BDR 32-561
AB 421

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 9, 2023

Agency Submitting: Department of Taxation

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Personnel (Expense)		$1,293,223	$1,746,996	$3,493,992
Operating Expense (Expense)		$43,489	$45,390	$90,780
Equipment (Expense)		$87,552		
Information Services (Expense)		$376,189	$56,049	$80,418
AG Cost Allocation Plan (Expense)				$38,125
Total	0	$1,800,453	$1,848,435	$3,703,315

Explanation (Use Additional Sheets of Attachments, if required)

This bill establishes a new excise tax on Commercial Data Collectors who collect consumer data on Nevada consumers. The tax rate is based on the number of Nevada consumers whose data is collected in a given month and ranges from $0 to $337,500 plus 50 cents per Nevada consumer in excess of 1,500,000. The tax collected will be distributed to the State Education Fund with a portion to the Department as compensation for the costs of collecting the tax. Pursuant to section 14 of the bill, an increase in revenue is expected however is undeterminable at this time given that this is a new tax and not currently administered. This bill will require a new tax section within the Department to administer this new tax. Administration of this tax will be similar to existing infrastructure requirements as other taxes we administer including personnel, auditing, investigations, and collections. The Department will be required to draft regulations which will require the assistance of the Attorney General's Office. Additional resources are needed to support the Administrative Law Judges with the anticipated increase in Taxpayer appeals.

This request is for 19 new positions in Carson City and associated operating costs, beginning in October 2023. This request includes funding for overtime for IT staff, MSA Programmer expenses, and RSI Vendor contract services to implement changes into the Department's computer system. This request also funds an increase to the Department's Attorney General (AG) Cost Allocation due to an increase in services. The Department will incur recurring expenses as follows each biennium: Personnel of $3,493,992; Operating of $90,780; and Information Services of $80,418 including required EITS Assessment costs (phone, productivity suite, etc). The expense for Equipment in FY24 is $87,552 and one-time in nature. There will be an increase to the Department's Attorney General (AG) Cost Allocation Plan, as a future biennia expense, in the amount of $38,125.

Name Adriane Roberts-Larson

Title Deputy Executive Director - Administrative Services

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Friday, April 07, 2023

The agency's response appears reasonable.

Name Amy Stephenson

Title Director