

**OF THE
ASSEMBLY COMMITTEE ON REVENUE**

**Eighty-First Session
February 2, 2021**

The Committee on Revenue was called to order by Chair Lesley E. Cohen at 4:03 p.m. on Tuesday, February 2, 2021, Online. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/81st2021.

COMMITTEE MEMBERS PRESENT:

Assemblywoman Lesley E. Cohen, Chair
Assemblywoman Teresa Benitez-Thompson, Vice Chair
Assemblywoman Natha C. Anderson
Assemblywoman Shannon Bilbray-Axelrod
Assemblywoman Venicia Considine
Assemblyman Gregory T. Hafen II
Assemblywoman Heidi Kasama
Assemblyman C.H. Miller
Assemblyman P.K. O'Neill
Assemblyman David Orentlicher
Assemblyman Tom Roberts
Assemblyman Steve Yeager

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Russell Guindon, Principal Deputy Fiscal Analyst
Michael Nakamoto, Deputy Fiscal Analyst
Joe Reel, Deputy Fiscal Analyst
Terri McBride, Committee Manager
Gina Hall, Committee Secretary
Cheryl Williams, Committee Assistant



OTHERS PRESENT:

None

Chair Cohen:

[Roll was taken.] Welcome to the first meeting of the Assembly Committee on Revenue for the 81st Session of the Nevada Legislature. We have a quorum. I would like to welcome all of you watching or listening over the Internet to this virtual meeting. For the time being, our meetings will be held in this format only, with our meeting time regularly scheduled for 4 p.m. on Tuesdays and Thursdays.

The 2021 Session will be busy for all of us. We are going to take it easy today, though. We have some housekeeping matters to go through and our fiscal staff has a couple of presentations. First, I would like to start with introductions. I am Lesley Cohen. I represent Assembly District No. 29 in Clark County. It is the older part of Green Valley, a little bit of Silverado Ranch, into downtown Henderson. This is my fourth legislative session and my third as a member of the Assembly Committee on Revenue, or as it was formerly known, the Assembly Committee on Taxation. I am very honored and humbled to serve as Chair of this Committee.

As you know, Nevada has a citizen legislature. There are 63 members in the Senate and Assembly combined. We are not full-time politicians but ordinary citizens from 63 different walks of life. For a few months every other year, we take time off from our usual employment as social workers, attorneys, teachers, ranchers, et cetera, to represent our fellow citizens. When the Legislature passes a bill, it affects every citizen in this state, both now and in the often unpredictable future, so I take that responsibility very seriously. I do not expect my Committee members to have great expertise or in-depth knowledge of the many issues we will hear in this Committee. What is expected is that Committee members read the bills and ask questions of the professionals in the field who will be testifying before us over the next few months. We also have very capable staff available to us, to assist us with any questions we may have, and to explain different issues to us.

Before we get into Committee member introductions, I have a welcome gift for you. It is a small token of my appreciation for your serving. In your office you will find a bag of popcorn from Jack's Popcorn Company and a sticker from Dulce Valencia's Etsy store [PocketfulofPictures], two of my favorite small Nevada businesses.

The popcorn is made by Jack's Popcorn Company. Some of you may remember seeing Jack [Jack Rovetti] in the building last session. He is a fifth-generation Nevadan and a graduate of the University of Nevada, Reno (UNR). Last session he was an intern at the Office of the State Treasurer. He testified on the ABLE [Achieving a Better Life Experience] Act bill [Assembly Bill 130 of the 80th Session]. This bill is near and dear to my heart, as is the Supported Decision-Making Agreements Act bill [Assembly Bill 480 of the 80th Session].

The stickers were made by Dulce Valencia and purchased from her Etsy store [PocketfulofPictures].

You may remember Dulce as Assemblyman Watts' attaché last session. She is a recent University of Nevada, Las Vegas (UNLV) graduate who was the featured speaker for the College of Fine Arts commencement. As a Dreamer, she is a first-generation Nevadan. Not only is she a fan of Lin-Manuel Miranda, but he happens to be one of her biggest fans, and you can see that video online of his gushing about how great she is. I am very excited for you to get to know these two small Nevada businesses.

We will now move on to introductions. I will briefly introduce Committee members and Committee staff before giving all the members an opportunity to make comments. I will start by recognizing my Vice Chair, Assemblywoman Teresa Benitez-Thompson. She is serving her sixth session in the Legislature as well as her sixth session on this Committee. Our other returning Committee member from the 2019 Session is Assemblyman Gregory T. Hafen II, who is in his second session in the Assembly.

We have four Committee members who are returning to the Assembly and are new to this Committee: Assemblywoman Shannon Bilbray-Axelrod, Assemblyman Steve Yeager, Assemblyman Tom Roberts, and Assemblyman P.K. O'Neill. Assemblyman O'Neill is returning to the Assembly after having last served during the 2015 Session.

We have five freshman legislators serving on the Committee this session: Assemblywoman Natha C. Anderson, Assemblywoman Venicia Considine, Assemblywoman Heidi Kasama, Assemblyman C.H. Miller, and Assemblyman David Orentlicher. On behalf of the returning legislators, I want to extend a sincere welcome to our new members. We are glad to have you under such trying circumstances.

A vital part of every committee is the staff. I would like to welcome our Committee fiscal analysts, Russell Guindon and Michael Nakamoto, both of whom have many years of experience with the Fiscal Analysis Division of the Legislative Counsel Bureau (LCB) as well as with the Assembly Committee on Revenue.

I also want to introduce our committee counsel, Bryan Fernley, who also serves as Legislative Counsel. He will not always be able to attend our meetings, but he will be behind the scenes assisting our Committee with any legal matters that may arise through the course of our 120-day session. Mr. Fernley will also be available for Committee hearings when the issues or topics discussed may require his presence.

In addition to our LCB staff, we have several other staff members who will be helping us get through this session. Terri McBride, our committee manager, is new to the Assembly. She will also be serving as the committee manager for the Assembly Committee on Commerce and Labor this session. Our committee secretary is Gina Hall. She is coming back for her fifth session as our committee secretary. Our committee assistant, Cheryl Williams, is coming back for her eighth session with the Assembly but her first with this

Committee. I also want to introduce my attaché, Hieu Le. Feel free to contact Hieu directly if you need to reach me. I am looking forward to working with all our staff.

I would now like the members to introduce themselves, including which district they represent and where it is, and you may add additional comments. I would also like you to give us a little bit of information about your district by letting us know either one great thing about your district or one of your favorite places in your district. I will start. Mine is the Pitman Wash Trail, which is several miles long. It is a dry wash bed with wildlife and vegetation in the middle of suburbia. It is a great place, surrounded by neighborhoods, that is very important for our district. I will now ask our Vice Chair, Assemblywoman Benitez-Thompson, to introduce herself. From there we will go alphabetically.

Assemblywoman Benitez-Thompson:

This is my sixth session serving on this Committee. It is the only committee that I have consistently served on throughout my legislative career. Other than the Assembly Committee on Ways and Means, it is my favorite committee, with the reason being that you cannot appropriate it if you do not collect it. Good government only functions when we have the ability to fund good government. I think conversations around how we spend money, how we collect money, whom we tax, whom we do not tax, and how revenue is generated are all very meaningful. The conversations about fairness are why I like being here.

A favorite place in my district is a local bakery I tend to frequent, Franz's Backstrube Austrian Bakery and Fine Pastries. Some of you may have sampled some of the backstrube I have brought in over the years. They are also right next door to one of my favorite coffee places in my district, Walden's Coffeehouse, but they hold a close high with the Purple Bean.

Chair Cohen:

We will now hear from Assemblywoman Anderson.

Assemblywoman Anderson:

I represent Assembly District No. 30, which is basically the heart of Sparks with a little bit of the Reno area. This is my first year on the Committee and my first year as a legislator. I am very excited to learn and get a chance to work with everybody. I have two favorite places in Sparks. First is the Sparks Marina. I love the marina more because of its history than the actual marina. It started off as a gravel pit, a real eyesore. Several horrible things happened to this pit, but our community came together and figured out a way to make it something positive. It is now a little marina in the middle of the desert. A lot of people like to go out there and walk around. My second-favorite place is Chuck's Boulevard Pizza because it is owned by one of my former students. I neglected to say I am a teacher in my real life. I am very honored to be here and look forward to working with everyone.

Chair Cohen:

I would be remiss if we did not remind everyone that Assemblywoman Benitez-Thompson is a social worker, so she knows a lot of what she talks about in this Committee from a very

different perspective about how it affects Nevadans who are often the most in need. We will now hear from Assemblywoman Bilbray-Axelrod.

Assemblywoman Bilbray-Axelrod:

I represent Assembly District No. 34 in northwest Las Vegas. It is a wonderful district. One of my absolute favorites in my district is the area in which I live called Desert Shores. It has three different lakes—in the desert. There are a number of restaurants located on the main lake. There is a wonderful little bakery and lunch stop called Rooster Boy Café, a wonderful restaurant and wine shop called Marché Bacchus, and a really wonderful gourmet restaurant called Americana. You completely forget you are in Las Vegas as the geese go by and you are sitting on the lake overlooking the water. It is as if you have been taken away to somewhere magical. If you have a chance to spend any time in Las Vegas, definitely check out Desert Shores and those great restaurants.

Chair Cohen:

We will now hear from Assemblywoman Considine.

Assemblywoman Considine:

This is my very first session, second day, and I am super excited to be here and to learn from all of you. I am so happy to be on the Assembly Committee on Revenue. I represent Assembly District No. 18, which is in the southeast area of Las Vegas and a little bit of Henderson. The Boulder Highway cuts right through it. My favorite place is the Clark County Wetlands Park. The water that drains from the valley goes through the park on its way to Lake Mead. It is an amazing stop for migratory birds. There are fish and animals, and it is an amazing and wonderful place to be. It is incredibly quiet and away from everything, yet it butts up to residential areas. It is a gem.

I am lucky to be here. I appreciate my constituents who elected me and I am glad to represent them. I am an attorney by trade. I am a graduate of the William S. Boyd School of Law at UNLV. I have spent my entire legal career at Legal Aid [Legal Aid Center of Southern Nevada].

Chair Cohen:

We will now hear from Assemblyman Hafen.

Assemblyman Hafen:

I represent Assembly District No. 36. I believe it is the largest district, geographically speaking, on this Committee. It is hard to say what is my favorite part of my district. I know that Assemblyman Yeager loves to visit Red Rock Canyon to do his excessively long runs. I enjoy mountain bike riding out there. Logandale Trails is on the far eastern end of my district. There is a lot to love about it.

A couple of other things I want to mention about my district are that we have three wineries, and I believe there are only five wineries in the state. We also have a private racetrack that is about to become the world's longest racetrack [Spring Mountain Motorsports Ranch]. It is

a very unique and diverse district. As Assemblywoman Benitez-Thompson said, this is also one of my favorite committees. I am looking forward to this session and working with all of you.

Chair Cohen:

We will now hear from Assemblywoman Kasama.

Assemblywoman Kasama:

I have to echo Assemblywoman Bilbray-Axelrod's comments about Marché Bacchus. I had my anniversary dinner there on the lake at Desert Shores. It is one of my favorite places to go. I would like to know what Assemblywoman Benitez-Thompson's favorite thing is at the bakery.

Assemblywoman Benitez-Thompson:

I like all their pastries, but they make a princess cake that is really good, and for the holidays they make a stollen.

Assemblywoman Kasama:

I represent Assembly District No. 2. For those of you familiar with Summerlin, my district encompasses downtown Summerlin. It is easy for me to say that one of my favorite places is probably downtown Summerlin because we have many fabulous restaurants there. We have great shopping. The Red Rock Resort, Casino & Spa is part of that area. We just built the wonderful Las Vegas Ballpark. When we do not have COVID-19, we have the baseball field open. It is an incredible venue. People go to the park and can walk over to downtown Summerlin for the restaurants and shopping. It has become a vibrant area in my community that we all love.

Like many other places in our state, we used to drive by the area and there was nothing but scaffolding and skeletons of buildings for years. I would always apologize. I am in real estate in my other life, and I would tell people it will be beautiful one day. It is nice that it finally got there. We also have beautiful walking trails in Summerlin and lots of parks, and I am fortunate to be living in that beautiful area. I certainly love showing it off and talking to people about it.

Chair Cohen:

We will now hear from Assemblyman Miller.

Assemblyman Miller:

I represent Assembly District No. 7 in the northern part of the Las Vegas Valley, bordering Las Vegas and North Las Vegas between Cheyenne Avenue and Craig Road. The place I love the most in my district is the College of Southern Nevada (CSN) North Las Vegas campus. It holds the Tyrone Thompson Student Union. As many of you know, Tyrone Thompson was my cousin, and I know he meant a great deal to the state, the institution of the Assembly, and the Legislature as a whole.

I have a background in film and television production that started with my being an actor. The first play I performed in was held at the Horn Theater [Nicholas J. Horn Theatre] at CSN North Las Vegas campus. When I started my higher-learning journey, I went to CSN North Las Vegas campus right out of high school. My father got his hotel management degree from CSN North Las Vegas campus, and my son is currently attending CSN North Las Vegas campus with the goal of becoming a nurse. The CSN North Las Vegas campus is hands down my favorite place in my district.

I am excited to be on the Assembly Committee on Revenue. I wanted to be on this Committee to understand fundamentally how the state works—how we make the money and what we do with it. That was important to me coming into the Legislature. I look forward to learning more and working with everyone.

Chair Cohen:

You are correct. Former Assemblyman Thompson will always mean a lot to this institution and its members. We will now hear from Assemblyman Orentlicher.

Assemblyman Orentlicher:

I represent Assembly District No. 20, which is on the east side of Las Vegas, starting from Maryland Parkway by the UNLV campus and going all the way to the Interstate. We have lots of great things in our district, which is east-side Paradise and northwest Henderson—Ethel M Chocolates, Sunset Park, and my favorite shopping trifecta of Costco, Trader Joe's, and Sprouts Farmers Market.

It is an honor to represent my district. I teach at the William S. Boyd School of Law at UNLV. I specialize in health care law and constitutional law. This is my first time sitting on the Assembly Committee on Revenue, but about 15 years ago, when I served in the Indiana Legislature, I had the honor of serving on Ways and Means. It is a great way to get to know how the state works. I am looking forward to our Committee work this session.

Chair Cohen:

I did not go to Boyd, but the dean told me I could be an honorary Boyd-ee. It is a very important school to our state. We will now hear from Assemblyman Roberts.

Assemblyman Roberts:

My district [Assembly District No. 13] is north of Ann Road, west of Decatur Boulevard, and east of U.S. Highway 95. It is not a very big district. It is primarily residential, with a lot of horse properties. My favorite place in the district is Floyd Lamb Park at Tule Springs. It used to be a state park, then the City of Las Vegas took it over. It has several lakes for fishing, mountain biking, and running trails. There are a lot of geese, probably more than it needs. It is a great place in our district and has probably saved my sanity during the lockdown for COVID-19. It was a place where a lot of people went. You could virtually distance and be there.

I am excited to be a part of this Committee. I am looking forward to learning more about the revenue in our state. In my former life I served as a police officer for 34 years and in the United States Air Force, and I retired from the Las Vegas Metropolitan Police Department as an assistant sheriff a couple of years ago to do this. I look forward to working with all of you.

Chair Cohen:

Assemblyman O'Neill, I am sorry. I skipped over you. Thank you for being patient.

Assemblyman O'Neill:

I represent Assembly District No. 40, which is all of Carson City and the southeast part of Washoe County—the east side of Washoe Valley, Steamboat, and up to the Storey County line. The favorite part of my district is our Nevada State Museum, the Old Mint [Carson City U.S. Mint building]. Friends regularly visit from the East Coast and it is one of the first places I take them. It gives them the history of what Nevada is, where we have come from, and how proud we are of this state. So many of them think Nevada is just desert land with no real value, so I always enjoy taking my East Coast friends there.

I worked for 40 years in law enforcement. I started back East and came west. I did 30 years with the Department of Public Safety in investigations. I served in the 2015 Legislature, took a short leave, and came back this session. This is my first time on the Assembly Committee on Revenue. I also look forward to learning how the state gets some of the money we have to fund programs with, what we can do, and looking at our tax policies the best we can.

Chair Cohen:

We will now hear from Assemblyman Yeager.

Assemblyman Yeager:

My district is Assembly District No. 9 in southwest Las Vegas. It borders Assembly District No. 36, which is Assemblyman Hafen's district. He is correct. I spend a lot of time in his district in Red Rock Canyon and Lovell Canyon. Perhaps my favorite part of Assemblyman Hafen's district is the Diablo Burrito at Romero's in Pahrump.

Moving on to Assembly District No. 9, one unique thing about my district is we have the state's only IKEA store. There are two good spots I like and it will not surprise anyone that they both feature sweets. Glaze Doughnuts is a really great local small business. They have won a number of awards. We also have a Crumbl Cookies, which is actually out of Utah, but they opened up a shop down the street. That is why I have to run so much, so I do not gain all the weight from eating those sweets. I have very little self-discipline when it comes to sweets.

When the Legislature is not in session, I am an attorney. By default I am not great at math or numbers. I am looking forward to jumping into the work of this Committee, and as everyone else has said, learning about how the state collects revenue and how we can perhaps reform that system to make it a little more solid for generations to come.

Chair Cohen:

I look forward to seeing what we can accomplish for the citizens of our state this session. I would now like to ask our Fiscal Analysis Division staff to introduce themselves a little more thoroughly. We will start with Russell Guindon.

Russell Guindon, Principal Deputy Fiscal Analyst:

I am a Principal Deputy Fiscal Analyst with the Fiscal Analysis Division of the LCB. Some of you probably know me from being on the Assembly Committee on Taxation and Senate Committee on Revenue and Economic Development. For the benefit of the new Committee members, I will tell you a little bit about myself just for background.

I came to Nevada in 1994. I worked for the budget office for two years. I then worked for the Nevada Gaming Control Board for three years. I came to the LCB in the fall of 1999 and have been here since. This is my eleventh session. This will also be my last regular session.

Trying to comply with the Chair's request, as your nonpartisan staff we represent all of you and in some sense serve you and all the constituents in your districts. Would you believe me if I told you my favorite place is the Legislative Building during session?

I look forward to working with all of you and Chair Cohen this session. I realize it is going to be an interesting one in this virtual environment. I do believe we have the technology available to us to allow staff to get you the answers and information you need. As a member of the Committee or a legislator in general, Michael, Joe, and I are always available to you. We are affectionately, or unaffectionately, known as the "Tax Team," depending on your perspective on that particular word. Feel free to reach out to us and make use of us as your staff.

Chair Cohen:

We certainly appreciate, but do not exactly know, all the work you and the rest of the staff have put in so far. We will now hear from Mr. Nakamoto.

Michael Nakamoto, Deputy Fiscal Analyst:

I am a deputy fiscal analyst with the Fiscal Analysis Division of the LCB. I started with LCB Fiscal in November 2005. This is my eighth session with LCB Fiscal and also my eighth session as staff for this Committee. Before that, I was a proofreader for the Assembly during the 2005 Session, so I have been on both sides of the fence. I am a graduate of UNR with degrees in political science and economics. I am almost a native Nevadan. My parents moved here when I was 11 months old. I live in Assembly District No. 25, but again, as Mr. Guindon said, we are nonpartisan staff, so we represent all legislators in all areas of the state equally. I am here in the same capacity to answer any questions and assist this Committee. I look forward to working with all of you.

Chair Cohen:

Also joining us is Joe Reel. I will let Mr. Reel explain a little more about himself. He is the fiscal analyst for the Senate Committee on Revenue and Economic Development, but as was stated before, they are the Tax Team. We are lucky to have the whole team with us this session.

Joe Reel, Deputy Fiscal Analyst:

I am a deputy fiscal analyst with the Fiscal Analysis Division of the LCB. I have been with the LCB since 2008. This is my seventh session. As stated by Chair Cohen, I staff the Senate Committee on Revenue and Economic Development. I have done so in all my time here. Today I am joining you on the Assembly side to provide additional coverage as part of the team, given the virtual environment that we are having to work in now. My interesting thing is that I, of course, love golf, so my favorite place is any golf course in any of your districts.

Russell Guindon:

Allow me to explain to you and the members of the Committee that, as was stated, Mr. Nakamoto will be staffed to the Assembly Committee on Revenue and then Mr. Reel is staffed to the Senate Committee on Revenue and Economic Development. That is what we have been doing since the 2009 Session as the Tax Team. As the team lead, I believe, given the environment we are in, it makes more sense to have all three of us available to you, to the extent our schedules permit, to be attending and staffing both committees. With the uncertainty out there, we just do not know what will be needed in terms of ensuring we have the resources available as staff to both committees. I appreciate the chairs of both committees allowing us to staff the committees this way. From time to time, you may not see all three of us because, with serving 63 legislators, at times there are other demands on our time. I appreciate your allowing us to use this business model to provide the staffing services to the committees this session.

Chair Cohen:

As I said before, we know you work hard. We do not necessarily know what that entails. Everything you do for us is just another example that the three of you are taking on greater burdens to ensure both committees are covered, and in effect ensuring the whole state is covered. As members of the Committee and as Nevadans, we appreciate that. We know the LCB works extremely hard for us. We know the Fiscal staff works very hard for us and it shows constantly, in large and small ways that the public may not necessarily see and we may not necessarily see, but it is certainly there.

We are now going to move on to Committee policies. The members of the Committee should note that there are two versions of the Committee policies in Nevada Electronic Legislative Information System (NELIS), one dealing with in-person meetings [[Exhibit C](#)] should we have those later in the session, as well as one dealing exclusively with the virtual Zoom meetings [[Exhibit D](#)] that we are having now. These policies are supplemental to the Assembly Standing Rules regarding committees, as well as sections of *Nevada Revised Statutes* (NRS) dealing with conduct before the Legislature, and are not intended to replace

any committee rules in the Assembly Standing Rules or in the NRS. Are there any questions? [There were none.] I will accept a motion to adopt the In-Person Committee Meeting Policies [\[Exhibit C\]](#).

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO ADOPT THE ASSEMBLY COMMITTEE ON REVENUE IN-PERSON COMMITTEE MEETING POLICIES.

ASSEMBLYWOMAN BILBRAY-AXELROD SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

I will now accept a motion to adopt the Virtual Committee Meeting via Zoom Policies [\[Exhibit D\]](#).

ASSEMBLYWOMAN BENITEZ-THOMPSON MOVED TO ADOPT THE ASSEMBLY COMMITTEE ON REVENUE VIRTUAL COMMITTEE MEETING VIA ZOOM POLICIES.

ASSEMBLYWOMAN KASAMA SECONDED THE MOTION.

Is there any discussion on the motion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

We will now move on to a few housekeeping matters. Our committee meetings will begin promptly at 4 p.m. on Tuesdays and Thursdays. I ask all Committee members, unless excused in advance by me, be in attendance for all meetings from the time the meeting begins until the meeting is adjourned. I understand members may need to testify on their bills in other committees during our meeting time, but I ask that you let me know in advance.

I understand 4 p.m. is late, especially if you have spent the whole day in committees, and I am not sure if any of the members have a 1:30 p.m. committee meeting on Tuesdays and Thursdays. If that is the case and we are running long, please feel free to eat. We do not want anyone going hungry when they have spent all day in committee meetings.

I do want to emphasize the importance of courtesy in dealing with other members of the Committee, staff, and all the persons testifying before us. We must never forget we are here to serve the public, and their testimony deserves our respect. I will let the public know we are using technology, with many of us having multiple computer screens going. We may be looking at exhibits on one screen, looking at the video of the hearing on another screen, and looking at people testifying. It may look like we are looking in different places and at different things. Be assured we are paying attention. I will also ask members of the

Committee to ensure they are paying attention to these hearings and not any other devices. I have asked Mr. Nakamoto to provide a refresher to the members of the Committee on session deadlines and a brief summary of the topics and activities of the Committee.

Michael Nakamoto:

The Committee Brief [[Exhibit E](#)] is the first presentation I will make today. For those watching online, every session this Committee starts off by giving a presentation on the Committee Brief. I will not go through the whole thing but will point out to the members of the Committee and the public the information contained in the document. This is in NELIS and on the LCB website, and you can get a copy of the document there.

The Committee Brief is a summary of this Committee, its jurisdiction, with some of the history and background from the previous session. As Chair Cohen noted earlier, this Committee was called the Assembly Committee on Taxation and is now called the Assembly Committee on Revenue. Many of the references in here are to the Assembly Committee on Taxation from the 2019 Session.

On the first page [page 3] there is an overview with general information on staff. On page 2 [page 4, [Exhibit E](#)] is a recap of this Committee's work during the 2019 Session. This Committee received a total of 44 measures—Assembly bills and Senate bills—of which 31 were reported out of Committee, with 26 of those 31 reported to the Governor or filed with the Secretary of State. This page also has an overview of the tax legislation approved during the 2019 Session and a write-up of the actions taken by the Legislature during the 31st Special Session in July 2020 and 32nd Special Session in August 2020. This extends from pages 3 through 16 [pages 5 through 18]. We have written up a lot of legislation, including bills that were not necessarily in the Committee but were of interest with respect to revenues and other fiscal activities.

On page 17 [page 19] you will see the chapters in Title 32 of NRS. The Assembly is different from the Senate in that it does not specifically identify in the Assembly Standing Rules what chapters of NRS deal with what particular committees. These are decisions made per individual bills, but historically the Committee deals with the matters within Title 32 of NRS, which deals with taxation and revenue, and as of late has been dealing with certain chapters within Title 18 dealing with economic development. You will note we do have several bills [page 20] that have been brought forward by the Office of Economic Development, Office of the Governor [[Assembly Bill 20](#), [Assembly Bill 29](#), [Assembly Bill 66](#), and [Assembly Bill 69](#)], that were prefiled bills, so there will be economic development matters that come before this Committee as well.

You can also see the deadlines for the legislative session [page 20]. If you have seen the 120-day calendar, especially those of you who have been around long enough, you know what these deadlines deal with in respect to submitting your own bill draft requests (BDRs), introducing your bills, first and second house passages, and committee passages that go along with it. At the bottom of this page, you can see the list of the six prefiled measures [[Assembly Bill 9](#), [Assembly Bill 20](#), [Assembly Bill 29](#), [Assembly Bill 46](#), [Assembly Bill 66](#),

and Assembly Bill 69] this Committee had received as of yesterday morning. There is one additional bill that was referred to this Committee yesterday [Assembly Bill 13]. There were also two joint resolutions [Assembly Joint Resolution 1 of the 32nd Special Session and Assembly Joint Resolution 2 of the 32nd Special Session] referred to this Committee.

Beginning on page 19 [page 21, [Exhibit E](#)] is a list of potential BDRs related to taxation, revenue, and economic development. These bills will not necessarily go to the Assembly Committee on Revenue or the Senate Committee on Revenue and Economic Development. There may be some bills on this list that go to the Assembly Committee on Judiciary. There are bills dealing with the Nevada Gaming Control Board and dealing with cannabis policy that might reflect the revenue when we start talking about the marijuana taxes and the like, but this is a list that we maintain and provide for your information, so you can see the kinds of things we are at least looking at and that may be out there as items of interest for this Committee going forward.

Page 23 [page 25] has a list of the members of the Assembly Committee on Revenue and Senate Committee on Revenue and Economic Development, along with staff contacts. This includes your Fiscal and Legal Divisions staff, and your Committee staff who were introduced earlier. Page 24 [page 26] is a directory of other key contacts for some of the agencies that will be appearing before this Committee. That is all I have for this particular document. If there are any questions, I would be glad to answer them.

Chair Cohen:

Members, are there any questions? [There were none.] I would like you to move on to the *Revenue Reference Manual* [[Exhibit F](#)].

Michael Nakamoto:

The *Revenue Reference Manual* is a document that is updated by the Fiscal Analysis Division in advance of every session. Those of you who have looked at it in NELIS have possibly panicked at the fact that it is over 300 pages long. You should have received a hard copy of it with a green cover. It should have been delivered to your offices today. Please let me know if you did not receive one. I am obviously not going to go through the entire document today but will give an overview of the information.

In the table of contents [page 2, [Exhibit F](#)] you can see the different sections in this document starting with appropriations and revenue charts, then getting into summaries of the taxes and moving on to some of the other taxes and fees on the next page. The bulk of this document is actually taken up by tax legislation history starting with the 1979 Session, going all the way through to the 2019 Session, as well as the 31st and 32nd Special Sessions. We update this document every two years to have it ready for us to present to this Committee at the first meeting.

On the next page [page 4, [Exhibit F](#)] is information from the Department of Taxation, as well as write-ups and information about tax exemptions, abatements, deferrals, and credits. On the last page of the table of contents you can see things about local government finance issues as well as a section on fiscal notes.

Starting on page 3 [page 8], you can see a pie chart that indicates the State General Fund appropriations approved by the Legislature during the 2019 Session, so the current fiscal year (FY) 2019-2021 biennium. This does not reflect any of the actions taken during the 31st or 32nd Special Sessions, or prior to that by the Interim Finance Committee when the pandemic started and budgets were cut as a result. This is what was legislatively approved at the end of the 2019 Session. On page 4 [page 9] is a pie chart summarizing the Economic Forum's most recent forecast, dated December 3, 2020, for fiscal years 2021, 2022, and 2023. This is the forecast that Governor Sisolak was required to use when building the *Executive Budget* that has been presented to you and that is under consideration for this session.

Beginning on page 5 [page 10] is the forecast that was approved by the Economic Forum, and we show it by revenue source here. You can see actual collection information for all the revenue sources for FY 2018, FY 2019, and FY 2020—the last fiscal year—as well as the forecasts that were approved by that body for FY 2021—the current fiscal year—as well as for the upcoming biennium, FY 2022 and FY 2023. On this page you can see the net proceeds of minerals, sales and use tax, gaming taxes, live entertainment tax, commerce tax, and so on. Beginning on page 11 [[Exhibit F](#)] is information about the modified business tax and some of the tax credit programs. As we get further into this document, we will talk about the tax credit programs and what they ultimately do.

On page 12 of the document, we talk about the insurance premium tax and some of the other taxes. These are primarily taxes collected by the Nevada Gaming Control Board or the Department of Taxation with a couple of exceptions in here. The last couple of pages deal with some of the more minor revenues, licenses, fees and fines, repayments, interest income, and other revenue [pages 13 and 14]. At the bottom [page 14] you can see the total General Fund revenue after tax credits. That is what was available to the Governor to build his budget and what is ultimately available to the Legislature to spend, based on the December 3, 2020, forecast. Behind that are notes [pages 15 through 18] talking about legislative changes since the 2015 Session that have affected many of the items on this particular chart.

Moving on to sales and use taxes [pages 24 and 25], we write up the individual components of the sales tax. The statewide sales and use tax rate in Nevada is 6.85 percent. That is made up of four different components. This page [page 24] shows the 2 percent sales tax that is dedicated to the State General Fund. For all of these revenues, we have common information that you can see here. You can see who administers the tax—the Department of Taxation in this instance—the procedures for the taxpayer to collect and remit the tax, the rate that applies, who receives the money—in this case the State General Fund—and then a breakout

of the revenue that was received for any source for FY 2019 and FY 2020, and if it is a State General Fund source, the percentage of the total State General Fund. We provide legal references and notes about key pieces of legislation that would have affected all of them. These pages cover the first component of the sales and use tax, the 2 percent rate.

Then you have the basic city-county relief tax [page 26, [Exhibit F](#)], which is a rate of 0.5 percent. It is dedicated to local governments and distributed to them through what is known as the Consolidated Tax Distribution (CTX). There may well be discussions about CTX going forward. The supplemental city-county relief tax is the third component of the sales tax [page 27]. It is a rate of 1.75 percent and is also distributed through CTX and has different rules that apply. We have written those up here. The fourth component is the local school support tax, which is imposed at a rate of 2.6 percent [page 28]. This is dedicated to K-12 education in the state, and you can see how that is broken out here.

I mentioned the total statewide rate of 6.85 percent. Those of you in most counties in the state, particularly those of you who serve and live in Washoe or Clark Counties, know that your sales tax rate is considerably higher. When we get to page 25 [page 30], you will see a reference to the county-optional sales taxes. Counties under legislative authority are able to levy additional sales taxes for various purposes. On this page we talk about how much additional tax there is by county. On page 27 [page 32] there is a breakout of the purposes, as well as the revenue that is generated, for each of those purposes for FY 2019 and FY 2020. On page 29 [page 34] is a map we have taken from the Department of Taxation that shows the combined sales tax rate in each county in the state, and this is current as of January 1, 2021.

The summary on gaming taxes begins on page 31 [page 36]. The big one is the gaming percentage fee [page 38]. That tax is paid on gross gaming revenue by nonrestricted gaming entities in the state, which are by and large your larger casinos, but there are some smaller ones that would pay this. The Nevada Gaming Control Board will be presenting in this Committee on Thursday and they will get into this tax more at that time. Going through this section, there are other taxes listed that are in gaming [pages 39 through 44].

Property taxes begin on page 41 [page 46]. There are a couple of taxes talked about in this section. The first is the property tax [page 48]. We have information [pages 48 through 51] about average statewide property taxes, abatements applied to properties in the state, and information on how much revenue was collected for local government, school districts, and the state Consolidated Bond Interest and Redemption Fund, because this is primarily a local government source.

Turning to page 47 [page 52] is the net proceeds of minerals tax. This tax is paid by mining entities based on the amount of proceeds they take out of mining operations in the state. Because of the joint resolutions [[A.J.R. 1 of the 32nd Special Session](#) and [A.J.R. 2 of the 32nd Special Session](#)] this session, there is likely going to be a lot of discussion about that tax. Starting on page 51 [page 56] are excise taxes. In this section we have write ups about the liquor tax [page 58], cigarette tax [page 59], the tax on other

tobacco products [page 60], and the wholesale and retail marijuana taxes [pages 61 through 63]. For example, on the wholesale marijuana tax you see "recipient(s)". You will note the proceeds from that, after certain expenses are paid, are currently deposited into the State Distributive School Account, and go toward K-12 education.

Next is the transportation connection excise tax [page 64, [Exhibit F](#)]. We refer to that as the Uber tax, but it applies to taxicabs and other common carriers and transportation network companies at a rate of 3 percent. After that are the fuel and motor vehicle taxes beginning on page 66 [[Exhibit F](#)]. We have the gasoline tax starting on page 63 [page 68]. There are write-ups about the state taxes as well as the local taxes. We have pretty extensive details about the indexed fuel taxes that are imposed in both Clark and Washoe Counties included here.

Beginning on page 67 [pages 72 through 75] is a write-up of the taxes on special fuel. This is primarily a state tax, although there are indexed rates in Clark and Washoe Counties, and pursuant to Senate Bill 48 of the 80th Session [page 75] there are six rural counties that also impose a 5-cent tax on diesel fuel. There are other fuel taxes [pages 76 and 77], as well as the governmental services tax [pages 78 through 81], which is the tax that is paid to the Department of Motor Vehicles when you register your vehicle, based on the value of that vehicle.

Starting on page 77 [page 82] are some of the other taxes that are collected—the insurance premium tax, captive insurer premium tax, modified business tax (MBT) on financial institutions, MBT on mining companies, and MBT on general businesses. The Department of Taxation will be talking about those taxes when we hear from them on Thursday. Next you have the branch bank excise fee [page 93], then the business license fee [pages 94 and 95] that is primarily collected by the Office of the Secretary of State, the short-term car rental fee [page 96], the real property transfer tax [page 97], the live entertainment tax [pages 98 and 99], the estate tax [page 100] which is not collected but is still part of the *Nevada Constitution* so we leave it in there, room taxes [pages 101 and 102], and then the commerce tax [pages 103 and 104]. On page 100 [page 105] you can see the commerce tax rates by industry category.

The next section is tax legislation history [pages 106 through 215]. This starts with the 1979 Session and goes through the 31st and 32nd Special Sessions in 2020. Are there any questions from the members of the Committee?

Assemblyman Yeager:

The sales tax is obviously paid by individuals and also paid by businesses when they purchase goods. I am wondering if on a state level we have any kind of data or breakdown in terms of the amount of revenue generated by sales tax paid by individuals versus purchases made by corporations. I assume the answer is no, but I wanted to ask that question to be sure.

Michael Nakamoto:

I am leaning to say that the answer is probably no. It would be difficult for us, in looking at the data, to point out who would be an individual or not. I would speculate that even if we did have that information, you would be correct—it is probably a minimal amount paid by individuals as opposed to being paid by businesses.

Russell Guindon:

Just for clarification, the way sales tax statutorily works is it is collected from customers when they make a purchase. We need to ensure we are getting the correct context—that is, people buying things and, in a sense, paying the sales tax. It is the businesses that are required statutorily to collect it on the purchase and remit it versus if you are referring to the use tax side, which is somebody bought something from out of state and brought it into the state as a citizen. Under the law, they are supposed to be filing a use tax return. In a sense, that would be a tax return that is actually filed by a person versus a tax return that is being filed by a business that is collecting taxes. As you stated, Assemblyman Yeager, a business could be required to report and pay the sales tax as a use tax thing as a business. If they bought a piece of equipment out of state and brought it into the state, they are the final retail consumer, thus the sales tax ends with them, and they would also have to report that as a business. That is the mechanics of the sales tax. What is actually reported by the Department of Taxation? The amount of taxable sales that are reported by businesses and/or any citizens who would have filed use tax returns, or any businesses that would have been reporting use tax on their sales and use tax return. We do not have that information in that type of breakout.

Assemblyman Yeager:

I just wanted to ensure that information was not out there.

Russell Guindon:

If it were, your staff would love to have it, too, because we are data junkies.

Chair Cohen:

Are there any other questions? [There were none.] Before I ask my question, I want to remind the public, as Mr. Nakamoto said, both the Committee Brief [[Exhibit E](#)] and the *Revenue Reference Manual* [[Exhibit F](#)] are available on NELIS and are exhibits for today's meeting.

Mr. Nakamoto, I would like you to go a little more in depth about the Economic Forum. We hear about it a lot, but I do not think most of us understand what it is, what it does, and who does what. Could you give us some more information about why it is so important to us?

Michael Nakamoto:

The Economic Forum is a statutory body that was created during the 1993 Session as a group of private sector individuals who are statutorily obligated to develop a revenue forecast for the unrestricted General Fund. Any of the revenues you see on the sheets we talked about,

starting on page 5 [page 9, [Exhibit F](#)], they are tasked with coming up with forecasts for those revenue sources based on information that is provided to them by the agencies that are collecting it, as well as forecasts developed by your Fiscal Analysis Division staff, specifically Mr. Guindon, Mr. Reel, and myself, and the economists for the Budget Division of the Office of Finance within the Office of the Governor. Those forecasts are provided to them in public meetings. They are required statutorily to have one meeting on or before December 3 of each even-numbered year, and the forecast they develop from that is required to be used by the Governor in developing his *Executive Budget*.

There is another meeting that is required to be held on or before May 1 of the odd-numbered years, so coming up here during session. That revised forecast for those same years, the current fiscal year as well as the two upcoming fiscal years for each biennium, those are used by the Legislature in developing the legislatively approved budget.

That is the high-level view of the Economic Forum. I am sure Mr. Guindon may have more information he would like to provide.

Russell Guindon:

I do not have anything to add. Mr. Nakamoto covered it at a high level. As we get further into session, we will be watching the actual collections as they come in so we can compare them and see how we are tracking against the Economic Forum's December 3, 2020, forecast. The Economic Forum is not required statutorily to meet until May 4, 2021, so that is a little later than normal, as May 1, 2021, is on a Saturday. We will be keeping the Chair informed and she can allow us to provide information, if wanted, on how the collections are tracking in relation to the forecast, or just to put that information together in tabular format and provide it to the members of the Committee.

Chair Cohen:

Also, for the members of the Committee and the public, the Economic Forum meetings are streamed so they can be viewed. I believe they are recorded and you can watch the older meetings just as you can watch older committee meetings of the Legislature. Do we have any other questions? [There were none.]

I will now open the meeting for public comment. [There was none.] Are there any comments from members of the Committee?

Assemblywoman Benitez-Thompson:

I want to thank the staff for assembling and putting together the *Revenue Reference Manual* [\[Exhibit F\]](#). This is one of my favorite publications. I have already begun to annotate and highlight my copy. There is so much to learn. I especially appreciate the historical look at how we got to now with taxation. That is really helpful. Another piece I have found helpful is when you describe for us, as Committee members, the mechanism of how the tax is collected. I found that during the late spring of the last interim when the pandemic hit, we were having to get into the nitty gritty about when taxes were being paid; who is paying monthly versus who is paying quarterly; and trying to follow when payments were coming in

so we could ensure we had money coming in and when we would know how much we did or did not have coming in. I appreciate that we get that level of detail in here, and that it all exists in one place.

Chair Cohen:

Do we have any other comments from the members of the Committee? [There were none.] I want to remind you that our next meeting will be Thursday at 4 p.m. This meeting will be a joint meeting with the Senate Committee on Revenue and Economic Development. We will hear presentations from the Department of Taxation and the Nevada Gaming Control Board. That concludes our meeting for today. Thank you, staff, for all you did to make this meeting run smoothly. We are adjourned [at 5:15 p.m.].

RESPECTFULLY SUBMITTED:

Gina Hall
Committee Secretary

APPROVED BY:

Assemblywoman Lesley E. Cohen, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a document titled "Assembly Committee on Revenue, Committee Policies - 2021 Session (In-Person Committee Meetings)," provided by Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit D](#) is a document titled "Assembly Committee on Revenue, Committee Policies - 2021 Session (Virtual Committee Meetings via Zoom)," provided by Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit E](#) is a document titled "Committee Brief, Assembly Committee on Revenue," dated February 2, 2021, provided by Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.

[Exhibit F](#) is a document titled "Revenue Reference Manual," dated January 2021, provided by Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau.