

SENATE TAXATION COMMITTEE

MINUTES OF MEETING

Monday, May 5, 1975

A meeting of the Senate Taxation Committee was held on Monday, May 5, 1975 at 3:00 p.m. in Room #231 of the Legislature Building. Senator Mahlon Brown was in the Chair.

PRESENT: Chairman Mahlon Brown
 Senator Thomas Wilson
 Senator Mel Close
 Senator Helen Herr
 Senator William Raggio
 Senator Gene Echols

ABSENT: Senator Ty Hilbrecht

ALSO PRESENT: Jack Sheehan, Tax Commission
 James Lien, Tax Commission
 Assemblyman Lawrence Jacobsen
 Walter Martini, Liquor Industry

ACTION WAS THEN TAKEN ON THE FOLLOWING MEASURES:

SB 576 PROPOSES TO AMEND SALES AND USE TAX ACT OF 1955 TO EXEMPT CERTAIN INDIAN TRIBES.

Chairman Brown advised the Committee that he had received a letter from the Indian tribes asking that this measure be withdrawn. (See Attachment.)

Senator Herr moved to indefinitely postpone the Bill.
 Senator Wilson seconded the motion.
 Motion carried unanimously.

AB 358 INCREASES PENALTIES FOR PROPERTY TAX DELINQUENCIES.

Assemblyman Lawrence Jacobsen testified as to the purpose of the Bill stating that county property tax delinquencies had been of general concern to him for many years, but had become a primary concern the past few years due to the increased loss of monies from this source. He felt that there were two specific reasons this was happening:

1. Lands being sold to people out of the area with whom the County Clerks had no way of contacting in regard to their taxes, and
2. The penalties being so low that it was sound business practice to place monies in Savings and Loan or Bank Companies where a much higher rate of interest was paid, then pay ones taxes once a year with a small percentage rate being charged for penalties.

He then read the statistics of "Delinquent Property Taxes - 1973-74" for each county within the State. (See attached.)*

* Not included.

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Assemblyman Jacobsen felt that this measure was necessary as simply good fiscal responsibility. He definitely felt that the penalties had to be raised before people would pay on time.

James Lien of the Tax Commission presented the results of a poll which he took of all the County Clerks in the State relating to their feelings on increasing the penalties.

Four Counties, White Pine, Douglas, Humboldt and Pershing, agreed that penalties should be raised.

Two Counties, Churchill and Washoe, felt that the penalties should be increased, but not as high as was proposed in the Bill.

Ten Counties, Carson City, Storey, Mineral, Esmeralda, Nye, Elko, Eureka, Lyon, Lincoln, Clark, did not agree that penalties should be raised.

One County, Lander, did not respond.

Senator Wilson proposed that the bill be amended to read as follows:

Line 13, Page 1 -- change "6" to "4".
 Line 16, Page 1 -- change "8" to "5".
 Line 20, Page 1 -- change "10" to "6".
 Line 24, Page 1 -- change "12" to "7"

This would be accumulative interest so that if you did not pay taxes until late in the second quarter the interest would be 9 percent; if no taxes paid until late in the third quarter, the interest would be 15 percent, etc.

Senator Raggio then suggested that a grace period of 10 days be extended to each quarter. This was affirmed by Senator Close.

Senator Wilson then moved "AMEND AND DO PASS"
 Senator Close seconded the motion.
 Motion carried unanimously.

Senator Echols then made a comment which he wished to be noted. He was not sure that the tax penalties would not be more effective if they were not reversed; 7% the first quarter, 6% the second quarter, etc.

SB 590-

INCREASES LIQUOR TAX TO SUPPORT CERTAIN DETOXIFICATION AND REHABILITATION CLINICS.

Senator Echols remarked that this measure had been introduced because of the serious problems arising since the decriminalization of the alcoholic at the 57th Session of the Legislature.

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Jack Sheehan of the Tax Commission remarked that he felt the Governor would veto this Bill because he was adamant in not imposing any more taxes on Nevada citizens.

Senator Raggio said he felt this was not an increased tax on the people, but an excise tax levied against a privileged industry. He felt very strongly that there definitely was a place for this Bill; that alcoholism is a terrific problem within the State and "we keep sweeping it under the rug." He felt that the liquor industry should carry some of the responsibility of the problem, and by imposing this small tax, the proceeds to be used in helping the alcoholic, they would be showing their interest in this problem. He related that in his many years as a prosecutor he found that 90% of all crimes were alcoholic based. On this fact alone, the State spends millions of dollars each year because of the alcohol problem. He also stated that the State has but a couple of very inadequate private facilities in which to take care of the alcoholic.

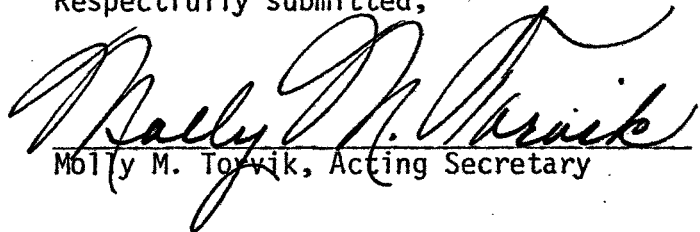
Senator Echols felt that possibly the Bill should be rewritten as a Resolution to be voted upon by the people. He said that he would have this done immediately, in time for the Committee to take action at the next meeting.

Chairman Brown asked Walt Martini from the Liquor Industry if he would be prepared to testify on this matter at the next meeting. Mr. Martini answered that he would.

The Committee gave their unanimous approval that Senator Echols introduce the Resolution.

There being no further business, the meeting was adjourned.

Respectfully submitted,


Molly M. Toivik, Acting Secretary

APPROVED:



Senator B. Mahlon Brown, Chairman

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BENSON GIBSON
EXECUTIVE DIRECTOR

MIKE O'CALLAGHAN
GOVERNOR

April 30, 1975

The Honorable B. Mahlon Brown, Chairman
Senate Taxation Committee
Nevada State Legislature Building
Carson City, Nevada 89701

Dear Senator Brown:

We have reviewed Senate Bill 576 which proposes to amend the Sales & Use Tax Act of 1955. The Nevada Indian Commission had requested Senator Walker to introduce this bill. At this time, we believe that it would be unwise to introduce this type of bill in behalf of Nevada Tribes as they are already exempt under Federal Law. We respectfully request this bill to be withdrawn from any further action.

Thank you for your expeditious attention to this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Benson Gibson".

Benson Gibson
Executive Director

BG/mb

CC: Eugene V. Echols
Melvin D. Close Jr.
Helen Herr
Norman Ty Hilbrecht
Thomas R. C. Wilson
William J. Raggio