

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

**Eighty-first Session  
May 13, 2021**

The Senate Committee on Revenue and Economic Development was called to order by Chair Dina Neal at 1:10 p.m. on Thursday, May 13, 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 Heidi Seevers Gansert

**COMMITTEE MEMBERS ABSENT:**

Senator Ben Kieckhefer (Excused)

**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:**

Shellie Hughes, Chief Deputy Director, Department of Taxation  
Barry Duncan, Nevada Taxpayers Association

CHAIR NEAL:

We will begin the work session on Assembly Bill (A.B.) 66.

**ASSEMBLY BILL 66 (1st Reprint)**: Revises provisions relating to the abatement of certain taxes. (BDR 32-266)

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JOE REEL (Deputy Fiscal Analyst):

Assembly Bill 66 was heard by the Committee on April 29 and is summarized on the work session document ([Exhibit B](#)).

SENATOR RATTI MOVED TO AMEND AND DO PASS AS AMENDED  
A.B. 66.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:

We will begin the work session on A.B. 360.

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

MR. REEL:

Assembly Bill 360 was heard by the Committee on May 11 and is summarized on the work session document ([Exhibit C](#)).

SENATOR RATTI MOVED TO DO PASS A.B. 360.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:

We will begin the work session on A.B. 368.

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

MR. REEL:

Assembly Bill 368 was heard by the Committee on May 11 and is summarized on the work session document ([Exhibit D](#)).

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED  
A.B. 368.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:

We will begin the work session on A.B. 414.

**ASSEMBLY BILL 414 (1st Reprint)**: Revises provisions governing the transfer of real property pursuant to a deed becoming effective upon the death of the grantor. (BDR 32-648)

MR. REEL:

Assembly Bill 414 was heard by the Committee on May 6 and is summarized on the work session document ([Exhibit E](#)).

SENATOR DENIS MOVED TO DO PASS A.B. 414.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:

We will begin the work session on A.B. 435.

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

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MR. REEL:

Assembly Bill 435 was heard by the Committee on May 11 and is summarized on the work session document ([Exhibit F](#)).

CHAIR NEAL:

I am uncomfortable with A.B. 435. A lack of statutory intent should not be used by entities to try to scale back existing *Nevada Revised Statutes* (NRS). Statutory construction works by looking at plain language in NRS to determine intent where there is no legislative history or when it is under conflict. There are still questions on A.B. 435. There are other entities that want to be removed from the commerce tax. I do not want this to set a precedent for entities to come to the Legislature and question legislative intent and whether they are subject to certain NRS.

SENATOR DENIS MOVED TO DO PASS A.B. 435.

SENATOR RATTI SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:

We will begin the work session on Senate Bill (S.B.) 423.

**SENATE BILL 423**: Requires the Department of Taxation to retain a commission as compensation for the costs of collecting taxes on certain centrally assessed property. (BDR 32-1078)

MR. REEL:

Senate Bill 423 was heard by the Committee on May 6 and is summarized on the work session document ([Exhibit G](#)).

SENATOR RATTI MOVED TO DO PASS S.B. 423.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:

We will open the hearing on S.B. 441.

**SENATE BILL 441**: Revises provisions governing the issuance and renewal of a seller's permit. (BDR 32-1077)

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

Senate Bill 441 would require a retailer's sellers permit to be renewed annually with a \$15 fee. The Department of Taxation was faced with budgetary reductions and the Executive Team met to look at alternatives to proposing budget cuts. Our budget is funded primarily with General Funds and our largest expenditure is for personnel. In reviewing alternatives, we have decided on bringing three revenue proposals that are being introduced this Session.

A sales and use tax permit is required for every business or person engaged in conducting business as a seller in Nevada. The seller's permit is issued to a business when it registers with the Department and a permit is required for each business location. Currently, the fee is a one-time fee of \$15 that has not changed in 18 years when the fee was increased in 2003. In researching this proposal, the Department surveyed other states. Eight states charge seller-permit fees in the range of \$20 to \$100, and four states charge renewal fees on seller's permits.

The renewal fees proposed in S.B. 441 would help the efficiency of the Department of Taxation. Currently, businesses that are not operating may continue to keep their account open and hold on to their seller's permit, which could potentially be used to purchase tax exempt items. The Department must monitor all taxpayer accounts to ensure compliance. If a business is no longer operating, but holds a permit, staff's time is focused on monitoring these accounts rather than being redirected to other important priorities.

There are 95,194 accounts that are issued seller's permits. The \$15 fee is distributed three different ways: \$5 to the General Fund, \$5 to the Local School Support Tax and the Distributive School Account, and the remaining \$5 is distributed to counties through the Basic City-County Relief Tax. Based on the

current number of taxpayer accounts, we have calculated that S.B. 441 will have a revenue impact of \$1,427,910 in fiscal year (FY) 2021-2022. This will be distributed to the State General Fund, Education Fund and local governments. Senate Bill 441 is estimated to generate the same amount of revenue for FY 2022-2023 and future years.

We are creating a conceptual amendment for S.B. 441. Some local ordinances contain the seller's permit language in NRS 374, which requires certain amounts to be paid to the Department of Taxation for a seller's permit. We have discussed with Legislative Counsel Bureau staff options to better structure the seller's permit language. A better way to structure the language is to include the language in NRS 360 and remove it from NRS 372, NRS 374 and NRS 377.

The language in NRS 360 will include the current registration requirements for a seller's permit, the \$15 permit fee and the new renewal language and renewal fee. The permit fee distribution will remain as it is currently distributed. The amendment would also no longer require ordinances adopted pursuant to NRS 377, NRS 377A, NRS 377B and any special local acts to include provisions requiring the payment of the seller's permit fee to the Department.

SENATOR SEEVERS GANSERT:

What is the amount that S.B. 441 will generate per year?

Ms. HUGHES:

We project S.B. 441 will generate \$1,427,910.

SENATOR SEEVERS GANSERT:

Did you take into consideration losing any accounts, or just the amount that are currently open?

Ms. HUGHES:

We considered the amount of accounts that are currently open.

CHAIR NEAL:

How much of the revenue will go to the General Fund, Education Fund and local governments with the distribution structure in S.B. 441?

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Ms. HUGHES:

For FY 2021-2022, and after the Department of Taxation's commission, the General Fund would receive approximately \$475,956, the Education Fund would receive approximately \$472,400 and local governments would receive approximately \$467,640.

BARRY DUNCAN (Nevada Taxpayers Association):

We oppose S.B. 441. The Nevada Taxpayers Association is concerned with implementing a new annual fee of \$15 to the one-time fee structure. We would support a \$10 annual fee.

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VICE CHAIR RATTI:

Seeing no public comment, the meeting is adjourned at 1:42 p.m.

RESPECTFULLY SUBMITTED:

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Alex Polley,  
Committee Secretary

APPROVED BY:

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Senator Dina Neal, Chair

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

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
A.B. 66	B	1	Joe Reel	Work Session Document
A.B. 360	C	1	Joe Reel	Work Session Document
A.B. 368	D	1	Joe Reel	Work Session Document
A.B. 414	E	1	Joe Reel	Work Session Document
A.B. 435	F	1	Joe Reel	Work Session Document
S.B. 423	G	1	Joe Reel	Work Session Document