

Assembly

MINUTES OF MEETING - COMMITTEE ON TAXATION - APRIL 12TH, 1969
55TH ASSEMBLY SESSION

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

Absent: Espinoza, Tyson

Guests: Curtis H. Blyth, Nevada Municipal Association

Chairman Hafen convened the meeting at 12:30 p.m.

(SB-355)? SB -365

Mr. Blyth gave the committee members a worksheet which showed the effect if the cigarette tax were adopted if the liquor tax were adopted and on the one-half sales tax if adopted. The figures on the worksheet are based on the 1960 census the one-half cent sales tax was based on 1967-68 full sales tax figures.

If it is felt that the sale of cigarettes is going to decrease, then the figures would have to be adjusted; same applies to liquor.

There is no effective date on the bill; it could become effective upon passage and approval. If this bill passed the tax could not be levied until August 1. For the first year, if these go into effect, the actual number of dollars returned will be 11/12 of the figure shown.

This bill is not a municipal association bill. SB-422, which was a mandate levy of one percent sales tax was our proposal; it appeared early in the session and did not pass. The original was to be split between the cities and counties on a population basis. The one cent levy was changed to one-half cent and the counties were cut out and the counties without cities cannot participate in this. The theory in committee was based on past history and that enough money could be developed. This would have been true had the option been available in the one cent area. I do not think that this situation will come true in Clark County. The one-half cent does not produce the kind of revenue that would enable the cities to get off the ad valorem tax. ✓

It was brought out that the people from the small towns in the state have to go to either Las Vegas or Reno to buy many of the things that they wish to buy. It was thought that diversion in purchasing power is more imaginative than real. It was brought out that those in Clark County pay more to support statewide activities than the smaller counties. Clark County contributes more to the institutions outside of Clark County; they are subsidizing schools in the outlying areas.

It had been suggested that Clark County have the option of one-half cent or one cent and leave the others to take the option for one-half cent.

This bill has been tied to the consolidation bills; it puts the Municipal Association in a difficult position; they do not want to take a stand on consolidation. I think that this bill should be looked on as a revenue measure only; I hope it will be considered that way.

Meeting adjourned.