

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 on active duty in Armed Forces of United States. (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.

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; 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 registered by any actual bona fide resident of the*
4 *State of Nevada who is on active duty in the Armed Forces of the*
5 *United States is exempt from the governmental services tax.*
6 2. *Before allowing an exemption pursuant to the provisions*
7 *of this section, the Department shall require such proof of the*
8 *status of the applicant for the exemption as may be necessary to*
9 *determine his qualifications for the exemption. After the*
10 *Department determines that the applicant is entitled to the*
11 *exemption, the Department shall annually grant the exemption for*



1 *all vehicles registered by that person until the Department*
2 *determines that the person is no longer entitled to the exemption.*

3 *3. If a person provides false proof to the Department and as a*
4 *result of the false proof a tax exemption is allowed to a person not*
5 *entitled to the exemption, he is guilty of a misdemeanor.*

6 *4. If a vehicle ceases to be exempt from taxation pursuant to*
7 *this section after the beginning of a registration year, the amount*
8 *of the tax otherwise due must be reduced by one-twelfth for each*
9 *month that has elapsed since the beginning of that year.*

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

11 371.1035 1. Any person who qualifies for an exemption
12 pursuant to NRS 371.103 *or section 1 of this act* may, in lieu of
13 claiming his exemption:

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

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

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

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

25 (a) For Fiscal Year 2001-2002, more than a total of \$1,250,000;

26 (b) For Fiscal Year 2002-2003, more than a total of \$1,500,000;
27 and

28 (c) For Fiscal Year 2003-2004, more than a total of
29 \$1,750,000,

30 for credit to the Account pursuant to this section and NRS 361.0905
31 during any fiscal year.

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

33 371.1035 1. Any person who qualifies for an exemption
34 pursuant to NRS 371.103 *or section 1 of this act* may, in lieu of
35 claiming his exemption:

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

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

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

43 3. The Department shall deposit any money received pursuant
44 to this section with the State Treasurer for credit to the Veterans'
45 Home Account established pursuant to NRS 417.145. The State



1 Treasurer shall not accept more than a total of \$2,000,000 for credit
2 to the Account pursuant to this section and NRS 361.0905 during
3 any fiscal year.

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

5 371.105 ~~{Claims}~~ *Except as otherwise provided in NRS*
6 *371.103 and section 1 of this act, claims* pursuant to NRS 371.101,
7 371.102, 371.103 or 371.104 *or section 1 of this act* for tax
8 exemption on the governmental services tax and designations of any
9 amount to be credited to the Veterans' Home Account pursuant to
10 NRS 371.1035 must be filed annually at any time on or before the
11 date when payment of the tax is due. All exemptions provided for in
12 this section must not be in an amount which gives the taxpayer a
13 total exemption greater than that to which he is entitled during any
14 fiscal year.

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

16 371.106 1. Whenever any vehicle ceases to be exempt from
17 taxation under NRS 371.101, 371.102, 371.103 or 371.104 *or*
18 *section 1 of this act* because the owner no longer meets the
19 requirements for the exemption provided in those sections, its owner
20 shall immediately notify the Department of the fact.

21 2. If a person fails to notify the Department as required by
22 subsection 1 and as a result of such failure is allowed a tax
23 exemption to which he is not entitled, there ~~{shall}~~ *must* be added to
24 and collected with the tax otherwise due a penalty equal to double
25 the amount of the tax. If the person's failure is fraudulent and results
26 in his receiving a tax exemption to which he is not entitled, the
27 person is also guilty of a gross misdemeanor.

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

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

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

