

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

AGENCY'S ESTIMATES

Date Prepared: March 29, 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)		\$128,337	\$176,790	\$352,608
In-State Travel (Expense)		\$3,901	\$5,202	\$10,404
Operating Expenses (Expense)		\$5,310	\$5,879	\$11,758
Equipment (Expense)		\$9,216		
Information Services (Expense)		\$15,613	\$3,206	\$6,412
AG Cost Allocation Plan (Expense)		\$25,376	\$12,749	
Total	0	\$187,753	\$203,826	\$381,182

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 in Las Vegas, and one Compliance Audit/Investigator II position in Carson City, and associated operating costs, including 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 \$176,790; In-State Travel of \$5,202; Operating Expenses of \$5,879; and Information Services of \$3,206 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. This expense will not recur after FY25.

Name Adriane Roberts-Larson

Title Deputy Executive Director -  
Administrative Services

**GOVERNOR'S OFFICE OF FINANCE COMMENTS**

The agency's response appears reasonable.

Date Wednesday, March 29, 2023

Name Amy Stephenson

Title Director