

AFL-CIO wants business tax on Nevada ballot

By Sean Whaley, Nevada News Bureau

CARSON CITY – State AFL-CIO leader Danny Thompson said his labor group is moving forward with a broad-based business profits tax ballot measure to raise money for education.

Thompson, interviewed on the Nevada NewsMakers television program this week, said the proposal will go forward as a petition to amend state law, which would first be considered by the Legislature in 2013. If the Legislature did not approve the measure within 40 days, it would go to the voters in 2014.

Thompson said the tax, which would be assessed on net business profits in excess of \$500,000 at a rate of 2 percent, has been projected by some analysts to bring in about \$1 billion a year to the state general fund. The money would go to fund public and higher education.

Supporters of the proposal would have until Nov. 13 to gather 72,352 signatures from registered voters, which Thompson said is more than enough time to ensure they would be successful. The measure has not yet been filed with the Secretary of State's office because a final legal review is still under way, he said.

In a subsequent telephone interview, Thompson said there is no question that the proposal will be challenged in court so it is important to make sure it can withstand such a review.

"We qualified the minimum wage initiative in a period of a couple of months," Thompson said. "And so we just want to make sure everything is correct. Because you still have to get over a court challenge, which inevitably we know will be coming."

Thompson, executive secretary-treasurer of the Nevada State AFL-CIO, said too many of Nevada's students are failing in large part because of inadequate funding. A better educated workforce is needed to diversify the state's economy as well, he said.

In anticipation of such a tax proposal, Las Vegas businessman Monte Miller has filed two ballot measures, one seeking to give the Legislature the authority to raise the mining tax, and a second that would increase the gaming tax on the state's largest casinos.

He has called Thompson's proposal, based on a Texas margin tax, "a destructive, terribly complex tax."

Gov. Brian Sandoval has said he opposes the various ballot measures, arguing tax discussions belong at the Legislature. Partly in response to the different proposed ballot measures, Sandoval last month said he would extend a collection of taxes set to expire on June 30, 2013, into the next two-year budget to avoid any further cuts to public education.

Thompson said he has had no discussions with Miller about his business profits tax proposal, adding that Nevada has relied for far too long on gaming and mining to fund the state budget and public education.

Nevada will be the last state to recover from the recession because the state depends on discretionary income spent on the state's gaming industry, Thompson said.

"I don't know what it's going to look like if we continue down the road we are going," he said.