

Senate Bill No. 3—Committee of the Whole

CHAPTER.....

AN ACT relating to governmental financial administration; temporarily accelerating the collection of a portion of the tax upon the net proceeds of minerals; temporarily requiring persons who extract minerals to pay a portion of the tax on the net proceeds of the estimated royalties that will be paid for certain years; temporarily altering the allocation of a portion of the proceeds of the basic governmental services tax; requiring the Department of Taxation to allow for the payment of delinquent taxes, fees or assessments without a penalty for a limited period in certain circumstances; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law provides for the taxation of the net proceeds of minerals based upon the actual net proceeds from the preceding calendar year. (NRS 362.100-362.240) Existing law requires the person extracting any mineral in this State to file a statement which shows the estimated gross yield and estimated net proceeds from each operation for the current calendar year and an estimate of all royalties that will be paid during the current calendar year. (NRS 362.115) **Sections 2 and 3** of this bill temporarily require advance payment of the portion of the tax that is distributed to the State General Fund, based upon the estimated net proceeds and royalties for the current calendar year. **Section 12** of this bill provides that the collection of the tax on net proceeds of minerals reverts back to the former method of collection on actual net proceeds beginning for calendar year 2024. However, because a portion of the tax on the net proceeds of minerals imposed for calendar year 2023 will be paid in advance during fiscal year 2023, **section 8** of this bill enacts transitory provisions governing the duties of the Department of Taxation for fiscal year 2024.

Existing law imposes a basic tax for governmental services for the privilege of operating any vehicle upon the public highways of this State, which is collected by the Department of Motor Vehicles. (NRS 371.030, 482.260) Existing law sets forth depreciation schedules for determining the valuation of a vehicle that is used to calculate the amount of governmental services taxes due each year for used vehicles. (NRS 371.060) Senate Bill No. 429 of the 2009 Legislative Session (S.B. 429) increased the amount of governmental services taxes due annually for used vehicles by reducing the amount of depreciation allowed and increasing the minimum tax. Existing law allocates the revenue from this portion of the governmental services tax, with 25 percent of the proceeds allocated to the State General Fund and 75 percent of the proceeds allocated to the State Highway Fund. (NRS 482.182) **Sections 5.5 and 6** of this bill temporarily require the Department to direct that the entire amount of these proceeds be transferred to the State General Fund. **Sections 9 and 12** of this bill limit this change to governmental services taxes collected for a registration period beginning on or after July 1, 2020, and ending on or before June 30, 2021.

**Section 10** of this bill requires the Department of Taxation to establish an amnesty program pursuant to which a person who is delinquent in the payment of a tax, fee or assessment may pay the amount due without any penalty or interest in certain circumstances.



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

**Section 1.** (Deleted by amendment.)

**Sec. 2.** NRS 362.115 is hereby amended to read as follows:

362.115 1. In addition to the statement required by subsection 1 of NRS 362.110, each person extracting any mineral in this State ~~[shall]~~:

*(a) Shall, on or before March 1 of each year, file with the Department a statement showing the estimated gross yield and estimated net proceeds from each such operation for the entire current calendar year and an estimate of all royalties that will be paid during the current calendar year ~~[.]~~ and shall pay a portion of the tax upon the net proceeds and upon the royalties so estimated in an amount equal to the estimated net proceeds and royalties multiplied by a rate equal to the rate as determined pursuant to NRS 362.140 minus the combined rate of tax ad valorem for the county in which the operation is located, including any rate levied by the State of Nevada. The estimated payment may be reduced by the amount of any credit to which the taxpayer is entitled pursuant to NRS 362.130. The amount of the tax paid upon royalties must be deducted from the payment of the royalties.*

*(b) May file with the Department a quarterly report stating an estimate for the year and the actual quarterly amounts of production, gross yield and net proceeds as of March 31, June 30, September 30 and December 31, and pay any additional amount due. The additional estimated tax liability must be calculated by determining the difference between the revised estimates of net proceeds based on the recent production figures as indicated by the quarterly reports and the original estimate supplied pursuant to paragraph (a). If the person chooses to submit such reports, the reports must be submitted on a form prescribed by the Department not later than the last day of the month following the end of the calendar quarter and payment must be made within 30 days after filing any quarterly report that indicates an additional estimated tax liability.*

2. The Department shall:

(a) Use the statement filed pursuant to subsection 1 ~~[only]~~ to prepare estimates for use by local governments in the preparation of their budgets; and



(b) Submit those estimates to the local governments on or before March 15 of each year.

**Sec. 3.** NRS 362.130 is hereby amended to read as follows:

362.130 1. When the Department determines from the annual statement filed pursuant to NRS 362.110 the net proceeds of any minerals extracted, it shall prepare its certificate of the amount of the net proceeds , *the amount of the estimated tax paid in the prior calendar year pursuant to paragraph (a) of subsection 1 of NRS 362.115 and any additional payments made pursuant to paragraph (b) of subsection 1 of that section*, and the *balance of the* tax due , and send a copy of the certificate to the owner of the mine, operator of the mine or recipient of the royalty, as the case may be.

2. The certificate must be prepared and mailed not later than:

(a) April 20 immediately following the month of February during which the annual statement was filed; or

(b) April 30 immediately thereafter if an amended statement is filed in a timely manner.

3. The tax due as indicated in the certificate *and any penalty* must be paid on or before May 10 of the year in which the certificate is received.

4. *If the amount paid pursuant to paragraph (a) of subsection 1 of NRS 362.115 in the prior calendar year is less than 90 percent of the amount certified pursuant to this section as the net proceeds of any minerals extracted and royalties paid during the prior calendar year multiplied by a rate equal to the rate as determined pursuant to NRS 362.140 minus the combined rate of tax ad valorem for the county in which the operation is located, including any rate levied by the State of Nevada, the amount due must include a penalty of 10 percent of the amount by which that portion of the tax was underpaid unless:*

*(a) The amount paid pursuant to paragraph (a) of subsection 1 of NRS 362.115 in the prior calendar year is equal to or greater than the liability of the operation for the preceding calendar year for the portion of the tax that is equal to the net proceeds of any minerals extracted and royalties paid during that calendar year multiplied by a rate equal to the rate as determined pursuant to NRS 362.140 minus the combined rate of tax ad valorem for the county in which the operation is located, including any rate levied by the State of Nevada; or*

*(b) The person files quarterly reports pursuant to paragraph (b) of subsection 1 of NRS 362.115 in a timely manner for that year and the total of all payments exceeds 90 percent of the amount certified as the net proceeds of any minerals extracted and royalties*



*paid during the prior calendar year multiplied by a rate equal to the rate as determined pursuant to NRS 362.140 minus the combined rate of tax ad valorem for the county in which the operation is located, including any rate levied by the State of Nevada.*

5. If an overpayment was made ~~on~~ *on the payment of the portion of the tax upon the net proceeds and royalties equal to the net proceeds and the royalties multiplied by a rate equal to the rate as determined pursuant to NRS 362.140 minus the combined rate of tax ad valorem for the county in which the operation is located, including any rate levied by the State of Nevada,* the overpayment must be credited toward the payment due on ~~May 10~~ *March 1* of the next calendar year. *If an overpayment was made on the portion of the tax upon the net proceeds and royalties equal to the net proceeds and the royalties multiplied by the combined rate of tax ad valorem for the county in which the operation is located, including any rate levied by the State of Nevada, the overpayment must be credited toward the payment due on May 10 of the next calendar year.* If the certificate shows a net loss for the year covered by the certificate or an amount of tax due for that year which is less than an overpayment made for the preceding year, the amount or remaining amount of the overpayment must, after being credited against any amount then due from the taxpayer in accordance with NRS 360.236, be refunded to the taxpayer within 30 days after the certification was sent to the taxpayer.

**Sections 4 and 5.** (Deleted by amendment.)

**Sec. 5.5.** NRS 482.181 is hereby amended to read as follows:

482.181 1. Except as otherwise provided in subsection 5, after deducting the amount withheld by the Department and the amount credited to the Department pursuant to subsection 6 of NRS 482.180, and the amount transferred to the State General Fund ~~and the State Highway Fund~~ pursuant to NRS 482.182, the Department shall certify monthly to the State Board of Examiners the amount of the basic and supplemental governmental services taxes collected for each county by the Department and its agents during the preceding month, and that money must be distributed monthly as provided in this section.

2. Any supplemental governmental services tax collected for a county must be distributed only to the county, to be used as provided in NRS 371.043, 371.045 and 371.047.

3. The distribution of the basic governmental services tax received or collected for each county must be made to the county school district within each county before any distribution is made to a local government, special district or enterprise district. For the



purpose of calculating the amount of the basic governmental services tax to be distributed to the county school district, the taxes levied by each local government, special district and enterprise district are the product of its certified valuation, determined pursuant to subsection 2 of NRS 361.405, and its tax rate, established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1980, except that the tax rate for school districts, including the rate attributable to a district's debt service, is the rate established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1978, but if the rate attributable to a district's debt service in any fiscal year is greater than its rate for the fiscal year beginning on July 1, 1978, the higher rate must be used to determine the amount attributable to debt service.

4. After making the distributions set forth in subsection 3, the remaining money received or collected for each county must be deposited in the Local Government Tax Distribution Account created by NRS 360.660 for distribution to local governments, special districts and enterprise districts within each county pursuant to the provisions of NRS 360.680 and 360.690.

5. An amount equal to any basic governmental services tax distributed to a redevelopment agency in the Fiscal Year 1987-1988 must continue to be distributed to that agency as long as it exists but must not be increased.

6. The Department shall make distributions of the basic governmental services tax directly to county school districts.

7. As used in this section:

(a) "Enterprise district" has the meaning ascribed to it in NRS 360.620.

(b) "Local government" has the meaning ascribed to it in NRS 360.640.

(c) "Received or collected for each county" means:

(1) For the basic governmental services tax collected on vehicles subject to the provisions of chapter 706 of NRS, the amount determined for each county based on the following percentages:

Carson City.....	1.07 percent	Lincoln.....	3.12 percent
Churchill.....	5.21 percent	Lyon.....	2.90 percent
Clark.....	22.54 percent	Mineral.....	2.40 percent
Douglas.....	2.52 percent	Nye.....	4.09 percent
Elko.....	13.31 percent	Pershing.....	7.00 percent
Esmeralda.....	2.52 percent	Storey.....	0.19 percent
Eureka.....	3.10 percent	Washoe.....	12.24 percent
Humboldt.....	8.25 percent	White Pine.....	5.66 percent
Lander.....	3.88 percent		



(2) For all other basic and supplemental governmental services tax received or collected by the Department, the amount attributable to each county based on the county of registration of the vehicle for which the tax was paid.

(d) "Special district" has the meaning ascribed to it in NRS 360.650.

**Sec. 6.** NRS 482.182 is hereby amended to read as follows:

482.182 1. After deducting the amount withheld by the Department and the amount credited to the Department pursuant to subsection 6 of NRS 482.180 and before carrying out the provisions of NRS 482.181 each month, the Department shall direct the State Controller to transfer to the ~~§~~

~~—(a) State General Fund from the proceeds of the basic governmental services tax collected by the Department and its agents during the preceding month, [25 percent of] the amounts indicated pursuant to this section.~~

~~[(b) State Highway Fund from the proceeds of the basic governmental services tax collected by the Department and its agents during the preceding month, 75 percent of the amounts indicated pursuant to this section.]~~

2. Except as otherwise provided in subsection 3, the amount required to be transferred pursuant to subsection 1 from the proceeds of the basic governmental services tax imposed on vehicles depreciated in accordance with:

(a) Subsection 1 of NRS 371.060 based upon an age of:

- (1) One year, is a sum equal to 11 percent of those proceeds;
  - (2) Two years, is a sum equal to 12 percent of those proceeds;
  - (3) Three years, is a sum equal to 13 percent of those proceeds;
  - (4) Four years, is a sum equal to 15 percent of those proceeds;
  - (5) Five years, is a sum equal to 18 percent of those proceeds;
  - (6) Six years, is a sum equal to 22 percent of those proceeds;
  - (7) Seven years, is a sum equal to 29 percent of those proceeds;
  - (8) Eight years, is a sum equal to 40 percent of those proceeds;
- and
- (9) Nine years or more, is a sum equal to 67 percent of those proceeds; and

(b) Subsection 2 of NRS 371.060 based upon an age of:

- (1) One year, is a sum equal to 12 percent of those proceeds;
- (2) Two years, is a sum equal to 14 percent of those proceeds;
- (3) Three years, is a sum equal to 18 percent of those proceeds;
- (4) Four years, is a sum equal to 21 percent of those proceeds;
- (5) Five years, is a sum equal to 26 percent of those proceeds;



- (6) Six years, is a sum equal to 30 percent of those proceeds;
  - (7) Seven years, is a sum equal to 33 percent of those proceeds;
  - (8) Eight years, is a sum equal to 37 percent of those proceeds;
  - (9) Nine years, is a sum equal to 40 percent of those proceeds;
- and
- (10) Ten years or more, is a sum equal to 43 percent of those proceeds.

3. The amount required to be transferred pursuant to subsection 1 from the proceeds of the basic governmental services tax imposed on vehicles to which the minimum amount of that tax applies pursuant to paragraph (b) of subsection 3 of NRS 371.060 is a sum equal to 63 percent of those proceeds.

**Sec. 7.** Each person required to pay the tax on the net proceeds of minerals shall pay:

1. The tax determined pursuant to NRS 362.130, as that section reads prior to amendment by section 3 of this act, for the calendar year 2020; and

2. The estimated tax for the calendar year 2021 pursuant to NRS 362.115, as amended by section 2 of this act.

**Sec. 8.** 1. When preparing its certificate of the tax due from a taxpayer pursuant to NRS 362.130 during the calendar year 2024, the Department of Taxation shall reduce the amount of the tax due from the taxpayer by the amount of:

(a) Any estimated payments of the tax made by or on behalf of the taxpayer during the calendar year 2023 pursuant to NRS 362.115, as that section read on January 1, 2023; and

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

2. Notwithstanding any other provision of law, for the calendar year 2023, each person extracting any mineral in this State may file with the Department a quarterly report stating an estimate for the year and the actual quarterly amounts of production, gross yield and net proceeds as of March 31, June 30, September 30 and December 31 of that year, and pay any additional amount of the portion of the tax due pursuant to paragraph (a) of subsection 1 of NRS 362.115, as that section read on January 1, 2023. The additional estimated tax liability must be calculated by determining the difference between the revised estimates of net proceeds based on the recent production figures as indicated by the quarterly reports and the original estimate supplied pursuant to paragraph (a) of subsection 1 of NRS 362.115, as that section read on January 1, 2023. If the person chooses to submit such reports, the reports must be submitted on a form prescribed by the



Department not later than the last day of the month following the end of the calendar quarter and payment must be made within 30 days after filing any quarterly report that indicates an additional estimated tax liability.

3. Notwithstanding any other provision of law, for calendar year 2023, if the amount paid pursuant to paragraph (a) of subsection 1 of NRS 362.115, as that section read on January 1, 2023, is less than 90 percent of the amount certified pursuant to NRS 362.130 as the net proceeds of any minerals extracted and royalties paid during calendar year 2023 multiplied by a rate equal to the rate as determined pursuant to NRS 362.140 minus the combined rate of tax ad valorem for the county in which the operation is located, including any rate levied by the State of Nevada, the certificate prepared by the Department pursuant to this section must include a penalty of 10 percent of the amount by which that portion of the tax was underpaid unless:

(a) The amount paid pursuant to paragraph (a) of subsection 1 of NRS 362.115, as that section read on January 1, 2023, in calendar year 2023 is equal to or greater than the liability of the operation for the calendar year 2022 for the portion of the tax that is equal to the net proceeds of any minerals extracted and royalties paid during that calendar year multiplied by a rate equal to the rate as determined pursuant to NRS 362.140 minus the combined rate of tax ad valorem for the county in which the operation is located, including any rate levied by the State of Nevada; or

(b) The person files quarterly reports pursuant to subsection 2 in a timely manner and the total of all payments exceeds 90 percent of the amount certified as the net proceeds of any minerals extracted and royalties paid during the calendar year 2023 multiplied by a rate equal to the rate as determined pursuant to NRS 362.140 minus the combined rate of tax ad valorem for the county in which the operation is located, including any rate levied by the State of Nevada.

**Sec. 9.** The amendatory provisions of sections 5.5 and 6 of this act apply to any proceeds of the basic governmental services tax collected by the Department of Motor Vehicles and its agents which is attributable to any period of registration of a vehicle that begins on or after July 1, 2020, and ends on or before June 30, 2021.

**Sec. 10.** 1. Except as otherwise provided in this section and notwithstanding any other provision of law, the Department of Taxation shall establish and conduct a program that complies with the requirements of this section and requires the Department to relieve a person who has not paid a tax, fee or assessment required to be paid to the Department of all the monetary penalties and interest imposed with regard to the unpaid tax, fee or assessment. Upon the





establishment of a program pursuant to this section, the Department of Taxation shall provide notice of the program, including, without limitation, the dates during which the program will be conducted and the manner in which a person may request relief pursuant to the program, on the Internet website maintained by the Department.

2. The Department of Taxation shall conduct a program established and conducted pursuant to subsection 1 only for a period of not more than 90 calendar days and only during a period beginning on or after the effective date of this section and ending not later than June 30, 2021.

3. The Department of Taxation shall relieve a person who has not paid a tax, fee or assessment required to be paid to the Department of all the monetary penalties and interest imposed with regard to the unpaid tax, fee or assessment if, on or after the date on which the Department begins conducting the program established and conducted pursuant to subsection 1 and before the ending date of the program, the person:

(a) Requests relief from the Department by the form or method required by the Department; and

(b) Except as otherwise provided in subsection 4, pays the amount of the unpaid tax, fee or assessment in full to the Department.

4. If a person has not paid a tax, fee or assessment required to be paid to the Department of Taxation for multiple periods, files with the Department a request for relief pursuant to paragraph (a) of subsection 3 and pays the amount of the unpaid tax, fee or assessment for less than all of the periods for which the person has not paid the tax, fee or assessment, the Department may grant relief to the person for each period for which the person pays the amount of the tax, fee or assessment in full to the Department.

5. A program established and conducted by the Department of Taxation pursuant to subsection 1:

(a) Must apply only to taxes, fees and assessments that are due and payable before the effective date of this section;

(b) Must not apply to any person who:

(1) Has entered into a compromise or settlement agreement with the Department regarding the unpaid tax, fee or assessment;

(2) Has entered into a compromise with the Nevada Tax Commission regarding the unpaid tax, fee or assessment pursuant to NRS 360.263; or

(3) Is being audited by the Department and has not been issued a final notice of deficiency determination by the Department.

6. A person who requests or receives relief pursuant to this section may be selected for an audit and audited by the Department



of Taxation in the same manner as a person who does not request or receive relief pursuant to this section.

**Sec. 11.** Notwithstanding the provisions of NRS 218D.430, a committee may vote on this act before the expiration of the period prescribed for the return of a fiscal note in NRS 218D.475. This section applies retroactively from and after July 8, 2020.

**Sec. 12.** 1. This section and sections 2 and 5.5 to 11, inclusive, of this act become effective upon passage and approval.

2. Sections 5.5 and 6 of this act expire by limitation on June 30, 2021.

3. Section 3 of this act becomes effective on July 1, 2021.

4. Sections 2 and 3 of this act expire by limitation on June 30, 2023.

