
SENATE BILL NO. 475—COMMITTEE ON FINANCE

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 25, 2013

Referred to Committee on Revenue and
Economic Development

SUMMARY—Makes various changes concerning governmental
financial administration. (BDR 32-1124)

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 governmental financial administration; revising the provisions governing the rate and calculation of the payroll tax imposed on certain businesses other than financial institutions; revising certain provisions governing the appropriation of money from the State Supplemental School Support Account; extending the prospective expiration of certain requirements regarding the imposition and advance payment of certain taxes and fees; revising provisions relating to the computation of the net proceeds from certain mining operations conducted in this State; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law imposes an excise tax on certain businesses other than financial
2 institutions at the rate of 1.17 percent of the total wages paid by the business each
3 calendar quarter that exceed \$62,500. (NRS 363B.110) On July 1, 2013, this rate is
4 scheduled to change to 0.63 percent of the total wages paid by the business each
5 calendar quarter. (Chapter 476, Statutes of Nevada 2011, pp. 2891-92, 2898)
6 **Sections 1, 8 and 10** of this bill delay that rate change until June 30, 2015, and
7 provide for the imposition of the tax at the rate of 1.17 percent of the total wages
8 paid by the business each calendar quarter in excess of \$85,000 until June 30, 2015.
9 Existing law imposes an additional tax on the gross receipts from the rental of
10 transient lodging in certain counties and provides for the transfer of that money to
11 the State Supplemental School Support Account. Existing law further provides that
12 on and after July 1, 2013, the money in the State Supplemental School Support



13 Account is appropriated to the school districts and charter schools of the State for
14 the operation of such schools. (NRS 244.33561, 387.191) **Section 2** of this bill
15 extends to July 1, 2015, the prospective effective date of the provisions requiring
16 that the money in the State Supplemental School Support Account be appropriated
17 to such schools.

18 Existing law requires, until June 30, 2013, the advance payment of the tax on
19 the net proceeds of minerals based upon the estimated net proceeds and royalties of
20 a mining operation for the current calendar year. (Chapter 4, Statutes of Nevada
21 2008, 25th Special Session, as last amended by chapter 476, Statutes of Nevada
22 2011, at pp. 2896-97) **Section 3** of this bill delays the expiration of this requirement
23 for advance payment until June 30, 2015, and **section 9** of this bill makes
24 conforming changes to related transitory provisions governing the duties of the
25 Department of Taxation in 2016 and the appropriation and apportionment of money
26 to counties and other local governments during that year.

27 **Section 7** of this bill extends to January 1, 2016, the prospective effective date
28 of certain other provisions revising the computation of the net proceeds from
29 certain mining operations conducted in this State. **Section 6** of this bill makes
30 conforming changes to transitory provisions governing the computation for 2015,
31 2016 and subsequent calendar years.

32 Existing law imposes an annual fee of \$200 for a state business license. (NRS
33 76.100, 76.130) On July 1, 2013, this fee is scheduled to change to \$100. (Chapter
34 429, Statutes of Nevada 2009, as last amended by chapter 476, Statutes of Nevada
35 2011, at p. 2897) **Section 4** of this bill delays this change until July 1, 2015.

36 Existing law requires, until June 30, 2013, an increase in the rate of the Local
37 School Support Tax of 0.35 percent. (Chapter 395, Statutes of Nevada 2009, as
38 amended by chapter 476, Statutes of Nevada 2011, at pp. 2897-98) **Section 5** of this
39 bill delays the expiration of this increase until June 30, 2015.

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

1 **Section 1.** NRS 363B.110 is hereby amended to read as
2 follows:

3 363B.110 1. There is hereby imposed an excise tax on each
4 employer at the rate of 1.17 percent of the amount by which the sum
5 of all the wages, as defined in NRS 612.190, paid by the employer
6 during a calendar quarter with respect to employment in connection
7 with the business activities of the employer exceeds ~~+\$62,500.1~~
8 **\$85,000.**

9 2. The tax imposed by this section:

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

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

15 3. Each employer shall, on or before the last day of the
16 month immediately following each calendar quarter for which
17 the employer is required to pay a contribution pursuant to
18 NRS 612.535:



1 (a) File with the Department a return on a form prescribed by
2 the Department; and

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

5 **Sec. 2.** NRS 387.191 is hereby amended to read as follows:

6 387.191 1. Except as otherwise provided in this subsection,
7 the proceeds of the tax imposed pursuant to NRS 244.33561 and any
8 applicable penalty or interest must be paid by the county treasurer to
9 the State Treasurer for credit to the State Supplemental School
10 Support Account, which is hereby created in the State General Fund.
11 The county treasurer may retain from the proceeds an amount
12 sufficient to reimburse the county for the actual cost of collecting
13 and administering the tax, to the extent that the county incurs any
14 cost it would not have incurred but for the enactment of this section
15 or NRS 244.33561, but in no case exceeding the amount authorized
16 by statute for this purpose. Any interest or other income earned on
17 the money in the State Supplemental School Support Account must
18 be credited to the Account.

19 2. On and after July 1, ~~2013,~~ 2015, the money in the State
20 Supplemental School Support Account is hereby appropriated for
21 the operation of the school districts and charter schools of the state,
22 as provided in this section. The money so appropriated is intended
23 to supplement and not replace any other money appropriated,
24 approved or authorized for expenditure to fund the operation of the
25 public schools for kindergarten through grade 12. Any money that
26 remains in the State Supplemental School Support Account at the
27 end of the fiscal year does not revert to the State General Fund, and
28 the balance in the State Supplemental School Support Account must
29 be carried forward to the next fiscal year.

30 3. On or before February 1, May 1, August 1 and November 1
31 of ~~2014,~~ 2016, and on those dates each year thereafter, the
32 Superintendent of Public Instruction shall transfer from the State
33 Supplemental School Support Account all the proceeds of the tax
34 imposed pursuant to NRS 244.33561, including any interest or other
35 income earned thereon, and distribute the proceeds proportionally
36 among the school districts and charter schools of the state. The
37 proportionate amount of money distributed to each school district or
38 charter school must be determined by dividing the number of
39 students enrolled in the school district or charter school by the
40 number of students enrolled in all the school districts and charter
41 schools of the state. For the purposes of this subsection, the
42 enrollment in each school district and the number of students who
43 reside in the district and are enrolled in a charter school must be
44 determined as of the last day of the first school month of the school
45 district for the school year. This determination governs the



1 distribution of money pursuant to this subsection until the next
2 annual determination of enrollment is made. The Superintendent
3 may retain from the proceeds of the tax an amount sufficient to
4 reimburse the Superintendent for the actual cost of administering the
5 provisions of this section, to the extent that the Superintendent
6 incurs any cost the Superintendent would not have incurred but for
7 the enactment of this section, but in no case exceeding the amount
8 authorized by statute for this purpose.

9 4. The money received by a school district or charter school
10 from the State Supplemental School Support Account pursuant to
11 this section must be used to improve the achievement of students
12 and for the payment of salaries to attract and retain qualified
13 teachers and other employees, except administrative employees, of
14 the school district or charter school. Nothing contained in this
15 section shall be deemed to impair or restrict the right of employees
16 of the school district or charter school to engage in collective
17 bargaining as provided by chapter 288 of NRS.

18 5. On or before November 10 of ~~2014,~~ 2016, and on that date
19 each year thereafter, the board of trustees of each school district and
20 the governing body of each charter school shall prepare a report
21 to the Superintendent of Public Instruction, in the form prescribed
22 by the Superintendent. The report must provide an accounting of the
23 expenditures by the school district or charter school of the money it
24 received from the State Supplemental School Support Account
25 during the preceding fiscal year.

26 6. As used in this section, “administrative employee” means
27 any person who holds a license as an administrator, issued by the
28 Superintendent of Public Instruction, and is employed in that
29 capacity by a school district or charter school.

30 **Sec. 3.** Section 16 of chapter 4, Statutes of Nevada 2008, 25th
31 Special Session, as last amended by chapter 476, Statutes of Nevada
32 2011, at page 2896, is hereby amended to read as follows:

33 Sec. 16. 1. This section and sections 2, 4, 14 and 15 of
34 this act become effective upon passage and approval.

35 2. Sections 6 to 12, inclusive, of this act become
36 effective on January 1, 2009.

37 3. Sections 4 and 6 to 12, inclusive, of this act expire by
38 limitation on June 30, 2009.

39 4. Sections 1, 3, 5 and 13 of this act become effective on
40 July 1, 2009.

41 5. Sections 1, 2, 3 and 5 of this act expire by limitation
42 on June 30, ~~2013,~~ 2015.



1 **Sec. 4.** Section 47 of chapter 381, Statutes of Nevada 2009, as
2 last amended by chapter 476, Statutes of Nevada 2011, at page
3 2897, is hereby amended to read as follows:

4 Sec. 47. 1. This section and section 45.5 of this act
5 become effective upon passage and approval.

6 2. Sections 1 to 44, inclusive, 45, 46 and 46.5 of this act
7 become effective:

8 (a) Upon passage and approval for the purposes of
9 adopting regulations and performing any other preparatory
10 actions that are necessary to carry out the provisions of this
11 act; and

12 (b) On October 1, 2009, for all other purposes.

13 3. Sections 44.3 and 44.7 of this act become effective on
14 July 1, ~~2013.~~ **2015.**

15 **Sec. 5.** Section 20 of chapter 395, Statutes of Nevada 2009, as
16 amended by chapter 476, Statutes of Nevada 2011, at page 2897, is
17 hereby amended to read as follows:

18 Sec. 20. 1. This section and section 19 of this act
19 become effective upon passage and approval.

20 2. Sections 1 and 2 of this act become effective on
21 July 1, 2009.

22 3. Section 3 of this act becomes effective on July 1,
23 2009, and expires by limitation on June 30, 2011.

24 4. Sections 6 to 12, inclusive, of this act become
25 effective on July 1, 2009, and expire by limitation on June 30,
26 ~~2013.~~ **2015.**

27 5. Sections 4, 5, 13, 14, 15, 16, 17 and 18 of this act
28 become effective:

29 (a) Upon passage and approval for the purpose of
30 performing any preparatory administrative tasks that are
31 necessary to carry out the provisions of this act; and

32 (b) On September 1, 2009, for all other purposes.

33 6. Sections 15.5 and 18.5 of this act become effective on
34 July 1, 2013.

35 7. Section 18 of this act expires by limitation on June 30,
36 2013.

37 **Sec. 6.** Section 17.5 of chapter 449, Statutes of Nevada 2011,
38 at page 2701, is hereby amended to read as follows:

39 Sec. 17.5. The amendatory provisions of section 12.7 of
40 this act:

41 1. Do not apply to or affect any determination of gross
42 yield or net proceeds required pursuant to NRS 362.100 to
43 362.240, inclusive, for the calendar year ~~2013.~~ **2015.**

44 2. Apply for the purposes of estimating and determining
45 gross yield and net proceeds pursuant to NRS 362.100



1 to 362.240, inclusive, for the calendar year ~~2014~~ 2016 and
2 each calendar year thereafter.

3 **Sec. 7.** Section 19 of chapter 449, Statutes of Nevada 2011, at
4 page 2701, is hereby amended to read as follows:

5 Sec. 19. 1. This section and sections 1 to 12,
6 inclusive, and 13 to 18, inclusive, of this act become effective
7 upon passage and approval.

8 2. Section 12.5 of this act becomes effective on
9 January 1, 2012.

10 3. Section 12.7 of this act becomes effective on
11 January 1, ~~2014~~ 2016.

12 **Sec. 8.** Section 13 of chapter 476, Statutes of Nevada 2011, at
13 page 2898, is hereby amended to read as follows:

14 Sec. 13. The amendatory provisions of section 4 of this
15 act:

16 1. Do not apply to any taxes due for any period ending
17 on or before June 30, 2011; and

18 2. Except as otherwise provided in subsection 1 and
19 notwithstanding the expiration of that section by limitation
20 pursuant to section 17 of this act, apply to taxes due pursuant
21 to NRS 363B.110 for each calendar quarter ending on or
22 before June 30, ~~2013~~ 2015.

23 **Sec. 9.** Section 15 of chapter 476, Statutes of Nevada 2011, at
24 page 2898, is hereby amended to read as follows:

25 Sec. 15. 1. When preparing its certificate of the tax
26 due from a taxpayer pursuant to NRS 362.130 during the
27 calendar year ~~2014~~ 2016, the Department of Taxation shall
28 reduce the amount of the tax due from the taxpayer by the
29 amount of:

30 (a) Any estimated payments of the tax made by or on
31 behalf of the taxpayer during the calendar year ~~2013~~ 2015
32 pursuant to NRS 362.115, as that section read on January 1,
33 ~~2013~~ 2015; and

34 (b) Any unused credit to which the taxpayer may be
35 entitled as a result of any previous overpayment of the tax.

36 2. Notwithstanding any provision of NRS 362.170 to the
37 contrary:

38 (a) The amount appropriated to each county pursuant to
39 that section for distribution to the county during the calendar
40 year ~~2014~~ 2016 must be reduced by the amount
41 appropriated to the county pursuant to that section for
42 distribution to the county during the calendar year ~~2013~~
43 2015, excluding any portion of the amount appropriated to the
44 county pursuant to that section for distribution to the county
45 during the calendar year ~~2013~~ 2015 which is attributable to



1 a pro rata share of any penalties and interest collected by the
2 Department of Taxation for the late payment of taxes
3 distributed to the county.

4 (b) In calculating the amount required to be apportioned
5 to each local government or other local entity pursuant to
6 subsection 2 of that section for the calendar year ~~2014,~~
7 **2016**, the county treasurer shall reduce the amount required to
8 be determined pursuant to paragraph (a) of that subsection for
9 that calendar year by the amount determined pursuant to that
10 paragraph for the calendar year ~~2013,~~ **2015**.

11 **Sec. 10.** Section 17 of chapter 476, Statutes of Nevada 2011,
12 at page 2898, is hereby amended to read as follows:

13 Sec. 17. 1. This section and sections 1 and 7 to 16,
14 inclusive, of this act become effective upon passage and
15 approval.

16 2. Sections 4.5 and 6 of this act become effective on
17 July 1, 2011.

18 3. Sections 4 and 6.5 of this act become effective on
19 July 1, 2011, and expire by limitation on June 30, ~~2013,~~
20 **2015**.

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

24 **Sec. 11.** The amendatory provisions of section 1 of this act:

25 1. Do not apply to any taxes due for any period ending on or
26 before June 30, 2013; and

27 2. Except as otherwise provided in subsection 1 and
28 notwithstanding the expiration of that section by limitation pursuant
29 to section 12 of this act, apply to taxes due pursuant to NRS
30 363B.110 for each calendar quarter ending on or before June 30,
31 2015.

32 **Sec. 12.** 1. This act becomes effective upon passage and
33 approval.

34 2. Section 1 of this act expires by limitation on June 30, 2015.

