

DISCLAIMER

Electronic versions of the exhibits in these minutes may not be complete.

This information is supplied as an informational service only and should not be relied upon as an official record.

Original exhibits are on file at the Legislative Counsel Bureau Research Library in Carson City.

Contact the Library at (775) 684-6827 or library@lcb.state.nv.us.

reviewjournal.com

LAS VEGAS
REVIEW-JOURNAL

Nevada News | Sports | Business | Living | Opinion | Neon | Classifieds

Subscribe to the R-J
for \$2.50 a week!



Find a Job
Find a Car
Find a Home

Search today's edition

SAVE THIS EMAIL THIS PRINT THIS MOST POPULAR

Thursday, March 27, 2003
Copyright © Las Vegas Review-Journal

>> [Advanced Search](#)

Recent Editions

W Th F S Su M T

>> [Complete Archive](#)

NEWS

Today's Headlines

- [Obituaries](#)
- [Doctor Disciplinary Records](#)
- [Elections](#)
- [Medical Malpractice Crisis](#)
- [Nevada Legislature](#)
- [Operation Iraqi Freedom](#)
- [Opinion Polls](#)
- [Remembering Sept. 11](#)
- [Road Construction](#)
- [School Test Results](#)
- [Taxing Times](#)
- [Yucca Mountain](#)
- [E-briefing](#)



CHANNEL DIRECTORY

- ▶ [Arts & Entertainment](#)
- ▶ [Auto Guide](#)
- ▶ [Casinos & Hotels](#)
- ▶ [Community](#)
- ▶ [E-forums](#)
- ▶ [Employment](#)
- ▶ [Food & Dining](#)
- ▶ [Fun & Games](#)
- ▶ [Health & Fitness](#)
- ▶ [Home & Garden](#)
- ▶ [Money](#)
- ▶ [Real Estate](#)
- ▶ [Recreation](#)
- ▶ [Relocation](#)
- ▶ [Shopping & Coupons](#)
- ▶ [Technology](#)
- ▶ [Traffic & Transportation](#)
- ▶ [Travel](#)

HETTRICK TAX PROPOSAL: Many say plan merits study

Lawmaker says ideas reduce taxes for average Nevadan

By **ED VOGEL**
REVIEW-JOURNAL CAPITAL BUREAU

CARSON CITY -- Assembly Minority Leader Lynn Hettrick unveiled a plan Wednesday to raise taxes by \$636 million over the next two years, some \$400 million less than the increase sought by fellow Republican Gov. Kenny Guinn.

Unlike Guinn's legislation, Hettrick's plan does not create a gross receipts tax on business revenue. Instead, he would boost state revenue by raising the real estate transfer tax and increasing the state gaming tax a half-percentage point. The proposal would reduce the state sales tax and create a tax on services costing more than \$50. And smokers would take a lighter hit, with the per-pack cigarette tax doubling to 70 cents, not tripling to \$1.05 as the governor proposes.

Business leaders and taxpayer advocates responded positively to the proposal because of its tamer tax increases and the spending increases it would eliminate.

But education officials and lobbyists reacted with horror to Hettrick's plan because it fails to fund some \$200 million in education enhancements sought by Guinn. Hettrick's plan also eliminates Nevada State College at Henderson.

"It would be a disaster for higher education," said Jane Nichols, chancellor of the University and Community College System of Nevada. "It would mean capping enrollment and other consequences."

"These cuts directly affect students in the classroom," added Al Bellister, a lobbyist for the Nevada State Education Association. "They reduce funds to buy textbooks."

Hettrick, R-Gardnerville, reiterated that his proposal does not cut current funding formulas for public schools and colleges, but reduces the additional revenue Guinn wants



2003 Nevada
Legislature

Advertiser



LAS VEGAS
SPECIAL
INTERNET
OFFER

NEW YORK
NEW YORK
THE GREATEST
IN LAS VEGAS

EXHIBIT E Committee on Taxation

Date: 5/6/03 Page 1 of 5

▶ **Weather**

to give them over the next two years.

▶ **Weddings**▶ **About the site**

"We are sitting here looking at whether to enhance budgets at a time the economy is at a risk and we are at war," he said.

Contact the R-J

- [Subscribe](#)
- [Report a delivery problem](#)
- [Put the paper on hold](#)
- [Report a news tip/press release](#)
- [Send a letter to the editor](#)
- [Print the announcement forms](#)

He added that his proposal does not eliminate Guinn's plan to spend an additional \$50 per student for textbooks, but cuts that request to \$25 per student.

"We took out money that doesn't have to be spent," Hettrick said. "This isn't easy. Nobody likes to cut anything. The Republicans are in agreement with the concept of lowering spending as much as we possibly can."

He predicted Nevadans will like his plan to lower the statewide 6.5 percent sales tax rate to 4.5 percent in 2004. Hettrick wants to replace lost sales tax revenue by imposing a 4.5 percent transaction tax on services costing more than \$50.

The tax would be collected on services such as attorney and accountant fees, auto and plumbing repairs and commercial lawn and janitorial maintenance costs.

"If we are to change our tax structure, we should do it in a way that reduces taxes for the average Nevadan," he said.

Guinn proposes raising taxes by more than \$1 billion over the next two years. That tax proposal and an \$800 million-per-year tax increase plan advanced by Sens. Terry Care, D-Las Vegas, and Mark Amodei, R-Carson City, are simply too high for taxpayers to bear, Hettrick said.

"We needed to get the discussion going on something that didn't have the huge numbers in the other tax bills," he said.

Assembly Republicans do not necessarily favor all the elements advanced by Hettrick, said Assemblyman Josh Griffin, R-Henderson, but favor advancing a new tax-and-spend concept.

"Of all the three plans, this is the one I am most comfortable with," Griffin said. "I think it is the most reasonable of the three."

Griffin said he has some reservations about shrinking proposed funding increases for education. In Hettrick's plan, \$511 million in tax increases would balance the budget. The remaining \$125 million could go to education.

Nevada Taxpayers Association President Carole Vilardo said the Hettrick plan is "deserving of consideration" because unlike other tax proposals, it calls for major budget reductions.

"They are identifying some budgets to cut," she said. "The economy is not great. Businesses are tightening their belts, and the state needs to tighten its belt, too."

Nevada Manufacturing Association Executive Director Ray Bacon said Hettrick's proposals are "more closer to reality" and might win support from business leaders.

Guinn's spokesman, Greg Bortolin, said the governor wants to review Hettrick's proposals before supporting or rejecting them. But Bortolin noted the plan does not include Guinn's proposed 0.25 percent gross receipts tax. The tax would be imposed on all annual business income over \$450,000, and would take effect in 2005.

Hettrick abhors the gross receipts tax and said there is not enough support to pass the tax. Instead, he proposes levying a 0.5 percent tax on real estate transfers. This tax would raise more than \$300 million over the next two years and increase the cost of a \$100,000 home by \$500.

Under his tax plan, the 6.25 percent gross gaming tax would be increased to 6.75 percent, and the 35-cent per pack cigarette tax would be doubled to 70 cents. Guinn wants to triple the per-pack cigarette tax to \$1.05.

In a Tuesday hearing, Realtors blasted a tax proposal that would increase real estate transfer taxes by about \$50 million a year. Hettrick maintained the increase he proposes would not be a burden on any buyer.

Despite Hettrick's feelings about the gross receipts tax, gaming industry lobbyist Harvey Whittemore said the tax is not dead. Whittemore said it is not fair to burden the gaming industry with a major tax increase when other businesses are not paying their fair share of taxes.

The gaming industry supports Guinn's plan to create the gross receipts tax and increase the gaming tax a quarter percentage-point, to 6.5 percent, in 2005.

But Whittemore did not summarily dismiss the Hettrick plan.

"We may disagree with the overall proposal, but it is good they are suggesting all of these potential taxes should be on the table," he said.

Review-Journal Capital Bureau writer Sean Whaley contributed to this report.

ALTERNATIVE TAX INCREASE PROPOSAL

Assembly Republicans have created an alternative to Gov. Kenny Guinn's \$1 billion tax increase proposal. The alternative plan, unveiled Wednesday, would increase

taxes by more than \$600 million between 2003 and 2005 and reduce Guinn's proposed funding increases for the upcoming budget biennium by \$400 million.

Tax increase	Estimated 2003-04 revenues	Estimated 2004-05 revenues
0.5 percent real estate transfer tax	\$137.4 million	\$151.1 million
Double per-pack cigarette tax to 70 cents	\$60.9 million	\$61.9 million
Increase gross gaming tax to 6.75 percent	\$46.0 million	\$47.7 million
Increase liquor and beer taxes by 89 percent	\$18.0 million	\$18.4 million
Increase resident agent fees	\$20 million	\$21 million
Annual business license renewal fee	\$9 million	\$10.3 million
Streamline tax collections	\$10.5 million	\$11 million
Increase tax audits of businesses	\$3 million	\$5 million
Increase incorporation fees	\$2.5 million	\$2.5 million
Totals	\$307.3 million	\$329 million

Reductions to Gov. Kenny Guinn's budget include:

K-12 public school funding	\$77 million
Elementary school class-size flexibility funds	\$42 million
University and Community College System funding	\$68.2 million
Eliminate Nevada State College at Henderson	\$2.8 million
Eliminate Family to Family Connection program	\$4.0 million
Postpone state employee retirement contribution	\$27.1 million
Reduce welfare caseload growth	\$28.8 million
Cut executive branch agencies	\$67.8 million
Eliminate license plate refunds	\$2.8 million
Eliminate disaster relief funds	\$600,000

 [SAVE THIS](#)
 [EMAIL THIS](#)
 [PRINT THIS](#)
 [MOST POPULAR](#)



May 10 and 11
Free admission, Free parking, Free shuttle



[Nevada News](#) | [Sports](#) | [Business](#) | [Living](#) | [Opinion](#) | [Neon](#) | [Classifieds](#)
[Current Edition](#) | [Archive](#) | [Search](#) | [Print Edition](#) | [Online Edition](#)
[Contact the R-J](#) | [HOME](#)

Copyright © Las Vegas Review-Journal, 1997 - 2003
[Stephens Media Group Privacy Statement](#)

lasvegas.com

May 5, 2003

Chairman Mike McGinnis
Senate Tax Committee Chairman
Nevada State Senate
Carson City, NV 89701

Re: AB 355

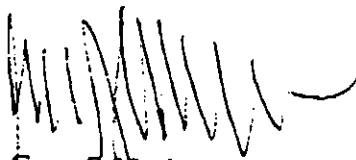
Dear Senator McGinnis

We are operators of commercial helicopter companies in southern Nevada and are writing to you today regarding Assembly Bill 355 as proposed by Assemblywoman Chris Giunchigliani. As operators, we are supportive of Assemblywoman Giunchigliani's efforts to incent commercial operators on a voluntary basis to move their operations to a preferred airport location by offering personal property tax exemptions.

We do however, have questions regarding recent amendments to the legislation while it was in the Assembly Government Affairs Committee whereby Section 3 of the amendment requires the board of county commissioners of each county over 400,000 residents to establish noise guidelines for commercial helicopters. Our concern is that this legislation has been characterized as being incentive in nature, and the late addition of the requirement for the creation of a noise committee, if we are interpreting the amendment properly, goes directly against the incentive nature of the legislation and we would be opposed to that provision.

We appreciate your consideration on this matter.

Sincerely,



Gerry Schlessinger
Las Vegas Helicopters

John Sullivan
Sundance Helicopters