

**EXECUTIVE AGENCY**  
**FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: April 9, 2023

Agency Submitting: Department of Taxation

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2022-23</b>	<b>Fiscal Year 2023-24</b>	<b>Fiscal Year 2024-25</b>	<b>Effect on Future Biennia</b>
Personnel (Expense)		\$95,617	\$161,147	\$322,294
Operating Expenses (Expense)		\$3,151	\$3,185	\$6,370
Equipment (Expense)		\$9,216		
Information Services (Expense)		\$12,676	\$4,706	\$9,412
AG Cost Allocation Plan (Expense)				\$38,125
Total	0	\$120,660	\$169,038	\$376,201

Explanation

(Use Additional Sheets of Attachments, if required)

This bill revises provisions relating to the excise tax on live entertainment (LET). It imposes the tax on certain resales of admission tickets and removes the LET tax exemption for certain athletic events involving professional teams based in Nevada. There will be an increase in the number of taxpayers and the responsibility of the Department to raise awareness of the law to these new taxpayers. This will have a positive impact to revenue for the State General Fund given the additional taxpayers and the inclusion of all events with professional sports teams. The variability in predicting the number of events as well as the number of possible resales has made the revenue impact undeterminable. The Department will be responsible to ensure compliance through increased taxpayer services and enforcement. The Department will need to modify forms, implement changes to the computer system, and draft regulations. An increase in taxpayer appeals is anticipated. This request is for: (1) one Tax Examiner II in Carson City and associated operating costs, beginning in October 2023; (2) one Auditor II in Las Vegas and associated operating costs, beginning in January 2024; (3) funding for overtime for IT staff and MSA Programmer to implement changes into the Department's computer system; and (4) increase to the Department's Attorney General (AG) Cost Allocation due to an increase in services. The Department will incur recurring expenses as follows each biennium: Personnel of \$322,294; Operating of \$6,370; and Information Services of \$9,412 that include required EITS Assessment costs (phone, productivity suite, etc). One-time expenses for overtime for IT staff, equipment, and an MSA Programmer, will occur in FY24. Finally, we project an increase to the Department's Attorney General (AG) Cost Allocation Plan in the amount of \$38,125 for future biennia.

Name Adriane Roberts-Larson

Title Deputy Executive Director -  
Administrative Services

**GOVERNOR'S OFFICE OF FINANCE COMMENTS**

Date Friday, April 07, 2023

The agency's response appears reasonable.

Name Amy Stephenson

Title Director