

ASSEMBLY BILL NO. 427—COMMITTEE
ON GROWTH AND INFRASTRUCTURE

MARCH 27, 2023

Referred to Committee on Revenue

SUMMARY—Revises provisions governing taxes on passenger carriers. (BDR 32-713)

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; authorizing a credit in certain years against taxes imposed on the connection of passengers to certain entities for transportation purposes; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law imposes an excise tax on: (1) the use of a digital network or
2 software application service of a transportation network company to connect a
3 passenger to a driver for the purpose of providing transportation services; (2) the
4 use of a dispatch center, software application or other digital means by an
5 autonomous vehicle network company to connect a passenger to a fully
6 autonomous vehicle for the purpose of providing transportation services; (3) a
7 connection made by a common motor carrier of passengers of a passenger to a
8 person or operator willing to transport the passenger; and (4) the connection made
9 by a certificate holder of a passenger to a taxicab willing to transport the passenger.
10 (NRS 372B.140-372B.160) This bill provides a tax credit against the excise tax on
11 such connections to a taxpayer who purchases and places into service between July
12 1, 2023, and June 30, 2024, at least one vehicle: (1) powered by electricity stored in
13 a battery or produced by a hydrogen fuel cell; and (2) that provides zero exhaust
14 emissions of certain substances.



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

1 **Section 1.** Chapter 372B of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 1. *A taxpayer may receive a credit against the tax otherwise*
4 *due pursuant to this chapter for each qualifying vehicle in each*
5 *fiscal year that is:*

6 (a) *Purchased by a taxpayer; and*

7 (b) *Placed into service by the taxpayer to provide*
8 *transportation services or transport passengers.*

9 2. *To receive the credit authorized by subsection 1, the*
10 *taxpayer must:*

11 (a) *Provide proof satisfactory to the Department in the manner*
12 *prescribed by the Department that a qualifying vehicle has been*
13 *purchased and placed into service; and*

14 (b) *Upon the request of the Department, furnish the*
15 *Department with copies of all records necessary to verify that the*
16 *taxpayer meets the requirements of subsection 1.*

17 3. *The amount of a credit authorized by subsection 1 for each*
18 *qualifying vehicle purchased and placed into service during the*
19 *fiscal year beginning on:*

20 (a) *July 1, 2023, is \$7,500.*

21 (b) *July 1, 2024, is \$6,000.*

22 (c) *July 1, 2025, is \$4,500.*

23 (d) *July 1, 2026, is \$3,000.*

24 (e) *July 1, 2027, and each fiscal year thereafter, is \$0.*

25 4. *A credit described in subsection 1 may not be applied*
26 *retroactively.*

27 5. *If the amount of the tax imposed by this chapter and*
28 *otherwise due from a taxpayer in any fiscal year is less than the*
29 *credit to which the taxpayer is entitled pursuant to this section, the*
30 *taxpayer may, after applying the credit to the extent of the tax*
31 *otherwise due in the fiscal year, carry the balance of the credit*
32 *forward for not more than 5 years after the end of the fiscal year*
33 *in which the taxpayer was first entitled to claim the credit or until*
34 *the balance of the credit is applied, whichever is earlier.*

35 6. *A taxpayer that is found to have submitted any false*
36 *statement, representation or certification in any document*
37 *submitted for the purpose of obtaining a credit pursuant to this*
38 *section shall repay to the Department any credit to which the*
39 *taxpayer is not entitled.*

40 7. *As used in this section:*

41 (a) *“Criteria pollutant” means a regulated air pollutant for*
42 *which the Administrator of the United States Environmental*



1 *Protection agency or his or her designee has established a*
2 *national ambient air standard.*

3 (b) *“Greenhouse gas” means any of the following gases, either*
4 *alone or in combination:*

- 5 (1) *Carbon dioxide;*
- 6 (2) *Hydrofluorocarbons (HFCs);*
- 7 (3) *Methane; and*
- 8 (4) *Nitrous oxide.*

9 (c) *“Qualifying vehicle” means a vehicle:*

10 (1) *Powered by electricity stored in a battery or produced by*
11 *a hydrogen fuel cell; and*

12 (2) *That produces zero exhaust emissions of any criteria*
13 *pollutant, precursor of a criteria pollutant or greenhouse gas*
14 *under any possible operational mode or condition.*

15 **Sec. 2.** 1. This section becomes effective upon passage and
16 approval.

17 2. Section 1 of this act becomes effective upon passage and
18 approval for the purpose of adopting any regulations and performing
19 any other preparatory administrative tasks that are necessary to carry
20 out the provisions of this act, and on July 1, 2023, for all other
21 purposes.

22 3. Section 1 of this act expires by limitation on June 30, 2032.

