

ASSEMBLY BILL NO. 514—COMMITTEE ON TAXATION

MARCH 24, 2003

Referred to Committee on Taxation

SUMMARY—Provides for enactment of certain provisions that are necessary to carry out Streamlined Sales and Use Tax Agreement. (BDR 32-1292)

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; providing for the enactment of certain provisions that are necessary to carry out the Streamlined Sales and Use Tax Agreement; providing for the electronic registration of sellers; establishing requirements for determining the place of sales for the purposes of sales and use taxes; establishing requirements for claiming an exemption from such taxes; providing for the electronic payment of such taxes; providing for the submission to the voters of questions relating to whether the Sales and Use Tax Act of 1955 should be amended to conform to the Agreement; 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 360.300 is hereby amended to read as follows:
2 360.300 1. If a person fails to file a return or the Department
3 is not satisfied with the return or returns of any tax, contribution or
4 premium or amount of tax, contribution or premium required to be
5 paid to the State by any person, in accordance with the applicable
6 provisions of this chapter, chapter **360B**, 362, 364A, 369, 370, 372,
7 372A, 374, 377, 377A or 444A of NRS, NRS 482.313, or chapter
8 585 or 680B of NRS as administered or audited by the Department,



1 it may compute and determine the amount required to be paid upon
2 the basis of:

- 3 (a) The facts contained in the return;
- 4 (b) Any information within its possession or that may come into
5 its possession; or
- 6 (c) Reasonable estimates of the amount.

7 2. One or more deficiency determinations may be made with
8 respect to the amount due for one or for more than one period.

9 3. In making its determination of the amount required to be
10 paid, the Department shall impose interest on the amount of tax
11 determined to be due, calculated at the rate and in the manner set
12 forth in NRS 360.417, unless a different rate of interest is
13 specifically provided by statute.

14 4. The Department shall impose a penalty of 10 percent in
15 addition to the amount of a determination that is made in the case of
16 the failure of a person to file a return with the Department.

17 5. When a business is discontinued, a determination may be
18 made at any time thereafter within the time prescribed in NRS
19 360.355 as to liability arising out of that business, irrespective of
20 whether the determination is issued before the due date of the
21 liability.

22 **Sec. 2.** NRS 360.489 is hereby amended to read as follows:

23 360.489 1. In determining the amount of ~~sales~~ :

24 (a) *Sales* tax due on a sale at retail, the rate of tax used must be
25 the sum of the rates of all taxes imposed upon sales at retail in :

26 (1) *The county determined pursuant to the provisions of*
27 *sections 13 to 18, inclusive, of this act; or*

28 (2) *If those provisions do not apply to the sale*, the county in
29 which the property is or will be delivered to the purchaser or his
30 agent or designee.

31 ~~2. In determining the amount of use~~

32 (b) *Use* tax due on the purchase of tangible personal property for
33 use, storage or other consumption in this state, the rate of tax used
34 must be the sum of the rates of all taxes imposed upon the use,
35 storage or other consumption of property in :

36 (1) *The county determined pursuant to the provisions of*
37 *sections 13 to 18, inclusive, of this act; or*

38 (2) *If those provisions do not apply to the purchase*, the
39 county in which the property is first used, stored or consumed.

40 2. *In determining the amount of taxes due pursuant to*
41 *subsection 1:*

42 (a) *The amount due must be computed to the third decimal*
43 *place and rounded to a whole cent using a method that rounds up*
44 *to the next cent if the numeral in the third decimal place is greater*
45 *than 4.*



1 *(b) A retailer may compute the amount due on a transaction*
2 *on the basis of each item involved in the transaction or a single*
3 *invoice for the entire transaction.*

4 3. On or before January 1 of each year the Department shall
5 transmit to each retailer to whom a permit has been issued a notice
6 which contains the provisions of subsections 1 and 2 and
7 NRS 372.365.

8 **Sec. 3.** NRS 360.510 is hereby amended to read as follows:

9 360.510 1. If any person is delinquent in the payment of any
10 tax or fee administered by the Department or if a determination has
11 been made against him which remains unpaid, the Department may:

12 (a) Not later than 3 years after the payment became delinquent
13 or the determination became final; or

14 (b) Not later than 6 years after the last recording of an abstract
15 of judgment or of a certificate constituting a lien for tax
16 owed,

17 give a notice of the delinquency and a demand to transmit
18 personally or by registered or certified mail to any person,
19 including, without limitation, any officer or department of this state
20 or any political subdivision or agency of this state, who has in his
21 possession or under his control any credits or other personal
22 property belonging to the delinquent, or owing any debts to the
23 delinquent or person against whom a determination has been made
24 which remains unpaid, or owing any debts to the delinquent or that
25 person. In the case of any state officer, department or agency, the
26 notice must be given to the officer, department or agency before
27 the Department presents the claim of the delinquent taxpayer to the
28 State Controller.

29 2. A state officer, department or agency which receives such a
30 notice may satisfy any debt owed to it by that person before it
31 honors the notice of the Department.

32 3. After receiving the demand to transmit, the person notified
33 by the demand may not transfer or otherwise dispose of the credits,
34 other personal property, or debts in his possession or under his
35 control at the time he received the notice until the Department
36 consents to a transfer or other disposition.

37 4. Every person notified by a demand to transmit shall, within
38 10 days after receipt of the demand to transmit, inform the
39 Department of, and transmit to the Department all such credits,
40 other personal property, or debts in his possession, under his control
41 or owing by him within the time and in the manner requested by the
42 Department. Except as otherwise provided in subsection 5, no
43 further notice is required to be served to that person.

44 5. If the property of the delinquent taxpayer consists of a series
45 of payments owed to him, the person who owes or controls the



1 payments shall transmit the payments to the Department until
2 otherwise notified by the Department. If the debt of the delinquent
3 taxpayer is not paid within 1 year after the Department issued the
4 original demand to transmit, the Department shall issue another
5 demand to transmit to the person responsible for making the
6 payments informing him to continue to transmit payments to
7 the Department or that his duty to transmit the payments to the
8 Department has ceased.

9 6. If the notice of the delinquency seeks to prevent the transfer
10 or other disposition of a deposit in a bank or credit union or other
11 credits or personal property in the possession or under the control of
12 a bank, credit union or other depository institution, the notice must
13 be delivered or mailed to any branch or office of the bank, credit
14 union or other depository institution at which the deposit is carried
15 or at which the credits or personal property is held.

16 7. If any person notified by the notice of the delinquency
17 makes any transfer or other disposition of the property or debts
18 required to be withheld or transmitted, to the extent of the value of
19 the property or the amount of the debts thus transferred or paid, he is
20 liable to the State for any indebtedness due pursuant to this chapter,
21 or chapter **360B**, 362, 364A, 369, 370, 372, 372A, 374, 377, 377A
22 or 444A of NRS, NRS 482.313, or chapter 585 or 680B of NRS
23 from the person with respect to whose obligation the notice was
24 given if solely by reason of the transfer or other disposition the State
25 is unable to recover the indebtedness of the person with respect to
26 whose obligation the notice was given.

27 **Sec. 4.** Chapter 360B of NRS is hereby amended by adding
28 thereto the provisions set forth as sections 5 to 24, inclusive, of this
29 act.

30 **Sec. 5.** *“Purchaser” means a person to whom a sale of*
31 *tangible personal property is made.*

32 **Sec. 6.** *“Registered seller” means a seller registered pursuant*
33 *to section 9 of this act.*

34 **Sec. 7.** *“Retail sale” means any sale, lease or rental for any*
35 *purpose other than for resale, sublease or subrent.*

36 **Sec. 8.** *“Tangible personal property” means personal*
37 *property which may be seen, weighed, measured, felt or touched,*
38 *or which is in any other manner perceptible to the senses.*

39 **Sec. 9. 1.** *The Department shall, in cooperation with any*
40 *other states that are members of the Agreement, establish and*
41 *maintain a central, electronic registration system that allows a*
42 *seller to register to collect and remit the sales and use taxes*
43 *imposed in this state and in the other states that are members of*
44 *the Agreement.*



1 2. A seller who registers pursuant to this section agrees to
2 collect and remit sales and use taxes in accordance with the
3 provisions of this chapter, the regulations of the Department and
4 the applicable law of each state that is a member of the
5 Agreement, including any state that becomes a member of the
6 Agreement after the registration of the seller pursuant to this
7 section. The cancellation or revocation of the registration of a
8 seller pursuant to this section, the withdrawal of a state from the
9 Agreement or the revocation of the Agreement does not relieve a
10 seller from liability pursuant to this subsection to remit any taxes
11 previously or subsequently collected on behalf of a state.

12 3. When registering pursuant to this section, a seller may:

13 (a) Elect to use a certified service provider as its agent to
14 perform all the functions of the seller relating to sales and use
15 taxes, other than the obligation of the seller to remit the taxes on
16 its own purchases;

17 (b) Elect to use a certified automated system to calculate the
18 amount of sales or use taxes due on its sales transactions;

19 (c) Under such conditions as the Department deems
20 appropriate, elect to use its own proprietary automated system to
21 calculate the amount of sales or use taxes due on its sales
22 transactions; or

23 (d) Elect to use any other method authorized by the
24 Department for performing the functions of the seller relating to
25 sales and use taxes.

26 4. A seller who registers pursuant to this section agrees to
27 submit its sales and use tax returns, and to remit any sales and use
28 taxes due, to the Department at such times and in such a manner
29 and format as the Department prescribes by regulation.

30 5. The registration of a seller and the collection and
31 remission of sales and use taxes pursuant to this section may not
32 be considered as a factor in determining whether a seller has a
33 nexus with this state for the purposes of determining his liability to
34 pay any tax imposed by this state.

35 **Sec. 10. 1.** The Department shall post on a website or other
36 Internet site that is operated or administered by or on behalf of the
37 Department:

38 (a) The rates of sales and use taxes for this state and for each
39 local government in this state that imposes such taxes. The
40 Department shall identify this state and each local government
41 using the Federal Information Processing Standards developed by
42 the National Institute of Standards and Technology.

43 (b) Any change in those rates.



1 (c) Any amendments to the statutory provisions and
2 administrative regulations of this state governing the registration
3 of sellers and the collection of sales and use taxes.

4 (d) Any change in the boundaries of local governments in this
5 state that impose sales and use taxes.

6 (e) The list maintained pursuant to section 11 of this act.

7 (f) Any other information the Department deems appropriate.

8 2. The Department shall make a reasonable effort to provide
9 sellers with as much advance notice as possible of any changes or
10 amendments required to be posted pursuant to subsection 1 and of
11 any other changes in the information posted pursuant to
12 subsection 1. Except as otherwise provided in section 12 of this
13 act, the failure of the Department to provide such notice and the
14 failure of a seller to receive such notice does not affect the
15 obligation of the seller to collect and remit any applicable sales
16 and use taxes.

17 **Sec. 11. 1.** The Department shall maintain a list that
18 denotes for each five-digit and nine-digit zip code in this state the
19 combined rates of sales taxes and the combined rates of use taxes
20 imposed in the area of that zip code, and the applicable taxing
21 jurisdictions. If the combined rate of all the sales taxes or use
22 taxes respectively imposed within the area of a zip code is not the
23 same for the entire area of the zip code, the Department shall
24 denote in the list the lowest combined tax rates for the entire zip
25 code.

26 2. If a street address does not have a nine-digit zip code or if
27 a registered seller is unable to determine the nine-digit zip code of
28 a purchaser after exercising due diligence to determine that
29 information, that seller may, except as otherwise provided in
30 subsection 3, apply the rate denoted for the five-digit zip code in
31 the list maintained pursuant to this section. For the purposes of
32 this subsection, there is a rebuttable presumption that a registered
33 seller has exercised due diligence if the seller has attempted to
34 determine the nine-digit zip code of a purchaser by using software
35 approved by the Department which makes that determination from
36 the street address and five-digit zip code of the purchaser.

37 3. The list maintained pursuant to this section does not apply
38 to and must not be used for any transaction regarding which a
39 purchased product is received by the purchaser at the business
40 location of the seller.

41 **Sec. 12.** The Department shall waive any liability of a
42 registered seller and a certified service provider acting on behalf
43 of a registered seller who, as a result of his reasonable reliance on
44 the information posted pursuant to section 10 of this act or his



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1 *compliance with subsection 2 of section 11 of this act, collects the*
2 *incorrect amount of any sales or use tax imposed in this state, for:*

3 1. *The amount of the sales or use tax which the registered*
4 *seller and certified service provider fail to collect as a result of that*
5 *reliance; and*

6 2. *Any penalties and interest on that amount.*

7 **Sec. 13.** *As used in sections 13 to 18, inclusive, of this act:*

8 1. *“Receive” means taking possession of or making the first*
9 *use of tangible personal property, whichever occurs first. The term*
10 *does not include possession by a shipping company on behalf of a*
11 *purchaser.*

12 2. *“Transportation equipment” means:*

13 (a) *Locomotives and railcars used for the carriage of persons*
14 *or property in interstate commerce.*

15 (b) *Trucks and truck-tractors having a manufacturer’s gross*
16 *vehicle weight rating of more than 10,000 pounds, and trailers,*
17 *semitrailers and passenger buses that are:*

18 (1) *Registered pursuant to the International Registration*
19 *Plan, as adopted by the Department of Motor Vehicles pursuant to*
20 *NRS 706.826; or*

21 (2) *Operated under the authority of a carrier who is*
22 *authorized by the Federal Government to engage in the carriage*
23 *of persons or property in interstate commerce.*

24 (c) *Aircraft operated by an air carrier who is authorized by the*
25 *Federal Government or a foreign government to engage in the*
26 *carriage of persons or property in interstate or foreign commerce.*

27 (d) *Containers designed for use on and component parts*
28 *attached or secured to any of the items described in paragraph (a),*
29 *(b) or (c).*

30 **Sec. 14.** 1. *Except as otherwise provided in this section, for*
31 *the purpose of determining the liability of a seller for sales and use*
32 *taxes, a retail sale shall be deemed to take place at the location*
33 *determined pursuant to sections 13 to 18, inclusive, of this act.*

34 2. *Sections 13 to 18, inclusive, of this act do not:*

35 (a) *Affect any liability of a purchaser or lessee for a use tax.*

36 (b) *Apply to:*

37 (1) *The retail sale or transfer of watercraft, modular*
38 *homes, manufactured homes or mobile homes.*

39 (2) *The retail sale, other than the lease or rental, of motor*
40 *vehicles, trailers, semitrailers or aircraft that do not constitute*
41 *transportation equipment.*

42 **Sec. 15.** *Except as otherwise provided in sections 13 to 18,*
43 *inclusive, of this act, the retail sale, excluding the lease or rental,*
44 *of tangible personal property shall be deemed to take place:*



- 1 1. *If the property is received by the purchaser at a place of*
2 *business of the seller, at that place of business.*
- 3 2. *If the property is not received by the purchaser at a place*
4 *of business of the seller:*
- 5 (a) *At the location indicated to the seller pursuant to any*
6 *instructions provided for the delivery of the property to the*
7 *purchaser or to another recipient who is designated by the*
8 *purchaser as his donee; or*
- 9 (b) *If no such instructions are provided and if known by the*
10 *seller, at the location where the purchaser or another recipient*
11 *who is designated by the purchaser as his donee, receives the*
12 *property.*
- 13 3. *If subsections 1 and 2 do not apply, at the address of the*
14 *purchaser indicated in the business records of the seller that are*
15 *maintained in the ordinary course of the seller's business, unless*
16 *the use of that address would constitute bad faith.*
- 17 4. *If subsections 1, 2 and 3 do not apply, at the address of the*
18 *purchaser obtained during the consummation of the sale,*
19 *including, if no other address is available, the address of the*
20 *purchaser's instrument of payment, unless the use of an address*
21 *pursuant to this subsection would constitute bad faith.*
- 22 5. *In all other circumstances, at the address from which the*
23 *property was shipped or, if it was delivered electronically, at*
24 *the address from which it was first available for transmission by*
25 *the seller.*
- 26 **Sec. 16.** 1. *Except as otherwise provided in this section and*
27 *sections 14, 17 and 18 of this act, the lease or rental of tangible*
28 *personal property shall be deemed to take place as follows:*
- 29 (a) *If the lease or rental requires recurring periodic payments,*
30 *for the purposes of:*
- 31 (1) *The first periodic payment, the location of the lease or*
32 *rental shall be deemed to take place at the location determined*
33 *pursuant to section 15 of this act; and*
- 34 (2) *Subsequent periodic payments, the location of the lease*
35 *or rental shall be deemed to take place at the primary location of*
36 *the property. For the purposes of this subparagraph, the primary*
37 *location of the property shall be deemed to be the address for the*
38 *property provided by the lessee and set forth in the records*
39 *maintained by the lessor in the ordinary course of business,*
40 *regardless of the intermittent use of the property at different*
41 *locations, unless the use of that address would constitute bad faith.*
- 42 (b) *If the lease or rental does not require recurring periodic*
43 *payments, the location of the lease or rental shall be deemed to*
44 *take place at the location determined pursuant to section 15 of this*
45 *act.*



1 2. This section does not apply to the determination of any
2 liability of a seller for any sales or use taxes imposed on:
3 (a) The acquisition of tangible personal property for lease; or
4 (b) Any accelerated or lump-sum payments made pursuant to a
5 lease or rental of tangible personal property.

6 **Sec. 17. 1.** Except as otherwise provided in this section and
7 section 14 of this act, the lease or rental of motor vehicles, trailers,
8 semitrailers or aircraft that do not constitute transportation
9 equipment shall be deemed to take place:
10 (a) If the lease or rental requires recurring periodic payments,
11 at the primary location of the property. For the purposes of this
12 paragraph, the primary location of the property shall be deemed to
13 be the address for the property provided by the lessee and set forth
14 in the records maintained by the lessor in the ordinary course of
15 business, regardless of the intermittent use of the property at
16 different locations, unless the use of that address would constitute
17 bad faith.
18 (b) If the lease or rental does not require recurring periodic
19 payments, at the location determined pursuant to section 15 of this
20 act.

21 2. This section does not apply to the determination of any
22 liability of a seller for any sales or use taxes imposed on:
23 (a) The acquisition of tangible personal property for lease; or
24 (b) Any accelerated or lump-sum payments made pursuant to a
25 lease or rental of tangible personal property.

26 **Sec. 18.** Except as otherwise provided in section 14 of this
27 act, the lease or rental of transportation equipment shall be
28 deemed to take place at the location determined pursuant to
29 section 15 of this act.

30 **Sec. 19. 1.** A purchaser may purchase tangible personal
31 property without paying to the seller at the time of purchase the
32 sales and use taxes that are due thereon if:
33 (a) The seller does not maintain a place of business in this
34 state; and
35 (b) The purchaser has obtained a direct pay permit pursuant to
36 the provisions of this section.

37 2. A purchaser who wishes to obtain a direct pay permit must
38 file with the Department an application for such a permit that:
39 (a) Is on a form prescribed by the Department; and
40 (b) Sets forth such information as is required by the
41 Department.

42 3. The application must be signed by:
43 (a) The owner if he is a natural person;
44 (b) A member or partner if the seller is an association or
45 partnership; or



1 (c) *An executive officer or some other person specifically*
2 *authorized to sign the application if the seller is a corporation.*
3 *Written evidence of the signer's authority must be attached to the*
4 *application.*

5 4. *Any purchaser who obtains a direct pay permit pursuant to*
6 *this section shall:*

7 (a) *Determine the amount of sales and use taxes that are due*
8 *and payable to this state or a local government of this state upon*
9 *the purchase of tangible personal property from such a seller; and*

10 (b) *Report and pay those taxes to the appropriate authority.*

11 5. *If a purchaser who has obtained a direct pay permit*
12 *purchases tangible personal property that will be available for use*
13 *digitally or electronically in more than one jurisdiction, he may, to*
14 *determine the amount of tax that is due to this state or to a local*
15 *government of this state, use any reasonable, consistent and*
16 *uniform method to apportion the use of the property among the*
17 *various jurisdictions in which it will be used that is supported by*
18 *the purchaser's business records as they exist at the time of the*
19 *consummation of the sale.*

20 **Sec. 20. 1. A purchaser who:**

21 (a) *Has not obtained a direct pay permit pursuant to section 19*
22 *of this act;*

23 (b) *Purchases tangible personal property that is subject to*
24 *sales and use taxes; and*

25 (c) *Has knowledge at the time of purchase that the purchased*
26 *property will be available for use digitally or electronically in more*
27 *than one jurisdiction,*

28 *shall give written notice of that fact to the seller at the time of*
29 *purchase. The notice must be given in a form required by the*
30 *Department.*

31 2. *Notwithstanding the provisions of sections 13 to 18,*
32 *inclusive, of this act:*

33 (a) *Upon receipt of such a notice by a seller who does not*
34 *maintain a place of business in this state, the seller is relieved of*
35 *any liability to collect, pay or remit any use tax that is due and the*
36 *purchaser thereafter assumes the liability to pay that tax directly to*
37 *the appropriate authority.*

38 (b) *To determine the tax due to this state or to a local*
39 *government of this state:*

40 (1) *A purchaser who delivers a notice pursuant to*
41 *subsection 1 to a seller who does not maintain a place of business*
42 *in this state; and*

43 (2) *A seller who maintains a place of business in this state*
44 *and receives a notice pursuant to subsection 1,*



1 *may use any reasonable, consistent and uniform method to*
2 *apportion the use of the property among the various jurisdictions*
3 *in which it will be used that is supported by the business records of*
4 *the purchaser or seller as they exist at the time of the*
5 *consummation of the sale.*

6 *3. Any notice given pursuant to subsection 1 applies to all*
7 *future sales of property made by the seller to the purchaser, except*
8 *for the sale of property that is specifically apportioned pursuant to*
9 *subsection 2 or to property that will not be used in multiple*
10 *jurisdictions, until the purchaser delivers a written notice of*
11 *revocation to the seller.*

12 **Sec. 21. 1. A purchaser of direct mail must provide to the**
13 **seller at the time of the purchase:**

14 *(a) If the seller does not maintain a place of business in this*
15 *state:*

16 *(1) A form for direct mail approved by the Department;*

17 *(2) An informational statement of the jurisdictions to which*
18 *the direct mail will be delivered to recipients; or*

19 *(3) The direct pay permit of the purchaser issued pursuant*
20 *to section 19 of this act; or*

21 *(b) If the seller maintains a place of business in this state, an*
22 *informational statement of the jurisdictions to which the direct*
23 *mail will be delivered to recipients.*

24 *2. Notwithstanding the provisions of sections 13 to 18,*
25 *inclusive, of this act:*

26 *(a) Upon the receipt pursuant to subsection 1 of:*

27 *(1) A form for direct mail by a seller who does not maintain*
28 *a place of business in this state:*

29 *(I) The seller is relieved of any liability for the*
30 *collection, payment or remission of any sales or use taxes*
31 *applicable to the purchase of direct mail by that purchaser from*
32 *that seller; and*

33 *(II) The purchaser is liable for any sales or use taxes*
34 *applicable to the purchase of direct mail by that purchaser from*
35 *that seller.*

36 *Any form for direct mail provided to a seller pursuant to this*
37 *subparagraph applies to all future sales of direct mail made by*
38 *that seller to that purchaser until the purchaser delivers a written*
39 *notice of revocation to the seller.*

40 *(2) An informational statement by any seller, the seller*
41 *shall collect, pay or remit any applicable sales and use taxes in*
42 *accordance with the information contained in that statement. In*
43 *the absence of bad faith, the seller is relieved of any liability to*
44 *collect, pay or remit any sales and use taxes other than in*
45 *accordance with that information received.*



1 ***(b) If a purchaser of direct mail does not comply with***
2 ***subsection 1, the seller shall determine the location of the sale***
3 ***pursuant to subsection 5 of section 15 of this act and collect, pay***
4 ***or remit any applicable sales and use taxes. This paragraph does***
5 ***not limit the liability of the purchaser for the payment of any of***
6 ***those taxes.***

7 ***3. As used in this section, "direct mail" means printed***
8 ***material delivered or distributed by the United States Postal***
9 ***Service or another delivery service to a mass audience or to***
10 ***addresses contained on a mailing list provided by a purchaser or***
11 ***at the direction of a purchaser when the cost of the items***
12 ***purchased is not billed directly to the recipients. The term includes***
13 ***tangible personal property supplied directly or indirectly by the***
14 ***purchaser to the seller of the direct mail for inclusion in the***
15 ***package containing the printed material. The term does not***
16 ***include multiple items of printed material delivered to a single***
17 ***address.***

18 ***Sec. 22. Notwithstanding the provisions of any other specific***
19 ***statute, if the boundary of a local government that has imposed a***
20 ***sales or use tax is changed, any change in the rate of that tax***
21 ***which results therefrom becomes effective on the first day of the***
22 ***first calendar quarter that begins at least 60 days after the***
23 ***effective date of the change in the boundary.***

24 ***Sec. 23. Notwithstanding the provisions of any other specific***
25 ***statute, if any sales or use tax is due and payable on a Saturday,***
26 ***Sunday or legal holiday, the tax may be paid on the next***
27 ***succeeding business day.***

28 ***Sec. 24. Any invoice, billing or other document given to a***
29 ***purchaser that indicates the sales price for which tangible***
30 ***personal property is sold must state separately any amount***
31 ***received by the seller for:***

32 ***1. Services that are necessary to complete the sale, including***
33 ***delivery and installation charges;***

34 ***2. The value of exempt property given to the purchaser if***
35 ***taxable and exempt property are sold as a single product or piece***
36 ***of merchandise; and***

37 ***3. Credit given to the purchaser.***

38 ***Sec. 25. NRS 360B.030 is hereby amended to read as follows:***
39 ***360B.030 As used in NRS 360B.010 to 360B.170, inclusive,***
40 ***and sections 5 to 24, inclusive, of this act, unless the context***
41 ***otherwise requires, the words and terms defined in NRS 360B.040***
42 ***to 360B.100, inclusive, and sections 5 to 8, inclusive, of this act***
43 ***have the meanings ascribed to them in those sections.***



1 **Sec. 26.** NRS 360B.070 is hereby amended to read as follows:
2 360B.070 “Sales tax” means the tax levied by section 19 of
3 chapter 397, Statutes of Nevada 1955, at page 766, and any similar
4 tax authorized by *or pursuant to a* specific statute ~~{ }~~ *or special*
5 *legislative act of this state or the laws of another state that is a*
6 *member of the Agreement.*

7 **Sec. 27.** NRS 360B.080 is hereby amended to read as follows:
8 360B.080 “Seller” means any person making sales, leases or
9 rentals of *tangible* personal property . ~~{or services.}~~

10 **Sec. 28.** NRS 360B.100 is hereby amended to read as follows:
11 360B.100 “Use tax” means the tax levied by section 34 of
12 chapter 397, Statutes of Nevada 1955, at page 769, as amended by
13 section 3 of chapter 513, Statutes of Nevada 1985, at page 1562, and
14 any similar tax authorized by *or pursuant to a* specific statute ~~{ }~~ *or*
15 *special legislative act of this state or the laws of another state that*
16 *is a member of the Agreement.*

17 **Sec. 29.** NRS 360B.110 is hereby amended to read as follows:

18 360B.110 The Nevada Tax Commission shall:

19 1. Except as otherwise provided in NRS 360B.120, enter into
20 the Agreement.

21 2. Act jointly with other states that are members of the
22 Agreement to establish standards for:

23 (a) Certification of a certified service provider;

24 (b) A certified automated system; ~~{and}~~

25 (c) Performance of multistate sellers ~~{ }~~; *and*

26 (d) *An address-based system for determining the applicable*
27 *sales and use taxes.*

28 3. Take all other actions reasonably required to implement the
29 provisions of NRS 360B.010 to 360B.170, inclusive, *and sections 5*
30 *to 24, inclusive, of this act, and the provisions of the Agreement,*
31 including, without limitation ~~{ }~~, *the:*

32 (a) Adoption of regulations to carry out the provisions of NRS
33 360B.010 to 360B.170, inclusive ~~{ }~~, *and sections 5 to 24,*
34 *inclusive, of this act, and the provisions of the Agreement;* and

35 (b) Procurement, jointly with other member states, of goods and
36 services.

37 4. Represent, or have its designee represent, the State *of*
38 *Nevada* before the other states that are signatories to the Agreement.

39 5. Designate not more than four delegates, who may be
40 members of the Commission, to represent the State *of Nevada* for
41 the purposes of reviewing or amending the Agreement.

42 **Sec. 30.** NRS 361.186 is hereby amended to read as follows:

43 361.186 1. A taxpayer may collect an admission fee for the
44 exhibition of fine art otherwise exempt from taxation pursuant to
45 NRS 361.068 if the taxpayer offers to residents of the State of



1 Nevada a discount of 50 percent from any admission fee charged to
2 nonresidents. The discounted admission fee for residents must be
3 offered at any time the exhibition is open to the public and
4 admission fees are being charged.

5 2. Except as otherwise provided in subsection 5, if a taxpayer
6 collects a fee for the exhibition of fine art otherwise exempt from
7 taxation pursuant to NRS 361.068, the exemption pertaining to that
8 fine art for the fiscal year must be reduced by the net revenue
9 derived by the taxpayer for that fiscal year. The exemption
10 pertaining to fine art for a particular fiscal year must not be reduced
11 below zero, regardless of the amount of the net revenue derived by
12 the taxpayer for that fiscal year.

13 3. A tax resulting from the operation of this section is due with
14 the tax otherwise due under the taxpayer's first statement filed
15 pursuant to NRS 361.265 after the 15th day of the fourth month
16 after the end of the fiscal year in which the net revenue was received
17 or, if no such statement is required to be filed, under a statement of
18 the net revenue filed on or before the last day of the fourth month
19 after the end of that fiscal year.

20 4. A taxpayer who is required to pay a tax resulting from the
21 operation of this section may receive a credit against the tax for any
22 donations made by the taxpayer to the State Arts Council, the
23 Division of Museums and History Dedicated Trust Fund established
24 pursuant to NRS 381.0031, a museum that provides exhibits
25 specifically related to nature or a museum that provides exhibits
26 specifically related to children, if the taxpayer:

27 (a) Made the donation before the date that either statement
28 required pursuant to subsection 3 is due; and

29 (b) Provides to the county assessor documentation of the
30 donation at the time that he files the statement required pursuant to
31 subsection 3.

32 5. If a taxpayer qualifies for and avails himself of ~~both of~~ the
33 exemptions from taxation provided by NRS 361.068 and 374.291 ~~and~~
34 *and section 57.1 of chapter 397, Statutes of Nevada 1955*, the
35 reduction of the exemptions by the net revenue derived by the
36 taxpayer, as required pursuant to subsection 2 of this section, ~~and~~
37 subsection 2 of NRS 374.291 ~~and subsection 2 of section 57.2~~
38 *of chapter 397, Statutes of Nevada 1955*, must be carried out in
39 such a manner that the total net revenue derived by the taxpayer is
40 first applied to reduce the ~~exemption~~ *exemptions* provided
41 pursuant to NRS 374.291 ~~and section 57.1 of chapter 397,~~
42 *Statutes of Nevada 1955*. If the net revenue exceeds the amount of
43 the ~~exemption~~ *exemptions* provided pursuant to NRS 374.291 ~~and~~
44 *and section 57.1 of chapter 397, Statutes of Nevada 1955*, the
45 remaining net revenue must be applied to reduce the exemption



1 provided pursuant to NRS 361.068. If the net revenue is less than or
2 equal to the ~~exemption~~ *exemptions* provided pursuant to NRS
3 374.291 *and section 57.1 of chapter 397, Statutes of Nevada 1955,*
4 for that fiscal year, the exemption provided pursuant to NRS
5 361.068 must not be reduced.

6 6. For the purposes of this section:

7 (a) "Direct costs of owning and exhibiting the fine art" does not
8 include any allocation of the general and administrative expense of a
9 business or organization that conducts activities in addition to the
10 operation of the facility in which the fine art is displayed, including,
11 without limitation, an allocation of the salary and benefits of a
12 senior executive who is responsible for the oversight of the facility
13 in which the fine art is displayed and who has substantial
14 responsibilities related to the other activities of the business or
15 organization.

16 (b) "Net revenue" means the amount of the fees collected for
17 exhibiting the fine art during that fiscal year less the following paid
18 or made during that fiscal year:

19 (1) The direct costs of owning and exhibiting the fine art; and

20 (2) The cost of educational programs associated with the
21 taxpayer's public display of fine art, including the cost of meeting
22 the requirements of sub-subparagraph (IV) of subparagraph (1) of
23 paragraph (b) of subsection 5 of NRS 361.068.

24 **Sec. 31.** NRS 361.186 is hereby amended to read as follows:

25 361.186 1. A taxpayer may collect an admission fee for the
26 exhibition of fine art otherwise exempt from taxation pursuant to
27 NRS 361.068 if the taxpayer offers to residents of the State of
28 Nevada a discount of 50 percent from any admission fee charged to
29 nonresidents. The discounted admission fee for residents must be
30 offered at any time the exhibition is open to the public and
31 admission fees are being charged.

32 2. Except as otherwise provided in subsection 5, if a taxpayer
33 collects a fee for the exhibition of fine art otherwise exempt from
34 taxation pursuant to NRS 361.068, the exemption pertaining to that
35 fine art for the fiscal year must be reduced by the net revenue
36 derived by the taxpayer for that fiscal year. The exemption
37 pertaining to fine art for a particular fiscal year must not be reduced
38 below zero, regardless of the amount of the net revenue derived by
39 the taxpayer for that fiscal year.

40 3. A tax resulting from the operation of this section is due with
41 the tax otherwise due under the taxpayer's first statement filed
42 pursuant to NRS 361.265 after the 15th day of the fourth month
43 after the end of the fiscal year in which the net revenue was received
44 or, if no such statement is required to be filed, under a statement of



1 the net revenue filed on or before the last day of the fourth month
2 after the end of that fiscal year.

3 4. A taxpayer who is required to pay a tax resulting from the
4 operation of this section may receive a credit against the tax for any
5 donations made by the taxpayer to the State Arts Council, the
6 Division of Museums and History Dedicated Trust Fund established
7 pursuant to NRS 381.0031, a museum that provides exhibits
8 specifically related to nature or a museum that provides exhibits
9 specifically related to children, if the taxpayer:

10 (a) Made the donation before the date that either statement
11 required pursuant to subsection 3 is due; and

12 (b) Provides to the county assessor documentation of the
13 donation at the time that he files the statement required pursuant to
14 subsection 3.

15 5. ~~If a taxpayer qualifies for and avails himself of both of the
16 exemptions from taxation provided by NRS 361.068 and 374.291,
17 the reduction of the exemptions by the net revenue derived by the
18 taxpayer, as required pursuant to subsection 2 of this section and
19 subsection 2 of NRS 374.2911, must be carried out in such a manner
20 that the total net revenue derived by the taxpayer is first applied to
21 reduce the exemption provided pursuant to NRS 374.291. If the net
22 revenue exceeds the amount of the exemption provided pursuant to
23 NRS 374.291, the remaining net revenue must be applied to reduce
24 the exemption provided pursuant to NRS 361.068. If the net revenue
25 is less than or equal to the exemption provided pursuant to NRS
26 374.291 for that fiscal year, the exemption provided pursuant to
27 NRS 361.068 must not be reduced.~~

28 ~~—6.1~~ For the purposes of this section:

29 (a) “Direct costs of owning and exhibiting the fine art” does not
30 include any allocation of the general and administrative expense of a
31 business or organization that conducts activities in addition to the
32 operation of the facility in which the fine art is displayed, including,
33 without limitation, an allocation of the salary and benefits of a
34 senior executive who is responsible for the oversight of the facility
35 in which the fine art is displayed and who has substantial
36 responsibilities related to the other activities of the business or
37 organization.

38 (b) “Net revenue” means the amount of the fees collected for
39 exhibiting the fine art during that fiscal year less the following paid
40 or made during that fiscal year:

41 (1) The direct costs of owning and exhibiting the fine art; and

42 (2) The cost of educational programs associated with the
43 taxpayer’s public display of fine art, including the cost of meeting
44 the requirements of sub-subparagraph (IV) of subparagraph (1) of
45 paragraph (b) of subsection 5 of NRS 361.068.



1 **Sec. 32.** Chapter 372 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 33 to 36, inclusive, of this
3 act.

4 **Sec. 33.** *This chapter must be administered in accordance
5 with the provisions of chapter 360B of NRS.*

6 **Sec. 34.** *In determining the amount of taxes due pursuant to
7 this chapter:*

8 1. *The amount due must be computed to the third decimal
9 place and rounded to a whole cent using a method that rounds up
10 to the next cent if the numeral in the third decimal place is greater
11 than 4.*

12 2. *A retailer may compute the amount due on a transaction
13 on the basis of each item involved in the transaction or a single
14 invoice for the entire transaction.*

15 **Sec. 35.** 1. *If a purchaser wishes to claim an exemption
16 from the taxes imposed by this chapter, the retailer shall obtain
17 such identifying information from the purchaser at the time of
18 sale as is required by the Department.*

19 2. *The Department shall, to the extent feasible, establish an
20 electronic system for submitting a request for an exemption. A
21 purchaser is not required to provide a signature to claim an
22 exemption if the request is submitted electronically.*

23 3. *The Department may establish a system whereby a
24 purchaser who is exempt from the payment of the taxes imposed
25 by this chapter is issued an identification number that can be
26 presented to the retailer at the time of sale.*

27 4. *A retailer shall maintain such records of exempt
28 transactions as are required by the Department.*

29 5. *Except as otherwise provided in this subsection, a retailer
30 who complies with the provisions of this section is not liable for
31 the payment of any tax imposed by this chapter if the purchaser
32 improperly claims an exemption. If the purchaser improperly
33 claims an exemption, the purchaser is liable for the payment of the
34 tax. The provisions of this subsection do not apply if the retailer
35 fraudulently fails to collect the tax or solicits a purchaser to
36 participate in an unlawful claim of an exemption.*

37 **Sec. 36.** 1. *If a retailer is unable to collect all or part of the
38 sales price of a sale, he is entitled to receive a deduction from his
39 taxable sales for that bad debt.*

40 2. *Any deduction that is claimed pursuant to this section may
41 not include interest.*

42 3. *The amount of any deduction claimed must equal the
43 amount of a deduction that may be claimed pursuant to 26 U.S.C.
44 § 166 for that sale minus:*

45 (a) *Any finance charge or interest charged as part of the sale;*



- 1 (b) *Any sales or use tax charged on the sales price;*
2 (c) *Any amount not paid on the sales price because the*
3 *tangible personal property that was sold has remained in the*
4 *possession of the retailer until the full sales price is paid;*
5 (d) *Any expense incurred in attempting to collect the bad debt;*
6 *and*
7 (e) *The value of any property sold that has been repossessed by*
8 *the retailer.*
9 4. *A bad debt may be claimed as a deduction on the return*
10 *that covers the period during which the bad debt is written off in*
11 *the business records of the retailer that are maintained in the*
12 *ordinary course of the retailer's business and is eligible to be*
13 *claimed as a deduction pursuant to 26 U.S.C. § 166 or, if the*
14 *retailer is not required to file a federal income tax return, would*
15 *be eligible to be claimed as a deduction pursuant to 26 U.S.C. §*
16 *166.*
17 5. *If a bad debt for which a deduction has been claimed is*
18 *subsequently collected in whole or in part, the tax on the amount*
19 *so collected must be reported on the return that covers the period*
20 *in which the collection is made.*
21 6. *If the amount of the bad debt is greater than the amount of*
22 *the taxable sales reported for the period during which the bad debt*
23 *is claimed as a deduction, a claim for a refund may be filed*
24 *pursuant to NRS 372.630 to 372.720, inclusive, except that the*
25 *time within which the claim may be filed begins on the date on*
26 *which the return that included the deduction was filed.*
27 7. *If the retailer has contracted with a certified service*
28 *provider for the remittance of the tax due under this chapter, the*
29 *service provider may, on behalf of the retailer, claim any*
30 *deduction to which the retailer is entitled pursuant to this section.*
31 *The service provider shall credit or refund the full amount of any*
32 *deduction or refund received pursuant to this section to the*
33 *retailer.*
34 8. *For the purposes of reporting a payment received on a bad*
35 *debt for which a deduction has been claimed, the payment must*
36 *first be applied to the sales price of the property sold and the tax*
37 *due thereon, and then to any interest, service charge or other*
38 *charge that was charged as part of the sale.*
39 9. *If the records of a retailer indicate that a bad debt may be*
40 *allocated among other states that are members of the Streamlined*
41 *Sales and Use Tax Agreement, the retailer may allocate the bad*
42 *debt among those states.*
43 10. *Except as otherwise provided in subsection 11, upon*
44 *determining that a retailer has filed a return which contains one*



1 *or more violations of the provisions of this section, the Department*
2 *shall:*

3 (a) *For the first return of any retailer which contains one or*
4 *more violations, issue a letter of warning to the retailer which*
5 *provides an explanation of the violation or violations contained in*
6 *the return.*

7 (b) *For the first or second return, other than a return*
8 *described in paragraph (a), in any calendar year which contains*
9 *one or more violations, assess a penalty equal to the amount of the*
10 *deduction claimed or \$1,000, whichever is less.*

11 (c) *For the third and each subsequent return in any calendar*
12 *year which contains one or more violations, assess a penalty of*
13 *three times the amount of the deduction claimed or \$3,000,*
14 *whichever is less.*

15 11. *For the purposes of subsection 10, if the first violation of*
16 *this section by any retailer was determined by the Department*
17 *through an audit which covered more than one return of the*
18 *retailer, the Department shall treat all returns which were*
19 *determined through the same audit to contain a violation or*
20 *violations in the manner provided in paragraph (a) of*
21 *subsection 10.*

22 12. *As used in this section:*

23 (a) *“Bad debt” means a debt that may be deducted pursuant to*
24 *26 U.S.C. § 166.*

25 (b) *“Certified service provider” has the meaning ascribed to it*
26 *in NRS 360B.060.*

27 **Sec. 37.** NRS 372.123 is hereby amended to read as follows:

28 372.123 1. If the State or a political subdivision of the State
29 enters into a contract pursuant to chapter 332 or 333 of NRS on or
30 after June 5, 2001, with a person who:

31 (a) Sells tangible personal property in this state; and

32 (b) Has not obtained a permit pursuant to NRS 372.125 ~~because~~
33 ~~he does not maintain a place of business within this state,~~ *or*
34 *registered pursuant to section 9 of this act,*

35 the contract must include a provision requiring the person to obtain
36 a permit pursuant to NRS 372.125 *or to register pursuant to section*
37 *9 of this act,* and to ~~agree to~~ collect and pay the taxes imposed
38 pursuant to this chapter on the sale of tangible personal property in
39 this state. For the purposes of ~~the~~ *a* permit obtained pursuant to
40 NRS 372.125, the person shall be deemed to have a single place of
41 business in this state.

42 2. The Department may require a state agency or local
43 government to submit such documentation as is necessary to ensure
44 compliance with this section.



1 **Sec. 38.** NRS 372.125 is hereby amended to read as follows:
2 372.125 1. Every person desiring to engage in or conduct
3 business as a seller within this state must *register with the*
4 *Department pursuant to section 9 of this act or* file with the
5 Department an application for a permit for each place of business.

6 2. Every application for a permit must:
7 (a) Be made upon a form prescribed by the Department.
8 (b) Set forth the name under which the applicant transacts or
9 intends to transact business and the location of his place or places of
10 business.
11 (c) Set forth other information which the Department may
12 require.

13 3. The application must be signed by ~~the~~ :
14 (a) ~~The~~ owner if he is a natural person; ~~in the case of an~~
15 ~~association or partnership, by a~~
16 (b) ~~A~~ member or partner ~~in the case of a corporation, by an~~ *if*
17 *the seller is an association or partnership; or*
18 (c) ~~An~~ executive officer or some person specifically authorized
19 ~~by the corporation~~ to sign the application ~~to which must be~~
20 ~~attached the written evidence of his authority.~~ *if the seller is a*
21 *corporation. Written evidence of the signer's authority must be*
22 *attached to the application.*

23 **Sec. 39.** NRS 372.125 is hereby amended to read as follows:
24 372.125 1. Every person desiring to engage in or conduct
25 business as a seller within this state must register with the
26 Department pursuant to section 9 of this act or file with the
27 Department an application for a permit for each place of business ~~;~~
28 *, unless he intends to sell vehicles and will make fewer than three*
29 *retail sales of vehicles during any 12-month period.*

30 2. Every application for a permit must:
31 (a) Be made upon a form prescribed by the Department.
32 (b) Set forth the name under which the applicant transacts or
33 intends to transact business and the location of his place or places of
34 business.
35 (c) Set forth other information which the Department may
36 require.

37 3. The application must be signed by:
38 (a) The owner if he is a natural person;
39 (b) A member or partner if the seller is an association or
40 partnership; or
41 (c) An executive officer or some person specifically authorized
42 to sign the application if the seller is a corporation. Written evidence
43 of the signer's authority must be attached to the application.



1 **Sec. 40.** NRS 372.160 is hereby amended to read as follows:
2 372.160 A resale certificate relieves the seller from the burden
3 of proof only if taken in good faith from a person who ~~is~~ :

4 1. *Is engaged in the business of selling tangible personal*
5 *property ~~and who holds the permit provided for in NRS 372.125 to~~*
6 *~~372.180, inclusive, and who, at~~;*

7 2. *Is registered pursuant to section 9 of this act or holds a*
8 *permit issued pursuant to NRS 372.135; and*

9 3. *At* the time of purchasing the tangible personal property,
10 intends to sell it in the regular course of business or is unable to
11 ascertain at the time of purchase whether the property will be sold or
12 will be used for some other purpose.

13 **Sec. 41.** NRS 372.165 is hereby amended to read as follows:

14 372.165 1. ~~The~~ *A resale* certificate must:

15 (a) Be signed by and bear the name and address of the
16 purchaser.

17 (b) Indicate *that the purchaser is registered pursuant to section*
18 *9 of this act or contain* the number of the permit issued to the
19 purchaser ~~is~~ *pursuant to NRS 372.135.*

20 (c) Indicate the general character of the tangible personal
21 property sold by the purchaser in the regular course of business.

22 2. The certificate must be substantially in such form as the
23 Department may prescribe.

24 **Sec. 42.** NRS 372.230 is hereby amended to read as follows:

25 372.230 A resale certificate relieves the person selling the
26 property from the burden of proof only if taken in good faith from a
27 person who ~~is~~ :

28 1. *Is engaged in the business of selling tangible personal*
29 *property ~~and who holds the permit provided for by NRS 372.125 to~~*
30 *~~372.180, inclusive, and who, at~~;*

31 2. *Is registered pursuant to section 9 of this act or holds a*
32 *permit issued pursuant to NRS 372.135; and*

33 3. *At* the time of purchasing the tangible personal property,
34 intends to sell it in the regular course of business or is unable to
35 ascertain at the time of purchase whether the property will be sold or
36 will be used for some other purpose.

37 **Sec. 43.** NRS 372.235 is hereby amended to read as follows:

38 372.235 1. ~~The~~ *A resale* certificate must:

39 (a) Be signed and bear the name and address of the purchaser.

40 (b) Indicate *that the purchaser is registered pursuant to section*
41 *9 of this act or contain* the number of the permit issued to the
42 purchaser ~~is~~ *pursuant to NRS 372.135.*

43 (c) Indicate the general character of the tangible personal
44 property sold by the purchaser in the regular course of business.



1 2. The certificate must be substantially in such form as the
2 Department may prescribe.

3 **Sec. 44.** NRS 372.355 is hereby amended to read as follows:
4 372.355 Except as *otherwise* provided in NRS 372.380 ~~{ }~~ *or*
5 *required by the Department pursuant to section 9 of this act*, the
6 taxes imposed by this chapter are payable to the Department
7 monthly on or before the last day of the month next succeeding each
8 month.

9 **Sec. 45.** NRS 372.360 is hereby amended to read as follows:
10 372.360 *Except as otherwise required by the Department*
11 *pursuant to section 9 of this act:*

12 1. On or before the last day of the month following each
13 reporting period, a return for the preceding period must be filed with
14 the Department in such form as the Department may prescribe. *Any*
15 *return required to be filed by this section must be combined with*
16 *any return required to be filed pursuant to the provisions of*
17 *chapter 374 of NRS.*

18 2. For purposes of ~~{the}~~ :
19 (a) *The* sales tax a return must be filed by each seller. ~~{For~~
20 ~~purposes of the}~~

21 (b) *The* use tax a return must be filed by each retailer
22 maintaining a place of business in the state and by each person
23 purchasing tangible personal property, the storage, use or other
24 consumption of which is subject to the use tax, who has not paid the
25 use tax due. ~~{to a retailer required to collect the tax.}~~

26 3. Returns must be signed by the person required to file the
27 return or by his authorized agent but need not be verified by oath.

28 **Sec. 46.** NRS 372.365 is hereby amended to read as follows:
29 372.365 1. *Except as otherwise required by the Department*
30 *pursuant to section 9 of this act or provided in sections 13 to 18,*
31 *inclusive, of this act:*

32 (a) For the purposes of the sales tax:
33 ~~{(a)}~~ (1) The return must show the gross receipts of the seller
34 during the preceding reporting period.

35 ~~{(b)}~~ (2) The gross receipts must be segregated and reported
36 separately for each county to which a sale of tangible personal
37 property pertains.

38 ~~{(c)}~~ (3) A sale pertains to the county in this state in which the
39 tangible personal property is or will be delivered to the purchaser or
40 his agent or designee.

41 ~~{2-}~~ (b) For purposes of the use tax:

42 ~~{(a)}~~ (1) In the case of a return filed by a retailer, the return
43 must show the total sales price of the property purchased by him, the
44 storage, use or consumption of which property became subject to the
45 use tax during the preceding reporting period.



1 ~~[(b)]~~ (2) The sales price must be segregated and reported
2 separately for each county to which a purchase of tangible personal
3 property pertains.

4 ~~[(e)]~~ (3) If the property was ~~[brought]~~ :

5 (I) *Brought* into this state by the purchaser or his agent or
6 designee, the sale pertains to the county in this state in which the
7 property is or will be first used, stored or otherwise consumed.

8 ~~[Otherwise.]~~

9 (II) *Not brought into this state by the purchaser or his*
10 *agent or designee*, the sale pertains to the county in this state in
11 which the property was delivered to the purchaser or his agent or
12 designee.

13 ~~[3.]~~ 2. In case of a return filed by a purchaser, the return must
14 show the total sales price of the property purchased by him, the
15 storage, use or consumption of which became subject to the use tax
16 during the preceding reporting period and indicate the county in this
17 state in which the property was first used, stored or consumed.

18 ~~[4.]~~ 3. The return must also show the amount of the taxes for
19 the period covered by the return and such other information as the
20 Department deems necessary for the proper administration of this
21 chapter.

22 ~~[5.—If a retailer:~~

23 ~~—(a) Is unable to collect all or part of the sales price of a sale, the~~
24 ~~amount of which was included in the gross receipts reported for a~~
25 ~~previous reporting period; and~~

26 ~~—(b) Has taken a deduction on his federal income tax return~~
27 ~~pursuant to 26 U.S.C. § 166(a) for the amount which he is unable to~~
28 ~~collect;~~

29 ~~he is entitled to receive a credit for the amount of sales tax paid on~~
30 ~~account of that uncollected sales price. The credit may be used~~
31 ~~against the amount of sales tax that the retailer is subsequently~~
32 ~~required to pay pursuant to this chapter.~~

33 ~~—6.—If the Internal Revenue Service of the Department of the~~
34 ~~Treasury disallows a deduction described in paragraph (b) of~~
35 ~~subsection 5 and the retailer claimed a credit on a return for a~~
36 ~~previous reporting period pursuant to subsection 5, the retailer shall~~
37 ~~include the amount of that credit in the amount of taxes reported~~
38 ~~pursuant to subsection 4 in the first return filed with the Department~~
39 ~~after the deduction is disallowed.~~

40 ~~—7.—If a retailer collects all or part of the sales price for which he~~
41 ~~claimed a credit on a return for a previous reporting period pursuant~~
42 ~~to subsection 5, he shall include:~~

43 ~~—(a) The amount collected in the gross receipts reported pursuant~~
44 ~~to paragraph (a) of subsection 1; and~~



1 ~~—(b) The sales tax payable on the amount collected in the amount~~
2 ~~of taxes reported pursuant to subsection 4,~~
3 ~~in the first return filed with the Department after that collection.~~

4 ~~—8.] 4.~~ Except as otherwise provided in subsection ~~[9.] 5,~~ upon
5 determining that a retailer has filed a return which contains one or
6 more violations of the provisions of this section, the Department
7 shall:

8 (a) For the first return of any retailer which contains one or more
9 violations, issue a letter of warning to the retailer which provides an
10 explanation of the violation or violations contained in the return.

11 (b) For the first or second return, other than a return described in
12 paragraph (a), in any calendar year which contains one or more
13 violations, assess a penalty equal to the amount of the tax which was
14 not reported or was reported for the wrong county or \$1,000,
15 whichever is less.

16 (c) For the third and each subsequent return in any calendar year
17 which contains one or more violations, assess a penalty of three
18 times the amount of the tax which was not reported or was reported
19 for the wrong county or \$3,000, whichever is less.

20 ~~[9.] 5.~~ For the purposes of subsection ~~[8.] 4,~~ if the first violation
21 of this section by any retailer was determined by the Department
22 through an audit which covered more than one return of the retailer,
23 the Department shall treat all returns which were determined
24 through the same audit to contain a violation or violations in the
25 manner provided in paragraph (a) of subsection ~~[8.] 4.~~

26 **Sec. 47.** NRS 372.370 is hereby amended to read as follows:

27 372.370 ~~[The]~~

28 *1. Except as otherwise provided in subsection 2, a taxpayer*
29 *shall deduct and withhold from the taxes otherwise due from him*
30 *1.25 percent of it to reimburse himself for the cost of collecting the*
31 *tax.*

32 *2. The regulations adopted by the Department pursuant to*
33 *NRS 360B.110 may authorize the deduction and withholding from*
34 *the taxes otherwise due from a taxpayer such other amounts as*
35 *are required to carry out the Streamlined Sales and Use Tax*
36 *Agreement.*

37 **Sec. 48.** NRS 372.375 is hereby amended to read as follows:

38 372.375 ~~[The]~~

39 *1. Except as otherwise required by the Department pursuant*
40 *to section 9 of this act, the person required to file ~~[the]~~ a return shall*
41 *deliver the return together with a remittance of the amount of the tax*
42 *due to the Department.*

43 *2. The Department shall provide for the acceptance of credit*
44 *cards, debit cards or electronic transfers of money for the payment*
45 *of the tax due in the manner prescribed in NRS 353.1465.*



1 **Sec. 49.** NRS 372.380 is hereby amended to read as follows:
2 372.380 1. ~~the~~ *Except as otherwise provided in subsection*
3 *2 or required by the Department pursuant to section 9 of this act,*
4 *the* reporting and payment period of a taxpayer whose taxable sales
5 do not exceed \$10,000 per month is a calendar quarter.

6 2. The Department, if it deems this action necessary in order to
7 insure payment to or facilitate the collection by the State of the
8 amount of taxes, may require returns and payment of the amount of
9 taxes for periods other than calendar months or quarters, depending
10 upon the principal place of business of the seller, retailer or
11 purchaser, as the case may be, or for other than monthly or quarterly
12 periods.

13 **Sec. 50.** NRS 372.635 is hereby amended to read as follows:
14 372.635 Except as otherwise provided in NRS 360.235 and
15 360.395 ~~and~~ *and section 36 of this act:*

16 1. No refund may be allowed unless a claim for it is filed with
17 the Department within 3 years after the last day of the month
18 following the close of the period for which the overpayment was
19 made.

20 2. No credit may be allowed after the expiration of the period
21 specified for filing claims for refund unless a claim for credit is filed
22 with the Department within that period, or unless the credit relates
23 to a period for which a waiver is given pursuant to NRS 360.355.

24 **Sec. 51.** NRS 372.7263 is hereby amended to read as follows:
25 372.7263 1. In administering the provisions of NRS 372.335,
26 the Department shall apply the exemption for the sale of tangible
27 personal property delivered by the vendor to a forwarding agent for
28 shipment out of state to include:

29 ~~the~~ (a) The sale of a vehicle to a nonresident to whom a special
30 movement permit has been issued by the Department of Motor
31 Vehicles pursuant to subsection 1 of NRS 482.3955; and

32 ~~the~~ (b) The sale of farm machinery and equipment ~~as defined~~
33 ~~in NRS 374.286,~~ to a nonresident who submits proof to the vendor
34 that the farm machinery and equipment will be delivered out of state
35 not later than 15 days after the sale.

36 2. *As used in this section:*

37 (a) *“Agricultural use” has the meaning ascribed to it in*
38 *NRS 361A.030.*

39 (b) *“Farm machinery and equipment” means a farm tractor,*
40 *implement of husbandry, piece of equipment used for irrigation,*
41 *or a part used in the repair or maintenance of farm machinery*
42 *and equipment. The term does not include:*

43 *(1) A vehicle required to be registered pursuant to the*
44 *provisions of chapter 482 or 706 of NRS; or*



1 (2) *Machinery or equipment only incidentally employed for*
2 *the agricultural use of real property.*

3 (c) *“Farm tractor” means a motor vehicle designed and used*
4 *primarily for drawing an implement of husbandry.*

5 (d) *“Implement of husbandry” means a vehicle that is*
6 *designed, adapted or used for agricultural purposes, including,*
7 *without limitation, a plow, machine for mowing, hay baler,*
8 *combine, piece of equipment used to stack hay, till, harvest, handle*
9 *agricultural commodities or apply fertilizers, or other heavy,*
10 *movable equipment designed, adapted or used for agricultural*
11 *purposes.*

12 **Sec. 52.** NRS 372.740 is hereby amended to read as follows:

13 372.740 1. The Department, or any person authorized in
14 writing by it, may examine the books, papers, records and
15 equipment of any person selling tangible personal property and any
16 person liable for the use tax and may investigate the character of the
17 business of the person to verify the accuracy of any return made, or,
18 if no return is made by the person, to ascertain and determine the
19 amount required to be paid.

20 2. Any person selling or purchasing tangible personal property
21 in this state who ~~is~~ :

22 (a) ~~Is~~ required to ~~obtain~~ :

23 (1) ~~Obtain~~ a permit pursuant to NRS 372.125 ~~or register~~
24 ~~pursuant to section 9 of this act;~~ or ~~to file~~

25 (2) ~~File~~ a return pursuant to subsection 2 of NRS 372.360 ~~;~~
26 ~~and who keeps~~ ; and

27 (b) ~~Keeps~~ outside of this state his records, receipts, invoices and
28 other documents relating to sales he has made or the use tax due this
29 state,

30 shall pay to the Department an amount equal to the allowance
31 provided for state officers and employees generally while traveling
32 outside of the state for each day or fraction thereof during which an
33 employee of the Department is engaged in examining those
34 documents, plus any other actual expenses incurred by the employee
35 while he is absent from his regular place of employment to examine
36 those documents.

37 **Sec. 53.** Chapter 374 of NRS is hereby amended by adding
38 thereto the provisions set forth as sections 54 to 57, inclusive, of this
39 act.

40 **Sec. 54.** *This chapter must be administered in accordance*
41 *with the provisions of chapter 360B of NRS.*

42 **Sec. 55.** *In determining the amount of taxes due pursuant to*
43 *this chapter:*

44 1. *The amount due must be computed to the third decimal*
45 *place and rounded to a whole cent using a method that rounds up*



1 *to the next cent if the numeral in the third decimal place is greater*
2 *than 4.*

3 *2. A retailer may compute the amount due on a transaction*
4 *on the basis of each item involved in the transaction or a single*
5 *invoice for the entire transaction.*

6 **Sec. 56. 1.** *If a purchaser wishes to claim an exemption*
7 *from the taxes imposed by this chapter, the retailer shall obtain*
8 *such identifying information from the purchaser at the time of*
9 *sale as is required by the Department.*

10 *2. The Department shall, to the extent feasible, establish an*
11 *electronic system for submitting a request for an exemption. A*
12 *purchaser is not required to provide a signature to claim an*
13 *exemption if the request is submitted electronically.*

14 *3. The Department may establish a system whereby a*
15 *purchaser who is exempt from the payment of the taxes imposed*
16 *by this chapter is issued an identification number that can be*
17 *presented to the retailer at the time of sale.*

18 *4. A retailer shall maintain such records of exempt*
19 *transactions as are required by the Department.*

20 *5. Except as otherwise provided in this subsection, a retailer*
21 *who complies with the provisions of this section is not liable for*
22 *the payment of any tax imposed by this chapter if the purchaser*
23 *improperly claims an exemption. If the purchaser improperly*
24 *claims an exemption, the purchaser is liable for the payment of the*
25 *tax. The provisions of this subsection do not apply if the retailer*
26 *fraudulently fails to collect the tax or solicits a purchaser to*
27 *participate in an unlawful claim of an exemption.*

28 **Sec. 57. 1.** *If a retailer is unable to collect all or part of the*
29 *sales price of a sale, he is entitled to receive a deduction from his*
30 *taxable sales for that bad debt.*

31 *2. Any deduction that is claimed pursuant to this section may*
32 *not include interest.*

33 *3. The amount of any deduction claimed must equal the*
34 *amount of a deduction that may be claimed pursuant to 26 U.S.C.*
35 *§ 166 for that sale minus:*

- 36 *(a) Any finance charge or interest charged as part of the sale;*
37 *(b) Any sales or use tax charged on the sales price;*
38 *(c) Any amount not paid on the sales price because the*
39 *tangible personal property that was sold has remained in the*
40 *possession of the retailer until the full sales price is paid;*
41 *(d) Any expense incurred in attempting to collect the bad debt;*
42 *and*

43 *(e) The value of any property sold that has been repossessed by*
44 *the retailer.*



1 4. A bad debt may be claimed as a deduction on the return
2 that covers the period during which the bad debt is written off in
3 the business records of the retailer that are maintained in the
4 ordinary course of the retailer's business and is eligible to be
5 claimed as a deduction pursuant to 26 U.S.C. § 166 or, if the
6 retailer is not required to file a federal income tax return, would
7 be eligible to be claimed as a deduction pursuant to 26 U.S.C. §
8 166.

9 5. If a bad debt for which a deduction has been claimed is
10 subsequently collected in whole or in part, the tax on the amount
11 so collected must be reported on the return that covers the period
12 in which the collection is made.

13 6. If the amount of the bad debt is greater than the amount of
14 the taxable sales reported for the period during which the bad debt
15 is claimed as a deduction, a claim for a refund may be filed
16 pursuant to NRS 374.635 to 374.720, inclusive, except that the
17 time within which the claim may be filed begins on the date on
18 which the return that included the deduction was filed.

19 7. If the retailer has contracted with a certified service
20 provider for the remittance of the tax due under this chapter, the
21 service provider may, on behalf of the retailer, claim any
22 deduction to which the retailer is entitled pursuant to this section.
23 The service provider shall credit or refund the full amount of any
24 deduction or refund received pursuant to this section to the
25 retailer.

26 8. For the purposes of reporting a payment received on a bad
27 debt for which a deduction has been claimed, the payment must
28 first be applied to the sales price of the property sold and the tax
29 due thereon, and then to any interest, service charge or other
30 charge that was charged as part of the sale.

31 9. If the records of a retailer indicate that a bad debt may be
32 allocated among other states that are members of the Streamlined
33 Sales and Use Tax Agreement, the retailer may allocate the bad
34 debt among those states.

35 10. Except as otherwise provided in subsection 11, upon
36 determining that a retailer has filed a return which contains one
37 or more violations of the provisions of this section, the Department
38 shall:

39 (a) For the first return of any retailer which contains one or
40 more violations, issue a letter of warning to the retailer which
41 provides an explanation of the violation or violations contained in
42 the return.

43 (b) For the first or second return, other than a return
44 described in paragraph (a), in any calendar year which contains



1 *one or more violations, assess a penalty equal to the amount of the*
2 *deduction claimed or \$1,000, whichever is less.*

3 (c) *For the third and each subsequent return in any calendar*
4 *year which contains one or more violations, assess a penalty of*
5 *three times the amount of the deduction claimed or \$3,000,*
6 *whichever is less.*

7 **11.** *For the purposes of subsection 10, if the first violation of*
8 *this section by any retailer was determined by the Department*
9 *through an audit which covered more than one return of the*
10 *retailer, the Department shall treat all returns which were*
11 *determined through the same audit to contain a violation or*
12 *violations in the manner provided in paragraph (a) of*
13 *subsection 10.*

14 **12.** *As used in this section:*

15 (a) *“Bad debt” means a debt that may be deducted pursuant to*
16 *26 U.S.C. § 166.*

17 (b) *“Certified service provider” has the meaning ascribed to it*
18 *in NRS 360B.060.*

19 **Sec. 58.** NRS 374.020 is hereby amended to read as follows:

20 374.020 Except where the context otherwise requires, the
21 definitions given in NRS 374.025 to ~~[374.107,]~~ 374.100, inclusive,
22 govern the construction of this chapter.

23 **Sec. 59.** NRS 374.030 is hereby amended to read as follows:

24 374.030 1. “Gross receipts” means the total amount of the
25 sale or lease or rental price, as the case may be, of the retail sales of
26 retailers, valued in money, whether received in money or otherwise,
27 without any deduction on account of any of the following:

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

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

40 (c) The cost of transportation of the property before its sale to
41 the purchaser.

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

44 (a) Any services that are a part of the sale.

45 (b) All receipts, cash, credits and property of any kind.



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1 (c) Any amount for which credit is allowed by the seller to the
2 purchaser.

3 3. "Gross receipts" does not include any of the following:

4 (a) Cash discounts allowed and taken on sales.

5 (b) The sale price of property returned by customers when the
6 full sale price is refunded either in cash or credit, but this exclusion
7 does not apply in any instance when the customer, in order to obtain
8 the refund, is required to purchase other property at a price greater
9 than the amount charged for the property that is returned.

10 (c) The price received for labor or services used in installing or
11 applying the property sold.

12 (d) The amount of any tax, not including any manufacturers' or
13 importers' excise tax, imposed by the United States upon or with
14 respect to retail sales, whether imposed upon the retailer or the
15 consumer.

16 ~~[(e) The amount of any allowance against the selling price given
17 by a retailer for the value of a used vehicle which is taken in trade
18 on the purchase of another vehicle.]~~

19 4. For purposes of the sales tax, if the retailers establish to the
20 satisfaction of the Department that the sales tax has been added to
21 the total amount of the sale price and has not been absorbed by
22 them, the total amount of the sale price shall be deemed to be the
23 amount received exclusive of the tax imposed.

24 **Sec. 60.** NRS 374.040 is hereby amended to read as follows:

25 374.040 1. "Occasional sale " ~~[" except as otherwise
26 provided in subsection 2.]~~ includes:

27 (a) A sale of property not held or used by a seller in the course
28 of an activity for which he is required to hold a seller's permit,
29 provided such sale is not one of a series of sales sufficient in
30 number, scope and character to constitute an activity requiring the
31 holding of a seller's permit.

32 (b) Any transfer of all or substantially all the property held or
33 used by a person in the course of such an activity when after such
34 transfer the real or ultimate ownership of such property is
35 substantially similar to that which existed before such transfer.

36 2. ~~["The term does not include the sale of a vehicle other than
37 the sale or transfer of a used vehicle to the seller's spouse, child,
38 grandchild, parent, grandparent, brother or sister. For the purposes
39 of this section, the relation of parent and child includes adoptive and
40 illegitimate children and stepchildren.~~

41 ~~—3.]~~ For the purposes of this section, stockholders, bondholders,
42 partners or other persons holding an interest in a corporation or
43 other entity are regarded as having the "real or ultimate ownership"
44 of the property of such corporation or other entity.



1 **Sec. 61.** NRS 374.055 is hereby amended to read as follows:
2 374.055 1. "Retail sale" or "sale at retail" means a sale for
3 any purpose other than resale in the regular course of business of
4 tangible personal property. ~~{The terms do not include a sale of~~
5 ~~property that:~~
6 ~~—(a) Meets the requirements of subparagraphs (1) and (2) of~~
7 ~~paragraph (a) of subsection 4 of NRS 374.291;~~
8 ~~—(b) Is made available for sale within 2 years after it is acquired;~~
9 ~~and~~
10 ~~—(c) Is made available for viewing by the public or prospective~~
11 ~~purchasers, or both, within 2 years after it is acquired, whether or~~
12 ~~not a fee is charged for viewing it and whether or not it is also used~~
13 ~~for purposes other than viewing.}~~
14 2. The delivery in a county of tangible personal property by an
15 owner or former owner thereof or by a factor, or agent of such
16 owner, former owner or factor, if the delivery is to a consumer or
17 person for redelivery to a consumer, pursuant to a retail sale made
18 by a retailer not engaged in business in the county, is a retail sale in
19 the county by the person making the delivery. He shall include the
20 retail selling price of the property in his gross receipts.

21 **Sec. 62.** NRS 374.060 is hereby amended to read as follows:
22 374.060 1. "Retailer" includes:
23 (a) Every seller who makes any retail sale or sales of tangible
24 personal property, and every person engaged in the business of
25 making retail sales at auction of tangible personal property owned
26 by the person or others.
27 (b) Every person engaged in the business of making sales for
28 storage, use or other consumption or in the business of making sales
29 at auction of tangible personal property owned by the person or
30 others for storage, use or other consumption.
31 (c) Every person making any retail sale of a vehicle or more
32 than two retail sales of other tangible personal property during any
33 12-month period, including sales made in the capacity of assignee
34 for the benefit of creditors, or receiver or trustee in bankruptcy.
35 2. When the Department determines that it is necessary for the
36 efficient administration of this chapter to regard any salesmen,
37 representatives, peddlers or canvassers as the agents of the dealers,
38 distributors, supervisors or employers under whom they operate or
39 from whom they obtain the tangible personal property sold by them,
40 irrespective of whether they are making sales on their own behalf or
41 on behalf of such dealers, distributors, supervisors or employers, the
42 Department may so regard them and may regard the dealers,
43 distributors, supervisors or employers as retailers for purposes of
44 this chapter.



1 3. *A licensed optometrist or physician is a consumer of, and*
2 *shall not be considered, a retailer within the provisions of this*
3 *chapter, with respect to the ophthalmic materials used or*
4 *furnished by him in the performance of his professional services*
5 *in the diagnosis, treatment or correction of conditions of the*
6 *human eye, including the adaptation of lenses or frames for the*
7 *aid thereof.*

8 **Sec. 63.** NRS 374.060 is hereby amended to read as follows:

9 374.060 1. "Retailer" includes:

10 (a) Every seller who makes any retail sale or sales of tangible
11 personal property, and every person engaged in the business of
12 making retail sales at auction of tangible personal property owned
13 by the person or others.

14 (b) Every person engaged in the business of making sales for
15 storage, use or other consumption or in the business of making sales
16 at auction of tangible personal property owned by the person or
17 others for storage, use or other consumption.

18 (c) Every person making ~~any retail sale of a vehicle or~~ more
19 than two retail sales of other tangible personal property during any
20 12-month period, including sales made in the capacity of assignee
21 for the benefit of creditors, or receiver or trustee in bankruptcy.

22 2. When the Department determines that it is necessary for the
23 efficient administration of this chapter to regard any salesmen,
24 representatives, peddlers or canvassers as the agents of the dealers,
25 distributors, supervisors or employers under whom they operate or
26 from whom they obtain the tangible personal property sold by them,
27 irrespective of whether they are making sales on their own behalf or
28 on behalf of such dealers, distributors, supervisors or employers, the
29 Department may so regard them and may regard the dealers,
30 distributors, supervisors or employers as retailers for purposes of
31 this chapter.

32 **Sec. 64.** NRS 374.070 is hereby amended to read as follows:

33 374.070 1. "Sales price" means the total amount for which
34 tangible property is sold, valued in money, whether paid in money
35 or otherwise, without any deduction on account of any of the
36 following:

37 (a) The cost of the property sold.

38 (b) The cost of the materials used, labor or service cost, interest
39 charged, losses, or any other expenses.

40 (c) The cost of transportation of the property before its purchase.

41 2. The total amount for which property is sold includes all of
42 the following:

43 (a) Any services that are a part of the sale.

44 (b) Any amount for which credit is given to the purchaser by the
45 seller.



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- 1 3. "Sales price" does not include any of the following:
- 2 (a) Cash discounts allowed and taken on sales.
- 3 (b) The amount charged for property returned by customers
- 4 when the entire amount charged therefor is refunded either in cash
- 5 or credit; but this exclusion does not apply in any instance when the
- 6 customer, in order to obtain the refund, is required to purchase other
- 7 property at a price greater than the amount charged for the property
- 8 that is returned.
- 9 (c) The amount charged for labor or services rendered in
- 10 installing or applying the property sold.
- 11 (d) The amount of any tax, ~~[(c)]~~ not including ~~[-, however,]~~ any
- 12 manufacturers' or importers' excise tax, ~~[(d)]~~ imposed by the United
- 13 States upon or with respect to retail sales, whether imposed upon the
- 14 retailer or the consumer.
- 15 (e) The amount of any tax imposed by the State of Nevada upon
- 16 or with respect to the storage, use or other consumption of tangible
- 17 personal property purchased from any retailer.

18 ~~[(f) 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 the purpose of a sale of a vehicle by a seller who is not~~
 22 ~~required to be registered with the Department of Taxation, the sales~~
 23 ~~price is the value established in the manner set forth in~~
 24 ~~NRS 374.112.]~~

25 **Sec. 65.** NRS 374.085 is hereby amended to read as follows:
 26 374.085 "Storage, use or other consumption" does not include

- 27 ~~[-~~
- 28 ~~—1.— The] the~~ keeping, retaining or exercising any right or power
- 29 over tangible personal property for the purpose of subsequently
- 30 transporting it outside the State for use thereafter solely outside the
- 31 State, or for the purpose of being processed, fabricated or
- 32 manufactured into, attached to, or incorporated into, other tangible
- 33 personal property to be transported outside the State and thereafter
- 34 used solely outside the State. ~~[-; or~~
- 35 ~~—2.— The keeping, retaining or exercising any right or power over~~
 36 ~~tangible property that:~~
- 37 ~~—(a) Meets the requirements of subparagraphs (1) and (2) of~~
 38 ~~paragraph (a) of subsection 4 of NRS 374.291;~~
- 39 ~~—(b) Is made available for sale within 2 years after it is acquired;~~
 40 ~~and~~
- 41 ~~—(c) Is made available for viewing by the public or prospective~~
 42 ~~purchasers, or both, within 2 years after it is acquired, whether or~~
 43 ~~not a fee is charged for viewing it and whether or not it is also used~~
 44 ~~for purposes other than viewing.]~~



1 **Sec. 66.** NRS 374.128 is hereby amended to read as follows:
2 374.128 1. If the State or a political subdivision of the State
3 enters into a contract pursuant to chapter 332 or 333 of NRS on or
4 after June 5, 2001, with a person who:

5 (a) Sells tangible personal property in this state; and
6 (b) Has not obtained a permit pursuant to NRS 374.130 ~~[because~~
7 ~~he does not maintain a place of business within this state,] or~~
8 *registered pursuant to section 9 of this act,*
9 the contract must include a provision requiring the person to obtain
10 a permit pursuant to NRS 374.130 *or to register pursuant to section*
11 *9 of this act,* and to ~~[agree to]~~ collect and pay the taxes imposed
12 pursuant to this chapter on the sale of tangible personal property in
13 any county in this state. For the purposes of ~~[the]~~ a permit obtained
14 pursuant to NRS 374.130, the person shall be deemed to have a
15 place of business in each county in this state, but shall pay the fee
16 for a single permit.

17 2. The Department may require a state agency or local
18 government to submit such documentation as is necessary to ensure
19 compliance with this section.

20 **Sec. 67.** NRS 374.130 is hereby amended to read as follows:

21 374.130 1. Every person desiring to engage in or conduct
22 business as a seller within a county shall *register with the*
23 *Department pursuant to section 9 of this act or* file with the
24 Department an application for a permit for each place of business,
25 unless he intends to sell vehicles and will make fewer than three
26 retail sales of vehicles during any 12-month period.

27 2. Every application for a permit must:

28 (a) Be made upon a form prescribed by the Department.
29 (b) Set forth the name under which the applicant transacts or
30 intends to transact business and the location of his place or places of
31 business.

32 (c) Set forth such other information as the Department may
33 require.

34 3. The application must be signed by ~~[the]~~ :

35 (a) *The* owner if he is a natural person; ~~[in the case of an~~
36 ~~association or partnership, by a]~~

37 (b) *A* member or partner ~~[; in the case of a corporation, by an]~~ *if*
38 *the seller is an association or partnership; or*

39 (c) *An* executive officer or some person specifically authorized
40 ~~[by the corporation]~~ to sign the application ~~[, to which must be~~
41 ~~attached the written evidence of his authority.]~~ *if the seller is a*
42 *corporation. Written evidence of the signer's authority must be*
43 *attached to the application.*



1 **Sec. 68.** NRS 374.130 is hereby amended to read as follows:
2 374.130 1. Every person desiring to engage in or conduct
3 business as a seller within a county shall register with the
4 Department pursuant to section 9 of this act or file with the
5 Department an application for a permit for each place of business . ~~;~~
6 ~~unless he intends to sell vehicles and will make fewer than three~~
7 ~~retail sales of vehicles during any 12 month period.]~~

8 2. Every application for a permit must:
9 (a) Be made upon a form prescribed by the Department.
10 (b) Set forth the name under which the applicant transacts or
11 intends to transact business and the location of his place or places of
12 business.

13 (c) Set forth such other information as the Department may
14 require.

15 3. The application must be signed by:
16 (a) The owner if he is a natural person;
17 (b) A member or partner if the seller is an association or
18 partnership; or
19 (c) An executive officer or some person specifically authorized
20 to sign the application if the seller is a corporation. Written evidence
21 of the signer's authority must be attached to the application.

22 **Sec. 69.** NRS 374.165 is hereby amended to read as follows:
23 374.165 ~~[The]~~ *A resale* certificate relieves the seller from the
24 burden of proof only if taken in good faith from a person who ~~[is]~~ :

25 1. *Is* engaged in the business of selling tangible personal
26 property ~~[and who holds the permit provided for in NRS 374.130 to~~
27 ~~374.185, inclusive, and who, at]~~ ;

28 2. *Is registered pursuant to section 9 of this act or holds a*
29 *permit issued pursuant to NRS 374.140; and*

30 3. *At* the time of purchasing the tangible personal property,
31 intends to sell it in the regular course of business or is unable to
32 ascertain at the time of purchase whether the property will be sold or
33 will be used for some other purpose.

34 **Sec. 70.** NRS 374.170 is hereby amended to read as follows:
35 374.170 1. ~~[The certificate shall:]~~ *A resale certificate must:*

36 (a) Be signed by and bear the name and address of the
37 purchaser.

38 (b) Indicate *that the purchaser is registered pursuant to section*
39 *9 of this act or contain* the number of the permit issued to the
40 purchaser ~~[:]~~ *pursuant to NRS 374.140.*

41 (c) Indicate the general character of the tangible personal
42 property sold by the purchaser in the regular course of business.

43 2. The certificate ~~[shall]~~ *must* be substantially in such form as
44 the Department may prescribe.



1 **Sec. 71.** NRS 374.235 is hereby amended to read as follows:
2 374.235 ~~[[The] A resale~~ certificate relieves the person selling
3 the property from the burden of proof only if taken in good faith
4 from a person who ~~[[is]]~~ :

5 1. *Is* engaged in the business of selling tangible personal
6 property ~~[[and who holds the permit provided for by NRS 374.130 to~~
7 ~~374.185, inclusive, and who, at]]~~ ;

8 2. *Is registered pursuant to section 9 of this act or holds a*
9 *permit issued pursuant to NRS 374.140; and*

10 3. *At* the time of purchasing the tangible personal property,
11 intends to sell it in the regular course of business or is unable to
12 ascertain at the time of purchase whether the property will be sold or
13 will be used for some other purpose.

14 **Sec. 72.** NRS 374.240 is hereby amended to read as follows:

15 374.240 1. ~~[[The certificate shall:]] A resale certificate must:~~

16 (a) Be signed and bear the name and address of the purchaser.

17 (b) Indicate *that the purchaser is registered pursuant to section*
18 *9 of this act or contain* the number of the permit issued to the
19 purchaser ~~[[]]~~ *pursuant to NRS 374.140.*

20 (c) Indicate the general character of the tangible personal
21 property sold by the purchaser in the regular course of business.

22 2. The certificate ~~[[shall]]~~ *must* be substantially in such form as
23 the Department may prescribe.

24 **Sec. 73.** NRS 374.287 is hereby amended to read as follows:

25 374.287 1. There are exempted from the taxes imposed by
26 this chapter the gross receipts from sales and the storage, use or
27 other consumption of:

28 (a) Prosthetic devices, orthotic appliances and ambulatory casts
29 for human use, and other supports and casts if prescribed or applied
30 by a licensed provider of health care, within his scope of practice,
31 for human use.

32 (b) Appliances and supplies relating to an ostomy.

33 (c) Products for hemodialysis.

34 (d) ~~[[Any ophthalmic or ocular device or appliance prescribed by~~
35 ~~a physician or optometrist.~~

36 ~~—(e)]~~ Medicines:

37 (1) Prescribed for the treatment of a human being by a person
38 authorized to prescribe medicines, and dispensed on a prescription
39 filled by a registered pharmacist in accordance with law;

40 (2) Furnished by a licensed physician, dentist or podiatric
41 physician to his own patient for the treatment of the patient;

42 (3) Furnished by a hospital for treatment of any person
43 pursuant to the order of a licensed physician, dentist or podiatric
44 physician; or



1 (4) Sold to a licensed physician, dentist, podiatric physician
2 or hospital for the treatment of a human being.
3 2. As used in this section:
4 (a) "Medicine" means any substance or preparation intended for
5 use by external or internal application to the human body in the
6 diagnosis, cure, mitigation, treatment or prevention of disease or
7 affliction of the human body and which is commonly recognized as
8 a substance or preparation intended for such use. The term includes
9 splints, bandages, pads, compresses and dressings.
10 (b) "Medicine" does not include:
11 (1) Any auditory, *ophthalmic or ocular* device or appliance.
12 (2) Articles which are in the nature of instruments, crutches,
13 canes, devices or other mechanical, electronic, optical or physical
14 equipment.
15 (3) Any alcoholic beverage, except where the alcohol merely
16 provides a solution in the ordinary preparation of a medicine.
17 (4) Braces or supports, other than those prescribed or applied
18 by a licensed provider of health care, within his scope of practice,
19 for human use.
20 3. Insulin furnished by a registered pharmacist to a person for
21 treatment of diabetes as directed by a physician shall be deemed to
22 be dispensed on a prescription within the meaning of this section.
23 **Sec. 74.** NRS 374.360 is hereby amended to read as follows:
24 374.360 Except as *otherwise* provided in NRS 374.385 ~~or~~ *or*
25 *required by the Department pursuant to section 9 of this act*, the
26 taxes imposed by this chapter are due and payable to the Department
27 monthly on or before the last day of the month next succeeding each
28 month.
29 **Sec. 75.** NRS 374.365 is hereby amended to read as follows:
30 374.365 *Except as otherwise required by the Department*
31 *pursuant to section 9 of this act*:
32 1. On or before the last day of the month following each
33 reporting period, a return for the preceding period must be filed with
34 the Department in such form as the Department may prescribe. *Any*
35 *return required to be filed by this section must be combined with*
36 *any return required to be filed pursuant to the provisions of*
37 *chapter 372 of NRS.*
38 2. For purposes of ~~the~~ :
39 (a) *The* sales tax a return must be filed by every seller. ~~For~~
40 ~~purposes of the~~
41 (b) *The* use tax a return must be filed by every retailer
42 maintaining a place of business in the county and by every person
43 purchasing tangible personal property, the storage, use or other
44 consumption of which is subject to the use tax, who has not paid the
45 use tax due. ~~to a retailer required to collect the tax.~~



1 3. Returns must be signed by the person required to file the
2 return or by his authorized agent but need not be verified by oath.
3 **Sec. 76.** NRS 374.370 is hereby amended to read as follows:
4 374.370 1. *Except as otherwise required by the Department*
5 *pursuant to section 9 of this act or provided in sections 13 to 18,*
6 *inclusive, of this act:*
7 (a) For the purposes of the sales tax:
8 ~~[(a)]~~ (1) The return must show the gross receipts of the seller
9 during the preceding reporting period.
10 ~~[(b)]~~ (2) The gross receipts must be segregated and reported
11 separately for each county to which a sale of tangible personal
12 property pertains.
13 ~~[(c)]~~ (3) A sale pertains to the county in this state in which the
14 tangible personal property is or will be delivered to the purchaser or
15 his agent or designee.
16 ~~[(2)]~~ (b) For purposes of the use tax:
17 ~~[(a)]~~ (1) In the case of a return filed by a retailer, the return
18 must show the total sales price of the property purchased by him, the
19 storage, use or consumption of which property became subject to the
20 use tax during the preceding reporting period.
21 ~~[(b)]~~ (2) The sales price must be segregated and reported
22 separately for each county to which a purchase of tangible personal
23 property pertains.
24 ~~[(c)]~~ (3) If the property was ~~[(brought)]~~ :
25 (I) *Brought* into this state by the purchaser or his agent or
26 designee, the sale pertains to the county in this state in which the
27 property is or will be first used, stored or otherwise consumed.
28 ~~[(Otherwise)]~~
29 (II) *Not brought into this state by the purchaser or his*
30 *agent or designee*, the sale pertains to the county in this state in
31 which the property was delivered to the purchaser or his agent or
32 designee.
33 ~~[(3)]~~ 2. In case of a return filed by a purchaser, the return must
34 show the total sales price of the property purchased by him, the
35 storage, use or consumption of which became subject to the use tax
36 during the preceding reporting period and indicate the county in this
37 state in which the property was first used, stored or consumed.
38 ~~[(4)]~~ 3. The return must also show the amount of the taxes for
39 the period covered by the return and such other information as the
40 Department deems necessary for the proper administration of this
41 chapter.
42 ~~[(5)]~~ ~~If a retailer:~~
43 ~~—(a) Is unable to collect all or part of the sales price of a sale, the~~
44 ~~amount of which was included in the gross receipts reported for a~~
45 ~~previous reporting period; and~~



1 ~~—(b) Has taken a deduction on his federal income tax return~~
2 ~~pursuant to 26 U.S.C. § 166(a) for the amount which he is unable to~~
3 ~~collect;~~
4 ~~he is entitled to receive a credit for the amount of sales tax paid on~~
5 ~~account of that uncollected sales price. The credit may be used~~
6 ~~against the amount of sales tax that the retailer is subsequently~~
7 ~~required to pay pursuant to this chapter.~~
8 ~~—6. If the Internal Revenue Service of the Department of the~~
9 ~~Treasury disallows a deduction described in paragraph (b) of~~
10 ~~subsection 5 and the retailer claimed a credit on a return for a~~
11 ~~previous reporting period pursuant to subsection 5, the retailer shall~~
12 ~~include the amount of that credit in the amount of taxes reported~~
13 ~~pursuant to subsection 4 in the first return filed with the Department~~
14 ~~after the deduction is disallowed.~~
15 ~~—7. If a retailer collects all or part of the sales price for which he~~
16 ~~claimed a credit on a return for a previous reporting period pursuant~~
17 ~~to subsection 5, he shall include:~~
18 ~~—(a) The amount collected in the gross receipts reported pursuant~~
19 ~~to paragraph (a) of subsection 1; and~~
20 ~~—(b) The sales tax payable on the amount collected in the amount~~
21 ~~of taxes reported pursuant to subsection 4,~~
22 ~~in the first return filed with the Department after that collection.~~
23 ~~—8.] 4.~~ Except as otherwise provided in subsection ~~[9.] 5~~, upon
24 determining that a retailer has filed a return which contains one or
25 more violations of the provisions of this section, the Department
26 shall:
27 (a) For the first return of any retailer which contains one or more
28 violations, issue a letter of warning to the retailer which provides an
29 explanation of the violation or violations contained in the return.
30 (b) For the first or second return, other than a return described in
31 paragraph (a), in any calendar year which contains one or more
32 violations, assess a penalty equal to the amount of the tax which was
33 not reported or was reported for the wrong county or \$1,000,
34 whichever is less.
35 (c) For the third and each subsequent return in any calendar year
36 which contains one or more violations, assess a penalty of three
37 times the amount of the tax which was not reported or was reported
38 for the wrong county or \$3,000, whichever is less.
39 ~~[9.] 5.~~ For the purposes of subsection ~~[8.] 4~~, if the first violation
40 of this section by any retailer was determined by the Department
41 through an audit which covered more than one return of the retailer,
42 the Department shall treat all returns which were determined
43 through the same audit to contain a violation or violations in the
44 manner provided in paragraph (a) of subsection ~~[8.] 4~~.



1 **Sec. 77.** NRS 374.375 is hereby amended to read as follows:
2 374.375 ~~the~~

3 1. *Except as otherwise provided in subsection 2, a taxpayer*
4 shall deduct and withhold from the taxes otherwise due from him
5 1.25 percent thereof to reimburse himself for the cost of collecting
6 the tax.

7 2. *The regulations adopted by the Department pursuant to*
8 *NRS 360B.110 may authorize the deduction and withholding from*
9 *the taxes otherwise due from a taxpayer such other amounts as*
10 *are required to carry out the Streamlined Sales and Use Tax*
11 *Agreement.*

12 **Sec. 78.** NRS 374.380 is hereby amended to read as follows:
13 374.380 ~~the~~

14 1. *Except as otherwise required by the Department pursuant*
15 *to section 9 of this act, the* person required to file ~~the~~ *a* return shall
16 deliver the return together with a remittance of the amount of the tax
17 due to the Department.

18 2. *The Department shall provide for the acceptance of credit*
19 *cards, debit cards or electronic transfers of money for the payment*
20 *of the tax due in the manner prescribed in NRS 353.1465.*

21 **Sec. 79.** NRS 374.385 is hereby amended to read as follows:

22 374.385 1. ~~the~~ *Except as otherwise provided in subsection*
23 *2 or required by the Department pursuant to section 9 of this act,*
24 *the* reporting and payment period of a taxpayer whose taxable sales
25 do not exceed \$10,000 per month is a calendar quarter.

26 2. The Department, if it deems this action necessary in order to
27 insure payment to or facilitate the collection by the county of the
28 amount of taxes, may require returns and payment of the amount of
29 taxes for periods other than calendar months or quarters, depending
30 upon the principal place of business of the seller, retailer or
31 purchaser as the case may be, or for other than monthly or quarterly
32 periods.

33 **Sec. 80.** NRS 374.640 is hereby amended to read as follows:

34 374.640 Except as otherwise provided in NRS 360.235 and
35 360.395 ~~and~~ *and section 57 of this act:*

36 1. No refund may be allowed unless a claim for it is filed with
37 the Department within 3 years after the last day of the month
38 following the close of the period for which the overpayment was
39 made.

40 2. No credit may be allowed after the expiration of the period
41 specified for filing claims for refund unless a claim for credit is filed
42 with the Department within that period, or unless the credit relates
43 to a period for which a waiver is given pursuant to NRS 360.355.



1 **Sec. 81.** NRS 374.7273 is hereby amended to read as follows:
2 374.7273 *1.* In administering the provisions of NRS 374.340,
3 the Department shall apply the exemption for the sale of tangible
4 personal property delivered by the vendor to a forwarding agent for
5 shipment out of state to include:

6 ~~1-] (a)~~ The sale of a vehicle to a nonresident to whom a special
7 movement permit has been issued by the Department of Motor
8 Vehicles pursuant to subsection 1 of NRS 482.3955; and

9 ~~2-] (b)~~ The sale of farm machinery and equipment ~~[, as defined~~
10 ~~in NRS 374.286.]~~ to a nonresident who submits proof to the vendor
11 that the farm machinery and equipment will be delivered out of state
12 not later than 15 days after the sale.

13 **2. As used in this section:**

14 (a) *“Agricultural use” has the meaning ascribed to it in*
15 *NRS 361A.030.*

16 (b) *“Farm machinery and equipment” means a farm tractor,*
17 *implement of husbandry, piece of equipment used for irrigation,*
18 *or a part used in the repair or maintenance of farm machinery*
19 *and equipment. The term does not include:*

20 (1) *A vehicle required to be registered pursuant to the*
21 *provisions of chapter 482 or 706 of NRS; or*

22 (2) *Machinery or equipment only incidentally employed for*
23 *the agricultural use of real property.*

24 (c) *“Farm tractor” means a motor vehicle designed and used*
25 *primarily for drawing an implement of husbandry.*

26 (d) *“Implement of husbandry” means a vehicle that is*
27 *designed, adapted or used for agricultural purposes, including,*
28 *without limitation, a plow, machine for mowing, hay baler,*
29 *combine, piece of equipment used to stack hay, till, harvest, handle*
30 *agricultural commodities or apply fertilizers, or other heavy,*
31 *movable equipment designed, adapted or used for agricultural*
32 *purposes.*

33 **Sec. 82.** NRS 374.785 is hereby amended to read as follows:

34 374.785 *1.* All fees, taxes, interest and penalties imposed and
35 all amounts of tax required to be paid to counties under this chapter
36 must be paid to the Department in the form of remittances payable
37 to the Department.

38 2. The Department shall deposit the payments in the State
39 Treasury to the credit of the Sales and Use Tax Account in the State
40 General Fund.

41 3. The State Controller, acting upon the collection data
42 furnished by the Department, shall, each month, from the Sales and
43 Use Tax Account in the State General Fund:

44 (a) Transfer .75 percent of all fees, taxes, interest and penalties
45 collected in each county during the preceding month to the



1 appropriate account in the State General Fund as compensation to
2 the State for the costs of collecting the tax.

3 (b) Transfer .75 percent of all fees, taxes, interest and penalties
4 collected during the preceding month from out-of-state businesses
5 not maintaining a fixed place of business within this state to the
6 appropriate account in the State General Fund as compensation to
7 the State for the costs of collecting the tax.

8 (c) Determine for each county the amount of money equal to the
9 fees, taxes, interest and penalties collected in the county pursuant to
10 this chapter during the preceding month less the amount transferred
11 pursuant to paragraph (a).

12 (d) Transfer the total amount of taxes collected pursuant to this
13 chapter during the preceding month from out-of-state businesses not
14 maintaining a fixed place of business within this state, less the
15 amount transferred pursuant to paragraph (b), to the State
16 Distributive School Account in the State General Fund.

17 (e) Except as otherwise provided in NRS 387.528, transfer the
18 amount owed to each county to the Intergovernmental Fund and
19 remit the money to the credit of the county school district fund.

20 ~~{4. For the purpose of the distribution required by this section,~~
21 ~~the occasional sale of a vehicle shall be deemed to take place in the~~
22 ~~county to which the governmental services tax payable by the buyer~~
23 ~~upon that vehicle is distributed.}~~

24 **Sec. 83.** NRS 374A.020 is hereby amended to read as follows:
25 374A.020 1. The collection of the tax imposed by NRS
26 374A.010 must be commenced on the first day of the first calendar
27 quarter that begins at least ~~{30}~~ 120 days after the last condition in
28 subsection 1 of NRS 374A.010 is met.

29 2. The tax must be administered, collected and distributed in
30 the manner set forth in chapter 374 of NRS.

31 3. The board of trustees of the school district shall transfer the
32 proceeds of the tax imposed by NRS 374A.010 from the county
33 school district fund to the fund described in NRS 354.6105 which
34 must be established by the board of trustees. The money deposited
35 in the fund described in NRS 354.6105 pursuant to this subsection
36 must be accounted for separately in that fund and must only be
37 expended by the board of trustees for the cost of the extraordinary
38 maintenance, extraordinary repair and extraordinary improvement of
39 school facilities within the county.

40 **Sec. 84.** NRS 376A.060 is hereby amended to read as follows:
41 376A.060 Any ordinance enacted pursuant to NRS 376A.040
42 or 376A.050 must include:

43 1. Provisions substantially identical to those contained in
44 chapter 374 of NRS, insofar as applicable.



1 2. A provision that all amendments to chapter 374 of NRS after
2 the date of enactment of the ordinance, not inconsistent with the
3 chapter, automatically become a part of the ordinance imposing the
4 tax.

5 *3. A provision that specifies the date on which the tax is first*
6 *imposed or on which any change in the rate of the tax becomes*
7 *effective, which must be the first day of the first calendar quarter*
8 *that begins at least 120 days after the effective date of the*
9 *ordinance.*

10 **Sec. 85.** NRS 377.030 is hereby amended to read as follows:

11 377.030 1. The board of county commissioners shall enact an
12 ordinance imposing a city-county relief tax.

13 2. The ordinance enacted pursuant to this section must provide
14 that the city-county relief tax be imposed on the first day of the first
15 ~~[month following]~~ *calendar quarter that begins at least 120 days*
16 *after* the effective date of the ordinance.

17 **Sec. 86.** NRS 377.055 is hereby amended to read as follows:

18 377.055 ~~[1.]~~ The Department shall monthly determine for
19 each county an amount of money equal to the sum of:

20 ~~[(a)]~~ 1. Any fees and any taxes, interest and penalties which
21 derive from the basic city-county relief tax collected in that county
22 pursuant to this chapter during the preceding month, less the
23 corresponding amount transferred to the State General Fund
24 pursuant to subsection 3 of NRS 377.050; and

25 ~~[(b)]~~ 2. That proportion of the total amount of taxes which
26 derive from that portion of the tax levied at the rate of one-half of 1
27 percent collected pursuant to this chapter during the preceding
28 month from out-of-state businesses not maintaining a fixed place of
29 business within this state, less the corresponding amount transferred
30 to the State General Fund pursuant to subsection 3 of NRS 377.050,
31 which the population of that county bears to the total population of
32 all counties which have in effect a city-county relief tax
33 ordinance,
34 and deposit the money in the Local Government Tax Distribution
35 Account created by NRS 360.660 for credit to the respective
36 subaccounts of each county.

37 ~~[2.—For the purpose of the distribution required by this section,~~
38 ~~the occasional sale of a vehicle shall be deemed to take place in the~~
39 ~~county to which the governmental services tax payable by the buyer~~
40 ~~upon that vehicle is distributed.]~~

41 **Sec. 87.** NRS 377A.020 is hereby amended to read as follows:

42 377A.020 1. The board of county commissioners of any
43 county may enact an ordinance imposing a tax for a public transit
44 system or for the construction, maintenance and repair of public
45 roads, or both, pursuant to NRS 377A.030. The board of county



1 commissioners of any county whose population is less than 400,000
2 may enact an ordinance imposing a tax to promote tourism pursuant
3 to NRS 377A.030.

4 2. An ordinance enacted pursuant to this chapter may not
5 become effective before a question concerning the imposition of the
6 tax is approved by a majority of the registered voters of the county
7 voting upon the question which the board may submit to the voters
8 at any general election. A county may combine the questions for a
9 public transit system and for the construction, maintenance and
10 repair of public roads with questions submitted pursuant to NRS
11 244.3351, 278.710 or 371.045, or any combination thereof. The
12 board shall also submit to the voters at a general election any
13 proposal to increase the rate of the tax or change the previously
14 approved uses for the proceeds of the tax.

15 3. Any ordinance enacted pursuant to this section must specify
16 the date on which the tax must first be imposed or on which an
17 increase in the rate of the tax becomes effective, which must ~~not be~~
18 ~~earlier than~~ *be* the first day of the ~~second calendar month~~
19 ~~following~~ *first calendar quarter that begins at least 120 days after*
20 the approval of the question by the voters.

21 **Sec. 88.** NRS 377A.030 is hereby amended to read as follows:
22 377A.030 Except as otherwise provided in NRS 377A.110, any
23 ordinance enacted under this chapter must include provisions in
24 substance as follows:

25 1. A provision imposing a tax upon retailers at the rate of not
26 more than:

27 (a) For a tax to promote tourism, one-quarter of 1 percent; or

28 (b) For a tax to establish and maintain a public transit system or
29 for the construction, maintenance and repair of public roads, or both,
30 one-half of 1 percent,
31 of the gross receipts of any retailer from the sale of all tangible
32 personal property sold at retail, or stored, used or otherwise
33 consumed, in a county.

34 2. Provisions substantially identical to those contained in
35 chapter 374 of NRS, insofar as applicable.

36 3. A provision that all amendments to chapter 374 of NRS after
37 the date of enactment of the ordinance, not inconsistent with this
38 chapter, automatically become a part of an ordinance imposing the
39 tax for public mass transportation and construction of public roads
40 or the tax to promote tourism in the county.

41 4. A provision that the county shall contract before the
42 effective date of the ordinance with the Department to perform all
43 functions incident to the administration or operation of the tax in the
44 county.



1 5. A provision that ~~exempts from the tax or any increase in the~~
2 ~~tax the gross receipts from~~ *a purchaser is entitled to a refund, in*
3 *accordance with the provisions of NRS 374.635 to 374.720,*
4 *inclusive, of the amount of the tax required to be paid that is*
5 *attributable to the tax imposed upon the sale of, and the storage,*
6 *use or other consumption in a county of, tangible personal property*
7 *used for the performance of a written contract for the construction of*
8 *an improvement to real property, entered into on or before the*
9 *effective date of the tax or the increase in the tax, or for which a*
10 *binding bid was submitted before that date if the bid was afterward*
11 *accepted, if under the terms of the contract or bid the contract price*
12 *or bid amount cannot be adjusted to reflect the imposition of the tax*
13 *or the increase in the tax.*

14 **Sec. 89.** NRS 377A.110 is hereby amended to read as follows:
15 377A.110 1. Subject to the provisions of subsection 2, the
16 board may gradually reduce the amount of tax imposed pursuant to
17 this chapter for a public transit system or for the construction,
18 maintenance and repair of public roads, or both, as revenue from the
19 operation of the public transit system permits. *The date on which*
20 *any reduction in the tax becomes effective must be the first day of*
21 *the first calendar quarter that begins at least 120 days after the*
22 *effective date of the ordinance reducing the amount of tax*
23 *imposed.*

24 2. No such taxing ordinance may be repealed or amended or
25 otherwise directly or indirectly modified in such a manner as to
26 impair any outstanding bonds issued under this chapter, or other
27 obligations incurred under this chapter, until all obligations, for
28 which revenues from the ordinance have been pledged or otherwise
29 made payable from such revenues pursuant to this chapter, have
30 been discharged in full, but the board may at any time dissolve the
31 regional transportation commission and provide that no further
32 obligations be incurred thereafter.

33 **Sec. 90.** NRS 377B.100 is hereby amended to read as follows:
34 377B.100 1. The board of county commissioners of any
35 county may by ordinance, but not as in a case of emergency, impose
36 a tax for infrastructure pursuant to this section and NRS 377B.110.

37 2. An ordinance enacted pursuant to this chapter may not
38 become effective before a question concerning the imposition of the
39 tax is approved by a two-thirds majority of the members of the
40 board of county commissioners. Any proposal to increase the rate of
41 the tax or change the previously approved uses for the proceeds of
42 the tax must be approved by a two-thirds majority of the members
43 of the board of county commissioners. The board of county
44 commissioners shall not change a previously approved use for the



1 proceeds of the tax to a use that is not authorized for that county
2 pursuant to NRS 377B.160.

3 3. An ordinance enacted pursuant to this section must:

4 (a) Specify the date on which the tax must first be imposed or on
5 which an increase in the rate of the tax becomes effective, which
6 must occur on the first day of the first month of the next calendar
7 quarter that is at least ~~60~~ 120 days after the date on which a two-
8 thirds majority of the board of county commissioners approved the
9 question.

10 (b) In a county whose population is 400,000 or more, provide
11 for the cessation of the tax not later than:

12 (1) The last day of the month in which the Department
13 determines that the total sum collected since the tax was first
14 imposed, exclusive of any penalties and interest, exceeds \$2.3
15 billion; or

16 (2) June 30, 2025,
17 whichever occurs earlier.

18 4. The board of county commissioners in a county whose
19 population is 400,000 or more and in which a water authority exists
20 shall review the necessity for the continued imposition of the tax
21 authorized pursuant to this chapter at least once every 10 years.

22 5. Before enacting an ordinance pursuant to this chapter, the
23 board of county commissioners shall hold a public hearing regarding
24 the imposition of a tax for infrastructure. In a county whose
25 population is 400,000 or more and in which a water authority exists,
26 the water authority shall also hold a public hearing regarding the tax
27 for infrastructure. Notice of the time and place of each hearing must
28 be:

29 (a) Published in a newspaper of general circulation in the county
30 at least once a week for the 2 consecutive weeks immediately
31 preceding the date of the hearing. Such notice must be a display
32 advertisement of not less than 3 inches by 5 inches.

33 (b) Posted at the building in which the meeting is to be held and
34 at not less than three other separate, prominent places within the
35 county at least 2 weeks before the date of the hearing.

36 6. Before enacting an ordinance pursuant to this chapter, the
37 board of county commissioners of a county whose population is less
38 than 400,000 or a county whose population is 400,000 or more and
39 in which no water authority exists, shall develop a plan for the
40 expenditure of the proceeds of a tax imposed pursuant to this
41 chapter for the purposes set forth in NRS 377B.160. The plan may
42 include a regional project for which two or more such counties have
43 entered into an interlocal agreement to expend jointly all or a
44 portion of the proceeds of a tax imposed in each county pursuant to
45 this chapter. Such a plan must include, without limitation, the date



1 on which the plan expires, a description of each proposed project,
2 the method of financing each project and the costs related to each
3 project. Before adopting a plan pursuant to this subsection, the
4 board of county commissioners of a county in which a regional
5 planning commission has been established pursuant to NRS
6 278.0262 shall transmit to the regional planning commission a list
7 of the proposed projects for which a tax for infrastructure may be
8 imposed. The regional planning commission shall hold a public
9 hearing at which it shall rank each project in relative priority.
10 The regional planning commission shall transmit its rankings to the
11 board of county commissioners. The recommendations of the
12 regional planning commission regarding the priority of the proposed
13 projects are not binding on the board of county commissioners. The
14 board of county commissioners shall hold at least one public hearing
15 on the plan. Notice of the time and place of the hearing must be
16 provided in the manner set forth in subsection 5. The plan must be
17 approved by the board of county commissioners at a public hearing.
18 Subject to the provisions of subsection 7, on or before the date on
19 which a plan expires, the board of county commissioners shall
20 determine whether a necessity exists for the continued imposition of
21 the tax. If the board determines that such a necessity does not exist,
22 the board shall repeal the ordinance that enacted the tax. If the board
23 of county commissioners determines that the tax must be continued
24 for a purpose set forth in NRS 377B.160, the board shall adopt, in
25 the manner prescribed in this subsection, a new plan for the
26 expenditure of the proceeds of the tax for such a purpose.

27 7. No ordinance imposing a tax which is enacted pursuant to
28 this chapter may be repealed or amended or otherwise directly or
29 indirectly modified in such a manner as to impair any outstanding
30 bonds or other obligations which are payable from or secured by a
31 pledge of a tax enacted pursuant to this chapter until those bonds or
32 other obligations have been discharged in full.

33 **Sec. 91.** NRS 377B.110 is hereby amended to read as follows:
34 377B.110 An ordinance enacted pursuant to this chapter must
35 include provisions in substance as follows:

36 1. A provision imposing a tax upon retailers at the rate of not
37 more than:

38 (a) In a county whose population is 100,000 or more but less
39 than 400,000, one-eighth of 1 percent; or

40 (b) In all other counties, one-quarter of 1 percent,
41 of the gross receipts of any retailer from the sale of all tangible
42 personal property sold at retail, or stored, used or otherwise
43 consumed, in the county.

44 2. Provisions substantially identical to those contained in
45 chapter 374 of NRS, insofar as applicable.



1 3. A provision that all amendments to chapter 374 of NRS after
2 the date of enactment of the ordinance, not inconsistent with this
3 chapter, automatically become a part of an ordinance enacted
4 pursuant to this chapter.

5 4. A provision stating the specific purpose for which the
6 proceeds of the tax must be expended.

7 5. A provision that the county shall contract before the
8 effective date of the ordinance with the Department to perform all
9 functions incident to the administration or operation of the tax in the
10 county.

11 6. A provision that ~~exempts from the tax or any increase in the~~
12 ~~tax the gross receipts from~~ *a purchaser is entitled to a refund, in*
13 *accordance with the provisions of NRS 374.635 to 374.720,*
14 *inclusive, of the amount of the tax required to be paid that is*
15 *attributable to the tax imposed upon* the sale of, and the storage,
16 use or other consumption in a county of, tangible personal property
17 used for the performance of a written contract:

18 (a) Entered into on or before the effective date of the tax or the
19 increase in the tax; or

20 (b) For the construction of an improvement to real property for
21 which a binding bid was submitted before the effective date of the
22 tax or the increase in the tax if the bid was afterward
23 accepted,
24 if, under the terms of the contract or bid, the contract price or bid
25 amount cannot be adjusted to reflect the imposition of the tax or the
26 increase in the tax.

27 **Sec. 92.** NRS 354.705 is hereby amended to read as follows:

28 354.705 1. As soon as practicable after the Department takes
29 over the management of a local government, the Executive Director
30 shall:

31 (a) Determine the total amount of expenditures necessary to
32 allow the local government to perform the basic functions for which
33 it was created;

34 (b) Determine the amount of revenue reasonably expected to be
35 available to the local government; and

36 (c) Consider any alternative sources of revenue available to the
37 local government.

38 2. If the Executive Director determines that the available
39 revenue is not sufficient to provide for the payment of required debt
40 service and operating expenses, he may submit his findings to the
41 Committee who shall review the determinations made by the
42 Executive Director. If the Committee determines that additional
43 revenue is needed, it shall prepare a recommendation to the Nevada
44 Tax Commission as to which one or more of the following



1 additional taxes or charges should be imposed by the local
2 government:

3 (a) The levy of a property tax up to a rate which when combined
4 with all other overlapping rates levied in the State does not exceed
5 \$4.50 on each \$100 of assessed valuation.

6 (b) An additional tax on transient lodging at a rate not to exceed
7 1 percent of the gross receipts from the rental of transient lodging
8 within the boundaries of the local government upon all persons in
9 the business of providing lodging. Any such tax must be collected
10 and administered in the same manner as all other taxes on transient
11 lodging are collected by or for the local government.

12 (c) Additional service charges appropriate to the local
13 government.

14 (d) If the local government is a county or has boundaries that are
15 coterminous with the boundaries of the county:

16 (1) An additional tax on the gross receipts from the sale or
17 use of tangible personal property not to exceed one quarter of 1
18 percent throughout the county. The ordinance imposing any such tax
19 must ~~include~~:

20 *(I) Include provisions in substance which comply with*
21 *the requirements of subsections 2 to 5, inclusive, of NRS 377A.030.*

22 *(II) Specify the date on which the tax must first be*
23 *imposed or on which a change in the rate of the tax becomes*
24 *effective, which must be the first day of the first calendar quarter*
25 *that begins at least 120 days after the effective date of the*
26 *ordinance.*

27 (2) An additional governmental services tax of not more than
28 1 cent on each \$1 of valuation of the vehicle for the privilege of
29 operating upon the public streets, roads and highways of the county
30 on each vehicle based in the county except those vehicles exempt
31 from the governmental services tax imposed pursuant to chapter 371
32 of NRS or a vehicle subject to NRS 706.011 to 706.861, inclusive,
33 which is engaged in interstate or intercounty operations. As used in
34 this subparagraph, "based" has the meaning ascribed to it in
35 NRS 482.011.

36 3. Upon receipt of the plan from the Committee, a panel
37 consisting of three members of the Nevada Tax Commission
38 appointed by the Nevada Tax Commission and three members of the
39 Committee appointed by the Committee shall hold a public hearing
40 at a location within the boundaries of the local government in which
41 the severe financial emergency exists after giving public notice of
42 the hearing at least 10 days before the date on which the hearing will
43 be held. In addition to the public notice, the panel shall give notice
44 to the governing body of each local government whose jurisdiction



1 overlaps with the jurisdiction of the local government in which the
2 severe financial emergency exists.

3 4. After the public hearing conducted pursuant to subsection 3,
4 the Nevada Tax Commission may adopt the plan as submitted or
5 adopt a revised plan. Any plan adopted pursuant to this section must
6 include the duration for which any new or increased taxes or charges
7 may be collected which must not exceed 5 years.

8 5. Upon adoption of the plan by the Nevada Tax Commission,
9 the local government in which the severe financial emergency exists
10 shall impose or cause to be imposed the additional taxes and charges
11 included in the plan for the duration stated in the plan or until the
12 severe financial emergency has been determined by the Nevada Tax
13 Commission to have ceased to exist.

14 6. The allowed revenue from taxes ad valorem determined
15 pursuant to NRS 354.59811 does not apply to any additional
16 property tax levied pursuant to this section.

17 7. If a plan fails to satisfy the expenses of the local government
18 to the extent expected, the Committee shall report such failure to:

19 (a) The county for consideration of absorption of services; or

20 (b) If the local government is a county, to the next regular
21 session of the Legislature.

22 **Sec. 93.** NRS 482.225 is hereby amended to read as follows:

23 482.225 1. When application is made to the Department for
24 registration of a vehicle purchased ~~[in this state from a person other~~
25 ~~than a retailer required to be registered with the Department of~~
26 ~~Taxation or of a vehicle purchased]~~ outside this state and not
27 previously registered within this state where the registrant or owner
28 at the time of purchase was not a resident of or employed in this
29 state, the Department or its agent shall determine and collect any
30 sales or use tax due and shall remit the tax to the Department of
31 Taxation except as otherwise provided in NRS 482.260.

32 2. If the registrant or owner of the vehicle was a resident of the
33 State, or employed within the State, at the time of the purchase of
34 that vehicle, it is presumed that the vehicle was purchased for use
35 within the State and the representative or agent of the Department of
36 Taxation shall collect the tax and remit it to the Department of
37 Taxation.

38 3. Until all applicable taxes and fees are collected, the
39 Department shall refuse to register the vehicle.

40 4. In any county whose population is less than 50,000, the
41 Department shall designate the county assessor as the agent of the
42 Department for the collection of any sales or use tax.

43 5. If the registrant or owner desires to refute the presumption
44 stated in subsection 2 that he purchased the vehicle for use in this
45 state, he must pay the tax to the Department and then may submit



1 his claim for exemption in writing, signed by him or his authorized
2 representative, to the Department together with his claim for refund
3 of tax erroneously or illegally collected.

4 6. If the Department finds that the tax has been erroneously or
5 illegally collected, the tax must be refunded.

6 **Sec. 94.** Section 29 of the Local Government Tax Act of 1991,
7 being chapter 491, Statutes of Nevada 1991, as amended by chapter
8 426, Statutes of Nevada 1993, at page 1370, is hereby amended to
9 read as follows:

10 Sec. 29. 1. Except as otherwise provided in this
11 section and in section 34 of this Act and in addition to all
12 other sales and use taxes, the Board of County
13 Commissioners of Churchill, Elko, Humboldt, Washoe and
14 Lander Counties and the Board of Supervisors of Carson City
15 may by ordinance, but not as in a case of emergency, impose
16 a tax at the rate of up to 1/4 of 1 percent of the gross receipts
17 of any retailer from the sale of all tangible personal property
18 sold at retail, or stored, used or otherwise consumed in the
19 county.

20 2. The tax imposed pursuant to this section applies
21 throughout the county, including incorporated cities in the
22 county.

23 3. The ordinance enacted pursuant to this section must
24 include provisions in substance as follows:

25 (a) Provisions substantially identical to those of the Local
26 School Support Tax Law, insofar as applicable.

27 (b) A provision that all amendments to the provisions of
28 the Local School Support Tax Law subsequent to the date of
29 enactment of the ordinance, not inconsistent with this section,
30 automatically become a part of the ordinance enacted
31 pursuant to subsection 1.

32 (c) A provision that the county shall contract before the
33 effective date of the ordinance enacted pursuant to subsection
34 1 with the Department to perform all functions incident to the
35 administration or operation of the tax imposed pursuant to
36 subsection 1.

37 (d) A provision that ~~exempts from the additional one~~
38 ~~quarter of one percent tax increase authorized pursuant to this~~
39 ~~section, the gross receipts from~~ *a purchaser is entitled to a*
40 *refund, in accordance with the provisions of NRS 374.635*
41 *to 374.720, inclusive, of the amount of the tax required to be*
42 *paid that is attributable to the tax imposed upon* the sale of,
43 and the storage, use or other consumption in a county of,
44 tangible personal property used for the performance of a
45 written contract for the construction of an improvement to



1 real property which was executed before July 30, 1991, or for
2 which a binding bid was submitted before that date if the bid
3 was afterward accepted, if under the terms of the contract or
4 bid the contract price or bid amount cannot be adjusted to
5 reflect the imposition of the additional tax pursuant to this
6 section.

7 *(e) A provision that specifies the date on which the tax is*
8 *first imposed or on which any change in the rate of the tax*
9 *becomes effective, which must be the first day of the first*
10 *calendar quarter that begins at least 120 days after the*
11 *effective date of the ordinance.*

12 4. All fees, taxes, interest and penalties imposed and all
13 amounts of tax required to be paid to the county under this
14 section must be paid to the Department of Taxation in the
15 form of remittances made payable to the Department of
16 Taxation.

17 5. The Department of Taxation shall deposit the
18 payments with the State Treasurer for credit to the tax
19 distribution fund for the county in which it was collected.

20 6. Any ordinance enacted pursuant to this section is
21 deemed to include the provisions set forth in paragraph (d) of
22 subsection 3.

23 **Sec. 95.** Section 9 of chapter 566, Statutes of Nevada 1993, at
24 page 2329, is hereby amended to read as follows:

25 Sec. 9. 1. The Commission shall adopt a budget for its
26 operation and for each project it proposes for presentation to
27 the governing bodies. Each budget must be accompanied by a
28 proposed allocation of the net cost of the budget among the
29 governing bodies which must be based upon the benefit of the
30 commission or project to the jurisdiction of the governing
31 body or another equally appropriate indicator.

32 2. Upon final determination and allocation of the costs
33 by agreement of the governing bodies, each governing body
34 shall include its portion of the costs in its budget for the
35 purposes of chapter 354 of NRS and shall fund its share of the
36 cost by:

- 37 (a) Issuing bonds pursuant to chapter 350 of NRS;
- 38 (b) Imposing an additional tax on the rental of transient
39 lodging;
- 40 (c) Upon approval by the voters, imposing an additional
41 tax upon retailers at a rate not exceeding one-half of 1 percent
42 of the gross receipts of any retailer from the sale of tangible
43 personal property sold at retail, or stored, used or otherwise
44 consumed in the county;



1 (d) Upon approval of the voters, levying a property tax
2 not exceeding 2 cents per \$100 of assessed valuation on all
3 taxable property in the county; or

4 (e) Any combination of the options provided in
5 paragraphs (a) to (d), inclusive, including the issuance of
6 bonds which will be repaid from the revenue of one or more
7 of the taxes authorized in this section which may be treated as
8 pledged revenues for the purposes of NRS 350.020.

9 3. If the county imposes a tax pursuant to paragraph (c)
10 of subsection 2 it shall include in the ordinance imposing the
11 tax:

12 (a) Provisions substantially identical to those contained in
13 chapter 374 of NRS;

14 (b) A provision stating that all amendments to chapter
15 374 of NRS after the date of enactment of the ordinance, not
16 inconsistent with the provisions of the ordinance,
17 automatically become a part of the ordinance;

18 (c) A provision that the county shall contract before the
19 effective date of the ordinance with the Department to
20 perform all functions incident to the administration or
21 operation of the tax in the county; and

22 (d) The date on which the tax must first be imposed,
23 which must ~~{not be earlier than}~~ *be* the first day of the
24 ~~{second calendar month following}~~ *first calendar quarter*
25 *that begins at least 120 days after* the adoption of the
26 ordinance by the governing body.

27 4. The Commission is not entitled to a distribution of
28 revenue from the supplemental city-county relief tax.

29 **Sec. 96.** Section 3 of the Elko County Hospital Tax Act, being
30 chapter 14, Statutes of Nevada 1997, at page 29, is hereby amended
31 to read as follows:

32 Sec. 3. 1. The Board may enact an ordinance
33 imposing a tax for the construction of a hospital pursuant to
34 section 4 of this Act.

35 2. A tax so imposed may be collected for not more than
36 4 years after the date upon which it is first imposed. The
37 ending date of the tax must be specified in the ordinance.

38 3. An ordinance enacted pursuant to this act may not
39 become effective before a question concerning the imposition
40 of the tax is approved by a majority of the registered voters of
41 Elko County voting upon the question. The Board may
42 submit the question to the voters at a special election held at
43 the same time and places as a municipal election or at a
44 general election. The Board shall also submit to the voters at
45 such a special or general election any proposal to increase the



1 rate of the tax or change the previously approved uses for the
2 proceeds of the tax.

3 4. Any ordinance enacted pursuant to this section must
4 specify the date on which the tax must first be imposed or on
5 which an increase in the rate of the tax becomes effective,
6 which must ~~[not be earlier than]~~ *be* the first day of the
7 ~~[second calendar month following]~~ *first calendar quarter*
8 *that begins at least 120 days after* the approval of the
9 question by the voters.

10 **Sec. 97.** Section 4 of the Elko County Hospital Tax Act, being
11 chapter 14, Statutes of Nevada 1997, at page 30, is hereby amended
12 to read as follows:

13 Sec. 4. Except as otherwise provided in section 12 of
14 this Act, any ordinance adopted pursuant to this Act, except
15 an ordinance authorizing the issuance of bonds or other
16 securities, must include provisions in substance as follows:

17 1. A provision imposing a tax upon retailers at the rate
18 of not more than 1 percent of the gross receipts of any retailer
19 from the sale of all tangible personal property sold at retail, or
20 stored, used or otherwise consumed, in Elko County.

21 2. Provisions substantially identical to those contained in
22 chapter 374 of NRS, insofar as applicable.

23 3. A provision that all amendments to chapter 374 of
24 NRS after the date of enactment of the ordinance, not
25 inconsistent with this act, automatically become a part of an
26 ordinance imposing the taxes.

27 4. A provision that the Board shall contract before the
28 effective date of the taxing ordinance with the Department to
29 perform all functions incident to the administration or
30 operation of the tax in the County.

31 5. A provision that ~~[exempts from the tax or any~~
32 ~~increase in the tax the gross receipts from]~~ *a purchaser is*
33 *entitled to a refund, in accordance with the provisions of*
34 *NRS 374.635 to 374.720, inclusive, of the amount of the tax*
35 *required to be paid that is attributable to the tax imposed*
36 *upon* the sale of, and the storage, use or other consumption in
37 a county of, tangible personal property used for the
38 performance of a written contract for the construction of an
39 improvement to real property, entered into on or before the
40 effective date of the tax or the increase in the tax, or for
41 which a binding bid was submitted before that date if the bid
42 was afterward accepted, if under the terms of the contract or
43 bid the contract price or bid amount cannot be adjusted to
44 reflect the imposition of the tax or the increase in the tax.



1 **Sec. 98.** Section 13 of the Elko County Hospital Tax Act,
2 being chapter 14, Statutes of Nevada 1997, at page 32, is hereby
3 amended to read as follows:

4 Sec. 13. 1. Subject to the provisions of subsection 2,
5 the Board may gradually reduce the amount of the tax
6 imposed pursuant to this Act. *The date on which any*
7 *reduction in the tax becomes effective must be the first day*
8 *of the first calendar quarter that begins at least 120 days*
9 *after the effective date of the ordinance reducing the*
10 *amount of the tax imposed.*

11 2. No such taxing ordinance may be repealed or
12 amended or otherwise directly or indirectly modified in such
13 a manner as to impair any outstanding bonds issued pursuant
14 to this Act, or other obligations incurred pursuant to this Act,
15 until all obligations, for which revenues from the ordinance
16 have been pledged or otherwise made payable from such
17 revenues pursuant to this act, have been discharged in full.

18 **Sec. 99.** Section 8A.080 of the Charter of Carson City, being
19 chapter 16, Statutes of Nevada 1997, at page 43, is hereby amended
20 to read as follows:

21 Sec. 8A.080 Required provisions of ordinance. An
22 ordinance enacted pursuant to this article, except an
23 ordinance authorizing the issuance of bonds or other
24 securities, must include provisions in substance as follows:

25 1. A provision imposing a tax of not more than one-
26 quarter of 1 percent of the gross receipts of any retailer from
27 the sale of all personal property sold at retail, or stored, used
28 or otherwise consumed in Carson City.

29 2. Provisions substantially identical to those contained in
30 chapter 374 of NRS, insofar as applicable.

31 3. A provision that an amendment to chapter 374 of
32 NRS after the date of enactment of the ordinance, not
33 inconsistent with this article, automatically becomes a part of
34 the ordinance imposing the tax.

35 4. A provision that the Board shall contract before the
36 effective date of the ordinance with the Department to
37 perform all the functions incident to the administration or
38 operation of the tax in Carson City.

39 5. A provision that ~~exempts from the tax the gross~~
40 ~~receipts from~~ *a purchaser is entitled to a refund, in*
41 *accordance with the provisions of NRS 374.635 to 374.720,*
42 *inclusive, of the amount of the tax required to be paid that is*
43 *attributable to the tax imposed upon* the sale of tangible
44 personal property used for the performance of a written



1 contract for the construction of an improvement to real
2 property:

3 (a) That was entered into on or before the effective date
4 of the tax; or

5 (b) For which a binding bid was submitted before that
6 date if the bid was afterward accepted,
7 and pursuant to the terms of the contract or bid, the contract
8 price or bid amount may not be adjusted to reflect the
9 imposition of the tax.

10 *6. A provision that specifies the date on which the tax*
11 *is first imposed or on which any changes in the rate of the*
12 *tax becomes effective, which must be the first day of the first*
13 *calendar quarter that begins at least 120 days after the*
14 *effective date of the ordinance.*

15 **Sec. 100.** Section 24 of the Railroad Grade Separation Projects
16 Act, being chapter 506, Statutes of Nevada 1997, as last amended by
17 chapter 28, Statutes of Nevada 1999, at page 64, is hereby amended
18 to read as follows:

19 Sec. 24. 1. The Board of County Commissioners of
20 Washoe County may by ordinance, but not as in a case of
21 emergency, impose a tax upon the retailers at the rate of not
22 more than one-eighth of 1 percent of the gross receipts of any
23 retailer from the sale of all tangible personal property sold at
24 retail, or stored, used or otherwise consumed in the county if:

25 (a) The City of Reno imposes a tax on the rental of
26 transient lodging pursuant to NRS 268.7845 in the maximum
27 amount allowed by that section; and

28 (b) The Board receives a written commitment from one or
29 more sources for the expenditure of not less than one-half of
30 the total cost of a project for the acquisition, establishment,
31 construction or expansion of railroad grade separation
32 projects in Washoe County, including the estimated proceeds
33 of the tax described in paragraph (a).

34 2. An ordinance enacted pursuant to subsection 1 may
35 not become effective before a question concerning the
36 imposition of the tax is approved by a two-thirds majority of
37 the members of the Board of County Commissioners.

38 3. An ordinance enacted pursuant to subsection 1 must
39 specify the date on which the tax must first be imposed which
40 must occur on the first day of the first month of the next
41 calendar quarter that is at least ~~60~~ 120 days after the date on
42 which a two-thirds majority of the Board of County
43 Commissioners approved the question.

44 4. An ordinance enacted pursuant to subsection 1 must
45 include provisions in substance as follows:



- 1 (a) Provisions substantially identical to those contained in
- 2 chapter 374 of NRS, insofar as applicable.
- 3 (b) A provision that all amendments to chapter 374 of
- 4 NRS after the date of enactment of the ordinance, not
- 5 inconsistent with this section, automatically become a part of
- 6 an ordinance enacted pursuant to subsection 1.
- 7 (c) A provision stating the specific purpose for which the
- 8 proceeds of the tax must be expended.
- 9 (d) A provision that ~~[exempts from the tax the gross~~
- 10 ~~receipts from]~~ *a purchaser is entitled to a refund, in*
- 11 *accordance with the provisions of NRS 374.635 to 374.720,*
- 12 *inclusive, of the amount of the tax required to be paid that is*
- 13 *attributable to the tax imposed upon* the sale of, and the
- 14 storage, use or other consumption in a county of, tangible
- 15 personal property used for the performance of a written
- 16 contract:
- 17 (1) Entered into on or before the effective date of the
- 18 tax; or
- 19 (2) For the construction of an improvement to real
- 20 property for which a binding bid was submitted before the
- 21 effective date of the tax if the bid was afterward
- 22 accepted,
- 23 if under the terms of the contract or bid the contract price or
- 24 bid amount cannot be adjusted to reflect the imposition of the
- 25 tax.
- 26 5. No ordinance imposing a tax which is enacted
- 27 pursuant to subsection 1 may be repealed or amended or
- 28 otherwise directly or indirectly modified in such a manner as
- 29 to impair any outstanding bonds or other obligations which
- 30 are payable from or secured by a pledge of a tax enacted
- 31 pursuant to subsection 1 until those bonds or other obligations
- 32 have been discharged in full.
- 33 6. All fees, taxes, interest and penalties imposed and all
- 34 amounts of tax required to be paid to the County pursuant to
- 35 this section must be paid to the Department of Taxation in the
- 36 form of remittances payable to the Department of Taxation.
- 37 7. The Department of Taxation shall deposit the
- 38 payments with the State Treasurer for credit to the Sales and
- 39 Use Tax Account in the State General Fund.
- 40 8. The State Controller, acting upon the collection data
- 41 furnished by the Department of Taxation, shall monthly:
- 42 (a) Transfer from the Sales and Use Tax Account to the
- 43 appropriate account in the State General Fund a percentage of
- 44 all fees, taxes, interest and penalties collected pursuant to this
- 45 section during the preceding month as compensation to the



1 state for the cost of collecting the taxes. The percentage to be
2 transferred pursuant to this paragraph must be the same
3 percentage as the percentage of proceeds transferred pursuant
4 to paragraph (a) of subsection 3 of NRS 374.785 but the
5 percentage must be applied to the proceeds collected pursuant
6 to this section only.

7 (b) Determine for the County an amount of money equal
8 to any fees, taxes, interest and penalties collected in or for the
9 county pursuant to this section during the preceding month,
10 less the amount transferred to the State General Fund
11 pursuant to paragraph (a).

12 (c) Transfer the amount determined for the County to the
13 intergovernmental fund and remit the money to the County
14 Treasurer.

15 9. The County Treasurer shall deposit the money
16 received pursuant to subsection 8 in the County Treasury for
17 credit to a fund to be known as the Railroad Grade Separation
18 Projects Fund. The Railroad Grade Separation Projects Fund
19 must be accounted for as a separate fund and not as a part of
20 any other fund.

21 10. The money in the Railroad Grade Separation
22 Projects Fund, including interest and any other income from
23 the Fund must be used by the Board of County
24 Commissioners for the cost of the acquisition, establishment,
25 construction or expansion of one or more railroad grade
26 separation projects, including the payment and prepayment of
27 principal and interest on notes, bonds or other obligations
28 issued to fund such projects.

29 **Sec. 101.** Section 18 of the Douglas County Sales and Use Tax
30 Act of 1999, being chapter 37, Statutes of Nevada 1999, at page 83,
31 is hereby amended to read as follows:

32 Sec. 18. An ordinance enacted pursuant to this act,
33 except an ordinance authorizing the issuance of bonds or
34 other securities, must include provisions in substance as
35 follows:

36 1. A provision imposing a tax of not more than one-
37 quarter of 1 percent of the gross receipts of any retailer from
38 the sale of all tangible personal property sold at retail or
39 stored, used or otherwise consumed in the County.

40 2. Provisions substantially identical to those contained in
41 chapter 374 of NRS, insofar as applicable.

42 3. A provision that an amendment to chapter 374 of
43 NRS enacted after the effective date of the ordinance, not
44 inconsistent with this act, automatically becomes part of the
45 ordinance imposing the tax.



1 4. A provision that the Board shall contract before the
2 effective date of the ordinance with the Department to
3 perform all the functions incident to the administration or
4 operation of the tax in the County.

5 5. A provision that ~~exempts from the tax the gross~~
6 ~~receipts from~~ *a purchaser is entitled to a refund, in*
7 *accordance with the provisions of NRS 374.635 to 374.720,*
8 *inclusive, of the amount of the tax required to be paid that is*
9 *attributable to the tax imposed upon* the sale of tangible
10 personal property used for the performance of a written
11 contract for the construction of an improvement to real
12 property:

13 (a) That was entered into on or before the effective date
14 of the tax; or

15 (b) For which a binding bid was submitted before that
16 date if the bid was afterward accepted,
17 and pursuant to the terms of the contract or bid, the contract
18 price or bid amount may not be adjusted to reflect the
19 imposition of the tax.

20 *6. A provision that specifies the date on which the tax*
21 *is first imposed or on which any change in the rate of the*
22 *tax becomes effective, which must be the first day of the first*
23 *calendar quarter that begins at least 120 days after the*
24 *effective date of the ordinance.*

25 **Sec. 102.** Section 24 of chapter 364, Statutes of Nevada 2001,
26 at page 1716, is hereby amended to read as follows:

27 Sec. 24. 1. This section, sections 1 to 13, inclusive,
28 and 17 to 23, inclusive, of this act become effective upon
29 passage and approval.

30 2. ~~Sections 14, 15 and~~ *Section* 16 of this act ~~become~~
31 *becomes* effective on the date this state becomes a member of
32 the streamlined sales and use tax agreement.

33 3. *Sections 14 and 15 of this act become effective on*
34 *January 1, 2006.*

35 **Sec. 103.** At the general election on November 2, 2004, a
36 proposal must be submitted to the registered voters of this state to
37 amend the Sales and Use Tax Act, which was enacted by the 47th
38 Session of the Legislature of the State of Nevada and approved by
39 the Governor in 1955, and subsequently approved by the people of
40 this state at the general election held on November 6, 1956.

41 **Sec. 104.** At the time and in the manner provided by law, the
42 Secretary of State shall transmit the proposed act to the several
43 county clerks, and the county clerks shall cause it to be published
44 and posted as provided by law.



1 **Sec. 105.** The proclamation and notice to the voters given by
2 the county clerks pursuant to law must be in substantially the
3 following form:

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

8 AN ACT to amend an Act entitled "An Act to provide
9 revenue for the State of Nevada; providing for sales
10 and use taxes; providing for the manner of collection;
11 defining certain terms; providing penalties for
12 violation, and other matters properly relating thereto."
13 approved March 29, 1955, as amended.

14 THE PEOPLE OF THE STATE OF NEVADA
15 DO ENACT AS FOLLOWS:

16
17
18 Section 1. The above-entitled act, being chapter 397,
19 Statutes of Nevada 1955, at page 762, is hereby amended by
20 adding thereto a new section to be designated as section 56.3,
21 immediately following section 56.2, to read as follows:

22 Sec. 56.3. *1. There are exempted from the taxes*
23 *imposed by this act the gross receipts from the sale of,*
24 *and the storage, use or other consumption in a county of,*
25 *farm machinery and equipment employed for the*
26 *agricultural use of real property.*

27 *2. As used in this section:*
28 *(a) "Agricultural use" has the meaning ascribed to it*
29 *in NRS 361A.030.*

30 *(b) "Farm machinery and equipment" means a farm*
31 *tractor, implement of husbandry, piece of equipment*
32 *used for irrigation, or a part used in the repair or*
33 *maintenance of farm machinery and equipment. The*
34 *term does not include:*

35 *(1) A vehicle required to be registered pursuant to*
36 *the provisions of chapter 482 or 706 of NRS; or*

37 *(2) Machinery or equipment only incidentally*
38 *employed for the agricultural use of real property.*

39 *(c) "Farm tractor" means a motor vehicle designed*
40 *and used primarily for drawing an implement of*
41 *husbandry.*

42 *(d) "Implement of husbandry" means a vehicle that*
43 *is designed, adapted or used for agricultural purposes,*
44 *including, without limitation, a plow, machine for*
45 *mowing, hay baler, combine, piece of equipment used to*



1 *stack hay, till, harvest, handle agricultural commodities*
2 *or apply fertilizers, or other heavy, movable equipment*
3 *designed, adapted or used for agricultural purposes.*

4 Sec. 2. This act becomes effective on January 1, 2006.
5 **Sec. 106.** The ballot page assemblies and the paper ballots to
6 be used in voting on the question must present the question in
7 substantially the following form:

8 Shall the Sales and Use Tax Act of 1955 be amended to
9 provide an exemption from the taxes imposed by this Act on
10 the gross receipts from the sale and the storage, use or other
11 consumption of farm machinery and equipment employed for
12 the agricultural use of real property?

13 Yes No

14 **Sec. 107.** The explanation of the question which must appear
15 on each paper ballot and sample ballot and in every publication and
16 posting of notice of the question must be in substantially the
17 following form:

18
19 (Explanation of Question)
20 The proposed amendment to the Sales and Use Tax Act of
21 1955 would exempt from the taxes imposed by this Act the
22 gross receipts from the sale and the storage, use or other
23 consumption of farm machinery and equipment employed for
24 the agricultural use of real property.

25 **Sec. 108.** At the general election on November 2, 2004, a
26 proposal must be submitted to the registered voters of this state to
27 amend the Sales and Use Tax Act, which was enacted by the 47th
28 Session of the Legislature of the State of Nevada and approved by
29 the Governor in 1955, and subsequently approved by the people of
30 this state at the general election held on November 6, 1956.

31 **Sec. 109.** At the time and in the manner provided by law, the
32 Secretary of State shall transmit the proposed act to the several
33 county clerks, and the county clerks shall cause it to be published
34 and posted as provided by law.

35 **Sec. 110.** The proclamation and notice to the voters given by
36 the county clerks pursuant to law must be in substantially the
37 following form:

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

42 AN ACT to amend an Act entitled "An Act to provide
43 revenue for the State of Nevada; providing for sales
44 and use taxes; providing for the manner of collection;
45 defining certain terms; providing penalties for



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violation, and other matters properly relating thereto.”
approved March 29, 1955, as amended.

THE PEOPLE OF THE STATE OF NEVADA
DO ENACT AS FOLLOWS:

Section 1. Section 15 of the above-entitled act, being
chapter 397, Statutes of Nevada 1955, at page 765, is hereby
amended to read as follows:

Sec. 15. 1. “Retailer” includes:

(a) Every seller who makes any retail sale or sales of
tangible personal property, and every person engaged in
the business of making retail sales at auction of tangible
personal property owned by the person or others.

(b) Every person engaged in the business of making
sales for storage, use or other consumption or in the
business of making sales at auction of tangible personal
property owned by the person or others for storage, use or
other consumption.

(c) Every person making more than two retail sales of
tangible personal property during any 12-month period,
including sales made in the capacity of assignee for the
benefit of creditors, or receiver or trustee in bankruptcy.

2. When the Tax Commission determines that it is
necessary for the efficient administration of this chapter to
regard any salesmen, representatives, peddlers or
canvassers as the agents of the dealers, distributors,
supervisors or employers under whom they operate or
from whom they obtain the tangible personal property sold
by them, irrespective of whether they are making sales on
their own behalf or on behalf of such dealers, distributors,
supervisors or employers, the Tax Commission may so
regard them and may regard the dealers, distributors,
supervisors or employers as retailers for purposes of this
chapter.

~~{3.—A licensed optometrist or physician and surgeon
is a consumer of, and shall not be considered, a retailer
within the provisions of this chapter, with respect to the
ophthalmic materials used or furnished by him in the
performance of his professional services in the diagnosis,
treatment or correction of conditions of the human eye,
including the adaptation of lenses or frames for the aid
thereof.}~~

Sec. 2. Section 56.1 of the above-entitled act, being
chapter 397, Statutes of Nevada 1955, as added by chapter



1 306, Statutes of Nevada 1969, at page 532, and amended by
2 chapter 627, Statutes of Nevada 1985, at page 2028, and
3 amended by chapter 404, Statutes of Nevada 1995, at page
4 1007, is hereby amended to read as follows:

5 Sec. 56.1. 1. There are exempted from the taxes
6 imposed by this act the gross receipts from sales and the
7 storage, use or other consumption of:

8 (a) Prosthetic devices, orthotic appliances and
9 ambulatory casts for human use, and other supports and
10 casts if prescribed or applied by a licensed provider of
11 health care, within his scope of practice, for human use.

12 (b) Appliances and supplies relating to an ostomy.

13 (c) Products for hemodialysis.

14 (d) *Any ophthalmic or ocular device or appliance*
15 *prescribed by a physician or optometrist.*

16 (e) Medicines:

17 (1) Prescribed for the treatment of a human being
18 by a person authorized to prescribe medicines, and
19 dispensed on a prescription filled by a registered
20 pharmacist in accordance with law;

21 (2) Furnished by a licensed physician, dentist or
22 podiatric physician to his own patient for the treatment of
23 the patient;

24 (3) Furnished by a hospital for treatment of any
25 person pursuant to the order of a licensed physician,
26 dentist or podiatric physician; or

27 (4) Sold to a licensed physician, dentist, podiatric
28 physician or hospital for the treatment of a human being.

29 2. As used in this section:

30 (a) "Medicine" means any substance or preparation
31 intended for use by external or internal application to the
32 human body in the diagnosis, cure, mitigation, treatment
33 or prevention of disease or affliction of the human body
34 and which is commonly recognized as a substance or
35 preparation intended for such use. The term includes
36 splints, bandages, pads, compresses and dressings.

37 (b) "Medicine" does not include:

38 (1) Any auditory ~~[, ophthalmic or ocular]~~ device or
39 appliance.

40 (2) Articles which are in the nature of instruments,
41 crutches, canes, devices or other mechanical, electronic,
42 optical or physical equipment.

43 (3) Any alcoholic beverage, except where the
44 alcohol merely provides a solution in the ordinary
45 preparation of a medicine.



1 (4) Braces or supports, other than those prescribed
2 or applied by a licensed provider of health care, within his
3 scope of practice, for human use.

4 3. Insulin furnished by a registered pharmacist to a
5 person for treatment of diabetes as directed by a physician
6 shall be deemed to be dispensed on a prescription within
7 the meaning of this section.

8 Sec. 3. This act becomes effective on January 1, 2006.

9 **Sec. 111.** The ballot page assemblies and the paper ballots to
10 be used in voting on the question must present the question in
11 substantially the following form:

12 Shall the Sales and Use Tax Act of 1955 be amended to
13 provide an exemption from the taxes imposed by this Act on
14 the gross receipts from the sale and the storage, use or other
15 consumption of ophthalmic or ocular devices or appliances
16 prescribed by a physician or optometrist?

17 Yes No

18 **Sec. 112.** The explanation of the question which must appear
19 on each paper ballot and sample ballot and in every publication and
20 posting of notice of the question must be in substantially the
21 following form:

22 (Explanation of Question)

23 The proposed amendment to the Sales and Use Tax Act of
24 1955 would exempt from the taxes imposed by this Act the
25 gross receipts from the sale and the storage, use or other
26 consumption of ophthalmic or ocular devices or appliances
27 prescribed by a physician or optometrist.

28 **Sec. 113.** At the general election on November 2, 2004, a
29 proposal must be submitted to the registered voters of this state to
30 amend the Sales and Use Tax Act, which was enacted by the 47th
31 Session of the Legislature of the State of Nevada and approved by
32 the Governor in 1955, and subsequently approved by the people of
33 this state at the general election held on November 6, 1956.

34 **Sec. 114.** At the time and in the manner provided by law, the
35 Secretary of State shall transmit the proposed act to the several
36 county clerks, and the county clerks shall cause it to be published
37 and posted as provided by law.

38 **Sec. 115.** The proclamation and notice to the voters given by
39 the county clerks pursuant to law must be in substantially the
40 following form:

41 Notice is hereby given that at the general election on
42 November 2, 2004, a question will appear on the ballot for the
43 adoption or rejection by the registered voters of the State of the
44 following proposed act:
45



1 AN ACT to amend an Act entitled "An Act to provide
2 revenue for the State of Nevada; providing for sales
3 and use taxes; providing for the manner of collection;
4 defining certain terms; providing penalties for
5 violation, and other matters properly relating thereto."
6 approved March 29, 1955, as amended.
7

8 THE PEOPLE OF THE STATE OF NEVADA
9 DO ENACT AS FOLLOWS:
10

11 Section 1. Section 61.5 of the above-entitled act, being
12 chapter 397, Statutes of Nevada 1955, at page 762, as added
13 by chapter 466, Statutes of Nevada 1985, at page 1441, is
14 hereby amended to read as follows:

15 Sec. 61.5. There are exempted from the taxes
16 imposed by this chapter the gross receipts from the sale
17 ~~[of aircraft and major components]~~ *and the storage, use*
18 *or other consumption in this state of:*

19 *1. Aircraft, aircraft engines and component parts of*
20 *aircraft ~~[, such as engines and other components made for~~*
21 *~~use only in aircraft, to an air carrier which:~~*

22 ~~— 1. Holds a certificate to engage in air transportation~~
23 ~~issued pursuant to 49 U.S.C. § 1371 and is not solely a~~
24 ~~charter air carrier or a supplemental air carrier as~~
25 ~~described in Title 49 of the United States Code; and~~

26 ~~— 2. Maintains its central office in Nevada and bases a~~
27 ~~majority of its aircraft in Nevada.] *or aircraft engines*~~
28 *which are manufactured exclusively for use in aircraft,*
29 *sold or purchased for lease to a commercial air carrier*
30 *for use in the transportation of persons or property in*
31 *intrastate, interstate or foreign commerce pursuant to a*
32 *certificate or license issued to the air carrier authorizing*
33 *such transportation; and*

34 *2. Machinery, tools and other equipment and parts*
35 *which are used exclusively in the repair, remodeling or*
36 *maintenance of aircraft, aircraft engines or component*
37 *parts of aircraft or aircraft engines which meet the*
38 *requirements of subsection 1.*

39 Sec. 2. This act becomes effective on January 1, 2006.

40 **Sec. 116.** The ballot page assemblies and the paper ballots to
41 be used in voting on the question must present the question in
42 substantially the following form:

43 Shall the Sales and Use Tax Act of 1955 be amended to
44 revise and clarify the criteria used to determine which aircraft
45 and parts of aircraft are exempt from the taxes imposed by



1 this Act, including removing the requirement that an air
2 carrier must be based in Nevada to be eligible for the
3 exemption, and providing an exemption for certain machinery
4 and equipment used on eligible aircraft and parts of aircraft?

5 Yes No

6 **Sec. 117.** The explanation of the question which must appear
7 on each paper ballot and sample ballot and in every publication and
8 posting of notice of the question must be in substantially the
9 following form:

10 (Explanation of Question)

11 The proposed amendment to the Sales and Use Tax Act of
12 1955 revises and clarifies the criteria used to determine which
13 aircraft and parts of aircraft are exempt from the taxes
14 imposed by this Act, including removing the requirement that
15 an air carrier must be based in Nevada to be eligible for the
16 exemption, and providing an exemption for certain machinery
17 and equipment used on eligible aircraft and parts of aircraft.

18 **Sec. 118.** At the general election on November 2, 2004, a
19 proposal must be submitted to the registered voters of this state to
20 amend the Sales and Use Tax Act, which was enacted by the 47th
21 Session of the Legislature of the State of Nevada and approved by
22 the Governor in 1955, and subsequently approved by the people of
23 this state at the general election held on November 6, 1956.

24 **Sec. 119.** At the time and in the manner provided by law, the
25 Secretary of State shall transmit the proposed act to the several
26 county clerks, and the county clerks shall cause it to be published
27 and posted as provided by law.

28 **Sec. 120.** The proclamation and notice to the voters given by
29 the county clerks pursuant to law must be in substantially the
30 following form:

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

35 AN ACT to amend an Act entitled "An Act to provide
36 revenue for the State of Nevada; providing for sales
37 and use taxes; providing for the manner of collection;
38 defining certain terms; providing penalties for
39 violation, and other matters properly relating thereto."
40 approved March 29, 1955, as amended.
41

42 THE PEOPLE OF THE STATE OF NEVADA
43 DO ENACT AS FOLLOWS:
44



1 Section 1. The above-entitled Act, being chapter 397,
2 Statutes of Nevada 1955, at page 762, is hereby amended by
3 adding thereto a new section to be designated as section 61.6,
4 immediately following section 61.5, to read as follows:

5 Sec. 61.6. *1. There are exempted from the taxes*
6 *imposed by this chapter the gross receipts from the sale,*
7 *furnishing or service of, and the storage, use or other*
8 *consumption in this state of:*

9 (a) *All engines and chassis of a professional racing*
10 *vehicle;*

11 (b) *All parts and components that are used to replace*
12 *or rebuild existing parts or components of any engine or*
13 *chassis of a professional racing vehicle;*

14 (c) *All motor vehicles used by professional racing*
15 *teams to transport professional racing vehicles or to*
16 *transport parts or components of professional racing*
17 *vehicles, including, without limitation, an engine and*
18 *chassis of a professional racing vehicle; and*

19 (d) *All motor vehicles used by a professional racing*
20 *team or sanctioning body to transport the business office*
21 *of the professional racing team or sanctioning body or to*
22 *transport a facility from which hospitality services are*
23 *provided.*

24 2. *As used in this section:*

25 (a) *“Professional racing team” means a racing*
26 *operation that qualifies for the taxable year as an activity*
27 *engaged in for profit pursuant to the Internal Revenue*
28 *Code, Title 26 of the United States Code.*

29 (b) *“Professional racing motor vehicle” means any*
30 *motor vehicle which is used in a professional racing*
31 *competition and which is owned, leased or operated by a*
32 *professional racing team.*

33 (c) *“Sanctioning body” means an organization that*
34 *establishes an annual schedule of professional racing*
35 *events in which professional racing teams participate,*
36 *grants rights to conduct such events and establishes and*
37 *administers rules and regulations governing the persons*
38 *who conduct or participate in such events.*

39 Sec. 2. This act becomes effective on January 1, 2006.

40 **Sec. 121.** The ballot page assemblies and the paper ballots to
41 be used in voting on the question must present the question in
42 substantially the following form:

43 Shall the Sales and Use Tax Act of 1955 be amended to
44 provide an exemption from the taxes imposed by this Act on
45 the gross receipts from the sale and the storage, use or other



1 consumption of engines and chassis, including replacement
2 parts and components for the engines and chassis, of
3 professional racing vehicles that are owned, leased or
4 operated by professional racing teams?

5 Yes No

6 **Sec. 122.** The explanation of the question which must appear
7 on each paper ballot and sample ballot and in every publication and
8 posting of notice of the question must be in substantially the
9 following form:

10 (Explanation of Question)

11 The proposed amendment to the Sales and Use Tax Act of
12 1955 would exempt from the taxes imposed by this Act the
13 gross receipts from the sale and the storage, use or other
14 consumption of engines and chassis, including replacement
15 parts and components for the engines and chassis, of
16 professional racing vehicles that are owned, leased or
17 operated by professional racing teams.

18 **Sec. 123.** At the general election on November 2, 2004, a
19 proposal must be submitted to the registered voters of this state to
20 amend the Sales and Use Tax Act, which was enacted by the 47th
21 Session of the Legislature of the State of Nevada and approved by
22 the Governor in 1955, and subsequently approved by the people of
23 this state at the general election held on November 6, 1956.

24 **Sec. 124.** At the time and in the manner provided by law, the
25 Secretary of State shall transmit the proposed act to the several
26 county clerks, and the county clerks shall cause it to be published
27 and posted as provided by law.

28 **Sec. 125.** The proclamation and notice to the voters given by
29 the county clerks pursuant to law must be in substantially the
30 following form:

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

35 AN ACT to amend an Act entitled "An Act to provide
36 revenue for the State of Nevada; providing for sales
37 and use taxes; providing for the manner of collection;
38 defining certain terms; providing penalties for
39 violation, and other matters properly relating thereto."
40 approved March 29, 1955, as amended.

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43 THE PEOPLE OF THE STATE OF NEVADA
44 DO ENACT AS FOLLOWS:



1 Section 1. The above-entitled Act, being chapter 397,
2 Statutes of Nevada 1955, at page 762, is hereby amended by
3 adding thereto two new sections to be designated as sections
4 57.1 and 57.2, respectively, immediately following section
5 57, to read as follows:

6 Sec. 57.1. *1. Except as otherwise provided in*
7 *section 57.2 of chapter 397, Statutes of Nevada 1955,*
8 *there are exempted from the taxes imposed by this*
9 *chapter the gross receipts from the sale of, and the*
10 *storage, use or other consumption of, works of fine art*
11 *for public display.*

12 *2. In determining whether a payment made*
13 *pursuant to a lease of a work of fine art is exempt under*
14 *subsection 1, the value for the purpose of paragraph (a)*
15 *of subsection 4 is the value of the work and not the value*
16 *of possession for the term of the lease, and the calendar*
17 *or fiscal year described in paragraph (a) of subsection 4*
18 *is the first full calendar or fiscal year, respectively, after*
19 *the payment is made.*

20 *3. During the first full fiscal year following the*
21 *purchase of fine art for which a taxpayer receives the*
22 *exemption provided in this section, the taxpayer shall*
23 *make available, upon written request and without charge*
24 *to any public school as defined in NRS 385.007, private*
25 *school as defined in NRS 394.103 and parent of a child*
26 *who receives instruction in a home pursuant to NRS*
27 *392.070, one copy of a poster depicting the fine art that*
28 *the facility has on public display and that the facility*
29 *makes available for purchase by the public at the time of*
30 *the request.*

31 *4. As used in this section:*

32 *(a) "Fine art for public display":*

33 *(1) Except as otherwise provided in subparagraph*
34 *(2), means a work of art which:*

35 *(I) Is an original painting in oil, mineral,*
36 *water colors, vitreous enamel, pastel or other medium,*
37 *an original mosaic, drawing or sketch, an original*
38 *sculpture of clay, textiles, fiber, wood, metal, plastic,*
39 *glass or a similar material, an original work of mixed*
40 *media or a lithograph;*

41 *(II) Is purchased in an arm's length*
42 *transaction for \$25,000 or more, or has an appraised*
43 *value of \$25,000 or more;*

44 *(III) Will be on public display in a public or*
45 *private art gallery, museum or other building or area in*



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1 *this state for at least 20 hours per week during at least 35*
2 *weeks of the first full calendar year after the date on*
3 *which it is purchased or, if the facility displaying the fine*
4 *art disposes of it before the end of that year, during at*
5 *least two-thirds of the full weeks during which the*
6 *facility had possession of it, or if the gallery, museum, or*
7 *other building or area in which the fine art will be*
8 *displayed will not be opened until after the beginning of*
9 *the first full calendar year after the date on which the*
10 *fine art is purchased, these display requirements must*
11 *instead be met for the first full fiscal year after the date*
12 *of opening, and the date of opening must not be later*
13 *than 2 years after the purchase of the fine art being*
14 *displayed; and*

15 *(IV) Will be on display in a facility that is*
16 *available for group tours by pupils or students for at*
17 *least 5 hours on at least 60 days of the first full fiscal*
18 *year after the purchase of the fine art, during which the*
19 *facility in which it is displayed is open, by prior*
20 *appointment and at reasonable times, without charge;*
21 *and*

22 *(2) Does not include:*

23 *(I) A work of fine art that is a fixture or an*
24 *improvement to real property;*

25 *(II) Materials purchased by an artist for*
26 *consumption in the production of a work of art that is to*
27 *be a fixture or an improvement to real property;*

28 *(III) A work of fine art that constitutes a copy*
29 *of an original work of fine art, unless the work is a*
30 *lithograph that is a limited edition and that is signed and*
31 *numbered by the artist;*

32 *(IV) Products of filmmaking or photography,*
33 *including, without limitation, motion pictures;*

34 *(V) Literary works;*

35 *(VI) Property used in the performing arts,*
36 *including, without limitation, scenery or props for a*
37 *stage; or*

38 *(VII) Property that was created for a*
39 *functional use other than, or in addition to, its aesthetic*
40 *qualities, including, without limitation, a classic or*
41 *custom-built automobile or boat, a sign that advertises a*
42 *business, and custom or antique furniture, lamps,*
43 *chandeliers, jewelry, mirrors, doors or windows.*

44 *(b) "Public display" means the display of a work of*
45 *fine art where members of the public have access to the*



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work of fine art for viewing during publicly advertised hours. The term does not include the display of a work of fine art in an area where the public does not generally have access, including, without limitation, a private office, hallway or meeting room of a business, a room of a business used for private lodging and a private residence.

(c) "Pupil" means a person who:

(1) Is enrolled for the current academic year in a public school as defined in NRS 385.007 or a private school as defined in NRS 394.103; or

(2) Receives instruction in a home and is excused from compulsory attendance pursuant to NRS 392.070.

(d) "Student" means a person who is enrolled for the current academic year in:

(1) A community college or university; or

(2) A licensed postsecondary educational institution as defined in NRS 394.099 and a course concerning fine art.

Sec. 57.2. 1. A taxpayer may collect an admission fee for the exhibition of fine art otherwise exempt from taxation on its sale, storage, use or other consumption pursuant to section 57.1 of chapter 397, Statutes of Nevada 1955, if the taxpayer offers to residents of the State of Nevada a discount of 50 percent from any admission fee charged to nonresidents. The discounted admission fee for residents must be offered at any time the exhibition is open to the public and admission fees are being charged.

2. If a taxpayer collects a fee for the exhibition of fine art otherwise exempt from taxation on its sale, storage, use or other consumption pursuant to section 57.1 of chapter 397, Statutes of Nevada 1955, and the fee is collected during the first full fiscal year after the purchase of the fine art, the exemption pertaining to that fine art must be reduced by the net revenue derived by the taxpayer for that first full fiscal year. The exemption pertaining to fine art must not be reduced below zero, regardless of the amount of the net revenue derived by the taxpayer for that first full fiscal year.

3. Any tax due pursuant to this section must be paid with the first sales and use tax return otherwise required to be filed by the taxpayer following the 15th day of the fourth month after the end of the first full fiscal year following the purchase of the fine art or, if no sales and



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use tax return is otherwise required to be filed by the taxpayer, with a sales and use tax return filed specifically for this purpose on or before the last day of the fourth month after the end of the first full fiscal year following the purchase of the fine art.

4. A taxpayer who is required to pay a tax resulting from the operation of this section may receive a credit against the tax for any donations made by the taxpayer to the State Arts Council, the Division of Museums and History Dedicated Trust Fund established pursuant to NRS 381.0031, a museum that provides exhibits specifically related to nature or a museum that provides exhibits specifically related to children, if the taxpayer:

(a) Made the donation before the date that either return required pursuant to subsection 3 is due; and

(b) Provides the Department documentation of the donation at the time that he files the return required pursuant to subsection 3.

5. For the purposes of this section:

(a) "Direct costs of owning and exhibiting the fine art" does not include any allocation of the general and administrative expense of a business or organization that conducts activities in addition to the operation of the facility in which the fine art is displayed, including, without limitation, an allocation of the salary and benefits of a senior executive who is responsible for the oversight of the facility in which the fine art is displayed and who has substantial responsibilities related to the other activities of the business or organization.

(b) "Net revenue" means the amount of the fees collected for exhibiting the fine art during the fiscal year less the following paid or made during the fiscal year:

(1) The direct costs of owning and exhibiting the fine art; and

(2) The cost of educational programs associated with the taxpayer's public display of fine art, including the cost of meeting the requirements of subparagraph (IV) of subparagraph (1) of paragraph (a) of subsection 4 of section 57.1 of chapter 397, Statutes of Nevada 1955.

Sec. 2. Section 6 of the above-entitled Act, being chapter 397, Statutes of Nevada 1955, at page 763, is hereby amended to read as follows:

Sec. 6. 1. "Retail sale" or "sale at retail" means a sale for any purpose other than resale in the regular course



1 of business of tangible personal property. *The terms do*
2 *not include a sale of property that:*

3 (a) *Meets the requirements of subparagraphs (1) and*
4 *(2) of paragraph (a) of subsection 4 of section 57.1 of*
5 *chapter 397, Statutes of Nevada 1955;*

6 (b) *Is made available for sale within 2 years after it is*
7 *acquired; and*

8 (c) *Is made available for viewing by the public or*
9 *prospective purchasers, or both, within 2 years after it is*
10 *acquired, whether or not a fee is charged for viewing it*
11 *and whether or not it is also used for purposes other than*
12 *viewing.*

13 2. The delivery in this state of tangible personal
14 property by an owner or former owner thereof or by a
15 factor, or agent of such owner, former owner or factor, if
16 the delivery is to a consumer or person for redelivery to a
17 consumer, pursuant to a retail sale made by a retailer not
18 engaged in business in this state, is a retail sale in this state
19 by the person making the delivery. He shall include the
20 retail selling price of the property in his gross receipts.

21 Sec. 3. Section 7 of the above-entitled Act, being
22 chapter 397, Statutes of Nevada 1955, at page 763, is hereby
23 amended to read as follows:

24 Sec. 7. "Storage" includes any keeping or retention
25 in this state for any purpose except sale in the regular
26 course of business or subsequent use solely outside this
27 state of tangible personal property purchased from a
28 retailer. *The term does not include keeping, retaining or*
29 *exercising any right or power over tangible property*
30 *that:*

31 1. *Meets the requirements of subparagraphs (1) and*
32 *(2) of paragraph (a) of subsection 4 of section 57.1 of*
33 *chapter 397, Statutes of Nevada 1955;*

34 2. *Is made available for sale within 2 years after it is*
35 *acquired; and*

36 3. *Is made available for viewing by the public or*
37 *prospective purchasers, or both, within 2 years after it is*
38 *acquired whether or not a fee is charged for viewing it*
39 *and whether or not it is also used for purposes other than*
40 *viewing.*

41 Sec. 4. This act becomes effective on January 1, 2006.



1 **Sec. 126.** The ballot page assemblies and the paper ballots to
2 be used in voting on the question must present the question in
3 substantially the following form:

4 Shall the Sales and Use Tax Act of 1955 be amended to
5 provide an exemption from the taxes imposed by this Act on
6 the gross receipts from the sale and the storage, use or other
7 consumption of works of fine art for public display?

8 Yes No

9 **Sec. 127.** The explanation of the question which must appear
10 on each paper ballot and sample ballot and in every publication and
11 posting of notice of the question must be in substantially the
12 following form:

13 (Explanation of Question)
14 The proposed amendment to the Sales and Use Tax Act of
15 1955 would exempt from the taxes imposed by this Act the
16 gross receipts from the sale and the storage, use or other
17 consumption of works of fine art for public display.

18 **Sec. 128.** At the general election on November 2, 2004, a
19 proposal must be submitted to the registered voters of this state to
20 amend the Sales and Use Tax Act, which was enacted by the 47th
21 Session of the Legislature of the State of Nevada and approved by
22 the Governor in 1955, and subsequently approved by the people of
23 this state at the general election held on November 6, 1956.

24 **Sec. 129.** At the time and in the manner provided by law, the
25 Secretary of State shall transmit the proposed act to the several
26 county clerks, and the county clerks shall cause it to be published
27 and posted as provided by law.

28 **Sec. 130.** The proclamation and notice to the voters given by
29 the county clerks pursuant to law must be in substantially the
30 following form:

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

35 AN ACT to amend an Act entitled "An Act to provide
36 revenue for the State of Nevada; providing for sales
37 and use taxes; providing for the manner of collection;
38 defining certain terms; providing penalties for
39 violation, and other matters properly relating thereto."
40 approved March 29, 1955, as amended.

41 THE PEOPLE OF THE STATE OF NEVADA
42 DO ENACT AS FOLLOWS:
43
44



1 Section 1. The above-entitled Act, being chapter 397,
2 Statutes of Nevada 1955, at page 762, is hereby amended by
3 adding thereto three new sections to be designated as sections
4 18.2, 47.4 and 47.5, respectively, immediately following
5 sections 18.1 and 47, respectively, to read as follows:

6 Sec. 18.2. *“Vehicle” has the meaning ascribed to it*
7 *in NRS 482.135.*

8 Sec. 47.4. 1. *For the purposes of this section,*
9 *“authorized appraisal” means an appraisal of the value*
10 *of a motor vehicle made by:*

11 (a) *An employee of the Department of Motor*
12 *Vehicles on its behalf;*

13 (b) *A county assessor or his employee as an agent of*
14 *the Department of Motor Vehicles;*

15 (c) *A person licensed by the Department of Motor*
16 *Vehicles as a dealer; or*

17 (d) *An independent appraiser authorized by the*
18 *Department of Motor Vehicles.*

19 2. *When computing the tax on the sale of a vehicle*
20 *by a seller who is not required to be registered by the*
21 *Department of Taxation, the Department of Motor*
22 *Vehicles or the county assessor as an agent of the*
23 *Department of Taxation shall, if an authorized appraisal*
24 *is submitted, use as the vehicle’s sales price the amount*
25 *stated on the authorized appraisal or \$100, whichever is*
26 *greater.*

27 3. *The Department of Motor Vehicles shall establish*
28 *by regulation the procedure for appraising vehicles and*
29 *shall establish and make available a form for an*
30 *authorized appraisal.*

31 4. *The Department of Motor Vehicles shall retain a*
32 *copy of the appraisal considered pursuant to subsection*
33 *2 with its record of the collection of the tax.*

34 5. *A fee which does not exceed \$10 may be charged*
35 *and collected for each authorized appraisal made. Any*
36 *money so collected by the Department of Motor Vehicles*
37 *for such an appraisal made by its employees must be*
38 *deposited with the State Treasurer to the credit of the*
39 *Motor Vehicle Fund. Any money so collected by a county*
40 *assessor must be deposited with the county treasurer to*
41 *the credit of the county’s general fund.*

42 6. *If an authorized appraisal is not submitted, the*
43 *Department of Motor Vehicles or the county assessor as*
44 *an agent of the Department of Taxation shall establish*
45 *the sales price as a value which is based on the*



1 *depreciated value of the vehicle as determined in*
2 *accordance with the schedule in section 47.5 of chapter*
3 *397, Statutes of Nevada 1955. To determine the original*
4 *price from which the depreciation is calculated, the*
5 *Department of Motor Vehicles shall use:*

6 *(a) The manufacturer's suggested retail price in*
7 *Nevada, excluding options and extras, as of the time the*
8 *particular make and year model is first offered for sale*
9 *in Nevada;*

10 *(b) If the vehicle is specially constructed, the original*
11 *retail price to the original purchaser of the vehicle as*
12 *evidenced by such document or documents as the*
13 *Department may require;*

14 *(c) The procedures set forth in subsections 3 and 4 of*
15 *NRS 371.050; or*

16 *(d) If none of these applies, its own estimate from*
17 *any available information.*

18 *Sec. 47.5. 1. Except as provided in subsection 2,*
19 *for the purpose of computing the tax on the sale of a*
20 *vehicle by a seller who is not required to be registered*
21 *with the Department of Taxation in the manner provided*
22 *for in subsection 6 of section 47.4 of chapter 397,*
23 *Statutes of Nevada 1955, a vehicle must be depreciated*
24 *according to the following schedule:*

<i>Age</i>	<i>Percentage of Initial Value</i>
<i>New</i>	<i>100 percent</i>
<i>1 year</i>	<i>85 percent</i>
<i>2 years</i>	<i>75 percent</i>
<i>3 years</i>	<i>65 percent</i>
<i>4 years</i>	<i>60 percent</i>
<i>5 years</i>	<i>55 percent</i>
<i>6 years</i>	<i>50 percent</i>
<i>7 years</i>	<i>45 percent</i>
<i>8 years</i>	<i>40 percent</i>
<i>9 years</i>	<i>35 percent</i>
<i>10 years</i>	<i>30 percent</i>
<i>11 years</i>	<i>25 percent</i>
<i>12 years</i>	<i>20 percent</i>
<i>13 years</i>	<i>15 percent</i>
<i>14 years or more</i>	<i>10 percent</i>

42
43 *2. The amount of depreciation calculated under*
44 *subsection 1 must be rounded to the nearest whole*



1 *multiple of \$20 and the depreciated value must not be*
2 *reduced below \$100.*

3 Sec. 2. Section 11 of the above-entitled Act, being
4 chapter 397, Statutes of Nevada 1955, at page 764, is hereby
5 amended to read as follows:

6 Sec. 11. 1. "Sales price" means the total amount
7 for which tangible property is sold, valued in money,
8 whether paid in money or otherwise, without any
9 deduction on account of any of the following:

10 (a) The cost of the property sold.

11 (b) The cost of materials used, labor or service cost,
12 interest charged, losses, or any other expenses.

13 (c) The cost of transportation of the property prior to
14 its purchase.

15 2. The total amount for which property is sold
16 includes all of the following:

17 (a) Any services that are a part of the sale.

18 (b) Any amount for which credit is given to the
19 purchaser by the seller.

20 3. "Sales price" does not include any of the
21 following:

22 (a) Cash discounts allowed and taken on sales.

23 (b) The amount charged for property returned by
24 customers when the entire amount charged therefor is
25 refunded either in cash or credit; but this exclusion shall
26 not apply in any instance when the customer, in order to
27 obtain the refund, is required to purchase other property at
28 a price greater than the amount charged for the property
29 that is returned.

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

32 (d) The amount of any tax, ~~to~~ not including ~~to~~
33 ~~however,~~ any manufacturers' or importers' excise tax, ~~to~~
34 imposed by the United States upon or with respect to retail
35 sales, whether imposed upon the retailer or the consumer.

36 (e) *The amount of any allowance against the selling*
37 *price given by a retailer for the value of a used vehicle*
38 *that is taken in trade on the purchase of another vehicle.*

39 4. *For the purpose of a sale of a vehicle by a seller*
40 *who is not required to be registered with the Department*
41 *of Taxation, the sales price is the value established in the*
42 *manner set forth in section 47.4 of chapter 397, Statutes*
43 *of Nevada 1955.*



1 Sec. 3. Section 12 of the above-entitled Act, being
2 chapter 397, Statutes of Nevada 1955, at page 764, is hereby
3 amended to read as follows:

4 Sec. 12. 1. "Gross receipts" means the total
5 amount of the sale or lease or rental price, as the case may
6 be, of the retail sales of retailers, valued in money,
7 whether received in money or otherwise, without any
8 deduction on account of any of the following:

9 (a) The cost of the property sold. However, in
10 accordance with such rules and regulations as the Tax
11 Commission may prescribe, a deduction may be taken if
12 the retailer has purchased property for some other purpose
13 than resale, has reimbursed his vendor for tax which the
14 vendor is required to pay to the State or has paid the use
15 tax with respect to the property, and has resold the
16 property ~~prior to~~ before making any use of the property
17 other than retention, demonstration or display while
18 holding it for sale in the regular course of business. If such
19 a deduction is taken by the retailer, no refund or credit will
20 be allowed to his vendor with respect to the sale of the
21 property.

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

24 (c) The cost of transportation of the property ~~prior to~~
25 before its sale to the purchaser.

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

28 (a) Any services that are a part of the sale.

29 (b) All receipts, cash, credits and property of any kind.

30 (c) Any amount for which credit is allowed by the
31 seller to the purchaser.

32 3. "Gross receipts" does not include any of the
33 following:

34 (a) Cash discounts allowed and taken on sales.

35 (b) ~~Sale~~ The sale price of property returned by
36 customers when the full sale price is refunded either in
37 cash or credit, ~~but~~ but this exclusion ~~shall~~ does not apply
38 in any instance when the customer, in order to obtain the
39 refund, is required to purchase other property at a price
40 greater than the amount charged for the property that is
41 returned.

42 (c) The price received for labor or services used in
43 installing or applying the property sold.

44 (d) The amount of any tax, ~~but~~ not including ~~but~~
45 however, any manufacturers' or importers' excise tax, ~~but~~



1 imposed by the United States upon or with respect to retail
2 sales, whether imposed upon the retailer or the consumer.

3 *(e) The amount of any allowance against the selling*
4 *price given by a retailer for the value of a used vehicle*
5 *which is taken in trade on the purchase of another*
6 *vehicle.*

7 4. For purposes of the sales tax, if the retailers
8 establish to the satisfaction of the Tax Commission that
9 the sales tax has been added to the total amount of the sale
10 price and has not been absorbed by them, the total amount
11 of the sale price shall be deemed to be the amount
12 received exclusive of the tax imposed.

13 Sec. 4. Section 15 of the above-entitled Act, being
14 chapter 397, Statutes of Nevada 1955, at page 765, is hereby
15 amended to read as follows:

16 Sec. 15. 1. "Retailer" includes:

17 (a) Every seller who makes any retail sale or sales of
18 tangible personal property, and every person engaged in
19 the business of making retail sales at auction of tangible
20 personal property owned by the person or others.

21 (b) Every person engaged in the business of making
22 sales for storage, use or other consumption or in the
23 business of making sales at auction of tangible personal
24 property owned by the person or others for storage, use or
25 other consumption.

26 (c) Every person making *any retail sale of a vehicle*
27 *or* more than two retail sales of *other* tangible personal
28 property during any 12-month period, including sales
29 made in the capacity of assignee for the benefit of
30 creditors, or receiver or trustee in bankruptcy.

31 2. When the Tax Commission determines that it is
32 necessary for the efficient administration of this chapter to
33 regard any salesmen, representatives, peddlers or
34 canvassers as the agents of the dealers, distributors,
35 supervisors or employers under whom they operate or
36 from whom they obtain the tangible personal property sold
37 by them, irrespective of whether they are making sales on
38 their own behalf or on behalf of such dealers, distributors,
39 supervisors or employers, the Tax Commission may so
40 regard them and may regard the dealers, distributors,
41 supervisors or employers as retailers for purposes of this
42 chapter.

43 3. A licensed optometrist or physician and surgeon is
44 a consumer of, and shall not be considered, a retailer
45 within the provisions of this chapter, with respect to the



1 ophthalmic materials used or furnished by him in the
2 performance of his professional services in the diagnosis,
3 treatment or correction of conditions of the human eye,
4 including the adaptation of lenses or frames for the aid
5 thereof.

6 Sec. 5. Section 18.1 of the above-entitled Act, being
7 chapter 397, Statutes of Nevada 1955, at page 766, is hereby
8 amended to read as follows:

9 Sec. 18.1 NRS 372.035 is hereby amended to read as
10 follows:

11 372.035 1. "Occasional sale" includes:

12 (a) A sale of property not held or used by a seller in
13 the course of an activity for which he is required to hold a
14 seller's permit, ~~provided such~~ *if the* sale is not one of a
15 series of sales sufficient in number, scope and character to
16 constitute an activity requiring the holding of a seller's
17 permit.

18 (b) Any transfer of all or substantially all the property
19 held or used by a person in the course of such an activity
20 when after ~~such~~ *the* transfer the real or ultimate
21 ownership of ~~such~~ *the* property is substantially similar to
22 that which existed before ~~such~~ *the* transfer.

23 2. *The term does not include the sale of a vehicle*
24 *other than the sale or transfer of a used vehicle to the*
25 *seller's spouse, child, grandchild, parent, grandparent,*
26 *brother or sister. For the purposes of this section, the*
27 *relation of parent and child includes adoptive and*
28 *illegitimate children and stepchildren.*

29 3. For the purposes of this section, stockholders,
30 bondholders, partners or other persons holding an interest
31 in a corporation or other entity are regarded as having the
32 "real or ultimate ownership" of the property of such
33 corporation or other entity.

34 Sec. 6. This act becomes effective on January 1, 2006.

35 **Sec. 131.** The ballot page assemblies and the paper ballots to
36 be used in voting on the question must present the question in
37 substantially the following form:

38 Shall the Sales and Use Tax Act of 1955 be amended to provide
39 an exemption from the taxes imposed by this Act on the gross
40 receipts from the sale and the storage, use or other consumption of
41 the value of any used vehicle taken in trade on the purchase of
42 another vehicle and to remove the exemption from those taxes for
43 occasional sales of vehicles except where such sales are between
44 certain family members?

45 Yes No



1 **Sec. 132.** The explanation of the question which must appear
2 on each paper ballot and sample ballot and in every publication and
3 posting of notice of the question must be in substantially the
4 following form:

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(Explanation of Question)

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The proposed amendment to the Sales and Use Tax Act of 1955 would exempt from the taxes by this Act the gross receipts from the sale and the storage, use or other consumption of the value of any used vehicle taken in trade on the purchase of another vehicle and remove the exemption from those taxes for occasional sales of vehicles except where such sales are between certain family members.

Sec. 133. If a majority of the votes cast on the question submitted to the voters pursuant to section 105, 110, 115, 120, 125 or 130 of this act is yes, the respective amendment to the Sales and Use Tax Act of 1955 becomes effective on January 1, 2006. If less than a majority of votes cast on a question is yes, the question fails and that amendment to the Sales and Use Tax Act of 1955 does not become effective.

Sec. 134. All general election laws not inconsistent with this act are applicable.

Sec. 135. Any informalities, omissions or defects in the content or making of the publications, proclamations or notices provided for in this act and by the general election laws under which this election is held must be so construed as not to invalidate the adoption of any proposed act by a majority of the registered voters voting on the question if it can be ascertained with reasonable certainty from the official returns transmitted to the office of the Secretary of State whether the proposed amendment was adopted by a majority of those registered voters.

Sec. 136. 1. Except as otherwise provided in this section, the Department of Taxation shall waive the amount of any sales and use taxes, and any penalties and interest thereon, otherwise due in this state from a seller at the time the seller registers pursuant to section 9 of this act if the seller:

(a) During the year 2005:

(1) Did not hold a seller's permit issued pursuant to chapter 372 or 374 of NRS; and

(2) Was not registered as a retailer pursuant to chapter 372 or 374 of NRS;

(b) Registers pursuant to section 9 of this act no later than December 31, 2006; and



1 (c) Remains registered pursuant to section 9 of this act for at
2 least 36 months and collects and remits to this state all sales and use
3 taxes due in this state for that period.

4 Each statutory period of limitation applicable to any procedure or
5 proceeding for the collection or enforcement of any sales or use tax
6 due from a seller at the time the seller registers as provided in
7 paragraph (b) is tolled for 36 months from the commencement of
8 that registration.

9 2. The Department of Taxation shall not, pursuant to this
10 section, waive any liability of a seller:

11 (a) Regarding any matter for which the seller received notice of
12 the commencement of an audit which, including any related
13 administrative and judicial procedures, has not been finally resolved
14 before the registration of the seller pursuant to section 9 of this act.

15 (b) For any sales and use taxes collected by the seller or paid or
16 remitted to the State before the registration of the seller pursuant to
17 section 9 of this act.

18 (c) For any fraud or material misrepresentation of a material fact
19 committed by the seller.

20 (d) For any sales or use taxes due from the seller in his capacity
21 as a buyer and not as a seller.

22 3. For the purposes of this section, the words and terms defined
23 in NRS 360B.040 to 360B.100, inclusive, as amended by this act,
24 have the meanings ascribed to them in those sections.

25 **Sec. 137.** The amendatory provisions of sections 83, 84, 85, 87
26 to 92, inclusive, and 94 to 101, inclusive, of this act do not apply to
27 any ordinance enacted before January 1, 2006.

28 **Sec. 138.** 1. NRS 374.107, 374.112 and 374.113 are hereby
29 repealed.

30 2. NRS 374.286 is hereby repealed.

31 3. NRS 374.291 and 374.2911 are hereby repealed.

32 4. NRS 374.322 is hereby repealed.

33 5. NRS 374.323 is hereby repealed.

34 **Sec. 139.** 1. This section and section 102 of this act become
35 effective upon passage and approval.

36 2. Sections 103 to 135, inclusive, of this act become effective
37 on July 1, 2003.

38 3. Sections 1 to 29, inclusive, 32 to 38, inclusive, 40 to 50,
39 inclusive, 52 to 57, inclusive, 66, 67, 69 to 72, inclusive, 74 to 80,
40 inclusive, 83, 84, 85, 87 to 92, inclusive, 94 to 101, inclusive, 136
41 and 137 of this act become effective:

42 (a) Upon passage and approval for the purposes of adopting
43 regulations and performing any other preparatory administrative
44 tasks that are necessary to carry out the provisions of this act; and

45 (b) On January 1, 2006, for all other purposes.



1 4. Section 39 of this act becomes effective on January 1, 2006,
2 only if the proposal submitted pursuant to sections 128 to 132,
3 inclusive, of this act is approved by the voters at the general election
4 on November 2, 2004.

5 5. Sections 58, 59, 60, 63, 64, 68, 82, 86 and 93 and subsection
6 1 of section 138 of this act become effective on January 1, 2006,
7 only if the proposal submitted pursuant to sections 128 to 132,
8 inclusive, of this act is not approved by the voters at the general
9 election on November 2, 2004.

10 6. Section 30 of this act becomes effective on January 1, 2006,
11 only if the proposal submitted pursuant to sections 123 to 127,
12 inclusive, of this act is approved by the voters at the general election
13 on November 2, 2004.

14 7. Sections 31, 61 and 65 and subsection 3 of section 138 of
15 this act become effective on January 1, 2006, only if the proposal
16 submitted pursuant to sections 123 to 127, inclusive, of this act is
17 not approved by the voters at the general election on November 2,
18 2004.

19 8. Sections 62 and 73 of this act become effective on
20 January 1, 2006, only if the proposal submitted pursuant to sections
21 108 to 112, inclusive, of this act is not approved by the voters at the
22 general election on November 2, 2004.

23 9. Sections 51 and 81 and subsection 2 of section 138 of this
24 act becomes effective on January 1, 2006, only if the proposal
25 submitted pursuant to sections 103 to 107, inclusive, of this act is
26 not approved by the voters at the general election on November 2,
27 2004.

28 10. Subsection 4 of section 138 of this act becomes effective
29 on January 1, 2006, only if the proposal submitted pursuant to
30 sections 113 to 117, inclusive, of this act is not approved by the
31 voters at the general election on November 2, 2004.

32 11. Subsection 5 of section 138 of this act becomes effective
33 on January 1, 2006, only if the proposal submitted pursuant to
34 sections 118 to 122, inclusive, of this act is not approved by the
35 voters at the general election on November 2, 2004.

LEADLINES OF REPEALED SECTIONS

- 374.107 "Vehicle" defined.**
- 374.112 Procedure for computing tax on sale of vehicle by seller who is not required to be registered.**
- 374.113 Schedule of depreciation for tax on sale of vehicle.**



374.286 Farm machinery and equipment.

374.291 Works of fine art for public display: General requirements.

374.2911 Works of fine art for public display: Collection of admission fee for exhibition.

374.322 Aircraft, aircraft engines and component parts of aircraft.

374.323 Engines, chassis, parts and components of professional racing vehicles; certain vehicles used by professional racing team or sanctioning body.

