

SENATE BILL NO. 369—SENATORS TITUS, BUCK, GOICOECHEA,
STONE, SEEVERS GANSERT; DONATE, HANSEN AND KRASNER

MARCH 23, 2023

JOINT SPONSORS: ASSEMBLYMEN HANSEN; HAFEN AND KOENIG

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions relating to health care.
(BDR 32-528)

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; establishing a credit against the modified business tax for taxpayers who donate money to an organization that provides grants to public or private institutions for the establishment of certain programs of residency training and postdoctoral fellowships for physicians; setting forth certain requirements for an organization that provides such grants and for an institution that is a recipient of such a grant; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, financial institutions, mining businesses and other
2 employers are required to pay an excise tax (the modified business tax) on wages
3 paid by them. (NRS 363A.130, 363B.110) **Sections 1-4** of this bill establish a credit
4 against the modified business tax equal to an amount which is approved by the
5 Department of Taxation and which must not exceed the amount of any donation of
6 money made by a taxpayer to an organization that provides grants to hospitals in
7 this State that establish a new residency training or postdoctoral fellowship program
8 in primary care or an underserved specialty. Under **sections 2 and 4** of this bill, the
9 total credits authorized and approved by the Department of Taxation for fiscal year
10 2023-2024 must not exceed \$4,000,000, and this limit is increased each year by 3
11 percent of the amount approved for the previous fiscal year.

12 **Section 7** of this bill provides that an organization receiving a donation for
13 which a tax credit was approved: (1) must provide grants to public or private



14 institutions, including, without limitation, that establish new residency training or
15 postdoctoral fellowship programs in primary care or underserved specialties; and
16 (2) may receive gifts, grants and donations from any source to establish a new
17 residency training or postdoctoral fellowship program in primary care or an
18 underserved specialty. **Section 7** requires a recipient of a grant to repay the grant to
19 the organization if, within 36 months after receipt of the grant, the recipient has not
20 established a new residency training or postdoctoral fellowship program in primary
21 care or an underserved specialty.

22 **Section 8** of this bill requires an organization that receives a donation for which
23 a tax credit is approved to report to the Nevada Health Service Corps established at
24 the University of Nevada School of Medicine: (1) certain identifying information
25 for the organization; (2) the total relevant donations, gifts and grants received by
26 the organization in the preceding calendar year; (3) the total dollar amount of such
27 donations, gifts and grants; (4) the total number of recipients which received a grant
28 from the organization in the preceding calendar year; (5) the total dollar amount of
29 such grants made to recipients; and (6) certain information concerning such
30 recipients, including, without limitation, the progress made in establishing a new
31 residency training or postdoctoral fellowship program.

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

1 **Section 1.** Chapter 363A of NRS is hereby amended by
2 adding thereto a new section to read as follows:

3 *1. Any taxpayer who is required to pay a tax pursuant to NRS*
4 *363A.130 may receive a credit against the tax otherwise due for*
5 *any donation of money made by the taxpayer to a grant*
6 *organization in the manner provided by this section.*

7 *2. To receive the credit authorized by subsection 1, a taxpayer*
8 *who intends to make a donation of money to a grant organization*
9 *must, before making such a donation, notify the grant*
10 *organization of the taxpayer's intent to make the donation and to*
11 *seek the credit authorized by subsection 1. A grant organization*
12 *shall, before accepting any such donation, apply to the*
13 *Department of Taxation for approval of the credit authorized by*
14 *subsection 1 for the donation. The Department of Taxation shall,*
15 *within 20 days after receiving the application, approve or deny*
16 *the application and provide to the grant organization notice of the*
17 *decision and, if the application is approved, the amount of the*
18 *credit authorized. Upon receipt of notice that the application has*
19 *been approved, the grant organization shall provide notice of the*
20 *approval to the taxpayer who must, not later than 30 days after*
21 *receiving the notice, make the donation of money to the grant*
22 *organization. If the taxpayer does not make the donation of money*
23 *to the grant organization within 30 days after receiving the notice,*
24 *the grant organization shall provide notice of the failure to the*



1 *Department of Taxation and the taxpayer forfeits any claim to the*
2 *credit authorized by subsection 1.*

3 *3. The Department of Taxation shall approve or deny*
4 *applications for the credit authorized by subsection 1 in the order*
5 *in which the applications are received.*

6 *4. The Department of Taxation may, for each fiscal year,*
7 *approve applications for the credit authorized by subsection 1 until*
8 *the total amount of the credits authorized by subsection 1 and*
9 *approved by the Department of Taxation pursuant to this*
10 *subsection and subsection 4 of section 3 of this act is:*

11 *(a) For Fiscal Year 2023-2024, \$4,000,000;*

12 *(b) For Fiscal Year 2024-2025, \$4,120,000; and*

13 *(c) For each subsequent fiscal year, an amount equal to 103*
14 *percent of the amount authorized for the immediately preceding*
15 *fiscal year.*

16 *↳ The amount of any credit which is forfeited pursuant to*
17 *subsection 2 must not be considered in calculating the amount of*
18 *credits authorized for any fiscal year.*

19 *5. If a taxpayer applies to and is approved by the Department*
20 *of Taxation for the credit authorized by subsection 1, the amount*
21 *of the credit provided by this section is equal to the amount*
22 *approved by the Department of Taxation pursuant to subsection 2,*
23 *which must not exceed the amount of the donation made by the*
24 *taxpayer to the grant organization. The total amount of the credit*
25 *applied against the taxes described in subsection 1 and otherwise*
26 *due from a taxpayer must not exceed the amount of the donation.*

27 *6. If the amount of the tax described in subsection 1 and*
28 *otherwise due from a taxpayer is less than the credit to which the*
29 *taxpayer is entitled pursuant to this section, the taxpayer may,*
30 *after applying the credit to the extent of the tax otherwise due,*
31 *carry the balance of the credit forward for not more than 5 years*
32 *after the end of the calendar year in which the donation is made*
33 *or until the balance of the credit is applied, whichever is earlier.*

34 *7. As used in this section, "grant organization" has the*
35 *meaning ascribed to it in section 6 of this act.*

36 **Sec. 2.** NRS 363A.130 is hereby amended to read as follows:

37 363A.130 1. Except as otherwise provided in NRS 360.203,
38 there is hereby imposed an excise tax on each employer at the rate
39 of 2 percent of the wages, as defined in NRS 612.190, paid by the
40 employer during a calendar quarter with respect to employment in
41 connection with the business activities of the employer.

42 2. The tax imposed by this section:

43 (a) Does not apply to any person or other entity or any wages
44 this State is prohibited from taxing under the Constitution, laws or
45 treaties of the United States or the Nevada Constitution.



1 (b) Must not be deducted, in whole or in part, from any wages of
2 persons in the employment of the employer.

3 3. Each employer shall, on or before the last day of the month
4 immediately following each calendar quarter for which the
5 employer is required to pay a contribution pursuant to
6 NRS 612.535:

7 (a) File with the Department a return on a form prescribed by
8 the Department; and

9 (b) Remit to the Department any tax due pursuant to this section
10 for that calendar quarter.

11 4. In determining the amount of the tax due pursuant to this
12 section, an employer is entitled to subtract from the amount
13 calculated pursuant to subsection 1 a credit in an amount equal to 50
14 percent of the amount of the commerce tax paid by the employer
15 pursuant to chapter 363C of NRS for the preceding taxable year.
16 The credit may only be used for any of the 4 calendar quarters
17 immediately following the end of the taxable year for which the
18 commerce tax was paid. The amount of credit used for a calendar
19 quarter may not exceed the amount calculated pursuant to
20 subsection 1 for that calendar quarter. Any unused credit may not be
21 carried forward beyond the fourth calendar quarter immediately
22 following the end of the taxable year for which the commerce tax
23 was paid, and a taxpayer is not entitled to a refund of any unused
24 credit.

25 5. An employer who makes a donation of money to a
26 scholarship organization during the calendar quarter for which a
27 return is filed pursuant to this section is entitled, in accordance with
28 NRS 363A.139, to a credit equal to the amount authorized pursuant
29 to NRS 363A.139 against any tax otherwise due pursuant to this
30 section. As used in this subsection, "scholarship organization" has
31 the meaning ascribed to it in NRS 388D.260.

32 *6. An employer who makes a donation of money to a grant*
33 *organization during the calendar quarter for which a return is*
34 *filed pursuant to this section is entitled, in accordance with section*
35 *1 of this act, to a credit equal to the amount authorized pursuant*
36 *to section 1 of this act against any tax otherwise due pursuant to*
37 *this section. As used in this subsection, "grant organization" has*
38 *the meaning ascribed to it in section 6 of this act.*

39 **Sec. 3.** Chapter 363B of NRS is hereby amended by adding
40 thereto a new section to read as follows:

41 *1. Any taxpayer who is required to pay a tax pursuant to NRS*
42 *363B.110 may receive a credit against the tax otherwise due for*
43 *any donation of money made by the taxpayer to a grant*
44 *organization in the manner provided by this section.*



1 2. To receive the credit authorized by subsection 1, a taxpayer
2 who intends to make a donation of money to a grant organization
3 must, before making such a donation, notify the grant
4 organization of the taxpayer's intent to make the donation and
5 seek the credit authorized by subsection 1. A grant organization
6 shall, before accepting any such donation, apply to the
7 Department of Taxation for approval of the credit authorized by
8 subsection 1 for the donation. The Department of Taxation shall,
9 within 20 days after receiving the application, approve or deny
10 the application and provide to the grant organization notice of the
11 decision and, if the application is approved, the amount of the
12 credit authorized. Upon receipt of notice that the application has
13 been approved, the grant organization shall provide notice of the
14 approval to the taxpayer who must, not later than 30 days after
15 receiving the notice, make the donation of money to the grant
16 organization. If the taxpayer does not make the donation of money
17 to the grant organization within 30 days after receiving the notice,
18 the grant organization shall provide notice of the failure to the
19 Department of Taxation and the taxpayer forfeits any claim to the
20 credit authorized by subsection 1.

21 3. The Department of Taxation shall approve or deny
22 applications for the credit authorized by subsection 1 in the order
23 in which the applications are received.

24 4. The Department of Taxation may, for each fiscal year,
25 approve applications for the credit authorized by subsection 1 until
26 the total amount of the credits authorized by subsection 1 and
27 approved by the Department of Taxation pursuant to this
28 subsection and subsection 4 of section 1 of this act is:

29 (a) For Fiscal Year 2023-2024, \$4,000,000;

30 (b) For Fiscal Year 2024-2025, \$4,120,000; and

31 (c) For each subsequent fiscal year, an amount equal to 103
32 percent of the amount authorized for the immediately preceding
33 fiscal year.

34 ↳ The amount of any credit which is forfeited pursuant to
35 subsection 2 must not be considered in calculating the amount of
36 credits authorized for any fiscal year.

37 5. If a taxpayer applies to and is approved by the Department
38 of Taxation for the credit authorized by subsection 1, the amount
39 of the credit provided by this section is equal to the amount
40 approved by the Department of Taxation pursuant to subsection 2,
41 which must not exceed the amount of the donation made by the
42 taxpayer to the grant organization. The total amount of the credit
43 applied against the taxes described in subsection 1 and otherwise
44 due from a taxpayer must not exceed the amount of the donation.



1 *6. If the amount of the tax described in subsection 1 and*
2 *otherwise due from a taxpayer is less than the credit to which the*
3 *taxpayer is entitled pursuant to this section, the taxpayer may,*
4 *after applying the credit to the extent of the tax otherwise due,*
5 *carry the balance of the credit forward for not more than 5 years*
6 *after the end of the calendar year in which the donation is made*
7 *or until the balance of the credit is applied, whichever is earlier.*

8 *7. As used in this section, "grant organization" has the*
9 *meaning ascribed to it in section 6 of this act.*

10 **Sec. 4.** NRS 363B.110 is hereby amended to read as follows:

11 363B.110 1. Except as otherwise provided in NRS 360.203,
12 there is hereby imposed an excise tax on each employer at the rate
13 of 1.475 percent of the amount by which the sum of all the wages,
14 as defined in NRS 612.190, paid by the employer during a calendar
15 quarter with respect to employment in connection with the business
16 activities of the employer exceeds \$50,000.

17 2. The tax imposed by this section:

18 (a) Does not apply to any person or other entity or any wages
19 this State is prohibited from taxing under the Constitution, laws or
20 treaties of the United States or the Nevada Constitution.

21 (b) Must not be deducted, in whole or in part, from any wages of
22 persons in the employment of the employer.

23 3. Each employer shall, on or before the last day of the month
24 immediately following each calendar quarter for which the
25 employer is required to pay a contribution pursuant to
26 NRS 612.535:

27 (a) File with the Department a return on a form prescribed by
28 the Department; and

29 (b) Remit to the Department any tax due pursuant to this chapter
30 for that calendar quarter.

31 4. In determining the amount of the tax due pursuant to this
32 section, an employer is entitled to subtract from the amount
33 calculated pursuant to subsection 1 a credit in an amount equal to 50
34 percent of the amount of the commerce tax paid by the employer
35 pursuant to chapter 363C of NRS for the preceding taxable year.
36 The credit may only be used for any of the 4 calendar quarters
37 immediately following the end of the taxable year for which the
38 commerce tax was paid. The amount of credit used for a calendar
39 quarter may not exceed the amount calculated pursuant to
40 subsection 1 for that calendar quarter. Any unused credit may not be
41 carried forward beyond the fourth calendar quarter immediately
42 following the end of the taxable year for which the commerce tax
43 was paid, and a taxpayer is not entitled to a refund of any unused
44 credit.



1 5. An employer who makes a donation of money to a
2 scholarship organization during the calendar quarter for which a
3 return is filed pursuant to this section is entitled, in accordance with
4 NRS 363B.119, to a credit equal to the amount authorized pursuant
5 to NRS 363B.119 against any tax otherwise due pursuant to this
6 section. As used in this subsection, "scholarship organization" has
7 the meaning ascribed to it in NRS 388D.260.

8 *6. An employer who makes a donation of money to a grant
9 organization during the calendar quarter for which a return is
10 filed pursuant to this section is entitled, in accordance with section
11 1 of this act, to a credit equal to the amount authorized pursuant
12 to section 1 of this act against any tax otherwise due pursuant to
13 this section. As used in this subsection, "grant organization" has
14 the meaning ascribed to it in section 6 of this act.*

15 **Sec. 5.** Chapter 396 of NRS is hereby amended by adding
16 thereto the provisions set forth as sections 6, 7 and 8 of this act.

17 *Sec. 6. As used in sections 6, 7 and 8 of this act, unless the
18 context otherwise requires, "grant organization" means an
19 organization in this State that meets the requirements set forth in
20 section 7 of this act.*

21 **Sec. 7. 1. A grant organization must:**

22 *(a) Be a governmental entity or a nonprofit organization
23 exempt from taxation pursuant to section 501(c)(3) of the Internal
24 Revenue Code, 26 U.S.C. § 501(c)(3).*

25 *(b) Accept donations from taxpayers and other persons and
26 may also solicit and accept gifts and grants.*

27 *(c) If the organization is a nonprofit organization, not expend
28 more than 5 percent of the total amount of money accepted
29 pursuant to paragraph (b) to pay its administrative expenses.*

30 *(d) Provide grants to public and private institutions, including,
31 without limitation, hospitals, in this State for the purpose of
32 creating new programs of residency training and postdoctoral
33 fellowships for physicians in primary care or in an area in which a
34 shortage of a particular type of physician exists, as designated by
35 the Nevada Health Service Corps pursuant to NRS 396.901.*

36 *(e) Not limit to a single institution the institutions for which it
37 provides grants.*

38 **2. A grant organization shall provide each taxpayer and other
39 person who makes a donation, gift or grant of money to the grant
40 organization pursuant to paragraph (b) of subsection 1 with an
41 affidavit, signed under penalty of perjury, which includes, without
42 limitation:**

43 *(a) A statement that the grant organization satisfies the
44 requirements set forth in subsection 1; and*



1 (b) *The total amount of the donation, gift or grant made to the*
2 *grant organization.*

3 3. *Each public or private institution, including, without*
4 *limitation, a hospital, to which a grant is provided by a grant*
5 *organization shall maintain a record of the progress of the*
6 *institution in establishing new programs of residency training and*
7 *postdoctoral fellowships for physicians in primary care or in an*
8 *area in which a shortage of a particular type of physician exists,*
9 *as designated by the Nevada Health Service Corps pursuant to*
10 *NRS 396.901.*

11 4. *A public or private institution, including, without*
12 *limitation, a hospital, which receives a grant pursuant to this*
13 *section and which, within 36 months after receipt of the grant, has*
14 *not established a new program of residency training and*
15 *postdoctoral fellowships for physicians in primary care or in an*
16 *area in which a shortage of a particular type of physician exists,*
17 *as designated by the Nevada Health Service Corps pursuant to*
18 *NRS 396.901, shall repay the amount of the grant to the grant*
19 *organization.*

20 5. *As used in this section, "hospital" has the meaning*
21 *ascribed to it in NRS 449.012.*

22 **Sec. 8.** *A grant organization which receives a donation, gift*
23 *or grant of money described in section 7 of this act shall report to*
24 *the Nevada Health Service Corps created by NRS 396.900, on or*
25 *before January 31 of each year, on a form prescribed by the*
26 *Nevada Health Service Corps:*

27 1. *The name, address and contact information of the grant*
28 *organization;*

29 2. *The total number of such donations, gifts and grants*
30 *received by the grant organization during the immediately*
31 *preceding calendar year;*

32 3. *The total dollar amount of such donations, gifts and grants*
33 *received during the immediately preceding calendar year;*

34 4. *The total number of recipients to which the grant*
35 *organization made grants during the immediately preceding*
36 *calendar year pursuant to section 7 of this act;*

37 5. *The total dollar amount of such grants made during the*
38 *immediately preceding calendar year; and*

39 6. *For each recipient of a grant during the immediately*
40 *preceding calendar year:*

41 (a) *The name and address of the recipient;*

42 (b) *The total dollar amount of such grants provided to each*
43 *recipient to establish a new residency training or postdoctoral*
44 *fellowship program in primary care or an underserved specialty;*
45 *and*



1 *(c) The progress the recipient has made in establishing such a*
2 *program.*

3 **Sec. 9.** This act becomes effective on July 1, 2023.

