
ASSEMBLY BILL NO. 504—COMMITTEE ON TAXATION

MARCH 28, 2011

Referred to Committee on Taxation

SUMMARY—Revises provisions governing delinquent taxes.
(BDR 32-922)

FISCAL NOTE: Effect on Local Government: No.
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.

AN ACT relating to taxation; requiring the Department of Taxation to provide an annual report to the Nevada Tax Commission of delinquent taxes owed to the Department; requiring the Nevada Tax Commission to request that the State Board of Examiners designate certain delinquent taxes owed to the Department as bad debt; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 This bill requires the Department of Taxation to prepare and furnish an annual
2 report to the Nevada Tax Commission that shows debts to the Department incurred
3 by delinquent taxpayers during the immediately preceding year. This bill also
4 requires the Department to include the amount of any delinquent taxes that the
5 Department determines is impossible or impractical to collect. This bill further
6 requires the Nevada Tax Commission to request that the State Board of Examiners
7 designate any such amount of delinquent taxes as bad debt.

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

1 **Section 1.** Chapter 360 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *1. On or before January 15 of each year, the Department*
4 *shall prepare and furnish to the Nevada Tax Commission a report*
5 *that shows all money owed to the Department for delinquent*
6 *payments of any tax administered by the Department during the*
7 *preceding year.*



1 2. *The Department shall include in the report prepared to*
2 *pursuant to subsection 1 the amount of any delinquent taxes that*
3 *the Department determines is impossible or impractical to collect.*

4 3. *If the Department determines that it is impossible or*
5 *impractical to collect any amount of delinquent taxes, the Nevada*
6 *Tax Commission shall request that the State Board of Examiners*
7 *designate such amount as a bad debt. The State Board of*
8 *Examiners, by an affirmative vote of the majority of the members*
9 *of the Board, may designate the delinquent taxes as a bad debt if*
10 *the Board is satisfied that the collection of the delinquent taxes is*
11 *impossible or impractical. If the amount of the delinquent taxes is*
12 *not more than \$50, the State Board of Examiners may delegate to*
13 *its Clerk the authority to designate delinquent taxes as a bad debt.*
14 *The Nevada Tax Commission may appeal to the State Board of*
15 *Examiners a denial by the Clerk of a request to designate*
16 *delinquent taxes as a bad debt.*

17 4. *Upon the designation of delinquent taxes as a bad debt*
18 *pursuant to this section, the State Board of Examiners or its Clerk*
19 *shall immediately notify the State Controller thereof. Upon*
20 *receiving the notification, the State Controller shall direct the*
21 *removal of the bad debt from the books of account of the State of*
22 *Nevada. A bad debt that is removed pursuant to this section*
23 *remains a legal and binding obligation owed by the debtor to the*
24 *State of Nevada.*

25 5. *The State Controller shall keep a master file of all*
26 *delinquent taxes that are designated as bad debts pursuant to this*
27 *section. For each such debt, the State Controller shall record the*
28 *name of the debtor, the amount of the debt, the date on which*
29 *the debt was incurred and the date on which it was removed from*
30 *the records and books of account of the State of Nevada, and any*
31 *other information concerning the debt that the State Controller*
32 *determines is necessary.*

33 **Sec. 2.** This act becomes effective on July 1, 2011.

