
SENATE BILL NO. 514—COMMITTEE ON FINANCE

MAY 13, 2013

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions governing payroll taxes.
(BDR 32-1220)

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 taxation; providing for the imposition of the payroll tax on larger gold and silver mining operations at the same rate as the payroll tax imposed on financial institutions; revising the rate of the payroll tax that is applicable to other employers; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, a payroll tax is imposed on businesses, other than financial
2 institutions, through June 30, 2013, at the rate of 1.17 percent of the taxable wages
3 paid by the business during a calendar quarter that exceed \$62,500, and thereafter at
4 the rate of 0.63 percent of the total taxable wages paid by such a business. (NRS
5 363B.110) A payroll tax is also currently imposed on financial institutions at the
6 rate of 2 percent of the wages paid during a calendar quarter. (NRS 363A.130) The
7 tax on financial institutions is currently imposed on banks, savings associations,
8 bank holding companies, business development companies, securities sales
9 representatives, investment advisers, transfer agents, rural business investment
10 companies, new markets venture capital companies and other specifically
11 designated entities. (NRS 363A.050) **Sections 2-4** of this bill provide for the
12 imposition of the payroll tax on larger gold and silver mining operations at the
13 same rate as the payroll tax imposed on financial institutions. In addition, **sections**
14 **5-7** of this bill revise the rate of the payroll tax that is applicable to employers other
15 than financial institutions and larger gold and silver mining operations by providing
16 that beginning on July 1, 2013, the payroll tax is imposed at the rate of 1.5 percent
17 of the wages paid during a calendar quarter that exceed \$62,500.



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

1 **Section 1.** The Legislature hereby finds and declares that the
2 provisions of this act do not conflict with, must be interpreted to be
3 compatible with, and are not intended to be a competing measure
4 with, the provisions of Initiative Petition No. 1 of the 77th Session
5 of the Legislature.

6 **Sec. 2.** Chapter 363A of NRS is hereby amended by adding
7 thereto a new section to read as follows:

8 *“Gold or silver mining operation” means a mining operation*
9 *which engages in the extraction of gold or silver, or a combination*
10 *thereof, from gold-bearing or silver-bearing ores, quartz or*
11 *minerals and for which the net proceeds of any minerals extracted*
12 *by the mining operation in this State in the immediately preceding*
13 *calendar year exceed \$4,000,000, as determined and certified by*
14 *the Department pursuant to NRS 362.100 to 362.240, inclusive.*

15 **Sec. 3.** NRS 363A.030 is hereby amended to read as follows:

16 363A.030 1. “Employer” means any ~~financial~~ :

17 (a) *Financial* institution who is required to pay a contribution
18 pursuant to NRS 612.535 for any calendar quarter with respect to
19 any business activity of the financial institution. ~~;~~ ~~except~~

20 (b) *Gold or silver mining operation that is required to pay a*
21 *contribution pursuant to NRS 612.535 for any calendar quarter*
22 *with respect to any business activity of the mining operation.*

23 2. *The term does not include* an Indian tribe, a nonprofit
24 organization or a political subdivision. For the purposes of this
25 ~~section:~~

26 ~~1.~~ *subsection:*

27 (a) “Indian tribe” includes any entity described in subsection 10
28 of NRS 612.055.

29 ~~2.~~ (b) “Nonprofit organization” means a nonprofit religious,
30 charitable, fraternal or other organization that qualifies as a tax-
31 exempt organization pursuant to 26 U.S.C. § 501(c).

32 ~~3.~~ (c) “Political subdivision” means any entity described in
33 subsection 9 of NRS 612.055.

34 **Sec. 4.** NRS 363B.030 is hereby amended to read as follows:

35 363B.030 “Employer” means any employer who is required to
36 pay a contribution pursuant to NRS 612.535 for any calendar quarter
37 with respect to any business activity of the employer, except a
38 financial institution, *a gold or silver mining operation*, an Indian
39 tribe, a nonprofit organization, a political subdivision or any person
40 who does not supply a product or service, but who only consumes a
41 service. For the purposes of this section:



1 1. "Financial institution" has the meaning ascribed to it in
2 NRS 363A.050.

3 2. *"Gold or silver mining operation" has the meaning*
4 *ascribed to it in section 2 of this act.*

5 3. "Indian tribe" includes any entity described in subsection 10
6 of NRS 612.055.

7 ~~3~~ 4. "Nonprofit organization" means a nonprofit religious,
8 charitable, fraternal or other organization that qualifies as a tax-
9 exempt organization pursuant to 26 U.S.C. § 501(c).

10 ~~4~~ 5. "Political subdivision" means any entity described in
11 subsection 9 of NRS 612.055.

12 **Sec. 5.** NRS 363B.110 is hereby amended to read as follows:

13 363B.110 1. There is hereby imposed an excise tax on each
14 employer at the rate of ~~1.17~~ 1.5 percent of the amount by which
15 the sum of all the wages, as defined in NRS 612.190, paid by the
16 employer during a calendar quarter with respect to employment in
17 connection with the business activities of the employer exceeds
18 \$62,500.

19 2. The tax imposed by this section:

20 (a) Does not apply to any person or other entity or any wages
21 this State is prohibited from taxing under the Constitution, laws or
22 treaties of the United States or the Nevada Constitution.

23 (b) Must not be deducted, in whole or in part, from any wages of
24 persons in the employment of the employer.

25 3. Each employer shall, on or before the last day of the month
26 immediately following each calendar quarter for which the
27 employer is required to pay a contribution pursuant to
28 NRS 612.535:

29 (a) File with the Department a return on a form prescribed by
30 the Department; and

31 (b) Remit to the Department any tax due pursuant to this chapter
32 for that calendar quarter.

33 **Sec. 6.** Section 17 of chapter 476, Statutes of Nevada 2011, at
34 page 2898, is hereby amended to read as follows:

35 Sec. 17. 1. This section and sections 1 and 7 to 16,
36 inclusive, of this act become effective upon passage and
37 approval.

38 2. Sections 4, 4.5 and 6 of this act become effective on
39 July 1, 2011.

40 3. ~~Sections 4 and~~ Section 6.5 of this act ~~become~~
41 *becomes* effective on July 1, 2011, and ~~expire~~ *expires* by
42 limitation on June 30, 2013.

43 4. Section 5 of this act becomes effective on the date that
44 the balance of the separate account required by subsection 8
45 of NRS 408.235 is reduced to zero.



- 1 **Sec. 7.** 1. This section and section 6 of this act become
2 effective upon passage and approval.
- 3 2. Sections 1 to 5, inclusive, of this act become effective:
- 4 (a) Upon passage and approval for the purpose of adopting any
5 necessary regulations and performing any other preparatory
6 administrative tasks necessary to carry out the provisions of this act;
7 and
- 8 (b) On July 1, 2013, for all other purposes.



* S B 5 1 4 *