

LEGISLATIVE UPDATE

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FIRST WEEK IS MIXED BAG

Opening day bill introductions appeared to bode well for a fast paced week. With 188 fewer bill drafts requested prior to the start of this session from last session, many more introductions were expected. However, what in fact happened was a total slowdown. On Monday all 54 pre-filed Senate bills and all 41 pre-filed Assembly bills were introduced. For the next 4 days only 27 more bills were introduced; 16 in the Senate and 11 in the Assembly. With so few bills to introduce after opening day, the Senate did not even have a floor session on Wednesday. Speculation is that the drafting of both the Governor's tax proposal and the Tax Task Force proposal have become all consuming projects for legal staff in an effort to have both bills out as soon as possible.

Meanwhile, long time lobbyists and staffers walked around saying "this is like the last week of session" but, the shortage of bills did not deter intense lobbying on issues based on assumptions, given the absence of specific details.

JOINT TAXATION COMMITTEES DRAW MIXED REVIEWS FROM LEGISLATORS

While universal in their acclaim for the work done by the Tax Task Force and the Technical Working Group, a number of committee members expressed the opinion that Tuesday's presentation before the joint Taxation Committees was set-up to sell the gross receipts tax. That presentation focused on providing the Committees with an overview of the methodology used to validate the dollar level of shortfall and explain the contents of the first four sections of the Report. Most questions were deferred until the Thursday presentation when the actual discussion of tax proposals would be held.

On Thursday, continuing where they left off on Tuesday, Task Force Chairman Guy Hobbs and Technical Chairman, Jeremy Aguero provided the overview as to how they arrived at the revenue projections, and how the Task Force ultimately decided upon their final recommendations for additional and new Revenue. Adroitly handling the questions, Chairman Hobbs explained that under the provisions of ACR 1 expenditures - level, sufficiency and viability were not evaluated other than from an historical perspective and projected future inflation and caseload increases; that the gross receipts tax made the recommended list because of its stability in revenue production for government. He also pointed out some of the variances, primarily in rates, between the Task Force proposals and the Governor's proposal.

In response to a question from Senator O'Connell (R-Clark County) Hobbs confirmed that the proposals would all appear in one bill. Not unexpectedly, Senator Joe Neal (D-Clark County) questioned what gaming's contribution would be. He was told that gaming would participate in the gross receipts tax on non-gaming activities and that each tier of the gross gaming tax would be increased by 1/4%. The answer being a surprise to some attendees at the meeting who had been at the Task Force meetings and had only heard of a 1/4% increase in the gross gaming tax which was assumed to be on the top tier. (The current top tier rate is 6 1/4%.) Assemblyman Lynn Hettrick (R-Gardnerville) questioned how the proposed gross receipts tax could be characterized as stabilizing the State's revenue stream when as it would account for only 10% of the general fund revenue when enacted.