
ASSEMBLY JOINT RESOLUTION NO. 1—ASSEMBLYMAN ELLISON

PREFILED JANUARY 27, 2017

Referred to Committee on Legislative Operations and Elections

SUMMARY—Proposes to amend the Nevada Constitution to limit certain changes to the commerce tax unless the change is approved by a majority of the voters voting on the question. (BDR C-97)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

ASSEMBLY JOINT RESOLUTION—Proposing to amend the Nevada Constitution to prohibit the Legislature from decreasing the amount of Nevada gross revenue exempted from the commerce tax unless the decrease is approved by an affirmative vote of a majority of the voters voting on the question.

Legislative Counsel’s Digest:

1 Existing law imposes an annual commerce tax on each business entity engaged
2 in business in this State whose Nevada gross revenue in a fiscal year exceeds
3 \$4,000,000 at a rate that is based on the industry in which the business entity is
4 primarily engaged. (NRS 363C.200) Existing law permits the Legislature to
5 increase public revenue by a vote of at least two-thirds of both houses or by a vote
6 of the people at the next general election. (Nev. Const. Art. 4, § 18) This joint
7 resolution proposes to amend the Nevada Constitution to prohibit the Legislature
8 from decreasing the amount of Nevada gross revenue exempted from the commerce
9 tax unless the decrease is approved by a majority of the voters voting on the
10 question at a special election or the next general election.

1 RESOLVED BY THE ASSEMBLY AND SENATE OF THE STATE OF
2 NEVADA, JOINTLY, That Section 18 of Article 4 of the Nevada
3 Constitution be amended as follows:

4 Sec. 18. 1. Every bill, except a bill placed on a
5 consent calendar adopted as provided in subsection 4, must be
6 read by sections on three several days, in each House, unless
7 in case of emergency, two thirds of the House where such bill



1 is pending shall deem it expedient to dispense with this rule.
2 The reading of a bill by sections, on its final passage, shall in
3 no case be dispensed with, and the vote on the final passage
4 of every bill or joint resolution shall be taken by yeas and
5 nays to be entered on the journals of each House. Except as
6 otherwise provided in subsection 2, a majority of all the
7 members elected to each House is necessary to pass every bill
8 or joint resolution, and all bills or joint resolutions so passed,
9 shall be signed by the presiding officers of the respective
10 Houses and by the Secretary of the Senate and Clerk of the
11 Assembly.

12 2. Except as otherwise provided in subsection 3 **† and**
13 **Section 8 of Article 10**, an affirmative vote of not fewer than
14 two-thirds of the members elected to each House is necessary
15 to pass a bill or joint resolution which creates, generates, or
16 increases any public revenue in any form, including but not
17 limited to taxes, fees, assessments and rates, or changes in the
18 computation bases for taxes, fees, assessments and rates.

19 3. A majority of all of the members elected to each
20 House may refer any measure which creates, generates, or
21 increases any revenue in any form to the people of the State at
22 the next general election, and shall become effective and
23 enforced only if it has been approved by a majority of the
24 votes cast on the measure at such election.

25 4. Each House may provide by rule for the creation of a
26 consent calendar and establish the procedure for the passage
27 of uncontested bills.

28 And be it further

29 RESOLVED, That a new section, designated Section 8, be added
30 to Article 10 of the Nevada Constitution to read as follows:

31 ***Sec. 8. 1. If the Legislature levies a commerce tax,***
32 ***the Legislature shall by law provide for an exemption from***
33 ***the tax for a business whose Nevada gross revenue, as***
34 ***defined by the Legislature, is not more than \$4,000,000.***

35 ***2. Notwithstanding any other provision of this***
36 ***Constitution, a majority of all the members of each House***
37 ***may refer any measure that decreases the amount of the***
38 ***exemption required by subsection 1 to the people of the***
39 ***State at a special election or the next general election, and***
40 ***the measure shall become effective and enforced only if it***
41 ***has been approved by a majority of the voters voting on the***
42 ***question.***

43 ***3. As used in this section, "commerce tax" means the***
44 ***tax levied by the Legislature pursuant to chapter 487,***
45 ***Statutes of Nevada 2015, at page 2876, or a substantially***



similar tax levied on each business entity engaging in business in this State.

And be it further

RESOLVED, That Section 1 of Article 10 of the Nevada Constitution be amended to read as follows:

Section 1. 1. The Legislature shall provide by law for a uniform and equal rate of assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property, real, personal and possessory, except mines and mining claims, which shall be assessed and taxed only as provided in Section 5 of this Article.

2. Shares of stock, bonds, mortgages, notes, bank deposits, book accounts and credits, and securities and choses in action of like character are deemed to represent interest in property already assessed and taxed, either in Nevada or elsewhere, and shall be exempt.

3. The Legislature may constitute agricultural and open-space real property having a greater value for another use than that for which it is being used, as a separate class for taxation purposes and may provide a separate uniform plan for appraisal and valuation of such property for assessment purposes. If such plan is provided, the Legislature shall also provide for retroactive assessment for a period of not less than 7 years when agricultural and open-space real property is converted to a higher use conforming to the use for which other nearby property is used.

4. Personal property which is moving in interstate commerce through or over the territory of the State of Nevada, or which was consigned to a warehouse, public or private, within the State of Nevada from outside the State of Nevada for storage in transit to a final destination outside the State of Nevada, whether specified when transportation begins or afterward, shall be deemed to have acquired no situs in Nevada for purposes of taxation and shall be exempt from taxation. Such property shall not be deprived of such exemption because while in the warehouse the property is assembled, bound, joined, processed, disassembled, divided, cut, broken in bulk, relabeled or repackaged.

5. The Legislature may exempt motor vehicles from the provisions of the tax required by this Section, and in lieu thereof, if such exemption is granted, shall provide for a uniform and equal rate of assessment and taxation of motor vehicles, which rate shall not exceed five cents on one dollar of assessed valuation.



1 6. The Legislature shall provide by law for a progressive
2 reduction in the tax upon business inventories by 20 percent
3 in each year following the adoption of this provision, and
4 after the expiration of the 4th year such inventories are
5 exempt from taxation. The Legislature may exempt any other
6 personal property, including livestock.

7 7. No inheritance tax shall ever be levied.

8 8. The Legislature may exempt by law property used for
9 municipal, educational, literary, scientific or other charitable
10 purposes, or to encourage the conservation of energy or the
11 substitution of other sources for fossil sources of energy.

12 9. No income tax shall be levied upon the wages or
13 personal income of natural persons. Notwithstanding the
14 foregoing provision, and except as otherwise provided in
15 subsection 1 of this Section **H** and *Section 8 of Article 10*,
16 taxes may be levied upon the income or revenue of any
17 business in whatever form it may be conducted for profit in
18 the State.

19 10. The Legislature may provide by law for an
20 abatement of the tax upon or an exemption of part of the
21 assessed value of a single-family residence occupied by the
22 owner to the extent necessary to avoid severe economic
23 hardship to the owner of the residence.

