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Revenue and Taxation; property tax rates-new local governments

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that on the proceeds.⁸ However, prior law exempted active patented mines which incurred annual mining costs of \$100 or more from such surface tax.⁹ Chapter 25 continues to exempt active patented mines owned by the mining operations from the tax on the surface and expands the exemption to include mining claims¹⁰ that have also incurred more than \$100 in annual development costs.¹¹ Chapter 25 also prescribes procedural requirements for obtaining the exemption.¹²

SRD

8. 1933 Nev. Stat. ch. 170, sec. 2, at 234 (repealed by 1989 Nev. Stat. ch. 25, sec. 46, at 52). See 1989 Nev. Stat. ch. 25, sec. 5, at 33 (continues the exemption of active patented mines but includes mining claims as well).

9. 1933 Nev. Stat. ch. 170, sec. 2, at 234 (repealed by 1989 Nev. Stat. ch. 25, sec. 46, at 52).

10. See 1989 Nev. Stat. ch. 25, sec. 4, at 33 (amending NEV. REV. STAT. § 362.010) (definition of mining claim).

11. *Id.* secs. 4-9, at 33 (amending NEV. REV. STAT. §§ 362.010, 362.030, 362.040, 362.050, 362.070, 362.090).

12. *Id.* sec. 7, at 33 (amending NEV. REV. STAT. § 362.050) (specification of content and deadlines for affidavits for exemption).

Revenue and Taxation; property tax rates—new local governments

NEV. REV. STAT. § 354.5987 (amended).

AB 276 (Committee on Taxation); 1989 STAT. CH. 672

Existing law limits the revenue that local governments can receive from ad valorem property taxes.¹ The property tax rate for a local government created after July 1, 1983, is initially set by the Nevada Tax Commission.² Chapter 672 requires the Commission to set an

1. NEV. REV. STAT. § 354.59805 (1987). See *id.* § 361.227 (1987) (method of determining the taxable value of real property, possessory interests, and personal property). A county whose tax rate, other than for debt service, for the fiscal year ending on June 30, 1981, was less than 50 cents per \$100 of assessed valuation, is entitled to a tax rate no greater than 80 cents per \$100 of assessed valuation beginning with the fiscal year which began on July 1, 1981. *Id.* § 354.59805 (1987). A county whose tax rate as of June 30, 1981, was more than 50 cents is entitled to a tax rate no greater than \$1.10 per \$100 of assessed valuation beginning with the fiscal year which began on July 1, 1981. *Id.* See *id.* § 354.59811 (1987) (establishes formula limiting annual revenue increases from property taxes beginning with the fiscal year that began on July 1, 1983).

2. *Id.* § 354.5987 (1987) (amended by 1989 Nev. Stat. ch. 672, sec. 1, at 1564). See *id.* §§ 361.315-.330 (1987) (description and duties of Nevada Tax Commission).

initial tax rate which provides at least 15 cents per \$100 of assessed valuation for a local government's operating expenses, in addition to providing revenue for debt service and other purposes.³

BAS

3. 1989 Nev. Stat. ch. 672, sec. 1, at 1564 (amending NEV. REV. STAT. § 354.5987). If the tax rate does not provide at least 15 cents per \$100 of assessed valuation for operating expenses, a local government can order the Department of Taxation to increase the maximum allowable revenue from ad valorem taxes to meet operating expenses. *Id.* sec 2, at 1564 (amending NEV. REV. STAT. § 354.5987).

Revenue and Taxation; tax deferral on capital goods purchases

NEV. REV. STAT. §§ 372.397, 374.402 (amended).
SB 141 (Joerg); 1989 STAT. Ch. 97

Under existing law, payment of sales tax for eligible purchases¹ of capital goods may be deferred for up to sixty months.² Chapter 97 requires the Commission on Economic Development to determine, in addition to existing eligibility requirements, that a deferral will provide substantial incentive for a proprietor to locate, or expand, a business in the state.³

JEC

1. See NEV. REV. STAT. §§ 372.397, 374.402 (1987) (amended by 1989 Nev. Stat. ch. 97, secs. 1-2, at 214) (an eligible purchase includes purchases certified by the Commission on Economic Affairs as consistent with the Commission's plan for industrial development and diversification).

2. See *id.* Sales tax deferral requires a minimum purchase of \$100,000 with progressively more time allowed for larger purchases up to a maximum of \$1,000,000. *Id.*

3. 1989 Nev. Stat. ch. 97, secs. 1-2, at 214 (amending NEV. REV. STAT. §§ 372.397, 374.402).