

Assembly

MINUTES OF MEETING - COMMITTEE ON TAXATION - 55th NEVADA ASSEMBLY SESSION, February 4, 1969

Present: M. K. Hafen, Getto, Young, Espinoza, Tyson, Smith and Swackhammer, and Hilbrecht.

Absent : Schouweiler

The meeting convened at 8:15 A.M. Chairman Hafen introduced Norman D. Glaser, Assemblyman from Elko to explain some of the language of AB 32 to the committee. Regarding Section 1, Par. 1, Mr. Glaser said the key word is may "The board of county commissioners of any county may include in the annual budget of the county items to cover the expense of maintaining a county museum or historical society."

Re Section 1, Par 2, Mr. Glaser stated the key word is "cannot" although the wording of the paragraph is not exactly in this language. "The expenditures so budgeted may be met by including them in the annual tax levy of the county; but in no case may the tax levy for such purposes in any 1 year exceed 5 cents on each \$100 of the assessed valuation of the property of that county".

Re Section 1, Par 3, Mr. Glaser stated the monies were to be used for operating expenses and not for capital improvements.

Mr. Glaser commented briefly on a historical museum in Elko which he said had been operating for years on an annual budget, some of which was from the Fleischman Foundation but mostly from donations of friends. He said the Board felt that if they could go to their county commissioners to put a few cents on the tax rolls to give them a little more latitude, it would be helpful.

Mr. Swackhammer: "Would you consider putting in any language for the establishment of the new one whether or not the only people that should have a yes or no say would be the county commissioners? Shouldn't there be other machinery to let other interested citizens know?"

Mr. Young asked if the county commissioners didn't already have this authority.

Chairman Hafen suggested a study on what one cent would do for the counties, and Mr. Getto stated it could be five cents. Chairman Hafen commented that he wondered if in some counties it would raise enough money to pay salaries for a year.

Mr. Young suggested inviting Clark Russel from the Department of Economic Development to advise the committee on this matter, or, he said, would Chairman Hafen prefer that some one from the committee talk to him.

Assembly

Minutes of Meeting on Taxation

Mr. Glaser suggested inviting some of the museum people over - the curators. He said he understood they are available to talk to interested groups.

Mr. Swackhammer suggested statewide involvement and ultimately, statewide appropriation. He said the matter would have something to do with what the committee does in regard to funding.

Chairman Hafen excused Mr. Glaser.

Mr. Swackhammer suggested a vote on this proposal.

Mrs. Tyson then moved Do Pass on AB 32. Seconded by Swackhammer, unanimously carried.

Chairman Hafen presented A.J.R. 5, which proposes constitutional amendment to add certain exemptions from taxation, and introduced committee guest Zel Lowman, Assemblyman from Clark County, who made a few brief remarks. He said that we have no inventory tax in Nevada. He suggested that warehouses should be included in this bill and should be amended to include the manufacturing processes and also give the same break to the inventory of manufacturers and merchants already in the State. He said, "you may think this takes away a lot of tax money. It is certainly my conviction that we have to get away from this type of taxation and get into a more meaningful type". He said that we must convince the businessman that we are not trying to relieve him of something he is already getting.

Mr. Young moved to set a date for hearing on all 3 proposals, A.J.R. 5, A.J.R. 4 and S.J.R. 3, and to ask Art Palmer or Roy Nixon from the Tax Commission to come over and speak to the Committee.

Mr. Smith suggested adding to the motion, "ascertain cost of administering".

Seconded by Getto. Unanimously carried.

Young asked if the group wanted to invite Clark Russell who could talk to the Committee on the impact of these bills?

Hilbrecht then introduced A.J.R. 4 to the Committee. It proposes constitutional amendment to authorize legislature to provide for reduced tax on certain improvements to real property. He said it relates directly in terms of getting the legislature to adjust real property based on the same line. He said Mr. Russell should address himself to all facets of this bill, as well as the two others.

Mrs. Tyson asked if this bill was patterned after the Utah situation, and Mr. Lowman answered that the Utah situation was mentioned to him, but that he has not read the Law.

Mr. Hafen made a motion that the committee consider A. J. R. 4, 5, 14 and 15 and hold over for a future meeting.

Seconded by Tyson, Unanimously carried.

Chairman Hafen then introduced Senator James I. Gibson, Clark County, who advised the committee on S. J. R. 3, which proposes reintroduction of federal legislation to alleviate income tax treatment for state legislators. He said this same Resolution is being introduced in all the States. He said the whole resolution stems from a resolution of a Commissioner of Internal Revenue which exempts \$25 per day from the Legislator's income tax, and was originally introduced in the Senate of the United States in April 1968. It was a bill intended to improve the income tax treatment afforded state legislators on their living allowances, including per diem. He said he was requesting a Congressional Resolution to re-introduce this Bill this Session.

Chairman Hafen asked Senator Gibson, if this became a matter of law, how would it effect your income tax return. He said that as he understood it at this time from his accountant, you just don't declare your per diem or you declare your per diem and your expenses.

Senator Gibson said the Internal Revenue has this same regulation, whereby you can declare a certain mileage allowance.

Mr. Swackhammer asked what would happen if inflation continues and a need should arise to increase per diem to \$35 per day. He said that he felt it would be a lot easier to get a new regulation by the Commission than a new statute by Congress.

Mr. Hafen said that by way of comment, he felt that from the standpoint of the public, there might be some criticism of the pay raise bill if this bill is also introduced. He said that this bill doesn't really do a lot, and he did not think the Committee should approve it at this time, but just leave it open.

Senator Gibson stated it was a part of the cooperative effort of the legislative leaders of the various states. In many states, he said, about all the legislators get is their per diem. He said that the leadership groups were trying to standardize the per diem allowances for legislators from all the states.

Minutes of Meeting on Taxation

Senator Gibson replied that he didn't think it was earth shaking, and Mr. Young stated that he too thought they were getting into the public image of the legislator when they started discussing their expenses.

Mrs. Tyson asked what other states comprised the Western Government Group, and asked Senator Gibson if he had any feeling about how they felt about this proposal.

Senator Gibson stated he was not necessarily for it.

Chairman Hafen told Senator Gibson his committee did not want to take any action on this bill until they had talked to him, as the action had come from Senator Gibson's committee.

Mr. Smith made a motion that this bill, S.J.R. 3 be held over for awhile. Seconded by Getto. Unanimously carried.

Chairman Hafen introduced AJR 11, which proposes a constitutional amendment prohibiting personal income tax and A.J.R. 9, which proposes to amend Nevada constitution to allow imposition of estate tax not to exceed credit allowable under federal law, and suggested that the committee hold both for further extensive study.

Mr. Swackhammer suggested that a man be brought down from the Internal Revenue to explain how these proposals work. He said he thought some of the bankers and possibly the Bar and the Accountants would have some suggestions.

Chairman Hafen asked the committee what was their pleasure on these bills and Mr. Swackhammer made a motion that the hearings on tax measures and also on estate tax be heard in the not-too-distant future. Seconded by Getto. Unanimously carried.

Meeting was adjourned at 8:55 A.M.