

SENATE BILL NO. 314—SENATOR RAGGIO

MARCH 17, 2003

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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.

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AN ACT relating to taxation; requiring the Department of Taxation to collect and compile certain information concerning electronic commerce and prepare and submit a report of the compilation to the 73rd Session of 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.** 1. The Department of Taxation shall collect  
2 primary and supplementary data concerning electronic commerce  
3 that is conducted in this state.  
4     2. The primary data collected must include, without limitation:  
5     (a) The number of retailers domiciled in this state who are  
6 engaged in electronic commerce.  
7     (b) The gross retail sales of such retailers that are derived from  
8 electronic commercial transactions.  
9     (c) An estimate of the number of electronic commercial  
10 transactions conducted in this state by retailers operating within this  
11 state. The estimate must be based on generally accepted standards of  
12 scientific sampling.  
13     (d) An estimate of the number of electronic commercial  
14 transactions conducted outside the State by retailers operating  
15 within this state. The estimate must be based on generally accepted  
16 standards of scientific sampling.



1 (e) An estimate of the total value of electronic commercial  
2 transactions conducted by retailers operating within this state.  
3 (f) An estimate of revenues from the sales and use taxes that are  
4 not collected because electronic commercial transactions are  
5 conducted outside the State.  
6 (g) An estimate of all revenue paid to the State by retailers who  
7 are engaged in electronic commerce.  
8 3. The supplementary data collected must include, without  
9 limitation, information concerning electronic commerce that is  
10 available from the Bureau of the Census of the United States  
11 Department of Commerce, the Small Business Administration and  
12 any other federal agency or affiliated state data center that collects  
13 such information.  
14 4. To comply with the requirements of this section, the  
15 Department of Taxation may collect information that is available  
16 from a private or academic organization if the name of the  
17 organization and the methods of research used by that organization  
18 are clearly stated within the text of the report required to be  
19 prepared by subsection 5. The Department of Taxation shall not use  
20 in the report as an authoritative source a study conducted by a  
21 private or academic organization that is speculative or based on  
22 unscientific methods of research.  
23 5. The Department of Taxation shall prepare a written report  
24 that contains a compilation of the data required to be collected  
25 pursuant to this section. The report must include an analysis of the  
26 financial impact more stringent requirements for the collection of  
27 the sales and use taxes on electronic commerce would have on  
28 retailers in this state who are engaged in electronic commerce. The  
29 report must be submitted to the Director of the Legislative Counsel  
30 Bureau on or before February 1, 2005, for transmittal to the 73rd  
31 Session of the Legislature.  
32 6. As used in this section:  
33 (a) "Electronic commerce" means the sale of personal property  
34 by a retailer on an Internet or network site.  
35 (b) "Internet or network site" has the meaning ascribed to it in  
36 NRS 205.4744.  
37 (c) "Sales tax" has the meaning ascribed to it in NRS 360B.070.  
38 (d) "Use tax" has the meaning ascribed to it in NRS 360B.100.  
39 **Sec. 2.** This act becomes effective on July 1, 2003, and expires  
40 by limitation on June 30, 2005.

