year for
the purpose of determining the amount of commerce tax liability for the filing
business entity. (NRS 363C.200) This bill eliminates the requirement to file a
return for a taxable year for business entities whose Nevada gross revenue is at
least \$500,000 less than the threshold amount of Nevada gross revenue at which a
business entity is required to pay the commerce tax. Under the threshold set forth in
existing law, if this bill became law, a business entity would not be required to file
a commerce tax return if its Nevada gross revenue for a taxable year was
\$3,500,000 or less.



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

Section 1. NRS 363C.200 is hereby amended to read as follows:

363C.200 1. For the privilege of engaging in a business in this State, a commerce tax is hereby imposed upon each business entity whose Nevada gross revenue in a taxable year exceeds \$4,000,000 in an amount determined pursuant to NRS 363C.300 to 363C.560, inclusive. The commerce tax is due and payable as provided in this section.

2. ~~Each~~ *Except as otherwise provided in subsection 3, each* business entity engaging in a business in this State during a taxable year shall, on or before the 45th day immediately following the end of that taxable year, file with the Department a ~~report~~ *return* on a form prescribed by the Department. The ~~report~~ *return* required by this subsection must include such information as is required by the Department.

3. *A business entity is not required to file the return required by subsection 2 if the Nevada gross revenue of the business entity for the taxable year is at least \$500,000 less than the amount of Nevada gross revenue which would cause the business entity to be required to pay the commerce tax pursuant to this chapter.*

4. For the purposes of determining the amount of the commerce tax due pursuant to this chapter, the initial ~~report~~ *return* filed by a business entity with the Department pursuant to subsection 2 must designate the business category in which the business entity is primarily engaged. A business entity may not change the business category designated for that business entity unless the person applies to the Department to change such designation and the Department determines that the business is no longer primarily engaged in the designated business category.

~~4.~~ 5. A business entity shall remit with the return the amount of commerce tax due pursuant to subsection 1. Upon written application made before the date on which payment of the commerce tax due pursuant to this chapter must be made, the Department may for good cause extend by not more than 30 days the time within which a business entity is required to pay the commerce tax. If the commerce tax is paid during the period of extension, no penalty or late charge may be imposed for failure to pay the commerce tax at the time required, but the business entity shall pay interest at the rate of 0.75 percent per month from the date on which the amount would have been due without the extension until the date of payment, unless otherwise provided in NRS 360.232 or 360.320.



1 **Sec. 2.** This act becomes effective:

2 1. Upon passage and approval for the purposes of adopting
3 regulations and performing any other preparatory administrative
4 tasks that are necessary to carry out the provisions of this act; and

5 2. On January 1, 2020, for all other purposes.

