
ASSEMBLY BILL NO. 142—COMMITTEE ON COMMERCE AND LABOR
(ON BEHALF OF THE DEPARTMENT OF TAXATION)

FEBRUARY 14, 2003

Referred to Committee on Commerce and Labor

SUMMARY—Revises rate of interest required for late payments of certain taxes. (BDR 57-554)

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

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; revising the rate of interest required for late payments of certain taxes; 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 680B.039 is hereby amended to read as
2 follows:
3 680B.039 Any insurer that fails to file the report or pay the tax
4 as required by NRS 680B.025 to 680B.039, inclusive, within the
5 time for filing and payment as provided in those sections shall in
6 addition to any other applicable penalty pay a penalty of not more
7 than 10 percent of the amount of the tax which is owed, as
8 determined by the Department of Taxation, in addition to the tax,
9 plus interest at the rate of ~~11.5~~ *1* percent per month, or fraction of a
10 month, from the date on which the tax should have been paid until
11 the date of payment.
12 **Sec. 2.** NRS 680B.040 is hereby amended to read as follows:
13 680B.040 1. Every insured in this state who procures or
14 causes to be procured or continues or renews insurance in an
15 unauthorized alien or foreign insurer, or any self-insurer in this state
16 who so procures or continues excess loss, catastrophe or other
17 insurance, upon a subject of insurance resident, located or to be



1 performed within this state, other than insurance procured through a
2 surplus line broker pursuant to chapter 685A of NRS or exempted
3 from that chapter, shall within 30 days after the date such insurance
4 was so procured, continued or renewed, file a written report with the
5 Department of Taxation on forms prescribed by the Executive
6 Director of the Department of Taxation in cooperation with the
7 Commissioner and furnished to such an insured upon request. The
8 report must show:

- 9 (a) The name and address of the insured or insureds.
- 10 (b) The name and address of the insurer.
- 11 (c) The subject of the insurance.
- 12 (d) A general description of the coverage.
- 13 (e) The premium currently charged therefor.
- 14 (f) Such additional pertinent information as is reasonably
15 requested by the Commissioner or the Executive Director of the
16 Department of Taxation.

17 If any such insurance covers also a subject of insurance resident,
18 located or to be performed outside of this state, for the purposes of
19 this section a proper pro rata portion of the entire premium payable
20 for all such insurance must be allocated as to the subjects of
21 insurance resident, located or to be performed in this state.

22 2. Any insurance in an unauthorized insurer procured through
23 negotiations or an application in whole or in part occurring or made
24 within or from within this state, or for which premiums in whole or
25 in part are remitted directly or indirectly from within this state, shall
26 be deemed to be insurance procured or continued or renewed in this
27 state within the intent of subsection 1.

28 3. For the general support of the government of this state ,
29 there is levied upon the obligation, chose in action or right
30 represented by the premium charged or payable for such insurance a
31 tax at the rate prescribed in NRS 680B.027. The insured shall
32 withhold the amount of the tax from the amount of premium
33 charged by and otherwise payable to the insurer for such insurance,
34 and within 30 days after the insurance was so procured, continued or
35 renewed, and coincidentally with the filing of the report provided
36 for in subsection 1, the insured shall pay the amount of the tax to the
37 State Treasurer through the Department of Taxation.

38 4. If the insured fails to withhold from the premium the amount
39 of tax levied in this section, the insured is liable for the amount of
40 the tax and shall pay it to the Department of Taxation within the
41 time stated in subsection 3.

42 5. If the insured fails to pay the tax imposed by this section, the
43 insured shall in addition to any other applicable penalty pay a
44 penalty of not more than 10 percent of the amount of the tax which
45 is owed, as determined by the Department of Taxation, in addition



1 to the tax, plus interest at the rate of ~~1.5~~ 1 percent per month, or
2 fraction of a month, from the date on which the tax should have
3 been paid until the date of payment.

4 6. The tax is collectible from the insured by civil action
5 brought by the Department of Taxation, and by the seizure, distraint
6 and sale of any property of the insured situated in this state.

7 7. This section does not abrogate or modify any other provision
8 of this Code.

9 8. This section does not apply to life or disability insurances.

10 9. The provisions of this section do not prohibit the
11 procurement of insurance from an unauthorized alien or foreign
12 insurer by a person in accordance with the requirements of
13 subsection 9 of NRS 680A.070.

14 10. The Department of Taxation shall report to the
15 Commissioner concerning independently procured insurance
16 transactions reported to the Department of Taxation pursuant to this
17 section.

18 **Sec. 3.** This act becomes effective on January 1, 2004.

