

# TAX TOPICS

A Publication of the Nevada Taxpayers Association serving the citizens of Nevada since 1922

ISSUE 1-08

ELECTRONIC EDITION

AUGUST 2008

## A CONTINUING SAGA - INITIATIVE PETITIONS

*“The delicate duty of devising schemes of revenue should be left where the Constitution has placed it — with the immediate representatives of the people.”*

William Henry Harrison, U.S. President, 1773-1841

Since last September 1, when the official period began to file initiative petitions to amend the Constitution, registered voters have been as sought after for their signatures as they are by politicians for their vote.

Of the initiatives to amend the Constitution and statute that have been filed to date, seven have proposed some change that involved taxation. However, before most were circulated, they were challenged in Court, initially for either faulty descriptions or for containing more than one subject. Court decisions were as varied as were the subsequent actions by proponents of the initiatives.

The first initiative filed, “Property Tax Protection for Nevadans,” is for a California style Prop 13. This petition has been subject to numerous challenges and has been withdrawn and refiled twice. The most current history of this initiative can be called amazing. It was delivered to most County Clerks by the May 20 deadline, except for Clark County where it was delivered on May 21. It appeared that would be the end of the initiative, but it wasn’t. Proponents filed an appeal saying that the statutory date for delivery of the petitions violated the Nevada Constitution’s date requirements. The Court agreed and ordered Clerks to accept any petitions that were signed through June 17, the prior submission date.

Both the raw signature count and the verification process indicated that sufficient signatures had been delivered in each of the 17 Counties. For that reason it was expected to appear on the November ballot. However, as of this writing that is not as apparent.

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### SAMANTHA STONE JOINING NTA

Samantha “Sam” Stone is joining the Association as Research Associate.

Nevadans north and south might recognize her name. Sam is a reporter at news talk radio station KOH in Reno, where she’s covered elections since 2004. She’s also been the Northern Nevada political correspondent for KLVX (Vegas PBS), where she worked on the weekly *Capitol Issues* program during the 2007 Nevada legislative session. She covered Nevada’s first early caucus in the weekly Vegas PBS production *Caucus Countdown*. She’s been featured as a political analyst on the Nevada Newsmakers blog site, and has co-hosted Sam Shad’s *Nevada Newsmakers* program.

Samantha moved to Reno in late 2002 from Northern California. In San Francisco, she hosted a public affairs program, produced talk shows on two of the top ABC radio affiliates in the nation, and was a columnist for the *San Francisco Examiner*. She also was co-publisher of an early online news site that won accolades for political analysis.

Sam received her bachelor of arts in mass communication from California State University at Hayward, and is trained as a paralegal. She worked until recently as a volunteer for the Nevada Legal Services Self-Help Law Center in Reno.

NTA President Carole Vilaro said Samantha’s background in communications and her legal training make her well qualified for this position.

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# 86<sup>th</sup> Annual Meeting and Luncheon

On February 19, more than 300 members and guests attended NTA's 86<sup>th</sup> annual general membership meeting and luncheon held in Las Vegas. In addition to the two award presentations (see related story next page), the keynote speaker for the luncheon was Dr. Arthur Laffer, pictured below.



**Dr. Arthur Laffer** addressed the impacts on the economic well being of individuals and business when government raises taxes and when government reduces taxes. Making his points at times anecdotally, humorously, or statistically the bottom line of his message was that the reaction to higher taxes ranges from a change in spending habits (lower income levels) to tax avoidance measures (higher income levels).

Dr. Laffer made the following points to illustrate his discussion of taxes and the impact on the economy.

People don't work to pay taxes; they work for what they make after taxes.

There has never been a tax (rate) increase on capital gains that has resulted in more revenue being received.

The higher the income of the person, the more control that person has over their income.

The desire to take advantage of tax avoidance is in direct proportion to the tax rate brackets.

## MARK YOUR CALENDARS NOW

Join us for NTA's 87<sup>th</sup> Annual Meeting  
and Biennial Legislative Dinner  
in Carson City on  
February 25, 2009

## 2008 Board Election

Barbara Smith Campbell, President of Consensus, LLC, was elected Chairwoman of the Board of Directors.

As a longtime Board member, she was first elected to the Board of Directors in 1998. She is the President of Consensus, LLC in Reno and was most recently honored with her induction into the Junior Achievement Northern Nevada Business Leaders Hall of Fame. She also served on the Nevada Tax Commission for 20 years and was Chair of the Commission for 10 years.

Barbara takes the leadership reigns of the Association from Fred D. Gibson, Jr. Gibson is the second longest Board Chair of NTA having served for 12 years. During the luncheon, Barbara thanked Fred for his years of service as Chairman for which he received a spontaneous standing ovation.

Other officers reelected for 2008 were:

Tito Tiberti - First Vice Chairman

Jack Stanko- Second Vice Chairman

Sean Higgins - Secretary

David Turner - Treasurer

Newly elected board members joining the board of directors are:

John Gianoli, First National Bank of Ely

Wes Lujan, Union Pacific Railroad

Keith Pierce, Grant Thornton

They join the following Board Members who were reelected for a three-year term:

Larry W. Bennett

Sharon Byram

Timothy (Tim) Cashman

Jim Dickey, Reno

Howard A. (Hal) Lenox Jr.

Anne MacFarlane

Kristin McMillan

Monte L. Miller

Ann O'Connell

Kevin Orrock

A complete list of the Association 2008 Board of Directors can be found at: [www.nevadat taxpayers.com](http://www.nevadat taxpayers.com).

## TWO AWARDS PRESENTED

### The Free Enterprise Award

The Free Enterprise Award was presented to one of the best-known figures in the gaming industry, William S. "Bill" Boyd. He is the Executive Chairman of Boyd Gaming Corporation which he co-founded with his father Sam Boyd in 1973, and which is headquartered in Las Vegas. A practicing attorney for 15 years, he turned his attention to gaming full-time in 1975, and has since developed and operated Boyd Gaming properties in major markets throughout the United States. In addition to his work at Boyd Gaming he has been an active philanthropist and civic leader for decades. The award is presented jointly by the Employers Association of Southern Nevada, the Las Vegas Chamber of Commerce, and the Nevada Taxpayers Association.

### Cashman Good Government Award

Prior to introducing the finalists and announcing the winner, Mary Kaye Cashman (of the family for whom the award is named) presented the permanent award to Todd Carlini and Stacey Gomi representing last year's winner, the East Fork Fire & Paramedic Districts and Carson City Fire Department.

She then introduced the five finalists for the 11<sup>th</sup> annual award:

#### City of Las Vegas Municipal Court

**Curtis Calder** - Elko City Manager

**Elaine Martin**, Management Analyst  
Nevada Department of Transportation

**Energy Conservation Section Employees**  
Clark County School District

**Cold Case Unit** - Clark County  
Coroner/Medical Examiner's Office

### And the Winner . . .

#### Employees of the Energy Conservation Section of the Clark County School District.

This program had more than doubled the electrical energy savings of the CCSD from less than \$4 million in FY 2006-2007 to \$8 million in FY 2007-2008. The program's annual investment of \$600,000 (staff, equipment) has yielded nearly a 10:1 return-on-investment.

## SPECIAL THANKS

To Our

### 86<sup>TH</sup> ANNUAL MEETING SPONSORS

**American Pacific Corporation**

**AT&T**

**Barrick Gold Corporation**

**Boyd Gaming**

**Cashman Equipment Company**

**EMBARQ**

**Fred D. Gibson Jr.**

**J.A. Tiberti Corporation**

**KeyState Corporate Management**

**Kummer Kaempfer Bonner Renshaw &  
Ferrario**

**Las Vegas Chamber of Commerce**

**McDonald Carano Wilson LLP**

**Nevada Franchise Auto Dealers Association**

**Nevada Manufacturers Association/  
Nevada Motor Transport Association**

**Nevada Power Company/  
Sierra Pacific Power Company**

**Retail Association of Nevada**

**Sierra Air Conditioning**

**Silver State Materials**

**Southwest Gas Corporation**

**Wells Fargo**

### Sage Commissioners Appointed

Established by Executive Order, Governor Gibbons created the Spending and Government Efficiency Commission (SAGE) to review and make recommendations for streamlining government operations, improving customer service and maximizing the use of taxpayer dollars. Bruce James has been appointed Chairman. Two appointees are: NTA Board members, Barbara Smith Campbell, Chairwoman of the Board, and Steve Hill. NTA President Carole Vilardo has also been appointed to the Commission. The remaining Commission members are: Don Ahern, Robert Feldman, Robert Forbuss, Randy Garcia, David Goldwater, Stephen Greathouse, Jan Jones, Howard Putnam, Jerome Snyder and Jim Thornton. Commission Staff members are: Frank Partlow - Executive Director, Perry Comeaux - Deputy Director and Suzanne Kilgore - General Manager.

## DO YOU KNOW ABOUT IRS'S TAXPAYER ADVOCATE SERVICE?

This is probably one of the best kept secrets in government. The Taxpayers Advocate is an independent organization within the IRS, and there is an Advocate Service in Nevada. They help taxpayers resolve problems with the IRS and recommend changes that will prevent problems.

They will assign a personal Advocate who will listen to your situation and assist you in understanding what needs to be done to resolve it.

Whether you need to adjust your payroll taxes, correct an error or resolve any other tax issue, the Advocate will stand by you through the entire process.

*If you think you qualify for free assistance from the Advocate, talk to your tax professional. You can also call 702-868-5179 in Las Vegas, 877-777-4778 outside of Las Vegas or go online to [www.irs.gov/advocate](http://www.irs.gov/advocate).*

### *Initiatives, Continued from Page 1*

The Secretary of State received a letter procedurally challenging a number of the affidavits which accompanied the signature pages in Clark County and Carson City. Certification has been withheld by the Secretary of State pending an investigation of the allegations. As of this writing the outcome is unknown.

Three initiatives, the "Nevada Taxpayers protection Act," the "Education Enhancement Act", and Funding Nevada's Priorities Act" have been subject to Court Challenges. The Opinions, which went against the proponents, were appealed. As of this writing the final appeal will be heard by the Nevada Supreme Court on August 20, 2008.

The initiative filed by the Teachers Union, "Save Our Schools with Additional Funding for Salaries and Student Achievement" was not delivered to County Clerks. An 11<sup>th</sup> hour deal was struck between the Teacher's Union and three major gaming properties for an alternate funding proposal. According to various media reports, the Teachers Union agreed not to deliver their petitions, in return for support by these gaming interests to place an advisory question on the November ballot. The ballot question calls for an increase of 3% in the room tax and was to have appeared on each

county ballot. However, for various logistical problems, the question will now appear only on the Clark County and Washoe County ballots. And, just to make sure all bases are covered, the teacher's union and the three properties have filed an initiative petition to amend statutes to impose the 3% room tax.

All total, eight initiatives have been withdrawn for various reasons and were not refiled under other titles.

Only one initiative, "Hemp as Biomass Fuel" (a statutory change) has not had any challenges filed.

And, as if there haven't been enough challenges, the ACLU of Nevada seeks to have Federal District Court find that the requirement of obtaining a percentage of signatures from each of Nevada's 17 counties violates the "one man, one vote rule." Briefs were submitted on June 20, but no decision has been issued.

### INITIATIVE FAST FACTS FOR 2008

- 58,628 valid signatures are required.
- Statewide petitions must qualify in each county. The signature requirements for each county can be found on the Secretary of State's website: [www.sos.state.nv.us](http://www.sos.state.nv.us)
- Initiative petitions to amend statutes or add statutes have to be delivered to the County Clerks by November 11, 2008.
- Clerks must follow statutory procedures and time frames to verify signatures and notify the Secretary of State if the initiative has met signature requirements.
- Initiatives to amend the Constitution that met the signature requirements will appear on the November General Election ballot. If approved by the voters they will appear on the following general election ballot and have the same question number.
- Initiatives to amend or add Statutes that meet the signature requirements will be delivered by the Secretary of State to the Legislature the first day of the 2009 Legislative session.
- The Legislature has to act on the initiative during the first 40 days of session. If the Legislature approves the initiative, it becomes law. If they do not approve the initiative, it will appear on the next General Election ballot. If the Legislature approves a counter amendment, both will appear on the next General Election ballot. The one that receives the greatest number of majority votes becomes law.

*Continued top of next column*

# TAX AMNESTY ENDS SEPTEMBER 30

Governor Gibbons and the Nevada Tax Commission authorized a one-time penalty and interest tax amnesty program beginning July 1, 2008 for persons and businesses that conduct business in Nevada. The program is limited to sales/use tax, the modified business tax (both general business and financial institutions), and the state business license fee. Excise taxes are not included in the amnesty program. Registered taxpayers who have an unpaid tax liability may, subject to certain conditions, participate in the program in addition to persons or businesses who have failed to register and remit taxes to the Department. The amnesty program provides that penalty and interest will be waived, as outlined below, so long as certain conditions are satisfied.

## Facts About the Amnesty Program

### Taxes Which Qualify for the Amnesty Program

Eligible taxes are (1) sales/use tax; (2) modified business tax for both general business and financial institutions; and (3) the state business license fee. Excise taxes such as the live entertainment tax do not qualify.

### Who Is Eligible to Participate in the Program?

The program is for persons and businesses that have a tax liability which was due and payable on or before June 1, 2008. The liability may be due to the failure to file tax returns, filing returns but not paying the taxes, a past audit, an untaxed purchase, an error found in prior tax returns, or discovery that a person or business should have been registered for a State Business License or Sales Permit. In order to qualify for the amnesty program, the taxes and/or fees must be paid in full.

### Who Is Not Eligible to Participate in the Program?

The amnesty program does not apply to persons or businesses that have been assessed fraud or negligence penalties. Typically, these penalties have been assessed in the connection with a prior, completed audit.

### How To Take Advantage of the Program?

There are no special forms that are required to be filled out (See "Instructions," below). The taxes and/or fees must be reported and paid in full during the period of July 1, 2008 through September 30, 2008.

If you are an unregistered business, you must register with the Department of Taxation by sending a completed and signed Nevada Business Registration and Supplemental Registration form, file tax returns for the periods when your businesses commenced operation (but not more than 8 years back), and pay any taxes and/or fees that are due.

If you are a registered business and find a mistake that needs to be corrected, you must file amended returns showing the corrections for as far back as necessary, but not more than three years. Be sure to use the new 10 digit identification number starting with "100...." and not the old nine digit number. Also, if you are registered as a retailer the "Combined Sales and Use Tax Return" should be used. If you are not a retailer then you are considered a "consumer" and the "Consumer Use Tax return" should be used. You must also pay the additional tax due.

If you are an individual or business who purchased an aircraft, vessel, automobile, off-highway vehicles or other tangible personal property that is subject to taxation, you must provide a copy of the bill of sale, buyers' order or purchaser's agreement and pay the tax due.

### For Additional Information Contact:

#### Carson City

Phone: 775-684-2000

Address: 1550 E. College Parkway, Suite 115, 89706

#### Las Vegas

Phone: 702-486-2357

Address: 555 E. Washington Ave., Suite 1300, 89101

#### Henderson

Phone: 702-486-2357

Address: 2550 Paseo Verde Parkway, Suite 180, 89074

#### Reno

Phone: 775-688-1748

Address: 4600 Kietzke Lane, Bldg L, Suite 235, 89502

#### Elko

Phone: 775-753-1115

Address: 1010 Ruby Vista Dr., Suite 102, 89801

- OR GO TO -

[www.tax.state.nv.us](http://www.tax.state.nv.us)

## REQUEST FOR UPDATED CONTACT INFORMATION

It is important that our membership records are kept current so the publications and reports we distribute reach you in a timely manner. Please take a minute to update your contact information using the form below and faxing it to 702/457-6361 or send an email with your updated information to: [info@nevadataxpayers.org](mailto:info@nevadataxpayers.org). Also, to receive *NTA e-brief*, which is only in electronic format, be sure to include your email address. Remember, to receive our communications by email, add Nevada Taxpayers Association to your address book so that our communications are not blocked.

*Thank you for taking the time to respond.*

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### TAX TOPICS

Is a publication of the  
**NEVADA TAXPAYERS ASSOCIATION**

501 South Carson Street - Suite 301  
Carson City, Nevada 89701  
(775) 882-2697  
FAX (775) 882-8938

and

2303 East Sahara Avenue - Suite 203  
Las Vegas, Nevada 89104  
(702) 457-8442  
FAX (702) 457-6361

[www.nevadataxpayers.org](http://www.nevadataxpayers.org)