

BULLETIN NO. 67



Taxation of Banks and Other Financial Institutions  
in the State of Nevada

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## PART I

### Assembly Concurrent Resolution No. 13--53rd Session of the Nevada Legislature (1965)

#### Assembly Concurrent Resolution No. 13--Committee on Taxation

ASSEMBLY CONCURRENT RESOLUTION--Directing the legislative commission to study taxation of banks and financial institutions and to report any recommendations to the 54th session of the legislature and authorizing the hiring of additional personnel to conduct such study.

WHEREAS, The provisions for the taxation of banks and bank shares have not been revised since their enactment in 1907; and

WHEREAS, There are several limitations upon the amount and method by which banks and bank shares may be taxed, imposed both by federal law and by provisions of the Nevada constitution; and

WHEREAS, Many of the limitations relate to equal taxation of competing businesses, which may or may not include savings and loan associations and other financial institutions; and

WHEREAS, The change in the character of the loan markets brought about by the growth in recent years of savings and loan associations and other financial institutions and the rapid growth of banks within the State of Nevada may justify a revision of the method of taxations of banks or bank shares; and

WHEREAS, A proper revision of the statutes relating to such taxation would require an extensive study not only of the methods now used but the alternative methods and the effects and administration of each method; now, therefore, be it

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, THE SENATE CONCURRING, That the legislative commission is directed to study the laws and constitutional provisions relating to taxation of shares of stock, real and personal property or income of banks, savings and loan associations and other financial institutions, and if deemed advisable by the legislative commission, to report any recommendations for revision of the Nevada statutes and

constitution relating to such taxation to the 54th session of the Nevada legislature; and be it further

RESOLVED, That the director of the legislative counsel bureau is authorized to employ additional personnel if needed to conduct such study and that the legislature appropriate sufficient funds to pay the costs of such personnel.

## PART II

### Report of the Legislative Commission

TO THE MEMBERS OF THE 54TH SESSION OF THE NEVADA LEGISLATURE:

This report is submitted pursuant to Assembly Concurrent Resolution No. 13 of the 1965 legislative session, which directs the legislative commission to study the taxation of banks and other financial institutions and to submit any recommendations for new legislation which it may deem advisable to the 54th session of the Nevada legislature.

Two fundamental authorities govern the permissible methods of taxation of banks by the State of Nevada. These are, first, the United States Constitution and federal statutes enacted in pursuance thereof, which by virtue of Article VI of the United States Constitution take precedence over any state authority, and, second, the constitution of the State of Nevada.

Limitations applicable to the taxation by any state of any person, natural or artificial, are found in the due process and equal protection clauses of the 14th Amendment to the United States Constitution; but as applied to banks and other financial institutions, these limitations are less restrictive than the applicable federal statutes and therefore, for the purposes of this report, need not be discussed separately. Federal statutes are controlling because of the dual nature of our banking system, in which certain banks are chartered by the state in which they do business and may be freely taxed by it, but others, the national banks, are chartered by the United States and may be taxed by a state only to the extent expressly permitted by federal law. McCullough v. Maryland, 17 U.S. (4 Wheat.) 316 (1819); Citizens' Sav. Bank v. Owensboro, 173 U.S. 636 (1899).

The federal statute governing state taxation of national banks is 12 U.S.C. § 548, which provides in relevant part:

#### § 548. State taxation

The legislature of each State may determine and direct, subject to the provisions of this section, the manner

and place of taxing all the shares of national banking associations located within its limits. The several States may (1) tax said shares, or (2) include dividends derived therefrom in the taxable income of an owner or holder thereof, or (3) tax such associations on their net income, or (4) according to or measured by their net income, provided the following conditions are complied with:

1. (a) The imposition by any State of any one of the above four forms of taxation shall be in lieu of the others, except as hereinafter provided in subdivision (c) of this clause.

(b) In the case of a tax on said shares the tax imposed shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State coming into competition with the business of national banks: Provided, That bonds, notes, or other evidences of indebtedness in the hands of individual citizens not employed or engaged in the banking or investment business and representing merely personal investments not made in competition with such business, shall not be deemed moneyed capital within the meaning of this section.

\* \* \*

2. The shares of any national banking association owned by nonresidents of any State shall be taxed by the taxing district or by the State where the association is located and not elsewhere; and such association shall make return of such shares and pay the tax thereon as agent of such nonresident shareholders.

3. Nothing herein shall be construed to exempt the real property of associations from taxation in any State or in any subdivision thereof, to the same extent, according to its value, as other real property is taxed.

\* \* \*

4.



The exception noted as contained in subdivision (c) pertains to states which levy an income tax.

The controlling provisions of the Nevada constitution are found in section 1 of Article 10, which provides in relevant part:

Section 1. The legislature shall provide by law for a uniform and equal rate of assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property, real, personal and possessory, \* \* \*; shares of stock (except shares of stock in banking corporations), bonds, mortgages, notes, bank deposits, book accounts and credits, and securities and choses in action of like character are deemed to represent interest in property already assessed and taxed, either in Nevada or elsewhere, and shall be exempt.

\* \* \*

As applied to banks, the second clause above quoted amounts to a double negative. Shares of stock in general shall not be taxed, but shares of stock in banking corporation are an exception; therefore, shares of stock in banking corporations shall be taxed, in conformity with the requirement of the first clause.

Construing the state and federal provisions together, it appears first that as to real property the state constitution requires all real property to be taxed "at a uniform and equal rate of assessment and taxation," and that the federal statute, in clause 3, permits the taxation of the real property of national banks "to the same extent, according to its value, as other real property is taxed." The two requirements therefore coincide and present no problem. The State of Nevada does so assess the real property of all banks, pursuant to NRS 367.020; hence no amendment of this section is required.

Second, the state constitution requires the taxation of shares of stock in banking corporations as property of the shareholders, and the federal statute permits such taxation, as method (1) of the four authorized methods. However, under subdivision (a) of clause 1 of that statute, the state is thus precluded from adopting any of the other authorized methods of taxing national banks. It will be assumed throughout the remainder of this report that, from

considerations of basic fairness, the state will not choose to exercise its inherent power of taxation to impose upon state banks any form of taxation which it cannot impose upon national banks, and thus discriminate against its own creations. Therefore, the combined effect of the Nevada constitution and the federal statute is to provide one, and only one, method of taxing banks other than upon their real property.

Third, direct taxation of the tangible personal property of banks is forbidden by both federal and state provisions. Under 12 U.S.C. § 548, this follows from the exclusion of all taxation except the four permitted methods and the taxation of real property, and it was so held in Rosenblatt v. Johnson, 104 U.S. 462 (1891), and Security-First Nat'l Bank v. Franchise Tax Bd., 55 Cal.2d 407, 359 P.2d 625 (1961). Under section 1 of Article 10 of the Nevada constitution, it follows from the policy of the second clause to avoid double taxation, and the legislative construction to this effect is shown by the credit allowed state banks on their real property as well as the exemption of their tangible personal property under NRS 367.040.

The next question presented by Assembly Concurrent Resolution No. 13 is the taxation of savings and loan associations and other financial institutions. In considering the former, it must be noted that the exception in the second clause of section 1 of Article 10 of the Nevada constitution refers to "banking corporations." In State Tax Comm'n v. Yavapai County Sav. Bank, 52 Ariz. 374, 81 P.2d 86 (1938), the court was required to determine the meaning of the words "banking business." After discussing definitions found in legal encyclopedias and earlier cases, it stated:

These definitions differ in their terms, but it will be found that there is at least one element appearing in each and every one of them - a bank is an institution which receives and pays out deposits.

Every savings and loan association does in fact receive and pay out deposits. The distinction observed by depositors in practice, that a savings and loan association does not obligate itself to pay out deposits immediately, was expressly considered and held not to distinguish a savings institution from a bank for purposes of taxation in Oulton v. Savings Institute, 84 U.S. 109 (1872). Savings and loan associations also meet all the tests of the broader definition laid down in Smith v. Kansas City Title Co., 255 U.S. 180 (1920):

[A bank] may be authorized to receive deposits in only a limited way. Speaking generally, a bank is a moneyed institution to facilitate the borrowing, lending and caring for money.

Whether a savings and loan association is a banking corporation is quickly determined by reference to the statutes. NRS 673.070 expressly provides that "savings and loan associations \* \* \* shall be incorporated \* \* \*." 12 U.S.C. § 1464(a) authorizes the Federal Home Loan Bank Board "to provide for the \* \* \* incorporation \* \* \* of associations to be known as 'Federal Savings and Loan Association' \* \* \*." Construing a similar state statute and the same federal statute, the court in Michigan Savings & Loan League v. Municipal Finance Comm'n, 347 Mich. 311, 79 N.W.2d 590 (1956), held both state and federal associations to be corporations and their depositors to be shareholders.

Therefore, a savings and loan association is a "banking corporation" and section 1 of Article 10 of the Nevada constitution requires the taxation of its shares. 12 U.S.C. § 1464(h) permits and limits such taxation of federal associations as follows:

#### Exemptions from taxation

(h) No State, county, municipal, or local taxing authority shall impose any tax on such associations or their franchise, capital, reserves, surplus, loans, or income greater than that imposed by such authority on other similar local mutual or cooperative thrift and home financing institutions.

This provision in no way conflicts with the state constitutional requirement. Moreover, the provision of subdivision (b) of clause 1 of 12 U.S.C. § 548, which prohibits taxing the shares of a national bank at a greater rate than competing moneyed capital is taxed, apparently requires such a tax as a condition precedent to the taxation of the shares of national banks. In Michigan Nat'l Bank v. Michigan, 365 U.S. 467 (1961), the existence of competition between savings and loan associations and national banks was assumed, and the court addressed itself entirely to the question whether the rates (differently measured) were in practical effect no higher for the national banks.

Other financial institutions are in a different situation. Credit unions receive deposits and make loans; but Nevada law does not

authorize their organization under state auspices, and 12 U.S.C. § 1768 specifically exempts federal credit unions from taxation except upon their real and tangible personal property. Finance companies, regulated under chapter 675 of NRS, make loans but do not receive deposits. They therefore lack the essential element, as defined in State Tax Comm'n v. Yavapai County Sav. Bank, supra, to be classified as banking corporations, and the general language of the second clause of section 1 of Article 10 of the Nevada constitution exempts their shares from taxation. Nor is taxation of their capital a condition precedent to the taxation of shares of national banks. In First Nat'l Bank v. Louisiana, 289 U.S. 60 (1933), the court expressly rejected the argument that the equal protection clause of the 14th Amendment, so required, and held that there was a "fundamental distinction" between banks and corporations which lend money not obtained from depositors. Clearly all finance companies, having no federal immunity, are fully taxable upon their real and tangible personal property.

A contrary opinion was expressed by a California district court of appeal in Marble Mortgage Co. v. Franchise Tax Bd., 50 Cal. Rptr. 345 (Cal. App. 1965), but that opinion is deprived of persuasive force by two factors. First, it deals with taxation of banks and mortgage companies according to net income, under method (4) of 12 U.S.C. § 548, not upon shares of stock under method (1). The restrictions upon such taxation are provided in subdivision (c) of clause 1, but the court, apparently not noting this distinction, based its discussion upon subdivision (b) relating to shares. Its discussion of shares is therefore gratuitous. Second, the court referred to the decision in Michigan Nat'l Bank v. Michigan, supra, but did not recognize that in that case competition from finance and mortgage companies had been raised but the point abandoned in the court below, and that the Supreme Court of the United States accepted such abandonment as proper. Thus it inferentially upheld, in this latest case on the subject, its earlier decision in First Nat'l Bank v. Louisiana, supra.

Turning to the manner of collection of the tax on shares, the manner prescribed by NRS 367.060, which requires the bank to make payment, is consistent with the requirement of clause 2 of 12 U.S.C. § 548 for national banks, and for the sake of uniformity should be applied to all institutions whose shares are taxed.

The problem of determining the value of shares and rate of assessment is more difficult. Present NRS 367.030 requires assessment of shares "at their full cash value on October 1" and allows credit for the value of real property (also an obsolete credit for mortgages and trust deeds, which are no longer assessed). The Nevada tax commission ascertains "full cash value" of the shares of each bank in the state by a formula based on amount of deposits, book value of capital, and net income. Several of the factors used appear to be arbitrary. Section 1 of Article 10 of the Nevada constitution requires only that the legislature "prescribe such regulations as shall secure a just valuation." The holding of Michigan Nat'l Bank v. Michigan, *supra*, requires that the practical effect of the tax be no heavier on national banks than on state banks and on savings and loan associations.

The simplest test of value, of course, is market value. This has two drawbacks, however, in the present situation. First, it cannot be applied to federal savings and loan associations, which have no marketable shares, or conveniently to state savings and loan associations where both holders of capital stock and depositors are considered to be shareholders. Second, bank stocks are traded over the counter in a notoriously thin market.

The capital of a bank or savings and loan association can, however, be readily ascertained from its books, whose accuracy is attested by their regular examination for other purposes by state and federal banking authorities. Distortions from understatement of the value of real property can be minimized by limiting the credit for real property to its book value; distortions from overstatement of reserves can be minimized by limiting recognition of reserves to those allowable for federal income tax purposes. Such a valuation based on capital accounts would treat all institutions alike and would eliminate the use of arbitrary factors.

Shares should then be assessed at 35 percent of the value above determined, in accordance with the requirement of section 1 of Article 10 of the Nevada constitution for "a uniform and equal rate of assessment." It may be noted that when the section now designated NRS 367.030 was originally enacted in 1907, all property was assessed at full cash value, and the section has never been amended to reflect the 35 percent rate now applicable under chapter 361 of NRS, though part of the Nevada tax commission formula does use a 35 percent factor.

Extension of the tax on shares to savings and loan associations requires a choice with respect to tangible personal property. There is no federal statute which exempts such property of federal savings and loan associations as 12 U.S.C. § 548 does for national banks, but as explained above, the policy of section 1 of Article 10 of the Nevada constitution to avoid double taxation requires its exemption. This can be accomplished either by taxing such property directly to the associations and then allowing its value as a credit against capital in computing the share tax base, or by exempting it in the same way as is required for national banks and done for all banks. The latter method is recommended because it is simpler and results in uniformity of computation for all banking corporations.

Alternative draft bills embodying the above recommendations are attached. Alternative I employs the method of computing total capital of a savings and loan association to produce a tax yield in the same proportions to total deposits as the tax on banks. It is estimated that enactment of Alternative I would result in approximately \$695,000 being collected annually from savings and loan associations. Alternative II, if enacted, would yield virtually no revenue from savings and loan associations.

Respectfully submitted,

Legislative Commission  
State of Nevada

Carson City, Nevada  
November 18, 1966

### PART III

#### Suggested Legislation

#### Alternative I

SUMMARY--Amends bank share tax law.

AN ACT relating to the taxation of shares of stock in banking corporations; enlarging the definition of such corporations; providing for the valuation and assessment of such shares; to amend NRS sections 367.020 to 367.070, inclusive; to repeal NRS section 367.010; and providing other matters properly relating thereto.

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

Section 1. Chapter 367 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. As used in this chapter, unless the context otherwise requires:

1. "Banking corporation" means any association or corporation authorized to receive and pay out deposits of money, and includes any bank or savings and loan association organized under the laws of this state, the United States, or any other state or nation, but does not include a credit union organized pursuant to the Federal Credit Union Act, 12 U.S.C. §§ 1751 et seq.

2. "Share of stock" means every evidence of investment in a banking corporation which entitles its holder to share ratably in the profits of such banking corporation, and includes a passbook account in a federal or other mutual savings and loan association.

3. "Stockholder" means any holder of a share of stock, as defined in subsection 2.

Sec. 3. 1. For the purposes of this chapter, the full cash value of a share of stock in a banking corporation is the proportionate part represented by such share of the total capital of such banking corporation, less its like proportionate part of the deduction provided in subsection 3.

2. The total capital of a banking corporation shall be computed:

(a) In the case of a bank organized or doing business pursuant to Title 55 of NRS or to 12 U.S.C. ch. 2, by subtracting from the total assets of such bank the sum of:

(1) Its total liabilities; and

(2) The total of its reserves to the extent that amounts set aside for such reserves have been allowed as deductions from gross income in the computation of its federal income tax, or were so allowable at the time such amounts were set aside.

(b) In the case of a savings and loan association or any other association organized or doing business pursuant to chapter 673 of NRS or to 12 U.S.C. ch. 12, as equal to 9 percent of the total deposits held by such association.

3. There shall be deducted from the total capital of each banking corporation, computed as provided in subsection 2, the total value of the real property of such banking corporation, and of any bank building corporation subsidiary to it or affiliated with it, to the extent that such real property appears directly or indirectly as an asset for the purpose of subsection 2, less the amount of any reserve relating to such real property, including but not limited to any reserve for depreciation, which is subtracted from assets.

Sec. 4. NRS 367.020 is hereby amended to read as follows:

367.020 The real property belonging to any [bank,] banking corporation, subsidiary bank building corporation or affiliate bank building corporation shall be assessed to the [bank] banking corporation in the same manner and form as other real property is assessed to the owners thereof.

Sec. 5. NRS 367.030 is hereby amended to read as follows:

367.030 1. All shares of stock in [banks, whether of issue or not,] banking corporations, including shares subscribed but not issued, existing by authority of the United States, or of the State of Nevada, or of any other state, territory or foreign government, and located within the State of Nevada, shall be



assessed to the owners thereof in the county, city, town or district where such [banks] banking corporations are located, and not elsewhere, in the assessment of all state, county, town or special taxes, imposed and levied in such place, whether such owner is a resident of the county, city, town or district, or not.

2. All such shares shall be assessed at 35 percent of their full cash value on October 1 . [, first deducting therefrom the proportionate value of the real property belonging to the bank, subsidiary bank building corporation or affiliate bank building corporation and the amount or value of such mortgages and trust deeds owned by the bank and on which the bank has paid the taxes or authorized the assessment thereof in its name, at the same rate and no greater than that at which other moneyed capital in the hands of citizens and subject to taxation is assessed by law.]

3. The proportionate parts of the shares of stock in a [bank] banking corporation having branches in one or more counties, cities, towns or districts [,] shall be assessed as provided herein in such counties, cities, towns or districts where [such bank] its principal office or branches may be situated, such proportionate parts to be assessed in each such county, town, city or district being determined by the ratio which the total deposits, both time and demand, at the close of banking hours on the last business day of September in the [bank] principal office or branch situated in such county, city, town or district bear to the total of such deposits on the last business day of September in [all of the banks and branches thereof,] the principal office and all of its branches, ownership of which is represented by the shares of stock so assessed.

4. The persons or corporations who appear from the records of the [banks] banking corporations to be the owners of shares at the close of the business day next preceding October 1 in each year shall be taken and deemed to be the owners thereof for the purposes of this section.

Sec. 6. NRS 367.040 is hereby amended to read as follows:

367.040 No [bank in which shares of stock have been issued] banking corporation shall be assessed upon other property than its real property and no stockholder in such [bank] banking corporation shall be assessed on account of his property interest therein except for his share of stock as provided in NRS 367.030.

Sec. 7. NRS 367.050 is hereby amended to read as follows:

367.050 Every [bank in which shares of stock have been

issued,] banking corporation, and the officers thereof, shall, upon the request of the assessor of any county or city in which it or one of its branches is situated:

1. Deliver to him in full a true and complete list of the names of the stockholders in such [bank] banking corporation and the number of shares owned by each on the close of business on the day preceding October 1, as shown by its books and records; and

2. Deliver to him a true statement of the total number of shares comprising the capital stock of the [bank,] banking corporation, and if operating [branch banks] branches within the state, a true statement of the total deposits, both time and demand, in [the bank] its principal office and in each of its branches at the close of banking hours on the last business day of September.

Sec. 8. NRS 367.060 is hereby amended to read as follows:

367.060 Every [bank in which shares of stock have been issued] banking corporation shall pay to the tax collector or other person authorized to collect the taxes of the state, county, city, town or district in which [the] its shares of stock are assessed as provided in this chapter, at the time in each year when other taxes assessed in the state, county, city, town or district become due, the amount of the tax so assessed in such year upon the shares in such [bank,] banking corporation, and if the tax is not so paid the [bank] banking corporation shall be liable for the same and for equal penalties provided by law in the collection of delinquent taxes upon other property.

Sec. 9. NRS 367.070 is hereby amended to read as follows:

367.070 1. The shares of a [bank in which shares of stock have been issued] banking corporation shall be subject to the tax paid thereon by the [bank] banking corporation or by the officers thereof, and the [bank] banking corporation and the officers thereof have a lien on all the shares in such [bank] banking corporations and on all the rights and property of the stockholders in the [bank] banking corporation and the property thereof for the payment of such taxes.

2. A banking corporation may elect not to recoup from its stockholders the tax imposed by this section.

Sec. 10. NRS 367.010 is hereby repealed.

## Alternative II

SUMMARY--Amends bank share tax law.

AN ACT relating to the taxation of shares of stock in banking corporations; enlarging the definition of such corporations; providing for the valuation and assessment of such shares; to amend NRS sections 367.020 to 367.070, inclusive; to repeal NRS section 367.010; and providing other matters properly relating thereto.

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

Section 1. Chapter 367 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. As used in this chapter, unless the context otherwise requires:

1. "Banking corporation" means any association or corporation authorized to receive and pay out deposits of money, and includes any bank or savings and loan association organized under the laws of this state, the United States, or any other state or nation, but does not include a credit union organized pursuant to the Federal Credit Union Act, 12 U.S.C. §§ 1751 et seq.

2. "Liabilities" include every withdrawable deposit, and specifically include withdrawable deposits designated as shares in savings and loan associations.

3. "Share of stock" means every evidence of investment in a banking corporation which entitles its holder to share ratably in the profits of such banking corporation, and includes a pass-book account in a federal or other mutual savings and loan association.

4. "Stockholder" means any holder of a share of stock, as defined in subsection 2.

Sec. 3. 1. For the purposes of this chapter, the full

cash value of a share of stock in a banking corporation is the proportionate part represented by such share of the total capital of such banking corporation, less its like proportionate part of the deduction provided in subsection 3.

2. The total capital of a banking corporation shall be computed by subtracting from the total assets of such banking corporation the sum of:

(a) Its total liabilities; and

(b) The total of its reserves to the extent that amounts set aside for such reserves have been allowed as deductions from gross income in the computation of its federal income tax, or were so allowable at the time such amounts were set aside.

3. There shall be deducted from the total capital of each banking corporation, computed as provided in subsection 2, the total value of the real property of such banking corporation, and of any bank building corporation subsidiary to it or affiliated with it, to the extent that such real property appears directly or indirectly as an asset for the purpose of subsection 2, less the amount of any reserve relating to such real property, including but not limited to any reserve for depreciation, which is subtracted from assets.

Sec. 4. NRS 367.020 is hereby amended to read as follows:

367.020 The real property belonging to any [bank,] banking corporation, subsidiary bank building corporation or affiliate bank building corporation shall be assessed to the [bank] banking corporation in the same manner and form as other real property is assessed to the owners thereof.

Sec. 5. NRS 367.030 is hereby amended to read as follows:

367.030 1. All shares of stock in [banks, whether of issue or not,] banking corporations, including shares subscribed but not issued, existing by authority of the United States, or of the State of Nevada, or of any other state, territory or foreign government, and located within the State of Nevada, shall be assessed to the owners thereof in the county, city, town or district where such [banks] banking corporations are located, and not elsewhere, in the assessment of all state, county, town or special taxes, imposed and levied in such place, whether such owner is a resident of the county, city, town or district, or not.

2. All such shares shall be assessed at 35 percent of their full cash value on October 1 . [, first deducting therefrom the proportionate value of the real property belonging to the bank,

subsidiary bank building corporation or affiliate bank building corporation and the amount or value of such mortgages and trust deeds owned by the bank and on which the bank has paid the taxes or authorized the assessment thereof in its name, at the same rate and no greater than that at which other moneyed capital in the hands of citizens and subject to taxation is assessed by law.]

3. The proportionate parts of the shares of stock in a [bank] banking corporation having branches in one or more counties, cities, towns or districts [,] shall be assessed as provided herein in such counties, cities, towns or districts where [such bank] its principal office or branches may be situated, such proportionate parts to be assessed in each such county, town, city or district being determined by the ratio which the total deposits, both time and demand, at the close of banking hours on the last business day of September in the [bank] principal office or branch situated in such county, city, town or district bear to the total of such deposits on the last business day of September in [all of the banks and branches thereof,] the principal office and all of its branches, ownership of which is represented by the shares of stock so assessed.

4. The persons or corporations who appear from the records of the [banks] banking corporations to be the owners of shares at the close of the business day next preceding October 1 in each year shall be taken and deemed to be the owners thereof for the purposes of this section.

Sec. 6. NRS 367.040 is hereby amended to read as follows:  
367.040 No [bank in which shares of stock have been issued] banking corporation shall be assessed upon other property than its real property and no stockholder in such [bank] banking corporation shall be assessed on account of his property interest therein except for his share of stock as provided in NRS 367.030.

Sec. 7. NRS 367.050 is hereby amended to read as follows:  
367.050 Every [bank in which shares of stock have been issued,] banking corporation, and the officers thereof, shall, upon the request of the assessor of any county or city in which it or one of its branches is situated:

1. Deliver to him in full a true and complete list of the names of the stockholders in such [bank] banking corporation and the number of shares owned by each on the close of business on the day preceding October 1, as shown by its books and records; and

2. Deliver to him a true statement of the total number of shares comprising the capital stock of the [bank,] banking corporation, and if operating [branch banks] branches within the state, a true statement of the total deposits, both time and demand, in [the bank] its principal office and in each of its branches at the close of banking hours on the last business day of September.

Sec. 8. NRS 367.060 is hereby amended to read as follows:

367.060 Every [bank in which shares of stock have been issued] banking corporation shall pay to the tax collector or other person authorized to collect the taxes of the state, county, city, town or district in which [the] its shares of stock are assessed as provided in this chapter, at the time in each year when other taxes assessed in the state, county, city, town or district become due, the amount of the tax so assessed in such year upon the shares in such [bank,] banking corporation, and if the tax is not so paid the [bank] banking corporation shall be liable for the same and for equal penalties provided by law in the collection of delinquent taxes upon other property.

Sec. 9. NRS 367.070 is hereby amended to read as follows:

367.070 1. The shares of a [bank in which shares of stock have been issued] banking corporation shall be subject to the tax paid thereon by the [bank] banking corporation or by the officers thereof, and the [bank] banking corporation and the officers thereof have a lien on all the shares in such [bank] banking corporations and on all the rights and property of the stockholders in the [bank] banking corporation and the property thereof for the payment of such taxes.

2. A banking corporation may elect not to recoup from its stockholders the tax imposed by this section.

Sec. 10. NRS 367.010 is hereby repealed.