
ASSEMBLY BILL NO. 300—ASSEMBLYMAN LEAVITT

MARCH 16, 2021

JOINT SPONSOR: SENATOR HARDY

Referred to Committee on Revenue

SUMMARY—Establishes a credit against the modified business tax for a taxpayer who donates money to a youth and adolescent enrichment program in this State. (BDR 32-197)

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; establishing a credit against the modified business tax for a taxpayer who donates money to a youth and adolescent enrichment program in this State; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires employers to pay an excise tax (the modified business
2 tax) on the wages paid to their employees during each calendar quarter. (NRS
3 363A.130, 363B.110) **Sections 1 and 3** of this bill authorize a taxpayer to receive a
4 credit against the modified business tax equal to an amount which is approved by
5 the Department of Taxation and which must not exceed the amount of any donation
6 of money made by the taxpayer to a youth and adolescent enrichment program in
7 this State. To claim the tax credit, **sections 1 and 3** require a youth and adolescent
8 enrichment program to apply to the Department for approval of the credit for a
9 taxpayer who intends to make a donation to the youth and adolescent enrichment
10 program. If the Department approves the application, the youth and adolescent
11 enrichment program must provide notice to the taxpayer, who must make the
12 donation within 30 days after receiving the notice. If the taxpayer does not make
13 the donation within the requisite period, the taxpayer forfeits eligibility for the
14 credit. The Department: (1) must approve or deny applications for the tax credit in
15 the order in which the applications are received by the Department; and (2) is
16 authorized to approve applications for each fiscal year until the amount of the tax
17 credits approved for the fiscal year is \$6,655,000.



18 **Sections 2 and 4** of this bill provide specifically for application of the credit
19 against the modified business tax.

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

1 **Section 1.** Chapter 363A of NRS is hereby amended by
2 adding thereto a new section to read as follows:

3 1. *Any taxpayer who is required to pay a tax pursuant to NRS*
4 *363A.130 may receive a credit against the tax otherwise due for*
5 *any donation of money made by the taxpayer to a youth and*
6 *adolescent enrichment program in the manner provided by this*
7 *section.*

8 2. *To receive the credit authorized by subsection 1, a taxpayer*
9 *who intends to make a donation of money to a youth and*
10 *adolescent enrichment program must, before making such a*
11 *donation, notify the youth and adolescent enrichment program of*
12 *the taxpayer's intent to make the donation and to seek the credit*
13 *authorized by subsection 1. A youth and adolescent enrichment*
14 *program shall, before accepting any such donation, apply to the*
15 *Department for approval of the credit authorized by subsection 1*
16 *for the donation. The Department shall, within 20 days after*
17 *receiving the application, approve or deny the application and*
18 *provide to the youth and adolescent enrichment program notice of*
19 *the decision and, if the application is approved, the amount of the*
20 *credit authorized. Upon receipt of notice that the application has*
21 *been approved, the youth and adolescent enrichment program*
22 *shall provide notice of the approval to the taxpayer who must, not*
23 *later than 30 days after receiving the notice, make the donation of*
24 *money to the youth and adolescent enrichment program. If the*
25 *taxpayer does not make the donation of money to the youth and*
26 *adolescent enrichment program within 30 days after receiving the*
27 *notice, the youth and adolescent enrichment program shall*
28 *provide notice of the failure to the Department and the taxpayer*
29 *forfeits any claim to the credit authorized by subsection 1.*

30 3. *The Department shall approve or deny applications for the*
31 *credit authorized by subsection 1 in the order in which the*
32 *applications are received.*

33 4. *The Department may, for each fiscal year, approve*
34 *applications for the credit authorized by subsection 1 until the*
35 *total amount of the credits authorized by subsection 1 and*
36 *approved by the Department pursuant to this subsection and*
37 *subsection 4 of section 3 of this act is \$6,655,000. The amount of*
38 *any credit which is forfeited pursuant to subsection 2 must not be*



1 *considered in calculating the amount of credits authorized for any*
2 *fiscal year.*

3 5. *If a taxpayer applies to and is approved by the Department*
4 *for the credit authorized by subsection 1, the amount of the credit*
5 *provided by this section is equal to the amount approved by the*
6 *Department pursuant to subsection 2, which must not exceed the*
7 *amount of the donation made by the taxpayer to a youth and*
8 *adolescent enrichment program. The total amount of the credit*
9 *applied against the taxes described in subsection 1 and otherwise*
10 *due from a taxpayer must not exceed the amount of the donation.*

11 6. *If the amount of the tax described in subsection 1 and*
12 *otherwise due from a taxpayer is less than the credit to which the*
13 *taxpayer is entitled pursuant to this section, the taxpayer may,*
14 *after applying the credit to the extent of the tax otherwise due,*
15 *carry the balance of the credit forward for not more than 5 years*
16 *after the end of the calendar year in which the donation is made*
17 *or until the balance of the credit is applied, whichever is earlier.*

18 7. *As used in this section, "youth and adolescent enrichment*
19 *program" means a program in this State that:*

20 (a) *Is operated by an organization which qualifies as a tax*
21 *exempt organization pursuant to 26 U.S.C. § 501(c); and*

22 (b) *Provides services to persons who are not more than 21*
23 *years of age, including, without limitation:*

24 (1) *Job training and apprenticeship programs;*

25 (2) *Job placement and retention training;*

26 (3) *Education and after school programs including, without*
27 *limitation, school programs with shared governance by students,*
28 *teachers and parents and activities for youth between the hours of*
29 *3 p.m. and 11 p.m.;*

30 (4) *Mentoring programs;*

31 (5) *Conflict resolution skills training;*

32 (6) *Sports programs;*

33 (7) *Arts programs;*

34 (8) *Life skills training;*

35 (9) *Summer recreation programs; and*

36 (10) *Alternative school resources for youth who have*
37 *dropped out of school or demonstrate chronic truancy.*

38 **Sec. 2.** *NRS 363A.130 is hereby amended to read as follows:*

39 363A.130 1. *There is hereby imposed an excise tax on each*
40 *employer at the rate of 2 percent of the wages, as defined in NRS*
41 *612.190, paid by the employer during a calendar quarter with*
42 *respect to employment in connection with the business activities of*
43 *the employer.*

44 2. *The tax imposed by this section:*



1 (a) Does not apply to any person or other entity or any wages
2 this State is prohibited from taxing under the Constitution, laws or
3 treaties of the United States or the Nevada Constitution.

4 (b) Must not be deducted, in whole or in part, from any wages of
5 persons in the employment of the employer.

6 3. Each employer shall, on or before the last day of the month
7 immediately following each calendar quarter for which the
8 employer is required to pay a contribution pursuant to
9 NRS 612.535:

10 (a) File with the Department a return on a form prescribed by
11 the Department; and

12 (b) Remit to the Department any tax due pursuant to this section
13 for that calendar quarter.

14 4. In determining the amount of the tax due pursuant to this
15 section, an employer is entitled to subtract from the amount
16 calculated pursuant to subsection 1 a credit in an amount equal to 50
17 percent of the amount of the commerce tax paid by the employer
18 pursuant to chapter 363C of NRS for the preceding taxable year.
19 The credit may only be used for any of the 4 calendar quarters
20 immediately following the end of the taxable year for which the
21 commerce tax was paid. The amount of credit used for a calendar
22 quarter may not exceed the amount calculated pursuant to
23 subsection 1 for that calendar quarter. Any unused credit may not be
24 carried forward beyond the fourth calendar quarter immediately
25 following the end of the taxable year for which the commerce tax
26 was paid, and a taxpayer is not entitled to a refund of any unused
27 credit.

28 5. An employer who makes a donation of money to a
29 scholarship organization during the calendar quarter for which a
30 return is filed pursuant to this section is entitled, in accordance with
31 NRS 363A.139, to a credit equal to the amount authorized pursuant
32 to NRS 363A.139 against any tax otherwise due pursuant to this
33 section. As used in this subsection, "scholarship organization" has
34 the meaning ascribed to it in NRS 388D.260.

35 *6. An employer who makes a donation of money to a youth
36 and adolescent enrichment program during the calendar quarter
37 for which a return is filed pursuant to this section is entitled, in
38 accordance with section 1 of this act, to a credit equal to the
39 amount authorized pursuant to section 1 of this act against any
40 tax otherwise due pursuant to this section. As used in this
41 subsection, "youth and adolescent enrichment program" has the
42 meaning ascribed to it in section 1 of this act.*



1 **Sec. 3.** Chapter 363B of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 1. *Any taxpayer who is required to pay a tax pursuant to NRS*
4 *363B.110 may receive a credit against the tax otherwise due for*
5 *any donation of money made by the taxpayer to a youth and*
6 *adolescent enrichment program in the manner provided by this*
7 *section.*

8 2. *To receive the credit authorized by subsection 1, a taxpayer*
9 *who intends to make a donation of money to a youth and*
10 *adolescent enrichment program must, before making such a*
11 *donation, notify the youth and adolescent enrichment program of*
12 *the taxpayer's intent to make the donation and to seek the credit*
13 *authorized by subsection 1. A youth and adolescent enrichment*
14 *program shall, before accepting any such donation, apply to the*
15 *Department for approval of the credit authorized by subsection 1*
16 *for the donation. The Department shall, within 20 days after*
17 *receiving the application, approve or deny the application and*
18 *provide to the youth and adolescent enrichment program notice of*
19 *the decision and, if the application is approved, the amount of the*
20 *credit authorized. Upon receipt of notice that the application has*
21 *been approved, the youth and adolescent enrichment program*
22 *shall provide notice of the approval to the taxpayer who must, not*
23 *later than 30 days after receiving the notice, make the donation of*
24 *money to the youth and adolescent enrichment program. If the*
25 *taxpayer does not make the donation of money to the youth and*
26 *adolescent enrichment program within 30 days after receiving the*
27 *notice, the youth and adolescent enrichment program shall*
28 *provide notice of the failure to the Department and the taxpayer*
29 *forfeits any claim to the credit authorized by subsection 1.*

30 3. *The Department shall approve or deny applications for the*
31 *credit authorized by subsection 1 in the order in which the*
32 *applications are received.*

33 4. *The Department may, for each fiscal year, approve*
34 *applications for the credit authorized by subsection 1 until the*
35 *total amount of the credits authorized by subsection 1 and*
36 *approved by the Department pursuant to this subsection and*
37 *subsection 4 of section 1 of this act is \$6,655,000. The amount of*
38 *any credit which is forfeited pursuant to subsection 2 must not be*
39 *considered in calculating the amount of credits authorized for any*
40 *fiscal year.*

41 5. *If a taxpayer applies to and is approved by the Department*
42 *for the credit authorized by subsection 1, the amount of the credit*
43 *provided by this section is equal to the amount approved by the*
44 *Department pursuant to subsection 2, which must not exceed the*
45 *amount of the donation made by the taxpayer to a youth and*



1 *adolescent enrichment program. The total amount of the credit*
2 *applied against the taxes described in subsection 1 and otherwise*
3 *due from a taxpayer must not exceed the amount of the donation.*

4 6. *If the amount of the tax described in subsection 1 and*
5 *otherwise due from a taxpayer is less than the credit to which the*
6 *taxpayer is entitled pursuant to this section, the taxpayer may,*
7 *after applying the credit to the extent of the tax otherwise due,*
8 *carry the balance of the credit forward for not more than 5 years*
9 *after the end of the calendar year in which the donation is made*
10 *or until the balance of the credit is applied, whichever is earlier.*

11 7. *As used in this section, "youth and adolescent enrichment*
12 *program" means a program in this State that:*

13 (a) *Is operated by an organization which qualifies as a tax*
14 *exempt organization pursuant to 26 U.S.C. § 501(c); and*

15 (b) *Provides services to persons who are not more than 21*
16 *years of age, including, without limitation:*

17 (1) *Job training and apprenticeship programs;*

18 (2) *Job placement and retention training;*

19 (3) *Education and after school programs including, without*
20 *limitation, school programs with shared governance by students,*
21 *teachers and parents and activities for youth between the hours of*
22 *3 p.m. and 11 p.m.;*

23 (4) *Mentoring programs;*

24 (5) *Conflict resolution skills training;*

25 (6) *Sports programs;*

26 (7) *Arts programs;*

27 (8) *Life skills training;*

28 (9) *Summer recreation programs; and*

29 (10) *Alternative school resources for youth who have*
30 *dropped out of school or demonstrate chronic truancy.*

31 **Sec. 4.** NRS 363B.110 is hereby amended to read as follows:

32 363B.110 1. There is hereby imposed an excise tax on each
33 employer at the rate of 1.475 percent of the amount by which the
34 sum of all the wages, as defined in NRS 612.190, paid by the
35 employer during a calendar quarter with respect to employment in
36 connection with the business activities of the employer exceeds
37 \$50,000.

38 2. The tax imposed by this section:

39 (a) Does not apply to any person or other entity or any wages
40 this State is prohibited from taxing under the Constitution, laws or
41 treaties of the United States or the Nevada Constitution.

42 (b) Must not be deducted, in whole or in part, from any wages of
43 persons in the employment of the employer.

44 3. Each employer shall, on or before the last day of the month
45 immediately following each calendar quarter for which the



1 employer is required to pay a contribution pursuant to
2 NRS 612.535:

3 (a) File with the Department a return on a form prescribed by
4 the Department; and

5 (b) Remit to the Department any tax due pursuant to this chapter
6 for that calendar quarter.

7 4. In determining the amount of the tax due pursuant to this
8 section, an employer is entitled to subtract from the amount
9 calculated pursuant to subsection 1 a credit in an amount equal to 50
10 percent of the amount of the commerce tax paid by the employer
11 pursuant to chapter 363C of NRS for the preceding taxable year.
12 The credit may only be used for any of the 4 calendar quarters
13 immediately following the end of the taxable year for which the
14 commerce tax was paid. The amount of credit used for a calendar
15 quarter may not exceed the amount calculated pursuant to
16 subsection 1 for that calendar quarter. Any unused credit may not be
17 carried forward beyond the fourth calendar quarter immediately
18 following the end of the taxable year for which the commerce tax
19 was paid, and a taxpayer is not entitled to a refund of any unused
20 credit.

21 5. An employer who makes a donation of money to a
22 scholarship organization during the calendar quarter for which a
23 return is filed pursuant to this section is entitled, in accordance with
24 NRS 363B.119, to a credit equal to the amount authorized pursuant
25 to NRS 363B.119 against any tax otherwise due pursuant to this
26 section. As used in this subsection, "scholarship organization" has
27 the meaning ascribed to it in NRS 388D.260.

28 *6. An employer who makes a donation of money to a youth
29 and adolescent enrichment program during the calendar quarter
30 for which a return is filed pursuant to this section is entitled, in
31 accordance with section 3 of this act, to a credit equal to the
32 amount authorized pursuant to section 3 of this act against any
33 tax otherwise due pursuant to this section. As used in this
34 subsection, "youth and adolescent enrichment program" has the
35 meaning ascribed to it in section 3 of this act.*

36 **Sec. 5.** This act becomes effective on July 1, 2021.

