

Amendment No. 815

Senate Amendment to Senate Bill No. 233	(BDR 32-87)
<b>Proposed by:</b> Senate Committee on Finance	
<b>Amends:</b> Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of S.B. 233 (§§ 11, 12).

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.

JFD/BJF



Date: 5/31/2023

S.B. No. 233—Revises provisions governing taxes imposed on certain heavy equipment. (BDR 32-87)





## SENATE BILL NO. 233—SENATOR CANNIZZARO

MARCH 8, 2023

Referred to Committee on Revenue and  
Economic Development

SUMMARY—Revises provisions governing taxes imposed on certain heavy equipment. (BDR 32-87)

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 taxation; providing for the imposition, administration, collection and enforcement of a tax on the rental of certain heavy equipment; excluding certain heavy equipment from the tax on personal property; providing penalties; **making an appropriation**; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Under existing law, all property of every kind and nature in this State is subject to property taxes unless the property is exempt from such taxation. (NRS 361.045) Section 1 of Article 10 of the Nevada Constitution authorizes the Legislature to exempt any personal property from taxation. **Sections 5, 6 and 39** of this bill exempt from personal property taxes property, machinery and equipment held in the inventory of a business that is primarily engaged in renting or leasing heavy equipment for construction, mining or forestry or in renting consumer, commercial or industrial equipment. Instead, **section 12** of this bill imposes a tax at the rate of 2 percent of the gross receipts from the rental of such property, machinery or equipment. **Sections 14-17** of this bill require a heavy equipment rental company to register with the Department of Taxation, collect the tax from a person who rents heavy equipment rental property and remit the tax to the Department on a quarterly basis. **Section 18** of this bill requires: **(1)** the Department, after deducting a certain amount from the proceeds of the tax for the costs of collecting the tax, to distribute the proceeds of the tax ~~twice~~ each ~~fiscal year~~ **calendar quarter to the county in which the property is rented; and (2) the county treasurer of each county that receives such proceeds to distribute these taxes to taxing districts in the county** in amounts based on the distribution of property taxes ~~is~~ **imposed on the rental of heavy equipment rental property during Fiscal Year 2023-2024.**

**Sections ~~3-8~~ 2.5-8** of this bill define certain terms relating to the imposition of the tax on the rental of heavy equipment rental property. **Section 9** of this bill requires the Department to administer the provisions of this bill establishing the tax and authorizes the Department to adopt any necessary regulations. **Sections 10 and 11** of this bill establish provisions governing the retention and examination of records relevant to the tax. **Sections 30 and 31** of this bill establish that a person who submits a false or fraudulent return or falsifies entries in books, records or accounts with intent to evade the tax is guilty of a gross misdemeanor, and that a person who violates any other provision governing the tax created by this bill is guilty of a misdemeanor.

27 **Section 13** of this bill exempts from the tax the gross receipts from the rental of heavy  
28 equipment rental property to certain governmental entities.

29 **Sections 19-29 and 31-38** of this bill make applicable to the tax created by this bill the  
30 same provisions governing overpayments, interest, computation of tax and delinquent  
31 payments as other taxes imposed in this State.

32 **Sections 39.3 and 39.5 of this bill establish, for Fiscal Years 2024-2025 and 2025-**  
33 **2026, respectively, a method for: (1) the calculation of the amount of tax that would have**  
34 **been paid if heavy equipment rental property were not exempt from personal property**  
35 **tax pursuant to section 39; and (2) the payment of an additional amount of tax by heavy**  
36 **equipment rental companies if the amount of the personal property tax would have been**  
37 **greater than the amount of the tax imposed on the gross receipts from the rental of such**  
38 **property.**

39 **Section 39.9 of this bill makes an appropriation to the Department of Taxation for**  
40 **certain costs to carry out the provisions of this act.**

41 **Sections 40 and 41** of this bill provide that the tax imposed on the gross receipts from the  
42 rental of heavy equipment rental property becomes effective on July 1, 2024, and that the  
43 exemption from the personal property tax for heavy equipment rental property does not apply  
44 to any taxes due for any period ending on or before June 30, 2024.

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

1 **Section 1.** Title 32 of NRS is hereby amended by adding thereto a new  
2 chapter to consist of the provisions set forth as sections ~~1.5~~ **1.5** to 34, inclusive, of  
3 this act.

4 **Sec. 1.5. The Legislature hereby finds and declares that:**

5 **1. Heavy equipment rental property is currently subject to the personal**  
6 **property tax based on the location of the heavy equipment rental property when**  
7 **personal property taxes are assessed.**

8 **2. Exempting heavy equipment rental property from the personal property**  
9 **tax and, instead, imposing a tax based on the gross receipts from the charges for**  
10 **the rental of the heavy equipment rental property paid by the renter both relieves**  
11 **burdens on businesses associated with the personal property tax on such property**  
12 **and ensures revenue is still available to governmental entities that receive the**  
13 **proceeds of personal property tax on heavy equipment rental property.**

14 **3. The removal of burdens associated with the personal property tax**  
15 **imposed on heavy equipment rental property and replacing the personal property**  
16 **tax with the tax imposed by sections 1.5 to 34, inclusive, of this act will benefit**  
17 **this State by encouraging the expansion of heavy equipment rental businesses in**  
18 **this State and, thereby, expanding the availability of such equipment for**  
19 **construction projects in this State.**

20 **4. The most administratively feasible and practicable manner to determine**  
21 **the businesses exempt from the personal property tax on heavy equipment rental**  
22 **property and, instead, required to pay the tax imposed by sections 1.5 to 34,**  
23 **inclusive, of this act is to categorize these businesses based on the NAICS code of**  
24 **the industry in which the business is primarily engaged.**

25 **5. To enable heavy equipment rental companies to expand in this State,**  
26 **such companies must be able to rely on the continuation of the exemption from**  
27 **personal property taxes on heavy equipment rental property and, for that reason,**  
28 **the exemption and the tax imposed by sections 1.5 to 34, inclusive, of this act**  
29 **should remain effective for 40 years.**

1        *Sec. 2. As used in this chapter, unless the context otherwise requires, the*  
2 *words and terms defined in sections ~~3~~ 2.5 to 8, inclusive, of this act have the*  
3 *meanings ascribed to them in those sections.*

4        *Sec. 2.5. 1. “Affiliate” means a person who, directly or indirectly,*  
5 *through one or more persons or intermediaries, controls, is controlled by or is*  
6 *under common control with a specified person.*

7        *2. As used in this section, “control” means:*

8        *(a) Direct or indirect ownership, control or possession of 50 percent or more*  
9 *of the equity ownership of a person; or*

10        *(b) Possession, direct or indirect, of the power to direct or cause the direction*  
11 *of the management and policies of a person, whether through the ownership of*  
12 *voting securities, by contract or through other means.*

13        *Sec. 3. “Commission” means the Nevada Tax Commission.*

14        *Sec. 4. 1. “Gross receipts” means the total amount of consideration,*  
15 *including, without limitation, cash, credit, property and services, for which a*  
16 *heavy equipment rental company rents heavy equipment rental property, valued*  
17 *in money, whether received in money or otherwise, and without any deduction*  
18 *for:*

19        *(a) The cost of the heavy equipment rental property to the heavy equipment*  
20 *rental company;*

21        *(b) The cost of materials used, labor or service cost, interest paid, losses, the*  
22 *cost of transportation to the heavy equipment rental company, taxes imposed on*  
23 *the heavy equipment rental company or any other expense of the heavy*  
24 *equipment rental company; and*

25        *(c) Any charges by the heavy equipment rental company for any services*  
26 *necessary to complete the rental, including, without limitation, any delivery*  
27 *charges which are not stated separately and any installation charges which are*  
28 *not stated separately.*

29        *2. The term does not include:*

30        *(a) Any fees or charges for the delivery or transportation of heavy equipment*  
31 *rental property which are stated separately;*

32        *(b) Any installation or other service charges which are stated separately;*

33        *(c) Any discounts, including, without limitation, those in the form of cash,*  
34 *term or coupons that are not reimbursed by a third party, which are allowed by*  
35 *the heavy equipment rental company and taken by the renter on a rental;*

36        *(d) Any interest, financing or carrying charges from credit extended on the*  
37 *rental of heavy equipment rental property, if stated separately;*

38        *(e) Any taxes legally imposed directly on the renter which are stated*  
39 *separately; and*

40        *(f) Any other separately stated charges or fees.*

41        *Sec. 5. 1. “Heavy equipment rental company” means a ~~[business that]~~*  
42 *person who is classified under 532412 or 532310 of the 2022 North American*  
43 *Industry Classification System, as published by the Bureau of the Census of the*  
44 *United States Department of Commerce, and is primarily engaged in the business*  
45 *of renting heavy equipment rental property, without an operator, to the public*  
46 *from a location in this State.*

47        *2. The term does not include a person who is:*

48        *(a) Engaged in the business of renting heavy equipment rental property*  
49 *primarily to related persons or affiliates who operate or drive, or both operate and*  
50 *drive, such equipment regardless of the NAICS code that applies to the business;*  
51 *or*

52        *(b) Primarily engaged in the business of renting heavy equipment rental*  
53 *property with an operator.*

1        **Sec. 6.** *“Heavy equipment rental property” means property, machinery and*  
2 *equipment held in the inventory of a heavy equipment rental company ~~for an~~*  
3 *~~affiliate of a heavy equipment rental company,~~ for sale or rental in the regular*  
4 *course of business. The term includes, without limitation, property, machinery*  
5 *and equipment that is customarily used or designed for construction and*  
6 *industrial purposes, including, without limitation, earthmoving equipment,*  
7 *~~cranes,~~ lift equipment, material handling equipment, pumps, generators,*  
8 *compressors, portable power equipment, heating, ventilation and air conditioning*  
9 *equipment, portable offices, containers, tank trailers and self-propelled*  
10 *equipment.*

11        **Sec. 6.5.** *“North American Industry Classification System” or “NAICS”*  
12 *means the most recently published version of the North American Industry*  
13 *Classification System published by the Bureau of the Census of the United States*  
14 *Department of Commerce.*

15        **Sec. 7.** *“Rent,” “rental” or “renting” means entering into an agreement*  
16 *with a heavy equipment rental company for the use of heavy equipment rental*  
17 *property in exchange for consideration for a period:*

- 18        1. *Not to exceed 365 days; or*
- 19        2. *That is open-ended under the terms of the rental contract with no*  
20 *specified end date.*

21        **Sec. 8.** *“Renter” means a person who rents heavy equipment rental*  
22 *property from a heavy equipment rental company in this State.*

23        **Sec. 9.** *The Department shall administer and enforce the provisions of this*  
24 *chapter, and may adopt such regulations as it deems appropriate for those*  
25 *purposes.*

26        **Sec. 10.** 1. *Each person responsible for maintaining the records of a*  
27 *heavy equipment rental company shall:*

28        (a) *Keep such records as may be necessary to determine the amount of the*  
29 *liability of the heavy equipment rental company pursuant to the provisions of this*  
30 *chapter;*

31        (b) *Preserve those records for 5 years or until any litigation or prosecution*  
32 *pursuant to this chapter is finally determined, whichever is longer; and*

33        (c) *Make the records available for inspection by the Department upon*  
34 *demand at reasonable times during regular business hours.*

35        2. *The Department may adopt regulations specifying the types of records*  
36 *which must be kept to determine the amount of liability of a heavy equipment*  
37 *rental company for the tax imposed by this chapter.*

38        3. *Any person who violates the provisions of subsection 1 is guilty of a*  
39 *misdemeanor.*

40        **Sec. 11.** 1. *To verify the accuracy of any return filed or, if no return is*  
41 *filed by a taxpayer, to determine the amount required to be paid, the Department,*  
42 *or any person authorized in writing by the Department, may examine the books,*  
43 *papers and records of any person who may be liable for the tax imposed by this*  
44 *chapter.*

45        2. *Any person who may be liable for the tax imposed by this chapter and*  
46 *who keeps outside of this State any books, papers and records relating thereto*  
47 *shall pay to the Department an amount equal to the allowance provided for state*  
48 *officers and employees generally while traveling outside of this State for each day*  
49 *or fraction thereof during which an employee of the Department is engaged in*  
50 *examining those documents, plus any other actual expenses incurred by the*  
51 *employee while he or she is absent from his or her regular place of employment*  
52 *to examine those documents.*

1           **Sec. 12.** *An excise tax is hereby imposed upon each heavy equipment rental*  
2 *company at the rate of 2 percent of the gross receipts of the heavy equipment*  
3 *rental company from the rental of heavy equipment rental property to a renter in*  
4 *this State.*

5           **Sec. 13.** *There is exempted from the computation of the amount of the tax*  
6 *due pursuant to this chapter the gross receipts from the rental of any heavy*  
7 *equipment rental property to:*

- 8           1. *The United States, its unincorporated agencies and instrumentalities;*
- 9           2. *Any incorporated agency or instrumentality of the United States wholly*  
10 *owned by the United States or by a corporation wholly owned by the United*  
11 *States;*
- 12           3. *The State of Nevada, its unincorporated agencies and instrumentalities;*
- 13           4. ~~*Any federally recognized Indian tribe or nation or tribe member thereof;*~~
- 14           ~~5.~~ *Any county, city, district or other political subdivision of this State; and*
- 15           ~~6.~~ 5. *Any other person or entity that this State is prohibited from taxing*  
16 *under the United States Constitution, laws or treaties of the United States or the*  
17 *Nevada Constitution.*

18           **Sec. 14.** *The tax imposed by section 12 of this act shall be collected by the*  
19 *heavy equipment rental company from the renter at the time of rental.*

20           **Sec. 15.** *A heavy equipment rental company shall hold the amount of all*  
21 *taxes collected pursuant to this chapter in a separate account in trust for the*  
22 *State.*

23           **Sec. 16.** *Each person engaging in or conducting business as a heavy*  
24 *equipment rental company in this State shall register with the Department. Every*  
25 *application for registration must:*

- 26           1. *Be made upon a form prescribed by the Department;*
- 27           2. *Set forth the name under which the applicant transacts or intends to*  
28 *transact business and the location or locations of the applicant's place or places*  
29 *of business in this State;*
- 30           3. *Contain a certification that the applicant transacts or intends to transact*  
31 *business as a heavy equipment rental company; and*
- 32           4. *Set forth any other information that the Department may require.*

33           **Sec. 17.** *1. Each heavy equipment rental company shall, on or before the*  
34 *last day of the month immediately following the end of each calendar quarter:*

35           (a) *File with the Department a return on a form prescribed by the*  
36 *Department which includes such information as the Department may require;*  
37 *and*

38           (b) *Remit to the Department any tax due pursuant to this chapter for that*  
39 *calendar quarter.*

40           2. *Each return required to be filed by this section must state separately the*  
41 *gross receipts from the rental of heavy equipment rental property ~~from each~~*  
42 *~~business location in this State~~ for each county to which the gross receipts are*  
43 *attributable pursuant to subsection 5 of section 18 of this act rented during the*  
44 *period covered by the return.*

45           **Sec. 18.** *1. All fees, taxes, interest and penalties imposed and all amounts*  
46 *of tax required to be paid under this chapter must be paid to the Department in*  
47 *the form of remittances payable to the Department.*

48           2. *The Department shall deposit the payments in the State Treasury to the*  
49 *credit of the Heavy Equipment Rental Tax Account, which is hereby created in*  
50 *the State General Fund.*

51           3. *The State Controller, acting upon the collection data furnished by the*  
52 *Department, shall, from the Heavy Equipment Rental Tax Account:*

1 (a) Transfer 0.75 percent of all fees, taxes, interest and penalties collected in  
2 each county during the preceding quarter to the appropriate account in the State  
3 General Fund as compensation to the State for the costs of collecting the tax.

4 (b) Determine for each ~~taxing district in a~~ county the amount of money  
5 equal to the fees, taxes, interest and penalties attributable to the ~~taxing district~~  
6 county pursuant to this chapter during the preceding quarter, less the amount  
7 transferred pursuant to paragraph (a).

8 (c) On or before ~~October 30 of each fiscal year,~~ the last day of the first  
9 month of each calendar quarter, after subtracting the amount transferred  
10 pursuant to paragraph (a):

11 (1) Transfer to the Consolidated Bond Interest and Redemption Fund  
12 created by NRS 349.090 an amount equal to the fees, taxes, interest and penalties  
13 attributable to each taxing district for the ~~period beginning on July 1 of the~~  
14 ~~immediately preceding fiscal year and ending on December 31 of the~~  
15 ~~immediately preceding fiscal year, multiplied~~ calendar quarter by the percentage  
16 of the fees, taxes, interest and penalties imposed pursuant to chapter 361 of NRS  
17 on heavy equipment rental property attributable to a taxing district that ~~would~~  
18 ~~have been~~ are distributed to the Consolidated Bond Interest and Redemption  
19 Fund ~~if the fees, taxes, interest and penalties were taxes imposed pursuant to~~  
20 ~~chapter 361 of NRS,~~ for Fiscal Year 2023-2024.

21 (2) Transfer to the Intergovernmental Fund created by NRS 353.254 and  
22 remit to each county an amount equal to the fees, taxes, interest and penalties  
23 attributable to ~~each taxing district in~~ the county pursuant to this chapter during  
24 the ~~period beginning on July 1 of the immediately preceding fiscal year and~~  
25 ~~ending on December 31 of the~~ immediately preceding ~~fiscal year,~~ less the amounts  
26 transferred pursuant to subparagraph (1) of this paragraph.

27 ~~(d) On or before April 30 of each fiscal year, after subtracting the amount~~  
28 ~~transferred pursuant to paragraph (a):~~

29 ~~(1) Transfer to the Consolidated Bond Interest and Redemption Fund~~  
30 ~~created by NRS 349.090 an amount equal to the fees, taxes, interest and penalties~~  
31 ~~attributable to each taxing district for the period beginning on January 1 of the~~  
32 ~~immediately preceding fiscal year and ending on June 30 of the immediately~~  
33 ~~preceding fiscal year, multiplied by the percentage of the fees, taxes, interest and~~  
34 ~~penalties attributable to a taxing district that would have been distributed to the~~  
35 ~~Consolidated Bond Interest and Redemption Fund if the fees, taxes, interest and~~  
36 ~~penalties were taxes imposed pursuant to chapter 361 of NRS.~~

37 ~~(2) Transfer to the Intergovernmental Fund created by NRS 353.254 and~~  
38 ~~remit to each county an amount equal to the fees, taxes, interest and penalties~~  
39 ~~attributable to each taxing district in the county pursuant to this chapter during~~  
40 ~~the period beginning on January 1 of the immediately preceding fiscal year and~~  
41 ~~ending on June 30 of the immediately preceding fiscal year, less the amounts~~  
42 ~~transferred pursuant to subparagraph (1) of this paragraph,~~ calendar quarter.

43 4. ~~At the time of transferring money to the Intergovernmental Fund~~  
44 ~~pursuant to subsection 3, the Department shall:~~

45 ~~(a) Inform each county auditor of the amount remitted to the county.~~

46 ~~(b) Certify to the county auditor the taxing districts within the county to~~  
47 ~~which the tax imposed by section 12 of this act was attributable during the~~  
48 ~~relevant portion of the fiscal year and the amount of the tax collected with respect~~  
49 ~~to each taxing district.~~

50 ~~5. The county treasurer shall deposit the money received by the county~~  
51 ~~pursuant to this chapter in a separate account for apportionment at the same time~~  
52 ~~that money is apportioned pursuant to NRS 361.755. Money received by the~~  
53 ~~county pursuant to this chapter must be apportioned and distributed among the~~



1 *taxing units of the county in the same ~~the~~ manner proportion that property taxes*  
2 *~~are~~ on heavy equipment rental property were apportioned and distributed for*  
3 *Fiscal Year 2023-2024 with respect to property located in the taxing district to*  
4 *which the tax imposed by section 12 is attributable.*

5 *~~For~~ 5. For the purposes of this section, the tax imposed by section 12 of this*  
6 *act is attributable to the ~~taxing district~~ county to which the rental of heavy*  
7 *equipment rental property is sourced. The Commission may adopt regulations*  
8 *establishing rules for the sourcing of the rental of heavy equipment rental*  
9 *property. Until the Commission adopts regulations to the contrary, the rental of*  
10 *heavy equipment rental property is sourced to ~~the business~~ :*

11 *(a) Except as otherwise provided in paragraph (b), the county of the business*  
12 *location of the heavy equipment rental company from which the heavy equipment*  
13 *rental property is rented ~~is~~ ; or*

14 *(b) If the heavy equipment rental company is rented in a county in which the*  
15 *heavy equipment rental company does not maintain a business location from*  
16 *which heavy equipment rental property is rented, the county in which the heavy*  
17 *equipment rental property is rented, based on location information provided by*  
18 *the renter.*

19 *Sec. 19. Upon written application made before the date on which payment*  
20 *must be made, the Department may for good cause extend by 30 days the time*  
21 *within which a taxpayer is required to pay the tax imposed by this chapter. If the*  
22 *tax is paid during the period of extension, no penalty or late charge may be*  
23 *imposed for failure to pay at the time required, but the taxpayer shall pay interest*  
24 *at the rate of 1 percent per month from the date on which the amount would have*  
25 *been due without the extension until the date of payment, unless otherwise*  
26 *provided in NRS 360.232 or 360.320.*

27 *Sec. 20. If the Department determines that any tax, penalty or interest has*  
28 *been paid more than once or has been erroneously or illegally collected or*  
29 *computed, the Department shall set forth that fact in the records of the*  
30 *Department and certify to the State Board of Examiners the amount collected in*  
31 *excess of the amount legally due and the person from whom it was collected or by*  
32 *whom it was paid. If approved by the State Board of Examiners, the excess*  
33 *amount collected or paid must, after being credited against any amount then due*  
34 *from the person in accordance with NRS 360.236, be refunded to the person or*  
35 *his or her successors in interest.*

36 *Sec. 21. 1. Except as otherwise provided in NRS 360.235 and 360.395:*

37 *(a) No refund may be allowed unless a claim for it is filed with the*  
38 *Department within 3 years after the last day of the month following the calendar*  
39 *quarter for which the overpayment was made.*

40 *(b) No credit may be allowed after the expiration of the period specified for*  
41 *filing claims for refund unless a claim for credit is filed with the Department*  
42 *within that period.*

43 *2. Each claim must be in writing and must state the specific grounds upon*  
44 *which the claim is founded.*

45 *3. Failure to file a claim within the time prescribed in this chapter*  
46 *constitutes a waiver of any demand against the State on account of overpayment.*

47 *4. Within 30 days after rejecting any claim in whole or in part, the*  
48 *Department shall serve notice of its action on the claimant in the manner*  
49 *prescribed for service of notice of a deficiency determination.*

50 *Sec. 22. 1. Except as otherwise provided in this section, NRS 360.320 or*  
51 *any other specific statute, interest must be paid upon any overpayment of any*  
52 *amount of the taxes imposed by this chapter at the rate set forth in, and in*  
53 *accordance with the provisions of, NRS 360.2937.*

1           2. *If the Department determines that any overpayment has been made*  
2 *intentionally or by reason of carelessness, the Department shall not allow any*  
3 *interest on the overpayment.*

4           **Sec. 23.** *1. No injunction, writ of mandate or other legal or equitable*  
5 *process may issue in any suit, action or proceeding in any court against this State*  
6 *or against any officer of the State to prevent or enjoin the collection under this*  
7 *chapter of the tax imposed by this chapter or any amount of tax, penalty or*  
8 *interest required to be collected.*

9           2. *No suit or proceeding may be maintained in any court for the recovery of*  
10 *any amount alleged to have been erroneously or illegally determined or collected*  
11 *unless a claim for refund or credit has been filed.*

12           **Sec. 24.** *1. Within 90 days after a final decision upon a claim filed*  
13 *pursuant to this chapter is rendered by the Commission, the claimant may bring*  
14 *an action against the Department on the grounds set forth in the claim in a court*  
15 *of competent jurisdiction in Carson City, the county of this State where the*  
16 *claimant resides or maintains his or her principal place of business or a county in*  
17 *which any relevant proceedings were conducted by the Department, for the*  
18 *recovery of the whole or any part of the amount with respect to which the claim*  
19 *has been disallowed.*

20           2. *Failure to bring an action within the time specified constitutes a waiver*  
21 *of any demand against the State on account of alleged overpayments.*

22           **Sec. 25.** *1. If the Department fails to mail notice of action on a claim*  
23 *within 6 months after the claim is filed, the claimant may consider the claim*  
24 *disallowed and file an appeal with the Commission within 30 days after the last*  
25 *day of the 6-month period. If the claimant is aggrieved by the decision of the*  
26 *Commission rendered on appeal, the claimant may, within 90 days after the*  
27 *decision is rendered, bring an action against the Department on the grounds set*  
28 *forth in the claim for the recovery of the whole or any part of the amount claimed*  
29 *as an overpayment.*

30           2. *If judgment is rendered for the plaintiff, the amount of the judgment*  
31 *must first be credited towards any tax due from the plaintiff.*

32           3. *The balance of the judgment must be refunded to the plaintiff.*

33           **Sec. 26.** *In any judgment, interest must be allowed at the rate of 3 percent*  
34 *per annum upon the amount found to have been illegally collected from the date*  
35 *of payment of the amount to the date of allowance of credit on account of the*  
36 *judgment, or to a date preceding the date of the refund warrant by not more than*  
37 *30 days. The date must be determined by the Department.*

38           **Sec. 27.** *A judgment may not be rendered in favor of the plaintiff in any*  
39 *action brought against the Department to recover any amount paid when the*  
40 *action is brought by or in the name of an assignee of the person paying the*  
41 *amount or by any person other than the person who paid the amount.*

42           **Sec. 28.** *1. The Department may recover a refund or any part thereof*  
43 *which is erroneously made and any credit or part thereof which is erroneously*  
44 *allowed in an action brought in a court of competent jurisdiction in Carson City*  
45 *or Clark County in the name of the State of Nevada.*

46           2. *The action must be tried in Carson City or Clark County unless the court,*  
47 *with the consent of the Attorney General, orders a change of place of trial.*

48           3. *The Attorney General shall prosecute the action, and the provisions of*  
49 *the Nevada Revised Statutes, the Nevada Rules of Civil Procedure and the*  
50 *Nevada Rules of Appellate Procedure relating to service of summons, pleadings,*  
51 *proofs, trials and appeals are applicable to the proceedings.*

52           **Sec. 29.** *1. If any amount in excess of \$25 has been illegally determined,*  
53 *either by the Department or by the person filing the return, the Department shall*

1 *certify this fact to the State Board of Examiners, and the latter shall authorize the*  
2 *cancellation of the amount upon the records of the Department.*

3 *2. If an amount not exceeding \$25 has been illegally determined, either by*  
4 *the Department or by the person filing the return, the Department, without*  
5 *certifying this fact to the State Board of Examiners, shall authorize the*  
6 *cancellation of the amount upon the records of the Department.*

7 **Sec. 30. 1. A person shall not:**

8 *(a) Make, cause to be made or permit to be made any false or fraudulent*  
9 *return or declaration or false statement in any report or declaration, with intent*  
10 *to defraud the State or to evade payment of the tax or any part of the tax imposed*  
11 *by this chapter; or*

12 *(b) Make, cause to be made or permit to be made any false entry in books,*  
13 *records or accounts with intent to defraud the State or to evade the payment of*  
14 *the tax or any part of the tax imposed by this chapter.*

15 *2. Any person who violates the provisions of subsection 1 is guilty of a gross*  
16 *misdemeanor.*

17 **Sec. 31. Except as otherwise provided in sections 10 and 30 of this act, a**  
18 **person who violates any provision of this chapter is guilty of a misdemeanor.**

19 **Sec. 32. Any prosecution for violation of any provision of this chapter must**  
20 **be instituted within 3 years after the commission of the offense.**

21 **Sec. 33. In the determination of any case arising under this chapter, the**  
22 **rule of res judicata is applicable only if the liability involved is for the same**  
23 **period as was involved in another case previously determined.**

24 **Sec. 34. The remedies of the State provided for in this chapter are**  
25 **cumulative, and no action taken by the Department or the Attorney General**  
26 **constitutes an election by the State to pursue any remedy to the exclusion of any**  
27 **other remedy for which provision is made in this chapter.**

28 **Sec. 35. NRS 360.2937 is hereby amended to read as follows:**

29 360.2937 1. Except as otherwise provided in this section, NRS 360.320 or  
30 any other specific statute, and notwithstanding the provisions of NRS 360.2935,  
31 interest must be paid upon an overpayment of any tax provided for in chapter 362,  
32 363A, 363B, 363C, 363D, 369, 370, 372, 372B, 374, 377, 377A, 377C or 377D of  
33 NRS, ~~or sections 1.5 to 34, inclusive, of this act,~~ any of the taxes provided for  
34 in NRS 372A.290, any fee provided for in NRS 444A.090, 482.313, 482C.230 or  
35 482C.240, or any assessment provided for in NRS 585.497, at the rate of 0.25  
36 percent per month from the last day of the calendar month following the period for  
37 which the overpayment was made.

38 2. No refund or credit may be made of any interest imposed on the person  
39 making the overpayment with respect to the amount being refunded or credited.

40 3. The interest must be paid:

41 (a) In the case of a refund, to the last day of the calendar month following the  
42 date upon which the person making the overpayment, if the person has not already  
43 filed a claim, is notified by the Department that a claim may be filed or the date  
44 upon which the claim is certified to the State Board of Examiners, whichever is  
45 earlier.

46 (b) In the case of a credit, to the same date as that to which interest is computed  
47 on the tax or the amount against which the credit is applied.

48 **Sec. 36. NRS 360.300 is hereby amended to read as follows:**

49 360.300 1. If a person fails to file a return or the Department is not satisfied  
50 with the return or returns of any tax, contribution or premium or amount of tax,  
51 contribution or premium required to be paid to the State by any person, in  
52 accordance with the applicable provisions of this chapter, chapter 360B, 362, 363A,  
53 363B, 363C, 363D, 369, 370, 372, 372A, 372B, 374, 377, 377A, 377C, 377D or

1 444A of NRS, NRS 482.313, 482C.230 or 482C.240, or chapter 585 or 680B of  
2 NRS, *or sections ~~¶¶~~ 1.5 to 34, inclusive, of this act*, as administered or audited by  
3 the Department, it may compute and determine the amount required to be paid upon  
4 the basis of:

5 (a) The facts contained in the return;

6 (b) Any information within its possession or that may come into its possession;  
7 or

8 (c) Reasonable estimates of the amount.

9 2. One or more deficiency determinations may be made with respect to the  
10 amount due for one or for more than one period.

11 3. In making its determination of the amount required to be paid, the  
12 Department shall impose interest on the amount of tax determined to be due,  
13 calculated at the rate and in the manner set forth in NRS 360.417, unless a different  
14 rate of interest is specifically provided by statute.

15 4. The Department shall impose a penalty of 10 percent in addition to the  
16 amount of a determination that is made in the case of the failure of a person to file a  
17 return with the Department.

18 5. When a business is discontinued, a determination may be made at any time  
19 thereafter within the time prescribed in NRS 360.355 as to liability arising out of  
20 that business, irrespective of whether the determination is issued before the due  
21 date of the liability.

22 **Sec. 37.** NRS 360.417 is hereby amended to read as follows:

23 360.417 Except as otherwise provided in NRS 360.232 and 360.320, and  
24 unless a different penalty or rate of interest is specifically provided by statute, any  
25 person who fails to pay any tax provided for in chapter 362, 363A, 363B, 363C,  
26 363D, 369, 370, 372, 372B, 374, 377, 377A, 377C, 377D, 444A or 585 of NRS, *or*  
27 *sections ~~¶¶~~ 1.5 to 34, inclusive, of this act*, any of the taxes provided for in NRS  
28 372A.290, or any fee provided for in NRS 482.313, 482C.230 or 482C.240, and  
29 any person or governmental entity that fails to pay any fee provided for in NRS  
30 360.787, to the State or a county within the time required, shall pay a penalty of not  
31 more than 10 percent of the amount of the tax or fee which is owed, as determined  
32 by the Department, in addition to the tax or fee, plus interest at the rate of 0.75  
33 percent per month, or fraction of a month, from the last day of the month following  
34 the period for which the amount or any portion of the amount should have been  
35 reported until the date of payment. The amount of any penalty imposed must be  
36 based on a graduated schedule adopted by the Nevada Tax Commission which  
37 takes into consideration the length of time the tax or fee remained unpaid.

38 **Sec. 38.** NRS 360.510 is hereby amended to read as follows:

39 360.510 1. If any person is delinquent in the payment of any tax or fee  
40 administered by the Department or if a determination has been made against the  
41 person which remains unpaid, the Department may:

42 (a) Not later than 3 years after the payment became delinquent or the  
43 determination became final; or

44 (b) Not later than 6 years after the last recording of an abstract of judgment or  
45 of a certificate constituting a lien for tax owed,

46 ↪ give a notice of the delinquency and a demand to transmit personally or by  
47 registered or certified mail to any person, including, without limitation, any officer  
48 or department of this State or any political subdivision or agency of this State, who  
49 has in his or her possession or under his or her control any credits or other personal  
50 property belonging to the delinquent, or owing any debts to the delinquent or  
51 person against whom a determination has been made which remains unpaid, or  
52 owing any debts to the delinquent or that person. In the case of any state officer,  
53 department or agency, the notice must be given to the officer, department or agency

1 before the Department presents the claim of the delinquent taxpayer to the State  
2 Controller.

3 2. A state officer, department or agency which receives such a notice may  
4 satisfy any debt owed to it by that person before it honors the notice of the  
5 Department.

6 3. After receiving the demand to transmit, the person notified by the demand  
7 may not transfer or otherwise dispose of the credits, other personal property, or  
8 debts in his or her possession or under his or her control at the time the person  
9 received the notice until the Department consents to a transfer or other disposition.

10 4. Every person notified by a demand to transmit shall, within 10 days after  
11 receipt of the demand to transmit, inform the Department of and transmit to the  
12 Department all such credits, other personal property or debts in his or her  
13 possession, under his or her control or owing by that person within the time and in  
14 the manner requested by the Department. Except as otherwise provided in  
15 subsection 5, no further notice is required to be served to that person.

16 5. If the property of the delinquent taxpayer consists of a series of payments  
17 owed to him or her, the person who owes or controls the payments shall transmit  
18 the payments to the Department until otherwise notified by the Department. If the  
19 debt of the delinquent taxpayer is not paid within 1 year after the Department issued  
20 the original demand to transmit, the Department shall issue another demand to  
21 transmit to the person responsible for making the payments informing him or her to  
22 continue to transmit payments to the Department or that his or her duty to transmit  
23 the payments to the Department has ceased.

24 6. If the notice of the delinquency seeks to prevent the transfer or other  
25 disposition of a deposit in a bank or credit union or other credits or personal  
26 property in the possession or under the control of a bank, credit union or other  
27 depository institution, the notice must be delivered or mailed to any branch or  
28 office of the bank, credit union or other depository institution at which the deposit  
29 is carried or at which the credits or personal property is held.

30 7. If any person notified by the notice of the delinquency makes any transfer  
31 or other disposition of the property or debts required to be withheld or transmitted,  
32 to the extent of the value of the property or the amount of the debts thus transferred  
33 or paid, that person is liable to the State for any indebtedness due pursuant to this  
34 chapter, chapter 360B, 362, 363A, 363B, 363C, 363D, 369, 370, 372, 372A, 372B,  
35 374, 377, 377A, 377C, 377D or 444A of NRS, NRS 482.313, 482C.230 or  
36 482C.240, or chapter 585 or 680B of NRS *or sections ~~24~~ 1.5 to 34, inclusive, of*  
37 *this act* from the person with respect to whose obligation the notice was given if  
38 solely by reason of the transfer or other disposition the State is unable to recover  
39 the indebtedness of the person with respect to whose obligation the notice was  
40 given.

41 **Sec. 39.** NRS 361.068 is hereby amended to read as follows:

42 361.068 1. The following personal property is exempt from taxation:

- 43 (a) Personal property held for sale by a merchant;  
44 (b) Personal property held for sale by a manufacturer;  
45 (c) Raw materials and components held by a manufacturer for manufacture  
46 into products, and supplies to be consumed in the process of manufacture;  
47 (d) Tangible personal property purchased by a business which will be  
48 consumed during the operation of the business;  
49 (e) Livestock;  
50 (f) Colonies of bees;  
51 (g) Pipe and other agricultural equipment used to convey water for the  
52 irrigation of legal crops;  
53 (h) All boats;

- 1 (i) Slide-in campers and camper shells;  
2 (j) Except as otherwise provided in NRS 361.186, fine art for public display;

3 ~~and~~

- 4 (k) All personal property that is:

5 (1) Owned by a person who is not a resident of this state; and

6 (2) Located in this state solely for the purposes of:

7 (I) An exhibit that is used in a convention or tradeshow that is located  
8 in this State; or

9 (II) A display, exhibition, carnival, fair or circus that is transient in  
10 nature and is located in this State for not more than 30 days ~~;~~ **and**

11 **(I) Heavy equipment rental property.**

12 2. The Nevada Tax Commission may exempt from taxation that personal  
13 property for which the annual taxes would be less than the cost of collecting those  
14 taxes. If such an exemption is provided, the Nevada Tax Commission shall annually  
15 determine the average cost of collecting property taxes in this state which must be  
16 used in determining the applicability of the exemption.

17 3. A person claiming the exemption provided for in paragraph (j) of  
18 subsection 1 shall:

19 (a) On or before June 15 for the next ensuing fiscal year, file with the county  
20 assessor an affidavit declaring that the fine art will, during that ensuing fiscal year,  
21 meet all the criteria set forth in paragraph (b) of subsection 4; and

22 (b) During any fiscal year in which the person claims the exemption, make  
23 available for educational purposes and not for resale, upon written request and  
24 without charge to any public school as defined in NRS 385.007, private school as  
25 defined in NRS 394.103 and parent of a child who receives instruction in a home  
26 pursuant to NRS 392.070, one copy of a poster depicting the fine art that the facility  
27 has on public display if such a poster is available for purchase by the public at the  
28 time of the request.

29 4. As used in this section:

30 (a) "Boat" includes any vessel or other watercraft, other than a seaplane, used  
31 or capable of being used as a means of transportation on the water.

32 (b) "Fine art for public display":

33 (1) Except as otherwise provided in subparagraph (2), means a work of art  
34 which:

35 (I) Is an original painting in oil, mineral, water colors, vitreous enamel,  
36 pastel or other medium, an original mosaic, drawing or sketch, an original sculpture  
37 of clay, textiles, fiber, wood, metal, plastic, glass or a similar material, an original  
38 work of mixed media or a lithograph;

39 (II) Was purchased in an arm's length transaction for \$25,000 or more,  
40 or has an appraised value of \$25,000 or more;

41 (III) Is on public display in a public or private art gallery, museum or  
42 other building or area in this state for at least 20 hours per week during at least 35  
43 weeks of each year for which the exemption is claimed or, if the facility displaying  
44 the fine art disposes of it before the end of that year, during at least two-thirds of  
45 the full weeks during which the facility had possession of it, or if the gallery,  
46 museum or other building or area in which the fine art will be displayed will not be  
47 opened until after the beginning of the fiscal year for which the exemption is  
48 claimed, these display requirements must be met for the first full fiscal year after  
49 the date of opening, and the date of opening must not be later than 2 years after the  
50 purchase of the fine art being displayed; and

51 (IV) Is on display in a facility that is available for group tours by pupils  
52 or students for at least 5 hours on at least 60 days of each full year for which the



1 exemption is claimed, during which the facility in which it is displayed is open, by  
 2 prior appointment and at reasonable times, without charge; and

3 (2) Does not include:

4 (I) A work of fine art that is a fixture or an improvement to real  
 5 property;

6 (II) A work of fine art that constitutes a copy of an original work of  
 7 fine art, unless the work is a lithograph that is a limited edition and that is signed  
 8 and numbered by the artist;

9 (III) Products of filmmaking or photography, including, without  
 10 limitation, motion pictures;

11 (IV) Literary works;

12 (V) Property used in the performing arts, including, without limitation,  
 13 scenery or props for a stage; or

14 (VI) Property that was created for a functional use other than, or in  
 15 addition to, its aesthetic qualities, including, without limitation, a classic or custom-  
 16 built automobile or boat, a sign that advertises a business, and custom or antique  
 17 furniture, lamps, chandeliers, jewelry, mirrors, doors or windows.

18 (c) *“Heavy equipment rental property” has the meaning ascribed to it in*  
 19 *section 6 of this act.*

20 (d) “Personal property held for sale by a merchant” includes property that:

21 (1) Meets the requirements of sub-subparagraphs (I) and (II) of  
 22 subparagraph (1) of paragraph (b);

23 (2) Is made available for sale within 2 years after it is acquired; and

24 (3) Is made available for viewing by the public or prospective purchasers,  
 25 or both, within 2 years after it is acquired, whether or not a fee is charged for  
 26 viewing it and whether or not it is also used for purposes other than viewing.

27 ~~(e)~~ (e) “Public display” means the display of a work of fine art where  
 28 members of the public have access to the work of fine art for viewing during  
 29 publicly advertised hours. The term does not include the display of a work of fine  
 30 art in an area where the public does not generally have access, including, without  
 31 limitation, a private office, hallway or meeting room of a business, a room of a  
 32 business used for private lodging and a private residence.

33 ~~(f)~~ (f) “Pupil” means a person who:

34 (1) Is enrolled for the current academic year in a public school as defined  
 35 in NRS 385.007 or a private school as defined in NRS 394.103; or

36 (2) Receives instruction in a home and is excused from compulsory  
 37 attendance pursuant to NRS 392.070.

38 ~~(g)~~ (g) “Student” means a person who is enrolled for the current academic  
 39 year in:

40 (1) A community college or university; or

41 (2) A licensed postsecondary educational institution as defined in NRS  
 42 394.099 and a course concerning fine art.

43 **Sec. 39.3. 1. On or before July 31, 2024, each heavy equipment rental**  
 44 **company registered with the Department of Taxation on June 30, 2024, shall**  
 45 **provide, in such form as the Department may require, a listing of all heavy**  
 46 **equipment rental property owned by the heavy equipment rental company and**  
 47 **located in a county in this State on July 1, 2024.**

48 **2. The Department shall, on or before August 31, 2025:**

49 **(a) Calculate the total amount of property tax on heavy equipment rental**  
 50 **property that would have been owed to each county for Fiscal Year 2024-2025**  
 51 **if such property was not exempted from that tax pursuant to NRS 361.068, as**  
 52 **amended by section 39 of this act.**

1 (b) Compare the amount determined pursuant to paragraph (a) to the  
2 total amount of the tax imposed pursuant to section 12 of this act on all  
3 taxpayers for Fiscal Year 2024-2025.

4 (c) Notwithstanding the provisions of NRS 360.255, publish on the  
5 Internet website of the Department notice to the public regarding whether the  
6 total amount of the tax imposed pursuant to section 12 of this act on all  
7 taxpayers for Fiscal Year 2024-2025 is greater than or less than the total  
8 amount of property tax on heavy equipment rental property that would have  
9 been owed to the counties in this State for Fiscal Year 2024-2025 if such  
10 property was not exempted from that tax pursuant to NRS 361.068, as  
11 amended by section 39 of this act.

12 3. If the total amount of the tax imposed pursuant to section 12 of this act  
13 on all taxpayers for Fiscal Year 2024-2025 is less than the property tax on  
14 heavy equipment rental property that would have been owed to the counties in  
15 this State for Fiscal Year 2024-2025 if such property was not exempted from  
16 that tax pursuant to NRS 361.068, as amended by section 39 of this act, there is  
17 hereby imposed upon each heavy equipment rental company a tax in an  
18 amount which is equal to the difference between the amount of the property  
19 tax that the taxpayer would have paid on heavy equipment rental property for  
20 Fiscal Year 2024-2025 if such property was not exempted from that tax  
21 pursuant to NRS 361.068, as amended by section 39 of this act, and the amount  
22 of the tax owed by the taxpayer pursuant to section 12 of this act for Fiscal  
23 Year 2024-2025. The proceeds of the tax imposed pursuant to this subsection  
24 shall be deposited in the State Treasury to the credit of the Heavy Equipment  
25 Rental Tax Account created by section 18 of this act and distributed in the  
26 same manner as other money deposited in that Account.

27 Sec. 39.5. 1. On or before July 31, 2025, each heavy equipment rental  
28 company registered with the Department of Taxation on June 30, 2025, shall  
29 provide, in such form as the Department may require, a listing of all heavy  
30 equipment rental property owned by the heavy equipment rental company and  
31 located in a county in this State on July 1, 2025.

32 2. The Department shall, on or before August 31, 2026:

33 (a) Calculate the total amount of property tax on heavy equipment rental  
34 property that would have been owed to each county for Fiscal Year 2025-2026  
35 if such property was not exempted from that tax pursuant to NRS 361.068, as  
36 amended by section 39 of this act.

37 (b) Compare the amount determined pursuant to paragraph (a) to the  
38 total amount of the tax imposed pursuant to section 12 of this act on all  
39 taxpayers for Fiscal Year 2025-2026.

40 (c) Notwithstanding the provisions of NRS 360.255, publish on the  
41 Internet website of the Department notice to the public regarding whether the  
42 total amount of the tax imposed pursuant to section 12 of this act on all  
43 taxpayers for Fiscal Year 2025-2026 is greater than or less than the total  
44 amount of property tax on heavy equipment rental property that would have  
45 been owed to the counties in this State for Fiscal Year 2025-2026 if such  
46 property was not exempted from that tax pursuant to NRS 361.068, as  
47 amended by section 39 of this act

48 3. If the total amount of the tax imposed pursuant to section 12 of this act  
49 on all taxpayers for Fiscal Year 2025-2026 is less than the property tax on  
50 heavy equipment rental property that would have been owed to the counties in  
51 this State for Fiscal Year 2025-2026 if such property was not exempted from  
52 that tax pursuant to NRS 361.068, as amended by section 39 of this act, there is  
53 hereby imposed upon each heavy equipment rental company a tax in an



amount which is equal to the difference between the amount of the property tax that the taxpayer would have paid on heavy equipment rental property for Fiscal Year 2025-2026 if such property was not exempted from that tax pursuant to NRS 361.068, as amended by section 39 of this act, and the amount of the tax owed by the taxpayer pursuant to section 12 of this act for Fiscal Year 2025-2026. The proceeds of the tax imposed pursuant to this subsection shall be deposited in the State Treasury to the credit of the Heavy Equipment Rental Tax Account created by section 18 of this act and distributed in the same manner as other money deposited in that Account.

Sec. 39.7. Notwithstanding the provisions of NRS 360.255, the Department of Taxation shall, on or before October 1, 2026, prepare and submit to the Director of the Legislative Counsel Bureau for transmittal to the 84th Session of the Legislature a written report that:

1. Compares the total amount of property tax on heavy equipment rental property that would have been owed to each county for Fiscal Years 2024-2025 and 2025-2026 if such property was not exempted from that tax pursuant to NRS 361.068, as amended by section 39 of this act, and the total amount of the tax imposed pursuant to section 12 of this act on all taxpayers for Fiscal Years 2024-2025 and 2025-2026.

2. Provides recommendations regarding whether the rate of the tax imposed pursuant to section 12 of this act is reasonable or should be increased or decreased to produce revenue which is closer to the amount of revenue that would be generated if heavy equipment rental property was not exempted from the property tax pursuant to NRS 361.068, as amended by section 39 of this act.

Sec. 39.9. 1. There is hereby appropriated from the State General Fund to the Department of Taxation for personnel, operating, equipment and information services to carry out the provisions of this act the following sums:

For the Fiscal Year 2023-2024..... \$383,790

For the Fiscal Year 2024-2025..... \$350,023

2. Any balance of the sums appropriated by subsection 1 remaining at the end of the respective fiscal years must not be committed for expenditure after June 30 of the respective fiscal years by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 20, 2024, and September 19, 2025, respectively, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 20, 2024, and September 19, 2025, respectively.

Sec. 40. The amendatory provisions of section 39 of this act do not apply to any taxes due for any period ending on or before June 30, 2024.

Sec. 41. 1. This section becomes effective upon passage and approval.

2. Section 39.9 of this act becomes effective July 1, 2023.

3. Sections 1 to ~~40~~ 39.7, inclusive, and 40 of this act become effective:

(a) Upon passage and approval for the purposes of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On July 1, 2024, for all other purposes.

4. This act expires by limitation on June 30, 2064.