

S.J.R. 15 of the 76th Session

SENATE JOINT RESOLUTION NO. 15—COMMITTEE ON REVENUE

MARCH 28, 2011

Referred to Committee on Revenue

SUMMARY—Proposes to amend the Nevada Constitution to remove the separate tax rate and manner of assessing and distributing the tax on mines and the proceeds of mines. (BDR C-1151)

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

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

SENATE JOINT RESOLUTION—Proposing to amend the Nevada Constitution to repeal the provision establishing a separate tax rate and providing for assessing and disbursing the tax on the net proceeds of mines.

1 **Legislative Counsel’s Digest:**

2 Section 5 of Article 10 of the Nevada Constitution provides for a tax upon the
3 net proceeds of mines which is separate from the tax imposed on all other property.
4 This resolution proposes to repeal the constitutional provision establishing a
5 separate tax on the net proceeds of mines.

1 RESOLVED BY THE SENATE AND ASSEMBLY OF THE STATE OF
2 NEVADA, JOINTLY, That Section 1 of Article 10 of the Nevada
3 Constitution be amended to read as follows:

4 Section 1. 1. The Legislature shall provide by law for
5 a uniform and equal rate of assessment and taxation, and shall
6 prescribe such regulations as shall secure a just valuation for
7 taxation of all property, real, personal and possessory . ~~†~~
8 ~~except mines and mining claims, which shall be assessed and~~
9 ~~taxed only as provided in Section 5 of this Article.†~~

10 2. Shares of stock, bonds, mortgages, notes, bank
11 deposits, book accounts and credits, and securities and choses
12 in action of like character are deemed to represent interest in



1 property already assessed and taxed, either in Nevada or
2 elsewhere, and shall be exempt.

3 3. The Legislature may constitute agricultural and open-
4 space real property having a greater value for another use
5 than that for which it is being used, as a separate class for
6 taxation purposes and may provide a separate uniform plan
7 for appraisal and valuation of such property for assessment
8 purposes. If such plan is provided, the Legislature shall also
9 provide for retroactive assessment for a period of not less
10 than 7 years when agricultural and open-space real property is
11 converted to a higher use conforming to the use for which
12 other nearby property is used.

13 4. Personal property which is moving in interstate
14 commerce through or over the territory of the State of
15 Nevada, or which was consigned to a warehouse, public or
16 private, within the State of Nevada from outside the State of
17 Nevada for storage in transit to a final destination outside the
18 State of Nevada, whether specified when transportation
19 begins or afterward, shall be deemed to have acquired no
20 situs in Nevada for purposes of taxation and shall be exempt
21 from taxation. Such property shall not be deprived of such
22 exemption because while in the warehouse the property is
23 assembled, bound, joined, processed, disassembled, divided,
24 cut, broken in bulk, relabeled or repackaged.

25 5. The Legislature may exempt motor vehicles from the
26 provisions of the tax required by this Section, and in lieu
27 thereof, if such exemption is granted, shall provide for a
28 uniform and equal rate of assessment and taxation of motor
29 vehicles, which rate shall not exceed five cents on one dollar
30 of assessed valuation.

31 6. The Legislature shall provide by law for a progressive
32 reduction in the tax upon business inventories by 20 percent
33 in each year following the adoption of this provision, and
34 after the expiration of the 4th year such inventories are
35 exempt from taxation. The Legislature may exempt any other
36 personal property, including livestock.

37 7. No inheritance tax shall ever be levied.

38 8. The Legislature may exempt by law property used for
39 municipal, educational, literary, scientific or other charitable
40 purposes, or to encourage the conservation of energy or the
41 substitution of other sources for fossil sources of energy.

42 9. No income tax shall be levied upon the wages or
43 personal income of natural persons. Notwithstanding the
44 foregoing provision, and except as otherwise provided in
45 subsection 1 of this Section, taxes may be levied upon the



1 income or revenue of any business in whatever form it may
2 be conducted for profit in the State.

3 10. The Legislature may provide by law for an
4 abatement of the tax upon or an exemption of part of the
5 assessed value of a single-family residence occupied by the
6 owner to the extent necessary to avoid severe economic
7 hardship to the owner of the residence.

8 And be it further

9 RESOLVED, That Section 5 of Article 10 of the Nevada
10 Constitution is hereby repealed.

TEXT OF REPEALED SECTION

Sec. 5. Tax on proceeds of minerals; appropriation to counties; apportionment; assessment and taxation of mines.

1. The legislature shall provide by law for a tax upon the net proceeds of all minerals, including oil, gas and other hydrocarbons, extracted in this state, at a rate not to exceed 5 percent of the net proceeds. No other tax may be imposed upon a mineral or its proceeds until the identity of the proceeds as such is lost.

2. The legislature shall appropriate to each county that sum which would be produced by levying a tax upon the entire amount of the net proceeds taxed in each taxing district in the county at the rate levied in that district upon the assessed valuation of real property. The total amount so appropriated to each county must be apportioned among the respective governmental units and districts within it, including the county itself and the school district, in the same proportion as they share in the total taxes collected on property according to value.

3. Each patented mine or mining claim must be assessed and taxed as other real property is assessed and taxed, except that no value may be attributed to any mineral known or believed to underlie it, and no value may be attributed to the surface of a mine or claim if one hundred dollars' worth of labor has been actually performed on the mine or claim during the year preceding the assessment.

