

Amendment No. 507

Senate Amendment to Senate Bill No. 140	(BDR 32-166)
<b>Proposed by:</b> Senate Committee on Revenue and Economic Development	
<b>Amendment Box:</b> Replaces Amendment No. 226.	
<b>Amends:</b> Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION		Initial and Date	SENATE ACTION	Initial and Date	
Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>	_____	Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>	_____
Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>	_____	Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>	_____
Receded <input type="checkbox"/>	Not <input type="checkbox"/>	_____	Receded <input type="checkbox"/>	Not <input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

BJF



Date: 4/23/2023

S.B. No. 140—Revises provisions relating to the distribution of the excise tax on live entertainment. (BDR 32-166)





SENATE BILL NO. 140—SENATORS HANSEN,  
GOICOECHEA, BUCK, TITUS; AND STONE

FEBRUARY 14, 2023

Referred to Committee on Revenue and  
Economic Development

SUMMARY—~~[Revises provisions relating to the distribution of the excise tax on live entertainment.]~~ **Authorizes certain counties to obtain reimbursement of costs incurred for certain activities that are subject to the excise tax on live entertainment.**  
(BDR 32-166)

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; ~~[revising the distribution of the proceeds from the excise tax on live entertainment]~~ **authorizing a board of county commissioners in certain smaller counties to apply to the Department of Taxation for reimbursement of costs incurred by the county** for certain activities provided by a tax-exempt organization or nonprofit corporation ~~[in certain smaller counties.]~~ **that are subject to the excise tax on live entertainment;** and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law imposes an excise tax on admission to certain facilities where live  
2 entertainment is provided. (Chapter 368A of NRS) Existing law further excludes from the tax  
3 on live entertainment certain activities provided by a nonprofit religious, charitable, fraternal  
4 or other organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C. §  
5 501(c) or by a nonprofit corporation organized or existing under the provisions of chapter 82  
6 of NRS. This exclusion from the tax on live entertainment does not apply if the number of  
7 tickets to the activity that are offered for sale or other distribution by such a tax-exempt  
8 organization or nonprofit corporation is 15,000 or more. (NRS 368A.090, 368A.200) Existing  
9 law requires, with certain exceptions, all taxes, interest and penalties received from the tax on  
10 live entertainment to be deposited in the State Treasury for credit to the State General Fund.  
11 (NRS 368A.220)

12 This bill provides that if such a tax-exempt organization or a nonprofit corporation  
13 provides an activity in a county whose population is less than 9,000 (currently Esmeralda,  
14 Eureka, Lander, Lincoln, Mineral, Pershing and Storey Counties) and the number of tickets to  
15 the activity offered for sale or other distribution is 15,000 or more, **the board of county**  
16 **commissioners of the county may submit an application to** the Department of Taxation ~~[is~~  
17 ~~required to remit 50 percent of the taxes on live entertainment that are received for the activity~~  
18 ~~to the county treasurer for deposit into a separate, segregated fund in the county treasury.~~  
19 ~~Money in such a fund is to be used to mitigate the costs to the county, or any agency thereof.]~~

20 for reimbursement of certain costs incurred by the county that are related to the activity.  
 21 This bill further prohibits such a board of county commissioners from requesting  
 22 reimbursement for: (1) any costs relating to the activity that were paid for or  
 23 reimbursed to the county by the tax-exempt organization or nonprofit corporation; and  
 24 (2) more than \$750,000 in total direct, indirect and incidental costs to the county for a  
 25 fiscal year. If the board of county commissioners requests reimbursement for indirect or  
 26 incidental costs, the request must not exceed an amount that is equal to 20 percent of the  
 27 total direct costs relating to the activity for which the board of county commissioners is  
 28 requesting reimbursement for the fiscal year. Finally, this bill: (1) requires the Executive  
 29 Director of the Department of Taxation to review any such application for  
 30 reimbursement; (2) authorizes the Executive Director to request additional information  
 31 from the county relating to the application; (3) requires, under certain circumstances,  
 32 the Executive Director to submit the application to the Nevada Tax Commission for  
 33 approval; and (4) authorizes a board of county commissioners to appeal a decision of the  
 34 Commission.

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

1 **Section 1.** ~~NRS 368A.220 is hereby amended to read as follows:~~

2 ~~368A.220 1. Except as otherwise provided in this section:~~

3 ~~(a) Each taxpayer who is a licensed gaming establishment shall file with the~~  
 4 ~~Board, on or before the 15th day of each month, a report showing the amount of all~~  
 5 ~~taxable receipts for the preceding month or the month in which the taxable events~~  
 6 ~~occurred. The report must be in a form prescribed by the Board.~~

7 ~~(b) All other taxpayers shall file with the Department, on or before the last day~~  
 8 ~~of each month, a report showing the amount of all taxable receipts for the preceding~~  
 9 ~~month. The report must be in a form prescribed by the Department.~~

10 ~~2. The Board or the Department, if it deems it necessary to ensure payment to~~  
 11 ~~or facilitate the collection by the State of the tax imposed by NRS 368A.200, may~~  
 12 ~~require reports to be filed not later than 10 days after the end of each calendar~~  
 13 ~~quarter.~~

14 ~~3. Each report required to be filed by this section must be accompanied by the~~  
 15 ~~amount of the tax that is due for the period covered by the report.~~

16 ~~4. Except as otherwise provided in this subsection [,] and subsection 5, the~~  
 17 ~~Board and the Department shall deposit all taxes, interest and penalties they receive~~  
 18 ~~pursuant to this chapter in the State Treasury for credit to the State General Fund.~~  
 19 ~~On or before October 1 of each year, the Department shall deposit \$150,000 from~~  
 20 ~~the taxes, interest and penalties it receives pursuant to this chapter in the State~~  
 21 ~~Treasury for credit to the Nevada Arts Council created by NRS 223C.025. The~~  
 22 ~~amount deposited in the State Treasury for credit to the Nevada Arts Council~~  
 23 ~~pursuant to this subsection is hereby authorized for expenditure by the Nevada Arts~~  
 24 ~~Council as a continuing appropriation.~~

25 ~~5. If a nonprofit religious, charitable, fraternal or other organization that~~  
 26 ~~qualifies as a tax exempt organization pursuant to 26 U.S.C. § 501(c), or a~~  
 27 ~~nonprofit corporation organized or existing under the provisions of chapter 82 of~~  
 28 ~~NRS, provides an activity in a county whose population is less than 9,000 and the~~  
 29 ~~number of tickets to the activity offered for sale or other distribution is 15,000 or~~  
 30 ~~more, the Department shall remit 50 percent of the taxes received pursuant to this~~  
 31 ~~chapter for the activity to the county treasurer for deposit into a separate,~~  
 32 ~~segregated fund in the county treasury to be used to mitigate the costs to the~~

~~county, or any agency thereof, that are related to the activity. The provisions of this subsection apply regardless of whether the board of county commissioners of the county in which the activity is held has entered into an agreement with the tax-exempt organization or nonprofit corporation pursuant to NRS 244.35425.~~  
(Deleted by amendment.)

Sec. 1.5. Chapter 368A of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in this section, if a nonprofit religious, charitable, fraternal or other organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C. § 501(c), or a nonprofit corporation organized or existing under the provisions of chapter 82 of NRS, provides an activity in a county whose population is less than 9,000 and the number of tickets to the activity offered for sale or other distribution is 15,000 or more, the board of county commissioners of the county may submit an application to the Department for reimbursement of costs that were incurred by the county in relation to the activity.

2. Any application submitted by a board of county commissioners pursuant to this section:

(a) Must be submitted to the Department, on a form prescribed by the Department, not later than 90 days after the activity; and

(b) Must include, without limitation:

(1) An itemized list of any direct costs for which the county is applying for reimbursement;

(2) An itemized list of any costs relating to the activity that were paid for or reimbursed to the county by the tax-exempt organization or nonprofit corporation that provided the activity; and

(3) Any other information required by the Department.

(c) May include a request for reimbursement of indirect and incidental costs incurred by the county in relation to the activity in an amount not to exceed 20 percent of the total direct costs for which the board is applying for reimbursement.

3. A board of county commissioners shall not request reimbursement pursuant to this section for:

(a) Any costs relating to the activity that were paid for or reimbursed to the county by the tax-exempt organization or nonprofit corporation that provided the activity.

(b) More than \$750,000 in total direct, indirect and incidental costs that were incurred by the county in relation to the activity in any 1 fiscal year. If the board of county commissioners requests reimbursement pursuant to this section for indirect or incidental costs relating to an activity, such a request must not exceed an amount that is equal to 20 percent of the total direct costs relating to the activity for which the board is requesting reimbursement for the fiscal year.

4. The Executive Director shall review any application for reimbursement received pursuant to this section to determine whether the board of county commissioners is eligible to receive reimbursement pursuant to this section. If the Executive Director requests any additional information from the board of county commissioners, the board of county commissioners must submit such information not later than 15 days after the Executive Director makes such a request.

5. If the Executive Director determines that a board of county commissioners is eligible to receive reimbursement pursuant to this section, the Executive Director shall submit the application to the Nevada Tax Commission for approval. If the Commission:

1 (a) Approves the request, the State Controller shall transfer from the State  
2 General Fund the amount approved by the Commission to the county for deposit  
3 in the county general fund.

4 (b) Denies the request, the board of county commissioners may submit an  
5 appeal to the Commission within 30 days. The board of county commissioners  
6 may only appeal once the denial of a request for reimbursement by the  
7 Commission.