

276

SENATE TAXATION COMMITTEE
MINUTES OF MEETING
APRIL 30, 1975

The meeting was called to order at 3:15 .

Senator B. Mahlon Brown was in the Chair.

PRESENT: Senator B. Mahlon Brown, Chairman
 Senator Gene Echols
 Senator Thomas Wilson
 Senator Mel Close,
 Senator William Raggio

SB 386: PROVIDES FOR SUBMISSION AT NEXT GENERAL ELECTION OF QUESTION PROPOSING CERTAIN CHANGES IN SALES AND USE TAX LAW.

Richard Morgan, Nevada State Education Association, stated their organization was previously split on this bill, however, they have reviewed the amendment and now find no objection. Previously they felt this might limit the legislature's future power to increase the school support tax should more money be needed for education. Now, with the legislative legal advisers saying it would not, they favor the measure.

AB 317: ESTABLISHES DEPARTMENT OF TAXATION AND MODIFIED COMPOSITION AND FUNCTIONS OF NEVADA TAX COMMISSION AND STATE AND COUNTY BOARDS OF EQUALIZATION.

Richard Morgan testified they feel this is a very beneficial bill and should be enacted. They support the findings of the report.

Mr. Lien, Nevada Tax Commission, reporting on AB 358 stated their survey on the increased penalty for tax payments shows the county assessors vote: 12 said "no" for the increase, "4" said yes. Those voting for were: White Pine, Douglas, Humboldt and Pershing. The majority were in agreement with allowing a ten day grace period.

SB 386: (See above) If approved by the legislature, this measure would go on the 1976 general election ballot. It would ask voters whether they favor taking groceries off the statewide sales tax while increasing it from the present 2 percent to 2.25 percent. This tax can be changed only by a vote of the people. If the voters approved, the legislature would then increase the school support tax and the optional half-cent county-city support tax, which is in effect in 11 counties. A vote of the people is not required to change these two levies. The three are collected, in effect, as a single tax ranging from 3 per cent in counties without the local option tax to 3 and 1/2 percent in the 11 with that tax. If all three taxes were increased - one by the people and two by the legislature - the total would be 4 percent in the 11 counties with the local option tax and 3.4 percent in those without it. The new levies would become effective in 1977.

Chairman Brown asked Mr. Daykin for his recommended wording of the question to be placed on the ballot, so the public would know what they are voting for. Mr. Daykin read the amendment he would suggest: "Shall the Sales and Use Tax Act of 1955 be amended to create exemptions for certain foods and health care products, increase the rate to 2.25 percent to offset the exemptions, and restore administration of the tax to legislative control?" (Complete amendment attached)*

* Not included.

SENATE TAXATION COMMITTEE
MINUTES OF MEETING
APRIL 30, 1975

277

PAGE TWO

Mr. Daykin feels this explanation should appear on the ballot state-wide as it would be too confusing to try to have a two different explanations.

Senator Echols stated he would rather see the explanation read: "Shall the Sales and Use Tax Act of 1955 be amended to exempt certain food and health care products and increase the rate from 2 to 2 1/4 percent?"

Considerable discussion followed centering around the proper wording of the ballot language. It was felt by some members that the wording suggested might be misleading to the voters who will interpret that to mean they are decreasing their taxes from 3 - 3 1/2 down to 2 1/4%. Mr. Daykin felt, however, we would run a greater risk of losing the voters if we mentioned the 4%. He stated we are clearly warning them, but it will be necessary for them to read the complete explanation.

Senator Close suggested we include that: "the taxes are increased from 3 to 3 1/2 in counties having no city-county taxes and from 3 1/2 to 4% in counties having that tax". This could be inserted between sentences within the explanation.

Mr. Daykin was requested to draft the amendment incorporating the two suggestions made during the discussion.

Senator Gojack advised the committee that she had received offers of assistance from various sources on getting the proposal explained to the voters. She suggested perhaps some sort of a brochure similar to that used for the Greenbelt Amendment, containing all the information necessary for clarification of the measure.

Senator Echols - Amend and "Do Pass"
Senator Wilson - 2nd
Motion carried unanimously

AB 317: ESTABLISHES DEPARTMENT OF TAXATION AND MODIFIES COMPOSITION AND FUNCTIONS OF NEVADA TAX COMMISSION AND STATE AND COUNTY BOARDS OF EQUALIZATION.

Considerable discussion was held centering on the subject of the ratio study, beginning pages 18 and 19 of the bill. Testifying on various aspects of the bill were Bill Byrne, Deputy Assessor for the County of Clark and Mr. James Lien of the Nevada Tax Commission.

Amendments drafted by the Tax Commission, after the last discussion, were submitted and the revisions were discussed individually. (Copy attached.)*

It was decided that one additional meeting should be held on this measure. There was no action taken.

* Not included.

SENATE TAXATION COMMITTEE
MINUTES OF MEETING
APRIL 30, 1975

278

PAGE THREE

SB 378: PROPOSES TO AMEND SALES AND USE TAX ACT OF 1955 TO EXEMPT FOOD PRODUCTS FOR HUMAN CONSUMPTION.

Previously discussed at length by the Committee.

Senator Close - Postpone action indefinitely.
Senator Echols - 2nd
Motion carried unanimously

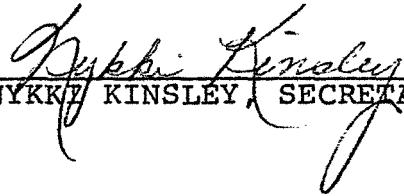
AB 546: INCREASES PROPERTY TAX EXEMPTION FOR VETERANS' ORGANIZATIONS.

Following a brief discussion:

Senator Raggio - "Do Pass"
Senator Echols - 2nd
Motion Carried unanimously

There being no further business, the meeting was adjourned.

RESPECTFULLY SUBMITTED:


NYKKI KINSLEY, SECRETARY

APPROVED BY:


B. MAHLON BROWN, CHAIRMAN