

# BDR 56-152 AB 253(R2)

## UNSOLICITED EXECUTIVE AGENCY FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: June 3, 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
Personnel (Expense)		\$64,435	\$88,638	\$174,458
In-State Travel (Expense)		\$22,378	\$23,679	\$49,204
Operating Expenses (Expense)		\$3,506	\$4,102	\$8,204
Equipment (Expense)		\$4,608		
Information Services (Expense)		\$11,406	\$1,602	\$3,204
AG Cost Allocation Plan (Expense)				\$38,125
Total	0	\$106,333	\$118,021	\$273,195

### Explanation

(Use Additional Sheets of Attachments, if required)

This bill provides for licensure and regulation by the Cannabis Compliance Board of certain events at which the sale and consumption of cannabis or cannabis products is allowed. The Department of Taxation will bear the responsibility of ensuring these businesses are registered for sales tax purposes and for payment of the Retail Marijuana Tax (RMT). The Department anticipates the following: the need to revise RMT returns and make changes to system programming; additional cash counts each month; requirement to draft regulations; and an increase in appeals. An increase to revenue is expected but cannot be determined at this time. This request is for one Compliance Audit/Investigator II position Carson City, and associated operating costs, including in-state travel and a fleet services monthly rental vehicle, beginning in October 2023. This request includes funding for overtime for IT staff and MSA Programmer expenses to implement changes into the Department's computer system. This request also funds an increase to the Department's AG Cost Allocation due to an increase in services. The Department will incur recurring expenses as follows each biennium: Personnel Services of \$174,458; In-State Travel of \$49,204; Operating Expenses of \$8,204; and Information Services of \$3,204 for required EITS Assessment costs (phone, productivity suite, etc). The expenses for Equipment and the MSA Programmer, in FY24, are one time in nature. Overtime for IT staff is needed in FY 24 and FY25 but will not recur in future biennia. Finally, there will be an increased expense for the Attorney General (AG) Cost Allocation Plan in future biennia.

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