

SENATE BILL NO. 167—SENATOR SEEVERS GANSERT

MARCH 4, 2021

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions relating to taxation.
(BDR 32-701)

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 the procedures for seeking judicial review of certain determinations of the Nevada Tax Commission or the Department of Motor Vehicles; revising provisions governing penalties for failure to pay the amount of certain determinations of the Commission or Department when due; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, the Department of Motor Vehicles administers and collects
2 taxes imposed on fuel used in certain motor vehicles and aircraft and the
3 Department of Taxation administers and collects certain other taxes. (Chapters 360
4 and 360A of NRS) Existing law requires a person who seeks judicial review of a
5 final order of the Nevada Tax Commission or the Department of Motor Vehicles on
6 a petition for redetermination to pay the amount of the taxes, interest and penalties
7 determined to be due or enter into a written agreement with the Department of
8 Taxation or the Department of Motor Vehicles, as applicable, establishing a later
9 date by which he or she must pay that amount. (NRS 360.395, 360A.210) This bill
10 provides that: (1) a person is authorized to seek judicial review of the final order of
11 the Tax Commission or the Department of Motor Vehicles if he or she pays 25
12 percent of the amount determined to be due, excluding interest and penalties; and
13 (2) the penalty for failure to pay a deficiency determination when it is final must
14 not be imposed on a person seeking such judicial review unless the person fails to
15 pay the determination when the judgment of the court becomes final or enter into
16 an agreement to pay that amount at a later date.



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

1 **Section 1.** NRS 360.395 is hereby amended to read as follows:

2 360.395 1. Before a person may seek judicial review
3 pursuant to NRS 233B.130 from a final order of the Nevada Tax
4 Commission upon a petition for redetermination, the person must:

5 (a) Pay **25 percent of** the amount of the determination ~~§~~ ,
6 **exclusive of interest and penalties**; or

7 (b) Enter into a written agreement with the Department
8 establishing a later date by which he or she must pay the amount of
9 the determination.

10 2. If a court determines that the amount of the final order
11 should be reduced or that the person does not owe any taxes, the
12 Department shall credit or refund any amount paid by the person
13 that exceeds the amount owed, with interest determined in
14 accordance with NRS 360.2935.

15 **Sec. 2.** NRS 360.400 is hereby amended to read as follows:

16 360.400 1. All determinations made by the Department under
17 the authority of NRS 360.300 to 360.400, inclusive, are due at the
18 time they become final.

19 2. ~~§§~~ **Except as otherwise provided in subsection 3, if** the
20 determination is not paid when it becomes final and the taxpayer has
21 not entered into a written agreement with the Department for the
22 payment of the determination, the Department shall impose a
23 penalty of 10 percent of the amount of the determination, exclusive
24 of interest and penalties.

25 3. **Except as otherwise provided in this subsection, the**
26 **Department shall not impose a penalty pursuant to subsection 2 if**
27 **the taxpayer seeks judicial review pursuant to NRS 233B.130 from**
28 **a final order of the Nevada Tax Commission upon a petition for**
29 **redetermination and complies with the requirements of subsection**
30 **1 of NRS 360.395. If the taxpayer does not pay the amount of the**
31 **determination when the judgment of the court becomes final and**
32 **the taxpayer has not entered into a written agreement with the**
33 **Department for the payment of the determination, the Department**
34 **shall impose a penalty of 10 percent of the amount of the**
35 **determination, exclusive of interest and penalties.**

36 **Sec. 3.** NRS 360A.210 is hereby amended to read as follows:

37 360A.210 1. Before a person may request judicial review
38 pursuant to NRS 233B.130 from a final order of the Department
39 upon a petition for redetermination, the person must:

40 (a) Pay **25 percent of** the amount of the determination ~~§~~ ,
41 **exclusive of interest and penalties**; or



1 (b) Enter into a written agreement with the Department that
2 establishes a later date by which the person is required to pay the
3 amount of the determination.

4 2. If a court determines that the amount of the final order
5 should be reduced or that the person does not owe any taxes or fees,
6 the Department shall credit or refund any amount paid by the person
7 that exceeds the amount owed.

8 **Sec. 4.** NRS 360A.220 is hereby amended to read as follows:

9 360A.220 1. The amount specified as deficient in a
10 determination made by the Department pursuant to the provisions of
11 NRS 360A.100 to 360A.220, inclusive, is due at the time the
12 determination becomes final.

13 2. ~~¶¶~~ *Except as otherwise provided in subsection 3, if* the
14 amount specified as deficient in a determination is not paid when the
15 determination becomes final and the person against whom
16 the determination is made has not entered into a written agreement
17 with the Department for the payment of the amount specified as
18 deficient in the determination, the Department shall impose a
19 penalty of 10 percent of the amount specified as deficient in the
20 determination, exclusive of interest and penalties.

21 3. *Except as otherwise provided in this subsection, the*
22 *Department shall not impose a penalty pursuant to subsection 2 if*
23 *the taxpayer seeks judicial review pursuant to NRS 233B.130 from*
24 *a final order of the Department upon a petition for*
25 *redetermination and complies with the requirements of subsection*
26 *1 of NRS 360A.210. If the amount specified as deficient in a*
27 *determination is not paid when the judgment of the court becomes*
28 *final and the person against whom the determination is made has*
29 *not entered into a written agreement with the Department for the*
30 *payment of the amount specified as deficient in the determination,*
31 *the Department shall impose a penalty of 10 percent of the amount*
32 *specified as deficient in the determination, exclusive of interest*
33 *and penalties.*

34 **Sec. 5.** This act becomes effective on July 1, 2021.

