

NEVADA LEGISLATURE - 54TH SESSION

SENATE TAXATION COMMITTEE

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Minutes of Meeting Held
March 22, 1967

The 19th meeting of the Senate Committee on Taxation was called to order Wednesday, March 22, 1967, at 4:10 p.m., in Committee Room 50, State Capitol, by the Chairman, Senator James I. Gibson.

All committee members were present except Senator Brown, who entered the meeting at 4:15 p.m.

Also present:

Mr. Ed Bowers
Mr. Robbins Cahill
Mr. Charles Munson
Mr. Cy Ryan
Two other persons who did not participate
in the discussions

The Chairman stated that at this meeting the committee would try to come to a meeting of the minds on the method of approaching the level of gambling tax that it has been agreed will be assessed. He said that Ed Bowers had been asked to check into the possibility of imposing a flat tax on table games to bring in an additional \$400,000 a year.

Mr. Bowers referred the committee to a letter, dated March 22, 1967, addressed to Senator Brown, providing the requested information. A copy of the letter is attached to the Committee Secretary's copy of these minutes. (Senator Brown entered the meeting at this point, 4:15 p.m.) The committee studied the letter for several minutes. Discussion then ensued, during the course of which Mr. Bowers was asked to quote again to the committee the graduated license fees on table games. This he did. (Same as shown on page 2 of the minutes of the 14th committee meeting, March 15, 1967.) Mr. Bowers also gave the Chairman a letter dated March 22, 1967, showing the number of slot machines in operation in the state as of December 31, 1966, and as of September 30, 1966. Copies of that letter were distributed to the committee members, and a copy is attached to the Committee Secretary's copy of these minutes. Discussion then centered on diminution and revenues that might be expected if slot machines and/or table game taxes were increased. There was a difference of opinion between Senators Brown, Dodge, and Gibson as to approaches and projections of income. At length, Senator Dodge said to the Chairman, and the other members appeared in agreement, "You go ahead and do what you think [in preparing a formula for the tax increase on nonrestricted licensees], and we'll take a look at it." Thereupon, the Chairman requested Mr. Bowers to prepare projections, for the next two years, of revenues anticipated to be raised by:


- 1) 50% increase in annual fees on games.
- 2) \$100 annual fee on each slot machine operated by nonrestricted licensees.
- 3) 20% increase in the gross tax with a deduction therefrom of the income from restricted slot machines.

The Chairman then announced he would like to get S.B. 50 (interstate tax compact) out of committee tomorrow, since Congress is moving on this problem.

Senator Swobe asked that the committee also look at S.B. 456--the real property transaction tax proposal.

The meeting adjourned at 4:50 p.m.

Respectfully submitted,


Louise Glover
Louise Glover - Secretary

I certify that the foregoing minutes are correct.

Senator James I. Gibson - Chairman

GEORGE M. DICKERSON, CHAIRMAN
HENRY W. BERRUM, MEMBER
NORMAN D. BROWN, MEMBER
SAMUEL M. DAVIS, MEMBER
GEORGE W. VON TOBEL, MEMBER

STATE OF NEVADA
NEVADA GAMING COMMISSION
CARSON CITY, NEVADA 89701

*Presented at 3/22/67
mtg. of Taxation Com.*



EDWARD E. BOWERS
EXECUTIVE SECRETARY

GAMING POLICY BOARD
GOVERNOR PAUL LAXALT, CHAIRMAN

March 22, 1967

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Honorable James I. Gibson, Chairman
Committee on Taxation
Nevada Senate
Carson City, Nevada

Dear Senator Gibson:

In response to your inquiry of March 21, please be informed that there were 28,793 slot machines in operation throughout the State as of December 31, 1966, the date of our last Quarterly Report. For the quarter ended September 30, 1966, there were 29,408 machines in operation. The slight decrease in machines for the quarter ended December 31 as versus September 30 is primarily attributable to seasonal variation.

Sincerely,

Edward E. Bowers
Edward E. Bowers
Executive Secretary

EEB/ac

GEORGE M. DICKERSON, CHAIRMAN
HENRY W. BERRUM, MEMBER
NORMAN D. BROWN, MEMBER
SAMUEL M. DAVIS, MEMBER
GEORGE W. VON TOBEL, MEMBER

STATE OF NEVADA
NEVADA GAMING COMMISSION
CARSON CITY, NEVADA 89701

*Unrecorded at 3/22 meeting
of Taxation Committee*



EDWARD E. BOWERS
EXECUTIVE SECRETARY

GAMING POLICY BOARD
GOVERNOR PAUL LAXALT, CHAIRMAN

March 22, 1967

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The Honorable B. Mahlon Brown
Member, Committee on Taxation
Nevada Senate
Carson City, Nevada

Dear Senator Brown:

You have suggested the possibility of imposing a flat tax annually on table games to bring in an additional \$400,000 annually in State revenues.

In conjunction with your proposal, you have asked that I provide you with statistics to see whether this annual rate could be applied on a progressive basis depending upon the number of games operating in any given establishment.

In response to your inquiry, we have tabulated information on 1,468 games which were operative in 183 locations throughout the State, together with appropriate averages.

While there seems to be some breaking point between operations having 4 games versus 5 and above, there appears to be quite a variance in average tax per game thereafter which once again seems to demonstrate the importance of geographic location of the establishment and other economic factors.

The results of our study are as follows:

(See Page Two)

\$ 45 K, 00 0
2 1/2 million slats

Senator Brown
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<u>Number of Games in Each Establishment</u>	<u>Number of Establishments</u>	<u>Average Annual Percentage Tax Per Game</u>
1 100	51	\$ 746
2 200	32	738
3 400 @ year	20	582
4 750	12	628
5 1750	7	1,264
6 3000	4	2,591
7	3	2,463
8	1	7,149
9 6000	3	3,567
10	9	3,199
11	2	3,483
12	2	6,491
13 1000 each game	4	4,573
14	3	2,713
15	2	7,181
16	2	4,620
17 1000 up to 1000	1 17000	28,887
19 200 a game in excess	1	4,402
22	6	8,863
23	1	10,283
25	2	33,500 16,754
26	1	19,187
28	2	8,631
29	2	8,493
30	1	17,949
33	1	19,115
35	1	20,242
38	1	5,105
45	1	6,475
46	1	6,909
57	1	6,935
65	1	3,734
73	1	10,614
77	1	9,921

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Senator Brown
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Hopefully the information presented herein will be of benefit to you.

Sincerely,


Edward E. Bowers
Executive Secretary

EEB/ifm