

TAX POLICY

BACKGROUND

With regard to tax policy, the 2005 Legislature focused primarily on providing property tax relief and considering changes to the new taxes approved during the 20th Special Session (July 2003). Prior to the 2005 Legislative Session, reports were made about the potential for significant increases in property values in different areas of the state. The 2005 Legislature made providing relief from the anticipated record increases in property taxes an early priority of the Session. The Legislature determined that legislation was needed to be passed by the end of March 2005 to allow county assessors and treasurers an opportunity to implement property tax relief and allow local government entities to incorporate the projected impacts of property tax relief into their FY 2005-06 budgets.

The Senate Taxation and Assembly Growth and Infrastructure Committees held several joint meetings during the first two months of the session to: gather information on the state's property tax system regarding assessment and tax rates; obtain an understanding of the economic and demographic factors driving the record growth in property values; and consider alternative solutions for providing tax relief to the property owners in the state. On the 54th day of the Legislative Session (April 1, 2005), the Senate and Assembly approved A.B. 489, which provides tax relief for property owners in the form of partial abatements from the FY 2005-06 property tax bills mailed in July 2005. On June 1, 2005, the Legislature approved S.B. 509, which made technical corrections to and provided for the administration of the provisions of A.B. 489.

The partial abatements limit the amount a property owner's tax bill may increase from year to year. For single-family owner-occupied homes, and qualifying residential rental dwelling units, the property tax bill cannot increase by more than three percent per year. For the owners of all other types of property, the property tax bill in each county cannot increase by more than eight percent, the 10-year average growth in assessed value, or two times the rate of inflation, as determined by a two-part formula. The Property Tax Relief section, beginning on the next page, provides additional information regarding the provisions of the property tax relief plan established in A.B. 489 and S.B. 509.

The 2005 Legislature also approved several technical and policy changes to the tax plan approved by the 72nd Regular and 20th Special Session. Many of the changes were recommended by the Interim Legislative Committee on Taxation, Public Revenue and Tax Policy created by S.B. 8 of the 20th Special Session to review and study the tax changes approved during the 20th Special Session. Additional proposals were considered by the Senate Taxation and Assembly Commerce and Labor Committees regarding modifications to the structure and rate of various taxes, principally the Business License Fee (BLF), Modified Business Tax on General Business and Financial

Institutions (MBT), and the Live Entertainment Tax (LET). Assembly Bill 554, S.B. 391, S.B. 523 and S.B. 3 (22nd Special Session) are the four major bills implementing legislatively-approved changes to the BLF, MBT, and LET and the provisions of these bills are summarized in the Bills Regarding State Revenues and Taxes section, beginning on the next page.

PROPERTY TAX RELIEF

Assembly Bill 489 and Senate Bill 509 were approved during the 2005 Legislative Session to provide property tax relief to both residential and non-residential property owners in the state. The two bills jointly establish the provisions for providing the partial abatement of property taxes and provide for mechanisms to distribute the reduced property tax revenue to government entities.

Subsection 10 of Section 1 of Article 10 of the Nevada Constitution authorizes the Legislature to provide by law for an abatement of the tax upon, or an exemption of, part of the assessed value of a single-family residence occupied by the owner to the extent necessary to avoid a severe economic hardship to the owner of the residence. The 2005 Legislature declared that an increase of more than three percent in the property tax bill of a single-family owner-occupied residence in a given year constitutes a severe economic hardship. Assembly Bill 489 establishes a partial abatement such that property taxes cannot increase by more than three percent from last year's tax levy for owners of a single-family residence that is the primary residence of the owner. An owner of a single-family residence is still eligible for the partial abatement if a home business is operated out of a portion of the residence or the title has been placed in trust for the purpose of estate planning. The primary residence of the owner is defined to be the residence designated as the primary residence of the owner, exclusive of any other residence of the owner in the state, and is not rented or leased for exclusive occupancy by any person other than the owner of the residence and members of the family of the owner of the residence.

Subsection 8 of Section 1 of Article 10 of the Nevada Constitution provides that the Legislature may exempt from taxation, property used for certain charitable purposes. The 2005 Legislature declared that a charitable exemption should be provided to owners of residential rental dwellings qualifying as low-income housing under the standards established by the U.S. Department of Housing and Urban Development. To qualify for this partial abatement, the amount of rent collected from each tenant of the residential rental dwelling cannot exceed the fair market rent for the county in which the dwelling is located, as published by the U.S. Department of Housing and Urban Development. The charitable exemption is provided in the form of a partial abatement of property taxes and provides for the same annual three percent cap on the increase in taxes provided to owners of single-family residences. The partial abatement provided to qualifying residential rental dwellings does not apply to hotels, motels, or other forms of transient lodging.

The Legislature provided a separate partial abatement from property taxes for all other property not qualifying as a single-family owner-occupied primary residence or meeting the requirements established for low-income rental dwelling units. The maximum percentage increase in property taxes allowed in each county is determined by a two-part formula. The first part is the lesser of: 1) the average percentage change in the assessed value of all taxable property in the county over the past 10 years (the fiscal year in which the levy is made and the nine immediately preceding fiscal years as determined by the Department of Taxation); or 2) eight percent. The second part is determined by establishing twice the percent change in the Consumer Price Index (U.S. city average, all items, all urban consumers) for the prior calendar year. The partial abatement provided in the form of a limit on the increase in property taxes from the prior year is the greater of the percentages calculated from the first and second parts of the formula.

The partial abatements provided in A.B. 489 do not apply to property for which no assessed valuation was separately established for the preceding fiscal year. The partial abatements are not available to property value in its first year of existence on the tax roll, such as new improvements or enhancements to existing improvements. The partial abatements also do not apply to property for which there is a change in the authorized use. Land is valued at full cash value and improvements are valued at replacement cost when first added to the tax roll as new property value.

Assembly Bill 489 provides that if a legislative act becomes effective after April 6, 2005, which requires a local government entity to levy a new property tax or to increase the rate of an existing assessment, the amount of the new tax or increase in an existing tax is exempt from each of the partial abatements provided in A.B. 489.

The bill establishes an interim committee of six legislators to be equally appointed by the Senate Majority Leader and Speaker of the Assembly. The committee is charged with studying the state's property tax laws and factors contributing to the level of taxes paid by property owners and determine if the laws can be amended to ease property tax burdens in a fair and equitable fashion. The committee is required to submit a report, along with any recommendations for legislation, to the 74th Session of the Legislature.

BILLS REGARDING STATE REVENUES AND TAXES

Assembly Bill 338 makes various changes to the licensing, regulation, and taxation of insurance, including the following related to taxes and fees:

- A risk retention group, chartered in a state other than Nevada and registered in Nevada pursuant to statute, shall pay the insurance premium tax at a rate of two percent.
- The initial and annual registration fee for risk retention groups is lowered to \$250 from \$2,450.
- A producer of insurance acting as a viatical settlement broker shall pay a registration fee of \$250.

- The maximum aggregated tax paid by a captive insurer for net direct premiums and revenue from assumed reinsurance premiums cannot exceed \$175,000 for any year.

Assembly Bill 554 makes changes to various provisions governing taxation of events or transactions, primarily regarding live entertainment and the sales and use tax. The following summarizes the major provisions of the bill:

- For the purposes of the Modified Business Tax on General Business, an employer does not include any person who does not supply a product or service, but who only consumes a service.
- For purposes of the Live Entertainment Tax (LET), statutory definitions are established for casual assemblage, shopping mall, and a trade show.
- The term “admission charge” is clarified to include an entertainment fee, a cover charge, a table reservation fee, or a required minimum purchase of food, refreshments, or merchandise.
- Events or activities defined to be or not to be live entertainment in the regulations adopted by the Nevada Tax Commission and Nevada Gaming Commission are put in statute.
- Specific exemptions from the LET, not included in the regulations, are provided for the following: 1) live entertainment that is incidental to an amusement ride, a motion simulator, or a similar digital, electronic, mechanical or electromechanical device; 2) live entertainment provided to the public in an outdoor area, where there is no admission charge or requirement to purchase food, refreshments, or merchandise; 3) an outdoor concert unless provided on the premises of a licensed gaming establishment; 4) race events that are part of the National Association for Stock Car Auto Racing Nextel Cup Series and all races associated with such an event, effective July 1, 2007; and 5) live entertainment provided in a restaurant which is incidental to any other activities conducted in the restaurant or serves as ambience as long as there is no admission charge.
- Clarifies that live entertainment provided by or for the benefit of a non-profit entity filed with the Secretary of State under NRS Chapter 82 is exempt from the LET.
- The maximum occupancy threshold to determine whether a liability for the LET exists was lowered from 300 to 200.
- For the purposes of the real property transfer tax, the bill clarifies the exemption provided to transfers between family members must be related within the first degree of lineal consanguinity or affinity.
- Provides for the submission to the voters a question of whether the Sales and Use Tax Act of 1955 should be amended to include an exemption from the state sales tax for certain farm equipment and the trade-in value of a vehicle. If the ballot question fails, the provisions of the bill provide for the discontinuation, effective December 31, 2006, of the current exemption from the local sales taxes for the trade-in value of a motor vehicle. The current exemption provided from the local sales tax for certain farm equipment is extended from June 30, 2005, to December 31, 2005, and if the question is approved by voters, becomes effective again January 1, 2007.

Senate Bill 3 (22nd Special Session) makes various technical and policy changes related to selected tax measures approved in Senate Bill 8 (20th Special Session) based on recommendations of the Interim Legislative Committee on Taxation, Public Revenue and Tax Policy. The following major provisions are implemented in S.B. 3:

- The bill makes the Taxpayers' Bill of Rights applicable to the insurance premium tax, short-term car rental tax and the fuel taxes administered by the Department of Motor Vehicles. The dissemination requirements for the Taxpayers' Bill of Rights were changed by eliminating the provision requiring a pamphlet be distributed to each taxpayer and requiring the pamphlet be made available on the websites and at the offices of the Department of Taxation, the Department of Motor Vehicles, and at public libraries.
- The major provisions of the bill affecting the Business License Fee (BLF) include: 1) allowing common anniversary dates for taxpayers with multiple businesses to submit a \$100 annual renewal fee; 2) specifying that a natural person is required to obtain only one business license for multiple business activities; 3) providing that a person or governmental entity that operates a facility at which craft shows, exhibitions, trade shows, conventions or sporting events are held is responsible for the payment of the BLF for those persons who do not have a business license and that the entity operating the facility where the event is held can pay the fee as an annual flat fee of \$5,000 or on a per-show or event basis using a per-business formula; 4) providing an exemption for a person who derives rental income from four or fewer dwelling units; and 5) requiring that a business or natural person must perform a service or engage in a trade for profit to be subject to the requirements to obtain a business license.
- The major provisions of the bill affecting the Modified Business Tax (MBT) include: 1) requiring that an entity must be conducting an activity for profit subject to the MBT; 2) placing in statute regulations developed by the Nevada Tax Commission regarding definitions of claims, direct administrative costs, employees, and health benefits for implementing the healthcare deduction.
- An exemption from the branch bank excise tax is provided for one branch office maintained by a bank in each county, replacing the previous exemption of only one branch office per bank.
- The major provisions of the bill affecting the Live Entertainment Tax (LET) include: 1) clarifying that the tax is based on maximum occupancy of the facility, not maximum seating capacity; 2) providing an exemption for food and product demonstrations conducted at shopping malls, craft shows, membership stores, and similar facilities; and 3) clarifying the exemption provided to nonprofit organizations.
- The bill establishes a salary of \$27,500 for the Chairperson of the Nevada Tax Commission and \$20,000 for each of the other seven members of the commission.

Senate Bill 357 creates the Advisory Committee on Problem Gambling and establishes the Revolving Account to Support Programs for the Prevention and Treatment of Problem Gambling. The Gaming Commission is required to deposit quarterly into the account an amount equal to \$1 in FY 2005-06 and \$2 in FY 2006-07 for each slot machine subject to the quarterly restricted and nonrestricted license fees. The required transfer of quarterly slot machine license fees expires on June 30, 2007.

Senate Bill 391 replaces the previous language for defining financial institutions for the Modified Business Tax on Financial Institutions (NRS Chapter 363A) based on the North American Industrial Classification System (NAICS) definitions with language based upon the licensing, registration, or other state or federal requirements for doing business as a financial institution. Collection agencies and pawn shops are excluded as financial institutions for the purpose of the tax on financial institutions and are taxed as a business under the tax on general business. Entities that are issuers of credit cards or a service provider for an entity issuing credit cards are defined to be a financial institution, but a seller of goods or services who issues a credit card for purposes of providing or extending credit only in connection with the goods or services provided are not deemed to be financial institutions.

Senate Bill 444 requires the Gaming Commission to adopt regulations authorizing a gaming licensee to charge a fee for admission, with the approval of the Chairman of the Gaming Control Board, to an area in which gaming is conducted in accordance with the provisions of this bill.

Senate Bill 523 reduces the Modified Business Tax on General Businesses from 0.65 percent to 0.63 percent of wages paid during a calendar quarter less allowable health care expenses, effective from July 1, 2005, to June 30, 2007.

BILLS REGARDING TECHNICAL AND ADMINISTRATIVE CHANGES

Assembly Bill 67 authorizes the Department of Taxation to suspend or revoke a business license for failure to comply with the laws and regulations regarding the issuance of business licenses.

Assembly Bill 365 increases from \$200,000 to \$350,000 the amount of equity in property protected under the homestead exemption.

Assembly Bill 392 requires the Nevada Tax Commission to adopt general and uniform regulations governing the assessment of property by county assessors, county boards of equalization, the State Board of Equalization, and the Department of Taxation. The regulations must include standards for the appraisal and reappraisal of land that are used by county assessors to determine taxable value. County boards of equalization must comply with any applicable regulations adopted by the Nevada Tax Commission.

Assembly Bill 436 revises provisions under which tobacco manufacturers not participating in the Master Settlement Agreement (MSA) must contribute to an escrow account and establishes procedures to certify compliance with the MSA provisions established in statute.

Assembly Bill 464 makes various changes regarding the sales, delivery and taxation of cigarettes and revises the duties, rights and licensing requirements of manufacturers, wholesale dealers and retail dealers of cigarettes.

Assembly Bill 570 eliminates the allodial title program established during the 1997 Legislative Session. Existing allodial titles are still valid as long as the homeowner continues to own the residence and cannot be transferred or reestablished.

Senate Bill 15 authorizes the Nevada Tax Commission to enter into a compromise with a taxpayer over a liability the Department of Taxation has determined the taxpayer is required to pay. The Commission may accept an amount less than the liability as full satisfaction of the liability if it is unlikely the full amount will be collected; the amount of the liability of the taxpayer is unclear; or a compromise of the liability is appropriate based upon considerations of equity and fairness.

Senate Bill 233 authorizes a grocery store to serve samples of alcoholic beverages on the premises to a person of legal age. The bill also authorizes the operation of an instructional winemaking facility if a license is obtained from the Department of Taxation.

Senate Bill 358 requires that any ad valorem taxes or special assessments imposed upon any real property within a common-interest community must be assessed on the community units and not upon the common-interest community as a whole and must not be assessed on any common elements of the common-interest community. Each community unit must be assessed separately for the ad valorem taxes and special assessments. A property tax lien applies only to the community unit and not to any other portion of the common-interest community.

Senate Bill 394 makes technical changes to the assessment of real and personal property and the collection of property taxes, including:

- Clarification of certain provisions concerning the inflation adjustment for the partial exemptions from property tax assessment provided to surviving spouses, blind persons, veterans, disabled veterans and veteran's organizations.
- Changes related to appeals to the county boards of equalization, payments of taxes under protest and determinations of taxes on personal property as uncollectible.
- Water rights are deemed to be attributes of real property and must be considered in valuing the property during assessment.
- The county assessor may reopen the tax roll to correct assessments because of clerical, typographical or mathematical error or correct over assessments because of factual error in age, use or zoning, or legal or physical restrictions on use.

- A county board of equalization may not reduce the county assessor's assessment unless it is established by a preponderance of the evidence that the valuation exceeds the full cash value of the property or is inequitable.
- All real and personal property of the Nevada Heritage Association and the Habitat for Humanity is exempt from the property tax.
- Establishes a two percent commission, effective until June 30, 2007, on taxes collected from personal property and the assessed value attributable to the net proceeds of mines to be used by county assessors for the acquisition and improvement of technology in their offices.
- The use of real property and the improvements on that real property as a golf course is deemed to be an open-space use of the land. The land belonging to a golf course must not exceed a taxable value of \$2,860 per acre adjusted for inflation each year relative to the July 1, 2004, base period. The Nevada Tax Commission shall establish a manual for determining the value of improvements to a golf course including factors for obsolescence based upon the actual number of rounds played relative to the number of rounds that could have been played under optimum conditions.
- If real property receiving an agricultural or open-space use assessment is sold or transferred making it exempt from property taxes, any liens for deferred property taxes must be paid in full before the transfer of ownership, if the property is converted to another use, unless the property is transferred to the Nevada System of Higher Education, a school district, or another local government entity.
- Increases the limit on the assessed value of a home to \$200,000 from \$87,500 for the purpose of determining eligibility for the senior citizen's property tax rebate program.

Senate Bill 481 eliminates the \$130,000 limit on the amount of revenue that can be transferred from the Account for Taxes on Aviation Fuel (Account) to the Civil Air Patrol Account (CAPA). The total amount remaining in the Account, after the required distribution of the optional aviation fuel tax to the local government entity as specified in statute, must be transferred to the CAPA. The bill authorizes the use of money in the CAPA to carry out homeland defense and narcotics interdiction missions and eliminates the restriction on the use of money to pay for fuel for vehicles and aircraft used in the official mission of the United States Air Force.

Senate Bill 483 provides that a responsible person who fails to collect or pay any tax or fee to the Department of Taxation or attempts to evade the payment of any tax or fee is jointly and severally liable with any other person who is required to pay such a tax or fee for the tax or fee plus interest and all applicable penalties.

Senate Bill 515 revises various provisions governing sales and use taxes to provide clarification and consistency and to carry out the Streamlined Sales and Use Tax Agreement.

BILLS REGARDING EXEMPTIONS, ABATEMENTS AND POSTPONEMENTS

Assembly Bill 145 clarifies that if a veteran or surviving spouse of a veteran submits documentation indicating a percentage of permanent service-connected disability for more than one permanent service-connected disability, the property tax exemption allowed by statute for disabled veterans must be based on the total combined disability percentage, not to exceed 100 percent.

Assembly Bill 580 exempts certain members of the Nevada National Guard and their relatives from the state and local sales and use tax under the exemption provided in statute to the state of Nevada, its unincorporated agencies and instrumentalities.

Senate Bill 64 exempts from the real property transfer tax a conveyance of real property by deed to a grantee which becomes effective upon the death of the owner of the property.

Senate Bill 299 allows a person intending to locate a business in certain defined areas to submit a request to a local government for endorsement of an application to the Commission on Economic Development for a partial abatement of sales and use taxes and property taxes. A defined area includes a historically underutilized business zone, redevelopment area, area eligible for a community development block grant, or an enterprise community established pursuant to federal law. This bill also provides for a request for partial tax abatements for the location or expansion of a grocery store within the Southern Nevada Enterprise Community.

Senate Bill 321 requires the Department of Taxation to extend the sales and use tax exemption to nonprofit organizations formed for religious, charitable, or educational purposes to include any type of motor vehicle transferred for use, whether by sale or lease, by the nonprofit organization. The exemption applies whether title to the vehicle passes to the nonprofit organization at any time during the use of the vehicle.

Senate Bill 339 provides that the average hourly wage requirement to be paid by a new or expanding business applying for a partial abatement of sales and property taxes in a county whose population is less than 100,000 or a city whose population is less than 60,000 may be the lesser of the average statewide hourly wage or the average countywide hourly wage. The Employment Security Division of the Department of Employment, Training, and Rehabilitation must determine the average hourly wage in the state and each county for nonmanagerial employees and establish a method to determine the average hourly wage for nonmanagerial employees from wages for managerial and administrative employees. This information, including recommendations concerning the average hourly wage required to be paid to managerial and nonmanagerial employees to be eligible for the tax abatements, must be presented in a report to the 74th Session of the Legislature.

Effective July 1, 2009, the bill eliminates the requirement that a partial abatement approved by the Commission on Economic Development for a facility for the generation of electricity from renewable energy or a facility for the production of an energy storage device must be for a duration of 10 years and equal to 50 percent of the taxes on real and personal property payable by the facility each year.

Senate Bill 398 extends the expiration date to December 31, 2005, from June 30, 2005, for the sales and use tax exemption for: 1) products or systems that use renewable energy to generate electricity; 2) solar thermal energy system that reduces the consumption of electricity or any fossil fuel; and 3) solar lighting system that reduces consumption of electricity or any fossil fuel. The exemption applies to the Local School Support Tax, Basic and Supplemental City-County Relief Taxes and local option sales and use taxes, but does not apply to the state two percent rate.

BILLS REGARDING LOCAL GOVERNMENT TAXES AND REVENUES

Assembly Bill 393 authorizes a county, under certain circumstances, to sell tax liens against parcels of real property located in the county upon which the property taxes are delinquent.

Assembly Bill 418 authorizes the Clark County Board of County Commissioners to increase the sales and use tax up to one-half of one percent to employ and equip additional police officers for the Boulder City, Henderson, Las Vegas Metropolitan, Mesquite, and North Las Vegas police departments. A rate of one-quarter of one percent may first be imposed on October 1, 2005. The rate may be increased up to an additional one-quarter of one percent on or after October 1, 2009, if the Legislature approves the increase.

Assembly Bill 547 revises the intra-county (2nd tier) distribution formula for the 2.35-cent portion of the 3.6-cent-per-gallon motor vehicle fuel tax. The previous criterion in the formula based on road and street mileage and vehicle miles of travel from nonfederal aid primary road measure is changed to one based on improved roads and streets maintained by the county or incorporated city in the county. A hold harmless provision is included to ensure that local governments will not receive less from the amended intra-county distribution formula than the local government received in FY 2004-05.

Senate Bill 35 changes the tax imposed on the transfer of groundwater to another county or state and increases the fee from \$6 per acre-foot to a fee of \$10 per acre-foot.

Senate Bill 38 provides an additional method for determining the excess amount to be distributed from the consolidated tax distribution for counties in which: 1) the average assessed valuation of property attributable to net proceeds of minerals over the past five years is at least \$50 million; 2) the average percentage change in population over the past five years is negative; or 3) both. The one-plus formula must be used to calculate the distribution factor based on average growth in population and assessed value for the local government entities in an applicable county.

Senate Bill 169 expands the purposes for which money in the infrastructure fund generated from a sales and use tax imposed by ordinance in a county whose population is less than 100,000 may be used to include operating and maintaining projects for the management of flood plains, the prevention of floods, or solid waste disposal facilities. Existing statute allows the use of funds for acquisition, establishment, construction and expansion, but not operation and maintenance of these types of projects and facilities. The bill also authorizes expenditure of infrastructure funds for the construction and renovation of facilities having cultural or historical value.

Senate Bill 170 authorizes the board of county commissioners of a county whose population is less than 100,000 to impose by ordinance a local sales and use tax rate of not more than one-quarter of one percent to acquire, construct, equip, or operate libraries, parks, recreational programs and facilities, facilities and services for senior citizens, and to preserve and protect agriculture, or any combination of these activities. The bill authorizes the issuance of bonds for the same purpose the local tax is imposed and the pledge of tax receipts to secure the bonds.

Senate Bill 181 expands the counties authorized to impose additional motor vehicle fuel excise taxes to include any county with a population of less than 400,000 (currently all counties except Clark). Before an applicable county may impose an additional fuel excise tax, a majority of the voters must approve the imposition of the additional tax and the county must either impose the optional tax authorized by statute at the maximum rate (9 cents per gallon) or submit to the voters the question of whether to impose the statutorily-authorized rate at the maximum level. An additional fuel tax approved in a county with a population of less than 100,000 expires unless a majority of the voters reapprove the additional tax every eight years.

Senate Bill 306 establishes statutory provisions to be known as the Tourism Improvement District Law, which authorizes the governing body of a municipality to create, by ordinance, a tourism improvement district to acquire, develop, and maintain an economic and tourism development project within the established district. An amount not to exceed 75 percent of the state and local sales tax revenues generated in the tourism improvement district may be pledged to finance a project.

Senate Bill 389 authorizes a governing body of a municipality to designate a tax increment area comprising a specially benefited zone within the municipality designated for purposes of creating a special account for the payment of bonds issued to defray the cost of an allowable undertaking.

Senate Bill 390 makes several changes concerning the real property transfer tax, including:

- A county recorder who has a question of law regarding the imposition or collection of the real property transfer tax must request an opinion from the district attorney. A district attorney is required to request an opinion on the county recorder's question from the Attorney General if there is a conflict between the opinions of two or more district attorneys or the district attorney chooses not to render an opinion or will not be able to render an opinion within a reasonable time.
- If based on an Attorney General's opinion, the amount of taxes received by a county recorder differs from the amount required by law, the county recorder will notify the taxpayer.
- The county recorder of every county is allowed to withhold one percent of the proceeds generated from the state's portion of the real property transfer tax to reimburse the county for the cost of collecting the state portion. Previously, Clark and Washoe counties were allowed to collect a commission of 0.2 percent while all other counties retained one percent.
- The definition of "deed" is amended as it relates to the real property transfer tax to exclude a distribution of the separate property of a decedent pursuant to Chapter 134 of NRS and a conveyance of an interest in gas, oil, and minerals.
- Clarifies the exemption from the tax for spouses and relatives to exempt transfers or conveyances of real property if the owner is related to the person to whom it is conveyed within the first degree of lineal consanguinity or affinity.
- A county recorder cannot charge a fee for recording the declaration of value required when a deed transferring the title of real property is recorded.