

MINUTES

ASSEMBLY COMMITTEE ON TAXATION
APRIL 5, 1977
9:30 a.m.

Members Present: Chairman May
Mr. Craddock
Mr. Dreyer
Mr. Harmon
Mr. Horn
Mr. Jacobsen
Mr. Mann
Mr. Murphy

Members Absent: Mr. Schofield

Guests Present: Bryn Armstrong, Las Vegas Sun
David W. Baker
William Briare, Mayor, Las Vegas
Cotton Crutchfield, W & W Vending
Joseph E. DiGrazia, DiGrazia Wholesale
Ken Doughty, Glaser Bros.
George E. Glead, Western Cigar Co.
Oran Gragson
James C. Lien, Department of Taxation
Joe Midmore, Tobacco Tax Council
John W. Moschetti, Elko County Assessor
Marilyn Paoli, Department of Taxation
Marolyn Patton, U & I Distributing
Roy Puccinelli, Southworth Tobacco Co.
Tom L. Raines, W & W Vending
Mimi Rodden, Nevada State Museum
Homer Rodriguez, Carson City Assessor
W. J. Slocum, Douglas County
Bruce L. Smith, Department of Taxation
Bruce Spaulding, City of Las Vegas
Letty Stephens, South Tobacco Co.
Steven Stucker, North Las Vegas
Lou Vasconcelos, Glaser Bros.
Robert Warren, Nevada League of Cities
Charles Zobell, Review Journal

Chairman May called the meeting to order at 9:39 a.m.

ASSEMBLY BILL 363

Attached as Exhibit A is a letter from the Department of Taxation concerning this bill and also a table of projected revenue with the increased tax proposed by the bill.

Joe Midmore spoke first in opposition to the bill, and his comments are attached as Exhibit B.

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Marolyn Patton was next in opposition to the bill with her comments attached as Exhibit C.

Chairman May related to the Committee an amendment that had been proposed that would allow counties to impose a 5¢ tax or no tax at all. Presently the bill allows individual counties to impose a tax up to 5¢ in ½¢ steps.

Tom Raines was the next speaker in opposition to the bill. He related various problems that would occur in the tobacco industry if the tax would be imposed. He related several sports facilities across the country which he stated were not successful. He reminded the Committee that the ones who are paying for these failures are the people. He mentioned the Cashman Field in Las Vegas, and said that he did not feel the city needed all these complexes. He also stated that the cigarette tax is not paying for the complex, the people will be paying.

Joseph DiGrazia spoke next. He said that if each county his company services had a different tax, he would have to have five different tax meters. He also mentioned the number of smoke shops in his area. Further, he stated that he is located near the borders of states that presently have a lower tax on cigarettes than Nevada, and if Nevada's tax was raised even higher, you could expect bootlegging problems. He said that the tobacco industry is the only declining industry in the State, and if the bill is passed, there will be a further tremendous financial burden on the wholesaler.

Steven Stucker spoke in opposition to the bill. He said that the City of North Las Vegas would oppose this method of raising funds. He said that in 1977, there will be about \$187,000 that the city will not receive because of sales in smoke shops. He said that his main concern is that cities' services must be maintained, and he was concerned about the loss of revenue from any source. He quoted Robert Warren from a magazine article that stated in the four years from 1972 to 1976, expenses of government increased 52% while income increased only 46%.

Mr. Warren was the next speaker. He said of the 17 cities he represents, one of those was present representing itself. He stated that of the remaining 16, 10 cities were opposed to the bill, and six were undecided. He stated that he was instructed to withhold a final appraisal until A.B. 100 is processed. He said that if that loophole is plugged, some of the other cities will not oppose this.

Chairman May reminded Mr. Warren that A.B. 100 had passed this Committee and the Assembly, and it was left to the Senate to act on the bill. Mr. Mann then stated that he felt we would be deceiving ourselves to think that A.B. 100 will be effective. He estimated that it would take at least five years after A.B. 100 would pass for the courts to settle the issue.

George Gleed was the next witness for the opposition. He read a letter from Heber Tobler, Vegas Village Shopping Center indicating opposition to the measure (Exhibit D). Also he read a letter from R. W. Williamson, Orange Empire Division of Alfred M. Lewis, Inc., opposing A.B. 363 (Exhibit E). Further he passed out a booklet entitled "Michigan and the Cigarette Tax" (Exhibit F). Following this, he read an article from the United States Tobacco Journal concerning the murder of a man involved in bootlegging of cigarettes in Pennsylvania (Exhibit G).

Mr. Gleed stated that several years ago when California had a higher cigarette tax than Nevada, his company serviced a service station on Las Vegas Boulevard and the Skagg's store formerly downtown, mentioning these two only for comparison. He said that the service station did more volume of business in cigarettes than Skagg's did. He said that this shows that when you "get out of line" in taxing cigarettes, the people will find some way to overcome the tax. He referred to the number of California tourists that would have gone through the service station. He said that if Nevada has a 5¢ difference, Nevadans will be able to get enough cigarettes from California to bring to Las Vegas to sell to their friends and make enough money to pay for the gas.

Cotton Crutchfield read a letter to Chairman May from the North Las Vegas Chamber of Commerce indicating opposition to this measure (Exhibit H). He also read a statement from the Nevada Citizens Action Group (Exhibit I). He further stated that he had taken a survey of 440 places of business that deal in cigarettes as to their position on this bill. There were 372 opposed, 60 for, and 8 with no opinion.

Ken Doughty spoke next. He related bootlegging problems he had seen when he lived in Washington, D.C. He said that Nevada can only look to these types of problems if the cigarette tax is raised.

Mimi Rodden spoke in favor of the bill. She said that the proposed complex will provide a much-needed convention and cultural center for Las Vegas. She further stated that the concept not only assists the downtown area of Las Vegas, but makes it possible for all of the State to improve their own areas.

Ms. Rodden said that this is a far-sighted and basic plan to the growth of Nevada. She suggested to the Committee further study and support of A.B. 100 saying that the further problem might be resolved.

Mayor William Briare of Las Vegas spoke next. He said that the media had confirmed on this date that a bill was being drafted to build a sports facility on the UNLV campus. However, he said that he did not feel it was disloyal to question the construction of a facility that would use land that should be devoted to classroom use. He further stated that he did not feel it was disloyal to question the construction of a single-purpose facility. He said that the facility proposed to be constructed at the passage of A.B. 363 would not only be a sports facility, but it would be open for meetings and tourists.

Mayor Briare stated that the success of the present Convention Center has far exceeded the expectation of the most optimistic supporters. He said that in order to gain the favor of the people when this facility was built, the Clark County Recreation Board had to build some parks and some swimming pools. He further stated that a downtown facility as proposed is no longer feasible on Paradise Road because no more land is available there. He said that he wanted Las Vegas to stay #1 and be so far ahead of #2 that they did not have to worry about being caught.

The Mayor said that the sponsors of the legislation are convinced of the support of the voters. He said that he was coming before the Committee to ask to let the voters decide if they want to put a tax upon themselves.

Chairman May stated that the Legislature has set aside three sources of revenue for cities: additional taxes on cigarettes, additional increases in liquor taxes, and additional increases in sales tax. He said that if this bill passes through the complete process and is approved by the voters, he hoped that it would preclude any further tax being applied to cigarettes. He then discussed again the proposed amendment to the bill.

Mr. Mann moved for an Amend, and Do Pass as Amended recommendation on A.B. 363; Mr. Harmon seconded.

In discussing the motion, Mr. Mann stated that no legislator wants to hurt any business interest in his community. He said that many times a bill fails or passes based on what is considered to be the overall good of the community involved. He said that his main concern was the loss in the cigarette industry.

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Mr. Mann also stated that he was impressed with the people that had appeared before the Committee. He said that these were the people who have made Las Vegas what it is today. He said that he had asked them if they were willing to take the gamble with this, and they were. He said that they had done a good job in Las Vegas, and if they would take that gamble, he would too. He also said he hoped A.B. 100 would be strong enough to give cigarette people relief.

Mr. Craddock said that when he voted, he would have to consider a number of things and do what the people he represents would do. He said he believes that if the cigarette tax ever came to a vote in his district, the people would turn it down. For that reason, he said he did not want the people to have to pay for a referendum that they are not in favor of to start with.

Roll call on Mr. Mann's motion:

Ayes - 6.
Nays - Craddock, Jacobsen - 2.
Absent - Schofield - 1.

The Committee adjourned at 10:49 a.m.

Respectfully submitted,

Carl R. Ruthstrom, Jr.

Carl R. Ruthstrom, Jr.
Secretary

Department of Taxation

CARSON CITY, NEVADA 89710

In-State Toll Free 800-992-0900



MIKE O'CALLAGHAN, Governor

JOHN J. SHEEHAN, Executive Director

March 29, 1977

AB 363, Cigarette Taxation

If AB 363 were passed as written, the following problems would arise:

Administrative - The administrative impact would be tremendous. The State would be required to provide an inventory of cigarette stamps for each county with a different tax rate. This is at a cost of \$35,000 to \$40,000 for each required inventory.

Wholesaler Impact - The licensed wholesalers would be required to maintain separate inventories for those counties with different rates. Some wholesalers in Washoe County currently sell cigarettes in as many as eleven counties. In addition, his stamping costs would double as each carton of cigarettes would have to be run through the stamping machines twice; once to indicate the 10¢ state wide tax is collected and the second time to indicate the 5¢ tax is collected. Or, in the alternative, a different color stamp could be used for the "15¢ counties".

Overall Impact

Bootlegging - As has been demonstrated in the East, bootlegging or the illegal transportation of cigarettes, would become a factor. Persons living in a county with a higher tax rate would be attempting to purchase cigarettes in a county that had a lower tax rate. This would cause an erosion of the role of cigarettes in the county imposing the higher tax rate.

Smoke Shops - The greatest lost revenue impact would be to greatly increased sale of cigarettes on indian land. A 15¢ per pack provides the smoke shop owner a tremendous economic advantage over the taxpaying retailers. At present, in excess of 10% of all cigarettes sold in Nevada are sold on indian reservations. Due to the closeness of smoke shops to our population centers, it is conceivable that the percentage of cigarettes sold on indian lands could comprise 50% to 75% of all cigarette sales. The accompanying statistics represent the possible economic loss to the counties at various percentages of indian sales to "taxed" cigarettes.

Policing - Policing the bootlegging would be a major administrative problem. Staff of the Department is not large enough to control the inter-county or inter-state shipment of cigarettes. In addition, due to various recent court cases regarding sales of cigarettes on indian land, the State would be precluded from interfering with traffic to, from or upon the reservation.

CLARK COUNTY

WASHOE COUNTY

334

CALENDAR YEAR 1976	Tax Dollars Collected	Tax Dollars Allocated (Back to Clark)	Indian Sales (In tax Dollars)	Tax Dollars Collected	Tax Dollars Allocated (Back to Washoe)	Indian Sales (In tax dollars)
@ 10¢ per package	\$ 8,512,640	\$ 6,238,391	\$ 797,040	\$ 4,114,080	\$ 2,763,643	\$ 360,000
@ 15¢ per package	\$ 9,768,960	\$ 9,357,587	-	\$ 6,171,120	\$ 4,145,645	-
Estimated Revenues collected and allocated if indian Sales increased by:						
10%	\$ 8,792,064	\$ 8,421,828	\$ 878,744	\$ 5,554,008	\$ 3,731,080	\$ 396,000
25%	7,326,720	7,018,190	996,300	4,628,340	3,109,234	450,000
33%	6,545,203	6,269,583	1,060,063	4,134,650	2,777,582	478,800
50%	4,884,480	4,678,793	1,195,560	3,085,560	2,072,822	540,000
75%	2,442,240	2,339,397	1,394,820	1,542,780	1,036,411	630,000

Note: 1

At present, indian sales in Las Vegas have increased by 10% between July 1976 and February 1977. Indian sales in Reno are increasing approximately 5% per month since starting late in 1976.

Note: 2

If the additional tax caused an increase in indian sales of 33%, any tax benefit would be negated.

EXHIBIT B

It is certainly not for my clients nor myself, when I speak for them, to comment on the needs of the various communities in our state for sports arenas or other recreational facilities. That is the business of the people of those communities.

However, when it is proposed that such projects be financed through a tax on a single commodity then I believe that, not only the tobacco industry which I represent but all of us should express very great concern.

Now, I recognize that this optional local cigaret tax could not be imposed without a vote of the people in the county concerned. The vote of the people -- that great saving grace that is supposed to make all things right. Well, even a vote of the people does not make something which is inherently wrong all of a sudden right.

I'll get to that in more detail shortly.

First, let's look briefly at the commodity and the taxes already on it.

Cigaret taxation at the federal level began during the Civil War as did taxation on quite a few other items. Today the federal tax, levied at the factory door, is 8¢ per pack of 20 cigarets and brings in some \$2.5 billion a year.

State taxes nationwide for the last full year reported raised \$3.5 billion.

Local cigaret taxes brought in \$113.6 million.

The total of these is over \$6 billion.

Without taxes a pack of 20 cigarets could sell today -- with reasonable profit for grower, manufacturer, wholesaler and retailer -- for less than 25¢.

But, where cigarets are concerned political expediency rather than tax equity has traditionally been the controlling factor in the minds of taxing authorities. The result of this has been painfully apparent in recent years.

Some states have gone whole hog, assessing rates per pack of cigarets like this:

Connecticut and Massachusetts 21¢

New Jersey 19¢

Pennsylvania and Rhode Island 18¢

New York 15¢ plus an 8¢ municipal tax in New York City for a total in that city of 23¢.

It is no accident that cigaret bootlegging from low tax states into that northeastern seaboard area, hijacking of shipments, and theft and counterfeiting of tax stamps and stamp machines have become a major source of revenue for organized crime. This is now spreading west.

The estimated tax loss has reached an annual rate nationally of nearly \$400 million. That is the tax loss alone. The cost to the legitimate cigaret wholesaler and the retail industry has, of course, been staggering. The cost to the entire nation through this new source of money for the criminal world cannot even be estimated.

And every study made of the problem has resulted in recommendation that the tax rates be lowered to cut the profit motive for the criminal element.

Here in Nevada our state cigaret tax is 10¢ per pack of twenty. It netted just over \$11.25 million in the year ended June 30, 1976.

As this committee heard recently that was well over a million dollars short of what it should have been because of tax-free sales through Indian smoke shops.

A nationally syndicated newspaper columnist recently reported that among areas under considered for organized crime's cigaret bootlegging expansion is Tucson, Arizona. That is getting close to home.

For the committee's information the cigaret tax rates in the states surrounding Nevada are:

California	10¢
Idaho	9.1¢
Oregon	9¢
Utah	8¢
Arizona	13¢

Nevada's current cigaret tax revenues go into city and county coffers from the state. We already know from Indian smoke shop sales that a saving of up to 12¢ per pack (10¢ plus the 2¢ sales tax) is a considerable inducement to even the most law abiding purchaser. What would up to 5¢ more do? What would be the effect on the present revenues of counties and cities? We just don't know but it could be very expensive to learn. Remember, last year the third largest revenue source for the City of Las Vegas, after property and sales tax, was the city's share of the state cigaret tax.

We also know that since 1970 the increases in Nevada's cigaret tax revenues have decreased year by year until the increase in 1976 over 1975 was less than 1%. As a matter of fact my figures are on a fiscal year basis and our tax department tells me that in calendar 1976 there was actually a net decrease compared to calendar 1975.

And this bill, in the face of that condition, proposes that you allow an increase in tax rate, one which you very well might not be able to correct even if you found it had been a mistake because the tax revenues from the increase would be bound to the retirement of a 20-year bond issue.

Now a few words about fairness.

I'd like to quote from a Feb. 17 editorial in the North Las Vegas Valley Times. It discussed the issue now before you and, as the writer put it -- "How to build one (a sports arena) without soaking the poor taxpayer"

A little further along the editorial said, "Cigaret smokers themselves may want to oppose the tax if and when the issue is placed on the ballot. They may argue that it is unfair, unequal, special interest taxation.

"They will of course be right. But that same charge applies to many taxes, including the taxes already imposed on cigarets and liquor.

"We can't see for the life of us how anyone, smoker or non-smoker, can possibly object to a bill at least allowing the voters to decide the issue."

Mr. Chairman, Committee members, one of your most important

duties is to protect all of the people of your individual constituencies and of the entire state from inequities wherever and whenever possible. Certainly there are tax inequities now. We all know that. But piling on yet another, whether with the blessing of a vote of the people or not, would be improper, and the fact that tax inequities already exist would be no excuse.

Making the cigaret purchaser pay for something which is for the entire community would be doing exactly that.

I do not believe that a legislature would be acting in a responsible manner to give the voters of any county a choice on something if you, its members, believed the result could be an unfair burden on any one group.

You, as a committee, have denied the full Assembly, representing the people of the entire state, the opportunity to vote on a measure. You do it every time you kill a bill in committee.

And the Legislature, or possibly you as a committee again, have denied the people of the state the opportunity of voting on measures when you voted down proposed Constitutional amendments.

This is no different.

Now, Mr. Chairman, we all know ^{some of the committee members} ~~you~~ have been under tremendous pressure over this issue, from friends and associates for whom you have a high regard. Some may have helped you get elected. But that of course gives no one any right other than to expect you to be the most responsible legislator possible. That's all. And I suggest that to pass AB 363 out, with the knowledge you have of the overall situation, would be something less than responsible.

It's a bad bill, an unfair bill, and one which could result in serious harm to an already threatened major tax revenue source

EXHIBIT C

U & I DISTRIBUTING COMPANY

407 South Center Street

Yerington, Nevada

89447

Telephone

(702) 463-3827

Gordon P. Burnet

Thomas C. Patton

April 5, 1977

Nevada Assembly Committee on Taxation

Re: A. B. 363

Gentlemen:

I am a part owner of U & I Distributing Company. We are one of the smallest wholesalers in the State of Nevada. Our business is located in Yerington, Lyon County, Nevada, and for the past several years our sales have decreased substantially while the sales on the Indian Reservations have increased.

Yerington is located approximately 20 miles from Schurz where the first Smoke Shop was opened. Now there is to be another Smoke Shop opened on the Campbell Ranch Indian Colony which is located approximately 5 miles from Yerington.

For the years 1974, 75 and 76, the Schurz Smoke Shop purchased 417,720 carton of cigarettes, whereas U & I Distributors purchased only 222,960 cartons, making the tax dollar loss for that 3 year period in our area alone at \$417,720, and this does not include the lost sales tax revenue.

Now with the opening of the additional Smoke Shop in our area, we feel our sales will decline even more. We cannot see where an additional tax will be of any value. If anything it will encourage people to buy on the reservations. Some statistics on the dollar cost of cigarettes are as follows:

	<u>All based on cartons</u>			Our	Indian	Local
	<u>Our</u>	<u>State</u>	<u>Our</u>	Whsle	Retail	Average
	<u>Cost</u>	<u>Tax</u>	<u>Cost</u>	<u>Selling</u>	<u>Selling</u>	<u>Retail Selling</u>
				<u>Price</u>	<u>Price</u>	<u>Price (inclgd. Sales Tax)</u>
Reg Size	2.70	1.00	3.70	3.94	3.65	4.61
100 Size	2.80	1.00	3.80	4.07	3.65	4.61

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The Indians are already selling cheaper than we can buy and stamp. With the additional 50 cents per carton tax, our cost will increase to \$4.20 and \$4.30, while the exempt cigarettes can remain the same and still make a handsome profit.

*Nevada
Tax
Only*

The existing base price of a package of cigarettes is now 38% tax. An additional 5 cents tax on a package of cigarettes will amount to a tax increase in the base cigarette price of 19%, making the total tax on a package of cigarettes of 57%.

In order to be successful in the cigarette business, you must maintain a high volume of sales because the margin of profit is very slim. We presently make a gross profit of about 2.5 cents per package of cigarettes, while the Indians are making a gross profit of 9.8 cents per package. If it is your intention to increase the Indians' margin of profit and their annual carton sales figure, this bill will certainly accomplish that purpose.

At present we have 1.5 employees. The half-time employee spends approximately 15 hours a week stamping cigarettes. If AB 363 becomes law, an additional 15 hours per week will have to be allocated to stamping. There will also be the additional operational costs of maintaining separate inventories for each county we sell to, plus the physical segregation of stamped cartons according to counties. Our cigarettes are presently sold in Lyon, Mineral, Humboldt, Pershing, Lander and Nye Counties. AB 363 will increase our operational costs by approximately \$60.00 per week or \$3,120 annually.

The 4% handling fee which the state allows wholesalers based on our 1976 stamps purchased (assuming the counties we sell to elect a 5 cent tax per package) will amount to \$1,324.80. If, however, any of the counties we sell to adopts a lesser amount per package tax, our 4% will decrease proportionately while our increased costs of operation will remain the same - \$3,120.00.

There will also be the extra burden of coming up with additional capital outlay to purchase the county tax stamps when our market is already depressed by Indian sales.

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Our company is not opposed to sports complexes or recreational facilities, in fact we sponsor a ladies softball team. If funds are needed for these projects, I suggest that alternative plans be considered instead of putting the entire burden on the already over-taxed cigarette industry.

There are many more luxury items which are tax free. Why not fight tooth decay and tax soda pop.

Thank you.

U & I Distributing

Marolyn B. Patton

Marolyn B. Patton

EXHIBIT D Vegas Village Shopping Corporation

953 EAST SAHARA AVE. • LAS VEGAS, NEVADA • P.O. BOX 1719 89101 • (702) 734-0751



April 4, 1977

Taxation Committee
Nevada State Assembly
Carson City, Nevada 89710

Gentlemen:

I am very much concerned with the loss of tax revenue to the State of Nevada, as well as the loss of cigarette sales suffered by retailers because of the circumstances existing at the Indian colony located in Las Vegas, Nevada. I feel very strongly that a method must be found to collect these taxes from the consumer to prevent both the tax loss to the State and equate the competitive conditions in the cigarette market in Clark County.

I am opposed to an additional tax of 50¢ per carton to finance the sports complex in downtown Las Vegas. This additional tax will only cause many more consumers to purchase their cigarettes at the Indian colony causing an even greater loss of taxes to the State of Nevada and those entities receiving their share of this revenue. This will also place all retailers in a very unfair competitive position in marketing cigarettes unless some method can be found to tax the consumer direct on those sales made at the Indian colony.

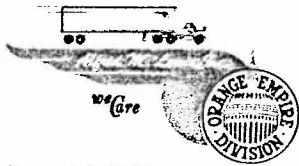
I hope in arriving at your decision, you will take these things into consideration.

Cordially,

Heber J. Tobler

Heber J. Tobler
President

HJT:lb



ORANGE EMPIRE DIVISION

OF

ALFRED M. LEWIS, INC.

Box 19240

Las Vegas, Nevada 89119

Mr. George Gleed
c/o Western Cigar
1400 Industrial Rd.
Las Vegas, Nevada

Dear Mr. Gleed:

Please represent me in Carson City and voice my opposition to the proposed County Tax on Cigarettes. As I understand it the proposed tax is .05¢ per package or .50¢ per carton. I oppose this tax for the following reasons.

1. Bootlegging from other states will thrive as happened when Nevada cigarettes were cheaper than California.
2. The Wholesaler will have to carry two or more inventories of the same merchandise causing a possible cash flow problem.
3. More warehouse space will be consumed which is critical.
4. More employee time and therefore more cost in time due to affixing the tax.

Thanks George for voicing my opposition to this Bill.

Very truly yours,

ALFRED M. LEWIS, INC.

R. W. Williamson
R. W. Williamson
Las Vegas Division Mgr.

• Las Vegas, Nevada 89114
• Northridge, California 91324
• Phoenix, Arizona 85036

P. O. Box 14803
P. O. Box 8900
P. O. Box 20090

3470 Patrick Lane 702-736-3574
8810 N. Tampa Avenue 213-349-6600
435 S. 59th Avenue 602-269-9771

• Riverside, California 92502
• San Diego, California 92138

P. O. Box 906
P. O. Box 81391

3021 Franklin Avenue 714-684-0170
1001 W. 19th Street 714-477-3161
National City, California

RALPH H. HILL
President

L. H. REED
Financial Vice - President
Secretary - Treasurer

LEON GYDE
Vice Pres.
Director

ROY A. THOMPSON
Controller
Director

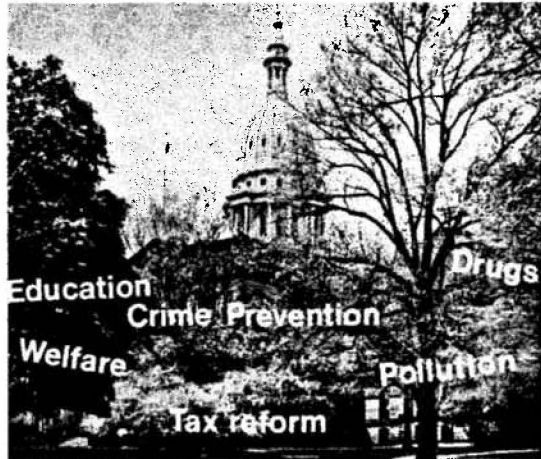
C. O. PETERSON
Director

SHERMAN H. WHITMAN
Director

RICHARD SCHULZ
Director

MICHIGAN AND THE CIGARETTE TAX

The cigarette tax issue



People today are demanding from government new and expanded programs, the revamping and restructuring of existing programs, and more comprehensive services...in such areas as education, drugs, crime prevention, tax reform, welfare, and pollution control. An ever-mounting pressure is on state legislative bodies to raise additional revenues to cope with these demands.

All too often in their urgent search for immediate funds, legislators have turned to the cigaret tax, and many times losing sight of the fact that...cigarettes don't pay taxes...people pay taxes. The cigaret smoker is now shouldering a tax burden that has become unprecedented in today's society.

This can be seen in the fact that the average state tax on a package of cigarets increased by only 1¢ to 6¢ during the 5 years prior to 1964. However, in the past eleven years the average state

tax has grown by 6¢ to 12¢, double the 1964 rate.

Today almost one-half of what consumers must pay for a pack of cigarets goes to the Federal, state and local governments in the form of taxes.



Unfair tax

People who enjoy smoking cigarettes are carrying a disproportionate share of governmental revenues and expenses.

In Michigan, cigarette smokers pay a state tax burden equal to 86% of what corporations pay to the state...a tax burden equal to 14% of all individual income taxes collected by the state.

The cigarette tax falls heaviest on those who are least able to pay.

It taxes heavily a product which comprises a larger portion of lower income consumers' budgets than those of more affluent consumers. Since the percentage of income spent on cigarettes falls as income rises, the Michigan cigarette tax is levied at a higher effective rate on lower income groups than on higher income groups.

For example, a Michigan family earning \$3,000 a year and with two members who enjoy smoking is required to pay 4.6 percent of its income in cigarette taxes.

If this family made \$8,000, its cigarette tax burden would amount to 1.7 percent of the family income...and the family making \$20,000 must pay only 0.7 percent of its income in cigarette taxes for the pleasure derived from smoking...and 25.5 percent of all Michigan households make less than \$8,000 a year.

Let's look at it another way. Cigarette taxes increase the weekly grocery bill of this Michigan family by 8%.

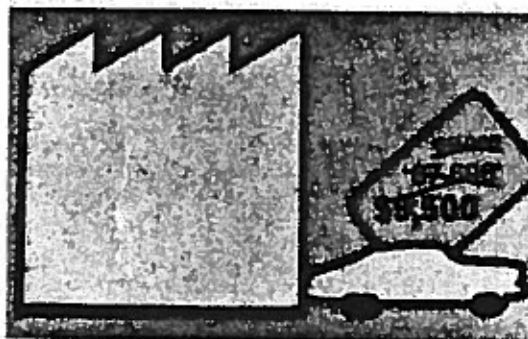
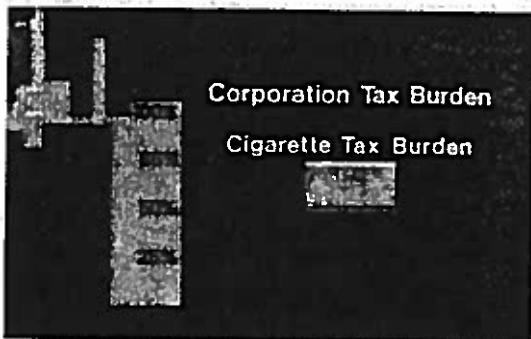
If they were required to pay the same tax burden on other products that is paid on cigarettes, they could not afford many of the things they own today. Consider an automobile with the factory sales price of \$5,000.

Should the state of Michigan tax a car in the same manner as cigarettes, its cost would jump to \$7,600.

But cigarettes also carry a Federal tax.

If automobiles carried the same total tax burden that cigarettes do, the price would jump to

\$9,500. With prices like these, how many Michigan families could afford the pleasure of owning an automobile? How many cars would the automobile industry sell? How many people would be forced out of work? What effect would all this have on state revenues?



Cigarette sales and tax revenues

In the past, some tax levying authorities assumed that cigarette prices could be continuously raised by tax increases without affecting sales.

The following facts will show that this simply is not true.

In states where the cigarette tax has remained at a more reasonable level, tax paid sales have shown excellent growth. And, of course, when legitimate sales increase, tax revenues also increase.

In Maryland where the cigarette tax remained at six cents per pack from 1961 to 1974 sales grew steadily, and increased sales were accompanied by increased tax revenues. The past seven years in neighboring Indiana prove this fact. In fiscal 1975 state revenues from cigarette tax collections alone were up over 28% since 1968. Although bordered

by three states with much higher tax rates, Indiana has withstood pressure to raise its tax.

Now let's look at the other side of the coin. What happens to cigarette sales in states that have enacted recent cigarette tax increases? In most cases revenue officials never fully realize the extent of the damage caused by an increase in the cigarette tax. Ohio's cigarette business grew about the same as Indiana's until 1967 when the tax was increased. Sales dropped the following year. Another tax increase in 1969 caused further losses in sales. In mid-fiscal 1972 the tax was raised to 15 cents. In 1973 cigarette sales dropped to their lowest level in the past 12 years as a result of that increase. Sales in 1974 and 1975 showed slight gains but they are still below the 1967 level.

Without that additional tax burden, increasing cigaret sales would have resulted in increased cigaret tax revenues.

In Illinois, cigaret sales enjoyed excellent growth until tax problems began in 1965. By 1970 cigaret sales had declined to about the same level they were 10 years earlier. In January of 1971 the City of Chicago placed an additional nickel tax on cigarets sold within the city, discouraging sales and encouraging bootlegging.

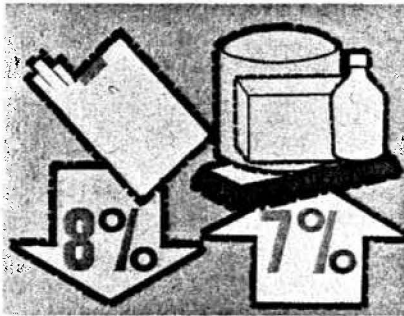
Let's summarize the effect of some recent state tax increases.

Eleven states increased their cigaret tax rates in fiscal 1971. Sales in these states were growing at an annual rate of 4.8% before the increases occurred. In the twelve months following these tax

hikes, cigaret sales dropped by 3.9%. In other words, cigaret sales in the eleven states were 8.7% lower than they would have been had increases not occurred.

Additional taxes caused lower volume and lost profits to the thousands of wholesalers and retailers in the business community...sales and profits that would have generated tax revenues for state governments.

Cigarette taxes and other products



Higher cigaret taxes not only cause an increase in the price of cigarets, they also cause the prices of other products to increase.

If cigaret sales drop 8% following a tax increase, wholesalers must increase the prices on all their other products by an average of 7% just to maintain their same level of profits.

In addition, cigarets are traffic builders...they draw customers into 61,753 retail outlets across this state that sell tobacco products. And when people stop buying cigarets...the tax revenues derived from the sales and profits on other products suffer as in-store traffic declines.

Cigarette taxes and crime

The tax problem has another serious aspect. In states with high cigaret tax rates, the criminal element has quickly become involved.

The legitimate cigaret industry is confronted daily with the threat of underworld violence and personal injury. Insurance rates have soared as cigaret warehouses have been turned into armed camps and delivery trucks into armored cars.

A documented report by the New York State Commission of Investigation tells how organized crime operates its "cigaret business." The report followed detailed investigation and public hearings.

How big is the problem in New York? The Commission reported that ONE out of every SIX

cigarets smoked in New York State comes from illegal channels.

In New York City, these cigarets number ONE out of every FOUR smoked.

That's big business amounting to 40 million cartons per year...110 thousand cartons every day. And every carton results in lost sales, lost profits to legitimate business and lost tax revenues.

Cigaret bootlegging is a fact! Here's what a confessed bootlegger said in the recent New York hearings...

"It was easy. I'd drive down South, load up my car with cigarets at \$1.69 a carton, and peddle them in New York City for three bucks.

"In a few weeks I had a sweet thing going.

"My original customers became distributors...and I guess you could say I was their wholesaler. I quickly went from the trunk of my car, to U-Haul trailers, to trucks.

"I was in business from 1966 through 1969. Over these three years, I averaged 3,500 cartons a week. My partner and I cleared a profit of \$546,000.

"We were never arrested.

"We weren't the only ones. Hundreds were operating as we were. And I never heard of any of them going to jail.

"The only reason we quit was because the big boys in the syndicate moved in, and our risk of being hijacked got too great.

"It was good while it lasted, but we were no match for the big time operators."

The total revenue losses reported by Commission of Investigation economists for the six

years 1966-71 are staggering:

New York City and State lost 384 MILLION DOLLARS in cigaret excise tax and sales tax revenue.

But even this tremendous loss is dwarfed by the fact that in the same six years, the legitimate cigaret distributors and retailers lost...

...more than TWO BILLION DOLLARS in gross sales.

If you think this type of activity happens only in places like New York and Chicago--you are wrong. Michigan officials recognize the millions of dollars involved in illegal cigaret sales in this state...a problem that began to assume major proportions following the cigaret tax increase in 1970.

While we would like to believe that cigaret smuggling in Michigan is the work of a few profit-seeking individuals, pictures made by

Michigan law enforcement officers reveal the hand of organized crime.

Illegal cigarets have been brought into Michigan disguised as laundry...concealed in the back of campers...or packed into travel trailers.

In one instance, cases of sweet potatoes actually contained...thousands of packs of cigarets.

Many times instead of transporting cigarets from another state, they simply steal a truck load of them...that way they cost nothing.

The criminal element ranges from the small-time operator dealing in a few hundred cartons...to large organizations.

The high tax on cigarets has provided Michigan bootleggers with an insatiable market of consumers.



The Michigan story

Data supplied by Michigan's Tax Department show that since 1964 cigaret sales grew at a rate of about 2.9% each year until the tax was raised from 7 cents to 11 cents per pack in 1970. As a result, cigaret sales dropped in 1970 and 1971. After showing yearly gains from 1972 through 1974, gains below the growth that would have occurred if the tax rate had not been increased, sales dropped again in 1975.

A recent analysis by Michigan's Tax Department indicated that had the cigaret tax not been increased, 422 million more packages of cigarets could have been sold over the past five years. A total of \$120 million in retail sales was lost by the

business community...sales that would have provided millions of dollars in profits and sales tax revenues.



And, of course, Indiana with a tax rate almost one-half that of Michigan is undoubtedly picking up millions of dollars in sales that would have normally crossed the counters of tax-paying businesses and on which Michigan taxes would have been collected. Revenue officials estimate that in the fiscal year 1974 almost \$10 million were lost due to the high tax rate. About \$5 million can be attributed to the availability of cheaper cigarets in Indiana and in military outlets, and it is suspected that much of the remaining \$5 million were lost as a result of bootlegging and hijacking.

Action in Michigan

Michigan residents who enjoy smoking cigarets are demonstrating that they CANNOT and WILL NOT pay the exorbitant prices caused by today's high cigaret tax.

Now is the time to take remedial action...before the problems caused by a high cigaret tax get out of hand as they have elsewhere.

The only feasible and real solution to these problems is to LOWER THE CIGARET TAX. Paul Curran, Chairman of the Commission of Investigation in New York State, put it this way in summing up his report:

"As long as cigarets have a high value...a high retail price as a result of taxes...their value will be as good as cash.

"...since substantial bootlegging began when the tax went to 10 cents per package, it is plain that it can be ended only by a reduction to some amount below 10 cents per package."

The State of Michigan can and should take the lead by lowering its tax.

Who would lose by lowering the cigaret tax in this state? ORGANIZED CRIME.

Who would gain from such a reduction?

First of all...Government! The State of Michigan would no longer be forced to police organized crime and pay for an increasing number of criminal investigations.

The state would regain the tax revenue it is entitled to on the millions of cigarets being sold illegally. In addition, revenues derived from a healthier business climate would flow into the state treasury.

Who would gain by such a reduction? The

proprietors of over 61,000 retail and wholesale outlets that depend on the legal sales of cigarets...cigaret sales that aid in generating the sale of other products.

And finally, who would gain by such a reduction? The people! Yes, THE PEOPLE of Michigan. Not only those people who enjoy smoking, but every man, woman, and child who deserves the opportunity to grow up in a society and community where their lives are not threatened by organized crime.

We must continue our tradition of good and responsible government and heed the plea for tax relief.

Who will gain from a lower tax?



Who will gain from a lower tax?

 GOVERNMENT

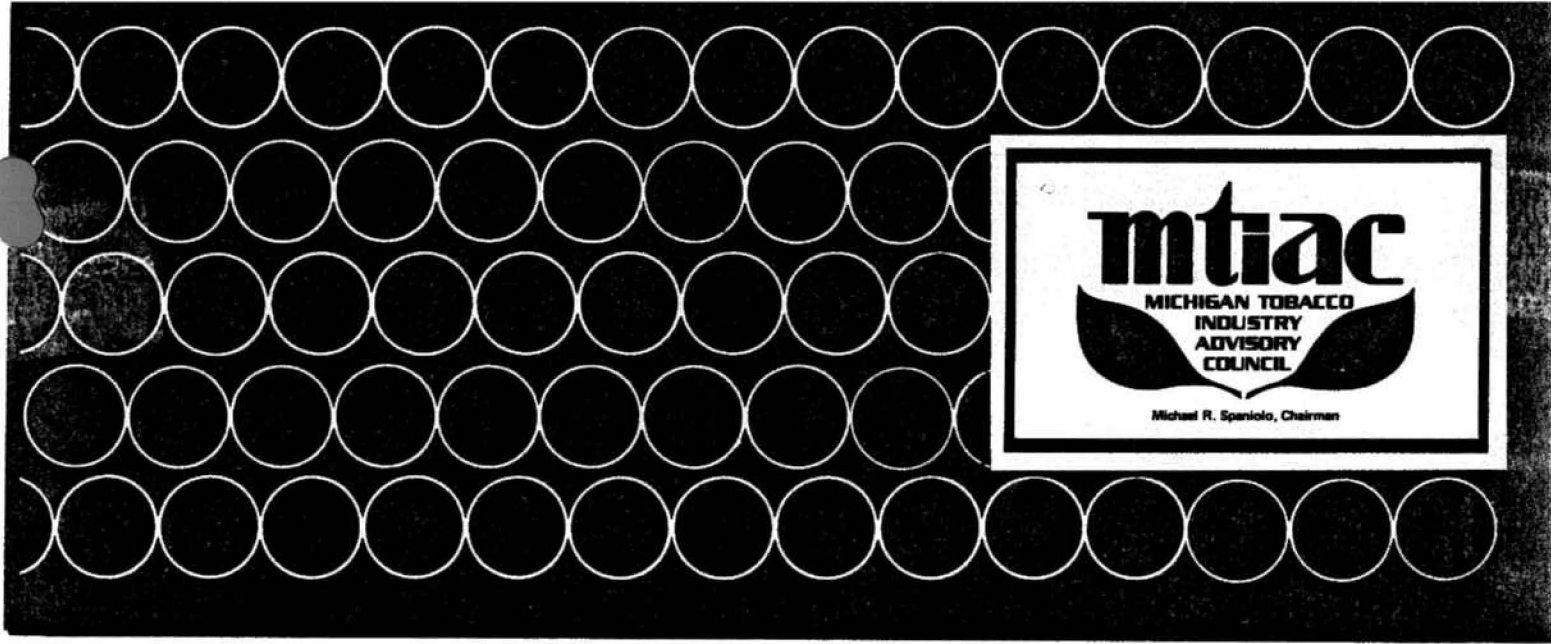
Who will gain from a lower tax?

Who will gain from a lower tax?

 GOVERNMENT
 BUSINESS

 GOVERNMENT
 BUSINESS

 PEOPLE



mtiac

MICHIGAN TOBACCO
INDUSTRY
ADVISORY
COUNCIL

Michael R. Spaniolio, Chairman

Figure in Penna. Bootleg Scheme Found Murdered

PHILADELPHIA, PA: A key figure in a cigarette smuggling scheme estimated to have cost the state more than \$50 million in unpaid cigarette taxes, has been found shot to death in his home here.

The scheme involved a Philadelphia judge, who was sentenced to jail; a former city Democratic Party official awaiting sentence, and other state employees.

Police said Rocco Frumento, 50 years old, who was sentenced to a jail term in December, was found shot twice in the back of his head in "execution style" last month in his home.

Mr. Frumento, a former investigator for the Philadelphia office of the Pennsylvania Bureau of Cigarette and Beverage Taxes, was sentenced to three years in federal prison and fined \$10,000 in connection with the cigarette smuggling scheme. He was free on bail pending appeal of his conviction.

Also sentenced to prison terms in the case were former Philadelphia Common Pleas Court Judge Vito N. Pisciotta; John R. Sills, former patronage chief of the Philadelphia Democratic Committee, and Andrew J. Millhouse, former supervisor of the Philadelphia office of the state's cigarette and beverage tax bureau.

The cigarette smuggling case, which broke late in 1973, had political ramifications reaching into Governor Milton J. Shapp's administration in Harrisburg. The appointment of Mr. Frumento as a tax agent by then State Revenue Secretary Robert P. Kane in August 1971 was described in grand jury presentments as the key to the scheme in which cigarettes were smuggled into the state from North Carolina. Mr. Kane is now the state's attorney general.

Police said large sums of money and jewelry were stolen from Mr. Frumento's home. Detectives said they found empty boxes and bank wrappers for \$100 bills in a secret compartment in a nightstand next to the bed where Mr. Frumento was found murdered.

North Las Vegas CHAMBER OF COMMERCE

1023 East Lake Mead Boulevard
North Las Vegas, Nevada 89030
phone 702 642-9595



April 4, 1977

Assemblyman Paul May
Chairman
Taxation Committee
Nevada State Legislature
Carson City, Nevada 89701

Dear Paul:

We are contacting you in regards to AB 363 which our Legislative Committee recommended passage two weeks ago.

We have obtained additional information on this bill that needs our reconsideration of the bill as it now stands.

As Chairman of the Chamber of Commerce Legislative Committee, it is our recommendation to oppose this bill for passage for the following reasons:

1. There would be an increase in cigarette sales to organizations that are tax free thus depriving local entities tax dollars.
2. Cigarette sales in adjoining counties would increase with our county sales decreasing.
3. Discrimination against one segment of our business community.

We do not recommend opposition to the Sports Complex; however, we feel that the cost of this complex should be derived from sources that would be more equitable to all concerned.

President Ed Lysek of the North Las Vegas Chamber of Commerce concurs with the above recommendation.

Sincerely,

Ted Travers, Chairman
Legislative Committee

Ed Lysek, President
North Las Vegas Chamber of Commerce

TT:EL:b



ACCREDITED
CHAMBER OF COMMERCE
352

EXHIBIT I

NEVADA CITIZEN
LEGISLATIVE ACTION GROUP

ART RADER — DIRECTOR

1486 Elizabeth
Las Vegas, Nevada 89109

RE: DOWNTOWN LAS VEGAS
CONVENTION-SPORTS ARENA

Non-Partisan Non-Profit Political Education Society

The NEVADA CITIZEN LEGISLATIVE ACTION GROUP opposes the proposed Downtown Las Vegas convention-sports arena. WHY?

UNFAIR TAX BURDEN

The complex places the burden on one segment of society: smokers. And the smokers won't even be allowed to light up inside the complex their tax dollars will finance!

A BETTER TAX

Since the hotels and motels will reap the benefits from the increased visitors the complex will allegedly attract to Las Vegas, the only fair tax to finance the complex is an increase in the room tax.

SOME DOUBTS ABOUT THE SPORTS ARENA

HIGH CRIME: The arena is to be built in a high-crime area. Arenas built in other cities in high crime areas have traditionally attracted few visitors. This is why the Brooklyn Dodgers moved from a high crime area to Los Angeles. This is why the Oakland Athletics continue to suffer at the gate despite winning three World Series -- the A's play in a high crime area. This is why University of Southern California basketball teams draw poor crowds in the Los Angeles Sports Arena. This is why the Los Angeles Lakers moved from the Sports Arena to a crime-free area in Inglewood.

WILL ENOUGH SPORTS EVENTS BE STAGED? No! Major league hockey and basketball will play at best only one or two exhibition games each year at the Downtown arena. The major league hockey and basketball leagues are shrinking in size, so there is no chance such a team will move permanently to Las Vegas and use the arena full time.

Minor league hockey and basketball will not come close to filling the arena. (Remember the attendance problems of the defunct Las Vegas Outlaws minor league hockey club???) Emerging new "major" sports

(2)

like indoor tennis and pro volleyball are still in embryonic stages and will never fill arenas outside large cities like Los Angeles and New York.

WILL ENOUGH NON-SPORTS EVENTS BE STAGED? No! How many concerts, ice shows, operas, plays, etc., can be scheduled without saturating the local market for these events? The Alladin Theatre For the Performing Arts has already discovered the saturation point is easily reached. The Convention Center has limited rock concerts because of crowd control problems.

COMPETES WITH EXISTING FACILITIES: The proposed Downtown complex competes with existing facilities in Las Vegas. There already are abundant theatrical stages at UNLV (2), Las Vegas High School and Strip and Downtown hotels.

GRADUATION CEREMONIES: These can be scheduled at the Theatre For the Performing Arts, at Las Vegas Stadium and at Ham Hall at UNLV. The arena is not needed for these events.

RECREATION FACILITIES: The recreation facilities proposed for the Downtown complex certainly are not needed for tourists. Such facilities already exist at most hotels. If such facilities must be built for locals, the city and county recreation departments ought properly do it.

LOSS OF TAX REVENUE: The Nevada Tax Commission opposes the increased cigarette tax because it may well decrease state tax revenue. The Downtown Progress Association has not made a case that such a revenue slack will be picked up by the increased visitors drawn to Las Vegas because of the arena-convention complex.

BAD EXAMPLES IN OTHER CITIES: Many public financed city center tourist draws across the nation are in trouble. The Queen Mary is a failure in Long Beach and has been a continuous drain on city funds. The Long Beach Civic Center, a sports arena seating 16,000, is rarely used for sports or cultural events and sits vacant weeks at a time. The Superdome in New Orleans was built way over budget and is losing vast sums of public money. It remains open only because Louisiana has guaranteed its bonds. The Superdome is a sports-convention-recreation complex similar to the proposed Downtown Las Vegas facility.

DUPLICATE UNLV ARENA: This session of the Nevada Legislature is also considering legislation authorizing the construction of an 18,000 seat sports arena, classroom and office complex at UNLV. This facility will in large part duplicate the downtown complex. Southern Nevada manifestly has no need for TWO sports arenas. Since the UNLV intercollegiate sports program is the ONLY local entity that will use an arena full time, we support the construction of the arena at UNLV.

DIVERSIFY LAS VEGAS TOURIST ECONOMY: At the Assembly Taxation Committee hearing on March 31, speakers for the Downtown Progress Association claimed the sports arena-convention center will diversify the Las Vegas tourist economy. How so? Tourists (most coming from major-league sports infested Southern California) will not come to Las Vegas in appreciable numbers for random and infrequent sporting events in the arena.

The sports arena will not diversify Downtown tourism. A Disneyland type amusement park near Downtown would do the job. So would a steam tourist train leaving from Downtown and operating to Boulder City, and thence to tours of Hoover Dam. So would an Old West town or museum near Downtown. So would a monorail or some other unusual "people mover" transportation system. So would a TV studio originating national game or variety shows from downtown.

The Downtown sports arena will not diversify Las Vegas tourism. Because it will not, we oppose its construction.

CONCLUSIONS ON THE NEED FOR DOWNTOWN FACILITY

There appears to be a legitimate need for a Downtown Las Vegas convention center. Indeed, the only business that can be reliably predicted for the downtown complex is convention trade. Thus we support the construction of a Downtown convention center funded by an increase in the room tax. The sports arena should be eliminated from the Downtown plan in favor of an arena at UNLV.

Adopted by the Board of Directors, Nevada Citizen Legislative Action Group and authorized for distribution to Nevada state legislators at a meeting held April 2, 1977.

SIGNED BY:

Jim Lawson

JAMES LAWSON, President

Samuel Marber

SAM MARBER, Secretary

Art Radler

ART RADLER, Director

INDEX OF MEASURES IN ASSEMBLY COMMITTEE ON TAXATION
April 5, 1977

<u>Bill or Resolution Number</u>	<u>Date Referred To Committee</u>	<u>Introducer's Name</u>	<u>Summary</u>	<u>Date Scheduled Hearing</u>	<u>Committee Action</u>	<u>Assembly Action</u>	<u>Senate Action</u>	<u>Governor's Signature</u>
A.B. 53	1/19/77	Howard	Authorizes deduction of property taxes from taxable mine proceeds.	2/3/77	Ind. Post.			
A.B. 99	1/20/77	Committee on Taxation	Deletes requirement for Multistate Tax Compact advisory committee to hold annual meetings.	1/27/77 2/10/77	Do Pass	Passed 2/14/77	Passed 3/9/77	3/11/77
A.B. 100	1/20/77	Committee on Taxation	Places cigarette taxes directly upon ultimate consumer.	2/22/77 3/1/77	Amend; Do Pass as Amended	Passed 3/10/77		
A.B. 101	1/20/77	Committee on Taxation	Creates Department of Taxation Bond Trust Fund and raises bond limits for motor vehicle fuel dealers.	1/27/77 2/10/77	Amend; Do Pass as Amended	Passed 2/17/77	Passed 3/22/77	3/24/77
A.B. 102	1/20/77	Committee on Taxation	Creates intergovernmental trust fund and aviation fuels tax revolving account.	2/3/77 2/4/77	Do Pass; Rerefer to Ways/Mean Do Pass	Passed 2/8/77	Passed 3/22/77	3/25/77
A.B. 103	1/20/77	Committee on Taxation	Requires sales and use tax collections to be deposited to account of State Treasurer.	1/27/77	Do Pass	Passed 1/31/77	Passed 2/8/77	2/11/77
A.B. 104	1/20/77	Committee on Taxation	Changes prescribed boat lights; requires counties to pay Fish and Game Department for boat registration and tax services.	2/8/77	Amend; Do Pass as Amended	Passed 2/21/77	Passed 3/15/77	3/18/77
A.B. 161	1/26/77	Committee on Taxation	Clarifies administrative powers of Department of Taxation.	2/10/77	Do Pass	Passed 2/14/77	Passed 3/16/77	3/21/77

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A.B. 174	1/27/77	Committee on Taxation	Changes latest dates for county assessors to file tax roll and segregation of roll with State Board of Equalization.	2/10/77	Do Pass	Passed 2/14/77	Passed 2/28/77	3/3/77
A.B. 175	1/27/77	Weise	Provides abatement of taxes on all real property acquired by State.	2/10/77 3/1/77	Amend; Do Pass as Amended	Passed 3/7/77	Passed 4/1/77	
A.B. 262	2/2/77	Kosinski	Provides an election to pay property tax levied against certain mobile homes in quarterly installments.	3/1/77 3/8/77 3/15/77	Motion to Do Pass Failed. Amend; Do Pass as Amended			
A.B. 277	2/7/77	Wagner	Provides property tax allowance for structures with renewable resource heating or cooling systems.	2/15/77 2/17/77 2/21/77* 3/2/77* 3/29/77				
A.B. 292	2/9/77	Robinson	Provides tax exemption for certain property used to conserve or produce energy.	2/15/77 2/17/77 2/21/77* 3/2/77* 3/29/77				
A.B. 304	2/14/77	Robinson	Provides alternative system of property tax relief to senior citizens without regard to income and makes other extensive revisions to Senior Citizens' Property Tax Assistance Act.	3/10/77 3/15/77 3/29/77				

<u>Bill or Resolution Number</u>	<u>Date Referred To Committee</u>	<u>Introducer's Name</u>	<u>Summary</u>	<u>Date Scheduled Hearing</u>	<u>Committee Action</u>	<u>Assembly Action</u>	<u>Senate Action</u>	<u>Governor's Signature</u>
A.B. 310	2/15/77	Coulter	Provides property tax exemption to elderly.	3/10/77 3/15/77 3/29/77				
A.B. 317	2/16/77	Demers	Permits Department of Taxation to provide for insulation of certain senior citizens' homes.	3/10/77 3/15/77	Ind. Post.			
A.B. 322	2/18/77	Coulter	Provides alternative system of property tax relief to senior citizens qualified by income and makes other extensive revisions to Senior Citizens' Property Tax Assistance Act.	3/10/77 3/15/77 3/29/77				
A.B. 347	2/24/77	Committee on Taxation	Excludes combustible gases from taxation as a special fuel.	3/17/77 3/22/77 3/24/77	Majority: Do Pass; Minority: Do Not Pass			
A.B. 348	2/24/77	Committee on Taxation	Provides standard for determining assessed value of improvements under construction and clarifies which standards may be used in assessing agricultural land.	3/8/77	Do Pass	Passed 3/10/77		
A.B. 363	2/25/77	Vergiels	Provides for imposition of county cigarette tax to finance certain recreational projects.	3/17/77 3/31/77 4/5/77	Amend; Do Pass as Amended			

<u>Bill or Resolution Number</u>	<u>Date Referred To Committee</u>	<u>Introducer's Name</u>	<u>Summary</u>	<u>Date Scheduled Hearing</u>	<u>Committee Action</u>	<u>Assembly Action</u>	<u>Senate Action</u>	<u>Governor's Signature</u>
A.B. 364	2/25/77	May	Renames and expands duties of certification advisory board in Department of Taxation and alters certification and training requirements for certain appraisers.	3/8/77	Do Pass	Passed 3/10/77	Passed 4/1/77	
A.B. 368	2/28/77	Goodman	Proposes to amend Sales and Use Tax Act of 1955 to provide for recoupment of taxes paid on uncollectible accounts.	3/8/77	Ind. Post.			
A.B. 374	3/1/77	May	Makes various changes in law relating to property taxes and to special taxes on livestock.	3/22/77 3/29/77	Amend; Rerefer to Taxation			
A.B. 395	3/1/77	Mello	Changes income limitation and allowances of Senior Citizens' Property Tax Assistance Act.	3/10/77 3/15/77 3/29/77				
A.B. 447	3/11/77	Dini	Eliminates interest charge on certain deferred taxes against agricultural and open-space property.	3/29/77	Do Pass	Passed 3/31/77		
A.B. 463	3/15/77	Committee on Taxation	Modifies requirement to report value of transferred real property and increases penalty for false declarations.	3/22/77	Do Pass	Passed 3/24/77		
A.B. 478	3/17/77	Committee on Taxation	Makes various changes in law relating to taxes on bees and livestock.	3/22/77	Ind. Post.			

April 5, 1977

<u>Bill or Resolution Number</u>	<u>Date Referred To Committee</u>	<u>Introducer's Name</u>	<u>Summary</u>	<u>Date Scheduled Hearing</u>	<u>Committee Action</u>	<u>Assembly Action</u>	<u>Senate Action</u>	<u>Governor's Signature</u>
A.B. 482	3/17/77	Demers	Permits taxation of certain interests in tax-exempt property.	3/22/77 3/31/77				
A.B. 500	3/22/77	Jacobsen	Requires hearing by State Board of Equalization on value changes for certain utility property.	3/29/77	Amend; Do Pass as Amended			
A.B. 533	3/24/77	Committee on Taxation	Adds Trust for Public Land to charitable corporations; broadens exemption for land held for charitable purposes.	3/29/77				
A.J.R. 7	1/18/77	Harmon	Proposes constitutional amendment to permit property tax exemption for conservation of energy.	2/15/77 2/17/77 2/21/77* 3/2/77* 3/29/77				
A.J.R. 9	1/19/77	Robinson	Proposes constitutional amendment to permit property tax exemption for conservation of energy of production of energy from renewable natural resources.	2/15/77 2/17/77 2/21/77* 3/2/77* 3/29/77				
A.J.R. 12	1/20/77	Committee on Taxation	Proposes to amend Nevada Constitution by authorizing Legislature to impose tax upon motorboats in lieu of property tax.	1/27/77 2/8/77 3/1/77		Passed 3/9/77		
A.J.R. 40	3/24/77	Committee on Taxation	Proposes to amend Nevada Constitution by allowing a separate tax classification for assessment of residential property of elderly persons.	3/29/77	Motion to Do Pass Failed			

<u>Bill or Resolution Number</u>	<u>Date Referred To Committee</u>	<u>Introducer's Name</u>	<u>Summary</u>	<u>Date Scheduled Hearing</u>	<u>Committee Action</u>	<u>Assembly Action</u>	<u>Senate Action</u>	<u>Governor's Signature</u>
A.J.R. 10/ 58th Session	1/17/77	Committee on Commerce	Proposes constitutional amendment to exempt business inventories from property taxation and allow Legis- lature to exempt any other personal property from such taxation.	2/1/77 2/8/77	Do Pass	Passed 2/10/77		
A.J.R. 21/ 58th Session	1/17/77	Committee on Taxation	Proposes constitutional amendment for progressive exemption of busi- ness inventories from property taxation and legislative exemption of other personal property.	2/1/77 2/8/77 3/24/77	Do Pass	Passed 3/28/77		
A.C.R. 8	1/27/77	May	Directs Legislative Commission to study assessment and taxation of geothermal resources.	2/1/77	Be Adopted; Rerefer to Leg. Func.			

*In Subcommittee

GUEST LIST

<u>NAME</u> (Please print)	<u>REPRESENTING</u>	<u>WISH TO SPEAK</u>	
		Yes	No
David W. Baker			
W. J. Slocum	Douglas County		
Charles Zobell	Review Journal		
Cotton Crutchfield	W+W Vending	X	
Joe Medmore	Tobacco Tax Council		
Marilyn Patton	U+I Distributing	X	
Homer Rodriguez	Carson City Assessor		
Tom L. RAINES	W+W Vending	X	
John W. Moschetti	Elko Co Assessor		
Ken Slaughter	Glaser Bros.	X	
Bruce L. Smith	Dept. of Taxation		
James C. Lee	Dept. of Taxation		
Marilyn Park	Dept. of Taxation		
Oran Gragson			
Poppi Rodgers	Nevada State Museum	X	
George E. D. Hayes	Di Hayes Wholesale	X	
Betty Stephens	Smithworth Co		X
Roy Casanelli	Southworth Tobacco		
Steve Stucky	North Las Vegas		
Samuel Seal	Western Cigar Co of Las Vegas	X	
Lou Vaccarello	Glaser Bros.		
Robert Warren	Nevada League of Cities		
BRUCE STAULDING	CITY OF LAS VEGAS		X
Byron Armstrong	L.V. Sun		

ASSEMBLY COMMITTEE ON TAXATION
FIFTY-NINTH SESSION, 1977

MEETING ROLL CALL

MEETING DATE: TUESDAY, APRIL 5, 1977

	PRESENT	ABSENT	LATE	EXCUSED
Chairman May	✓			
Mr. Schofield		✓		
Mr. Craddock	✓			
Mr. Dreyer	✓			
Mr. Harmon	✓			
Mr. Horn	✓			
Mr. Jacobsen	✓			
Mr. Mann	✓			
Mr. Murphy	✓			