
ASSEMBLY BILL NO. 144—ASSEMBLYMEN JAUREGUI, CARRILLO;
DURAN, FLORES, MARTINEZ AND TORRES

FEBRUARY 14, 2019

JOINT SPONSOR: SENATOR DENIS

Referred to Committee on Taxation

SUMMARY—Proposes to exempt sales of diapers from sales and use taxes and analogous taxes upon approval by the voters. (BDR 32-275)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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 taxes on retail sales; requiring the submission to the voters of the question whether the Sales and Use Tax Act of 1955 should be amended to provide an exemption from the tax for diapers; providing for the exemptions from certain analogous taxes if the voters approve this amendment to the Sales and Use Tax Act of 1955; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 The nonadministrative provisions of the Sales and Use Tax Act of 1955 (part of
2 chapter 372 of NRS) were approved by the voters by a referendum and therefore
3 cannot be amended, annulled, repealed, set aside, suspended or in any way made
4 inoperative except by the direct vote of the people. (Nev. Const. Art. 19, § 1)
5 **Sections 2-9** of this bill require the submission of a question to the voters at the
6 2020 General Election of whether the Sales and Use Tax Act of 1955 should be
7 amended to provide an exemption for diapers. **Section 10** of this bill construes the
8 term “diaper” for the purposes of the exemption to include all types of child and
9 adult diapers. **Sections 11 and 12** of this bill amend the Local School Support Tax
10 Law to provide an identical exemption. This tax exemption becomes effective on
11 January 1, 2021, and expires by limitation on December 31, 2050, only if the voters
12 approve the amendment to the Sales and Use Tax Act of 1955 at the General
13 Election in 2020.



14 Any amendment to the Local School Support Tax Law, including exemptions,
15 also applies to other sales and use taxes imposed under existing law. (NRS 354.705,
16 374A.020, 376A.060, 377.040, 377A.030, 377B.110, 543.600; various special and
17 local acts) Therefore, if the voters approve the exemption of diapers proposed by
18 this bill, from January 1, 2021, through December 31, 2050, diapers will be exempt
19 from all sales and use taxes currently contemplated under existing law.

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

1 **Section 1.** The Legislature hereby finds that each exemption
2 provided by this act from any excise tax on the sale, storage, use or
3 consumption of tangible personal property sold at retail:

4 1. Will achieve a bona fide social or economic purpose and that
5 the benefits of the exemption are expected to exceed any adverse
6 effect of the exemption on the provision of services to the public by
7 the State or a local government that would otherwise receive
8 revenue from the tax from which the exemption would be granted;
9 and

10 2. Will not impair adversely the ability of the State or a local
11 government to pay, when due, all interest and principal on any
12 outstanding bonds or any other obligations for which revenue from
13 the tax from which the exemption would be granted was pledged.

14 **Sec. 2.** At the General Election on November 3, 2020, a
15 proposal must be submitted to the registered voters of this State to
16 amend the Sales and Use Tax Act, which was enacted by the 47th
17 Session of the Legislature of the State of Nevada and approved by
18 the Governor in 1955, and subsequently approved by the people of
19 this State at the General Election held on November 6, 1956.

20 **Sec. 3.** At the time and in the manner provided by law, the
21 Secretary of State shall transmit the proposed act to the several
22 county clerks, and the county clerks shall cause it to be published
23 and posted as provided by law.

24 **Sec. 4.** The proclamation and notice to the voters given by the
25 county clerks pursuant to law must be in substantially the following
26 form:

27 Notice is hereby given that at the General Election on
28 November 3, 2020, a question will appear on the ballot for
29 the adoption or rejection by the registered voters of the State
30 of the following proposed act:

31 AN ACT to amend an Act entitled "An Act to provide
32 revenue for the State of Nevada; providing for sales
33 and use taxes; providing for the manner of
34 collection; defining certain terms; providing
35 penalties for violation, and other matters properly



1 relating thereto.” approved March 29, 1955, as
2 amended.
3

4 THE PEOPLE OF THE STATE OF NEVADA
5 DO ENACT AS FOLLOWS:
6

7 Section 1. Section 56.1 of the above-entitled Act,
8 being chapter 397, Statutes of Nevada 1955, as added by
9 chapter 306, Statutes of Nevada 1969, at page 532, and
10 amended by chapter 627, Statutes of Nevada 1985, at page
11 2028, and amended by chapter 404, Statutes of Nevada
12 1995, at page 1007, is hereby amended to read as follows:

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

16 (a) Prosthetic devices, orthotic appliances and
17 ambulatory casts for human use, and other supports
18 and casts if prescribed or applied by a licensed
19 provider of health care, within his or her scope of
20 practice, for human use.

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

22 (c) Products for hemodialysis.

23 (d) Medicines:

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

28 (2) Furnished by a licensed physician, dentist or
29 podiatric physician to his or her own patient for the
30 treatment of the patient;

31 (3) Furnished by a hospital for treatment of any
32 person pursuant to the order of a licensed physician,
33 dentist or podiatric physician; or

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

37 (e) Feminine hygiene products.

38 (f) *Diapers.*

39 2. As used in this section:

40 (a) “Medicine” means any substance or preparation
41 intended for use by external or internal application to
42 the human body in the diagnosis, cure, mitigation,
43 treatment or prevention of disease or affliction of the
44 human body and which is commonly recognized as a
45 substance or preparation intended for such use. The



1 term includes splints, bandages, pads, compresses and
2 dressings.

3 (b) "Medicine" does not include:

4 (1) Any auditory, ophthalmic or ocular device
5 or appliance.

6 (2) Articles which are in the nature of
7 instruments, crutches, canes, devices or other
8 mechanical, electronic, optical or physical equipment.

9 (3) Any alcoholic beverage, except where the
10 alcohol merely provides a solution in the ordinary
11 preparation of a medicine.

12 (4) Braces or supports, other than those
13 prescribed or applied by a licensed provider of health
14 care, within his or her scope of practice, for human use.

15 3. Insulin furnished by a registered pharmacist to
16 a person for treatment of diabetes as directed by a
17 physician shall be deemed to be dispensed on a
18 prescription within the meaning of this section.

19 Sec. 2. This act becomes effective on January 1,
20 2021, and expires by limitation on December 31, 2050.

21 **Sec. 5.** The ballot page assemblies and the paper ballots to be
22 used in voting on the question must present the question in
23 substantially the following form:

24 Shall the Sales and Use Tax Act of 1955 be amended to
25 provide an exemption from the taxes imposed by this Act on
26 the gross receipts from the sale and the storage, use or other
27 consumption of diapers?

28 Yes No

29 **Sec. 6.** The explanation of the question which must appear on
30 each paper ballot and sample ballot and in every publication and
31 posting of notice of the question must be in substantially the
32 following form:

33 (Explanation of Question)

34 The proposed amendment to the Sales and Use Tax Act of
35 1955 would exempt from the taxes imposed by this Act the
36 gross receipts from the sale and storage, use or other
37 consumption of diapers.

38 If this proposal is adopted, the Legislature has provided
39 that the Local School Support Tax Law and certain analogous
40 taxes on retail sales will be amended to provide the same
41 exemptions.

42 **Sec. 7.** If a majority of the votes cast on the question is
43 yes, the amendment to the Sales and Use Tax Act of 1955
44 becomes effective on January 1, 2021, and expires by limitation on
45



1 December 31, 2050. If less than a majority of votes cast on the
2 question is yes, the question fails and the amendment to the Sales
3 and Use Tax Act of 1955 does not become effective.

4 **Sec. 8.** All general election laws not inconsistent with this act
5 are applicable.

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

15 **Sec. 10.** Chapter 372 of NRS is hereby amended by adding
16 thereto a new section to read as follows:

17 *In administering the provisions of section 56.1 of chapter 397,*
18 *Statutes of Nevada 1955, which is included in NRS as NRS*
19 *372.283, the Department shall construe the term "diaper" to mean*
20 *any type of diaper intended for use by a child or an adult,*
21 *including, without limitation, a disposable diaper.*

22 **Sec. 11.** Chapter 374 of NRS is hereby amended by adding
23 thereto a new section to read as follows:

24 *In administering the provisions of NRS 374.287, the*
25 *Department shall construe the term "diaper" to mean any type of*
26 *diaper intended for use by a child or an adult, including, without*
27 *limitation, a disposable diaper.*

28 **Sec. 12.** NRS 374.287 is hereby amended to read as follows:

29 374.287 1. There are exempted from the taxes imposed by
30 this chapter the gross receipts from sales and the storage, use or
31 other consumption of:

32 (a) Prosthetic devices, orthotic appliances and ambulatory casts
33 for human use, and other supports and casts if prescribed or applied
34 by a licensed provider of health care, within his or her scope of
35 practice, for human use.

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

37 (c) Products for hemodialysis.

38 (d) Medicines:

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

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



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

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

6 (e) Feminine hygiene products.

7 (f) *Diapers.*

8 2. As used in this section:

9 (a) "Medicine" means any substance or preparation intended for
10 use by external or internal application to the human body in the
11 diagnosis, cure, mitigation, treatment or prevention of disease or
12 affliction of the human body and which is commonly recognized as
13 a substance or preparation intended for such use. The term includes
14 splints, bandages, pads, compresses and dressings.

15 (b) "Medicine" does not include:

16 (1) Any auditory, ophthalmic or ocular device or appliance.

17 (2) Articles which are in the nature of instruments, crutches,
18 canes, devices or other mechanical, electronic, optical or physical
19 equipment.

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

22 (4) Braces or supports, other than those prescribed or applied
23 by a licensed provider of health care, within his or her scope of
24 practice, for human use.

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

28 **Sec. 13.** 1. This section and sections 1 to 9, inclusive, of this
29 act become effective on October 1, 2019.

30 2. Sections 10, 11 and 12 of this act become effective on
31 January 1, 2021, and expire by limitation on December 31, 2050,
32 only if the proposal submitted pursuant to sections 2 to 9, inclusive,
33 of this act is approved by the voters at the General Election on
34 November 3, 2020.

