

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: April 11, 2023

Agency Submitting: Department of Taxation

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
General Fund Revenue (Revenue)			(\$5,871,773)	(\$25,035,310)
Total	0	0	(\$5,871,773)	(\$25,035,310)

Explanation

(Use Additional Sheets of Attachments, if required)

This bill proposes to exempt sales of diapers from sales and use taxes and analogous taxes upon approval by the voters. If approved, the exemption of diapers proposed by this bill, from January 1, 2025, through December 31, 2050, diapers will be exempt from all sales and use taxes currently contemplated under existing law.

The U.S. per capita expenditures for diapers is estimated to increase in proportion to the Consumer Price Index (CPI) for core commodities and the population of Nevada to increase as estimated by the State Demographer.

The Department has reviewed this bill and concluded that it does not have a fiscal impact to the Department. However, the sales tax exemption for diapers is estimated to reduce state revenue by \$5,871,773.23 for FY25 and \$25,035,310.72 for future biennia (FY26 and FY27). General Fund Revenue will decrease by approximately \$460,911,566.41, in total, from January 1, 2025, through the sunset date of December 31, 2050.

Name Adriane Roberts-Larson

Title Deputy Executive Director -
Administrative Services

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Monday, April 03, 2023

The agency's response appears reasonable.

Name Amy Stephenson

Title Director