

SENATE BILL NO. 475—COMMITTEE ON FINANCE

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 25, 2013

Referred to Committee on Revenue and  
Economic Development

SUMMARY—Makes various changes concerning governmental  
financial administration. (BDR 32-1124)

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 governmental financial administration; revising the provisions governing the rate and calculation of the payroll tax imposed on certain businesses other than financial institutions; revising certain provisions governing the appropriation of money from the State Supplemental School Support Account; extending the prospective expiration of certain requirements regarding the imposition and advance payment of certain taxes and fees; revising provisions relating to the computation of the net proceeds from certain mining operations conducted in this State; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law imposes an excise tax on certain businesses other than financial  
2 institutions at the rate of 1.17 percent of the total wages paid by the business each  
3 calendar quarter that exceed \$62,500. (NRS 363B.110) On July 1, 2013, this rate is  
4 scheduled to change to 0.63 percent of the total wages paid by the business each  
5 calendar quarter. (Chapter 476, Statutes of Nevada 2011, pp. 2891-92, 2898)  
6 **Sections 1, 8 and 10** of this bill delay that rate change until June 30, 2015, and  
7 provide for the imposition of the tax at the rate of 1.17 percent of the total wages  
8 paid by the business each calendar quarter in excess of \$85,000 until June 30, 2015.  
9 Existing law imposes an additional tax on the gross receipts from the rental of  
10 transient lodging in certain counties and provides for the transfer of that money to  
11 the State Supplemental School Support Account. Existing law further provides that  
12 on and after July 1, 2013, the money in the State Supplemental School Support



13 Account is appropriated to the school districts and charter schools of the State for  
14 the operation of such schools. (NRS 244.33561, 387.191) **Section 2** of this bill  
15 extends to July 1, 2015, the prospective effective date of the provisions requiring  
16 that the money in the State Supplemental School Support Account be appropriated  
17 to such schools.

18 Existing law requires, until June 30, 2013, the advance payment of the tax on  
19 the net proceeds of minerals based upon the estimated net proceeds and royalties of  
20 a mining operation for the current calendar year. (Chapter 4, Statutes of Nevada  
21 2008, 25th Special Session, as last amended by chapter 476, Statutes of Nevada  
22 2011, at pp. 2896-97) **Section 3** of this bill delays the expiration of this requirement  
23 for advance payment until June 30, 2015, and **section 9** of this bill makes  
24 conforming changes to related transitory provisions governing the duties of the  
25 Department of Taxation in 2016 and the appropriation and apportionment of money  
26 to counties and other local governments during that year.

27 **Section 7** of this bill extends to January 1, 2016, the prospective effective date  
28 of certain other provisions revising the computation of the net proceeds from  
29 certain mining operations conducted in this State. **Section 6** of this bill makes  
30 conforming changes to transitory provisions governing the computation for 2015,  
31 2016 and subsequent calendar years.

32 Existing law imposes an annual fee of \$200 for a state business license. (NRS  
33 76.100, 76.130) On July 1, 2013, this fee is scheduled to change to \$100. (Chapter  
34 429, Statutes of Nevada 2009, as last amended by chapter 476, Statutes of Nevada  
35 2011, at p. 2897) **Section 4** of this bill delays this change until July 1, 2015.

36 Existing law requires, until June 30, 2013, an increase in the rate of the Local  
37 School Support Tax of 0.35 percent. (Chapter 395, Statutes of Nevada 2009, as  
38 amended by chapter 476, Statutes of Nevada 2011, at pp. 2897-98) **Section 5** of this  
39 bill delays the expiration of this increase until June 30, 2015.

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

1 **Section 1.** NRS 363B.110 is hereby amended to read as  
2 follows:

3 363B.110 1. There is hereby imposed an excise tax on each  
4 employer at the rate of 1.17 percent of the amount by which the sum  
5 of all the wages, as defined in NRS 612.190, paid by the employer  
6 during a calendar quarter with respect to employment in connection  
7 with the business activities of the employer exceeds ~~+\$62,500.1~~  
8 **\$85,000.**

9 2. The tax imposed by this section:

10 (a) Does not apply to any person or other entity or any wages  
11 this State is prohibited from taxing under the Constitution, laws or  
12 treaties of the United States or the Nevada Constitution.

13 (b) Must not be deducted, in whole or in part, from any wages of  
14 persons in the employment of the employer.

15 3. Each employer shall, on or before the last day of the  
16 month immediately following each calendar quarter for which  
17 the employer is required to pay a contribution pursuant to  
18 NRS 612.535:



1 (a) File with the Department a return on a form prescribed by  
2 the Department; and

3 (b) Remit to the Department any tax due pursuant to this chapter  
4 for that calendar quarter.

5 **Sec. 2.** NRS 387.191 is hereby amended to read as follows:

6 387.191 1. Except as otherwise provided in this subsection,  
7 the proceeds of the tax imposed pursuant to NRS 244.33561 and any  
8 applicable penalty or interest must be paid by the county treasurer to  
9 the State Treasurer for credit to the State Supplemental School  
10 Support Account, which is hereby created in the State General Fund.  
11 The county treasurer may retain from the proceeds an amount  
12 sufficient to reimburse the county for the actual cost of collecting  
13 and administering the tax, to the extent that the county incurs any  
14 cost it would not have incurred but for the enactment of this section  
15 or NRS 244.33561, but in no case exceeding the amount authorized  
16 by statute for this purpose. Any interest or other income earned on  
17 the money in the State Supplemental School Support Account must  
18 be credited to the Account.

19 2. On and after July 1, ~~2013,~~ 2015, the money in the State  
20 Supplemental School Support Account is hereby appropriated for  
21 the operation of the school districts and charter schools of the state,  
22 as provided in this section. The money so appropriated is intended  
23 to supplement and not replace any other money appropriated,  
24 approved or authorized for expenditure to fund the operation of the  
25 public schools for kindergarten through grade 12. Any money that  
26 remains in the State Supplemental School Support Account at the  
27 end of the fiscal year does not revert to the State General Fund, and  
28 the balance in the State Supplemental School Support Account must  
29 be carried forward to the next fiscal year.

30 3. On or before February 1, May 1, August 1 and November 1  
31 of ~~2014,~~ 2016, and on those dates each year thereafter, the  
32 Superintendent of Public Instruction shall transfer from the State  
33 Supplemental School Support Account all the proceeds of the tax  
34 imposed pursuant to NRS 244.33561, including any interest or other  
35 income earned thereon, and distribute the proceeds proportionally  
36 among the school districts and charter schools of the state. The  
37 proportionate amount of money distributed to each school district or  
38 charter school must be determined by dividing the number of  
39 students enrolled in the school district or charter school by the  
40 number of students enrolled in all the school districts and charter  
41 schools of the state. For the purposes of this subsection, the  
42 enrollment in each school district and the number of students who  
43 reside in the district and are enrolled in a charter school must be  
44 determined as of the last day of the first school month of the school  
45 district for the school year. This determination governs the



1 distribution of money pursuant to this subsection until the next  
2 annual determination of enrollment is made. The Superintendent  
3 may retain from the proceeds of the tax an amount sufficient to  
4 reimburse the Superintendent for the actual cost of administering the  
5 provisions of this section, to the extent that the Superintendent  
6 incurs any cost the Superintendent would not have incurred but for  
7 the enactment of this section, but in no case exceeding the amount  
8 authorized by statute for this purpose.

9 4. The money received by a school district or charter school  
10 from the State Supplemental School Support Account pursuant to  
11 this section must be used to improve the achievement of students  
12 and for the payment of salaries to attract and retain qualified  
13 teachers and other employees, except administrative employees, of  
14 the school district or charter school. Nothing contained in this  
15 section shall be deemed to impair or restrict the right of employees  
16 of the school district or charter school to engage in collective  
17 bargaining as provided by chapter 288 of NRS.

18 5. On or before November 10 of ~~2014,~~ 2016, and on that date  
19 each year thereafter, the board of trustees of each school district and  
20 the governing body of each charter school shall prepare a report  
21 to the Superintendent of Public Instruction, in the form prescribed  
22 by the Superintendent. The report must provide an accounting of the  
23 expenditures by the school district or charter school of the money it  
24 received from the State Supplemental School Support Account  
25 during the preceding fiscal year.

26 6. As used in this section, “administrative employee” means  
27 any person who holds a license as an administrator, issued by the  
28 Superintendent of Public Instruction, and is employed in that  
29 capacity by a school district or charter school.

30 **Sec. 3.** Section 16 of chapter 4, Statutes of Nevada 2008, 25th  
31 Special Session, as last amended by chapter 476, Statutes of Nevada  
32 2011, at page 2896, is hereby amended to read as follows:

33 Sec. 16. 1. This section and sections 2, 4, 14 and 15 of  
34 this act become effective upon passage and approval.

35 2. Sections 6 to 12, inclusive, of this act become  
36 effective on January 1, 2009.

37 3. Sections 4 and 6 to 12, inclusive, of this act expire by  
38 limitation on June 30, 2009.

39 4. Sections 1, 3, 5 and 13 of this act become effective on  
40 July 1, 2009.

41 5. Sections 1, 2, 3 and 5 of this act expire by limitation  
42 on June 30, ~~2013,~~ 2015.



1       **Sec. 4.** Section 47 of chapter 381, Statutes of Nevada 2009, as  
2 last amended by chapter 476, Statutes of Nevada 2011, at page  
3 2897, is hereby amended to read as follows:

4           Sec. 47. 1. This section and section 45.5 of this act  
5 become effective upon passage and approval.

6           2. Sections 1 to 44, inclusive, 45, 46 and 46.5 of this act  
7 become effective:

8           (a) Upon passage and approval for the purposes of  
9 adopting regulations and performing any other preparatory  
10 actions that are necessary to carry out the provisions of this  
11 act; and

12           (b) On October 1, 2009, for all other purposes.

13           3. Sections 44.3 and 44.7 of this act become effective on  
14 July 1, ~~2013.~~ **2015.**

15       **Sec. 5.** Section 20 of chapter 395, Statutes of Nevada 2009, as  
16 amended by chapter 476, Statutes of Nevada 2011, at page 2897, is  
17 hereby amended to read as follows:

18           Sec. 20. 1. This section and section 19 of this act  
19 become effective upon passage and approval.

20           2. Sections 1 and 2 of this act become effective on  
21 July 1, 2009.

22           3. Section 3 of this act becomes effective on July 1,  
23 2009, and expires by limitation on June 30, 2011.

24           4. Sections 6 to 12, inclusive, of this act become  
25 effective on July 1, 2009, and expire by limitation on June 30,  
26 ~~2013.~~ **2015.**

27           5. Sections 4, 5, 13, 14, 15, 16, 17 and 18 of this act  
28 become effective:

29           (a) Upon passage and approval for the purpose of  
30 performing any preparatory administrative tasks that are  
31 necessary to carry out the provisions of this act; and

32           (b) On September 1, 2009, for all other purposes.

33           6. Sections 15.5 and 18.5 of this act become effective on  
34 July 1, 2013.

35           7. Section 18 of this act expires by limitation on June 30,  
36 2013.

37       **Sec. 6.** Section 17.5 of chapter 449, Statutes of Nevada 2011,  
38 at page 2701, is hereby amended to read as follows:

39           Sec. 17.5. The amendatory provisions of section 12.7 of  
40 this act:

41           1. Do not apply to or affect any determination of gross  
42 yield or net proceeds required pursuant to NRS 362.100 to  
43 362.240, inclusive, for the calendar year ~~2013.~~ **2015.**

44           2. Apply for the purposes of estimating and determining  
45 gross yield and net proceeds pursuant to NRS 362.100



1 to 362.240, inclusive, for the calendar year ~~2014~~ 2016 and  
2 each calendar year thereafter.

3 **Sec. 7.** Section 19 of chapter 449, Statutes of Nevada 2011, at  
4 page 2701, is hereby amended to read as follows:

5 Sec. 19. 1. This section and sections 1 to 12,  
6 inclusive, and 13 to 18, inclusive, of this act become effective  
7 upon passage and approval.

8 2. Section 12.5 of this act becomes effective on  
9 January 1, 2012.

10 3. Section 12.7 of this act becomes effective on  
11 January 1, ~~2014~~ 2016.

12 **Sec. 8.** Section 13 of chapter 476, Statutes of Nevada 2011, at  
13 page 2898, is hereby amended to read as follows:

14 Sec. 13. The amendatory provisions of section 4 of this  
15 act:

16 1. Do not apply to any taxes due for any period ending  
17 on or before June 30, 2011; and

18 2. Except as otherwise provided in subsection 1 and  
19 notwithstanding the expiration of that section by limitation  
20 pursuant to section 17 of this act, apply to taxes due pursuant  
21 to NRS 363B.110 for each calendar quarter ending on or  
22 before June 30, ~~2013~~ 2015.

23 **Sec. 9.** Section 15 of chapter 476, Statutes of Nevada 2011, at  
24 page 2898, is hereby amended to read as follows:

25 Sec. 15. 1. When preparing its certificate of the tax  
26 due from a taxpayer pursuant to NRS 362.130 during the  
27 calendar year ~~2014~~ 2016, the Department of Taxation shall  
28 reduce the amount of the tax due from the taxpayer by the  
29 amount of:

30 (a) Any estimated payments of the tax made by or on  
31 behalf of the taxpayer during the calendar year ~~2013~~ 2015  
32 pursuant to NRS 362.115, as that section read on January 1,  
33 ~~2013~~ 2015; and

34 (b) Any unused credit to which the taxpayer may be  
35 entitled as a result of any previous overpayment of the tax.

36 2. Notwithstanding any provision of NRS 362.170 to the  
37 contrary:

38 (a) The amount appropriated to each county pursuant to  
39 that section for distribution to the county during the calendar  
40 year ~~2014~~ 2016 must be reduced by the amount  
41 appropriated to the county pursuant to that section for  
42 distribution to the county during the calendar year ~~2013~~  
43 2015, excluding any portion of the amount appropriated to the  
44 county pursuant to that section for distribution to the county  
45 during the calendar year ~~2013~~ 2015 which is attributable to



1 a pro rata share of any penalties and interest collected by the  
2 Department of Taxation for the late payment of taxes  
3 distributed to the county.

4 (b) In calculating the amount required to be apportioned  
5 to each local government or other local entity pursuant to  
6 subsection 2 of that section for the calendar year ~~2014,~~  
7 **2016**, the county treasurer shall reduce the amount required to  
8 be determined pursuant to paragraph (a) of that subsection for  
9 that calendar year by the amount determined pursuant to that  
10 paragraph for the calendar year ~~2013- 2015.~~

11 **Sec. 10.** Section 17 of chapter 476, Statutes of Nevada 2011,  
12 at page 2898, is hereby amended to read as follows:

13 Sec. 17. 1. This section and sections 1 and 7 to 16,  
14 inclusive, of this act become effective upon passage and  
15 approval.

16 2. Sections 4.5 and 6 of this act become effective on  
17 July 1, 2011.

18 3. Sections 4 and 6.5 of this act become effective on  
19 July 1, 2011, and expire by limitation on June 30, ~~2013- 2015.~~  
20 **2015.**

21 4. Section 5 of this act becomes effective on the date that  
22 the balance of the separate account required by subsection 8  
23 of NRS 408.235 is reduced to zero.

24 **Sec. 11.** The amendatory provisions of section 1 of this act:

25 1. Do not apply to any taxes due for any period ending on or  
26 before June 30, 2013; and

27 2. Except as otherwise provided in subsection 1 and  
28 notwithstanding the expiration of that section by limitation pursuant  
29 to section 12 of this act, apply to taxes due pursuant to NRS  
30 363B.110 for each calendar quarter ending on or before June 30,  
31 2015.

32 **Sec. 12.** 1. This act becomes effective upon passage and  
33 approval.

34 2. Section 1 of this act expires by limitation on June 30, 2015.



