

Assembly Bill No. 448—Assemblymen
Yeager and Jauregui

CHAPTER.....

AN ACT relating to taxation; revising the exemption from the real property transfer tax applicable to certain transfers of real property between business entities; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the imposition of taxes on transfers of real property. (NRS 375.020, 375.023, 375.026) Existing law also provides that certain transfers are exempt from such taxes, including, without limitation, transfers between certain affiliated business entities. (NRS 375.090) This bill provides that this exemption does not apply if a transfer of real property is made to a business entity formed for the purpose of evading the tax on transfers of real property.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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

Section 1. NRS 375.090 is hereby amended to read as follows:

375.090 The taxes imposed by NRS 375.020, 375.023 and 375.026 do not apply to:

1. ~~[A]~~ *Except as otherwise provided in this subsection, a* mere change in identity, form or place of organization, such as a transfer between a business entity and its parent, its subsidiary or an affiliated business entity if the affiliated business entity has identical common ownership. *The taxes imposed by NRS 375.020, 375.023 and 375.026 apply to a transfer described in this subsection if the business entity to which the real property is transferred was formed for the purpose of avoiding those taxes.*

2. A transfer of title to the United States, any territory or state or any agency, department, instrumentality or political subdivision thereof.

3. A transfer of title recognizing the true status of ownership of the real property, including, without limitation, a transfer by an instrument in writing pursuant to the terms of a land sale installment contract previously recorded and upon which the taxes imposed by this chapter have been paid.

4. A transfer of title without consideration from one joint tenant or tenant in common to one or more remaining joint tenants or tenants in common.



5. A transfer, assignment or other conveyance of real property if the owner of the property is related to the person to whom it is conveyed within the first degree of lineal consanguinity or affinity.

6. A transfer of title between former spouses in compliance with a decree of divorce.

7. A transfer of title to or from a trust without consideration if a certificate of trust is presented at the time of transfer.

8. Transfers, assignments or conveyances of unpatented mines or mining claims.

9. A transfer, assignment or other conveyance of real property to a corporation or other business organization if the person conveying the property owns 100 percent of the corporation or organization to which the conveyance is made.

10. A conveyance of real property by deed which becomes effective upon the death of the grantor pursuant to NRS 111.655 to 111.699, inclusive, and a Death of Grantor Affidavit recorded in the office of the county recorder pursuant to NRS 111.699.

11. The making, delivery or filing of conveyances of real property to make effective any plan of reorganization or adjustment:

(a) Confirmed under the Bankruptcy Act, as amended, 11 U.S.C. §§ 101 et seq.;

(b) Approved in an equity receivership proceeding involving a railroad, as defined in the Bankruptcy Act; or

(c) Approved in an equity receivership proceeding involving a corporation, as defined in the Bankruptcy Act,

↳ if the making, delivery or filing of instruments of transfer or conveyance occurs within 5 years after the date of the confirmation, approval or change.

12. A transfer to an educational foundation. As used in this subsection, “educational foundation” has the meaning ascribed to it in subsection 3 of NRS 388.750.

13. A transfer to a university foundation. As used in this subsection, “university foundation” has the meaning ascribed to it in subsection 3 of NRS 396.405.

14. A transfer to a library foundation. As used in this subsection, “library foundation” has the meaning ascribed to it in NRS 379.0056.

Sec. 2. This act becomes effective upon passage and approval.

