
ASSEMBLY BILL NO. 204—COMMITTEE ON TAXATION

(ON BEHALF OF THE GOVERNOR)

FEBRUARY 26, 2003

Referred to Committee on Taxation

SUMMARY—Provides revenue in support of state budget.
(BDR 32-1210)

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

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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 state finances; temporarily increasing the amount of certain taxes on businesses, liquor and cigarettes and certain gaming license fees; 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 364A.140 is hereby amended to read as
2 follows:

3 364A.140 1. A tax is hereby imposed upon the privilege of
4 conducting business in this state. Except as otherwise provided in
5 this section, the tax for each calendar quarter is due on the last day
6 of the quarter and must be paid on or before the last day of the
7 month immediately following the quarter on the basis of the total
8 number of equivalent full-time employees employed by the business
9 in the quarter.

10 2. If the tax required to be paid by a business for a calendar
11 quarter pursuant to subsection 1 is less than \$25, the business may
12 submit a written request to the Department to pay the tax annually
13 for each calendar quarter of a fiscal year ending June 30. Upon
14 approval of the request, the tax becomes due on the last day of the
15 fiscal year and must be paid on or before the last day of July
16 immediately following the fiscal year. If a business ceases operation



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1 before the end of the fiscal year, the tax becomes due on the date on
2 which the business ceases its operation and must be paid on or
3 before the last day of the month immediately following the calendar
4 quarter in which the business ceases its operation. A business may
5 continue to pay the tax annually until the Department withdraws its
6 approval for the annual payment. The Department may withdraw its
7 approval at any time if it determines that the tax due for any
8 calendar quarter is at least \$25.

9 3. The total number of equivalent full-time employees
10 employed by a business in a quarter must be calculated pursuant to
11 NRS 364A.150.

12 4. Except as otherwise provided in NRS 364A.152 and
13 364A.170, the amount of tax due for a business for each calendar
14 quarter is ~~[\$25]~~ \$75 for each equivalent full-time employee
15 employed by the business in the quarter.

16 5. Each business shall file a return on a form prescribed by the
17 Department with each remittance of the tax. If the payment due is
18 greater than \$1,000, the payment must be made by direct deposit at
19 a bank or credit union in which the State has an account, unless the
20 Department waives this requirement pursuant to regulations adopted
21 by the Commission. The return must include:

22 (a) If the tax is paid quarterly, a statement of the number of
23 equivalent full-time employees employed by the business in the
24 preceding quarter and any other information the Department
25 determines is necessary.

26 (b) If the tax is paid annually, a statement of the number of
27 equivalent full-time employees employed by the business for each
28 calendar quarter of the preceding fiscal year and any other
29 information the Department determines is necessary.

30 6. The Commission shall adopt regulations concerning the
31 payment of the tax imposed pursuant to this section by direct
32 deposit.

33 **Sec. 2.** NRS 369.174 is hereby amended to read as follows:

34 369.174 Each month, the State Controller shall transfer to the
35 Tax on Liquor Program Account in the State General Fund, from the
36 tax on liquor containing more than 22 percent of alcohol by volume,
37 the portion of the tax which exceeds ~~[\$1.90]~~ \$3.72 per wine gallon.

38 **Sec. 3.** NRS 369.330 is hereby amended to read as follows:

39 369.330 Except as otherwise provided in this chapter, an excise
40 tax is hereby levied and must be collected respecting all liquor and
41 upon the privilege of importing, possessing, storing or selling liquor,
42 according to the following rates and classifications:

43 1. On liquor containing more than 22 percent of alcohol by
44 volume, ~~[\$2.05]~~ \$3.87 per wine gallon or proportionate part thereof.



1 2. On liquor containing more than 14 percent up to and
2 including 22 percent of alcohol by volume, ~~[75-cents]~~ \$1.42 per
3 wine gallon or proportionate part thereof.

4 3. On liquor containing from one-half of 1 percent up to and
5 including 14 percent of alcohol by volume, ~~[40]~~ 76 cents per wine
6 gallon or proportionate part thereof.

7 4. On all malt beverage liquor brewed or fermented and bottled
8 in or outside this state, ~~[9]~~ 17 cents per gallon.

9 **Sec. 4.** NRS 370.165 is hereby amended to read as follows:

10 370.165 There is hereby levied a tax upon the purchase or
11 possession of cigarettes by a consumer in the State of Nevada at the
12 rate of ~~[17.5]~~ 52.5 mills per cigarette. The tax may be represented
13 and precollected by the affixing of a revenue stamp or other
14 approved evidence of payment to each package, packet or container
15 in which cigarettes are sold. The tax must be precollected by the
16 wholesale or retail dealer, and must be recovered from the consumer
17 by adding the amount of the tax to the selling price. Each person
18 who sells cigarettes at retail shall prominently display on his
19 premises a notice that the tax is included in the selling price and is
20 payable under the provisions of this chapter.

21 **Sec. 5.** NRS 370.260 is hereby amended to read as follows:

22 370.260 1. All taxes and license fees imposed by the
23 provisions of NRS 370.001 to 370.430, inclusive, less any refunds
24 granted as provided by law, must be paid to the Department in the
25 form of remittances payable to the Department.

26 2. The Department shall:

27 (a) As compensation to the State for the costs of collecting the
28 taxes and license fees, transmit each month the sum the Legislature
29 specifies from the remittances made to it pursuant to subsection 1
30 during the preceding month to the State Treasurer for deposit to the
31 credit of the Department. The deposited money must be expended
32 by the Department in accordance with its work program.

33 (b) From the remittances made to it pursuant to subsection 1
34 during the preceding month, less the amount transmitted pursuant to
35 paragraph (a), transmit each month the portion of the tax which is
36 equivalent to ~~[12.5]~~ 47.5 mills per cigarette to the State Treasurer
37 for deposit to the credit of the Account for the Tax on Cigarettes in
38 the State General Fund.

39 (c) Transmit the balance of the payments each month to the
40 State Treasurer for deposit in the Local Government Tax
41 Distribution Account created by NRS 360.660.

42 (d) Report to the State Controller monthly the amount of
43 collections.

44 3. The money deposited pursuant to paragraph (c) of
45 subsection 2 in the Local Government Tax Distribution account is



1 hereby appropriated to Carson City and to each of the counties in
2 proportion to their respective populations and must be credited to
3 the respective accounts of Carson City and each county.

4 **Sec. 6.** NRS 370.350 is hereby amended to read as follows:

5 370.350 1. Except as otherwise provided in subsection 3, a
6 tax is hereby levied and imposed upon the use of cigarettes in this
7 state.

8 2. The amount of the use tax is ~~17.5~~ 52.5 mills per cigarette.

9 3. The use tax does not apply where:

10 (a) Nevada cigarette revenue stamps have been affixed to
11 cigarette packages as required by law.

12 (b) Tax exemption is provided for in this chapter.

13 **Sec. 7.** NRS 463.373 is hereby amended to read as follows:

14 463.373 1. Before issuing a state gaming license to an
15 applicant for a restricted operation, the Commission shall charge
16 and collect from him for each slot machine for each quarter year:

17 (a) A license fee of ~~64~~ \$81 for each slot machine if he will
18 have at least one but not more than five slot machines.

19 (b) A license fee of ~~305 plus 106~~ \$405 plus \$141 for each
20 slot machine in excess of five if he will have at least six but not
21 more than 15 slot machines.

22 2. The Commission shall charge and collect the fee prescribed
23 in subsection 1:

24 (a) On or before the last day of the last month in a calendar
25 quarter, for the ensuing calendar quarter, from a licensee whose
26 operation is continuing.

27 (b) In advance from a licensee who begins operation or puts
28 additional slot machines into play during a calendar quarter.

29 3. Except as otherwise provided in NRS 463.386, no proration
30 of the fee prescribed in subsection 1 may be allowed for any reason.

31 4. The operator of the location where slot machines are situated
32 shall pay the fee prescribed in subsection 1 upon the total number of
33 slot machines situated in that location, whether or not the machines
34 are owned by one or more licensee-owners.

35 **Sec. 8.** The amendatory provisions of this act do not:

36 1. Affect the amount of any taxes or license fees due for any
37 calendar quarter or month ending on or before March 31, 2003.

38 2. Apply to any taxes precollected pursuant to chapter 370 of
39 NRS on or before March 31, 2003.

40 **Sec. 9.** This act becomes effective on April 1, 2003, and
41 expires by limitation on June 30, 2003.

