



NSEA SUPPORTS AB453

Public Comment to the Assembly Revenue Committee 4.10.25

The Nevada State Education Association has been the voice of Nevada educators for 125 years. NSEA supports AB453 as amended to tax the sale of digital products and to require reviews of transferable tax credits, including waiving the issuance of tax credits for 2 years when the state needs to use funds from the Rainy Day account.

As the economy has increasingly moved to digital format, a loophole has been opened in the sales tax, which is only applied to the purchase of physical products. Big tech companies are minting new millionaires every day, oftentimes disrupting industries and exploiting tax loopholes. At the same time, the Commission on School Funding identified expanding the base on the sales tax as one of their main recommendations in their plan to reach optimal education funding in 10 years.

Yesterday, NSEA members engaged at the K-12 Budget Subcommittee and Education Accountability Subcommittee to sound the alarm about the Governor's proposed \$2 budget. Instead of cutting education, we called on the Governor and Legislature to **Pass the Plan** offered by the Commission on School Funding to reach optimal education funding in 10 years. After years of work, the Commission identified optimal funding and proposed a revenue path to reach that level by 2035. That includes reforming property tax abatements and depreciation and expanding the base on the sales tax. AB453 is an important step in passing the plan.

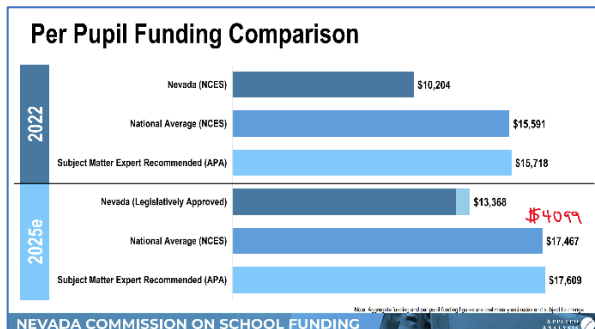
Sadly, there has been a fundamental contradiction in the actions of Nevada leaders when it comes to properly funding public education and other vital state services. While nearly every elected official claims to prioritize education, there's a competing record of corporate tax giveaways, from Tesla to the Raiders, that cost the state over a billion dollars. Immediately after last session, the Governor convened a special session to give billionaire John Fisher \$380M, including \$180M in transferable tax credits, to build a baseball stadium in Las Vegas. This afternoon, legislators are considering extending the largest tax giveaway in Nevada history.

The effects of tax credits on the budget are real. According to the Economic Forum's December projections, Nevada is estimated to lose \$119M in general fund revenue to tax credits this year. That goes up to \$143M next year, with \$36M in credits for the A's stadium applied without a shovel hitting the ground. In FY27 it rises to \$157M. Those are funds that otherwise would be going to important services, including education.

ECONOMIC FORUM BUDGET PROJECTION									
GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 2, 2024, FORECAST									
ACTUAL: FY 2022 THROUGH FY 2024 AND FORECAST: FY 2025 THROUGH FY 2027									
ECONOMIC FORUM'S FORECAST FOR FY 2025, FY 2026, AND FY 2027 APPROVED AT THE DECEMBER 2, 2024, MEETING									
ECONOMIC FORUM DECEMBER 2, 2024, FORECAST		FY 2022	%	FY 2023	%	FY 2024	%	FY 2025	%
		ACTUAL	CHANGE	ACTUAL	CHANGE	ACTUAL	CHANGE	FORECAST	CHANGE
TOTAL GENERAL FUND REVENUE BEFORE TAX CREDITS		\$6,114,430,420	2.1%	\$6,160,960,400	0.8%	\$6,160,960,400	0.0%	\$6,160,960,400	0.0%
TOTAL GENERAL FUND REVENUE AFTER TAX CREDITS		\$6,000,000,000	-1.9%	\$5,950,000,000	-0.8%	\$5,800,000,000	-2.4%	\$5,650,000,000	-2.6%
TAX CREDIT PROGRAMS		\$114,430,420		\$210,960,400		\$360,960,400		\$410,960,400	
R&D TRANSFERABLE TAX CREDITS (TC-1)		\$114,430,420		\$210,960,400		\$360,960,400		\$410,960,400	
ECONOMIC DEVELOPMENT TRANSFERABLE TAX CREDITS (TC-2)		\$0		\$0		\$0		\$0	
CATALYST ACCOUNT TRANSFERABLE TAX CREDITS (TC-4)		\$0		\$0		\$0		\$0	
NEVADA RENEWABLE ENERGY ACT TAX CREDITS (TC-5)		\$0		\$0		\$0		\$0	
EDUCATION CHOICE SCHOOLS ASSISTANCE TAX CREDITS (TC-6)		\$0		\$0		\$0		\$0	
AFFORDABLE HOUSING TRANSFERABLE TAX CREDITS (TC-7)		\$0		\$0		\$0		\$0	
SERRANO STADIUM TRANSFERABLE TAX CREDITS (TC-8)		\$0		\$0		\$0		\$0	
TOTAL TAX CREDIT PROGRAMS		\$114,430,420		\$210,960,400		\$360,960,400		\$410,960,400	
TOTAL GENERAL FUND REVENUE AFTER TAX CREDITS		\$6,000,000,000		\$5,950,000,000		\$5,800,000,000		\$5,650,000,000	

TAX CREDITS - \$119M \$143M \$157M

NSEA asks for your support of AB453. Please pass the plan.



During last session, NSEA and our allies pointed out Nevada was the only state in the country to receive 3 Fs in education funding in the 2023 “Making the Grade” report released by the Education Law Center. Even with record increases made to education funding, Nevada still trailed the national average by \$4099 per pupil. In May, 1000 educators and allies rallied with umbrellas in hand outside this building, pleading for more consideration for education. Instead of doing more, SB1 was passed for the A’s.

In response, NSEA launched Schools Over Stadiums. While we haven’t yet stopped those subsidies in the streets or the courts, we have succeeded in generating a ridiculous amount of coverage, turning the tide of public opinion. In an [Emerson College poll](#) of likely Las Vegas voters in 2024, 52% opposed the use of public money for the construction of a baseball stadium. Only 32% were in support. That’s 20 points underwater. Now with Schools Over Studios, NSEA is committed to continuing our efforts to make sure Nevada’s priorities line up with the people.

We urge legislators to reject SB220 and AB238 in the strongest possible way. Meanwhile, we hope that the Revenue and Economic Development Committee will give full consideration to the revenue proposals put forward by the Commission on School Funding. Please, Pass the Plan. Thank you.

