

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

March 30, 1971

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

TUESTS: Mr. Ernie Newton, Nevada Taxpayers Association
Mr. Keith Ashworth, Assemblyman
Mr. Irwin Aarons, Tax Commission
Mr. John Sheehan, Tax Commission

SB-578 - Requires recognition of certain population changes in making tax distribution.

This bill does not change distribution of taxes to the counties but does allow changes within the counties to reflect changes in political subdivisions and population shifts.

Mr. Smith moved to Do Pass SB-578; Mr. Swallow seconded; motion carried unanimously.

SB-476 - Makes technical amendments to law relating to Nevada Tax Commission.

A motion was made, seconded and carried to Do Pass SB-476.

SB-577 - Requires monthly distribution of locally shared taxes.

This bill makes it mandatory that the State give the distributive tax to the counties monthly. The Tax Commission has been doing this for some time.

The Committee was concerned with Section 7 that deals with the motor vehicle fund. They thought there should be allowances made for percentage changes. Mr. Sheehan will look into this.

SB-211 Exempts from taxation premiums received under policy of insurance issued to unit of local government.

Mr. Newton said this bill was proposed by the Municipal Association who was being pressured by the insurance companies. It was the hope of the Municipal Association that this would lower their insurance premiums.

It was the consensus that this tax exemption would not lower premiums. Mr. Swallow moved SB-211 be indefinitely postponed; Mr. Smith seconded; motion carried unanimously.

AB-716 - Allocates 100 percent of real property transfer tax to counties.

The Committee had previously amended this bill giving the counties 10% of the transfer tax and the State 90%. The Senate had again amended the bill allocating 25% to the counties. The Committee concluded this measure would cost the state about \$100,000, more than the original 5% allocation.

Mr. Smith moved the Assembly Taxation Committee concur with the Senate on their Amendment to AB-716. The motion was seconded and carried unanimously.

Mr. Glaser requested a report of the total amount of tax revenue that had been taken from the State and allocated to the counties during this session of the Legislature. He was concerned that, with the continually increasing demands for State money from the schools, welfare, county improvement districts, etc., the State revenues were being eroded away. He asked for an analysis of the overall effect of all new legislation. The Tax Commission representatives agreed to supply this analysis.

SB-445 - Clarifies and modernizes law governing cigarette licenses and taxes.

Mr. Kean stated the amendment to the bill had not corrected Section 13, As requested by the Committee. Mr. Sheehan will look into this.

AB-196 - Exempts certain transfers from real property transfer tax.

The Assembly Committee has passed this bill February 5 and the Senate has now amended the bill to include transfers between the spouses. The Committee discussed the bill and amendment in regard to the percentage of total transfers and amount of revenue involved. Mr. Aarons said there was no way they could accurately determine this as many of these transfers were not recorded. Mr. Ashworth was of the opinion the amount of money would be negligible on this type of transfer.

Mr. Ashworth also said this appeared to be an estate planning bill. If this constitutes 10% of the real estate transfers within the State, it would amount to about \$50,000. He thought this was a worthy bill because people should not have to pay transfer tax on property transferred between the spouses.

Mr. Smith moved to concur with the Senate amendment on AB-196. Motion seconded and carried unanimously.

B-699 - Permits Mineral County to levy an additional motor vehicle fuel tax.

Mr. Glaser moved to indefinitely postpone AB-699; Mr. Swallow seconded; motion carried unanimously.

Meeting adjourned.