

SENATE BILL NO. 342—SENATOR FARLEY

MARCH 20, 2017

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions relating to the collection of certain taxes on passenger carriers. (BDR 32-1116)

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

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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 collection of the excise tax imposed upon the use of certain methods of connecting a passenger to a person who provides transportation services; imposing an excise tax on the connection between a contract motor carrier and a person or operator willing to transport a passenger; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law imposes an excise tax upon each connection by a transportation
2 network company, common motor carrier of passengers or certificate holder of a
3 passenger to a driver, person or operator or taxicab, respectively, to provide
4 transportation to the passenger. (NRS 372B.140-372B.160) This bill requires each
5 transportation network company, common motor carrier of passengers and
6 certificate holder to collect the excise tax from a passenger or group of passengers
7 at the time the passenger or passengers pay a fare. This bill also imposes a similar
8 tax on contract motor carriers.

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

1 **Section 1.** NRS 360.001 is hereby amended to read as follows:
2 360.001 As used in this title, except as otherwise provided in
3 chapters 360A, 365, 366, 371 and 373 of NRS and unless the
4 context requires otherwise:
5 1. “Department” means the Department of Taxation.



1 2. *“Excise tax” means an indirect tax that a producer or*
2 *seller:*

3 (a) *Pays to the State; and*

4 (b) *May recover from or shift to a consumer or buyer.*

5 3. “Executive Director” means the Executive Director of the
6 Department of Taxation.

7 **Sec. 2.** Chapter 372B of NRS is hereby amended by adding
8 thereto a new section to read as follows:

9 *“Contract motor carrier” has the meaning ascribed to it in*
10 *NRS 706.051.*

11 **Sec. 3.** NRS 372B.010 is hereby amended to read as
12 follows:

13 372B.010 As used in this chapter, unless the context otherwise
14 requires, the words and terms defined in NRS 372B.020 to
15 372B.090, inclusive, *and section 2 of this act* have the meanings
16 ascribed to them in those sections.

17 **Sec. 4.** NRS 372B.070 is hereby amended to read as follows:

18 372B.070 “Taxpayer” means a:

19 1. Common motor carrier of passengers;

20 2. *Contract motor carrier;*

21 3. Taxicab; or

22 ~~3.~~ 4. Transportation network company.

23 **Sec. 5.** NRS 372B.140 is hereby amended to read as follows:

24 372B.140 1. In addition to any other fee or assessment
25 imposed pursuant to this chapter, an excise tax is hereby imposed on
26 *a transportation network company for* the use of a digital network
27 or software application service of ~~the~~ *the* transportation network
28 company to connect a passenger to a driver for the purpose of
29 providing transportation services at the rate of 3 percent of the total
30 fare charged for transportation services, which must include,
31 without limitation, all fees, surcharges, technology fees,
32 convenience charges for the use of a credit or debit card and any
33 other amount that is part of the fare. ~~{The Department shall charge~~
34 ~~and collect from each transportation network company}~~ *Each*
35 *transportation network company shall collect the excise tax from*
36 *each passenger at the time the passenger pays a fare and remit* the
37 excise tax imposed by this subsection ~~to the Department.~~

38 2. The excise tax collected by the Department pursuant to
39 subsection 1 must be deposited with the State Treasurer in
40 accordance with the provisions of NRS 372B.170.

41 **Sec. 6.** NRS 372B.150 is hereby amended to read as
42 follows:

43 372B.150 1. Except as otherwise provided in subsection 2
44 and in addition to any other fee or assessment imposed pursuant to
45 this chapter, an excise tax is hereby imposed on *a common motor*



1 *carrier of passengers or contract motor carrier for* the connection,
2 whether by dispatch or other means, made ~~{by a}~~ *between the*
3 common motor carrier of a passenger ~~{to}~~ *or passengers or contract*
4 *motor carrier and* a person or operator willing to transport ~~{the}~~ *a*
5 *passenger or group of passengers* at the rate of 3 percent of the total
6 fare charged for the transportation, which must include, without
7 limitation, all fees, surcharges, technology fees, convenience
8 charges for the use of a credit or debit card and any other amount
9 that is part of the fare. ~~{The Department shall charge and collect~~
10 ~~from each common motor carrier of passengers}~~ *Each common*
11 *motor carrier of passengers or contract motor carrier shall collect*
12 *the excise tax from each passenger at the time the passenger pays*
13 *a fare and remit* the excise tax imposed by this subsection ~~{}~~ *to the*
14 *Department.*

15 2. The provisions of subsection 1 do not apply to an airport
16 transfer service ~~{}~~ *, charter service by bus or special service*
17 *provided by a common motor carrier of passengers or contract*
18 *motor carrier.*

19 3. The excise tax collected by the Department pursuant to
20 subsection 1 must be deposited with the State Treasurer in
21 accordance with the provisions of NRS 372B.170.

22 4. As used in this section, "airport transfer service" means the
23 transportation of passengers and their baggage in the same vehicle,
24 except by taxicab, for a per capita charge between airports or
25 between an airport and points and places in this State. The term does
26 not include charter services by bus, charter services by limousine,
27 scenic tours or special services.

28 **Sec. 7.** NRS 372B.160 is hereby amended to read as
29 follows:

30 372B.160 1. Except as otherwise provided in subsection 2
31 and in addition to any other fee or assessment imposed pursuant to
32 this chapter, an excise tax is hereby imposed on *a certificate holder*
33 *for* the connection, whether by dispatch or other means, made ~~{by a}~~
34 *between the* certificate holder ~~{of a passenger to}~~ *and* a taxicab
35 willing to transport ~~{the}~~ *a passenger or group of passengers* at the
36 rate of 3 percent of the total fare charged for the transportation,
37 which must include, without limitation, all fees, surcharges,
38 technology fees, convenience charges for the use of a credit or debit
39 card and any other amount that is part of the fare. ~~{The Department~~
40 ~~shall charge and collect from each certificate holder}~~ *Each*
41 *certificate holder shall collect the excise tax from each passenger*
42 *at the time the passenger pays a fare and remit* the excise tax
43 imposed by this subsection ~~{}~~ *to the Department.*



- 1 2. The excise tax collected by the Department pursuant to
- 2 subsection 1 must be deposited with the State Treasurer in
- 3 accordance with the provisions of NRS 372B.170.
- 4 **Sec. 8.** This act becomes effective on July 1, 2017.

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