

SENATE BILL NO. 396—SENATORS ROBERSON, BROWER,
HAMMOND, HARDY, FARLEY; GOICOECHEA, KIECKHEFER
AND SETTELMAYER

MARCH 17, 2015

JOINT SPONSORS: ASSEMBLYMEN KIRKPATRICK
AND PAUL ANDERSON

Referred to Committee on Revenue and
Economic Development

SUMMARY—Contingently reduces by half the valuation of certain
vehicles for the purpose of determining the amount
of governmental services taxes imposed.
(BDR 32-119)

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 taxation; contingently reducing by half the
valuation of certain vehicles for the purpose of
determining the amount of governmental services taxes
imposed; and providing other matters properly relating
thereto.

Legislative Counsel's Digest:

1 Governmental services taxes are imposed for the privilege of operating any
2 vehicle upon the public highways of this State. The amount of those taxes is
3 determined based upon the valuation of each vehicle. (Chapter 371 of NRS) This
4 bill will reduce that valuation by 50 percent for certain vehicles only if a new tax is
5 enacted by this Session of the Legislature which the Fiscal Analysis Division of the
6 Legislative Counsel Bureau estimates will produce at least as much tax revenue as
7 will be lost as a result of the reduction in the valuation of vehicles for the purpose
8 of determining the amount of governmental services taxes imposed.



* S B 3 9 6 *

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

1 **Section 1.** NRS 371.050 is hereby amended to read as follows:
2 371.050 1. Except as otherwise provided in subsections 3 and
3 4, valuation of vehicles must be determined by the Department upon
4 the basis of ~~13.5~~ **17.5** percent of the manufacturer's suggested retail
5 price in Nevada excluding options and extras, as of the time the
6 particular make and model for that year is first offered for sale in
7 Nevada.

8 2. If the Department is unable to determine the manufacturer's
9 suggested retail price in Nevada with respect to any vehicle because
10 the vehicle is specially constructed, or for any other reason, the
11 Department shall determine the valuation upon the basis of ~~13.5~~ **17.5**
12 percent of the original retail price to the original purchaser of the
13 vehicle as evidenced by such document or documents as the
14 Department may require.

15 3. For each:

16 (a) Bus, truck, truck-tractor or combination of vehicles having a
17 declared gross weight of 10,000 pounds or more; and

18 (b) Trailer or semitrailer having an unladen weight of 4,000
19 pounds or more,

20 ↳ the Department may use 85 percent of the original purchaser's
21 cost price in lieu of the manufacturer's suggested retail price.

22 4. If the Department is unable to determine the original
23 manufacturer's suggested retail price in Nevada, or the original
24 retail price to the purchaser, the Department may determine the
25 original value of the vehicle on the basis of ~~150~~ **25** cents per pound.

26 5. For motor carriers which register pursuant to the provisions
27 of the Interstate Highway User Fee Apportionment Act, the
28 Department may determine the original purchaser's cost price of the
29 vehicle on the basis of its declared gross weight in a manner which
30 the Department finds appropriate and equitable.

31 **Sec. 2.** NRS 371.060 is hereby amended to read as follows:

32 371.060 1. Except as otherwise provided in subsection 2 and
33 subsection 2 of NRS 371.040, each vehicle must be depreciated by
34 the Department for the purposes of the annual governmental
35 services tax according to the following schedule:

36	37	38	39	40	41	42		
							Age	Percentage of Initial Value
							New	100 percent
							1 year	95 percent
							2 years	85 percent
							3 years	75 percent



	Age	Percentage of Initial Value
1		
2		
3		
4	4 years.....	65 percent
5	5 years.....	55 percent
6	6 years.....	45 percent
7	7 years.....	35 percent
8	8 years.....	25 percent
9	9 years or more.....	15 percent

10
11 2. Except as otherwise provided in subsection 2 of NRS
12 371.040, each bus, truck or truck-tractor having a declared gross
13 weight of 10,000 pounds or more and each trailer or semitrailer
14 having an unladen weight of 4,000 pounds or more must be
15 depreciated by the Department for the purposes of the annual
16 governmental services tax according to the following schedule:

	Age	Percentage of Initial Value
17		
18		
19		
20	New	100 percent
21	1 year.....	85 percent
22	2 years.....	69 percent
23	3 years.....	57 percent
24	4 years.....	47 percent
25	5 years.....	38 percent
26	6 years.....	33 percent
27	7 years.....	30 percent
28	8 years.....	27 percent
29	9 years.....	25 percent
30	10 years or more.....	23 percent

31
32 3. Notwithstanding any other provision of this section, the
33 minimum amount of the governmental services tax:

34 (a) On any trailer having an unladen weight of 1,000 pounds or
35 less is \$3; and

36 (b) On any other vehicle is ~~\$16.~~ **\$8.**

37 4. For the purposes of this section, a vehicle shall be deemed a
38 "new" vehicle if the vehicle has never been registered with the
39 Department and has never been registered with the appropriate
40 agency of any other state, the District of Columbia, any territory or
41 possession of the United States or any foreign state, province or
42 country.

43 **Sec. 3.** Notwithstanding any other provision of this act to the
44 contrary, the provisions of this act must not be applied to modify,
45 directly or indirectly, any taxes levied or revenues pledged in such a



1 manner as to impair adversely any outstanding obligations of this
2 State, any political subdivision of this State or any other local
3 governmental entity in this State, including, without limitation,
4 bonds, medium-term financing, letters of credit and any other
5 financial obligations, until all such obligations have been discharged
6 in full or provision for their payment and redemption has been fully
7 made.

8 **Sec. 4.** 1. If one or more new taxes are enacted or existing
9 taxes are increased by the 78th Session of the Nevada Legislature,
10 the Fiscal Analysis Division of the Legislative Counsel Bureau
11 shall, before the effective date of each new tax and increase:

12 (a) Estimate the total amount of revenue that will be produced
13 by the new tax or increase in an existing tax during the first full year
14 of imposition; and

15 (b) Determine whether a sufficient amount of revenue from the
16 new or increased tax is committed by law to be distributed to the
17 school districts and other local governments to fully replace all
18 revenue that would have been distributed to the local governments
19 but for the reduction in revenue resulting from the provisions of this
20 act.

21 2. The Fiscal Analysis Division shall post on the Internet
22 website of the Legislature a notice of each estimate and
23 determination made pursuant to subsection 1.

24 **Sec. 5.** 1. This section and sections 3 and 4 of this act
25 become effective upon passage and approval.

26 2. Sections 1 and 2 of this act become effective upon the
27 earliest effective date of any new tax or increase in an existing tax
28 enacted by the 78th Session of the Nevada Legislature which the
29 Fiscal Analysis Division of the Legislative Counsel Bureau:

30 (a) Estimated pursuant to section 4 of this act to produce, during
31 the first full year of imposition or increase, a total amount of
32 revenue that equals or exceeds the total amount of the reduction in
33 tax revenue that would result from the application of the provisions
34 of this act for that same period; and

35 (b) Determined pursuant to section 4 of this act is committed by
36 law to be distributed to the school districts and other local
37 governments to fully replace all revenue that would have been
38 distributed to the local governments but for the reduction in revenue
39 resulting from the provisions of this act.

