

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

**Eighty-first Session  
May 25, 2021**

The Senate Committee on Revenue and Economic Development was called to order by Chair Dina Neal at 2:03 p.m. on Tuesday, May 25, 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

**STAFF MEMBERS PRESENT:**

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

CHAIR NEAL:

We will begin with a work session on Senate Bill (S.B.) 367.

**SENATE BILL 367**: Removes certain exemptions from the excise tax on live entertainment. (BDR 32-571)

JOE REEL (Deputy Fiscal Analyst):

Senate Bill 367 is sponsored by the Senate Committee on Revenue and Economic Development. It was heard by the Committee on April 6 and May 20. Senate Bill 367 is summarized on the work session document ([Exhibit B](#)).

CHAIR NEAL:

I will remove section 1, subsection 2, paragraph (f) of Proposed Amendment 3401, which covers any fee or charge that must be paid to reserve or guarantee the right to pay an additional fee. We will keep the changes in

section 2 and the definition of governmental entity in section 2, subsection 4, paragraph (p). We will keep the original language of "7,500" in section 2, subsection 4, paragraph (d). We will keep section 2, subsection 4, paragraph (o), which makes athletic contests an exclusion from the Live Entertainment Tax (LET). The effective date will be upon passage and approval.

SENATOR RATTI:

Will all the changes in the green font in Proposed Amendment 3041, section 1 be removed?

CHAIR NEAL:

Yes.

SENATOR RATTI:

Will we keep "7,500" that is in section 2, subsection 2, paragraph (a) of S.B. 367?

CHAIR NEAL:

Yes.

SENATOR RATTI:

Will we keep "7,500" that is in section 2, subsection 4, paragraph (d) of Proposed Amendment 3401?

CHAIR NEAL:

Yes.

SENATOR RATTI:

Will we keep section 2, subsection 4, paragraph (o) of Proposed Amendment 3401, which maintains the exemption for athletic contests? Will we keep "live entertainment that is provided by or entirely for the benefit of a governmental entity" in section 2, subsection 4, paragraph (p)? Will it be effective upon passage and approval?

CHAIR NEAL:

That is all correct.

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SENATOR SEEVERS GANSERT:

Does "7,500" in section 2, subsection 2, paragraph (a) and subsection 4, paragraph (d) already exist in *Nevada Revised Statutes* (NRS) ?

CHAIR NEAL:

Yes. Section 2 of S.B. 367 in [Exhibit B](#) will remain the same as in NRS 368A.200. We will be removing language in bold green font in section 1 of S.B. 367 in [Exhibit B](#).

SENATOR SEEVERS GANSERT:

Is the only additional exemption for live entertainment that is "provided by or entirely for the benefit of a governmental entity" in S.B. 367, section 2, subsection 4, paragraph (p)?

CHAIR NEAL:

That is correct.

SENATOR RATTI:

Does Senate Bill 367 not change NRS other than in section 2, subsection 4, paragraph (p) and the effective date in section 4?

CHAIR NEAL:

That is correct.

SENATOR SEEVERS GANSERT:

In regard to S.B. 367, section 2, subsection 4, paragraph (o), are athletic contests by professional teams based in Nevada already exempted in NRS?

CHAIR NEAL:

That is correct.

SENATOR SEEVERS GANSERT:

I can support S.B. 367 with reservation. I want to see the bill in its entirety.

SENATOR KIECKHEFER:

If live entertainment is provided by a governmental entity, how do we determine who is providing the entertainment? Is it the venue or the promotion company? Are we exempting everything that takes place in Allegiant Stadium because it is a government-owned facility?

RUSSELL GUINDON (Principal Deputy Fiscal Analyst):

My expectation is the Nevada Gaming Control Board or Department of Taxation would not administer S.B. 367 that way. Allegiant Stadium is owned by a governmental entity, but a promoter that holds a concert in the stadium is benefiting from the live entertainment and not a governmental entity. If Clark County organized an event that would be subject to the LET for the benefit of a governmental entity, it would probably be exempt from the LET. However, I cannot say with certainty because it may be dependent on each specific case.

Section 2, subsection 4, paragraph (p) restores the LET exemption for governmental entities, which was the case prior to 2015. An event is not exempt from the LET because the venue is owned by a governmental entity. Private parties can use governmental facilities for events but still be subject to the LET because it is benefiting the person putting on the live event.

CHAIR NEAL:

We can solve this issue by section 2, subsection 4, paragraph (p) of S.B. 367 saying live entertainment that is provided by "and" entirely for the benefit of the governmental entity. We can use "and" instead of "or," which will put the exemption in a narrow circumstance where an event is by a governmental entity and entirely for its benefit. This removes the situation where a private party is exempted from the LET when it rents out a governmental facility and benefits.

MR. GUINDON:

If that is the intent, we can work with the Legislative Counsel Bureau Legal Division to clarify.

SENATOR RATTI:

I am concerned about changing "or" to "and" because I am unsure of the type of events we are trying to capture. I suspect a governmental entity that puts on an event for another governmental entity would contract out or have a promotion company organize the event. I am concerned if section 2, subsection 4, paragraph (p) of S.B. 367 says "provided by and entirely for," a governmental entity would be precluded from contracting out the event organization, even though proceeds are going to the governmental entity.

CHAIR NEAL:

I see it differently. There are public events in Clark County that benefit the County.

SENATOR KIECKHEFER:

There may be an issue with "provided by." Maybe section 2, subsection 4, paragraph (p) of S.B. 367 should read "live entertainment for the benefit of a governmental entity." I am unsure of which events are exempt or getting taxed.

MR. GUINDON:

There are local governments that provide live entertainment. We may need to determine which events are going to be taxed. I read section 2, subsection 4, paragraph (p) of S.B. 367 similar to Senator Ratti. A local government could provide live entertainment for its benefit, but it could be organized by an outside entity.

CHAIR NEAL:

Could we provide an exclusion where there is an exemption for live entertainment provided by and for the benefit of a governmental entity unless proceeds go to a private party?

MR. GUINDON:

My concern is that a governmental entity contracts with an organizer where 100 percent of the proceeds do not go to the governmental entity because the organizers have to be compensated. Regulations can be determined by the Department of Taxation and Nevada Gaming Control Board to administer the governmental entity exemption. The construct that administered the governmental entity exemption prior to 2015 could be used again.

CHAIR NEAL:

Based on how the LET was applied to governmental entities prior to 2015, and knowing the intended application, are Committee members comfortable with S.B. 367, section 2, subsection 4, paragraph (p) as written in [Exhibit B](#)?

SENATOR KIECKHEFER:

I am comfortable moving S.B. 367 with that language, and I will reserve my right to change my vote.

SENATOR DENIS MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 367 WITH PROPOSED AMENDMENT 3401 WITH THE GREEN BOLD  
UNDERLINED LANGUAGE IN SECTION 1 REMOVED.

SENATOR RATTI SECONDED THE MOTION.

SENATOR SEEVERS GANSERT:

I will reserve my right to change my vote. I am unsure if the "provided by" and "or" work well together. Just having "for the benefit of" makes sense. There may be events promoted by local governments or hosted at government facilities. An event could be provided by a governmental entity but not for its benefit, such as Art Town in Reno.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:

Seeing no public comment, the meeting is adjourned at 2:22 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
S.B. 367	B	1	Joe Reel	Work Session Document