

ASSEMBLY BILL NO. 272—ASSEMBLYMEN WHEELER, ELLISON,  
O’NEILL, BLACK, DICKMAN; HANSEN, HARDY, KASAMA,  
LEAVITT, MATTHEWS, MCARTHUR, ROBERTS AND TITUS

MARCH 15, 2021

JOINT SPONSOR: SENATOR PICKARD

Referred to Committee on Revenue

SUMMARY—Exempts employers from paying the tax for wages  
which are paid to certain employees. (BDR 32-650)

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

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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; exempting employers from paying the  
excise tax for wages paid to certain employees; and  
providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Existing law imposes an excise tax on each employer at the rate of 1.475 percent of the amount by which the sum of all wages paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer exceeds \$50,000. (NRS 363B.110) This bill exempts the wages paid by an employer to an employee who is less than 21 years of age, employed in an entry-level position and paid at least \$1.00 per hour more than the employer would ordinarily pay for that position, as documented in the regularly kept business records of the employer, from the imposition of such a tax.

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

**Section 1.** NRS 363B.110 is hereby amended to read as follows:

363B.110 1. There is hereby imposed an excise tax on each employer at the rate of 1.475 percent of the amount by which the sum of all the wages, as defined in NRS 612.190, paid by the



1 employer during a calendar quarter with respect to employment in  
2 connection with the business activities of the employer exceeds  
3 \$50,000.

4 2. The tax imposed by this section:

5 (a) Does not apply to any person or other entity or any wages  
6 this State is prohibited from taxing under the Constitution, laws or  
7 treaties of the United States or the Nevada Constitution.

8 (b) *Does not apply to wages paid by an employer to an*  
9 *employee who is:*

10 (1) *Less than 21 years of age;*

11 (2) *Employed in an entry-level position; and*

12 (3) *Paid at least \$1.00 per hour more than the employer*  
13 *would ordinarily pay for that position, as documented in the*  
14 *regularly kept business records of the employer.*

15 (c) Must not be deducted, in whole or in part, from any wages of  
16 persons in the employment of the employer.

17 3. Each employer shall, on or before the last day of the month  
18 immediately following each calendar quarter for which the  
19 employer is required to pay a contribution pursuant to  
20 NRS 612.535:

21 (a) File with the Department a return on a form prescribed by  
22 the Department; and

23 (b) Remit to the Department any tax due pursuant to this chapter  
24 for that calendar quarter.

25 4. In determining the amount of the tax due pursuant to this  
26 section, an employer is entitled to subtract from the amount  
27 calculated pursuant to subsection 1 a credit in an amount equal to 50  
28 percent of the amount of the commerce tax paid by the employer  
29 pursuant to chapter 363C of NRS for the preceding taxable year.  
30 The credit may only be used for any of the 4 calendar quarters  
31 immediately following the end of the taxable year for which the  
32 commerce tax was paid. The amount of credit used for a calendar  
33 quarter may not exceed the amount calculated pursuant to  
34 subsection 1 for that calendar quarter. Any unused credit may not be  
35 carried forward beyond the fourth calendar quarter immediately  
36 following the end of the taxable year for which the commerce tax  
37 was paid, and a taxpayer is not entitled to a refund of any unused  
38 credit.

39 5. An employer who makes a donation of money to a  
40 scholarship organization during the calendar quarter for which a  
41 return is filed pursuant to this section is entitled, in accordance with  
42 NRS 363B.119, to a credit equal to the amount authorized pursuant  
43 to NRS 363B.119 against any tax otherwise due pursuant to this  
44 section. As used in this subsection, "scholarship organization" has  
45 the meaning ascribed to it in NRS 388D.260.



1      **Sec. 2.** This act becomes effective on July 1, 2021.

