

SENATE BILL NO. 95—COMMITTEE ON
REVENUE AND ECONOMIC DEVELOPMENT

(ON BEHALF OF THE JOINT INTERIM STANDING
COMMITTEE ON REVENUE)

PREFILED FEBRUARY 1, 2023

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revising provisions governing the excise tax on
other tobacco products. (BDR 32-373)

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; revising the distribution of the
proceeds of the excise tax on other tobacco products; and
providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law imposes a tax upon the receipt, purchase or sale of other tobacco
2 products in this State at a rate of 30 percent of the wholesale price of those
3 products. (NRS 370.450) By definition, other tobacco products include tobacco of
4 any description, any vapor product, any alternative nicotine product or any product
5 made from tobacco, other than cigarettes. (NRS 370.0318) Existing law requires
6 the Department of Taxation to deposit the proceeds of the tax on other tobacco
7 products with the State Treasurer for credit to the Account for the Tax on Products
8 Made From Tobacco, Other Than Cigarettes, in the State General Fund. (NRS
9 370.500) This bill requires the Department of Taxation to deposit a portion of the
10 proceeds of the tax on other tobacco products with the State Treasurer for credit to
11 the appropriate account of the Division of Public and Behavioral Health of the
12 Department of Health and Human Services, in an amount: (1) not to exceed
13 \$1,600,000 in Fiscal Year 2023-2024; and (2) that increases in each subsequent
14 fiscal year at a rate of either 2 percent or a greater percentage derived from the
15 Consumer Price Index for all Urban Consumers, West Region (All Items), as
16 published by the United States Department of Labor. The Department of Taxation
17 is required to deposit all remaining proceeds from the tax for the fiscal year with
18 the State Treasurer for credit to the Account for the Tax on Products Made From
19 Tobacco, Other Than Cigarettes, in the State General Fund.



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

1 **Section 1.** NRS 370.500 is hereby amended to read as follows:
2 370.500 1. All amounts of tax required to be paid to the State
3 pursuant to NRS 370.440 to 370.490, inclusive, must be paid to the
4 Department in the form of remittances payable to the Department.

5 2. The Department shall deposit these payments with the State
6 Treasurer for credit to :

7 (a) *The appropriate account of the Division of Public and*
8 *Behavioral Health of the Department of Health and Human*
9 *Services in an amount not to exceed:*

10 (1) *In Fiscal Year 2023-2024, \$1,600,000; and*

11 (2) *In Fiscal Year 2024-2025 and in every subsequent fiscal*
12 *year, an amount obtained by adding the amount of money*
13 *deposited with the Division of Public and Behavioral Health of the*
14 *Department of Health and Human Services pursuant to this*
15 *section in the immediately preceding fiscal year and a percentage*
16 *of the amount of such money which is equal to the greater of:*

17 (I) *Two percent; or*

18 (II) *The 5-year average percentage increase in the*
19 *Consumer Price Index for All Urban Consumers, West Region*
20 *(All Items), as published by the United States Department of*
21 *Labor; and*

22 (b) *For any amount that exceeds the amount required to be*
23 *credited to the appropriate account of the Division of Public and*
24 *Behavioral Health of the Department of Health and Human*
25 *Services for that fiscal year pursuant to paragraph (a), the*
26 *Account for the Tax on Products Made From Tobacco, Other Than*
27 *Cigarettes, in the State General Fund.*

28 **Sec. 2.** This act becomes effective on July 1, 2023.

