
ASSEMBLY BILL NO. 323—ASSEMBLYMEN PAUL ANDERSON,
HICKEY; GRADY, HARDY, LIVERMORE, MARTIN, MUNFORD
AND STEWART

MARCH 18, 2013

JOINT SPONSOR: SENATOR HAMMOND

Referred to Committee on Taxation

SUMMARY—Provides a deduction from the payroll tax for newly
hired employees under certain circumstances.
(BDR 32-761)

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; providing a deduction from the
payroll tax for wages paid to newly hired employees
under certain circumstances; and providing other matters
properly relating thereto.

Legislative Counsel's Digest:

1 Existing law requires employers to pay a payroll tax on the wages paid to their
2 employees during each calendar quarter. The tax is imposed on financial
3 institutions at the rate of 2 percent per calendar quarter and, effective July 1, 2013,
4 on other employers at the rate of 0.63 percent per calendar quarter. (NRS
5 363A.130, 363B.110) This bill authorizes financial institutions and other employers
6 to deduct from the total amount of wages reported and upon which the payroll tax is
7 imposed any wages paid to newly hired employees during the next 2 fiscal years if
8 certain conditions are satisfied.



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. *Except as otherwise provided in subsection 2, an employer*
4 *may deduct from the total amount of wages reported and upon*
5 *which the excise tax is imposed pursuant to NRS 363A.130 any*
6 *wages paid by the employer to an employee during each calendar*
7 *quarter ending on or before June 30, 2015, if:*

8 (a) *The employee is hired by the employer on or after July 1,*
9 *2013;*

10 (b) *At the time of hiring, the employee had not been employed*
11 *by the employer at any time during the immediately preceding 24*
12 *months;*

13 (c) *The total number of employees employed by the employer*
14 *on the last day of the calendar quarter for which the deduction is*
15 *claimed exceeds the total number of employees employed by the*
16 *employer on the last day of the corresponding calendar quarter of*
17 *the immediately preceding calendar year; and*

18 (d) *The total number of hours worked by all employees*
19 *employed by the employer during the calendar quarter for which*
20 *the deduction is claimed exceeds the total number of hours worked*
21 *by all employees employed by the employer during the*
22 *corresponding calendar quarter of the immediately preceding*
23 *calendar year.*

24 2. *The total amount of wages with respect to which an*
25 *employer may, pursuant to subsection 1, claim a deduction from*
26 *the excise tax imposed pursuant to NRS 363A.130 must not, under*
27 *any circumstances, exceed the amount by which the total wages*
28 *paid by the employer to all employees during the calendar quarter*
29 *for which the deduction is claimed exceed the total wages paid by*
30 *the employer to all employees during the corresponding calendar*
31 *quarter of the immediately preceding calendar year.*

32 3. *An employer claiming the deduction allowed pursuant to*
33 *this section shall, upon the request of the Department, explain the*
34 *amount claimed to the satisfaction of the Department and provide*
35 *the Department with such documentation as the Department*
36 *deems appropriate for that purpose.*

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

39 1. *Except as otherwise provided in subsection 2, an employer*
40 *may deduct from the total amount of wages reported and upon*
41 *which the excise tax is imposed pursuant to NRS 363B.110 any*



1 *wages paid by the employer to an employee during each calendar*
2 *quarter ending on or before June 30, 2015, if:*

3 *(a) The employee is hired by the employer on or after July 1,*
4 *2013;*

5 *(b) At the time of hiring, the employee had not been employed*
6 *by the employer at any time during the immediately preceding 24*
7 *months;*

8 *(c) The total number of employees employed by the employer*
9 *on the last day of the calendar quarter for which the deduction is*
10 *claimed exceeds the total number of employees employed by the*
11 *employer on the last day of the corresponding calendar quarter of*
12 *the immediately preceding calendar year; and*

13 *(d) The total number of hours worked by all employees*
14 *employed by the employer during the calendar quarter for which*
15 *the deduction is claimed exceeds the total number of hours worked*
16 *by all employees employed by the employer during the*
17 *corresponding calendar quarter of the immediately preceding*
18 *calendar year.*

19 *2. The total amount of wages with respect to which an*
20 *employer may, pursuant to subsection 1, claim a deduction from*
21 *the excise tax imposed pursuant to NRS 363B.110 must not, under*
22 *any circumstances, exceed the amount by which the total wages*
23 *paid by the employer to all employees during the calendar quarter*
24 *for which the deduction is claimed exceed the total wages paid by*
25 *the employer to all employees during the corresponding calendar*
26 *quarter of the immediately preceding calendar year.*

27 *3. An employer claiming the deduction allowed pursuant to*
28 *this section shall, upon the request of the Department, explain the*
29 *amount claimed to the satisfaction of the Department and provide*
30 *the Department with such documentation as the Department*
31 *deems appropriate for that purpose.*

32 **Sec. 3.** This act becomes effective on July 1, 2013, and expires
33 by limitation on July 31, 2015.



