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ASSEMBLY BILL NO. 366—ASSEMBLYWOMAN CHOWNING

MARCH 17, 2003

Referred to Committee on Taxation

SUMMARY—Provides exemption from governmental services tax for vehicles registered by resident of Nevada who is in Armed Forces of United States and required to live in another state. (BDR 32-347)

FISCAL NOTE: Effect on Local Government: Yes.  
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.

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AN ACT relating to taxation; providing an exemption from the governmental services tax for vehicles registered by a resident of Nevada who is on full-time active duty in the Armed Forces of the United States and required to live in another state; authorizing such a person to waive his exemption and designate any additional amount to be credited to the Veterans' Home Account established in the State General Fund; providing a penalty; 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.** Chapter 371 of NRS is hereby amended by adding  
2     thereto a new section to read as follows:  
3     ***1. A vehicle, to the extent of \$2,000 determined valuation,***  
4     ***registered by any actual bona fide resident of the State of Nevada***  
5     ***who is:***  
6     ***(a) On full-time active duty in the Armed Forces of the United***  
7     ***States;***  
8     ***(b) Required to live in another state because of that military***  
9     ***service; and***



1 (c) *Not otherwise qualified for an exemption under*  
2 *NRS 371.103,*  
3 *is exempt from taxation.*

4 2. *For the purpose of this section, the first \$2,000 determined*  
5 *valuation of vehicles in which such a person has any interest shall*  
6 *be deemed to belong to that person.*

7 3. *A person claiming the exemption shall file with the*  
8 *Department in the county where the exemption is claimed an*  
9 *affidavit declaring that he is an actual bona fide resident of the*  
10 *State of Nevada who complies with all the other requirements of*  
11 *subsection 1 and that the exemption is claimed in no other county*  
12 *in this state. The affidavit must:*

13 (a) *Be made before the county assessor or a notary public.*

14 (b) *Include the designation of any amount to be credited to the*  
15 *Veterans' Home Account.*

16 *Thereafter, the Department shall, during the period the applicant*  
17 *is qualified for the exemption provided for in this section, grant*  
18 *exemptions to the applicant on the basis of the original affidavit*  
19 *filed.*

20 4. *Before allowing any exemption pursuant to the provisions*  
21 *of this section, the Department shall require such proof of the*  
22 *status of the applicant as may be necessary to determine his*  
23 *qualifications for the exemption.*

24 5. *If any person files a false affidavit or produces false proof*  
25 *to the Department, and as a result of the false affidavit or false*  
26 *proof a tax exemption is allowed to a person not entitled to the*  
27 *exemption, he is guilty of a misdemeanor.*

28 6. *Beginning with the 2005-2006 Fiscal Year, the monetary*  
29 *amounts in subsections 1 and 2 must be adjusted for each fiscal*  
30 *year by adding to each amount the product of the amount*  
31 *multiplied by the percentage increase in the Consumer Price*  
32 *Index (All Items) from December 2003 to the December preceding*  
33 *the fiscal year for which the adjustment is calculated.*

34 **Sec. 2.** NRS 371.1035 is hereby amended to read as follows:

35 371.1035 1. Any person who qualifies for an exemption  
36 pursuant to NRS 371.103 *or section 1 of this act* may, in lieu of  
37 claiming his exemption:

38 (a) Pay to the Department all or any portion of the amount by  
39 which the tax would be reduced if he claimed his exemption; and

40 (b) Direct the Department to deposit that amount for credit to  
41 the Veterans' Home Account established pursuant to NRS 417.145.

42 2. Any person who wishes to waive his exemption pursuant to  
43 this section shall designate the amount to be credited to the Account  
44 on a form provided by the Department.



1 3. The Department shall deposit any money received pursuant  
2 to this section with the State Treasurer for credit to the Veterans'  
3 Home Account established pursuant to NRS 417.145. The State  
4 Treasurer shall not accept:

- 5 (a) For Fiscal Year 2001-2002, more than a total of \$1,250,000;
- 6 (b) For Fiscal Year 2002-2003, more than a total of \$1,500,000;
- 7 and
- 8 (c) For Fiscal Year 2003-2004, more than a total of
- 9 \$1,750,000,
- 10 for credit to the Account pursuant to this section and NRS 361.0905
- 11 during any fiscal year.

12 **Sec. 3.** NRS 371.1035 is hereby amended to read as follows:

13 371.1035 1. Any person who qualifies for an exemption  
14 pursuant to NRS 371.103 *or section 1 of this act* may, in lieu of  
15 claiming his exemption:

- 16 (a) Pay to the Department all or any portion of the amount by
- 17 which the tax would be reduced if he claimed his exemption; and
- 18 (b) Direct the Department to deposit that amount for credit to
- 19 the Veterans' Home Account established pursuant to NRS 417.145.

20 2. Any person who wishes to waive his exemption pursuant to  
21 this section shall designate the amount to be credited to the Account  
22 on a form provided by the Department.

23 3. The Department shall deposit any money received pursuant  
24 to this section with the State Treasurer for credit to the Veterans'  
25 Home Account established pursuant to NRS 417.145. The State  
26 Treasurer shall not accept more than a total of \$2,000,000 for credit  
27 to the Account pursuant to this section and NRS 361.0905 during  
28 any fiscal year.

29 **Sec. 4.** NRS 371.105 is hereby amended to read as follows:

30 371.105 ~~{Claims}~~ *Except as otherwise provided in NRS*  
31 *371.103 and section 1 of this act, claims* pursuant to NRS 371.101,  
32 371.102, 371.103 or 371.104 *or section 1 of this act* for tax  
33 exemption on the governmental services tax and designations of any  
34 amount to be credited to the Veterans' Home Account pursuant to  
35 NRS 371.1035 must be filed annually at any time on or before the  
36 date when payment of the tax is due. All exemptions provided for in  
37 this section must not be in an amount which gives the taxpayer a  
38 total exemption greater than that to which he is entitled during any  
39 fiscal year.

40 **Sec. 5.** NRS 371.106 is hereby amended to read as follows:

41 371.106 1. Whenever any vehicle ceases to be exempt from  
42 taxation under NRS 371.101, 371.102, 371.103 or 371.104 *or*  
43 *section 1 of this act* because the owner no longer meets the  
44 requirements for the exemption provided in those sections, its owner  
45 shall immediately notify the Department of the fact.



1       2. If a person fails to notify the Department as required by  
2 subsection 1 and as a result of such failure is allowed a tax  
3 exemption to which he is not entitled, there ~~shall~~ *must* be added to  
4 and collected with the tax otherwise due a penalty equal to double  
5 the amount of the tax. If the person's failure is fraudulent and results  
6 in his receiving a tax exemption to which he is not entitled, the  
7 person is also guilty of a gross misdemeanor.

8       **Sec. 6.** 1. This section and sections 1, 2, 4 and 5 of this act  
9 become effective on July 1, 2003.

10      2. Section 3 of this act becomes effective on July 1, 2004.

11      3. Section 2 of this act expires by limitation on June 30, 2004.

