

Committee Action:
Do Pass _____
Amend & Do Pass _____
Other _____

Senate Committee on Revenue and Economic Development
This measure may be considered for action during today's work session.
March 9, 2023

Senate Bill 50

Revises provisions governing the sales tax holiday for certain members of the Nevada National Guard and certain relatives of such members. (BDR 32-253)

Sponsored by: Senate Committee on Revenue and Economic Development

Date Heard: February 14, 2023

**Fiscal Impact: Effect on Local Government: No.
Effect on the State: No.**

Summary

To ensure compliance with the Streamlined Sales and Use Tax Agreement, of which the State of Nevada is a member, Senate Bill 50 revises the process through which members of the Nevada National Guard who are on active status and who are residents of this State, and certain relatives of such members of the Nevada National Guard, can claim an exemption from sales and use taxes on purchases that occur on the date on which Nevada Day is observed or the immediately following Saturday or Sunday.

Under current law, the claims process requires the respective eligible Nevada National Guard member or his or her relative to claim the exemption via a letter issued by the Department of Taxation from the retailer from whom the member or his or her relative purchases tangible personal property. The retailer is required to retain and present the letter of exemption to the Department of Taxation upon request.

Senate Bill 50 amends the process to require the respective eligible member of the Nevada National Guard and his or her relatives to pay the full amount of sales taxes to the retailer and submit a request for refund to the Department of Taxation after the purchase, including a copy of the letter of exemption and a copy of receipts of eligible purchases.

Testimony

Testimony in support of Senate Bill 50 provided by:

Andrew LePeilbet, Chair, United Veterans Legislative Council

George Hritz, Nevada Taxpayers Association

J.R. Stafford, Chapter President, Vietnam Veterans of America, Sierra Nevada Chapter 989

Andrew MacKay, Executive Director, Nevada Franchise Auto Dealers Association

Bryan Wachter, Senior Vice President, Retail Association of Nevada

Testimony in opposition of Senate Bill 50 provided by:

No testimony in opposition was provided.

Testimony in neutral to Senate Bill 50 provided by:

No testimony in neutral was provided.

Amendments

Amendment #1

An amendment to Senate Bill 50 was submitted by the Department of Taxation, which is attached to this work session document.

The proposed amendment eliminates the requirement in the original bill for an eligible member of the Nevada National Guard or his or her relative to provide a letter of exemption to a retailer upon the purchase of personal tangible property for which the member or his or her relatives will claim the tax exemption from the Department of Taxation during the Nevada Day weekend, and clarifies that the retailer will collect the sales taxes from that person.

SENATE BILL NO. 50—COMMITTEE ON
REVENUE AND ECONOMIC DEVELOPMENT

(ON BEHALF OF THE DEPARTMENT OF TAXATION)

PREFILED NOVEMBER 16, 2022

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions governing the sales tax holiday for certain members of the Nevada National Guard and certain relatives of such members. (BDR 32-253)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

EXPLANATION: Matter in (1) *bolded italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

AN ACT relating to taxation; revising provisions governing the sales tax holiday occurring over the day on which Nevada Day is observed and the immediately following weekend for certain members of the National Guard and certain relatives of such members; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 Existing law provides an exemption from sales and use taxes on purchases of
- 2 tangible personal property by members of the Nevada National Guard who are on
- 3 active status and who are residents of this State and certain relatives of such
- 4 members of the Nevada National Guard if the purchase occurs on the date on which
- 5 Nevada Day is observed or the immediately following Saturday or Sunday. (NRS
- 6 372.7281, 374.7285) To claim this exemption from the tax on the purchase of
- 7 tangible person property, existing law requires a person who is eligible for the
- 8 exemption to obtain a letter of exemption from the Department of Taxation and to
- 9 provide a copy of the letter to the retailer from whom the person purchases tangible
- 10 person property. (NRS 372.7282, 374.7286)
- 11 This bill revises the manner in which a member of the Nevada National Guard
- 12 or a relative of a member of the Nevada National Guard claims this exemption.
- 13 This bill removes the requirement that to claim the exemption, the person must
- 14 provide a copy of the letter of exemption to the retailer. Instead, this bill requires:
- 15 (1) a retailer to collect the tax on the purchase of tangible personal property that
- 16 qualifies for the exemption under existing law: and (2) the person who claims the

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17 exemption to submit to the Department a request for a refund of the tax, a copy of
18 the letter of exemption issued to the person and the receipt issued to the person by
19 the retailer indicating that the person paid the tax. Under this bill, the Department is
20 required to issue a refund of the tax to a person who submits the required
21 information.

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

1 **Section 1.** NRS 372.7282 is hereby amended to read as
2 follows:
3 372.7282 1. A person who wishes to claim an exemption
4 pursuant to NRS 372.7281 must file an application with the
5 Department to obtain a letter of exemption. The application must be
6 on a form and contain such information as is required by the
7 Department. A person who wishes to claim an exemption pursuant
8 to subsection 4 or 5 of NRS 372.7281 must file the application not
9 later than 30 days before the date on which Nevada Day is observed
10 pursuant to NRS 236.015, unless a different deadline is specified by
11 the Department by regulation, provided that any deadline
12 established by the Department must not be earlier than 45 days
13 before the date on which Nevada Day is observed.
14 2. If the Department determines that a person is eligible for the
15 exemption provided pursuant to NRS 372.7281, the Department
16 shall issue a letter of exemption to the person. A letter of exemption
17 issued to a member of the Nevada National Guard described in
18 subsection 1 of NRS 372.7281 or a relative of a member described
19 in subsection 2 of NRS 372.7281 expires 30 days after the member
20 of the Nevada National Guard returns to the United States. A letter
21 of exemption issued to a relative of a deceased member of the
22 Nevada National Guard described in subsection 3 of NRS 372.7281
23 expires on the date 3 years after the date of the death of the member.
24 A letter of exemption issued to a member of the Nevada National
25 Guard described in subsection 4 of NRS 372.7281 or a relative of a
26 member described in subsection 5 of NRS 372.7281 expires on
27 December 31 of the year it is issued but may be renewed. *A retailer*
28 *making a sale to which a member of the Nevada National Guard*
29 *described in*
30 *subsection 4 of NRS 372.7281 or a relative of a member described*
31 *in subsection 5 of NRS 372.7281 provides a copy of the letter of*
32 *exemption shall collect the tax imposed by this chapter.*
33 3. To claim an exemption pursuant to *subsection 1, 2 or 3 of*
34 NRS 372.7281 for the sale of tangible personal property to such a
35 person:
36 (a) The person must provide a copy of the letter of exemption to
the retailer from whom the person purchases the property; and

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1 (b) The retailer must retain and present upon request a copy of
2 the letter of exemption to the Department.

3 4. *To claim an exemption pursuant to subsection 4 or 5 of*
4 *NRS 372.7281, as applicable, for the sale of tangible personal*
5 *property to such a person, not later than 30 calendar days after the*
6 *date of the sale, the person must submit to the Department:*

7 (a) *A request for a refund of the tax paid by the person upon a*
8 *sale of tangible personal property that was exempt from tax*
9 *pursuant to subsection 4 or 5 of NRS 372.7281, as applicable;*

10 (b) *A copy of the letter of exemption issued to the person; and*

11 (c) *A copy of the receipt which was provided to the person by*
12 *the retailer from whom the person purchased the property and*
13 *which indicates that the person to whom the letter of exemption*
14 *was issued paid tax upon a sale of tangible personal property that*
15 *was exempt from tax pursuant to subsection 4 or 5 of NRS*
16 *372.7281, as applicable.*

17 ↪ *The Department shall issue a refund to a person who submits*
18 *the information required by this subsection within the period*
19 *established by this subsection.*

20 5. The Department shall adopt such regulations as are
21 necessary to carry out the provisions of this section

22 **Sec. 2.** NRS 374.7286 is hereby amended to read as follows:

23 374.7286 1. A person who wishes to claim an exemption
24 pursuant to NRS 374.7285 must file an application with the
25 Department to obtain a letter of exemption. The application must be
26 on a form and contain such information as is required by the
27 Department. A person who wishes to claim an exemption pursuant
28 to subsection 4 or 5 of NRS 374.7285 must file the application not
29 later than 30 days before the date on which Nevada Day is observed
30 pursuant to NRS 236.015, unless a different deadline is specified by
31 the Department by regulation, provided that any deadline
32 established by the Department must not be earlier than 45 days
33 before the date on which Nevada Day is observed.

34 2. If the Department determines that a person is eligible for the
35 exemption provided pursuant to NRS 374.7285, the Department
36 shall issue a letter of exemption to the person. A letter of exemption
37 issued to a member of the Nevada National Guard described in
38 subsection 1 of NRS 374.7285 or a relative of a member described
39 in subsection 2 of NRS 374.7285 expires 30 days after the member
40 of the Nevada National Guard returns to the United States. A letter
41 of exemption issued to a relative of a deceased member of the
42 Nevada National Guard described in subsection 3 of NRS 374.7285
43 expires on the date 3 years after the date of the death of the member.
44 A letter of exemption issued to a member of the Nevada National
45 Guard described in subsection 4 of NRS 374.7285 or a relative of a

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1 member described in subsection 5 of NRS 374.7285 expires on
2 December 31 of the year it is issued but may be renewed. *A retailer*
3 making a sale to ~~which a member of the Nevada National Guard~~
4 *described in subsection 4 of NRS 374.7285 or a relative of a member described*
5 *in subsection 5 of NRS 374.7285 ~~provides a copy of the letter of~~*
6 *exemption shall collect the tax imposed by this chapter.*
7 3. To claim an exemption pursuant to *subsection 1, 2, or 3 of*
8 NRS 374.7285, for the sale of tangible personal property to such
9 a person:
10 (a) The person must provide a copy of the letter of exemption to
11 the retailer from whom the person purchases the property; and
12 (b) The retailer must retain and present upon request a copy of
13 the letter of exemption to the Department.
14 4. *To claim an exemption pursuant to subsection 4 or 5 of*
15 *NRS 374.7285, as applicable, for the sale of tangible personal*
16 *property to such a person, not later than 30 calendar days after the*
17 *date of the sale, the person must submit to the Department:*
18 (a) *A request for a refund of the tax paid by the person upon a*
19 *sale of tangible personal property that was exempt from tax*
20 *pursuant to subsection 4 or 5 of NRS 372.7281, as applicable;*
21 (b) *A copy of the letter of exemption issued to the person; and*
22 (c) *A copy of the receipt which was provided to the person by*
23 *the retailer from whom the person purchased the property and*
24 *which indicates that the person to whom the letter of exemption*
25 *was issued paid tax upon a sale of tangible personal property that*
26 *was exempt from tax pursuant to subsection 4 or 5 of NRS*
27 *374.7285, as applicable.*
28 ↪ *The Department shall issue a refund to a person who submits*
29 *the information required by this subsection within the period*
30 *established by this subsection.*
31 5. The Department shall adopt such regulations as are
32 necessary to carry out the provisions of this section.

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