

MINUTES OF MEETING - COMMITTEE ON TAXATION - 56TH ASSEMBLY SESSION
March 17, 1971

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

GUESTS: Mr. Paul Gemmill, Executive Secretary, Nevada Mining Assoc.
Mr. Howard Gray, Attorney, Kennecott Copper
Mr. Ernest Newton, Nevada Tax Payers Association
Mr. Jim Lien, Tax Commission
Mr. John Sheehan, Tax Commission
Mr. Ray Knisley

Chairman Kean convened meeting at 8:00 a.m.

AB-703 Authorizes certain rent as deduction in computing net proceeds of mines tax.

Mr. Gemmill said his Association was opposed to the bill because it would open up avenues whereby one could get out of paying all proceeds of mines tax. The bill would have to be altered drastically to take care of this situation.

Mr. Howard Gray said that unpatented claims could not be taxed and patented claims only to the extent \$500. They would like to leave things as they are now.

Mr. Jim Lien said the Tax Commission had no strong feelings one way or the another. There would be a loss of revenue of only \$3000 to \$4000.

x Mr. Smith moved AB-703 be indefinitely postponed; Mr. Lingenfelter seconded; motion carried.

AB-717 Clarifies conditions under which exempt property which is leased becomes subject to taxation.

Mr. Knisley said his research indicated the Fallon Pastures would be the largest property effected by this bill and Mr. Getto and his people would want to be heard on this matter.

AB-698 Allows aged persons property tax exemption and restricts certain tax exemptions.

Mr. Lien would like this bill changed to read "assessed valuation", rather than "valuation". The Tax Commission has no objections to this measure although they cannot compute the tax loss involved. It was agreed that an affidavit would be sufficient proof of net income. Mr. Lien said only about 20,000 people in Nevada claim exemptions. This includes, widows, orphans, blind, aged, and veterans. This represents less than 1% of gross valuations.

AJR
AB-27, 28, 29 - Exempts certain items from ad valorem tax.

Mr. Glaser reviewed Mr. Jack Boyd's analysis of tax as it applies to the livestock industry. Mr. Lien agreed with the analysis. He said the livestock industry was taxed at 48% (approximately) of

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actual value rather than the usual 35%. If livestock were exempted the ranch land would probably be revaluated and revenue loss re-claimed to some extent.

AJR-27 and AJR-29 would exempt for more property than was the intent of the introducers of the Bill. It was agreed the language of AJR-27 that applied to livestock should be applied to AJR-28.

- AJR-29 - Mr. Lingenfelter moved AJR-29 be indefinitely postponed; motion seconded and carried.
- AJR-27 - It was moved and seconded AJR-27 be indefinitely postponed; motion carried.
- AJR-28 - Mr. Lingenfelter moved AJR-28 be amended to include language of AJR-27 that applies to livestock and Do Pass; Mr Swallow seconded; motion carried.
- AB-699 - Permits Mineral County to levy an additional motor vehicle fuel tax.

There is 1¢ and 2¢ gasoline option tax that can apply only to new construction. Mineral County has a very limited tax base and are embarking on a school bond issue that will take most of existing funds. They will not have any funds for maintenance of roads. Rather than apply this 1¢ to new construction (the sole purpose for which this option tax can now be applied) Mineral County would like special legislation to apply it to maintenance of existing roads.

- AB-52 - Enacts county option alcoholic beverage tax law.

Mr. Lingenfelter moved AB-52 be indefinitely postponed; motion seconded and carried unanimously.

Meeting adjourned.

AGENDA FOR COMMITTEE ON TAXATION

Date March 17, 1971 Time 8:00 A.M. Room 2:40

Bills or Resolutions to be considered

Subject

Counsel requested*

SUPERCEDES PREVIOUS AGENDA OF THIS DATE

Table with 3 columns: Bills or Resolutions to be considered, Subject, and Counsel requested*. Rows include AB-725 (liquor/cigarette tax), AB-717 (property tax), AB-703 (rent deduction), and AB-112, 80, 204, 336 (widows/orphans).

*Please do not ask for counsel unless necessary.

HEARINGS PENDING

Date _____ Time _____ Room _____
Subject _____

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Subject _____