



State of Nevada
DEPARTMENT OF TAXATION
ANNUAL REPORT
Fiscal 2002 - 2003



**STATE OF NEVADA
DEPARTMENT OF TAXATION**

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KENNY C. GUINN
Governor

CHARLES E. CHINNOCK
Executive Director

January 15, 2004

The Honorable Kenny C. Guinn
Governor of Nevada
Executive Chambers
Carson City, NV 89710

Dear Governor Guinn:

Pursuant to the provisions of NRS 360.100, the Department of Taxation submits herewith the Annual Report for the fiscal year ending June 30, 2003. During 2002-03, gross revenues and distributions changed in the following amounts.

Revenues	2001 - 2002	2002 - 2003	Increase/ (Decrease)	Percent Change
Sales and Use Taxes	\$ 642,726,771	\$ 680,447,243	\$ 37,720,472	5.87%
Local School Support Tax	713,622,440	755,922,350	42,299,910	5.93%
City/County Relief Tax	713,640,574	755,929,071	42,288,497	5.93%
Local Option Taxes	218,298,280	232,359,331	14,061,051	6.44%
Intoxicating Beverage Taxes	19,120,591	19,793,754	673,163	3.52%
Cigarette Tax and Fees	59,029,783	62,027,334	2,997,551	5.08%
Other Tobacco Products	5,557,893	5,916,301	358,408	6.45%
Special Drug Manufacturing Tax	-	-	-	0.00%
Estate Tax	31,794,795	39,203,340	7,408,545	23.30%
Lodging Tax	11,268,582	11,875,153	606,571	5.38%
Controlled Substance Tax	1,200	600	(600)	-50.00%
Net Proceeds of Minerals Tax	21,492,962	25,162,206	3,669,244	17.07%
Centrally Assessed Property Tax	65,545,858	64,794,636	(751,222)	-1.15%
Business Tax and Fees	79,075,496	79,765,693	690,197	0.87%
Insurance Premium Tax	156,347,356	173,990,728	17,643,372	11.28%
Tire Tax	1,390,414	1,483,883	93,469	6.72%
Government Services Fee	19,662,998	22,208,165	2,545,167	12.94%
Total	\$ 2,758,575,993	\$ 2,930,879,788	\$ 172,303,795	6.25%

Distributions	2001 - 2002	2002 - 2003	Increase/ (Decrease)	Percent Change
State General Fund	\$ 982,969,773	\$ 1,046,602,138	\$ 63,632,365	6.47%
State Distributive School Fund	63,841,496	63,432,710	(408,786)	-0.64%
Local Governments	1,661,624,753	1,762,607,855	100,983,102	6.08%
Other Distributions	14,356,536	14,982,579	626,043	4.36%
Estate Tax Reserve, Endowment and Trust Funds	31,667,824	39,085,995	7,418,171	23.42%
State Debt Service Fund	4,115,611	4,168,511	52,900	1.29%
Total	<u>\$ 2,758,575,993</u>	<u>\$ 2,930,879,788</u>	<u>\$ 172,303,795</u>	<u>6.25%</u>

Sincerely,

Charles E Chinnock
Executive Director

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Department of Taxation **Mission Statement**



Mission

Provide fair, efficient and effective administration of tax programs for the State of Nevada in accordance with applicable statutes, regulations and policies. Serve the taxpayers, State and local government entities, and empower and recognize Department employees.

Philosophy

Dedicated to the highest standards of professionalism and ethical conduct; committed to consistent, impartial and courteous service and treatment. Providing resources, training and support to the men and women of the Department, and fostering initiative, creativity and effective performance.

Goals

1. Improve compliance through education, information and enforcement
2. Stable administration of tax statutes; fair and equitable treatment of taxpayers
3. Cooperate with other agencies and entities to better serve taxpayers
4. Provide improved and efficient service
5. Enhance workforce capability through training and communications

**Please visit our Web Site at tax.state.nv.us
or one of our offices at the following locations**

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Reno District Office:

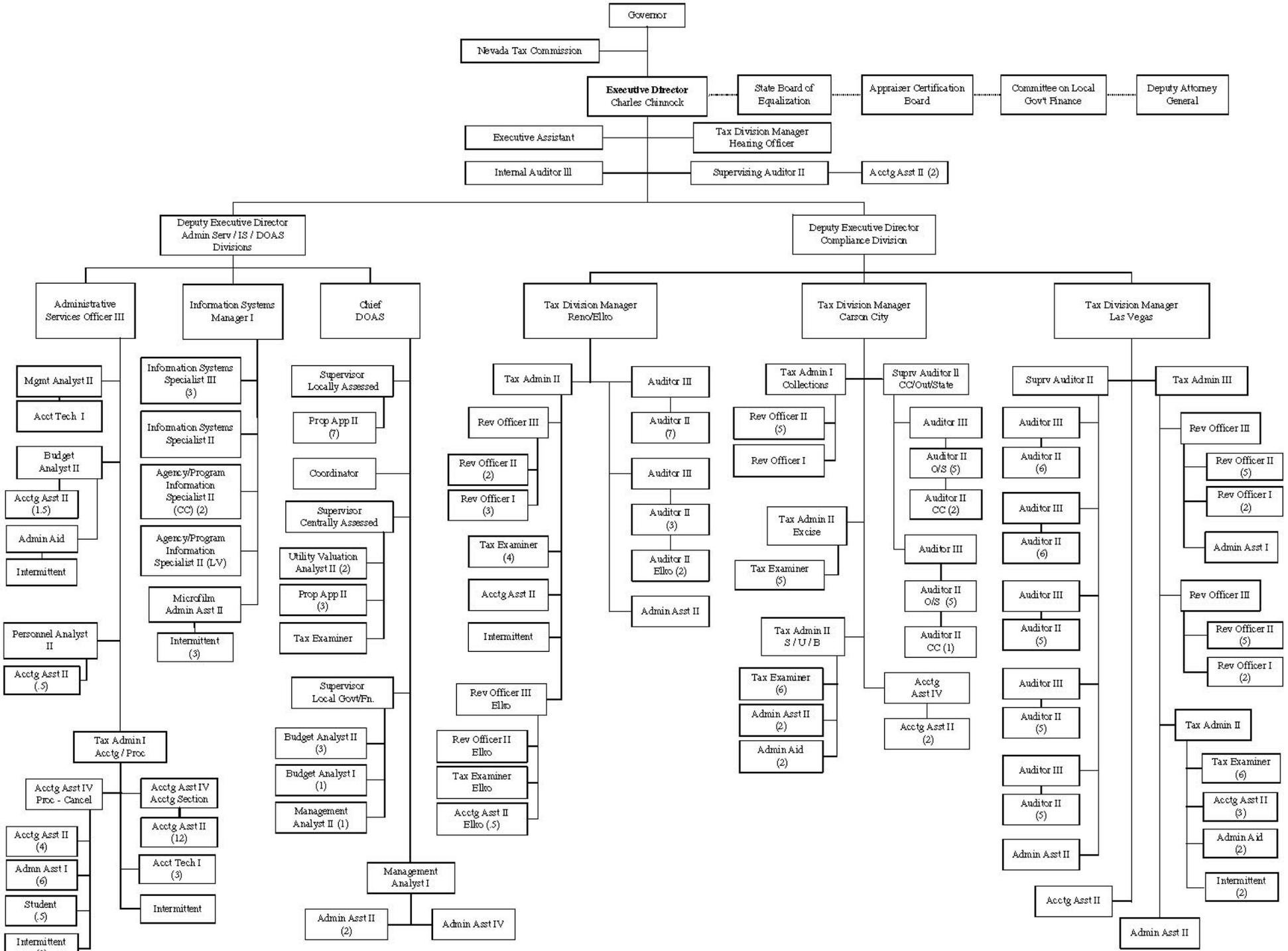
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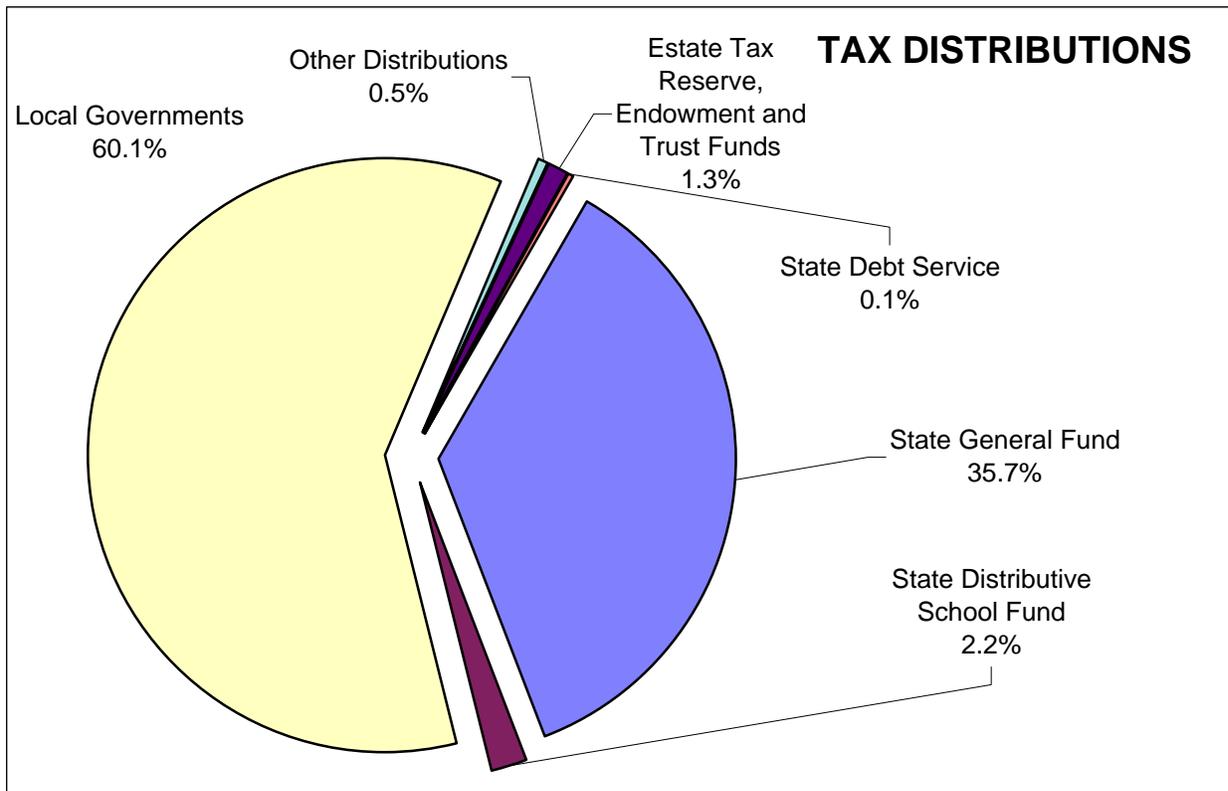
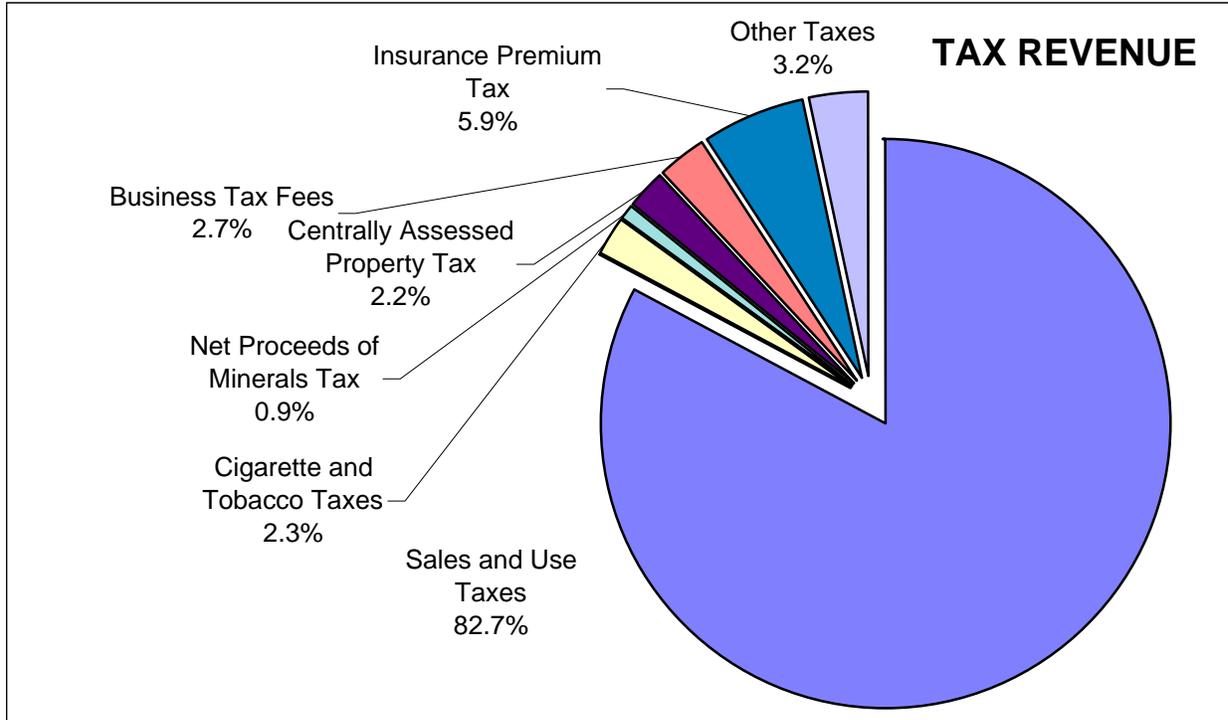
Fax: (775) 688-1303

Department of Taxation

June 30, 2003



TOTAL DEPARTMENT TAX REVENUE AND DISTRIBUTION



DEPARTMENT OF TAXATION

Established April 1913 as the Nevada Tax Commission.

Statutory authority: Chapter 748, 1975 Statutes, established the Department of Taxation and provided for its organization, powers, duties and functions. The Department is responsible for administering the following laws:

<u>NAME OF LAW</u>	<u>NRS CHAPTER</u>
Local Government Budget Act	354
General Provisions (includes Consolidated Tax)	360
Ad Valorem Property Tax	361, 361A, 361B
Net Proceeds of Mines	362
Tax on Rental of Transient Lodging	364.125
Business Tax	364A
Intoxicating Liquor Licenses and Taxes	369
Tobacco Licenses and Taxes	370
State Sales and Use Taxes	372
Tax on Controlled Substances	372A
Local School Support Taxes	374
Tax on Estates	375A
Generation Skipping Transfer Tax	375B
Open Space Land Tax	376A
City/County Relief Tax	377
Tax for Public Transportation and Promotion of Tourism	377A
Tax for Infrastructure	377B
Residential School Construction Tax	387.332
Tire Tax	444A.090
Short Term Lease Fee	482.313
Special Drug Manufacturers Tax	585.497
Insurance Premium Tax	680B

DEPARTMENT OF TAXATION ADMINISTRATION

Charles Chinnock
Executive Director

Vacant
Deputy Executive Director

Dino DiCianno
Deputy Executive Director

BOARDS AND COMMISSIONS

Nevada Tax Commission members are appointed by the Governor. The Commission is the head of the Department and exercises general supervision and control over its activities. The chief administrative officer of the Department is the Executive Director. Actions by the Department may be appealed to the Commission as provided by law. The Commission may review all decisions of the Department and may reverse, affirm or modify them.

Governor Kenny C. Guinn, Ex Officio Member

Barbara Smith Campbell, Chairman
Dean Baker, Member
Candace E. Evart, Member

George Kelesis, Member
Joan Lambert, Member

Charles A. Lenzie, Member
John E. Marvel, Member
David Turner, Member

The **State Board of Equalization** members are appointed by the Governor. The Board hears and acts on appeals from the actions of the various county boards of equalization or from valuations set by the Nevada Tax Commission. The Board of Equalization convenes on the 4th Monday in March and shall conclude the business of equalization in cases having a substantial effect on tax revenues on or before April 10. Additional cases not having substantial effect on tax revenues may be heard at meetings prior to October 1.

Clay Fitch, Chairman
Leslie Daane, Member

Steven Johnson, Member
Shelli Lowe, Member

Fred "Wes" Smith, Member

The **Committee on Local Government Finance** is composed of 11 members appointed as follows: three persons appointed by the Nevada League of Cities; three persons appointed by the Nevada Association of Counties; three persons appointed by the Nevada School Trustees Association; and two persons appointed by the Nevada State Board of Accountancy. The purpose of this Committee is to advise the Department regarding regulations, procedures and forms for compliance with NRS 354.570 through 354.626 (Local Government Budget Act).

Marvin Leavitt, Chairman
Michael R. Alastuey, Member
Bob Anderson, Member
Mario Garcia, Member

Andy Green, Member
Marty Johnson, Member
Alan Kalt, Member
Beth Kohn, Member

John Sherman, Member
Douglas O. Thunder, Member
Mary Walker, Member

The **Property Appraiser Certification Board** is composed of six members, three of whom are qualified appraisers chosen by the majority vote of the Association of County Assessors and three are appointed by the Nevada Tax Commission. The Board advises the Department on matters pertaining to certification and continuing education of appraisers.

John Faulkner, Chairman
Jeff Johnson, Member

Norma Green, Member
Joel Flamenbaum, Member

David Adams, Member
Greg Worms, Member

DEPARTMENT ORGANIZATION AND FUNCTION

The Department of Taxation has four major divisions; the Administrative Services/Fiscal Division, Information Services Division, the Compliance Division, which is subdivided into the Revenue and Audit sections, and the Division of Assessment Standards, which includes the Local Government Finance Section.

Administrative Services/Fiscal is responsible for providing centralized support for all administrative, financial and fiscal activities of the Department. Sections include: Budget, Tax Distributions and Statistics, Revenue Accounting/Processing/Cancellations, Personnel and Support Services/Mailroom.

Information Services maintains statewide LAN/WAN support, PC development and acquisition and DoIT liaison for mainframe programs.

Compliance administers and collects taxes for distribution to the State General Fund, other state agencies and to the cities and counties. This section is responsible for the administration and collection of all sales and use taxes, the business license fee and tax, insurance premium tax, cigarette tax, other tobacco tax, liquor tax, lodging tax. Special drug manufacturing tax, estate tax, short-term lease fee and controlled substance tax. Other programs administered that coincide with the sales and use tax program include collecting taxes on vehicles purchased out-of-state for use in Nevada and all aircraft based and licensed in our state. In addition, staff within this section answers questions of taxability, conducts hearings and monitors accounts for compliance with statutes, reporting requirements and general taxpayer education. When the need arises, this section issues tax deficiency notices, approves payment plans, files liens, files withholds, and as a last measure may close an affected business.

Audit administers a comprehensive audit program to insure taxpayer compliance. This section is responsible for ensuring financial compliance with laws relating to all sales and use taxes, the business tax, net proceeds of minerals tax, motor fuel and jet fuel tax, cigarette and other tobacco tax, liquor tax, tire tax and special drug manufacturing tax. In addition, staff with this section educates taxpayers in proper reporting and record keeping requirements to assist them with future reporting and preparing a proper audit trail.

Division of Assessment Standards is responsible for appraising all centrally assessed property, establishing guidelines for the county assessors, conducting the ratio study, ensuring statewide compliance with assessment standards established by the Tax Commission and administering the net proceeds of minerals tax.

The Local Government Finance Section reviews local government budgets and audits, prepares the ad valorem tax rates for certification, advises local governments on budget act compliance and financial management matters, and reviews entities annual audits and plans for the prevention of the re-occurrence of violations as reported. In addition, the Department is also responsible for annually developing the official estimates of population of the State and the various counties, cities, towns and townships. These estimates, after certification by the Governor, are used for the purpose of distributing certain revenues to counties, cities and towns and to determine the appropriate number of justices of the peace.

The Department maintains four office locations. The headquarters is located in Carson City, with district offices in Las Vegas and Reno, and a taxpayer assistance office in Elko. For fiscal year 2002-03, the Department's staff consisted of 224.02 positions statewide, with a budget of \$16,986,019.

The audit staff conducted 1,825 sales and use tax audits during Fiscal Year 2002-03. The total net collections from audit billings during this period was \$12,002,694. Net audit collections decreased in FY01 compared to previous years due primarily to the expansion of NRS 360.291, the Taxpayer Bill of Rights, approved by the 1999 Legislature to include: extension of time for the finalization of audit liability; expanded due process rights for audit appeals; etc. Although audits billed in FY01 exceed \$25 million, there is a delay in realized revenue due to these changes. Audits billed may be collected in succeeding fiscal years or may ultimately be reduced through negotiated settlement agreements approved by the Nevada Tax Commission.

The following is a comparison of statistics describing Revenue and Audit sales and use tax activity for the last six fiscal years.

<u>FISCAL YEAR</u>	<u>NUMBER OF AUDITS</u>	<u>NET COLLECTIONS FROM AUDIT BILLINGS</u>	
1997-98	2,414	17,722,977	
1998-99	2,429	20,694,464	
1999-00	1,768	20,671,651	
2000-01	1,413	10,023,184	
2001-02	1,796	11,126,994	
2002-03	1,825	12,002,694	

<u>FISCAL YEAR</u>	<u>GROSS SALES AND USE TAXES</u>	<u>COLLECTIONS AS % OF GROSS TAX</u>	<u>AUDIT COVERAGE</u>
1996-97	1,696,633,726	1.36%	5.46%
1997-98	1,771,935,898	1.00%	4.84%
1998-99	1,973,967,982	1.05%	4.78%
1999-00	2,144,719,866	0.96%	3.34%
2000-01	2,259,364,536	0.44%	2.56%
2001-02	2,288,288,064	0.49%	2.80%
2002-03	2,424,657,995	0.50%	2.62%

Department Financial Statement

APPROPRIATIONS AND EXPENDITURES
JULY 1, 2002 - JUNE 30, 2003 - REVERSIONS AS OF JUNE 30, 2003

FUNDING/APPROPRIATIONS	WORK PROGRAM FUNDS	RECEIPTS / EXPENDITURES	RECEIPTS LESS WORK PROGRAM
Balance Forward from Prior Year	\$ 1,021,635	\$ 1,021,635.00	\$ -
General Fund Appropriations	14,577,170	14,577,170.00	-
Salary Adjustment	722,811	722,811.00	-
Audit Fees	45,614	44,444.31	1,169.69
Cigarette Tax Administration	369,582	369,582.00	-
Estate Tax Administration	117,345	117,345.00	-
Environmental Protection Transfer	7,420	7,419.42	0.58
Justice Court/Township Fees	95,907	95,744.00	163.00
Returned Check Charge	22,745	22,744.94	0.06
Miscellaneous Revenue	5,790	2,921.57	2,868.43
Total Available Funds	\$ 16,986,019	\$ 16,981,817.24	\$ 4,201.76

EXPENDITURES

Salaries	\$ 12,183,309	\$ 12,143,099.68	\$ 40,209.32
Out-of-state Travel	3,730	3,116.56	613.44
In-state Travel	176,109	125,044.39	51,064.61
Operating	1,643,984	1,471,333.92	172,650.08
Equipment	-	-	-
Out-of-state Audit	65,158	57,277.31	7,880.69
Demographer	158,359	158,359.00	-
Cigarette Stamps	63,980	61,987.80	1,992.20
Information Services	2,170,724	2,010,645.87	160,078.13
Training	17,832	2,361.04	15,470.96
County Assessor/Appraiser Training	-	-	-
Purchasing Assessment	4,101	3,921.00	180.00
State Cost Recovery Plan	478	478.00	-
Attorney General Cost Allocation	33,387	33,387.00	-
Reserve for Reversion	464,868	437,315.00	27,553.00
Total Expenditures	\$ 16,986,019	\$ 16,508,326.57	\$ 477,692.43
Reversion June 30, 2003		473,490.67	
Difference Work Program less Receipts		4,201.76	
Available Funds Accounted for	\$ 16,986,019	\$ 16,986,019.00	

REVERSIONS

To General Fund	\$ 473,490.67
Balance Forward	-
Total Reversion	\$ 473,490.67
REVERSIONS	
To General Fund	\$ 1,712,303.18
To Highway Fund	5,758.06
Balance Forward-AB519/AB526	1,021,635.00
Total Reversion	\$ 2,739,696.24

COMPONENTS OF SALES AND USE TAX RATES

<u>NRS</u> <u>CHAPTER</u>	<u>TAX RATE</u>	<u>TAX DESCRIPTION</u>	<u>DISTRIBUTION</u>
Minimum Statewide Tax Rate			
372	2.00%	Sales Tax	To the General Fund.
374	2.25%	Local School Support Tax	<u>In-State Business Returns</u> : Tax is distributed to the school district in which the business is located. <u>Out-of-State Business Returns</u> : Tax distributed to the State Distributive School Fund.
377	0.50%	Basic City-County Relief Tax	<u>In-State Business Returns</u> : Tax distributed to the county where the sale was made. <u>Out-of-State Business Returns</u> : Tax distributed to counties based on a population formula.
377	1.75%	Supplemental City-County Relief Tax	Tax distributed to all local governments according to statutory formula.
	6.50%	Minimum Statewide Tax Rate	
Option Tax			
Note: The following additional taxes are distributed to the county where the sale was made.			
377A	0.25%	Promotion of Tourism - limited to counties with population of 400,000 or less (voter approval).	Imposed by Storey County.
377A	0.50%	Public Mass Transportation & Construction of Roads (voter approval).	.25% Imposed by Carson City, Churchill County, Clark County, Nye County, Washoe County and White Pine County.
543	0.25%	Control of Floods - limited to counties with population of 400,000 or more (voter approval).	Imposed by Clark County.
377B	0.25%	Infrastructure - limited to counties with population less than 100,000 or greater than 400,000 (county commission approval).	Imposed by Clark County, Lincoln County and Storey County.
377B	0.125%	Infrastructure - limited to counties with population between 100,000 & 400,000 (county commission approval).	Imposed by Washoe County.
374A	0.125%	Extraordinary maintenance, repair or improvement of school facility	Imposed by White Pine County.
Special Act			
	0.25%	Local Government Tax Act - Washoe & Churchill counties (county commission approval)	Intracounty distributions to local governments according to a statutory formula. Imposed by Churchill County and Washoe County.

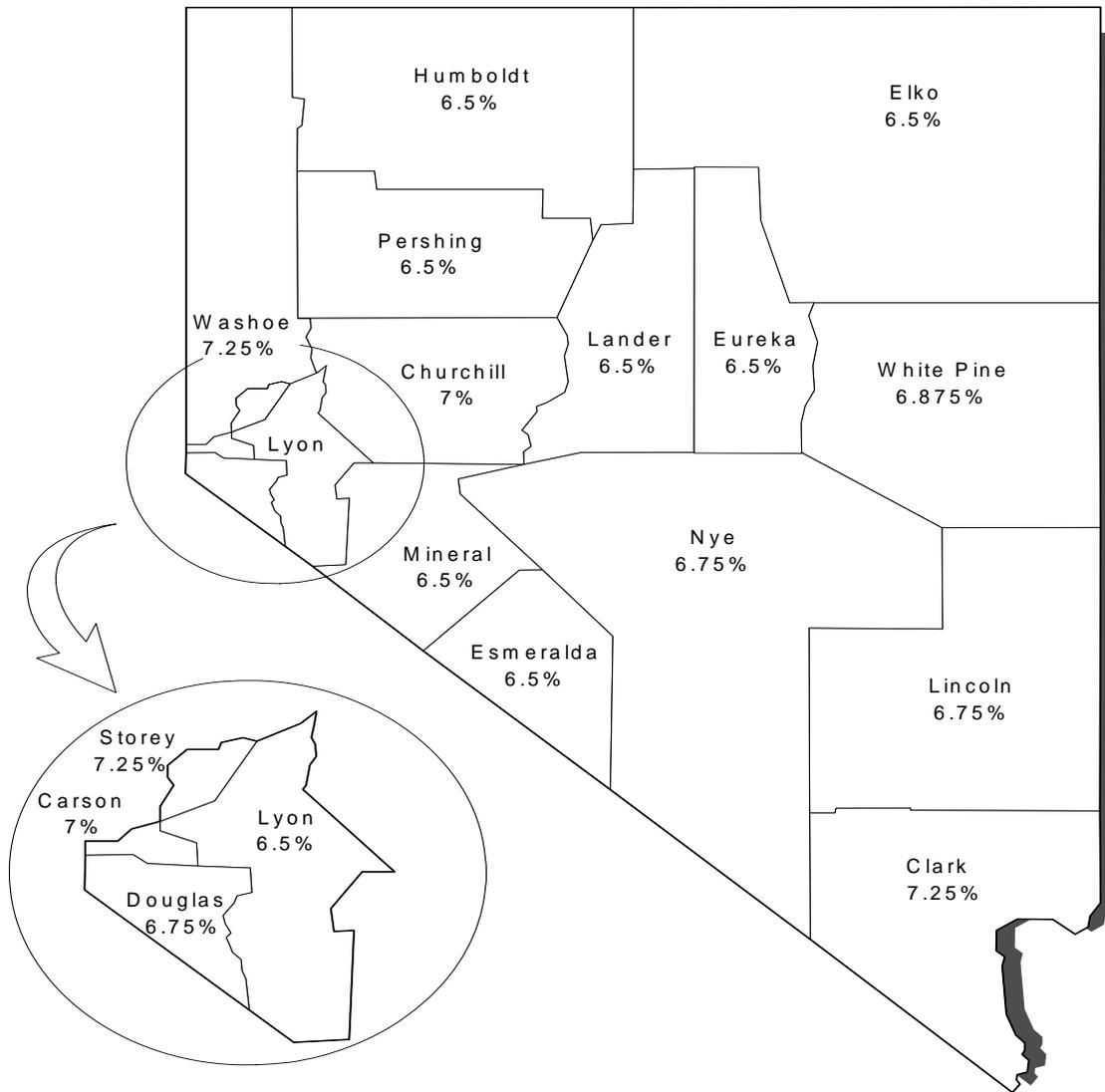
Components of Sales and Use Tax Rates (continued)

- 0.25% Tricounty Railway Commission - Imposed by Storey County.
Carson City, Lyon & Storey
counties (voter approval)
- 0.125% Washoe Railroad Grade Project Imposed by Washoe County.
(county commission approval)

Miscellaneous Amendments

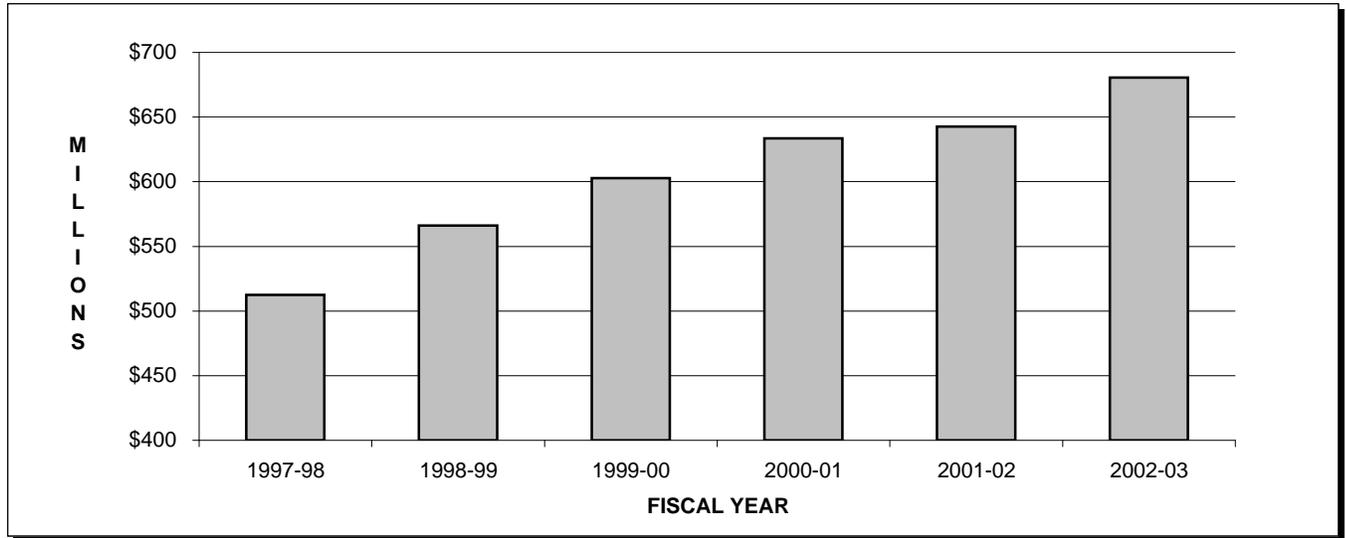
- 0.25% Carson City Open Space Tax - Imposed by Carson City.
Amendment to Carson City
Charter.
- 0.25% Douglas County Sales Tax Imposed by Douglas County.
Ordinance of 1999 (voter and
legislative approval)

C O U N T Y M A P O F N E V A D A



All rates effective January 1, 2001

SALES AND USE TAX REVENUE



FISCAL YEAR	TAX	PERMIT FEES	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
1997-98	\$ 512,505,095	\$ 12,128	\$ 512,517,223	4.10%
1998-99	566,104,238	11,880	566,116,118	10.46%
1999-00	602,861,581	12,232	602,873,813	6.49%
2000-01	633,561,837	12,356	633,574,193	5.09%
2001-02	642,714,414	12,357	642,726,771	1.44%
2002-03	680,435,804	11,438	680,447,243	5.87%

LEGAL CITATION

Chapter 372 Nevada Revised Statutes.

RATE

2 percent on all taxable sales and taxable items of use.

CURRENT DISTRIBUTION OF REVENUE

State General Fund.

HISTORY

ORIGINALLY ENACTED

1955 session of State Legislature. Approved by referendum in 1956.

RATE

2 percent since inception. Referendum to raise to 3 percent defeated in 1963 by 2 to 1 margin.

REMOVAL OF SALES TAX FROM FOOD

On June 5, 1979, the voters, by special election, amended the Sales and Use Tax Act to provide for exemption of certain foods from taxation (effective July 1, 1979).

DISTRIBUTION

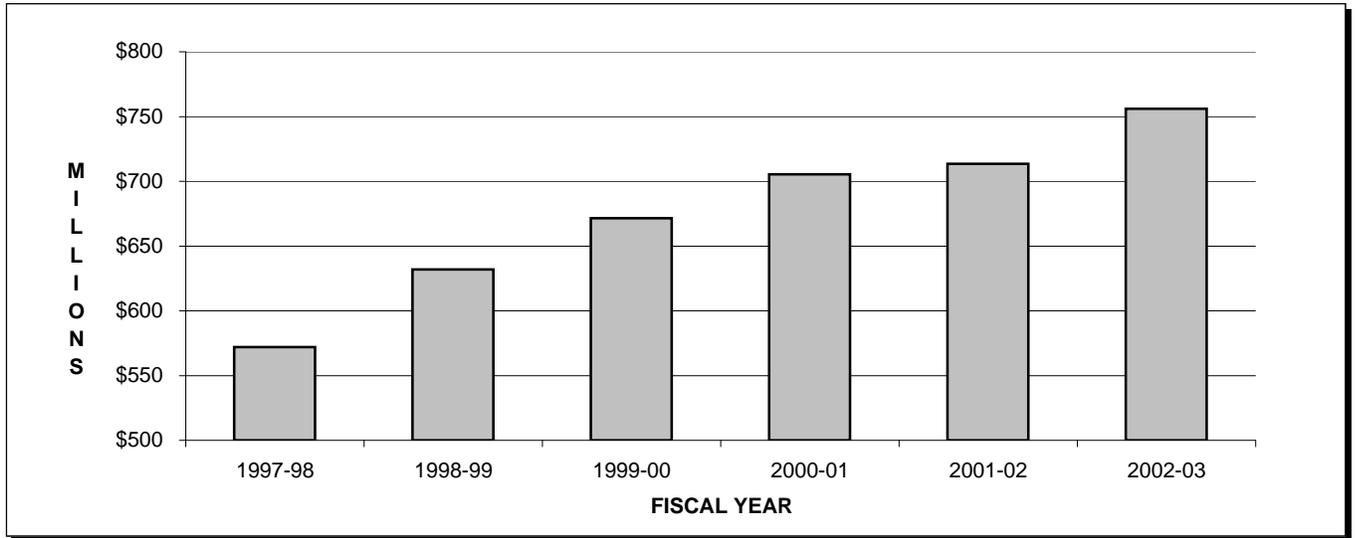
State General Fund since inception.

Sales and Use Tax Revenue (continued)

STATE 2% SALES AND USE TAX COLLECTION BY COUNTY
FISCAL YEAR 2002-03

COUNTY	TAXES AND FEES	% OF TOTAL
Carson City	\$ 17,625,446	2.59%
Churchill	4,444,647	0.65%
Clark	495,571,317	72.82%
Douglas	12,653,925	1.86%
Elko	14,164,502	2.08%
Esmeralda	105,412	0.02%
Eureka	3,060,210	0.45%
Humboldt	6,217,541	0.91%
Lander	952,980	0.14%
Lincoln	700,090	0.10%
Lyon	5,343,140	0.79%
Mineral	590,559	0.09%
Nye	6,093,618	0.90%
Pershing	1,064,709	0.16%
Storey	757,687	0.11%
Washoe	109,693,904	16.12%
White Pine	1,406,569	0.21%
Out of State	990	0.00%
TOTAL	\$ 680,447,243	100.00%

LOCAL SCHOOL SUPPORT TAX REVENUE



FISCAL YEAR	TAX	PERMIT FEES	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
1997-98	\$ 572,083,101.00	\$ 12,128.00	\$ 572,095,229.00	4.30%
1998-99	631,853,015	11,880	631,864,895	10.45%
1999-00	671,559,112	12,232	671,571,344	6.28%
2000-01	705,340,321	12,355	705,352,676	5.03%
2001-02	713,610,084	12,356	713,622,440	1.17%
2002-03	755,910,912	11,438	755,922,350	5.93%

LEGAL CITATION

Chapter 374 Nevada Revised Statutes.

RATE

2.25 percent on all taxable sales and taxable items of use.

CURRENT DISTRIBUTION OF REVENUE

99.25 percent of in-state collections returned to county of origin for distribution to school districts; .75 percent to State General Fund. 99.25 percent of out-of-state collections and other fees to State Distributive School Fund; .75 percent to State General Fund.

HISTORY

ORIGINALLY ENACTED

1967 session of State Legislature. Held constitutional by Nevada Supreme Court, June 1967; effective July 1, 1967. Amended 1981 session of State Legislature, effective May 1, 1981. Amended 1991 session of State Legislature, effective October 1, 1991.

RATE

July 1, 1967 to April 30, 1981 - 1 percent on all taxable sales and taxable items of use.

May 1, 1981 - 1.50 percent on all taxable sales and taxable items of use.

October 1, 1991 - 2.25 percent on all taxable sales and taxable items of use.

Local School Support Tax Revenue (continued)

DISTRIBUTION

July 1, 1967 to April 30, 1981 - 99 percent of in-state collections returned to county of origin for distribution to school districts. 1 percent to State General Fund. All out-of-state collections and other fees to State Distributive School Fund.

May 1, 1981 - State General Fund Commission reduced to .50 percent.

October 1, 1991 - State General Fund Commission increased to include collections on out-of-state sales.

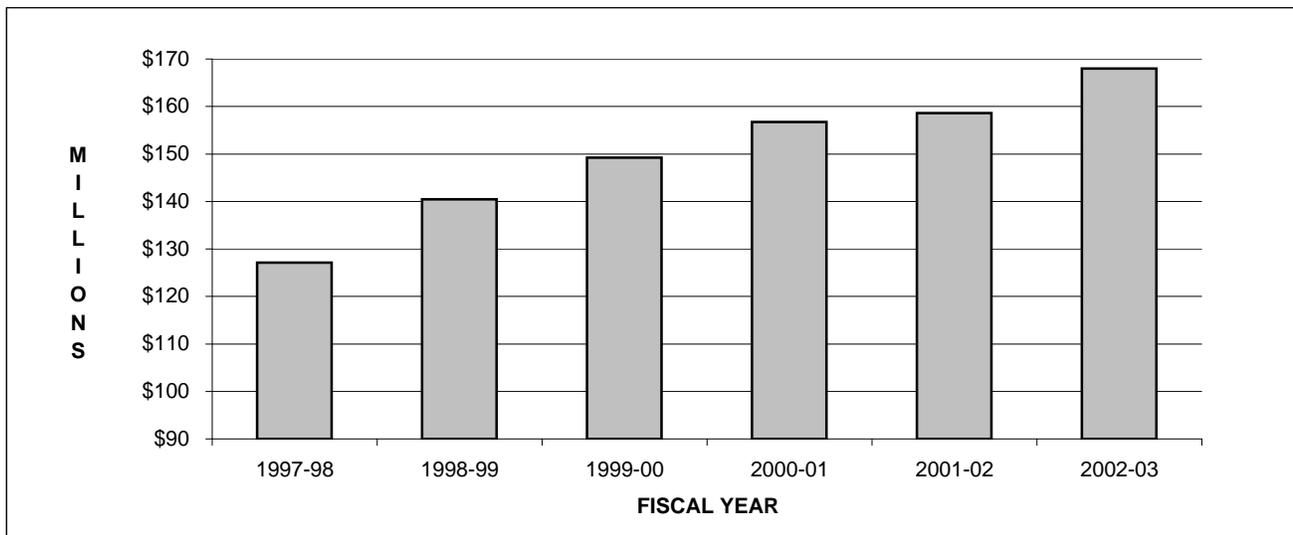
July 1, 1993 - State General Fund Commission increased from .50 percent to 1 percent on in-state and out-of-state collections.

July 1, 1999 - State General Fund Commission decreased from 1 percent to .75 percent on in-state and out-of-state collections.

LOCAL SCHOOL SUPPORT TAX DISTRIBUTION
FISCAL YEAR 2002-03

COUNTY	TAX	% OF TOTAL
Carson City	\$ 20,002,964	2.65%
Churchill	4,268,852	0.56%
Clark	498,143,678	65.90%
Douglas	12,919,309	1.71%
Elko	15,397,029	2.04%
Esmeralda	43,550	0.01%
Eureka	129,151	0.02%
Humboldt	5,635,439	0.75%
Lander	665,765	0.09%
Lincoln	288,280	0.04%
Lyon	4,185,748	0.55%
Mineral	485,418	0.06%
Nye	5,143,574	0.68%
Pershing	544,244	0.07%
Storey	661,585	0.09%
Washoe	116,959,363	15.47%
White Pine	1,346,273	0.18%
Total County School District Distribution	\$ 686,820,222	90.86%
State Distributive School Fund	63,432,710	8.39%
State General Fund	5,669,418	0.75%
TOTAL	\$ 755,922,350	100.00%

BASIC CITY/COUNTY RELIEF TAX REVENUE



FISCAL YEAR	TAX	PERMIT FEES	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
1997-98	\$ 127,138,672	\$ 12,128	\$ 127,150,799	4.29%
1998-99	140,412,633	11,880	140,424,513	10.44%
1999-00	149,237,475	12,232	149,249,707	6.28%
2000-01	156,753,973	12,355	156,766,328	5.04%
2001-02	158,584,588	12,356	158,596,944	1.17%
2002-03	167,982,400	11,438	167,993,838	5.93%

LEGAL CITATION

Chapter 377 Nevada Revised Statutes.

RATE

1/2 of 1 percent of all taxable sales and taxable items of use.

CURRENT DISTRIBUTION OF REVENUE

99.25 percent of in-state collections returned to county of origin for distribution to eligible local governments through the Consolidated Tax Program; .75 percent to State General Fund; 99.25 percent out-of-state collections prorated amongst counties, on the basis of population ratio, for distribution to local governments through the Consolidated Tax Program; .75 percent to State General Fund.

HISTORY

ORIGINALLY ENACTED

1969 session of State Legislature as the City/County Relief Tax, effective July 1, 1969. Levy effected by county ordinance.

Collected in Clark and Washoe Counties as of July 1, 1969; Lyon County, January 1, 1971; Douglas, Elko, Humboldt, Lincoln, Mineral Counties, May 1, 1971; Nye County, June 1, 1972; Pershing County, July 1, 1972; Churchill County, July 1, 1973; Carson City, April 1, 1976; Storey County, July 1, 1976; Lander County, July 1, 1979; White Pine County, July 1, 1980; Esmeralda and Eureka Counties, May 1, 1981.

1969 levied for city/county support. 99 percent of in-state collections returned to county of origin; 1 percent to State General Fund; 100 percent out-of-state collections prorated amongst counties levying the tax; combined collections distributed as follows: if no cities within county, 100 percent to county; if one city within county, to county and city, on basis of population ratio; if two or more cities within county, to cities only on basis of population ratio.

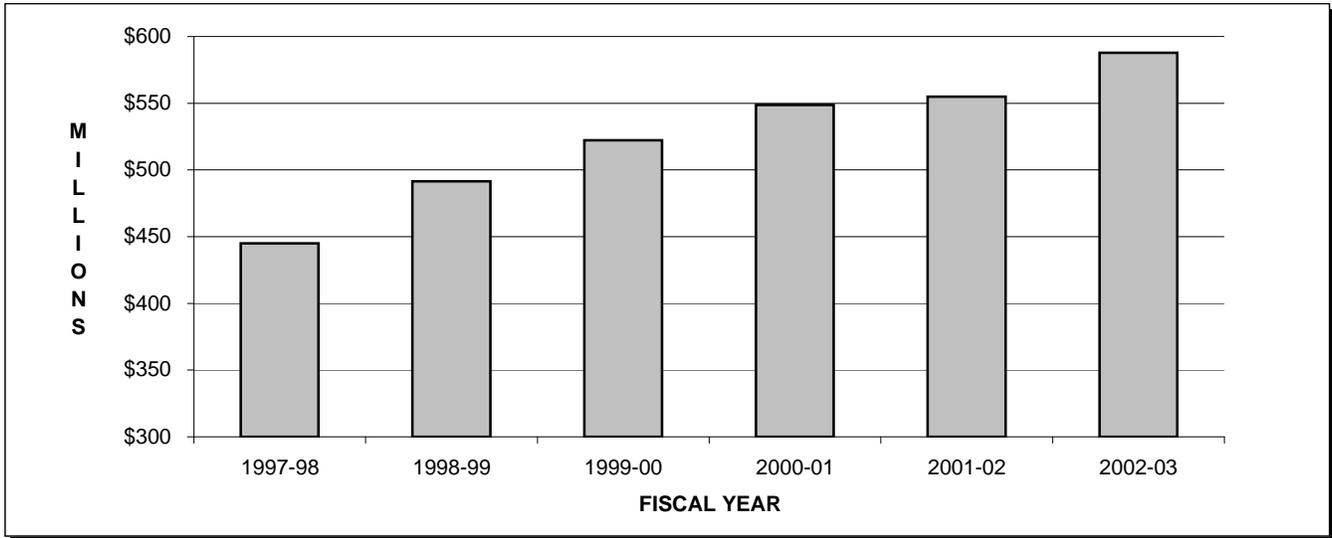
Basic City/County Relief Tax Revenue (continued)

AMENDMENTS	1981	1981 session of State Legislature; name changed to Basic City/County Relief Tax effective May 1, 1981 and levy required by State Statute. May 1, 1981 General Fund Commission reduced to .50 percent.
	1991	Effective October 1, 1991, .50 percent General Fund Commission was imposed on out-of-state collections.
	1993	Effective July 1, 1993 General Fund Commission increased to 1 percent on in-state and out-of-state collections.
	1997	The 1997 Legislature created the Consolidated Tax Program. Beginning FY 98-99, the Department implemented the program that combines BCCRT, SCCRT, Cigarette Tax, Liquor Tax, Real Property Transfer Tax and Motor Vehicle Privilege Tax into one monthly distribution. Total allocation by county is transferred to the Consolidated Tax Account for distribution to individual local governments within the county.
	1999	Effective July 1, 1999 General Fund Commission decreased to .75 percent on in-state and out-of-state collections.

BASIC CITY/COUNTY RELIEF TAX TRANSFER
TO CONSOLIDATED TAX
FISCAL YEAR 2002-03

COUNTY	TAX	% OF TOTAL
Carson City	\$ 4,394,994	2.62%
Churchill	1,183,078	0.70%
Clark	120,720,685	71.86%
Douglas	3,244,436	1.93%
Elko	3,304,054	1.97%
Esmeralda	32,630	0.02%
Eureka	640,343	0.38%
Humboldt	1,488,642	0.89%
Lander	228,781	0.14%
Lincoln	120,116	0.07%
Lyon	1,385,602	0.82%
Mineral	190,665	0.11%
Nye	1,635,011	0.97%
Pershing	248,913	0.15%
Storey	193,543	0.12%
Washoe	27,329,094	16.27%
White Pine	393,297	0.23%
 Total County Transfers	 \$ 166,733,884	 99.25%
State General Fund	1,259,954	0.75%
Total	\$ 167,993,838	100.00%

SUPPLEMENTAL CITY/COUNTY RELIEF TAX REVENUE



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
1997-98	\$ 444,986,569	4.30%
1998-99	491,444,647	10.44%
1999-00	522,331,636	6.28%
2000-01	548,639,255	5.04%
2001-02	555,043,630	1.17%
2002-03	587,935,233	5.93%

LEGAL CITATION

Chapter 377, Nevada Revised Statutes.
Chapter 354, Nevada Revised Statutes.

RATE

1.75 percent of all taxable sales and taxable items of use.

CURRENT DISTRIBUTION OF REVENUE

99.25 percent of total collections returned to local governments through Consolidated Tax Program based on distribution formula; .75 percent to State General Fund.

HISTORY

ORIGINALLY ENACTED

1981 session of State Legislature; effective May 1, 1981.

AMENDMENTS

1983

Fire districts organized pursuant to Chapter 473 of Nevada Revised Statutes to be included in the distribution. Shifted authority to grant reserve fund distributions from the Interim Legislative Committee on Local Government Finance to the Nevada Tax Commission.

Supplemental City/County Relief Tax Revenue (continued)

AMENDMENTS
(continued)

- 1985 Changed distribution of excess supplemental city/county relief tax receipts. When all entities within a county have received the maximum supplemental city/county relief tax allowable, excess is then deposited in the Reserve Fund. Shifted authority to grant Reserve Fund distributions from the Nevada Tax Commission to the Interim Finance Committee. Established the following maximum Reserve Fund amounts: 1.) \$10,000,000 for distribution to local governments in the event actual receipts in any one year are less than the estimated receipts for that year. 2.) \$2,500,000 for emergency distributions to local governments if unforeseen or uncontrollable conditions, existing or imminent, substantially impair the financial capacity of a local government to provide the basic services for which it was created. 3.) Any amount in excess of \$12,500,000 in the fund, at the beginning of the year, must be distributed to local governments in the following fiscal year.
- 1987 Eliminated redevelopment districts from the distribution of supplemental city/county relief tax.
- 1989 Removed the limitations on the amount of supplemental city/county relief tax a local government may receive in any one fiscal year. Eliminated the Reserve Fund and created the Emergency Fund of the supplemental city/county relief tax. The amount of the fund was set at \$2,500,000. Created the Redistribution Fund for the supplemental city/county relief tax and provided specific dollar allocations to the Town of Laughlin, Clark County, Churchill County and Elko County.
- 1991 Changed distribution of supplemental city/county relief tax at the county level. First a group of selected counties receive a guaranteed distribution from the total collections. The remaining funds are allocated to a second group of counties based on the percentage of county collections to the total collections for the group. Adjustments to ease the impact of the legislation to certain counties are made to the distribution formula. Counties in the guaranteed group will be moved into the point-of-origin group if their collections outpace their distribution by 10 percent in a fiscal year. Intracounty distributions were not amended by the Legislature. The Local Government Tax Act of 1991 authorized certain counties that were negatively impacted by the rebasing of the distribution formula to impose certain taxes to make up the revenue loss.
- 1993 The Local Government Tax Act of 1993 authorized certain counties that were negatively impacted by additional rebasing of the distribution formula to impose certain taxes to make up the revenue loss. These additional taxes, if imposed, are to be levied from October 1, 1993 through September 30, 1994.
- 1997 The 1997 Legislature created the Consolidated Tax Program. Beginning FY 98-99, the Department implemented the program that combines BCCRT, SCCRT, Cigarette Tax, Liquor Tax, Real Property Transfer Tax and Motor Vehicle Privilege Tax into one monthly distribution. Total allocation by county is transferred to the Consolidated Tax Account for distribution to individual local governments within the county.

SUPPLEMENTAL CITY/COUNTY RELIEF TAX TRANSFER
TO CONSOLIDATED TAX
FISCAL YEAR 2002-03

COUNTY	TAX	% OF TOTAL
Carson City	\$ 14,894,393	2.53%
Churchill	3,723,804	0.63%
Clark	413,839,726	70.39%
Douglas	12,523,320	2.13%
Elko	10,911,735	1.86%
Esmeralda	911,592	0.16%
Eureka	2,337,691	0.40%
Humboldt	5,032,874	0.86%
Lander	2,460,576	0.42%
Lincoln	1,181,340	0.20%
Lyon	8,286,000	1.41%
Mineral	1,696,644	0.29%
Nye	6,828,372	1.16%
Pershing	1,900,020	0.32%
Storey	1,440,924	0.25%
Washoe	92,940,996	15.81%
White Pine	2,615,712	0.44%
Total County Transfers	\$ 583,525,719	99.25%
State General Fund	4,409,514	0.75%
Less: Emergency Fund	-	0.00%
TOTAL	\$ 587,935,233	100.00%

SEVERE FINANCIAL EMERGENCY FUND

Fund Balance \$ 603,562

Supplemental City/County Relief Tax (continued)

LOCAL GOVERNMENT TAX ACTS OF 1991 AND 1993
SPECIAL FUND COLLECTIONS AND DISTRIBUTIONS
FISCAL YEAR 2002-03

COLLECTIONS

CHURCHILL COUNTY

Sales and Use Tax	\$	546,088
Motor Vehicle Privilege Tax		497,047
Real Property Transfer Tax		17,813
Property Tax		97,890
Interest		1,639
TOTAL	\$	<u>1,160,477</u>

WASHOE COUNTY

Sales and Use Tax	\$	13,458,910
Motor Vehicle Privilege Tax		4,838,927
Gaming License Fee		1,038,788
Real Property Transfer Tax		837,584
Property Tax		2,712,684
Interest		31,159
TOTAL	\$	<u>22,918,052</u>

DISTRIBUTIONS

CHURCHILL COUNTY

	\$	891,290
Fallon		204,235
Other		64,952
TOTAL	\$	<u>1,160,477</u>

WASHOE COUNTY

	\$	15,271,440
Reno		3,577,137
Sparks		1,691,191
Other		2,378,285
TOTAL	\$	<u>22,918,052</u>

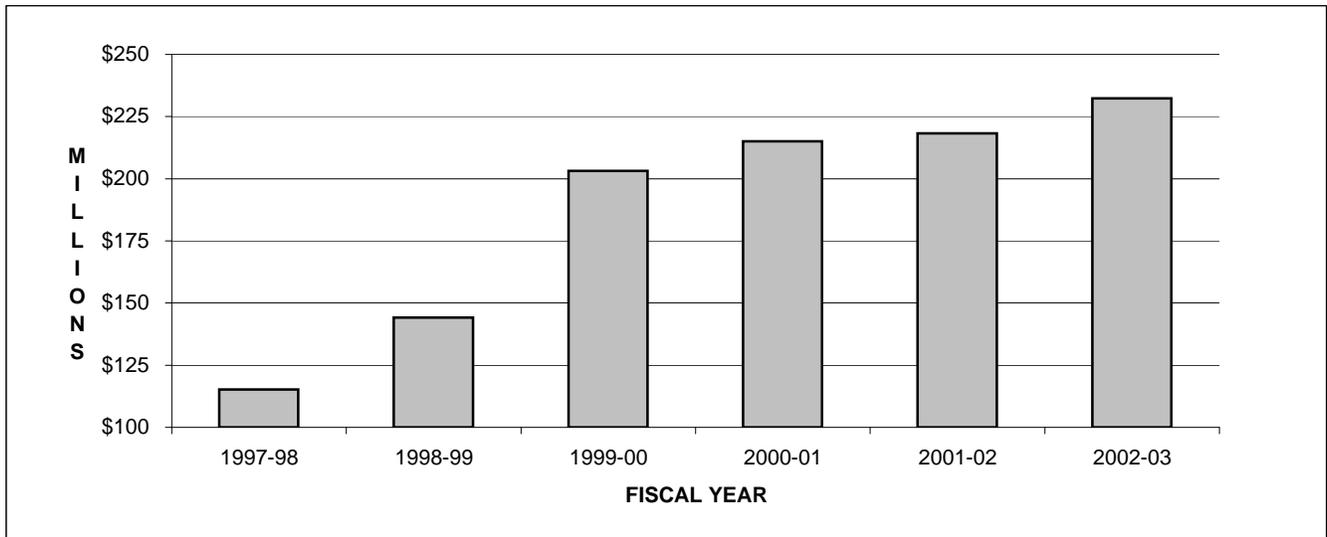
DELINQUENT TAX COLLECTIONS

NYE COUNTY		1.53
TOTAL	\$	<u>1.53</u>

DELINQUENT TAX DISTRIBUTIONS

NYE COUNTY		1.53
TOTAL	\$	<u>1.53</u>

LOCAL OPTION SALES AND USE TAX



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
1997-98	\$ 115,186,079	7.43%
1998-99	144,117,808	25.12%
1999-00	203,093,167	40.92%
2000-01	215,032,084	5.88%
2001-02	218,298,280	1.52%
2002-03	232,359,331	6.44%

LEGAL CITATION

Chapter 377A, Nevada Revised Statutes.
Chapter 543, Nevada Revised Statutes.

RATE

.125 or .25 percent of all taxable sales and taxable items of use in a county.

CURRENT DISTRIBUTION OF REVENUE

Per NRS 377A.020: The board of county commissioners may impose a tax of .25 percent for mass transit or the construction of public roads; or counties with population of less than 400,000 may impose a .25 percent tax for the promotion of tourism. NRS 377B.100 provides that a county, under certain population requirements, may impose up to .25 percent tax for infrastructure; NRS 543.600 provides that a county whose population is 400,000 or more may impose a .25 percent tax for the purpose of flood control. 99.25 percent of collection returned to county of origin; .75 percent to State General Fund. Special Acts of legislature have provided for certain counties to impose additional option taxes for specific local purposes.

HISTORY

ORIGINALLY ENACTED

1981 session of State Legislature. Washoe County enacted ordinance effective November 1, 1982; Storey County effective August 1, 1985; Nye County effective May 1, 1986; Churchill and White Pine Counties effective November 1, 1986; Carson City effective January 1, 1988; and Clark County effective March 1, 1988.

AMENDMENTS

1985

Amended NRS 377A.020 by adding that the tax may be used for the construction of public roads, and NRS 543.600 stipulates for the purpose of flood control.

Local Option Sales and Use Tax (continued)

AMENDMENTS (continued)

- | | |
|------|--|
| 1989 | Amended NRS 543.600 by increasing the population limitation from 250,000 to 400,000 or more in a county that may consider imposing a tax for flood control. |
| 1991 | Implemented the Local Government Tax Act of 1991, AB 104 authorizing certain counties that were negatively impacted by the change to the Supplemental County/City Relief Tax distribution formula to impose by county ordinance an additional $\frac{1}{4}$ of 1 percent sales and use tax. |
| 1993 | Implemented the Local Government Tax Act of 1993, SB 506 authorizing certain additional counties that were negatively impacted by additional changes to the Supplemental City/County Relief Tax distribution formula to impose by county ordinance $\frac{1}{4}$ of 1 percent sales and use tax from October 1, 1993 through September 30, 1994. |
| 1995 | Allowed the Tri-County Railway Commission to impose $\frac{1}{4}$ of 1 percent sales and use tax in a county upon approval of the voters. |
| 1997 | Ratified Carson City voter approval imposition of $\frac{1}{4}$ of 1 percent sales and use tax for open space. Added chapter 377B, tax for infrastructure to Nevada Revised Statutes. |
| 1999 | Added Chapter 374A, $\frac{1}{8}$ of 1 percent tax for extraordinary maintenance, repair or improvement of school facilities. |

Local Option Sales and Use Tax (continued)

LOCAL OPTION SALES AND USE TAXES DISTRIBUTION
FISCAL YEAR 2002-03

COUNTY	PROVISIONS	USE OF PROCEEDS	DATE IMPOSED	AMOUNT
Option Tax				
Carson City	377A	Public Roads	1/1/1987	\$ 2,121,336
Churchill	377A	Public Roads	11/1/1986	546,182
Clark	377A	Regional Transportation	7/1/1991	60,668,640
Clark	377B	So NV Water Authority	4/1/1999	60,579,149
Clark	543	Flood Control	3/1/1987	60,669,343
Lincoln	377B	School / Public Utilities	1/1/2001	87,890
Nye	377A	Public Roads	5/1/1986	768,506
Storey	377A	Tourism	8/1/1985	94,967
Storey	377B	School / Public Utilities	1/1/2001	94,933
Washoe	377A	Regional Transportation	11/1/1982	13,459,739
Washoe	377B	Flood/Public Safety	4/1/1999	6,725,011
White Pine	374A	School Cap Improvement	4/1/2000	86,470
White Pine	377A	Public Roads	11/1/1986	173,055
Special Acts				
Churchill	491	Local Government Tax Act	10/1/1991	546,088
Nye	475	Local Government Tax Act	10/1/1993	0
Storey	566	Tricounty Railway Commission	1/1/1996	94,879
Washoe	506	Railroad Grade Project	4/1/1999	6,725,011
Washoe	491	Local Government Tax Act	10/1/1991	13,458,910
Miscellaneous Amendments				
Carson City		Open Space	7/1/1997	2,122,575
Douglas		Misc Facilities & Services	7/1/1999	1,593,952
Total to Counties				\$ 230,616,636
State General Fund				1,742,695
TOTAL				<u><u>\$ 232,359,331</u></u>

TAXABLE SALES COMPARISON

Taxable Sales Comparison by County

County	Fiscal Year 2001-02	Fiscal Year 2002-03	% Change
Carson City	\$ 890,000,251	\$ 861,278,413	-3.2%
Churchill	217,196,175	226,398,294	4.2%
Clark	22,983,726,632	24,535,344,077	6.8%
Douglas	566,998,041	646,959,924	14.1%
Elko	719,322,584	700,491,175	-2.6%
Esmeralda	5,412,301	5,472,346	1.1%
Eureka	140,354,204	153,837,224	9.6%
Humboldt	314,753,024	306,694,898	-2.6%
Lander	62,966,446	48,072,183	-23.7%
Lincoln	22,350,942	35,945,603	60.8%
Lyon	253,690,187	274,982,629	8.4%
Mineral	28,968,520	30,867,093	6.6%
Nye	294,270,030	309,419,481	5.1%
Pershing	57,215,744	54,274,467	-5.1%
Storey	69,055,835	38,503,820	-44.2%
Washoe	5,292,178,588	5,475,601,736	3.5%
White Pine	68,424,534	70,753,827	3.4%
Out of State	(161,420)	104	100.0%
STATE TOTAL	<u>\$ 31,986,722,618</u>	<u>\$ 33,774,897,294</u>	5.6%

Taxable Sales Comparison by Business Type

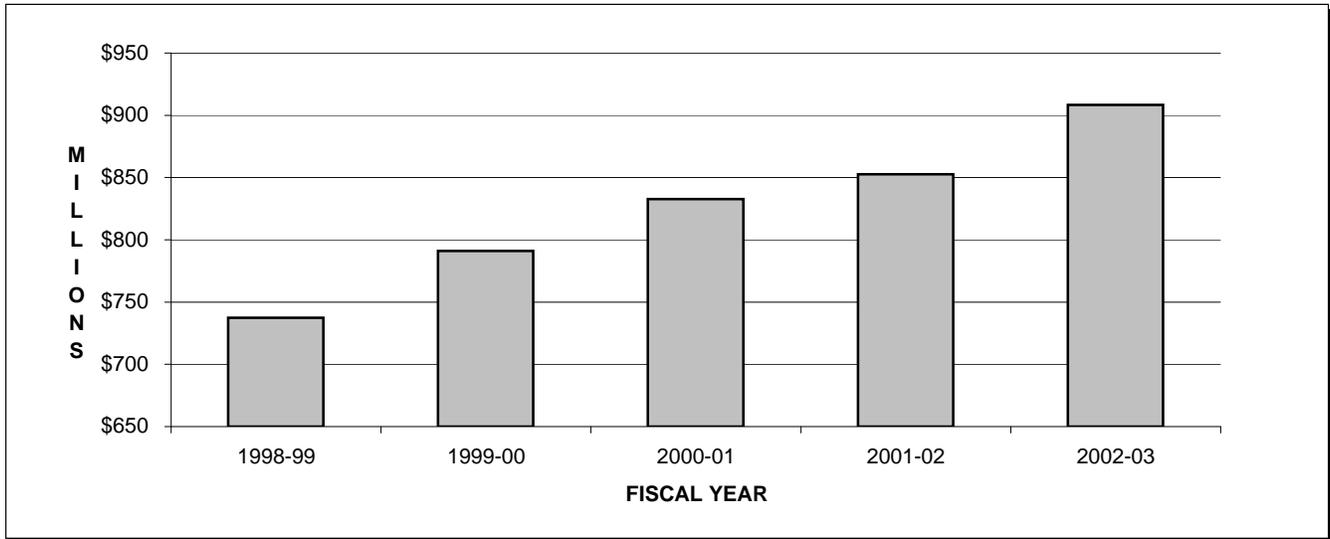
Business Code and Type	Fiscal Year 2001-02	Fiscal Year 2002-03	% Change
01 Agricultural Production-Crops	\$ 4,947,948	\$ 4,695,351	-5.1%
02 Agricultural Production-Livestock	3,000,809	2,977,253	-0.8%
07 Agricultural Services	37,162,954	41,862,269	12.6%
08 Forestry	267,761	221,676	-17.2%
09 Fishing, Hunting, and Trapping	989	204	-79.4%
10 Metal Mining	120,104,593	122,587,540	2.1%
12 Coal Mining	-	-	0.0%
13 Oil and Gas Extraction	5,833,944	6,607,553	13.3%
14 Mining and Quarrying of Nonmetallic Minerals	7,216,364	8,676,035	20.2%
15 Building Construction-General Contractors	143,034,971	163,221,578	14.1%
16 Heavy Construction other than Bldg. Construction	152,274,225	222,136,839	45.9%
17 Construction-Special Trade Contractors	825,724,748	812,228,747	-1.6%
20 Food and Kindred Products	27,896,968	26,375,629	-5.5%
21 Tobacco Products	1,295,209	1,060,187	-18.1%
22 Textile Mill Products	12,809,067	15,124,291	18.1%
23 Apparel and Other Finished Products	2,301,776	2,435,219	5.8%
24 Lumber and Wood Products, Except Furniture	46,178,426	47,721,600	3.3%
25 Furniture and Fixtures	35,741,540	33,392,029	-6.6%
26 Paper and Allied Products	4,556,534	10,244,405	124.8%
27 Printing, Publishing, and Allied Industries	55,374,616	53,587,301	-3.2%
28 Chemicals and Allied Products	83,953,574	67,943,704	-19.1%
29 Petroleum Refining and Related Industries	30,351,390	31,138,914	2.6%
30 Rubber and Misc Plastics Products	11,544,778	13,913,680	20.5%
31 Leather and Leather Products	359,194	535,052	49.0%
32 Stone, Clay, Glass, and Concrete Products	124,509,735	130,915,342	5.1%
33 Primary Metal Industries	17,275,791	22,730,722	31.6%
34 Fabricated Metal Products	65,398,447	51,709,446	-20.9%
35 Industrial and Commercial Machinery	323,819,602	321,759,754	-0.6%
36 Electronic and Other Electrical Equipment	141,966,973	152,999,626	7.8%
37 Transportation Equipment	12,956,985	21,597,743	66.7%
38 Measuring, Analyzing and Controlling Instruments	44,802,109	46,422,317	3.6%
39 Misc. Manufacturing Industries	125,986,333	130,512,555	3.6%
40 Railroad Transportation	4,661,146	7,996,622	71.6%
41 Local and Suburban Transit	4,207,407	14,496,724	244.6%
42 Motor Freight Transportation and Warehousing	20,727,144	23,752,502	14.6%
43 United States Postal Service	1,067,906	748,603	-29.9%
44 Water Transportation	1,904,716	2,664,871	39.9%
45 Transportation By Air	15,148,211	14,412,275	-4.9%
46 Pipelines, Except Natural Gas	384,657	487,960	26.9%
47 Transportation Services	11,594,045	9,122,954	-21.3%
48 Communications	185,483,742	177,328,161	-4.4%
49 Electric, Gas, and Sanitary Services	211,891,560	234,470,120	10.7%
50 Wholesale Trade-Durable Goods	1,751,222,990	1,889,974,055	7.9%
51 Wholesale Trade-Nondurable Goods	378,370,657	396,149,610	4.7%
52 Bldg. Materials, Hardware, Garden, Mobile Homes	2,068,187,183	2,132,959,444	3.1%
53 General Merchandise Stores	2,962,225,781	3,138,065,634	5.9%
54 Food Stores	1,377,696,278	1,365,796,756	-0.9%
55 Automotive Dealers and Gasoline	4,714,563,465	5,112,007,763	8.4%

Taxable Sales Comparison by Business Type (continued)

Business Code and Type	Fiscal Year 2001-02	Fiscal Year 2002-03	% Change
56 Apparel and Accessory Stores	\$ 1,254,316,285	\$ 1,384,761,881	10.4%
57 Home Furniture, Furnishings and Equipment	1,754,742,505	1,925,290,222	9.7%
58 Eating and Drinking Places	5,933,431,152	6,292,772,897	6.1%
59 Miscellaneous Retail	3,349,662,588	3,555,815,603	6.2%
60 Depository Institutions	16,625,507	20,410,244	22.8%
61 Nondepository Credit Institutions	248,878,442	212,049,166	-14.8%
62 Security and Commodity Brokers	3,546,943	4,347,506	22.6%
63 Insurance Carriers	1,128,518	512,869	-54.6%
64 Insurance Agents, Brokers, and Service	1,235,673	1,996,598	61.6%
65 Real Estate	49,489,130	49,060,023	-0.9%
67 Holding and Other Investment Offices	4,637,600	13,670,202	194.8%
70 Hotels, Rooming Houses, Camps, and Lodging	79,446,015	85,791,938	8.0%
72 Personal Services	107,400,613	116,090,474	8.1%
73 Business Services	1,217,253,686	1,197,795,832	-1.6%
75 Automotive Repair, Services, and Parking	969,662,959	998,022,301	2.9%
76 Miscellaneous Repair Services	122,494,363	123,490,053	0.8%
78 Motion Pictures	53,089,331	60,557,793	14.1%
79 Amusement and Recreation Services	445,368,089	439,196,045	-1.4%
80 Health Services	70,446,582	70,647,471	0.3%
81 Legal Services	2,643,112	2,349,799	-11.1%
82 Educational Services	3,547,870	4,043,897	14.0%
83 Social Services	862,911	920,818	6.7%
84 Museums and Art Galleries	729,774	738,372	1.2%
86 Membership Organizations	5,263,894	6,005,613	14.1%
87 Engineering, Accounting, Research and Mgt.	65,669,563	64,287,024	-2.1%
88 Private Households	2,646	225	-91.5%
89 Miscellaneous Services	5,219,356	5,181,401	-0.7%
91 Executive, Legislative and General Govt.	148,119	-	-100.0%
92 Justice, Public Order, and Safety	956	-	-100.0%
93 Public Finance, Taxation, and Monetary Policy	-	-	0.0%
94 Administration of Human Resource Programs	102,000	125,989	23.5%
95 Administration of Environmental Quality	129,081	86,134	-33.3%
96 Administration of Economic Programs	31,545	75,472	139.3%
97 National Security and International Affairs	-	1,188	100.0%
99 Nonclassifiable Establishments	41,530,569	51,033,629	22.9%
STATE TOTAL	<u>\$ 31,986,722,618</u>	<u>\$ 33,774,897,294</u>	5.6%

The above comparisons for Fiscal Year 2001-02 and Fiscal Year 2002-03 on taxable sales are based on figures provided on sales and use tax returns by registered permit holders in and out of the State of Nevada. Large increases or decreases may be due to audits, deficiency determinations, etc., performed on taxpayers doing business in a county.

CONSOLIDATED TAX



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
1998-99	\$ 737,463,793	N/A
1999-00	791,066,429	7.27%
2000-01	832,780,552	5.27%
2001-02	852,528,895	2.37%
2002-03	908,388,329	6.55%

LEGAL CITATION

Chapter 360, Nevada Revised Statutes.

CURRENT DISTRIBUTION OF REVENUE

Per NRS 360.600 through NRS 360.740; Revenues from the Supplemental City-County Relief Tax (SCCRT), Basic City-County Relief Tax (BCCRT), Cigarette Tax, Liquor Tax, Motor Vehicle Privilege Tax (MVPT) and Real Property Transfer Tax (RPTT) are pooled at the county level for distribution to the local governments under a single formula.

For counties, cities, towns and special districts, the lesser of prior year total distribution or prior year base is increased by the change in CPI over the prior calendar year to create the ensuing year base allocation. To the extent that there is revenue (from the six sources) in excess of what is necessary to allocate the base amount to the various local governments, the excess revenue will be distributed using a formula that incorporates population and growth statistics. "Enterprise" districts (user-fee based entities) initial base distribution is the amount that will be distributed for all subsequent fiscal years.

HISTORY

ORIGINALLY ENACTED

1997 session of State Legislature created the Local Government Tax Distribution Fund.

A base amount of revenue was initially established under the 1997 legislation. For counties, cities, towns and special districts, the total distribution is increased by the change in CPI over the prior calendar year to create the ensuing year base allocation.

Consolidated Tax (continued)

AMENDMENTS

2001

For counties, cities, towns and special districts, the lesser of prior year total distribution or prior year base is increased by the change in CPI over the prior calendar year to create the ensuing year base allocation.

"One Plus" component of excess distribution to be phased out over the next 4 years.

The City of Henderson received a one time base increase of \$4,000,000.

CONSOLIDATED TAX
SUMMARY OF THE REVENUE TRANSFERRED BY COUNTY
FISCAL YEAR 2002-03

COUNTY	BCCRT	SCCRT	CIGARETTE	LIQUOR	RPTT	MVPT	TOTAL
CARSON CITY	\$ 4,394,993.69	\$ 14,894,392.79	\$ 436,346.35	\$ 63,497.02	\$ 411,175.60	\$ 2,391,987.40	\$ 22,592,392.85
CHURCHILL	1,183,078.31	3,723,804.27	200,594.99	29,194.02	100,901.30	1,163,177.43	6,400,750.32
CLARK	120,720,684.82	413,839,725.50	12,043,143.18	1,751,209.79	22,648,700.34	73,764,004.71	644,767,468.34
DOUGLAS	3,244,436.05	12,523,320.00	350,355.14	50,977.20	812,956.65	2,298,806.92	19,280,851.96
ELKO	3,304,053.86	10,911,735.38	374,805.83	54,561.00	151,796.70	2,301,041.98	17,097,994.75
ESMERALDA	32,629.56	911,592.00	8,482.92	1,232.31	3,058.55	134,507.67	1,091,503.01
EUREKA	640,343.36	2,337,690.82	11,899.21	1,735.61	5,189.96	214,333.26	3,211,192.22
HUMBOLDT	1,488,641.75	5,032,873.55	130,108.00	18,934.92	45,185.25	1,074,637.99	7,790,381.46
LANDER	228,781.45	2,460,576.00	45,934.48	6,692.61	13,038.18	455,543.04	3,210,565.76
LINCOLN	120,115.76	1,181,340.00	31,050.64	4,519.36	8,478.25	353,108.55	1,698,612.56
LYON	1,385,602.35	8,286,000.00	302,303.37	43,962.78	457,313.45	1,801,886.40	12,277,068.35
MINERAL	190,665.21	1,696,644.00	38,029.51	5,537.12	8,750.80	310,493.54	2,250,120.18
NYE	1,635,010.95	6,828,372.00	277,337.36	40,351.50	158,193.06	1,996,499.07	10,935,763.94
PERSHING	248,912.67	1,900,020.00	55,327.15	8,051.81	14,309.45	429,452.53	2,656,073.61
STOREY	193,543.24	1,440,924.00	29,716.70	4,327.86	59,705.51	246,351.49	1,974,568.80
WASHOE	27,329,094.08	92,940,996.48	2,848,493.61	414,461.38	4,606,711.45	19,263,112.34	147,402,869.34
WHITE PINE	393,296.52	2,615,712.00	70,699.47	10,288.99	25,022.90	635,131.58	3,750,151.46
TOTAL	\$ 166,733,883.63	\$ 583,525,718.79	\$ 17,254,627.91	\$ 2,509,535.28	\$ 29,530,487.40	\$ 108,834,075.90	\$ 908,388,328.91

BCCRT, SCCRT, Cigarette and Liquor taxes: Revenue for each county is transferred monthly to the Consolidated Tax Account by the Department of Taxation.

RPTT: Each county treasurer deposits to the Consolidated Tax Account, at least quarterly, the revenue collected within the county.

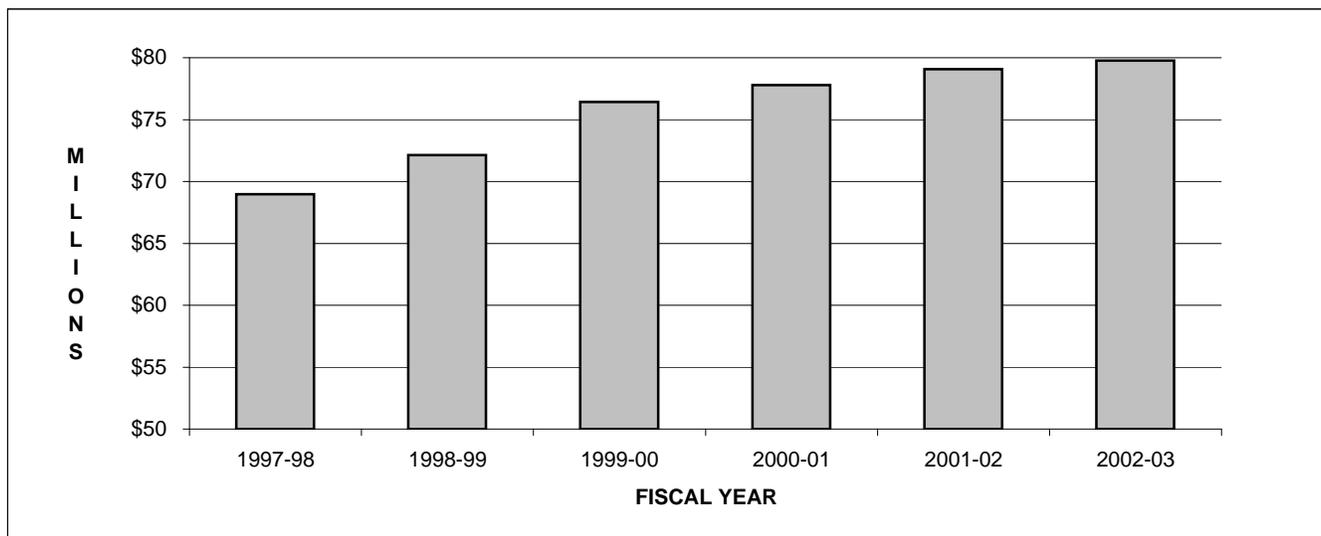
MVPT: Revenue for each county is transferred monthly to the Consolidated Tax Account by the Department of Motor Vehicles.

CERTIFIED POPULATION

Census population pursuant to NRS 360.285. The following population figures were used, as directed by specific statute, for allocation of tax revenue in fiscal year 2002-03.

CARSON CITY	54,171	HUMBOLDT COUNTY	16,164
		Winnemucca	7,001
CHURCHILL COUNTY	24,928	LANDER COUNTY	5,761
Fallon	8,162	Austin	312
CLARK COUNTY	1,485,855	Battle Mountain	3,056
Boulder City	14,760	Kingston	275
Henderson	196,780	LINCOLN COUNTY	3,861
Las Vegas	503,188	Caliente	1,276
Mesquite	11,940	Alamo	367
North Las Vegas	127,897	Panaca	552
Bunkerville	1,147	Pioche	628
Enterprise	34,017	LYON COUNTY	37,329
Laughlin	6,181	Yerington	2,889
Moapa Valley	5,672	Fernley	9,529
Paradise	184,870	MINERAL COUNTY	4,743
Searchlight	735	NYE COUNTY	34,384
Spring Valley	133,469	Gabbs	334
Summerlin	7,708	Amargosa	1,164
Sunrise Manor	172,237	Beatty	1,104
Whitney	16,899	Manhattan	123
Winchester	34,767	Pahrump	26,470
DOUGLAS COUNTY	43,450	Round Mountain	864
Gardnerville	3,851	Tonopah	2,779
Genoa	224	PERSHING COUNTY	6,873
Minden	2,861	Lovelock	2,144
ELKO COUNTY	46,668	STOREY CO	3,714
Carlin	2,215	WASHOE COUNTY	353,271
Elko	17,093	Reno	186,883
Wells	1,191	Sparks	71,753
West Wendover	4,614	WHITE PINE COUNTY	8,783
Jackpot	1,287	Ely	3,695
Montello	181	Lund	146
Mountain City	132	McGill	1,059
ESMERALDA COUNTY	1,038	Ruth	366
Goldfield	498		
Silver Peak	162		
EUREKA COUNTY	1,506		
Crescent Valley	298		
Eureka	470		
TOTAL STATEWIDE POPULATION			2,132,499

BUSINESS TAX



FISCAL YEAR	LICENSE FEES	TAX	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
1997-98	\$ 455,542	\$ 68,518,135	\$ 68,973,677	5.52%
1998-99	407,616	71,734,950	72,142,566	4.59%
1999-00	513,689	75,924,128	76,437,817	5.95%
2000-01	523,072	77,270,722	77,793,795	1.77%
2001-02	680,845	78,394,651	79,075,496	1.65%
2002-03	739,561	79,026,132	79,765,693	0.87%

LEGAL CITATION

Chapter 364A Nevada Revised Statutes.

IMPOSITION AND RATE

Business License Fee \$25. A tax imposed upon the privilege of conducting business in the State of Nevada, at the rate of \$25 per quarter for each equivalent full-time employee employed by a business.

CURRENT DISTRIBUTION OF REVENUE

State General Fund.

HISTORY

ORIGINALLY ENACTED

1991 session of the State Legislature, effective July 1, 1991. The tax due is based on the average number of employees per calendar quarter, determined from a graduated tax table beginning with more than 0 employees, \$25 per quarter; through more than 999 employees, not to exceed \$100,000 per quarter in tax. The three primary methods to determine the average number of employees include: A) determine the total number of employees on the payroll during the week that includes the 12th day of the month for each of the months in the quarter; divide by 3; B) total employee payroll for a quarter is divided by the "average wage factor" (AWF) to obtain the average number of employees. The average wage factor is set by the Department each fiscal year; C) divide the quarterly payroll by a special average wage factor if approved by the Department; multiply by 1.33 to determine the number of employees. This method is used by businesses that have 50 percent or more of their employees, working 20 or less hours per week.

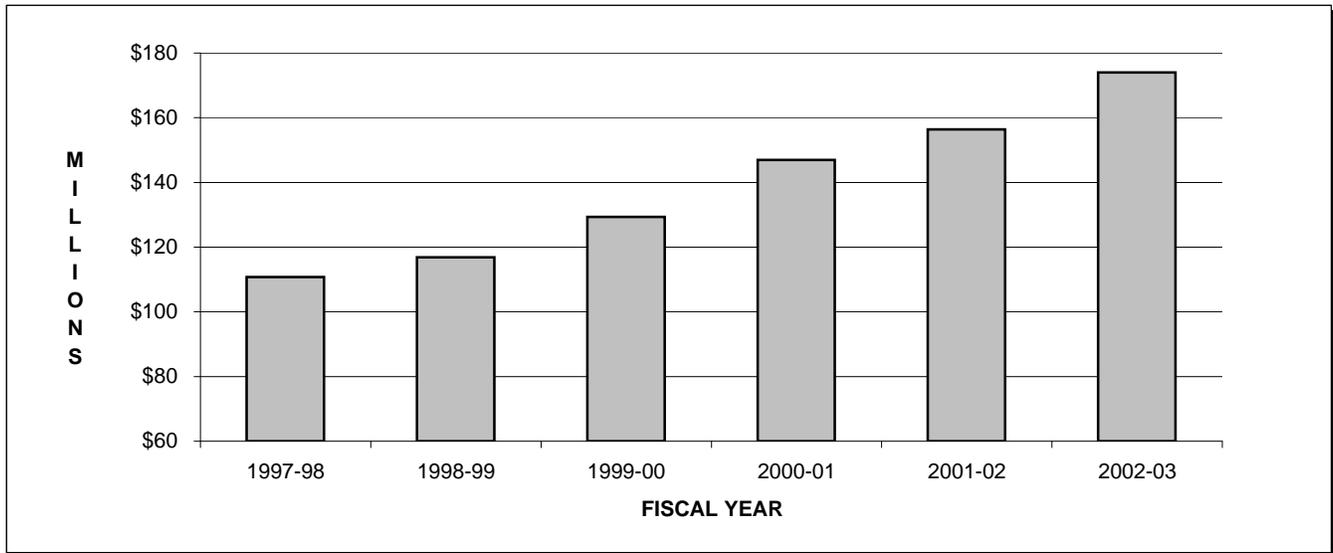
Business Tax (continued)

AMENDMENTS

1993 session of the State Legislature, per AB 394, effective July 1, 1993 eliminated the graduated tax table on the average number of employees and the \$100,000 tax cap per quarter. The amount of tax due per quarter for a business was changed to \$25 for each employee.

Effective January 1, 1994, per AB 456, the basis for calculating the tax was changed to the total number of equivalent full-time employees employed by the business in a quarter. The number of equivalent full-time employees may be calculated by: A) determining the total number of hours worked per quarter, not to exceed 468 hours per full-time employee; or B) by multiplying 7.2 hours by the number of days each full-time employee was employed up to a maximum of 65 days per quarter. To either of these methods is added the total number of hours worked by part-time employees; the result is divided by 468 to determine the number of equivalent full-time employees.

INSURANCE PREMIUM TAX



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
1997-98	\$ 110,734,229	13.84%
1998-99	116,893,556	5.56%
1999-00	129,328,441	10.64%
2000-01	146,917,892	13.60%
2001-02	156,347,356	6.42%
2002-03	173,990,728	11.28%

LEGAL CITATION

Chapter 680B Nevada Revised Statutes.

IMPOSITION AND RATE

A tax imposed for the privilege of transacting business in this State. Each insurer shall pay a tax upon his net direct premiums and net direct considerations written, at the rate of 3.5 percent. The premium tax is due on March 15 of each year on premiums written in the prior calendar year. Insurers required to pay a tax of at least \$2,000 the preceding calendar year must pay quarterly tax payments based on actual net direct premiums and net direct considerations written for the current reporting quarter. An insurer is entitled to a "Home Office Credit" of 50 percent of the aggregate amount of tax due and full credit for ad valorem taxes paid by the insurer during the preceding calendar year if the insurer maintains a home office or regional home office in Nevada. Other stipulations apply. These credits cannot exceed 80 percent of the tax otherwise due.

CURRENT DISTRIBUTION OF REVENUE

State General Fund.

HISTORY

ORIGINALLY ENACTED

1933 session of the State legislature.

1993 session of the State Legislature transferred the function of tax collection to the Department of Taxation from the Department of Insurance effective July 1, 1993 per AB 782.

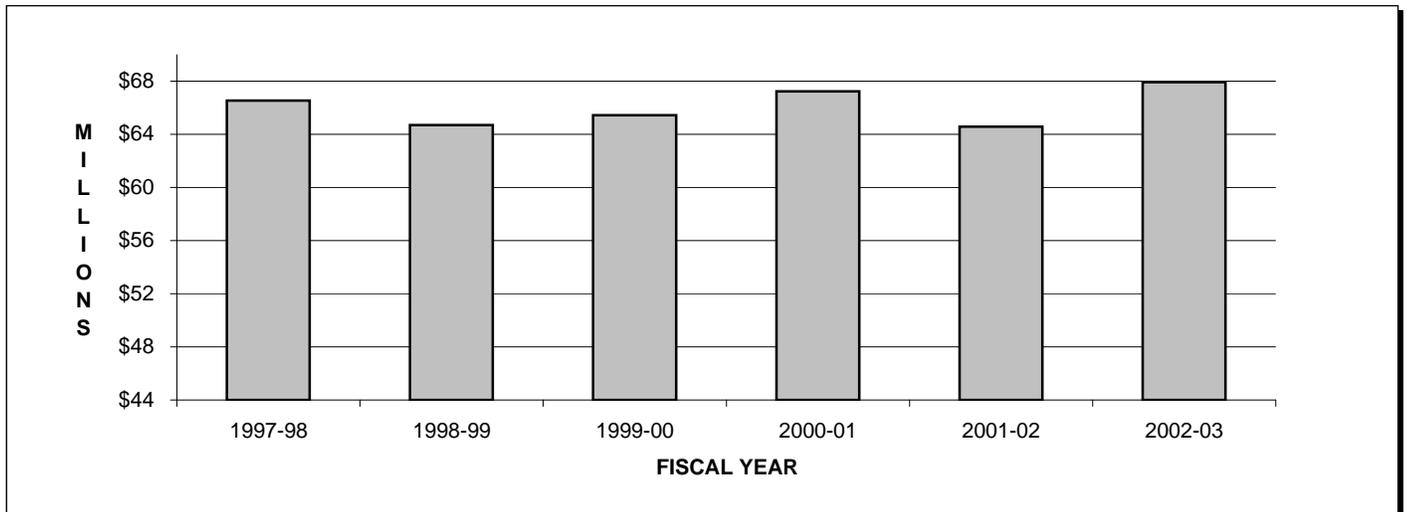
Insurance Premium Tax (continued)

1995 Session of the State Legislature passed legislation requiring private insurers who are writing industrial insurance in this state to pay premium tax on those policies. The legislation also provided for a credit against premium taxes on industrial insurance policies in an amount equal to the assessment paid by the insurer to the Division of Industrial Relations, effective July 1, 1999.

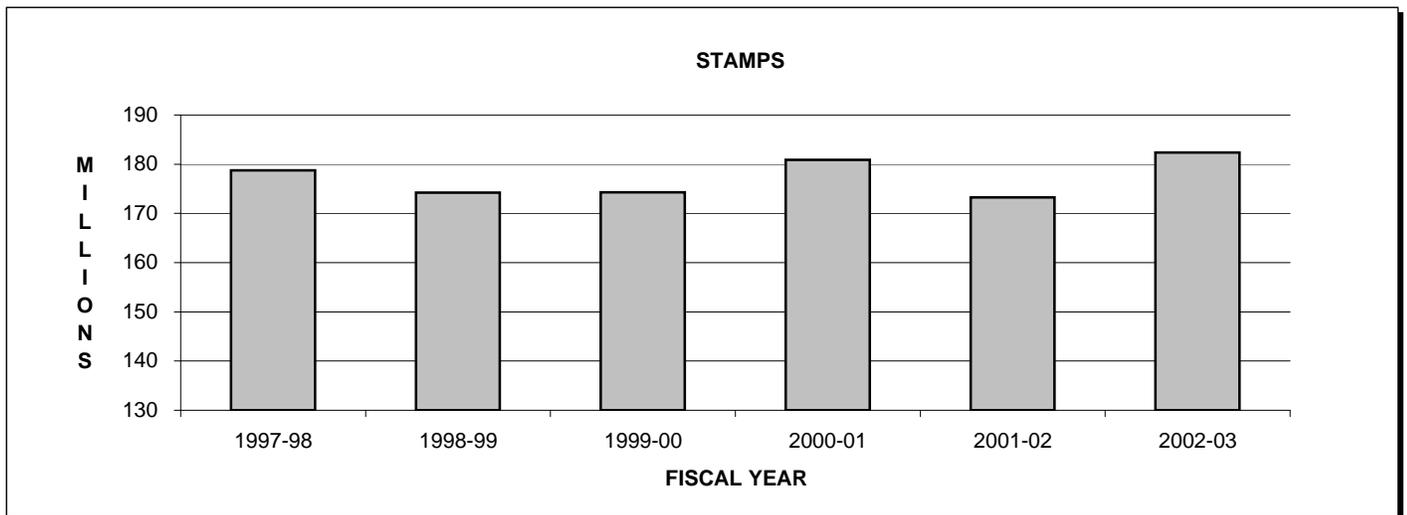
1997 Session of the State Legislature changed the due date of the annual return from March 1st to March 15th and requires insurers to report premium taxes based on actual premiums written instead of estimated, effective January 1, 1998.

1999 Session of the State Legislature requires insurers to provide statement to insureds if portion of premium is attributable to general premium tax, fees or assessments, effective July 1, 2000.

CIGARETTE AND OTHER TOBACCO PRODUCTS TAX REVENUE



FISCAL YEAR	TAX	OTHER TOBACCO PRODUCTS	LICENSES	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
1997-98	\$ 61,147,666	\$ 5,394,184	\$ 9,899	\$ 66,551,749	14.54%
1998-99	59,328,915	5,358,940	11,513	64,699,368	-2.78%
1999-00	59,466,190	5,962,399	11,303	65,439,891	1.14%
2000-01	61,619,276	5,602,823	12,870	67,234,969	2.74%
2001-02	59,014,026	5,557,893	15,758	64,587,677	-3.94%
2002-03	62,011,111	5,916,301	16,223	67,943,635	5.20%



FISCAL YEAR	REVENUE STAMPS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	REVENUE STAMPS	% CHANGE FROM PRIOR YEAR
1997-98	178,767,115	13.20%	2000-01	180,880,840	3.78%
1998-99	174,196,800	-2.56%	2001-02	173,235,750	-4.23%
1999-00	174,297,940	0.06%	2002-03	182,399,100	5.29%

NOTE: Revenue stamps represent number of paid stamps, issued by the Department. The tax represents stamps paid for, penalty and interest, and use tax paid by manufacturers on gift or sample cigarettes.

NOTE: Fiscal Year 1998 represents 13 months of revenue due to SB 254 (1997) and a reporting change required by GASB 22.

Cigarette and Other Tobacco Products Tax Revenue (continued)

LEGAL CITATION	Chapter 370 Nevada Revised Statutes.
RATE	Cigarettes - 17.5 mills per cigarette. Other Tobacco Products - 30 percent of manufacturers wholesale price.
CURRENT DISTRIBUTION OF REVENUE	5 mills per cigarette for distribution to eligible local governments (less administrative fee determined by legislative appropriation) through the Consolidated Tax distribution. 12.5 mills per cigarette to the State General Fund. Other Tobacco Products revenue to the State General Fund.

HISTORY

ORIGINALLY ENACTED	1947 session of State Legislature.
RATE	1947 - 1949, 2 cents; 1949 - 1961, 3 cents; 1961 - 1969, 7 cents; 1969 to June 30, 1983, 10 cents; July 1, 1983 to June 30, 1985, 15 cents per package; July 1, 1985 to June 30, 1987, 7.5 mills per cigarette; July 1, 1987 to June 30, 1989, 10 mills per cigarette; July 1, 1989, 17.5 mills per cigarette.
AMENDMENTS	1947 Wholesalers' discount 10 percent for stamping; 5 percent for administration; remainder to State General Fund. 1949 Wholesalers' discount reduced to 7 percent; revenue distribution, 87.5 percent to State General Fund; 12.5 percent to counties. 1953 Effective date of use tax on cigarettes. 1955 Wholesalers' discount for stamping reduced to 5 percent. 1960 Refunds allowed for tax paid on stale cigarettes. 1961 Wholesalers' stamping discount, 4 percent; revenue distribution, 66 percent to State General Fund; 28.5 percent to cities and counties based on population; 5.5 percent to counties based on sales. 1965 Revenue distribution changed - 30 percent to State General Fund; 64.5 percent to cities and counties based on population; 5.5 percent to counties based on county sales. 1967 Revenue distribution changed - 100 percent local. No cities - 100 percent to county. One city - based on population - county and city Two or more cities - to cities based on population. 1969 Administrative costs reimbursed in amount determined by legislative appropriation each biennium.

Cigarette and Other Tobacco Products Tax Revenue (continued)

AMENDMENTS (continued)

1980 June 10, 1980 - Supreme Court decision of Washington vs. Coleville Indian Reservation determined that State cigarette tax could not be applied to on-reservation transactions. Effective July 16, 1980 cigarettes sold to and by eligible Indian smoke shops required tribal cigarette stamps or metered impressions on packages sold. In 1980 the Department of Taxation furnished 13,091,470 tribal stamps. In more recent years the Department has furnished the following number of tribal stamps:

FY 1997-98	38,415,000	FY 2000-01	37,875,000
FY 1998-99	35,475,000	FY 2001-02	33,870,000
FY 1999-00	38,385,000	FY 2002-03	33,915,000

1983 The 1983 session of the State Legislature enacted an additional 5 cent per pack tax for distribution to the State General Fund. In addition, all products made from tobacco, other than cigarettes, are taxed at 30 percent of the manufacturers wholesale price for distribution to the State General Fund.

1985 The 1985 session of the State Legislature enacted a tax base change; to 7.5 mills per cigarette but not less than 15 cents per package.

1987 The 1987 session of the State Legislature enacted a tax rate change; to 10 mills per cigarette but not less than 20 cents per package.

1989 The 1989 session of the State Legislature enacted a tax rate change; to 17.5 mills per cigarette.

1991 Wholesalers' discount for stamping reduced from 4 percent to 3 percent.

1997 Monthly reports required from wholesale and retail dealers of other tobacco products.

Other tobacco products displayed or exhibited at trade show exempt from excise tax.

The 1997 Legislature created the Consolidated Tax Program. Beginning FY 98-99, the Department implemented the program that combines BCCRT, SCCRT, Cigarette Tax, Liquor Tax, Real Property Transfer Tax and Motor Vehicle Privilege Tax into one monthly distribution. Total allocation by county is transferred to the Consolidated Tax Account for distribution to individual local governments within the county.

1999 The 1999 Legislature enacted AB667, which is Nevada's model legislation for the Tobacco Master Settlement Agreement. Effective May 24, 1999, all manufacturers of tobacco products sold in Nevada are required to participate in the Tobacco Settlement Agreement or to place money in escrow.

2001 Senate Bill 381, effective July 1, 2001, revised the definition of wholesale dealer and wholesale price for Other Tobacco Products. SB 381 changed the payment of tax to after the sale or distribution of Other Tobacco Products.

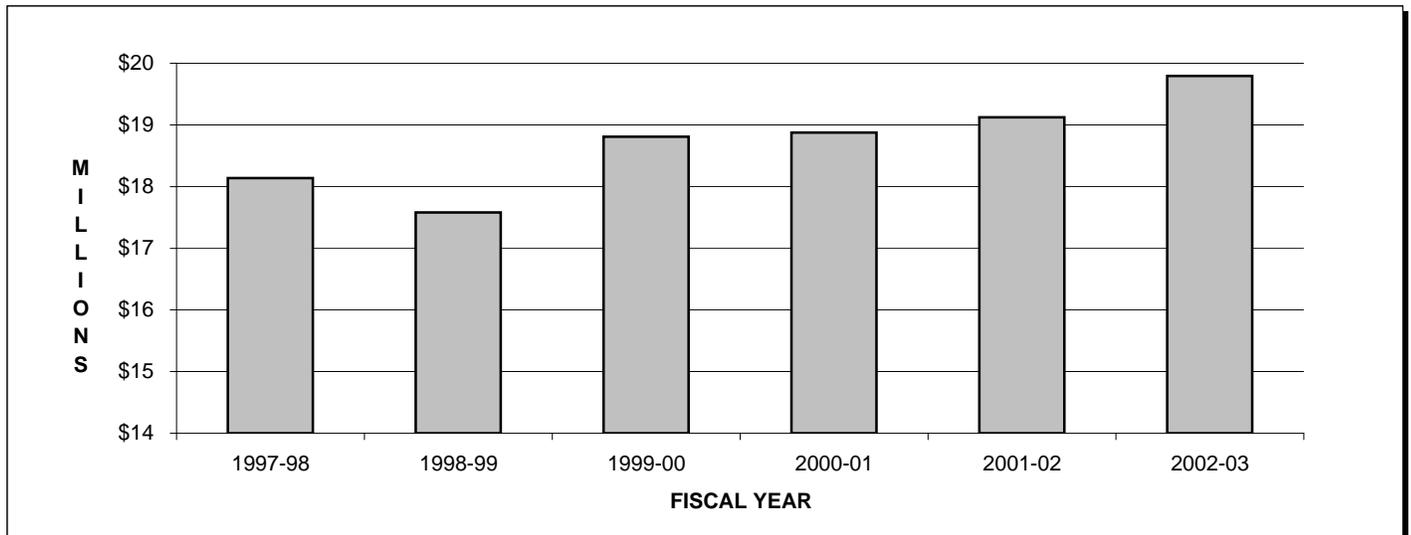
Senate Bill 527, effective July 1, 2001, provides for an exemption for duty-free sales enterprises and persons importing cigarettes for personal use. SB 527 also requires cigarette revenue stamps designed to identify the dealer who affixes the stamp.

Cigarette and Other Tobacco Products Tax Revenue (continued)

TRANSFER OF CIGARETTE TAX REVENUE
TO CONSOLIDATED TAX
FISCAL YEAR 2002-03

COUNTY	TAX	% OF TOTAL
Carson City	\$ 436,346	0.64%
Churchill	200,595	0.30%
Clark	12,043,143	17.73%
Douglas	350,355	0.52%
Elko	374,806	0.55%
Esmeralda	8,483	0.01%
Eureka	11,899	0.02%
Humboldt	130,108	0.19%
Lander	45,934	0.07%
Lincoln	31,051	0.05%
Lyon	302,303	0.44%
Mineral	38,030	0.06%
Nye	277,337	0.41%
Pershing	55,327	0.08%
Storey	29,717	0.04%
Washoe	2,848,494	4.19%
White Pine	70,699	0.10%
TOTAL COUNTY TRANSFER	\$ 17,254,628	25.40%
Administrative Fees	369,582	0.54%
Refunds	383,155	0.56%
State General Fund	44,019,969	64.79%
Other Tobacco Products (General Fund)	5,916,301	8.71%
TOTAL	\$ 67,943,635	100.00%

LIQUOR TAX REVENUE



FISCAL YEAR	TAX	LICENSES	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
1997-98	\$ 18,078,032	\$ 60,310	\$ 18,138,342	10.77%
1998-99	17,547,681	31,414	17,579,095	-3.08%
1999-00	18,740,163	70,077	18,810,240	7.00%
2000-01	18,795,880	81,613	18,877,492	0.36%
2001-02	19,032,483	88,108	19,120,591	1.29%
2002-03	19,700,096	93,658	19,793,754	3.52%

NOTE: Fiscal Year 1998 represents 13 months of revenue due to SB 254 (1997) and a reporting change required by GASB 22.

LEGAL CITATION

Chapters 369 and 597 Nevada Revised Statutes.

RATES

Over 22 percent by volume \$ 2.05 per gallon
 Over 14 percent to 22 percent by volume \$.75 per gallon
 .5 to 14 percent by volume \$.40 per gallon
 Beer \$.09 per gallon

LICENSE FEES

Importer wine, beer, and liquor \$500
 Importer beer 150
 Wholesaler wine, beer and liquor 250
 Wholesaler beer 75
 Brew Pub 75
 Brewer 75
 Winemaker 75
 Certificate of Compliance 50

CURRENT DISTRIBUTION OF REVENUE

50 cents per gallon of collections on over 22 percent alcohol allocated for distribution to eligible local governments through the Consolidated Tax distribution. The portion of tax on liquor containing over 22 percent alcohol which exceeds \$1.90 per wine gallon is transferred to the tax on liquor program account in the State General Fund. All remaining revenues to the State General Fund.

Liquor Tax Revenue (continued)

HISTORY

ORIGINALLY ENACTED

1935 as a Stamp Tax.

RATES

- 1935 Case beer, 24 bottles, 6 cents per case; 36 bottles, 9 cents per case; keg beer, 2 cents per gallon. Wines up to 14 percent, 2 1/2 cents per quart; 14 percent to 22 percent, 5 cents per quart. All alcoholic beverages over 22 percent, up to 4 ounces, 1 cent; up to 8 ounces, 2 cents; up to 16 ounces, 5 cents; up to 32 ounces, 10 cents.
- 1945 Beer, 3 cents per gallon; liquor, 8 percent to 14 percent, 15 cents per gallon; over 14 percent to 22 percent, 25 cents per gallon; over 22 percent, 60 cents per gallon.
- 1947 Beer, 3 cents per gallon; liquor, up to 14 percent, 15 cents per gallon; over 14 percent to 22 percent, 30 cents per gallon; over 22 percent, 80 cents per gallon.
- 1961 Beer, 6 cents per gallon; liquor, up to 14 percent, 30 cents per gallon; over 14 percent to 22 percent, 50 cents per gallon; over 22 percent, \$1.40 per gallon.
- 1969 Over 22 percent alcohol increased to \$1.90 per gallon.
- 1981 Over 22 percent alcohol increased to \$2.05 per gallon.
- 1983 Beer, 9 cents per gallon; liquor, up to 14 percent, 40 cents per gallon; over 14 percent to 22 percent, 75 cents per gallon; over 22 percent, \$2.05 per gallon.

DISTRIBUTION

- 1935 3 percent for administration, \$100,000 to School Fund; \$24,000 to University Contingent Fund; balance to State Emergency Employment Bond Interest and Redemption Fund.
- 1937 5 percent maximum for administration; balance as follows: 50 percent to School Fund; 15 percent to University Contingent Fund; 35 percent to State Emergency Employment Bond Interest and Redemption Fund.
- 1939 5 percent maximum for administration; balance as follows: 50 percent to School Fund; 40 percent to University Contingent Fund; 10 percent to Consolidated Bond Interest and Redemption Fund.
- 1943 5 percent maximum for administration; balance to General Fund.
- 1949 All revenue to General Fund, administration costs appropriated.
- 1969 All revenues to General Fund except 5/19 of that collected on liquor over 22 percent which is allocated accordingly:

 No cities - 100 percent to county.

 One city - based on population ratio of county and city.

 Two or more cities - to cities based on population.

Liquor Tax Revenue (continued)

DISTRIBUTION (continued)	1981	Additional 15 cent tax on over 22 percent alcohol allocated to the Account for Alcohol and Drug Abuse in the Department of Human Resources Gift Fund.
AMENDMENTS	1945	Changed from Stamp Tax to Excise Tax.
	1955	Allowed 2 percent tax discount to importer.
	1961	Allowed 3 percent tax discount to importer.
	1969	Raised rate for over 22 percent alcohol content from \$1.40 to \$1.90 and allocated 50 cents of that rate to counties and cities.
	1981	Raised rate for over 22 percent alcohol content from \$1.90 to \$2.05 allocating 50 cents of that rate to counties and cities and 15 cents to the Account for Alcohol and Drug Abuse in the Department of Human Resources Gift Fund.
	1983	Raised rates for beer to 9 cents per gallon; liquor up to 14 percent, 40 cents per gallon; over 14 percent to 22 percent, 75 cents per gallon. Over 22 percent remained at \$2.05 per gallon.
	1995	An applicant for a certificate of compliance must pay a \$50 fee. This fee is renewable on or before July 1st of each year.
	1997	The 1997 Legislature created the Consolidated Tax Program. Beginning FY 98-99, the Department implemented the program that combines BCCRT, SCCRT, Cigarette Tax, Liquor Tax, Real Property Transfer Tax and Motor Vehicle Privilege Tax into one monthly distribution. Total allocation by county is transferred to the Consolidated Tax Account for distribution to individual local governments within the county.
	1999	Senate Bill 428, effective June 7, 1999 increased the amount of wine a Nevada resident may import from one gallon per month to twelve cases per year for personal or household use. Other alcoholic beverages remain at one gallon per month.
	2001	Assembly Bill 12, effective June 15, 2001, authorized the transfer of liquor (not including beer), between affiliated retailers that hold non-restricted gaming licenses.

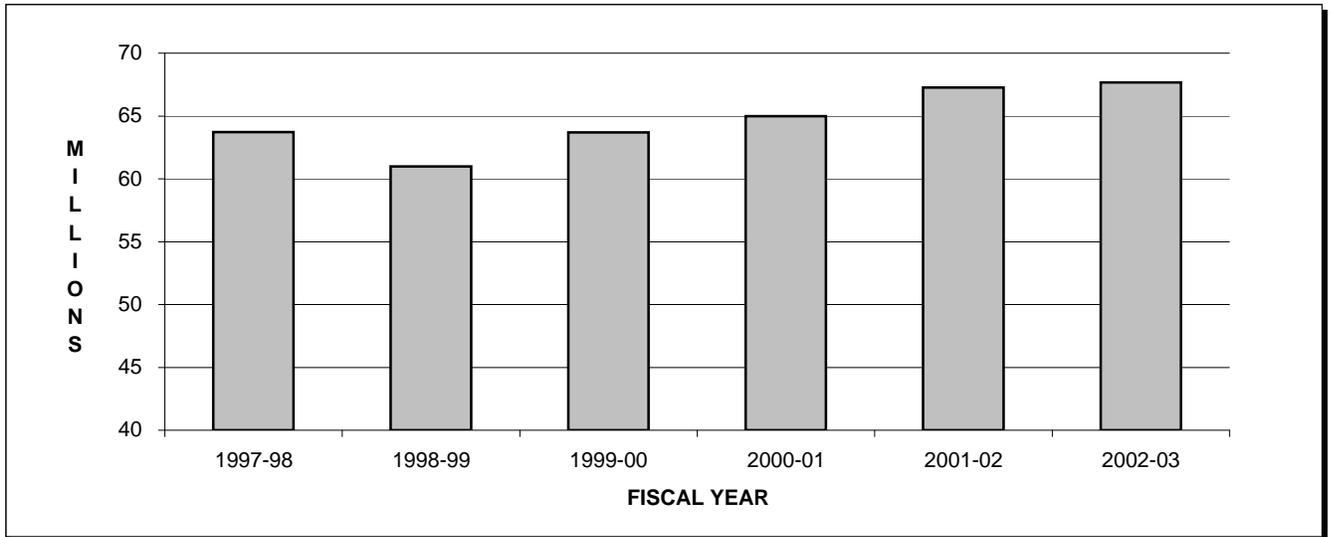
Liquor Tax Revenue (continued)

TRANSFER OF LIQUOR TAX REVENUE
TO CONSOLIDATED TAX
FISCAL YEAR 2002-03

COUNTY	TAX	% OF TOTAL
Carson City	\$ 63,497	0.32%
Churchill	29,194	0.15%
Clark	1,751,210	8.85%
Douglas	50,977	0.26%
Elko	54,561	0.28%
Esmeralda	1,232	0.01%
Eureka	1,736	0.01%
Humboldt	18,935	0.10%
Lander	6,693	0.03%
Lincoln	4,519	0.02%
Lyon	43,963	0.22%
Mineral	5,537	0.03%
Nye	40,352	0.20%
Pershing	8,052	0.04%
Storey	4,328	0.02%
Washoe	414,461	2.09%
White Pine	10,289	0.05%
TOTAL COUNTY TRANSFER	\$ 2,509,535	12.68%
Alcohol and Drug Abuse Account	752,861	3.80%
State General Fund	16,531,358	83.52%
TOTAL	\$ 19,793,754	100.00%

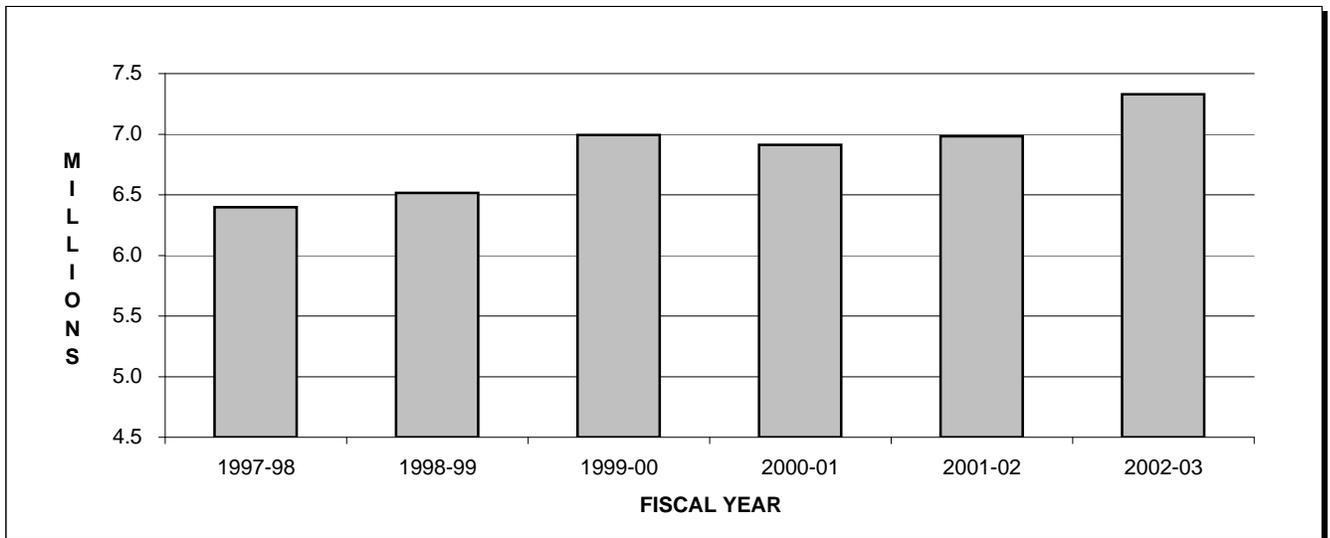
ALCOHOL BEVERAGE GROWTH

BEER - GALLONS



FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR
1997-98	63,724,735	12.51%	2000-01	64,980,519	2.01%
1998-99	60,992,338	-4.29%	2001-02	67,260,904	3.51%
1999-00	63,698,689	4.44%	2002-03	67,679,367	0.62%

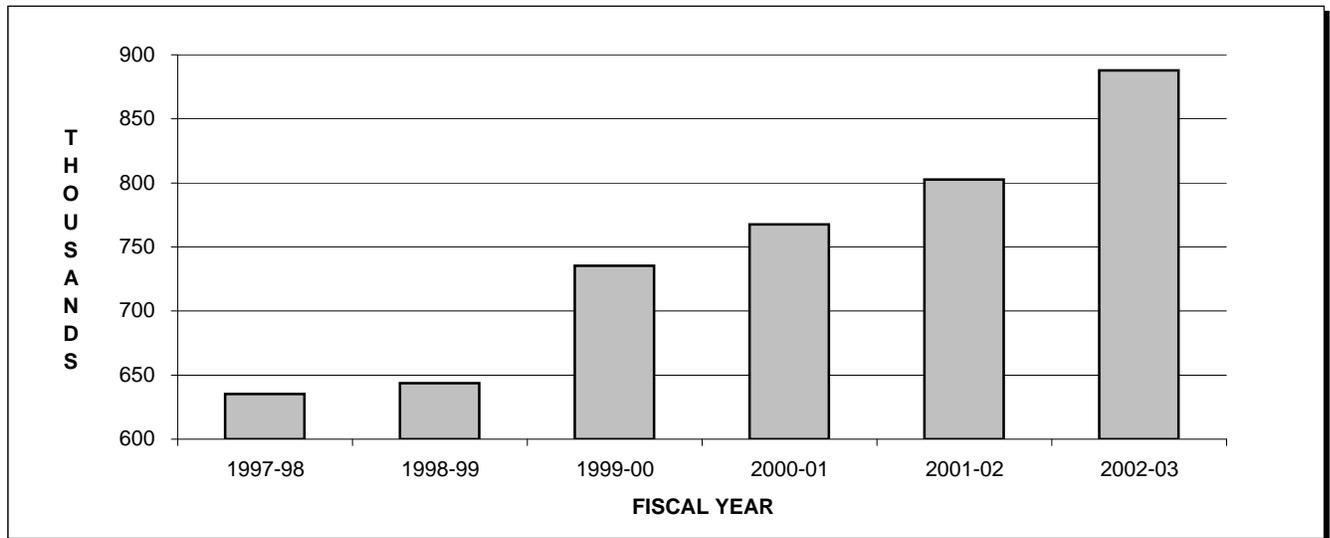
ALCOHOLIC BEVERAGES .50% TO 14% BY VOLUME - GALLONS



FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR
1997-98	6,396,482	15.25%	2000-01	6,912,143	-1.15%
1998-99	6,516,378	1.87%	2001-02	6,984,115	1.04%
1999-00	6,992,277	7.30%	2002-03	7,328,539	4.93%

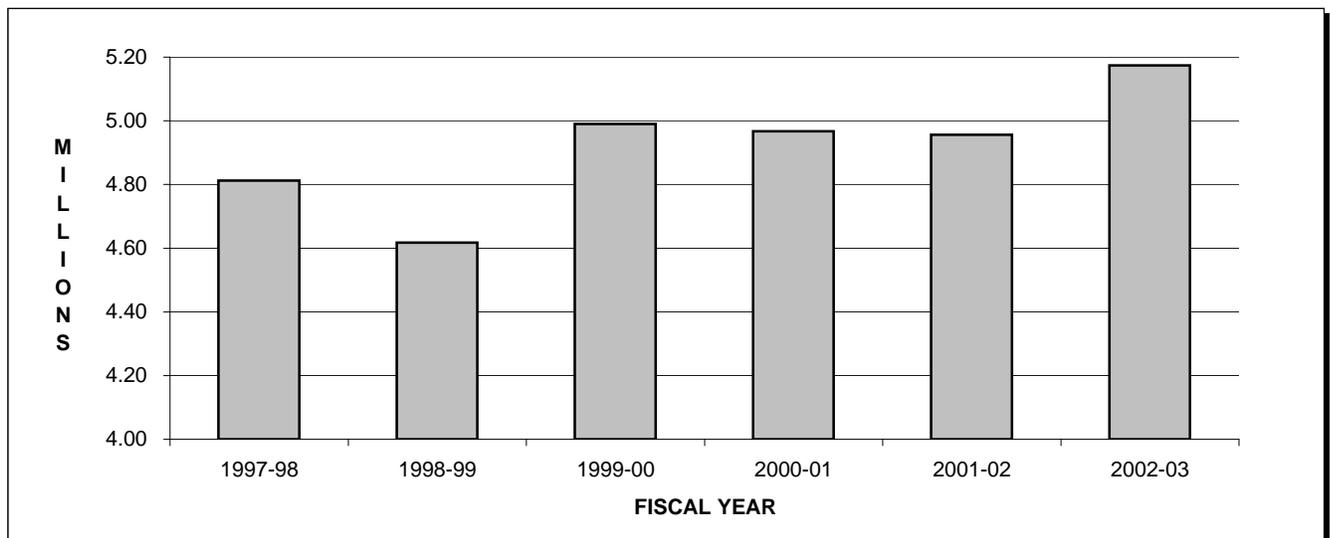
Alcohol Beverage Growth (continued)

ALCOHOLIC BEVERAGES OVER 14% - 22% BY VOLUME - GALLONS



FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR
1997-98	635,163	7.59%	2000-01	767,540	4.39%
1998-99	643,652	1.34%	2001-02	802,531	4.56%
1999-00	735,244	14.23%	2002-03	887,933	10.64%

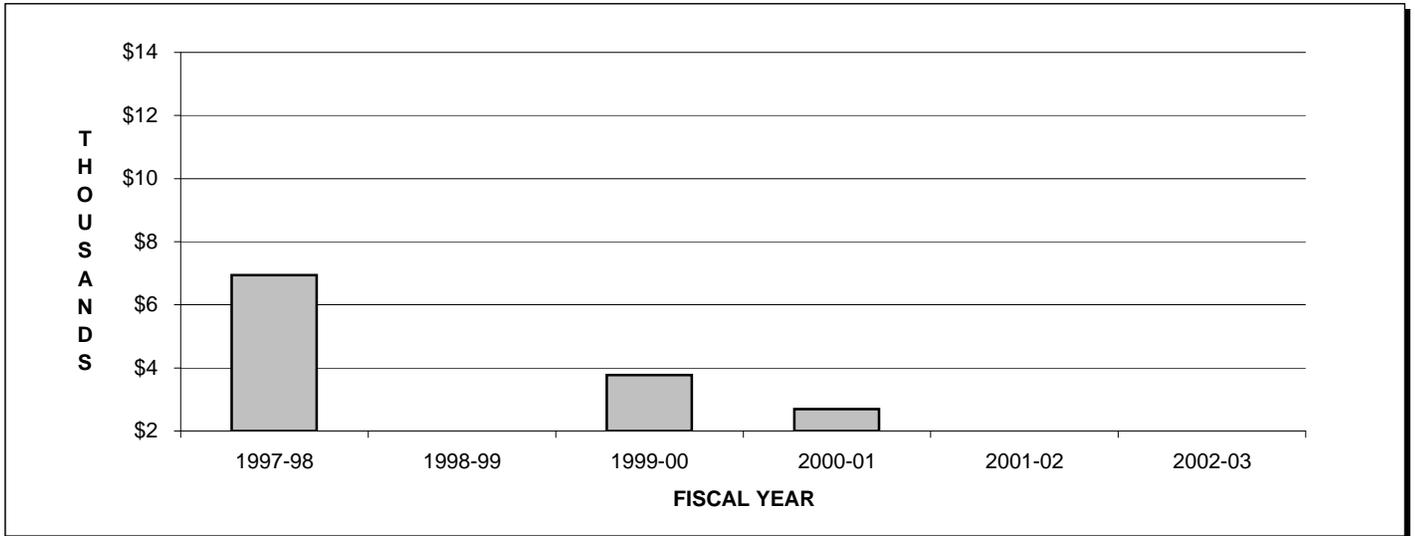
ALCOHOLIC BEVERAGES OVER 22% BY VOLUME - GALLONS



FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR
1997-98	4,812,133	8.89%	2000-01	4,967,451	-0.46%
1998-99	4,617,668	-4.04%	2001-02	4,956,285	-0.22%
1999-00	4,990,338	8.07%	2002-03	5,174,300	4.40%

Note: Fiscal Year 1998 represents 13 months of revenue due to SB 254 (1997) and a reporting change required by GASB 22.

SPECIAL DRUG MANUFACTURERS TAX



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
1997-98	\$ 6,940	100.00%	2000-01	\$ 2,692	-28.71%
1998-99	-	-100.00%	2001-02	-	-100.00%
1999-00	3,776	100.00%	2002-03	-	0.00%

LEGAL CITATION

Chapter 585.497 Nevada Revised Statutes.

HISTORY

ORIGINALLY ENACTED

1979 session of State Legislature, effective January 1, 1979.

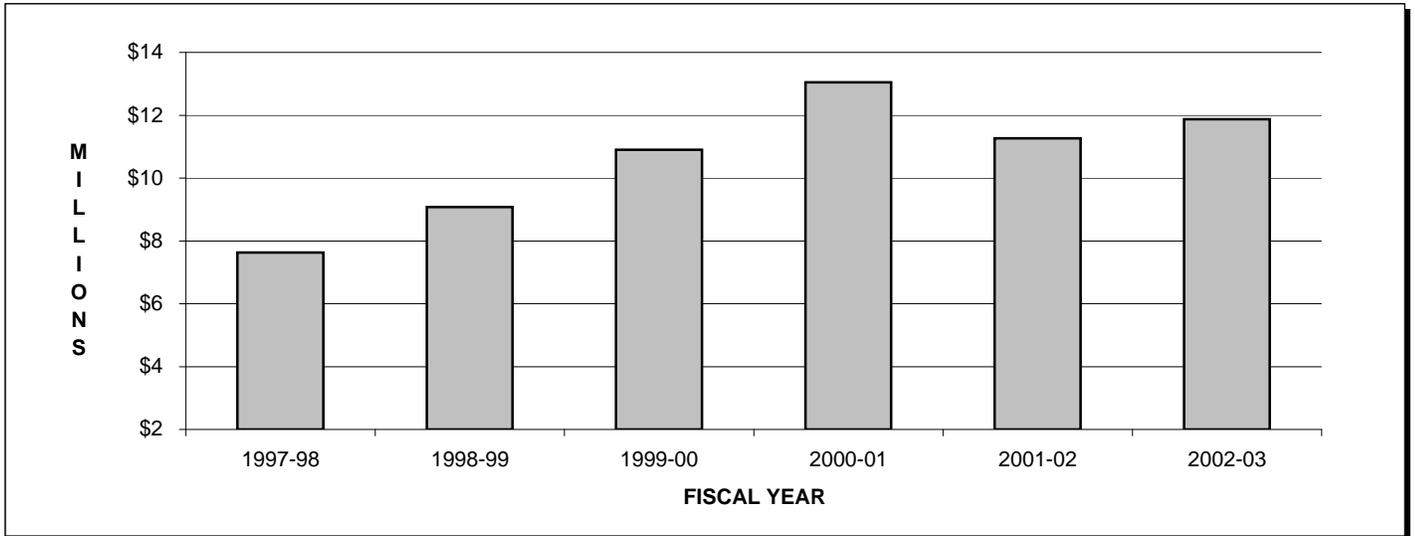
RATE

10 percent of the gross receipts of a manufacturer for the sale of each substance licensed for manufacture. The State Board of Health shall license amygdalin (Laetrile) and procaine hydrochloride with preservatives and stabilizers (Gerovital H3) for manufacture.

CURRENT DISTRIBUTION OF REVENUE

State General Fund.

LODGING TAX



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
1997-98	\$ 7,633,580	-4.37%	2000-01	\$ 13,050,670	19.70%
1998-99	9,077,475	18.92%	2001-02	11,268,582	-13.66%
1999-00	10,902,527	20.11%	2002-03	11,875,153	5.38%

LEGAL CITATION

Chapter 244.3354 Nevada Revised Statutes.

HISTORY

ORIGINALLY ENACTED

1983 session of State Legislature, effective May 9, 1983.

RATE

Three-eighths of the first 1 percent of the gross receipts from the rental of transient lodging is paid to the Department of Taxation by the county fair and recreation boards or by the board of county commissioners in each county imposing a room tax.

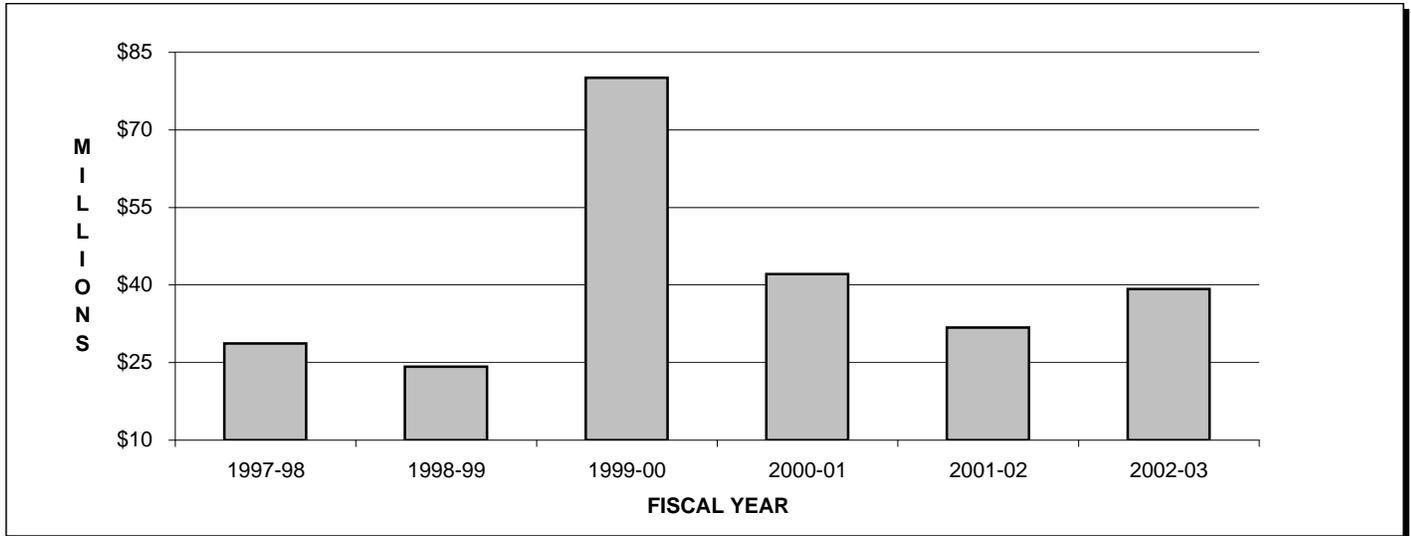
CURRENT DISTRIBUTION OF REVENUE

Proceeds of the tax are deposited by the Department with the State Treasurer for credit to the fund for the promotion of tourism.

NOTE:

Tax on revenues from rental of transient lodging is imposed at the rate of at least 1 percent of the gross receipts. The State receives 3/8 of the first 1 percent for the promotion of tourism and the county retains 5/8 of the first 1 percent for local promotion of tourism.

ESTATE TAX



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
1997-98	\$ 28,680,087	6.45%	2000-01	\$ 42,126,902	-47.41%
1998-99	24,220,679	-15.55%	2001-02	31,794,795	-24.53%
1999-00	80,103,649	230.72%	2002-03	39,203,340	23.30%

The credit allowable against the federal estate tax for the payment of State death taxes is being phased out by the Internal Revenue Service and will no longer apply on deaths occurring after December 31, 2004. Nevada estate tax is based solely on this credit.

LEGAL CITATION

Chapter 375A Nevada Revised Statutes.

HISTORY

ORIGINALLY ENACTED

1987 session of State Legislature, effective March 13, 1987.

IMPOSITION

A tax imposed on the transfer of the taxable estate of a decedent who has property located in Nevada at the time of death in the amount of the maximum credit allowable against the federal estate tax for the payment of State death taxes.

CURRENT DISTRIBUTION OF REVENUE

The money in the estate tax account may only be disbursed as authorized by the Legislature. The legislatively approved distribution of estate tax receipts is as follows:

1. Transfer of an amount to the Department to reimburse the cost to administer the tax.
2. Five percent of the tax receipts held for reserve, to refund any overpayments of the tax.
3. Fifty percent of the remaining proceeds of the tax to the University and Community College System Endowment Fund.
4. Fifty percent of the remaining proceeds of the tax to the Department of Education to the fund for class-size reduction.

Estate Tax (continued)

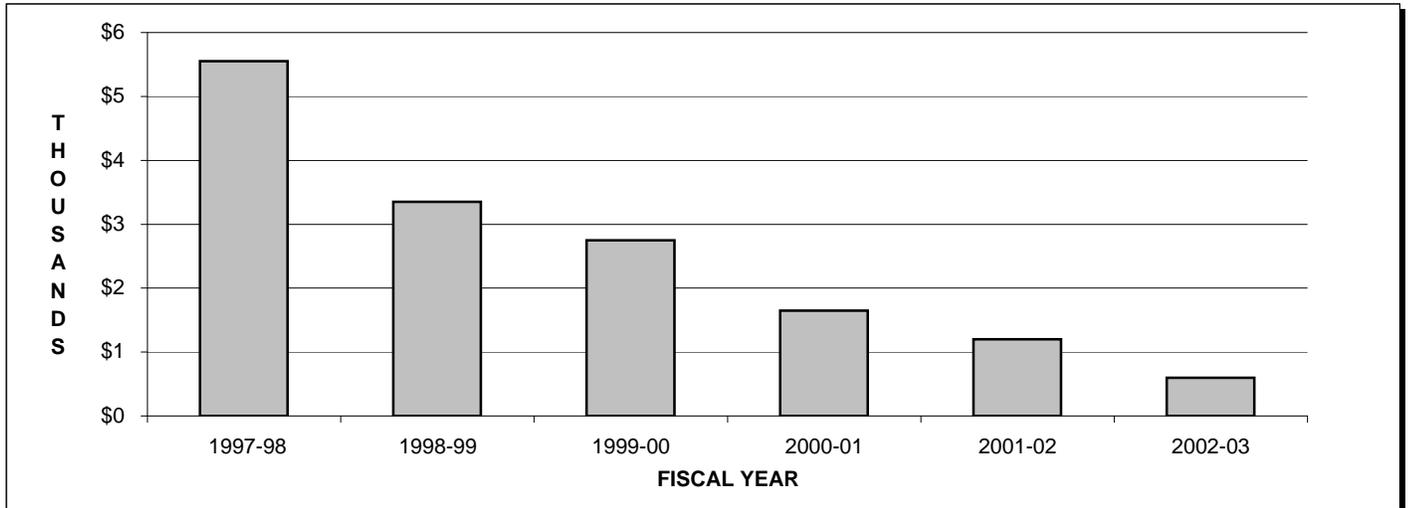
DISTRIBUTION OF ESTATE TAX REVENUE
FISCAL YEAR 2002-03

Department of Taxation administrative costs	\$	117,345
Reserve for refunds		1,836,440
Department of Education: Trust Fund for the Education of Pupils		18,624,778
University of Nevada System Endowment Fund		18,624,778
TOTAL		<u><u>\$ 39,203,340</u></u>

ESTATE TAX RESERVE FOR REFUNDS

Beginning balance brought forward July 1, 2002	\$	2,220,140
Estate tax receipts - Reserve for refunds Fiscal Year 2003		1,836,440
Balance available		<u>\$ 4,056,580</u>
Less: Refunds issued Fiscal Year 2003		(1,728,631)
Ending Balance at June 30, 2003		<u><u>\$ 2,327,949</u></u>

TAX ON CONTROLLED SUBSTANCES



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
1997-98	\$ 5,550	-68.47%	2000-01	\$ 1,650	-40.00%
1998-99	3,349	-39.66%	2001-02	1,200	-27.27%
1999-00	2,750	-17.89%	2002-03	600	-50.00%

The Department of Taxation has not received reports of controlled substance violations from any County District Attorney or the Department of Motor Vehicles and Public Safety, Division of Investigations since 1995, due to possible violations of the Double Jeopardy Clause.

LEGAL CITATION

Chapter 372A Nevada Revised Statutes.

RATE

Dealer of illegal controlled substances registering with the Department is subject to an annual fee of \$250. Tax on each gram of marijuana or portion thereof, \$100; each gram of any other controlled substance, \$1,000; each 50 dosage units of controlled substance not sold by weight, \$2,000. Civil penalty imposed at 100 percent of the tax in addition to the tax if in violation of NRS 372A.070, subsection 1.

CURRENT DISTRIBUTION OF REVENUE

Transfer of an amount to the Department to reimburse the cost to administer the tax. All remaining taxes are transferred to the Governor's Grant Program for grants to county and city law enforcement agencies for the enforcement of NRS 453. Any civil penalty collected by a district attorney is returned to the county for purposes of law enforcement and conducting criminal prosecutions.

Tax on Controlled Substances (continued)

HISTORY

ORIGINALLY ENACTED

1987 session of State Legislature, effective June 22, 1987.

DISTRIBUTION

From June 1987 through September 1989 the tax distribution was as follows: Transfer of an amount to the Department to reimburse the cost to administer the tax. Fifty percent of the remaining proceeds of the tax for the enforcement of NRS 453. Fifty percent as follows: One half of civil penalties collected by a district attorney is returned to the county for purposes of law enforcement and conducting criminal prosecutions; and one half transferred to the State general fund for the enforcement of NRS 453.

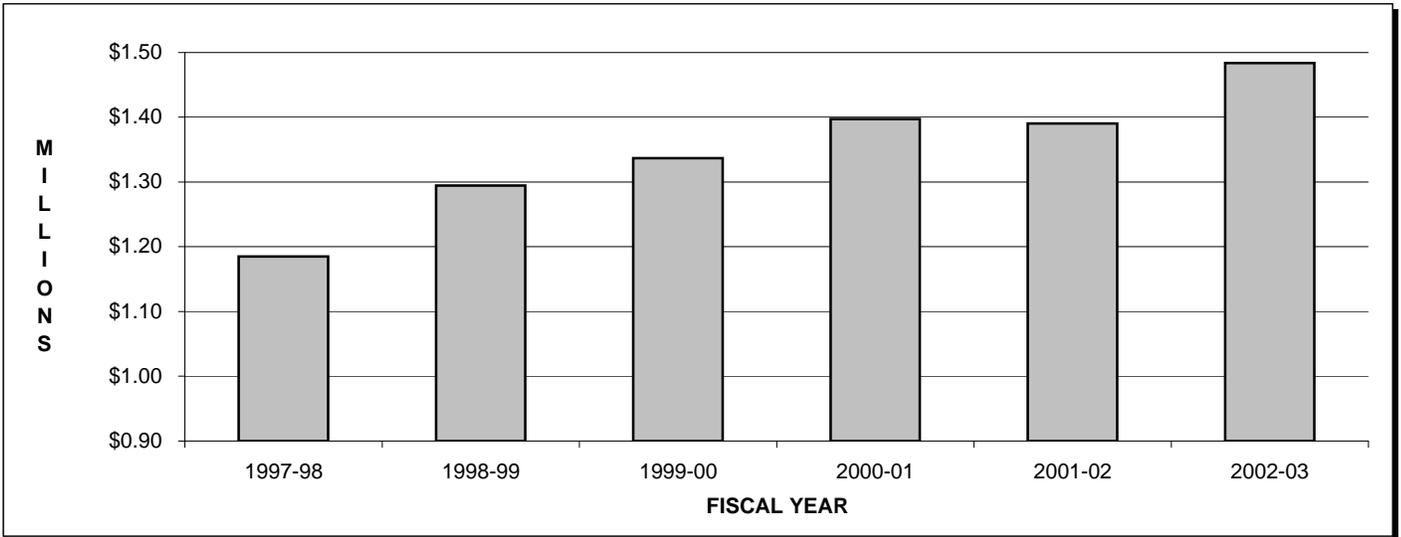
1989

Effective October 1, 1989, the Legislature changed the distribution of the tax allowing local governments to retain all civil penalties imposed and modified the use and accountability of remaining proceeds.

DISTRIBUTION OF TAX ON CONTROLLED SUBSTANCES
FISCAL YEAR 2002-03

Enforcement of NRS 453 - Governor's Grant Program	\$	300.00
Washoe County District Attorney		300.00
TOTAL	\$	<u>600.00</u>

TIRE TAX



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
1997-98	\$ 1,184,797	4.52%
1998-99	1,294,567	9.26%
1999-00	1,336,799	3.26%
2000-01	1,397,269	4.52%
2001-02	1,390,414	-0.49%
2002-03	1,483,883	6.72%

LEGAL CITATION

Chapter 444A Nevada Revised Statutes.

IMPOSITION AND RATE

A tax imposed on the retail sale of a new tire at the rate of \$1.00 per tire. The tax is collected from the purchaser by the seller at the time of sale in addition to applicable sales taxes; 95 percent of the tax is remitted to the Department; 5 percent retained by the seller to cover his related administrative costs.

CURRENT DISTRIBUTION OF REVENUE

The revenue collected by the Department is deposited for credit to the solid waste management account in the State General Fund. The State Controller distributes quarterly as follows: .5 percent, Department of Taxation; 44.5 percent State Department of Conservation and Natural Resources; 30 percent Clark County District Board of Health; and 25 percent Washoe County District Board of Health.

HISTORY

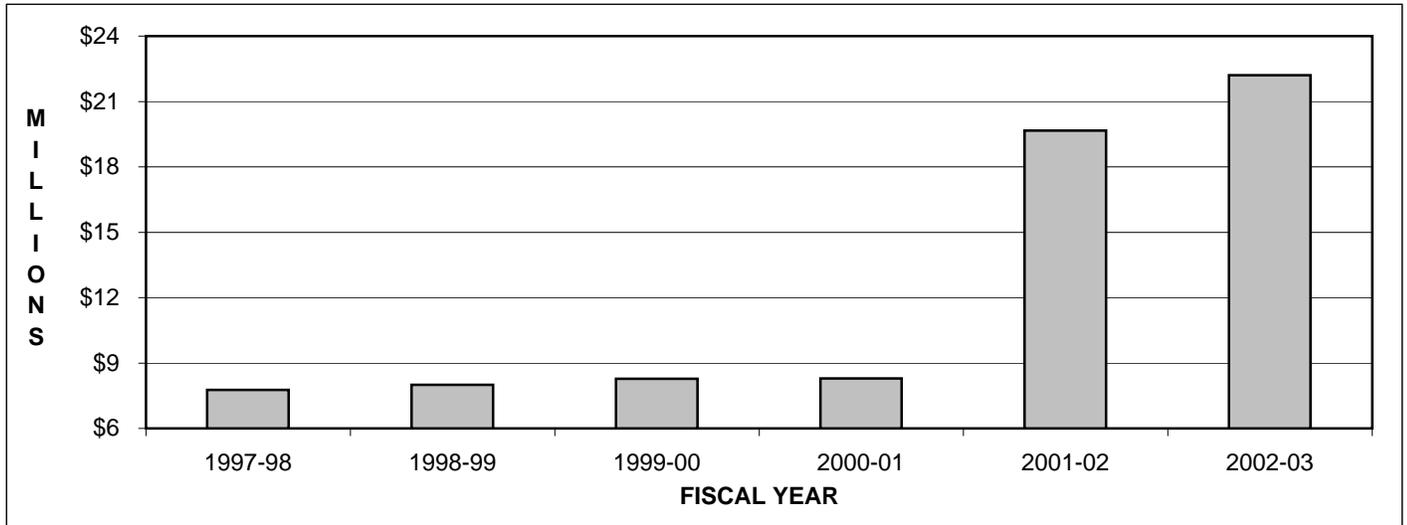
ORIGINALLY ENACTED

1991 session of the State Legislature.

AMENDMENT

1993 session of the State Legislature, per SB 97 and AB 386; transferred the function of tax collection to the Department of Taxation from the Department of Conservation and Natural Resources and provided for the change to the current distribution.

GOVERNMENT SERVICES FEE



FISCAL YEAR	TOTAL COLLECTIONS
1997-98	\$ 7,771,870
1998-99	7,998,221
1999-00	8,271,686
2000-01	8,288,217
2001-02	19,662,998
2002-03	22,208,165

LEGAL CITATION

Chapter 482 Nevada Revised Statutes.
Chapter 360 Nevada Revised Statutes.

IMPOSITION AND RATE

A fee imposed on the short-term lease of passenger vehicles. The fee is 6% of lease charges. Fees are due on a quarterly basis.

CURRENT DISTRIBUTION OF REVENUE

State General Fund.

HISTORY

ORIGINALLY ENACTED

1993 session of the State Legislature, effective July 9, 1993.

1997 session of the State Legislature passed Assembly Bill 388, effective July 1, 1997. AB 388 effectively transferred the responsibility for the collection of the short-term lease fees from the Department of Motor Vehicles and Public Safety to the Department of Taxation.

2001 Session of the State Legislature passed Assembly Bill 460, effective January 1, 2002. AB 460 changed Short Term Lessor Fee to Government Services Fee. The filing of returns was changed from annual to quarterly reporting. The credit previously allowed for vehicle licensing fees and tax was removed and a Recovery Surcharge Fee of up to 3.5% of lease amount was added to allow lessors to recover the cost of fees and taxes.

Government Services Fee (continued)

2003 Session of the State Legislature passed Senate Bill 497 effective June 10, 2003, authorizing the county commissioners of a county whose population is 100,000 or more but less than 400,000 (Washoe County only) to impose a fee of up to 2% of the lease of certain passenger cars by a short-term lessor. The bill also increased the recovery surcharge from 3.5% to an amount not to exceed 4% of the total amount for which the passenger car was leased.

DIVISION OF ASSESSMENT STANDARDS

The Division of Assessment Standards (DOAS) is responsible for administering various property tax programs and providing oversight to the financial administration of local governments. DOAS is located in Carson City and consists of three (3) sections as follows:

Centrally Assessed Properties

Under the authority of NRS 361.320, the Centrally Assessed Properties Section is responsible for the valuation, assessment, collection and distribution of ad valorem ("according to value") taxes related to property of an interstate or intercounty nature. Approximately 250 interstate or intercounty properties owned by airlines, railroads, telecommunications, electric power, gas pipeline, private carlines and water companies are valued by the Centrally Assessed Properties Section. The companies valued generate 335 assessments including both secured and unsecured rolls.

In addition, the real and personal property associated with mines is valued by the Centrally Assessed Properties Section pursuant to NRS 362.100(1)(b). Approximately 90 secured mining property valuations and 180 unsecured mining property valuations are then transmitted to county assessors for property tax assessment and collection.

Centrally Assessed Properties is also responsible for the administration of the Net Proceeds of Minerals Tax under the authority granted in NRS 362.100. Every person extracting any mineral or receiving a royalty is required to file a statement showing the gross yield and claimed net proceeds from each geographically separate operation where a mineral is extracted. The Centrally Assessed Properties Section audits the reported information and computes taxes due. There are approximately 116 net proceeds operators and 405 royalty recipients currently reporting to Taxation. The Centrally Assessed properties Section also collects and distributes the Net Proceeds of Mines Tax to the counties.

Local Government Finance

The Local Government Finance Section provides oversight of the financial administration of approximately 259 Nevada local governments. Statutory authority for this function is found in NRS 354 - Local Financial Administration. The local government finance staff reviews and approves the budgets of all local governments within the state and monitors budgetary and financial information throughout the fiscal year. In addition to these duties, the section provides ad valorem (property) tax revenue rate regulation, provides oversight of local government debt management and evaluates financing proposals submitted by local governments.

When the Nevada Tax Commission (NTC) declares a local entity in severe financial difficulty, the Local Government Finance Section also provides management oversight and in extreme cases provides financial administration.

Locally Assessed Properties

The Locally Assessed Properties Section oversees and monitors the quality of assessments performed by county assessors. Staff appraisers conduct appraisal ratio studies to determine the ratio of the assessed value of property to the taxable value of the property in each county of the State every third year (NRS 361.333). In addition to reporting on the assessment level and uniformity within each county, the Locally Assessed Properties Section reviews assessment policies, procedures and methods used within each county to ensure proper methods and procedures are developed and maintained. The staff also verifies the land factors prepared and submitted by each county assessor to assure compliance with NRS 361.260 (5).

This section establishes, for assessment purposes, the valuation of: (a) agricultural land (NRS 361a.140); (b) mobile homes (NRS 361.325); and (c) personal property (NRS 361.227).

Division of Assessment Standards (continued)

In addition, this section assists county assessors in valuing property upon request or upon the direction of the NTC

(NRS 360.215 (8)). Additionally, if the NTC finds property in a county to be assessed outside the guidelines of the ratio studies, it may call upon the section to implement a reappraisal program (NRS 361.333 (5c)).

The Division of Assessment Standards also provides staffing for the following statutory boards:

The Board of Equalization (SBE) hears and determines all appeals from action of county boards of equalization. The SBE also hears and determines direct appeals from valuations of NTC.

The Appraiser Certification Board is an appointed board established to advise Taxation on matters pertaining to certification and continuing education of all appraisers certified for tax purposes.

The Committee on Local Government Finance is an eleven member appointed board set by NRS 354 to advise the Department of Taxation on matters affecting local governments and their finances.

CERTIFICATION OF APPRAISERS

The Appraiser Certification Board is an appointed board established to advise the Department on matters pertaining to certification and continuing education of all appraisers certified to appraise for tax purposes.

All persons who are employees of or independent contractors for the State or any of its political subdivisions and who perform the duties of an appraiser for tax purposes must hold a valid appraiser certificate issued by the Department of Taxation.

The Department issues an appraiser certificate to any person who either has successfully passed the appropriate certification exam or who holds a professional designation approved by the Board.

Each person who holds an appraiser certificate must complete 36 contact hours of appropriate training in each succeeding fiscal year following certification. The 36 hour training requirement is waived for persons who either have accumulated 180 contact hours or hold a professional designation. These persons must complete 36 contact hours during every five year period thereafter.

Newly employed appraisers are issued a temporary certificate which expires two years following the employee's date of hire or upon successful completion of the appraiser certification exam, whichever occurs first. The temporary certificate is not renewable.

NUMBER OF CERTIFIED APPRAISERS - JUNE 2003				
JURISDICTIONS	REAL PROPERTY	PERSONAL PROPERTY	REAL AND PERSONAL PROPERTY	TEMPORARY CERTIFICATIONS
Department of Taxation	4	0	9	2
Carson City	2	1	1	1
Churchill	2	2	0	1
Clark	4	3	56	1
Douglas	0	1	4	1
Elko	3	0	3	0
Esmeralda	0	0	1	0
Eureka	3	1	0	0
Humboldt	3	0	0	1
Lander	1	0	1	1
Lincoln	1	0	0	0
Lyon	6	0	2	0
Mineral	1	0	0	1
Nye	5	0	2	1
Pershing	2	0	0	0
Storey	0	0	1	0
Washoe	22	4	6	0
White Pine	4	0	0	0
Independent Contractors	1	0	0	0
TOTAL	64	12	86	10

STATE BOARD OF EQUALIZATION

The State Board of Equalization hears and determines appeals from action of county boards of equalization. The State Board also hears and determines direct appeals from valuations of the Nevada Tax Commission. The Division of Assessment Standards is responsible for coordinating meetings of the State Board of Equalization.

Other responsibilities of the State Board of Equalization include equalizing property valuations in the State. Additionally, the Board reviews the tax rolls of the various counties as equalized by the county boards of equalization and, if necessary, adjust the valuations thereon in order to equalize values with respect to taxable value.

STATE BOARD OF EQUALIZATION 2002-03 SUMMARY OF TRANSACTIONS

COUNTY	APPEALS *			ASSESSED VALUATION ADJUSTMENTS TO TAX ROLL *	
	TOTAL	SUSTAINED	DENIED	INCREASES	DECREASES
Carson City	2	1	1	\$ -	\$ -
Churchill	1	1	-	-	(34,826)
Clark	31	13	18	700,000	(12,139,865)
Douglas	1	1	-	-	(8,662)
Elko	2	1	1	-	(6,125)
Esmeralda	1	-	1	-	-
Eureka	-	-	-	-	-
Humboldt	-	-	-	-	-
Lander	1	-	1	-	-
Lincoln	1	1	-	-	(1,625)
Lyon	-	-	-	-	-
Mineral	1	1	-	-	(21,258,125)
Nye	-	-	-	-	-
Pershing	-	-	-	-	-
Storey	1	-	1	-	-
Washoe	163	76	87	938,119	(67,917,363)
White Pine	1	1	-	-	(811,300)
COUNTY TOTAL	206	96	110	\$ 1,638,119	\$(102,177,891)
CENTRALLY ASSESSED					
CENTRALLY ASSESSED TOTAL	16	14	2	-	(75,911,111)
STATEWIDE TOTAL	222	110	112	\$ 1,638,119	\$(178,089,002)

* Includes roll changes and exemptions. Appeals which were partially sustained and partially denied appear in the totals as sustained.

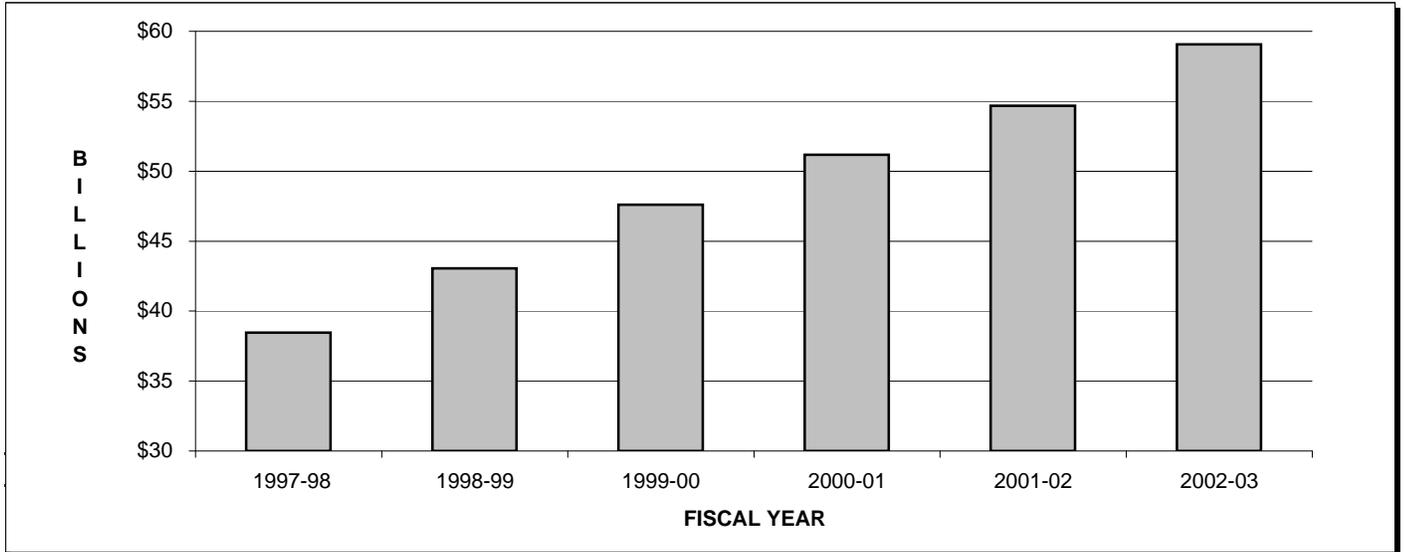
Details of all transactions are available at the Department of Taxation, Executive Office, Carson City, Nevada. Appeals represent the number of protests presented to the Board. An appeal often includes more than one parcel of property.

TOTAL APPEALS STATEWIDE

FISCAL YEAR	APPEALS	FISCAL YEAR	APPEALS
1997-98	89	2000-01	91
1998-99	113	2001-02	94
1999-00	107	2002-03	222

ASSESSED VALUATIONS

TOTAL NET ASSESSED VALUATION STATEWIDE



FISCAL YEAR	VALUATION	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	VALUATION	% CHANGE FROM PRIOR YEAR
1997-98	\$ 38,466,058,457	7.68%	2000-01	\$ 51,172,070,842	7.49%
1998-99	43,045,689,217	11.91%	2001-02	54,686,453,506	6.87%
1999-00	47,607,439,982	10.60%	2002-03	59,062,746,303	8.00%

RATIO STUDY

NRS 361.333, Paragraph 2, states:

The Nevada Tax Commission shall allocate into three groups such that the work of conducting the study is approximately the same for each group. The Department shall conduct the study in one group each year. The commission may from time to time reallocate counties among the groups, but each county must be studied at least once in every three years.

Ratio studies are conducted in accordance with NRS 361.333 to determine the average ratio of assessed valuation to the taxable value of property in each county.

ASSESSED VALUATION BY CLASSES BEFORE EXEMPTIONS

	2001-02 VALUATION	PERCENT OF TOTAL VALUATION	2002-03 VALUATION	PERCENT OF TOTAL VALUATION
* RURAL LANDS	\$ 98,338,623	0.15%	\$ 91,069,996	0.14%
RURAL LANDS - IMPROVEMENTS	100,151,349	0.16%	96,531,175	0.15%
FARM EQUIPMENT & MACHINERY	21,141,946	0.03%	22,647,467	0.03%
URBAN PROPERTY - LAND	22,639,718,032	35.11%	24,847,789,921	37.46%
URBAN PROPERTY - IMPROVEMENTS	32,986,924,178	51.16%	35,875,220,819	54.09%
OTHER PERSONAL PROPERTY	3,940,080,990	6.11%	834,799,062	1.26%
PUBLIC UTILITIES	2,498,638,216	3.88%	2,643,937,642	3.99%
AIRPLANES	146,599,043	0.23%	158,598,106	0.24%
BILLBOARDS	13,059,807	0.02%	12,870,034	0.02%
OPEN SPACE	1,436,370	0.00%	634,460	0.00%
MILL & MINE IMPROVEMENTS	670,221,140	1.04%	536,628,630	0.81%
MINING EQUIPMENT & MACHINERY	583,014,010	0.90%	424,908,200	0.64%
MOBILE HOMES	296,530,487	0.46%	277,432,391	0.42%
NET PROCEEDS OF MINES	438,013,468	0.68%	455,556,533	0.69%
PATENTED MINE CLAIMS	44,205,128	0.07%	47,325,636	0.07%
OIL & GAS LEASES	1,592,940	0.00%	1,671,858	0.00%
TOTAL	\$ 64,479,665,727	100.00%	\$ 66,327,621,930	100.00%

*Based upon agricultural use assessment according to NRS 361A.

ASSESSED VALUATION BY COUNTIES AFTER EXEMPTIONS

COUNTY	FISCAL YEAR 2001-02	FISCAL YEAR 2002-03	CHANGE	PERCENT CHANGE
CARSON CITY	\$ 1,029,134,307	\$ 1,077,835,505	\$ 48,701,198	4.73%
CHURCHILL	405,332,178	432,104,233	26,772,055	6.60%
CLARK	37,638,849,613	41,827,517,854	4,188,668,241	11.13%
DOUGLAS	1,684,207,953	1,819,415,261	135,207,308	8.03%
ELKO	911,481,123	929,856,535	18,375,412	2.02%
ESMERALDA	40,132,124	41,529,382	1,397,258	3.48%
EUREKA	491,736,508	337,517,310	(154,219,198)	-31.36% (2,3)
HUMBOLDT	580,261,474	535,756,299	(44,505,175)	-7.67% (2,3)
LANDER	349,659,790	237,306,233	(112,353,557)	-32.13% (3,4,6)
LINCOLN	98,280,148	106,454,196	8,174,048	8.32%
LYON	735,739,502	767,117,382	31,377,880	4.26%
MINERAL	102,440,170	103,009,568	569,398	0.56%
NYE	807,955,576	873,463,563	65,507,987	8.11%
PERSHING	154,261,999	153,756,180	(505,819)	-0.33% (3,6)
STOREY	161,389,231	166,608,144	5,218,913	3.23%
WASHOE	9,375,519,305	9,507,484,402	131,965,097	1.41%
WHITE PINE	119,072,505	146,014,257	26,941,752	22.63%
TOTAL	\$ 54,685,453,506	\$ 59,062,746,303	\$ 4,377,292,797	8.00%

The above totals do not reflect State Board of Equalization changes for either fiscal year.

- (1) Depreciation of existing property exceeded growth in new property.
- (2) Lower assessed values for mining improvements.
- (3) Lower assessed values for mining equipment.
- (4) Lower assessed values for net proceeds of minerals.
- (5) Lower assessed values for centrally assessed utilities
- (6) Lower assessed values for locally assessed property
- (7) Growth in exemptions.

NET PROCEEDS OF MINERALS

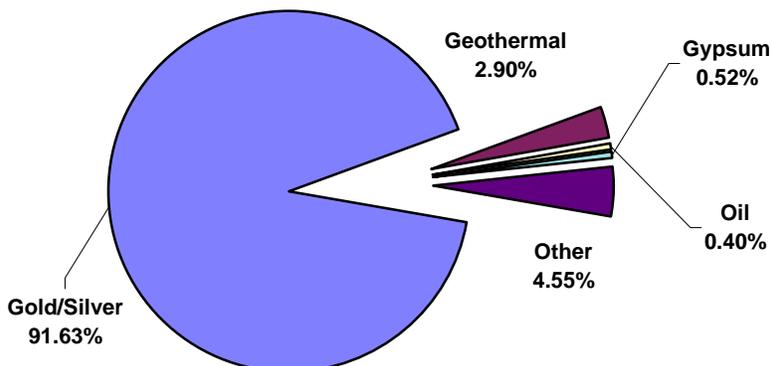
The Nevada Department of Taxation determines the tax on the net proceeds of minerals pursuant to NRS Chapter 362. Producers annually report the gross yield of each separate extractive operation as well as expenses related to the extraction, processing, transportation, and marketing of the mineral. Royalty recipients report only the amount of royalties received. The Department calculates the net proceeds by deducting allowable expenses from the gross yield.

The tax rate on the net proceeds of each operation depends on the ratio of the net proceeds to the gross proceeds as provided in NRS 362.140. The maximum tax rate is five percent, applied to net proceeds in excess of \$4,000,000 annually and to all royalties. The Department certifies and bills the net proceeds tax due each year on April 20th, with payment due by May 10th.

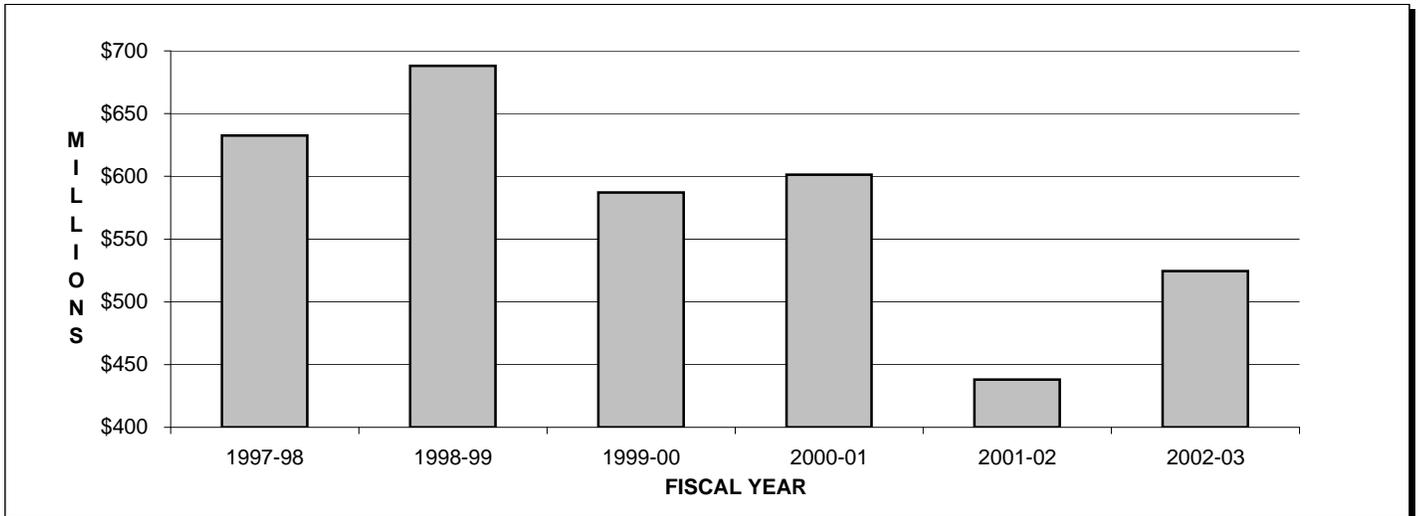
Percent of Total Gross Proceeds by Mineral Type

Mineral Type	Percent of Total Gross Proceeds 1999-00	Percent of Total Gross Proceeds 2000-2001	Percent of Total Gross Proceeds 2001-2002	Percent of Total Gross Proceeds 2002-2003
Gold/Silver	91.26%	92.70%	91.83%	91.63%
Geothermal	2.33%	1.71%	2.07%	2.90%
Oil	0.38%	0.55%	0.45%	0.40%
Gypsum	0.59%	0.55%	0.64%	0.52%
Other	5.44%	4.49%	5.01%	4.55%
Other includes: Building Stone, Clay, Dolomite, Folrspar, Gemstones, Salt, and other miscellaneous minerals				
	100.00%	100.00%	100.00%	100.00%

Percent of Total Gross Proceeds 2002-2003



ACTUAL NET PROCEEDS OF MINERALS ASSESSED VALUATIONS



FISCAL YEAR	ACTUAL ASSESSED VALUATION*	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	ACTUAL ASSESSED VALUATION*	% CHANGE FROM PRIOR YEAR
1997-98	\$ 632,502,706	3.15%	2000-01	\$ 601,362,809	2.40%
1998-99	687,985,198	8.77%	2001-02	438,013,468	-27.16%
1999-00	587,254,060	-14.64%	2002-03	524,535,480	19.75%

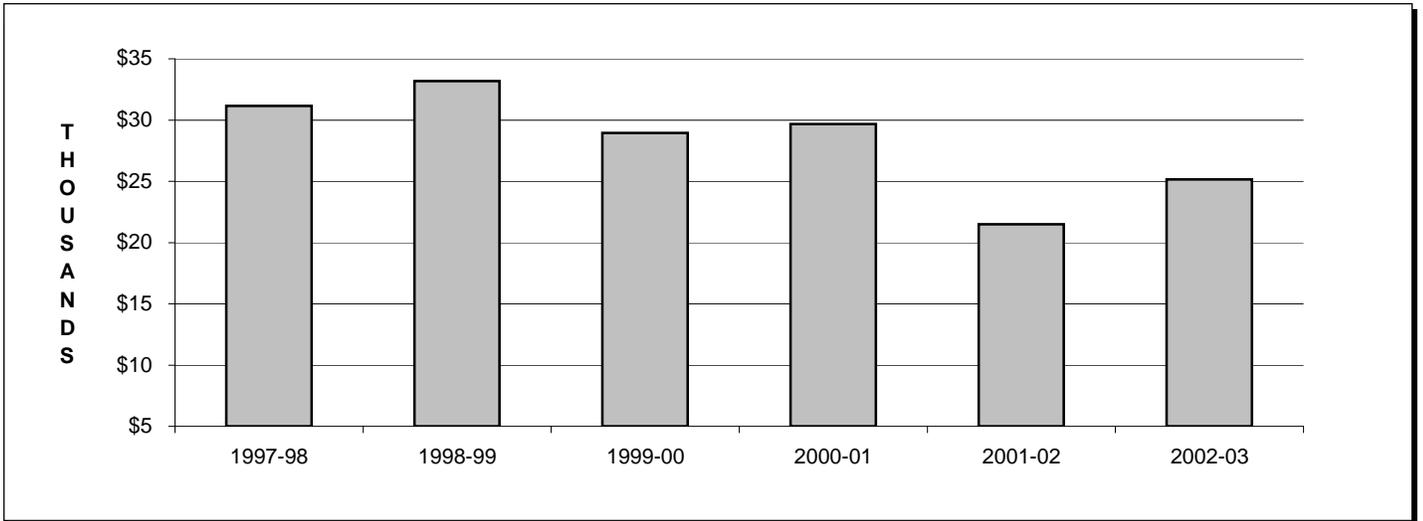
* Based on actual calendar year reports to the Department.

ACTUAL NET PROCEEDS OF MINERALS ASSESSED VALUATIONS BY COUNTY

COUNTY	2000-01	2001-02	2002-03
Carson City	\$ -	\$ -	\$ -
Churchill	4,919,905	7,806,807	28,894,049
Clark	5,010,878	4,627,047	4,228,234
Douglas	58,195	73,592	27,797
Elko	127,092,163	55,916,124	66,668,138
Esmeralda	1,720,531	563,385	1,202,645
Eureka	185,854,627	81,252,218	76,095,179
Humboldt	27,782,049	27,656,258	60,985,573
Lander	195,507,746	189,091,684	158,779,195
Lincoln	110,336	62,473	87,304
Lyon	39,262	151,792	505,896
Mineral	1,901,068	1,493,869	179,014
Nye	35,637,339	55,108,524	85,807,820
Pershing	12,055,214	10,692,469	12,931,864
Storey	568,032	698,358	850,199
Washoe	2,019,597	1,813,125	867,415
White Pine	1,085,867	1,005,743	26,425,158
TOTAL	\$ 601,362,809	\$ 438,013,468	\$ 524,535,480

Lander County Net Proceeds value reduced from original by \$9,188,132 SBE Case NP256

TAX REVENUE ON NET PROCEEDS OF MINERALS



FISCAL YEAR	TAX REVENUE*	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	TAX REVENUE*	% CHANGE FROM PRIOR YEAR
1997-98	31,164,103	7.99%	2000-01	\$ 29,675,250	2.48%
1998-99	33,194,589	6.52%	2001-02	21,492,962	-27.57%
1999-00	28,957,844	-12.76%	2002-03	25,162,206	17.07%

* Based on actual calendar year reports to the Department.

NET PROCEEDS OF MINERALS TAX DISTRIBUTION FISCAL YEAR 2002-2003

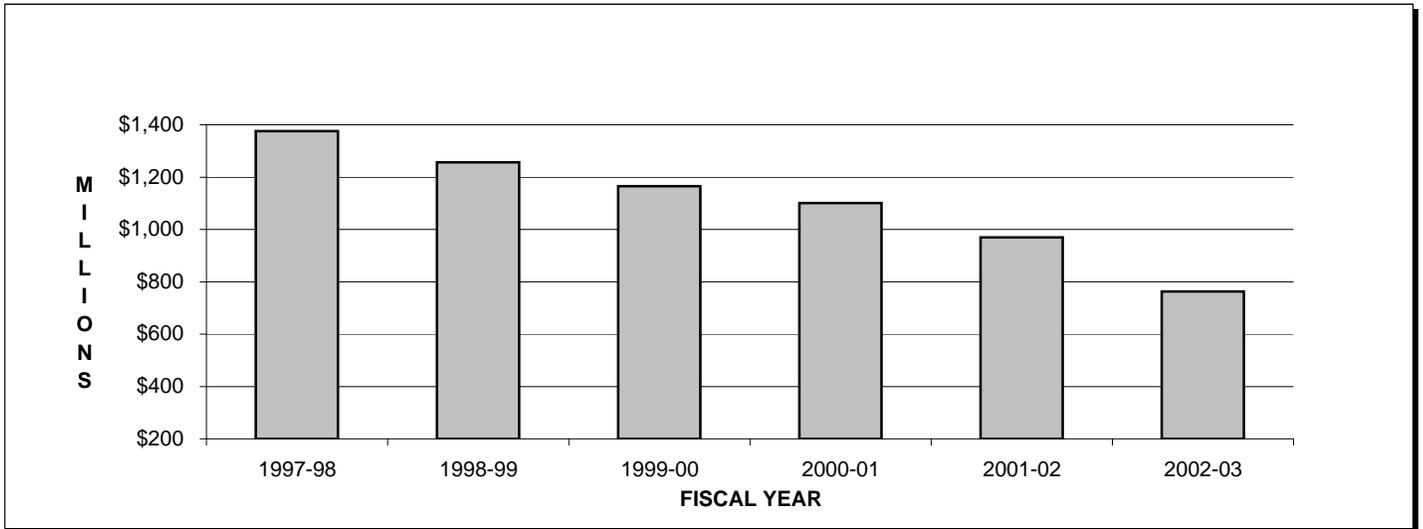
COUNTY	TOTAL DISTRIBUTION
CARSON CITY	\$ -
CHURCHILL	728,864
CLARK	98,827
DOUGLAS	569
ELKO	1,561,131
ESMERALDA	32,050
EUREKA	1,222,059
HUMBOLDT	1,076,801
LANDER	4,725,660
LINCOLN	2,116
LYON	10,424
MINERAL	6,935
NYE	2,969,863
PERSHING	354,619
STOREY	22,069
WASHOE	22,663
WHITE PINE	922,238
TOTAL COUNTY DISTRIBUTION	\$ 13,756,888
STATE DEBT SERVICE FUND	784,543
STATE GENERAL FUND	10,614,261
STATE GENERAL FUND (Penalties & Interest)	6,516
TOTAL	\$ 25,162,206

MINING PROPERTIES

In accordance with NRS 362.100(1b), the Department of Taxation is required to, "Appraise and assess all reduction, smelting and milling works, plants and facilities, whether or not associated with a mine, and all supplies, machinery, equipment, apparatus, facilities, buildings, structures and other improvements used in connection with any mining, reduction, smelting or milling operation . . ."

<u>COUNTY</u>	<u>FISCAL YEAR 2001-02</u>		<u>FISCAL YEAR 2002-03</u>	
	<u>NUMBER OF APPRAISALS</u>	<u>ASSESSED VALUATION</u>	<u>NUMBER OF APPRAISALS</u>	<u>ASSESSED VALUATION</u>
Carson City	0	\$ -	0	\$ -
Churchill	15	38,148,890	9	35,080,870
Clark	23	37,302,400	14	45,894,470
Douglas	0	-	0	-
Elko	19	59,692,280	17	62,309,380
Esmeralda	19	7,923,230	11	7,257,330
Eureka	26	353,033,150	24	205,502,520
Humboldt	20	233,163,070	15	163,467,470
Lander	25	78,231,340	24	76,148,240
Lincoln	25	666,560	23	627,840
Lyon	10	11,166,600	10	11,628,250
Mineral	22	7,777,160	7	11,532,580
Nye	39	81,832,880	36	81,308,450
Pershing	17	21,891,110	13	30,117,370
Storey	7	1,364,860	6	1,486,120
Washoe	10	16,940,030	6	11,713,500
White Pine	11	20,126,930	7	18,640,660
TOTAL	<u>288</u>	<u>\$ 969,260,490</u>	<u>222</u>	<u>\$ 762,715,050</u>

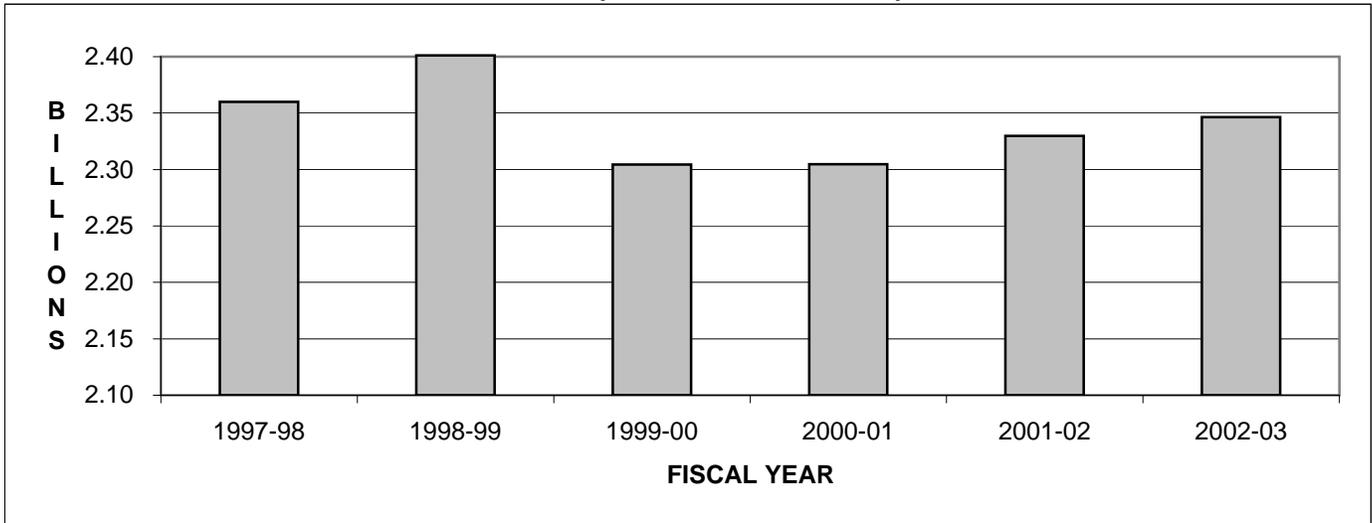
MINING PROPERTIES - ASSESSED VALUATIONS



FISCAL YEAR	ASSESSED VALUATION	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	ASSESSED VALUATION	% CHANGE FROM PRIOR YEAR
1997-98	\$1,375,789,860	-2.87%	2000-01	\$ 1,101,255,910	-5.53%
1998-99	1,256,167,190	-8.69%	2001-02	969,260,490	-11.99%
1999-00	1,165,667,231	-7.20%	2002-03	762,715,050	-21.31%

The secured, unsecured, and supplemental assessments form the values for the fiscal years above.

**INTERSTATE AND INTERCOUNTY VALUATIONS
(ASSESSED VALUE)**



ASSESSMENT YEAR	VALUATION	% CHANGE FROM PRIOR YEAR	ASSESSMENT YEAR	VALUATION	% CHANGE FROM PRIOR YEAR
1997-98	2,359,984,904	4.38%	2000-01	2,304,685,610	0.01%
1998-99	2,400,999,231	1.74%	2001-02	2,329,812,936	1.09%
1999-00	\$ 2,304,358,983	-4.03%	2002-03	2,346,522,079	0.72%

**CENTRALLY ASSESSED UNITARY AND CONSTRUCTION WORK IN PROGRESS
TAX DISTRIBUTION
FISCAL YEAR 2002-03**

COUNTY	SECURED UTILITIES & 6-Mo CWIP	PRIVATE CARLINES	UNSECURED, 12-Mo CWIP, & PET	TOTAL TAX
Carson City	\$ 827,881	\$ -	\$ 71,109	\$ 898,990
Churchill	1,322,304	5,959	100,856	1,429,119
Clark	30,329,556	11,587	2,178,450	32,519,593
Douglas	740,786	-	41,838	782,624
Elko	3,145,398	25,870	124,740	3,296,008
Esmeralda	587,070	-	33,103	620,173
Eureka	373,344	3,768	26,231	403,343
Humboldt	1,753,063	10,963	78,670	1,842,696
Lander	1,327,793	5,429	95,382	1,428,604
Lincoln	1,116,473	9,006	47,606	1,173,085
Lyon	1,785,576	3,769	120,115	1,909,459
Mineral	853,618	-	49,120	902,739
Nye	2,427,130	-	141,110	2,568,240
Pershing	1,530,802	10,731	78,142	1,619,674
Storey	278,121	994	10,635	289,750
Washoe	8,393,075	12,000	618,625	9,023,700
White Pine	596,699	-	85,848	682,547
Total County Distribution	\$ 57,388,691	\$ 100,074	\$ 3,901,579	\$ 61,390,344
State Debt Service Fund	3,167,808	6,179	209,982	3,383,969
State General Fund - P&I	18,792	-	1,531	20,323
TOTAL	\$ 60,575,291	\$ 106,253	\$ 4,113,092	\$ 64,794,636

Secured Tax Roll Summary*
Assessed Values - Centrally Assessed Properties

	Airlines		Electrics		Gas/Pipelines		Railroads		Communications		Total By County
	Unitary	6 Mo. CWIP	Unitary	6 Mo. CWIP	Unitary	6 Mo. CWIP	Unitary	6 Mo. CWIP	Unitary	6 Mo. CWIP	
Carson City	\$371,190	\$255	\$12,694,506	\$288,408	\$11,164,278	\$553,717	\$0	\$0	\$8,400,015	\$587,724	\$34,060,093
Churchill	8,944,281	3,723	23,544,783	514,021	8,794,740	321,781	4,537,574	821	7,867,106	463,034	\$54,991,864
Clark	141,435,929	226,315	746,467,896	39,194,029	143,803,114	4,502,400	10,679,478	1,965	64,529,126	2,918,776	\$1,153,759,028
Douglas	775,447	638	19,481,742	442,608	2,316,947	114,914	0	0	11,407,191	258,986	\$34,798,473
Elko	8,724,543	3,508	55,746,693	695,963	4,351,266	215,811	20,688,117	3,704	41,911,962	1,982,361	\$134,323,928
Esmeralda	10,975,460	11,355	10,557,030	232,724	0	0	0	0	239,251	13,542	\$22,029,362
Eureka	4,627,595	2,896	9,358,433	174,586	633,748	31,432	4,000,956	714	6,435,172	382,414	\$25,647,946
Humboldt	4,132,367	1,250	59,667,630	814,881	6,558,224	325,269	11,261,300	2,014	15,765,105	1,025,580	\$99,553,620
Lander	7,618,071	2,369	26,319,971	597,001	1,080,796	53,604	3,275,708	586	7,205,342	405,249	\$46,558,697
Lincoln	4,926,884	1,030	8,723,615	433,546	7,443,979	35,536	7,765,988	1,429	17,702,502	1,550,162	\$48,584,671
Lyon	3,813,550	2,195	40,411,907	865,701	8,351,846	359,901	3,095,800	566	10,192,893	570,898	\$67,665,257
Mineral	6,513,392	4,757	16,428,966	346,890	469,852	23,303	0	0	628,299	44,381	\$24,459,840
Nye	26,105,314	17,501	42,448,883	1,013,842	393,343	19,509	0	0	9,032,327	586,822	\$79,617,541
Pershing	3,085,836	358	24,775,799	540,491	8,314,024	412,352	6,786,830	1,213	13,583,693	839,432	\$58,340,028
Storey	1,719,599	895	4,002,805	90,940	2,599,431	40,396	706,516	126	2,081,306	133,171	\$11,375,185
Washoe	24,019,879	227,079	98,796,439	2,123,911	70,268,414	3,173,875	10,299,734	1,863	76,480,159	4,676,758	\$290,068,111
White Pine	5,298,062	1,076	10,059,902	89,457	0	0	0	0	1,539,551	110,909	\$17,098,957
Total	\$263,087,399	\$507,200	\$1,209,487,000	\$48,458,999	\$276,544,002	\$10,183,800	\$83,098,001	\$15,001	\$295,001,000	\$16,550,199	\$2,202,932,601

*Includes values amended by the State Board of Equalization through Oct 6,2003

State Board Cases: - 2003

- 1) American Airlines, Inc. Case No. C-224, original value decreased by \$12,392,000
- 2) Northwest Airlines, Inc. Case No. C-103, original value decreased by \$32,000
- 3) Skywest Air Lines, Inc.. Case No. C-114, original value decreased by \$905,000
- 4) Sun Country Airlines, Inc. Case No. C-106, original value decreased by \$1,110,000
- 5) Trans World Airlines, Inc. Case No. C-105, original value decreased by \$3,382,000
- 6) Broadwing Comm. Services, Inc. Case No. C-109, original value decreased by \$5,032,000
- 7) Mpower Communications Case No. C-110, original value decreased by \$4,861,000
- 8) Quest Communications Case No. C-108, original value decreased by \$6,152,000
- 9) Airborne, Inc. Case No. C-113, original value decreased by \$214,000

Statte Board Cases: - 2002

- 1) Emery Worldwide Airlines, Inc. Case No. C-105, original value decreased by \$559,000

**2002-2003 TAX YEAR
UNSECURED TAX ROLL SUMMARY
ASSESSED VALUES CENTRALLY ASSESSED PROPERTIES***

	Unsecured Airlines*	Private Carlines	Property Escaping Taxation*	Twelve Month CWIP					Total 12 Mo CWIP	Total All Unsecured
				Airlines*	Electrics	Gas/Pipeline	Railroad	Communication		
Carson City	\$ 37,099	\$ -	\$ -	\$ 2,287	\$ 786,847	\$ 1,006,077	\$ -	\$ 1,079,004	\$ 2,911,314	\$ 3,394,101
Churchill	13,609	233,494	0	11,604	1,372,796	583,339	11,696	1,911,091	4,137,629	3,638,430
Clark	6,054,322	449,264	950,000	558,288	56,933,814	10,775,708	27,989	2,075,497	77,824,882	84,951,799
Douglas	95,784	0	0	5,329	1,207,542	208,793	0	434,729	1,952,177	2,370,921
Elko	232,992	1,077,691	0	8,753	2,037,601	392,118	52,773	2,064,968	5,866,896	9,398,701
Esmeralda	519,727	0	0	102,230	644,700	0	0	23,563	1,290,220	1,570,683
Eureka	27,307	234,644	0	19,005	452,799	57,111	10,171	1,057,646	1,858,683	1,812,273
Humboldt	36,670	613,364	0	11,645	2,480,308	590,999	28,691	1,039,650	4,801,327	6,188,108
Lander	17,440	181,351	0	6,111	1,629,274	97,397	8,342	1,416,643	3,356,558	3,075,484
Lincoln	77	349,708	0	9,442	609,078	481,749	20,353	729,396	2,199,803	4,978,239
Lyon	66,944	144,032	160,200	19,647	2,287,762	653,295	8,062	1,520,056	4,859,998	4,802,648
Mineral	369,362	0	0	39,792	909,373	42,341	0	80,321	1,441,189	1,819,132
Nye	702,155	0	0	118,856	2,640,648	35,446	0	1,046,116	4,543,221	5,099,558
Pershing	2,681	374,214	0	3,532	1,442,882	749,225	17,285	501,857	3,091,676	4,897,005
Storey	14,915	38,316	0	8,358	248,107	68,607	1,800	62,367	442,470	714,156
Washoe	935,716	435,402	37,500	143,141	5,608,305	4,819,595	26,538	8,547,099	20,553,296	25,646,362
White Pine	5,998	0	0	9,979	236,266	0	0	2,205,898	2,458,141	544,136
Total	\$9,132,798	\$4,131,480	\$1,147,700	\$1,077,999	\$81,528,102	\$20,561,800	\$213,700	\$25,795,901	\$143,589,480	\$164,901,736

* Includes values certified by the Tax Commission on Oct. 6, 2003.

** Includes values amended by the State Board of Equalization through Oct. 6, 2002.

State Board Cases

- | | |
|--|--------------|
| 1) Aloha Airlines Case No. C-102, decreased by | \$347,000 |
| 2) Kern River Gas Transmission Co. Case No. C-103, 12 mo CWIP value decreased by | \$13,071,800 |

CWIP = Construction Work in Progress

PET = Property Escaping Taxation

**2002-2003 TAX YEAR
CENTRALLY ASSESSED UTILITIES TAX ROLL SUMMARY**

	Secured Unitary Assessments	Secured 6 Mo. CWIP *	Unsecured Airline Assessments	Unsecured Carline Assessments	Unsecured PET ** Assessments	Unsecured 12 Mo. CWIP Assessments	Combined Number of Assessments	Secured Total Value Assessments	Unsecured Total Value Assessments	Combined Total Value Assessments
Carson City	14	6	4	0	0	7	31	\$34,060,093	\$2,911,314	\$36,971,407
Churchill	35	14	2	171	0	12	234	54,991,865	4,137,628	59,129,493
Clark	84	26	18	105	1	25	259	1,153,759,027	77,824,882	1,231,583,909
Douglas	11	4	6	0	0	5	26	34,798,473	1,952,178	36,750,651
Elko	41	19	6	171	0	18	255	134,323,929	5,866,896	140,190,825
Esmeralda	17	5	3	0	1	8	34	22,029,363	1,290,220	23,319,583
Eureka	29	14	2	171	0	13	229	25,647,946	1,858,682	27,506,628
Humboldt	29	12	6	171	0	11	229	99,553,619	4,801,327	104,354,946
Lander	32	12	3	171	0	13	231	46,558,697	3,356,558	49,915,255
Lincoln	30	14	1	105	0	13	163	48,584,670	2,199,804	50,784,474
Lyon	36	17	3	159	1	16	232	67,665,256	4,859,998	72,525,254
Mineral	25	11	4	0	0	12	52	24,459,840	1,441,189	25,901,029
Nye	30	12	3	0	0	13	58	79,617,542	4,543,220	84,160,762
Pershing	31	13	2	171	0	12	229	58,340,028	3,091,675	61,431,703
Storey	26	15	3	158	0	14	216	11,375,186	442,471	11,817,657
Washoe	56	25	12	171	1	21	286	290,068,110	20,553,295	310,621,405
White Pine	19	5	3	0	0	7	34	17,098,957	2,458,141	19,557,098
Total	545	224	81	1724	4	220	2798	\$2,202,932,601	\$143,589,478	\$2,346,522,079

* Construction Work in Progress

** Property Escaping Taxation

LOCAL GOVERNMENT FINANCE SECTION

The purpose of the Local Government Finance section is to oversee the financial administration of Nevada's counties, cities and districts. For the Fiscal Year ended June 30, 2002, this consisted of overseeing the financial activities of 17 counties, 18 incorporated cities, 49 unincorporated towns, 17 school districts, 166 special districts including 4 multi-county districts.

The major areas of responsibility of the section are contained within the provisions of the Local Government Budget Act (NRS 354.470 to 354.626, inclusive). The areas include overseeing the revenue limitations, indebtedness, budgets and audits of local governments. The section's functional responsibilities within each area include the following:

REVENUE LIMITATIONS

Taxes

Establish and monitor the maximum allowed revenue a local government may receive from property taxes.

Calculate and prepare property tax rates to be certified by the Nevada Tax Commission.

Prepare and publish the Property Tax Rate Report for Nevada Local Governments.

Fees for Licenses and Permits

Prescribe guidelines for calculating fee increases for business licenses and building permits.

Monitor for compliance the adoption or increase of fees for business licenses and building permits.

INDEBTEDNESS

Medium Term Obligations

Review and approve or disapprove medium term financing requests including lease/purchase obligations. The approval or disapproval is based upon the probable ability of the local government to repay the debt.

Annual Indebtedness Report

Analyze, for reasonableness, the annual indebtedness information submitted by the local governments.

Compile, prepare and publish the Annual Indebtedness Report for Nevada Local Governments.

BUDGETS

Examine and approve or disapprove local government budgets based on compliance or noncompliance with statutes and regulations. The examination procedures include but are not limited to the following:

1. Review in detail the form, classification and content of the local governments' estimated resources and expenditures/expenses;
2. Review and verify reported actual prior year resources and expenditures/expenses with the amounts contained in the local governments' audited financial statements.

The examination and approval process applies to tentative, final, amended and augmented budgets.

Prepare and provide local governments with a written certificate of compliance or a written notice of lack of compliance regarding their submitted budget documents.

Local Government Finance Section (continued)

AUDITS

Review annual independent audits of local governments to determine whether the audits comply with regulations adopted pursuant to NRS 354.594.

Refer to the State Board of Accountancy audits which do not adhere to regulations adopted pursuant to NRS 354.594.

Identify all statute and regulation violations reported within each audit.

Evaluate and monitor each local government's plan to correct the identified statute and regulation violations.

In addition, the Local Government Finance Division determines and advises local government officers of regulations, procedures and report forms for compliance with the Local Government Budget Act. The Division makes such determinations after hearing the advice and recommendations of the Committee on Local Government Finance.

**BUDGETED (ESTIMATED) EXPENDITURES-EXPENSES*
FISCAL YEAR 2002-2003**

	COUNTY	SCHOOL	CITIES	TOWNS	DISTRICTS	TOTAL
Carson City	\$ 100,899,221	\$ 71,893,927	\$ -	\$ -	\$ 3,591,062.00	\$ 176,384,210
Churchill	45,236,446	36,308,130	18,024,376	-	977,155	100,546,107
Clark	2,547,114,350	2,792,905,908	1,518,841,413	7,758,793	978,564,190	7,845,184,654
Douglas	58,889,881	64,338,174	-	2,830,663	47,075,543	173,134,261
Elko	43,195,015	80,008,890	37,846,873	3,305,844	6,023,792	170,380,414
Esmeralda	4,540,006	1,332,531	-	3,075,085	-	8,947,622
Eureka	10,948,946	4,898,267	-	432,330	301,000	16,580,543
Humboldt	21,708,122	33,506,842	6,752,064	-	16,560,576	78,527,604
Lander	21,244,727	12,549,913	-	2,109,458	7,043,892	42,947,990
Lincoln	6,593,960	11,464,432	3,552,096	931,465	4,601,368	27,143,321
Lyon	33,644,180	78,372,633	7,686,558	-	8,651,975	128,355,346
Mineral	7,164,168	8,352,129	-	1,307,069	7,892,653	24,716,019
Nye	91,165,293	59,842,483	-	13,162,917	3,879,186	168,049,879
Pershing	8,965,732	11,888,368	1,881,117	68,900	6,824,775	29,628,892
Storey	8,463,982	5,632,140	-	39,500	1,016,635	15,152,257
Washoe	477,972,055	458,657,619	453,269,324	-	344,446,111	1,734,345,109
White Pine	10,839,533	14,192,429	4,338,483	103,327	18,740,160	48,213,932
Multicounty Districts					18,807,618	18,807,618
TOTALS	\$ 3,498,585,617	\$ 3,746,144,815	\$ 2,052,192,304	\$ 35,125,351	\$ 1,474,997,691	\$ 10,807,045,778

* Source: Final budgets filed June 1, 2002.

Amounts do not include transfers, ending fund balances or contingency.