

SENATE BILL NO. 200—SENATOR HANSEN

FEBRUARY 11, 2025

Referred to Committee on Revenue and
Economic Development

SUMMARY—Authorizes, under certain circumstances, the reimbursement of costs incurred by certain counties related to certain activities that are subject to the excise tax on live entertainment. (BDR 32-115)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; authorizing, under certain circumstances, the reimbursement of costs incurred by certain smaller counties related to certain activities provided by a tax-exempt organization or nonprofit corporation that are subject to the excise tax on live entertainment; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 With certain exceptions, existing law imposes an excise tax on admission to
2 certain areas or premises, whether indoor or outdoor, where live entertainment is
3 provided. (Chapter 368A of NRS) Under existing law, with certain exceptions, all
4 taxes, interest and penalties received from the tax on live entertainment are required
5 to be deposited in the State Treasury for credit to the State General Fund. (NRS
6 368A.220) Depending on the number of tickets that are offered for sale or other
7 distribution, the tax on live entertainment does not apply under existing law to
8 certain activities provided by a nonprofit religious, charitable, fraternal or other
9 organization that qualifies as a tax-exempt organization pursuant to certain federal
10 law or a nonprofit corporation organized or existing under certain state law. (NRS
11 368A.090, 368A.200)

12 If such a tax-exempt organization or nonprofit corporation provides an activity
13 that is taxable as live entertainment in a county whose population is less than 9,000
14 (currently Esmeralda, Eureka, Lander, Lincoln, Mineral, Pershing and Storey
15 Counties) and the number of tickets to the activity offered for sale or other
16 distribution is 15,000 or more, this bill, with certain exceptions, authorizes the
17 board of county commissioners of the county to submit an application to the
18 Department of Taxation for reimbursement of costs incurred by the county related



19 to the activity. This bill prohibits such a board of county commissioners from
20 requesting reimbursement for: (1) any costs related to the activity that were paid
21 for, or for which the county was reimbursed, by the tax-exempt organization or
22 nonprofit corporation; (2) indirect or incidental costs incurred by the county related
23 to the activity in an amount more than 20 percent of the total direct costs incurred
24 by the county related to the activity; and (3) more than \$750,000 in total direct,
25 indirect and incidental costs incurred by the county in a fiscal year related to
26 activities for which the county is authorized to apply for reimbursement of costs
27 under this bill. Finally, this bill: (1) requires the Executive Director of the
28 Department of Taxation to review any such application for completeness and
29 compliance with the requirements of this bill and to submit any complete and
30 compliant application to the Nevada Tax Commission for approval or denial; (2)
31 authorizes the payment of the amount of the reimbursement approved by the
32 Nevada Tax Commission to the applicable county from the State General Fund; and
33 (3) authorizes a board of county commissioners to appeal any denial of such an
34 application by the Nevada Tax Commission.

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

1 **Section 1.** Chapter 368A of NRS is hereby amended by
2 adding thereto a new section to read as follows:

3 *1. Except as otherwise provided in this section, if a nonprofit*
4 *religious, charitable, fraternal or other organization that qualifies*
5 *as a tax-exempt organization pursuant to 26 U.S.C. § 501(c), or a*
6 *nonprofit corporation organized or existing under the provisions*
7 *of chapter 82 of NRS, provides an activity that is taxable under*
8 *this chapter in a county whose population is less than 9,000 and*
9 *the number of tickets to the activity offered for sale or other*
10 *distribution is 15,000 or more, the board of county commissioners*
11 *of the county may submit an application to the Department for*
12 *reimbursement of costs that were incurred by the county related to*
13 *the activity.*

14 *2. Any application submitted by a board of county*
15 *commissioners pursuant to this section:*

16 *(a) Must be submitted to the Department, on a form prescribed*
17 *by the Department, not later than 90 days after the date on which*
18 *the activity concludes.*

19 *(b) Must include, without limitation:*

20 *(1) An itemized list of any direct costs incurred by the*
21 *county related to the activity for which the county is applying for*
22 *reimbursement;*

23 *(2) An itemized list of any costs related to the activity that*
24 *were paid for, or for which the county was reimbursed, by the tax-*
25 *exempt organization or nonprofit corporation that provided the*
26 *activity; and*

27 *(3) Any other information required by the Department.*



1 (c) *May include an itemized list of indirect or incidental costs*
2 *incurred by the county related to the activity for which the county*
3 *is applying for reimbursement.*

4 3. *A board of county commissioners shall not request*
5 *reimbursement pursuant to this section for:*

6 (a) *Any costs related to the activity that were paid for, or for*
7 *which the county was reimbursed, by the tax-exempt organization*
8 *or nonprofit corporation that provided the activity.*

9 (b) *Indirect or incidental costs incurred by the county related*
10 *to the activity in an amount that exceeds 20 percent of the total*
11 *direct costs incurred by the county related to the activity.*

12 (c) *More than \$750,000 in total direct, indirect and incidental*
13 *costs that were incurred by the county in any 1 fiscal year related*
14 *to activities for which the county is authorized to apply for*
15 *reimbursement of costs pursuant to this section.*

16 4. *The Executive Director shall review any application*
17 *submitted pursuant to this section to determine whether the*
18 *application is complete and complies with the requirements of this*
19 *section. If the Executive Director requests any additional*
20 *information relating to the application from the board of county*
21 *commissioners, the board of county commissioners must submit*
22 *such information not later than 15 days after the Executive*
23 *Director makes such a request.*

24 5. *If the Executive Director determines that an application*
25 *submitted pursuant to this section is complete and complies with*
26 *the requirements of this section, the Executive Director shall*
27 *submit the application to the Nevada Tax Commission for*
28 *approval or denial. If the Nevada Tax Commission:*

29 (a) *Approves the application, the State Controller shall*
30 *transfer the amount of the reimbursement approved by the Nevada*
31 *Tax Commission from the State General Fund to the county*
32 *treasurer of the county that submitted the application for deposit*
33 *in the county general fund.*

34 (b) *Denies the application, the board of county commissioners*
35 *that submitted the application may appeal the denial, in writing, to*
36 *the Nevada Tax Commission within 30 days after the denial of the*
37 *application. The board of county commissioners may not appeal*
38 *the denial of an application pursuant to this paragraph more than*
39 *once.*



