

**MINUTES OF THE
SENATE COMMITTEE ON REVENUE AND ECONOMIC DEVELOPMENT**

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

The Senate Committee on Revenue and Economic Development was called to order by Chair Dina Neal at 1:00 p.m. on Tuesday, February 2, 2021, Online. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Dina Neal, Chair
Senator Julia Ratti, Vice Chair
Senator Moises Denis
Senator Ben Kieckhefer
Senator Heidi Seevers Gansert

STAFF MEMBERS PRESENT:

Russell Guindon, Principal Deputy Fiscal Analyst
Joe Reel, Deputy Fiscal Analyst
Michael Nakamoto, Deputy Fiscal Analyst
Chris Hilton, Committee Manager
Barbara Williams, Committee Secretary
Alex Polley, Committee Secretary

CHAIR NEAL:

I am Dina Neal, representing Senatorial District No. 4 in Clark County. After serving my first five sessions in the Assembly, this is my first in the Senate. I am honored to serve as Chair of the Senate Revenue and Economic Development Committee.

Nevada has a citizen legislature. The 63 members of the Senate and Assembly are not full-time politicians but ordinary citizens. We take time off from our usual employment as social workers, attorneys, teachers or ranchers to represent our fellow citizens. We all come from different backgrounds and areas of expertise. When the Legislature passes a bill, it affects every citizen in this State, both now and in the often unpredictable future.

I recognize the Vice Chair, Senator Julia Ratti, who is serving her third session in both the Senate and on this Committee. The other returning members are Senator Moises Denis, who is in his sixth session in the Senate, third on this Committee; Senator Ben Kieckhefer, who is in his sixth session in the Senate, fifth on this Committee; and Senator Heidi Seevers Gansert, who is in her third session in the Senate and on this Committee.

We will move into adopting the Senate Revenue and Economic Development Committee Standing Rules ([Exhibit B](#)). Apart from the meetings being held virtually, the rules are similar to last Session.

JOE REEL (Deputy Fiscal Analyst):

A change to the Standing Rules is that amendments are to be submitted 48 hours in advance.

SENATOR DENIS:

Do we want to eliminate the word "pagers" from the rules?

CHAIR NEAL:

We can make that change. I will accept a motion to adopt the Committee Rules with an amendment to delete "pagers."

SENATOR DENIS MOVED TO AMEND AND ADOPT AS AMENDED THE
STANDING RULES FOR THE SENATE COMMITTEE ON REVENUE AND
ECONOMIC DEVELOPMENT BY DELETING "PAGERS" FROM RULE 19.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:

We will continue with the Committee Policy Brief ([Exhibit C](#)), which covers Session deadlines and Committee activities.

MR. REEL:

Page 2 covers the Committee's work during the 2019 Session. The Committee was referred 38 measures, of which 26 were passed and 25 were reported to

the Governor or filed with the Secretary of State. The brief goes on to cover the bills passed last Session that were a part of this Committee. The legislation is sorted by State revenues and taxes; technical and administrative changes; and tax credits, exemptions, abatements and postponements. Page 17 is a summary of the Committee's jurisdiction, which includes bills dealing with Title 32 of *Nevada Revised Statutes* (NRS) and its chapters. The Committee also has jurisdiction over Title 18, Title 19, Title 22 and Title 40—these Titles cover economic development. Lastly, we have jurisdiction over NRS 453D, which covers the Regulation and Taxation of Marijuana.

A summary of Committee deadlines specifies the last day bills can be submitted.

There are seven prefiled bills, and Senate Joint Resolution 1 of the 32nd Special Session was referred to the Committee yesterday.

SENATE JOINT RESOLUTION 1 OF THE 32ND SPECIAL SESSION: Proposes to amend the Nevada Constitution to revise provisions governing the taxation of minerals extracted in this State. (BDR C-27)

Pages 19 to 22 list bill draft requests that the Fiscal Analysis Division will monitor. The brief includes a directory of Committee staff and the staff for the Assembly Committee on Revenue followed by a contact list of Executive Branch agencies this Senate Committee will be working with. The brief concludes with the 120-Day Calendar.

CHAIR NEAL:

We will move to the *Revenue Reference Manual* ([Exhibit D](#)).

MR. REEL:

This document will be utilized throughout Session. A section of appropriations and revenue charts displays the approved General Fund Appropriations for the 2019-21 biennium on page 3. Following on page 4 are the revenue projections made at the Economic Forum meeting held on December 3, 2020. Revenue details are summarized in the revenue spreadsheets; pages 5 through 7 itemize taxes that the Committee uses. Pages 8 and 9 list minor revenue sources that get deposited into the State General Fund. There are notes that outline what occurred during past sessions relating to each revenue source.

The tax revenue summaries section indicates what entity administers each tax, the procedures for how it is administered, the rate that is appropriated and where the revenues go with a breakout for each of the past two fiscal years in terms of how much the tax generated. The sales and use tax 2 percent rate is deposited into the State General Fund. All taxes within this section compose a 6.85 percent State sales tax. Page 27 has the county optional sales taxes that are added to the base State sales tax, generating the final rate imposed within each county. Page 29's chart, provided by the Nevada Department of Taxation (NDT), displays each county's rate.

The next part of the section covers gaming taxes, the major portion being the gaming percentage fee, which is administered by the Nevada Gaming Control Board (GCB). The GCB and the NDT will present this part in a future meeting. The manual continues with property taxes that include the real and personal property tax along with the Net Proceeds of Minerals Tax. Page 51 begins Excise Taxes, including taxes on tobacco products, marijuana and the transportation connection excise tax. The fuel and motor vehicle taxes begin on page 61; individual rates for each county are listed in this part. The Governmental Services Tax administered by the Department of Motor Vehicles is found on page 73. Other taxes and fees start on page 77.

The Modified Business Tax is broken down into general businesses, financial institutions and mining companies. The latter two impose a 2 percent rate. The general businesses rate has changed over each session; currently, it is imposed at 1.475 percent after the deduction of \$50,000 per quarter. The commerce tax is a rate imposed on revenue exceeding \$4 million.

A bulk of this manual is the section covering a history of tax legislation from 1979 through 2019 with a summary of measures passed each session.

Taxation information begins on page 211, and this section includes a tax terms glossary.

Page 235 starts a section on tax exemptions, abatements, deferrals and credits for sales tax, property tax, Governmental Services Tax, Real Property Transfer Tax, Live Entertainment Tax and commerce tax.

The final part of this section contains tax credit programs such as the film tax credit program and the transferable tax credits for affordable housing.

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This document will be useful for the subject matters that come before this Committee. A hard copy of the manual will be delivered to each Committee member.

Remainder of page intentionally left blank; signature page to follow.

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CHAIR NEAL:

I see no public or Committee comments. The meeting is adjourned at 1:44 p.m.

RESPECTFULLY SUBMITTED:

Alex Polley,
Committee Secretary

APPROVED BY:

Senator Dina Neal, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
	B	1	Joe Reel	Committee Standing Rules
	C	2	Fiscal Analysis Division	Policy Brief
	D	3	Fiscal Analysis Division	Revenue Reference Manual