

REQUIRES TWO-THIRDS MAJORITY VOTE

(§§ 1, 2, 3, 5, 6, 7, 10, 12)

(Reprinted with amendments adopted on May 15, 2015)

FIRST REPRINT

S.B. 483

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SENATE BILL NO. 483—COMMITTEE ON REVENUE  
AND ECONOMIC DEVELOPMENT

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 23, 2015

Referred to Committee on Revenue and  
Economic Development

SUMMARY—Revises provisions relating to governmental  
financial administration. (BDR 32-1182)

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

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

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AN ACT relating to governmental financial administration; revising provisions governing the rate of the payroll tax imposed on certain businesses engaged in mining in this State; revising provisions governing the rate and distribution of the excise tax on cigarettes; extending the prospective expiration of certain requirements regarding the advance payment and computation of the tax on the net proceeds from certain mining operations conducted in this State; removing the prospective expiration of certain requirements regarding the imposition of the local school support tax; temporarily extending the allocation of a portion of the proceeds of the basic governmental services tax to the State General Fund; requiring businesses to provide additional information in an application for the issuance or renewal of a state business license that is submitted during a specified period; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

- 1 Existing law imposes an excise tax on certain financial institutions at a rate of 2  
2 percent of the total wages paid by the financial institution each calendar quarter.  
3 (NRS 363A.130) **Sections 1 and 2** of this bill require businesses that are subject to



4 the tax on the net proceeds of mining to pay the tax on the wages paid by the  
5 business at the same rate as the rate paid by financial institutions under existing  
6 law.

7 Existing law imposes an excise tax on certain businesses other than financial  
8 institutions at the rate of 1.17 percent of the total wages paid by the business each  
9 calendar quarter that exceed \$85,000. (NRS 363B.110) On July 1, 2015, this rate is  
10 scheduled to change to 0.63 percent of the total wages paid by the business each  
11 calendar quarter. (Chapter 476, Statutes of Nevada 2011, pp. 2891, 2898, as last  
12 amended by chapter 518, Statutes of Nevada 2013, p. 3427; chapter 518, Statutes of  
13 Nevada 2013, p. 3424) **Sections 10 and 12-14** of this bill remove this scheduled  
14 rate change and permanently provide for the imposition of the tax at the rate of 1.17  
15 percent of the total wages paid by the business each calendar quarter in excess of  
16 \$85,000.

17 Existing law imposes an excise tax on the purchase, possession or use of  
18 cigarettes at the rate of 80 cents per pack of 20 cigarettes. (NRS 370.165, 370.350)  
19 Under existing law, the Department of Taxation must remit 70 cents of the tax on  
20 each pack of 20 cigarettes, less the costs of collecting the tax, to the State Treasurer  
21 for deposit in the Account for the Tax on Cigarettes in the State General Fund, and  
22 the remaining amount of the tax must be deposited in the Local Government Tax  
23 Distribution Account for distribution to local governments. (NRS 370.260)  
24 **Sections 3-5** of this bill increase the excise tax on cigarettes to \$1.80 per pack of 20  
25 cigarettes and require the additional amount of tax to be deposited in the Account in  
26 the State General Fund. **Section 16** of this bill requires a wholesale dealer who  
27 purchases a revenue stamp evidencing payment of the tax before July 1, 2015, but  
28 who has not affixed that stamp to a pack of cigarettes before that date to pay the  
29 additional tax on the stamp.

30 Existing law requires, until June 30, 2015, the advance payment of the tax on  
31 the net proceeds of minerals based upon the estimated net proceeds and royalties of  
32 a mining operation for the current calendar year. (Chapter 4, Statutes of Nevada  
33 2008, 25th Special Session, p. 14, as last amended by chapter 518, Statutes of  
34 Nevada 2013, p. 3425) **Section 6** of this bill delays the expiration of this  
35 requirement for advance payment until June 30, 2016, and **section 11** of this bill  
36 makes conforming changes to related transitory provisions governing the duties of  
37 the Department of Taxation in 2017 and the appropriation and apportionment of  
38 money to counties and other local governments during that year.

39 Existing law provides that effective January 1, 2016, in computing the net  
40 proceeds from certain mining operations conducted in this State, a person may  
41 deduct certain amounts expended for health care for employees actually engaged in  
42 mining operations in this State. (Chapter 449, Statutes of Nevada 2011, p. 2690, as  
43 amended by chapter 518, Statutes of Nevada 2013, p. 3426) **Section 9** of this bill  
44 extends to January 1, 2017, the effective date of this deduction. **Section 8** of this  
45 bill makes conforming changes to transitory provisions governing the computation  
46 of the proceeds from certain mining operations for calendar years 2016 and 2017  
47 and all subsequent calendar years.

48 Existing law requires, until June 30, 2015, an increase in the rate of the Local  
49 School Support Tax of 0.35 percent. (Chapter 395, Statutes of Nevada 2009, pp.  
50 2191-93, as last amended by chapter 518, Statutes of Nevada 2013, p. 3426)  
51 **Section 7** of this bill removes the expiration date of this rate thereby requiring the  
52 payment of this rate indefinitely.

53 The State of Nevada imposes a governmental services tax for the privilege of  
54 operating any vehicle upon the public highways of this State. (NRS 371.030) The  
55 annual amount of the basic governmental services tax is 4 cents on each \$1 of  
56 valuation of the vehicle, as determined by the Department of Motor Vehicles. (NRS  
57 371.040) Existing law sets forth depreciation schedules for determining the amount  
58 of the basic governmental services tax due each year for used vehicles and



59 establishes a minimum tax. (NRS 371.060) In 2009, the amount of the basic  
 60 governmental services tax due annually was increased for used vehicles by  
 61 reducing the amount of depreciation allowed and increasing the minimum tax. The  
 62 revenue from these increases in the basic governmental services tax were allocated  
 63 to the State General Fund until June 30, 2015, and then were required to be  
 64 deposited in the State Highway Fund thereafter. (Chapter 395, Statutes of Nevada  
 65 2009, p. 2188, as last amended by chapter 518, Statutes of Nevada 2013, p. 3426)  
 66 **Section 7** of this bill extends for an additional 2 years the period during which the  
 67 increases in the basic governmental services tax are allocated to the State General  
 68 Fund. Therefore, those increases will be deposited in the State Highway Fund  
 69 commencing on July 1, 2017.

70 **Section 14.5** of this bill requires a person who, on or after October 1, 2015, and  
 71 before October 1, 2016, applies for the issuance or renewal of a state business  
 72 license to include in the application certain information concerning the revenue  
 73 earned by that person from the sale of services used in this State.

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

1 **Section 1.** NRS 363A.030 is hereby amended to read as  
 2 follows:

3 363A.030 ~~["Employer"]~~

4 **1. Except as otherwise provided in this section, "employer"**  
 5 means any ~~financial~~:

6 (a) **Financial** institution who is required to pay a contribution  
 7 pursuant to NRS 612.535 for any calendar quarter with respect to  
 8 any business activity of the financial institution. ~~[, except]~~

9 (b) **Person who is subject to the tax on the net proceeds of**  
 10 **minerals imposed pursuant to the provisions of NRS 362.100 to**  
 11 **362.240, inclusive, whether or not the person is required to pay**  
 12 **that tax in a particular calendar year, and who is required to pay a**  
 13 **contribution pursuant to NRS 612.535 for any calendar quarter**  
 14 **with respect to any business activity of the person.**

15 **2. The term does not include** an Indian tribe, a nonprofit  
 16 organization or a political subdivision.

17 **3. For the purposes of this section:**

18 ~~[1-]~~ (a) "Indian tribe" includes any entity described in  
 19 subsection 10 of NRS 612.055.

20 ~~[2-]~~ (b) "Nonprofit organization" means a nonprofit religious,  
 21 charitable, fraternal or other organization that qualifies as a tax-  
 22 exempt organization pursuant to 26 U.S.C. § 501(c).

23 ~~[3-]~~ (c) "Political subdivision" means any entity described in  
 24 subsection 9 of NRS 612.055.

25 **Sec. 2.** NRS 363B.030 is hereby amended to read as follows:

26 363B.030 ~~["Employer"]~~

27 **1. Except as otherwise provided in this section, "employer"**  
 28 means any employer who is required to pay a contribution pursuant



1 to NRS 612.535 for any calendar quarter with respect to any  
2 business activity of the employer. ~~[-, except a]~~

3 **2. The term does not include:**

4 (a) A financial institution ~~[-, an]~~;

5 (b) *Any person who is subject to the tax on the net proceeds of*  
6 *minerals imposed pursuant to the provisions of NRS 362.100 to*  
7 *362.240, inclusive, whether or not the person is required to pay*  
8 *that tax in a particular calendar year, and who is required to pay a*  
9 *contribution pursuant to NRS 612.535 for any calendar quarter*  
10 *with respect to any business activity of the person;*

11 (c) An Indian tribe ~~[-, a]~~;

12 (d) A nonprofit organization ~~[-, a]~~;

13 (e) A political subdivision ; or ~~[any]~~

14 (f) *Any* person who does not supply a product or service, but  
15 who only consumes a service.

16 **3. For the purposes of this section:**

17 ~~[1-]~~ (a) "Financial institution" has the meaning ascribed to it in  
18 NRS 363A.050.

19 ~~[2-]~~ (b) "Indian tribe" includes any entity described in  
20 subsection 10 of NRS 612.055.

21 ~~[3-]~~ (c) "Nonprofit organization" means a nonprofit religious,  
22 charitable, fraternal or other organization that qualifies as a tax-  
23 exempt organization pursuant to 26 U.S.C. § 501(c).

24 ~~[4-]~~ (d) "Political subdivision" means any entity described in  
25 subsection 9 of NRS 612.055.

26 **Sec. 3.** NRS 370.165 is hereby amended to read as follows:

27 370.165 There is hereby levied a tax upon the purchase or  
28 possession of cigarettes by a consumer in the State of Nevada at the  
29 rate of ~~[40]~~ 90 mills per cigarette. The tax may be represented and  
30 precollected by the affixing of a revenue stamp or other approved  
31 evidence of payment to each package, packet or container in which  
32 cigarettes are sold. The tax must be precollected by the wholesale or  
33 retail dealer, and must be recovered from the consumer by adding  
34 the amount of the tax to the selling price. Each person who sells  
35 cigarettes at retail shall prominently display on the premises a notice  
36 that the tax is included in the selling price and is payable under the  
37 provisions of this chapter.

38 **Sec. 4.** NRS 370.260 is hereby amended to read as follows:

39 370.260 1. All taxes and license fees imposed by the  
40 provisions of NRS 370.001 to 370.430, inclusive, less any refunds  
41 granted as provided by law, must be paid to the Department in the  
42 form of remittances payable to the Department.

43 2. The Department shall:

44 (a) As compensation to the State for the costs of collecting the  
45 taxes and license fees, transmit each month the sum the Legislature



1 specifies from the remittances made to it pursuant to subsection 1  
2 during the preceding month to the State Treasurer for deposit to the  
3 credit of the Department. The deposited money must be expended  
4 by the Department in accordance with its work program.

5 (b) From the remittances made to it pursuant to subsection 1  
6 during the preceding month, less the amount transmitted pursuant to  
7 paragraph (a), transmit each month the portion of the tax which is  
8 equivalent to ~~35~~ 85 mills per cigarette to the State Treasurer for  
9 deposit to the credit of the Account for the Tax on Cigarettes in the  
10 State General Fund.

11 (c) Transmit the balance of the payments each month to the  
12 State Treasurer for deposit in the Local Government Tax  
13 Distribution Account created by NRS 360.660.

14 (d) Report to the State Controller monthly the amount of  
15 collections.

16 3. The money deposited pursuant to paragraph (c) of  
17 subsection 2 in the Local Government Tax Distribution Account is  
18 hereby appropriated to Carson City and to each of the counties in  
19 proportion to their respective populations and must be credited to  
20 the respective accounts of Carson City and each county.

21 **Sec. 5.** NRS 370.350 is hereby amended to read as follows:

22 370.350 1. Except as otherwise provided in subsection 3, a  
23 tax is hereby levied and imposed upon the use of cigarettes in this  
24 state.

25 2. The amount of the use tax is ~~40~~ 90 mills per cigarette.

26 3. The use tax does not apply where:

27 (a) Nevada cigarette revenue stamps have been affixed to  
28 cigarette packages as required by law.

29 (b) Tax exemption is provided for in this chapter.

30 **Sec. 6.** Section 16 of chapter 4, Statutes of Nevada 2008, 25th  
31 Special Session, as last amended by chapter 518, Statutes of Nevada  
32 2013, at page 3425, is hereby amended to read as follows:

33 Sec. 16. 1. This section and sections 2, 4, 14 and 15 of  
34 this act become effective upon passage and approval.

35 2. Sections 6 to 12, inclusive, of this act become  
36 effective on January 1, 2009.

37 3. Sections 4 and 6 to 12, inclusive, of this act expire by  
38 limitation on June 30, 2009.

39 4. Sections 1, 3, 5 and 13 of this act become effective on  
40 July 1, 2009.

41 5. Sections 1, 2, 3 and 5 of this act expire by limitation  
42 on June 30, ~~2015~~ 2016.



1       **Sec. 7.** Section 20 of chapter 395, Statutes of Nevada 2009, as  
2 last amended by chapter 518, Statutes of Nevada 2013, at p. 3426, is  
3 hereby amended to read as follows:

4           Sec. 20. 1. This section and section 19 of this act  
5 become effective upon passage and approval.

6           2. Sections 1 and 2 of this act become effective on  
7 July 1, 2009.

8           3. Section 3 of this act becomes effective on July 1,  
9 2009, and expires by limitation on June 30, 2011.

10          4. Sections 6 to 12, inclusive, of this act become  
11 effective on July 1, 2009 . ~~[, and expire by limitation on~~  
12 ~~June 30, 2015.]~~

13          5. Sections 4, 5, 13, 14, 15, 16, 17 and 18 of this act  
14 become effective:

15           (a) Upon passage and approval for the purpose of  
16 performing any preparatory administrative tasks that are  
17 necessary to carry out the provisions of this act; and

18           (b) On September 1, 2009, for all other purposes.

19          6. Sections 15.5 and 18.5 of this act become effective on  
20 July 1, ~~[2015.]~~ 2017.

21          7. Section 18 of this act expires by limitation on June 30,  
22 ~~[2015.]~~ 2017.

23       **Sec. 8.** Section 17.5 of chapter 449, Statutes of Nevada 2011,  
24 as amended by chapter 518, Statutes of Nevada 2013, at page 3426,  
25 is hereby amended to read as follows:

26           Sec. 17.5. The amendatory provisions of section 12.7 of  
27 this act:

28           1. Do not apply to or affect any determination of gross  
29 yield or net proceeds required pursuant to NRS 362.100 to  
30 362.240, inclusive, for the calendar year ~~[2015.]~~ 2016.

31           2. Apply for the purposes of estimating and determining  
32 gross yield and net proceeds pursuant to NRS 362.100 to  
33 362.240, inclusive, for the calendar year ~~[2016]~~ 2017 and  
34 each calendar year thereafter.

35       **Sec. 9.** Section 19 of chapter 449, Statutes of Nevada 2011, as  
36 amended by chapter 518, Statutes of Nevada 2013, at p. 3426, is  
37 hereby amended to read as follows:

38           Sec. 19. 1. This section and sections 1 to 12,  
39 inclusive, and 13 to 18, inclusive, of this act become effective  
40 upon passage and approval.

41           2. Section 12.5 of this act becomes effective on  
42 January 1, 2012.

43           3. Section 12.7 of this act becomes effective on  
44 January 1, ~~[2016.]~~ 2017.



1     **Sec. 10.** Section 13 of chapter 476, Statutes of Nevada 2011,  
2 as amended by chapter 518, Statutes of Nevada 2013, at page 3427,  
3 is hereby amended to read as follows:

4         Sec. 13. The amendatory provisions of section 4 of this  
5 act ~~is~~:

6         ~~1. Do] do~~ not apply to any taxes due for any period  
7 ending on or before June 30, 2011 . ~~]; and~~

8         ~~2. Except as otherwise provided in subsection 1 and~~  
9 ~~notwithstanding the expiration of that section by limitation~~  
10 ~~pursuant to section 17 of this act, apply to taxes due pursuant~~  
11 ~~to NRS 363B.110 for each calendar quarter ending on or~~  
12 ~~before June 30, 2015.]~~

13     **Sec. 11.** Section 15 of chapter 476, Statutes of Nevada 2011,  
14 as amended by chapter 518, Statutes of Nevada 2013, at page 3427,  
15 is hereby amended to read as follows:

16         Sec. 15. 1. When preparing its certificate of the tax  
17 due from a taxpayer pursuant to NRS 362.130 during the  
18 calendar year ~~[2016,]~~ 2017, the Department of Taxation shall  
19 reduce the amount of the tax due from the taxpayer by the  
20 amount of:

21             (a) Any estimated payments of the tax made by or on  
22 behalf of the taxpayer during the calendar year ~~[2015]~~ 2016  
23 pursuant to NRS 362.115, as that section read on January 1,  
24 ~~[2015;]~~ 2016; and

25             (b) Any unused credit to which the taxpayer may be  
26 entitled as a result of any previous overpayment of the tax.

27         2. Notwithstanding any provision of NRS 362.170 to the  
28 contrary:

29             (a) The amount appropriated to each county pursuant to  
30 that section for distribution to the county during the calendar  
31 year ~~[2016]~~ 2017 must be reduced by the amount  
32 appropriated to the county pursuant to that section for  
33 distribution to the county during the calendar year ~~[2015,]~~  
34 2016, excluding any portion of the amount appropriated to the  
35 county pursuant to that section for distribution to the county  
36 during the calendar year ~~[2015]~~ 2016 which is attributable to  
37 a pro rata share of any penalties and interest collected by the  
38 Department of Taxation for the late payment of taxes  
39 distributed to the county.

40             (b) In calculating the amount required to be apportioned  
41 to each local government or other local entity pursuant to  
42 subsection 2 of that section for the calendar year ~~[2016,]~~  
43 2017, the county treasurer shall reduce the amount required to  
44 be determined pursuant to paragraph (a) of that subsection for



1 that calendar year by the amount determined pursuant to that  
2 paragraph for the calendar year ~~[2015.]~~ 2016.

3 **Sec. 12.** Section 17 of chapter 476, Statutes of Nevada 2011,  
4 as amended by chapter 518, Statutes of Nevada 2013, at page 3427,  
5 is hereby amended to read as follows:

6 Sec. 17. 1. This section and sections 1 and 7 to 16,  
7 inclusive, of this act become effective upon passage and  
8 approval.

9 2. Sections 4.5 and 6 of this act become effective on  
10 July 1, 2011.

11 3. Sections 4 and 6.5 of this act become effective on  
12 July 1, 2011. ~~[, and expire by limitation on June 30, 2015.]~~

13 4. Section 5 of this act becomes effective on the date that  
14 the balance of the separate account required by subsection 8  
15 of NRS 408.235 is reduced to zero.

16 **Sec. 13.** Section 11 of chapter 518, Statutes of Nevada 2013,  
17 at page 3427, is hereby amended to read as follows:

18 Sec. 11. The amendatory provisions of section 1 of this  
19 act ~~[-~~

20 ~~1. Do]~~ do not apply to any taxes due for any period  
21 ending on or before June 30, 2013. ~~[- and~~

22 ~~2. Except as otherwise provided in subsection 1 and~~  
23 ~~notwithstanding the expiration of that section by limitation~~  
24 ~~pursuant to section 12 of this act, apply to taxes due pursuant~~  
25 ~~to NRS 363B.110 for each calendar quarter ending on or~~  
26 ~~before June 30, 2015.]~~

27 **Sec. 14.** Section 12 of chapter 518, Statutes of Nevada 2013,  
28 at page 3428, is hereby amended to read as follows:

29 Sec. 12. ~~[1.]~~ This act becomes effective upon passage  
30 and approval.

31 ~~[2. Section 1 of this act expires by limitation on June 30,~~  
32 ~~2015.]~~

33 **Sec. 14.5.** 1. In addition to the information required by law  
34 to be included in an application for the issuance or renewal of a state  
35 business license, each application for the issuance or renewal of a  
36 state business license submitted on or after October 1, 2015, and  
37 before October 1, 2016, must include the following information:

38 (a) The total dollar amount of revenue earned by each business  
39 conducted by the applicant during the immediately preceding  
40 federal tax year of the business from the sale of services used in this  
41 State or, if the applicant conducted no business in this State during  
42 the immediately preceding federal tax year, an estimate of the total  
43 dollar amount of revenue that the applicant will earn from the sale  
44 of services used in this State during the 12-month period  
45 commencing with the date the application is submitted.



1 (b) The industry in which each business conducted by the  
2 applicant is primarily engaged.

3 2. The agency responsible for administering the state business  
4 license shall collect the information required by subsection 1 in the  
5 manner that is least burdensome for the businesses required to  
6 submit such information.

7 3. Upon request, the agency responsible for administering the  
8 state business license shall provide the information collected  
9 pursuant to subsection 1 to the Fiscal Analysis Division of the  
10 Legislative Counsel Bureau and the Department of Taxation.

11 4. The Fiscal Analysis Division and the Department of  
12 Taxation may analyze the information obtained pursuant to  
13 subsection 3 and issue written reports based on that information but  
14 shall not disclose any proprietary or confidential information  
15 obtained from the agency responsible for administering the state  
16 business license pursuant to subsection 3. Any written report based  
17 on the information obtained pursuant to subsection 3 may include  
18 only aggregate information for statistical purposes and must exclude  
19 any identifying information related to a particular person or  
20 business.

21 5. Except as otherwise provided in subsections 3 and 4:

22 (a) If the information collected pursuant to subsection 1 is  
23 collected by the Secretary of State, the provisions of NRS 76.160  
24 apply to the information.

25 (b) If the information collected pursuant to subsection 1 is  
26 collected by the Department of Taxation, the provisions of NRS  
27 360.255 apply to the information.

28 (c) Any information obtained by the Fiscal Analysis Division  
29 pursuant to subsection 3 shall be deemed a work product that is  
30 confidential pursuant to NRS 218F.150.

31 6. As used in this section, "federal tax year" means any period  
32 of 12 months for which a person is required to report income, tax  
33 deductions and tax credits pursuant to the provisions of the Internal  
34 Revenue Code and any regulations adopted pursuant thereto.

35 **Sec. 15.** The amendatory provisions of sections 1 and 2 of this  
36 act do not apply to taxes due for any period ending on or before  
37 June 30, 2015.

38 **Sec. 16.** 1. The amendatory provisions of sections 3 and 5 of  
39 this act apply to cigarettes to which a stamp is affixed on or after  
40 July 1, 2015, regardless of the date on which a wholesale dealer  
41 purchased the stamp from the Department of Taxation.

42 2. As used in this section:

43 (a) "Stamp" has the meaning ascribed to it in NRS 370.048.

44 (b) "Wholesale dealer" has the meaning ascribed to it in  
45 NRS 370.055.



1     **Sec. 17.** 1. This section and sections 6 to 14, inclusive, of  
2 this act become effective upon passage and approval.

3     2. Sections 1 to 5, inclusive, 15 and 16 of this act become  
4 effective on July 1, 2015.

5     3. Section 14.5 of this act becomes effective:

6     (a) Upon passage and approval for the purpose of adopting any  
7 regulations and performing any other preparatory administrative  
8 tasks necessary to carry out the provisions of this act; and

9     (b) On October 1, 2015, for all other purposes.

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