

ASSEMBLY BILL NO. 335—ASSEMBLYMEN
PIERCE; AND HOGAN

MARCH 21, 2011

Referred to Committee on Taxation

SUMMARY—Imposes excise tax on use of certain services in this State and extends prospective expiration of certain sources and allocations of tax revenue. (BDR 32-882)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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 state financial administration; providing for the imposition, administration, collection and enforcement of an excise tax on the use of certain services in this State; extending the prospective expiration of certain requirements regarding the imposition, advance payment and allocation of certain taxes and fees; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Section 13** of this bill imposes a tax on each person who uses certain services
2 in this State at the rate of 5 percent of the total amount charged for those services
3 by the service provider. **Section 14** of this bill requires the service provider to
4 collect the tax on behalf of the State. **Section 11** of this bill lists the services
5 regarding which the tax is imposed. **Sections 2-65** of this bill provide for the
6 administration, collection and enforcement of the tax by the Department of
7 Taxation in a manner similar to use taxes.

8 Existing law requires each county whose population is 300,000 or more
9 (currently Clark and Washoe Counties) to impose a tax on the rental of transient
10 lodging in the county and to transfer the proceeds of the tax imposed before
11 July 1, 2011, to the State Treasurer for deposit in the State General Fund. (NRS
12 244.33561, 244.33563) Under existing law, the proceeds of that tax imposed on or
13 after July 1, 2011, must be deposited in the State Supplemental School Support
14 Fund. (Chapter 4, Statutes of Nevada 2009, pp. 6-9) **Sections 66, 69 and 70** of this
15 bill delay this change in the allocation of those tax proceeds until July 1, 2013.

16 Existing law requires, until June 30, 2011, the advance payment of the tax on
17 the net proceeds of minerals based upon the estimated net proceeds and royalties of



* A B 3 3 5 *

18 a mining operation for the current calendar year. (Chapter 4, Statutes of Nevada
19 2008, 25th Special Session, pp. 15-18, 23) **Sections 68, 71, 72 and 76** of this bill
20 delay the expiration of this requirement for advance payment until June 30, 2013.

21 Existing law imposes an excise tax on certain businesses other than financial
22 institutions at the rate of 0.5 percent of the total wages paid by the business each
23 calendar quarter that do not exceed \$62,500 and 1.17 percent of those wages paid in
24 excess of \$62,500. (NRS 363B.110) On July 1, 2011, this rate is scheduled to
25 change to 0.63 percent of the total wages paid by the business each calendar
26 quarter. (Chapter 395, Statutes of Nevada 2009, pp. 2190, 2199) **Sections 73 and**
27 **74** of this bill delay this rate change until July 1, 2013.

28 Existing law requires, until June 30, 2011, an increase in the rate of the Local
29 School Support Tax of 0.35 percent. (Chapter 395, Statutes of Nevada 2009, pp.
30 2191, 2199) **Section 74** of this bill delays the expiration of this increase until
31 June 30, 2013.

32 Existing law imposes an annual fee of \$200 for a state business license. (NRS
33 76.100, 76.130) On July 1, 2011, this fee is scheduled to change to \$100. (Chapter
34 429, Statutes of Nevada 2009, pp. 2408-10) **Section 75** of this bill delays this
35 change until July 1, 2013.

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

1 **Section 1.** Title 32 of NRS is hereby amended by adding
2 thereto a new chapter to consist of the provisions set forth as
3 sections 2 to 59, inclusive, of this act.

4 **Sec. 2.** *As used in this chapter, unless the context otherwise*
5 *requires, the words and terms defined in sections 3 to 12,*
6 *inclusive, of this act have the meanings ascribed to them in those*
7 *sections.*

8 **Sec. 3.** *“Business” includes any activity engaged in by any*
9 *person with the object of gain, benefit or advantage, either direct*
10 *or indirect, except employment for wages.*

11 **Sec. 4.** *“Commission” means the Nevada Tax Commission.*

12 **Sec. 5.** *“Exempted from the services tax” means exempted*
13 *from the computation of the amount of the services tax.*

14 **Sec. 6.** *“Governmental entity” means:*

15 1. *The United States and any of its unincorporated agencies*
16 *and instrumentalities.*

17 2. *Any incorporated agency or instrumentality of the United*
18 *States wholly owned by the United States or by a corporation*
19 *wholly owned by the United States.*

20 3. *The State of Nevada and any of its unincorporated*
21 *agencies and instrumentalities.*

22 4. *Any county, city, district or other political subdivision of*
23 *this State.*



1 **Sec. 7.** *“In this State” means within the exterior limits of the*
2 *State of Nevada and includes all the territory within these limits*
3 *owned by or ceded to the United States of America.*

4 **Sec. 8. 1.** *“Purchase price” means the total amount*
5 *charged by a service provider as consideration for the provision of*
6 *any services, valued in money, whether received in money or*
7 *otherwise, without any deduction for any cost, expense or loss*
8 *incurred in providing those services, except that the term does not*
9 *include:*

10 *(a) Any cash discounts allowed by the service provider and*
11 *taken by the purchaser; and*

12 *(b) The amount of the services tax collected from the*
13 *purchaser.*

14 **2.** *As used in this section, “the total amount charged”*
15 *includes:*

16 *(a) All receipts, cash, credits and property of any kind; and*

17 *(b) Any amount for which credit is allowed by the service*
18 *provider to the purchaser.*

19 **Sec. 9.** *“Service provider” means any person engaged in a*
20 *business that provides any taxable services.*

21 **Sec. 10.** *“Services tax” means the tax imposed by section 13*
22 *of this act.*

23 **Sec. 11.** *“Taxable services” means any of the following*
24 *services:*

25 **1.** *The preparation of any advertising.*

26 **2.** *The placement of any advertising on any billboards or*
27 *other outdoor signs, on radio or on television.*

28 **3.** *The marketing of any goods or services by telephone.*

29 **4.** *The wrapping of any gifts or other packages.*

30 **5.** *The preparation of any packages for shipment.*

31 **6.** *The transportation of any property by armored motor*
32 *vehicle.*

33 **7.** *The provision of any facilities or equipment for the*
34 *maintenance or development of physical fitness or the control of*
35 *weight of the human body.*

36 **8.** *The provision of instruction in any of the athletic or*
37 *physical skills required to engage in a sporting event, as defined in*
38 *NRS 41.630.*

39 **9.** *The provision of instruction in any type of dancing.*

40 **10.** *Any services within the practice of barbering, as defined*
41 *in NRS 643.010.*

42 **11.** *Any services within any of the occupations of*
43 *cosmetology, as defined in NRS 644.024.*

44 **12.** *The grooming of any pets.*



1 13. Any laundry or dry-cleaning services, other than the
2 provision of any facilities or equipment for the use of costumers
3 on a self-service basis.

4 14. The cleaning or maintenance of any swimming pools,
5 other than any services within the scope of any contractor's
6 license that may be issued pursuant to chapter 624 of NRS.

7 15. The storage or the provision of any facilities for the
8 storage of any motor vehicles, household goods or fur garments.

9 16. The extermination, control or prevention of infestations
10 of any insects, rodents or other pests.

11 17. Any diaper services for the provision of cloth or
12 disposable diapers for babies or infants on a recurring basis to
13 families or other providers of child care, other than the services
14 provided by a common carrier of freight.

15 18. Any dating or matchmaking services provided to assist in
16 the introduction of natural persons for the purposes of courtship,
17 other than the mere placement, broadcasting or publication of
18 personal advertising.

19 19. The provision of any advice upon the investment of
20 money or upon provision for income to be needed in the future,
21 unless provided by a person described in paragraph (a), (b), (c) or
22 (e) of subsection 3 of NRS 628A.010 whose advice upon
23 investment or provision of future income is incidental to the
24 practice of his or her profession or business.

25 20. The provision of any pay-per-call services, as defined in
26 47 U.S.C. § 228.

27 21. The provision of any bail, as defined in NRS 697.030.

28 22. Any services for which:

29 (a) Registration as a lobbyist is required pursuant to
30 NRS 218H.200;

31 (b) A license as a massage therapist is required pursuant to
32 chapter 640C of NRS;

33 (c) A license as a private investigator or process server is
34 required pursuant to chapter 648 of NRS; or

35 (d) A license as a collection agency or collection agent is
36 required pursuant to chapter 649 of NRS.

37 **Sec. 12.** "Taxpayer" means any person liable for the services
38 tax.

39 **Sec. 13. 1.** An excise tax is hereby imposed upon the use in
40 this State of any taxable services provided by a service provider on
41 or after January 1, 2012, at the rate of 5 percent of the purchase
42 price for those services.

43 2. Every person who uses in this State any taxable services
44 provided by a service provider is liable for the tax. His or her
45 liability is not extinguished until the tax has been paid to this



1 *State, except that a receipt from a service provider which is given*
2 *to the person pursuant to section 14 of this act is sufficient to*
3 *relieve the person from further liability for the tax to which the*
4 *receipt refers.*

5 **Sec. 14.** *Every service provider who provides any taxable*
6 *services for use in this State which are not exempted from the*
7 *services tax pursuant to section 22 of this act shall, at the time of*
8 *providing the services or, if the use of the services is not then*
9 *taxable under this chapter, at the time the use of the services*
10 *becomes taxable, collect the services tax from the purchaser and*
11 *give to the purchaser a receipt therefor in the manner and form*
12 *prescribed by the Department.*

13 **Sec. 15.** *The tax required to be collected by a service provider*
14 *pursuant to this chapter constitutes a debt owed by the service*
15 *provider to this State.*

16 **Sec. 16.** *It is unlawful for any service provider to advertise or*
17 *hold out or state to the public or to any customer, directly or*
18 *indirectly, that the services tax or any part thereof will be assumed*
19 *or absorbed by the service provider or that it will not be added to*
20 *the purchase price for any taxable services provided or that if*
21 *added it or any part thereof will be refunded.*

22 **Sec. 17.** *Any invoice, billing or other document given to a*
23 *purchaser of any taxable services which indicates the amount*
24 *charged by the service provider for the provision of those services*
25 *must state separately the amount of the tax required to be collected*
26 *by the service provider pursuant to this chapter.*

27 **Sec. 18.** *Any person who violates section 14, 16 or 17 of this*
28 *act is guilty of a misdemeanor.*

29 **Sec. 19.** *1. A person shall not engage in or conduct any*
30 *business as a service provider in this State unless the person has*
31 *obtained a permit issued by the Department.*

32 *2. Each application for a permit must:*

33 *(a) Be made upon a form prescribed by the Department;*

34 *(b) Set forth the name under which the applicant provides or*
35 *intends to provide his or her taxable services and each location*
36 *where the applicant offers his or her taxable services;*

37 *(c) Set forth any other information which the Department may*
38 *require;*

39 *(d) Be accompanied by a fee of \$5; and*

40 *(e) Be signed by:*

41 *(1) The owner, if he or she is a natural person;*

42 *(2) A member or partner, if the service provider is an*
43 *association or partnership; or*

44 *(3) An executive officer or some other person specifically*
45 *authorized to sign the application, if the service provider is a*



1 *corporation. If an application is signed pursuant to this*
2 *subparagraph, written evidence of the signor's authority must be*
3 *attached to the application.*

4 **Sec. 20.** 1. *If the holder of a permit issued pursuant to this*
5 *chapter fails to comply with any provision of this chapter or any*
6 *regulation adopted pursuant thereto, the Department may suspend*
7 *or revoke his or her permit. Before doing so, the Department must*
8 *hold a hearing after 10 days' written notice to the holder of the*
9 *permit. The notice must specify the time and place of the hearing*
10 *and require the holder of the permit to show cause why the permit*
11 *should not be suspended or revoked.*

12 2. *If a permit is suspended or revoked, the Department shall*
13 *give written notice of the action to the holder of the permit.*

14 3. *The notices required by this section may be served*
15 *personally or by mail in the manner provided for service of notice*
16 *of a deficiency determination.*

17 4. *The Department shall not issue a new permit to the former*
18 *holder of a revoked permit unless it is satisfied that he or she will*
19 *comply with the provisions of this chapter and the regulations of*
20 *the Department adopted pursuant thereto.*

21 5. *A service provider whose permit has been suspended or*
22 *revoked must pay the Department a fee of \$5 for the reinstatement*
23 *of the permit or the issuance of a new permit.*

24 **Sec. 21.** *Every service provider who provides any taxable*
25 *services for use in this State and who is not required to obtain a*
26 *permit pursuant to section 19 of this act shall register with the*
27 *Department and provide:*

28 1. *The name under which the service provider provides or*
29 *intends to provide his or her taxable services for use in this State;*

30 2. *Each location where the service provider offers his or her*
31 *taxable services for use in this State; and*

32 3. *Such other information as the Department may require.*

33 **Sec. 22.** *There is exempted from the services tax the*
34 *purchase price of:*

35 1. *Any services that this State is prohibited from taxing under*
36 *the Constitution or laws of the United States or the Constitution of*
37 *the State of Nevada.*

38 2. *Any services provided to a governmental entity.*

39 3. *Any services provided by or to a nonprofit organization*
40 *created for religious, charitable or educational purposes.*

41 4. *Any services provided by one member of a group of*
42 *affiliated enterprises to another member of the same group. For*
43 *the purposes of this subsection, enterprises are affiliated if a*
44 *majority interest in each enterprise is owned by the same person.*



1 5. Any services for which the amount received for those
2 services is included in the measure of any excise tax imposed in
3 this State on the sale, storage, use or consumption of tangible
4 personal property sold at retail, or stored, used or otherwise
5 consumed in this State.

6 **Sec. 23.** 1. For the purposes of subsection 3 of section 22 of
7 this act, an organization is created for religious, charitable or
8 educational purposes if it complies with the provisions of this
9 section.

10 2. An organization is created for religious purposes if:

11 (a) It complies with the requirements set forth in subsection 5;
12 and

13 (b) The sole or primary purpose of the organization is the
14 operation of a church, synagogue or other place of religious
15 worship at which nonprofit religious services and activities are
16 regularly conducted. Such an organization includes, without
17 limitation, an integrated auxiliary or affiliate of the organization,
18 men's, women's or youth groups established by the organization, a
19 school or mission society operated by the organization, an
20 organization of local units of a church and a convention or
21 association of churches.

22 3. An organization is created for charitable purposes if:

23 (a) It complies with the requirements set forth in subsection 5;

24 (b) The sole or primary purpose of the organization is to:

25 (1) Advance a public purpose, donate or render gratuitously
26 or at a reduced rate a substantial portion of its services to the
27 persons who are the subjects of its charitable services, and benefit
28 a substantial and indefinite class of persons who are the legitimate
29 subjects of charity;

30 (2) Provide services that are otherwise required to be
31 provided by a local government, this State or the Federal
32 Government; or

33 (3) Operate a hospital or medical facility licensed pursuant
34 to chapter 449 or 450 of NRS; and

35 (c) The organization is operating in this State.

36 4. An organization is created for educational purposes if:

37 (a) It complies with the requirements set forth in subsection 5;
38 and

39 (b) The sole or primary purpose of the organization is to:

40 (1) Provide athletic, cultural or social activities for
41 children;

42 (2) Provide displays or performances of the visual or
43 performing arts to members of the general public;

44 (3) Provide instruction and disseminate information on
45 subjects beneficial to the community;



1 (4) Operate a school, college or university located in this
2 State that conducts regular classes and provides courses of study
3 required for accreditation or licensing by the State Board of
4 Education or the Commission on Postsecondary Education, or for
5 membership in the Northwest Association of Accredited Schools;

6 (5) Serve as a local or state apprenticeship committee to
7 advance programs of apprenticeship in this State; or

8 (6) Sponsor programs of apprenticeship in this State
9 through a trust created pursuant to 29 U.S.C. § 186.

10 5. In addition to the requirements set forth in subsection 2, 3
11 or 4, an organization is created for religious, charitable or
12 educational purposes if:

13 (a) No part of the net earnings of any such organization inures
14 to the benefit of a private shareholder, individual or entity;

15 (b) The business of the organization is not conducted for
16 profit;

17 (c) No substantial part of the business of the organization is
18 devoted to the advocacy of any political principle or the defeat or
19 passage of any state or federal legislation;

20 (d) The organization does not participate or intervene in any
21 political campaign on behalf of or in opposition to any candidate
22 for public office; and

23 (e) Any services provided by or to the organization for which
24 an exemption is claimed further the religious, charitable or
25 educational purposes of the organization.

26 **Sec. 24. 1.** Any nonprofit organization created for
27 religious, charitable or educational purposes that wishes to claim
28 an exemption pursuant to subsection 3 of section 22 of this act
29 must file an application with the Department to obtain a letter of
30 exemption. The application must be on a form and contain such
31 information as is required by the Department.

32 2. If the Department determines that the organization is
33 created for religious, charitable or educational purposes, it shall
34 issue a letter of exemption to the organization. The letter of
35 exemption expires 5 years after the date on which it is issued by
36 the Department. At least 90 days before the expiration of the letter
37 of exemption, the Department shall notify the organization to
38 whom the letter was issued of the date on which the letter will
39 expire. The organization may renew its letter of exemption for an
40 additional 5 years by filing an application for renewal with the
41 Department. The application for renewal must be on a form and
42 contain such information as is required by the Department.

43 3. To claim an exemption pursuant to subsection 3 of section
44 22 of this act for the provision of any services to such an
45 organization:



1 (a) *The organization must give a copy of its letter of exemption*
2 *to the service provider who provides the services to the*
3 *organization; and*

4 (b) *The service provider must retain and present upon request*
5 *a copy of the letter of exemption.*

6 4. *The Department shall adopt such regulations as are*
7 *necessary to carry out the provisions of this section.*

8 **Sec. 25.** *A service provider shall hold the amount of all the*
9 *services tax for which he or she is liable in a separate account in*
10 *trust for the State.*

11 **Sec. 26.** *Except as otherwise provided in section 31 of this*
12 *act, the services tax is due and payable to the Department monthly*
13 *on or before the last day of the month immediately following the*
14 *month in which liability for the tax arose.*

15 **Sec. 27.** 1. *On or before the last day of the month following*
16 *each reporting period, a return for the preceding period,*
17 *accompanied by a remittance of the services tax due, must be filed*
18 *with the Department in such form as the Department may*
19 *prescribe. The return must be filed by:*

20 (a) *Each service provider who provides any taxable services*
21 *for use in this State; and*

22 (b) *Each person who uses in this State any taxable services*
23 *provided by a service provider and who has not paid the services*
24 *tax due.*

25 2. *Each return must:*

26 (a) *Include such information as the Department deems to be*
27 *necessary for the proper administration of this chapter; and*

28 (b) *Be signed by the person required to file the return or by his*
29 *or her authorized agent, but need not be verified by oath.*

30 **Sec. 28.** *In determining the amount of the services tax that is*
31 *due from a taxpayer, the Department shall allow a credit toward*
32 *the amount due this State in an amount equal to any similar tax*
33 *legitimately paid to a state or local government outside of Nevada*
34 *for the same services, upon proof of payment deemed satisfactory*
35 *to the Department.*

36 **Sec. 29.** 1. *If a service provider is unable to collect all or*
37 *part of the purchase price for the provision of any taxable services,*
38 *the service provider is entitled to receive a deduction from the*
39 *purchase price for that bad debt.*

40 2. *Any deduction that is claimed pursuant to this section may*
41 *not include interest.*

42 3. *The amount of any deduction claimed must equal the*
43 *amount of a deduction that may be claimed pursuant to 26 U.S.C.*
44 *§ 166 for the provision of those services minus:*



1 (a) Any finance charge or interest charged on the provision of
2 those services;

3 (b) Any services tax charged on the provision of those services;
4 and

5 (c) Any expense incurred in attempting to collect the bad debt.

6 4. A bad debt may be claimed as a deduction on the return
7 that covers the period during which the bad debt is written off in
8 the business records of the service provider that are maintained in
9 the ordinary course of the service provider's business and is
10 eligible to be claimed as a deduction pursuant to 26 U.S.C. § 166
11 or, if the service provider is not required to file a federal income
12 tax return, would be eligible to be claimed as a deduction pursuant
13 to 26 U.S.C. § 166.

14 5. If a bad debt for which a deduction has been claimed is
15 subsequently collected in whole or in part, the tax on the amount
16 so collected must be reported on the return that covers the period
17 in which the collection is made.

18 6. If the amount of the bad debt is greater than the total
19 amount of the purchase price for taxable services reported for the
20 period during which the bad debt is claimed as a deduction, a
21 claim for a refund may be filed pursuant to sections 34 to 44,
22 inclusive, of this act, except that the time within which the claim
23 may be filed begins on the date on which the return that included
24 the deduction was filed.

25 7. Except as otherwise provided in subsection 8, upon
26 determining that a service provider has filed a return which
27 contains one or more violations of the provisions of this section,
28 the Department shall:

29 (a) For the first return of any service provider which contains
30 one or more violations, issue a letter of warning to the service
31 provider which provides an explanation of the violation or
32 violations contained in the return.

33 (b) For the first or second return, other than a return
34 described in paragraph (a), in any calendar year which contains
35 one or more violations, assess a penalty equal to the amount of the
36 deduction claimed or \$1,000, whichever is less.

37 (c) For the third and each subsequent return in any calendar
38 year which contains one or more violations, assess a penalty of
39 three times the amount of the deduction claimed or \$3,000,
40 whichever is less.

41 8. For the purposes of subsection 7, if the first violation of
42 this section by any service provider was determined by the
43 Department through an audit which covered more than one return
44 of the service provider, the Department shall treat all returns
45 which were determined through the same audit to contain a



1 *violation or violations in the manner provided in paragraph (a) of*
2 *subsection 7.*

3 *9. As used in this section, "bad debt" means a debt that may*
4 *be deducted pursuant to 26 U.S.C. § 166.*

5 **Sec. 30.** *If the services tax is paid in accordance with section*
6 *26 of this act, a taxpayer may deduct and withhold from the tax*
7 *otherwise due from him or her 0.25 percent of the tax as*
8 *reimbursement for administrative costs.*

9 **Sec. 31.** *1. Except as otherwise provided in this section, the*
10 *reporting and payment period of:*

11 *(a) A taxpayer whose purchase price for taxable services does*
12 *not exceed a total amount of \$10,000 per month is a calendar*
13 *quarter.*

14 *(b) A taxpayer who files reports on a quarterly basis in*
15 *accordance with paragraph (a) and:*

16 *(1) From whom no services tax is due for the immediately*
17 *preceding three quarterly reporting periods; or*

18 *(2) Whose purchase price for taxable services does not*
19 *exceed a total amount of \$1,500 for the immediately preceding*
20 *four quarterly reporting periods,*

21 *↪ is 12 calendar months, unless the purchase price for taxable*
22 *services provided to or by the taxpayer exceeds a total amount of*
23 *\$1,500 for such a 12-month reporting and payment period or*
24 *\$10,000 for a calendar month.*

25 *2. The Department, if it deems this action necessary to ensure*
26 *payment to or facilitate the collection by the State of the amount of*
27 *the services tax, may require returns and payment of the amount*
28 *of the services tax for periods other than calendar months or*
29 *quarters, depending upon the principal place of business of the*
30 *service provider or purchaser of taxable services, or for other than*
31 *monthly, quarterly or annual periods.*

32 **Sec. 32.** *The Department for good cause may extend for a*
33 *period not to exceed 1 month the time for making any return or*
34 *paying any amount required to be paid under this chapter.*

35 **Sec. 33.** *1. The Department, whenever it deems it necessary*
36 *to ensure compliance with this chapter, may require any person*
37 *subject to the chapter to place with it such security as the*
38 *Department may determine. The Department shall fix the amount*
39 *of the security which, except as otherwise provided in subsection 2,*
40 *may not be greater than twice the estimated average tax due*
41 *quarterly of persons filing returns for quarterly periods, three*
42 *times the estimated average tax due monthly of persons filing*
43 *returns for monthly periods or four times the estimated average*
44 *tax due annually of persons filing returns for annual periods,*
45 *determined in such a manner as the Department deems proper.*



1 2. *In the case of persons who are habitually delinquent in*
2 *their obligations under this chapter, the amount of the security*
3 *may not be greater than three times the average actual tax due*
4 *quarterly of persons filing returns for quarterly periods, five times*
5 *the average actual tax due monthly of persons filing returns for*
6 *monthly periods or seven times the average actual tax due*
7 *annually of persons filing returns for annual periods.*

8 3. *The limitations provided in this section apply regardless of*
9 *the type of security placed with the Department.*

10 4. *The amount of the security may be increased or decreased*
11 *by the Department subject to the limitations provided in this*
12 *section.*

13 5. *The Department may sell the security at public auction if it*
14 *becomes necessary to recover any tax or any amount required to*
15 *be collected, or interest or penalty due. Notice of the sale may be*
16 *served, personally or by mail, upon the person who placed the*
17 *security. If the notice is served by mail, service must be made in*
18 *the manner prescribed for service of a notice of a deficiency*
19 *determination and must be addressed to the person at his or her*
20 *address as it appears in the records of the Department. Security in*
21 *the form of a bearer bond issued by the United States or the State*
22 *of Nevada which has a prevailing market price may be sold by the*
23 *Department at a private sale at a price not lower than the*
24 *prevailing market price.*

25 6. *Upon any sale, any surplus above the amounts due must be*
26 *returned to the person who placed the security.*

27 **Sec. 34.** 1. *If the Department determines that any amount,*
28 *penalty or interest has been paid more than once or has been*
29 *erroneously or illegally collected or computed, the Department*
30 *shall set forth that fact in the records of the Department and*
31 *certify to the State Board of Examiners the amount collected in*
32 *excess of the amount legally due and the person from whom it was*
33 *collected or by whom paid. If approved by the State Board of*
34 *Examiners, the excess amount collected or paid must, after being*
35 *credited against any amount then due from the person in*
36 *accordance with NRS 360.236, be refunded to the person or his or*
37 *her successors, administrators or executors.*

38 2. *Any overpayment of the services tax by a purchaser to a*
39 *service provider who collects the tax and gives the purchaser a*
40 *receipt therefor pursuant to section 14 of this act must be credited*
41 *or refunded by the State to the purchaser, subject to the*
42 *requirements of NRS 360.236.*

43 **Sec. 35.** 1. *Except as otherwise provided in NRS 360.235*
44 *and 360.395 and section 29 of this act:*



1 (a) No refund may be allowed unless a claim for it is filed with
2 the Department within 3 years after the last day of the month
3 following the close of the period for which the overpayment was
4 made.

5 (b) No credit may be allowed after the expiration of the period
6 specified for filing claims for a refund unless a claim for credit is
7 filed with the Department within that period or unless the credit
8 relates to a period for which a waiver is given pursuant to
9 NRS 360.355.

10 2. Each claim must be in writing and must state the specific
11 grounds upon which the claim is founded.

12 3. Failure to file a claim within the time prescribed in this
13 section constitutes a waiver of any demand against the State on
14 account of overpayment.

15 4. Within 30 days after disallowing any claim in whole or in
16 part, the Department shall serve notice of its action on the
17 claimant in the manner prescribed for service of notice of a
18 deficiency determination.

19 **Sec. 36.** 1. Except as otherwise provided in this section,
20 NRS 360.320 or any other specific statute, interest must be paid
21 upon any overpayment of any amount of tax at the rate set forth
22 in, and in accordance with the provisions of, NRS 360.2937.

23 2. If the Department determines that any overpayment has
24 been made intentionally or by reason of carelessness, the
25 Department shall not allow any interest on the overpayment.

26 **Sec. 37.** No injunction, writ of mandate or other legal or
27 equitable process may issue in any suit, action or proceeding in
28 any court against this State or against any officer of this State to
29 prevent or enjoin the collection under this chapter of any tax or
30 any amount of tax required to be collected.

31 **Sec. 38.** No suit or proceeding may be maintained in any
32 court for the recovery of any amount alleged to have been
33 erroneously or illegally determined or collected unless a claim for
34 refund or credit has been filed.

35 **Sec. 39.** 1. Within 90 days after a final decision upon a
36 claim filed pursuant to this chapter is rendered by the
37 Commission, the claimant may bring an action against the
38 Department on the grounds set forth in the claim in a court of
39 competent jurisdiction in Carson City, the county of this State
40 where the claimant resides or maintains his or her principal place
41 of business, or a county in which any relevant proceedings were
42 conducted by the Department, for the recovery of the whole or any
43 part of the amount with respect to which the claim has been
44 disallowed.



1 2. *Failure to bring an action within the time specified*
2 *constitutes a waiver of any demand against the State on account of*
3 *alleged overpayments.*

4 **Sec. 40.** *1. If the Department fails to mail notice of action*
5 *on a claim within 6 months after the claim is filed, the claimant*
6 *may consider the claim disallowed and file an appeal with a*
7 *hearing officer within the 45 days after the last day of the 6-month*
8 *period. If the claimant is aggrieved by the decision of the hearing*
9 *officer on appeal, the claimant may, pursuant to the provisions of*
10 *NRS 360.245, appeal the decision to the Commission. If the*
11 *claimant is aggrieved by the decision of the Commission rendered*
12 *on appeal, the claimant may, within 45 days after the decision is*
13 *rendered, bring an action against the Department on the grounds*
14 *set forth in the claim for the recovery of the whole or any part of*
15 *the amount claimed as an overpayment.*

16 2. *If judgment is rendered for the plaintiff:*

17 (a) *The amount of the judgment must first be credited towards*
18 *any tax due under this chapter from the plaintiff; and*

19 (b) *The balance of the judgment must be refunded to the*
20 *plaintiff.*

21 **Sec. 41.** *In any judgment, interest must be allowed at the rate*
22 *of 6 percent per annum upon the amount found to have been*
23 *illegally collected from the date of payment of the amount to the*
24 *date of allowance of credit on account of the judgment, or to a*
25 *date preceding the date of the refund warrant by not more than 30*
26 *days. The date must be determined by the Department.*

27 **Sec. 42.** *A judgment may not be rendered in favor of the*
28 *plaintiff in any action brought against the Department to recover*
29 *any amount paid when the action is brought by or in the name of*
30 *an assignee of the person paying the amount or by any person*
31 *other than the person who paid the amount.*

32 **Sec. 43.** *1. The Department may recover any refund or any*
33 *part thereof which is erroneously made and any credit or part*
34 *thereof which is erroneously allowed in an action brought in a*
35 *court of competent jurisdiction in Carson City or Clark County in*
36 *the name of the State of Nevada.*

37 2. *The action must be tried in Carson City or Clark County*
38 *unless the court, with the consent of the Attorney General, orders*
39 *a change of place of trial.*

40 3. *The Attorney General shall prosecute the action, and the*
41 *provisions of NRS, the Nevada Rules of Civil Procedure and the*
42 *Nevada Rules of Appellate Procedure relating to service of*
43 *summons, pleadings, proofs, trials and appeals are applicable to*
44 *the proceedings.*



1 **Sec. 44. 1.** *If any amount in excess of \$25 has been*
2 *illegally determined, either by the person filing the return or by the*
3 *Department, the Department shall certify this fact to the State*
4 *Board of Examiners, and the latter shall authorize the*
5 *cancellation of the amount upon the records of the Department.*

6 **2.** *If an amount not exceeding \$25 has been illegally*
7 *determined, either by the person filing a return or by the*
8 *Department, the Department, without certifying this fact to the*
9 *State Board of Examiners, shall authorize the cancellation of*
10 *the amount upon the records of the Department.*

11 **Sec. 45.** *The Department shall administer and enforce the*
12 *provisions of this chapter and may adopt regulations relating to*
13 *the administration and enforcement of this chapter.*

14 **Sec. 46. 1.** *The provisions of this chapter relating to the*
15 *collection and remittance of the services tax apply to every service*
16 *provider whose activities have a sufficient nexus with this State to*
17 *satisfy the requirements of the United States Constitution.*

18 **2.** *In administering the provisions of this chapter, the*
19 *Department shall construe the term "service provider" in*
20 *accordance with the provisions of subsection 1.*

21 **Sec. 47.** *The Department may employ accountants, auditors,*
22 *investigators, assistants and clerks necessary for the efficient*
23 *administration of this chapter, and may delegate authority to its*
24 *representatives to conduct hearings, adopt regulations or perform*
25 *any other duties imposed by this chapter.*

26 **Sec. 48. 1.** *Every service provider and every person who*
27 *uses taxable services in this State shall keep records, receipts,*
28 *invoices and other pertinent papers in such a form as the*
29 *Department may require.*

30 **2.** *Every service provider or other person who:*

31 **(a)** *Files the returns required under this chapter shall keep the*
32 *records for not less than 4 years after their making unless the*
33 *Department in writing sooner authorizes their destruction.*

34 **(b)** *Fails to file the returns required under this chapter shall*
35 *keep the records for not less than 8 years after their making unless*
36 *the Department in writing sooner authorizes their destruction.*

37 **Sec. 49. 1.** *To verify the accuracy of any return filed or, if*
38 *no return is filed as required by section 27 of this act, to determine*
39 *the amount required to be paid, the Department, or any person*
40 *authorized in writing by the Department, may examine the books,*
41 *papers, records and equipment of any person who may be liable*
42 *for the services tax, and may investigate the character of the*
43 *business of such a person.*

44 **2.** *Any person who may be liable for the services tax and who*
45 *keeps outside of this State any records, receipts, invoices and other*



1 documents relating to the services tax due this State shall pay to
2 the Department an amount equal to the allowance provided for
3 state officers and employees generally while traveling outside of
4 the State for each day or fraction thereof during which an
5 employee of the Department is engaged in examining those
6 documents, plus any other actual expenses incurred by the
7 employee while he or she is absent from his or her regular place of
8 employment to examine those documents.

9 **Sec. 50.** In its administration of the services tax, the
10 Department may require the filing of reports by any person or
11 class of persons having in their possession or custody information
12 relating to any taxable services used in this State. The report must:

- 13 1. Be filed when the Department requires; and
- 14 2. Set forth the names and addresses of purchasers of taxable
15 services, the purchase price of the taxable services, the date the
16 taxable services were provided, and such other information as the
17 Department may require.

18 **Sec. 51.** 1. Except as otherwise provided in this section or
19 NRS 360.247, it is a misdemeanor for any member of the
20 Commission or officer, agent or employee of the Department to
21 make known in any manner whatever the business affairs,
22 operations or information obtained by an investigation of records
23 and equipment of any service provider or any other person visited
24 or examined in the discharge of official duty, or the amount or
25 source of income, profits, losses, expenditures or any particular of
26 them, set forth or disclosed in any return, or to permit any return
27 or copy of a return, or any book containing any abstract or
28 particulars of it to be seen or examined by any person not
29 connected with the Department.

30 2. The Commission may agree with any county fair and
31 recreation board or the governing body of any county, city or town
32 for the continuing exchange of information concerning taxpayers.

33 3. The Governor may, by general or special order, authorize
34 the examination of the records maintained by the Department
35 under this chapter by other state officers, by tax officers of
36 another state, by the Federal Government, if a reciprocal
37 arrangement exists, or by any other person. The information so
38 obtained may not be made public except to the extent and in the
39 manner that the order may authorize that it be made public.

40 4. Upon written request made by a public officer of a local
41 government, the Executive Director shall furnish from the records
42 of the Department the name and address of the owner of any
43 service provider who must file a return with the Department. The
44 request must set forth the social security number of the owner of
45 the service provider about whom the request is made and contain a



1 *statement signed by the proper authority of the local government*
2 *certifying that the request is made to allow the proper authority to*
3 *enforce a law to recover a debt or obligation owed to the local*
4 *government. Except as otherwise provided in NRS 239.0115, the*
5 *information obtained by the local government is confidential and*
6 *may not be used or disclosed for any purpose other than the*
7 *collection of a debt or obligation owed to that local government.*
8 *The Executive Director may charge a reasonable fee for the cost*
9 *of providing the requested information.*

10 *5. Successors, receivers, trustees, executors, administrators,*
11 *assignees and guarantors, if directly interested, may be given*
12 *information as to the items included in the measure and amounts*
13 *of any unpaid tax or amounts of tax required to be collected,*
14 *interest and penalties.*

15 *6. Relevant information that the Commission has determined*
16 *is not proprietary or confidential information in a hearing*
17 *conducted pursuant to NRS 360.247 may be disclosed as evidence*
18 *in an appeal by the taxpayer from a determination of tax due.*

19 *7. At any time after a determination, decision or order of the*
20 *Executive Director or other officer of the Department imposing*
21 *upon a person a penalty for fraud or intent to evade the services*
22 *tax becomes final or is affirmed by the Commission, any member*
23 *of the Commission or officer, agent or employee of the*
24 *Department may publicly disclose the identity of that person and*
25 *the amount of tax assessed and penalties imposed against that*
26 *person.*

27 **Sec. 52.** *Any service provider or other person who fails or*
28 *refuses to furnish any return required to be made, or who fails or*
29 *refuses to furnish a supplemental return or other data required by*
30 *the Department, or who renders a false or fraudulent return shall*
31 *be fined not more than \$500 for each offense.*

32 **Sec. 53.** *Any person required to make, render, sign or verify*
33 *any report who makes any false or fraudulent return, with intent*
34 *to defeat or evade the determination of an amount due required by*
35 *law to be made, shall for each offense be fined not less than \$300*
36 *or more than \$5,000, or be imprisoned for not more than 1 year in*
37 *the county jail, or be punished by both fine and imprisonment.*

38 **Sec. 54.** *Any violation of this chapter, except as otherwise*
39 *provided by specific statute, is a misdemeanor.*

40 **Sec. 55.** *Any prosecution for violation of any of the penal*
41 *provisions of this chapter must be instituted within 3 years after*
42 *the commission of the offense.*

43 **Sec. 56.** *In the determination of any case arising under this*
44 *chapter, the rule of res judicata is applicable only if the liability*



1 *involved is for the same period as was involved in another case*
2 *previously determined.*

3 **Sec. 57.** 1. *All fees, taxes, interest and penalties imposed*
4 *and all amounts of tax required to be paid to the State under this*
5 *chapter must be paid to the Department in the form of remittances*
6 *payable to the Department.*

7 2. *The Department shall deposit the payments in the State*
8 *Treasury to the credit of the Services Tax Account in the State*
9 *General Fund.*

10 3. *The money in the Services Tax Account may, upon order*
11 *of the State Controller, be used for refunds under this chapter.*

12 **Sec. 58.** *The remedies of the State provided for in this*
13 *chapter are cumulative, and no action taken by the Department or*
14 *the Attorney General constitutes an election by the State to pursue*
15 *any remedy to the exclusion of any other remedy for which*
16 *provision is made in this chapter.*

17 **Sec. 59.** *In all proceedings under this chapter, the*
18 *Department may act for and on behalf of the people of the State of*
19 *Nevada.*

20 **Sec. 60.** NRS 360.2937 is hereby amended to read as follows:

21 360.2937 1. Except as otherwise provided in this section,
22 NRS 360.320 or any other specific statute, and notwithstanding the
23 provisions of NRS 360.2935, interest must be paid upon an
24 overpayment of any tax provided for in chapter 362, 363A, 363B,
25 369, 370, 372, 374, 377 or 377A of NRS ~~§~~ *or sections 2 to 59,*
26 *inclusive, of this act,* any fee provided for in NRS 444A.090 or
27 482.313, or any assessment provided for in NRS 585.497, at the rate
28 of 0.5 percent per month from the last day of the calendar month
29 following the period for which the overpayment was made.

30 2. No refund or credit may be made of any interest imposed on
31 the person making the overpayment with respect to the amount
32 being refunded or credited.

33 3. The interest must be paid:

34 (a) In the case of a refund, to the last day of the calendar month
35 following the date upon which the person making the overpayment,
36 if the person has not already filed a claim, is notified by the
37 Department that a claim may be filed or the date upon which the
38 claim is certified to the State Board of Examiners, whichever is
39 earlier.

40 (b) In the case of a credit, to the same date as that to which
41 interest is computed on the tax or the amount against which the
42 credit is applied.

43 **Sec. 61.** NRS 360.297 is hereby amended to read as follows:

44 360.297 1. A responsible person who fails to collect or pay to
45 the Department any tax or fee imposed by this chapter, chapter



1 363A, 363B, 368A, 369, 370, 372 or 374 of NRS, *sections 2 to 59,*
2 *inclusive, of this act,* NRS 444A.090 or 482.313, or chapter 680B of
3 NRS, or who attempts to evade the payment of any such tax or fee,
4 is jointly and severally liable with any other person who is required
5 to pay such a tax or fee for the tax or fee owed plus interest and all
6 applicable penalties. The responsible person shall pay the tax or fee
7 upon notice from the Department that it is due.

8 2. As used in this section, “responsible person” includes:

9 (a) An officer or employee of a corporation; and

10 (b) A member or employee of a partnership or limited-liability
11 company,

12 ➔ whose job or duty it is to collect, account for or pay to the
13 Department any tax or fee imposed by this chapter, chapter 363A,
14 363B, 368A, 369, 370, 372 or 374 of NRS, *sections 2 to 59,*
15 *inclusive, of this act,* NRS 444A.090 or 482.313, or chapter 680B of
16 NRS.

17 **Sec. 62.** NRS 360.300 is hereby amended to read as follows:

18 360.300 1. If a person fails to file a return or the Department
19 is not satisfied with the return or returns of any tax, contribution or
20 premium or amount of tax, contribution or premium required to be
21 paid to the State by any person, in accordance with the applicable
22 provisions of this chapter, chapter 360B, 362, 363A, 363B, 369,
23 370, 372, 372A, 374, 377, 377A or 444A of NRS, *sections 2 to 59,*
24 *inclusive, of this act,* NRS 482.313, or chapter 585 or 680B of NRS
25 as administered or audited by the Department, it may compute and
26 determine the amount required to be paid upon the basis of:

27 (a) The facts contained in the return;

28 (b) Any information within its possession or that may come into
29 its possession; or

30 (c) Reasonable estimates of the amount.

31 2. One or more deficiency determinations may be made with
32 respect to the amount due for one or for more than one period.

33 3. In making its determination of the amount required to be
34 paid, the Department shall impose interest on the amount of tax
35 determined to be due, calculated at the rate and in the manner set
36 forth in NRS 360.417, unless a different rate of interest is
37 specifically provided by statute.

38 4. The Department shall impose a penalty of 10 percent in
39 addition to the amount of a determination that is made in the case of
40 the failure of a person to file a return with the Department.

41 5. When a business is discontinued, a determination may be
42 made at any time thereafter within the time prescribed in NRS
43 360.355 as to liability arising out of that business, irrespective of
44 whether the determination is issued before the due date of the
45 liability.



1 **Sec. 63.** NRS 360.417 is hereby amended to read as follows:

2 360.417 Except as otherwise provided in NRS 360.232 and
3 360.320, and unless a different penalty or rate of interest is
4 specifically provided by statute, any person who fails to pay any tax
5 provided for in chapter 362, 363A, 363B, 369, 370, 372, 374, 377,
6 377A, 444A or 585 of NRS, *or sections 2 to 59, inclusive, of this*
7 *act*, or any fee provided for in NRS 482.313, and any person or
8 governmental entity that fails to pay any fee provided for in NRS
9 360.787, to the State or a county within the time required, shall pay
10 a penalty of not more than 10 percent of the amount of the tax or fee
11 which is owed, as determined by the Department, in addition to the
12 tax or fee, plus interest at the rate of 1 percent per month, or fraction
13 of a month, from the last day of the month following the period for
14 which the amount or any portion of the amount should have been
15 reported until the date of payment. The amount of any penalty
16 imposed must be based on a graduated schedule adopted by the
17 Nevada Tax Commission which takes into consideration the length
18 of time the tax or fee remained unpaid.

19 **Sec. 64.** NRS 360.419 is hereby amended to read as follows:

20 360.419 1. If the Executive Director or a designated hearing
21 officer finds that the failure of a person to make a timely return or
22 payment of a tax imposed pursuant to NRS 361.320 or chapter
23 361A, 362, 363A, 363B, 369, 370, 372, 372A, 374, 375A, 375B,
24 376A, 377 or 377A of NRS, *or sections 2 to 59, inclusive, of this*
25 *act* is the result of circumstances beyond his or her control and
26 occurred despite the exercise of ordinary care and without intent, the
27 Department may relieve the person of all or part of any interest or
28 penalty, or both.

29 2. A person seeking relief must file with the Department a
30 statement under oath setting forth the facts upon which the person
31 bases his or her claim.

32 3. The Department shall disclose, upon the request of any
33 person:

34 (a) The name of the person to whom relief was granted; and

35 (b) The amount of the relief.

36 4. The Executive Director or a designated hearing officer shall
37 act upon the request of a taxpayer seeking relief pursuant to NRS
38 361.4835 which is deferred by a county treasurer or county assessor.

39 **Sec. 65.** NRS 360.510 is hereby amended to read as follows:

40 360.510 1. If any person is delinquent in the payment of any
41 tax or fee administered by the Department or if a determination has
42 been made against the person which remains unpaid, the
43 Department may:

44 (a) Not later than 3 years after the payment became delinquent
45 or the determination became final; or



1 (b) Not later than 6 years after the last recording of an abstract
2 of judgment or of a certificate constituting a lien for tax owed,
3 ↪ give a notice of the delinquency and a demand to transmit
4 personally or by registered or certified mail to any person,
5 including, without limitation, any officer or department of this State
6 or any political subdivision or agency of this State, who has in his or
7 her possession or under his or her control any credits or other
8 personal property belonging to the delinquent, or owing any debts to
9 the delinquent or person against whom a determination has been
10 made which remains unpaid, or owing any debts to the delinquent or
11 that person. In the case of any state officer, department or agency,
12 the notice must be given to the officer, department or agency before
13 the Department presents the claim of the delinquent taxpayer to the
14 State Controller.

15 2. A state officer, department or agency which receives such a
16 notice may satisfy any debt owed to it by that person before it
17 honors the notice of the Department.

18 3. After receiving the demand to transmit, the person notified
19 by the demand may not transfer or otherwise dispose of the credits,
20 other personal property, or debts in his or her possession or under
21 his or her control at the time the person received the notice until the
22 Department consents to a transfer or other disposition.

23 4. Every person notified by a demand to transmit shall, within
24 10 days after receipt of the demand to transmit, inform the
25 Department of and transmit to the Department all such credits, other
26 personal property or debts in his or her possession, under his or her
27 control or owing by that person within the time and in the manner
28 requested by the Department. Except as otherwise provided in
29 subsection 5, no further notice is required to be served to that
30 person.

31 5. If the property of the delinquent taxpayer consists of a series
32 of payments owed to him or her, the person who owes or controls
33 the payments shall transmit the payments to the Department until
34 otherwise notified by the Department. If the debt of the delinquent
35 taxpayer is not paid within 1 year after the Department issued the
36 original demand to transmit, the Department shall issue another
37 demand to transmit to the person responsible for making the
38 payments informing him or her to continue to transmit payments to
39 the Department or that his or her duty to transmit the payments to
40 the Department has ceased.

41 6. If the notice of the delinquency seeks to prevent the transfer
42 or other disposition of a deposit in a bank or credit union or other
43 credits or personal property in the possession or under the control of
44 a bank, credit union or other depository institution, the notice must
45 be delivered or mailed to any branch or office of the bank, credit



1 union or other depository institution at which the deposit is carried
2 or at which the credits or personal property is held.

3 7. If any person notified by the notice of the delinquency
4 makes any transfer or other disposition of the property or debts
5 required to be withheld or transmitted, to the extent of the value of
6 the property or the amount of the debts thus transferred or paid, that
7 person is liable to the State for any indebtedness due pursuant to this
8 chapter, or chapter 360B, 362, 363A, 363B, 369, 370, 372, 372A,
9 374, 377, 377A or 444A of NRS, *sections 2 to 59, inclusive, of this*
10 *act*, NRS 482.313, or chapter 585 or 680B of NRS from the person
11 with respect to whose obligation the notice was given if solely by
12 reason of the transfer or other disposition the State is unable to
13 recover the indebtedness of the person with respect to whose
14 obligation the notice was given.

15 **Sec. 66.** NRS 364.127 is hereby amended to read as follows:

16 364.127 1. A board of county commissioners that imposes a
17 tax on the gross receipts from the rental of transient lodging
18 pursuant to subsection 1 of NRS 244.3352 shall require by
19 ordinance and take such additional action as may be necessary to
20 require:

21 (a) The payment of the proceeds of the tax which are required to
22 be distributed pursuant to paragraph (a) of subsection 1 of NRS
23 244.3354 or paragraph (a) of subsection 2 of NRS 244.3354 to the
24 Department of Taxation on or before the last day of the month
25 immediately following the month for which the tax is collected; and

26 (b) The schedule for the payment of the tax by persons in the
27 business of providing lodging to provide for the payment of the tax
28 in a sufficiently timely manner to carry out the provisions of
29 paragraph (a).

30 2. A board of county commissioners that imposes a tax on the
31 gross receipts from the rental of transient lodging pursuant to
32 subsection 1 of NRS 244.33561 shall require by ordinance and take
33 such additional action as may be necessary to require:

34 (a) The payment of the proceeds of the tax which are required to
35 be distributed pursuant to ~~[subsection 1 of NRS 387.191]~~ *NRS*
36 *244.33563* to the State Treasurer on or before the last day of the
37 month immediately following the month for which the tax is
38 collected; and

39 (b) The schedule for the payment of the tax by persons in the
40 business of providing lodging to provide for the payment of the tax
41 in a sufficiently timely manner to carry out the provisions of
42 paragraph (a).

43 3. The city council or other governing body of an incorporated
44 city that imposes a tax on the gross receipts from the rental of
45 transient lodging pursuant to subsection 1 of NRS 268.096 shall



1 require by ordinance and take such additional action as may be
2 necessary to require:

3 (a) The payment of the proceeds of the tax which are required to
4 be distributed pursuant to paragraph (a) of subsection 1 of NRS
5 268.0962 or paragraph (a) of subsection 2 of NRS 268.0962 to the
6 Department of Taxation on or before the last day of the month
7 immediately following the month for which the tax is collected; and

8 (b) The schedule for the payment of the tax by persons in the
9 business of providing lodging to provide for the payment of the tax
10 in a sufficiently timely manner to carry out the provisions of
11 paragraph (a).

12 **Sec. 67.** NRS 701A.370 is hereby amended to read as follows:

13 701A.370 1. If the Commissioner approves an application for
14 a partial abatement pursuant to NRS 701A.300 to 701A.390,
15 inclusive, of:

16 (a) Property taxes imposed pursuant to chapter 361 of NRS, the
17 partial abatement must:

18 (1) Be for a duration of the 20 fiscal years immediately
19 following the date of approval of the application;

20 (2) Be equal to 55 percent of the taxes on real and personal
21 property payable by the facility each year; and

22 (3) Not apply during any period in which the facility is
23 receiving another abatement or exemption from property taxes
24 imposed pursuant to chapter 361 of NRS, other than any partial
25 abatement provided pursuant to NRS 361.4722.

26 (b) Local sales and use taxes:

27 (1) The partial abatement must:

28 (I) Be for the 3 years beginning on the date of approval of
29 the application;

30 (II) Be equal to that portion of the combined rate of all the
31 local sales and use taxes payable by the facility each year which
32 exceeds ~~{0.25}~~ 0.6 percent; and

33 (III) Not apply during any period in which the facility is
34 receiving another abatement or exemption from local sales and use
35 taxes.

36 (2) The Department of Taxation shall issue to the facility a
37 document certifying the abatement which can be presented to
38 retailers at the time of sale. The document must clearly state that the
39 purchaser is only required to pay sales and use taxes imposed in this
40 State at the rate of ~~{2.25}~~ 2.6 percent.

41 2. Upon approving an application for a partial abatement
42 pursuant to NRS 701A.300 to 701A.390, inclusive, the
43 Commissioner shall immediately notify the Director of the terms of
44 the abatement and the Director shall immediately forward a
45 certificate of eligibility for the abatement to:



- 1 (a) The Department of Taxation;
- 2 (b) The board of county commissioners;
- 3 (c) The county assessor;
- 4 (d) The county treasurer; and
- 5 (e) The Commission on Economic Development.

6 **Sec. 68.** Section 16 of chapter 4, Statutes of Nevada 2008,
7 25th Special Session, as amended by chapter 387, Statutes of
8 Nevada 2009, at page 2097, is hereby amended to read as follows:

9 Sec. 16. 1. This section and sections 2, 4, 14 and 15 of
10 this act become effective upon passage and approval.

11 2. Sections 6 to 12, inclusive, of this act become
12 effective on January 1, 2009.

13 3. Sections 4 and 12 of this act expire by limitation on
14 June 30, 2009.

15 4. Sections 1, 3, 5 and 13 of this act become effective on
16 July 1, 2009.

17 5. Sections 1, 2, 3 and 5 of this act expire by limitation
18 on June 30, ~~2011~~ 2013.

19 **Sec. 69.** Section 8 of chapter 4, Statutes of Nevada 2009, at
20 page 8, is hereby amended to read as follows:

21 Sec. 8. Transitory provision.

22 1. Notwithstanding the expiration of section 4 of this
23 measure on June 30, ~~2011~~ 2013, any tax and any interest or
24 penalty owing and unpaid as of that date and collected on or
25 before October 1, ~~2011~~ 2013, must be paid, deposited and
26 credited to the State General Fund as provided in that section.

27 2. The Superintendent of Public Instruction shall make
28 the initial transfer from the State Supplemental School
29 Support Fund, as required by section 6 of this measure, on or
30 before February 1, ~~2012~~ 2014.

31 3. The board of trustees of each school district and the
32 governing body of each charter school shall prepare their
33 initial reports to the Superintendent of Public Instruction, as
34 required by section 6 of this measure, on or before November
35 10, ~~2012~~ 2014.

36 **Sec. 70.** Section 9 of chapter 4, Statutes of Nevada 2009, at
37 page 8, is hereby amended to read as follows:

38 Sec. 9. Effective dates; expiration of certain provisions.

39 1. This section and sections 1 and 10 of this measure
40 become effective:

41 (a) For the purposes of any challenge to the validity or
42 legal sufficiency of this measure or any part of it, on
43 July 31, 2008; and

44 (b) For all other purposes:



1 (1) If subsection 2 is applicable, upon passage and
2 approval; or

3 (2) If subsection 3 is applicable, upon completion of
4 the canvass of votes by the Supreme Court.

5 2. If this measure is enacted by the 75th Session of the
6 Legislature and approved by the Governor as provided in
7 subsection 3 of Section 2 of Article 19 of the Nevada
8 Constitution:

9 (a) Sections 2 to 5, inclusive, and section 8 of this
10 measure become effective:

11 (1) Upon passage and approval, for the purposes of
12 adopting the ordinance imposing the tax; and

13 (2) On July 1, 2009, for all other purposes.

14 (b) Section 4 of this measure expires by limitation on
15 June 30, ~~[2011.]~~ 2013.

16 (c) Sections 6 and 7 of this measure become effective on
17 July 1, ~~[2011.]~~ 2013.

18 3. If this measure is not enacted and approved as
19 provided in subsection 2, but is approved by the voters after
20 the measure has been referred or submitted to the voters
21 pursuant to subsection 3 of Section 18 of Article 4 or
22 subsection 3 of Section 2 of Article 19 of the Nevada
23 Constitution:

24 (a) Sections 2 and 3 and sections 5 to 8, inclusive, of this
25 measure become effective:

26 (1) Upon the completion of the canvass of votes by the
27 Supreme Court, for the purposes of adopting the ordinance
28 imposing the tax; and

29 (2) On January 1, 2011, for all other purposes.

30 (b) Section 4 of this measure shall not become effective.

31 **Sec. 71.** Section 29 of chapter 287, Statutes of Nevada 2009,
32 at page 1233, is hereby amended to read as follows:

33 Sec. 29. ~~[1.]~~ NRS 361A.155 is hereby repealed.

34 ~~[2.—Section 5 of chapter 4, Statutes of Nevada 2008, 25th~~
35 ~~Special Session, at page 17, is hereby repealed.]~~

36 **Sec. 72.** Section 31 of chapter 287, Statutes of Nevada 2009,
37 at page 1233, is hereby amended to read as follows:

38 Sec. 31. 1. This section and sections 3, 4, 27 ~~[—28;~~
39 ~~subsection 2 of section 29 and section]~~ **and** 30 of this act
40 become effective upon passage and approval.

41 2. Sections 1, 2, ~~[and]~~ 5 to 26, inclusive, and
42 ~~[subsection 1 of section]~~ 29 of this act become effective on
43 July 1, 2009.



1 **Sec. 73.** Section 19 of chapter 395, Statutes of Nevada 2009,
2 at page 2199, is hereby amended to read as follows:

3 Sec. 19. The amendatory provisions of:

4 1. Section 3 of this act:

5 (a) Do not apply to any taxes due for any period ending
6 on or before June 30, 2009; and

7 (b) Except as otherwise provided in paragraph (a) and
8 notwithstanding the expiration of that section by limitation
9 pursuant to section 20 of this act, apply to taxes due pursuant
10 to NRS 363B.110 for each calendar quarter ending on or
11 before June 30, ~~2011.~~ **2013.**

12 2. Sections 4, 5, 13, 14, 15, 16, 17 and 18 of this act
13 apply to governmental services taxes imposed for any period
14 of registration of a vehicle that begins on or after
15 September 1, 2009.

16 **Sec. 74.** Section 20 of chapter 395, Statutes of Nevada 2009,
17 at page 2199, is hereby amended to read as follows:

18 Sec. 20. 1. This section and section 19 of this act
19 become effective upon passage and approval.

20 2. Sections 1 ~~1, 2,~~ **and 2 of this act become effective on**
21 **July 1, 2009.**

22 3. **Sections** 3 and 6 to 12, inclusive, of this act become
23 effective on July 1, 2009, and expire by limitation on
24 June 30, ~~2011.~~

25 **3.** **2013.**

26 4. Sections 4, 5, 13, 14, 15, 16, 17 and 18 of this act
27 become effective:

28 (a) Upon passage and approval for the purpose of
29 performing any preparatory administrative tasks that are
30 necessary to carry out the provisions of this act; and

31 (b) On September 1, 2009, for all other purposes.

32 ~~4.~~ **5.** Sections 15.5 and 18.5 of this act become
33 effective on July 1, 2013.

34 ~~5.~~ **6.** Section 18 of this act expires by limitation on
35 June 30, 2013.

36 **Sec. 75.** Section 47 of chapter 381, Statutes of Nevada 2009,
37 as amended by chapter 429, Statutes of Nevada 2009, at page 2410,
38 is hereby amended to read as follows:

39 Sec. 47. 1. This section and section 45.5 of this act
40 become effective upon passage and approval.

41 2. Sections 1 to 44, inclusive, 45, 46 and 46.5 of this act
42 become effective:

43 (a) Upon passage and approval for the purposes of
44 adopting regulations and performing any other preparatory



1 actions that are necessary to carry out the provisions of this
2 act; and

3 (b) On October 1, 2009, for all other purposes.

4 3. Sections 44.3 and 44.7 of this act become effective on
5 July 1, ~~2011~~ 2013.

6 **Sec. 76.** Section 28 of chapter 287, Statutes of Nevada 2009,
7 at page 1232, is hereby repealed.

8 **Sec. 77.** 1. When preparing its certificate of the tax due from
9 a taxpayer pursuant to NRS 362.130 during the calendar year 2014,
10 the Department of Taxation shall reduce the amount of the tax due
11 from the taxpayer by the amount of:

12 (a) Any estimated payments of the tax made by or on behalf of
13 the taxpayer during the calendar year 2013 pursuant to NRS
14 362.115, as that section read on January 1, 2013; and

15 (b) Any unused credit to which the taxpayer may be entitled as a
16 result of any previous overpayment of the tax.

17 2. Notwithstanding any provision of NRS 362.170 to the
18 contrary:

19 (a) The amount appropriated to each county pursuant to that
20 section for distribution to the county during the calendar year 2014
21 must be reduced by the amount appropriated to the county pursuant
22 to that section for distribution to the county during the calendar year
23 2013, excluding any portion of the amount appropriated to the
24 county pursuant to that section for distribution to the county during
25 the calendar year 2013 which is attributable to a pro rata share of
26 any penalties and interest collected by the Department of Taxation
27 for the late payment of taxes distributed to the county.

28 (b) In calculating the amount required to be apportioned to each
29 local government or other local entity pursuant to subsection 2 of
30 that section for the calendar year 2014, the county treasurer shall
31 reduce the amount required to be determined pursuant to paragraph
32 (a) of that subsection for that calendar year by the amount
33 determined pursuant to that paragraph for the calendar year 2013.

34 **Sec. 78.** The Department of Taxation shall adopt the
35 regulations necessary to implement the provisions of this act on or
36 before December 31, 2011.

37 **Sec. 79.** 1. This section and sections 68 to 78, inclusive, of
38 this act become effective upon passage and approval.

39 2. Sections 1 to 65, inclusive, of this act become effective:

40 (a) Upon passage and approval for the purposes of adopting
41 regulations and performing any other preparatory administrative
42 tasks that are necessary to carry out the provisions of this act; and

43 (b) On January 1, 2012, for all other purposes.

44 3. Sections 66 and 67 of this act become effective on
45 July 1, 2011, and expire by limitation on June 30, 2013.



TEXT OF REPEALED SECTION

Section 28 of chapter 287, Statutes of Nevada 2009:

Sec. 28. Section 16 of chapter 4, Statutes of Nevada 2008, 25th Special Session, at page 23, is hereby amended to read as follows:

Sec. 16. 1. This section and sections 2, 4, 14 and 15 of this act become effective upon passage and approval.

2. Sections 6 to 12, inclusive, of this act become effective on January 1, 2009 ~~;~~

~~—3. Sections 4 and 6 to 12, inclusive, of this act~~ , and expire by limitation on June 30, 2009.

~~[4.]~~ 3. Sections 1, 3 ~~;~~ and 13 of this act become effective on July 1, 2009.

~~[5.]~~ 4. Sections 1 ~~;~~ ~~2, 3 and 5~~ to 4, inclusive, of this act expire by limitation on June 30, 2011.

