

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

**Eighty-first Session  
May 11, 2021**

The Senate Committee on Revenue and Economic Development was called to order by Chair Dina Neal at 1:02 p.m. on Tuesday, May 11, 2021, Online and in Room 2149 of the Legislative Building, Carson City, Nevada. [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

**GUEST LEGISLATORS PRESENT:**

Assemblywoman Teresa Benitez-Thompson, Assembly District No. 27  
Assemblyman Gregory T. Hafen II, Assembly District No. 36

**STAFF MEMBERS PRESENT:**

Russell Guindon, Principal Deputy Fiscal Analyst  
Joe Reel, Deputy Fiscal Analyst  
Michael Nakamoto, Deputy Fiscal Analyst  
Alex Polley, Committee Secretary

**OTHERS PRESENT:**

Bryan Bedera, Nevada Vaping Association  
Elliot Malin, Nevada Petroleum Marketers & Convenience Store Association  
Bradly Mayer, Southern Nevada Health District; Washoe County Health District  
Melanie Young, Executive Director, Department of Taxation  
Steve Hill, Las Vegas Convention and Visitors Authority  
Matt Griffin  
Shellie Hughes, Chief Deputy Director, Department of Taxation

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Paul Moradkhan, Vegas Chamber  
Susan Kaiser

CHAIR NEAL:

We will begin with a hearing on Assembly Bill (A.B.) 360.

**ASSEMBLY BILL 360 (1st Reprint)**: Revises provisions relating to tobacco products. (BDR 32-864)

ASSEMBLYMAN GREGORY T. HAFEN II (Assembly District No. 36):

Assembly Bill 360 requires retailers to utilize advanced age-verification technology at the point of sale for certain tobacco products to ensure the purchaser is at least 18 years old.

According to the Centers for Disease Control and Prevention, while we are seeing decreased use of tobacco and vapor products among youth, every day in the U.S., about 1,600 youth try their first cigarette and nearly 200 become daily smokers. E-cigarettes, commonly known as vapor products, have been the most-used tobacco product among youth since 2014. The use of these products has dropped since 2019. This is in part due to increased awareness of the dangers of these products, targeted public relations campaigns and efforts by industry to discourage product use among younger people. Even with this drop in use, about 1 of every 20 middle school students reported in 2020 that they used e-cigarettes in the past 30 days, and about 1 in every 5 high school students reported they used e-cigarettes. Tobacco, cigarette and cigar use is lower, but it is still a significant problem.

Retailers have become more diligent with age-verification practices. New technology is making this process easier, which will protect the youth and help prevent retailers from unintentionally violating tobacco age restrictions. Assembly Bill 360 requires retailers to use a scanning technology or automated software-based system to verify the age of a purchaser of a tobacco product.

Age-verification technology is an identification card scanning tool that pulls limited information from a photographic identification (ID) to automatically verify and validate both the age of the purchaser and the ID. To implement this, retailers only need a 2D barcode scanner that can be used to scan the back of a government-issued ID. Most retailers already have and use a barcode scanner as part of their point-of-sale systems. Therefore, implementation of this

age-verification component should be simple, and the technology could be used beyond tobacco products.

This technology reduces the visual age-verification failure rate. It takes the guesswork out of confirming the purchaser's age, reduces the use of fraudulent IDs and requires the sales clerk to complete the age verification step in order to complete a sale.

Assembly Bill 360 requires retailers to scan IDs at the point of sale for every tobacco product purchased to ensure the buyer is at least 18 years old. Anyone over 40 years old would not be required to have his or her ID scanned. There is a \$100 civil penalty for each offense that a retailer does not scan an ID for people under the age of 40. This is beyond any penalty structures that exist for selling to minors.

SENATOR KIECKHEFER:

Are tobacco cigarette rolling papers the same as ones sold in cannabis retailers? Will there be the same age requirement regardless of the substance the rolling papers are used for?

ASSEMBLYMAN HAFEN II:

Marijuana products sold in cannabis retailers are excluded from A.B. 360. Assembly Bill 360 only addresses tobacco products but could be expanded to cannabis products in the future.

SENATOR KIECKHEFER:

The age requirement to purchase cannabis is 21 years old, and there are age-verification systems for those retailers. I do not want A.B. 360 to be duplicative for cannabis retailers to sell rolling papers.

SENATOR SEEVERS GANSERT:

How much would the age-verification system cost?

ASSEMBLYMAN HAFEN II:

Many retailers have scanners for products at the point of sale, which is the same device that would be used to scan IDs. What is needed is a software upgrade to retailers' computer systems. The federal government offers this software for free to encourage retailers to verify customers' ages. This is to curtail youth smoking.

Barcode scanners can cost between \$100 and \$200 if a retailer is using an older point-of-sale system that does not have a barcode scanner. I had discussions with stakeholders, and they could get the necessary scanners and software in the next 12 months. However, the effective date is not until January 1, 2023, due to the pandemic. This is to provide enough time for retailers to do their due diligence, buy necessary equipment and establish operations software.

SENATOR SEEVERS GANSERT:

The age-verification scanners work for other products as well. Most retailers will probably have the necessary equipment. The effective date of January 1, 2023, will be helpful.

SENATOR DENIS:

I do not promote the purchase of cigarettes. What if older people lack IDs; do you anticipate this being an issue?

ASSEMBLYMAN HAFEN II:

That was a concern in the Assembly. We added "40 years" in section 5, subsection 3 of A.B. 360 to address this concern. People under the age of 40 will need their ID scanned. People older than 40 years old will not need an ID scanned. You are correct that some older people do not have IDs.

SENATOR DENIS:

People under 40 years old will still need their ID scanned. There are younger people who have not gotten IDs and would have to obtain an ID to purchase tobacco products. Will there be a campaign to inform people they need an ID to purchase tobacco products?

ASSEMBLYMAN HAFEN II:

With the implementation of the Federal Food, Drug, and Cosmetic Act, there is a push to inform people about changes to tobacco regulations. I assume this initiative will provide education; however, there is not an education campaign component in A.B. 360.

Assembly Bill 360 is aimed at having the retail industry implement software and ID scanners. People will learn quickly the necessity for an ID when they are denied sale.

SENATOR DENIS:

This could be an incentive to stop.

SENATOR RATTI:

The civil penalty of \$100 for each offense in section 5, subsection 3 of A.B. 360 is for retailers not using the scanning technology. By adding this offense, we are not removing the other offenses of \$100 for a first violation, \$250 for a second violation and \$500 for a third violation in section 5, subsection 5, paragraphs (a), (b) and (c). The violations for businesses of \$500, \$1,250 and \$2,500 in section 5, subsection 6, paragraphs (b), (c) and (d) will not be removed. Is the \$100 penalty in section 5, subsection 3 of A.B. 360 in addition to the aforementioned violations?

If a retailer sells a tobacco product to an underage person and does not scan the ID, will the retailer receive a \$100 civil penalty for a first offense and receive an additional \$100 civil penalty for not scanning the ID?

ASSEMBLYMAN HAFEN II:

The civil penalty in section 5, subsection 3 of A.B. 360 is an additional fine. If a person of age to purchase tobacco but under 40 years old is sold a tobacco product and the retailer fails to scan the ID, the retailer will only be subject to a \$100 fine for not scanning the ID pursuant to section 5, subsection 3 of A.B. 360. The retailer would only be subject to the \$100 fine because the individual is of age to buy tobacco but under the age of 40, which would require the ID to be scanned under A.B. 360.

If an underage person is sold a tobacco product, the retailer would receive a \$100 civil penalty pursuant to section 5, subsection 5, paragraph (a) for a first violation and an additional \$100 civil penalty pursuant to section 5, subsection 3 for failing to scan the ID. There is an additional fine to the penalty structure in NRS 370.521. Assembly Bill 360 is intended to be an addition and not in lieu of statutes.

BRYAN BEDERA (Nevada Vaping Association):

We support A.B. 360. This bill does nothing more than ensure the people who should be carded are carded by using new technology in the industry to verify age 100 percent of the time. All of the Nevada Vaping Association members use the technology outlined in A.B. 360. It is not cost-prohibitive, and it makes it easier to train employees to not sell tobacco products to underage people.

ELLIOT MALIN (Nevada Petroleum Marketers & Convenience Store Association):  
We support A.B. 360. The bill adds tools to ensure only legally allowed people are able to purchase tobacco products. This will help reduce underage purchasing and ensure age-verification compliance. Using automated software-based systems to determine a person's birth year from a valid government-issued ID will help compliance and implementation.

BRADLY MAYER (Southern Nevada Health District; Washoe County Health District):

Nevada is in a youth-vaping epidemic. We support A.B. 360 and the changes made on the Assembly side. Requiring an additional layer of age verification will help Nevada's compliance rate and be a tool to address youth vaping. More will have to be done in the future.

ASSEMBLYMAN HAFEN II:

Assembly Bill 360 will not end youth smoking, but it is a step in the right direction to end youth vaping and smoking. Data shows this is effective in preventing youth from purchasing tobacco products.

CHAIR NEAL:

We will begin a work session on A.B. 20.

**ASSEMBLY BILL 20 (1st Reprint)**: Revises provisions relating to transferable tax credits for film and other productions. (BDR 32-267)

JOE REEL (Deputy Fiscal Analyst):

Assembly Bill 20 is sponsored by the Assembly Committee on Revenue on behalf of the Governor's Office of Economic Development (GOED). It was heard by the Committee on April 29 and is summarized on the work session document ([Exhibit B](#)).

SENATOR DENIS MOVED TO DO PASS A.B. 20.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:

We will begin a work session on A.B. 69.

**ASSEMBLY BILL 69 (1st Reprint)**: Revises provisions governing economic development. (BDR 18-290)

MR. REEL:

Assembly Bill 69 is sponsored by the Assembly Committee on Revenue on behalf of GOED. It was heard by the Committee on April 29 and is summarized on the work session document ([Exhibit C](#)).

SENATOR RATTI MOVED TO DO PASS A.B. 69.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:

We will begin with a hearing on Assembly Bill 368.

**ASSEMBLY BILL 368 (1st Reprint)**: Revises provisions relating to tourism improvement districts. (BDR 22-17)

ASSEMBLYWOMAN TERESA BENITEZ-THOMPSON (Assembly District No. 27):

The Sales Tax Anticipated Revenue (STAR) bonds reports are difficult to read. Reports on STAR bonds are required by *Nevada Revised Statutes* (NRS) 271A.105, and data is aggregated. Assembly Bill 368 makes STAR bond reports easier to read by deaggregating data requested to be reported on the life of STAR bonds. There are STAR bonds still remaining. The latest STAR bonds report ([Exhibit D](#)) is available. We have a mock STAR bonds report ([Exhibit E](#)) if A.B. 368 were to pass.

More STAR bonds remain than we thought. We believed these were only in northern Nevada; however, there is one STAR bond in southern Nevada. The report provided by the Department of Taxation does not easily display the number of years and payments remaining on STAR bonds and if the STAR bonds have a healthy status. Assembly Bill 368 adds markers to where

the project is at in a STAR bond life. Assembly Bill 368 identifies the geographic location of where STAR bonds exist. There are STAR bond areas that are one proprietary business, and we are not seeking to have proprietary information shared.

We want reports to describe which STAR bonds exist and their geographic locations. If there is one certain municipality, then information can be aggregated to the area. Assembly Bill 368 will help us know the pledged money, the length and location of STAR bonds to better follow these. A conceptual amendment ([Exhibit F](#)) sunsets authorizing language for STAR bond tax increment financing. We will keep the reporting provisions in NRS 271A.105 to see out the remaining bonds.

SENATOR KIECKHEFER:

Would section 2 of A.B. 368 expose confidential information in the report pursuant to NRS 271A.105?

RUSSELL GUINDON (Principal Deputy Fiscal Analyst):

Assembly Bill 368 adds "proprietary" to section 1, subsection 5. Reporting on STAR bonds is required by NRS 271A.105, but there have been concerns about reporting a single taxpayer's taxable sales—which is the revenue. A taxpayer could claim to the Department of Taxation that some information is proprietary. If this occurs, section 1, subsection 3 of A.B. 368 provides an alternative to reporting information.

Of the seven tourism improvement districts (TID), only a couple have just one entity, such as Cabela's. A report pursuant to NRS 271A.105 would be limited to the single taxpaying entity's information in the district. Adding "proprietary" to section 1, subsection 5 would allow this information to be reported, unless the entity makes a claim to the Department of Taxation that the information is proprietary. The Department would not report the information.

Tourism improvement districts with multiple businesses could have the situation where certain proprietary information cannot be reported. Section 1, subsection 3 of A.B. 368 is an alternative to allow the Department of Taxation to compile information of multiple businesses. There can be a situation where individual taxpayer information cannot be disclosed, but it could be compiled to reveal taxable sales information where a single business's taxable sales or tax collections are not identified.



ASSEMBLYWOMAN BENITEZ-THOMPSON:

The Department of Taxation can look at a report mockup of three examples, [Exhibit E](#), which are less aggregated than the reports are now. The mockups are not to the level where the reportable sales of one entity are obvious.

There is not a scenario where the number of businesses in a report goes below two businesses. A lot depends on how the "taxable sales greater than" and the "taxable sales less than or equal to" columns are done. I propose doing a range and grouping entities within the range. There is a way where more information is available without identifying a single entity.

SENATOR KIECKHEFER:

Is it your intent to provide proprietary information or maintain aggregated information on STAR bond reports?

ASSEMBLYWOMAN BENITEZ-THOMPSON:

The goal is to have not less than two taxpayers on a single report. Aggregation can be done on a geographic basis, such as north, south or by municipality. The intent is to offer a couple of different way to aggregate information.

SENATOR SEEVERS GANSERT:

Will businesses be able to keep information proprietary? I foresee conflict. Some businesses may not want their information disclosed. Businesses would have to confer with the Department of Taxation prior to information being disclosed. Information might be made available without a business's knowledge unless it is aware of A.B. 368.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

A STAR bond report gets a couple of data points, but these do not give an idea if projects are in northern or southern Nevada. Most of this information is public knowledge. Cabela's is a single taxpayer in a standalone district. Legends in Sparks is one district but is made up of several retailers. We want a STAR bonds report that does not indicate the taxable sales of a single business because that information is proprietary. However, we want to know the amount of pledged sales and remaining life of bonds in a certain area. We want to protect as much information as we can to not allow proprietary information in STAR bond reports to be determined.

The inverse is done with the Governor's Office of Economic Development tax abatements. We know the amount of taxable abatements and tie it to a single company on the front end of actual taxable sales. There was a sensitivity to that concern. We can exclude information such as company names on the report. Companies only provide three or four data points for STAR bond reports.

SENATOR SEEVERS GANSERT:

I appreciate more transparency. It is tricky because some TIDs have so few businesses that it is hard to not disclose a company by just evaluating the information.

It made sense when the 2 percent was removed from the Local School Support Tax (LLST). Now we have two more that have not had the LLST removed.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

Assembly Bill 368 allows the Department of Taxation a couple of scenarios to collect information and report it while keeping it proprietary.

MELANIE YOUNG (Executive Director, Department of Taxation):

The information for STAR bond reports is self-reported. The Department of Taxation would revise the form to identify if provided information is proprietary. When the information is aggregated, the Department would ensure confidential information is not disclosed.

CHAIR NEAL:

We will begin with a hearing on Assembly Bill 435.

**ASSEMBLY BILL 435**: Revises provisions governing the commerce tax.  
(BDR 32-1049)

STEVE HILL (Las Vegas Convention and Visitors Authority):

Assembly Bill 435 is related to S.B. No. 483 of the 78th Session. Subsection 2, paragraph (n) of NRS 363C.020 defines a person engaged in an exhibition. The intent was that trade show organizers, meeting organizers, exhibitors and attendees would be exempt from the commerce tax, which was practiced for several years. To who is included in the definition of a person in an exhibition, and the definition of an exhibition is in question. These need to be more clearly defined.

The exhibition industry is important to Nevada. Approximately 17 percent of visitors to Nevada each year come for meetings and conventions. These visitors fill hotel rooms during the week. While travelers have returned for weekends, our weekday hotel occupancy is down nearly 50 percent. Convention visitors occupy hotel rooms and spend at a higher rate than leisure visitors.

Meetings and conventions support 44,000 jobs in Nevada and contribute over \$2 billion per year in wages and salaries. Meetings and conventions contribute \$6.6 billion in economic impact. The indirect impact of meetings and conventions goes up 50 percent. This industry has been completely shut down over the past 12 to 15 months, and it is just beginning to ramp back up. Some companies are permanently closed due to the pandemic.

Trade shows analyze where to host conventions. There is a broad spectrum of trade show sizes. Most shows do not happen at convention centers but at properties throughout the State. This is a critical time for trade show, casino and hotel industries. It will be difficult to reverse if trade shows decide Nevada is not an adequate place to host events.

SENATOR RATTI:

Section 1, subsection 2, paragraph (n) of A.B. 435 contains "including, without limitation, an organizer, manager or sponsor of such an event." Is it the intent to include Nevada-based businesses that help multiple clients organize and manage trade shows? Is it limited to individual shows?

MR. HILL:

It is the intention for those businesses to be included in the exemption in section 1 subsection 2, paragraph (n) of A.B. 435.

SENATOR RATTI:

How do you sort out what portion of a business puts on trade shows versus other work a business might do? I am thinking of association management companies.

MR. HILL:

Associations are required to segregate revenue. Associations are typically nonprofits and do things that create revenue outside of activities that qualify as nonprofit. That revenue is required to be separated out, and this is part of their accounting and reporting structure.

SENATOR RATTI:

I am focused on the for-profit companies that provide back-of-office services to associations, which includes managing trade shows.

MR. HILL:

The exemption would only be for the activity around a trade show.

SENATOR RATTI:

I want to ensure this is limited to organizing and managing a trade show.

MR. HILL:

That is the intent.

SENATOR SEEVERS GANSERT:

Trade shows are booked years in advance, and we want to capture as much business now so we do not lose opportunities in the future.

CHAIR NEAL:

It has been discussed that S.B. No. 483 of the 78th Session did not intend to include trade shows. We are also discussing the absence of legislative intent. The Department of Taxation felt it was included in discussions, and there must have been a legal reason for this. How do you explain how the Department views this issue?

MR. HILL:

Section 4, subsection 2, paragraph (n) was added to S.B. No. 483 of the 78th Session to address this issue. The commerce tax has not been enforced on trade shows for some time. One of the Las Vegas Convention and Visitors Authority (LVCVA) customers filed a commerce tax return, which brought this into question.

CHAIR NEAL:

Did the customer file because it met the \$4 million threshold?

MR. HILL:

I do not know why the customer filed, but it did meet the \$4 million threshold.

CHAIR NEAL:

I was curious to how statutory construction works in the absence of intent. If intent is absent, then the plain language should be looked at to determine whether entities qualify. The plain language in NRS 360.780 distinguishes participants from operators in NRS 360.787. I wanted to know who operators and participants are because NRS 360.780 does not wrap in participants. There should be a distinction between participants and operators.

MATT GRIFFIN:

When constructing A.B. 435, we assumed any practicing business in Nevada pays the commerce tax. A business entity is defined in NRS 363C.020. Assembly Bill 435 amends NRS 363C.020 subsection 2, paragraph (n). If a person "takes part" in an exhibition, a person does not have to pay for a Nevada business license pursuant to NRS 360.780. If the host of a convention pays the flat rate in NRS 360.787, the commerce tax does not have to be paid by the convention host. A convention company does not have to get a business license or pay the commerce tax if it pays the flat rate in NRS 360.780.

CHAIR NEAL:

I need more information on the distinction between operators and participants in terms of the flat rate.

MR. GRIFFIN:

The term "operator" in NRS 360.780 refers to the operating facility where an exhibition is held. If a casino is hosting a convention and pays the flat rate under NRS 360.787, then the casino is considered the "operator" in NRS 360.780. A participant does not have to pay the commerce tax when participating in a convention, but the facility operator owes the flat rate in NRS 360.787. The term "operator" does not refer to people who operate booths at trade shows.

CHAIR NEAL:

I do not agree the Legislature did not want for these groups to take part in the commerce tax. The sponsors of A.B. 435 claim there is an absence of intent, but the goal of the commerce tax in S.B. No. 483 of the 78th Session was to be more inclusive to create a broader tax base. We did not want to reduce the tax base.

How would including the added language to section 1, subsection 2, paragraph (n) of A.B. 435 affect participants' ability to pay the commerce tax? These groups have been included thus far. Why are the effects of the pandemic the reasoning for not paying the commerce tax? Why can we not abate these groups until they get their feet underneath, and then continue to subject them to the commerce tax?

MR. HILL:

There are different thoughts as to who should be subject to the commerce tax. Assembly Bill 435 is clarifying. I do not claim the industry does not have the capacity to pay the commerce tax. Assembly Bill 435 is to encourage the trade show industry to return to Nevada. This industry has not been subjected to the commerce tax for several years, and changing this now or later will send a bad message. The risk of losing trade shows in Nevada does not outweigh potential revenue from the commerce tax. Trade shows contribute from a fiscal standpoint; these create jobs and have a positive economic impact.

SENATOR KIECKHEFER:

Assembly Bill 435 clarifies NRS 363C.020 subsection 2, paragraph (n). Trade show organizers are meant to be exempt. In regard to "without limitation" in section 1, subsection 2, paragraph (n) of A.B. 435, would Nevada-based companies, such as an electrical company that sets up a convention, be exempted from the commerce tax, even if these meet the \$4 million threshold?

MR. HILL:

Contractors working on behalf of organizers are not included in A.B. 435.

CHAIR NEAL:

Why did the Department of Taxation believe trade shows are included?

MS. YOUNG:

The Department of Taxation interpreted NRS 363C.020, subsection 2, paragraph (n) as including exhibitor, such as vendors at a trade show.

CHAIR NEAL:

The original language in NRS 363C.020 is expanded with "without limitation, an organizer, manager or sponsor." What could be the impact of this expansion? What will be captured by A.B. 435 that was not envisioned to be exempted?

MS. YOUNG:

The commerce tax is imposed on the North American Industry Classification System (NAICS) code 561 for administrative and support services. There are 27 different NAICS codes for the commerce tax. The NAICS code for convention and trade show organizers is 561920. Assembly Bill 435 will further define the NAICS code for this industry.

The Department of Taxation has 300 taxpayers registered under NAICS code 561. We looked at commerce tax records to identify potential exposure. Seven taxpayers whose primary business is in the convention and trade show industry would qualify for the exemption in A.B. 435.

CHAIR NEAL:

Are the seven taxpayers considered operators or a different category?

SHELLIE HUGHES (Chief Deputy Director, Department of Taxation):

These taxpayers would be considered convention and trade show organizers under NAICS code 561920. These taxpayers fall under establishments primarily engaged in organizing, promoting and/or managing events, such as businesses in trade show conventions, conferences and meetings.

CHAIR NEAL:

I understand operators manage all aspects of a trade show. There are then subcontractors that work underneath operators. Is this an accurate understanding?

MR. HILL:

That is correct. These are trade show or meeting organizers. An association or trade show organizers can own a show which covers exhibitors and attendees. Assembly Bill 435 will not cover entities outside of these groups.

CHAIR NEAL:

Of the seven operators that have been exempted from the commerce tax thus far, what is the amount of revenue these operators contribute?

MR. HILL:

These operators have a \$6.6 billion economic impact. The revenue produced is a small portion of the economic impact. Trade show economic impact is the amount of attendees that go to conventions. A normal year brings in roughly

seven million trade show attendees. Exhibitors are 25 percent of the seven million visitors. Trade show organizers are a smaller organization.

CHAIR NEAL:

What is an operator's average revenue?

MR. HILL:

The seven operators are only the ones that have filed a tax return. The remaining operators have been working with the understanding they are exempt from the commerce tax. There is a multitude of meeting organizers and trade show owners that span a broad spectrum of revenue generation. Our largest customers are publicly traded companies, and our smaller customers are local small businesses.

CHAIR NEAL:

I am concerned why no intent appeared on the record when section 4, subsection 2, paragraph (n) was tacked on to S.B. No. 483 of the 78th Session. There have been Legislators who have not been allowed to ask certain questions to avoid blowing up a bill that was wanted.

We are walking backwards on legislative intent because other individuals have claimed the commerce tax does not apply to them. If A.B. 435 is passed, who else will seek a similar exemption to the commerce tax? The commerce tax is supposed to capture a broad business base, and this defeats its purpose. This is my biggest concern with A.B. 435. The Department of Taxation says these entities are subject to the commerce tax, and now businesses are saying they are not and want to change NRS.

SENATOR KIECKHEFER:

How many of these companies have paid the commerce tax?

MS. YOUNG:

A few have remitted and others have remitted zero tax returns. The Department of Taxation had businesses under \$4 million check a box when the tax return is submitted prior to exempting businesses from having to report with S.B. No. 497 of the 80th Session. A few of the seven taxpayers are remitting tax. Some may be under the \$4 million threshold.



SENATOR KIECKHEFER:

These entities may think the commerce tax does not apply to them. Hundreds of companies may work in the trade show industry. The companies that have remitted tax and think they have to pay the commerce tax are in the minority. We have to determine whether an organizer is a participant in an event. Organizers do participate in events. Assembly Bill 435 clarifies the intent of S.B. No. 483 of the 78th Session.

PAUL MORADKHAN (Vegas Chamber):

The Vegas Chamber supports A.B. 435. This bill provides clarity to the original intent of the commerce tax that it does not apply to trade show events, organizers and exhibitors.

We agree with the remarks made by Mr. Hill from the LVCVA and Mr. Griffin. This clarification is important to supporting our tourism and convention industry as part of our economic recovery. Texas and Florida are going after our convention and trade shows, and cities like Orlando, Chicago and San Francisco are doing the same.

We saw this before the pandemic, and they will only continue with their efforts to go after more of our convention and trade shows. Assembly Bill 435 will send the message that Nevada is serious about convention business and that we want them to come back to Las Vegas. This bill will benefit our tourism members and their thousands of workers.

SUSAN KAISER:

Support Assembly Joint Resolution 1. Tax exemptions have brought diversity to our economy but not without a cost. Schools have taken a hit. The commerce tax is not a robust source for education funding. Poor funding for education has a negative effect on the economy. Nevada education funding must be adequate for a good economy.

**ASSEMBLY JOINT RESOLUTION 1 OF THE 80TH SESSION:** Proposes to amend the Nevada Constitution to revise provisions governing the taxation of mines, mining claims and the proceeds of minerals extracted in this State.  
(BDR C-25)

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CHAIR NEAL:

Seeing no more public comment, the meeting is adjourned at 2:35 p.m.

RESPECTFULLY SUBMITTED:

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Alex Polley,  
Committee Secretary

APPROVED BY:

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Senator Dina Neal, Chair

DATE: \_\_\_\_\_

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit Letter</b>	<b>Begins on Page</b>	<b>Witness / Entity</b>	<b>Description</b>
	A	1		Agenda
A.B. 20	B	1	Joe Reel	Work Session Document
A.B. 69	C	1	Joe Reel	Work Session Document
A.B. 368	D	1	Assemblywoman Teresa Benitez-Thompson	STAR Bonds Report
A.B. 368	E	1	Assemblywoman Teresa Benitez-Thompson	Mock STAR Bonds Report
A.B. 368	F	1	Assemblywoman Teresa Benitez-Thompson	Conceptual Amendment