A.B. 359

ASSEMBLY BILL NO. 359–ASSEMBLYMEMBERS GALLANT, GURR, GRAY; DELONG, HIBBETTS AND O'NEILL

MARCH 4, 2025

Referred to Committee on Revenue

SUMMARY—Proposes to exempt sales of certain coins, currency and bullion from sales and use taxes and analogous taxes upon approval by the voters. (BDR 32-147)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

~

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

AN ACT relating to taxes on retail sales; providing for the submission to the voters of the question whether the Sales and Use Tax Act of 1955 should be amended to provide an exemption from the tax for certain coins, currency and bullion; providing for the exemptions from certain analogous taxes if the voters approve this amendment to the Sales and Use Tax Act of 1955; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

The nonadministrative provisions of the Sales and Use Tax Act of 1955 (part of chapter 372 of NRS) were approved by the voters by a referendum and therefore cannot be amended, annulled or repealed, set aside, suspended or in any way made inoperative except by the direct vote of the people. (Nev. Const. Art. 19, § 1) Existing regulations provide that sales tax applies to sales of coins or bullion at a premium price for purposes other than use as a medium of exchange. However, sales tax does not apply to such sales if the purpose of the use of the coins or bullion is as a medium of exchange, even if the sale is made at a premium. (NAC 372.170)

Sections 2-9 of this bill require the submission of a question to the voters at the 2026 General Election of whether the Sales and Use Tax Act of 1955 should be amended to provide an exemption for coins, currency and bullion that are: (1) used solely as legal tender, security or commodity in this or another state, the United States or a foreign country; and (2) sold based primarily on their intrinsic value as precious material or collectible items rather than their representative value as a medium of exchange. **Section 10** of this bill amends the Local School Support Tax Law to provide an identical exemption. This tax exemption becomes effective on January 1, 2027, and expires by limitation on December 1, 2050, only if the voters approve the amendment to the Sales and Use Tax Act of 1955 at the General Election in 2026.

Any amendment to the Local School Support Tax Law, including exemptions, also applies to other sales and use taxes imposed under existing law. (NRS 354.705, 374A.020, 376A.060, 377.040, 377A.030, 377B.110, 543.600 and various special and local acts) Therefore, if the voters approve the exemption on coins, currency and bullion proposed by this bill, from January 1, 2027, through December 31, 2050, such coins, currency and bullion will be exempt from all sales and use taxes currently contemplated under existing law.

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

Section 1. The Legislature hereby finds that each exemption provided by this act from any excise tax on the sale, storage, use or consumption of tangible personal property sold at retail:

1. Will achieve a bona fide social or economic purpose and that the benefits of the exemption are expected to exceed any adverse effect of the exemption on the provision of services to the public by the State or a local government that would otherwise receive revenue from the tax from which the exemption would be granted; and

2. Will not impair adversely the ability of the State or a local government to pay, when due, all interest and principal on any outstanding bonds or any other obligations for which revenue from the tax from which the exemption would be granted was pledged.

Sec. 2. At the General Election on November 3, 2026, a proposal must be submitted to the registered voters of this State to amend the Sales and Use Tax Act, which was enacted by the 47th Session of the Legislature of the State of Nevada and approved by the Governor in 1955, and subsequently approved by the people of this State at the General Election held on November 6, 1956.

Sec. 3. At the time and in the manner provided by law, the Secretary of State shall transmit the proposed act to the several county clerks, and the county clerks shall cause it to be published and posted as provided by law.

Sec. 4. The proclamation and notice to the voters given by the county clerks pursuant to law must be in substantially the following form:

Notice is hereby given that at the General Election on November 3, 2026, a question will appear on the ballot for the adoption or rejection by the registered voters of the State of the following proposed act:

AN ACT to amend an Act entitled "An Act to provide revenue for the State of Nevada; providing for sales and use taxes; providing for the manner of collection;

defining certain terms; providing penalties for violation, and other matters properly relating thereto." approved March 29, 1955, as amended.

THE PEOPLE OF THE STATE OF NEVADA
DO ENACT AS FOLLOWS:

Section 1. The above-entitled act, being chapter 397, Statutes of Nevada 1955, at page 762, is hereby amended by adding thereto a new section to be designated as section 52.3, immediately following section 52, to read as follows:

Sec. 52.3. There are exempted from the taxes imposed by this act the gross receipts from sales and the storage, use or other consumption of coins, currency and bullion that are:

1. Manufactured in whole or in part from gold, silver, platinum, palladium or other material;

2. Used solely as legal tender, security or commodity in this or another state, the United States or a foreign country; and

3. Sold based primarily on their intrinsic value as precious material or collectible items rather than their representative value as a medium of exchange.

Sec. 2. This act becomes effective on January 1, 2027, and expires by limitation on December 31, 2050.

Sec. 5. The ballot page assemblies and the paper ballots to be used in voting on the question must present the question in substantially the following form:

Shall the Sales and Use Tax Act of 1955 be amended to provide an exemption from the taxes imposed by this Act on the gross receipts from the sale and the storage, use or other consumption of coins, currency and bullion used solely as legal tender, security or commodity and sold based primarily on their intrinsic value as precious material or collectible items?

Yes ☐ No ☐

Sec. 6. The explanation of the question which must appear on each paper ballot and sample ballot and in every publication and posting of notice of the question must be in substantially the following form:

(Explanation of Question)

The proposed amendment to the Sales and Use Tax Act of 1955 would exempt from the taxes imposed by this Act the gross receipts from the sale and storage, use or other consumption of coins, currency and bullion which are used solely as legal tender, security or commodity in this or another state, the United States or a foreign country and sold based primarily on their intrinsic value as precious material or collectible items rather than their representative value as a medium of exchange. If this proposal is adopted, the Legislature has provided that the Local School Support Tax Law and certain analogous taxes on retail sales will be amended to provide the same exemption.

Sec. 7. If a majority of the votes cast on the question is yes, the amendment to the Sales and Use Tax Act of 1955 becomes effective on January 1, 2027, and expires by limitation on December 31, 2050. If less than a majority of votes cast on the question is yes, the question fails and the amendment to the Sales and Use Tax Act of 1955 does not become effective.

Sec. 8. All general election laws not inconsistent with this act are applicable.

Sec. 9. Any informalities, omissions or defects in the content or making of the publications, proclamations or notices provided for in this act and by the general election laws under which this election is held must be so construed as not to invalidate the adoption of the act by a majority of the registered voters voting on the question if it can be ascertained with reasonable certainty from the official returns transmitted to the Office of the Secretary of State whether the proposed amendment was adopted by a majority of those registered voters.

Sec. 10. Chapter 374 of NRS is hereby amended by adding thereto a new section to read as follows:

There are exempted from the taxes imposed by this chapter the gross receipts from sales and the storage, use or other consumption of coins, currency and bullion that are:

1. Manufactured in whole or in part from gold, silver, platinum, palladium or other material;

2. Used solely as legal tender, security or commodity in this or another state, the United States or a foreign country; and

3. Sold based primarily on their intrinsic value as precious material or collectible items rather than their representative value as a medium of exchange.

Sec. 11. 1. This section and sections 1 to 9, inclusive, of this act become effective on October 1, 2025.

2. Section 10 of this act becomes effective on January 1, 2027, and expires by limitation on December 31, 2050, only if the proposal submitted pursuant to sections 2 to 9, inclusive, of this act is approved by the voters at the General Election on November 3, 2026.

⑳