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SENATE BILL NO. 333—SENATOR KIECKHEFER

MARCH 21, 2011

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Referred to Committee on Revenue

**SUMMARY**—Requires the establishment of the Nevada Job Creation Incentive Program to provide a deduction from the payroll tax for wages paid to newly hired employees under certain circumstances. (BDR 32-746)

**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.

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AN ACT relating to taxation; requiring the Department of Taxation to adopt regulations establishing the Nevada Job Creation Incentive Program to provide a deduction from the payroll tax for certain employers for wages paid to newly hired employees under certain circumstances; requiring the Department to report quarterly to the Legislative Commission concerning the Program; 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 respective employees during each calendar quarter. (NRS 363A.130, 363B.110)  
3 **Section 1** of this bill requires the Department of Taxation to adopt regulations  
4 establishing the Nevada Job Creation Incentive Program. The Program must  
5 provide a deduction from the payroll taxes imposed pursuant to NRS 363A.130 and  
6 363B.110 for an employer that, on or after October 1, 2011, but on or before  
7 September 30, 2013, hires a new full-time employee and meets certain other  
8 requirements, and must also provide that no deduction is allowed pursuant to  
9 the Program for any month after September 2013. **Section 1** also requires the  
10 Department to report to the Legislative Commission quarterly concerning the  
11 Program. **Section 3** of this bill provides for the expiration of this bill by limitation  
12 on December 31, 2013.

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

1       **Section 1.** Chapter 360 of NRS is hereby amended by adding  
2 thereto a new section to read as follows:

3       1. *The Department shall adopt regulations establishing the*  
4 *Nevada Job Creation Incentive Program.*

5       2. *The Program must, without limitation:*

6       (a) *Provide a deduction from the total wages upon which the*  
7 *excise taxes are imposed pursuant to NRS 363A.130 and 363B.110*  
8 *for an employer that, on or after October 1, 2011, but on or before*  
9 *September 30, 2013, hires a new full-time employee who is a*  
10 *resident of this State, in the amount of the wages paid to that*  
11 *employee during a calendar quarter;*

12       (b) *Provide that no deduction is allowed pursuant to the*  
13 *Program for any month after September 2013; and*

14       (c) *Provide as a condition of receiving the deduction that the*  
15 *employer prove to the satisfaction of the Department that, for each*  
16 *calendar quarter in which any portion of the deduction is claimed:*

17       (1) *The hiring of the new employee has resulted in an*  
18 *actual increase in the size of the workforce of the employer, as*  
19 *compared to the size of that workforce for the corresponding*  
20 *calendar quarter of the immediately preceding calendar year;*

21       (2) *The hiring of the new employee has not been offset by*  
22 *the termination or resignation of any other employee of the*  
23 *employer; and*

24       (3) *The increase in the size of the workforce of the*  
25 *employer is not the result of the employer transferring employees*  
26 *from full-time employment to part-time employment.*

27       3. *The Department shall, within 60 days after the end of each*  
28 *calendar quarter that begins on or after October 1, 2011, report to*  
29 *the Legislative Commission concerning the Program. The report*  
30 *must include, without limitation, the name and business address of*  
31 *each employer to which a deduction from the excise taxes imposed*  
32 *pursuant to NRS 363A.130 and 363B.110 has been provided under*  
33 *the Program during the immediately preceding calendar quarter*  
34 *and the amount of each such deduction, the cumulative amount of*  
35 *all deductions that have been provided under the Program*  
36 *through the end of the immediately preceding calendar quarter*  
37 *and any other information required by the Legislative*  
38 *Commission.*

39       4. *As used in this section, “employer” has the meaning*  
40 *ascribed to it:*

41       (a) *In NRS 363A.030, with respect to the excise tax imposed*  
42 *pursuant to NRS 363A.130; and*



1       ***(b) In NRS 363B.030, with respect to the excise tax imposed***  
2 ***pursuant to NRS 363B.110.***

3       **Sec. 2.** NRS 360.270 is hereby amended to read as follows:

4       360.270 The enumeration of the powers in NRS 360.200 to  
5 360.265, inclusive, ***and section 1 of this act*** shall not be considered  
6 as excluding the exercise of any necessary and proper power and  
7 authority of the Nevada Tax Commission or the Department, as  
8 approved by the Nevada Tax Commission.

9       **Sec. 3.** The Department of Taxation shall adopt any  
10 regulations necessary to implement the provisions of this act on or  
11 before October 1, 2011.

12       **Sec. 4.** 1. This act becomes effective upon passage and  
13 approval for the purposes of adopting regulations and on October 1,  
14 2011, for all other purposes.

15       2. This act expires by limitation on December 31, 2013.

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