

Senate

COMMITTEE ON TAXATION

Minutes of Meeting -- March 19, 1969

The Committee on Taxation met on March 19, 1969 at 7:00 P.M.

Committee members present: James Gibson, Chairman
 Coe Swobe
 Mahlon Brown
 Marvin White
 James Slattery
 M. J. Christensen
 Carl Dodge

Under consideration were several bills.

SB-198 Proposed by Senator Swobe and Gibson.
 Provides for submission at next general election of question proposing exemption of prescription medicines from sales and use taxes and from local school support tax, and removing exemption from such taxes on sales of periodicals.

Senator Swobe explained the bill and said that he had talked at length with the drug people as well as the grocery people (Mr. Gastanaga of Eagle Thrifty, et cetera) and the feeling is one of approval. The grocery people feel that it will actually facilitate their operation.

Senator Dodge asked about the burden of prescription drug taxes on people under Medicare and the Committee spoke briefly of the inequity of such taxes. Chairman Gibson explained his position stating that he has always felt that if they could make an adjustment on the base that they remove much of the patent objection to the sales tax -- when the time comes that they absolutely have to move on it again, they would be in a better position to have the support of the people.

He pointed out that this was the first time that there has been a suggestion (such as in this bill) where dollars could be exchanged; in other words, the base is not being narrowed, it is being left the same with different factors in it. He said it was his understanding that extending the tax to the periodicals and magazines would about cover what they will lose by removing prescription drugs. It is the feeling that this move will remove one of the "red flags" in regards to the sales tax.

Senator Slattery moved Amend and Do Pass, seconded by Senator Dodge. Vote was unanimous for passage.

SE-325 Proposed by Committee on Taxation.
 Requires certain liquor and cigarette dealers to maintain bond for excise taxes.

Chairman Gibson explained that this bill was drafted at the request of the Tax Commission to clean up the language on the bond on excise taxes.

Senator Brown moved Do Pass, seconded by Senator Christensen. Vote was unanimous for passage.

SB-329 Proposed by Senators Young, Farr, Pozzi, Harris, Slattery, Hug, Manning, Herr and Titlow.
Enacts tax upon soft drinks and soft drink syrups for park purposes.

Senator Dodge said that one of the points that had seemed fair to him at the hearing on soft drink taxes was that if there is indeed a lot of the syrups, et cetera, coming in from outside bottlers (outside the State) -- he felt that there would be a real problem in trying to trace this and seeing that the tax was paid. There is a difficulty in trying to police people outside the State and people on a self-assessing basis do not always report the true figures. There was Committee discussion regarding "stamping" -- as with cigarette stamps and it was decided to have Senator Young find out more in this matter. The bill was put aside at this time.

SB-336 Proposed by Committee on Taxation.
Permits department of motor vehicles to retain penalty for late payment of vehicle privilege tax.

Senator Dodge explained the bill, stating that the basic tax is distributed to the subdivisions, but this bill would allow the department to keep the penalty (late payment) money.

Senator Swobe moved Do Pass, seconded by Senator Slattery. Vote was unanimous for passage.

SB-366 Proposed by Committee on Taxation.
Exempting from real property transfer tax sales from governmental entities.

There was brief Committee discussion. Senator Swobe moved Do Pass, seconded by Senator Dodge. Vote was unanimous for passage.

SB-386 Proposed by Senator Fransway.
Exempts property of Eureka Water Association from taxation.

Senator Slattery moved to hold this bill indefinitely, seconded by Senator White. Vote was unanimous for this action.

SB-206 Proposed by Senator Young.
Permits additional tax exemptions for certain organizations.

Senator Brown moved to hold this bill indefinitely, seconded by Senator White. Vote was unanimous for this action.

There was Committee discussion and agreement not to consider the request from the Nevada Humane Society at this time.

SB-398 Proposed by Committee on Transportation.
Requires assessors to provide stickers for campers upon which property tax has been paid.

There was brief Committee discussion. Senator Slattery moved Do Pass, seconded by Senator Dodge. Vote was unanimous for passage.

SB-419 Proposed by Committee on Federal, State and Local Governments.
Providing that business license taxes relating to motor vehicle fuel may be levied.

Chairman Gibson explained that there had been some question lately about whether these people that sell motor vehicle fuel and store it are subject to a city business license. They have been paying it, but this year several of these dealers have questioned whether they are exempt from business licenses. The purpose of this bill is to state in the law that they are subject to this.

Senator Dodge moved Do Pass, seconded by Senator Swobe. Vote was unanimous for passage.

SB-448 Proposed by Senator Swobe.
Requires board of county commissioners to enter order directing county treasurer to deliver deed to property conveyed to treasurer for delinquent taxes to person offering to pay required taxes and penalties.

Mr. McDonald was called in to explain the bill. He traced the background of the bill. He quoted from a letter from Emerson Wilson and spoke of the suggested amendments.

Senator Swobe moved Do Pass, seconded by Senator Dodge. Vote was unanimous for passage.

SB-212 Proposed by Senators White, Bunker, Manning, and Christensen.
Removes exemption limit on taxation of property of national organization of ex-service man or women.

Senator Swobe moved that this bill be held indefinitely, seconded by Senator Brown. Vote was unanimous for this action.

SJR-16 Proposed by Committee on Taxation.
Proposes to amend Nevada constitution by eliminating tax exemption of patented mines.

Chairman Gibson delineated the proposed amendments. He stated that the Mining Association may register an opposition to this, because it is changing something that is not traditional and changes the procedures quite drastically. The Committee felt it should be put aside for a while and see what happens to the mining industry.

Senator Swobe moved that this bill be held indefinitely, seconded by Senator White. Vote was unanimous for this action.

AB-66 Committee on Health and Welfare.
Exempts certain persons with limited quantity of liquor from liquor license and tax requirements.

Senator Brown moved that this bill be held indefinitely, seconded by Senator White. Vote was unanimous for this action.

AB-378 Proposed by Committee on Taxation.
Provides for closing premises of seller who operates without local school support tax permit. Executive estimate of cost: None.

Chairman Gibson read the bill and there was brief Committee discussion.

Senator Brown moved Do Pass, seconded by Senator Swobe. Vote was unanimous for passage.

AB-530 Proposed by Mr. Schouweiler.
Provides procedure for recordation and reporting of tax payments. Executive estimate of cost: None.

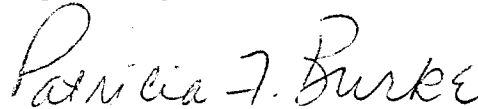
Senator Swobe moved Do Pass, seconded by Senator Christensen. Vote was unanimous for passage.

AJR-37 Proposed by Committee on Taxation.
Memorializes Congress to allow credit for state slot machine tax.

Chairman Gibson read this Resolution in full. Senator Swobe moved Do Pass, seconded by Senator Christensen. Vote was unanimous for passage.

There being no further business, the meeting was adjourned.

Respectfully submitted,



Patricia F. Burke,
Committee Secretary