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ASSEMBLY BILL NO. 281—ASSEMBLYMEN KRAMER,  
TITUS; ELLISON AND MARCHANT

MARCH 13, 2017

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JOINT SPONSORS: SENATORS GUSTAVSON, ROBERSON AND HARRIS

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Referred to Committee on Taxation

SUMMARY—Revises provisions governing the filing of a commerce tax return. (BDR 32-922)

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.

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AN ACT relating to taxation; removing the requirement for certain business entities to file a commerce tax return with the Department of Taxation; requiring a person to include with an application for the renewal of a state business registration certain information concerning the applicability of the commerce tax imposed on the Nevada gross revenue of certain business entities; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law imposes an annual commerce tax on each business entity engaged  
2 in business in this State whose Nevada gross revenue in a fiscal year exceeds  
3 \$4,000,000 at a rate that is based on the industry in which the business entity is  
4 primarily engaged. (NRS 363C.200) Under existing law and regulations, a business  
5 entity whose Nevada gross revenue for a fiscal year is \$4,000,000 or less must file  
6 an informational return with the Department of Taxation that includes an  
7 identification of the industry in which the business entity is primarily engaged and  
8 an affirmation under penalty of perjury that the Nevada gross revenue of the  
9 business entity for the fiscal year was less than \$4,000,000. (NRS 363C.200;  
10 section 17 of Adopted Reg. of Nevada Tax Comm’n, LCB File. No. 123-15)  
11 **Section 1** of this bill provides that a business entity whose Nevada gross revenue  
12 for a fiscal year is \$4,000,000 or less is not required to file a commerce tax return  
13 with the Department. Instead of filing such a return, **section 2** of this bill requires a  
14 business to include with the application for the renewal of its state business  
15 registration filed with the Secretary of State a declaration under penalty of perjury  
16 as to whether the applicant was exempt from the tax for the preceding taxable year



\* A B 2 8 1 \*

17 and, if the applicant is not exempt, a declaration under penalty of perjury as to  
18 whether the Nevada gross revenue of the applicant for the preceding taxable year  
19 exceeded \$4,000,000.

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

1 **Section 1.** NRS 363C.200 is hereby amended to read as  
2 follows:

3 363C.200 1. For the privilege of engaging in a business in  
4 this State, a commerce tax is hereby imposed upon each business  
5 entity whose Nevada gross revenue in a taxable year exceeds  
6 \$4,000,000 in an amount determined pursuant to NRS 363C.300 to  
7 363C.560, inclusive. The commerce tax is due and payable as  
8 provided in this section.

9 2. Each business entity ~~engaging in a business in this State~~  
10 ~~during~~ whose Nevada gross revenue in a taxable year exceeds  
11 \$4,000,000 shall, on or before the 45th day immediately following  
12 the end of that taxable year, file with the Department a ~~report~~  
13 return on a form prescribed by the Department. *The Department*  
14 *shall not require a business entity whose Nevada gross revenue for*  
15 *a taxable year is \$4,000,000 or less to file a return for that taxable*  
16 *year.* The ~~report~~ return required by this subsection must include  
17 such information as is required by the Department.

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

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



1 until the date of payment, unless otherwise provided in NRS  
2 360.232 or 360.320.

3 **Sec. 2.** NRS 76.130 is hereby amended to read as follows:

4 76.130 1. Except as otherwise provided in subsection 2, a  
5 person who applies for renewal of a state business registration shall  
6 submit a fee in the amount of \$200 to the Secretary of State:

7 (a) If the person is an entity required to file an annual list with  
8 the Secretary of State pursuant to this title, at the time the person  
9 submits the annual list to the Secretary of State, unless the person  
10 submits a certificate or other form evidencing the dissolution of the  
11 entity; or

12 (b) If the person is not an entity required to file an annual list  
13 with the Secretary of State pursuant to this title, on the last day of  
14 the month in which the anniversary date of issuance of the state  
15 business registration occurs in each year, unless the person submits  
16 a written statement to the Secretary of State, at least 10 days before  
17 that date, indicating that the person will not be conducting a  
18 business in this State after that date.

19 2. If the person applying for the renewal of a state business  
20 registration pursuant to subsection 1 is a corporation organized  
21 pursuant to chapter 78, 78A or 78B of NRS, or a foreign corporation  
22 required to file an initial or annual list with the Secretary of State  
23 pursuant to chapter 80 of NRS, the fee for the renewal of a state  
24 business registration is \$500.

25 3. *A person applying for the renewal of a state business  
26 registration shall include on the application for the renewal of the  
27 state business registration a declaration under penalty of perjury  
28 by the natural person signing the application as to:*

29 (a) *Whether the applicant was exempt from the commerce tax  
30 for the taxable year immediately preceding the taxable year in  
31 which the application is filed; and*

32 (b) *If the applicant was not exempt from the commerce tax,  
33 whether the Nevada gross revenue of the applicant for the taxable  
34 year immediately preceding the taxable year in which the  
35 application is filed exceeded \$4,000,000.*

36 *Nothing in this subsection limits or otherwise affects any  
37 requirement imposed pursuant to NRS 363C.200.*

38 4. The Secretary of State shall, 90 days before the last day for  
39 filing an application for renewal of the state business registration of  
40 a person who holds a state business registration, provide to the  
41 person a notice of the state business registration fee due pursuant to  
42 this section and a reminder to file the application for renewal  
43 required pursuant to this section. Failure of any person to receive a  
44 notice does not excuse the person from the penalty imposed by law.



1 ~~14~~ 5. If a person fails to submit the annual state business  
2 registration fee required pursuant to this section in a timely manner  
3 and the person is:

4 (a) An entity required to file an annual list with the Secretary of  
5 State pursuant to this title, the person:

6 (1) Shall pay a penalty of \$100 in addition to the annual state  
7 business registration fee;

8 (2) Shall be deemed to have not complied with the  
9 requirement to file an annual list with the Secretary of State; and

10 (3) Is subject to all applicable provisions relating to the  
11 failure to file an annual list, including, without limitation, the  
12 provisions governing default and revocation of its charter or right to  
13 transact business in this State, except that the person is required to  
14 pay the penalty set forth in subparagraph (1).

15 (b) Not an entity required to file an annual list with the Secretary  
16 of State, the person shall pay a penalty in the amount of \$100 in  
17 addition to the annual state business registration fee. The Secretary  
18 of State shall provide to the person a written notice that:

19 (1) Must include a statement indicating the amount of the  
20 fees and penalties required pursuant to this section and the costs  
21 remaining unpaid.

22 (2) May be provided electronically, if the person has  
23 requested to receive communications by electronic transmission, by  
24 electronic mail or other electronic communication.

25 ~~15~~ 6. A person who continues to do business in this State  
26 without renewing the person's state business registration before its  
27 renewal date is subject to the fees and penalties provided for in this  
28 section unless the person files a certificate of cancellation of the  
29 person's state business registration with the Secretary of State.

30 ~~16~~ 7. The Secretary of State shall waive the annual state  
31 business registration fee and any related penalty imposed on a  
32 natural person or partnership if the natural person or partnership  
33 provides evidence satisfactory to the Secretary of State that the  
34 natural person or partnership conducted no business in this State  
35 during the period for which the fees and penalties would be waived.

36 8. *As used in this section:*

37 (a) *"Commerce tax" means the commerce tax imposed*  
38 *pursuant to chapter 363C of NRS.*

39 (b) *"Nevada gross revenue" has the meaning ascribed to it in*  
40 *NRS 363C.055.*

41 (c) *"Taxable year" has the meaning ascribed to it in*  
42 *NRS 363C.080.*

43 **Sec. 3.** This act becomes effective on July 1, 2017.

