

JOINT INTERIM STANDING COMMITTEE ON REVENUE



**Wednesday, April 1, 2026
9:30 a.m.**

**Nevada Legislature Office Building
7230 Amigo Street
Las Vegas, Nevada
Room 165**

With videoconference to:

**Legislative Building
401 South Carson Street
Carson City, Nevada
Room 4100**

NORTHERN NEVADA
LEGISLATIVE BUILDING
401 S. Carson Street
Carson City, NV 89701
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SOUTHERN NEVADA
LEGISLATIVE OFFICES
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Las Vegas, NV 89119
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THE STATE OF NEVADA LEGISLATIVE COUNSEL BUREAU

**** REVISED ****

MEETING NOTICE AND AGENDA

Name of Organization: Joint Interim Standing Committee on Revenue
Nevada Revised Statutes (NRS) 218E.320 – 218E.330

Date and Time of Meeting: Wednesday, April 1, 2026
9:30 a.m.

Place of Meeting: Nevada Legislature Office Building, Room 165
7230 Amigo Street
Las Vegas, Nevada, 89119

Note: Individuals may observe the meeting and provide testimony through a simultaneous videoconference conducted at the following location:

Legislative Building, Room 4100
401 South Carson Street
Carson City, Nevada, 89701

To provide public comment or testimony telephonically, dial **(888) 475-4499** on the date of the meeting. When prompted, provide Meeting ID **826 5112 0402**, and then press #. When prompted for a Participant ID, press #.

Additionally, this meeting can be listened to or viewed live over the Internet. The address for the Nevada Legislature website is <https://www.leg.state.nv.us>. Click on the link "[Scheduled Events](#)."

REASONABLE ACCOMMODATIONS AND LANGUAGE ACCESS SERVICES

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Please provide the meeting secretary with electronic or written copies of testimony and visual presentations if you wish to have complete versions included as exhibits with the minutes. Copies of testimony and visual presentations may also be emailed to REVInterim@lcb.state.nv.us or mailed to the Fiscal Analysis Division, 401 South Carson St., Carson City, NV 89701, or faxed to (775) 684-6475.

Items on this agenda may be taken in a different order than listed. Two or more agenda items may be combined for consideration. An item may be removed from this agenda or discussion relating to an item on this agenda may be delayed at any time.

- I. ROLL CALL.
- II. OPENING REMARKS.

III. PUBLIC COMMENT.

Public testimony under this agenda item may be presented in person, by phone, or by written comment.

Because of time considerations, each person offering testimony during this period of public comment will be limited to not more than 2 minutes. To call in to provide testimony during this period of public comment in the meeting any time after 9:00 a.m. on Wednesday, April 1, 2026, dial (888) 475-4499. When prompted to provide the Meeting ID, please enter 826 5112 0402 and then press #. When prompted for a Participant ID, please press #. To resolve any issues related to dialing in to provide public comment for this meeting, please call (775) 684-6990.

A person may also have comments added to the minutes of the meeting by submitting them in writing either in addition to testifying or in lieu of testifying. Written comments may be submitted electronically before, during, or after the meeting by email to REVInterim@lcb.state.nv.us. You may also mail written documents to the Fiscal Analysis Division, 401 South Carson St., Carson City, NV 89701, or fax them to (775) 684-6475.

For Possible Action
For Possible Action
For Possible Action

IV. APPROVAL OF THE MINUTES OF THE JANUARY 21, 2026, MEETING.

V. OVERVIEW AND DISCUSSION OF NEVADA'S SALES AND USE TAX.

VI. OVERVIEW AND DISCUSSION OF THE TAXATION OF DIGITAL GOODS.

Andrea Jimenez, Policy Specialist, Fiscal Affairs Program, National Conference of State Legislatures

Bryan Wachter, Director of Public and Government Affairs, Retail Association of Nevada

For Possible Action

VII. REPORT AND DISCUSSION OF FY 2026 YEAR-TO-DATE ACTUAL COLLECTIONS FOR THE STATE GENERAL FUND.

VIII. PUBLIC COMMENT.

Public testimony under this agenda item may be presented in person, by phone, or by written comment.

Because of time considerations, each person offering testimony during this period of public comment will be limited to not more than 2 minutes. To provide public testimony by telephone during this period of public comment, members of the public may call any time after the Chair announces this second period of public comment on Wednesday, April 1, 2026, dial (888) 475-4499. When prompted to provide the Meeting ID, please enter 826 5112 0402 and then press #. When prompted for a Participant ID, please press #. To resolve any issues related to dialing in to provide public comment for this meeting, please call (775) 684-6990.

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IX. ADJOURNMENT.

Notice of this meeting was posted at the Nevada Legislature Office Building, 7230 Amigo Street, Las Vegas, NV 89119, at the Legislative Building, 401 South Carson Street, Carson City, NV 89701, and on the Internet through the Nevada Legislature's website at www.leg.state.nv.us. Supporting public material provided to Committee members for this meeting may be requested from Basia Thomas, Fiscal Secretary, Fiscal Analysis Division, Legislative Counsel Bureau, 401 South Carson Street, Carson City, NV 89701, at (775) 684-6821 or by email at REVInterim@lcb.state.nv.us. Supporting public material for this meeting is/will also be available through the Nevada Legislature's website at www.leg.state.nv.us. Click on the link "Scheduled Events" followed by "Joint Interim Standing Committee on Revenue."

IV.

**APPROVAL OF THE MINUTES
OF THE JANUARY 21, 2026, MEETING**

**MINUTES OF THE
JOINT INTERIM STANDING COMMITTEE ON REVENUE
(Nevada Revised Statutes [NRS] 218E.320 – 218E.330)
JANUARY 21, 2026**

Chair Dina Neal called the first meeting in calendar year 2026 to order at 9:40 a.m. in Room 165 of the Nevada Legislature Office Building, 7230 Amigo Street, Las Vegas, Nevada. The meeting was videoconferenced to Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada.

COMMITTEE MEMBERS PRESENT:

Senator Dina Neal, Chair
Assemblymember Shea Backus, Vice Chair
Senator Fabian Doñate
Senator John Ellison
Assemblymember Reuben D’Silva
Assemblymember Danielle Gallant
Assemblymember Duy Nguyen
Assemblymember PK O’Neill

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division,
Legislative Counsel Bureau (LCB)
Susanna Powers, Deputy Fiscal Analyst, Fiscal Analysis Division, LCB
Hayley Owens, Deputy Fiscal Analyst, Fiscal Analysis Division, LCB
Kristine Jones, Economist, Fiscal Analysis Division, LCB
Bryan Fernley, Chief Deputy Legislative Counsel, Legal Division
Basia Thomas, Committee Secretary, Fiscal Analysis Division, LCB
Jennifer Weston, Committee Secretary, Fiscal Analysis Division, LCB

EXHIBITS:

Exhibit A: Meeting Packet

I. ROLL CALL.

BASIA THOMAS (Secretary, Fiscal Analysis Division, LCB), called roll. All members were present. Assemblymember D’Silva joined the meeting in progress.

CHAIR NEAL:

Good morning, everyone. This is our first meeting on Interim Revenue. I would like to welcome our audience and Committee members here in Las Vegas and those in Carson City, and anyone watching over the Internet.

If you've not done so already, please mute your electronic devices. Persons wishing to testify, please sign in at the table. When you come to the table to testify, state your name clearly for the record. If it is an odd sounding name, you may have to spell it.

II. OPENING REMARKS AND INTRODUCTIONS OF MEMBERS AND STAFF.

CHAIR NEAL:

We have some opening remarks. I am going to have the Committee staff actually introduce themselves. We're not going to be doing any kind of fun facts like we do in the regular session. I will start off with Mr. Nakamoto.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Thank you, Madam Chair, members of the Joint Interim Standing Committee (JISC) on Revenue. This is my third session as staff to the JISC Revenue. I have been with LCB Fiscal [Analysis Division] for a long time; since November 2005. I have a very capable staff who is all up in Carson City. Would you like me to introduce them or would you like them to introduce themselves?

CHAIR NEAL:

[Inaudible]...say their name.

MR. NAKAMOTO:

Okay. Then I will intro...turn it over to Susanna Powers to introduce herself. Thank you.

SUSANNA POWERS (Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Good morning, Chair Neal, Vice Chair Backus, and members of the Committee. I have been with the Fiscal Analysis Division for a little over three and a half years. Before joining the Fiscal Analysis Division, I spent thirteen years as an economist in the Executive Branch; working first with the Department of Employment Training and Rehabilitation Research Division and later with the Governor's Finance Office (GFO). I look forward to working with you all. Thank you.

MR. NAKAMOTO:

Next is Hayley Owens, who is also up in Carson City.

If Ms. Owens would like to introduce herself.

HAYLEY OWENS (Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

My apologies, I pressed the wrong button on the microphone. Sorry about that. Good morning, Chair and members of the Committee. This is my second interim with the JISC Revenue, but, probably obviously, my first up at the dais. Thank you.

MR. NAKAMOTO:

Next, we have a brand-new economist in the Fiscal Analysis Division. Her name is Kristine Jones and I will have her introduce herself.

KRISTINE JONES (Economist, Fiscal Analysis Division, LCB):

Good morning, Chair, members of the Committee. I'm coming to you most recently from the Washington State Healthcare Authority, where I was a fiscal information data analyst.

MR. NAKAMOTO:

Then, because there are not cameras, I think, that point that way, I will introduce our support staff. Basia Thomas and Jennifer Weston are the secretaries for the Committee. They are pulling joint duty with other committees. Basia has been with the Fiscal Analysis Division now for a little over two years, I believe. Jennifer is brand-new to the Fiscal Analysis Division, or relatively new. She came to us most recently from the Sparks Police Department, where she served in various roles. Then our legal counsel is Bryan Fernley. I don't know if he is on the Zoom to introduce himself, but I will allow him that.

BRYAN FERNLEY (Chief Deputy Legislative Counsel, Legal Division, LCB):

Thank you. I've been working with the revenue committees since about 2013, and with the LCB since 2005. I look forward to working with this Committee again and answering any questions that you might have. Thank you.

MR. NAKAMOTO:

Madam Chair, if I can make one more note. We are your staff during the regular sessions, as well as the interim and any special sessions that may pop up unexpectedly. We are nonpartisan. We are here to answer all the questions that you have, or as many that...as we can, get you the information that you need. Specifically for the Fiscal Analysis Division, we are available to answer questions about revenues, taxation. If there are budget questions, we may not be the right people to get those answers to you, but we can at least find the people who can. With that Madam Chair, thank you and I appreciate the time.

CHAIR NEAL:

Thank you for that. That closes Agenda Item II, we will move to Agenda Item III, which is public comment.

III. PUBLIC COMMENT.

CHAIR NEAL:

Is there anyone here for public comment in the audience? Good morning. Go ahead.

ALEXANDER MARKS (Nevada State Education Association):

Good morning, Alexander Marks with the Nevada State Education Association, the voice of Nevada educators for over 125 years. Nevada students and schools cannot afford continued inaction on revenue. During the 83rd (2025) Legislative Session, educators and advocates united around a clear message: pass the plan. That plan, developed by the Commission on School Funding, recognized the simple truth; adequate and stable education funding requires a modernized revenue system. The commission did its work. It recommended a meaningful, reasonable proposal, including closing the property tax depreciation loophole and applying a tax to the sale of digital products.

Last session, the Legislature had the opportunity to take action on these recommendations with AJR [Assembly Joint Resolution] 1 (83rd [2025] Legislative Session) and A.B. [Assembly Bill] 453 (83rd [2025] Legislative Session). These proposals were not extreme; they were measured, data driven, and designed to stabilize education funding over time. Not through one-time infusions or short-term patches, but through sustainable, reoccurring revenue. Yet, instead of advancing these recommendations, education funding was effectively kept flat with only a \$2.00 increase per pupil statewide. That was a de facto education cut and it's a decision that's having real and immediate consequences.

School districts across Nevada are now facing serious budget shortfalls. Washoe County faces an \$18 million deficit in this year alone. Carson City, Churchill, Douglas, and Elko counties are also facing deficits. These are not abstract numbers; they translate into larger class sizes, staffing reductions, school consolidation, service cuts, and fewer opportunities for students.

Educators see the impact of structural funding deficits every day in our classrooms and we're being asked to do more with less, year after year, while we rank near the bottom nationally in per pupil investment. This is not a reflection of a lack of educate...effort by educators. It is a result of a revenue system that has not kept pace with Nevada's growth or its modern economy.

We know there's concerns raised whenever revenue is discussed, but failing to act is also a decision; it's one that shifts the costs onto students, educators, and local communities. Public schools are not a barrier to economic growth, they are a prerequisite for it. We urge this commission to take the next step the Legislature did not: move revenue proposals forward for consideration, including those recommended by the Commission on School Funding, closing outdated loopholes, and modernizing our tax base are necessary if Nevada is serious about funding public education. Our students and educators deserve more than \$2.00. They deserve a revenue system that reflects Nevada's values and priorities, and a Legislature willing to act on the work it has already commissioned and reviewed. We respectfully ask you to help move this work forward. Thank you.

CHAIR NEAL:

Thank you for that. Is there anyone else for public comment in [Las] Vegas? We'll move to Carson City. Is there anyone up there for public comment? Seeing no one coming to the table. Is there anyone online [*sic*] for public comment?

[LCB AUDIO VISUAL AND HEARINGS (AVH) STAFF]:

Chair, the public line is open and working; however, there are no callers at this time.

CHAIR NEAL:

Thank you for that. Now that public comment is closed, before we go to Agenda Item IV, which is a review of the Committee duties and responsibilities, I just kind of want to set the framework for this meeting for members who've never been on this Committee. The goal for this particular agenda today, and it's going to be different for each meeting, is to...goal one, to examine activity...tax activity around the TNC [transportation network company] and autonomous vehicles. Goal two was to do a look back into the TNC policy, because when we passed the TNC policy...Uber, Lyft...for the regular citizens that are listening, what the heck is a TNC? We passed legislation in 2015. We had Senate Bill (S.B.) 376 (78th [2015] Legislative Session), which then allowed the Department of Taxation to collect the tax. Then we had A.B. 175 (78th [2015] Session) and then A.B. 176 (78th [2015] Legislative Session), which originally enacted the TNC. Then in 2021, we had S.B. 288 (81st [2021] Legislative Session), which then allowed the TNCs to enter into agreements with monitored autonomous vehicles or the acronym, I guess it's used, is MAVs. That brought the MAVs under NRS [*Nevada Revised Statutes*] 372.B, which allowed for a taxation or revenue to attach.

The question that is being brought forth today, or something that I want to examine...or I want the Committee to think about, is we passed policy in 2021 before the operation of the autonomous vehicle came into reality. This Committee today is going to do the look back of ten years, whether or not the taxing behavior that we were attempting to attach revenue to has changed and whether or not the operational policy that we put in statute matches the behavior that is currently going on while these pilots are happening in Las Vegas. Those are the policy goals. Our goals in revenue are always to examine

whether or not the statutory policy meets the need of what we put in statute and saying, alright, we were collecting taxes on this particular behavior. Did it shift? Did it pivot? Those are what we're going...that's what we're going to examine. There's a lot of other things on the agenda, but I just wanted to set that forward, so you know how to frame and think about the presentations that you're getting and hopefully ask questions. I don't want it to be the Chair Neal show on questions, even though I'll do it. But I don't want to.

I would like to share the wealth in terms of any kind of curiosity. If you think it's a dumb question, I say ask it anyway because it's the only way that you're going to learn, is to actually dig into the policy and understand what does it mean and then apply it to the activity that you know exists, so we can have a robust discussion.

With that, I will then move to Agenda Item IV, which is review of Committee duties and responsibilities and turn it over to Mr. Nakamoto.

IV. REVIEW OF THE COMMITTEE'S DUTIES AND RESPONSIBILITIES.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Thank you, Madam Chair, members of the Committee. There is at all of your spots at the dais, as well as some copies for the public, the meeting packet which we still do in printed form. I think we may be some of the few committees that do that. If you do not have a paper copy, either up here or...down here or in Carson City, or if you're watching online, the meeting packet is available in NELIS [Nevada Electronic Legislative Information System] [*sic*] and that is where all of the meeting information for today is located.

Agenda Item IV, the Committee duties and responsibilities begins on page 5 (Exhibit A). We've put together a Committee brief that kind of over...is an overview of this Committee as well as some interesting information, and perhaps some fun facts for the Chair.

Starting on page 7 (Exhibit A), it's page 1 of the document, but page 7 of the packet, is the introduction. The Committee members and all of the staff who were previously introduced, as well as contact information for us in the Fiscal Analysis Division, if you have questions about this Committee or otherwise.

On page 8 (Exhibit A), are the meeting dates Senator Neal...or the Chair has chosen six dates. The first being today, the next one being three weeks from today on February 11. You can see the other dates in April, May, July, and then the last meeting being the work session for this Committee in August.

The powers and duties of the Committee and the jurisdiction as established in Chapter 218E of NRS. The past Committee actions were the three BDRs [bill draft request] that were approved by this Committee during the last interim, which were A.B. 537 (83rd [2025] Legislative Session), A.B. 538 (83rd [2025] Legislative Session), and A.B. 539 (83rd [2025] Legislative Session). Of those three, A.B. 539 was approved by the Legislature and signed by the Governor. The other two did not make it out of the Legislature.

On page 9 (Exhibit A) of the packet, are the mandated activities. I do want to spend a little bit of time going through this because there are a couple of things on here that are worth mentioning for the Committee. The first is under *Studies*. Assembly Bill 457 (83rd [2025] Legislative Session) from the last legislative session was passed and signed by the Governor and it requires this Committee to conduct studies during the interim. The first one is on the advisability and feasibility of trading as a single entity for the purposes of Commerce Tax. Certain business entities that are primarily engaged in the business of renting real property located in this state to another person. The study must include, without limitation, the estimated impact to state revenue of such treatment.

The second study is the...regards the advisability and feasibility of imposing a tax on the sale or transfer of a controlling interest in an entity which possesses an interest in real property in this state. Again, this...the study must include, without limitation, the effects on state and local revenues. Then finally, if that controlling interest transfer tax were to be implemented, the manner in which that kind of tax should be administered in Nevada. The Committee is required to submit a report of the results of the study including recommendations for legislation to the Director of the LCB for transmittal to the next session of the Legislature on or before January 1, 2027.

Madam Chair, with respect to this...these mandated studies, it was your staff's intent to work on that study in cooperation with the Department of Taxation and anybody else that we needed to reach out to, probably County Recorders, the Secretary of State's Office, anybody else who may be interested. At your direction, Madam Chair, we will start doing that. Then we can put an agenda item on a future meeting of this Committee to give you status reports, as you see fit.

CHAIR NEAL:

Thank you for that. I agree with that recommendation to work with the Department of Taxation and then try to get some framing and then put it on a future agenda for some discussion. Does the Committee have any questions on A.B. 457 that passed out? I don't know if anybody recalls that. Seeing no questions. Thank you, Mr. Nakamoto, and you can continue.

MR. NAKAMOTO:

Thank you, Madam Chair. The next mandated activity is a report that was approved pursuant to section 54.7 of A.B. 76 (83rd [2025] Legislative Session) of the last legislative session. This is not a requirement on the...this Committee to do anything, rather the Cannabis Advisory Committee, which is kind of a subcommittee in...within the Cannabis Compliance Board (CCB). They are required to create a subcommittee to conduct a study concerning the taxation of cannabis products. The gist of this particular study is looking at the existing cannabis tax structure. You have the Wholesale Tax at 10% that was approved by the voters back in November 2016. Then you have the Retail Tax that was approved during the 79th (2017) Legislative Session. The gist of this is looking at abolishing...or looking at mechanisms or the feasibility of abolishing the

Wholesale Tax that was approved by the voters, increasing the Retail Tax, and then creating a separate tax on certain hemp products. Then any other tweaks or changes that would be made with the goal of at least holding the State Education Fund, which is the primary recipient of the cannabis revenue, harmless.

The results of that study that the Cannabis Advisory Committee is...that they're required to do, they need to submit a report of their results, including any recommendations that they have for legislation to the Director of LCB for transmittal to the JISC on before November...or October 5. It will be after this Committee ends, but all of the members will have this information. For that matter, all of your colleagues would, whether they're on this Committee or not. Then the Legislature could potentially take action on those recommendations. We are not involved in that study, obviously, because it is the Cannabis Advisory Committee, but we will be monitoring their meetings and seeing what progress that we have. This is also something that you could consider to the extent that we have any information that we could provide in terms of updates. Either having us do it or we could potentially talk to the CCB or somebody who is on that body about coming in and giving status updates at your correction.

CHAIR NEAL:

Thank you for that. Is it possible, and I don't know...even though our interim meetings will complete in August, is it possible to not do the August meeting and then wait until that study comes, and then make that our final meeting? We don't have a timeline that we have to do our final meeting, do we?

MR. NAKAMOTO:

Madam Chair...and I can let Mr. Fernley correct me if I'm wrong or provide additional information beyond the answer that I'm going to give you, but there is a statutory requirement to have BDRs submitted by September 1. Then if...to hold meetings beyond...into September, we probably would need approval from the Legislative Commission. I can let Mr. Fernley weigh in and if he has any options or ideas for you. Thank you.

CHAIR NEAL:

Let me...that...thank you for the answer, but let me frame it this way because I don't want...it's a...it's been a huge topic on taxing cannabis politically, policy wise. I don't want to have the study and then it comes to the Interim Revenue and then there's no public conversation on what was in the study, what came back from the study, to think about what the Interim Revenue might take up. Because we still have the...even though the Committee will have established bills, the legislative revenue committees can still bring forward legislation related to the study. It would be, I think, wise not to hit anyone sideways. Be like, hey, this cannabis bill that showed up in February. Then you kind of know, hey, in November, there's potentially going to be some policy and there was a public discussion on it. Which I think adds to transparency and the folks who are concerned

about the revenue that goes to the Education Fund and who are...who've been talking about how to increase the tax and whether or not it's feasible, or whether or not it affects the industry of being able to survive it. I don't know. Mr. Fernley, is it something that...will I have to go to the Legislative Commission and ask permission to have a November meeting on the study itself instead of it being in a vacuum?

MR. FERNLEY:

Yes, under NRS 218E.320, the JISCs are supposed to meet...can't meet later than August 31, unless they get permission from the Legislative Commission to have a meeting after that date. You could ask the Legislative Commission to have a November meeting to hear a presentation of that report. The JISC BDRs have to be requested by September 1. The Committee wouldn't be able to...the Interim Committee wouldn't be able to request a BDR based on that study, but obviously any individual legislator or committee, or the revenue...the Standing Committee on Revenue during the session could request a BDR based on that study. But if you wanted to have a November meeting, yes, you would need to ask the Legislative Commission and they would need to approve that meeting at one of their meetings. Also, during the session...once the session starts, obviously the Standing Committees on Revenue could have hearings on the reports early in session if that was desired.

CHAIR NEAL:

Yeah, thank you for that. I just think that would be...you're going to...because potentially, you'd hear the study and then have very limited capacity to create or put forth a BDR. But I want more transparency if there is going to be something of value that comes from this. I also think for members that may...that will continue into the Legislature, well past my time, is to take mental note of when you put legislation forward and your study date, because it's not effective to have a study date after the Interim Committee no longer meets. Your legislative intent to try to have a conversation, Interim Revenue pick up the issue, then it's moot. Because we now have to then juggle and try to figure out how to make what your legislative intent was for A.B. 76 (83rd [2025] Legislative Session) come to fruition and then it's after the fact. I just want to...mental note for folks that still have another ten years in the building, pay attention to those dates so you can be effective in your policy making when you're trying to get at an issue. With that, I'll turn it back over to Mr. Nakamoto.

MR. NAKAMOTO:

Thank you, Madam Chair. If it is your desire, then we can work with the Legal Division and with the Director's Office about making a request for an additional meeting of this Committee to occur after the study is returned.

The only thing that I'm going to point out...or just observe...an observation as your staff...is that law changes that were approved during the 83rd (2025) Legislative Session changed the date by which the Economic Forum has to have its reports and its forecast. Instead of being on or before December 3, it is on or before November 15. We would have to coordinate a meeting of this Committee with our duties as staff to the Economic Forum as well. Thank you.

CHAIR NEAL:

We'd be mindful of that. Assemblymember O'Neill, do you have a question?

ASSEMBLYMEMBER O'NEILL:

Yes, thank you Chair. Actually, it's not a question, it's a statement if I may. I agree with your thought pattern on transparency on the work we do in the committees, in the studies that come forward. Unfortunately, if we wait until November...the election and...I am not running for re-election, so you'd have an empty seat here. I think there's some others on the Committee are either not running or running for a different position. The Committee membership would be upset. If we delay, which I'm not opposed to necessarily, the dates will still be conflicting. I don't think...I guess what I'm trying to say is I'm not sure we can get a meeting late enough to address the various issues of elections, re-elections, and also the Economic Forum and the pressures on staff. They're just as throwing a slightly damp blanket on what I agree with on your thought pattern about the transparency and having that study available for our final recommendations. I just see some of those issues there. Thank you, Chair.

CHAIR NEAL:

No, thank you Assemblymember O'Neill. Point taken, we'll figure it out. I just don't want this to be lost. I mean, all committee legislative members get at least 100 studies. If you didn't get any this summer, you should check your email. I feel that the reason why the studies are being brought forward is because someone asked for it. There should be some public conversation around it, if it was intended to create a BDR. We'll figure it out offline on what could be potential dates without burdening the staff and then being mindful of the shakeup that will happen in the Interim Revenue Committee. Thank you for your comments, Assemblymember O'Neill. Mr. Nakamoto, other publications and other resources?

MR. NAKAMOTO:

Thank you, Madam Chair. That is a good segue into publications and other resources (page 9, [Exhibit A](#)). The first couple of paragraphs deal with LCB publications. Those of you who are looking at the paper copy, will see a bunch of blue underlining. If you're actually looking at the electronic version of this document, they are active links that will take you to the requisite pages or places where you can find the publications and other resources that are mentioned.

The first paragraph deals with the Fiscal Analysis Division's publications, including the Revenue Reference Manual, which all of you who are on the regular session revenue committees get a paper copy of, that is updated at the...toward the beginning of every session. Then we have our website link there with other publications that may be of interest. The fiscal brief, which is an overview of the Governor's recommended budget that we put out at the beginning of every session. Then the appropriations report, which is a summary of the legislatively approved budget that is released after the end of each session.

I'll note that there is a supplemental appropriations report that will be...we will be releasing shortly that will basically update the budget with the actions from the most recent special session back in November. The research library is also linked there, a lot of publications that are done by the Research Division which you may find helpful, as well as reports and other documents that are housed within the library.

On the following page, page 10 of the packet (Exhibit A) are a number of other publications and documents that we find useful. The GFO obviously hosts The Executive Budget, which is released a couple of weeks before each legislative session. That has a cost benefit analysis for incentives that are done...are given by the Governor's Office of Energy and the Governor's Office of Economic Development (GOED) that is required to be done pursuant to NRS 353.207; that is found within The Executive Budget. The report to taxpayers is another document that we find useful. It's basically a web page that has links to a number of key publications, reports, city and county budgets, and so on. That is required pursuant to NRS 353.333.

The Department of Taxation has a number of publications on their website. Their annual report details annual activities and revenues for the revenues that they collect. The most recent one, when we put this together, was for FY [Fiscal Year] 2024. The Department of Taxation notified us that the FY 2025 report is just about ready to be released, if it has not been already. They also publish the tax expenditure report, which is a requirement pursuant to NRS 360.137. This is basically the Department of Taxation working with a number of state agencies to identify and estimate the cost of any so-called tax expenditure. Tax expenditures are exemptions, abatements, deferrals, postponements, any credits, anything of that sort, and what the potential cost to the state is. They're required to do that on or...they're doing...required to do that every other year on or before November 10 of each even numbered year. The most recent report was done right before the 83rd (2025) Legislative Session and then the next report will be done right before the 84th (2027) Legislative Session.

There is also information on population estimates that are used for a number of purposes, including for the allocation of revenues, the calculation of the percentages for the Consolidated Tax or CTX distribution, which I will not get into any further. Then, the last one is the property tax rates for Nevada local governments known as the Nevada Redbook. That basically identifies all of the property tax rates in the state by taxing entity, by district, by county. You can go in and look up just about every single property tax rate in the state and figure out based on where you are, what the property tax rates are. Then the Revenue Reference Manual, beginning on page 265 of that document, does have a more extensive list of Department of Taxation publications.

The Gaming Control Board has a number of reports on their statistics and publications page, including information on restricted and non-restricted gaming licenses. Their abstract report, which shows financial analysis for certain non-restricted locations. Then they've got monthly and quarterly revenue and statistics reports on their website as well.

Then on page 11 (Exhibit A), the GOED has a number of reports on its website, not only for GOED, but also...but for the Film Office and the Office of Entrepreneurship. As...and the key one that we pointed out here is the state plan for economic development, which they're required to do and periodically revise pursuant to NRS 231.053. The most recent version of that is from December 2023 and that is on their website at the link there.

The Governor's Office of Energy has a little bit of information about their abatement programs in their Status of Energy Report. The most recent one was released in January of 2024, that's on their website.

Then finally, the last parts of this agenda item, beginning on page 12 (Exhibit A), are a table of selected reports relating to revenue, taxation, and economic development that somebody, an agency or some entity, is required to file with the Legislature. It is not an exhaustive list. It is not a list of all of the reports that you may be interested in. A good example of that are the quarterly reports that need to be filed by the police departments in Clark County, relating to the usage of their proceeds from the Clark County Sales and Use Tax Act of 20...or 2005 in the Clark County Crime Prevention Act of 2016. That we colloquially call "more cops and even more cops." Those are filed with the Department of Taxation. We can get those reports for you, but this is not something that's here because we're only dealing with reports to the Legislature.

This one I actually find is a fairly useful and...it was...this was one...we've never done a report...or a list of reports like this. We don't have...this is the first time we've put something together. We're going to keep this and we're going to keep updating it as more reports get added or removed. But we found this was useful. Again, all of the links on this, if you're looking at the electronic version, are active. They'll take you to the bill that created the study, the statutory citation where you can find it, and where we could find it, the most recent report. Some of these are blank because there either has not been a report filed because it's not required yet, or we just...in our trying to get this put together, we couldn't find a report. The fact that it may be blank could be on us, and our inability to find it on short notice. But that is the information that is in the last about ten or eleven pages of this in Appendix A.

With that Madam Chair and members of the Committee, if there are any questions about any of this agenda item, that have not already been asked, this is probably the time to do so. Thank you.

CHAIR NEAL:

Thank you for that. I'll start up north. Members, do you have any questions on the reports and the list that's in the booklet? Seeing none. Any questions down south?

It's like a...I... it's a really good tool. I mean, it's unusual that we have it, but all of this comes in handy when you're trying to look up something shorthand. I would definitely keep this particular Interim Revenue...and if you're not familiar with the Revenue Reference Manual, like I have my...it's like an index of awesomeness. Think about it for your future. With that, thank you Mr. Nakamoto for number one, staff doing this work, putting all of this together, because I appreciate it. The Nevada Redbook is also a very wonderful tool when you're also trying to do a look back on historical policy that is local government policy that might've been passed when you weren't even in the building. It matters to be able to go back and say, wait a minute, what did we do in 1986 that's expiring? Just some tools for everyone in this Committee.

With that, I am going to release Mr. Nakamoto from that hot seat. Members, we can do a no jacket meeting today because I don't know if it's just warm to me, but it's super...I'm hot. I am going to take off my jacket and if anybody else wants to, we're going to just take off our jacket for this meeting. No one text MDL (Senator Marilyn Dondero Loop), thank you.

With that, we will move to Agenda Item V, which is the overview of the Vegas Loop and call Mr. Finger, the Chief Strategy Officer of the LVCVA [Las Vegas Convention and Visitor Authority] to the table.

V. OVERVIEW OF THE VEGAS LOOP.

ED FINGER (Chief Strategy Officer, LVCVA):

Good morning, Chair Neal, Committee members. I'm here to request to give you a brief presentation on the Vegas Loop. Want me to just run with it, Chair Neal? Okay.

As you might know, the LVCVA owns and operates the Las Vegas Convention Center, the busiest convention center in America. It owns and under contract operates the Las Vegas Monorail since COVID-19. We also are the only private owner, government entity albeit, of a portion of the Las Vegas Loop system, that being the convention center specific part of the operation. That came to be as part of an RFP [request for proposal] with the expansion of the Las Vegas Convention Center that made it better than 1.1 miles corner-to-corner in our nearly five million square foot building. An RFP that included traditional fixed rail trams, akin to what you'd see at [Harry] Reid Airport or other like airports, folks that pitched gondolas over the convention center, and other things. The Vegas Loop was selected and that was the initial install of the loop in Las Vegas. The system is currently seamlessly integrated with the privately owned portion of the system and the hotel properties that are connected.

You guys are looking at, hopefully, a map of the Las Vegas outline generally (page 24, Exhibit A). Clark County and the City of Las Vegas exercise regulatory control over elements of the Vegas Loop system. Between these two jurisdictions, the system is entitled, as shown in the map, to 68 miles of tunnel and 104 stations of future build. That of course is subject to individual elements of permitting for stations and tunnel segments. There are currently 8 stations built with the potential to have 15 operational by the end of the current calendar quarter.

We have moved over 3.5 million people in the operation of the system. We're at a current pace of better than 1.0 million passengers per year. For reference, that's about 25% of the volume of our monorail operation currently.

The Vegas Loop is a primarily underground, and outside of the convention center portion I described to you, a privately funded transportation system. A key attribute of the Vegas Loop is its express nature, allowing direct travel from start to end without required stops at stations in between, unlike the monorail. If you've driven from the airport to the convention center, to downtown along Paradise, you're familiar with the frequency and the duration of the stops on that route. This will meaningfully cut travel times from the airport to the convention center, downtown, and to the strip.

We've had near flawless, knock on wood, operational safety experience since opening the Vegas Loop. Key elements of the construct of this framework are the vehicles themselves and the system safety elements installed into the regulatory oversight of the county, building, fire, and metro. The system build also has earned DHS [Department of Human Services] and CISA [Cybersecurity and Infrastructure Security Agency] recognition.

When completed, the system would be the second largest tunnel transportation system in the United States, only behind the New York City subway system. On campus, it's the highest rated customer amenity and has been for multiple years, per our extensive customer surveying. The system recently introduced limited road level operation and under the jurisdiction of the NTA [Nevada Transportation Authority], received permission for limited airport transfer service, which allows for routes that have...of limited length, that have at least a portion of the route inside the tunnel system to allow for ingress and egress into the airport. The company, in the same vein, also secured an airport automated vehicle ID [identification] permit at Harry Reid Airport.

This final slide (page 28, Exhibit A) shows a general snapshot of the taxation and fee framework of the Boring Company. As I mentioned earlier, significant to the regulatory framework, are the county and city franchise agreements. The county's franchise agreement has a franchise fee structure up to 5% at chaired revenue amounts. That's a percentage of operating revenue and not of net income; that's a top line fee number. A few tunnel sections, as I move down to the next line and look at the LMA (license and maintenance agreement) fee there, a few tunnel sections opened before the franchise agreement was completed and required county license and maintenance agreement fees for right of way usage. The NTA itself levies a \$100 per vehicle annual fee. There's a \$2.40 per trip airport fee. Otherwise, the company engages in...unlike Uber, Lyft, et cetera...engages in significant construction activity and is subject to the construction sales taxes, permit fees, real and personal property taxes, and otherwise as a business operator, the general tax and fee framework customary in Clark County in Nevada. Chair Neal, that completes my presentation. I'm glad to answer any questions.

CHAIR NEAL:

Thank you for that. Members, any questions? Assemblymember Backus.

ASSEMBLYMEMBER BACKUS:

Thank you so much, Madam Chair. Thank you for your presentation. Just a quick question and thank you for the user-friendly revenue structure on the last page for the Vegas Loop (page 28, Exhibit A). My question was...I just actually didn't serve in 2021. When S.B. 288 (81st [2021] Legislative Session) was passed, I just wasn't there so it's not familiar with me. With respect to the vehicles that are going through the Vegas Loop, is that put on a TNC platform or...I just...I'm not familiar with how that portion operates.

MR. FINGER:

They are not and you've just tested the depth of my knowledge on that topic.

ASSEMBLYMEMBER BACKUS:

Thank you. Just...not a follow up but just a comment...thank you, Chair, is...I was just looking at it because if it was, there's also this Excise Tax. I was looking for that on your chart and I just didn't see. Thank you.

CHAIR NEAL:

Members, any additional questions? I was looking at the...thank you for the presentation. I was looking at the slide (page 27, Exhibit A)...it is where you're describing the airport expansion activity. There's been a couple of news articles on this, which brought this to my attention. The second sentence says that a large portion of the trip is surface. There is an expectation of a connector tunnel, it says Q1 2026. What's the question for the Revenue Committee is, the way I understand the Vegas Loop statutorily, it's defined as a monorail. Once it comes above ground and this statement where says a portion of the trip is surface, what is it then? Is it still a monorail or is it something else?

MR. FINGER:

That's in the form of a question to me? It's something else other than a monorail.

CHAIR NEAL:

If you could describe the behavior of what it is doing above the surface. Is it like a TNC?

MR. FINGER:

If it...with your permission, maybe I can take a step backwards and talk a little bit more about where the system's at and where it intends to be. The intention is for almost all of the mileage of the operation of this to be in the tunnel. That is the entire intent of the bill, the entire difference in this transportation vehicle compared to other transportation opportunities. In the interim, as we build from the convention center to the south, and hopefully in the near future here to the north and towards downtown, finding an interim

opportunity to get from the airport to the convention center and to the already, and soon to be attached hotel properties, which include the Wynn Encore Complex, the Westgate, Resorts World, Virgin in the not too distant future, and others, required this interaction with the NTA and this permission for limited amount of mileage at the surface. Again, requiring a tunnel element drive. There can't by definition be a part of a trip for a passenger that isn't, as you've described in the framework here in Nevada, in the context of it being a monorail; albeit using the surface roadway for that final element.

In the very near future, through the acquisition of property, the amount of distance that it would take to get from either the convention center or the Virgin, or one of the attached properties that would facilitate a tunnel trip that would allow for that surface level trip, we will become nearer to the airport by moving southbound towards Tropicana into a station that's going to be built there in short order across southbound Tropicana and adjacent to the airport, so that we will again be shorter there. Ultimately, the plan is to have tunnel completely to the airport for the purpose of surfacing, essentially, only a parking lot level in the airport, otherwise accomplishing the entire trip through the tunnel.

Chair Neal, respectfully, I'm not the person...I don't have the background, the experience, nor the authority for the company to represent how they view themselves on that last mile of surface. But I do understand the concept of being the owner, and the only owner of the monorail, both monorails, in Southern Nevada, that the nature of the ride changes in that interim basis from going to the tunnel to the surface for a period of time.

CHAIR NEAL:

Can I ask two questions? I don't know...how many months has the...what is it, it's the Vegas Loop? What is the...been above ground and doing the airport trips? How many months and how many miles would you say have been accumulated in the above ground trips?

MR. FINGER:

I can't speak to the number of miles. I have clear operating insight into the number of rides that occur on the campus, the amount of rides, the type frequency, et cetera, that occur off the campus or the private operating data of the Boring Company. That question is going to need to be directed towards them.

CHAIR NEAL:

But they're not here, right? Nope.

MR. FINGER:

No, at your request, we came to speak to our purview and our relationship.

CHAIR NEAL:

Do you...but do you know how many months they've been doing the airport above ground trips?

MR. FINGER:

It's been a fairly limited time, measured in weeks or a few months. I don't know.

CHAIR NEAL:

Like three months, maybe?

MR. FINGER:

I don't know if it's been that long.

CHAIR NEAL:

Because I know it was...the stories came out before Thanksgiving. The questions that I guess we'll have to put out there for...to be answered, is that it appears that once they became above ground, they started to act like a TNC. Once they started to act like a TNC and pick up passengers like Uber or Lyft, then there was a 3% Excise Tax that then applies to the behavior. Once you have one behavior, which is underground, which is monorail; we got that. But their behavior has shifted and there is a question, even though the tunnel...they're going to go back down underground, but in the meantime, they are above ground picking up passengers at the airport. There is a question for revenue on whether or not there is a tax owed to the state because of that new behavior.

MR. FINGER:

Respectfully, I have, again, limited knowledge of this. But it is my understanding that that said 3% Excise Tax does not apply because TBC [The Boring Company], in that paradigm, in that framework, is fully regulated, differentiating it from the TNCs and making it more comparable, I believe, to limo companies. Although, I stand...but I'm aware of the absence of that and that it was a framework decision because of the regulatory construct of the Boring Company. I suggest, again respectfully, that either the Boring Company or perhaps the NTA be asked that question.

CHAIR NEAL:

I don't...do you mind sharing a seat with NTA? If NTA...

MR. FINGER:

I love the NTA. I'd be glad to.

CHAIR NEAL:

Person from the chair of the NTA, somebody can come to the table.

MR. FINGER:

As long as they forgive me for bringing them to the seat.

CHAIR NEAL:

Is it Mr. Vaughn?

VAUGHN HARTUNG (Chair, NTA):

Good morning, Madam Chair.

CHAIR NEAL:

Hi, how are you? I...there's a couple of points that I want to kind of flush out and examine in this meeting. First off, you...we're hearing the conversation whether or not the Vegas Loop or the Boring Company, now that it's become above ground and operating for a few months, is now something else; fits into a different tax designation. What is your opinion on that?

MR. HARTUNG:

I can't speak to the tax designation. What I can tell you, Madam Chair is that we treat it as a limousine for the purposes of NRS 706, it...in 706A, it does not connect to passengers through a digital network, which is a requirement of being a TNC. It does not meet the standards of being a taxicab under NRS 706.124 because it doesn't use a meter. It is classified for us the same as we would classify a limousine.

CHAIR NEAL:

Second question...thank you for that answer. When I was reading through the franchise agreements that were created with Clark County and the City of Las Vegas, is there a language in there...because I was looking...is there a language in there that designates...because all I saw was monorail language. Is there a language in there that designates that if it becomes above ground, it then operates like a limousine? There was a lot of language around fixed roadway, but I didn't see anything in the franchise agreements that kind of...it discussed the shift in behavior. Let me do the caveat there, because then I went looking into [NRS] 706 because in all things...I wanted to look...what was the statutory authority given to the county to then engage in the franchise agreements? Where does that power end and where does it begin? Then I started reading through the franchise agreements to find out, is there language that allows for the Las Vegas Loop Monorail to shift and become above surface? If so, did the Legislature give the power to do that redesignation? That is the question I'm asking.

MR. HARTUNG:

Thank you for that question, Madam Chair. I'm not versed on the monorail franchise. But what I can tell you is this, once they hit surface streets, then they come under the purview of the NTA; that's the differentiation. As long as they're underground...in the fixed routes underground, that is completely under the purview of the franchise agreement under Clark County, with Las Vegas, and the LVCVA. Once they rise on to surface streets and hit public right of ways, then they become the responsibility and under the jurisdiction...and operate under the jurisdiction of the NTA. Have I answered your question, Madam Chair?

CHAIR NEAL:

Yes, you did. Thank you for that because now I have a follow up. Once they became...they're above ground, they're now under the jurisdiction of the NTA, they're treated like a limousine and not a monorail. What is the regulatory or "reg" that you created that allows for that transition or shift to exist? Can you point me to the regulation that was created that allowed for the above ground behavior to then be treated as...I'm just trying to...let me simplify it. I'm trying to see where's the sentences that say...monorail...you're no longer acting as a monorail, you have come above ground, now NTA is treating you like a limousine and there is now a regulation that we can read and point to where NTA in its foresight saw that this pivot would occur.

MR. HARTUNG:

That language, I...forgive me, Madam Chair. That exact language doesn't exist. The differentiation for us is the fact that it is a vehicle that's owned by the company and the vehicle is on a private street...or excuse me, on a public street. For those purposes then, we require them to have a permit, which is a Certificate of Public Convenience and Necessity; we fondly refer to it as a CPCN. There is a very limited authority under special services because in fact, it's one of the most limited CPCNs that I'm aware of that the NTA has ever issued because it charges for its passengers on a per capita basis. It is only from the airport to a specific location, as the Vegas Loop, it has to touch a tunnel, and then finally, it is technically not, again, a taxi cab or a TNC. It completely falls under special services and has a CPCN with those guidelines. By the way, it's also geofenced. They can't just take passengers across town. It is, again, a very, very specific area that they can operate in, under special services.

CHAIR NEAL:

Thank you for that. That is a good answer, that then creates more questions. What statute...we're in [NRS] 706A?

MR. HARTUNG:

No Ma'am.

CHAIR NEAL:

For the limited...

MR. HARTUNG:

No Ma'am.

CHAIR NEAL:

Where's the limited special services? That's in reg?

MR. HARTUNG:

That's in NRS 706. Special services I believe is NRS 706.139. I'm going off of memory now and I apologize for that. I do have some staff members that I can call. But no, that's again, it's a special service under NRS 706. They do not fall under NRS 706A because they do not use a digital network to connect passengers and the vehicles are not owned by private drivers. There are...and the drivers, by the way, are not private contractors. Those drivers have to be permitted, Madam Chair, through the NTA.

CHAIR NEAL:

Thank you for that. Follow up, special services under NRS 706.139.

MR. HARTUNG:

I think, don't quote me on that one. If I can bring one of my staff members up from Las Vegas, I think Ms. Main, our Chief of Compliance can answer that, or actually, Liz Babcock, our Applications Manager; either one I think can answer that question.

CHAIR NEAL:

I think there are...there is a person who is coming to the table.

MR. HARTUNG:

I have numerous phone-a-friends, Madam Chair.

CHAIR NEAL:

Are you Ms. Babcock?

LIZ BABCOCK (Applications Manager, NTA):

Ms. Babcock.

CHAIR NEAL:

Hi, good morning. Can you press on...press your mic?

MS. BABCOCK:

I do not have the NACs [Nevada Administrative Code] with me for...oh, thank you. It is in the NACs under definitions and it is 19... [NAC] 706.119.

CHAIR NEAL:

Thank you for that. Follow up, is NRS 706.119...

MS. BABCOCK:

If I may...

CHAIR NEAL:

It's an NAC...it's the NAC. Is that referenced that anywhere in the franchise agreements with the county and the city?

MS. BABCOCK:

I cannot speak to that because, although I know there's a franchise agreement, I can't speak to what's included.

MR. HARTUNG:

Madam Chair, may I answer that?

CHAIR NEAL:

Go ahead.

MR. HARTUNG:

Thank you. The state is not a party to the franchise agreement. We...there are no provisions in the franchise agreement for that, but to our knowledge, that does not exist.

CHAIR NEAL:

Thank you for that. I have one more question, but I'm...what I'm trying to...what I am trying...after...this has been a really good conversation because I've been trying to examine the above ground behavior; Two, whether or not there's statutory authority for the above ground behavior; Three, is there an absence of law that gives the power for this above ground behavior that we might need to re-examine, because we're stepping

into, I feel like, some revenue overlap. It popped up as a conversation on whether or not the state is...was supposed to be receiving revenue in the three-month activity of above the ground activity. Do we need to have statutory changes that reflect the new behavior and activity, that is not power that is delegated to the county or city, because they don't have fiscal power under their home rule legislation from 2015 to take away revenue from the state unless we allow it to happen.

That is the quagmire that I'm trying to unravel and understand. Is...does someone owe the state some money? Do we need to change the statutory construct of what is going on? Because folks just can't decide to do a different behavior and then it's like, oh yeah, well, what's the rule, what's the law, what's the policy that allows for you to do that act? That is what I'm digging into. If it is helping anybody who's watching this and trying to figure out where am I going and why am I drilling. Senator...I mean, not Senator, Assemblymember Nguyen.

ASSEMBLYMEMBER NGUYEN:

Never happened before, Chair, never happened. Down that rabbit hole that we're going in, I'm reading NAC 706.119 and the last sentence, kind of going through what you're saying, Madam Chair, is that the special services did not include charter services by bus, charter services by limo, scenic tours, or airport transfer services. This particular behavior is airport transfer services. Or am I reading that incorrectly?

MR. HARTUNG:

For...

ASSEMBLYMEMBER NGUYEN:

I don't know who to redirect that to. Chair Hartung or any phone-a-friend that's at the table.

MR. HARTUNG:

For...Assemblymember Nguyen...yes, that's exactly how we considered it. We considered it an airport transfer service because it was coming from the air...going to and from the airport along technically sort of a fixed route, and then it had to touch a tunnel at some point. That's how we considered it and staff recommended that it was a special service under NAC 706.119.

ASSEMBLYMEMBER NGUYEN:

Chair, may I follow up? Thank you. Chair Hartung, I just want to make sure that...you just said it's included as airport transfer services, but the NAC said that the term special services does not include airport transfer services.

MR. HARTUNG:

Well, we looked at it as, again, a special service and Ms. Babcock at the table can probably answer that question better than I can, because I didn't write the application.

YONEET WILBURN (Administrative Attorney, NTA):

Madam Chair, if I may. I apologize for just jumping in. These questions seem to be getting into the application process we went through and how we approved the application. Unfortunately, at this time, this is in front of a district court based on someone. I'm going to actually have to decline to answer these questions on behalf of our agency, as we need to fully adjudicate the court process before we start talking about how the application was done here. Because what happens here could be taken through the court process. I'm going to advise my staff to not continue.

CHAIR NEAL:

Assemblymember Nguyen, do you have a...

ASSEMBLYMEMBER NGUYEN:

I think she was finishing up, Madam Chair.

CHAIR NEAL:

Are all parts of his question a part of a lawsuit?

MS. WILBURN:

Yes, basically they are. We've had a lawsuit brought on by the...it's right now in front of the District Court under a petition for judicial review, with regards to all aspects of the application and how it was approved by our board. That...the questions as to what it was classified as, and all of those things, are part of the lawsuit. At this point, I'm going to direct everybody from my agency that we can't get into these questions because unfortunately, as a lawyer, in protecting my agency, these questions could go to what's going on in court. We have the AG's [Attorney General] Office representing us in court, who's not here today. I can't have them answering these questions, in abundance of caution, as to what's going on in court. We need to fully adjudicate that court process. I'm happy to answer as they were answering questions with regards to revenue and why it's not a TNC, things along those lines. These questions are getting into the application process, and the hearing and how we decided. Unfortunately, we can't answer any further of these questions along those lines.

CHAIR NEAL:

Let me ask before I...Mr. Finger. Since he was asking how it was classified and our conversation was that what has been statutorily designated as a monorail is now being considered a limousine or limousine like while it's doing airport trips. Can we talk about that? Because we're still trying to figure out how it's limousine like.

I understand Chair Neal, and as I said, we would be more than happy to come back and address every single one of these questions as soon as this lawsuit is fully adjudicated. Every single one of these questions are going towards the application process and how we approved it and why we approved it, and what we classified it as. As of right now, until that full adjudication happens, unfortunately, we can't give answers to those questions. We're not trying to be obstructive or not answer your questions; we just need this case to be fully adjudicated in front of the court. As of right now, there have been motions filed. The last...I believe there was a motion to dismiss filed on behalf of the NTA. However, that hearing is not scheduled, I believe, for another four to five weeks.

It will be soon. It's not going to be ad nauseam, I hope. We would be more than happy to entertain an invitation from this Committee to come back once that's fully adjudicated in court. However, as I'm sure people understand anything that you say at a public hearing or anything along those lines, could be pulled in to be used in court. As of right now, we just can't answer these questions.

CHAIR NEAL:

Yeah, I've actually always been aware of that. Some people just ignore it and do whatever they want. But hey, that's the world we live in. Mr. Finger.

MR. FINGER:

Chair Neal, I should've walked in the room and known the start date of the operation, and I know that now. The Boring Company started their airport operation in the last couple of days of December; about three weeks ago. It's limited operation right now. They're not doing it during convention activity. Convention activity's been significant in this month with CES [Consumer Electronics Show], now World of Concrete. They're running a limited sort of test operation out there and have been doing it for about three weeks.

CHAIR NEAL:

Assemblymember Backus.

ASSEMBLYMEMBER BACKUS:

Thank you so much, Madam Chair. I just have a logistical question because I'm trying to understand this. At first, I kind of understood that when someone would go get the tickets to ride...not ride on, but to access the closed...or the Vegas Loop transportation, they would go down to a station. Just out of curiosity, how does it work? Because now I'm hearing that there are pickups at the airport. How does one connect to get the transportation at the airport to then access the Vegas Loop?

MR. FINGER:

What are the logistics of ticket acquisition? Yeah, that's...I thought somebody just tapped the back of my chair. I think it was wishful thinking. Generally, the paradigm is intended to be a customer through their phone, through QR code or otherwise, access a loop site that allows them to pick...to summon a ride or to purchase a ride, and to choose their starting and endpoints and pay the appropriate fare for it. There's a couple of different...as we've described here, there's a bifurcated method of transportation, i.e. surface roadway and tunnel. Along this way, there's also a bifurcated fee structure and paradigm around that...in concept. Through the Chair, Assemblymember Backus, I...that's the depth of what I know. On campus, akin...again, I'll compare it to what the Harry Reid Airport Tram is. It's what we put on campus. It's free; we pay for the entire cost of operation and convention goes, as long as they're stay on the four corners of our 200-acre campus, don't pay fair.

CHAIR NEAL:

Members up north, are there any questions? Assemblymember Ellison...Senator Ellison, I'm sorry. I served with him for so long on the Assembly. Senator Ellison. Hi.

SENATOR ELLISON:

Thank you, Madam Chair. I got a couple of small questions. I looked at the taxes and fees, and I get down to Personal Property Tax and Real Property Tax and it says varies. What does varies mean? We're going to be telling the public what they're going to be purchasing and I think that needs to be known. I was shocked that the Sales Tax was 8.375% in Las Vegas. I thought it was around 7.5%, to close to 8%, but I was wrong.

If I'm looking at that correctly, the ad valorem tax going onto property, that could be a major hit to some of these people. The other thing is, I know this is about electric cars and stuff and electric cars when they burn, they burn. This...I'm sure this is built into the facility and I don't know if you guys got any kind of control over that or not. That's my first question.

MR. FINGER:

Through the Chair, Committee member, there were a couple of things in there. As it relates to the safety framework, I'll work in inverse order here. Under the permitting and jurisdiction of the county and the city, with the significant involvement of primarily the respective fire departments and under fire protection code, there are numerous elements in there that facilitate the ingress and egress of fire response that provide standby piping to facilitate water supply and water service. Smoke detective devices, both in the form of cameras and other devices...and other elements that I can't speak through other than that...other than the regulatory bodies and the professional firefighters have that front and center in their review framework as to what the fire safety in that tunnel will be.

As it relates to your...I believe either question about the generic nature of the Real and Personal Property Tax on that grid. There was an intent there, just to identify the fact and to maybe separate the presentation a little bit from what a traditional TNC slide might look like or otherwise, having just some sense of what the intent of the Committee here was; to explain that the infrastructure, unlike the roadway that's built and owned by county, city, state, depending on where you're at that the TNC's operating on, the Vegas Loop system is owned by the Boring Company. Because it is a physical element, it is subject to things like property tax, the personal property of their company that are in their corporate offices and that are in the stations and in the systems are subject to applicable taxes. If it were in the interest of the Committee, we could come back and provide additional detail. That's the general intent to that presentation; just to explain that it's a little bit atypical in the entire framework compared to just some of the transportation companies and the way you might think about the overall revenue and fee framework.

CHAIR NEAL:

Senator Ellison, do you have a follow up?

SENATOR ELLISON:

Thank you, Ma'am. Yes, I do. It's on page 9 (page 37, Exhibit A) and it's the level of autonomous driving, you got zero to five. I know that these individuals have to have...

CHAIR NEAL:

Senator Ellison, that's not the...that's a different presentation.

SENATOR ELLISON:

Well, I was sitting here going through the whole thing. I was trying to figure out where I'm at, so I appreciate that. I think the biggest thing is...that got me was franchise and costs. Thank you.

CHAIR NEAL:

Any additional questions of...Assemblymember O'Neill.

ASSEMBLYMEMBER O'NEILL:

Thank you, Chair. I guess I'm confused a little bit on...we're talking about the taxation. NTA does not collect the taxes. Wouldn't it be better to hear from [the Department of] Taxation on the taxes that're being imposed or collected, just for clarification? I've got to admit I have never seen the system. I'm a little naive, I will say, on it. I think my next trip to Las Vegas next month, I'm going to try to actually physically see and learn more about it. Getting back to...I'm just recommending the Department of Taxation may be the best avenue to discuss on some of these issues. Thank you, Chair.

CHAIR NEAL:

Thank you for the question. Mr. Nakamoto.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Thank you, Madam Chair. Assemblymember O'Neill, the Department of Taxation is not able to be here today. They had other things going on. We will get that information or we'll provide an inquiry to them with that and any other questions that may arise under the taxation of transportation and all of that. We'll get those answers back to you.

Just as a personal observation, if you're claustrophobic, the Vegas Loop may not be for you.

CHAIR NEAL:

Any additional questions? Senator Doñate.

SENATOR DOÑATE:

Thank you so much, Chair Neal. Thank you so much for the presentation. I had a few questions specifically. I...just to deviate, I know that we've been...this is going to go more into the following presentation, talking about the tax structures. I want to talk a little bit about safety if that's okay. I know that one of your slides talks about that. It's...before I go into my line of questioning...Chair, I do have just two rounds of questions. I'm going to try my best to get them as close and robust as I can.

Just as a top line, the LVCVA is down the street from my house. A lot of the activity that you guys are doing with this loop is in the heart of my district. I have a lot of constituents that live across the street, in some of the high rises and some of the adjacent neighborhoods. A lot of these issues are very personal to me, including some of the activities I have been doing with construction of the Vegas Loop.

I want to start off by asking more of a larger question that will delve into more of the specifics. I guess the first point being, can you explain to me what the relationship is in terms of LVCVA, what your affiliation is with the adjacent properties that are next to you? Specifically, I want to know the platinum lot that you have, the green lot that you have across the South Hall. Do you own those parcels? Are those parcels of land owned to you? Do you lease them? What's the activity in terms of your close jurisdiction between what's around you and so forth?

MR. FINGER:

Sure. Through the Chair, Senator, the 200-acre campus I referred to is generally geographically bound by...in the northwest, the intersection of Elvis Presley and the Boulevard.

Although you know, we recently sold that most...that furthest most 10 acres for private development of Fontainebleau into a different developer. But from there, we own everything which is the new West Hall, the expansion part of the facility between Convention Center Drive and Presley, west of Paradise. When you get to the east of Paradise, we own everything from the west gate, bounded by University Center on the east; as long as you are north of Desert Inn. The south and...or the North and Central Hall sets and the parking lots that are around each of those facilities I've described. Generally, any time you run into a color lot or a precious metal lot, it's our lot and we own it. Those are two naming conventions. Your platinum lot that you speak to specifically, which is east of Paradise, behind the South Hall is our own lot in a meaningful part. We own all the way back on that entire parcel with Sierra Vista on the south side and [inaudible] on the north side, we own that all the way back to...and I forget the north/south street that's...the Cambridge...to Cambridge. We own to Cambridge with the simple exception that we don't own 7-Eleven. We built and bought the county fire station that's there, but there's also like a little phone thing, but otherwise...and a little private shopping mall in the back. That's a whole lot of detail, but we own all of it in between. Again, if it's colored or precious metals, it's ours.

That was only part one. Is that the entire question so far?

SENATOR DOÑATE:

So far, yeah. I just wanted to make sure...and I understood the extent of how involved you are in terms of the ownership of those parcels. Just to clarify, you own the parcels across the street, specifically the platinum lot and the green lot. Not the adjacent properties of the 7-Eleven. I'm assuming you don't own the property on 3395 Cambridge Street, which probably is going to go into my next line of questioning.

MR. FINGER:

I'm not immediately familiar with that address.

SENATOR DOÑATE:

I will...well I'll bring into why I mentioned that address specifically. But, before I go into that, what is the relationship that LVCVA has had over the last few years in terms of the construction that is being dealt either near your property or adjacent to your property? Do you meet weekly, monthly with your construction engineers? Do they raise flags to you in terms of when there's issues that are pertinent to probably the LVCVA, either with worker conditions or safety conditions, or potential violations that could occur with those construction activities?

MR. FINGER:

For clarification, Senator, specifically the Boring Company construction activities?

SENATOR DOÑATE:

Any...let's make it more general. What's the general standard that you guys employ as LVCVA working with your contractors? Specifically, your construction contractors.

MR. FINGER:

We have, over the last seven years, funded, in part by the 2016 (30th) Special Session, S.B. 1, undertaken a \$1.6 billion expansion and renovation of the Las Vegas Convention Center. Recently wrapped up for CES [Consumer Electronics Show] with the renovation of the North and South Hall set. That's our construction activity and we manage it like the owner of a construction project with professional assistance in doing that. Anything else that gets built around the campus is private constr-...I'm going to put an asterisk on the Boring Company and end with the Boring Company, is private activity. Aside from maybe having an awareness of what's going on, it's not under our purview as it relates to any compliance or safety framework or oversight of the success of a construction project. Whether that be the hotel that was built four or five years ago at the corner of Sierra Vista and University, or otherwise.

With respect to the Boring Company, going back in time as I mentioned to you, the original Boring Company project is owned...it was a \$52.5 million project, that is the Las Vegas Convention Center portion of the Vegas Loop; the only portion of the...only portion system that will be privately owned. That's ours, we own it. I keep using the Harry Reid Airport reference, we own it like the Harry Reid Airport owns the airport trams and we're responsible for the payment of all the operations, maintenance, and both operational safety and construction safety associated with that. We had professional oversight of that construction effort.

As it relates to the Boring Company's operations off campus, those are theirs and they're primarily responsible for them. We have however, been...what I'll call the attempted facilitators of the development of the Boring Company through the [Las Vegas Strip] Resort Corridor. Our mission in life...professional mission in life is to maximize the biggest economic engine in the state of Nevada in the Las Vegas Strip Resort Corridor. To do that in a myriad of ways from sports and special events to brand advertising. As I mentioned earlier, the operation of the busiest convention center in America.

We believe it's within our purview to attempt to work with our Southern Nevada partners to also try to facilitate improvements in the Las Vegas Strip Resort Corridors, specifically transportation. To that end, we've accomplished that through the acquisition of the monorail in its second bankruptcy and the very recent successful profitable run of the monorail since that acquisition. The...as I mentioned, the facilitation of the Vegas Loop in coordination with hotel partners, with the county, with the cities, and with the various regulatory bodies that oversee that.

I'll jump to I think probably where we're headed here. There have been publicized issues as it relates to events on the construction sites of the Boring Company and those are not our primary operation. That is not ours and I'll meaningfully differentiate it from the convention center bill that I referenced at the beginning of my conversation. However, out of a sense of duty to the destination, we have attempted to improve our awareness and our coordination and understanding of...safety and those efforts in an attempt to maximize regulatory compliance and safety outcomes.

SENATOR DOÑATE:

Thank you, Chair. May I follow up?

I guess the line of questioning that was I trying to establish...kind of a response to what you were mentioning. I want to know what the relationship is between LVCVA and the Boring Company when it comes to establishing protocols for reporting worker conditions, labor violations, or environmental regulatory concerns, and how those get treated when it's a situation or an encounter where the LVCVA is connected to those situations. Specifically, there were two encounters that occurred between 2019 to 2023. One of them being in 2023 at the address of 3395 Cambridge Street, which as I mentioned is at the corner of the platinum lot; which you just clarified earlier that you guys own the parcels adjacent to it. Clearly, there's an interest for the LVCVA to understand what those complaints are. Specifically at that address, if I remember correctly, that's the address where Luxbill's allegations of untreated water...groundwater discharge were occurring right next to your lots. Then the other complaint that I want to reference is in 2021, between the connection between Resorts World and the LVCVA was another issue of dumping ground...dumping into the storm drains. I want to know, in these specific scenarios, they're connected back to the LVCVA. Were any of those issues raised to you? What were the responses in terms of how your team dealt with, if you found them out ahead of time, and how did you remediate them as they were occurring?

CHAIR NEAL:

Not to rain on Senator Doñate's questions, but I'm just going to create the nexus that he's asking on behalf of taxpayers; therefore, it has a nexus to the Revenue Committee.

MR. FINGER:

Through the Chair, Mr. Senator. We, the LVCVA, are directly responsible...and in our management agreement with the Vegas Loop, for all of the safety occurrences that occur as part of the construction of the system that we own within the, again, four corners of our campus and all of the related safety outcomes that happen from the movement of Convention Center passengers on our campus.

We do not have the same oversight, nor in turn does the Boring Company have direct reporting responsibility to us on those items. Whether they be water discharges, whether they be the chemical incidences that were documented in Fortune Magazine and otherwise that you refer to. Even though there's adjacency to our campus, and even though there's tunnel connectivity to their campus, there is a separation of where we draw the line of our responsibility and where the Boring Company's line of responsibility is. Outside of the physical boundaries of our campus, it is the Boring Company's responsibility to work with State Environmental, County Water [inaudible], state OSHA [Occupational Safety and Health Administration], so on and so forth, depending on the particular incident you're talking about and the particular regulatory oversight body.

With that said, we have a...my sort of spiel about our professional purpose. We have a sincere invested interest in the success of this destination. We believe that the Boring Company system will be transformative to the Las Vegas Strip Resort Corridor. Transportation will be a unique asset that further separates Las Vegas as the greatest tourism destination in the United States of America, and competitive in the world. To that end, not out of responsibility, not out of...out of responsibility, but not out of technical requirement or contractual responsibility, we have leaned into, from a relationship perspective, the communication of our own expectations including sending our own ex-OSHA employee, who is a safety professional, into the field on a periodic basis to again, attempt to maximize the Boring Company's performance and the Boring Company...particularly you're in primarily or exclusively construction space here. But in the construction side of the house where these articles come from.

SENATOR DOÑATE:

Thank you, Chair. I just had one more commentary. One of the... I think one of the things that I would like to learn, and maybe if I can have your commitment from it, is I want to know...I understand the perspective that you're seeing in terms of being a facilitator for the greater resorts sector and providing level of transportation that can fit the world class needs that we have as a city growing, and the number of visitors coming in terms of fixing their experience...or making them...or enhancing it and so forth. But I want to know if LVCVA has determined that this is the appropriate entity that is going to establish that or help us reach that point. Is...are we setting up ourselves to create a system of...in hindsight, providing an entryway for an operator that...let me restart my question. In some capacity, what you are positioning to tell me is we have, as LVCVA, have decided that the Boring Company is our partner in terms of how we're going to expand and ensure the experience for visitors to come to our city. In that same hindsight, what we've seen

over the last several years is that there are continuous concerns, environmental concerns, labor concerns that are occurring in that same aspect. I guess the question becomes, to what extent are we sacrificing our workers and our communities at the expense of our taxpayers to subsidize or support a company without any essential oversight? It's not...that's kind of the line of questioning that I was trying to figure out, which was what structures did you have in place when they were constructing on your property? Did you play a blind eye to the complaints that were being made as they were being built out through LVCVA? Did we set this structure in their system to now grow to a greater capacity and the issues are now reverberating across the city. That to me is probably the greater concern. Perhaps...it would be interesting from the Committee to receive, and I would open for you to provide this to us...I want to know the number of worker complaints and environmental complaints that were submitted during the construction phase at the LVCVA during 2019 to 2023. I want to know what the specifics are, including the ones that weren't picked up by OSHA. I want to know the extent of what was reported, how you remediate them. Because ultimately, this is going to continue to expand, this is going to become a considerable issue as we talk more about the tax structure of it. I want to make sure as they continue to expand that we have the guard rails in place to protect the citizens of the state. That's pretty much what my line of questioning was supposed to reach out to. I don't know if you have any other further responses to that, but...

MR. FINGER:

Would you like me to respond to it, Senator?

CHAIR NEAL:

If you would like to, you can go ahead and then we'll kind of...I'll do some closing comments and then some ask and then move to the next agenda item. Go ahead.

MR. FINGER:

Because I was asked, we don't turn a blind eye to employee safety ever, and haven't. My records are your records, glad to let you see them.

I understand the reasonableness of your question. I think reasonable people can have different opinions about proliferation of events or any other type of synonymous words here. Across many years of what is the largest tunnel project in the United States, there have been events and we should've been better...we, the Boring Company should have been better than they were. It is the Boring Company's goal to be better. They have an appreciation that they can't be operationally successful without an outstanding safety record. I'll make a point of separating what I referenced earlier, which is the essentially perfect operational safety record in our system, versus the construction activities that you're talking about. They've hired construction...professional construction leadership from the resort community in this destination. They have made strides and improvements to that end. They would, I strongly believe, agree with you that they could've done better in instances and their standards are higher than some of the things you've read. Again,

I'll suggest to you that reasonable people can have a difference of opinion about how much of that was actually built safely...safely and done well versus those events and what happens across multiple-year tunnel construction projects and transportation projects in general, and how to think about what reasonable benchmarks are for such activity. But I assure you we don't turn a blind eye to customer safety. Haven't, wouldn't, don't.

CHAIR NEAL:

Thank you for that. Any final questions? I will do some final comments to kind of close out Agenda Item IV [*sic*].

First off, thank you LVCVA and Mr. Finger for coming. We do believe in the work of the LVCVA and its tourist focus, which is to try to make the city a better space for tourists and then advance the economic interest of our state. I don't want that to be lost because when people look...listen in, they're always adding in what they believe that the elected might have said. We are interested in what is the Vegas Loop, how it became a part of the monorail statutory construct, and when it shifted into a limousine-like thing under the NTA. Part of our focus is to bring issues on behalf of taxpayers and then also to make sure that if there is revenue that is supposed to come to the State of Nevada, that it's being collected. When we...and that door was open and I think we examined it. I think there's still some questions. I didn't know about the lawsuit. Clearly, maybe I was reading a million other things, but I didn't know about the lawsuit. But I really wanted to get into whether or not the behavior of the Vegas Loop had changed and therefore we needed to either...somebody needs to bring a bill in 2027 to make sure that this hybrid behavior is statutorily correct, that any kind of revenue that belongs to the state is collected. That if it is a hybrid limousine-like...I don't know, monorail. I don't know how it becomes that. It's like a super turkey; stuffed with all kinds of wonderful things inside of it.

We really wanted to make sure that we had this conversation and that whatever answers you guys can give us on any future adaptations to the franchise agreements that allows for this above service, because I don't see it in the franchise agreements. I don't know...you guys say you're not really a role, but that's probably a conversation for the county and the city, which they're here and they're listening. I want to see any edited franchise agreements that allow for this activity above ground. I also want to see where is the clear statutory authority that gave you that power to do that. If it doesn't exist, then you should be bringing a bill for public discussion to make sure that that is a power that we want to delegate from the Legislature to a political subdivision, or to a county or a city.

With that, we will close this out and then we will move to Agenda Item VI, which is still the NTA, but talking about autonomous vehicles and TNCs, and we have the chair at the table up north. Thank you for your time. Thank you for being on the hook; we appreciate you.

Now we will get into the presentation under Agenda Item VI, which is the NTA.

VI. OVERVIEW OF THE REGULATION OF TRANSPORTATION NETWORK COMPANIES, AUTONOMOUS VEHICLES, AND OTHER FORMS OF TRANSPORTATION IN NEVADA.

VAUGHN HARTUNG (Chair, Nevada Transportation Authority [NTA]):

Thank you, Madam Chair. Still good morning, Madam Chair, Madam Vice Chair, and members of the Committee. With me, to assist in answering any questions the Committee may have, is my Deputy Commissioner, Todd Park in Las Vegas, our Administrative Attorney of whom you've already met, Yoneet Wilburn, our Chief of Enforcement, Dominic Del Padre. We also have our Chief of Compliance, who is Desiree Main, our applications Manager, Liz Babcock, and our Management Analyst 3, Hope DiBartolomeo.

What we'd like to do is just provide a brief statutory overview of how Nevada law regulates certain types of passenger transportation. Nevada law does not regulate all passenger transportation in the same way. Instead, it establishes separate regulatory frameworks for different types of services, depending on how those services operate and the technology that is used to connect passengers and provide transportation. Those frameworks are found in NRS and NAC 706, 706A, and 706B.

This slide (page 31, Exhibit A) provides a high-level overview of the passenger transportation frameworks relevant to today's briefing. For the purposes of this presentation, those frameworks include transportation network companies (TNC) regulated by NRS and NAC 706A, autonomous vehicle network companies regulated by NRS 70...NRS and NAC 706B, and common carrier passenger transportation authorized under NAC 706 by holding a certificate of public convenience and necessity and operated as a special service with per capita fares defined geographic limits under NAC 706. Each framework operates independently and is applied based on how passenger transportation is provided and the technology that is involved.

Transportation network companies, they're regulated as a distinct category of passenger transportation under NRS and NAC 706A. Passenger transportation is arranged through a digital application operated by the company, with trips provided by human drivers and using their personal vehicles. The TNC's authority is statewide and not subject to geographic limitations.

Under the TNC framework, the regulated entity is the TNC itself. The NTA does not regulate or permit individual drivers operating on the platform. Driver qualification requirements and vehicle safety inspections are established and administrated through...directly by the TNC. Operational and reporting requirements apply to the TNC itself and govern how the company operates its platform, based on passenger service. Insurance requirements to the TNC operations are addressed separately under NRS 690B.470.

Transportation Network Companies are required to obtain a permit from the NTA. Annual regulatory assessments are calculated based on interstate gross operating revenue. Revenue reported and assessment calculations are submitted confidentially to the authority. Enforcement authority applies to the TNC itself and is exercised through administrative compliance and enforcement proceedings applicable to the company, not the individual drivers providing service through the platform.

Next, we have autonomous vehicle network companies, or we refer to them as AVNCs. Nevada defines an autonomous vehicle in NRS 482A.030 as a motor vehicle equipped with technology that allows the vehicle to be operated without active physical control and monitoring by a human driver...or monitoring by a human driver rather. For autonomous passenger transportation, NRS 706B uses the term fully autonomous NRS 706B.040 defines fully autonomous vehicles by reference to NRS 482A.036. *Nevada Revised Statutes* 482A.036 defines a fully autonomous vehicle as one equipped with an automated driving system capable of performing the entire dynamic driving task at SAE (Society of Automotive Engineers) level four or level five. We'll get to those in just a moment.

Nevada Revised Statutes 706B.030 defines an autonomous vehicle company as an entity that for compensation connects a passenger to a fully autonomous vehicle that can provide transportation services. Nevada Revised Statutes 706B.050 trans...defines transportation services as the transportation of a passenger between points chosen by the passenger using fully autonomy...fully autonomous vehicle.

Autonomous vehicle testing and passenger transportation are addressed under a separate statutory framework. Autonomous vehicle testing on public highways is authorized under NRS 482A and administrated by the Nevada Department of Motor Vehicles (DMV). Testing authorized does not permit passenger transportation for compensation. Passenger transportation using fully autonomous vehicles is addressed under NRS 70...NRS 706B and NAC 706B and requires authorization from the NTA through an AVNC permit.

The SAE International J0...J3016 defines six levels of driving automation ranging from...automation, forgive me, ranging from level zero through level five. Advanced driver assistance systems such as ADAS...such as adaptive cruise control or lane keeping features are common in modern vehicles and correspond to levels one and two. Systems marketed as fully self-driving including Tesla's FSD, the fully self-driving, remain at level two and require continuous human supervision.

Under NRS 482A.036 and NRS 482A.048, the SAE J3016 levels are incorporated into statute to define autonomous vehicles and fully autonomous vehicles. A fully autonomous vehicle is one equipped with an automated driving system, capable of performing the entire dynamic driving task at the SAE level four or level five. I would just for the record note that level five does not exist; that's still science fiction. Those statutory definitions are incorporated by reference in NRS 706B and for purposes of regulating autonomous passenger transportation.

That takes us now to the Vegas Loop, of which we have already had some conversations about. The Vegas Loop tunnel system operates, pursuant to a long-term franchise agreement, administrated by Clark County. That franchise agreement governs all underground tunnel infrastructure and associated underground transportation operations. The NTA has no regulatory role. As I mentioned, it's administrated through a franchise agreement. The NTA has no regulatory role in the franchise administration, planning, or development of the underground tunnel operations.

Common motor carrier, special services, surface street transportation associated in the Vegas Loop is regulated separately from underground channel...underground tunnel systems. Passenger transportation is authorized as a special service under NAC 706.119. Authority is granted through a Certificate of Public Convenience and Necessity under NAC 706.239. That authority is limited to a specific service type and defined geographic areas. Then surface street transportation is permitted only where the trip includes a contact with the tunnel system.

Then finally...no, actually not finally, I beg your pardon. Operating authority is subject to conditions and limitations opposed by the NTA. It is authorized on a per capita basis. Trips are provided by permitted human drivers and consistent with approved special services authority. Fleet size is limited by the CPCN. The NTA's jurisdiction applies only to surface street transportation and does not extend to underground tunnel operations.

Then finally, the jurisdiction summary of passenger transportation models. Transportation network companies operate on a statewide company level regulatory model. Autonomous vehicle services require a separate AVNC permit, distinct from vehicle testing. The Vegas Loop is an underground tunnel infrastructure that operates under a Clark County franchise. The NTA's jurisdiction applies only where transportation...passenger transportation occurs on public surface streets. That concludes my presentation, Madam Chair.

CHAIR NEAL:

Thank you for that. Members, questions? Assemblymember D'Silva and then Assemblymember Nguyen.

ASSEMBLYMEMBER D'SILVA:

Thank you, Chair. I just had a quick question just for our own edification. Can you give us examples of numbers one through four, on page 9 (page 37, Exhibit A)? Just real-life examples of what kind of a vehicle is classified as one of these. Thank you.

MR. HARTUNG:

Let me get to page 9. I'm assuming you're talking about the SAE level J0316, levels of automation, Assemblymember?

ASSEMBLYMEMBER D'SILVA:

Yes, that's correct. That's correct. Thank you.

MR. HARTUNG:

Thank you. The levels one through...well, let's start with just driver assistance. It's a single feature that might be like cruise control. Partial automation can be everything from lane drift, to cruise control, to fully self-driving; that's in level two. Level three is that the vehicle can handle most of the operations. There's only a couple of vehicles that I'm aware of on the road right now. We do not administrate any of those vehicles whatsoever. Then level four, which is the high automation, which is what you would find in companies like Waymo, Motional, et cetera, where the vehicle is completely automated.

ASSEMBLYMEMBER D'SILVA:

Thank you. Thank you, Chair.

CHAIR NEAL:

Assemblymember Nguyen.

ASSEMBLYMEMBER NGUYEN:

Thank you, Chair. Along the same line with my colleague that just asked you to define, or kind of give an example of one through four, I know that in NRS 482A.048, it defines this SAE as something that was put in on September 30, 2016. Now, obviously, in the last ten years, I know technology has pretty much changed every other minute. It also put in here, the language or a document determined by the department to be a subsequent version which is approved by the department by the regulations. I know the chair has eloquently said earlier that number five is science fiction. But just for the Committee knowledge and then my own knowledge, how likely is number five, to kind of put out there at this point because I've seen amazing things and then I've been in some of these automations myself. I just want to see in terms of where we are, in terms of definition that...are we behind in terms of definitions or are we getting caught up...or where we're supposed to be.

MR. HARTUNG:

Through you Madam Chair, for Assemblymember Nguyen. The level five is one of those things that...I mean, never say never. Remember just a few years ago, we could not have imagined how much information gets transferred on a cell phone; it was inconceivable. The level five though; however, will drive in any condition and is completely autonomous. As...this is not anything that we deal with directly at the NTA. We're still only at level four, but your guess is good as mine. When this could come to pass, my crystal ball is as clear as mud. I honestly have no idea how soon this might occur, but we're seeing more and more automation in everything we do. Every single day, there's more automation. Whether it's airlines or vehicles or just...everything that we deal with is becoming automated.

ASSEMBLYMEMBER NGUYEN:

Chair, may I follow up? Thank you. With that Chair Hartung, I just wanted to make sure that in terms of just this presentation and how you putting in the definitions for all of this different technology. Does the NTA have regulations...if lack for a better word, or steps in place to address some of these changes on a regular basis so that we are kept up with some of these definitions? Because I know that the last time that we added the SAE J3016 into statute, that was 2017.

MR. HARTUNG:

For Assemblymember Nguyen, through the Chair. These SAE levels are the Society of Automotive Engineers. That's a international society. We've only adopted those...and those were adopted by the DMV under NRS 482A. We also reference them so that we understand the levels of automation that we're dealing with when it comes to, what we would consider, a fully autonomous vehicle. As far as our statutes are concerned, that would be in the purview of the Legislature. Do we need deeper definitions? I mean that's a decision that this body and the Legislature will have to make.

YONEET WILBURN (Administrative Attorney, NTA):

Madam Chair, if I may. Madam Chair, through you, Assemblymember Nguyen, if I could just address a little bit of what you're saying. This slide was presented as more of information as to what NRS 482A presents. As the chair said, we don't have anything to do with those definitions. We are not privy to creating part of these definitions. We are just essentially a regulatory board who's been given these definitions. As you're seeing, it's constantly changing technology. We just focus on NRS 706B and the regulatory authority given to us by the Legislature, both in NRS 706B and NAC 706B. We don't have input into this automation, I believe of the chair, he just loves technology. He was able to give you an overview; however, these are the definitions given to us as to what the SAE has described as a fully automation.

We have just now gotten our AV [autonomous vehicle] first that has been passed by the NTA, Zoox; I'm not quite sure if you've heard it and that's our first one. This is our first foray into essentially the AV. All we can do is give them the authority we are allowed to give them under NRS 706B...and NRS 706B and NAC 706B. These definitions, we kind of have to work with the DMV. The testing all goes through the DMV and the DMV is the one who gives them the permit to test before they can even step foot. We actually are not involved in how the AV works, if it's safe; any of those things, those are not done by us. We are actually trying to find a way to learn a little bit more about it, since we are the ones who give them the permit to operate on the streets. We are trying to find avenues to work with other agencies in order to ensure that we do understand the full automation. But as you said, this is brand-new to us as well. These were written way back when. We're just now entering this and all we can do is work with the statutes and regulations that we've been given at this point. I just wanted to...yes, we are trying to answer your question. Also, this is what we know based on what we've seen and what's been given to us.

ASSEMBLYMEMBER NGUYEN:

Thank you for that clarity. I'm trying to understand it myself. I'm glad that you pointed it out that NRS 482 is under the purview of the DMV. I will definitely know who to contact over there and ask that question and I'll follow-up behind the scene. But just to understand anything that you put in presentation for information, I want to make sure that, as someone who's still learning all of these different changes, that we want to be able to not be behind on the eight ball. That's just some education on my end. Thank you for the time, Chair.

CHAIR NEAL:

Any additional questions? Any questions up north? Senator Doñate.

SENATOR DOÑATE:

Thank you, Chair. I just have a quick question. Do you...I noticed in the slides, it doesn't really talk about numbers. Do you have any preliminary numbers on perhaps how many rides...TNC and AVNC rides are conducted every year? The average fare, average distance. I noticed that I couldn't really find that information online. I don't know if you have the authority to collect that information from the companies and if not, then that's something that we have to look at legislatively. I don't know if you're able to provide those numbers for us.

MR. HARTUNG:

For the Senator through the Chair. Those are confidential records and we do not know how many rides per year are executed.

SENATOR DOÑATE:

Sorry, just to clarify, the authority does not collect that information or is it that you do not...or you have access to that information, you have determined that it's confidential and you don't want to break them up based on the individual companies. I just want to make sure that I'm understanding. Is there a prohibition on state law or is it you as an authority have determined that it's deemed confidential, you do not want to disclose?

MR. HARTUNG:

I don't believe we have that information, but I would have to defer to one of my staff members because that would be a statistical question that perhaps one of my staff members in Las Vegas could answer.

LIZ BABCOCK (Applications Manager, NTA):

Yes, we do have that information. It's provided to us, but it is confidential.

SENATOR DOÑATE:

Thank you, Chair. Just to clarify, can you explain...what I'm asking for is the aggregate information. I'm not asking for how many rides were conducted by Uber versus Lyft versus Zoox. What was made in that determination of that information being confidential and why the Legislature can't receive access to it? All I'm asking for is how many rides were conducted via the TNCs in general. Because those questions are going to be important in terms of the tax revenue that we're going to start looking at later on, possibly.

MS. WILBURN:

Through the Chair, for Senator Doñate. Unfortunate...though we can only work with the set of laws were given under NRS 706A.230, it's...and this is a statute that specifically says the records that are kept by the company can...are confidential and can only be viewed by the authority and cannot be given to everybody else. We have to stick within the regulatory framework that we've been given. There are numerous confidentiality statutes seated in NRS 706A, as well as NAC 706A, as well as NRS 706B, as well as NAC 706B. We are not trying to be obstructive here. We are just...have to stick with the confines of what is in our statutes. That specific statute says the records maintained and given to us by the company are strictly confidential and we can share them with anybody. So, yes, that is the reason; we haven't determined it, the statutes have.

CHAIR NEAL:

Can you point to the confidentiality statute because I...and I don't know if this is a different statute, but under NRS 706A.230, if it's a TNC, they shall maintain the following records related to the business, at least for three years, trip records, drivers' records. Then, the statute that was amended in 2021 added the AVs or MAVs [monitored autonomous vehicle]. I don't see a confidentiality piece there. Is that something that would be a direct ask to the TNC specifically not to the NTA? Because the statute allows for trip records which would be an indication of the volume to be collected or maintained by a TNC.

MS. WILBURN:

Madam Chair, if you look at NRS 706A.230, yes, those records are disclosed. But if you look at number two, it says, except as otherwise provided in subsection 3, any records provided to the authority are confidential and must not be disclosed, other than to employees of the authority. The confidentiality is seated in that statute.

CHAIR NEAL:

But is proprietary information simply that we're not going to get names, addresses, and rate of what was paid by a tourist or a Nevadan, but the aggregate number of trip records is not confidential.

MS. WILBURN:

That's a separate sentence. The talk of proprietary information, it just says that this subsection does not require a company to make any proprietary information available to the authority, period. Then it says, except as otherwise provided in subsection 3, any records provided to the authority. That's speaking to the records in subsection 1, trip records, driver records, vehicle inspections are confidential and must not be shared with anybody other than employees of the authority. That sentence is actually not speaking to the proprietary information. It's speaking to the records disclosed under NRS 706A.230.

CHAIR NEAL:

Thank you for that. But I do think you can't...the NTA can't give it, but I...it's a question you can ask the Department of Taxation or you could also, I think you could ask the TNC directly but they couldn't provide it; you couldn't provide it.

MS. WILBURN:

Madam Chair, that is correct. This doesn't talk to anybody else. It just talks to the NTA and what we're allowed to do. We are not allowed to disclose it. That doesn't mean...that's all it says, is the NTA itself is not allowed to disclose that information.

CHAIR NEAL:

Senator Doñate, you could do a direct ask to a TNC and get that information. That would...you wouldn't be excluded. I mean, I'm sure they would be like, "Hey, it's confidential." And you would be like, "Well I'm not trying to ask about Anne Jones. I'm trying to ask how many trips are you doing annually, monthly?" Is that something that you want to get? Alright.

Any additional questions...any questions up north? I have a question, and I'm...and it goes back to S.B. 288 (81st [2021] Legislative Session), which then created the MAV provider. There has been some discussion, but I'm trying to figure out is Zoox level four?

MR. HARTUNG:

Are you ready for the answer, Madam Chair?

CHAIR NEAL:

Yeah.

MR. HARTUNG:

Yes, Zoox would be considered a high AV, which would be level four. In fact, Zoox doesn't have a steering wheel nor does it have pedals. It is a purpose-built vehicle versus say Waymo or Motional, which are built on conventional vehicle frames. Waymo is a Jaguar frame and Motional is a Hyundai frame.

CHAIR NEAL:

So, they're different. A MAV is different than a TNC

MR. HARTUNG:

Well for the purposes of automation, yes, we refer to it as an AVNC because one, it doesn't have a human driver or ultimately will not have a human driver. There are test periods or periods of demonstration of coexistence where a human driver would be present, but they're technically not operating the vehicle. But the other piece of this where it's not a TNC is, the vehicle is not owned by a private driver.

CHAIR NEAL:

Thank you for that. My question that comes behind the statement you just made, in statute, the MAV is not considered a commercial vehicle, but it has a new definition. When I read the statute, I was like, why is it not a commercial vehicle when it moves people?

MR. HARTUNG:

I'm...I can't answer that question. Why it would be defined that way statutorily, Madam Chair. I'm sorry.

CHAIR NEAL:

Because I'm trying to...when we...when this...when the bill was passed, S.B. 288 in 2021, that was before the operation and the pilot that we're currently having occur right now, right? Currently they're in a testing phase. It's my understanding they are not charging fares, but they are testing it out like they're testing in San Francisco. Are you seeing...when you look at NRS 706A, are the operations of the level four high autonomous in alignment with the statutory language that was passed in 2021? I know that's a broad question, but I want your opinion.

MR. HARTUNG:

Madam Chair, I was reminded as a young man many times that an opinion is the only free thing in life unless I'm your attorney. I don't really know how to answer that question directly, simply because the testing of these vehicles under a MAV where they're not charging comes under NRS 482A which is administrated by the DMV; that just requires a

permit. They're in the process of getting an application from the NTA. We can then give them interim authority to operate under very strict circumstances and strict controls, but the vehicle is still operating in technically an autonomous mode. I don't know whether I'm answering your question well, at all, because I...it's difficult for me to give an opinion on this type of stuff simply because...and you all completely understand this, this is new. We don't know where the technology is going to go, we know that automation is going to occur more and more and more frequently. It's going to occur in everyday vehicles. Every vehicle coming off the line now has some form of automation, some higher than others, just depending on the vehicle that you purchase. I'm hesitant to even give an opinion because I honestly don't know.

MS. WILBURN:

Madam Chair, if I just may correct one thing. Transportation Network Companies are administered under NRS 706A, AVNCs are administered under NRS 706B. The different structure is with a TNC, as the chair has pointed out. For a TNC, the company itself does not own the fleet of vehicles. The vehicles are owned by each individual person. It's driven by humans. If a TNC wanted to venture into AVs, the company itself, it would have to go through the process of the AVNC. It can't hold just a TNC license and have AVs. Those are two very separate statutes and they don't get to venture into AVs without going through the process of NRS 706B. I'm sorry, should I stop? Did you have a question?

CHAIR NEAL:

No, I do, but I...thank you for that clarification on the record because I do understand them to be two separate things. But I guess when I was...so I was in the Revenue Reference Manual. Then looking at the statute that was passed, which was under S.B. 288 then attached NRS 372B, which is our revenue statute to MAVs, that's when I started to try to figure out was...number one, was that appropriate? Two, when we had the conversation around TNCs and, it's this whole conversation around independent contractor and are you an employee? It was a very unique conversation about who's responsible for breaks, who's responsible for X, Y, and Z? The conversation was couched in the alt economy. People being able to take their vehicle, get it licensed, get it permitted, and then drive their car and then get income for themselves. Entirely different taxing behavior. When the conversation around the 3% Excise Tax was happening, you are like, okay, it's already a private car. I've already paid Sales Tax on the thing that I'm now using in the alt-economy to go drive around Jane and say, "Hey, I will take you to the airport."

A MAV and monitored autonomous vehicle is different. It is not...it is...to me it's a commercial vehicle, number one. Then S.B. 288 threw it under NRS 372B and then applied a 3% Excise Tax to it or potentially; whenever it starts to collect fares in the future. I wanted to have the conversation and I feel like we're missing the DMV. I didn't realize; I'll get them later. How they are alike and how they are different. It's like...I keep doing this analogy. Are you a duck or are you a goose? If you are a goose and you are a

commercial vehicle that is moving people without a driver, does the 3% Excise Tax make sense for what you're planning on doing in the future? Because you're not the same as a TNC yet. You were snuck into the TNC chapter. See where I'm going? I know people who are probably representing the AVs are like holy smokes, she's trying to tax us. I'm trying to understand if it's appropriate to have them under the NRS 372B 3% Excise Tax because they are not the same, they are not a duck.

Ms. WILBURN:

Madam Chair, was that a question for me or would you like to...

CHAIR NEAL:

I mean, you can, I mean, at this point it's all a hypothesis. We're in an exploratory conversation and I have to speak to people who're experts on at least the regulation of this and might have participated in S.B. 288.

Ms. WILBURN:

Madam, I thankfully was not here in 2015 because I heard that was something. All I know is that we can only work within the regulatory...as you know, statutory schemes and statutes and regulations that we were given. I'm not quite sure why different statutes seated in different chapters are what they are and I can't speak to the definitions. Like I said, that is the DMV, who has these levels of autonomy as well as other agencies. We are trying to learn a little bit more.

We don't really get into the science of the car as to why it's operating the way it's operating. We're just told by the DMV...the testing goes to the DMV, they present their documents to the DMV, the AVs. I'm talking about AVs right now, not TNCs. They present their documentation to the DMV, stating this is what we've done, this is what we're doing. We're looking for a permit to test our vehicles on the streets. That goes through the DMV. They cannot step foot in our door until we see that they have that testing permit through the DMV. That's the way our law is written. It references NRS 482A back to the DMV. The first step is through the DMV. All of the automation, what they are, where they fall in those levels, happens at the DMV level and then that's given to us.

Then we permit and then we go through the process of giving them the permit under NRS 706B based on why or how they're coming through us from the DMV. [*Nevada Revised Statutes*] 706B is, as you've seen, it's short because it's so...it was brand-new, I believe when it was written, not even brand-new. I don't...I think they were just trying to figure out how to do it, seeing that it was coming in the future. We can only work with everything that's seated in NRS 706B. We don't go into the science of the car. We don't go into how it's operating. We don't go into what level it's seated as. That goes through NRS 482A under the DMV. That's what we're working with here. We just create the AVNC and the application process based on the statutes we're given. With the Excise Tax, as you know, that goes to the Department of Taxation, luckily. That's not our purview. It's just written in our statute that it must be collected so that the...I believe company knows it has to be collected and then the Department of Taxation steps in.

CHAIR NEAL:

Thank you for that. That was really good. When is the Zoox...I don't know if you know this, maybe this is a DMV question. Anybody from the DMV, you should probably call in a phone-a-friend. When is the Zoox testing over? When is it going to end?

MS. WILBURN:

Zoox actually came before our board in the May 2025 General Session and they were approved for the first AVNC license. They are licensed under the NTA as of right now. The testing has...the testing is done...I...let me just finish this and I believe Ms. Babcock has something to add. The testing is done. They have been permitted by the NTA. I'm not saying that...they're probably constantly testing, but they do have a permit through us. Let me say that.

CHAIR NEAL.

Okay. Ms. Babcock, what were you going to add?

MS. BABCOCK:

They are constantly testing because they have a specific area that they can operate in and that's growing. They have to continue mapping everything out to make that a bigger area, their domain.

CHAIR NEAL:

Now that they're permitted, are they collecting fares now?

MS. BABCOCK:

Zoox is not. There are...they can collect fares. They're set up to do that, but they have opted not to do that and they would notice us when they start accepting fares.

CHAIR NEAL:

Do we have an idea of when they might do it? Is it end of 2026, 2027?

MS. BABCOCK:

They just say...they're just trying to get everybody comfortable with them, I think. They'll start fares, they say soon, but no, we don't have any dates.

MS. WILBURN:

Madam Chair, I will note that we did just receive something from Zoox stating that they did want to start collecting credit card information. That was within the last week or so, I believe.

MS. BABCOCK:

They're looking at wanting to use credit card fees to cover damages to their vehicles, not to charge passenger fares. I believe that's...nobody has actually ruled on that yet.

CHAIR NEAL:

Can you break that down for me? I don't understand.

MS. BABCOCK:

Well, there's no one in the vehicle, there's no driver. It's just the passengers and they're finding garbage, trash, vomit, whatever, from these people that are passengers and they're wanting to...in order to take that free ride, they still have to connect with you over your cell phone and you set it up so they can contact you and charge you if you damage their vehicle. That's what they're looking to do.

CHAIR NEAL:

So, something similar to what would be happening if you get a rental car, like from Alamo? Then they...there is an upcharge or deposit or insurance or something that I don't...what are they calling it? Because is it like what is at the rental car...there's a rental car facility fee. Is it like that? What is it?

MS. BABCOCK:

It's similar to what our limousine carriers and others do. It's for damages to the vehicle.

CHAIR NEAL:

Currently you're...they're not charging a fare, but they will get your credit card information and a charge will show up because you may have left trash in the vehicle.

MS. BABCOCK:

No, they have requested it but nobody has dealt with that at this point. That just came in.

CHAIR NEAL:

In the world of...I mean, clearly we're all...I guess we're all theorizing at this point. If it is a credit card charge, is that treated...does a...does the Excise Tax attach? Mr. Nakamoto, would an Excise Tax attach to this fee or...it's a fee. What attaches to that? Is there...you just can charge a fee and no one gets any revenue benefit from it?

MR. HARTUNG:

Madam Chair, if I may.

CHAIR NEAL:

Go ahead.

MR. HARTUNG:

To your point earlier Madam Chair, it's a deposit. It would be no different than renting an apartment, and as long as you leave the apartment in sanitary and undamaged condition, no holes in the wall, you're going to get your deposit back, so to speak. This would just be a credit card hold for any damages that might be incurred...or occur by the passenger.

CHAIR NEAL:

Thank you for that, but it just...part of this conversation is I'm trying to figure out when the legislation passed in 2021 is the behavior different than what we had anticipated or intent. Now it sounds like there's behavior that is similar to what a rental car company would do, but yet it's under a TNC. Do TNCs get deposits if you use their car? Does the TNC get a deposit if you use their car?

MR. HARTUNG:

Madam Chair, they have your credit card on file and if you were to damage that vehicle, I mean, I would assume I have no idea because that's never come across...that would be between the TNC and the customer themselves. We would never see that. But I mean, if you were to kick out a window, I'm sure that there would be some charges that would be levied against you as well as a police report and a visit by an officer.

CHAIR NEAL:

Yeah, there's a difference between a criminal act of kicking out somebody's window and leaving a Cheeto wrapper in the vehicle and then seeing a charge on your Zoox rental/trip. I'm trying to figure out if it's a duck or goose.

MR. HARTUNG:

I understand where Madam Chair is going with this. I don't think that that Zoox is going to concern themselves with the Cheeto wrapper or things like that. I think it's more when they're potentially, and I'm going to use this term very carefully, bodily fluids...unintended bodily fluids that...where the vehicle has to be cleaned and sanitized or the vehicle was damaged in some way, shape, or form. I don't think it's their intention to...if somebody leaves a cup from a fast-food place and that I don't think that they're going to levy a charge for that, but I could be mistaken. We don't oversee those kinds of charges, Madam Chair.

CHAIR NEAL:

Mr. Nakamoto. Cringing at a Zoox experience with bodily fluids on the seat. But hey, it's Las Vegas. Mr. Nakamoto.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Thank you, Madam Chair. I have no personal experience in a Zoox vehicle. I'm not going to add that. What I will note though is that because the Department of Taxation is not here and cannot address what the underlying question is regarding the taxability of a bodily fluid charge, we will add that to our list of questions that we will be submitting to the department to get their take on it since they are the administrators of this tax. Fortunately, I am not. Thank you.

CHAIR NEAL:

Members, do you have any additional questions? I wish that there was like a Zoox person that I could ask very directly to any Zoox representative where they were willing to call in. I know they're watching. But this has been enlightening to say the least. I appreciate this conversation. Up north, do you guys have any questions? Seeing none. I'm going to close out Agenda Item VI and I will have Mr. Nakamoto come to the table. I want to thank the NTA for coming here and kind of winging it for the DMV and for the Department of Taxation, but we will make sure we get questions asked and answered from those entities. Thank you.

MR. HARTUNG:

Thank you, Madam Chair.

CHAIR NEAL:

Mr. Nakamoto, whenever you're ready. After this presentation, we'll stop and take lunch unless you guys want barrel through, but we can stop and eat after Mr. Nakamoto presents.

VII. OVERVIEW OF THE TAXATION OF TRANSPORTATION NETWORK COMPANIES, AUTONOMOUS VEHICLES, AND OTHER FORMS OF TRANSPORTATION IN NEVADA.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Thank you, Madam Chair. I am here in my role as your staff to provide an overview of the Transportation Connection Excise Tax. Again, with a reminder that I am not the Department of Taxation. I am here to make sure that we had some discussion about this. The Department of Taxation was unfortunately not available to be here today. But again, we are here to provide some information and I can answer questions to the best of my ability, which I will admit is fairly limited, but we are maintaining a list of questions that we can provide to the Department of Taxation and hopefully get answers from.

The presentation that we have begins on page 43 (Exhibit A) of the packet with the lovely cover here. But moving on to the first slide (page 44) about the...just a high-level overview of this tax. All of the provisions are contained in Chapters 37...or Chapter 372B of NRS. The rate is imposed at 3% of the total fare charge on the connection of a passenger by a TNC, AVNC, or common carrier of motor passengers to a person or vehicle willing to transport the passenger. What we are missing in here, is there is a statutory reference and fourth section of NRS dealing with taxi cabs. If you go into NRS 372B, you will actually see four different sections within the chapter that deal with separate taxes. They're identically at the 3% rate, but each of the taxes is listed separately. For example, NRS 372B.410 deals with the 3% tax on the connection of a passenger by a TNC. Those are regulated by NRS Chapter 706A. The AVNC, their tax is listed in NRS 372B.145. Those are the people who fall under NRS 706B. Common motor carrier passengers, that's in NRS 372B.150. Then taxicabs are listed in NRS 372B.160. Those are the entities that are regulated under Chapter 706 of NRS. The rates are all identical; it's just that there are four separate sections for the tax.

The payment of the tax is made by the company. The taxpayer is the AVNC, the common motor carrier passengers, the taxicab, or the TNC. Then the proceeds of the tax are primarily to the State General Fund. However, the first \$5 million for each biennium are dedicated to the State Highway Fund. In the even numbered fiscal years, the first \$5 million that's collected by the Department of Taxation is given to the State Highway Fund and then all of the proceeds for the rest of that biennium go to the State General Fund. There's some information about legislation there. The bills that created of these taxes; I'll go through that in a separate slide.

The definitions that apply here are...these are the definitions of TNC, common motor carrier of passengers, AVNC. Again, the TNCs found in NRS 706A.050, common motor carrier of passengers in NRS 706.041, and AVNC in NRS 706B.030. The statutory definitions in Chapter 372B point back to these sections of the NRS.

Next are definitions for transportation services that are in NRS 706A. These were originally approved during the 2015 (78th) Legislative Session. Then you can see the portion that adds the words "or monitored autonomous vehicle provider" was added in S.B. 288 of the 2021 (81st) Legislative Session, which has been previously been referenced. Then MAV providers in NRS Chapter 706A.047 you can see the definition there.

Then we started getting into the whole autonomous versus fully AVs and I am grateful to the NTA for talking about this and having this information in the slides so I can skip through it, because my understanding of this portion of it is admittedly a little bit limited. But I think this is kind of a good example...or instance where the taxation and the regulation of these kind of bleed into each other. They are distinct functions. The NTA does have the regulation, the Department of Taxation has the taxation portion of it, but they kind of are joined together.

Then on the next slide on slide number 6 (page 48, Exhibit A) it's the same taxonomy from the SAE J3016 that was mentioned by Mr. Hartung in the NTA presentation. Then the next slide (page 49) is the evolution of this tax. The first bill that really dealt with AVs was actually in the 2011 (76th) Legislative Session. Senate Bill...or A.B. 511 defined AVs and had a fairly general definition that you saw here. Then in 2015, that...Ms. Wilburn said that 2015 was very interesting and you can see why pretty much that it was because there were three bills that were more or less in sequence that created the framework for TNCs. But then the subsequent bills were making changes to the previous bills. The first bill was A.B. 175 (78th [2015] Session) which put the regulation of the TNCs under the Public Utilities Commission (PUC). It created the definitions and it also created that Excise Tax on TNCs which was actually supposed to be collected at the time by the PUC. Assembly Bill 176 (78th [2015] Session), the key provision was taking the responsibility for the collection of the tax and moving it from the PUC to the NTA. Then finally, S.B. 376 (78th [2015] Session) moved the administration of this tax from the NTA to the Department of Taxation where it remains today. The next bill worth mentioning is A.B. 69 of the 2017 (79th) Legislative Session which put in AV standards under the SAE J3016, introduced a definition for fully autonomous vehicles (AV), and then made sure that the...this Excise Tax was imposed on the AVNCs that were providing transportation services.

One of the things that this bill also did that is not mentioned here is that it prohibited local governments from imposing their own local taxes, fees, or requirements on the automated driving systems or the AVs. Then in 2021, the bill that was part of the discussions earlier, S.B. 288 defined a MAV and then authorized MAV providers to provide their transportation services through a TNC, which to my knowledge has not occurred to this point.

Then lastly, this is the chart of the historical collections (page 50, Exhibit A). The shaded...or the lighter blue is the highway fund portion. That's each even numbered year. You can see that the first \$5 million...or there's a \$5 million light blue portion and that's the Highway Fund portion and then the remainder of it is going to the State General Fund. The taxes actually became effective at the tail end of FY 2015, but they weren't actually started to be collected until FY 2016. That's due to the effective dates of the legislation. But you can see that it grew fairly steadily up until the pandemic and then the pandemic did what the pandemic did to any tax in this state that is tourism...or tourist dependent of which this one is. Then after the pandemic, like a lot of the taxes, they kind of shot back up. In the last couple of fiscal years, you can see that the aggregate amount is right around \$45 million which is kind of...when we get to the next agenda item...or subsequent agenda item, when we're talking about year-to-date collections for the taxes,

it seems that this tax is kind of online to be around that \$45 million range again when you take the State Highway Fund and General Fund portions into account for FY 2026. The COVID-19 decline from FY 2019 to FY 2021 was a decrease of 43.3%. But then the growth between the COVID-19 low to the most recent fiscal year, FY 2025, was a growth rate of 165.1%. It's very...this is one that is very linked to the tourist activity in the state.

With that Madam Chair, that's all I really had as a high-level overview of this tax. Again, if there are any questions, I can do my best to try to answer them. Otherwise, we will add them to our list for the department. Thank you.

CHAIR NEAL:

Thank you for that. Members, any questions to fiscal staff? Thank you for that presentation because I just think that what we're trying to explore or examine is we have these different rates. If tourists are paying it...which has been the argument that's been made that a portion of...first of all, the General Fund budget is funded by tourists. What is the appropriate rate? We have a rental car rate that...what is the rental car rate? I think like 9%?

MR. NAKAMOTO:

Madam Chair, the state rate for rental cars is 10%. There is also a county rate that is imposed in both Washoe and Clark County. I...the amount that's pointing...or popping into my head is 3% but I will have to double check that and I might look at...there's nobody in the room to correct me. I think it is 3% but I'll double check that.

CHAIR NEAL:

I want to be super clear. I'm not trying to kill a new industry, the autonomous industry, that clearly has a long legislative history within the State of Nevada. What I'm trying to figure out is if the statutory construct in which it was created is appropriate now that we're seeing it come to fruition and what is fair. What is fair and what is a rate that makes sense because after this continue...we're going to continue to have conversation, it doesn't appear to be a TNC yet it is in the TNC statute. I think that there's some more conversation that we need to have as we talk to the Department of Taxation, talk to DMV, because there is a data center side to this AV, which creates the other interesting piece of it. I mean, we're innovating, we're offering different modes of transportation for tourists, nothing wrong with that. At the same time, as they start to do the business of collecting fares...I think for 2027, I think this JISC Revenue needs to start examining whether or not the structure of the AV or the MAV as it's in existence, fits under the right statutory components. I think that's a worthwhile conversation for us to explore as we go our many months of the JISC Revenue. I just wanted to kind of close that out for you guys something to think about because I believe it is a good question for us to ask and think about. With that, thank you, Mr. Nakamoto.

MR. NAKAMOTO:

Madam Chair, before we close this out. I want to thank my phone-a-friend for correcting me. The rate is 2% in Clark and Washoe County and not 3%. Thank you.

CHAIR NEAL:

Thank you for that. We will take a...I'll say 30-minute break. We'll come back at 1:00 p.m. Have lunch and then finish out this agenda. Thank you all for participating. Go have a snack and then come on back.

Chair Neal called a recess at 12:28 p.m. The meeting reconvened at 1:19 p.m.

VIII. PRESENTATION ON THE TAX CHANGES APPROVED BY THE LEGISLATURE DURING THE 83RD (2025) LEGISLATIVE SESSION AND OTHER ACTIONS TAKEN DURING THE 83RD (2025) LEGISLATIVE SESSION, BY THE INTERIM FINANCE COMMITTEE (JUNE 2025), AND DURING THE 36TH (NOVEMBER 2025) SPECIAL SESSION, AND THE ECONOMIC FORUM MAY 1, 2025, FORECAST FOR FY 2025, FY 2026, AND FY 2027, ADJUSTED FOR ACTIONS TAKEN DURING THE 83RD (2025) LEGISLATIVE SESSION AND BY THE INTERIM FINANCE COMMITTEE (JUNE 2025).

CHAIR NEAL:

We are going to come back from recess for the Interim Revenue Committee. We are now on Agenda Item VIII and Mr. Nakamoto will present.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Thank you, Madam Chair. Agenda Item VIII begins on page 53 (Exhibit A) of your packet. There are about 25 pages of tables and I intend on going through every number and every word, all of them. No, I'm not. I'm not going to spend a lot of time on this because a lot of the information that is in this table is not necessarily relevant to the discussion today. It's all kind of a set of tables and it's a set of tables we actually put together for our appropriations report at the end of session. You'll notice on the top of page 53 for table 1, it has the note that it was updated November 25, 2025. We had to make some updates to this table as a result of the 36th (2025) Special Session. I'm...and I'll get to those and when we go through.

Table 1 basically is a summary of the Economic Forum's May 1, 2025, forecast that was approved on that day without any legislative adjustments. What normally happens is after the end of session, Fiscal Analysis Division staff, as staff to the Economic Forum, will go through and do revenue estimates either positive or negative for legislation that was approved during the legislative session that may have affected General Fund revenue. In this instance, there were actually not only revenue or actions taken by the Legislature, there were a couple of actions that were taken outside of the legislative...or the outside of the Legislature...proper. There was one action by the Interim Finance Committee (IFC) as well as one that was taken by a state agency that affected General Fund revenue that I'll talk about in table 2.

I'm going to actually fast forward now to page 59 (Exhibit A) which is table 2. This is the heart of my discussion and this is just an overview of the revenue actions or the actions that were taken that affected the General Fund revenue for the upcoming biennium, as well as for FY 2025, the most recent fiscal year. There really weren't many; this is not going to take a huge amount of time. As our tradition, at least for this first meeting, is just kind of go through and show the actions that the Legislature took in terms of General Fund revenue during the last session.

The first action that you can see there under taxes is a Gaming Control Board settlement that affected gaming penalties that are deposited in the State General Fund. During calendar year 2025 and especially in the first half of the fiscal year, there were a number of penalties that were levied by the Gaming Commission on operators here in Clark County. They were all related to a case that involved illegal gambling or illegal bookmaking by several operators. The one that is specifically listed here was a \$5.5 million settlement that was entered into with Wynn Resorts on May 15, so after the Economic Forum meeting, but before the end of the legislative session. As a result of that, that \$5.5 million was almost immediately deposited in the State General Fund and was recognized as revenue for the state. We adjusted the forecast to take that \$5.5 million into account so that it would properly show up in the state budget.

The other bill that shows up on this is A.B. 471 (83rd [2025] Legislative Session) which dealt with the Other Tobacco Products Tax. This was Assemblymember Hibbitts' bill that created a framework for the taxation of remote retail sales of other tobacco products including premium cigars. Basically, what...the framework for the current Other Tobacco Products Tax is the Wholesale Tax. The tax is at 30% of the value of the tobacco that's imported into the state and it's paid at the wholesale level. This is a tax that is for out of state sellers who are sending their tobacco products into the state. It's charged at that same 30% rate or for premium cigars up to \$0.50 per premium cigar. The revenue estimates are based on the effective date of January 1, 2026, and we estimated it at about \$1 million for a fiscal year. We actually have \$500,000 for FY 2026 because the tax is only effective for the last half of the fiscal year and then the full \$1 million in FY 2027.

Next, under other use of...or *Use of Money and Property* (page 59, Exhibit A). All of...everything that is listed here are repayments. It is not uncommon and especially those of you who are on the money committees are aware that the state...or the Legislature will appropriate money to certain agencies. Part of that is, it's actually a loan that the agency has to pay back. Most commonly right now, this is to the Governor's Technology Office (GTO). There are a number of repayments that are fitting this description where the GTO was given money for a specific task and then they have to repay that amount to the State General Fund over a period of a number of years. There were two bills during the regular session, S.B. 480 (83rd [2025] Legislative Session) and A.B. 591 (83rd [2025] Legislative Session), as well as A.B.1 of the 36th (2025) Special Session that occurred in November. Those had a total of five different appropriations that will require...or require GTO to pay money back to the General Fund beginning in FY 2028. We document it here because it...not that it affects this current biennium, but we just wanted to note it for a lot for our information, but also for the information of the public.

When those are repaid, they are treated as unrestricted General Fund revenue. They are available for the state to spend and the Economic Forum picks that up on their revenue forecast sheets. That is why we have them here.

The first three of those are listed on page 59 (Exhibit A) and then the last two are from A.B. 1 of the 36th (2025) Special Session are listed on page 60. Under other revenue, S.B. 225 from the 2025 (83rd) Legislative Session added a filing fee. For anyone who wants to...pardon me. Senate Bill 225 added \$1,000 filing fee for anyone who wants to register for a presidential preference primary. The bill takes effect on July 1, 2025, but because there is not going to be a presidential preference primary until later into FY 2028. We're not picking up any revenue from this in the current biennium. The existing candidacy filing fees, which all of you pay to the...when you register for your elections, we anticipate that that revenue source will increase by a certain amount, which we have yet to be determined.

Then the last under *Other Revenue* (page 60, Exhibit A) is the Cost Recovery Plan. There's something called the Statewide Cost Allocation Plan where agencies, part of their budget, they actually are giving some money back to the state to pay for certain services like the use of the Attorney General's Office and so on. We have estimates based on what the budget is at the point of the Economic Forum meeting, but then the final amount can get adjusted either upwards or downwards depending on where the legislatively approved budget lands at the end of the session. There were downward adjustments of approximately \$921,000 in FY 2026 and \$557,000 in FY 2027 based on where the legislatively approved budget...the final version ended at the end of the session.

Then you can see the net impact of the adjustments to revenue before tax credits was the \$5.5 million from that fine levied against Wynn Resorts in FY 2025 and then downward...or...and then smaller adjustments, to the tune of about \$420,000 to \$440,000 in FY 2026 and FY 2027. Then finally under *Adjustments to Tax Credit Programs* (page 60, Exhibit A), the Economic Forum does forecasts for the tax credit programs as well, but there...and as a result, there could be adjustments. This is an instance of an adjustment that occurred not because of an action by the Legislature as a whole, but rather to actions by the IFC.

On June 18, 2025, the IFC approved a request from the Governor's Office of Economic Development (GOED) to issue 4...\$4,303,500 worth of transferable tax credits to Redwood Materials for their project that they are building out in a Storey County. This is under the provisions that were originally approved for the Faraday Future project in...back in 2015 or 2016; somewhere a long time ago. There were \$38 million of tax credits that were attached to that...those provisions. Faraday Future never got off the ground so those credits were never taken by that. However, when the bill was passed, it was general law, meaning anybody who met the criteria could come in and apply for the abatements and tax credits that were attached to those provisions. Redwood Materials eventually did that. In January 2023, they received a round of tax credits and then they received the \$4.3 million...or they applied for the \$4.3 million and were granted that by the IFC in June. Those provisions, authorizing the \$38 million of credits, we never got to that point. We

only issued about \$6.5 million worth of credits, but the authority for GOED and the IFC to approve...or issue and approve those credits expired by limitation on June 30, 2025. Under current law without any renewal language, those are the last tax credits that would be issued under what we call the Faraday Provisions. Then you can see when you get down to the bottom line (page 60, Exhibit A), what the actions were by the...or the total forecast after tax credits, based on these adjustments.

Then on table 2 on page 61 (Exhibit A) is talk...it has a little bit of information about the State Education Fund. The Legislature made no adjustments to the State Education Fund. If they had, we would normally list those here but because they didn't, we're just...we're leaving that blank.

Page 3...or table 3 on page 62 (Exhibit A), goes through and kind of summarizes now what is the forecast look like after all these actions are taken. Getting to the bottom line on page 68, sorry, on 67 where it shows the total adjustments by fiscal year after tax credits where there's a positive amount added in FY 2025, a negative amount of approximately 400...or \$4.7 million in FY 2026, and then a positive adjustment of approximately \$443,000 in FY 2027.

Then lastly on page 69 (Exhibit A) is the Economic Forum's May 1 forecast adjusted for all of these measures and actions that were taken, either by the Legislature or the...that were not done by the Legislature, but which affected General Fund revenues. The only thing that I will note is there's not the updated...on November 25, 2025, language on this table because none of the actions taken during the 36th Special Session affected any General Fund revenues during the current biennium.

With that Madam Chair, that's about as high level and as quick as I could go through all that information. If there are any questions at this point, I would be glad to answer them. Thank you.

CHAIR NEAL:

Members. Are there any questions? Any questions up north? Seeing no questions, we will close that agenda item and then move to Agenda Item IX.

IX. REPORT AND DISCUSSION OF FY 2026 YEAR-TO-DATE ACTUAL COLLECTIONS COMPARED TO THE ECONOMIC FORUM MAY 1, 2025, FORECAST, ADJUSTED FOR ACTIONS TAKEN DURING THE 83RD (2025) LEGISLATIVE SESSION AND BY THE INTERIM FINANCE COMMITTEE (JUNE 2025).

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Madam Chair, Agenda Item IX is the year-to-date actual compared to the forecast. Ms. Powers will be doing that from Carson City and I will be staying up here to play phone-a-friend if need be. Thank you.

SUSANNA POWERS (Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Agenda Item IX begins on page 79 ([Exhibit A](#)) of the meeting packet and I have it also up here on a computer; looks like it's on the screen now. We're going to start with table 1 on page 79 of your meeting packet. Table 1 compares FY 2025 actual collections with the FY 2026 Economic Forum forecast, which was legislatively adjusted and just reviewed by Mr. Nakamoto under the previous agenda item. The yellow column shows FY 2025 actual General Fund revenue collections by major revenue sources and selected non-major revenue sources. It also highlights how FY 2025 collections compared to FY 2024 in terms of percentage change and how actual revenues performed relative to the Economic Forum's May 2025 forecast.

The next set of three columns, shown in light pink, presents the Economic Forum's FY 2026 forecast. The middle column reports the percentage change in the FY 2026 forecast as it appeared in May of last year, when FY 2025 was still projected. The last column compares the percentage change between the FY 2026 forecast and actual FY 2025 revenues after the fiscal year closed last fall. The final set of green columns represents each revenue source's share of the general fund for FY 2025 and FY 2026. For example, if you take the first revenue sales and use tax collections, they, in FY 2025, totaled \$1.775 billion. This represented a 0.8% decline from actual FY 2024 collections and came in 0.8% below the Economic Forum's May 2025 forecast.

For FY 2026, Sales and Use Tax revenues are projected at \$1.814 billion. When the forecast was set in May, this reflected a 2.1% increase over the FY 2025 projection. After final FY 2025 actuals were available, the growth rate improved slightly to 2.2%. Sales and Use Tax accounted for 29.0% of total FY 2025 General Fund collections, which is consistent with the FY 2026 projected share of 29.3%. Other information in this table provide information on Commerce Tax credits and other tax credit programs by showing the amounts utilized in FY 2025 and the projected amounts for FY 2026.

Fiscal Year 2025 ended with no growth in the total General Fund revenue relative to the prior fiscal year. If the Economic Forum's projections hold, the total General Fund revenue in FY 2026 is also expected to experience essentially flat growth of just 0.3%.

I will next focus on table 2 which shows the stage...State's General Fund performance to date in FY 2026. Table 2 is on page 80 ([Exhibit A](#)) of your meeting packet. The information compiled in this report includes reported revenue by collecting agencies as of the end of December 2025. For Sales and Use Tax, we currently have four months of collections. The first set of yellow columns shows the previous FY 2025 collection statistics for the first four months of that fiscal year. The next set of three columns presents the current FY 2026 year-to-date actual collections. The final set of columns shows performance relative to the forecast expected at this point in the fiscal year.

Our methodology sets the year-to-date forecast using the growth rate derived from the percentage change between FY 2025 actual revenues and the FY 2026 forecast, as shown in table 1. Of note, the Department of Taxation is modernizing its tax collections system. The transition is affecting the timing of when the state normally receives revenues. In some instances, this is skewing the comparisons. I will start with the Sales and Use Tax. It is coming in at approximately \$22 million or 3.7% above expectations. The Department of Taxation made a permanent change to the accounting period close date beginning with the August business period distribution; closing the month on the 15th instead of at the start of the month. According to the Department of Taxation, this extension benefited the state share of the tax with a one-time gain of \$27 million. If not this event, this tax would be trailing slightly below projections.

Gaming percentage fee, the tax on taxable gross gaming revenue paid by nonrestricted licensees is at \$30.9 million or 6.4% above forecast. At this point, we have collected half of the fiscal year's revenues. Gaming percentage fee collections can be highly volatile from month to month for a variety of reasons. One contributor to revenue growth this fiscal year has been Baccarat win, a game favored by high rollers as casinos on the [Las Vegas] Strip have benefited from strong hold and consistent volume. Slot win, by contrast, tends to be less volatile and has remained steady.

After one quarter of collections, Insurance Premium Tax is at \$16.2 million or 10.3% above the forecast. While the Modified Business Tax total is slightly below forecast by \$9.4 million or 4.3%. Most of the shortfall is in the non-financial or general business category, while the financial and mining components are largely tracking the forecast. Total Live Entertainment Tax is at \$11.6 million or 16.3% above expectations. The gaming portion of the tax is underperforming the forecast by \$11 million or 21.7% with five months of collections while the non-gaming portion is outperforming the forecast by \$22.6 million or 110.2% with four months of collections. Real Property Transfer Tax reflects one quarter of collections. This tax is levied on the value of real property transferred from one party to another and is currently at \$1.5 million or 4.8% below forecast.

Commerce Tax is an annual tax levied on businesses with more than \$4 million in Nevada gross revenue per fiscal year. Because the tax due date falls very close to the official close of the state fiscal year, the third Friday in September, a portion of collections is typically recorded in the following fiscal year. In FY 2026, the amount of FY 2025 revenue posted was larger than expected due to a technical issue with taxpayer returns and payments, as well as the timing of the statewide cyber-attack last fall which effectively delayed the posting of revenue. As a result, year-to-date collections are approximately \$75 million above the forecast. After accounting for the effect of the delay, the Department of Taxation indicated that the delay deferred about \$80 million from FY 2025 to FY 2026.

Treasurer's interest, the final major revenue source in this table, has benefited from higher interest rates and above average investable balances, making this a significant source of revenue to the state. After one quarter of collections...or postings, this revenue is \$23.6 million or 31.2% below forecast. This likely reflects the lower yield interest rate environment in financial markets and reduced investable balances, as the American Rescue Plan [Act], also known as ARPA funds, are being spent down, among other factors.

Overall, total major revenue sources are \$121.1 million or 7.3% above forecast. This table also includes eight selected non-major General Fund revenue sources. Transportation Connection Tax, business license fees, and the Secretary of State commercial filings and securities are tracking the forecast closely. Liquor Tax after four months of collections is \$5.5 million or 45.8% above forecast. Other Tobacco Tax is \$2.1 million or 20.6% above forecast. Whereas, Cigarette Tax after four months of collections is \$10.1 million or 28.1% below forecast and short-term car rental fee after one quarter of collections is \$6.3 million or 30.3% below forecast.

Overall, the selected non-major General Fund revenues are tracking \$8.9 million or 6.1% below forecast. All other General Fund revenues, not shown in this table, are \$4.7 million or 5.5% above forecast. Before accounting for any tax credits, total General Fund revenue is \$116.9 million or 6.2% above forecast. After adjusting for the Commerce Tax credit applied against the Modified Business Tax and all other tax credit programs, total revenues remain at \$116.9 million above forecast as the methodology assumes actual year-to-date tax credits align with forecasted year-to-date amounts until the fiscal year is closed.

Moving on to table 3 on page 81 (Exhibit A) of your meeting packet. It shows what remains to be collected, with the left side displaying the remaining FY 2025 revenues at this point in the fiscal year based on actual collections and the right side showing how much revenue would remain to be collected in FY 2026 if the forecast were to materialize.

Table 4, on page 82 (Exhibit A), presents information on various tax credit programs that may be applied against Modified Business Tax, gaming percentage fee, and Insurance Premium Tax. It includes FY 2025 actuals, the FY 2026 forecast, and year-to-date actuals for both FY 2025 and FY 2026. Following table 4, you will find detailed notes for each tax credit program, as well as relevant footnotes related to the tax revenue sources covered under this agenda item.

Table 5 is the last table I was going to briefly talk about. This is on page 89 (Exhibit A) of your meeting packet. It provides detailed information on all unrestricted General Fund revenue sources for FY 2023 through FY 2025 actuals, along with year-to-date, FY 2026 actuals compared to FY 2025, based on agency reports received through December 2025. The table also includes the same information on the various tax credit programs as previously shown in table 4. That concludes my presentation under this agenda item and we're ready for questions. Thank you.

CHAIR NEAL:

Thank you for that. Members, any questions? Up north, are there any questions?

SENATOR ELLISON:

Yes, ma'am.

CHAIR NEAL:

Senator Ellison.

SENATOR ELLISON:

Thank you.

CHAIR NEAL:

Go ahead.

SENATOR ELLISON:

Tell me...can you tell me the consolidated tax figures and formulas for Las Vegas versus Winnemucca versus Ely, Eureka, whatever? Is all them on the same percentage rate?

Ms. POWERS:

Senator...

SENATOR ELLISON:

Not as far as the amount of money, but this is about the money that's calculated from each county.

Ms. POWERS:

Senator Ellison, I will phone-a-friend for this question. Mr. Nakamoto, did you want to take this question?

SENATOR ELLISON:

Either that or you can just get it back to me. That's fine. I've been asking this question last year too. I think that's important to know. Then also I had some counties in rural Nevada call and say that they had to make several, several calls trying to get payment in from the state to them counties. I'll get you the name of them and see if we can see if there was a problem that could be fixed, if we could. But the Consolidated Tax, I think it's important to know because we worked on this many, many, many years ago in this Committee and I want to make sure that it's backed up and up. Thank you. Thank you, Madam Chair.

MR. NAKAMOTO:

Senator Ellison, I will take a stab at your questions. First, I do not...the presentation information here is just for the State General Fund. I don't have CTX [Consolidated Tax] distribution information handy, but we can get that for you. With respect to your second issue...or question that you raised about the distribution issues, we are aware of that the...backing up just a little bit...the Department of Taxation switch their...are in the process of switching over a lot of their computer systems with respect to remitting and distributing tax revenues to a system called MYNT [Modernize Your Nevada Tax]. The first phase of MYNT rolled out in December 2024; in the first few months of FY 2025. They...when they did that, they...their first phase brought on most of the CTX revenues, Sales Tax, governmental...or no, the Liquor Tax, the Cigarette Tax, that are specifically collected by the Department of Taxation and as well as a few others. When they did that, they changed the timing by which they were actually reporting and distributing that revenue from the end of the month to the beginning of the month. When they did that, that resulted in, basically a short payment in December for the October tax period.

The Department of Taxation, through discussions with, affected local governments, with your fiscal staff, and others, worked out a solution that was attempting to hold the state and local governments whole as much as possible. They ended up doing that through an extra payment that they processed toward the end of the fiscal year in late August or early September. I...it is my understanding that any of the local governments who believe that they might have been shorted in their CTX distribution in FY 2025 were made whole by the department at the end of the fiscal year. However, if you are in contact or discussions with local governments who believe that that was not properly accounted for, you can get that information to us and we can look into it for you. Thank you.

SENATOR ELLISON:

Thank you very much.

CHAIR NEAL:

I just have one quick question. It was on the Cigarette Tax. You mentioned that that was...I thought you had said that...and I'm looking at it, or maybe I'm looking at the wrong table, on table 2 (page 80, Exhibit A), that it actually has...it's a negative, right?

MS. POWERS:

Madam Chair, correct. We have so far collected four months. This particular revenue is \$10.1 million or 28.1% below forecast.

CHAIR NEAL:

Do we know why? Because whenever I'm looking at...it's been designated as like a colloquialism around sin taxes. Is it because of the anti-tobacco campaigns that we're seeing a shift in cigarette revenue or is this just simply we're waiting for payments to come in?

MS. POWERS:

Madam Chair, the fact that the collections are below forecast may be due to various factors. One, we have seen less visitors. Two, smoking is not as prevalent; it has been in decline for many, many years. They...there might be some collection anomalies potentially, due to the transition to Project MYNT, but I believe all of those issues got sorted out in FY 2025. I doubt that any of this is due to just reporting irregularity...irregular reporting between the two fiscal years for that reason. I would probably just have to note that it's probably smoking is falling out of favor as well as less visitors visiting the state. The latest visitor statistics showed that so far calendar year 2025 statistics show decline year over year. It could be due to multiple different factors. I will hand it over to Mr. Nakamoto if he would like to add or correct anything in what I said, thank you.

MR. NAKAMOTO:

I don't have anything to correct. I think Ms. Powers kind of hit the...at least our thoughts on it. I personally am not aware of any distribution or collection issues that caused this. We certainly can add that to our list of questions for the Department of Taxation to see if they are aware of anything. I can't rule out that there might be some MYNT issues, especially because this was one of the MYNT issues...or MYNT...first MYNT taxes and we are kind of annualizing against some of that. I think from a general sense, and this is something that I personally have observed over my tenure with LCB Fiscal, that...and especially, it wasn't so much of a thing before the Great Recession, but after the Great Recession, the per capita consumption of cigarettes started going down.

The only time that...there are two times where in...there was a little bit of change to that, back in the 78th (2015) Legislative Session, a couple of you who were here will remember that the Legislature approved an increase of the per-pack tax on cigarettes by a dollar. At the very end of FY 2015, before the tax took effect, there was a big run on the purchase of stamps because people were buying them at the lower rate affixing them to the packs before the effective date of the tax to basically beat it; they've paid the tax as a legal pack.

Then we saw a little bit of a bump a couple of fiscal years later, when we raised our tax to \$1.80 per pack, it was more or less in line with what California was doing. But a couple of years later, California raised their Cigarette Tax rates by another \$1.00 per pack. All of a sudden you had...we were seeing an increase of pack activity in Nevada that was not driven by all of a sudden people are smoking more, it just happened to be that people from California were now probably coming to Nevada to purchase their cigarettes because they were \$1.00 a pack cheaper when you compare the two. Then after that,

you could see that decline occurring again and I think it's gotten a little more precipitous in the last few years. Whether that is the health concerns, the anti-tobacco movements that you've been referring to, whether people are substituting to vapor products or cannabis or whatever else that they are smoking or drinking or doing with that money, or they're just choosing to quit. I don't know if that is an answer or if it's not an answer, but I have a feeling all of those things are going to factor into it. But again, we'll talk to the Department of Taxation and see if there are any distributional issues as well.

CHAIR NEAL:

Just to kind of close that out, I want to try to put this...that conversation for August, once we get more revenues in. I think I want to start around the non-major General Fund revenues that happen to be sin taxes. I want to have a conversation more around consumer behavior, economic, I would say changes, and then also if there's any...and this isn't necessarily your wheelhouse, but it might be something that's in the data. If there's any kind of public health campaign that is out there, that is affecting it. Because I think ultimately, this is a...if we continue to see a shift where these taxes are coming in lower, but yet they make up a portion of the General Fund and also a portion of the money that we spend on services for Nevadans.

I think it's appropriate to start having a conversation around, are these taxes stable? Are they going to meet the projection of ten years from now or five years from now, in terms of growth, where as a state, we can depend on these revenues coming in and then...or do we start...need to start having a conversation about a shift? If there are product developments that have changed, meaning...last interim, we had a conversation around, it's not a cigarette, it's something else. Should we be also thinking about definitional changes because there are...there's product evolution that is falling out of the base that should be brought into the base in order to stabilize revenue.

It'd be the same conversation if liquor started to...I try to have that, I think in 2023. If any of the liquor products and the evolution of products were all included in the base and trying to make sure we're having those conversations because I had started to notice you could go out there and get a vodka popsicle. I was like, is that in the base or is that not in the base? Because of all these nuances and I didn't even know those things were out there. But you see all these young people that are finding all kinds of ways to ingest alcohol and it's not in a can. I want to start trying to dig into that a little bit because I think long term and structurally for our budget, we need to be thinking about revenues that are getting ready to continue to deteriorate and will no longer be a stable line item that we can depend on and whether or not there's some evolution to what we need to think about and do. I'm just putting that out there. It's something we can fool around with. It's only January.

MR. NAKAMOTO:

Madam Chair, if I may. I just...to wrap up this agenda item, I just had one comment that I wanted to add. That's when you look at the bottom line number of \$116.9 million above the forecast that Ms. Powers referred to on at the bottom of table 2 (page 80, Exhibit A). By all appearances, that is a very good number. It is encouraging for the health of our revenues and for the state budget because I know that there are a lot of states especially our neighbors to the west who are certainly in a worse position when it comes to revenue in their budget than the State of Nevada is.

That being said though, I have been asked this question or a question a number of times about, what is...how is the economy doing in relation to our forecasts? The answer that I've given every time is that the Economic Forum was fairly conservative in its forecasts. I think it expected downturns in tourism because back in May, we were already seeing that. As a result, the forecasts were perhaps moderated a little bit more than they might ordinarily be under rosier economic conditions. So \$116.9 million above the forecast certainly is good on paper, but then Ms. Powers did note a couple of the technical issues and other things that were going on with the Sales and Use Tax, the \$27 million that was basically accelerated due to the timing of...changing their...the MYNT processing from the beginning of the month to the middle of the month that occurred earlier this fiscal year. About this...the \$75 million in Commerce Tax revenue that we're above the forecast, which is essentially FY 2025 revenue. It belongs to FY 2025 but it is posted in FY 2026 because of the technical issues in the cyberattack.

When you put those two things together, it's \$102 million of revenue, there is more or less a windfall to this fiscal year. When you take that into account and subtract that out, that \$116.9 million turns into about \$15 million above the forecast. We're above the forecast. Basically, if anybody were to ask me how we're doing, all things considered, I would say based on the economic conditions and everything that's going on here in the Las Vegas Valley and elsewhere in the state, the state is holding its own. That I think is all we can ask for. That was the comment that I really want to make. Thank you, Madam Chair.

CHAIR NEAL:

Thank you for that, Mr. Nakamoto. I'm just always thinking structurally, not in the two-year cycle, just the long-term look, ten years from now. We're in that ten-year look-back now. I just want to include that in the ten-year look back around policy, because one of the themes that I think is going to come out of this interim is I'm looking at consumer behavior. I'm looking at if there are business behaviors that have changed and whether or not there needs to be an adaptation or pivots that we need to make in regards to revenue policy. That...not that's happening in the short term, but things that we can see that are going to be long term structural deficits that are going to come into play, that we might be able to take a stab at because we can see the trajectory of how that revenue stream has been operating and actions that've been taken by the state that are changing those revenue streams.

The anti-tobacco movement is still out there. The goal of anti-tobacco movement is to make people stop smoking and buy cigarettes, period. The alt, or the non-tobacco, has been a market that was created because people were going after cigarettes. Then they created an alternative product. Now they're going after the alternative product. I just want to...it's just more futuristic to do that examination. I think I'm in that, I think I'm in that mind space because I've been here since 2011. God only knows why. But there are significant questions...what I think in...my time has been with you since 2011. Just thinking historically about what I've learned this whole time on what we should be considering in terms of those behaviors that are out there and that are going to impact. But we can talk about it later. With that, we will just go ahead and close that item. You want to...

MR. NAKAMOTO:

Madam Chair, I have enjoyed the last fifteen years with you.

CHAIR NEAL:

Oh, thank you. I'm a special person, Michael [Nakamoto]. With that, we will close Agenda Item IX and we will go to Agenda Item X.

X. DISCUSSION OF POSSIBLE TOPICS TO BE ADDRESSED AT FUTURE MEETINGS.

CHAIR NEAL:

This is discussion of possible topics. Does the Committee have any topics that they would like to put on the agenda for the interim that you think you want us to discuss? Assemblymember Backus.

ASSEMBLYMEMBER BACKUS:

Thank you so much, Madam Chair. I think you had alluded to this one topic earlier today in our discussions, was obviously cannabis revenue. I know it kind of overlapped. We've had this conversation I think over the last two legislative sessions in 2023 and 2025. I think particularly some of the bill sponsors or movers are both on this Interim Committee. It's a conversation that I think could be had even earlier, even though a study is going on.

I know as part of it was looking at hemp and other off...non-cannabis products to look at. Also looking at the illegal market, I know the Cannabis Compliance Board is doing their dive, but I feel like hopefully everyone will be open to maybe simultaneously doing a public dive into that as well.

CHAIR NEAL:

Anyone else? Go ahead.

ASSEMBLYMEMBER GALLANT:

Thank you. I just want to reiterate Assemblymember Backus. The bill that...did we cosponsor that? Did you sign on it? You did? Okay. We sort of spurred that study that they're doing. I would be very anxious to be able to review it and maybe even have some discussions prior too, so we can figure out how to make that work...that system work a little bit smoother.

CHAIR NEAL:

Senator Doñate.

SENATOR DOÑATE:

Thank you so much, Chair Neal. I think one of the things that we should look at during this legislative interim from this Committee, would be...it might be worth the interest of the Committee members to start reviewing some of the tax abatements or tax credits that were approved historically, dating back 40, 50, 60 years. I think one of the challenges that we always have as Committee members is we never take the time to open the books and to see the history of why things were approved at a certain time frame, if they still make sense. I think that would be welcomed both from a bipartisan lens because we should be able to look back and see if there's revenue that could be captured or perhaps, things that haven't been looked at for quite a while. Maybe during this interim we can start to look at that process because I think there's appetite to start relooking into that if there's a...if that's of interest.

CHAIR NEAL:

Do you want that to include...there's business abatements and then there might have been...what's...I would say there are exemptions that we've given to groups and they're different.

SENATOR DOÑATE:

Thank you, Chair. I would say all of the above. I think we need to start looking at any tax exemption, any tax credit, any tax abatement that has been approved, that are on the books, that we've had historically. Not within recent years, I think there are a lot of proposals that we've had within the last decade that obviously need to look back in terms of did it actually work. But I think there are a lot of things that we have on the books that have been there for decades that no one has really cracked open the books on. I think even understanding if the staff can help us understand the historical significance of why we approve those at that time frame. It would also help Committee members to understand whether they're necessary or whether we need to revise them moving forward, if that makes sense.

CHAIR NEAL:

Anyone else? Assemblymember Gallant.

ASSEMBLYMEMBER GALLANT:

Mr. Nakamoto, can I ask you to come sit or maybe not...or discuss this? In terms of maybe creating some clarity in your department about bullion. Because of that, that bill didn't quite make it, but your office and department have been sort of struggling on how to address the Sales Tax because there's been different opinions and it sort of flip flops since the Sales Tax passed by the voters. Would that be helpful if we dive into the history of that and see where we go next session?

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Fortunately, that's a Department of Taxation issue. I...and not necessarily us. I can add that to the list of topics or questions for the department to see where they're at on that. Then we can talk...I can have conversations with the Chair about potentially adding the taxability of gold and silver in bullion form to a future agenda. Thank you.

ASSEMBLYMEMBER GALLANT:

Thank you.

CHAIR NEAL:

Members, anything else? Senator Ellison.

SENATOR ELLISON:

Thank you, Madam. I got a couple of things. I don't know if they could be considered under comments or not. The vaping has become such a large deal and I listened to a program on the news the other night that the health care that's coming out of vaping right now and the younger people, and many middle aged, is really getting serious across the United States. What they're saying is some of the products that's into the vaping is going to cause states to have financial problems due to health care. I mean, if you're going to look at something where you're doing the loss and cigarettes, you might look at something to try to pick up the revenue that's going to cost our health care.

Then the other thing is under ad valorem, is a lot of the seniors that are on set incomes and barely being able to eat or get gas, are having problems paying their ad valorem tax. The reason is because it's coming up every year or every other year, the increase and it's because of schools. Here's the problem that we're running into is education...a lot of people are going to home school or private schools or whatever, and the population's going down as far as in public schools. But the problem we have is the seniors are being almost driven out of the state because of the cost of their property tax. They've never had children in school. That increase seems to be increasing dramatically. I don't know if that's something we can look at and discuss, but our seniors are the ones that are really being hurt. Thank you.

CHAIR NEAL:

Thank you, Senator Ellison. I think that's a good add. We used to have a senior citizen property tax rebate that would offset the property tax. The last time it was in existence was in 2015. That might be a conversation because there is some statutory construct out there that we could probably revisit and probably put back on the table and bring back as a committee bill to try to give that relief in the future because we removed it in 2015. That was...I mean...a very special session to say the least. Anyone else up north? Assemblymember O'Neill, do you want anything that you want us to look at? Assemblymember Nguyen.

ASSEMBLYMEMBER NGUYEN:

Thank you, Chair. I think this is following up to what you discussed at the start of the meeting today in terms of looking at our process. I think we are at a state right now where we're having a lot more activities, we're having a lot more changes to our state due to population growth due to all of these things are happening that sometimes I think revenue gets lumped with the rest of the standing committee in terms of the timeline. Similarly to IFC or the Legislative Commission that meets more often to handle the expenditure side of things. Looking at the revenue side of things, maybe we should look at from a statutory level, making some tweaks into adding on to what some of your concern earlier in the meeting of making sure that we have the continuity to do the things beyond the scope of what the August cut off. So that even in the year where we're in regular session, that that remaining part of the year still has some activity that spurs into some of the framework for us to continue to do the work on a timely manner so we don't always have to rush and always have to kind of chase other folks to get to where we need to go. Maybe from a...or even going to the Legislative Commission to ask permission that perhaps we look at it from a perspective that we need to change the process and make revenue to be a bit more of a regular occurrence rather than the interim schedule. I know Mr. Nakamoto might give me the side eye for adding more work to him, but I think perhaps not doing work on a rush all the time, but creating some sort of longer period for the Revenue Committee to be more actively at work. That's just my thought, Chair.

CHAIR NEAL:

No, thank you for that great comment. Any other? Seeing no more comments on the discussion, Mr. Nakamoto had wanted to add just a final note on Cigarette Tax, and then after that, we'll go to public comment.

MR. NAKAMOTO:

Thank you, Madam Chair. I had another phone-a-friend come through and give me an answer on the cigarette collections for FY 2026. It is an issue with the MYNT system and a change that they made during the September distribution period at the end of November. For the longest time, the Department of Taxation was posting revenues from future tax periods in the month in which they were received, but under MYNT and under this change, they've stopped doing that. As a result, now revenue is going to post at the time where it is actually supposed to be realized, as opposed to when they receive it.

That change resulted in a shortage of revenue where we only collected about \$1.6 million in Cigarette Tax for the month of September. The average month is in the \$7 million to \$8 million per month range. We're still short if you look at it in that sense, but that is accounting for a significant portion of it. I think that is going to account for a large portion of that shortfall in Cigarette Tax revenue at this point, because with this change, it doesn't appear that we'll grab it back at any point. But again, the comments that I think Ms. Powers and I made about the general attitude towards smoking and the consumption of cigarettes remain valid because I think that is also a factor in the general decline of the tax. Thank you, Madam Chair.

CHAIR NEAL:

Thank you. We will close Agenda Item X and then we will move to Agenda Item XI for public comment.

XI. PUBLIC COMMENT.

CHAIR NEAL:

Is there anyone here in Las Vegas for public comment? Seeing none. Is there anyone up north in Carson City for public comment? Seeing none. Is there anyone online?

[LCB AVH STAFF]:

If you would like to participate in public comment, please press *9 on your phone to take your place in the queue.

Once again, if you'd like to participate in public comment, please press *9 on your phone to take your place in the queue.

Caller with the last three digits 051, please press *6 to unmute yourself.

BARRY JOHNSTON:

We have almost two dozen websites in development to show the public how you are raising costs and for consumers by stealing our labor and taxing us to death. These AI [artificial intelligence] driven websites are to investigate you and your staff explaining how you're managing our enslavement to the state.

We are finishing up Nevadawhistleblowers.com right now. Its purpose is to ruthlessly expose how Nevada government is destroying the state. We provide a safe way for government employees and the other...and others to anonymously provide details of your misdeeds and corruption. Nevadataxrates.com will show how you are increasing costs and destroying our businesses, as well to warn other businesses who are looking to move here, that you will steal from them in every way you can imagine. Who did that to Nevada is integrated to your politician profile on other websites we are building with AI monitoring and displaying your actions. The content of these websites will start with the current

legislative actions and work backwards to past sessions, tracking what all politicians have done to destroy or save our state. Assemblymember Gallant should make a video like Steve Irwin the crocodile hunter, where the Committee is the crocodile waiting to devour taxpayers and businesses.

We are...what you're running here is not governance. It's the Jones plantation. If you're not familiar, please watch the YouTube video. You play the role of Mr. Scott, the overseer who convinces the slaves they are free, while quietly informing them, they must keep paying rent on their homes, cars, and stronger business tax to give you their profits. You declare emancipation with one hand and invoice with the other. Acting as if we need to tell you...we need you to tell us how to believe...how to behave. And if we don't comply, you send armed enforcers. You tell us we own property but only if we keep paying you indefinitely. Miss a payment, armed enforcers arrive. Not to negotiate, not to reason; to seize, to ruin our lives, and the harm if resisted. That is not ownership, that is conditional permission backed by violence.

You understand the dynamic perfectly. A man can be controlled temporarily with brute force using armed enforcers, but a man can only be owned permanently if it's trained to believe your word is law, obedience is virtue, and compliance is morality. That is the scam. Property tax on personal property is the plantations rent. It taxes existence not profit. It punishes risk. It drains capital monthly, predictably, quietly until businesses bleed out and consumers follow. We are losing money every month if this continues. If you sense it, capital senses it, and like a gator...and like gator chum, other states smell blood. Texas, Florida, they wait for your posture. Delaware learned from this lesson too. Nevada is repeating it in real time.

You promise shared sacrifice. You promise togetherness. That is Mr. Jones standing on the porch declaring to everyone's free, while appointing a new security chief to enforce the rules. Freedom is not choosing a new master. Freedom is not renting our life back from the state. Freedom is not paying tribute to the privilege for producing. You guys are acting like socialists. We are not in California. We do not need you with rattling your tin cup and finding every way that you can bleed us for things we never wanted and don't need.

The busted dantes acting like the guy from New York right now. I mean, please take care of yourself. You look disheveled. We can't keep doing this to you guys to sit up there and figure out how to bleed us dry. The purpose of these taxes is to show how you're increasing the cost for everything while trying to blame others. Thank you for your time.

[LCB AVH STAFF]:

If you have recently joined the call and would like to participate in public comment, press *9 on your phone to take your place in the queue. Chair, the public line is open and working; however, there are no more callers at this time.

XII. ADJOURNMENT.

CHAIR NEAL:

Thank you. That concludes our business. We are adjourned.

Chair Neal adjourned the meeting at 2:26 p.m.

Respectfully submitted,

Basia Thomas, Secretary

APPROVED:

Senator Dina Neal, Chair

Date

**OVERVIEW AND DISCUSSION
OF NEVADA'S SALES AND USE TAX**

Overview and Discussion of the Sales and Use Tax

April 1, 2026

Presentation to the Joint Interim Standing Committee on Revenue

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst



Overview of the Sales and Use Tax

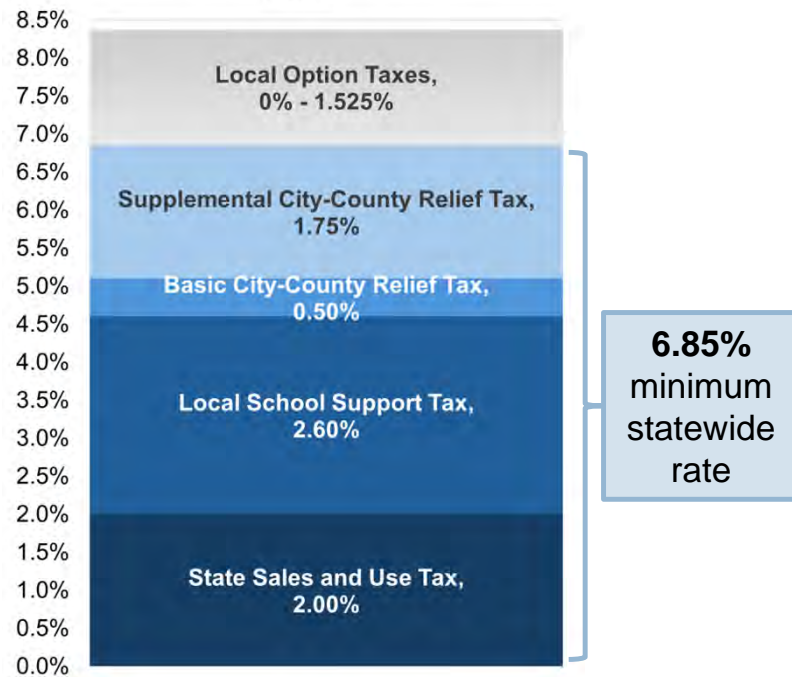
- **What is Nevada's Sales and Use Tax?**
- **Taxable Sales and State Sales and Use Tax Collections**
- **Origin and Evolution of the State Sales and Use Tax**
- **Remote Sellers and Marketplace Facilitators**
- **Other Considerations and Issues Regarding the Sales and Use Tax**

Overview of the Sales and Use Tax

- **What is Nevada's Sales and Use Tax?**
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What is Nevada's Sales and Use Tax?

Nevada's Sales and Use Tax Rate



- First established in 1955
- Largest single source of revenue for the State General Fund
- Benefits state and local governments, including K-12 education
- Imposed upon all retailers in the state on the taxable sale or use of tangible personal property
- Nevada is one of 45 states that levy a state sales tax

State Sales and Use Tax

Statutory Citation

Chapter 397, Statutes of Nevada 1955, as amended.
Chapter 372, *Nevada Revised Statutes*

Rate

2% of the gross receipts from the taxable sale or use of tangible personal property.

Beneficiary

State General Fund.

A taxpayer may retain 0.25% of their taxes due as reimbursement for the cost of collecting the tax (taxpayer collection allowance).

Key Legislation

Chapter 397, *Statutes of Nevada 1955*, as amended.

Note: This act, known as the Sales and Use Tax Act, was approved by voter referendum in 1956, and all subsequent changes also must be approved by referendum.

Chapter 372, *Nevada Revised Statutes* Voter Approved in 1956

Note: This chapter includes the codified provisions of the Sales and Use Tax Act as well as administrative provisions that may be changed by the Legislature without voter approval.

Local School Support Tax (LSST)

Statutory Citation	Chapter 374, <i>Nevada Revised Statutes</i>	<h3>Key Legislation</h3> <p>Created by Senate Bill 15 (1967) at a rate of 1%.</p> <p>Rate increased to 1.5% by Assembly Bill 369 (1981). Rate increased to 2.25% by Assembly Bill 295 (1991).</p> <p>Senate Bill 429 (2009) imposed an additional 0.35% rate, set to expire on June 30, 2011. Assembly Bill 561 (2011) extended this date to June 30, 2013. Senate Bill 475 (2013) further extended this date to June 30, 2015. Finally, Senate Bill 483 (2015) made the additional rate permanent.</p>
Rate	2.6% of the gross receipts from the taxable sale or use of tangible personal property.	
Beneficiary	<p>State Education Fund.</p> <p>A taxpayer may retain 0.25% of their taxes due as reimbursement for the cost of collecting the tax (taxpayer collection allowance).</p> <p>The State General Fund retains a commission of 0.75% of all fees, taxes, interest, and penalties.</p>	

Basic City-County Relief Tax (BCCRT)

Statutory Citation

Chapter 377, *Nevada Revised Statutes*

Rate

0.5% of the gross receipts from the taxable sale or use of tangible personal property.

Beneficiary

Local Governments (through Consolidated Tax).

A taxpayer may retain 0.25% of their taxes due as reimbursement for the cost of collecting the tax (collection allowance).

The State General Fund retains a commission of 1.75% of all fees, taxes, interest, and penalties.

Key Legislation

Created by Senate Bill 365 (1969) as an optional tax, requiring a county ordinance in order to be imposed. Fifteen counties levied the tax by 1980.

Assembly Bill 369 (1981) required all counties to impose the tax by statute.

Senate Bill 254 (1997) created the Consolidated Tax (CTX), which required BCCRT revenues to be distributed to the Local Government Tax Distribution Account.

Supplemental City-County Relief Tax (SCCRT)

Statutory Citation	Chapter 377, <i>Nevada Revised Statutes</i>	Key legislation
Rate	1.75% of the gross receipts from the taxable sale or use of tangible personal property.	
Beneficiary	<p>Local Governments (through Consolidated Tax).</p> <p>A taxpayer may retain 0.25% of their taxes due as reimbursement for the cost of collecting the tax (collection allowance).</p> <p>The State General Fund retains a commission of 1.75% of all fees, taxes, interest, and penalties.</p>	
		<p>Created by Assembly Bill 369 (1981), at a rate of 1.75% (the statutory rate of 2.25% pursuant to NRS 377.040, less the 0.5% rate making up the basic city-county relief tax).</p> <p>Revisions to the distribution formulas were approved in Assembly Bill 104 (1991), the so-called “Fair Share” bill.</p> <p>Senate Bill 254 (1997) created the Consolidated Tax (CTX), which required SCCRT revenues to be distributed to the Local Government Tax Distribution Account.</p>

Local Option Taxes

- Thirteen counties levy at least one local option tax, while four counties impose only the statewide minimum rate of 6.85%
 - Some counties impose a single local option tax, while others utilize multiple rates. Clark County collects six local option taxes, bringing the county's sales tax rate to 8.375%
- Local option taxes are used by counties to fund programs and services such as infrastructure improvements, flood control, schools, public utilities, railways, mass transit, and public safety
- Individual rates range from 0.10% to 0.54%
- Local option taxes can be imposed via statute or special act

Total Combined Sales Tax Rate by County	
Carson City	7.600%
Churchill County	7.600%
Clark County	8.375%
Douglas County	7.100%
Elko County	7.100%
Esmeralda County	6.850%
Eureka County	6.850%
Humboldt County	6.850%
Lander County	7.100%
Lincoln County	7.100%
Lyon County	7.100%
Mineral County	6.850%
Nye County	7.600%
Pershing County	7.100%
Storey County	7.600%
Washoe County	8.265%
White Pine County	7.725%

Consolidated Tax Distribution (CTX)

- The Consolidated Tax Distribution (CTX) pools six different revenue sources and redistributes them to certain local government entities (cities, counties, towns, and specific smaller districts)
- These revenue collections are pooled into the Local Government Tax Distribution Account, then distributed monthly to these entities through a series of statutory formulas
- Each of the six CTX revenues had different revenue distribution rules when created
 - The 1995 Legislature (in Senate Concurrent Resolution 40) tasked a subcommittee of the Legislative Commission to study the distribution of local government revenues and make recommendations
- The results of the study made up what became known as the CTX, was created by the Legislature in Senate Bill 254 (1997)
- BCCRT and SCCRT make up more than 85% of total CTX collections

STAR Bond Districts

- Officially called “Tourism Improvement Districts,” provisions governing Sales Tax Anticipated Revenue (STAR) Bonds are located in Chapter 271A of the NRS
 - Created pursuant to Senate Bill 306 of the 73rd (2005) Legislative Session
- The Tourism Improvement District Law allows cities or counties to create a district to finance certain tourism projects, based on a pledge of sales tax revenues generated in that district
 - Up to 75% of the proceeds from the State 2% rate, BCCRT, and SCCRT generated within the district may be pledged to the district
 - If the district was created before July 1, 2013, up to 75% of the LSST generated within the district may be pledged to the district. **The Legislature, in Senate Bill 406 (2013), eliminated the ability to pledge LSST in districts created or revised on or after July 1, 2013**

STAR Bond Districts

- Before a district is created, the municipality must make a number of findings relating to the project, including a finding that “a preponderance” of the increase in sales and use tax generated in the district will be attributable to activity generated from out-of-state tourists
- The Department of Taxation must distribute revenue on a monthly basis to the municipality creating the district, with the distributions required to cease at the end of the fiscal year in which the 20th anniversary of the adoption of the ordinance creating the district occurs
 - Pursuant to Senate Bill 310 (2015), if the district receives no distributions for the first five full fiscal years after its creation, the distributions may continue until the end of the fiscal year in which the 25th anniversary of the adoption of the ordinance creating the district occurs

STAR Bond Districts

- Other conditions and requirements include the following:
 - If the municipality creating the district is a city, it must be wholly located within the boundaries of the city
 - If the municipality creating the district is a county, it must be wholly located within the boundaries of the county (but must be outside of the boundaries of an incorporated city within the county)
 - No retailers can have existed in the district within 120 days of the adoption of the ordinance
 - Revenues generated from a business that relocates from a location outside of and within three miles of the district to inside of the boundaries of the district cannot be pledged
 - The municipality may issue bonds or other securities to finance or refinance projects for the district, which may be secured only by the pledged sales tax revenue and which must mature no later than the termination date of the district
 - Annual reports must be filed by the municipality to LCB relating to the district

STAR Bond Districts

- Currently, there are eight STAR bond districts that receive revenue distributions:
 - Cabela’s (City of Reno) – created September 2006
 - Legends (City of Sparks) – created July 2007
 - Freight House (City of Reno) – created September 2009
 - Tessera (City of Reno) – created September 2009
 - 4th Street and Stewart Avenue (City of Las Vegas) – created September 2009
 - Symphony Park (City of Las Vegas) – created June 2014
 - Area15 (City of Las Vegas) – created October 2019
 - New Vegas Immersive (City of Las Vegas) – created August 2024

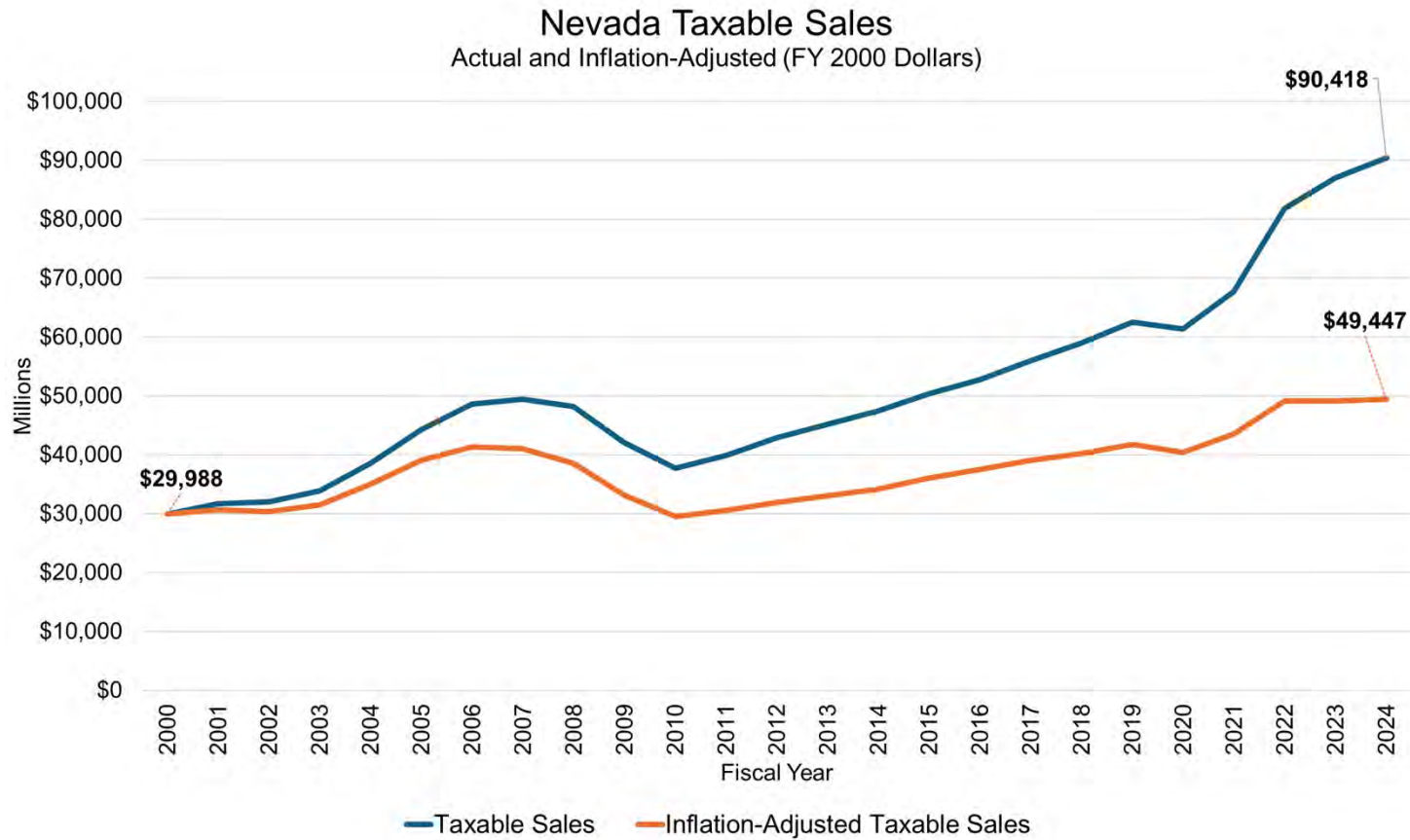
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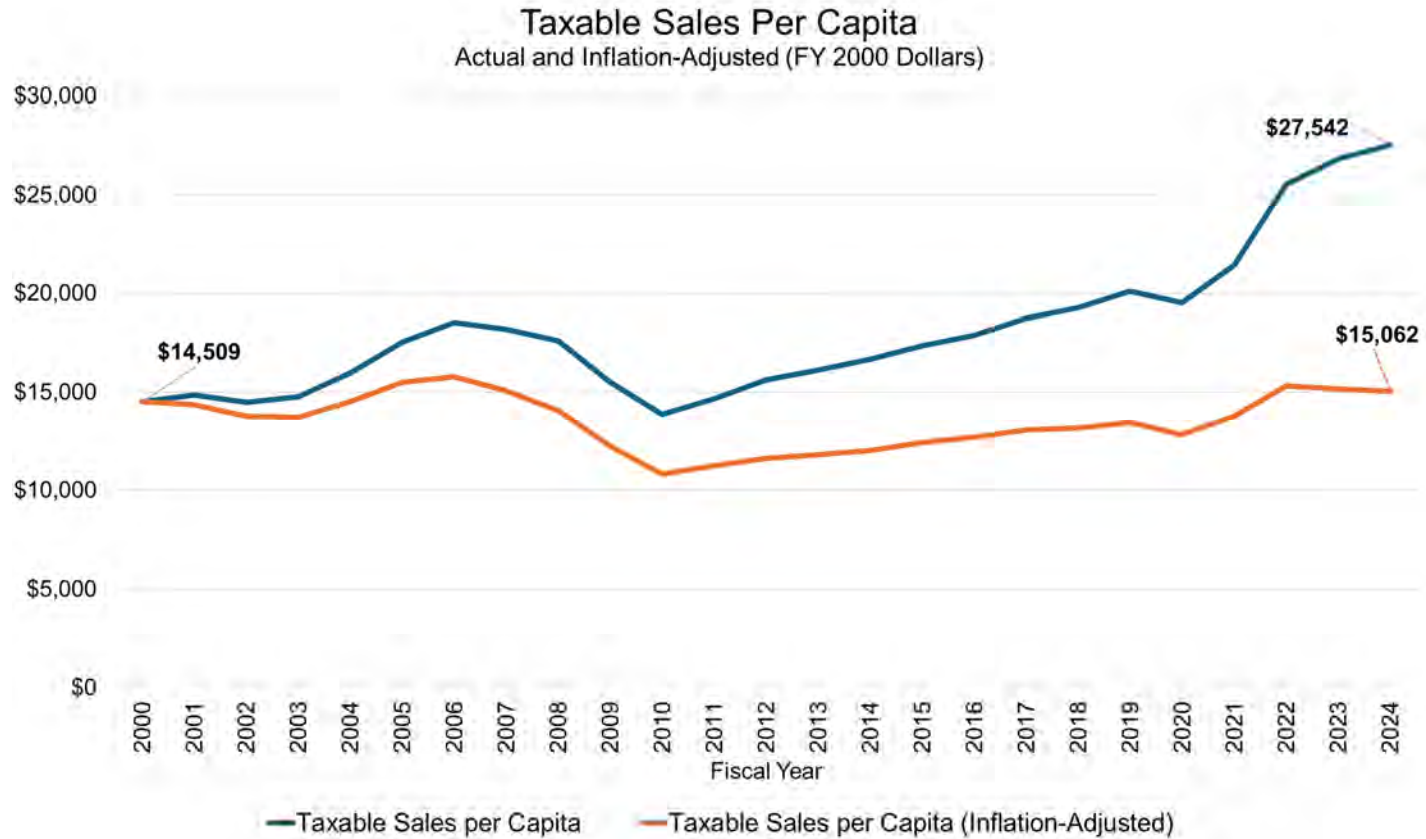
What are Taxable Sales?

- “Taxable sales” in Nevada generally refers to the dollar amount of retail sales of tangible personal property that are subject to sales and use tax
 - The term is not separately defined in statute; rather, it is derived from the statutory definitions of “gross receipts,” “retail sale,” and “sales price” in Nevada’s sales and use tax law
- Nevada imposes sales and use tax of tangible personal property made for any purpose other than resale in the regular course of business
 - “Gross receipts” is defined in NRS 372.025 and generally means the total amount a retailer receives from sales, leases, or rentals, measured in money, without deducting costs such as the price of goods sold, materials, labor, interest, losses, or transportation before sale, subject to specific statutory exclusions such as refunds, discounts, certain taxes, and vehicle trade-ins
 - “Retail sale” is defined in NRS 372.050 and focuses on whether the property is sold for resale
 - “Sales price” is defined in NRS 372.065 and generally means the total amount a retailer receives from retail sales, leases, or rentals without deducting expenses, while including all forms of payment and sale-related services but excluding specific items such as cash discounts, qualifying refunds, certain taxes, installation labor, vehicle trade-in allowances, and separately stated sales tax

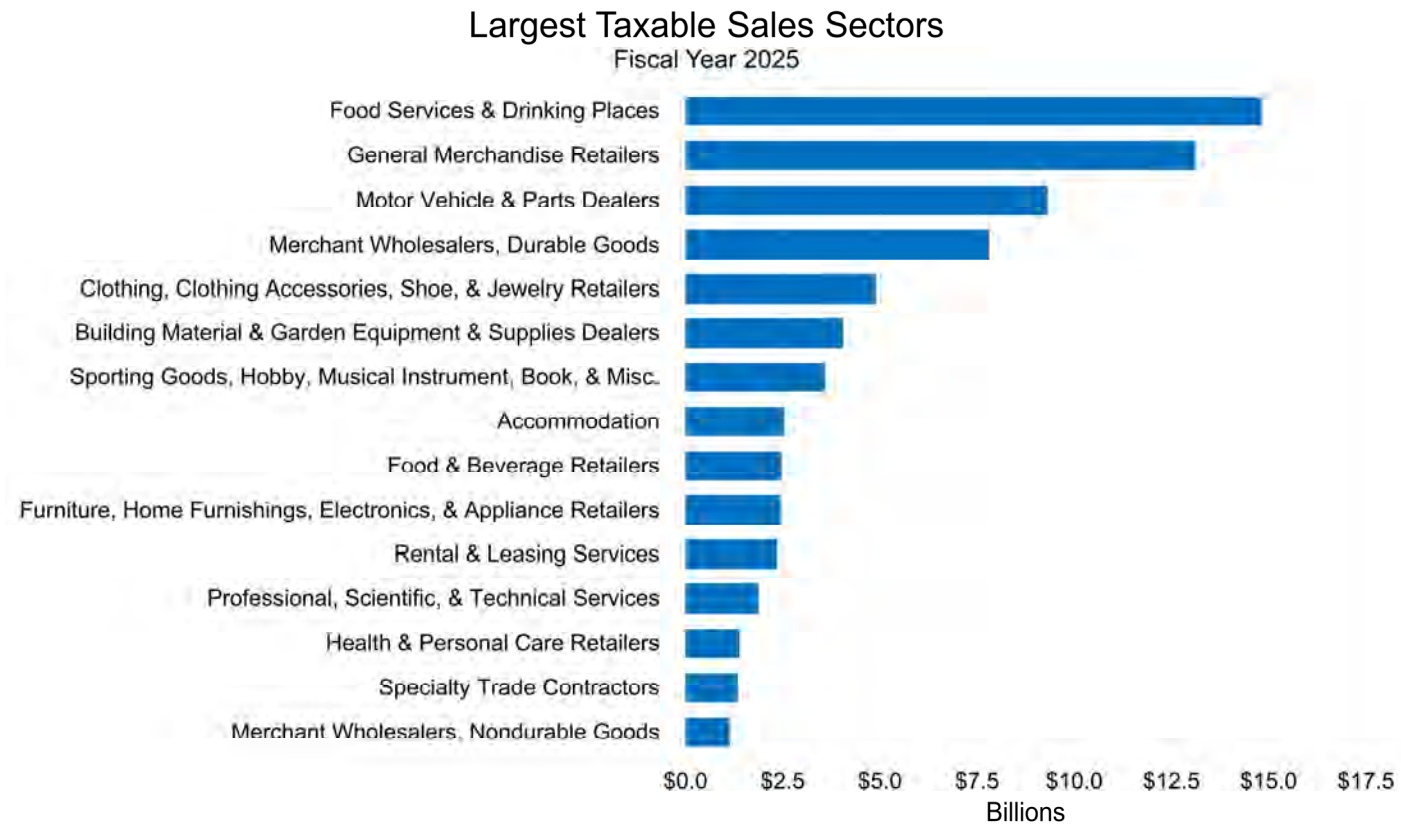
Selected Taxable Sales Statistics



Selected Taxable Sales Statistics



Fifteen Largest Taxable Sales Sectors (Fiscal Year 2025)



Sales and Use Tax Collections – Fiscal Year 2025

State 2% Rate

State General Fund: \$1,775,667,378 (0.8% **decrease** from FY 2024 collections)
 STAR Bond Districts: \$6,257,531 (20.0% **decrease** from FY 2024 collections)
 Total Collections: \$1,781,924,909 (0.9% **decrease** from FY 2024 collections)

LSST

State Education Fund: \$2,239,204,912 (0.8% **decrease** from FY 2024 collections)
 STAR Bond Districts: \$18,275,757 (14.9% **decrease** from FY 2024 collections)
 State General Fund: \$16,951,988 (0.9% **decrease** from FY 2024 collections)
 Total Collections: \$2,261,031,272 (0.8% **decrease** from FY 2024 collections)

BCCRT

Local Governments: \$425,422,519 (0.6% **decrease** from FY 2024 collections)
 State General Fund: \$7,606,171 (0.6% **decrease** from FY 2024 collections)
 STAR Bond Districts: \$1,586,531 (20.0% **decrease** from FY 2024 collections)
 Total Collections: \$434,615,221 (0.7% **decrease** from FY 2024 collections)

Sales and Use Tax Collections – Fiscal Year 2025

SCCRT

Local Governments: \$1,488,647,882 (0.6% **decrease** from FY 2024 collections)
State General Fund: \$26,618,267 (0.6% **decrease** from FY 2024 collections)
STAR Bond Districts: \$5,557,323 (20.1% **decrease** from FY 2024 collections)
Total Collections: \$1,520,823,471 (0.7% **decrease** from FY 2024 collections)

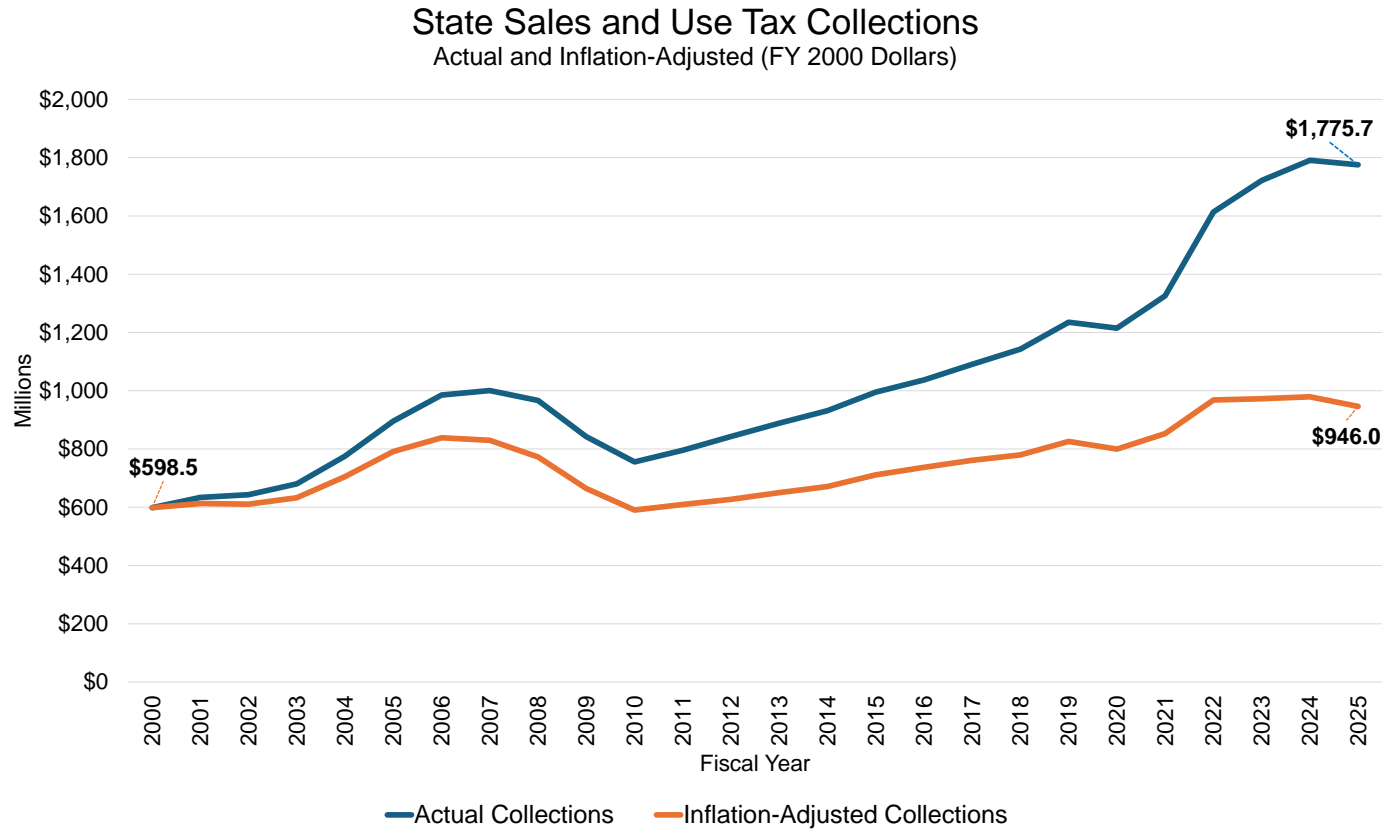
Local Option Taxes

Local Governments: \$1,180,313,918 (0.5% **decrease** from FY 2024 collections)
State General Fund: \$21,019,994 (0.5% **decrease** from FY 2024 collections)
Total Collections: \$1,201,333,912 (0.8% **decrease** from FY 2024 collections)

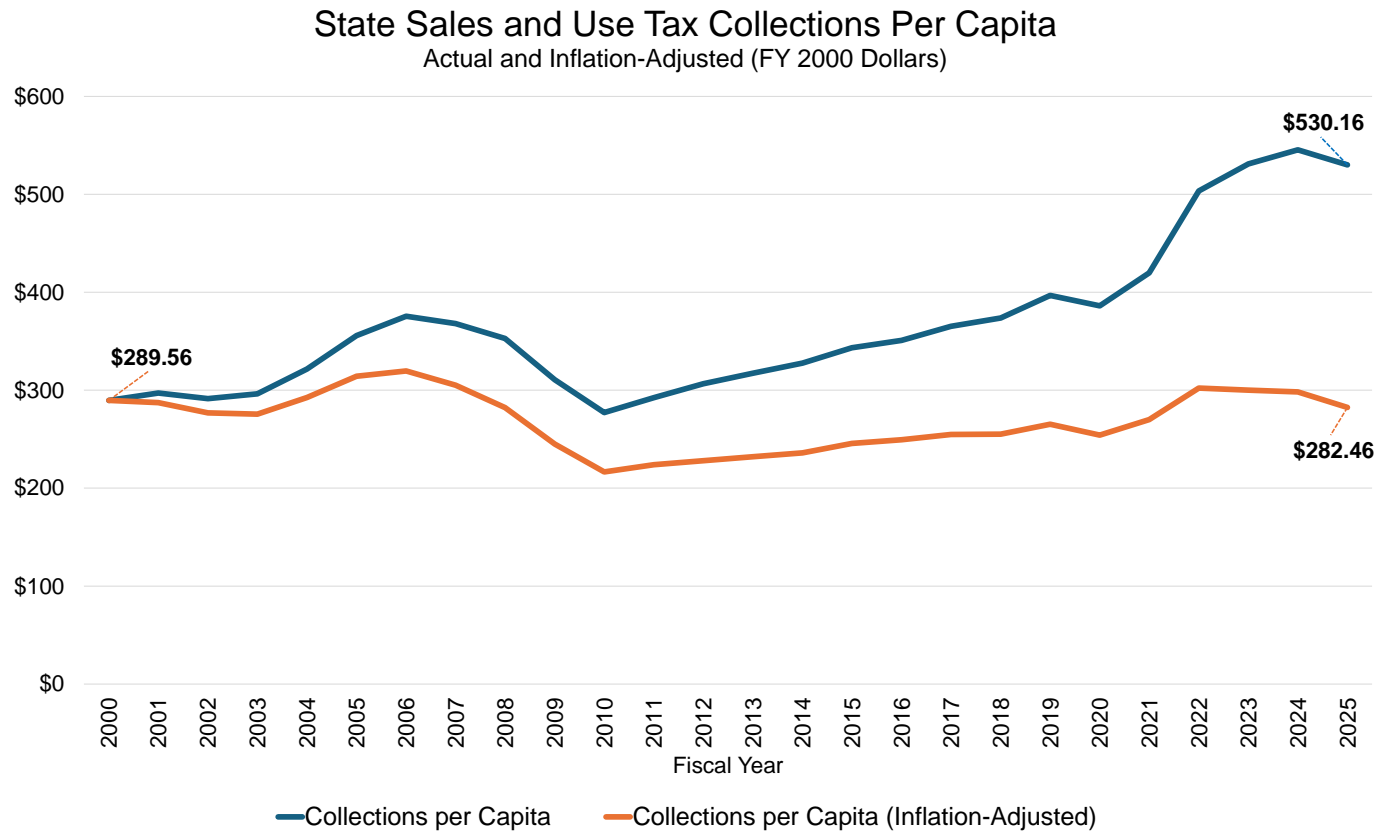
Total Collections (All Rates)

Local Governments: \$3,094,384,319 (0.5% **decrease** from FY 2024 collections)
State Education Fund: \$2,239,204,912 (0.8% **decrease** from FY 2024 collections)
State General Fund: \$2,239,204,912 (0.8% **decrease** from FY 2024 collections)
STAR Bond Districts: \$18,275,757 (19.9% **decrease** from FY 2024 collections)
Total Collections: \$7,199,728,785 (0.8% **decrease** from FY 2024 collections)

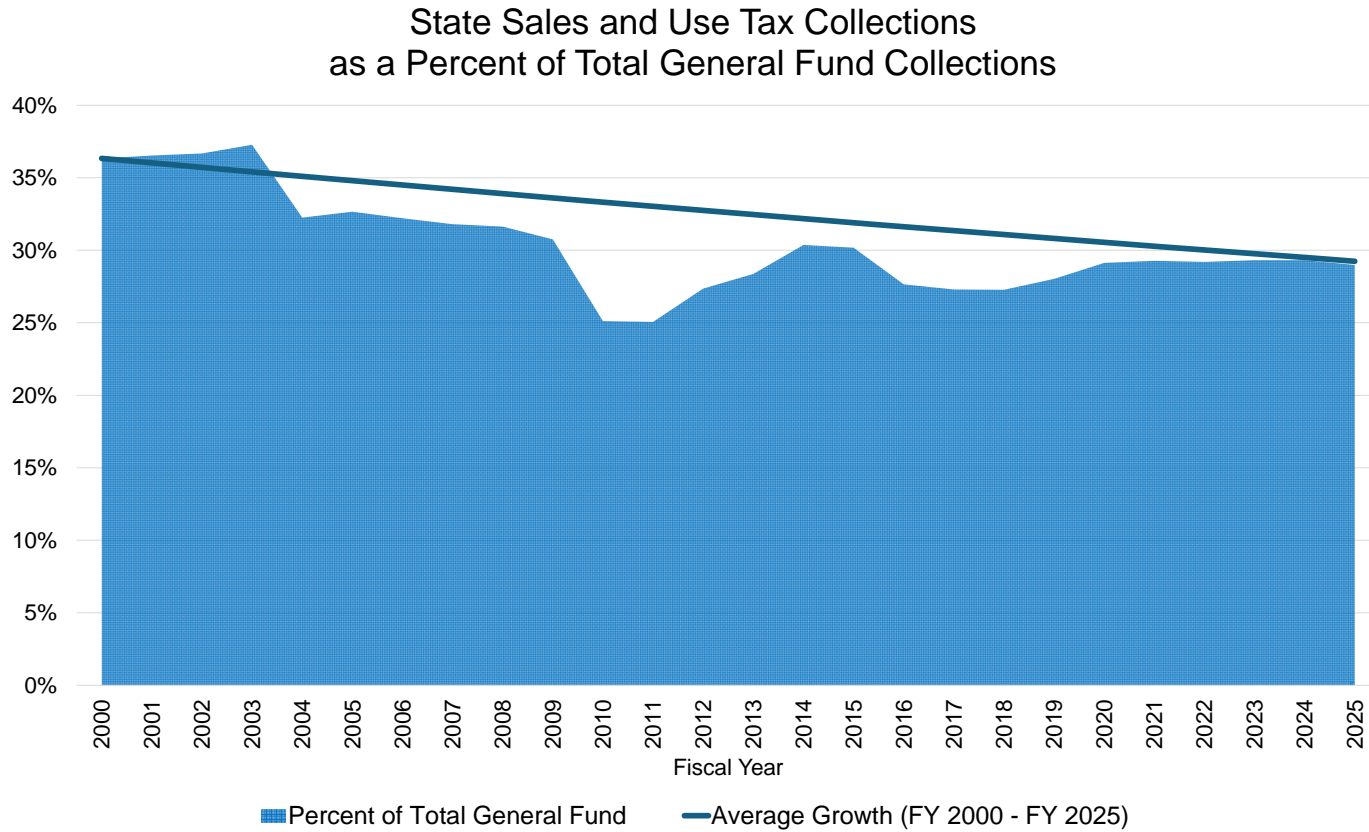
State 2% Sales and Use Tax Collections (Fiscal Year 2000 – Fiscal Year 2025)



State 2% Sales and Use Tax Collections per Capita (Fiscal Year 2000 – Fiscal Year 2025)



State 2% Sales and Use Tax Collections as a Percentage of the Total General Fund



Overview of the Sales and Use Tax

- What is Nevada's Sales and Use Tax?
- Taxable Sales and State Sales and Use Tax Collections
- **Origin and Evolution of the State Sales and Use Tax**
- Remote Sellers and Marketplace Facilitators
- Other Considerations and Issues Regarding the Sales and Use Tax

History of the Sales and Use Tax

- Historically, sales taxes were used in certain cultures, even in ancient times
 - Excise taxes were imposed on certain commodities in Ancient Egypt and Ancient Greece
 - A general sales tax to support the Roman Army was instituted by the emperor Augustus around 6 CE – the 1% rate (known as the *centesima rerum venalium*) would be halved by the emperor Tiberius around 17 CE and eliminated by the emperor Caligula around 38 CE
- In the United States, excise taxes were common throughout history, but general sales taxes were virtually nonexistent until the Great Depression
 - Kentucky and Mississippi were the first states to create a general sales tax, in 1930
 - In 1933, thirteen states (Arizona, California, Illinois, Indiana, Iowa, Michigan, New Mexico, North Carolina, Ohio, Oklahoma, South Dakota, Utah, Washington, and West Virginia) imposed their own tax
 - By 1940, 23 states (and the territory of Hawaii) were imposing a sales and use tax, with four states (Connecticut, Maryland, Rhode Island, and Tennessee) adding one in 1947

Sales Tax Discussions in Nevada Prior to 1955

- On January 21, 1947 (the second day of the 43rd Legislative Session), Governor Vail Pittman (D-Ely) gave his State of the State address to a joint session of the Legislature
- Noting an increase in demand for government services in postwar Nevada and a potential budget deficit of approximately \$1 million, Governor Pittman requested the Legislature to study and consider the state's revenue system, including:
 - Maintaining the state's property tax rate (which was, at the time, 64 cents per \$100 of assessed value), so that local governments at the \$5 constitutional limit would not have to reduce their rates and cut their own services
 - Potential increases to the state's gaming and liquor taxes
 - Imposition of taxes on cigarettes and tobacco
 - Determination of the feasibility of imposing sales and income taxes

Sales Tax Discussions in Nevada Prior to 1955

- In his address, Governor Pittman noted:
 - “I believe that most of you share with me a reluctance in departing from our traditional policy of avoiding general sales and income taxes. I would not recommend the use of these taxes unless they become absolutely necessary. However, I do think that it is time for us to stop treating them in a negative way and study these sources, weigh their advantages and disadvantages very carefully, and consider their possibilities. It is possible that some of the more onerous and burdensome features could be overcome, and some of the necessities of life could be exempted from taxation. Clear and constructive thinking, even in this field, is most desirable and proper.”
- The Legislature would enact the following state revenues in 1947:
 - Increasing the tax on liquor with 22% or more alcohol by volume from 60 cents per gallon to 80 cents per gallon (Assembly Bill 151)
 - Imposition of a \$3 state marriage license fee (Senate Bill 23)

Sales Tax Discussions in Nevada Prior to 1955

The Legislature introduced two bills on sales taxes during the 1947 Session:

- Assembly Bill 251, sponsored by Albert E. MacKenzie (R-Yerington)
 - The bill was introduced on March 11th and referred to the Assembly Committee on Ways and Means, but never received a hearing before the end of the session
- Senate Bill 235, sponsored by Charles D. Baker (D-Las Vegas)
 - The bill would have authorized counties with a population of 15,000 or more (Clark and Washoe) to enact an ordinance imposing a tax “upon the sale of articles sold within said counties,” at a rate not to exceed 2%
 - The bill was introduced on March 15th and referred to the Joint Select Committee of the Senators from Clark and Washoe Counties
 - The bill was amended by the Committee and passed on March 18th, and the Senate approved the bill on March 19th
 - The Assembly Select Committee of the Clark County Delegation passed the bill on March 20th and went to second reading, but did not receive a vote in the Assembly

Sales Tax Discussions in Nevada Prior to 1955

- On November 7, 1947, the Legislative Counsel Bureau ordered the Legislative Counsel to conduct a comprehensive study of sales taxes
- The completed study, titled “Survey of Sales Taxes Applicable to Nevada,” was published by the State Printing Office in May of 1948, and included the following:
 - A comparison of sales and use tax laws in the U.S., Canada, Australia, and Great Britain
 - Discussion of the types of taxes that could be imposed, including retail sales taxes, taxes on wholesalers and manufacturers, use tax, and gross receipts taxes upon businesses, and the advantages and disadvantages of each type of taxation
 - Discussion of exemptions to the taxes that could be considered
 - Administrative issues that have been encountered by state regulators

Sales Tax Discussions in Nevada Prior to 1955

- The published study reached the following conclusions:
 - A retail sales tax could be more preferable than gross receipts taxes or taxes at other levels of production, because:
 - It was likely to generate more revenue
 - It would reduce effects of pyramiding
 - It would be easier to determine what activities are/are not taxable than other taxes
 - It would be easier to determine the tax base for calculation of the tax due
 - A retail sales tax could be used to tax both the purchase of goods and services
 - A use tax could be used as a complementary component to a retail sales tax, to tax consumption of goods that are purchased outside of the state

Sales Tax Discussions in Nevada Prior to 1955

- The study did note the following limitations, however, of the retail sales tax:
 - It would be far more difficult to administer for the state government, due to the massive number of taxpayers and concerns that businesses would not keep adequate records
 - A retail sales tax may cause some taxpayers to pay a larger percentage of their expenditures on the tax than other taxpayers (particularly those persons who have lower incomes)
 - If the tax rate is low, there may be issues collecting the tax when the calculated tax due is a fraction of a cent
 - While certain transactions would need to be exempt (such as those prohibited to be taxed under the *U.S. Constitution*), adding exemptions to the tax may only complicate the administration of the tax

Sales Tax Discussions in Nevada Prior to 1955

- The last pages of the study featured model language for a sales and use tax act that could be used by Nevada, which had the following features:
 - A rate of 1% upon the sale or use of tangible personal property, effective July 1, 1949 – services were excluded
 - Taxes were to be paid to the Nevada Tax Commission on a quarterly basis
 - Exemptions from the tax were provided as follows:
 - Anything that the state was prohibited from taxing under state or federal law
 - The sale of tangible personal property to federal, state, or local governments
 - The sale of gold or silver bullion
 - The sale or use of motor vehicle fuel
 - The sale or use of wine, beer, or liquor
 - The sale or use of cigarettes

Sales Tax Discussions in Nevada Prior to 1955

- Exemptions from the tax (continued):
 - The sale or use of:
 - Livestock and poultry of a kind ordinarily used as food for human consumption
 - Feed for these types of livestock and poultry
 - Seeds and plants that are used to grow food for human consumption
 - Fertilizer used for these seeds and plants
 - The sale of meals served by schools or other educational organizations to the students and teachers of a school, or by employers or employer organizations to its employees
 - Nonreturnable containers, when sold without the contents to persons who place contents in the container and sell the contents together with the container
 - Containers when sold with the contents, if the contents are exempt from the tax
 - Returnable containers, when sold with the contents in connection with a retail sale of the contents or when resold for refilling

Sales Tax Discussions in Nevada Prior to 1955

The model language from this study was used for two different bills during the 1949 Session, but neither bill passed:

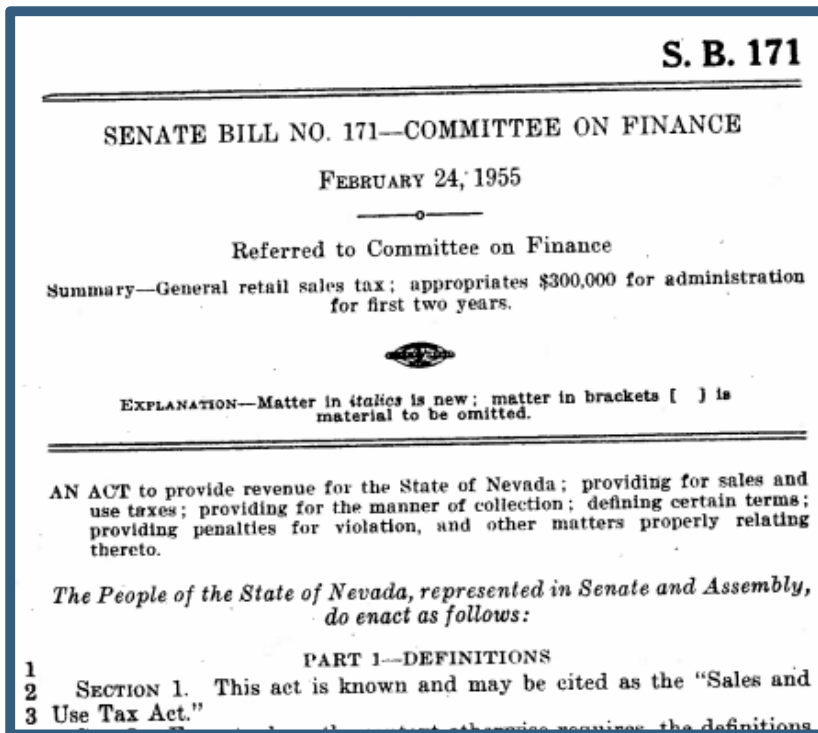
- Assembly Bill 305, sponsored by Speaker Peter A. Burke (D-Sparks)
 - Introduced on March 1st and tabled; withdrawn from table on March 10th and referred to the Joint Assembly Committee on Ways and Means and Taxation
 - Passed from committee on March 17th and declared an emergency measure
 - After a motion to re-refer the bill to the Assembly Committee on Labor failed, the bill was placed on General File and failed
- Senate Bill 179, sponsored by John S. Murray (R-Eureka)
 - Introduced on March 8th and referred to Senate Committee on Finance
 - Moved from committee without recommendation on March 17th, declared an emergency measure and placed at the bottom of General File, but failed in Senate vote

Sales Tax Discussions in Nevada Prior to 1955

The Legislature also considered another bill on March 17th to provide authority for local governments to impose a sales tax rate of up to 2%:

- Senate Bill 233 was sponsored by E. Frandsen Loomis (R-Reno). On March 17th, the bill:
 - Was introduced and referred to the Senate Committee on Judiciary
 - Amended and passed by the Committee
 - Declared an emergency measure
 - Amended and passed by the Senate
 - Referred to the Assembly and declared an emergency measure there
 - Went straight to General File and was rejected by the Assembly

Sales and Use Tax Act of 1955



- The Legislature would not introduce or consider any state or local sales tax legislation in 1951 or 1953
- The Sales and Use Tax Act was passed by the 1955 Legislature in Senate Bill 171 (enacted as Chapter 397, Statutes of Nevada 1955)
- The Sales and Use Tax Act was subject to and approved by referendum at the general election in 1956
 - As a result, it is not subject to legislative amendment or repeal
- The state rate of 2% was set by the initial Act and has not been changed since 1955

Original Exemptions to the Sales and Use Tax

The Sales and Use Tax Act of 1955 contained the following exemptions:

Section 49

Tangible personal property prohibited from taxation under the Nevada or U.S. constitution

Section 50

Sales to the U.S. government, its agencies, the State of Nevada, local political subdivisions (counties, cities, districts), and non-profit religious or charitable organizations

Section 51

Sales to U.S. contractors for use in construction/improvements to real property

Section 52

Proceeds of mines (subject to taxation under Statutes of Nevada 1927, Chapter 77)

Section 55

Any combustible gas, liquid, or material used in an internal, combustion, or diesel engine for the generation of power to propel a motor vehicle on the highways

Section 56

Livestock (and feed for livestock) intended for human consumption, seeds/plants intended for human consumption, fertilizer for products intended for human consumption

Section 57

Meals/food served to students or teachers by public or private schools, school districts, student organizations, and parent-teacher associations

Original Exemptions to the Sales and Use Tax

Section 58	Containers, under certain circumstances
Section 59	Gas, electricity, and water delivered to consumers through mains, lines, or pipes
Section 59.1	Materials used for domestic heating (wood, coal, petroleum, gas)
Section 60	Tangible personal property used for a public works contract executed prior to July 1, 1955
Section 60.1	Tangible personal property used for a written contract entered into prior to passage and approval of the act
Section 61	Newspapers and periodicals (issued at least quarterly), and their ingredients/components
Section 63	Occasional sales
Section 65	Sales to a common carrier, shipped and used out of state by the common carrier
Section 66	Sales delivered outside of the state
Section 67	Storage, use, or consumption of property subject to the sales tax is exempted from the use tax

Amendments to the Sales and Use Tax Act

1963

Question 1 from a Special Election held on June 11, 1963, proposed to increase the sales and use tax rate from 2% to 3%. **This initiative failed.**

1970

Question 8 of the 1970 General Election provided for the **exemption of prescription medicines**

Question 8 also **removed the exemption for periodicals** (and their ingredients/components)

1979

Question 1 from a Special Election held on June 5, 1979, provided for the **exemption of food for human consumption** from the sales and use tax (excluding alcoholic beverages, pet foods, tonics and vitamins, and prepared food intended for immediate consumption)

Note: This exemption was added to Article 10 of the Nevada Constitution after the passage of Question 1 at the 1984 General Election.

Question 1 also repealed certain sections of the Sales and Use Tax Act, **restoring certain administrative provisions of the tax to legislative control**

Amendments to the Sales and Use Tax Act

1986

Question 4 of the 1986 General Election provided for the **exemption of aircraft and major aircraft components** sold to scheduled air carriers based in Nevada

Question 6 **removed the exemption for federal government contractors**

Question 6 also specified that **the use tax applies to property purchased out of state**, if it would have been a taxable sale had it occurred within the state

Question 8 provided for the **exemption of prosthetic devices, appliances/supplies relating to an ostomy, and products for hemodialysis**

1988

Question 5 of the 1988 General Election provided for the **exemption of personal property donated or loaned to tax-exempt organizations**

Question 6 provided for an **exemption of 40 percent of the sales price of a new manufactured or mobile home, and the total sales price of a used manufactured or mobile home**

Amendments to the Sales and Use Tax Act

1990

Question 3 of the 1990 General Election provided for the **exemption of textbooks** sold through the University of Nevada System (later the Nevada System of Higher Education)

1996

Question 13 of the 1996 General Election provided for the **exemption of orthotic appliances, ambulatory casts, other supports**, splints, bandages, pads, compresses, and dressings under certain circumstances

Question 14 of the 1996 General Election provided for the **exemption of items sold by nonprofit organizations** created for religious, charitable, or education purposes (defined by the Legislature)

2004

Question 8 of the 2004 General Election proposed to exempt a number of items from the State 2% rate that were already exempt from the LSST, BCCRT, SCCRT, and local option taxes, for compliance with the Streamlined Sales and Use Tax Agreement (SSUTA). **This initiative failed.**

2006

Question 8 of the 2006 General Election provided for the **exemption of the value of any used vehicle taken in trade on the purchase of another vehicle**

Question 8 also provided for the **exemption of farm machinery and equipment**

Amendments to the Sales and Use Tax Act

2010

Question 3 of the 2010 General Election proposed to allow the Legislature to amend or repeal any provision of the Sales and Use Tax Act of 1955, only if necessary to resolve a conflict with any federal law or interstate agreement for the administration, collection, or enforcement of sales and use taxes. **This initiative failed.**

2016/2018

Question 4 of the 2016 and 2018 General Elections amended Article 10 of the *Nevada Constitution* to provide for **the exemption of durable medical equipment, oxygen delivery equipment, and mobility enhancing equipment** prescribed by a licensed health care provider.

Senate Bill 447 (2019) added this exemption to the Sales and Use Tax Act.

2018

Question 2 of the 2018 General Election provided for **the exemption of feminine hygiene products**

2024

Question 5 of the 2024 General Election provided for **the exemption of diapers**

National Guard Sales Tax Holiday (2021)

- Senate Bill 440 (2021) provided a sales and use tax exemption, valid through June 30, 2031, for purchases of tangible personal property made by certain members of the Nevada National Guard and their qualifying relatives when the purchase occurs on Nevada Day or the immediately following Saturday or Sunday
- After the law took effect, it was determined that the bill conflicted with Section 322 of the Streamlined Sales and Use Tax Agreement, which sets four requirements for temporary sales tax exemptions (sales tax holidays)
 - Senate Bill 440 failed to meet two of these requirements because it applied an entity-based exemption and required sellers to obtain a letter of exemption from purchasers for qualifying purchases

National Guard Sales Tax Holiday (2023)

- A follow-up bill in the 82nd Legislative Session, Senate Bill 50 (2023), revised the Nevada Day sales tax holiday to address the SSUTA compliance issues created by the earlier law
- The bill revised the Nevada Day sales tax holiday by requiring retailers to collect sales tax at the time of purchase
 - Eligible members of the Nevada National Guard and their qualifying relatives may submit a refund request to the Department of Taxation, along with documentation verifying eligibility and proof of purchase, to receive reimbursement of the tax paid
- The following amounts have been refunded under this program:
 - FY 2024: \$359,502 (196 fully or partially approved claims)
 - FY 2025: \$298,125 (169 fully or partially approved claims)
 - FY 2026: \$263,594 (148 fully or partially approved claims)

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Remote Sellers: *Quill Corp. v. North Dakota* (1992)

- Sales/use tax collection on interstate transactions has been a contentious topic since the 1940s
 - *McLeod v. J. E. Dilworth Co.* (1944) – U.S. Supreme Court rules (in a 6-3 decision) that a transaction made by an out-of-state business to a customer in another state, where the business had no sales office or any other place of business in the customer's state and which was not qualified to do business in that state, could not be subject to that state's sales tax
 - *Miller Brothers Co. v. Maryland* (1954) – U.S. Supreme Court rules (in a 5-4 decision) that an out-of-state business could not be compelled to collect another state's use tax, unless it had sufficient contact with the state
 - *National Bellas Hess v. Department of Revenue of Illinois* (1967) – U.S. Supreme Court rules (in a 6-3 decision) that companies who sell via mail order are not required to collect sales or use tax unless it had some physical contact with the state where the products are being sold/shipped

Remote Sellers: *Quill Corp. v. North Dakota* (1992)

- In 1987, North Dakota’s legislature amended the statutory definition of “retailer” to include “every person who engages in regular or systematic solicitation of a consumer market” in the state of North Dakota
 - The Tax Commissioner’s regulations defined “regular or systematic solicitation” as three or more advertisements within a 12-month period – any mail-order business meeting this requirement was deemed to be a retailer and required to collect sales tax
- Quill Corp., a Delaware corporation that sold office supplies by mail order, did not have a physical presence in North Dakota, but was required under this law to collect and remit North Dakota sales tax

Remote Sellers: *Quill Corp. v. North Dakota* (1992)

- The North Dakota Tax Commissioner filed an action in trial court to compel Quill to pay all taxes, penalties, and interest on sales made in the state after July 1, 1987
 - Quill had, to that point, refused to pay, citing a lack of physical nexus in the state as required under *National Bellas Hess*
 - The trial court ruled in favor of Quill, because of the precedent in the *National Bellas Hess* case; however, the North Dakota Supreme Court reversed the trial court decision, noting that “wholesale changes” in the economy and the law had made following the *National Bellas Hess* decision inappropriate
- The U.S. Supreme Court, in a 6-3 decision, would invalidate the North Dakota Supreme Court’s ruling, finding that the North Dakota law violated the Dormant Commerce Clause
 - This ruling partially overturned the *National Bellas Hess* decision, even though the finding was effectively identical

Streamlined Sales and Use Tax Agreement (SSUTA)

- Streamlined Sales and Use Tax Agreement (SSUTA) is a multi-state effort in the United States to simplify and modernize sales tax administration, formally organized as the Streamlined Sales Tax Governing Board. Not all U.S. states with a general sales and use tax participate
- The full member states are Arkansas, Georgia, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Nebraska, Nevada, New Jersey, North Carolina, North Dakota, Ohio, Oklahoma, Rhode Island, South Dakota, Utah, Vermont, Washington, West Virginia, Wisconsin, and Wyoming
- Nevada became a full member of the SSUTA Governing Board on April 1, 2008, meaning it has met the requirements of the SSUTA and participates fully in the program's simplified multistate sales and use tax framework
 - Nevada's SSUTA participation authorized by the Legislature in Assembly Bill 455 (2001)

Streamlined Sales and Use Tax Agreement (SSUTA)

- SSUTA focuses on improving sales and use tax administration through the following:
 1. State level administration of sales and use tax collections
 2. Uniformity in the state and local tax bases
 3. Uniformity of major tax base definitions
 4. Central, electronic registration system for all member states
 5. Simplification of state and local tax rates
 6. Uniform sourcing rules for all taxable transactions
 7. Simplified administration of exemptions
 8. Simplified tax returns
 9. Simplification of tax remittances
 10. Protection of consumer privacy

Remote Sellers: Developments After The Creation of SSUTA

- Congressional actions were attempted beginning in 2010 and 2011
 - The Main Street Fairness Act, sponsored by Rep. William Delahunt (D-MA), was introduced in the House in July of 2010 – it died without a hearing
 - The Marketplace Fairness Act, sponsored by Sen. Michael Enzi (R-Wyoming), was introduced in the Senate in February of 2011 – it died without a hearing
 - Both bills would have allowed SSUTA member states to require all sellers not qualifying for a “small seller” exemption to collect and remit sales tax on remote sales into those states
 - Similar legislation would be introduced in Congress in 2013 (on three occasions) and in 2017 – none of these bills passed
- On April 23, 2012, Governor Sandoval announces agreement with Amazon, who would collect and remit sales tax on Nevada transactions beginning April 1, 2014
 - Amazon also reached an agreement with California to start collecting sales tax on September 15, 2014, but only if Congress did not pass legislation dealing with online sales tax collections

Remote Sellers: Developments After The Creation of SSUTA

- Assembly Bill 380 of the 78th (2015) Legislative Session
 - Sponsored by Assemblymember Marilyn Kirkpatrick
 - The bill created a rebuttable presumption that sales and use tax must be imposed, collected, and remitted by retailers located outside of the state under the following conditions:
 1. The retailer is part of a controlled group of business entities that has a component member who has physical presence in Nevada, and the component member engages in certain activities in Nevada that relate to the ability of the retailer to make retail sales to Nevada residents; or
 2. The retailer enters into an agreement with a resident of Nevada under which the resident receives certain consideration for referring potential customers to the retailer through a link on the resident's Internet website, and the cumulative gross receipts from sales by the retailer to Nevada customers through all such referrals exceeds \$10,000 during the preceding four quarterly periods.
 - Passed by Assembly 33-9 on April 21, 2015; passed by Senate 20-0 on May 18, 2015
 - Signed by Governor Sandoval on May 27, 2015

Remote Sellers: *Direct Marketing Association v. Brohl* (2015)

- In 2010, Colorado passed a law requiring out-of-state vendors to collect and provide information to Colorado residents regarding their total purchases, to determine use tax liability
- The Direct Marketing Association (DMA) sued in the United States District Court for the District of Colorado challenging the law – this court ruled in favor of the DMA, based on the precedents established in *Quill v. North Dakota*
- On appeal, the Tenth Circuit Appeals Court reversed the decision, stating that:
 - Under the Tax Injunction Act of 1867, federal courts did not have jurisdiction over disputes relating to state tax matters; and
 - Because collecting information on taxes is not the same as collecting the taxes themselves, the prohibition established through the *Quill* decision did not apply

Remote Sellers: *Direct Marketing Association v. Brohl* (2015)

- DMA appealed to the U.S. Supreme Court, and in March 2015, the Court ruled (in a 9-0 decision) to remand the case back to the Appeals Court
 - The Appeals Court eventually ruled in favor of the State of Colorado, noting that the law did not violate the Dormant Commerce Clause, remanding the case back to the District Court
 - DMA attempted another appeal back to the U.S. Supreme Court, which was denied in December 2016
 - By February 2017, DMA and the State of Colorado reached a settlement – DMA would drop all of the state and federal lawsuits, and in exchange, the state would waive penalties for non-compliance of the reporting requirements

Remote Sellers: *Direct Marketing Association v. Brohl* (2015)

- In a concurrent opinion, Justice Anthony Kennedy wrote:

“The Internet has caused far-reaching systemic and structural changes in the economy, and, indeed, in many other societal dimensions. Although online businesses may not have a physical presence in some States, the Web has, in many ways, brought the average American closer to most major retailers. A connection to a shopper’s favorite store is a click away—regardless of how close or far the nearest storefront ... Today buyers have almost instant access to most retailers via cell phones, tablets, and laptops. As a result, a business may be present in a State in a meaningful way without that presence being physical in the traditional sense of the term.

“Given these changes in technology and consumer sophistication, it is unwise to delay any longer a reconsideration of the Court’s holding in *Quill*. A case questionable even when decided, *Quill* now harms States to a degree far greater than could have been anticipated earlier...”

- Kennedy’s statements were taken as a signal that the Court would review *Quill* if an appropriate case were brought, and as a result, over the next two years, at least 20 states introduced legislation relating to collection of sales tax from remote sellers

Remote Sellers: *South Dakota v. Wayfair* (2018)

- In March of 2016, the South Dakota Legislature passed Senate Bill 106, which required sales tax to be collected and remitted by out-of-state vendors from purchases to be shipped into the state
 - The bill was approved by the South Dakota Legislature on March 1, 2016, signed by Governor Dennis Daugaard on March 22, 2016, and became effective on May 1, 2016 (only for prospective sales)
 - The requirement to collect and remit sales taxes applied only to retailers whose total South Dakota sales in a calendar year exceeded \$100,000, or if the seller had 200 or more separate transactions in a calendar year
- In the bill’s legislative findings, the following was noted:
 - “Given the urgent need for the Supreme Court of the United States to reconsider this doctrine, it is necessary for this state to pass this law clarifying its immediate intent to require collection of sales taxes by remote sellers, and permitting the most expeditious possible review of the constitutionality of this law..”

Remote Sellers: *South Dakota v. Wayfair* (2018)

- Prior to the effective date, the state would send a notice of lawsuit to four out-of-state vendors who were not already collecting sales tax and whom the state believed would exceed the thresholds in the law
 - One vendor (Systemax) complied with the law and began collecting sales tax from South Dakota residents, making the lawsuit against them moot
 - The remaining vendors (Wayfair, Overstock, and Newegg) refused to comply, citing the *Quill* decision
- The state's lawsuits proceeded, with the Sixth Judicial District of South Dakota and the South Dakota Supreme Court holding that the *Quill* decision still applied
 - In the State Supreme Court's unanimous decision, Justice Glen Severson would write: "However persuasive the State's arguments on the merits of revisiting the issue, *Quill* has not been overruled."

Remote Sellers: *South Dakota v. Wayfair, Inc.* (2018)

- On October 2, 2017, South Dakota became the first state to seek a hearing on this issue with the U.S. Supreme Court – their petition for a writ of certiorari cited the following:
 - States and local brick-and-mortar businesses were being harmed by the *Quill* decision
 - “Substantial nexus” (established in the Supreme Court’s decision in *Complete Auto Transit, Inc. v. Brady* (1977) as a connection between a state and a potential taxpayer that is clear enough to impose a tax) was significantly different in 2017 than in 1992 because of the Internet, and that burdens for tax collection that may have existed for out-of-state vendors in 1992 were no longer an issue in 2017
- The National Retail Federation and 40 other states joined in South Dakota’s petition, which also had support from the Trump administration

Remote Sellers: *South Dakota v. Wayfair, Inc.* (2018)

- In its petition to deny writ, Wayfair, Overstock, and Newegg would argue:
 - South Dakota’s standard put an unreasonable burden on retailers, given the number of jurisdictions imposing varying tax rates and with different structures and rules
 - Remote sellers have a cost disadvantage, because they must either charge shipping costs to the consumer or absorb those costs themselves
 - Under the *Quill* decision, it was only Congress, not the states, that could pass laws relating to the collection of tax on interstate purchases
- Nearly two dozen *amicus curiae* briefs would be filed in opposition of the writ, including online retailers such as eBay and Etsy
- The Supreme Court would agree to hear the case in January 2018, with oral arguments occurring on April 17, 2018

Remote Sellers: *South Dakota v. Wayfair, Inc.* (2018)

- On June 21, 2018, the U.S. Supreme Court (in a 5-4 decision) ruled in favor of the State of South Dakota
 - The majority opinion (written by Justice Kennedy) determined that the physical presence standard in *Quill* was “unsound and incorrect,” overturning both that decision and the remaining portions of the *National Bellas Hess* case that *Quill* itself had not overturned
 - Kennedy also criticized marketing from online businesses (including Wayfair themselves) promoting tax-free purchases
 - The dissenting opinion (written by Chief Justice John Roberts) agreed that past decisions in this area were “wrongly decided” in the light of e-commerce growth, but believed that the more appropriate path was for Congress to enact legislation that would resolve the issues, rather than the Court overturning *Quill* and *National Bellas Hess*
- By the end of 2018, more than 30 states had enacted laws or regulations requiring sales tax to be collected on remote sales, most following South Dakota’s model

Remote Sellers: *South Dakota v. Wayfair, Inc. (2018)*

- Nevada began requiring remote sellers to collect sales tax effective October 1, 2018
- Remote sellers must register and collect Nevada sales tax if they meet the following thresholds within the current or previous calendar year:
 - More than \$100,000 of retail sales into Nevada, or
 - 200 or more separate retail transactions into Nevada
- **If a purchase is made from a remote seller that does not meet these thresholds and the sales tax is not collected, the purchaser is still required to remit the use tax to the Department of Taxation**

Marketplace Facilitators

- Assembly Bill 445 of the 80th (2019) Legislative Session required certain online marketplace facilitators to collect and remit sales and use tax on behalf of sellers whose goods were sold through their platforms
- Effective October 1, 2019, a marketplace facilitator—defined as a person or business that directly or indirectly facilitates retail sales to customers in Nevada on behalf of marketplace sellers—must collect and remit sales tax if, during the current or immediately preceding calendar year, the facilitator:
 - Had more than \$100,000 in cumulative gross retail sales to customers in Nevada, including sales made on its own behalf or on behalf of marketplace sellers, or
 - Made or facilitated 200 or more separate retail sales transactions to Nevada customers, including its own sales or those of marketplace sellers

Overview of the Sales and Use Tax

- What is Nevada's Sales and Use Tax?
- Taxable Sales and State Sales and Use Tax Collections
- Origin and Evolution of the State Sales and Use Tax
- Remote Sellers and Marketplace Facilitators
- **Other Considerations and Issues Regarding the Sales and Use Tax**

Nevada's Sales and Use Tax Compared to Other States

- Nevada's 6.85% minimum statewide sales and use tax rate places the state **7th** highest in the Tax Foundation's ranking of state sales tax rates
 - Amongst the nine states with no personal income tax, Nevada ranks **2nd** highest in statewide sales and use tax rate
- According to a 2017 survey by the Federation of Tax Examiners, Nevada only taxed **21 of 176** identified service categories across utilities, personal & business services, computer & online services, admissions/amusements, professional services, and others
 - This ranks Nevada **44th** among states
 - Nevada's most extensively taxed service sector according to the survey was admissions/amusements, which are generally subject to the Live Entertainment Tax and not the sales and use tax

Economic Dynamics of Sales and Use Tax in Nevada

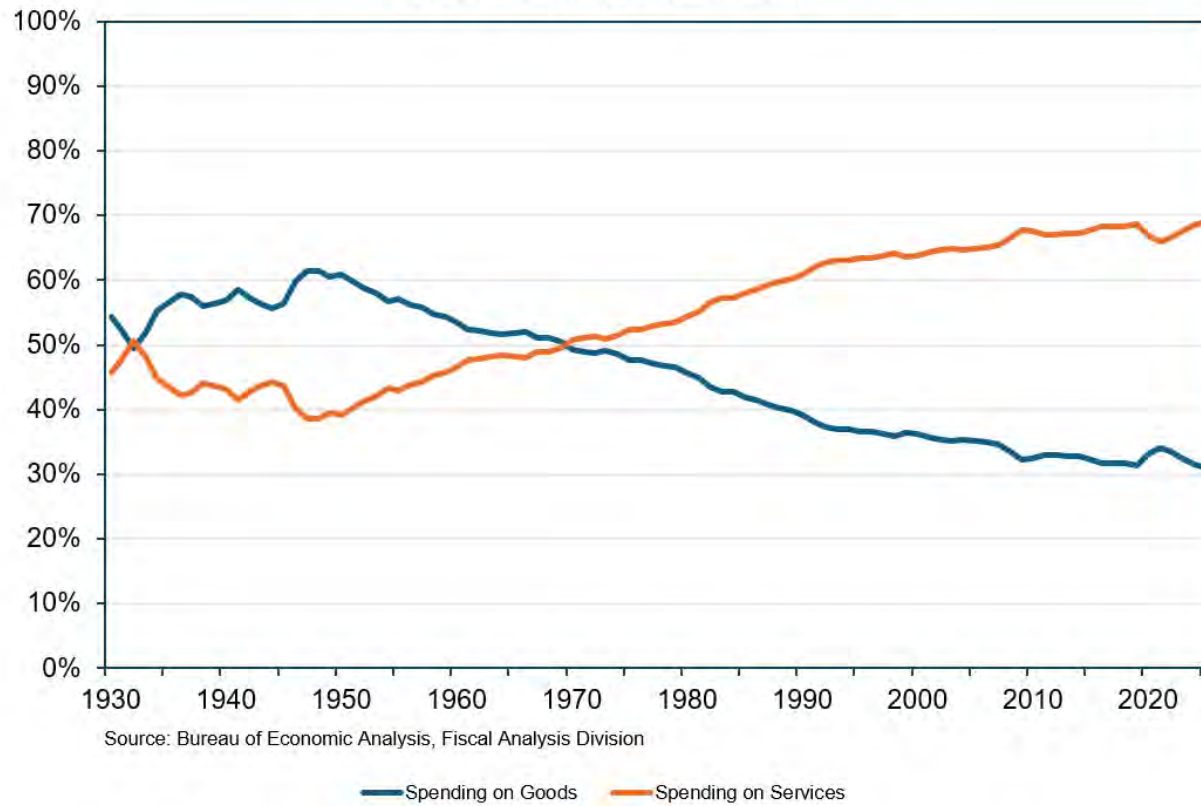
- Nevada has made progress in diversifying its economy; however, it continues to rely heavily on tourism (particularly related to casinos, live entertainment, conventions, restaurants, and retail), which remain key drivers of the state's economic activity
- Because tourism spending fluctuates with national economic conditions, Nevada experiences a more pronounced boom-and-bust cycle
- Nevada's heavy dependence on sales and use tax can leave its largest revenue base more vulnerable to swings in consumer spending, tying state finances more closely to the ups and downs of economic cycles and making long-term fiscal planning more challenging

Economic Dynamics of Sales and Use Tax in Nevada

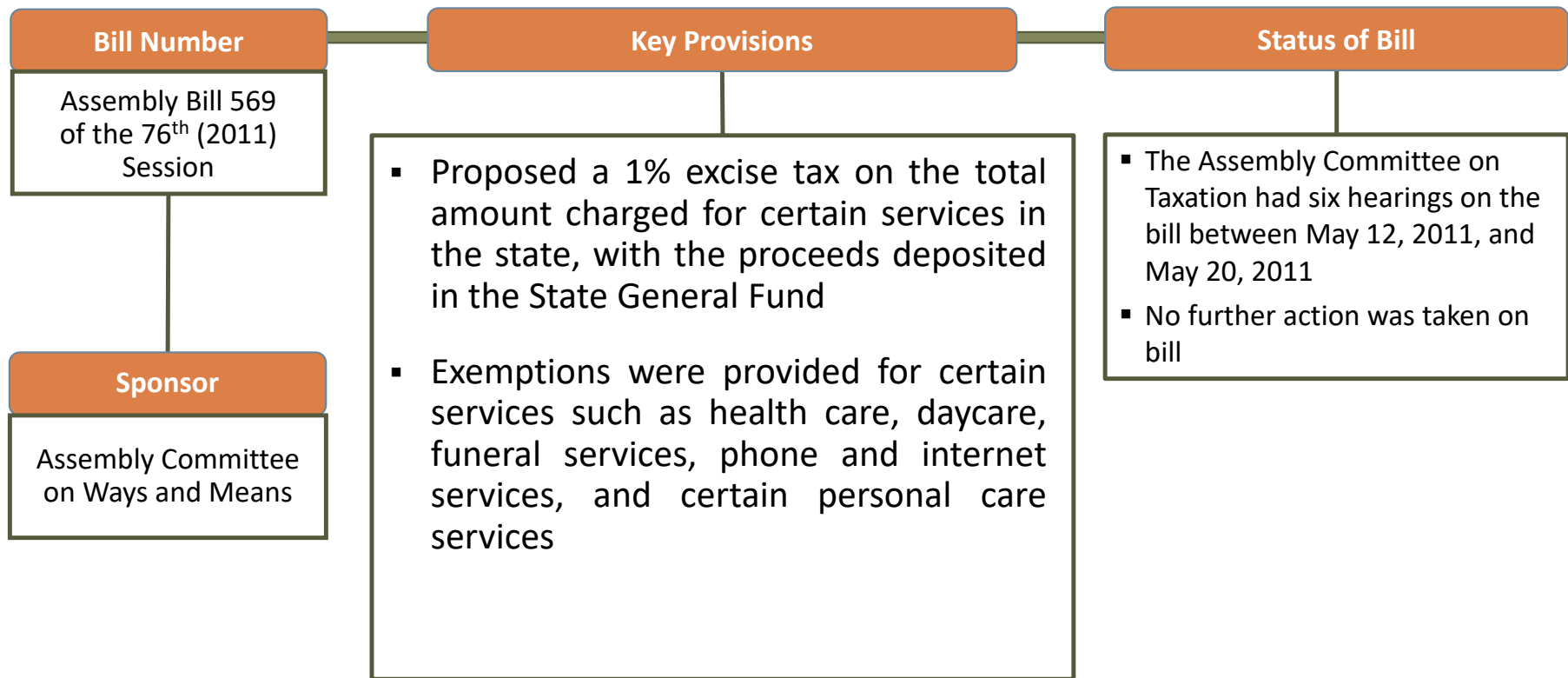
- Sales and use tax is generally considered regressive because it may place a heavier burden on lower income households which tend to spend a larger proportion of their earnings on taxable retail purchases
 - However, because Nevada exempts items such as food, prescription medicines, and certain medical equipment and hygiene products, it may reduce the relative tax burden on lower income households
- Related tax policy discussions address topics such as shifts in consumer spending patterns, revenue stability, and equity (e.g., taxing digital goods and services, and evaluating tax exemptions and abatements)

Spending on Goods Versus Services

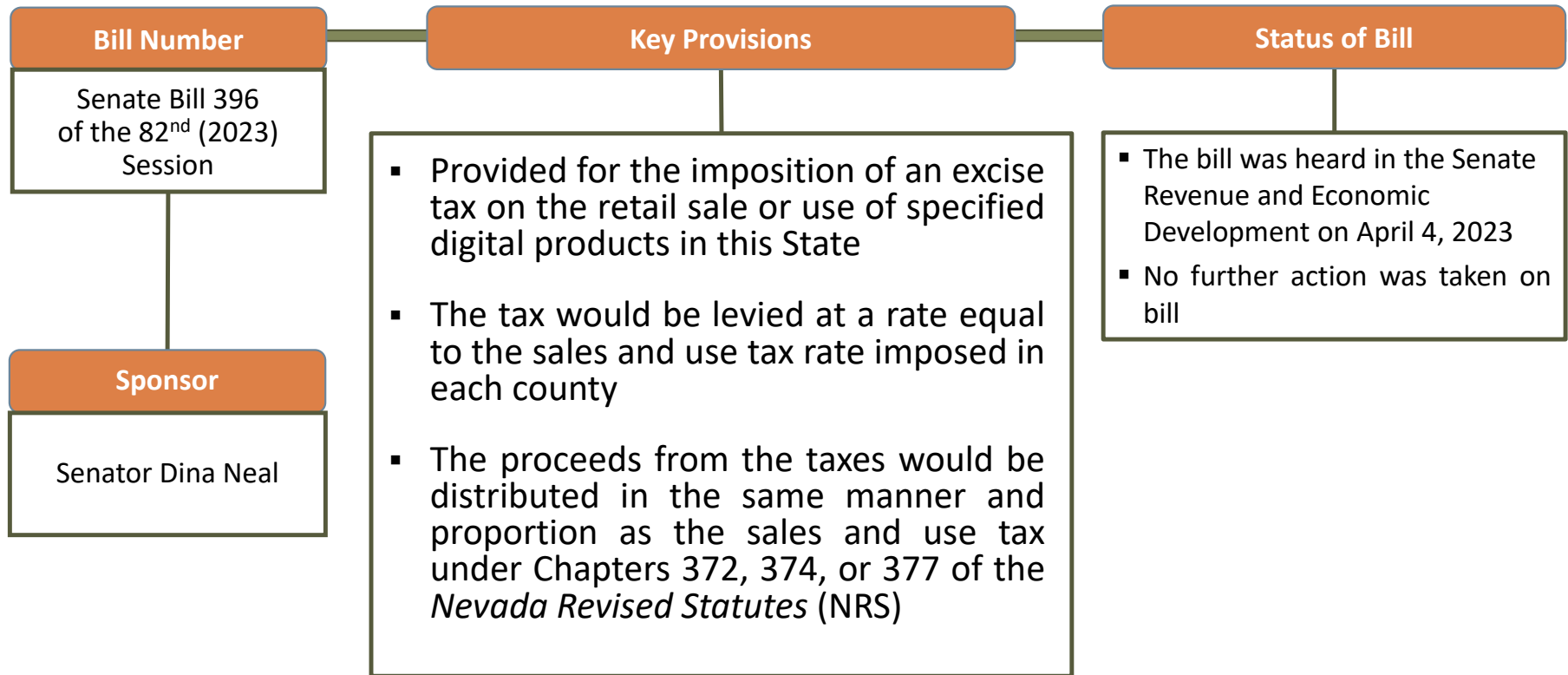
Share of Total U.S. Personal Consumption Expenditures
Goods versus Services (1930 - 2025)



Recent Legislation that Proposed Taxing Services



Recent Legislation that Proposes Taxing Digital Products



Questions

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst
Fiscal Analysis Division, Legislative Counsel Bureau
(775) 684 – 6821



Summary of State and Local Sales and Use Tax Rates by County as of January 1, 2026

County	Tax Rate (1)	Statutory Authority	Distribution/Use of Proceeds
Carson City	2.000%	NRS 372.105	State General Fund
	2.600%	NRS 374.110 and NRS 374.111	Local School Support Tax (LSST) - State Education Fund
	0.500%	NRS 377.020	Basic City-County Relief Tax (BCCRT) - Consolidated Tax (CTX)
	1.750%	NRS 377.040	Supplemental City-County Relief Tax (SCCRT) - Consolidated Tax (CTX)
	0.250%	NRS 377A.030	Road Repair - County
	0.125%	NRS 377B.110	Infrastructure (V&T Railroad)
	0.125%	NRS 377B.110	Infrastructure Improvements - County
	0.250%	Chapter 16, Statutes of Nevada 1997	Open Spaces, Parks, Trails, and Recreation Facilities
Total Rate	7.600%		
Churchill	2.000%	NRS 372.105	State General Fund
	2.600%	NRS 374.110 and NRS 374.111	Local School Support Tax (LSST) - State Education Fund
	0.500%	NRS 377.020	Basic City-County Relief Tax (BCCRT) - Consolidated Tax (CTX)
	1.750%	NRS 377.040	Supplemental City-County Relief Tax (SCCRT) - Consolidated Tax (CTX)
	0.250%	NRS 377A.030	Road Repair - County
	0.250%	NRS 377B.110	Infrastructure Improvements - County
	0.250%	Chapter 491, Statutes of Nevada 1991	Local Government Tax Act of 1991 - County
	Total Rate	7.600%	
Clark	2.000%	NRS 372.105	State General Fund
	2.600%	NRS 374.110 and NRS 374.111	Local School Support Tax (LSST) - State Education Fund
	0.500%	NRS 377.020	Basic City-County Relief Tax (BCCRT) - Consolidated Tax (CTX)
	1.750%	NRS 377.040	Supplemental City-County Relief Tax (SCCRT) - Consolidated Tax (CTX)
	0.500%	NRS 377A.030	Mass Transit/Air Quality Improvement
	0.250%	NRS 377B.110	Infrastructure (Southern Nevada Water Authority)
	0.125%	NRS 377D.100	Education Programs
	0.250%	NRS 543.600	Clark County Regional Flood Control District
	0.300%	Chapter 249, Statutes of Nevada 2005	Clark County Sales and Use Tax Act of 2005 (County Police Support)
	0.100%	Chapter 1, Statutes of Nevada 2016 (30th Special Session)	Clark County Crime Prevention Act of 2016 (County Police Support)
Total Rate	8.375%		
Douglas	2.000%	NRS 372.105	State General Fund
	2.600%	NRS 374.110 and NRS 374.111	Local School Support Tax (LSST) - State Education Fund
	0.500%	NRS 377.020	Basic City-County Relief Tax (BCCRT) - Consolidated Tax (CTX)
	1.750%	NRS 377.040	Supplemental City-County Relief Tax (SCCRT) - Consolidated Tax (CTX)
	0.250%	Chapter 37, Statutes of Nevada 1999	Douglas County Sales Tax Ordinance - County
	Total Rate	7.100%	

Summary of State and Local Sales and Use Tax Rates by County as of January 1, 2026

County	Tax Rate (1)	Statutory Authority	Distribution/Use of Proceeds
Elko	2.000%	NRS 372.105	State General Fund
	2.600%	NRS 374.110 and NRS 374.111	Local School Support Tax (LSST) - State Education Fund
	0.500%	NRS 377.020	Basic City-County Relief Tax (BCCRT) - Consolidated Tax (CTX)
	1.750%	NRS 377.040	Supplemental City-County Relief Tax (SCCRT) - Consolidated Tax (CTX)
	0.250%	NRS 377B.100	Infrastructure Improvements - County
Total Rate	7.100%		
Esmeralda	2.000%	NRS 372.105	State General Fund
	2.600%	NRS 374.110 and NRS 374.111	Local School Support Tax (LSST) - State Education Fund
	0.500%	NRS 377.020	Basic City-County Relief Tax (BCCRT) - Consolidated Tax (CTX)
	1.750%	NRS 377.040	Supplemental City-County Relief Tax (SCCRT) - Consolidated Tax (CTX)
	Total Rate	6.850%	
Eureka	2.000%	NRS 372.105	State General Fund
	2.600%	NRS 374.110 and NRS 374.111	Local School Support Tax (LSST) - State Education Fund
	0.500%	NRS 377.020	Basic City-County Relief Tax (BCCRT) - Consolidated Tax (CTX)
	1.750%	NRS 377.040	Supplemental City-County Relief Tax (SCCRT) - Consolidated Tax (CTX)
	Total Rate	6.850%	
Humboldt	2.000%	NRS 372.105	State General Fund
	2.600%	NRS 374.110 and NRS 374.111	Local School Support Tax (LSST) - State Education Fund
	0.500%	NRS 377.020	Basic City-County Relief Tax (BCCRT) - Consolidated Tax (CTX)
	1.750%	NRS 377.040	Supplemental City-County Relief Tax (SCCRT) - Consolidated Tax (CTX)
	Total Rate	6.850%	
Lander	2.000%	NRS 372.105	State General Fund
	2.600%	NRS 374.110 and NRS 374.111	Local School Support Tax (LSST) - State Education Fund
	0.500%	NRS 377.020	Basic City-County Relief Tax (BCCRT) - Consolidated Tax (CTX)
	1.750%	NRS 377.040	Supplemental City-County Relief Tax (SCCRT) - Consolidated Tax (CTX)
	0.250%	NRS 377B.110	Infrastructure (Water Treatment) - County
Total Rate	7.100%		
Lincoln	2.000%	NRS 372.105	State General Fund
	2.600%	NRS 374.110 and NRS 374.111	Local School Support Tax (LSST) - State Education Fund
	0.500%	NRS 377.020	Basic City-County Relief Tax (BCCRT) - Consolidated Tax (CTX)
	1.750%	NRS 377.040	Supplemental City-County Relief Tax (SCCRT) - Consolidated Tax (CTX)
	0.250%	NRS 377B.110	Infrastructure (School District/Public Utilities)
Total Rate	7.100%		

Summary of State and Local Sales and Use Tax Rates by County as of January 1, 2026

County	Tax Rate (1)	Statutory Authority	Distribution/Use of Proceeds
Lyon	2.000%	NRS 372.105	State General Fund
	2.600%	NRS 374.110 and NRS 374.111	Local School Support Tax (LSST) - State Education Fund
	0.500%	NRS 377.020	Basic City-County Relief Tax (BCCRT) - Consolidated Tax (CTX)
	1.750%	NRS 377.040	Supplemental City-County Relief Tax (SCCRT) - Consolidated Tax (CTX)
	0.250%	NRS 377B.110	Public Safety/Infrastructure - County
Total Rate	7.100%		
Mineral	2.000%	NRS 372.105	State General Fund
	2.600%	NRS 374.110 and NRS 374.111	Local School Support Tax (LSST) - State Education Fund
	0.500%	NRS 377.020	Basic City-County Relief Tax (BCCRT) - Consolidated Tax (CTX)
	1.750%	NRS 377.040	Supplemental City-County Relief Tax (SCCRT) - Consolidated Tax (CTX)
	Total Rate	6.850%	
Nye	2.000%	NRS 372.105	State General Fund
	2.600%	NRS 374.110 and NRS 374.111	Local School Support Tax (LSST) - State Education Fund
	0.500%	NRS 377.020	Basic City-County Relief Tax (BCCRT) - Consolidated Tax (CTX)
	1.750%	NRS 377.040	Supplemental City-County Relief Tax (SCCRT) - Consolidated Tax (CTX)
	0.250%	NRS 377A.030	Road Repair - County
	0.500%	Chapter 545, Statutes of Nevada 2007	Nye County Sales and Use Tax Act of 2007 (Public Safety Support)
Total Rate	7.600%		
Pershing	2.000%	NRS 372.105	State General Fund
	2.600%	NRS 374.110 and NRS 374.111	Local School Support Tax (LSST) - State Education Fund
	0.500%	NRS 377.020	Basic City-County Relief Tax (BCCRT) - Consolidated Tax (CTX)
	1.750%	NRS 377.040	Supplemental City-County Relief Tax (SCCRT) - Consolidated Tax (CTX)
	0.250%	NRS 377B.110	Infrastructure/Public Safety
Total Rate	7.100%		
Storey	2.000%	NRS 372.105	State General Fund
	2.600%	NRS 374.110 and NRS 374.111	Local School Support Tax (LSST) - State Education Fund
	0.500%	NRS 377.020	Basic City-County Relief Tax (BCCRT) - Consolidated Tax (CTX)
	1.750%	NRS 377.040	Supplemental City-County Relief Tax (SCCRT) - Consolidated Tax (CTX)
	0.250%	NRS 377A.030	Promotion of Tourism
	0.250%	NRS 377B.110	Infrastructure (School District/Public Utilities)
	0.250%	Chapter 566, Statutes of Nevada 1993	Tricounty Railway Commission (V&T Railroad)
Total Rate	7.600%		

Summary of State and Local Sales and Use Tax Rates by County as of January 1, 2026

County	Tax Rate (1)	Statutory Authority	Distribution/Use of Proceeds
Washoe	2.000%	NRS 372.105	State General Fund
	2.600%	NRS 374.110 and NRS 374.111	Local School Support Tax (LSST) - State Education Fund
	0.500%	NRS 377.020	Basic City-County Relief Tax (BCCRT) - Consolidated Tax (CTX)
	1.750%	NRS 377.040	Supplemental City-County Relief Tax (SCCRT) - Consolidated Tax (CTX)
	0.375%	NRS 377A.030	Mass Transit (Washoe County Regional Transportation Commission)
	0.125%	NRS 377B.110	Infrastructure (Flood Control/Public Safety)
	0.250%	Chapter 491, Statutes of Nevada 1991	Local Government Tax Act of 1991 - County
	0.125%	Chapter 506, Statutes of Nevada 1997	Railroad Grade Separation Projects Act (Reno ReTRAC project)
	0.540%	Chapter 425, Statutes of Nevada 2015	Capital Projects (Washoe County School District)
Total Rate	8.265%		
White Pine	2.000%	NRS 372.105	State General Fund
	2.600%	NRS 374.110 and NRS 374.111	Local School Support Tax (LSST) - State Education Fund
	0.500%	NRS 377.020	Basic City-County Relief Tax (BCCRT) - Consolidated Tax (CTX)
	1.750%	NRS 377.040	Supplemental City-County Relief Tax (SCCRT) - Consolidated Tax (CTX)
	0.125%	NRS 374A.010	Extraordinary Maintenance, Repair, or Improvement of School Facilities
	0.250%	NRS 377A.030	Road Repair - County
	0.250%	NRS 377A.030	Public Swimming Pool/Recreation Facility - County
	0.250%	NRS 377B.110	Infrastructure (Public Safety/Judicial Functions)
Total Rate	7.725%		

NOTE:

(1) The statewide sales and use tax rate is 6.85%, which consists of the State General Fund rate (2.0%), the Local School Support Tax (2.6%), the Basic City-County Relief Tax (0.5%), and the Supplemental City-County Relief Tax (1.75%). For each of the seventeen counties, these four components of the statewide sales and use tax rate are shaded in gray.

Any county listed with a higher total tax rate is imposing one or more optional sales and use tax rates authorized in statute or under certain special and local acts, as noted in the "Statutory Authority" column.

County Optional Sales Taxes Collected in Nevada, FY 2024 and FY 2025

<u>County</u>	<u>Purpose</u>	<u>Rate</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>% change</u>
Carson City	Open Space	0.25%	\$4,216,013	\$4,245,620	0.7%
Carson City	Road Repair	0.25%	\$4,216,010	\$4,245,638	0.7%
Carson City	V&T Railroad	0.125%	\$2,108,026	\$2,122,904	0.7%
Carson City	Infrastructure Improvements	0.125%	\$2,107,853	\$2,122,763	0.7%
Churchill	Local Government Tax Act	0.25%	\$1,078,943	\$1,127,521	4.5%
Churchill	Road Repair	0.25%	\$1,078,857	\$1,127,525	4.5%
Churchill	Infrastructure Improvements	0.25%	\$1,078,858	\$1,127,338	4.5%
Clark	Flood Control	0.25%	\$159,483,862	\$157,818,906	-1.0%
Clark	Mass Transit/Air Quality	0.50%	\$318,968,520	\$315,636,579	-1.0%
Clark	Southern Nevada Water Authority	0.25%	\$159,478,831	\$157,818,673	-1.0%
Clark	County Police Support	0.30%	\$191,371,836	\$189,270,919	-1.1%
Clark	Crime Prevention Act	0.10%	\$63,774,367	\$63,077,532	-1.1%
Clark	Education Programs	0.125%	\$79,657,815	\$78,784,136	-1.1%
Douglas	Tax Ordinance	0.25%	\$2,863,756	\$2,944,279	2.8%
Elko	Infrastructure Improvements	0.25%	\$4,939,095	\$4,710,642	-4.6%
Lander	Water Treatment	0.25%	\$1,031,411	\$797,828	-22.6%
Lincoln	School/Public Utilities	0.25%	\$140,012	\$127,516	-8.9%
Lyon	Public Safety/Infrastructure	0.25%	\$2,216,732	\$2,361,602	6.5%
Nye	Public Safety Support	0.50%	\$4,921,027	\$4,992,917	1.5%
Nye	Road Repair	0.25%	\$2,460,669	\$2,500,000	1.6%
Pershing	Public Safety/Infrastructure	0.25%	\$575,281	\$712,582	23.9%
Storey	Railway	0.25%	\$1,363,036	\$1,955,886	43.5%
Storey	Promotion of Tourism	0.25%	\$1,335,133	\$1,515,815	13.5%
Storey	School/Public Utilities	0.25%	\$1,339,380	\$1,515,800	13.2%
Washoe	Flood/Public Safety	0.125%	\$15,054,292	\$15,385,602	2.2%
Washoe	Local Government Tax Act	0.25%	\$30,108,531	\$30,770,258	2.2%
Washoe	Mass Transit	0.375%	\$45,162,802	\$46,155,869	2.2%
Washoe	Railroad Grade Project	0.125%	\$15,054,285	\$15,385,427	2.2%
Washoe	School Infrastructure	0.54%	\$65,026,507	\$66,446,076	2.2%
White Pine	Road Repair	0.25%	\$1,121,220	\$1,002,846	-10.6%
White Pine	School District Capital Projects	0.125%	\$560,616	\$501,463	-10.6%
White Pine	Infrastructure Improvements	0.25%	\$1,121,186	\$1,002,730	-10.6%
White Pine	Swimming Pool/Rec. Facility	0.25%	\$1,121,200	\$1,002,724	-10.6%
Total Collections (1)			\$1,186,135,961	\$1,180,313,918	-0.5%

(1) "Total Collections" are the total amount of revenue distributed to the local governments for the purposes for which the tax is imposed, as reported by the Department of Taxation, and are net of distributions to tourism improvement districts required pursuant to Chapter 271A of the NRS. This total does not include the 1.75 percent commission that is distributed to the State General Fund, or any payments made to economic diversification districts that have been created pursuant to NRS 271B.070.

**REPORT AND DISCUSSION OF FY 2026
YEAR-TO-DATE ACTUAL COLLECTIONS
FOR THE STATE GENERAL FUND**

TABLE 5
GENERAL FUND REVENUES - ACTUALS
FY 2023 THROUGH FY 2025 AND FY 2026 VERSUS FY 2025 YEAR-TO-DATE THROUGH FEBRUARY
 Joint Interim Standing Committee on Revenue - April 1, 2026, Meeting

DESCRIPTION	FY 2023		FY 2024		FY 2025		YEAR-TO-DATE [a.]			
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2025 FEBRUARY	FY 2026 FEBRUARY	\$ Difference	% Change
	TAXES									
MINING TAX										
3064 Net Proceeds of Minerals [1-21][1-23][1-24]	\$1,441,386	-98.0%	\$0	-100.0%	\$0		\$0	\$0		
3245 Centrally Assessed Penalties	\$0	-100.0%	\$0		\$59		\$0	\$0		
3074 Mining Gross Revenue Tax - Gold and Silver [3-22]	\$68,281,750	84.9%	\$0	-100.0%	\$0		\$0	\$0		
TOTAL MINING TAXES AND FEES	\$69,723,135	-35.6%	\$0	-100.0%	\$59		\$0	\$0		
SALES AND USE										
3001 Sales & Use Tax [4-22][1-25]	\$1,721,543,930	6.7%	\$1,790,433,565	4.0%	\$1,775,667,378	-0.8%	\$814,290,877	\$955,033,572	\$140,742,694	17.3%
3002 State Share - LSST [4-22][1-25]	\$16,491,566	5.3%	\$17,108,572	3.7%	\$16,951,988	-0.9%	\$7,817,660	\$9,076,845	\$1,259,185	16.1%
3003 State Share - BCCRT [4-22][1-25]	\$7,384,228	5.4%	\$7,653,650	3.6%	\$7,606,171	-0.6%	\$3,507,628	\$4,041,816	\$534,189	15.2%
3004 State Share - SCCRT [4-22][1-25]	\$25,839,923	5.4%	\$26,782,538	3.6%	\$26,618,267	-0.6%	\$12,275,090	\$14,145,764	\$1,870,674	15.2%
3005 State Share - PTT [4-22][1-25]	\$20,426,887	5.6%	\$21,127,104	3.4%	\$21,019,994	-0.5%	\$9,701,552	\$10,976,337	\$1,274,786	13.1%
TOTAL SALES AND USE	\$1,791,686,533	6.7%	\$1,863,105,429	4.0%	\$1,847,863,797	-0.8%	\$847,592,807	\$993,274,335	\$145,681,528	17.2%
GAMING - STATE										
3041 Percent Fees - <u>Before Tax Credits</u> [4-24]	\$970,128,567	0.6%	\$999,947,106	3.1%	\$991,143,340	-0.9%	\$688,319,669	\$704,290,984	\$15,971,315	2.3%
Tax Credit Programs:										
Film Transferrable Tax Credits [TC-1]	(\$2,200,088)		(\$1,842,482)		(\$908,066)		(\$222,957)	(\$1,250,955)	(\$1,027,998)	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		(\$2,000,000)		(\$2,000,000)	(\$4,000,000)	(\$2,000,000)	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0	\$0	\$0	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0	\$0	\$0	
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0		\$0		\$0		\$0	\$0	\$0	
Total - Tax Credit Programs	(\$2,200,088)		(\$1,842,482)		(\$2,908,066)		(\$2,222,957)	(\$5,250,955)	(\$3,027,998)	
Percent Fees - <u>Gross Revenue: After Tax Credits</u>	\$967,928,479	0.5%	\$998,104,624	3.1%	\$988,235,274	-1.0%	\$686,096,712	\$699,040,029	\$12,943,317	1.9%
3032 Pari-mutuel Tax	\$3,858	22.0%	\$3,580	-7.2%	\$3,968	10.8%	\$3,968	\$4,160	\$192	4.8%
3181 Racing Fees	\$5,390	-46.6%	\$10,605	96.8%	\$6,443	-39.2%	\$6,443	\$9,746	\$3,303	51.3%
3247 Racing Fines/Forfeitures	\$3,900	160.0%	\$750	-80.8%	\$1,000	33.3%	\$0	\$6,500	\$6,500	
3042 Gaming Penalties [2-25]	\$329,016	-9.0%	\$10,930,133	3222.1%	\$25,017,373	128.9%	\$424,557	\$8,035,851	\$7,611,294	1792.8%
3043 Flat Fees-Restricted Slots	\$8,481,030	0.2%	\$8,607,351	1.5%	\$8,634,735	0.3%	\$4,349,838	\$4,360,473	\$10,635	0.2%
3044 Non-Restricted Slots	\$10,246,840	1.0%	\$10,556,985	3.0%	\$10,398,820	-1.5%	\$5,205,420	\$5,181,440	(\$23,980)	-0.5%
3045 Quarterly Fees-Games	\$5,437,382	-0.5%	\$5,488,322	0.9%	\$5,294,993	-3.5%	\$2,651,594	\$2,620,134	(\$31,460)	-1.2%
3046 Advance License Fees	\$53,651	-99.7%	\$9,610,894	17813.9%	\$307,926	-96.8%	\$117,045	\$346,735	\$229,690	196.2%
3048 Slot Machine Route Operator	\$25,000	-3.8%	\$25,000	0.0%	\$25,000	0.0%	\$25,000	\$25,000	(\$500)	-2.0%
3049 Gaming Info Systems Annual	\$47,000	-4.1%	\$54,000	14.9%	\$54,000	0.0%	\$48,000	\$48,000	\$0	0.0%
3028 Interactive Gaming Fee - Operator	\$500,000	100.0%	\$500,000	0.0%	\$500,000	0.0%	\$500,000	\$500,000	\$0	0.0%
3029 Interactive Gaming Fee - Service Provider	\$13,000	-7.1%	\$13,000	0.0%	\$12,000	-7.7%	\$12,000	\$12,000	\$0	0.0%
3030 Interactive Gaming Fee - Manufacturer	\$75,000	0.0%	\$75,000	0.0%	\$50,000	-33.3%	\$50,000	\$75,000	\$25,000	50.0%
3033 Equip Mfg. License	\$279,490	-2.8%	\$300,000	7.3%	\$290,000	-3.3%	\$287,000	\$296,000	\$9,000	3.1%
3034 Race Wire License	\$3,402	-21.5%	\$7,825	130.0%	\$2,974	-62.0%	\$1,849	\$1,142	(\$707)	-38.2%
3035 Annual Fees on Games	\$85,101	0.7%	\$94,663	11.2%	\$96,840	2.3%	\$0	\$0	\$0	
TOTAL GAMING - STATE: BEFORE TAX CREDITS	\$995,717,627	-1.0%	\$1,046,225,214	5.1%	\$1,041,839,413	-0.4%	\$702,002,883	\$725,813,165	\$23,810,282	3.4%
Tax Credit Programs	(\$2,200,088)		(\$1,842,482)		(\$2,908,066)		(\$2,222,957)	(\$5,250,955)	(\$3,027,998)	
TOTAL GAMING - STATE: AFTER TAX CREDITS	\$993,517,539	-1.2%	\$1,044,382,732	5.1%	\$1,038,931,347	-0.5%	\$699,779,926	\$720,562,210	\$20,782,284	3.0%
LIVE ENTERTAINMENT TAX (LET)										
3031G Live Entertainment Tax-Gaming [5-22]	\$121,381,051	22.2%	\$127,004,289	4.6%	\$107,097,941	-15.7%	\$66,214,366	\$54,280,708	(\$11,933,658)	-18.0%
3031NG Live Entertainment Tax-Nongaming [5-22]	\$79,907,593	100.8%	\$129,274,874	61.8%	\$116,012,359	-10.3%	\$43,708,800	\$62,302,116	\$18,593,317	42.5%
TOTAL LET	\$201,288,644	44.6%	\$256,279,162	27.3%	\$223,110,300	-12.9%	\$109,923,166	\$116,582,825	\$6,659,659	6.1%
COMMERCE TAX										
3072 Commerce Tax	\$302,294,190	7.2%	\$343,073,688	13.5%	\$268,130,157	-21.8%	\$19,690,821	\$102,464,893	\$82,774,071	420.4%
TRANSPORTATION CONNECTION EXCISE TAX										
3073 Transportation Connection Excise Tax	\$39,978,332	40.5%	\$40,157,801	0.4%	\$45,435,059	13.1%	\$21,963,628	\$17,337,716	(\$4,625,912)	-21.1%
CIGARETTE TAX										
3052 Cigarette Tax	\$135,275,124	-6.1%	\$122,973,891	-9.1%	\$119,556,702	-2.8%	\$57,680,713	\$43,427,673	(\$14,253,040)	-24.7%

**TABLE 5
GENERAL FUND REVENUES - ACTUALS
FY 2023 THROUGH FY 2025 AND FY 2026 VERSUS FY 2025 YEAR-TO-DATE THROUGH FEBRUARY**
Joint Interim Standing Committee on Revenue - April 1, 2026, Meeting

DESCRIPTION	FY 2023		FY 2024		FY 2025		YEAR-TO-DATE [a.]			
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2025 FEBRUARY	FY 2026 FEBRUARY	\$ Difference	% Change
	TAXES - CONTINUED									
MODIFIED BUSINESS TAX (MBT)										
MBT - NONFINANCIAL BUSINESSES (MBT-NFI) [6-22][3-24]										
3069 MBT - Nonfinancial: <u>Before Tax Credits</u>	\$853,620,756	14.2%	\$798,137,393	-6.5%	\$804,258,484	0.8%	\$390,037,468	\$395,523,525	\$5,486,057	1.4%
Commerce Tax Credits	(\$61,033,687)		(\$59,891,198)		(\$73,775,659)		(\$56,427,022)	(\$60,887,635)	(\$4,460,614)	
MBT - Nonfinancial: <u>After Commerce Tax Credits</u>	\$792,587,068	13.2%	\$738,246,195	-6.9%	\$730,482,825	-1.1%	\$333,610,446	\$334,635,890	\$1,025,444	0.3%
Tax Credit Programs:										
Film Transferrable Tax Credits [TC-1]	(\$739,637)		(\$1,016,342)		(\$267,145)		(\$171,770)	(\$79,447)	\$92,323	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0	\$0	\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0	\$0	\$0	
Education Choice Scholarship Tax Credits [TC-5]	(\$10,395,406)		(\$8,083,700)		(\$6,620,228)		(\$3,693,084)	(\$5,385,420)	(\$1,692,336)	
College Savings Plan Tax Credits [TC-6]	(\$392)		\$0		(\$398)		(\$389)	(\$698)	(\$310)	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0	\$0	\$0	
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0		\$0		\$0		\$0	\$0	\$0	
<u>Total - Tax Credit Programs</u>	<u>(\$11,135,436)</u>		<u>(\$9,100,042)</u>		<u>(\$6,887,771)</u>		<u>(\$3,865,243)</u>	<u>(\$5,465,566)</u>	<u>(\$1,600,323)</u>	
MBT - Nonfinancial: <u>After Tax Credit Programs</u>	<u>\$781,451,633</u>	<u>13.5%</u>	<u>\$729,146,153</u>	<u>-6.7%</u>	<u>\$723,595,054</u>	<u>-0.8%</u>	<u>\$329,745,204</u>	<u>\$329,170,324</u>	<u>(\$574,879)</u>	<u>-0.2%</u>
MBT - FINANCIAL BUSINESSES (MBT-FI) [6-22][3-24]										
3069 MBT - Financial: <u>Before Tax Credits</u>	\$44,035,096	-6.2%	\$40,922,695	-7.1%	\$38,551,005	-5.8%	\$17,517,451	\$18,006,237	\$488,785	2.8%
Commerce Tax Credits	(\$411,651)		(\$477,803)		(\$427,218)		(\$269,592)	(\$293,975)	(\$24,383)	
MBT - Financial: <u>After Commerce Tax Credits</u>	\$43,623,445	-5.9%	\$40,444,892	-7.3%	\$38,123,786	-5.7%	\$17,247,859	\$17,712,261	\$464,402	2.7%
Tax Credit Programs:										
Film Transferrable Tax Credits [TC-1]	\$0		\$0		\$0		\$0	\$0	\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0	\$0	\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0	\$0	\$0	
Education Choice Scholarship Tax Credits [TC-5]	(\$404,890)		(\$92,320)		(\$328,105)		(\$138,978)	(\$354,688)	(\$215,709)	
College Savings Plan Tax Credits [TC-6]	\$0		\$0		\$0		\$0	\$0	\$0	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0	\$0	\$0	
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0		\$0		\$0		\$0	\$0	\$0	
<u>Total - Tax Credit Programs</u>	<u>(\$404,890)</u>		<u>(\$92,320)</u>		<u>(\$328,105)</u>		<u>(\$138,978)</u>	<u>(\$354,688)</u>	<u>(\$215,709)</u>	
MBT - Financial: <u>After Tax Credit Programs</u>	<u>\$43,218,555</u>	<u>-6.2%</u>	<u>\$40,352,573</u>	<u>-6.6%</u>	<u>\$37,795,682</u>	<u>-6.3%</u>	<u>\$17,108,881</u>	<u>\$17,357,574</u>	<u>\$248,693</u>	<u>1.5%</u>
MBT - MINING BUSINESSES (MBT-MINING) [6-22][3-24]										
3069 MBT - Mining: <u>Before Tax Credits</u>	\$21,988,228	5.3%	\$19,577,939	-11.0%	\$20,096,296	2.6%	\$9,378,806	\$9,835,877	\$457,071	4.9%
Commerce Tax Credits	(\$78,774)		(\$89,912)		(\$57,138)		(\$57,138)	(\$52,064)	\$5,074	
MBT - Mining: <u>After Commerce Tax Credits</u>	\$21,909,454	5.3%	\$19,488,027	-11.1%	\$20,039,158	2.8%	\$9,321,668	\$9,783,813	\$462,145	5.0%
Tax Credit Programs:										
Film Transferrable Tax Credits [TC-1]	\$0		\$0		\$0		\$0	\$0	\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0	\$0	\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0	\$0	\$0	
Education Choice Scholarship Tax Credits [TC-5]	\$0		\$0		\$0		\$0	\$0	\$0	
College Savings Plan Tax Credits [TC-6]	\$0		\$0		\$0		\$0	\$0	\$0	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0	\$0	\$0	
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0		\$0		\$0		\$0	\$0	\$0	
<u>Total - Tax Credit Programs</u>	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
MBT - Mining: <u>After Tax Credit Programs</u>	<u>\$21,909,454</u>	<u>5.3%</u>	<u>\$19,488,027</u>	<u>-11.1%</u>	<u>\$20,039,158</u>	<u>2.8%</u>	<u>\$9,321,668</u>	<u>\$9,783,813</u>	<u>\$462,145</u>	<u>5.0%</u>

**TABLE 5
GENERAL FUND REVENUES - ACTUALS
FY 2023 THROUGH FY 2025 AND FY 2026 VERSUS FY 2025 YEAR-TO-DATE THROUGH FEBRUARY**
Joint Interim Standing Committee on Revenue - April 1, 2026, Meeting

DESCRIPTION	FY 2023		FY 2024		FY 2025		YEAR-TO-DATE [a.]			
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2025 FEBRUARY	FY 2026 FEBRUARY	\$ Difference	% Change
	TAXES - CONTINUED									
TOTAL MBT - NFI, FI & MINING										
TOTAL MBT: BEFORE TAX CREDITS	\$919,644,080	12.8%	\$858,638,027	-6.6%	\$862,905,784	0.5%	\$416,933,725	\$423,365,639	\$6,431,914	1.5%
TOTAL COMMERCE TAX CREDITS	(\$61,524,113)		(\$60,458,912)		(\$74,260,015)		(\$56,753,752)	(\$61,233,675)	(\$4,479,923)	
TOTAL MBT: AFTER COMMERCE TAX CREDITS	\$858,119,967	11.8%	\$798,179,114	-7.0%	\$788,645,770	-1.2%	\$360,179,974	\$362,131,964	\$1,951,991	0.5%
Tax Credit Programs:										
Film Transferrable Tax Credits [TC-1]	(\$739,637)		(\$1,016,342)		(\$267,145)		(\$171,770)	(\$79,447)	\$92,323	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0	\$0	\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0	\$0	\$0	
Education Choice Scholarship Tax Credits [TC-5]	(\$10,800,296)		(\$8,176,019)		(\$6,948,333)		(\$3,832,063)	(\$5,740,108)	(\$1,908,045)	
College Savings Plan Tax Credits [TC-6]	(\$392)		\$0		(\$398)		(\$389)	(\$698)	(\$310)	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0	\$0	\$0	
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0		\$0		\$0		\$0	\$0	\$0	
Total - Tax Credit Programs	(\$11,540,325)		(\$9,192,361)		(\$7,215,876)		(\$4,004,221)	(\$5,820,253)	(\$1,816,033)	
TOTAL MBT: AFTER TAX CREDIT PROGRAMS	\$846,579,642	12.0%	\$788,986,753	-6.8%	\$781,429,894	-1.0%	\$356,175,753	\$356,311,711	\$135,958	0.0%
INSURANCE TAXES										
3061 Insurance Premium Tax: Before Tax Credits [5-24]	\$581,438,893	7.5%	\$646,678,025	11.2%	\$713,935,445	10.4%	\$336,125,756	\$362,032,271	\$25,906,514	7.7%
Tax Credit Programs:										
Film Transferrable Tax Credits [TC-1]	(\$2,936,809)		(\$3,152,877)		(\$2,467,902)		(\$537,194)	(\$1,532,826)	(\$995,632)	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0	\$0	\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0	\$0	\$0	
Nevada New Markets Job Act Tax Credits [TC-3]	(\$30,280,991)		(\$21,103,337)		(\$21,035,152)		(\$8,731,699)	(\$12,881,915)	(\$4,150,216)	
Affordable Housing Transferrable Tax Credits [TC-7]	(\$3,000,000)		(\$3,000,000)		(\$4,725,000)		(\$1,725,000)	\$0	\$1,725,000	
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0		\$0		\$0		\$0	\$0	\$0	
Total - Tax Credit Programs	(\$36,217,799)		(\$27,256,215)		(\$28,228,054)		(\$10,993,893)	(\$14,414,740)	(\$3,420,848)	
Insurance Premium Tax: After Tax Credit Programs	\$545,221,094	5.6%	\$619,421,810	13.6%	\$685,707,391	10.7%	\$325,131,863	\$347,617,530	\$22,485,667	6.9%
3062 Insurance Retailatory Tax	\$408,026	-18.7%	\$370,858	-9.1%	\$254,725	-31.3%	\$12,272	\$159,116	\$146,844	1196.6%
3067 Captive Insurer Premium Tax	\$1,268,717	9.2%	\$1,143,526	-9.9%	\$1,212,833	6.1%	\$301,571	\$62,549	(\$239,023)	-79.3%
TOTAL INSURANCE TAXES: BEFORE TAX CREDITS	\$583,115,636	7.4%	\$648,192,408	11.2%	\$715,403,003	10.4%	\$336,439,599	\$362,253,935	\$25,814,336	7.7%
TAX CREDIT PROGRAMS	(\$36,217,799)		(\$27,256,215)		(\$28,228,054)		(\$10,993,893)	(\$14,414,740)	(\$3,420,848)	
TOTAL INSURANCE TAXES: AFTER TAX CREDITS	\$546,897,837	5.6%	\$620,936,193	13.5%	\$687,174,949	10.7%	\$325,445,706	\$347,839,195	\$22,393,488	6.9%
REAL PROPERTY TRANSFER TAX (RPTT)										
3055 Real Property Transfer Tax [6-24]	\$110,612,300	-37.8%	\$108,964,910	-1.5%	\$123,785,086	13.6%	\$63,879,183	\$60,732,644	(\$3,146,539)	-4.9%
GOVERNMENTAL SERVICES TAX (GST)										
3051 Governmental Services Tax [2-21][7-24]	\$27,035,866	2.3%	\$0	-100.0%	\$0		\$0	\$0	\$0	
OTHER TAXES										
3113 Business License Fee	\$118,270,353	-1.1%	\$122,663,071	3.7%	\$123,637,647	0.8%	\$69,958,261	\$75,200,237	\$5,241,975	7.5%
3050 Liquor Tax	\$46,007,920	-8.7%	\$49,048,983	6.6%	\$43,276,237	-11.8%	\$15,207,496	\$24,661,462	\$9,453,965	62.2%
3053 Other Tobacco Tax [8-24][5-26]	\$35,158,816	-1.7%	\$32,932,665	-6.3%	\$29,197,682	-11.3%	\$13,065,974	\$21,077,666	\$8,011,692	61.3%
4774 HECC Transfer	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$0	\$0	\$0	
3068 Branch Bank Excise Tax	\$2,250,520	-3.7%	\$2,160,550	-4.0%	\$2,114,306	-2.1%	\$934,255	\$761,749	(\$172,506)	-18.5%
TOTAL TAXES: BEFORE TAX CREDITS	\$5,383,059,077	4.3%	\$5,499,415,798	2.2%	\$5,451,255,233	-0.9%	\$2,675,272,512	\$2,966,953,938	\$291,681,426	10.9%
TOTAL COMMERCE TAX CREDITS	(\$61,524,113)		(\$60,458,912)		(\$74,260,015)		(\$56,753,752)	(\$61,233,675)	(\$4,479,923)	
TOTAL TAXES: AFTER COMMERCE TAX CREDITS	\$5,321,534,964	4.0%	\$5,438,956,886	2.2%	\$5,376,995,219	-1.1%	\$2,618,518,761	\$2,905,720,263	\$287,201,502	11.0%
Tax Credit Programs:										
Film Transferrable Tax Credits [TC-1]	(\$5,876,534)		(\$6,011,701)		(\$3,643,112)		(\$931,920)	(\$2,863,227)	(\$1,931,307)	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		(\$2,000,000)		(\$2,000,000)	(\$4,000,000)	(\$2,000,000)	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0	\$0	\$0	
Nevada New Markets Job Act Tax Credits [TC-3]	(\$30,280,991)		(\$21,103,337)		(\$21,035,152)		(\$8,731,699)	(\$12,881,915)	(\$4,150,216)	
Education Choice Scholarship Tax Credits [TC-5]	(\$10,800,296)		(\$8,176,019)		(\$6,948,333)		(\$3,832,063)	(\$5,740,108)	(\$1,908,045)	
College Savings Plan Tax Credits [TC-6]	(\$392)		\$0		(\$398)		(\$389)	(\$698)	(\$310)	
Affordable Housing Transferrable Tax Credits [TC-7]	(\$3,000,000)		(\$3,000,000)		(\$4,725,000)		(\$1,725,000)	\$0	\$1,725,000	
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0		\$0		\$0		\$0	\$0	\$0	
Total - Tax Credit Programs	(\$49,958,212)		(\$38,291,058)		(\$38,351,996)		(\$17,221,071)	(\$25,485,949)	(\$8,264,878)	
TOTAL TAXES: AFTER TAX CREDITS	\$5,271,576,751	3.8%	\$5,400,665,828	2.4%	\$5,338,643,223	-1.1%	\$2,601,297,690	\$2,880,234,315	\$278,936,624	10.7%

**TABLE 5
GENERAL FUND REVENUES - ACTUALS
FY 2023 THROUGH FY 2025 AND FY 2026 VERSUS FY 2025 YEAR-TO-DATE THROUGH FEBRUARY**
Joint Interim Standing Committee on Revenue - April 1, 2026, Meeting

DESCRIPTION	FY 2023		FY 2024		FY 2025		YEAR-TO-DATE [a.]			
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2025 FEBRUARY	FY 2026 FEBRUARY	\$ Difference	% Change
	LICENSES									
3101 Insurance Licenses	\$28,869,901	-1.9%	\$29,972,617	3.8%	\$31,533,283	5.2%	\$22,588,865	\$21,484,145	(\$1,104,720)	-4.9%
3120 Marriage License	\$339,664	-1.6%	\$335,411	-1.3%	\$338,801	1.0%	\$177,977	\$156,725	(\$21,252)	-11.9%
SECRETARY OF STATE										
3105 UCC	\$3,243,588	-6.1%	\$3,482,261	7.4%	\$3,002,529	-13.8%	\$1,585,484	\$2,287,984	\$702,500	44.3%
3129 Notary Fees	\$783,890	9.3%	\$788,253	0.6%	\$811,683	3.0%	\$443,838	\$513,460	\$69,622	15.7%
3130 Commercial Recordings [9-24]	\$85,644,772	-3.3%	\$89,170,782	4.1%	\$90,919,830	2.0%	\$51,555,673	\$55,201,360	\$3,645,687	7.1%
3131 Video Service Franchise	\$150	-50.0%	\$250	66.7%	\$100	-60.0%	\$100	\$100	\$0	0.0%
3121 Domestic Partnership Registry Fee	\$59,221	-5.1%	\$59,018	-0.3%	\$50,439	-14.5%	\$0	\$0	\$0	\$0
3152 Securities [7-22]	\$36,480,299	4.0%	\$36,668,572	0.5%	\$37,772,846	3.0%	\$33,057,417	\$34,842,359	\$1,784,942	5.4%
TOTAL SECRETARY OF STATE	\$126,211,920	-1.3%	\$130,169,135	3.1%	\$132,557,427	1.8%	\$86,642,513	\$92,845,263	\$6,202,750	7.2%
3172 Private School Licenses	\$223,463	2.8%	\$217,310	-2.8%	\$226,040	4.0%	\$142,764	\$148,790	\$6,026	4.2%
3173 Private Employment Agency	\$18,700	-7.0%	\$19,500	4.3%	\$21,400	9.7%	\$18,900	\$16,500	(\$2,400)	-12.7%
REAL ESTATE										
3161 Real Estate License	\$2,852,290	-2.9%	\$2,710,525	-5.0%	\$2,694,001	-0.6%	\$1,622,848	\$1,453,533	(\$169,315)	-10.4%
3162 Real Estate Fees	\$3,300	15.8%	\$3,140	-4.8%	\$2,250	-28.3%	\$1,950	\$750	(\$1,200)	-61.5%
TOTAL REAL ESTATE	\$2,855,590	-2.9%	\$2,713,665	-5.0%	\$2,696,251	-0.6%	\$1,624,798	\$1,454,283	(\$170,515)	-10.5%
3102 Athletic Commission Fees	\$5,280,420	-9.7%	\$7,584,245	43.6%	\$4,543,703	-40.1%	\$2,739,455	\$4,824,014	\$2,084,559	76.1%
TOTAL LICENSES	\$163,799,658	-1.7%	\$171,011,882	4.4%	\$171,916,904	0.5%	\$113,935,271	\$120,929,720	\$6,994,449	6.1%
FEES AND FINES										
3203 Divorce Fees	\$139,010	-9.0%	\$138,148	-0.6%	\$132,703	-3.9%	\$76,095	\$74,847	(\$1,248)	-1.6%
3204 Civil Action Fees	\$1,224,759	-2.8%	\$1,337,211	9.2%	\$1,406,038	5.1%	\$694,323	\$739,469	\$45,146	6.5%
3242 Insurance Fines	\$342,015	-6.8%	\$891,023	160.5%	\$573,522	-35.6%	\$234,869	\$153,808	(\$81,061)	-34.5%
3242LC Investigative Costs Recovery - Labor Commission	\$28,804	-58.3%	\$6,500	-77.4%	\$6,500	0.0%	\$500	\$10,000	\$9,500	1900.0%
3103MD Medical Plan Discount Reg. Fees	\$0	-100.0%	\$0		\$1,500		\$0	(\$250)	(\$250)	
REAL ESTATE FEES										
3107IOS IOS Application Fees	\$5,220	-34.9%	\$3,500	-33.0%	\$4,220	20.6%	\$2,680	\$2,260	(\$420)	-15.7%
3165 Land Co Filing Fees	\$35,775	-1.1%	\$28,425	-20.5%	\$46,276	62.8%	\$28,076	\$21,190	(\$6,886)	-24.5%
3169 Real Estate Reg Fees	\$5,150	-80.7%	\$5,175	0.5%	\$8,550	65.2%	\$6,225	\$975	(\$5,250)	-84.3%
4741 Real Estate Exam Fees	\$580,723	-27.5%	\$548,337	-5.6%	\$397,035	-27.6%	\$0	\$0	\$0	
3178 Real Estate Accred Fees	\$117,925	4.6%	\$123,450	4.7%	\$107,400	-13.0%	\$60,050	\$57,880	(\$2,170)	-3.6%
3254 Real Estate Penalties	\$94,843	1.1%	\$82,660	-12.8%	\$87,553	5.9%	\$55,190	\$48,833	(\$6,358)	-11.5%
3190 A.B. 165, Real Estate Inspectors	\$57,695	-7.4%	\$49,460	-14.3%	\$53,255	7.7%	\$33,610	\$32,890	(\$720)	-2.1%
TOTAL REAL ESTATE FEES	\$897,330	-21.4%	\$841,007	-6.3%	\$704,289	-16.3%	\$185,831	\$164,028	(\$21,804)	-11.7%
3066 Short Term Car Lease [8-22]	\$81,417,029	9.2%	\$78,876,414	-3.1%	\$78,714,381	-0.2%	\$34,589,917	\$32,511,478	(\$2,078,439)	-6.0%
3103AC Athletic Commission Licenses/Fines	\$171,847	-6.6%	\$206,300	20.0%	\$174,214	-15.6%	\$108,070	\$104,812	(\$3,258)	-3.0%
3150 Navigable Water Permit Fees	\$65,000	0.0%	\$65,000	0.0%	\$65,000	0.0%	\$276,445	\$66,750	(\$209,695)	-75.9%
3181SL Restricted Land Use Fees - State Lands Division [3-25]	\$0		\$0		\$2,896		\$0	\$4,728	\$4,728	
3205 State Engineer Sales	\$3,993,998	7.3%	\$3,440,211	-13.9%	\$3,524,147	2.4%	\$2,651,292	\$2,594,030	(\$57,262)	-2.2%
3206 Supreme Court Fees	\$190,265	-0.1%	\$184,555	-3.0%	\$182,950	-0.9%	\$0	\$0	\$0	
3115 Notice of Default Fee	\$475,177	33.7%	\$394,792	-16.9%	\$415,016	5.1%	\$219,389	\$283,246	\$63,857	29.1%
3601 Professional Employer Organization Fee [9-22]	\$108,500	17.3%	\$106,500	-1.8%	\$121,000	13.6%	\$117,000	\$119,000	\$2,000	1.7%
3271 Misc Fines/Forfeitures [10-24]	\$2,629,670	27.6%	\$3,074,722	16.9%	\$3,128,341	1.7%	\$1,622,052	\$2,307,210	\$685,158	42.2%
TOTAL FEES AND FINES	\$91,683,403	8.8%	\$89,562,384	-2.3%	\$89,152,496	-0.5%	\$40,775,782	\$39,133,155	(\$1,642,627)	-4.0%

TABLE 5
GENERAL FUND REVENUES - ACTUALS
FY 2023 THROUGH FY 2025 AND FY 2026 VERSUS FY 2025 YEAR-TO-DATE THROUGH FEBRUARY
 Joint Interim Standing Committee on Revenue - April 1, 2026, Meeting

DESCRIPTION	FY 2023		FY 2024		FY 2025		YEAR-TO-DATE [a.]			
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2025 FEBRUARY	FY 2026 FEBRUARY	\$ Difference	% Change
	USE OF MONEY AND PROP									
OTHER REPAYMENTS										
4403 Forestry Nurseries Fund Repayment (05-M27)	\$20,670		\$20,670		\$20,670		\$20,670	\$20,670	\$0	
4408 Comp/Fac Repayment	\$13,032		\$13,032		\$5,239		\$0	\$0	\$0	
4408 GTO Repayment - State Microwave Communications System	\$266,914		\$266,914		\$266,914		\$0	\$0	\$0	
4408 GTO Repayment - Cyber Security Resource Enhancement	\$0		\$0		\$0		\$0	\$0	\$0	
4408 GTO Repayment - Wide-Area Network Upgrade	\$0		\$0		\$0		\$0	\$0	\$0	
4408 GTO Repayment - Enterprise Cloud Application [1-22]	\$448,209		\$448,209		\$448,209		\$0	\$0	\$0	
4408 GTO Repayment - Firewall Replacement [2-22]	\$677,635		\$677,635		\$677,635		\$0	\$0	\$0	
4408 GTO Repayment - Content Management and Portal Platform [2-24]	\$0		\$221,313		\$221,313		\$0	\$0	\$0	
4408 GTO Repayment - IT Service Management Provider Replacement [1-26]							\$0	\$0	\$0	
4408 GTO Repayment - Computer Hardware and Software Replacement [2-26]							\$0	\$0	\$0	
4408 GTO Repayment - Firewall Replacement and Security Upgrades [3-26]							\$0	\$0	\$0	
4408 GTO Repayment - IT Investments Tracking System [4-26]							\$0	\$0	\$0	
4408 GTO Repayment - Uninterrupted Power Supply Equipment [1-28]							\$0	\$0	\$0	
4408 GTO Repayment - Office of Cyber Defense Coordination [2-28]							\$0	\$0	\$0	
4102 City of North Las Vegas Repayment - Windsor Park Relocation [11-24]			\$3,000,000		\$3,000,000		\$1,500,000	\$1,500,000	\$0	
4409 Motor Pool Repay - LV	\$125,000		\$125,000		\$125,000		\$0	\$0	\$0	
TOTAL OTHER REPAYMENTS	\$1,551,460	-18.3%	\$4,772,773	207.6%	\$4,764,981	-0.2%	\$1,520,670	\$1,520,670	\$0	0.0%
INTEREST INCOME										
3290 Treasurer	\$142,585,710	489.4%	\$224,917,309	57.7%	\$224,814,068	0.0%	\$79,303,512	\$51,838,837	(\$27,464,675)	-34.6%
3291 Other	\$423,700	3496.8%	\$765,210	80.6%	\$719,577	-6.0%	\$428,700	\$379,343	(\$49,357)	-11.5%
TOTAL INTEREST INCOME	\$143,009,409	490.9%	\$225,682,518	57.8%	\$225,533,645	-0.1%	\$79,732,211	\$52,218,180	(\$27,514,031)	-34.5%
TOTAL USE OF MONEY & PROP	\$144,560,870	453.8%	\$230,455,292	59.4%	\$230,298,626	-0.1%	\$81,252,881	\$53,738,850	(\$27,514,031)	-33.9%
OTHER REVENUE										
3059 Hoover Dam Revenue	\$300,000	-7.5%	\$300,000	0.0%	\$300,000	0.0%	\$0	\$0	\$0	
MISC SALES AND REFUNDS										
3047 Expired Slot Machine Wagering Vouchers	\$19,316,120	17.0%	\$18,374,082	-4.9%	\$17,827,358	-3.0%	\$13,557,273	\$13,032,211	(\$525,061)	-3.9%
3107 Misc Fees [9-22]	\$732,209	5.3%	\$1,039,259	41.9%	\$887,028	-14.6%	\$618,196	\$630,995	\$12,800	2.1%
3114 Court Administrative Assessment Fee [12-24]	\$1,449,420	2.1%	\$15,544,481	972.5%	\$18,068,777	16.2%	\$9,965,969	\$9,790,024	(\$175,945)	-1.8%
3168 Declare of Candidacy Filing Fee [3-28]	\$55,208	-5.2%	\$82,090	48.7%	\$86,258	5.1%	\$47,531	\$30,749	(\$16,782)	-35.3%
3202 Fees & Writs of Garnishments	\$500	-12.3%	\$715	43.0%	\$415	-42.0%	\$305	\$0	(\$305)	-100.0%
3220 Nevada Report Sales	\$3,810	213.6%	\$14,695	285.7%	\$2,075	-85.9%	\$1,590	\$6,460	\$4,870	306.3%
3222 Excess Property Sales	\$0	-100.0%	\$0		\$0		\$0	\$0	\$0	
3240 Sale of Trust Property	\$0		\$0		\$0		\$0	\$260	\$260	
3243 Insurance - Misc	\$374,159	-4.5%	\$400,685	7.1%	\$412,246	2.9%	\$229,756	\$179,860	(\$49,896)	-21.7%
3274 Misc Refunds	\$30,224	-7.5%	\$2,919,728	9560.3%	\$1,068,957	-63.4%	\$17,760	\$17,880	\$120	0.7%
3276 Cost Recovery Plan [10-22][13-24][6-26]	\$8,575,644	-5.5%	\$8,450,166	-1.5%	\$7,838,992	-7.2%	\$3,933,526	\$3,256,391	(\$677,135)	-17.2%
TOTAL MISC SALES & REF	\$30,537,293	8.3%	\$46,825,901	53.3%	\$46,192,107	-1.4%	\$28,371,905	\$26,944,829	(\$1,427,075)	-5.0%
3255 Unclaimed Property [11-22][14-24]	\$60,022,800	7.1%	\$70,965,216	18.2%	\$135,623,541	91.1%	\$0	\$0	\$0	
TOTAL OTHER REVENUE	\$90,860,094	7.4%	\$118,091,117	30.0%	\$182,115,648	54.2%	\$28,371,905	\$26,944,829	(\$1,427,075)	-5.0%
TOTAL GENERAL FUND REVENUE: BEFORE TAX CREDITS	\$5,873,963,101	6.3%	\$6,108,536,473	4.0%	\$6,124,738,907	0.3%	\$2,939,608,352	\$3,207,700,493	\$268,092,141	9.1%
TOTAL COMMERCE TAX CREDITS	(\$61,524,113)		(\$60,458,912)		(\$74,260,015)		(\$56,753,752)	(\$61,233,675)	(\$4,479,923)	
TOTAL GENERAL FUND REVENUE: AFTER COMMERCE TAX CREDITS	\$5,812,438,988	6.1%	\$6,048,077,560	4.1%	\$6,050,478,892	0.0%	\$2,882,854,600	\$3,146,466,818	\$263,612,218	9.1%
TAX CREDIT PROGRAMS:										
FILM TRANSFERRABLE TAX CREDITS [TC-1]	(\$5,876,534)		(\$6,011,701)		(\$3,643,112)		(\$931,920)	(\$2,863,227)	(\$1,931,307)	
ECONOMIC DEVELOPMENT TRANSFERRABLE TAX CREDITS [TC-2]	\$0		\$0		(\$2,000,000)		(\$2,000,000)	(\$4,000,000)	(\$2,000,000)	
CATALYST ACCOUNT TRANSFERRABLE TAX CREDITS [TC-4]	\$0		\$0		\$0		\$0	\$0	\$0	
NEVADA NEW MARKET JOBS ACT TAX CREDITS [TC-3]	(\$30,280,991)		(\$21,103,337)		(\$21,035,152)		(\$8,731,699)	(\$12,881,915)	(\$4,150,216)	
EDUCATION CHOICE SCHOLARSHIP TAX CREDITS [TC-5]	(\$10,800,296)		(\$8,176,019)		(\$6,948,333)		(\$3,832,063)	(\$5,740,108)	(\$1,908,045)	
COLLEGE SAVINGS PLAN TAX CREDITS [TC-6]	(\$392)		\$0		(\$398)		(\$389)	(\$698)	(\$310)	
AFFORDABLE HOUSING TRANSFERRABLE TAX CREDITS [TC-7]	(\$3,000,000)		(\$3,000,000)		(\$4,725,000)		(\$1,725,000)	\$0	\$1,725,000	
BASEBALL STADIUM TRANSFERRABLE TAX CREDITS [TC-8]							\$0	\$0	\$0	
TOTAL - TAX CREDIT PROGRAMS	(\$49,958,212)		(\$38,291,058)		(\$38,351,996)		(\$17,221,071)	(\$25,485,949)	(\$8,264,878)	
TOTAL GENERAL FUND REVENUE: AFTER TAX CREDITS	\$5,762,480,775	5.9%	\$6,009,786,502	4.3%	\$6,012,126,896	0.0%	\$2,865,633,530	\$3,120,980,869	\$255,347,340	8.9%

TABLE 5
GENERAL FUND REVENUES - ACTUALS
FY 2023 THROUGH FY 2025 AND FY 2026 VERSUS FY 2025 YEAR-TO-DATE THROUGH FEBRUARY
 Joint Interim Standing Committee on Revenue - April 1, 2026, Meeting

DESCRIPTION	FY 2023		FY 2024		FY 2025		YEAR-TO-DATE [a.]			
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2025 FEBRUARY	FY 2026 FEBRUARY	\$ Difference	% Change

NOTES:

[a.] The fiscal year-to-date amounts for Sales and Use Tax, Cigarette Tax, Liquor Tax, Other Tobacco Tax, Live Entertainment Tax-Nongaming and Gaming, and all of the taxes and fees listed under Gaming-State are based on actual amounts reported by the Department of Taxation and Gaming Control Board. The fiscal year-to-date amounts for the Secretary of State License revenues are based on actual amounts reported by the Secretary of State. The fiscal-year-to-date amounts for all other General Fund revenue sources shown in the table represent the figures obtained from the Controller's system through February of FY 2025 and FY 2026. The amounts for revenue sources from the Department of Taxation represent the fiscal year-to-date amount through the first six months (for monthly tax sources) and the first two quarters (for quarterly tax sources).

NOTES:**FY 2022: Notes 1 and 2 represent legislative actions approved during the 2019 Legislative Session.**

- [1-22] Section 1 of A.B. 512 provides a General Fund appropriation of \$2,138,800 in FY 2020 to the Governor's Technology Office (GTO, formerly the Office of the Chief Information Officer and the Division of Enterprise Information Technology Services of the Department of Administration) for the implementation of an enterprise cloud electronic mail and business productivity application. The legislatively approved repayment of this appropriation is 25 percent of the cost of the implementation of an enterprise cloud electronic mail and business productivity application per year, beginning in FY 2022.
- [2-22] Section 2 of A.B. 512 provides a General Fund appropriation of \$4,186,202 in FY 2020 to the Governor's Technology Office (GTO, formerly the Office of the Chief Information Officer and the Division of Enterprise Information Technology Services of the Department of Administration) for the replacement of firewalls. The legislatively approved repayment of this appropriation is 25 percent of the cost of the replacement of the firewalls per year, beginning in FY 2022.

FY 2022: Notes 3 through 11 represent legislative actions approved during the 2021 Legislative Session.

- [3-22] A.B. 495 imposes an annual tax on each business entity engaged in the business of extracting gold or silver in this State whose Nevada gross revenue in a taxable year exceeds \$20 million, effective July 1, 2021. The tax rate is 0.75% of all taxable revenue in excess of \$20 million, but not more than \$150 million; and 1.1% of all Nevada gross revenue in excess of \$150 million. The proceeds from this tax are to be deposited in the State General Fund in FY 2022 and FY 2023, but will be deposited in the State Education Fund as a dedicated state funding source for the benefit of K-12 education under the Pupil-Centered Funding Plan beginning in FY 2024. Estimated to generate \$83,802,000 in FY 2022 and \$80,996,000 in FY 2023.
- [4-22] S.B. 440 provides 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, if the purchase occurs on the date on which Nevada Day is observed or the immediately following Saturday or Sunday, between July 1, 2021, and June 30, 2031. The bill also revises the eligibility requirements for the current exemption that is authorized for members of the Nevada National Guard called into active service to provide that this exemption is available to these members and certain relatives, if the member has been called into active duty for a period of more than 30 days outside of the United States. The exemption is anticipated to reduce sales and use tax revenue for the state and local governments; however, an estimate of the potential reduction was not prepared.
- [5-22] S.B. 367 provides an exemption from the Live Entertainment Tax for live entertainment that is provided by or entirely for the benefit of a governmental entity, effective upon passage and approval (June 4, 2021). Because this exemption is expected to provide a minimal reduction to LET revenues, no adjustment to the forecast was made.
- [6-22] On May 13, 2021, the Nevada Supreme Court upheld a First Judicial District Court ruling that certain actions by the Legislature in Senate Bill 551 (2019) were unconstitutional, as that legislation was approved without the two-thirds majority in each house required in Article 4, Section 18 of the Nevada Constitution. As a result, the tax rates for the Modified Business Tax were reduced effective April 1, 2021 to the rates determined by the Department of Taxation on or before September 30, 2018, that were to become effective on July 1, 2019, pursuant to the provisions of NRS 360.203. The rate for the MBT-NFI was reduced from 1.475% to 1.378% for all taxable wages in excess of \$50,000 per calendar quarter and the rate for the MBT-FI and MBT-Mining was reduced from 2.0% to 1.853% on all quarterly taxable wages. The court ruling additionally requires the Department of Taxation to issue refunds for all MBT that was collected at the higher rates, between July 1, 2019, and March 31, 2021, based on the difference between the rate approved in S.B. 551 and the reduced rate determined by the Department in September 2018, as well as interest on the excess amount collected.

The adjustments to the May 2021 Economic Forum forecast reflect the estimated combined negative impact for each fiscal year for the refund and interest attributable to FY 2020 and FY 2021 overpayments as allocated to FY 2021 and FY 2022 and the tax rate reduction for the fourth quarter of FY 2021 and all four quarters of FY 2022 and FY 2023. The estimated negative impact to total MBT collections attributable to the refund and interest on tax overpayments for FY 2020 and FY 2021 allocated to FY 2021 is \$75,575,000 (MBT-NFI: \$68,066,000, MBT-FI: \$4,647,000, MBT-Mining: \$2,862,000) and allocated to FY 2022 is \$4,717,000 (MBT-NFI: \$3,722,000, MBT-FI: \$943,000, MBT-Mining: \$52,000). The estimated negative impact to total MBT collections attributable to the reduction in the tax rates for FY 2021 is \$12,128,000 (MBT-NFI: \$10,917,000, MBT-FI: \$785,000, MBT-Mining: \$426,000), for FY 2022 is \$50,573,000 (MBT-NFI: \$45,445,000, MBT-FI: \$3,386,000, MBT-Mining: \$1,742,000), and for FY 2023 is \$53,659,000 (MBT-NFI: \$48,238,000, MBT-FI: \$3,637,000, MBT-Mining: \$1,784,000). The estimates for the refund and interest are based on information provided by the Department of Taxation, based on an analysis of actual taxpayer accounts, regarding the potential total refund and interest amounts for the four quarters of FY 2020 and the three quarters of FY 2021 and the actual refund and interest amounts issued for each fiscal year in FY 2021 by each component of the MBT.

- [7-22] S.B. 9 provides an exemption from licensure for investment advisers to certain qualifying private funds, effective July 1, 2022, if: (1) the investment adviser solely advises one or more qualifying private funds; (2) the investment adviser is not required to register with the Securities and Exchange Commission; (3) neither the investment adviser nor any of its advisory affiliates have engaged in certain bad acts; (4) the investment adviser files certain reports with the Administrator, who is the Deputy of Securities appointed by the Secretary of State; and (5) the investment adviser pays a fee prescribed by the Administrator. Estimated to reduce revenue by \$12,000 in FY 2023.
- [8-22] S.B. 389 provides for the regulation and licensing of peer-to-peer car sharing programs by the Department of Motor Vehicles, and also provides that passenger cars that are shared through such a program are subject to a Short Term Car Lease Fee that is identical to the fee already collected by the Department of Taxation on the rental of other passenger cars in this state, effective October 1, 2021. Estimated to generate \$750,000 in FY 2022 and \$1,000,000 in FY 2023.
- [9-22] The proceeds from the licensure of certain professional employer organizations (employee leasing companies), which were being retained by the Division of Industrial Relations in the Department of Business and Industry, were going to be deposited in the State General Fund beginning on July 1, 2021. The Economic Forum May 4, 2021, forecast accounted for this action by including an estimate of \$103,500 in G.L. 3107. Senate Bill 55 transfers the duties for regulating and licensing professional employer organizations from the Division to the Labor Commissioner, effective July 1, 2021. It was determined after the passage of S.B. 55 that the Labor Commissioner will post the revenues from the licensing fees in G.L. 3601, not G.L. 3107. Thus, a new line for G.L. 3601 – Professional Employer Organization Fee is added to the table and \$103,500 is transferred from the forecast for G.L. 3107 to this new G.L., resulting in a net zero change to the Economic Forum May 4, 2021, forecast.
- [10-22] Adjustment to the Statewide Cost Allocation amount included in the Legislatively Approved budget after the May 4, 2021, approval of the General Fund revenue forecast by the Economic Forum.
- [11-22] A.B. 445 requires the State Controller, as soon as practicable after the close of FY 2021, to transfer \$1,000,000 from the Abandoned Property Trust Account (Unclaimed Property) to the Grant Matching Account for the purpose of providing grants or satisfying matching requirements for nongovernmental organizational grants by the Office of Federal Assistance in the Office of the Governor. For FY 2023 and all subsequent years, the first \$1.0 million of revenue from Unclaimed Property that is generated after the required transfer of the first \$7.6 million to the Millennium Scholarship Trust Fund must be transferred to the Grant Matching Account. The actions in A.B. 445, therefore, reduce the forecast for this revenue source by \$1.0 million per year in FY 2022, FY 2023, and all future fiscal years.

TABLE 5
GENERAL FUND REVENUES - ACTUALS
FY 2023 THROUGH FY 2025 AND FY 2026 VERSUS FY 2025 YEAR-TO-DATE THROUGH FEBRUARY
 Joint Interim Standing Committee on Revenue - April 1, 2026, Meeting

DESCRIPTION	YEAR-TO-DATE [a.]								
	FY 2023	%	FY 2024	%	FY 2025	%	FY 2025	FY 2026	
	ACTUAL	Change	ACTUAL	Change	ACTUAL	Change	FEBRUARY	FEBRUARY	
								\$	%
								Difference	Change
FY 2023: Note 1 represents legislative actions approved during the 2023 Legislative Session.									
[1-23]	S.B. 124 amends the provisions originally approved in S.B. 3 of the 31st Special Session (July 2020), which required the prepayment of the State General Fund portion of the Net Proceeds of Minerals Tax for FY 2021, FY 2022, and FY 2023 based on the estimated mining activity during each of those calendar years, to revert the payment of the tax back to its former method (tax due based on actual mining activity from the preceding calendar year) of taxing net proceeds on July 1, 2022, rather than on July 1, 2023, as originally approved in S.B. 3. The passage of S.B. 124 will require these tax proceeds to be paid based on actual calendar year 2023 mining activity during FY 2024, and the proceeds will be deposited in the State Education Fund, pursuant to A.B. 495 (2021); thus, the resultant forecast for this tax remains zero in FY 2024 and FY 2025, based on current law.								
FY 2024: Notes 1 and 2 represent legislative actions approved during the 2021 Legislative Session.									
[1-24]	A.B. 495 provides that, beginning in FY 2024, the portion of the Net Proceeds of Minerals Tax currently deposited in the State General Fund be instead deposited in the State Education Fund as a dedicated state funding source for the benefit of K-12 education under the Pupil-Centered Funding Plan. This action did not affect the Economic Forum's forecast for FY 2022 or FY 2023.								
[2-24]	S.B. 426 provides a General Fund appropriation of \$1,784,500 to the Governor's Technology Office (GTO, formerly the Office of the Chief Information Officer and the Division of Enterprise Information Technology Services of the Department of Administration) for the replacement of the content management and portal platform. The legislatively approved annual repayment of this appropriation is 25 percent of the cost of the replacement of the content management and portal platform per year, beginning in FY 2024.								
FY 2024: Note 3 represents actions resulting from the Department of Taxation's September 2022 Modified Business Tax rate reduction determination, as required pursuant to NRS 360.203.									
[3-24]	S.B. 483 (2015) enacted a rate reduction mechanism, codified in NRS 360.203, by which the rates for the Modified Business Tax are to be lowered if combined collections from the MBT, Commerce Tax, and Branch Bank Excise Tax in any even-numbered fiscal year exceed the May 1 forecast for the Economic Forum, adjusted for any actions approved by the Legislature, for that fiscal year by more than 4%, as determined by the Department of Taxation on or before September 30 of each even-numbered year. The rate reduction under this mechanism is to become effective at the beginning of the fiscal year following the determination by the Department.								
	On September 30, 2022, the Department of Taxation determined that actual collections for these taxes in FY 2022 exceeded the Economic Forum's May 4, 2021, forecasts, adjusted for legislative actions and court decisions, by more than 4%. As a result, the tax rate reduction mechanism approved in S.B. 483 requires the MBT-Nonfinancial rate to be reduced from 1.378% to 1.17% on all taxable wages in excess of \$50,000 per calendar quarter, and the MBT-Financial and MBT-Mining rates to be reduced from 1.853% to 1.554% on all taxable wages, effective at the beginning of FY 2024 (July 1, 2023). The rate reduction determined by the Department on September 30, 2022, reduces the MBT-Nonfinancial rate to the minimum by which this may be reduced pursuant to NRS 360.203; thus, no further rate reductions may occur under these provisions based on current law.								
FY 2024: Notes 4 through 14 represent legislative actions approved during the 2023 Legislative Session.									
[4-24]	S.B. 266 excludes, for the purposes of gross gaming revenue for the calculation of the percentage fee tax on gross gaming revenue, cash received as entry fees for the right to participate in a contest or tournament conducted on the premises of a licensed gaming establishment with the participants physically present at those premises when participating under certain circumstances, effective July 1, 2023. The effective date of July 1, 2023, results in a reduction of revenue of \$1,563,100 for the last 11 months of FY 2024, and \$1,705,200 for all twelve months of FY 2025.								
[5-24]	S.B. 435 specifies that if an assessment against the operators of certain private medical providers in Nevada is imposed by the Division of Health Care Financing and Policy of the Department of Health and Human Services, the proceeds must be used to provide additional support and services under Medicaid for Medicaid recipients with serious behavioral health conditions, effective upon passage and approval (June 8, 2023).								
	If such an assessment is imposed, the use of these proceeds for Medicaid services is anticipated to increase capitation payments to contracted managed care organizations, which would increase insurance premium tax collections (as these capitation payments are considered as net direct considerations for the calculation of the tax). However, as it is not known what the rate of assessment that may be imposed or when such an assessment may begin, the effect on the State General Fund is not known at this time.								
[6-24]	A.B. 448 clarifies that the exemption from the real property transfer tax for a mere change in identity, form or place of organization, does not apply if the business entity to which the real property is transferred was formed for the purpose of avoiding those taxes, effective upon passage and approval (June 15, 2023). The effect upon the State General Fund is not known at this time, as it is anticipated that the Department of Taxation will need to develop regulations to establish guidelines for determining which entities are formed for the purpose of avoiding the tax.								
[7-24]	S.B. 452 requires 100% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be permanently allocated to the State Highway Fund, effective July 1, 2023. As approved under this bill, the State General Fund will no longer receive proceeds from this tax beginning in FY 2024.								
[8-24]	A.B. 232 revises the tax on other tobacco products to specify that the tax on premium cigars, defined as a cigar that is rolled by hand, has a wrapper made of whole tobacco leaves, and which does not have a filter or mouthpiece, is 30 percent of the wholesale price of the cigar, but cannot be less than 30 cents per premium cigar or more than 50 cents per premium cigar, effective July 1, 2023, until June 30, 2027. Estimated to reduce collections by \$1,000,000 per fiscal year in FY 2024 and FY 2025.								
[9-24]	A.B. 260 provides an exemption from any fees imposed by the Secretary of State's Office under Title 7 of the NRS for veterans services organizations, as recognized by the United States Secretary of Veterans Affairs, any agent or officer of such an organization, effective January 1, 2024. Estimated to reduce revenue by \$650 in FY 2024 and \$1,300 in FY 2025.								
[10-24]	S.B. 145 revises the fine structure that may be imposed by the Labor Commissioner for violations of provisions relating to intentional misclassification of employees by an employer, removing the \$2,500 fine that may be imposed upon an employer for a first offense of these provisions. Estimated to reduce revenue by \$10,000 per fiscal year in FY 2024 and FY 2025.								
[11-24]	S.B. 450 provides a General Fund appropriation of \$12,000,000 to the Housing Division of the Department of Business and Industry to establish a program for the relocation of persons residing in the Windsor Park neighborhood of the City of North Las Vegas whose residences have been damaged by the sinking of the ground beneath the residences. The legislatively approved repayment of this appropriation is \$250,000 per month, which must be withheld from the payment made from the Local Government Tax Distribution Account to the City of North Las Vegas for each month beginning on July 1, 2023, until the month when the total amount withheld from the city equals \$12,000,000.								
[12-24]	S.B. 448 eliminates the distribution of certain court administrative assessment fees to the Office of the Court Administrator and other functions pursuant to subsection 8 of NRS 176.059, and instead requires that those proceeds be deposited in the State General Fund in addition to the \$5 per assessment that is currently deposited pursuant to subsections 5 and 6 of NRS 176.059, effective July 1, 2023. The elimination of this revenue distribution additionally eliminates the provisions that require court administrative assessment revenue that was not used or distributed for these purposes to be deposited in the State General Fund. Estimated to generate \$15,569,000 per fiscal year in FY 2024 and FY 2025.								
[13-24]	Adjustment to the Statewide Cost Allocation amount included in the Legislatively Approved budget after the May 1, 2023, approval of the General Fund revenue forecast by the Economic Forum.								

TABLE 5
GENERAL FUND REVENUES - ACTUALS
FY 2023 THROUGH FY 2025 AND FY 2026 VERSUS FY 2025 YEAR-TO-DATE THROUGH FEBRUARY
 Joint Interim Standing Committee on Revenue - April 1, 2026, Meeting

DESCRIPTION	FY 2023		FY 2024		FY 2025		YEAR-TO-DATE [a.]			
							ACTUAL	% Change	ACTUAL	% Change

TAX CREDIT PROGRAMS APPROVED BY THE LEGISLATURE

- [TC-1] Pursuant to S.B. 165 (2013), the Governor's Office of Economic Development (GOED) could issue up to \$20 million per fiscal year for a total of \$80 million for the four-year pilot program in transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax. The provisions of the film tax credit program were amended in S.B. 1 (28th Special Session (2014)) to reduce the total amount of the tax credits that may be approved by GOED to a total of \$10 million.
- Pursuant to A.B. 492 (2017), a total of \$10 million per year in film tax credits may be awarded by GOED beginning in FY 2018, in addition to any remaining amounts from S.B. 1 of the 28th Special Session (2014). Any portion of the \$10 million per fiscal year that is not approved by GOED may be carried forward and made available during the next or any future fiscal year. The forecasts for FY 2025, FY 2026, and FY 2027 are based on information provided by the Nevada Film Office of GOED.
- [TC-2] Pursuant to S.B. 1 (28th Special Session (2014)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to \$12,500 for each qualified employee employed by the participants in the project, to a maximum of 6,000 employees, plus 5 percent of the first \$1 billion of new capital investment in the State made collectively by the participants in the qualifying project, plus an additional 2.8 percent of the next \$2.5 billion in new capital investment in the State made collectively by the participants in the project. The amount of credits approved by GOED may not exceed \$45 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$195 million. The forecast is \$0 per fiscal year for FY 2025, FY 2026, and FY 2027, because the entirety of the \$195 million in transferrable tax credits that could be authorized pursuant to S.B. 1 have been awarded and used.
- Pursuant to S.B. 1 (29th Special Session (2015)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to \$9,500 for each qualified employee employed by the participants in the project, to a maximum of 4,000 employees. The amount of credits approved by GOED may not exceed \$7.6 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$38 million.
- Pursuant to Senate Bill 410 of the 2019 Session, a project is eligible for the transferable tax credits only if the Interim Finance Committee approves a written request submitted by GOED for the issuance of the transferable tax credits. The Interim Finance Committee may approve such a request only if the Interim Finance Committee determines that approval of the request will not impede the ability of the Legislature to carry out its duty to provide for an annual tax sufficient to defray the estimated expenses of the State for each fiscal year as set forth in Article 9, Section 2 of the Nevada Constitution; and will promote the economic development of this State and aid the implementation of the State Plan for Economic Development developed by the Executive Director of GOED.
- On January 31, 2023, the Interim Finance Committee, under the provisions required pursuant to Senate Bill 410 of the 2019 Session, approved a written request by the Office of Economic Development for the issuance of \$2,137,500 in transferable tax credits to Redwood Materials, Inc., the lead participant engaged in a qualified project in Storey County. The Board of Economic Development approved the application for this project at its meeting on December 1, 2022. Based on information received from GOED, the estimated amount of credits that will be used is \$2,137,500 in FY 2025.
- On June 18, 2025, the Interim Finance Committee approved a request for an additional \$4,303,500 in transferable tax credits to Redwood Materials, Inc. Based on information received from GOED, it is estimated that these credits will be used in FY 2026.
- [TC-3] Pursuant to S.B. 357 (2013), the Nevada New Markets Jobs Act allows insurance companies to receive a credit against the tax imposed on insurance premiums in exchange for making qualified equity investments in community development entities, particularly those that are local and minority-owned. A total of \$200 million in qualified equity investments may be certified by the Department of Business and Industry. In exchange for making the qualified equity investment, insurance companies are entitled to receive a credit against the Insurance Premium Tax in an amount equal to 58 percent of the total qualified equity investment that is certified by the Department. The credits, which were allowed to be taken by insurance companies beginning in the third quarter of FY 2015 under the provisions of S.B. 357, may be taken in increments beginning on the second anniversary date of the original investment, as follows:
- 2 years after the investment is made: 12%; 3 years after the investment is made: 12%; 4 years after the investment is made: 12%; 5 years after the investment is made: 11%; and 6 years after the investment is made: 11%.
- Pursuant to A.B. 446 (2019), an additional \$200 million in qualified equity investments could be certified by the Department of Business and Industry, effective July 1, 2019, with a total of \$116 million of credits that may be taken based on the increment percentages originally approved in S.B. 357 (2013). However, pursuant to A.B. 446, no credits could be taken against the Insurance Premium Tax before July 1, 2021 (FY 2022).
- Pursuant to S.B. 240 (2023), an additional \$170 million in qualified equity investments may be certified by the Department of Business and Industry, effective July 1, 2024, with a total of \$98.6 million of credits that may be taken based on the increment percentages originally approved in S.B. 357 (2013). However, pursuant to S.B. 450, no credits may be taken against the Insurance Premium Tax before July 1, 2026 (FY 2027).
- S.B. 240 additionally allows the Department of Business and Industry, effective July 1, 2024, to certify \$30 million in impact qualified equity investments, with a total of \$22.5 million of credits that may be taken based on the increment percentages in the bill (0% in the first two years, and 15% per year in the next five years). Pursuant to S.B. 240, none of these credits may be taken against the Insurance Premium Tax before July 1, 2026 (FY 2027).
- The forecasts for FY 2025, FY 2026, and FY 2027 are based on information provided by the Department of Business and Industry and the Department of Taxation.
- [TC-4] S.B. 507 (2015) authorizes the Governor's Office of Economic Development (GOED) to approve transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax to new or expanding businesses to promote the economic development of Nevada. As approved in S.B. 507, the total amount of transferrable tax credits that may be issued is \$500,000 in FY 2016, \$2,000,000 in FY 2017, and \$5,000,000 for FY 2018 and each fiscal year thereafter.
- A.B. 1 of the 29th Special Session (2015) reduced the total amount of transferrable tax credits that may be issued by GOED to zero in FY 2016, \$1 million in FY 2017, \$2 million per year in FY 2018 and FY 2019, and \$3 million in FY 2020. For FY 2021 and future fiscal years, the amount of credits that may be issued by GOED remains at \$5 million per year. The forecasts for FY 2025, FY 2026, and FY 2027 are based on information provided by GOED.

TABLE 5
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FY 2023 THROUGH FY 2025 AND FY 2026 VERSUS FY 2025 YEAR-TO-DATE THROUGH FEBRUARY
 Joint Interim Standing Committee on Revenue - April 1, 2026, Meeting

DESCRIPTION	FY 2023 ACTUAL	% Change	FY 2024 ACTUAL	% Change	FY 2025 ACTUAL	% Change	YEAR-TO-DATE [a.]			
							FY 2025 FEBRUARY	FY 2026 FEBRUARY	\$ Difference	% Change

- [TC-5] A.B. 165 (2015) allows taxpayers who make donations of money to certain scholarship organizations to receive a dollar-for-dollar credit against the taxpayer's liability for the Modified Business Tax (MBT). The total amount of credits that may be approved by the Department of Taxation (Department) is \$5 million in FY 2016, \$5.5 million in FY 2017, and 110 percent of the total amount of credits authorized in the previous year, for all subsequent fiscal years.
- S.B. 555 (2017) authorized an additional \$20 million in credits against the MBT under this program in Fiscal Year 2018 beyond those that were authorized in FY 2018 based on the provisions of A.B. 165 (2015). Any amount of the \$20 million in credits that is not approved by the Department may be issued in future fiscal years.
- A.B. 458 (2019) permanently eliminated the 10 percent increase in the amount of credits that may be authorized in each year, capping the total amount that may be authorized in each year at \$6,655,000 beginning in FY 2020. The bill additionally clarified that the \$6,655,000 limit per year applies to the combined credits that may be taken under both chapters of the MBT (Chapters 363A and 363B), rather than as a separate limit for each chapter.
- S.B. 551 (2019) authorized an additional \$4,745,000 in credits against the MBT (Chapters 363A and 363B combined) under this program per year in FY 2020 and FY 2021 beyond those that were authorized in those years based on the provisions of A.B. 458 (2019). Any amount of the \$4,745,000 in credits that is not approved by the Department in each fiscal year may be issued in future fiscal years.
- A.B. 495 (2021) authorized an additional \$4,745,000 in credits against the MBT (Chapters 363A and 363B combined) under this program per year in FY 2022 beyond those that are authorized in that year based on the provisions of A.B. 458 (2019). The forecasts for FY 2025, FY 2026, and FY 2027 were prepared by the Governor's Finance Office and the Fiscal Analysis Division based on information provided by the Department of Taxation.
- [TC-6] S.B. 412 (2015) provides a tax credit against the Modified Business Tax (MBT) to certain employers who match the contribution of an employee to one of the college savings plans offered through the Nevada Higher Education Prepaid Tuition Program and the Nevada College Savings Program authorized under existing law. The amount of the tax credit is equal to 25 percent of the matching contribution, not to exceed \$500 per contributing employee per year, and any unused credits may be carried forward for 5 years. The provisions relating to the Nevada College Savings Program are effective January 1, 2016, and the Higher Education Prepaid Tuition Program are effective July 1, 2016.
- The forecasts for FY 2025, FY 2026, and FY 2027 are based on information provided by the Treasurer's Office on enrollment and contributions for the College Savings Program.
- [TC-7] S.B. 448 (2019) authorizes the Housing Division of the Department of Business and Industry (Division) to approve a total of \$40 million of transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax. Under the provisions of S.B. 448, the Division may award up to \$10 million in transferable tax credits per year to persons who develop affordable housing projects in Nevada over the four years of the pilot program, but may award an additional \$3 million in credits in any fiscal year if the issuance of the credits is necessary for the development of additional affordable housing projects in the state. If the Division approves any credits in excess of \$10 million in a fiscal year, the amount to be awarded in the next fiscal year must be reduced by the amount in excess of \$10 million that was issued in the previous fiscal year. If the Division does not issue all of the \$10 million in credits authorized in a fiscal year, that amount is carried forward and may be issued in a subsequent fiscal year.
- S.B. 284 (2021) made several changes to this tax credit program, including revising the procedure for the issuance of transferable tax credits so that transferable tax credits are issued before, rather than after, the project is completed; removing the 4-year sunset provisions originally established by S.B. 448 (2019), making the program permanent; and clarifying that the maximum amount of tax credits that may be issued under the program remains at \$40 million as established in S.B. 448 (2019).
- The forecasts for FY 2025, FY 2026, and FY 2027 are based on information provided by the Division.
- [TC-8] S.B. 1 (35th Special Session (June 2023)) authorizes the developer partner of a qualified major league baseball stadium project to apply to the Stadium Authority for a certificate of eligibility for transferrable tax credits which may be applied to the Modified Business Tax, the Gaming Percentage Fee Tax, or the Insurance Premium Tax (with the exception of any of these taxes generated from activity occurring within the stadium district). A qualified project may be approved for a maximum of \$36 million in tax credits per fiscal year, beginning in Fiscal Year 2026, and a maximum of \$180 million in transferrable tax credits may be awarded to all qualified projects in the state.
- The forecasts for FY 2026 and FY 2027 are based on information provided by the Las Vegas Stadium Authority.