

MINUTES OF MEETING - COMMITTEE ON TAXATION - ASSMEBLY 55TH
SESSION, MARCH 19TH, 1969

Present: Hafen, Young, Hilbrecht, Getto, Swackhamer, Smith,
Espinoza

Absent: Schouweiler, Tyson

Guests: Jim Bailey, Motor Vehicle Department
Ernest Newton, Nevada Taxpayers Association
Mrs. Shirley Wedow, Mrs. Judy Reeder, Mr. John Gamble,
Mr. John Hawkins, Mr. Coe, Mr. McCormick, Mr. Liston,
Mr. Perry, Mr. Seeliger, Mr. Blythe, Mr. Larson

The committee meeting was called to order at 8:10 am.

SB-128 - Requires levy of a school tax up to a certain level when requested by trustees of school district.

The bill was introduced by the State Department of Education to assure the school districts the tax levy of up to \$1.50. The formula used is to assure equal educational opportunity. It is felt that the \$1.50 must be figured in as a part of the total spending power.

Mr. Petroni indicated that the \$1.50 is composed of a 70¢ levy given without any question and an additional 80¢ if the school district requests. He read from Opinions #509 and 561 from the Attorney General which were contradictory. The main thing that they wish to do is to make sure the \$1.50 is guaranteed.

Mr. Perry stated that he was a member of the committee that worked up the budget on which the Attorney General based his opinions. He stated that the committee had no intention of changing the \$1.50 tax.

Mr. Picolle indicated that he had talked with Senator Dodge, and it was not his intent to move the \$1.50.

Mrs. Wedow stated that the PTA wished to go on record as supporting this.

It was brought out that the major support to the school districts come from two major areas (1) basic support guarantee and (2) permissive taxes. The basic support guarantee has two related objectives (1) giving school districts at least 80% of their required spending requirements and (2) sharing the support between the local district and the state according to their ability to pay.

It was brought out by guest that the local governments need additional sources of revenue and that this bill should not be resolved until all of the other bills on government financing are resolved. He brought out that the schools are involved in local government just like cities and counties and that they should be in a position of proving their needs.

Mr. Newton brought out that until 1961 it was unusual for the schools to require the full \$1.50. Clark County spent \$1.40 in 1961, and after had the full \$1.50 and had a large ending balance for the year. He further stated that in his review of the 1968-69 budgets compiled; he had gone through twelve. Of these twelve six school districts finished the year with enough money to have drastically reduced the property tax the previous year. It is normal operating procedure for the school districts to carry over 8 1/3%. He brought out the large percentages carried over by some of the school districts. Several school districts he talked with said that they would have no carryover at the end of the year.

It was brought out that the school districts are the only ones that have the \$1.50 guarantee and that the cities and counties had no guarantee.

It was said that if this bill did not pass that the schools would have to come back to the legislature for additional help.

AB-548 - Transfers responsibility for collection of revenue from motor vehicle fuel and lubricants from Nevada tax commission to department of motor vehicles.

Jim Bailey discussed this bill. He said that Mr. Nixon and he both felt that the gas tax and the use fuel tax should be collected by the same department. He said that his department could take over the collection of the gas tax and could combine very easily. He estimated that he could combine this with two additional employees at a cost of around \$17,000 a year. He stated that it was the intent of his department to eliminate as much 'red tape' as possible. He further stated that there would be a lot of problems if the use fuel tax were moved to the Tax Commission.

Mr. Guinn spoke on this bill and said that he thought that the Motor Vehicle Department could very efficiently handle this tax and that it would do away with some duplication. He stated that the Tax Commission spent \$150,000 on this, of funds from the Highway. He stated that the tax commission would still have to have all of their employees if this were given up.

When the distributor dumps gas at a service station, the taxes are collected at this time, and he reports and pays the taxes.

Mr. Newton pointed out that the tax commission has about forty field representatives that work on sales tax and other taxes. They have a slip that they fill out every time they see a bulk dealer deliver. They check the tax returns to see if this is reported.

Mr. Newton further pointed out that the tax commission operates at approximately \$59,000 a year from highway diversion money. He said that the tax commission very carefully controls the moneys spent and any moneys not spent revert back to the highway. He also stated that he did not feel that Mr. Bailey's figures on operation were realistic as there would be other costs besides salaries.

Mr. Newton further stated that he did not feel that the two taxes should necessarily be collected by the same agency. He further stated that as far as audits go, the Federal auditors on the gas tax gave the state their reports.

This bill will be discussed again Friday.

AB-455 - Makes technical amendments to motor vehicle fuel tax collection and distribution provisions.

Mr. Hafen indicated that since they changed their manner of requesting refunds that it was difficult to get the reports in at the specified times and sometimes could miss a refund because of the six month provision.

This bill will be discussed later.

Friday morning AB-425 will be discussed.

The meeting was adjourned by Hafen.