SENATE BILL NO. 53–COMMITTEE ON
REVENUE AND ECONOMIC DEVELOPMENT

(ON BEHALF OF THE LIEUTENANT GOVERNOR)

PREFILED NOVEMBER 10, 2026

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions relating to the modified business tax. (BDR 32-517)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: May have Fiscal Impact.
Effect on the State Highway Fund: No.

~

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

AN ACT relating to taxation; increasing the amount of wages excluded from the modified business tax for certain businesses; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law imposes a tax based on the amount of wages paid by certain businesses to employees in this State, which is known as the modified business tax. (NRS 363A.130, 363B.110) Under existing law, the tax is imposed on financial institutions and on certain mining businesses based on the entire amount of the wages paid to employees in this State during a calendar quarter, as reported by the business for the purposes of contributions for unemployment compensation insurance. (NRS 363A.130) All other businesses exclude from the tax the first $50,000 of such wages paid to employees of the business in this State during a calendar quarter. (NRS 363B.110) This bill increases this exclusion from $50,000 to $100,000 for businesses that employed 50 employees or less during the calendar quarter for which the tax is computed.

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

Section 1. NRS 363B.110 is hereby amended to read as follows:

363B.110 1. Except as otherwise provided in NRS 360.203, there is hereby imposed an excise tax on each employer at the rate of 1.475 percent of the amount by which the sum of all the wages, as defined in NRS 612.190, paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer ~~[exceeds]~~ ***:***

(a) Exceeds $50,000 ~~[.]~~ ***, if the number of employees in the employment of the employer, in this or any other state, during the calendar quarter is more than 50.***

(b) Exceeds $100,000, if the number of employees in the employment of the employer, in this or any other state, during the calendar quarter is 50 or less.

2. The tax imposed by this section:

(a) Does not apply to any person or other entity or any wages this State is prohibited from taxing under the Constitution, laws or treaties of the United States or the Nevada Constitution.

(b) Must not be deducted, in whole or in part, from any wages of persons in the employment of the employer.

3. Each employer shall, on or before the last day of the month immediately following each calendar quarter for which the employer is required to pay a contribution pursuant to NRS 612.535:

(a) File with the Department a return on a form prescribed by the Department; and

(b) Remit to the Department any tax due pursuant to this chapter for that calendar quarter.

4. In determining the amount of the tax due pursuant to this section, an employer is entitled to subtract from the amount calculated pursuant to subsection 1 a credit in an amount equal to 50 percent of the amount of the commerce tax paid by the employer pursuant to chapter 363C of NRS for the preceding taxable year. The credit may only be used for any of the 4 calendar quarters immediately following the end of the taxable year for which the commerce tax was paid. The amount of credit used for a calendar quarter may not exceed the amount calculated pursuant to subsection 1 for that calendar quarter. Any unused credit may not be carried forward beyond the fourth calendar quarter immediately following the end of the taxable year for which the commerce tax was paid, and a taxpayer is not entitled to a refund of any unused credit.

5. An employer who makes a donation of money to a scholarship organization during the calendar quarter for which a return is filed pursuant to this section is entitled, in accordance with NRS 363B.119, to a credit equal to the amount authorized pursuant to NRS 363B.119 against any tax otherwise due pursuant to this section. As used in this subsection, "scholarship organization" has the meaning ascribed to it in NRS 388D.260.

Sec. 2. The amendatory provisions of section 1 of this act:

1. Do not apply to any taxes due for any period ending on or before June 30, 2027; and

2. Apply only to taxes due pursuant to NRS 363B.110 for each calendar quarter ending on or after July 1, 2027.

Sec. 3. This act becomes effective on July 1, 2027.

㉚