Explanation: Language in ***bold italics*** is new; language between brackets [~~omitted material~~] is language to be omitted.

THE PEOPLE OF THE STATE OF NEVADA DO ENACT AS FOLLOWS

Article 10, Section 5 of the Constitution of the State of Nevada is amended to read:

1. The legislature shall provide by law for a tax upon the ***gross*** [~~net~~] proceeds of all minerals, including oil, gas and other hydrocarbons, extracted in this state, at a rate not ***less than*** [~~to exceed~~] 5 percent of the ***gross*** [~~net~~] proceeds. No other tax may be imposed upon a mineral or its proceeds until the identity of the proceeds as such is lost.

2. The legislature shall appropriate to each county that sum which would be produced by levying a tax upon the entire amount of the *gross* [~~net~~] proceeds taxed in each taxing district in the county at the rate levied in that district upon the assessed valuation of real property. The total amount so appropriated to each county must be apportioned among the respective governmental units and districts within it, including the county itself and the school district, in the same proportion as they share in the total taxes collected on property according to value.

DESCRIPTION OF EFFECT

The Nevada Constitution provides for a tax on mining proceeds. Since 1865 Nevada has taxed net proceeds of minerals extracted in the state at a rate of not more than five percent. "Minerals" includes oil, gas and other hydrocarbons, but does not include sand, gravel or water, except hot water or steam in an operation extracting geothermal resources for profit.

This initiative amends the Constitution in two ways: 1) Taxing *gross* proceeds, rather than *net* proceeds, of minerals extracted in this state; and 2) at a rate of *not less than* five percent, rather than *not more than* five percent. The tax would apply without regard to the costs of extracting the mineral, including digging, removing, processing, transporting, labor, and other costs.

The impact of the tax increase cannot be precisely determined. The Legislature's fiscal analysis indicates in 2008 the present tax generated $91.8 million for state and local governments; if this initiative provision were in effect in 2008 the tax would have generated $284.4 million – a tax/revenue increase of more than 300%.

To become effective this change must be approved in two general elections. The earliest the additional revenue would be available would be in fiscal year 2013-2014.

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County of _______ **(Only registered voters of this county may sign below)**

Petition District

1	PRINT YOUR NAME (first name, initial, last name)		RESIDENCE ADDRESS ONLY		
	YOUR SIGNATURE	DATE / /	CITY	COUNTY	
2	PRINT YOUR NAME (first name, initial, last name)		RESIDENCE ADDRESS ONLY		
	YOUR SIGNATURE	DATE / /	CITY	COUNTY	
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AFFIDAVIT OF CIRCULATOR

STATE OF NEVADA)
)
COUNTY OF ________)

I, ___________________________, (print name), being first duly sworn under penalty of perjury, depose and say: (1) That I reside at ____ (print street, city and state); (2) that I am 18 years of age or older; (3) that I personally circulated this document; (4) that there are ____signatures affixed to this document and that all signatures were affixed in my presence; (5) that I believe them to be genuine signatures of the persons whose names they purport to be; (6) that each individual who signed was at the time of signing a registered voter in the county of his or her residence; (7) and that each signer had an opportunity before signing to read the full text of the proposed ordinance.

____
Signature of Circulator

Subscribed and sworn to or affirmed before me this

________ day of ______________, ________, by________________.

____
Notary Public or person authorized to administer oath

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