

MINUTES OF MEETING - COMMITTEE ON TAXATION - 56TH ASSEMBLY SESSION

February 5, 1971

PRESENT: Kean, Lingenfelter, Swallow, May, Smalley, Glaser, Smith

GUESTS: Mr. Ray Knisley, Frank (UPI)

The Chairman convened the meeting at 8:05 a.m.

AJR-14 - Proposes constitutional amendment to exempt inventories of merchant and household property from ad valorem property tax.
55th Session

The Committee feels it to be an unfair tax and should be eliminated but there will have to be a replacement. There was discussion regarding phasing out the tax over a period of years. Mr. Kean said he would like to have compiled a chart that would show the name of the bill and the amount of revenue gained or lost, and the proposed revisions so that the overall effect could be studied.

Mr. Lingenfelter moved that the bill be postponed indefinitely because of the ambiguity of the language as it is originally written. There is no prejudice toward the principles of the bill. Mr. May seconded and the motion carried unanimously.

Mr. Glaser and Mr. Smith will continue to study AJR-14 and propose legislation that will replace the money lost by this tax.

AJR-5 - Proposes constitutional amendment to add certain exemptions from taxation.
55th Session

There is a letter from Mr. McDonald on this bill regarding wording. The committee did not concur with the letter in its entirety. It was suggested that arrangements be made for Mr. McDonald to attend a meeting and discuss his decision on AJR-5.

Mr. Ray Knisley was asked to talk to the Attorney General on the legality of the wording in AJR-5.

The secretary was instructed to provide copies to all committee members of Mr. Hal Lairds Report on "Revenue Sharing Proposal, State of Nevada-Local Governments". Mr. Kean proposed Mr. Laird be invited to discuss his report at a hearing scheduled Wednesday, February 10.

Mr. Knisley spoke on the large amount of revenue received from the ad valorem tax and the unfairness of this tax, the inequities and difficulties of assessment.

AB-86 - Removes livestock from free port exemption.

AB-87 - Restricts free port tax exemption on livestock to slaughter animals

Mr. Lingenfelter moved AB-86 and AB-87 be indefinitely postponed. Mr. Glaser seconded and the motion carried unanimously.

AB-80 - Extends property tax exemption to aged and to all veterans

AB-112 -Increases property tax exemption for widows and orphans.

AB-80 and AB-112 were discussed to the merits of their intent and the constitutionality of their wording. Mr. Smith stated that work by the bill drafters was being done on this now. Mr. Smalley was of the opinion there was enough help to needy people from various sources, both state and federal, and this additional exemption was not necessary. Mr. Kean was of the opinion that if tax exemptions on a home permitted a person to retain his independence it was less costly than the state having to care for him in a public facility.

Meeting adjourned.

AGENDA FOR COMMITTEE ON Taxation

Date February 5 Time 8 A.M. Room 240

<u>Bills or Resolutions to be considered</u>	<u>Subject</u>	<u>Counsel requested*</u>
<u>AJR-14</u>	<u>Proposes constitutional amendment to to exempt inventories of merchants and household property from ad valorem property tax.</u> <u>We are considering whether to dispose of one year's progress on this bill or postpone indefinitely and rewrite to clear up reported ambiguous language on page 2.</u>	
<u>AB-112 & AB-80</u>	<u>Extends property tax-exemption to aged and to all veterans. - We will consider these two bills together and discuss the possibility of rewriting this act by taking into account the fact that there are many wealthy widows. (Artical 10, Section 1, last line of the constitution "No inheritance or estate tax shall ever be levied, and there shall also be excepted such property as may be exempted by law for municipal, educational, literary, scientific or other charitable purposes."</u>	
<u>AB-22</u>	<u>Excludes federal excise tax in determining tax base for vehicle privilege tax.</u>	
<u>AB-57</u>	<u>Requires county to sell delinquent patented mining claims. - Give some thought to omitting this section entirely and include mining claims along with the same paralell action as any tax delinquent property</u>	

*Please do not ask for counsel unless necessary.

HEARINGS PENDING

Date _____ Time _____ Room _____
Subject _____

Date _____ Time _____ Room _____
Subject _____

SPECIAL SUB-COMMITTEE REPORT

SMITH AND GLASER

TANGIBLE PERSONAL PROPERTY HELD FOR SALE IN THE ORDINARY COURSE OF BUSINESS AND WHICH CONSTITUTES THE INVENTORY OF ANY RETAILER, OR WHOLESALER, OR MANUFACTURERS, OR FARMER, OR LIVESTOCK RAISER SHALL BE EXEMPT FROM ADVALORUM TAXATION. HOUSEHOLD FURNISHINGS OF THE ORDINARY FAMILY HOME SHALL NOT BE SUBJECT TO ADVALORUM TAXATION.

Cost \$5,000,000.

ASSEMBLYMEN HAL SMITH AND NORM GLASER CONSIST OF A
TOTAL SUB-COMMITTEE ON TAXATION AND ARE TO WORK WITH
RUSS McDONALD REGARDING CONSTITUTIONAL AMENDMENT
COVERING THE EXEMPTION OF HOUSEHOLD GOODS MERCHANTS
INVENTORIES, AND CATTLE HELD FOR RESALE.

SPECIAL SUB-COMMITTEE REPORT**SMITH AND GLASER**

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