

Amendment No. 450

Assembly Amendment to Assembly Bill No. 232	(BDR 32-618)
Proposed by: Assembly Committee on Revenue	
Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes	

Adoption of this amendment will ADD a 2/3s majority vote requirement for final passage of A.B. 232 (§ 1).

ASSEMBLY ACTION	Initial and Date		SENATE ACTION	Initial and Date
Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>		Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>
Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>		Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>
Receded <input type="checkbox"/>	Not <input type="checkbox"/>		Receded <input type="checkbox"/>	Not <input type="checkbox"/>

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

MPP/JFD



Date: 4/23/2023

A.B. No. 232—Revises provisions governing the taxation of other tobacco products. (BDR 32-618)



ASSEMBLY BILL NO. 232—ASSEMBLYMEN HIBBETTS; AND NGUYEN

MARCH 2, 2023

Referred to Committee on Revenue

SUMMARY—Revises provisions governing the taxation of other tobacco products. (BDR 32-618)

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 the tax imposed upon the receipt, purchase and sale of premium cigars; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Under existing law, there is imposed upon the receipt, purchase or sale of other tobacco products in this State a tax of 30 percent of the wholesale price of those products. (NRS 370.450) **Section 1** of this bill specifically limits the tax imposed upon the receipt, purchase and sale of other tobacco products that are premium cigars to not more than 50 cents or less than 30 cents for each premium cigar. **Section 1** defines “premium cigar” as a cigar that is rolled by hand, has a wrapper made of whole tobacco leaves and does not have a filter or mouthpiece.

Existing law requires the Department of Taxation to allow a credit of 30 percent of the wholesale price, less a discount of 0.25 percent for the services rendered in collecting the tax, for other tobacco products on which the tax has been paid and that may no longer be sold. (NRS 370.490) Section 1.5 of this bill makes a conforming change in response to the change in the rate of the tax for premium cigars to provide that the amount of this credit is the amount of the tax paid.

Section 2 of this bill provides that the amendatory provisions of this bill expire by limitation on June 30, 2027.

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

Section 1. NRS 370.450 is hereby amended to read as follows:

370.450 1. Except as otherwise provided in this section, there is hereby imposed upon the receipt, purchase or sale of other tobacco products in this State :

(a) *If the other tobacco products are not premium cigars*, a tax of 30 percent of the wholesale price of those products ~~is~~; *and*

(b) *If the other tobacco products are premium cigars*, a tax of ~~the lesser of~~ 30 percent of the wholesale price of those products ~~or~~ except that, if 30 percent of the wholesale price of those products is:

1 (1) Greater than 50 cents for each premium cigar ~~H~~, the tax imposed
2 shall be 50 cents for each premium cigar.

3 (2) Less than 30 cents for each premium cigar, the tax imposed shall be
4 30 cents for each premium cigar.

5 2. The provisions of subsection 1 do not apply to those products which are:

6 (a) Displayed or exhibited at a trade show, convention or other exhibition in
7 this State by a manufacturer or wholesale dealer of other tobacco products who is
8 not licensed in this State; or

9 (b) Distributed free of charge at a trade show, convention or other exhibition or
10 public event in this State, if the distributor has obtained a license to distribute other
11 tobacco products free of charge for the trade show, convention or other exhibition
12 or public event.

13 3. This tax:

14 (a) Is imposed:

15 (1) At the time the other tobacco products are first possessed or received
16 by a wholesale dealer of other tobacco products who maintains a place of business
17 in this State for sale or disposition in this State;

18 (2) At the time the other tobacco products are sold by a wholesale dealer of
19 other tobacco products who does not maintain a place of business in this State to a
20 retail dealer or ultimate consumer; or

21 (3) For other tobacco products manufactured, produced, fabricated,
22 assembled, processed, labeled or finished in this State, at the time the other tobacco
23 products are sold in this State to a wholesale dealer of other tobacco products, retail
24 dealer or ultimate consumer.

25 (b) Must be paid by the wholesale dealer of other tobacco products to the
26 Department, in accordance with the provisions of NRS 370.465. The wholesale
27 dealer of other tobacco products is entitled to retain 0.25 percent of the taxes due to
28 cover the costs of collecting and administering the taxes if the taxes are paid in
29 accordance with the provisions of NRS 370.465.

30 4. Any wholesale dealer of other tobacco products who sells or distributes
31 other tobacco products without paying the tax provided for by this section is guilty
32 of a misdemeanor.

33 ***5. As used in this section, "premium cigar" means a cigar that is rolled by***
34 ***hand, has a wrapper made of whole tobacco leaves and does not have a filter or***
35 ***mouthpiece.***

36 **Sec. 1.5. NRS 370.490 is hereby amended to read as follows:**

37 370.490 1. The Department shall allow a credit of ~~[30 percent of the~~
38 ~~wholesale price, less a discount of 0.25 percent for the services rendered in~~
39 ~~collecting the tax.] the amount of the tax paid pursuant to NRS 370.450, not~~
40 ~~including any amount of the tax retained by the wholesale dealer of other tobacco~~
41 ~~products to cover the costs of collecting and administering the tax, for other~~
42 tobacco products ~~[on which the tax has been paid pursuant to NRS 370.450 and]~~
43 that may no longer be sold. If the other tobacco products have been purchased and
44 delivered, a credit memo of the manufacturer is required for proof of returned
45 merchandise.

46 2. A credit must also be granted for any other tobacco products shipped from
47 this State and destined for retail sale and consumption outside the State on which
48 the tax has previously been paid. A duplicate or copy of the invoice is required for
49 proof of the sale outside the State.

50 3. A wholesale dealer of other tobacco products may claim a credit by filing
51 with the Department the proof required by this section. The claim must be made on
52 a form prescribed by the Department.

1 **Sec. 2.** This act becomes effective on July 1, 2023 ~~and~~ **and expires by**
2 **limitation on June 30, 2027.**