

MINUTES OF THE  
MEETING OF THE SENATE COMMITTEE  
ON TAXATION

SIXTY-FIRST SESSION  
NEVADA STATE LEGISLATURE  
May 11, 1981

The Senate Committee on Taxation was called to order by Chairman Keith Ashworth, at 8:38 a.m., Monday, May 11, 1981, in Room 213 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Keith Ashworth, Chairman  
Senator Norman D. Glaser, Vice Chairman  
Senator Don Ashworth  
Senator Virgil M. Getto  
Senator James N. Kosinski  
Senator William J. Raggio

COMMITTEE MEMBER ABSENT:

Senator Floyd R. Lamb

GUEST LEGISLATOR:

Senator William H. Hernstadt

STAFF MEMBERS PRESENT:

Ed Shorr, Deputy Fiscal Analyst  
Colleen Crum, Committee Secretary

SENATE BILL NO. 58

Senator Hernstadt stated Senate Bill No. 58 would apply to all veterans who have lived in Nevada at least three years. The bill also increases the amount of exemption from \$1,000 to \$2,000. The present law requires the veteran to live in Nevada for three years prior to December 31, 1963 to be eligible for the exemption. Consequently, only 20-25 percent of the veterans are eligible for the exemption. The number of eligible veterans in Clark County would increase from 13,860 to 48,640 under Senate Bill No. 58.

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Ms. Marie Feeney, representing the Clark County Assessor's office, presented a fiscal impact statement the bill would have on Clark County and presented figures pertaining to the number of veterans living in the state. (See Exhibit C.)

SENATE BILL NO. 456

Mr. Dana Greenleaf, representing the Disabled American Veterans State Committee, spoke in support of the bill. He stated Senate Bill No. 456 would continue to provide the tax exemption to the surviving spouse of disabled veterans. Three widows would presently qualify for the continued exemption.

Senator Raggio questioned why a surviving spouse should lose the exemption if she remarries.

Senator Kosinski explained that particular qualification was not requested. The intent in providing eligibility requirements was to keep the fiscal impact low. He explained the widows of disabled veterans, in most cases, spend many years homebound caring for their husbands. Consequently, the spouses lost their job skills or were unable to acquire job skills.

Senator Raggio asked if the exemption under Senate Bill No. 456 would be in addition to the widows exemption, which applies to all surviving spouses, whether they were married to veterans or not. Ms. Feeney stated the exemption under Senate Bill No. 456 would be in addition to the other widows exemption.

Senator Raggio suggested making the exemption under Senate Bill No. 456 in lieu of the other widows exemption,

Senator Kosinski noted the fiscal note prepared by the Legislative Counsel Bureau indicated 22 widows would be eligible for the exemption under Senate Bill No. 456. Mr. Greenleaf disputed the Legislative Counsel Bureau figure.

Mr. Ray Crosby, a disabled veteran, spoke in support of the bill.

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SENATE BILL NO. 362

Ms. Patsy Redmond, Acting Insurance Commissioner, stated it would be difficult to obtain liability insurance information from insurance companies. Presently, liability insurance information based on counties of origin is not available. The Insurance Division would have to study every auto insurance company's annual statement to determine the premiums attributable to liability insurance. Attributable liability insurance premiums would be multiplied by the two percent premium tax under this bill. She noted insurance companies presently break down liability insurance premiums by territories rather than counties of origin. She suggested breaking down the liability insurance premiums by population per county or by vehicle registration per county.

Senator Raggio stated the thrust of the bill is to raise money for the General Fund to finance road construction.

Mr. Dan Fitzpatrick, representing Clark County, stated \$763,862 would be generated for Clark County alone under this bill. He based the estimate on the number of registered vehicles in Clark County. He suggested clarifying the fund in which the money would be deposited.

The chairman suggested stipulating that the money would be deposited in the regional transportation fund.

Mr. Bryce Wilson, representing the Nevada Association of Counties, supported the bill. He stated counties urgently needed revenue for road construction.

SENATE BILL NO. 314 and SENATE BILL NO. 486

Mr. John Madariaga, General Counsel for Sierra Pacific Power Company, and Mr. Cliff Phillips, Treasurer for Sierra Pacific Power Company, explained the present franchise tax on utilities. Franchise agreements with cities and counties are required before Sierra Pacific can place its utility facilities in the public place or on public roads. City franchise agreements

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are based upon two percent of the gross profits. County franchise agreements are restricted by NRS 709.110 at two percent of the net profits to be paid annually for the benefit of the county school district fund.

The chairman clarified that Sierra Pacific Power Company does not pay the franchise tax. It collects the tax from its customers for the cities and counties.

Mr. Madariaga explained cities are permitted to enter into franchise agreements under NRS 266.300. NRS 266.300 does not limit the percent amount which may be charged by cities. Gross fees vary from utility to utility as well as from city to city. Senate Bill No. 486 is a positive step in dealing with the varying franchise taxes on utilities. He questioned whether NRS Chapter 364 is the proper statute to amend in this bill. He felt NRS Chapters 709 and 266 should be amended to establish uniformity in the franchise tax. He was concerned that the franchise fee increase from two percent to three percent of net profits, as proposed in Senate Bill N. 314, was not in the best interest of Sierra Pacific's customers. He urged a thorough study of NRS Chapter 709 before action is taken on these bills.

Mr. David Russell, representing Southwest Gas Corporation, supported Mr. Madariaga's comments. He stated these bills deal with the cost to consumers, not to utilities.

Senator Hernstadt explained the franchise tax is basically a sales tax on utility bills. Senate Bill No. 486 cuts the gross franchise tax to two percent. The section dealing with the decrease in the franchise tax is poorly drafted. He suggested studying the bills drafted in the 1977 and 1979 legislative sessions pertaining to this issue.

Mr. Marvin Leavitt, representing the City of Las Vegas, opposed Senate Bill No. 486. This bill would result in a \$2.7 million loss of revenue to the city. He noted the revenue caps established by Senate Bill No. 411 would apply to the franchise tax.

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The chairman noted the legislature's attempt to constitutionally prohibit using the franchise tax as a revenue producer had failed. He asked whether the City of Las Vegas had made plans to eliminate using the franchise tax as a revenue producer. Mr. Leavitt stated the city had not taken steps to eliminate the franchise tax as a revenue producer. The city relies on the franchise tax to generate eight to nine percent of the revenue for its general budget.

Senator Raggio noted the fiscal note which shows the impact of the bill on local governments, (See Exhibit D.) He questioned whether the City of Reno charges a franchise tax. Mr. Leavitt explained the City of Reno charges a franchise tax on cable television operations.

Mr. Leavitt acknowledged a general dissatisfaction with the franchise tax. He explained the franchise tax was instituted in response to a successful initiative petition which increased firemen's salaries.

Mr. Chuck King, representing Central Telephone Company, stated he was not taking a position on Senate Bill No. 486. He wanted to relate to the committee how this bill would affect Central Telephone Company's subscribers. He stated this bill would only affect the tax which is collected and paid to the City of Las Vegas and the City of Henderson. This bill would lower the revenue to those cities by \$320,000.

SENATE BILL NO. 517 (EXHIBIT E)

Mr. Ed Shorr, Deputy Fiscal Analyst, explained Senate Bill No. 517 eliminates the requirement that senior citizens file a report on their insurance income. The Department of Taxation has indicated senior citizens are not complying with this requirement and eliminating the requirement would have very little impact.

Senator Raggio asked whether insurance income is used to determine household income for qualification for the senior citizens tax rebate program. Mr. Shorr stated Senator Raggio's statement was correct.

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Senator Raggio asked whether insurance income under \$5,000 would be excluded from the determination of household income. Mr. Shorr stated Senator Raggio's statement was correct.

Senator Raggio moved that Senate Bill No. 517 be approved.

Senator Kosinski seconded the motion.

The motion carried. (Senators Don Ashworth and Glaser were absent for the vote.)

The chairman asked for consideration on Senate Bill No. 58. The committee decided to hold the bill for future consideration.

The chairman asked for consideration on Senate Bill No. 456.

Senator Kosinski moved that Senate Bill No. 456 be approved. (See Exhibit F.)

Senator Getto seconded the motion.

The motion carried. (Senator Don Ashworth did not vote; Senator Glaser was absent for the vote.)

The chairman asked for consideration on Senate Bill No. 362.

Senator Kosinski moved that Senate Bill No. 362 be indefinitely postponed.

Senator Getto seconded the motion.

The motion carried. (Senator Don Ashworth did not vote; Senator Glaser was absent for the vote.)

The chairman asked for consideration on Senate Bill No. 314. Senator Kosinski suggested a staff study on the issue of utility franchise taxes. Senator Raggio suggested that the committee request a resolution dealing with a study of the franchise tax.

Senator Raggio moved that Senate Bill No. 314 be indefinitely postponed.

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Senator Getto seconded the motion.

The motion carried. (Senator Don Ashworth did not vote; Senator Glaser was absent for the vote.)

The chairman asked for consideration on Senate Bill No. 486.

Senator Kosinski moved that Senate Bill No. 486 be indefinitely postponed.

Senator Getto seconded the motion.

The motion carried. (Senator Don Ashworth did not vote; Senator Glaser was absent for the vote.)

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Senator Raggio moved that the Senate Committee on Taxation request a\*resolution authorizing a staff study covering the issue of franchise fees or taxes on profits of public utilities and the area of possible retention, non-retention, or replacement of the franchise tax.

Senator Kosinski seconded the motion.

The motion carried. (Senator Don Ashworth did not vote; Senator Glaser was absent for the vote.)

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Senator Getto moved that the Senate Committee on Taxation request a†resolution authorizing an interim study on all centrally assessed properties.

Senator Kosinski seconded the motion.

The motion carried. (Senator Don Ashworth did not vote; Senator Glaser was absent for the vote.)

Mr. Shorr was instructed to explain the committee's intent regarding the resolutions to the bill drafter. Mr. Shorr

\*SCR 63 as BDR 2103

7.

†SCR 64 as BDR 2105

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asked for a clarification of the intent of the resolution dealing with centrally assessed properties. The chairman explained the study should cover the method of assessing centrally assessed properties and the constitutionality of this method.

Taxation of the net proceeds of mines was discussed. Senator Raggio asked for legal opinion on the permissible deductions in determining the net proceeds of mines. The chairman instructed Mr. Shorr to invite Mr. Frank Daykin, Legal Counsel, to the May 12, 1981 meeting to discuss the legal issues of this subject.

The slot machine tax was discussed. Senator Raggio noted the Senate Committee on Judiciary was told that Assembly Bill No. 134, which was passed by the Senate Committee on Taxation last week, permits any county to establish a tax on gross revenues. The chairman stated Mr. Daykin would be asked to clarify that the establishment of a tax on gross revenues by all counties would not be permissible. He noted amendments to Assembly Bill No. 134 had been requested. The amendments would be returned to the committee for committee approval prior to being sent to the floor.

The chairman presented a Bill Draft Request for possible committee introduction. The bill would be introduced if there were no objections.

There were objections to introducing the following bill:

BDR 32-386: Relating to taxation, providing for the submission to the voters of the question whether the Sales and Use Tax Act of 1955 should be amended to exempt certain orthopedic and other prosthetic devices; contingently creating similar exemptions from certain analogous taxes; and providing other matters properly relating thereto.

There being no further business, the meeting adjourned at 10:15 a.m.



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Respectfully submitted by:

Colleen Crum  
Colleen Crum, Secretary

APPROVED BY:

Keith Ashworth  
Senator Keith Ashworth, Chairman

DATE: May 13, 1981

SENATE AGENDA

Amended 5/7/81

COMMITTEE MEETINGS

EXHIBIT A

Committee on TAXATION, Room 213.

Day Monday, Date May 11, 1981, Time 8:30 a.m.

AMENDED AGENDA

S. B. No. 58--Increases exemption from property taxes for veterans and changes requirement of residency.

S. B. No. 456--Extends tax exemption for disabled veteran to his surviving spouse.

S. B. No. 517--Limits inclusion of insurance proceeds as income in determining assistance to elderly for payment of property taxes.

S. B. No. 362--Returns premium tax on motor vehicle insurance to county of origin.

S. B. No. 314--Increases franchise tax on net profits of public utilities.

S. B. No. 486--Limits rate of certain taxes which cities and counties may impose on public utilities.

ATTENDANCE ROSTER FORM

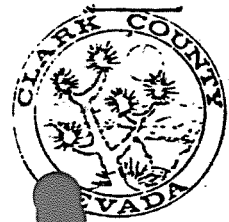
COMMITTEE MEETINGS

SENATE COMMITTEE ON TAXATION

EXHIBIT B

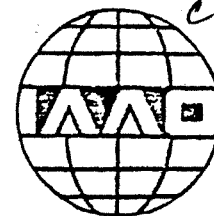
DATE: May 11, 1981

PLEASE PRINT NAME	PLEASE PRINT ORGANIZATION & ADDRESS	PLEASE PRINT TELEPHONE
Beata Kefford	Dept of Taxation	885- <del>4836</del> 4836
J C Henry	Clark County	383-3500
DAVE CARBON	INSURANCE Chief Examiner	885-4270
PATSY Redmond	✓	✓
Cliff Phillips	Sierra Pacific Power	789-4587
DANA Greenleaf	D. A. V. of NEVADA	849-1755
Steve Williams	NEVADA Bell	789-6440
W J Garver	DAU OF NEVADA ST COMM	322-5894
Ellie Rodgers	Chapter commander DAV	358-6645
Paul & Shirley	Chapter #7 Carson City Nev.	No Phone
Sue Fisher	Nev State EO case	882-5574
CHUCK KING	REAR TEL	385-5521
Ray Crosby	DAU - Nevada	
GEORGE TACKETT	Nev Bell	785-8496 <del>308</del>
Murray Chen	Nev. Food & Bev. Ass'n.	882-1760



# clark county assessor's office

CLARK COUNTY COURTHOUSE  
200 EAST CARSON AVENUE • LAS VEGAS, NEVADA 89101  
(702) 386-4011



JEAN E. DUTTON, *County Assessor*

JAMES L. SLARK, *Personal Property Division*

EXHIBIT C

EXEMPTIONS - Clark County Only

	<u>Current Statute</u>	<u>SB 58</u>
No. Eligible	13,860	* 48,640
Max exemption	1,000	2,000
Potential A.V. Max	13,860,000	<del>97,280,000</del> 150,000

\*Figure based on info supplied by Nevada Veterans Affairs  
2915 W. Charleston Blvd.  
Las Vegas, NV

48,640 includes

15,160 Vietnam Era
10,660 Korean Conflict
22,220 WW II
600 WW I
<u>48,640</u>

Fig. 3/31/79

Att. 1 & 2

ESTIMATED NUMBER OF VETERANS IN CIVIL LIFE, BY STATE  
March 31, 1979  
(In thousands)

State	Total Veterans	WAR VETERANS							Post-Vietnam Era 4/	Service Between Korean Conflict and Vietnam Era Only
		Total 1/	Vietnam Era		Korean Conflict		World War II 3/	World War I		
			Total 2/	No Service in Korean Conflict	Total 2/ 3/	No Service in World War II				
<b>Total</b>	<b>30,035</b>	<b>26,388</b>	<b>8,844</b>	<b>8,299</b>	<b>5,850</b>	<b>4,685</b>	<b>12,780</b>	<b>624</b>	<b>583</b>	<b>3,064</b>
<b>State Total</b>	<b>29,798</b>	<b>26,193</b>	<b>8,744</b>	<b>8,202</b>	<b>5,823</b>	<b>4,642</b>	<b>12,731</b>	<b>618</b>	<b>576</b>	<b>3,029</b>
Alabama.....	423	371	124	115	91	74	174	8	8	44
Alaska.....	41	35	16	15	8	6	14	*	1	5
Arizona.....	323	285	100	94	65	48	136	7	6	32
Arkansas.....	269	240	77	73	48	37	122	8	4	25
California.....	3,332	2,936	991	920	738	529	1,428	59	66	330
Colorado.....	374	325	126	120	74	56	142	7	8	41
Connecticut.....	465	410	130	121	97	80	200	9	9	46
Delaware.....	79	67	25	24	12	9	33	1	2	10
District of Columbia.....	102	90	23	21	28	22	45	2	2	10
Florida.....	1,292	1,155	344	319	264	181	612	43	21	116
Georgia.....	638	553	213	201	135	108	235	9	14	71
Hawaii.....	94	79	33	31	20	17	30	1	2	13
Idaho.....	103	90	32	30	19	15	43	2	2	11
Illinois.....	1,553	1,366	428	401	309	267	666	32	29	158
Indiana.....	729	634	228	215	133	113	291	15	17	78
Iowa.....	376	327	113	106	63	54	156	11	8	41
Kansas.....	310	273	92	86	53	42	136	9	6	31
Kentucky.....	415	365	121	114	79	65	177	9	7	43
Louisiana.....	452	399	129	121	95	79	190	9	8	45
Maine.....	151	133	43	41	26	21	67	4	2	16
Maryland.....	628	550	193	181	137	104	256	9	13	65
Massachusetts.....	870	765	253	238	169	137	370	20	17	88
Michigan.....	1,191	1,037	366	346	218	189	480	22	26	128
Minnesota.....	558	484	187	178	90	75	217	14	14	60
Mississippi.....	243	216	63	59	49	40	111	6	3	24
Missouri.....	708	624	204	192	136	112	303	17	13	71
Montana.....	101	87	30	29	17	13	43	2	2	10
Nebraska.....	200	174	62	59	35	29	81	5	4	27
Nevada.....	95	83	28	27	19	14	41	1	2	10
New Hampshire.....	127	110	39	36	22	18	53	3	2	15
New Jersey.....	1,108	979	294	274	225	186	498	21	19	110
New Mexico.....	137	120	41	39	28	21	57	3	2	15
New York.....	2,483	2,212	610	567	505	435	1,158	52	42	229
North Carolina.....	623	544	197	186	118	98	249	11	11	68
North Dakota.....	61	53	18	17	8	7	27	2	1	7
Ohio.....	1,491	1,304	446	420	262	221	634	29	32	155
Oklahoma.....	409	360	126	119	77	58	173	10	8	41
Oregon.....	382	336	118	112	66	49	166	9	8	38
Pennsylvania.....	1,751	1,547	486	455	315	258	798	36	33	171
Rhode Island.....	152	133	43	40	29	22	68	3	3	16
South Carolina.....	332	291	112	104	66	54	126	5	6	35
South Dakota.....	76	66	19	17	14	12	34	3	1	9
Tennessee.....	542	475	165	156	106	90	218	11	11	56
Texas.....	1,655	1,453	508	477	318	244	701	31	32	170
Utah.....	151	130	56	53	25	20	54	3	4	17
Vermont.....	65	55	21	20	10	8	26	1	2	8
Virginia.....	659	578	210	197	140	97	273	11	12	69
Washington.....	609	532	200	189	120	82	250	11	13	64
West Virginia.....	235	209	63	59	41	35	109	6	4	22
Wisconsin.....	588	512	184	173	100	85	239	15	13	63
Wyoming.....	47	41	14	13	7	6	21	1	1	5
Outside U.S. - Total 5/	237	195	100	97	51	43	49	6	7	35

NOTE: These estimates have been developed from "benchmark" veteran population statistics for the states as of June 30, 1970, based on 1970 Census of Population data on veterans' place of residence, extended to March 31, 1979 on the basis of (1) 1965-1970 veteran interstate migration statistics from the 1970 Census; (2) Bureau of the Census provisional estimates of 1970-1971 net civilian migration of the states; "Current Population Reports, Series P-25, No. 468, October 5, 1971; and (3) mobility of the United States Population 1975-1976, "Current Population Reports, Series P-20, No. 305, January 1977. They are independent of, and therefore not directly comparable with, estimates for June 30, 1970 through June 30, 1974, previously published. Excluded are an estimated 163 (thousand) who served only between World War I and World War II, and 243 (thousand) who served only between World War II and the Korean Conflict.

- 1/ Veterans who served in both World War II and the Korean Conflict, and in both the Korean Conflict and the Vietnam era are counted once.
- 2/ Includes 545 (thousand) who served in both the Korean Conflict and the Vietnam era.
- 3/ Includes 1,195 (thousand) who served in both World War II and the Korean Conflict.
- 4/ Service only after May 7, 1975.
- 5/ Includes Commonwealth of Puerto Rico, U.S. possessions and outlying areas, and foreign countries.
- 6/ There are also 238 living Spanish-American War veterans - not distributed geographically.
- \* Less than 0.5 (thousand).

WAR VETERANS

COUNTY	TOTAL VETERANS*	TOTAL*	VIETNAM ERA		KOREAN CONFLICT		WORLD WAR II	WORLD WAR I	POST VIETNAM ERA	SERVICE BETWEEN KOREAN CONFLICT AND VIETNAM ERA ONLY
			TOTAL	NO SERVICE IN KOREAN CONFLICT	TOTAL	NO SERVICE IN WORLD WAR II				
TOTAL . . . . .	95,000	83,000	28,000	27,000	19,000	14,000	41,000	1,000	2,000	10,000
CHURCHILL . . . . .	1,860	1,650	570	540	310	220	840	50	40	170
CLARK . . . . .	51,460	44,980	15,160	14,300	10,660	7,860	22,220	600	1,130	5,350
DOUGLAS . . . . .	1,410	1,260	260	230	360	220	800	10	20	120
ELKO . . . . .	2,280	2,050	620	600	290	210	1,190	30	50	190
ESMERALDA . . . . .	110	110	20	20	10	10	80	---	---	10
EUREKA . . . . .	200	170	70	60	60	50	60	---	---	---
HUMBOLDT . . . . .	1,150	1,010	310	290	220	200	490	20	20	120
LANDER . . . . .	480	420	120	110	110	90	210	10	10	50
LINCOLN . . . . .	330	290	50	50	80	80	160	10	---	40
LYON . . . . .	1,630	1,410	490	470	290	210	700	30	40	160
MINERAL . . . . .	1,290	1,160	320	290	270	170	680	10	20	110
NYE . . . . .	1,330	1,190	340	320	250	180	680	10	30	120
PERSHING . . . . .	460	410	100	90	70	50	260	20	10	30
STOREY . . . . .	80	70	---	---	20	20	50	10	---	10
WASHOE . . . . .	25,650	22,460	8,360	7,990	4,550	3,310	10,790	360	630	2,570
WHITE PINE . . . . .	1,680	1,440	640	620	280	220	570	30	50	190
INDEPENDENT CITY										
CARSON CITY . . . . .	3,120	2,740	840	780	730	510	1,420	30	60	320

\* EXCLUDES SPANISH AMERICAN WAR VETERANS  
 DETAILS MAY NOT ADD TO TOTAL DUE TO ROUNDING

LOCAL GOVERNMENT FISCAL IMPACT  
 (Legislative Counsel Bureau Use Only)

Date May 11, 1981

EXHIBIT D

Effect of 2% Limitation on Utility Franchise Tax:

Henderson	\$ (367,000)
Las Vegas	(2,700,000)
N. Las Vegas	(345,000)
Reno	(38,000)
Sparks	<u>(127,500)</u>
	\$(3,577,500)

**S. B. 517**

SENATE BILL NO. 517—COMMITTEE ON FINANCE

APRIL 8, 1981

Referred to Committee on Taxation

SUMMARY—Limits inclusion of insurance proceeds as income in determining assistance to elderly for payment of property taxes. (BDR 32-1317)

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 the property tax; limiting the inclusion of insurance proceeds as income in determining the assistance to be given to elderly taxpayers; 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. NRS 361.823 is hereby amended to read as follows:  
2 361.823 "Income" means adjusted gross income, as defined in the  
3 U.S. Internal Revenue Code, plus the following items: tax-free interest;  
4 the untaxed portion of pensions or annuities; railroad retirement benefits;  
5 veterans' pensions and compensation; payments received under the Fed-  
6 eral Social Security Act, including supplemental security income but  
7 excluding hospital and medical insurance benefits for the aged and dis-  
8 abled; public welfare payments, including shelter allowances; unemploy-  
9 ment insurance benefit; all "loss of time" and disability insurance  
10 payments; disability payments under workmen's compensation laws; ali-  
11 mony; support payments; allowances received by dependents of service-  
12 men; the amount of recognized capital gains and losses excluded from  
13 adjusted gross income; life insurance proceeds [;] *in excess of \$5,000*;  
14 bequests and inheritances; cash gifts over \$300 not between household  
15 members; and such other kinds of cash flow into a household as the  
16 department specifies by regulation.



**S. B. 456**

SENATE BILL NO. 456—SENATORS KOSINSKI, DON ASHWORTH, KEITH ASHWORTH, RAGGIO, GLASER, GETTO, HERNSTADT, FORD, BILBRAY, WAGNER, CLOSE AND WILSON

MARCH 26, 1981

Referred to Committee on Taxation

SUMMARY—Extends tax exemption for disabled veteran to his surviving spouse. (BDR 32-950)

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

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

AN ACT relating to property tax; extending the tax exemption for a disabled veteran to his surviving spouse; 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. NRS 361.091 is hereby amended to read as follows:  
2 361.091 1. An actual bona fide resident of the State of Nevada who  
3 has incurred a permanent service-connected disability and has been hon-  
4 orably discharged from the Armed Forces of the United States, *or his*  
5 *surviving spouse*, is entitled to a disabled veteran's exemption.  
6 2. The amount of exemption [shall be] *is* based on the total percent-  
7 age of permanent service-connected disability. The maximum allowable  
8 exemption for total permanent disability is the first \$10,000 assessed val-  
9 uation. A person with a permanent service-connected disability of:  
10 (a) Eighty to 99 percent, inclusive, is entitled to a \$7,500 assessed  
11 value exemption.  
12 (b) Sixty to 79 percent, inclusive, is entitled to a \$5,000 assessed  
13 value exemption.  
14 For purposes of this section, any property in which an applicant has any  
15 interest [is] *shall be* deemed to be the property of the applicant.  
16 3. The exemption [shall be] *is* allowed only to a claimant who has  
17 *for real property* made an affidavit annually, on or before the 1st Monday  
18 in August, for the purpose of being exempt on the tax roll; but the affi-  
19 davit may be made at any time by a person claiming exemption from  
20 taxation on personal property.  
21 4. The affidavit [shall] *must* be made before the county assessor or

1 before a notary public and submitted to the county assessor to the effect  
2 that the affiant is an actual bona fide resident of the State of Nevada, that  
3 he [or she] meets all the other requirements of subsection 1, and that  
4 such an exemption is claimed in no other county within this state.

5 5. Before allowing any exemption pursuant to the provisions of this  
6 section, the county assessor shall require proof of status of the applicant,  
7 and for that purpose shall require an applicant to produce an original or  
8 certified copy of:

9 (a) An honorable discharge or other document of honorable separation  
10 from the Armed Forces of the United States which indicates the total  
11 percentage of permanent service-connected disability;

12 (b) A certificate of satisfactory service which indicates the total per-  
13 centage of permanent service-connected disability; or

14 (c) A certificate from the Veterans' Administration that the [appli-  
15 cant has] veteran incurred a permanent service-connected disability which  
16 indicates the total percentage of that disability, together with an honor-  
17 able discharge or certificate of satisfactory service.

18 6. *A surviving spouse claiming an exemption pursuant to this section*  
19 *must file with the county assessor an affidavit declaring that:*

20 (a) *The surviving spouse was married to and living with the disabled*  
21 *veteran for the 5 years preceding his death;*

22 (b) *The disabled veteran was eligible for the exemption at the time of*  
23 *his death; and*

24 (c) *The surviving spouse has not remarried.*

25 *The affidavit required by this subsection is in addition to the certification*  
26 *required pursuant to subsections 4 and 5.*

27 7. If a tax exemption is allowed under this section, the claimant is  
28 not entitled to an exemption under NRS 361.090.

29 [7.] 8. If any person makes a false affidavit or produces false proof  
30 to the county assessor or a notary public, and as a result of such false  
31 affidavit or false proof, a tax exemption is allowed to a person not  
32 entitled to such exemption, [such person] *the person so making or*  
33 *filing is guilty of a gross misdemeanor.*

34 SEC. 2. NRS 361.1565 is hereby amended to read as follows:

35 361.1565 The personal property tax exemption to which a widow,  
36 orphan child, totally blind person [or veteran], *veteran or surviving*  
37 *spouse of a disabled veteran* is entitled under NRS 361.080, 361.085,  
38 361.090 or 361.091 is reduced to the extent that he is allowed an  
39 exemption from the vehicle privilege tax under chapter 371 of NRS.

40 SEC. 3. NRS 371.104 is hereby amended to read as follows:

41 371.104 1. An actual bona fide resident of the State of Nevada who  
42 has incurred a permanent service-connected disability and has been  
43 honorably discharged from the Armed Forces of the United States, *or*  
44 *his surviving spouse*, is entitled to a veteran's exemption from the pay-  
45 ment of vehicle privilege taxes on vehicles of the following determined  
46 valuation:

47 (a) If he has a disability of 100 percent, the first \$10,000 of deter-  
48 mined valuation;

49 (b) If he has a disability of 80 to 99 percent, inclusive, the first  
50 \$7,500 of determined valuation; or

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— 3 —

1 (c) If he has a disability of 60 to 79 percent, inclusive, the first \$5,000  
2 of determined valuation.

3 2. For the purpose of this section, the first \$10,000 determined  
4 valuation of vehicles in which [such person] an applicant has any inter-  
5 est shall be deemed to belong entirely to that person.

6 3. A person claiming the exemption shall file annually with the  
7 department in the county where the exemption is claimed an affidavit  
8 declaring that he is an actual bona fide resident of the State of Nevada  
9 who meets all the other requirements of subsection 1, and that the  
10 exemption is claimed in no other county within this state.

11 4. Before allowing any exemption pursuant to the provisions of this  
12 section, the department shall require proof of status of the applicant,  
13 and for that purpose shall require production of:

14 (a) A certificate from the Veterans' Administration that the [applicant  
15 has] veteran incurred a permanent service-connected disability, which  
16 shows the percentage of that disability; and

17 (b) Any one of the following:

18 (1) An honorable discharge;

19 (2) A certificate of satisfactory service; or

20 (3) A certified copy of either of these documents.

21 5. A surviving spouse claiming an exemption pursuant to this section  
22 must file with the department in the county where the exemption is  
23 claimed an affidavit declaring that:

24 (a) The surviving spouse was married to and living with the disabled  
25 veteran for the 5 years preceding his death;

26 (b) The disabled veteran was eligible for the exemption at the time of  
27 his death; and

28 (c) The surviving spouse has not remarried.

29 The affidavit required by this subsection is in addition to the certification  
30 required pursuant to subsections 3 and 4.

31 6. If a tax exemption is allowed under this section, the claimant is  
32 not entitled to an exemption under NRS 371.103.

33 [6.] 7. If any person makes a false affidavit or produces false  
34 proof to the department, and as a result of such false affidavit or false  
35 proof, a tax exemption is allowed to a person not entitled to such exemp-  
36 tion, [such person] the person so making or filing is guilty of a gross  
37 misdemeanor.

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