

SENATE BILL NO. 314—SENATOR RAGGIO

MARCH 17, 2003

Referred to Committee on Taxation

SUMMARY—Requires Department of Taxation to collect and report data concerning electronic commerce that is conducted in this state. (BDR 32-36)

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; requiring the Department of Taxation to collect data concerning electronic commerce that is conducted in this state; requiring the Department to prepare annual reports of the data collected for submission to the Legislature; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** Chapter 360 of NRS is hereby amended by adding
2 thereto a new section to read as follows:
3 ***1. The Department shall collect primary and supplementary***
4 ***data concerning electronic commerce that is conducted in this***
5 ***state.***
6 ***2. The primary data collected must include, without***
7 ***limitation:***
8 ***(a) The number of retailers domiciled in this state who are***
9 ***engaged in electronic commerce.***
10 ***(b) The annual gross retail sales of such retailers that are***
11 ***derived from electronic commercial transactions.***
12 ***(c) An estimate of the number of electronic commercial***
13 ***transactions conducted in this state by retailers operating within***
14 ***this state. The estimate must be based on generally accepted***
15 ***standards of scientific sampling.***



1 (d) *An estimate of the number of electronic commercial*
2 *transactions conducted outside the State by retailers operating*
3 *within this state. The estimate must be based on generally accepted*
4 *standards of scientific sampling.*

5 (e) *An estimate of the total value of electronic commercial*
6 *transactions conducted by retailers operating within this state.*

7 (f) *An estimate of revenues from the sales and use taxes that*
8 *are not collected because electronic commercial transactions are*
9 *conducted outside the State.*

10 (g) *An estimate of all revenue paid to the State by retailers who*
11 *are engaged in electronic commerce.*

12 3. *The supplementary data collected must include, without*
13 *limitation, information concerning electronic commerce that is*
14 *available from the Bureau of the Census of the United States*
15 *Department of Commerce, the Small Business Administration and*
16 *any other federal agency or affiliated state data center that collects*
17 *such information.*

18 4. *To comply with the requirements of this section, the*
19 *Department may collect information that is available from a*
20 *private or academic organization if the name of the organization*
21 *and the methods of research used by that organization are clearly*
22 *stated within the text of the report required to be prepared by*
23 *subsection 5. The Department shall not use in such a report as an*
24 *authoritative source a study conducted by a private or academic*
25 *organization that is speculative or based on unscientific methods*
26 *of research.*

27 5. *The Department shall prepare annually a written report*
28 *that contains a compilation of the data required to be collected*
29 *pursuant to this section for the immediately preceding calendar*
30 *year. The report must include an analysis of the financial impact*
31 *more stringent requirements for the collection of the sales and use*
32 *taxes on electronic commerce would have on retailers in this state*
33 *who are engaged in electronic commerce.*

34 6. *The Department shall submit the report required by*
35 *subsection 5 to the:*

36 (a) *Legislature on or before February 1 of each odd-numbered*
37 *year.*

38 (b) *Legislative Commission on or before February 1 of each*
39 *even-numbered year.*

40 7. *As used in this section:*

41 (a) *“Electronic commerce” means the sale of personal*
42 *property by a retailer on an Internet or network site.*

43 (b) *“Internet or network site” has the meaning ascribed to it in*
44 *NRS 205.4744.*



- 1 (c) *“Sales tax” has the meaning ascribed to it in*
- 2 *NRS 360B.070.*
- 3 (d) *“Use tax” has the meaning ascribed to it in NRS 360B.100.*
- 4 **Sec. 2.** This act becomes effective on July 1, 2003.

