

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

MARCH 13, 2017

JOINT SPONSORS: SENATORS GUSTAVSON, ROBERSON AND HARRIS

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.

AN ACT relating to taxation; removing the requirement for certain
business entities to file a commerce tax return with the
Department of Taxation; authorizing the Department to
require a business entity to file a declaration under
penalty of perjury that the commerce tax does not apply to
the business entity; 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. R123-15) This
11 bill provides that a business entity whose Nevada gross revenue for a fiscal year is
12 \$4,000,000 or less is not required to file a commerce tax return with the
13 Department. Instead of filing such a return, this bill authorizes the Department to
14 require such a business entity to file a declaration under penalty of perjury that the
15 Nevada gross revenue of the business entity for the preceding taxable year did not
16 exceed \$4,000,000. Under this bill, such a declaration must be filed: (1) at the time



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17 that the business entity renews its state business license; or (2) on or before the 45th
18 day immediately following the end of the taxable year.

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. *The Department may require a business entity whose*
19 *Nevada gross revenue for a taxable year is \$4,000,000 or less to*
20 *file a declaration under penalty of perjury by the natural person*
21 *signing the declaration that the Nevada gross revenue of the*
22 *business entity for the taxable year did not exceed \$4,000,000. If*
23 *the Department requires the filing of such a declaration, the*
24 *business entity must file the declaration either:*

25 (a) *At the time that the business entity renews its state business*
26 *license pursuant to NRS 76.130; or*

27 (b) *On or before the 45th day immediately following the end of*
28 *the taxable year for which the declaration is made.*

29 4. For the purposes of determining the amount of the
30 commerce tax due pursuant to this chapter, the initial ~~report~~ *return*
31 filed by a business entity with the Department pursuant to
32 subsection 2 must designate the business category in which the
33 business entity is primarily engaged. A business entity may not
34 change the business category designated for that business entity
35 unless the person applies to the Department to change such
36 designation and the Department determines that the business is no
37 longer primarily engaged in the designated business category.

38 ~~4.~~ 5. A business entity shall remit with the return the amount
39 of commerce tax due pursuant to subsection 1. Upon written



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1 application made before the date on which payment of the
2 commerce tax due pursuant to this chapter must be made, the
3 Department may for good cause extend by not more than 30 days
4 the time within which a business entity is required to pay the
5 commerce tax. If the commerce tax is paid during the period of
6 extension, no penalty or late charge may be imposed for failure to
7 pay the commerce tax at the time required, but the business entity
8 shall pay interest at the rate of 0.75 percent per month from the date
9 on which the amount would have been due without the extension
10 until the date of payment, unless otherwise provided in NRS
11 360.232 or 360.320.

12 **Sec. 2.** (Deleted by amendment.)

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

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