

SENATE BILL NO. 497—COMMITTEE ON FINANCE

(ON BEHALF OF THE OFFICE OF FINANCE
IN THE OFFICE OF THE GOVERNOR)

MARCH 29, 2019

Referred to Committee on Revenue and
Economic Development

SUMMARY—Eliminates certain filing requirements related to the
commerce tax. (BDR 32-1198)

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

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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; removing the requirement for certain
business entities to file a commerce tax return with the
Department of Taxation; and providing other matters
properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law imposes an annual commerce tax on each business entity engaged
2 in business in this State whose Nevada gross revenue in a fiscal year exceeds
3 \$4,000,000 at a rate that is based on the industry in which the business entity is
4 primarily engaged. (NRS 363C.200) Under existing law and regulations, a business
5 entity whose Nevada gross revenue for a fiscal year is \$4,000,000 or less must file
6 an informational return with the Department of Taxation that includes, without
7 limitation, an identification of the industry in which the business entity is primarily
8 engaged and an affirmation under penalty of perjury that the Nevada gross revenue
9 of the business entity for the fiscal year was less than \$4,000,000 (NRS 363C.200;
10 NAC 363C.220) This bill provides that a business entity whose Nevada gross
11 revenue for a fiscal year is \$4,000,000 or less is not required to file a commerce tax
12 return with the Department.



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 business entity ~~engaging in a business in this State during~~ whose Nevada gross revenue in a taxable year exceeds \$4,000,000 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 Department shall not require a business entity whose Nevada gross revenue for a taxable year is \$4,000,000 or less to file a return for that taxable year.* The ~~report~~ return required by this subsection must include such information as is required by the Department.

3. 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. 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.

Sec. 2. This act becomes effective upon passage and approval.

