

# NEVADA DEPARTMENT OF TAXATION

HTTP://TAX.STATE.NV.US



# NEVADA TAX NOTES

*The official newsletter of the Department of Taxation*

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## DEPARTMENT OF TAXATION OFFICES

### MAIN OFFICE

1550 E. College Parkway, Suite 100  
Carson City, Nevada 89706

Mailing: 1550 E. College Parkway, Suite 115  
Carson City, Nevada 89706

Phone: (775) 687-4820 (Compliance - Switchboard)  
1-800-992-0900 (In-State Toll Free)

Fax: (775) 687-5981

### RENO DISTRICT OFFICE

Kietzke Plaza  
4600 Kietzke Lane Building O, Suite 263  
Reno, Nevada 89502

Phone: (775) 688-1295

Fax: (775) 688-1303

### LAS VEGAS DISTRICT OFFICE

Grant Sawyer Office Building  
555 E. Washington Avenue, Suite 1300  
Las Vegas, Nevada 89101

Phone: (702) 486-2300

Fax: (702) 486-2373

**Advisory:** Due to the monthly and quarterly tax filing requirements, the Las Vegas Office is extremely busy the last few days of any month with people filing their tax returns. It is recommended, whenever possible, that you time your visits to the office for other than the last few days of the month to avoid a long wait.

### ELKO FIELD OFFICE

850 Elm Street  
Elko, Nevada 89801  
Phone: (775) 753-1115  
Fax: (775) 778-6814

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### Communicating by Mail with the Department

If you are writing or sending information to one of the Department's Revenue Officers, or Tax Examiners, or other

staff, please use the **mailing address** of the appropriate office. If you are filing your sales and use tax return, please use the envelope the Department provided because it is addressed directly to the bank.

### SALES/USE TAX INCREASE

Effective October 1, 2003, the sales/use tax rate in **Clark County** will increase by 1/4 percent to a total rate of **7.5%**. Effective October 1, 2003, the sales/use tax rate in **White Pine County** will increase by 1/4 percent to a total rate of **7.125%**. All vendors selling in, or delivering into those counties on or after that date must collect the appropriate new taxes.

Existing construction contracts entered into and signed prior to October 1, 2003 are exempt from the 1/4 percent increase, if an exemption letter is obtained from the Department of Taxation. Contact the Carson City office of the Department of Taxation for more information. (775) 687-4820.

### BUSINESS LICENSE FEE INCREASE/USE TAX REGISTRATION REQUIREMENT

Effective July 22, 2003, the state business license fee increased to \$100.00. The license must be renewed annually. The renewal fee is \$100.00. Notices will be mailed prior to your renewal date. Use tax registration is mandatory for all businesses required to obtain a business license. (SB 8 of the 20<sup>th</sup> Special Session)

### SOLE PROPRIETORS AND BUSINESSES ORGANIZED PURSUANT TO TITLE 7

Effective July 22, 2003, the state business license requirement has been expanded to include sole proprietors and all businesses organized pursuant to Title 7 of NRS. It is also mandatory to register

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for use tax if the business is required to register for the business license. (SB 8 of the 20<sup>th</sup> Special Session)

**THE DEPARTMENT OF TAXATION  
ANNOUNCES THE NEW MODIFIED  
BUSINESS TAX (MBT) EFFECTIVE 10/1/03  
(SB 8 OF THE 20<sup>TH</sup> SPECIAL SESSION)**

- The tax is on gross wages less a qualified deduction for employee health insurance benefits paid by the employer.
- Gross wages is line 3 of the Employment Security Division's form NUCS 4072.
- **The tax rate for financial institutions is 2%; for all other employers the rate is 0.7%.**
- This is a quarterly tax. The first return and remittance is due to Taxation on or before 1/31/04.
- Qualified 26 U.S.C. 501(c) non-profit organizations, Indian tribes and political subdivisions are exempt from paying this tax.
- **The Business Tax (\$25.00 per employee) under NRS 364A is repealed 10/1/03. The final return is due on or before 10/31/03.**
- More information on MBT and regulation work shops is available at Taxation's website at <http://tax.state.nv.us>.
- Taxation will be sending out an information request for necessary account and mailing information.

**SALES TAX PERMIT FEE**

Effective July 22, 2003, the sales tax permit fee for new permits, location changes, additional locations and ownership changes has increased to \$15.00. (AB 4 of the 20<sup>th</sup> Special Session)

**SALES TAX COLLECTION ALLOWANCE**

Effective July 1, 2003, the sales tax collection allowance decreased from 1.25% to 0.5%. The collection allowance is for taxpayers who file and pay their sales tax on or before the due date. If the taxes are paid late, there is no collection allowance. (AB 4 of the 20<sup>th</sup> Special Session)

**CIGARETTES**

Effective July 22, 2003, the cigarette excise tax rate is 4 cents per cigarette. This equates to 80 cents per pack of 20 cigarettes. Also, effective August 1, 2003, the discount for stamping cigarettes decreased from 3% to 0.5%. (SB 8 and AB 4 of the 20<sup>th</sup> Special Session)

**OTHER TOBACCO PRODUCTS  
(DOES NOT INCLUDE CIGARETTES)**

Effective August 1, 2003, the collection allowance for other tobacco products decreased from 2% to 0.5%. (AB 4 of the 20<sup>th</sup> Special Session)

**LIQUOR**

Effective August 1, 2003, liquor tax rates per wine gallon are as follows: 0.5% - 14% of alcohol is 70 cents; 14.1% - 22% of alcohol is \$1.30; over 22% is \$3.60; malt beverage is 16 cents. Also, effective August 1, 2003, the collection allowance for liquor tax decreased from 3% to 0.5%. (SB 8 and AB 4 of the 20<sup>th</sup> Special Session)

**BUSINESS TAX FISCAL YEAR FILERS**

All business tax fiscal year filers must file a quarter ending September 30, 2003 return, due October 31, 2003. No further returns will be mailed.

**EXCISE TAX ON BANKS**

Effective January 1, 2004, there is a new excise tax on banks. The tax will be assessed quarterly at \$1,750 on bank branches in excess of one. The due date of the tax will be on the last day of the first month of the calendar quarter. The payment due date for the first quarter in 2004 will be on or before January 31, 2004. (SB 8 of the 20<sup>th</sup> Special Session)

**LIVE ENTERTAINMENT TAX**

Effective January 1, 2004, admission fees to live entertainment will be taxed by the Department. The first tax returns will be due on or before February 29, 2004. The rate of the tax is two tiered. There is a 10% tax rate at a facility with a seating capacity of less than 7,500. This tax will also apply to food, drink and merchandise sold at the facility. A 5% tax rate on admission fees only will be applied at a facility with a seating capacity of at least 7,500. This tax will not apply on non-gaming facilities with less than 300 seats. (SB 8 of the 20<sup>th</sup> Special Session)

**HOLIDAY CLOSURES**

The Department of Taxation offices will be closed the following days in the 4<sup>th</sup> quarter of 2003:

Friday, Oct. 31, 2003 – Nevada Day

Tuesday, Nov. 11, 2003 – Veterans Day

Thursday, Nov. 27, 2003 – Thanksgiving Day

Friday, Nov. 28, 2003 – Family Day

Thursday, Dec. 25, 2003 – Christmas Day