
ASSEMBLY BILL NO. 290—ASSEMBLYMEN STEWART, ELLIOT
ANDERSON; HAMBRICK, HARDY, HOGAN, KIRNER,
LIVERMORE AND OHRENSCHALL

MARCH 15, 2013

JOINT SPONSORS: SENATORS HARDY; GOICOECHEA,
HAMMOND AND WOODHOUSE

Referred to Committee on Taxation

SUMMARY—Revises provisions relating to certain tax exemptions
for certain veterans. (BDR 32-438)

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.

AN ACT relating to taxation; revising provisions regarding property
taxes and the governmental services tax to provide that
certain veterans qualify for the maximum allowable
exemption from those taxes; and providing other matters
properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, a person who has incurred a permanent service-connected
2 disability and has been honorably discharged from the Armed Forces of the United
3 States is entitled to an exemption from property taxes and the governmental
4 services tax. The amount of exemption is based on the extent of a permanent
5 service-connected disability. (NRS 361.091, 371.104) Federal regulations provide
6 that certain veterans who have a service-connected disability not rated as a total
7 permanent disability may receive a rating of total permanent disability if the
8 veteran’s disability prevents him or her from securing or following a substantially
9 gainful occupation. Such a rating is referred to as an individual unemployability
10 rating. (38 C.F.R. § 21.6503) This bill revises provisions governing property taxes
11 and the governmental services tax to provide that a person who receives an
12 individual unemployability rating as described in federal regulations qualifies for
13 the maximum allowable exemption from those taxes.



* A B 2 9 0 *

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

1 **Section 1.** NRS 361.091 is hereby amended to read as follows:
2 361.091 1. A bona fide resident of the State of Nevada who
3 has incurred a permanent service-connected disability and has been
4 honorably discharged from the Armed Forces of the United States,
5 or his or her surviving spouse, is entitled to an exemption.
6 2. The amount of exemption is based on the total percentage of
7 permanent service-connected disability. *For the purposes of this*
8 *section, a person who receives an individual unemployment*
9 *rating as described in 38 C.F.R. § 21.6503 shall be deemed to have*
10 *a total permanent disability.* The maximum allowable exemption
11 for total permanent disability is the first \$20,000 assessed valuation.
12 A person with a permanent service-connected disability of:
13 (a) Eighty to 99 percent, inclusive, is entitled to an exemption of
14 \$15,000 assessed value.
15 (b) Sixty to 79 percent, inclusive, is entitled to an exemption of
16 \$10,000 assessed value.
17 ➤ For the purposes of this section, any property in which an
18 applicant has any interest is deemed to be the property of the
19 applicant.
20 3. The exemption may be allowed only to a claimant who has
21 filed an affidavit with his or her claim for exemption on real
22 property pursuant to NRS 361.155. The affidavit may be made at
23 any time by a person claiming an exemption from taxation on
24 personal property.
25 4. The affidavit must be made before the county assessor or a
26 notary public and be filed with the county assessor. It must state that
27 the affiant is a bona fide resident of the State of Nevada, that the
28 affiant meets all the other requirements of subsection 1 and that the
29 exemption is not claimed in any other county within this State. After
30 the filing of the original affidavit, the county assessor shall, except
31 as otherwise provided in this subsection, mail a form for:
32 (a) The renewal of the exemption; and
33 (b) The designation of any amount to be credited to the Gift
34 Account for Veterans Homes established pursuant to NRS 417.145,
35 ➤ to the person each year following a year in which the exemption
36 was allowed for that person. The form must be designed to facilitate
37 its return by mail by the person claiming the exemption. If so
38 requested by the person claiming the exemption, the county assessor
39 may provide the form to the person by electronic means in lieu of by
40 mail. The county assessor may authorize the return of the form by
41 electronic means in accordance with the provisions of chapter 719
42 of NRS.



1 5. Before allowing any exemption pursuant to the provisions of
2 this section, the county assessor shall require proof of the
3 applicant's status, and for that purpose shall require the applicant to
4 produce an original or certified copy of:

5 (a) An honorable discharge or other document of honorable
6 separation from the Armed Forces of the United States which
7 indicates the total percentage of his or her permanent service-
8 connected disability;

9 (b) A certificate of satisfactory service which indicates the total
10 percentage of his or her permanent service-connected disability; or

11 (c) A certificate from the Department of Veterans Affairs or any
12 other military document which shows that he or she has incurred a
13 permanent service-connected disability and which indicates the total
14 percentage of that disability, *or individual unemployability rating,*
15 *if applicable,* together with a certificate of honorable discharge or
16 satisfactory service.

17 6. A surviving spouse claiming an exemption pursuant to this
18 section must file with the county assessor an affidavit declaring that:

19 (a) The surviving spouse was married to and living with the
20 veteran who incurred a permanent service-connected disability for
21 the 5 years preceding his or her death;

22 (b) The veteran was eligible for the exemption at the time of his
23 or her death or would have been eligible if the veteran had been a
24 resident of the State of Nevada;

25 (c) The surviving spouse has not remarried; and

26 (d) The surviving spouse is a bona fide resident of the State of
27 Nevada.

28 ➔ The affidavit required by this subsection is in addition to the
29 certification required pursuant to subsections 4 and 5. After the
30 filing of the original affidavit required by this subsection, the county
31 assessor shall, except as otherwise provided in this subsection, mail
32 a form for renewal of the exemption to the person each year
33 following a year in which the exemption was allowed for that
34 person. The form must be designed to facilitate its return by mail by
35 the person claiming the exemption. If so requested by the person
36 claiming the exemption, the county assessor may provide the form
37 to the person by electronic means in lieu of by mail. The county
38 assessor may authorize the return of the form by electronic means in
39 accordance with the provisions of chapter 719 of NRS.

40 7. If a veteran or the surviving spouse of a veteran submits, as
41 proof of disability, documentation that indicates a percentage of
42 permanent service-connected disability for more than one permanent
43 service-connected disability, the amount of the exemption must be
44 based on the total of those combined percentages, not to exceed 100
45 percent.



1 8. If a tax exemption is allowed under this section, the claimant
2 is not entitled to an exemption under NRS 361.090.

3 9. If any person files a false affidavit or produces false proof to
4 the county assessor or a notary public and, as a result of the false
5 affidavit or false proof, the person is allowed a tax exemption to
6 which the person is not entitled, the person is guilty of a gross
7 misdemeanor.

8 10. Beginning with the 2005-2006 Fiscal Year, the monetary
9 amounts in subsection 2 must be adjusted for each fiscal year by
10 adding to the amount the product of the amount multiplied by the
11 percentage increase in the Consumer Price Index (All Items) from
12 July 2003 to the July preceding the fiscal year for which the
13 adjustment is calculated. The Department shall provide to each
14 county assessor the adjusted amount, in writing, on or before
15 September 30 of each year.

16 **Sec. 2.** NRS 371.104 is hereby amended to read as follows:

17 371.104 1. A bona fide resident of the State of Nevada who
18 has incurred a permanent service-connected disability and has been
19 honorably discharged from the Armed Forces of the United States,
20 or his or her surviving spouse, is entitled to a veteran's exemption
21 from the payment of governmental services taxes on vehicles of the
22 following determined valuations:

23 (a) If he or she has a disability of 100 percent, the first \$20,000
24 of determined valuation.

25 (b) If he or she has a disability of 80 to 99 percent, inclusive, the
26 first \$15,000 of determined valuation.

27 (c) If he or she has a disability of 60 to 79 percent, inclusive, the
28 first \$10,000 of determined valuation.

29 2. *For the purposes of subsection 1, a person who receives an*
30 *individual unemployability rating as described in 38 C.F.R. §*
31 *21.6503 shall be deemed to have a disability of 100 percent.*

32 3. In lieu of claiming the exemption from taxation set forth in
33 subsection 1 in his or her name, a veteran may transfer the
34 exemption to his or her current spouse. To transfer the exemption,
35 the veteran must file an affidavit of transfer with the Department in
36 the county where the exemption would otherwise have been
37 claimed. The affidavit of transfer must be made before the county
38 assessor or a notary public. If a veteran makes such a transfer:

39 (a) The spouse of the veteran is entitled to the exemption in the
40 same manner as if the spouse were the veteran;

41 (b) The veteran is not entitled to the exemption for the duration
42 of the transfer;

43 (c) The transfer expires upon the earlier of:

44 (1) The termination of the marriage;

45 (2) The death of the veteran; or



1 (3) The revocation of the transfer by the veteran as described
2 in paragraph (d); and

3 (d) The veteran may, at any time, revoke the transfer of the
4 exemption by filing with the Department in the county where the
5 exemption is claimed an affidavit made before the county assessor
6 or a notary public.

7 ~~13-1~~ 4. For the purpose of this section, the first \$20,000 of
8 determined valuation of vehicles in which a person described in
9 subsection 1 or ~~12-1~~ 3 has any interest shall be deemed to belong
10 entirely to that person.

11 ~~14-1~~ 5. A person claiming the exemption shall file annually with
12 the Department in the county where the exemption is claimed an
13 affidavit declaring that he or she is a bona fide resident of the State
14 of Nevada who meets all the other requirements of subsection 1 or
15 ~~12-1~~ 3, as applicable, and that the exemption is claimed in no other
16 county within this State. After the filing of the original affidavit of
17 exemption and after the transfer of the exemption, if any, pursuant
18 to subsection ~~12-1~~ 3, the county assessor shall, except as otherwise
19 provided in this subsection, mail a form for:

20 (a) The renewal of the exemption; and

21 (b) The designation of any amount to be credited to the Gift
22 Account for Veterans Homes established pursuant to NRS 417.145,
23 to the person who claimed the exemption each year following a
24 year in which the exemption was allowed for that person. The form
25 must be designed to facilitate its return by mail by the person
26 claiming the exemption. If so requested by the person claiming the
27 exemption, the county assessor may provide the form to the person
28 by electronic means in lieu of by mail.

29 ~~15-1~~ 6. Before allowing any exemption pursuant to the
30 provisions of this section, the Department shall require proof of the
31 veteran's status, and for that purpose shall require production of:

32 (a) A certificate from the Department of Veterans Affairs that
33 the veteran has incurred a permanent service-connected disability,
34 which shows the percentage of that disability ~~1-1~~ *or documentation*
35 *that the veteran has received an individual unemployment rating;*
36 and

37 (b) Any one of the following:

38 (1) An honorable discharge;

39 (2) A certificate of satisfactory service; or

40 (3) A certified copy of either of these documents.

41 ~~16-1~~ 7. A surviving spouse claiming an exemption pursuant to
42 this section must file with the Department in the county where the
43 exemption is claimed an affidavit declaring that:

44 (a) The surviving spouse was married to and living with the
45 veteran with a disability for the 5 years preceding his or her death;



1 (b) The veteran with a disability was eligible for the exemption
2 at the time of his or her death or, if not for a transfer of the
3 exemption pursuant to subsection ~~12-1~~ 3, would have been eligible
4 for the exemption at the time of his or her death; and

5 (c) The surviving spouse has not remarried.

6 ➤ The affidavit required by this subsection is in addition to the
7 certification required pursuant to subsections ~~14-1~~ 5 and ~~15-1~~ 6. After
8 the filing of the original affidavit required by this subsection, the
9 county assessor shall, except as otherwise provided in this
10 subsection, mail a form for renewal of the exemption to the person
11 each year following a year in which the exemption was allowed for
12 that person. The form must be designed to facilitate its return by
13 mail by the person claiming the exemption. If so requested by the
14 person claiming the exemption, the county assessor may provide the
15 form to the person by electronic means in lieu of by mail.

16 ~~17-1~~ 8. If a tax exemption is allowed under this section, the
17 veteran and his or her current spouse are not entitled to an
18 exemption under NRS 371.103.

19 ~~18-1~~ 9. If any person makes a false affidavit or produces false
20 proof to the Department, and as a result of the false affidavit or false
21 proof the person is allowed a tax exemption to which he or she is
22 not entitled, the person is guilty of a gross misdemeanor.

23 ~~19-1~~ 10. Beginning with the 2005-2006 Fiscal Year, the
24 monetary amounts in subsections 1 and ~~13-1~~ 4 must be adjusted for
25 each fiscal year by adding to each amount the product of the amount
26 multiplied by the percentage increase in the Consumer Price Index
27 (All Items) from December 2003 to the December preceding the
28 fiscal year for which the adjustment is calculated.

29 **Sec. 3.** This act becomes effective on July 1, 2013.

