

Senate Bill No. 440–Committee on Finance

CHAPTER.....

AN ACT relating to taxation; revising the eligibility requirements for an exemption from sales and use taxes for certain members of the Nevada National Guard and certain relatives of such members; creating an exemption from sales and use taxes for purchases during a certain period by certain members of the Nevada National Guard who reside in this State and certain relatives of such members; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law provides an exemption from certain sales and use taxes for members of the Nevada National Guard called into active service and for certain relatives of such members of the Nevada National Guard. (NRS 372.7281, 374.7285) The Department of Taxation is required to issue a letter of exemption to a person who the Department determines is eligible for such an exemption from taxation. (NRS 372.7282, 374.7286) **Sections 1 and 3** of this bill revise the eligibility requirements for this exemption so that it is available to members of the Nevada National Guard who have been called into active duty for a period of more than 30 days outside of the United States and the relatives of such members. **Sections 2 and 4** of this bill provide that a letter of exemption issued to such members or their relatives expires 30 days after the member returns to the United States.

Sections 1 and 3 also provide an exemption from sales and use taxes on purchases of tangible personal property by members of the Nevada National Guard who are on active status and who are residents of this State and certain relatives of such members of the Nevada National Guard if the purchase occurs on the date on which Nevada Day is observed or the immediately following Saturday or Sunday. **Sections 2 and 4** require an application for a letter of exemption for such an exemption to be filed not later than 30 days before the date on which Nevada Day is observed or such other deadline as the Department may establish by regulation, provided that any such deadline may not be earlier than 45 days before Nevada Day is observed. **Sections 2 and 4** establish that a letter of exemption issued for such an exemption expires on December 31 of the year it is issued but may be renewed.

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 372.7281 is hereby amended to read as follows:

372.7281 In administering the provisions of NRS 372.325, the Department shall apply the exemption for the sale of tangible



personal property to the State of Nevada, its unincorporated agencies and instrumentalities to include all tangible personal property that is sold to:

1. A member of the Nevada National Guard who ~~is engaged in full time National Guard duty, as defined in 10 U.S.C. § 101(d)(5), and~~ has been called into active ~~service.]~~ *duty for a period of more than 30 days, as defined in 10 U.S.C. § 101(d)(2), outside of the United States.*

2. A relative of a member of the Nevada National Guard eligible for the exemption pursuant to subsection 1 who:

(a) Resides in the same home or dwelling in this State as the member; and

(b) Is related by blood, adoption or marriage within the first degree of consanguinity or affinity to the member.

3. A relative of a deceased member of the Nevada National Guard who was ~~engaged in full time National Guard duty, as defined in 10 U.S.C. § 101(d)(5), and who was~~ killed while performing his or her duties as a member of the Nevada National Guard during a period when the member was called into active ~~service.]~~ *duty, as defined in 10 U.S.C. § 101(d)(1).* To be eligible under this subsection, the relative must be a person who:

(a) Resided in the same house or dwelling in this State as the deceased member; and

(b) Was related by blood, adoption or marriage within the first degree of consanguinity or affinity to the deceased member.

4. *A member of the Nevada National Guard who is on active status, as defined in 10 U.S.C. § 101(d)(4), and who is a resident of this State, if the sale occurs on the date on which Nevada Day is observed pursuant to NRS 236.015 or the Saturday or Sunday immediately following that day.*

5. *A relative of a member of the Nevada National Guard eligible for the exemption pursuant to subsection 4 who:*

(a) *Resides in the same home or dwelling in this State as the member; and*

(b) *Is related by blood, adoption or marriage within the first degree of consanguinity or affinity to the member,*

↳ if the sale occurs on the date on which Nevada Day is observed pursuant to NRS 236.015 or the Saturday or Sunday immediately following that day.

Sec. 2. NRS 372.7282 is hereby amended to read as follows:

372.7282 1. A person who wishes to claim an exemption pursuant to NRS 372.7281 must file an application with the Department to obtain a letter of exemption. The application must be



on a form and contain such information as is required by the Department. *A person who wishes to claim an exemption pursuant to subsection 4 or 5 of NRS 372.7281 must file the application not later than 30 days before the date on which Nevada Day is observed pursuant to NRS 236.015, unless a different deadline is specified by the Department by regulation, provided that any deadline established by the Department must not be earlier than 45 days before the date on which Nevada Day is observed.*

2. If the Department determines that a person is eligible for the exemption provided pursuant to NRS 372.7281, the Department shall issue a letter of exemption to the person. A letter of exemption issued to a member of the Nevada National Guard described in subsection 1 of NRS 372.7281 or a relative of a member described in subsection 2 of NRS 372.7281 expires ~~[on the date on which the person no longer meets the qualifications for eligibility.]~~ *30 days after the member of the Nevada National Guard returns to the United States.* A letter of exemption issued to a relative of a deceased member of the Nevada National Guard described in subsection 3 of NRS 372.7281 expires on the date 3 years after the date of the death of the member. *A letter of exemption issued to a member of the Nevada National Guard described in subsection 4 of NRS 372.7281 or a relative of a member described in subsection 5 of NRS 372.7281 expires on December 31 of the year it is issued but may be renewed.*

3. To claim an exemption pursuant to NRS 372.7281 for the sale of tangible personal property to such a person:

(a) The person must provide a copy of the letter of exemption to the retailer from whom the person purchases the property; and

(b) The retailer must retain and present upon request a copy of the letter of exemption to the Department.

4. The Department shall adopt such regulations as are necessary to carry out the provisions of this section.

Sec. 3. NRS 374.7285 is hereby amended to read as follows:

374.7285 In administering the provisions of NRS 374.330, the Department shall apply the exemption for the sale of tangible personal property to the State of Nevada, its unincorporated agencies and instrumentalities to include all tangible personal property that is sold to:

1. A member of the Nevada National Guard who ~~[is engaged in full time National Guard duty, as defined in 10 U.S.C. § 101(d)(5), and]~~ has been called into active ~~[service.]~~ *duty for a period of more than 30 days, as defined in 10 U.S.C. § 101(d)(2), outside of the United States.*



2. A relative of a member of the Nevada National Guard eligible for the exemption pursuant to subsection 1 who:

(a) Resides in the same home or dwelling in this State as the member; and

(b) Is related by blood, adoption or marriage within the first degree of consanguinity or affinity to the member.

3. A relative of a deceased member of the Nevada National Guard who was ~~engaged in full-time National Guard duty, as defined in 10 U.S.C. § 101(d)(5), and who was~~ killed while performing his or her duties as a member of the Nevada National Guard during a period when the member was called into active ~~service~~ *duty, as defined in 10 U.S.C. § 101(d)(1)*. To be eligible under this subsection, the relative must be a person who:

(a) Resided in the same house or dwelling in this State as the deceased member; and

(b) Was related by blood, adoption or marriage within the first degree of consanguinity or affinity to the deceased member.

4. A member of the Nevada National Guard who is on active status, as defined in 10 U.S.C. § 101(d)(4), and who is a resident of this State, if the sale occurs on the date on which Nevada Day is observed pursuant to NRS 236.015 or the Saturday or Sunday immediately following that day.

5. A relative of a member of the Nevada National Guard eligible for the exemption pursuant to subsection 4 who:

(a) Resides in the same home or dwelling in this State as the member; and

(b) Is related by blood, adoption or marriage within the first degree of consanguinity to the member,

↪ if the sale occurs on the date on which Nevada Day is observed pursuant to NRS 236.015 or the Saturday or Sunday immediately following that day:

Sec. 4. NRS 374.7286 is hereby amended to read as follows:

374.7286 1. A person who wishes to claim an exemption pursuant to NRS 374.7285 must file an application with the Department to obtain a letter of exemption. The application must be on a form and contain such information as is required by the Department. *A person who wishes to claim an exemption pursuant to subsection 4 or 5 of NRS 374.7285 must file the application not later than 30 days before the date on which Nevada Day is observed pursuant to NRS 236.015, unless a different deadline is specified by the Department by regulation, provided that any deadline established by the Department must not be earlier than 45 days before the date on which Nevada Day is observed.*



2. If the Department determines that a person is eligible for the exemption provided pursuant to NRS 374.7285, the Department shall issue a letter of exemption to the person. A letter of exemption issued to a member of the Nevada National Guard described in subsection 1 of NRS 374.7285 or a relative of a member described in subsection 2 of NRS 374.7285 expires ~~[on the date on which the person no longer meets the qualifications for eligibility.]~~ *30 days after the member of the Nevada National Guard returns to the United States.* A letter of exemption issued to a relative of a deceased member of the Nevada National Guard described in subsection 3 of NRS 374.7285 expires on the date 3 years after the date of the death of the member. *A letter of exemption issued to a member of the Nevada National Guard described in subsection 4 of NRS 374.7285 or a relative of a member described in subsection 5 of NRS 374.7285 expires on December 31 of the year it is issued but may be renewed.*

3. To claim an exemption pursuant to NRS 374.7285, for the sale of tangible personal property to such a person:

(a) The person must provide a copy of the letter of exemption to the retailer from whom the person purchases the property; and

(b) The retailer must retain and present upon request a copy of the letter of exemption to the Department.

4. The Department shall adopt such regulations as are necessary to carry out the provisions of this section.

Sec. 5. Notwithstanding the provisions of NRS 218D.430 and 218D.435, a committee, other than the Assembly Standing Committee on Ways and Means and the Senate Standing Committee on Finance, may vote on this act before the expiration of the period prescribed for the return of a fiscal note in NRS 218D.475. This section applies retroactively from and after March 22, 2021.

Sec. 5.5. In accordance with Section 6 of Article 10 of the Nevada Constitution, the Legislature hereby finds that the exemption provided by this act from any excise tax on the sale, storage, use or consumption of tangible personal property sold at retail:

1. Will achieve a bona fide social or economic purpose and that the benefits of the exemption are expected to exceed any adverse effect of the exemption on the provision of services to the public by the State or a local government that would otherwise receive revenue from the tax from which the exemption would be granted; and

2. Will not impair adversely the ability of the State or a local government to pay, when due, all interest and principal on any



outstanding bonds or any other obligations for which revenue from the tax from which the exemption would be granted was pledged.

Sec. 6. This act becomes effective on July 1, 2021, and expires by limitation on June 30, 2031.

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