

Chairman May called the meeting to order at 3:00 p.m.

MEMBERS PRESENT:           Mr. May  
                                  Mr. Coulter  
                                  Mr. Bergevin  
                                  Mr. Brady  
                                  Mrs. Cafferata  
                                  Mr. Craddock  
                                  Mr. Marvel  
                                  Mr. Price  
                                  Mr. Rusk  
                                  Mrs. Westall

MEMBERS ABSENT:           Mr. Stewart

Please see attached guest register for guests present.

SB 328 - Alters formula for allocating vehicle privilege tax to school districts and requires use of portion of tax for school construction.

This bill would require that the share of privilege tax attributable to the debt service be deposited to each school district's Capital Project Fund to be used for construction and remodeling of schools or for debt service. This eliminates the situation whereby these tax dollars can only be spent if the school district borrows money.

Speaking in support of this bill was Mr. Ed Greer, Business Manager of the Clark County School District, who explained that this is intended to take the debt service portion of the motor vehicle privilege tax for school districts which is presently going to the school district's debt service money, and allowing districts to use it either in that account or to use it for special projects account.

This will then permit school districts, on a cash basis, to use this money for capital projects. He explained that we are not talking about a lot of money and if it were in effect for 1981-82, based upon the projections, the total amount in the whole state would amount to \$2.9 million. There are only two school districts that would not be affected as they have no debt service money. This simply allows the districts the option. They asked for this as they have noticed for a county-wide operation and with double-digit inflation rate, it is getting too expensive to go for bonds for construction. You would, however, still have to have your major projects which would go to the vote of the people. This would permit the school districts for short debt service to spend this on capital projects.

There followed brief discussion and, at the conclusion, a motion for a "Do Pass" was made by Mr. Bergevin, seconded by Mr. Price and carried unanimously.

AB 689 - Exempts aircraft from property tax.

Speaking in opposition to this bill was Ms. Norma Bivens, the Deputy Treasurer in charge of personal property for the Washoe County Treasurer's Office. She advised the committee that they oppose passage of this bill. She pointed out that as of this date they have collected \$487,000 in personal property tax on aircraft for the fiscal year 1980-81. Washoe County can ill afford to lose this source of income and with the lowering of the tax rate, aircraft owners will see a substantial drop in their personal property tax.

Mr. Craddock asked what services are provided through her office for the aircraft owner and was advised that she has talked to the comptroller's office for the county to determine what percent of these property taxes went to runways, etc. and was advised that none of the ad valorem money went to this; this is the ad valorem that goes to school districts, etc., just like the property taxes. She added that she cannot identify services from this money that go for runways, etc.

Mr. May explained that due to the shortness of time in the session, this bill would probably not be processed but may be reintroduced next session. There was no action taken at this time.

AB 608 - Imposes estate tax not greater than credit allowed under federal law.

Mr. Jim Lien, member of the Task Force Committee, advised that this bill would never come into being until the constitutional amendment on the estate tax pickup credit was passed. If that is passed in 1982 they feel it is worthwhile having the administrative portion of it in place at the time the amendment is passed in order to take immediate advantage of the credit which would be occurring just prior to coming into the 1983 session. He distributed copies of the amended bill which has had tremendous portions of the bill taken out in an attempt to make the bill do exactly what had been testified was to be done (attached Exhibit I). That was to make strictly a clerical effort on the part of the Department of Taxation in order to secure the credit due the State of Nevada. They have reviewed these proposed amendments with the IRS, reviewed them with Kafoury-Armstrong, which does a large number of estate return filings, and, also, with the State of Utah as to how they administer it as they have the same process. In essence, what we end up doing is merely having a copy of the first page of the return that is filed with the federal government, filed with the State Department of Taxation. The Department of Taxation has nothing more to do; there is no audit authority for the department, there are no estate liens filed; as far as the state is concerned, it merely files and waits to see what the federal government does. There are some time frames written into the bill to make certain that it coincides with the federal filings and payments, etc. The individuals do

have to pay timely along with their payments to the federal government and if there are extensions granted, they are the same extensions for the state; the state will not get into the administrative role of trying to do something different than the federal government is doing. If the federal government charges interest, then the state would pick up interest on its portion; if there are penalties, the state would pick up the penalties. The state does not have to do anything other than enter into a written agreement, as shown on the last page of the bill, with the Department of the Treasury, which indicates that the department will receive a copy of the estate tax closing letters that are filed by the IRS. Any documentation for proration that may have to be done between states the IRS takes care of and, also, if there happens to be disallowances that occur. It has been pretty much refined back to being merely a clerical effort at this time for the Department of Taxation. Mr. Nickson reviewed the amendments yesterday and was pleased to hear that, as done in Utah, it would take the time of one-half of a clerk to administer.

Mr. Price asked a question regarding Page 1, Line 12. Rather than saying that the administrator "shall" file, leaving that as an option saying "may" file. Mr. Lien responded that if you leave that as an option, you open the door for a question of the state receiving a copy. All this does is say that they will take a xerox copy of the first page and send it to the department. If you have "may", it is true, it would be picked up at a later point by communication between the IRS and the department, but it's after the fact. The IRS will notify the department of a disallowance of a credit. Mr. Price continued stating that the problem he has is that, according to the letter he has from the office in Washington, the federal government would take note that they would not pursue, so the state could take the option of whether to force the person to file. Mr. Lien emphasized that the only thing that action would accomplish is to make it "after the fact". The state will be notified that the state has been disallowed as far as this particular credit is concerned. The state will then have to file with the federal government and if it has the right to have a federal credit, the feds will indicate that we do and we would then have to go back to the individual, the individual will have to get a refund from the federal government and pay the state. It actually causes more administrative headaches for the estate administrator at that point. Mr. Price repeated that he was still under the impression that we could make this optional to the estate where they could either choose to exercise the check-off or not. Mr. Lien responded, once again, that once you have taken option of the credit, you must follow through. Mr. Bergevin interjected that he felt making it optional would make it devastating because with a constitutional amendment, either you do or you don't. The constitutional amendment says "we may" enact, but once we exercise that option, that doesn't give anybody that option. Once we enact it, everybody does it.

There being no further discussion, a motion was introduced by Mr. Craddock to Amend AB 608, reprint and refer back to the committee, seconded by Mrs. Westall and carried by a vote of 9 voting aye, Mrs. Cafferata voting nay.

AB 338 - Authorizes counties to impose tax for support of public transportation.

Mr. May reminded the members that this bill had received considerable testimony at the meeting held yesterday and was subsequently sent to a subcommittee consisting of Mr. Price and Mr. Coulter. He asked for a report on their findings.

Mr. Coulter stated that he had met with representatives from the Regional Transit Authority in Washoe and Clark and a number of E.O.B. senior citizens and discussed a lot of areas of concern. One possibility would be reducing the percentage from  $\frac{1}{2}$  to  $\frac{1}{4}$  of the maximum which could be imposed. Although the bill calls for a public vote, the Washoe people are anxious to take a different approach and that would be to use the same method we used on the city-county relief tax, which would be all the political entities in a county would have to agree to impose the tax. There were concerns expressed that some areas would have a hard time passing a public vote and, additionally, that the time involved given the fact that the money is running out for the regional transit system and when the next election is scheduled which may be the fall of next year.

Mr. Price reiterated that they had talked about four things. For example, lowering the percentage to one-quarter and they were suggesting the language from the city-county relief tax and some language that would provide for minimum adequate funding for the elderly and handicapped programs that are certified and approved by the Regional Transit programs. They thought it would be beneficial to include some language of intent indicating that these sources are to be used for mass transit and transport of the elderly and handicapped. A motion was then made by Mr. Price to amend the bill on Page 2, Line 5 to read, "a maximum of one-quarter of 1%" tax to be added to the sales tax, motion seconded by Mr. Coulter. Mr. Brady asked if that motion would mean that we would be adding this amount to the sales tax over and above what we have already done and was advised that would be the effect of the motion; however, we have not yet decided whether it will be by a vote of the people. After discussion, the motion was withdrawn.

Mr. Price then moved to use the language similar to that used in the city-county relief tax, seconded by Mr. Coulter. In discussion, Mr. Price explained that in the City-County Relief Tax each city and county itself would have to petition, hold public hearings and pass a resolution imposing the tax. In the case of Clark County you would have to have Henderson, Boulder City, North Las Vegas, Las Vegas and the county and

hold hearings for everyone involved and all vote affirmatively. Mr. Lien pointed out, however, that it would require action only by the cities; the counties do not have to act as they are mandated in Clark and Washoe anytime you have two or more cities.

Mr. May asked a question of Mr. Hall, Director of the Regional Transportation System, that is how does the original 2¢ sales tax operate; is that mandated by cities and counties and then the county must adopt that ordinance for the 2¢? Mr. Hall replies that the tax can be levied by the Board of County Commissioners as they are empowered to levy that tax with the cities not getting involved. The county commissioners act as a trustee of that fund. Mr. May pointed out that Mr. Price's subcommittee's recommendation then was to require both the cities and counties to adopt an ordinance which will necessitate public hearings and then pass a resolution mandating this action be set forth. If any one of those incorporated cities or counties fail to do so, then it is null and void; it would take the majority vote of all the governing bodies.

The vote on the motion did not obtain a majority; therefore no action was taken.

Mr. Price then stated he didn't think we needed a vote on the funding as the bill itself, under the final amendment, was for a vote of the people and that is already in the bill. He then moved to reduce the maximum allowable tax from  $\frac{1}{2}$  of 1% to  $\frac{1}{4}$  of 1%, which would be changing Page 2, Line 5; motion seconded by Mrs. Cafferata. Mr. Craddock asked if we are going to put it to a vote of the people, why reduce it, and was advised by Mr. Price that the subcommittee felt that since  $\frac{1}{4}$  was substantially above what the anticipated need was for either of the two counties involved, that there was no need for it.

On the vote the motion carried by 7 voting aye, 2 voting nay and 2 absent. Voting nay were: Messrs. Brady and Marvel, absent were Messrs. Rusk and Stewart.

Mr. Brady explained that it would be his intention to vote against the bill because we have the ability to do this under our present tax package. We have a vote of the people; all they have to do is go there and do it. In order to do this, it would allow sales taxes to go higher and he is opposed to raising the sales tax any more.

Mr. Coulter then explained that they had talked about putting some language in the bill dealing with "shall provide that adequate funding shall be made for adequate transportation." He then moved to amend the bill to include a provision wherever the bill drafter thinks it would be most appropriate to indicate that, in addition to helping fund the regional transit system, that adequate funding also be given for senior citizens and handicapped transportation; seconded by Mr. Price.

1079

Mr. Bergevin objected to that motion saying it would get two entities working against each other and each demanding that they be adequately financed and who is going to make that decision. He feels the language in the bill is proper as it is.

The motion passed on a vote of 6 voting aye, 3 voting nay with 2 absent/not voting. Voting nay were Messrs. Marvel, Bergevin and May. Absent/not voting were Messrs. Brady and Stewart.

Mr. Coulter then moved a "Do Pass as Amended", seconded by Mr. Price and carried on a vote of 6 to 3. Voting nay were Messrs. Bergevin and Marvel and Mrs. Cafferata. Absent/not voting were Messrs. Brady and Stewart.

SB 678 - Makes technical corrections to Chapters 130 and 149, Statutes of Nevada 1981.

Mr. May reminded the committee members that we heard testimony on this bill at our meeting yesterday, but there had been some concerns expressed about the language contained in Line 2, Page 2 as relates to exemptions for additional taxes imposed for a written contract for construction. Mr. Frank Daykin was asked to be present today to explain this provision in the bill.

Mr. Daykin explained that the words "for construction" were added there in order to narrow the exemption which is granted. When the tax was originally imposed in 1967 the language of the exemption was copied from the original Sales and Use Tax of 1965. As he would interpret that language, it only exempts material which a contractor purchases in order to fulfill his contract. The reasonable interpretation of the original exemption was that it envisioned different types of contracts, but it didn't specifically limit it to construction because one might have agreed to furnish something else for a fixed price, but it did mean the supplier's cost; however, it was revealed in discussion that the Department of Taxation back in 1967 had granted exemptions pretty broadly to several contractors and having created the mischievous precedent, they are apparently afraid that they may be stuck with it unless this language is changed by limiting it to a contract for construction, which is by far the most usual situation in which one bids to do something for a fixed price.

He continued by stating that under the Sales and Use Tax Law and the Local School Support Tax, there is a prohibition in the law against the seller assuming the tax or representing that he is going to pay the tax. The tax falls upon the buyer or a leasee; consequently, if the seller held out that for a period of time the tax wasn't going to change; he gave a promise that he couldn't keep, and if he suffers from it, that would be his problem. That provision of a contract would be void; that is, if the seller agreed to assume the tax.

General discussion followed on different aspects of the bill and at the conclusion, a motion was made by Mr. Bergevin for a "Do Pass", seconded by Mrs. Cafferata and unanimously carried.

AB 665 - Provides credit against certain taxes for exchange of used vehicle on purchase of automobile.

Mr. May reminded the committee that this bill has been discussed previously by this committee (see minutes of May 25, 1981 for testimony taken at that time) and had been referred to a subcommittee consisting of himself and Mr. Craddock. He suggested that at the conclusion of Mr. Hale Bennett's testimony today, the committee request the legislation he will propose and that it be brought back to the committee for further consideration.

Mr. Jim Lien spoke first on the bill and presented proposed amendments to AB 665 (attached as Exhibit II). He pointed out that any amendments to Chapter 374 affect Chapter 377 by statute so we only need to amend 374 in the direction we are proposing. The amendments that are being drawn allow an allowance for trade-ins underneath the LSST and the CCRT and supplementary CCRT, but not state tax. In addition, they are proposing amending the LSST to impose a tax on sale of any motor vehicle so that the occasional sale is picked up. He proceeded working through the bill and the proposed amendments as attached.

Testifying next was Mr. Daryl Cappuro who stated that it should also be a matter of record that in response to the committee's direction, he and Mr. Lien have both looked at the idea of trying to bring the tax down to as close to the original 3½% as possible and when they started working on the figures the loss was tremendous, so they figured that was not a valid way to go. The figures, as Mr. Lien has indicated, would show in excess of \$2 million, but he does have something he wanted to mention in regard to the draft that needs some attention. Calling attention to Section 2, Subjection 3 on the 1st page, you would have to provide the DMV some authority to adopt regulations governing the value of motor vehicles where there is no bill of sale. Mr. Lien disagreed, stating that is already provided for in the bill.

General discussion followed on the suggested amendments to the bill with a motion then being made to amend the bill and rereferred to the committee. The motion was made by Mr. Bergevin, seconded by Mr. Price and unanimously carried.

SB 244 - Increases certain allowances to elderly for property taxes.

Mr. May reminded the committee members that testimony had been heard on this bill on May 25, 1981 and the bill had been referred to a subcommittee consisting of Mr. Coulter and Senator Wagner. He asked if they were ready to report and was advised they were.

Mr. Coulter then moved to take the amendments that we had put into AB 97 and put them into this bill and "Amend and Do Pass as Amended", motion seconded by Mrs. Cafferata and carried unanimously.

SB 499 - Provides exemption from property tax or vehicles privilege tax for widowers and imposes limitation on income for eligibility.

Testifying as the prime introducer of this measure was Senator Jean Ford, Senate District #3, who explained that she has been before us in the early days of the session on a bill that had to do with veterans exemptions. This bill, on Page 1, adds the option for widowers to be able to apply for a property tax exemption the same as widows have been able to do in the past. She asked that it be drafted so the option would be extended to men and then, because in past years there was concern about the number of people that might take advantage of it and the fiscal impact, she had suggested that the bill be drafted to put an upper limit on the income level similar to the senior citizens tax relief and grandfather in those that had been eligible in the past so no one receives a lesser benefit than they had in the past, but from the point that the bill became effective on, that would apply to those men and women only who had an income that met the income limitation. That's the way the bill passed the Senate, but since then she has had people from the Clark County Assessor's office point out that with the passage of the tax package, the amount of money that is involved is so small that possibly the income limit and the processing it would take to determine who is eligible and who isn't is not worth it, and that possibly the income limit should be taken and simply extend the option to men from the point of passage of the bill. She has no objection to that as she realizes the amount of benefit that is available to anyone under the current law is small, and if it is the desire of the committee to do that, it is fine. There is a principle of equity involved, and she feels that the option should be extended to men.

Senator Ford pointed out that this bill and SB 408 are the only two bills remaining on the books that discriminates by sex.

Mr. May asked if it would be agreeable to amend this bill by deleting the income limitation and this was concurred in by Senator Ford.

Mr. Price moved a "Do Pass", seconded by Mr. Coulter. Mr. Bergevin objected by stating that we are soon going to have so many exemptions for everybody and everything that it will be impossible to administer. He agrees that the widow needs the exemption but he does not feel the widower does in 99% of the cases. Mrs. Westall agreed with Mr. Bergevin and added that during the sessions when the discriminatory bills were

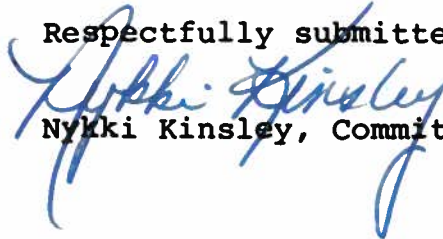


being considered there were some bills that the subcommittee did not want to change. They wanted them left on the books, and this could very possibly be one of them. She suggested taking no action on this measure and made a motion to that effect.

Mrs. Westall moved to amend the previous motion to Indefinitely Postpone, seconded by Mr. Marvel. Mr. May announced that the motion fails for lack of a majority.

There being no further business, the meeting was adjourned.

Respectfully submitted,



Nykki Kinsley, Committee Secretary



ASSEMBLY

AGENDA FOR COMMITTEE ON.....Taxation.....

Date Wed. May 27, 1981 Time: 2:00 pm Room 240

Bills or Resolutions  
to be considered

Subject

Counsel  
requested\*

ALL MEETINGS OF THE ASSEMBLY COMMITTEE ON TAXATION  
WILL BEGIN PROMPTLY AT 2:00 PM. PLEASE ARRANGE  
YOUR SCHEDULE ACCORDINGLY.

- A.B. 177- Abolishes requirement for veterans to make annual claims for exemption from property tax.
- A.B. 608- Imposes estate tax not greater than credit allowed under federal law.
- A.B. 689- Exempts aircraft from property tax.
- A.B. 690- Provides for submission to voters of amendment to Sales and Use Tax Act.
- S.B. 499- Provides exemption from property tax or vehicle privilege tax for widowers and imposes limitation on income for eligibility.



ASSEMBLY BILL NO. 608—COMMITTEE ON TAXATION

MAY 5, 1981

Referred to Committee on Taxation

SUMMARY—Imposes estate tax not greater than credit allowed under federal law. (BDR 32-2071)

FISCAL NOTE: Effect on Local Government: No. Effect on the State or on Industrial Insurance: Yes.

EXPLANATION—Matter in italics is new; matter in brackets [ ] is material to be omitted.

AN ACT relating to estate taxes; imposing an estate tax in an amount not greater than the credit allowed for such a tax against the federal estate tax, reduced by the amount paid to another state; providing the deposit of its proceeds in the state permanent school fund; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1. SECTION 1. Title 32 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 12, inclusive, of this act.
- SEC. 2. As used in this chapter, unless the context otherwise requires:
  - 1. "Duplicate return" means ~~an authorized copy of the federal estate tax return filed with the Secretary of the Treasury of the United States.~~
  - 2. "Federal filing date" means the date for the filing of a federal estate tax return established by the Internal Revenue Code of 1954 (26 U.S.C. § 6075), as amended.
- SEC. 3. 1. The executor or administrator of the estate of any resident decedent whose estate is taxed by the United States shall file with the department a duplicate return on or before the federal filing date, including any extension of that date. If the duplicate return is filed after the federal filing date, and an extension has not been granted by the department, the executor or administrator shall attach to the duplicate return a copy of the written approval received from the Secretary of the Treasury of the United States granting an extension.
- 2. Except as otherwise provided in subsection 3, on or before the date the duplicate return is filed, the executor or administrator shall pay a tax in an amount equal to the amount of any credit allowed for a state death tax pursuant to the Internal Revenue Code of 1954 (26 U.S.C. § 2011), as amended.

a copy of page 1

or if neither, the person in possession of the property

must be attached

or person in possession

upon filing the duplicate returns

*Exhibit I*

1 3. If another state of the United States collects a death tax against  
2 an estate which is taxed by this state, any tax due under this chapter  
3 ~~must be reduced by the amount of the death tax collected by that other~~  
4 state.

*If that amount exceeds the credit due Nevada, the Nevada liability is waived.*

5 ~~SEC. 4. If the tax imposed by this chapter is paid after the federal~~  
6 ~~filing date and an extension has not been granted, the executor or~~  
7 ~~administrator shall pay an interest on the tax at the rate of 12 percent~~  
8 ~~per annum from the federal filing date to the date of payment.~~

9 SEC. 5. 1. If, after the filing of a duplicate return and the payment  
10 of any tax and interest due thereon, the final determination of the  
11 amount allowed as a credit for state death taxes is changed from the  
12 amount indicated on the original return, the executor or administrator

*or person in possession.*

13 ~~shall file with the department, within 30 days after the federal adjust-~~  
14 ~~ment, an authorized copy of the documentation received from the~~  
15 ~~Secretary of the Treasury of the United States and such other documen-~~  
16 ~~tation as the department deems necessary showing all changes made in~~  
17 ~~the original return and the increase or decrease in the amount allowed~~  
18 ~~as a credit for state death taxes.~~

19 ~~2. On or before the date of the filing of the documentation, the~~  
20 ~~executor or administrator shall pay any additional tax due, if any, plus~~

*within 30 days of the receipt of the estate tax closing letter.*

21 ~~interest thereon at the rate of 12 percent per annum from the federal~~  
22 ~~filing date to the date of payment.~~

23 ~~3. If there is a decrease in the credit for state death taxes, the~~  
24 ~~department shall refund to the estate any overpayment made, plus~~  
25 ~~interest thereon at the rate of 12 percent per annum from the federal~~  
26 ~~filing date to the date of payment of the refund.~~

27 SEC. 6. The executor or administrator of the estate of any non-  
28 resident decedent who owns or controls real property located in this  
29 state or personal property having a business situs in this state when  
30 he dies and whose estate is taxed by the United States shall, pursuant  
31 to the conditions established for the estate of a resident decedent, file  
32 a duplicate return with the department and pay a tax, including any  
33 interest thereon, in an amount:

*or person in possession*

34 1. Which bears the same ratio to the state tax credit allowed for  
35 federal estate tax purposes as the value of the property taxable in this  
36 state bears to the value of the entire gross estate for federal estate tax  
37 purposes; or

38 2. Equal to the remainder of that credit after subtracting other state  
39 death taxes,  
40 whichever is less.

41 SEC. 7. 1. The department may appraise and assess, for the pur-  
42 poses of this chapter, the estate of a decedent if the executor or admin-  
43 istrator of his estate does not file a duplicate return when due. The  
44 appraisal and assessment must be made in accordance with the format of  
45 the federal estate tax return.

46 2. The department may require the production of such evidence as  
47 is necessary to enable it to determine the value of the property of the  
48 estate taxed under this chapter.

49 3. The department shall give written notice to the executor or  
50 administrator of its determination of the tax and interest due.

1086

1 SEC. 8. 1. If any amount required to be paid to the department  
2 under this chapter is not paid when due, the department may record in  
3 the office of the county recorder of the county in which the estate is  
4 being administered a notice of lien upon the property in the estate of  
5 the decedent not distributed at the time of recordation, for the tax  
6 interest or penalty due.

7 The department may notify the court administering the estate of  
8 the notice of lien recorded pursuant to this section.

9 SEC. 9. Any executor or administrator who fails or refuses to file a  
10 duplicate return shall pay a penalty in an amount equal to 10 percent of  
11 the final determination of the amount allowed as a credit for state death  
12 taxes.

13 SEC. 10. Except as otherwise provided in this chapter, any executor  
14 or administrator who fails or refuses to pay the tax required to be paid  
15 under this chapter within 30 days after notice from the department is  
16 given as to the amount due, shall pay a penalty in an amount equal to  
17 10 percent of the final determination of the amount allowed as a credit  
18 for state death taxes.

19 SEC. 11. 1. The department may extend for not to exceed 6 months  
20 after the federal filing date the time for filing a duplicate return when a  
21 written application requesting the extension is made by the executor or  
22 administrator of an estate to the department on or before the federal  
23 filing date. Any extension of time for filing a duplicate return granted  
24 by the department does not operate to extend the time for payment of  
25 the tax imposed by this chapter.

26 2. The department may extend the time for the payment of the tax  
27 or any portion thereof imposed by this chapter when a written applica-  
28 tion requesting the extension is made by the executor or administrator  
29 of an estate to the department on or before the federal filing date. This  
30 extension must be made in accordance with the Internal Revenue Code  
31 of 1954 (26 U.S.C. § 6161), as amended.

32 3. If an extension is granted for the payment of the tax or any  
33 portion thereof, the department may direct the executor or administrator  
34 to execute and deliver to the department a bond, with the surety to be  
35 approved by the department, in such sum as is designated by the depart-  
36 ment, but in no event may the sum exceed twice the amount for which  
37 the extension is granted.

38 4. Any extension granted by the department terminates upon the  
39 termination of an extension granted by the Secretary of the Treasury  
40 of the United States. The executor or administrator shall pay any  
41 amount due, exclusive of any penalty, within 90 days after the receipt  
42 of a notice of termination from the Secretary of the Treasury of the  
43 United States.

or portion  
in payment

1. If an extension for the payment of the tax or any portion thereof is granted by the Secretary of the Treasury in accordance with the Internal Revenue Code of 1954 (26 USC § 6161), as amended, that extension shall apply to the amount of tax due the State of Florida. The extension shall run concurrently and the amount due is payable to the Dept upon termination of the Treasury extension.

2. <sup>Interest of</sup> ~~The~~ interest levied by the Dept of the Treasury shall be applicable to the amount ~~due~~ due to the State of Florida.

44 SEC. 12. 1. The tax interest and penalties imposed and all amounts  
45 required to be paid under this chapter must be paid to the department  
46 in the form of remittances payable to the department.

47 2. The department shall transmit the payments to the state treasurer  
48 for deposit in the state treasury to the credit of the state permanent  
49 school fund.

distributive

1 SEC. 13. Chapter 151 of NRS is hereby amended by adding thereto  
2 a new section which shall read as follows:  
3 If a notice of lien is recorded by the department of taxation pursuant  
4 to section 8 of this act, no further distribution of the estate may be  
5 made until the lien is released or otherwise discharged.

The department must enter into a written agreement with the Department of the Treasury which must include provisions that the department will receive a copy of each estate tax closing letter, appropriate documentation of an estate tax provision, if applicable, and how to resolve a disallowed state credit.

6 SEC. 14. This act shall become effective upon the ratification of  
7 Senate Joint Resolution No. 6 of the 60th session by the people of this  
8 state, and applies to the estates of persons dying on or after the canvass  
9 of the returns of that ratification by the justices of the supreme court.

AB 665

Sec 1

~~Section 4.~~ Chapter 374 of NRS is hereby amended by adding thereto a new section which shall read as follows:

The amount of taxes imposed by this chapter on the gross receipts from the sale of a motor vehicle must be reduced by an amount equal to the product of the rate of the taxes multiplied by the amount allowed by the seller against the purchase price in exchange for the used vehicle of the purchaser, if such a used vehicle was so exchanged.

Sec 2

Chapter 374 is hereby amended by adding thereto a new section which shall read as follows:

1. Any sale of a motor vehicle as defined in NRS 482.075 is subject to the taxes imposed by this chapter.
2. If the motor vehicle was sold by other than a registered dealer of this state, the taxes due must be collected by the department of motor vehicles or its agent at the time the motor vehicle is registered and remitted to the department monthly.
3. The amount of tax to be collected must be determined from a notary bill of sale or, if such is not available, from the appropriate book price of the motor vehicle.

E. Mitchell  
1089



Sec 3: NRS 374.325 is hereby amended to read as follows:

NRS 374.325 1. There are exempted from the taxes imposed by this chapter the gross receipts from occasional sales of tangible personal property and the storage, use or other consumption in a county of tangible personal property, the transfer of which to the purchaser is an occasional sale.

2. The provisions of subsection 1 do not apply to the occasional sale of ~~an~~ automobile, truck or bus, a motor vehicle.

Sec 4: NRS 482.260 is hereby amended to read as follows:

1. The department and its agents in registering a vehicle shall:  
(a) Collect the license plate fees and registration fees as provided for in this chapter.  
(b) Collect the privilege tax on the vehicle, as agent for the county where the applicant intends to base the vehicle for the registration period, unless the vehicle is deemed to have no base.

(c) collect any local school support tax or basic city-county relief tax due pursuant to section of this art.

(d) 1. Issue a certificate of registration, together with the regular license plate or plates.  
2. Upon proof of ownership satisfactory to the director, he shall cause to be issued a certificate of ownership as provided in this chapter.  
3. Every vehicle referred to in subsection 1 of NRS 482.206 being registered for the first time in Nevada shall be taxed for privilege tax purposes for a 12-month period. Every vehicle referred to in subsection 2 of NRS 482.206 being registered for the first time in Nevada shall be taxed for privilege tax purposes pro rata on a monthly basis upon the amount of time remaining in the current calendar year.

Sec 5: This act shall become effective October 1, 1991.