



NEVADA POLICY
Research Institute

Testimony in Opposition re: Assembly Bill 443
Senate Committee on Revenue & Economic Development
Thursday, May 2, 2019
1:30pm

My name is Daniel Honchariw. I serve as senior policy analyst for the [Nevada Policy Research Institute](http://www.nevadapolicy.org).

NPRI opposes AB443 because the proponents of the More Cops tax scheme keep shifting the goalposts.

What began as a single, temporary increase to the sales-tax rate in Clark County now seems destined to morph into two permanent increases, which by their very nature will disproportionately burden Clark County's poorest.

The original, temporary More Cops increase was levied in 2005, but in 2016, the Clark County Commission levied an additional, permanent increase for the same purpose of hiring more police officers. The commission elected to enact this additional tax, notwithstanding the fact that Las Vegas Metro's More Cops fund had an average year-end balance of more than \$120 million for fiscal years 2014-2016, having earned more than \$4 million in interest over those three years alone.

We taxpayers were told repeatedly that a new tax was nonetheless required in 2016 because those reserve funds were off limits — that they couldn't be spent towards their intended purpose of hiring more police officers immediately — because the More Cops tax was going to sunset in 2025. It was thus necessary, said supporters of the 2016 increase, to save that \$100+ million as it would eventually be relied upon to cover the career costs beyond 2025 of those already hired.

But it now appears the original More Cops tax will become permanent. Thus my question is, will lawmakers at any level of government now advocate for the repeal of the second increase to the sales-tax rate, which was premised, at least partially, on the planned sunset of the original tax? We suspect not.

For taxpayers, AB443 serves as a teachable moment. Rarely in practice is there such a thing as a temporary, or sunsetting, tax. Unfortunately, this is only the most recent reminder of that decades-old truth.

I urge this committee to oppose AB443 and to respect the degree to which ordinary Nevadans — especially the poor and marginalized — already struggle under the existing tax code.

Respectfully submitted,

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