

ASSEMBLY BILL NO. 486—COMMITTEE ON TRANSPORTATION

(ON BEHALF OF THE OFFICE OF FINANCE
IN THE OFFICE OF THE GOVERNOR)

MARCH 27, 2017

Referred to Committee on Taxation

SUMMARY—Revises provisions governing the distribution of the governmental services tax. (BDR 43-978)

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.

AN ACT relating to taxation; revising provisions relating to the allocation of a certain portion of the proceeds of the basic governmental services tax; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 The State of Nevada imposes a governmental services tax for the privilege of
2 operating any vehicle upon the highways of this State. (NRS 371.030) The annual
3 amount of the basic governmental services tax is 4 cents on each \$1 of valuation of
4 the vehicle, as determined by the Department of Motor Vehicles, with an exception
5 for certain trailers. (NRS 371.040) Existing law sets forth depreciation schedules
6 for determining the amount of the basic governmental services tax each year for
7 used vehicles and establishes a minimum tax. (NRS 371.060)

8 Under existing law, a specified percentage of the proceeds of the governmental
9 services tax, after certain deductions authorized for the Department, is required to
10 be equally distributed to the State General Fund and the State Highway Fund. (NRS
11 482.180, 482.182) The remaining proceeds of the governmental services tax is
12 distributed to each county in this State based on percentages provided by law.
13 (NRS 482.181)

14 This bill revises those provisions governing the portion of the governmental
15 services tax proceeds to be distributed to the State General Fund and the State
16 Highway Fund to provide that, for the Fiscal Years 2017-2018 and 2018-2019, the
17 State General Fund will receive 25 percent of the proceeds and the State Highway
18 Fund will receive 75 percent of the proceeds.



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

- 1 **Section 1.** NRS 482.181 is hereby amended to read as follows:
2 482.181 1. Except as otherwise provided in subsection 5,
3 after deducting the amount withheld by the Department and the
4 amount credited to the Department pursuant to subsection 6 of NRS
5 482.180, and the amount transferred to the State *General Fund and*
6 *the State* Highway Fund pursuant to NRS 482.182, the Department
7 shall certify monthly to the State Board of Examiners the amount of
8 the basic and supplemental governmental services taxes collected
9 for each county by the Department and its agents during the
10 preceding month, and that money must be distributed monthly as
11 provided in this section.
- 12 2. Any supplemental governmental services tax collected for a
13 county must be distributed only to the county, to be used as
14 provided in NRS 371.043, 371.045 and 371.047.
- 15 3. The distribution of the basic governmental services tax
16 received or collected for each county must be made to the county
17 school district within each county before any distribution is made to
18 a local government, special district or enterprise district. For the
19 purpose of calculating the amount of the basic governmental
20 services tax to be distributed to the county school district, the taxes
21 levied by each local government, special district and enterprise
22 district are the product of its certified valuation, determined
23 pursuant to subsection 2 of NRS 361.405, and its tax rate,
24 established pursuant to NRS 361.455 for the fiscal year beginning
25 on July 1, 1980, except that the tax rate for school districts,
26 including the rate attributable to a district's debt service, is the rate
27 established pursuant to NRS 361.455 for the fiscal year beginning
28 on July 1, 1978, but if the rate attributable to a district's debt service
29 in any fiscal year is greater than its rate for the fiscal year beginning
30 on July 1, 1978, the higher rate must be used to determine the
31 amount attributable to debt service.
- 32 4. After making the distributions set forth in subsection 3, the
33 remaining money received or collected for each county must be
34 deposited in the Local Government Tax Distribution Account
35 created by NRS 360.660 for distribution to local governments,
36 special districts and enterprise districts within each county pursuant
37 to the provisions of NRS 360.680 and 360.690.
- 38 5. An amount equal to any basic governmental services tax
39 distributed to a redevelopment agency in the Fiscal Year 1987-1988
40 must continue to be distributed to that agency as long as it exists but
41 must not be increased.



1 6. The Department shall make distributions of the basic
2 governmental services tax directly to county school districts.

3 7. As used in this section:

4 (a) "Enterprise district" has the meaning ascribed to it in
5 NRS 360.620.

6 (b) "Local government" has the meaning ascribed to it in
7 NRS 360.640.

8 (c) "Received or collected for each county" means:

9 (1) For the basic governmental services tax collected on
10 vehicles subject to the provisions of chapter 706 of NRS, the
11 amount determined for each county based on the following
12 percentages:

13		
14	Carson City..... 1.07 percent	Lincoln..... 3.12 percent
15	Churchill..... 5.21 percent	Lyon..... 2.90 percent
16	Clark..... 22.54 percent	Mineral..... 2.40 percent
17	Douglas..... 2.52 percent	Nye..... 4.09 percent
18	Elko..... 13.31 percent	Pershing..... 7.00 percent
19	Esmeralda..... 2.52 percent	Storey..... 0.19 percent
20	Eureka..... 3.10 percent	Washoe..... 12.24 percent
21	Humboldt..... 8.25 percent	White Pine..... 5.66 percent
22	Lander..... 3.88 percent	
23		

24 (2) For all other basic and supplemental governmental
25 services tax received or collected by the Department, the amount
26 attributable to each county based on the county of registration of the
27 vehicle for which the tax was paid.

28 (d) "Special district" has the meaning ascribed to it in
29 NRS 360.650.

30 **Sec. 2.** NRS 482.182 is hereby amended to read as follows:

31 482.182 1. After deducting the amount withheld by the
32 Department and the amount credited to the Department pursuant to
33 subsection 6 of NRS 482.180 and before carrying out the provisions
34 of NRS 482.181 each month, the Department shall direct the State
35 Controller to transfer to the :

36 (a) *State General Fund from the proceeds of the basic*
37 *governmental services tax collected by the Department and its*
38 *agents during the preceding month, 25 percent of the amounts*
39 *indicated pursuant to this section.*

40 (b) *State Highway Fund from the proceeds of the basic*
41 *governmental services tax collected by the Department and its*
42 *agents during the preceding month , 75 percent of the amounts*
43 *indicated pursuant to this section.*



1 2. Except as otherwise provided in subsection 3, the amount
2 required to be transferred pursuant to subsection 1 from the
3 proceeds of the basic governmental services tax imposed on vehicles
4 depreciated in accordance with:

5 (a) Subsection 1 of NRS 371.060 based upon an age of:

6 (1) One year, is a sum equal to 11 percent of those
7 proceeds;

8 (2) Two years, is a sum equal to 12 percent of those
9 proceeds;

10 (3) Three years, is a sum equal to 13 percent of those
11 proceeds;

12 (4) Four years, is a sum equal to 15 percent of those
13 proceeds;

14 (5) Five years, is a sum equal to 18 percent of those
15 proceeds;

16 (6) Six years, is a sum equal to 22 percent of those
17 proceeds;

18 (7) Seven years, is a sum equal to 29 percent of those
19 proceeds;

20 (8) Eight years, is a sum equal to 40 percent of those
21 proceeds; and

22 (9) Nine years or more, is a sum equal to 67 percent of those
23 proceeds; and

24 (b) Subsection 2 of NRS 371.060 based upon an age of:

25 (1) One year, is a sum equal to 12 percent of those
26 proceeds;

27 (2) Two years, is a sum equal to 14 percent of those
28 proceeds;

29 (3) Three years, is a sum equal to 18 percent of those
30 proceeds;

31 (4) Four years, is a sum equal to 21 percent of those
32 proceeds;

33 (5) Five years, is a sum equal to 26 percent of those
34 proceeds;

35 (6) Six years, is a sum equal to 30 percent of those
36 proceeds;

37 (7) Seven years, is a sum equal to 33 percent of those
38 proceeds;

39 (8) Eight years, is a sum equal to 37 percent of those
40 proceeds;

41 (9) Nine years, is a sum equal to 40 percent of those
42 proceeds; and

43 (10) Ten years or more, is a sum equal to 43 percent of those
44 proceeds.



1 3. The amount required to be transferred pursuant to subsection
2 1 from the proceeds of the basic governmental services tax imposed
3 on vehicles to which the minimum amount of that tax applies
4 pursuant to paragraph (b) of subsection 3 of NRS 371.060 is a sum
5 equal to 63 percent of those proceeds.

6 **Sec. 3.** This act becomes effective on July 1, 2017, and expires
7 by limitation on June 30, 2019.

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