

**Committee Action:**  
**Do Pass** \_\_\_\_\_  
**Amend & Do Pass** \_\_\_\_\_  
**Other** \_\_\_\_\_

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Senate Committee on Revenue and Economic Development  
This measure may be considered for action during today's work session.  
April 6, 2023

**Senate Bill 140**

**Revises provisions relating to the distribution of the excise tax on live entertainment. (BDR 32-166)**

**Sponsored by: Senator Hansen**  
**Date Heard: March 2, 2023**  
**Fiscal Impact: Effect on Local Government: No.**  
**Effect on the State: Yes.**

**Summary**

Senate Bill 140 provides that 50 percent of the proceeds of the Live Entertainment Tax paid for events organized by certain nonprofit organizations with ticket sales of more than 15,000 and in a county whose population is less than 9,000 (Esmeralda, Eureka, Lander, Lincoln, Mineral, Pershing, and Storey Counties) shall be remitted to the county treasurer for deposit into a separate, segregated fund in the county treasury to be used to mitigate the costs to the county, or any agency thereof, that are related to the live entertainment event.

**Amendments**

A conceptual amendment was prepared for the Committee, which is attached to this document. The amendment would delete the required 50 percent transfer of the Live Entertainment Tax proceeds to the county and, instead, allow the county, no later than 90 days after the conclusion of the event, to make a request to the Department of Taxation for a reimbursement of direct and indirect costs associated with the event.

Concerning the reimbursement of direct costs, the county would need to provide a complete itemization of direct costs incurred, as well as a statement of the costs that were covered by the tax-exempt organization or nonprofit corporation who organized the event or activity. The county may not be reimbursed by the Department for any costs that are or were covered by the tax-exempt organization or nonprofit corporation. Regarding the reimbursement of indirect costs, the request may not exceed 20 percent of the amount requested for the itemized direct cost and would not require the submission of receipts or itemization.

In no instance may the total request from the county for all costs (direct and indirect) exceed \$750,000 per fiscal year.

**Special Note**

Senate Bill 140 was determined to be eligible for exemption by the Fiscal Analysis Division on March 6, 2023.

**DRAFT**  
**PROPOSED CONCEPTUAL AMENDMENT TO SENATE BILL 140**  
PREPARED BY THE FISCAL ANALYSIS DIVISION FOR THE  
SENATE COMMITTEE ON REVENUE AND ECONOMIC DEVELOPMENT  
APRIL 6, 2023

The proposed amendment would remove the required distribution of 50 percent of the LET revenue generated from this qualifying event to the county in Section 1, subsection 5 of the bill and, instead, specify that if an event of this nature does occur, the county may apply to the Department of Taxation for an allocation of LET revenue within 90 days of the conclusion of the event. The county would need to provide a complete itemization of direct costs incurred, as well as a statement of the costs that were covered by the tax-exempt organization or nonprofit corporation who organized the event or activity and any other information requested by the Department in making the determination.

The county would need to establish that the costs that would be reimbursed are specifically costs not reimbursed by the tax-exempt organization or nonprofit corporation – no costs that are already reimbursed could be reimbursed a second time by the state.

In addition to the request for reimbursement of direct costs, the county may, in the same application, request an additional allocation of money to defray indirect or incidental costs resulting from the event. The additional allocation does not require receipts or itemization; however, this additional amount requested may not exceed 20 percent of the amount requested for the itemized direct costs. **For example, if the county shows \$500,000 in direct costs that can be itemized and documented, the county may request up to \$100,000 to compensate for the indirect or incidental costs.**

Additionally, in no instance may the total request from the county for all costs (direct and indirect) exceed \$750,000 per fiscal year.

The Executive Director of the Department would then review the request to determine that the submission meets the criteria (that is, the direct costs are specified and itemized, and the indirect costs requested and the total amount of the request comply with the statutory maximum), and then submit the request to the Nevada Tax Commission for its approval to reimburse the county for those expenses. If the approval is given by this body, the State Controller would transmit an amount of LET revenue equal to the amount approved to that county for deposit in its general fund.

If the Department requests additional information from the county in order to determine the amount to be recommended, that information would need to be sent to the Executive Director no later than 15 days following the request.

If the Tax Commission denies the request, the county may appeal the decision within 30 days; however, only one appeal may be made for such a denial.