

SENATE BILL NO. 375—SENATOR HANSEN

MARCH 20, 2019

Referred to Committee on Judiciary

SUMMARY—Revises threshold for determining whether certain persons and entities who operate home-based businesses are exempt from the requirement to obtain a state business license. (BDR 7-773)

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 state business licenses; revising the threshold for determining whether certain persons and entities who operate home-based businesses are exempt from the requirement to obtain a state business license; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Under existing law, a person who operates a business from his or her home and  
2 whose net earnings from that business are not more than 66 2/3 percent of the  
3 average annual wage is exempt from the requirement to obtain a state business  
4 license. (NRS 76.020, 76.100) This bill provides instead that a person who operates  
5 a business from his or her home is exempt from the requirement to obtain a state  
6 business license if his or her annual net earnings from that business are not more  
7 than \$60,000.

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

1 **Section 1.** NRS 76.020 is hereby amended to read as follows:  
2 76.020 1. Except as otherwise provided in subsection 2,  
3 “business” means:  
4 (a) Any person, except a natural person, that performs a service  
5 or engages in a trade for profit;  
6 (b) Any natural person who performs a service or engages in a  
7 trade for profit if the person is required to file with the Internal



1 Revenue Service a Schedule C (Form 1040), Profit or Loss From  
2 Business Form, or its equivalent or successor form, a Schedule E  
3 (Form 1040), Supplemental Income and Loss Form, or its  
4 equivalent or successor form, or a Schedule F (Form 1040), Profit or  
5 Loss From Farming Form, or its equivalent or successor form, for  
6 that activity; or

7 (c) Any entity organized pursuant to this title, including, without  
8 limitation, those entities required to file with the Secretary of State,  
9 whether or not the entity performs a service or engages in a business  
10 for profit.

11 2. The term does not include:

12 (a) A governmental entity.

13 (b) A nonprofit religious, charitable, fraternal or other  
14 organization that qualifies as a tax-exempt organization pursuant to  
15 26 U.S.C. § 501(c).

16 (c) A person who operates a business from his or her home and  
17 whose *annual* net earnings from that business are not more than ~~{66~~  
18 ~~2/3 percent of the average annual wage, as computed for the~~  
19 ~~preceding calendar year pursuant to chapter 612 of NRS and~~  
20 ~~rounded to the nearest hundred dollars.}~~ **\$60,000.**

21 (d) A natural person whose sole business is the rental of four or  
22 fewer dwelling units to others.

23 (e) A business organized pursuant to chapter 82 or 84 of NRS.

24 (f) A business organized pursuant to chapter 81 of NRS if the  
25 business is a nonprofit unit-owners' association.

26 **Sec. 2.** (Deleted by amendment.)

27 **Sec. 3.** This act becomes effective:

28 1. Upon passage and approval for the purpose of adopting  
29 regulations and performing any other preparatory administrative  
30 tasks that are necessary to carry out the provisions of this act; and

31 2. On July 1, 2019, for all other purposes.

