

SUMMARY—Revises provisions governing the commerce tax. (BDR 32-192)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Yes.

AN ACT relating to taxation; increasing and providing for the adjustment of the gross revenue threshold above which the gross revenue of a business entity is subject to the commerce tax; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law imposes an annual commerce tax on each business entity whose Nevada gross revenue in a fiscal year exceeds \$4,000,000, with the rate of commerce tax based on the industry in which the business entity is primarily engaged. Existing law imposes the tax only on the portion of the Nevada gross revenue of a business entity that is in excess of \$4,000,000. (NRS 363C.200, 363C.300-363C.560) **Sections 4 and 6** of this bill eliminate the \$4,000,000 Nevada gross revenue threshold and replace it with a revenue threshold that is calculated on an annual basis. **Section 4** provides the method for calculating the revenue threshold for a taxable year. For the taxable year beginning on July 1, 2025, **section 4** sets the revenue threshold at \$4,000,000 plus an additional amount that is determined by multiplying \$4,000,000 by the average 12-month percentage increase in the Consumer Price Index for All Urban Consumers, West Region (All Items) for the 3 calendar years immediately preceding July 1, 2025. For all subsequent taxable years, **section 4** provides



that the revenue threshold is: (1) the same as the previous taxable year, if the average 12-month change in the Consumer Price Index for All Urban Consumers, West Region (All Items) for the previous 3 calendar years is negative; or (2) increased from the previous taxable year by an amount equal to the revenue threshold from the previous taxable year multiplied by the average 12-month percentage increase in Consumer Price Index for All Urban Consumers, West Region (All Items) for the previous 3 calendar years, if the average 12-month percentage change for that period was positive. **Section 6** requires a business entity whose Nevada gross revenue in a taxable year exceeds the revenue threshold calculated as described in **section 4** to file a return for that taxable year and excuses all business entities whose Nevada gross revenue is equal to or less than the revenue threshold from the requirement to file such a return for that taxable year. **Sections 2, 3 and 5** of this bill define the terms “consumer price inflation index” and “revenue threshold” for the purposes of the provisions governing the commerce tax. **Sections 7-33** of this bill make conforming changes to provisions governing the calculation of the commerce tax owed by a business entity to reflect that any Nevada gross revenue of a business entity that is equal to or below the revenue threshold is excluded from the calculation of the commerce tax.



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

Section 1. Chapter 363C of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

Sec. 2. *“Consumer price inflation index” means the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the United States Department of Labor or, if that index ceases to be published by the United States Department of Labor, the published index selected by the Department of Taxation pursuant to subsection 11 of NRS 361.091.*

Sec. 3. *“Revenue threshold” means the amount described in subsection 1 of section 4 of this act for a given taxable year.*

Sec. 4. 1. *The revenue threshold is:*

(a) For the taxable year beginning on July 1, 2025, \$4,000,000 plus the product of \$4,000,000 multiplied by the average 12-month percentage increase in the consumer price inflation index for the 3 calendar years immediately preceding the taxable year beginning on July 1, 2025.

(b) For each subsequent taxable year:

(1) If the average 12-month percentage change in the consumer price inflation index for the 3 calendar years immediately preceding the taxable year for which the revenue threshold is being calculated is positive, the revenue threshold for the immediate preceding taxable year plus the product of the revenue threshold for the immediately preceding taxable year multiplied by



the average percentage increase in the consumer price inflation index for the 3 calendar years immediately preceding the taxable year for which the revenue threshold is being calculated.

(2) If the average 12-month percentage change in the consumer price inflation index for the 3 calendar years immediately preceding the taxable year for which the revenue threshold is being calculated is negative, an amount equal to the revenue threshold for the immediately preceding taxable year.

2. On or before March 1 of each year, the Department shall calculate and publish on its Internet website the revenue threshold for the taxable year beginning the following July 1.

Sec. 5. NRS 363C.010 is hereby amended to read as follows:

363C.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 363C.015 to 363C.085, inclusive, *and sections 2 and 3 of this act* have the meanings ascribed to them in those sections.

Sec. 6. NRS 363C.200 is hereby amended to read as follows:

363C.200 1. For the privilege of engaging in a business in this State, a commerce tax is hereby imposed upon each business entity whose Nevada gross revenue in a taxable year exceeds ~~[\$4,000,000]~~ *the revenue threshold* in an amount determined pursuant to NRS 363C.300 to 363C.560, inclusive. The commerce tax is due and payable as provided in this section.

2. Each business entity whose Nevada gross revenue in a taxable year exceeds ~~[\$4,000,000]~~ *the revenue threshold* shall, on or before the 45th day immediately following the end of that taxable year, file with the Department a return on a form prescribed by the Department. The Department shall not require a business entity whose Nevada gross revenue for a taxable year is



~~[\$4,000,000]~~ *equal to* or less *than the revenue threshold* to file a return for that taxable year. The return required by this subsection must include such information as is required by the Department.

3. For the purposes of determining the amount of the commerce tax due pursuant to this chapter, the initial return filed by a business entity with the Department pursuant to subsection 2 must designate the business category in which the business entity is primarily engaged. A business entity may not change the business category designated for that business entity unless the person applies to the Department to change such designation and the Department determines that the business is no longer primarily engaged in the designated business category.

4. A business entity shall remit with the return the amount of commerce tax due pursuant to subsection 1. Upon written application made before the date on which payment of the commerce tax due pursuant to this chapter must be made, the Department may for good cause extend by not more than 30 days the time within which a business entity is required to pay the commerce tax. If the commerce tax is paid during the period of extension, no penalty or late charge may be imposed for failure to pay the commerce tax at the time required, but the business entity shall pay interest at the rate of 0.75 percent per month from the date on which the amount would have been due without the extension until the date of payment, unless otherwise provided in NRS 360.232 or 360.320.

Sec. 7. NRS 363C.300 is hereby amended to read as follows:

363C.300 Except as otherwise provided in this section, the commerce tax required to be paid by a business entity engaging in a business in this State is equal to the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business



entity for the taxable year and multiplying that amount by the rate set forth in NRS 363C.310 to 363C.550, inclusive, for the business category in which the business entity is primarily engaged. If the business entity cannot be categorized in a business category set forth in NRS 363C.310 to 363C.550, inclusive, the commerce tax required to be paid by that business entity is equal to the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by the rate set forth in NRS 363C.560.

Sec. 8. NRS 363C.310 is hereby amended to read as follows:

363C.310 1. The agriculture, forestry, fishing and hunting business category (NAICS 11) includes all business entities primarily engaged in agricultural production or agricultural support activities, or both, including, without limitation, growing crops, raising animals, harvesting timber and harvesting fish and other animals from a farm, ranch or their natural habitats.

2. Examples of business entities in this category include, without limitation, farms, ranches, dairies, greenhouses, nurseries, orchards and hatcheries.

3. This category does not include business entities primarily engaged in agricultural research or administering programs for regulating and conserving land, minerals, wildlife or forest use.

4. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.063 percent.

Sec. 9. NRS 363C.320 is hereby amended to read as follows:



363C.320 1. The mining, quarrying and oil and gas extraction business category (NAICS 21) includes all business entities primarily engaged in mining operations and mining support activities, including, without limitation, extracting:

- (a) Naturally occurring mineral solids, such as coal and ores;
- (b) Liquid minerals, such as crude petroleum; and
- (c) Gases, such as natural gas.

2. Examples of business entities in this category include, without limitation:

(a) Business entities operating mines, quarries or oil and gas wells on their own account or for others on a contract or fee basis.

(b) Mining support activities, including business entities that perform exploration or other mining services, or both, on a contract or fee basis, except geophysical surveying, mine site preparation and the construction of oil and gas pipelines.

3. As used in subsections 1 and 2, the term “mining” includes quarrying, well operations and beneficiating, including, without limitation, crushing, screening, washing, flotation and other preparation customarily performed at a mine site or as a part of mining activity.

4. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.051 percent.

Sec. 10. NRS 363C.330 is hereby amended to read as follows:

363C.330 1. The utilities and telecommunications business category (NAICS 22 and 517, respectively) includes:



(a) All business entities primarily engaged in providing utility services, including, without limitation, electric power, natural gas, steam supply, water supply and sewage removal; and

(b) All business entities primarily engaged in providing telecommunications and the services related to that activity, including, without limitation, telephony, cable and satellite distribution services, Internet access and telecommunications reselling services.

2. This category does not include business entities primarily engaged in waste management and remediation services that are described in NRS 363C.490.

3. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.136 percent.

Sec. 11. NRS 363C.340 is hereby amended to read as follows:

363C.340 1. The construction business category (NAICS 23) includes all business entities primarily engaged in the construction of buildings or engineering projects, such as highways and utility systems. Business entities engaged in the preparation of sites for new construction and business entities primarily engaged in subdividing land for sale as building sites also are included in this category.

2. Examples of business entities in this category include, without limitation, general contractors, design-builders, construction managers, turnkey contractors, joint-venture contractors, specialty trade contractors, for-sale builders, speculative builders and merchant builders.



3. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.083 percent.

Sec. 12. NRS 363C.350 is hereby amended to read as follows:

363C.350 1. The manufacturing business category (NAICS 31, 32 and 33) includes all business entities primarily engaged in the mechanical, physical or chemical transformation of materials, substances or components into new products.

2. Examples of business entities in this category include, without limitation, milk bottling and pasteurizing, water bottling and processing, fresh fish packaging, apparel jobbing, contracting on materials owned by others, printing and related activities, ready-mixed concrete production, leather converting, grinding of lenses to prescription, wood preserving, electroplating, plating, metal heat, treating and polishing for the trade, lapidary work for the trade, fabricating signs and advertising displays, rebuilding or remanufacturing machinery, ship repair and renovation, machine shops and tire retreading.

3. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.091 percent.

Sec. 13. NRS 363C.360 is hereby amended to read as follows:

363C.360 1. The wholesale trade business category (NAICS 42) includes all business entities primarily engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise.



2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.101 percent.

Sec. 14. NRS 363C.370 is hereby amended to read as follows:

363C.370 1. The retail trade business category (NAICS 44 and 45) includes all businesses primarily engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise.

2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.111 percent.

Sec. 15. NRS 363C.380 is hereby amended to read as follows:

363C.380 1. The air transportation business category (NAICS 481) includes all business entities primarily engaged in providing air transportation of passengers or cargo, or both, using aircraft, such as an airplane and helicopter.

2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.058 percent.

Sec. 16. NRS 363C.390 is hereby amended to read as follows:

363C.390 1. The rail transportation business category (NAICS 482) includes all business entities primarily engaged in providing rail transportation of passengers or cargo, or both, using railroad rolling stock.



2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.331 percent.

Sec. 17. NRS 363C.400 is hereby amended to read as follows:

363C.400 1. The other transportation business category (NAICS 483, 485, 486, 487, 488, 491 and 492) includes all business entities primarily engaged in:

(a) Water transportation, including, without limitation, the transportation of passengers and cargo using watercraft;

(b) Transit and ground passenger transportation, including, without limitation, charter buses, school buses, interurban bus transportation, taxis and limousine services, street railroads, commuter rail and rapid transit;

(c) Pipeline transportation, including, without limitation, using transmission pipelines to transport products, such as crude oil, natural gas, refined petroleum products and slurry;

(d) Scenic and sightseeing transportation, including, without limitation, on land or the water, or in the air;

(e) Support activities for transportation, including, without limitation, air traffic control services, marine cargo handling, motor vehicle towing, railroad switching and terminals, and ship repair and maintenance not done in a shipyard, such as floating drydock services in a harbor;

(f) Postal services, including, without limitation, the activities of the United States Postal Service and its subcontractors operating under a universal service obligation to provide mail



services, deliver letters and small parcels, and rural post offices on contract to the United States Postal Service; and

(g) Courier and messenger services, including, without limitation, the provision of intercity, local or international delivery of parcels and documents without operating under a universal service obligation.

2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.129 percent.

Sec. 18. NRS 363C.410 is hereby amended to read as follows:

363C.410 1. The truck transportation business category (NAICS 484) includes all business entities primarily engaged in providing over-the-road transportation of cargo using motor vehicles, such as a truck and tractor trailer.

2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.202 percent.

Sec. 19. NRS 363C.420 is hereby amended to read as follows:

363C.420 1. The warehousing and storage business category (NAICS 493) includes all business entities primarily engaged in operating warehousing and storage facilities for general merchandise, refrigerated goods and other warehouse products.



2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.128 percent.

Sec. 20. NRS 363C.430 is hereby amended to read as follows:

363C.430 1. The publishing, software and data processing business category (NAICS 511, 512, 515 and 518) includes all business entities primarily engaged in:

(a) Publishing, except on the Internet, including, without limitation, the publishing of newspapers, magazines, other periodicals and books, as well as directory and mailing list and software publishing;

(b) Motion picture and sound recording, including, without limitation, the production and distribution of motion pictures and sound recordings;

(c) Broadcasting, except on the Internet, including, without limitation, creating content or acquiring the right to distribute content and subsequently broadcast the content; and

(d) Data processing, hosting and related services, including, without limitation, the provision of infrastructure for hosting and data processing services.

2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.253 percent.

Sec. 21. NRS 363C.440 is hereby amended to read as follows:

363C.440 1. The finance and insurance business category (NAICS 52) includes all business entities primarily engaged in financial transactions or in facilitating financial transactions.



2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.111 percent.

Sec. 22. NRS 363C.450 is hereby amended to read as follows:

363C.450 1. The real estate and rental and leasing business category (NAICS 53) includes all business entities primarily engaged in renting, leasing or otherwise allowing the use of tangible or intangible assets, providing related services, managing real estate for others, selling, renting or buying real estate for others, and appraising real estate.

2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.25 percent.

Sec. 23. NRS 363C.460 is hereby amended to read as follows:

363C.460 1. The professional, scientific and technical services business category (NAICS 54) includes all business entities primarily engaged in performing professional, scientific and technical activities for others.

2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.181 percent.

Sec. 24. NRS 363C.470 is hereby amended to read as follows:

363C.470 1. The management of companies and enterprises business category (NAICS 55) includes all business entities primarily engaged in:



(a) Holding the securities of, or other equity interests in, companies and enterprises for the purpose of owning a controlling interest or influencing management decisions; or

(b) Administering, overseeing and managing establishments of the company or enterprise and that normally undertake the strategic or organizational planning and decision-making role of the company or enterprise.

2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.137 percent.

Sec. 25. NRS 363C.480 is hereby amended to read as follows:

363C.480 1. The administrative and support services business category (NAICS 561) includes all business entities primarily engaged in activities that support the day-to-day operations of other organizations.

2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.154 percent.

Sec. 26. NRS 363C.490 is hereby amended to read as follows:

363C.490 1. The waste management and remediation services business category (NAICS 562) includes all business entities primarily engaged in the collection, treatment and disposal of waste materials.



2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.261 percent.

Sec. 27. NRS 363C.500 is hereby amended to read as follows:

363C.500 1. The educational services business category (NAICS 61) includes all businesses primarily engaged in providing instruction and training in a wide variety of subjects.

2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.281 percent.

Sec. 28. NRS 363C.510 is hereby amended to read as follows:

363C.510 1. The health care and social assistance business category (NAICS 62) includes all business entities primarily engaged in providing health care and social assistance for natural persons.

2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.190 percent.

Sec. 29. NRS 363C.520 is hereby amended to read as follows:

363C.520 1. The arts, entertainment and recreation business category (NAICS 71) includes all business entities primarily engaged in operating facilities or providing services to meet varied cultural, entertainment and recreational interests of their patrons.



2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.24 percent.

Sec. 30. NRS 363C.530 is hereby amended to read as follows:

363C.530 1. The accommodation business category (NAICS 721) includes all business entities primarily engaged in providing lodging or short-term accommodations for travelers, vacationers and others.

2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.2 percent.

Sec. 31. NRS 363C.540 is hereby amended to read as follows:

363C.540 1. The food services and drinking places business category (NAICS 722) includes all business entities primarily engaged in preparing meals, snacks and beverages to customer order for immediate on-premises and off-premises consumption.

2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.194 percent.

Sec. 32. NRS 363C.550 is hereby amended to read as follows:

363C.550 1. The other services business category (NAICS 81) includes all business entities primarily engaged in providing services not included in any of the business categories described in NRS 363C.310 to 363C.540, inclusive. Business entities in this category are primarily engaged



in activities such as repairing equipment and machinery, promoting or administering religious activities, grantmaking, advocacy, and providing dry cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services and dating services.

2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.142 percent.

Sec. 33. NRS 363C.560 is hereby amended to read as follows:

363C.560 1. The unclassified business category includes any business entity not included in any of the business categories established by NRS 363C.310 to 363C.550, inclusive.

2. The amount of the commerce tax for a business entity included in this category is the amount obtained by subtracting ~~[\$4,000,000]~~ *the revenue threshold* from the Nevada gross revenue of the business entity for the taxable year and multiplying that amount by 0.128 percent.

Sec. 34. This act becomes effective on July 1, 2025.

