
ASSEMBLY BILL NO. 387—ASSEMBLYMEN GOLDWATER,
BUCKLEY, PERKINS AND GRIFFIN

MARCH 17, 2003

Referred to Committee on Taxation

SUMMARY—Makes various changes to provisions governing taxation. (BDR 32-173)

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; reducing the annual amount of the basic governmental services tax; decreasing the rate of reimbursement for the collection of certain sales and use taxes; eliminating the exemption from certain sales and use taxes for a used vehicle taken in trade on the purchase of another vehicle; increasing the real property transfer tax, mandatory taxes on transient lodging and certain state gaming license fees; eliminating the credit against the insurance premium tax for maintaining a home office or regional office in this state; providing for the submission to the voters of the question whether the Sales and Use Tax Act of 1955 should be amended to repeal the exemption from the taxes imposed by the act on the gross receipts from the sale and storage, use or other consumption of tangible property which becomes an ingredient or component part of certain newspapers and any such newspapers; 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 360 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 1. *The Tax Distribution Account is hereby created in the*
4 *State General Fund. All money received or collected by the*
5 *Department pursuant to NRS 244.3354, 268.0962, 375.070,*
6 *463.320 and 680B.060 must be deposited in the Account. The*
7 *Executive Director shall administer the Account.*

8 2. *The interest and income on the money in the Account,*
9 *after deducting any applicable charges, must be credited to the*
10 *Account.*

11 3. *All money in the Account must be distributed to each*
12 *county school district in this state and must be deposited in the*
13 *Local Government Tax Distribution Account in the same*
14 *proportion and pursuant to the same requirements as*
15 *governmental services taxes are distributed pursuant to*
16 *NRS 482.181.*

17 **Sec. 2.** NRS 371.040 is hereby amended to read as follows:

18 371.040 The annual amount of the basic governmental services
19 tax throughout the State is ~~4~~ 2 cents on each \$1 of valuation of the
20 vehicle as determined by the Department.

21 **Sec. 3.** NRS 372.370 is hereby amended to read as follows:

22 372.370 The taxpayer shall deduct and withhold from the taxes
23 otherwise due from him ~~1.25~~ 0.75 percent of it to reimburse
24 himself for the cost of collecting the tax.

25 **Sec. 4.** NRS 374.030 is hereby amended to read as follows:

26 374.030 1. "Gross receipts" means the total amount of the
27 sale or lease or rental price, as the case may be, of the retail sales of
28 retailers, valued in money, whether received in money or otherwise,
29 without any deduction on account of any of the following:

30 (a) The cost of the property sold. However, in accordance with
31 such rules and regulations as the Department may prescribe, a
32 deduction may be taken if the retailer has purchased property for
33 some other purpose than resale, has reimbursed his vendor for tax
34 which the vendor is required to pay to the county or has paid the use
35 tax with respect to the property, and has resold the property before
36 making any use of the property other than retention, demonstration
37 or display while holding it for sale in the regular course of business.
38 If such a deduction is taken by the retailer, no refund or credit will
39 be allowed to his vendor with respect to the sale of the property.

40 (b) The cost of the materials used, labor or service cost, interest
41 paid, losses or any other expense.

42 (c) The cost of transportation of the property before its sale to
43 the purchaser.

44 2. The total amount of the sale or lease or rental price includes
45 all of the following:



- 1 (a) Any services that are a part of the sale.
- 2 (b) All receipts, cash, credits and property of any kind.
- 3 (c) Any amount for which credit is allowed by the seller to the
- 4 purchaser.
- 5 3. "Gross receipts" does not include any of the following:
- 6 (a) Cash discounts allowed and taken on sales.
- 7 (b) The sale price of property returned by customers when the
- 8 full sale price is refunded either in cash or credit, but this exclusion
- 9 does not apply in any instance when the customer, in order to obtain
- 10 the refund, is required to purchase other property at a price greater
- 11 than the amount charged for the property that is returned.
- 12 (c) The price received for labor or services used in installing or
- 13 applying the property sold.
- 14 (d) The amount of any tax, not including any manufacturers' or
- 15 importers' excise tax, imposed by the United States upon or with
- 16 respect to retail sales, whether imposed upon the retailer or the
- 17 consumer.
- 18 ~~[(e) The amount of any allowance against the selling price given~~
- 19 ~~by a retailer for the value of a used vehicle which is taken in trade~~
- 20 ~~on the purchase of another vehicle.]~~
- 21 4. For purposes of the sales tax, if the retailers establish to the
- 22 satisfaction of the Department that the sales tax has been added to
- 23 the total amount of the sale price and has not been absorbed by
- 24 them, the total amount of the sale price shall be deemed to be the
- 25 amount received exclusive of the tax imposed.
- 26 **Sec. 5.** NRS 374.070 is hereby amended to read as follows:
- 27 374.070 1. "Sales price" means the total amount for which
- 28 tangible property is sold, valued in money, whether paid in money
- 29 or otherwise, without any deduction on account of any of the
- 30 following:
- 31 (a) The cost of the property sold.
- 32 (b) The cost of the materials used, labor or service cost, interest
- 33 charged, losses, or any other expenses.
- 34 (c) The cost of transportation of the property before its purchase.
- 35 2. The total amount for which property is sold includes all of
- 36 the following:
- 37 (a) Any services that are a part of the sale.
- 38 (b) Any amount for which credit is given to the purchaser by the
- 39 seller.
- 40 3. "Sales price" does not include any of the following:
- 41 (a) Cash discounts allowed and taken on sales.
- 42 (b) The amount charged for property returned by customers
- 43 when the entire amount charged therefor is refunded either in cash
- 44 or credit, ~~but~~ but this exclusion does not apply in any instance when
- 45 the customer, in order to obtain the refund, is required to purchase



1 other property at a price greater than the amount charged for the
2 property that is returned.

3 (c) The amount charged for labor or services rendered in
4 installing or applying the property sold.

5 (d) The amount of any tax, ~~{H}~~ not including, however, any
6 manufacturers' or importers' excise tax, ~~{H}~~ imposed by the United
7 States upon or with respect to retail sales, whether imposed upon the
8 retailer or the consumer.

9 (e) The amount of any tax imposed by the State of Nevada upon
10 or with respect to the storage, use or other consumption of tangible
11 personal property purchased from any retailer.

12 ~~{f} The amount of any allowance against the selling price given
13 by a retailer for the value of a used vehicle which is taken in trade
14 on the purchase of another vehicle.~~

15 4. For the purpose of a sale of a vehicle by a seller who is not
16 required to be registered with the Department of Taxation, the sales
17 price is the value established in the manner set forth in
18 NRS 374.112.

19 **Sec. 6.** NRS 374.375 is hereby amended to read as follows:

20 374.375 The taxpayer shall deduct and withhold from the taxes
21 otherwise due from him ~~{1.25}~~ **0.75** percent thereof to reimburse
22 himself for the cost of collecting the tax.

23 **Sec. 7.** NRS 375.020 is hereby amended to read as follows:

24 375.020 1. A tax, at the rate of:

25 (a) In a county whose population is 400,000 or more, ~~{1.25;}~~
26 **\$1.75;** and

27 (b) In a county whose population is less than 400,000, ~~{65~~
28 ~~cents.}~~ **\$1.15,**

29 for each \$500 of value or fraction thereof, is hereby imposed on
30 each deed by which any lands, tenements or other realty is granted,
31 assigned, transferred or otherwise conveyed to, or vested in, another
32 person, if the consideration or value of the interest or property
33 conveyed exceeds \$100.

34 2. The amount of tax must be computed on the basis of the
35 value of the transferred real property as declared pursuant to
36 NRS 375.060.

37 **Sec. 8.** NRS 375.070 is hereby amended to read as follows:

38 375.070 1. The county recorder shall transmit the proceeds of
39 the real property transfer tax at the end of each quarter in the
40 following manner:

41 (a) An amount equal to that portion of the proceeds which is
42 equivalent to 10 cents for each \$500 of value or fraction thereof
43 must be transmitted to the State Controller who shall deposit that
44 amount in the Account for Low-Income Housing created pursuant to
45 NRS 319.500.



1 (b) *An amount equal to that portion of the proceeds which is*
2 *equivalent to 50 cents for each \$500 of value or fraction thereof*
3 *must be transmitted to the Department for deposit in the Tax*
4 *Distribution Account.*

5 (c) In a county whose population is more than 400,000, an
6 amount equal to that portion of the proceeds which is equivalent to
7 60 cents for each \$500 of value or fraction thereof must be
8 transmitted to the county treasurer for deposit in the county school
9 district's fund for capital projects established pursuant to NRS
10 387.328, to be held and expended in the same manner as other
11 money deposited in that fund.

12 ~~(c)~~ (d) The remaining proceeds must be transmitted to the
13 State Controller for deposit in the Local Government Tax
14 Distribution Account created by NRS 360.660 for credit to the
15 respective accounts of Carson City and each county.

16 2. In addition to any other authorized use of the proceeds it
17 receives pursuant to subsection 1, a county or city may use the
18 proceeds to pay expenses related to or incurred for the development
19 of affordable housing for families whose income does not exceed 80
20 percent of the median income for families residing in the same
21 county, as that percentage is defined by the United States
22 Department of Housing and Urban Development. A county or city
23 that uses the proceeds in that manner must give priority to the
24 development of affordable housing for persons who are disabled or
25 elderly.

26 3. The expenses authorized by subsection 2 include, but are not
27 limited to:

- 28 (a) The costs to acquire land and developmental rights;
- 29 (b) Related predevelopment expenses;
- 30 (c) The costs to develop the land, including the payment of
31 related rebates;
- 32 (d) Contributions toward down payments made for the purchase
33 of affordable housing; and
- 34 (e) The creation of related trust funds.

35 **Sec. 9.** NRS 244.3352 is hereby amended to read as follows:

36 244.3352 1. The board of county commissioners:

37 (a) In a county whose population is 400,000 or more, shall
38 impose a tax at a rate of ~~(2)~~ 3 percent; and

39 (b) In a county whose population is less than 400,000, shall
40 impose a tax at the rate of ~~(4)~~ 2 percent,

41 of the gross receipts from the rental of transient lodging in that
42 county upon all persons in the business of providing lodging. This
43 tax must be imposed by the board of county commissioners in each
44 county, regardless of the existence or nonexistence of any other
45 license fee or tax imposed on the revenues from the rental of



1 transient lodging. The ordinance imposing the tax must include a
2 schedule for the payment of the tax and the provisions of
3 subsection 4.

4 2. The tax imposed pursuant to subsection 1 must be collected
5 and administered pursuant to NRS 244.335.

6 3. The tax imposed pursuant to subsection 1 may be collected
7 from the paying guests and may be shown as an addition to the
8 charge for the rental of transient lodging. The person providing the
9 transient lodging is liable to the county for the tax whether or not it
10 is actually collected from the paying guest.

11 4. If the tax imposed pursuant to subsection 1 is not paid within
12 the time set forth in the schedule for payment, the county shall
13 charge and collect in addition to the tax:

14 (a) A penalty of not more than 10 percent of the amount due,
15 exclusive of interest, or an administrative fee established by the
16 board of county commissioners, whichever is greater; and

17 (b) Interest on the amount due at the rate of not more than 1.5
18 percent per month or fraction thereof from the date on which the tax
19 became due until the date of payment.

20 5. As used in this section, "gross receipts from the rental of
21 transient lodging" does not include the tax imposed and collected
22 from paying guests pursuant to this section or NRS 268.096.

23 **Sec. 10.** NRS 244.3354 is hereby amended to read as follows:

24 244.3354 The proceeds of the tax imposed pursuant to NRS
25 244.3352 and any applicable penalty or interest must be distributed
26 as follows:

27 1. In a county whose population is 400,000 or more:

28 (a) *An amount that is equal to that portion of the proceeds*
29 *which is equivalent to 1 percent of the gross receipts from the*
30 *rental of transient lodging must be transmitted to the Department*
31 *of Taxation for deposit in the Tax Distribution Account.*

32 (b) *The remaining proceeds must be transmitted as follows:*

33 (1) Three-eighths of the first 1 percent of the *remaining*
34 *proceeds* must be paid to the Department of Taxation for deposit
35 with the State Treasurer for credit to the Fund for the Promotion of
36 Tourism.

37 ~~(b) The remaining~~

38 (2) *All other* proceeds must be transmitted to the county
39 treasurer for deposit in the county school district's fund for capital
40 projects established pursuant to NRS 387.328, to be held and
41 expended in the same manner as other money deposited in that fund.

42 2. In a county whose population is less than 400,000:

43 (a) *An amount that is equal to that portion of the proceeds*
44 *which is equivalent to 1 percent of the gross receipts from the*



1 *rental of transient lodging must be transmitted to the Department*
2 *of Taxation for deposit in the Tax Distribution Account.*

3 *(b) The remaining proceeds must be transmitted as follows:*

4 *(1) Three-eighths must be paid to the Department of*
5 *Taxation for deposit with the State Treasurer for credit to the Fund*
6 *for the Promotion of Tourism.*

7 ~~(1)~~ *(2) Five-eighths must be deposited with the county fair*
8 *and recreation board created pursuant to NRS 244A.599 or, if no*
9 *such board is created, with the board of county commissioners, to be*
10 *used to advertise the resources of that county related to tourism,*
11 *including available accommodations, transportation, entertainment,*
12 *natural resources and climate, and to promote special events related*
13 *thereto.*

14 **Sec. 11.** NRS 244.3356 is hereby amended to read as follows:

15 244.3356 The proceeds of the tax imposed pursuant to NRS
16 244.3352 *that are not transmitted to the Department of Taxation*
17 *for deposit in the Tax Distribution Account* may not be used:

18 1. As additional security for the payment of, or to redeem, any
19 general obligation bonds issued pursuant to NRS 244A.597 to
20 244A.655, inclusive.

21 2. To defray the costs of collecting or administering the tax
22 incurred by the county fair and recreation board.

23 3. To operate and maintain recreational facilities under the
24 jurisdiction of the county fair and recreation board.

25 4. To improve and expand recreational facilities authorized by
26 NRS 244A.597 to 244A.655, inclusive.

27 5. To construct, purchase or acquire such recreational facilities.

28 **Sec. 12.** NRS 244.3357 is hereby amended to read as follows:

29 244.3357 On or before August 15 of each year, the board of
30 county commissioners in each county shall submit a report to the
31 Department of Taxation which states:

32 1. The rate of all taxes imposed on the revenues from the rental
33 of transient lodging pursuant to NRS 244.335 and 244.3352 and any
34 special act in the preceding fiscal year;

35 2. The total amount of revenue collected from all taxes
36 imposed on the revenues from the rental of transient lodging
37 pursuant to NRS 244.335 and 244.3352 and any special act in the
38 preceding fiscal year; and

39 3. The manner in which the revenue *that was not transmitted*
40 *to the Department of Taxation for deposit in the Tax Distribution*
41 *Account* was used in the previous fiscal year.

42 **Sec. 13.** NRS 268.096 is hereby amended to read as follows:

43 268.096 1. The city council or other governing body of each
44 incorporated city:



1 (a) In a county whose population is 400,000 or more, shall
2 impose a tax at a rate of ~~F2~~ 3 percent; and

3 (b) In a county whose population is less than 400,000, shall
4 impose a tax at the rate of ~~F4~~ 2 percent,

5 of the gross receipts from the rental of transient lodging in that city
6 upon all persons in the business of providing lodging. This tax must
7 be imposed by the city council or other governing body of each
8 incorporated city, regardless of the existence or nonexistence of any
9 other license fee or tax imposed on the revenues from the rental of
10 transient lodging. The ordinance imposing the tax must include a
11 schedule for the payment of the tax and the provisions of
12 subsection 4.

13 2. The tax imposed pursuant to subsection 1 must be collected
14 and administered pursuant to NRS 268.095.

15 3. The tax imposed pursuant to subsection 1 may be collected
16 from the paying guests and may be shown as an addition to the
17 charge for the rental of transient lodging. The person providing the
18 transient lodging is liable to the city for the tax whether or not it is
19 actually collected from the paying guest.

20 4. If the tax imposed pursuant to subsection 1 is not paid within
21 the time set forth in the schedule for payment, the city shall charge
22 and collect in addition to the tax:

23 (a) A penalty of not more than 10 percent of the amount due,
24 exclusive of interest, or an administrative fee established by the
25 governing body, whichever is greater; and

26 (b) Interest on the amount due at the rate of not more than 1.5
27 percent per month or fraction thereof from the date on which the tax
28 became due until the date of payment.

29 5. As used in this section, "gross receipts from the rental of
30 transient lodging" does not include the tax imposed or collected
31 from paying guests pursuant to this section or NRS 244.3352.

32 **Sec. 14.** NRS 268.0962 is hereby amended to read as follows:
33 268.0962 The proceeds of the tax imposed pursuant to NRS
34 268.096 and any applicable penalty or interest must be distributed as
35 follows:

36 1. In a county whose population is 400,000 or more:

37 (a) *An amount that is equal to that portion of the proceeds*
38 *which is equivalent to 1 percent of the gross receipts from the*
39 *rental of transient lodging must be transmitted to the Department*
40 *of Taxation for deposit in the Tax Distribution Account.*

41 (b) *The remaining proceeds must be transmitted as follows:*
42 (I) Three-eighths of the first 1 percent of the *remaining*
43 *proceeds must be paid to the Department of Taxation for deposit*
44 *with the State Treasurer for credit to the Fund for the Promotion of*
45 *Tourism.*



~~[(b) The remaining]~~

1
2 (2) *All other* proceeds must be transmitted to the county
3 treasurer for deposit in the county school district's fund for capital
4 projects established pursuant to NRS 387.328, to be held and
5 expended in the same manner as other money deposited in that fund.

6 2. In a county whose population is less than 400,000:
7 (a) *An amount that is equal to that portion of the proceeds*
8 *which is equivalent to 1 percent of the gross receipts from the*
9 *rental of transient lodging must be transmitted to the Department*
10 *of Taxation for deposit in the Tax Distribution Account.*

11 (b) *The remaining proceeds must be transmitted as follows:*
12 (1) Three-eighths must be paid to the Department of
13 Taxation for deposit with the State Treasurer for credit to the Fund
14 for the Promotion of Tourism.

15 ~~[(b)]~~ (2) Five-eighths must be deposited with the county fair
16 and recreation board created pursuant to NRS 244A.599 or, if no
17 such board is created, with the city council or other governing body
18 of the incorporated city, to be used to advertise the resources of that
19 county or incorporated city related to tourism, including available
20 accommodations, transportation, entertainment, natural resources
21 and climate, and to promote special events related thereto.

22 **Sec. 15.** NRS 268.0964 is hereby amended to read as follows:
23 268.0964 The proceeds of the tax imposed pursuant to NRS
24 268.096 *that are not transmitted to the Department of Taxation for*
25 *deposit in the Tax Distribution Account* may not be used:

- 26 1. As additional security for the payment of, or to redeem, any
27 general obligation bonds issued pursuant to NRS 244A.597.
- 28 2. To defray the costs of collecting or administering the tax
29 incurred by the county fair and recreation board.
- 30 3. To operate and maintain recreational facilities under the
31 jurisdiction of the county fair and recreation board.
- 32 4. To improve and expand recreational facilities authorized by
33 NRS 244A.597 to 244A.655, inclusive.
- 34 5. To construct, purchase or acquire such recreational facilities.

35 **Sec. 16.** NRS 268.0966 is hereby amended to read as follows:
36 268.0966 On or before August 15 of each year, the governing
37 body of each city shall submit a report to the Department of
38 Taxation which states:

- 39 1. The rate of all taxes imposed on the revenues from the rental
40 of transient lodging pursuant to NRS 268.095 and 268.096 and any
41 special act in the preceding fiscal year;
- 42 2. The total amount of revenue collected from all taxes
43 imposed on the revenues from the rental of transient lodging
44 pursuant to NRS 268.095 and 268.096 and any special act in the
45 preceding fiscal year; and



1 3. The manner in which the revenue *that was not transmitted*
2 *to the Department of Taxation for deposit in the Tax Distribution*
3 *Account* was used in the previous fiscal year.

4 **Sec. 17.** NRS 463.320 is hereby amended to read as follows:
5 463.320 1. All gaming license fees imposed by the provisions
6 of NRS 463.370, 463.373 to 463.383, inclusive, and 463.3855 must
7 be collected and disposed of as provided in this section.

8 2. All state gaming license fees and penalties must be collected
9 by the Commission and paid over immediately to the State
10 Treasurer to be disposed of as follows:

11 (a) All state gaming license fees and penalties other than the
12 license fees imposed by the provisions of NRS **463.370 and** 463.380
13 must be deposited for credit to the State General Fund.

14 (b) *All state gaming license fees imposed by the provisions of*
15 *NRS 463.370 must be disposed of as follows:*

16 (1) *An amount equal to that portion of the proceeds which*
17 *is equivalent to one-eighth of 1 percent of the gross revenue of the*
18 *licensees must be transmitted to the Department of Taxation for*
19 *deposit in the Tax Distribution Account.*

20 (2) *The remaining proceeds must be deposited for credit to*
21 *the State General Fund.*

22 (c) All state gaming license fees imposed by the provisions of
23 NRS 463.380 must, after deduction of costs of administration and
24 collection, be divided equally among the various counties and
25 transmitted to the respective county treasurers. Such fees, except as
26 otherwise provided in this section, must be deposited by the county
27 treasurer in the county general fund and be expended for county
28 purposes. If the board of county commissioners desires to apportion
29 and allocate all or a portion of such fees to one or more cities or
30 towns within the county, the board of county commissioners shall,
31 annually, before the preparation of the city or town budget or
32 budgets as required by chapter 354 of NRS, adopt a resolution so
33 apportioning and allocating a percentage of such fees anticipated to
34 be received during the coming fiscal year to such city or cities or
35 town or towns for the next fiscal year commencing July 1. After the
36 adoption of the resolution the percentage so apportioned and
37 allocated must be converted to a dollar figure and included in city or
38 town budget or budgets as an estimated receipt for the next fiscal
39 year. Quarterly, upon receipt of the money from the State, the
40 county treasurer shall deposit an amount of money equal to the
41 percentage so apportioned and allocated to the credit of the city or
42 town fund to be used for city or town purposes, and the balance
43 remaining must be deposited in the county general fund and must be
44 expended for county purposes.



1 **Sec. 18.** NRS 463.370 is hereby amended to read as follows:
2 463.370 1. Except as otherwise provided in NRS 463.373,
3 the Commission shall charge and collect from each licensee a
4 license fee based upon all the gross revenue of the licensee as
5 follows:
6 (a) Three *and one-eighth* percent of all the gross revenue of the
7 licensee which does not exceed \$50,000 per calendar month;
8 (b) Four *and one-eighth* percent of all the gross revenue of the
9 licensee which exceeds \$50,000 per calendar month and does not
10 exceed \$134,000 per calendar month; and
11 (c) Six and ~~one-quarter~~ *three-eighths* percent of all the gross
12 revenue of the licensee which exceeds \$134,000 per calendar month.
13 2. Unless the licensee has been operating for less than a full
14 calendar month, the Commission shall charge and collect the fee
15 prescribed in subsection 1, based upon the gross revenue for the
16 preceding calendar month, on or before the 24th day of the
17 following month. Except for the fee based on the first full month of
18 operation, the fee is an estimated payment of the license fee for the
19 third month following the month whose gross revenue is used as its
20 basis.
21 3. When a licensee has been operating for less than a full
22 calendar month, the Commission shall charge and collect the fee
23 prescribed in subsection 1, based on the gross revenue received
24 during that month, on or before the 24th day of the following
25 calendar month of operation. After the first full calendar month of
26 operation, the Commission shall charge and collect the fee based on
27 the gross revenue received during that month, on or before the 24th
28 day of the following calendar month. The payment of the fee due for
29 the first full calendar month of operation must be accompanied by
30 the payment of a fee equal to three times the fee for the first full
31 calendar month. This additional amount is an estimated payment of
32 the license fees for the next 3 calendar months. Thereafter, each
33 license fee must be paid in the manner described in subsection 2.
34 Any deposit held by the Commission on July 1, 1969, must be
35 treated as an advance estimated payment.
36 4. All revenue received from any game or gaming device
37 which is operated on the premises of a licensee, regardless of
38 whether any portion of the revenue is shared with any other person,
39 must be attributed to the licensee for the purposes of this section and
40 counted as part of the gross revenue of the licensee. Any other
41 person, including, without limitation, an operator of an inter-casino
42 linked system, who is authorized to receive a share of the revenue
43 from any game, gaming device or inter-casino linked system that is
44 operated on the premises of a licensee is liable to the licensee for
45 that person's proportionate share of the license fees paid by the



1 licensee pursuant to this section and shall remit or credit the full
2 proportionate share to the licensee on or before the 24th day of each
3 calendar month. The proportionate share of an operator of an inter-
4 casino linked system must be based on all compensation and other
5 consideration received by the operator of the inter-casino linked
6 system, including, without limitation, amounts that accrue to the
7 meter of the primary progressive jackpot of the inter-casino linked
8 system and amounts that fund the reserves of such a jackpot, subject
9 to all appropriate adjustments for deductions, credits, offsets and
10 exclusions that the licensee is entitled to take or receive pursuant to
11 the provisions of this chapter. A licensee is not liable to any other
12 person authorized to receive a share of the licensee's revenue from
13 any game, gaming device or inter-casino linked system that is
14 operated on the premises of the licensee for that person's
15 proportionate share of the license fees to be remitted or credited to
16 the licensee by that person pursuant to this section.

17 5. An operator of an inter-casino linked system shall not enter
18 into any agreement or arrangement with a licensee that provides for
19 the operator of the inter-casino linked system to be liable to the
20 licensee for less than its full proportionate share of the license fees
21 paid by the licensee pursuant to this section, whether accomplished
22 through a rebate, refund, charge-back or otherwise.

23 6. Any person required to pay a fee pursuant to this section
24 shall file with the Commission, on or before the 24th day of each
25 calendar month, a report showing the amount of all gross revenue
26 received during the preceding calendar month. Each report must be
27 accompanied by:

28 (a) The fee due based on the revenue of the month covered by
29 the report; and

30 (b) An adjustment for the difference between the estimated fee
31 previously paid for the month covered by the report, if any, and the
32 fee due for the actual gross revenue earned in that month. If
33 the adjustment is less than zero, a credit must be applied to the
34 estimated fee due with that report.

35 7. If the amount of license fees required to be reported and paid
36 pursuant to this section is later determined to be greater or less than
37 the amount actually reported and paid, the Commission shall:

38 (a) Charge and collect the additional license fees determined to
39 be due, with interest thereon until paid; or

40 (b) Refund any overpayment to the person entitled thereto
41 pursuant to this chapter, with interest thereon.

42 Interest pursuant to paragraph (a) must be computed at the rate
43 prescribed in NRS 17.130 from the first day of the first month
44 following the due date of the additional license fees until paid.

45 Interest pursuant to paragraph (b) must be computed at one-half the



1 rate prescribed in NRS 17.130 from the first day of the first month
2 following the date of overpayment until paid.

3 8. Failure to pay the fees provided for in this section shall be
4 deemed a surrender of the license at the expiration of the period for
5 which the estimated payment of fees has been made, as established
6 in subsection 2.

7 9. Except as otherwise provided in NRS 463.386, the amount
8 of the fee prescribed in subsection 1 must not be prorated.

9 10. Except as otherwise provided in NRS 463.386, if a licensee
10 ceases operation, the Commission shall:

11 (a) Charge and collect the additional license fees determined to
12 be due with interest computed pursuant to paragraph (a) of
13 subsection 7; or

14 (b) Refund any overpayment to the licensee with interest
15 computed pursuant to paragraph (b) of subsection 7,
16 based upon the gross revenue of the licensee during the last 3
17 months immediately preceding the cessation of operation, or
18 portions of those last 3 months.

19 11. If, in any month, the amount of gross revenue is less than
20 zero, the licensee may offset the loss against gross revenue in
21 succeeding months until the loss has been fully offset.

22 12. If, in any month, the amount of the license fee due is less
23 than zero, the licensee is entitled to receive a credit against any
24 license fees due in succeeding months until the credit has been fully
25 offset.

26 **Sec. 19.** NRS 680B.027 is hereby amended to read as follows:

27 680B.027 1. Except as otherwise provided in NRS 680B.033
28 ~~[, 680B.050]~~ and 690C.110, for the privilege of transacting business
29 in this state, each insurer shall pay to the Department of Taxation a
30 tax upon his net direct premiums and net direct considerations
31 written at the rate of 3.5 percent.

32 2. The tax must be paid in the manner required by NRS
33 680B.030 and 680B.032.

34 3. The Commissioner or the Executive Director of the
35 Department of Taxation may require at any time verified
36 supplemental statements with reference to any matter pertinent to
37 the proper assessment of the tax.

38 **Sec. 20.** NRS 680B.060 is hereby amended to read as follows:

39 680B.060 1. The taxes imposed under NRS 680B.027 must
40 be collected by the Department of Taxation ~~[and promptly]~~ *and be*
41 *disposed of as follows:*

42 (a) *The Department of Taxation shall deposit an amount equal*
43 *to 5.5 percent of the proceeds in the Tax Distribution Account.*

44 (b) *The remaining proceeds must be* deposited with the State
45 Treasurer for credit to the State General Fund.



1 2. If the tax is not paid by the insurer on or before the date
2 required for payment, the tax then becomes delinquent, and payment
3 thereof may be enforced by court action instituted on behalf of the
4 State by the Attorney General. The Attorney General may employ
5 additional counsel in the city where the home office of the insurer is
6 located, subject to the approval of compensation for such services
7 by the State Board of Examiners. The administrative and substantive
8 enforcement provisions of chapters 360 and 372 of NRS apply to the
9 enforcement of the taxes imposed under NRS 680B.027.

10 3. Upon the tax becoming delinquent, the Executive Director
11 of the Department of Taxation shall notify the Commissioner, who
12 shall suspend or revoke the insurer's certificate of authority pursuant
13 to NRS 680A.190.

14 4. If a dispute arises between an insurer and the State as to the
15 amount of tax, if any, payable, the insurer is entitled to pay under
16 protest the tax in the amount assessed by the Department of
17 Taxation, without waiving or otherwise affecting any right of the
18 insurer to recover any amount determined, through appropriate legal
19 action taken by the insurer against the Department of Taxation, to
20 have been in excess of the amount of tax lawfully payable.

21 5. ~~[AH] Except as otherwise provided in subsection 1, all~~
22 ~~taxes, fees, licenses, fines and charges collected under this Code~~ ~~;~~
23 ~~including the general premium tax provided for under NRS~~
24 ~~680B.027 and as increased in any instances pursuant to NRS~~
25 ~~680A.330.]~~ must be promptly deposited with the State Treasurer for
26 credit to the State General Fund.

27 **Sec. 21.** At the general election on November 2, 2004, a
28 proposal must be submitted to the registered voters of this state to
29 amend the Sales and Use Tax Act, which was enacted by the 47th
30 Session of the Legislature of the State of Nevada and approved by
31 the Governor in 1955, and subsequently approved by the people of
32 this state at the general election held on November 6, 1956.

33 **Sec. 22.** At the time and in the manner provided by law, the
34 Secretary of State shall transmit the proposed act to the several
35 county clerks, and the county clerks shall cause it to be published
36 and posted as provided by law.

37 **Sec. 23.** The proclamation and notice to the voters given by
38 the county clerks pursuant to law must be in substantially the
39 following form:

40 Notice is hereby given that at the general election on
41 November 2, 2004, a question will appear on the ballot for
42 the adoption or rejection by the registered voters of the State
43 of the following proposed act:

44 AN ACT to amend an Act entitled "An Act to provide
45 revenue for the State of Nevada; providing for sales



1 and use taxes; providing for the manner of collection;
2 defining certain terms; providing penalties for
3 violation, and other matters properly relating thereto.”
4 approved March 29, 1955, as amended.
5

6 THE PEOPLE OF THE STATE OF NEVADA
7 DO ENACT AS FOLLOWS:
8

9 Section 1. Section 61 of the above-entitled act, being
10 chapter 397, Statutes of Nevada 1955, at page 733, as
11 amended by chapter 306, Statutes of Nevada 1969, at page
12 533, is hereby repealed.

13 Sec. 2. This act becomes effective on January 1, 2005.

14 **Sec. 24.** The ballot page assemblies and the paper ballots to be
15 used in voting on the question must present the question in
16 substantially the following form:

17 Shall the Sales and Use Tax Act of 1955 be amended to
18 repeal the exemption from the taxes imposed by this act on
19 the gross receipts from the sale and storage, use or other
20 consumption of tangible property provided for property
21 which becomes an ingredient or component part of any
22 newspaper regularly issued at average intervals not exceeding
23 1 week and any such newspaper?

24 Yes No

25 **Sec. 25.** The explanation of the question which must appear on
26 each paper ballot and sample ballot and in every publication and
27 posting of notice of the question must be in substantially the
28 following form:
29

30 (Explanation of Question)

31 The proposed amendment to the Sales and Use Tax Act of
32 1955 would repeal the exemption from the taxes imposed by
33 this act on the gross receipts from the sale and storage, use or
34 other consumption of tangible property provided for property
35 which becomes an ingredient or component part of any
36 newspaper regularly issued at average intervals not exceeding
37 1 week and any such newspaper. If this proposal is adopted,
38 the Legislature has provided that the Local School Support
39 Tax Law and certain analogous taxes on retail sales will be
40 amended to provide the same exemption.

41 **Sec. 26.** If a majority of the votes cast on the question is yes,
42 the amendment to the Sales and Use Tax Act of 1955 becomes
43 effective on January 1, 2005. If less than a majority of votes cast on
44 the question is yes, the question fails and the amendment to the
45 Sales and Use Tax Act of 1955 does not become effective.



1 **Sec. 27.** All general election laws not inconsistent with this act
2 are applicable.

3 **Sec. 28.** Any informalities, omissions or defects in the content
4 or making of the publications, proclamations or notices provided for
5 in this act and by the general election laws under which this election
6 is held must be so construed as not to invalidate the adoption of the
7 act by a majority of the registered voters voting on the question if it
8 can be ascertained with reasonable certainty from the official returns
9 transmitted to the Office of the Secretary of State whether the
10 proposed amendment was adopted by a majority of those registered
11 voters.

12 **Sec. 29.** 1. NRS 680B.050 and 680B.055 are hereby
13 repealed.

14 2. NRS 374.320 is hereby repealed.

15 **Sec. 30.** 1. This section and sections 21 to 28, inclusive, of
16 this act become effective upon passage and approval.

17 2. Sections 1 to 20, inclusive, and subsection 1 of section 29 of
18 this act become effective on October 1, 2003.

19 3. Subsection 2 of section 29 of this act becomes effective on
20 January 1, 2005, only if the proposal submitted pursuant to sections
21 21 to 28, inclusive, of this act is approved by the voters at the
22 general election on November 2, 2004.

TEXT OF REPEALED SECTIONS

374.320 Newspapers. There are exempted from the taxes imposed by this chapter the gross receipts from the sale of, and the storage, use or other consumption in a county of, tangible personal property which becomes an ingredient or component part of any newspaper regularly issued at average intervals not exceeding 1 week and any such newspaper.

680B.050 General tax on premiums: Credit if home office or regional home office in Nevada.

1. Except as otherwise provided in this section, a domestic or foreign insurer which owns and substantially occupies and uses any building in this state as its home office or as a regional home office is entitled to the following credits against the tax otherwise imposed by NRS 680B.027:

(a) An amount equal to 50 percent of the aggregate amount of the tax as determined under NRS 680B.025 to 680B.039, inclusive; and



(b) An amount equal to the full amount of ad valorem taxes paid by the insurer during the calendar year next preceding the filing of the report required by NRS 680B.030, upon the home office or regional home office together with the land, as reasonably required for the convenient use of the office, upon which the home office or regional home office is situated.

These credits must not reduce the amount of tax payable to less than 20 percent of the tax otherwise payable by the insurer under NRS 680B.027.

2. As used in this section, a "regional home office" means an office of the insurer performing for an area covering two or more states, with a minimum of 25 employees on its office staff, the supervision, underwriting, issuing and servicing of the insurance business of the insurer.

3. The insurer shall, on or before March 15 of each year, furnish proof to the satisfaction of the Executive Director of the Department of Taxation, on forms furnished by or acceptable to the Executive Director, as to its entitlement to the tax reduction provided for in this section. A determination of the Executive Director of the Department of Taxation pursuant to this section is not binding upon the Commissioner for the purposes of NRS 682A.240.

4. An insurer is not entitled to the credits provided in this section unless:

(a) The insurer owned the property upon which the reduction is based for the entire year for which the reduction is claimed; and

(b) The insurer occupied at least 70 percent of the usable space in the building to transact insurance or the insurer is a general or limited partner and occupies 100 percent of its ownership interest in the building.

5. If two or more insurers under common ownership or management and control jointly own in equal interest, and jointly occupy and use such a home office or regional home office in this state for the conduct and administration of their respective insurance businesses as provided in this section, each of the insurers is entitled to the credits provided for by this section if otherwise qualified therefor under this section.

680B.055 General tax on premiums: Eligibility for credit where home office or regional home office owned by limited partnership; proportion of ad valorem tax qualified for credit.

1. For the purposes of eligibility for the credit provided by NRS 680B.050, if an insurer is a partner, general or limited, in a limited partnership which owns a building used by the insurer as its home office or a regional home office, the insurer shall be deemed to own the building so used if:



(a) The insurer's proportionate interest in the partnership is equal to or greater than the proportion which the floor area of the building or portion thereof so used bears to the total floor area of the buildings on the contiguous real property owned by the partnership at the location of the building so used; or

(b) The insurer's interest in the partnership is 50 percent or more.

2. The ad valorem tax paid by the insurer shall be deemed to be that proportion of the total ad valorem tax paid by the partnership upon its contiguous real property at the location of the building which the floor area of the building so used bears to the total floor area of the buildings on the contiguous real property.

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