

SENATE BILL NO. 29—COMMITTEE ON
REVENUE AND ECONOMIC DEVELOPMENT

(ON BEHALF OF THE DEPARTMENT OF TAXATION)

PREFILED NOVEMBER 16, 2022

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions related to refunds of
overpayments of taxes. (BDR 32-216)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; prohibiting interest payments on
certain refunds of taxes that were over-collected by the
taxpayer; and providing other matters properly relating
thereto.

Legislative Counsel’s Digest:

Existing law provides that a taxpayer is entitled to receive interest on any
refund owed to the taxpayer on an overpayment of taxes. (NRS 360.2935) **Section
1** of this bill prohibits interest on a refund of any tax which was over-collected by
the taxpayer and which the taxpayer is required to refund to the person from whom
the tax was initially collected. **Sections 2 and 3** of this bill make conforming
changes to reflect that interest is not allowed on any refund of such a tax. **Section 4**
of this bill provides that the provisions of this bill apply to any refund of an
overpayment of such a tax issued by the Department of Taxation on or after July 1,
2023, regardless of the period for which the tax was paid or the date on which a
claim for a refund was submitted to the Department.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 360.2935 is hereby amended to read as
follows:
360.2935 **1.** Except as otherwise provided in this title, a
taxpayer is entitled to receive on any overpayment of taxes, after the



offset required by NRS 360.320 has been made, a refund together with interest at a rate determined pursuant to NRS 17.130.

2. No interest is allowed on a refund of ~~any~~:

(a) Any penalties or interest paid by a taxpayer ~~it~~; or

(b) Any tax which was over-collected by the taxpayer and which the taxpayer is required to refund to the person from whom it was collected.

Sec. 2. NRS 360.2937 is hereby amended to read as follows:

360.2937 1. Except as otherwise provided in this section, NRS 360.320 or any other specific statute, and notwithstanding the provisions of **subsection 1 of** NRS 360.2935, interest must be paid upon an overpayment of any tax provided for in chapter 362, 363A, 363B, 363C, 363D, 369, 370, 372, 372B, 374, 377, 377A, 377C or 377D of NRS, any of the taxes provided for in NRS 372A.290, any fee provided for in NRS 444A.090, 482.313, 482C.230 or 482C.240, or any assessment provided for in NRS 585.497, at the rate of 0.25 percent per month from the last day of the calendar month following the period for which the overpayment was made.

2. No refund or credit may be made of any interest imposed on the person making the overpayment with respect to the amount being refunded or credited.

3. The interest must be paid:

(a) In the case of a refund, to the last day of the calendar month following the date upon which the person making the overpayment, if the person has not already filed a claim, is notified by the Department that a claim may be filed or the date upon which the claim is certified to the State Board of Examiners, whichever is earlier.

(b) In the case of a credit, to the same date as that to which interest is computed on the tax or the amount against which the credit is applied.

Sec. 3. NRS 368A.270 is hereby amended to read as follows:

368A.270 1. Except as otherwise provided in this section, ~~and~~ NRS 360.320 ~~it~~ or any other specific statute, interest must be paid upon any overpayment of any amount of the tax imposed by this chapter in accordance with the provisions of NRS 368A.140.

2. If the overpayment is paid to the Department, the interest must be paid at the rate set forth in, and in accordance with the provisions of, NRS 360.2937.

3. If the Board or the Department determines that any overpayment has been made intentionally or by reason of carelessness, the Board or the Department shall not allow any interest on the overpayment.

Sec. 4. The amendatory provisions of this act apply to any refund of an overpayment of taxes issued by the Department of



1 Taxation on or after July 1, 2023, regardless of the period for which
2 the tax was paid or the date on which a claim for a refund was
3 submitted to the Department.

4 **Sec. 5.** This act becomes effective on July 1, 2023.

