

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

FEBRUARY 14, 2023

Referred to Committee on Revenue and  
Economic Development

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

13 This bill provides that if such a tax-exempt organization or a nonprofit  
14 corporation provides an activity in a county whose population is less than 9,000  
15 (currently Esmeralda, Eureka, Lander, Lincoln, Mineral, Pershing and Storey  
16 Counties) and the number of tickets to the activity offered for sale or other  
17 distribution is 15,000 or more, the board of county commissioners of the county



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

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

1 **Section 1.** (Deleted by amendment.)

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

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

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

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

18 *(b) Must include, without limitation:*

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

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

25 *(3) Any other information required by the Department.*

26 *(c) May include a request for reimbursement of indirect and*  
27 *incidental costs incurred by the county in relation to the activity in*



1 *an amount not to exceed 20 percent of the total direct costs for*  
2 *which the board is applying for reimbursement.*

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

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

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

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

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

28 *(a) Approves the request, the State Controller shall transfer*  
29 *from the State General Fund the amount approved by the*  
30 *Commission to the county for deposit in the county general fund.*

31 *(b) Denies the request, the board of county commissioners may*  
32 *submit an appeal to the Commission within 30 days. The board of*  
33 *county commissioners may only appeal once the denial of a*  
34 *request for reimbursement by the Commission.*

