

Senate Bill No. 414—Senators Hammond,
Manendo, Farley, Cancela and Ford

CHAPTER.....

AN ACT relating to taxation; revising provisions governing taxation of personal property owned by nonresidents and located in Nevada solely for the purposes of a display, exhibition, convention, tradeshow, carnival, fair or circus; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law exempts from taxation all personal property that is owned by a person who is not a resident of this State if the property is located in this State solely for the purposes of a display, exhibition, convention, carnival, fair or circus that is transient in nature. (NRS 361.068) This bill revises the requirements for claiming the exemption by: (1) making the requirement that the activity be transient in nature apply only to property in the State for purposes of a display, exhibition, carnival, fair or circus and only if the display, exhibition, carnival, fair or circus is located in this State for not more than 30 days; and (2) exempting property that is in this State for the purpose of an exhibit that is used in a convention or tradeshow that is located in this State.

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

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

Section 1. NRS 361.068 is hereby amended to read as follows:
361.068 1. The following personal property is exempt from
taxation:

- (a) Personal property held for sale by a merchant;
- (b) Personal property held for sale by a manufacturer;
- (c) Raw materials and components held by a manufacturer for manufacture into products, and supplies to be consumed in the process of manufacture;
- (d) Tangible personal property purchased by a business which will be consumed during the operation of the business;
- (e) Livestock;
- (f) Colonies of bees;
- (g) Pipe and other agricultural equipment used to convey water for the irrigation of legal crops;
- (h) All boats;
- (i) Slide-in campers and camper shells;
- (j) Except as otherwise provided in NRS 361.186, fine art for public display; and
- (k) All personal property that is:



- (1) Owned by a person who is not a resident of this state; and
- (2) Located in this state solely for the purposes of ~~fa display, exhibition,~~† :

(I) An exhibit that is used in a convention †† or tradeshow that is located in this State; or

(II) A display, exhibition, carnival, fair or circus that is transient in nature †† and is located in this State for not more than 30 days.

2. The Nevada Tax Commission may exempt from taxation that personal property for which the annual taxes would be less than the cost of collecting those taxes. If such an exemption is provided, the Nevada Tax Commission shall annually determine the average cost of collecting property taxes in this state which must be used in determining the applicability of the exemption.

3. A person claiming the exemption provided for in paragraph (j) of subsection 1 shall:

(a) On or before June 15 for the next ensuing fiscal year, file with the county assessor an affidavit declaring that the fine art will, during that ensuing fiscal year, meet all the criteria set forth in paragraph (b) of subsection 4; and

(b) During any fiscal year in which the person claims the exemption, make available for educational purposes and not for resale, upon written request and without charge to any public school as defined in NRS 385.007, private school as defined in NRS 394.103 and parent of a child who receives instruction in a home pursuant to NRS 392.070, one copy of a poster depicting the fine art that the facility has on public display if such a poster is available for purchase by the public at the time of the request.

4. As used in this section:

(a) “Boat” includes any vessel or other watercraft, other than a seaplane, used or capable of being used as a means of transportation on the water.

(b) “Fine art for public display”:

(1) Except as otherwise provided in subparagraph (2), means a work of art which:

(I) Is an original painting in oil, mineral, water colors, vitreous enamel, pastel or other medium, an original mosaic, drawing or sketch, an original sculpture of clay, textiles, fiber, wood, metal, plastic, glass or a similar material, an original work of mixed media or a lithograph;

(II) Was purchased in an arm’s length transaction for \$25,000 or more, or has an appraised value of \$25,000 or more;



(III) Is on public display in a public or private art gallery, museum or other building or area in this state for at least 20 hours per week during at least 35 weeks of each year for which the exemption is claimed or, if the facility displaying the fine art disposes of it before the end of that year, during at least two-thirds of the full weeks during which the facility had possession of it, or if the gallery, museum or other building or area in which the fine art will be displayed will not be opened until after the beginning of the fiscal year for which the exemption is claimed, these display requirements must be met for the first full fiscal year after the date of opening, and the date of opening must not be later than 2 years after the purchase of the fine art being displayed; and

(IV) Is on display in a facility that is available for group tours by pupils or students for at least 5 hours on at least 60 days of each full year for which the exemption is claimed, during which the facility in which it is displayed is open, by prior appointment and at reasonable times, without charge; and

(2) Does not include:

(I) A work of fine art that is a fixture or an improvement to real property;

(II) A work of fine art that constitutes a copy of an original work of fine art, unless the work is a lithograph that is a limited edition and that is signed and numbered by the artist;

(III) Products of filmmaking or photography, including, without limitation, motion pictures;

(IV) Literary works;

(V) Property used in the performing arts, including, without limitation, scenery or props for a stage; or

(VI) Property that was created for a functional use other than, or in addition to, its aesthetic qualities, including, without limitation, a classic or custom-built automobile or boat, a sign that advertises a business, and custom or antique furniture, lamps, chandeliers, jewelry, mirrors, doors or windows.

(c) "Personal property held for sale by a merchant" includes property that:

(1) Meets the requirements of sub-subparagraphs (I) and (II) of subparagraph (1) of paragraph (b);

(2) Is made available for sale within 2 years after it is acquired; and

(3) Is made available for viewing by the public or prospective purchasers, or both, within 2 years after it is acquired, whether or not a fee is charged for viewing it and whether or not it is also used for purposes other than viewing.



(d) “Public display” means the display of a work of fine art where members of the public have access to the work of fine art for viewing during publicly advertised hours. The term does not include the display of a work of fine art in an area where the public does not generally have access, including, without limitation, a private office, hallway or meeting room of a business, a room of a business used for private lodging and a private residence.

(e) “Pupil” means a person who:

(1) Is enrolled for the current academic year in a public school as defined in NRS 385.007 or a private school as defined in NRS 394.103; or

(2) Receives instruction in a home and is excused from compulsory attendance pursuant to NRS 392.070.

(f) “Student” means a person who is enrolled for the current academic year in:

(1) A community college or university; or

(2) A licensed postsecondary educational institution as defined in NRS 394.099 and a course concerning fine art.

Sec. 2. This act becomes effective on July 1, 2017.

