



State of Nevada  
DEPARTMENT OF TAXATION  
**ANNUAL REPORT**  
Fiscal 2003 - 2004



**STATE OF NEVADA  
DEPARTMENT OF TAXATION**

**1550 E. College Parkway  
Suite 115  
Carson City, Nevada 89706-7937**

**Phone: (775) 687-4820 • Fax: (775) 687-5981  
In-State Toll Free: 800-992-0900**

**Web Site: <http://tax.state.nv.us>**

LAS VEGAS OFFICE

Grant Sawyer Office Building  
Suite 1300  
555 E. Washington Avenue  
Las Vegas, Nevada 89101  
Phone: (702) 486-2300  
Fax: (702) 486-2373

RENO OFFICE

4600 Kietzke Lane  
Building O, Suite 263  
Reno, Nevada 89502  
Phone: (775) 688-1295  
Fax: (775) 688-1303

KENNY C. GUINN  
Governor

CHARLES E. CHINNOCK  
Executive Director

January 15, 2005

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, 2004. During 2003-04, gross revenues and distributions changed in the following amounts.

Revenues	2002 - 2003	2003 - 2004	Increase/ (Decrease)	Percent Change
Sales and Use Taxes	\$ 680,447,243	\$ 775,255,133	\$ 94,807,890	13.93%
Local School Support Tax	755,922,350	860,426,453	104,504,103	13.82%
City/County Relief Tax	755,929,071	860,433,556	104,504,485	13.82%
Local Option Taxes	232,359,331	325,477,883	93,118,552	40.08%
Intoxicating Beverage Taxes	19,793,754	36,670,163	16,876,409	85.26%
Cigarette Tax and Fees	62,027,334	122,747,208	60,719,874	97.89%
Other Tobacco Products	5,916,301	6,927,276	1,010,975	17.09%
Estate Tax	39,203,340	26,018,237	(13,185,103)	-33.63%
Lodging Tax	11,875,153	13,305,505	1,430,352	12.04%
Net Proceeds of Minerals Tax	25,162,206	37,162,642	12,000,436	47.69%
Centrally Assessed Property Tax	64,794,636	69,035,179	4,240,543	6.54%
Business Tax and Fees	79,765,693	22,216,500	(57,549,193)	-72.15%
Insurance Premium Tax	173,990,728	194,218,036	20,227,308	11.63%
Tire Tax	1,483,883	1,632,492	148,609	10.01%
Government Services Fee	22,208,165	25,925,323	3,717,158	16.74%
Bank Excise Tax	-	1,508,192	1,508,192	100.00%
Business License Fee	-	11,851,752	11,851,752	100.00%
Live Entertainment Tax	-	4,345,868	4,345,868	100.00%
Modified Business Tax	-	161,649,489	161,649,489	100.00%
Real Property Transfer Tax	-	88,024,737	88,024,737	100.00%
<b>Total</b>	<b>\$ 2,930,879,188</b>	<b>\$ 3,644,831,624</b>	<b>\$ 625,927,699</b>	<b>21.36%</b>

Distributions	2002 - 2003	2003 - 2004	Increase/ (Decrease)	Percent Change
State General Fund	\$ 1,046,602,138	\$ 1,463,884,437	\$ 417,282,299	39.87%
State Distributive School Fund	63,432,710	68,263,920	4,831,210	7.62%
Local Governments	1,762,607,855	2,064,950,846	302,342,991	17.15%
Other Distributions	14,982,579	16,571,522	1,588,943	10.61%
Estate Tax Reserve, Endowment and Trust Funds	39,085,995	25,844,797	(13,241,198)	-33.88%
State Debt Service Fund	4,168,511	5,316,102	1,147,591	27.53%
Total	<u>\$ 2,930,879,188</u>	<u>\$ 3,644,831,624</u>	<u>\$ 713,951,836</u>	<u>24.36%</u>

Sincerely,

Charles E Chinnock  
Executive Director

# TABLE OF CONTENTS

## I. DEPARTMENT OF TAXATION

MISSION STATEMENT-----	3
ORGANIZATIONAL CHART-----	4
TOTAL DEPARTMENT TAX REVENUE AND DISTRIBUTIONS-----	5
DEPARTMENT OF TAXATION ADMINISTRATION-----	6
BOARDS AND COMMISSIONS-----	6
DEPARTMENT ORGANIZATION AND FUNCTION-----	7

## II. SALES, USE AND BUSINESS TAX

REVENUE DIVISION-----	7
AUDIT DIVISION-----	8
DEPARTMENT FINANCIAL STATEMENT-----	9
COMPONENTS OF SALES AND USE TAX RATES-----	10
CERTIFIED POPULATION-----	12
SALES AND USE TAX REVENUE-----	13
LOCAL SCHOOL SUPPORT TAX REVENUE-----	15
BASIC CITY/COUNTY RELIEF TAX REVENUE-----	17
SUPPLEMENTAL CITY/COUNTY RELIEF TAX REVENUE-----	19
LOCAL OPTION SALES AND USE TAX REVENUE-----	23
TAXABLE SALES COMPARISON-----	26
CONSOLIDATED TAX-----	29
BUSINESS TAX-----	33
BUSINESS LICENSE FEE-----	35
MODIFIED BUSINESS TAX-----	36

## III. EXCISE TAXES

LIVE ENTERTAINMENT TAX-----	37
BANK EXCISE TAX-----	38
INSURANCE PREMIUM TAX-----	39

## TABLE OF CONTENTS

CIGARETTE AND OTHER TOBACCO PRODUCTS TAX REVENUE-----	41
TRANSFER OF CIGARETTE TAX REVENUE-----	45
LIQUOR TAX REVENUE-----	46
TRANSFER OF LIQUOR TAX REVENUE-----	49
ALCOHOLIC BEVERAGE GROWTH-----	50
LODGING TAX-----	52
ESTATE TAX-----	53
DISTRIBUTION OF ESTATE TAX REVENUE-----	54
TIRE TAX-----	55
GOVERNMENT SERVICES FEE-----	56
<b>IV. DIVISION OF ASSESSMENT STANDARDS-----</b>	<b>58</b>
CERTIFICATION OF APPRAISERS-----	60
STATE BOARD OF EQUALIZATION-----	61
ASSESSED VALUATIONS-----	62
REAL PROPERTY TRANSFER TAX-----	64
NET PROCEEDS OF MINERALS-----	66
MINING PROPERTIES-----	69
LOCAL GOVERNMENT FINANCE SECTION-----	74



## Department of Taxation

### *Tax Commission*

Barbara Smith-Campbell, Chairwoman  
Charles E. Chinnock – Executive Director



---

### ***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 enable 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. Ensure the stable administration of tax statutes.
2. Improve compliance through education, information and enforcement.
3. Cooperate with other agencies and entities to better serve taxpayers.
4. Provide improved and more efficient service.
5. Promote the fair and equitable treatment of taxpayers.
6. Enhance workforce proficiency through training and communication
7. Improve tax administration through new technology.

---

**Please visit our Web Site at [tax.state.nv.us](http://tax.state.nv.us)  
or one of our offices at the following locations**

Main Office:

1550 East College Parkway, Suite 100  
Carson City, NV 89706

Mailing:

1550 East College Parkway, Suite 115  
Carson City, NV 89706

Phone: (775) 684-2135

Fax: (775) 684-2020

In-State Toll Free: (800) 992-0900

Elko Taxpayer Assistance:

850 Elm Street Room 2  
Elko, NV 89801

Mailing:

PO Box 1750

Elko, NV 89803-1750

Phone: (775) 753-1115

Fax: (775) 778-6814

Henderson District Office

2550 Paseo Verde Pkwy Ste 180

Henderson, NV 89074

Phone: (702) 486-2300

Fax: (702) 486-3377

Las Vegas District Office:

Grant Sawyer Office Building

555 E. Washington Avenue, Suite 1300

Las Vegas, NV 89101

Phone: (702) 486-2300

Fax: (702) 486-2373

Reno District Office:

Kietzke Plaza

4600 Kietzke Lane

Building L, Suite 235

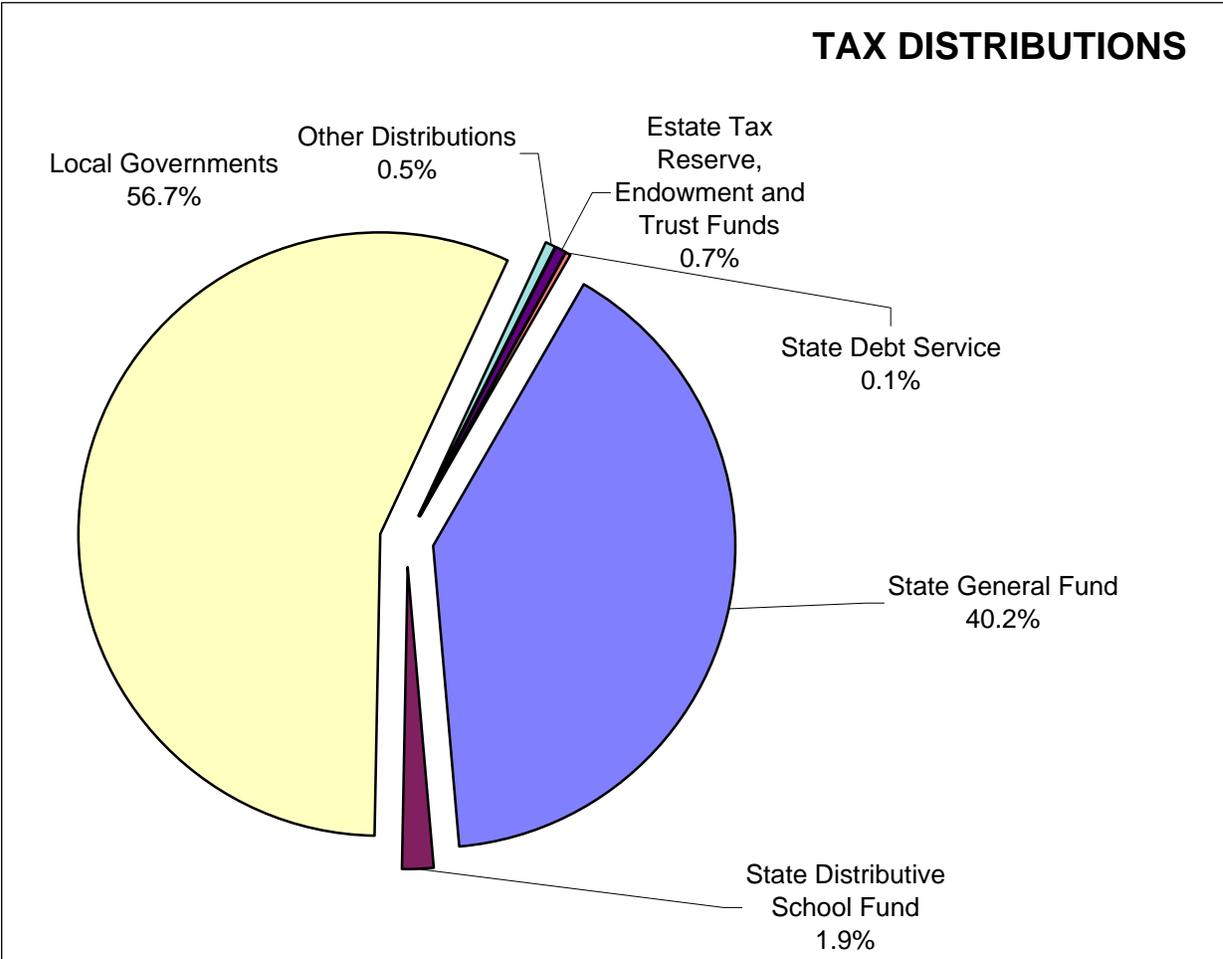
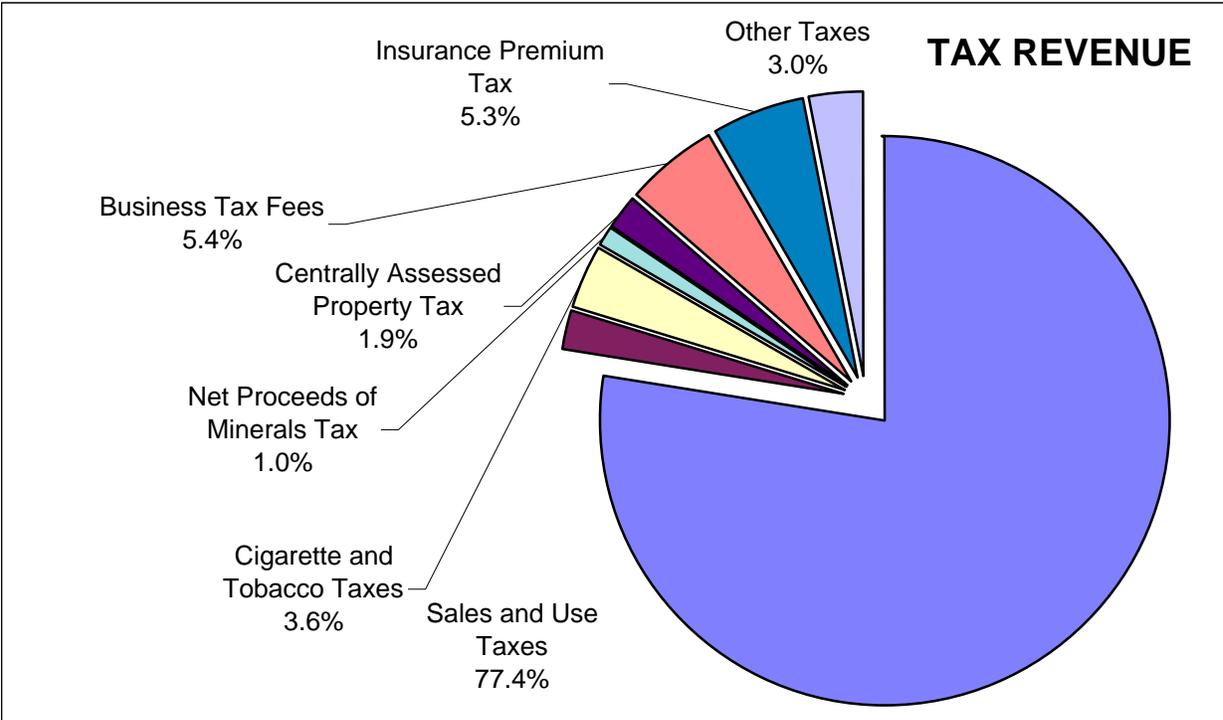
Reno, NV 89502

Phone: (775) 688-1295

Fax: (775) 688-1303



# 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
Business License Fee	360.760-360.795
Ad Valorem Property Tax	361, 361A, 361B
Net Proceeds of Mines	362
Bank Excise Tax	363A.120
Modified Business Tax	363A, 363B
Tax on Rental of Transient Lodging	364.125
Business Tax	364A
Live Entertainment Tax	368A
Intoxicating Liquor Licenses and Taxes	369
Tobacco Licenses and Taxes	370
State Sales and Use Taxes	372
Local School Support Taxes	374
Real Property Transfer Tax	375
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
Insurance Premium Tax	680B

## DEPARTMENT OF TAXATION ADMINISTRATION

Charles Chinnock  
Executive Director

Dino DiCianno  
Deputy Executive Director

Thomas A. Summers  
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  
Robert Barengo, Member  
George Kelesis, Member

Joan Lambert, Member  
John Marvel, Member

Thomas Sheets, Member  
David Turner, Member  
Hank Vogler, 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, live entertainment tax, modified business tax, real property transfer tax, bank excise tax, estate tax and short-term lease fee. 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 five office locations. The headquarters is located in Carson City, with district offices in Henderson, Las Vegas and Reno, and a taxpayer assistance office in Elko. For fiscal year 2003-04, the Department's staff consisted of 276.02 positions statewide, with a budget of \$19,846,458.

The audit staff conducted 1,377 sales and use tax audits during Fiscal Year 2003-04. The total net collections from audit billings during this period was \$18,014,504. 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>	
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	
2003-04	1,377	18,014,504	

<u>FISCAL YEAR</u>	<u>GROSS SALES AND USE TAXES</u>	<u>COLLECTIONS AS % OF GROSS TAX</u>	<u>AUDIT COVERAGE</u>
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%
2003-04	2,821,593,024	0.64%	1.40%

# Department Financial Statement

APPROPRIATIONS AND EXPENDITURES  
 JULY 1, 2003 - JUNE 30, 2004 - REVERSIONS AS OF JUNE 30, 2004

FUNDING/APPROPRIATIONS	WORK PROGRAM FUNDS	RECEIPTS / EXPENDITURES	RECEIPTS LESS WORK PROGRAM
General Fund Appropriations	16,087,285	16,087,285.00	-
IFC Contingency Fund Allocation	4,327,994	4,327,994.00	
Audit Fees	61,337	27,015.47	34,321.53
Cigarette Tax Administration	428,721	428,721.00	-
Short Term Auto Lease Fee	-	716.92	(716.92)
Estate Tax Administration	173,440	173,440.00	-
Environmental Protection Transfer	6,989	8,162.17	(1,173.17)
Justice Court/Township Fees	98,812	105,281.00	(6,469.00)
Returned Check Charge	23,351	26,948.70	(3,597.70)
Miscellaneous Revenue	14,339	2,619.70	11,719.30
<b>Total Available Funds</b>	<b>\$ 21,222,268</b>	<b>\$ 21,188,183.96</b>	<b>\$ 34,084.04</b>

## EXPENDITURES

Salaries	\$ 14,999,174	\$ 14,253,923.10	\$ 745,250.90
Out-of-state Travel	5,828	1,813.57	4,014.43
In-state Travel	198,339	198,218.00	121.00
Operating	2,278,909	2,248,675.38	30,233.62
Equipment	336,819	230,173.15	106,645.85
Out-of-state Audit	62,952	55,419.67	7,532.33
Lockbox Program	414,000	363,579.40	50,420.60
Demographer	186,186	185,620.00	566.00
Cigarette Stamps	103,141	103,084.80	56.20
Information Services	2,539,354	2,119,034.01	420,319.99
Training	25,766	25,691.60	74.40
County Assessor/Appraiser Training	10,575	-	10,575.00
Purchasing Assessment	4,460	4,460.00	-
Attorney General Cost Allocation	56,765	56,765.00	-
<b>Total Expenditures</b>	<b>\$ 21,222,268</b>	<b>\$ 19,846,457.68</b>	<b>\$ 1,375,810.32</b>
Reversion June 30, 2004		691,921.96	
Balance Forward to Fiscal Year 2005		649,804.32	
Difference Work Program less Receipts		34,084.04	
<b>Available Funds Accounted for</b>	<b>\$ 21,222,268</b>	<b>\$ 21,222,268.00</b>	

## REVERSIONS

To General Fund		691,921.96
Balance Forward to Fiscal Year 2005	\$	649,804.32
<b>Total Reversion</b>	<b>\$</b>	<b>1,341,726.28</b>

## COMPONENTS OF SALES AND USE TAX RATES

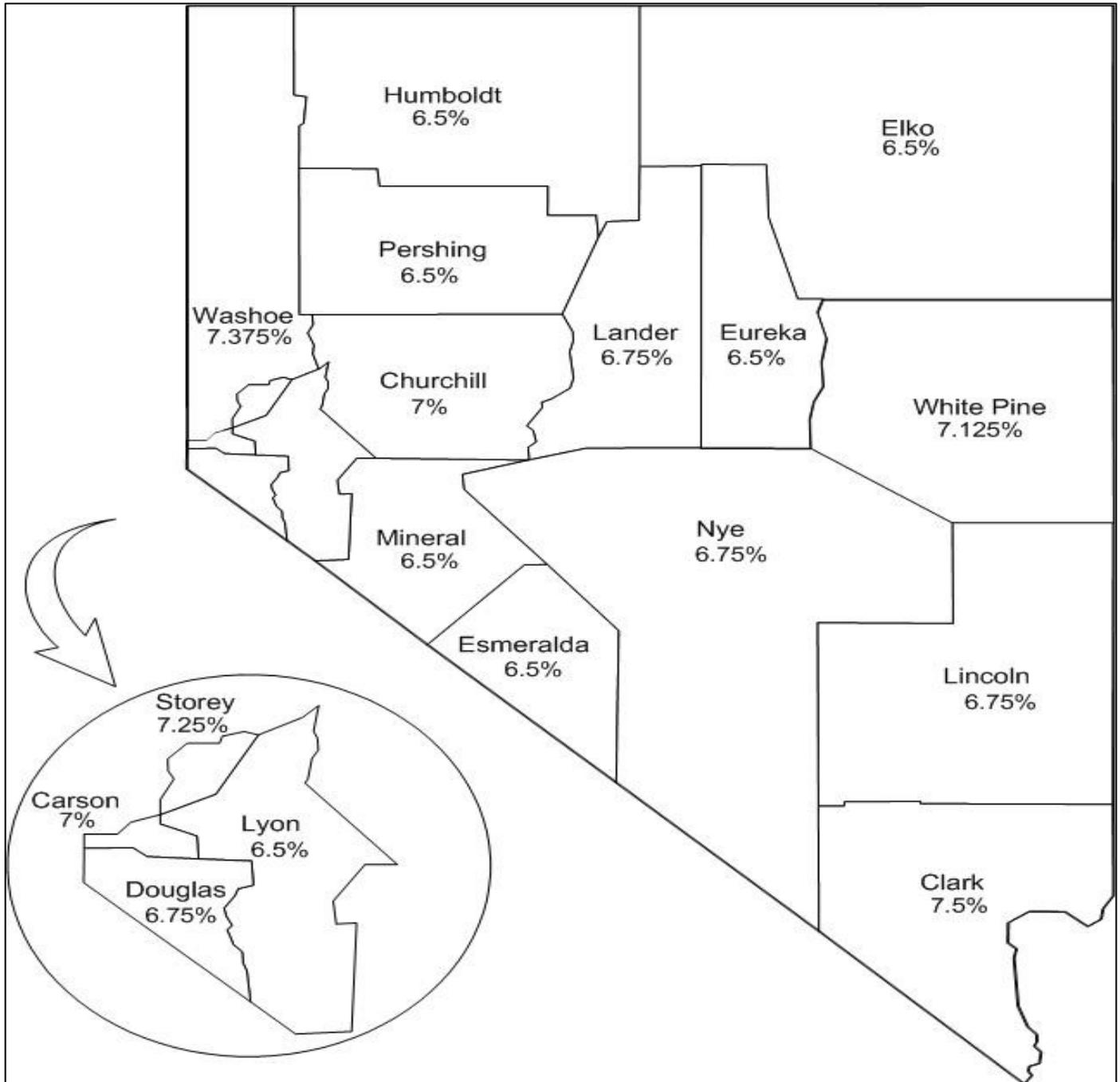
<u>NRS</u> <u>CHAPTER</u>	<u>TAX RATE</u>	<u>TAX DESCRIPTION</u>	<u>DISTRIBUTION</u>
<b>Minimum Statewide Tax Rate</b>			
372	2.00%	Sales Tax	To the General Fund.
374	2.25%	Local School Support Tax	<u>In-State Business Returns</u> : Tax is distributed to the school district in which the business is located. <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	
<b>Option Tax</b>			
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).	Imposed at .25% by Carson City, Churchill County, Nye County, and White Pine County, .375% by Washoe County, and .50% by Clark County.
377A	0.50%	Public Swimming Pool (voter approval).	Imposed by 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, Lander 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.
<b>Special Act</b>			
	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)

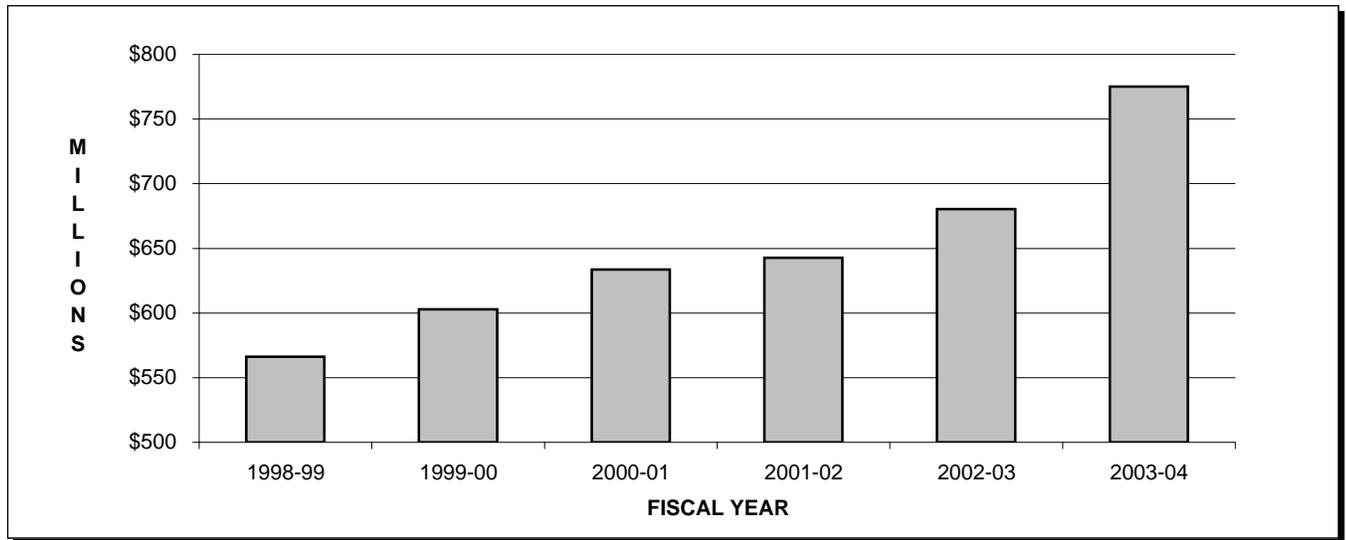


# CERTIFIED POPULATION

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 2003-04.

<b>CARSON CITY</b>	54,844	<b>HUMBOLDT COUNTY</b>	16,308
		Winnemucca	7,234
<b>CHURCHILL COUNTY</b>	25,116	<b>LANDER COUNTY</b>	5,547
Fallon	8,178	Austin	295
<b>CLARK COUNTY</b>	1,549,657	Battle Mountain	2,770
Boulder City	14,842	Kingston	256
Henderson	209,486	<b>LINCOLN COUNTY</b>	3,879
Las Vegas	514,640	Caliente	1,058
Mesquite	13,216	Alamo	442
North Las Vegas	135,967	Panaca	564
Bunkerville	1,180	Pioche	680
Enterprise	46,193	<b>LYON COUNTY</b>	38,777
Laughlin	6,403	Yerington	2,859
Moapa Valley	6,277	Fernley	10,440
Paradise	187,746	<b>MINERAL COUNTY</b>	4,695
Searchlight	822	<b>NYE COUNTY</b>	35,039
Spring Valley	139,290	Gabbs	320
Summerlin	12,239	Amargosa	1,171
Sunrise Manor	176,587	Beatty	1,089
Whitney	18,979	Manhattan	122
Winchester	33,994	Pahrump	27,527
<b>DOUGLAS COUNTY</b>	44,212	Round Mountain	779
Gardnerville	4,065	Tonopah	2,422
Genoa	227	<b>PERSHING COUNTY</b>	6,937
Minden	2,830	Lovelock	2,267
<b>ELKO COUNTY</b>	46,577	<b>STOREY COUNTY</b>	3,639
Carlin	2,074	<b>WASHOE COUNTY</b>	359,423
Elko	16,690	Reno	187,834
Wells	1,389	Sparks	75,255
West Wendover	4,661	<b>WHITE PINE COUNTY</b>	8,863
Jackpot	1,288	Ely	3,886
Montello	176	Lund	146
Mountain City	127	McGill	1,071
<b>ESMERALDA COUNTY</b>	1,125	Ruth	373
Goldfield	438	<b>TOTAL STATEWIDE POPULATION</b>	<b>2,206,022</b>
Silver Peak	128		
<b>EUREKA COUNTY</b>	1,384		
Crescent Valley	279		
Eureka	434		

# SALES AND USE TAX REVENUE



FISCAL YEAR	TAX	PERMIT FEES	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
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%
2003-04	775,196,218	58,915	775,255,133	13.93%

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

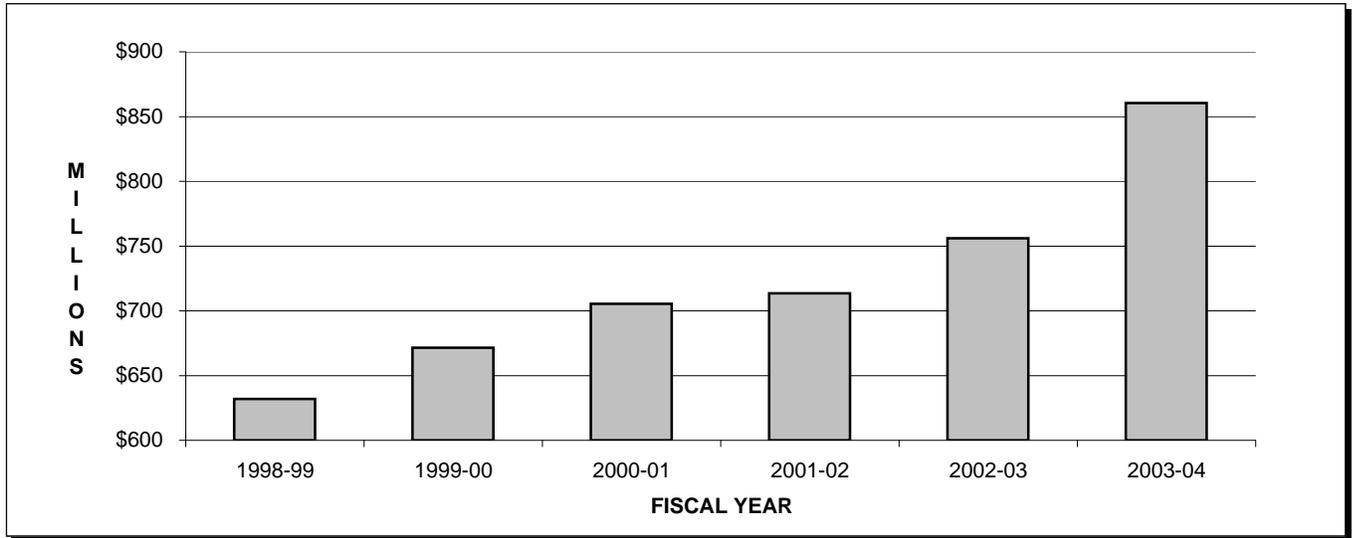
State General Fund since inception.

Sales and Use Tax Revenue (continued)

STATE 2% SALES AND USE TAX COLLECTION BY COUNTY  
FISCAL YEAR 2003-04

<b>COUNTY</b>	<b>TAXES AND FEES</b>	<b>% OF TOTAL</b>
Carson City	\$ 18,762,799	2.42%
Churchill	4,774,584	0.62%
Clark	570,981,899	72.82%
Douglas	14,675,955	1.89%
Elko	15,188,105	1.96%
Esmeralda	146,849	0.02%
Eureka	3,228,833	0.42%
Humboldt	6,870,635	0.89%
Lander	1,089,830	0.14%
Lincoln	447,740	0.06%
Lyon	6,363,294	0.82%
Mineral	702,530	0.09%
Nye	7,167,775	0.92%
Pershing	1,093,044	0.14%
Storey	1,054,524	0.14%
Washoe	121,120,609	15.62%
White Pine	1,581,861	0.20%
Out of State	4,266	0.00%
<b>TOTAL</b>	<b>\$ 775,255,133</b>	<b>100.00%</b>

# LOCAL SCHOOL SUPPORT TAX REVENUE



FISCAL YEAR	TAX	PERMIT FEES	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
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%
2003-04	860,367,538	58,915	860,426,453	13.82%

**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.

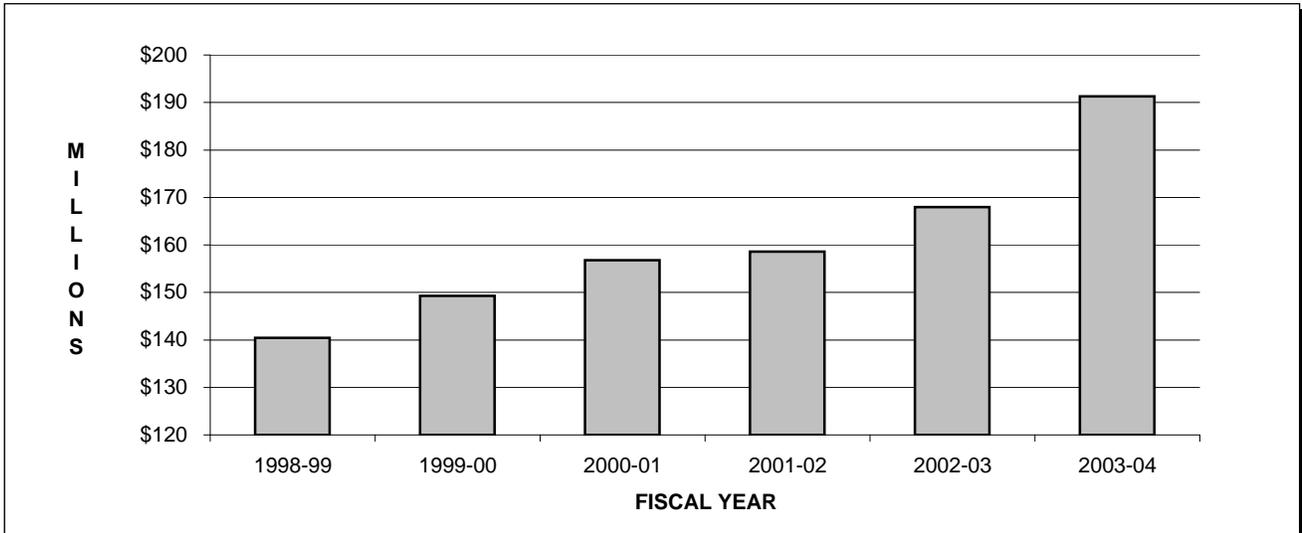
July 1, 1993 - State General Fund Commission increased from .50 percent to 1 percent on in-state and out-of-state collections.

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 2003-04

COUNTY		TAX	% OF TOTAL
Carson City	58	\$ 20,900,139	2.43%
Churchill	60	4,322,127	0.50%
Clark		577,496,915	67.12%
Douglas	61	15,886,039	1.85%
Elko		17,309,200	2.01%
Esmeralda	62	50,595	0.01%
Eureka		136,100	0.02%
REAL PROPERT	64		
Humboldt	66	6,084,221	0.71%
Lander		912,931	0.11%
Lincoln	69	329,610	0.04%
Lyon		4,646,178	0.54%
Mineral	75	479,365	0.06%
Nye		6,080,797	0.71%
Pershing		569,003	0.07%
Storey		522,457	0.06%
Washoe		128,565,040	14.94%
White Pine		1,418,617	0.16%
<b>Total County School District Distribution</b>		<b>\$ 785,709,334</b>	<b>91.32%</b>
State Distributive School Fund		68,263,920	7.93%
State General Fund		6,453,198	0.75%
<b>TOTAL</b>		<b>\$ 860,426,453</b>	<b>100.00%</b>

# BASIC CITY/COUNTY RELIEF TAX REVENUE



FISCAL YEAR	TAX	PERMIT FEES	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
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%
2003-04	191,201,330	58,915	191,260,245	13.85%

**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.

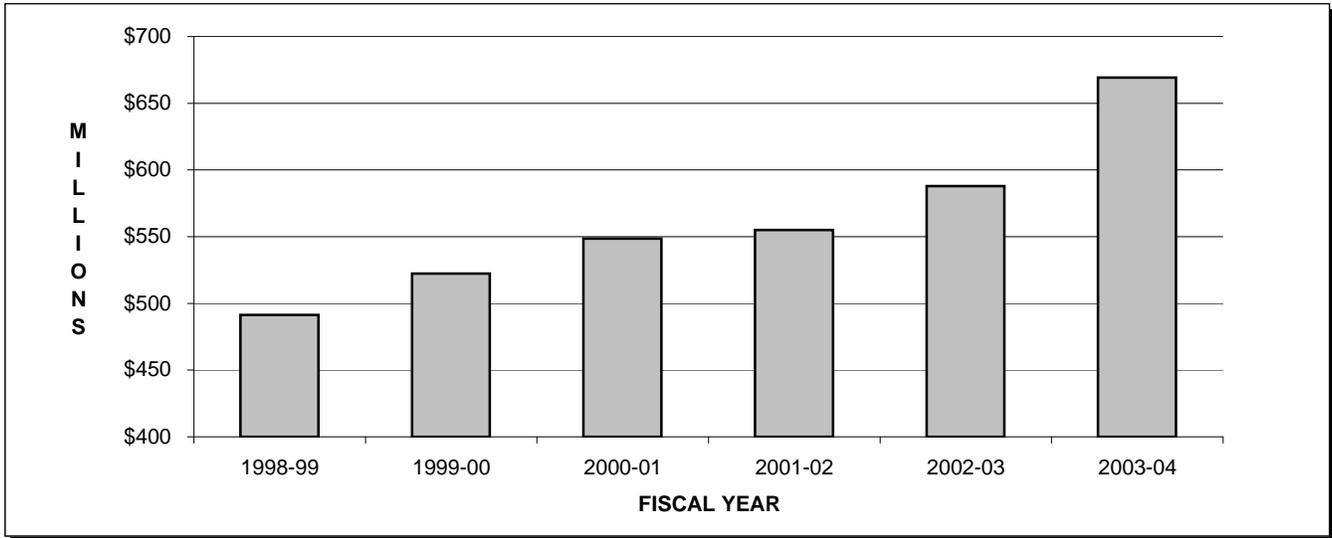
Basic City/County Relief Tax Revenue (continued)

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 2003-04

COUNTY	TAX	% OF TOTAL
Carson City	\$ 4,626,761	2.42%
Churchill	1,234,634	0.65%
Clark	139,417,398	72.89%
Douglas	3,767,663	1.97%
Elko	3,450,564	1.80%
Esmeralda	35,666	0.02%
Eureka	666,351	0.35%
Humboldt	1,586,571	0.83%
Lander	248,446	0.13%
Lincoln	127,543	0.07%
Lyon	1,643,052	0.86%
Mineral	194,751	0.10%
Nye	1,940,163	1.01%
Pershing	244,274	0.13%
Storey	217,425	0.11%
Washoe	30,001,717	15.69%
White Pine	422,813	0.22%
 Total County Transfers	 \$ 189,825,793	 99.25%
State General Fund	1,434,452	0.75%
<b>Total</b>	<b>\$ 191,260,245</b>	<b>100.00%</b>

# SUPPLEMENTAL CITY/COUNTY RELIEF TAX REVENUE



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
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%
2003-04	669,173,311	13.82%

**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 2003-04

<b>COUNTY</b>	<b>TAX</b>	<b>% OF TOTAL</b>
Carson City	\$ 15,895,264	2.38%
Churchill	3,971,724	0.59%
Clark	481,362,926	71.93%
Douglas	12,669,852	1.89%
Elko	11,720,015	1.75%
Esmeralda	922,260	0.14%
Eureka	2,456,801	0.37%
Humboldt	5,516,672	0.82%
Lander	2,460,576	0.37%
Lincoln	1,195,164	0.18%
Lyon	8,382,948	1.25%
Mineral	1,716,504	0.26%
Nye	6,908,268	1.03%
Pershing	1,922,244	0.29%
Storey	1,446,396	0.22%
Washoe	102,960,586	15.39%
White Pine	2,646,312	0.40%
Total County Transfers	\$ 664,154,511	99.25%
State General Fund	5,018,800	0.75%
<b>TOTAL</b>	<b>\$ 669,173,311</b>	<b>100.00%</b>

**SEVERE FINANCIAL EMERGENCY FUND**

Fund Balance June 30, 2004 \$ 614,783

Supplemental City/County Relief Tax (continued)

LOCAL GOVERNMENT TAX ACTS OF 1991 AND 1993  
SPECIAL FUND COLLECTIONS AND DISTRIBUTIONS  
FISCAL YEAR 2003-04

**COLLECTIONS**

**CHURCHILL COUNTY**

Sales and Use Tax	\$	588,281
Motor Vehicle Privilege Tax		556,496
Real Property Transfer Tax		28,826
Property Tax		96,165
Interest		2,578
<b>TOTAL</b>	<b>\$</b>	<b><u>1,272,346</u></b>

**WASHOE COUNTY**

Sales and Use Tax	\$	14,840,916
Motor Vehicle Privilege Tax		3,613,609
Gaming License Fee		919,820
Real Property Transfer Tax		1,198,199
Property Tax		2,879,602
Interest		23,069
<b>TOTAL</b>	<b>\$</b>	<b><u>23,475,214</u></b>

**DISTRIBUTIONS**

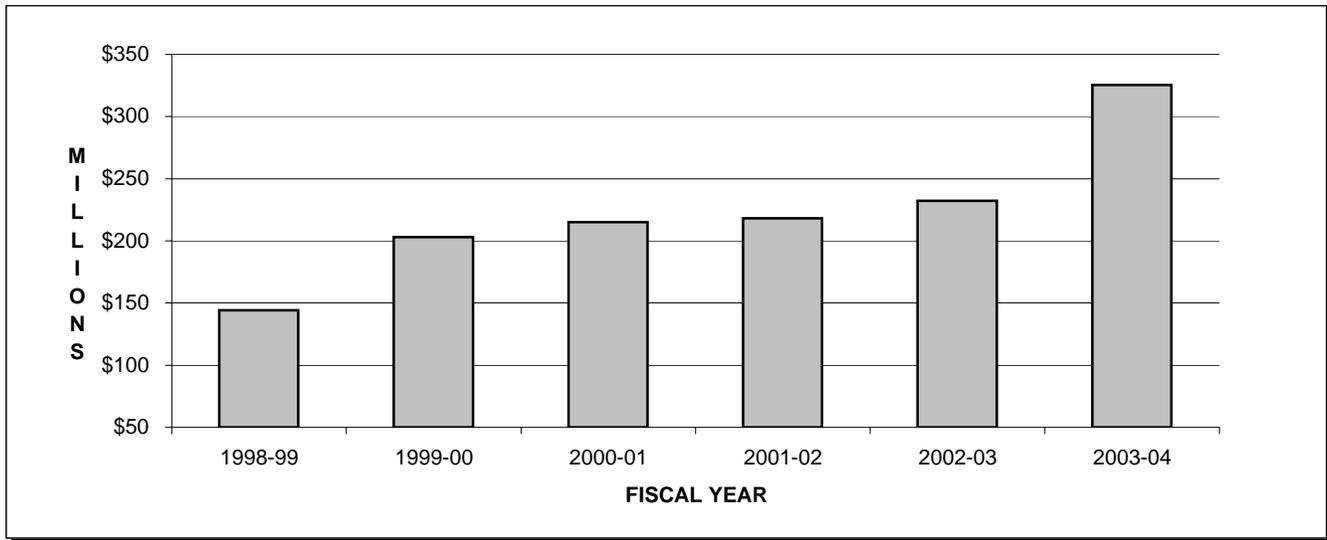
**CHURCHILL COUNTY**

	\$	978,651
Fallon		222,870
Other		70,826
<b>TOTAL</b>	<b>\$</b>	<b><u>1,272,346</u></b>

**WASHOE COUNTY**

	\$	15,657,080
Reno		3,519,141
Sparks		1,656,780
Other		2,642,213
<b>TOTAL</b>	<b>\$</b>	<b><u>23,475,214</u></b>

# LOCAL OPTION SALES AND USE TAX



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
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%
2003-04	325,477,883	40.08%

**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 2003-04

COUNTY	PROVISIONS	USE OF PROCEEDS	DATE IMPOSED	AMOUNT
<b>Option Tax</b>				
Carson City	377A	Public Roads	1/1/1987	\$ 2,259,180
Churchill	377A	Public Roads	11/1/1986	588,281
Clark	377A	Regional Transportation	7/1/1991	122,226,714
Clark	377A	Regional Transportation ¼% increase	10/1/2003	
Clark	377B	So NV Water Authority	4/1/1999	69,724,324
Clark	543	Flood Control	3/1/1987	69,828,336
Lander	377B	Water Treatment	4/1/2004	48,739
Lincoln	377B	School / Public Utilities	1/1/2001	59,026
Nye	377A	Public Roads	5/1/1986	912,106
Storey	377A	Tourism	8/1/1985	122,451
Storey	377B	School / Public Utilities	1/1/2001	123,370
Washoe	377A	Regional Transportation	11/1/1982	22,219,877
Washoe	377A	Regional Transportation ¼% increase	7/1/2003	
Washoe	377B	Flood/Public Safety	4/1/1999	7,409,815
White Pine	374A	School Cap Improvement	4/1/2000	98,780
White Pine	377A	Public Roads	11/1/1986	197,568
White Pine	377A	Swimming Pool	10/1/2003	146,341
<b>Special Acts</b>				
Churchill	491	Local Government Tax Act	10/1/1991	588,281
Storey	566	Tricounty Railway Commission	1/1/1996	122,451
Washoe	506	Railroad Grade Project	4/1/1999	7,409,815
Washoe	491	Local Government Tax Act	10/1/1991	14,840,916
<b>Miscellaneous Amendments</b>				
Carson City		Open Space	7/1/1997	2,258,422
Douglas		Misc Facilities & Services	7/1/1999	1,852,007
Total to Counties				\$ 323,036,798
State General Fund				2,441,084
<b>TOTAL</b>				<u><u>\$ 325,477,883</u></u>

# TAXABLE SALES COMPARISON

## Taxable Sales Comparison by County

County	Fiscal Year 2002-03	Fiscal Year 2003-04	% Change
Carson City	\$ 863,676,767	\$ 913,494,994	5.8%
Churchill	223,165,746	240,351,680	7.7%
Clark	24,650,382,575	28,075,635,576	13.9%
Douglas	649,379,504	750,928,087	15.6%
Elko	703,654,716	757,713,710	7.7%
Esmeralda	5,493,302	7,575,411	37.9%
Eureka	153,803,485	162,154,892	5.4%
Humboldt	307,801,888	332,604,955	8.1%
Lander	48,530,491	55,421,085	14.2%
Lincoln	36,106,365	24,130,557	-33.2%
Lyon	276,314,974	323,077,763	16.9%
Mineral	31,114,855	36,424,537	17.1%
Nye	312,891,449	366,330,343	17.1%
Pershing	54,433,992	54,924,991	0.9%
Storey	39,107,501	54,570,795	39.5%
Washoe	5,481,582,915	6,003,368,280	9.5%
White Pine	70,689,758	80,818,882	14.3%
Out of State	104	-	100.0%
STATE TOTAL	<u>\$ 33,908,130,387</u>	<u>\$ 38,239,526,538</u>	12.8%

Taxable Sales Comparison by Business Type

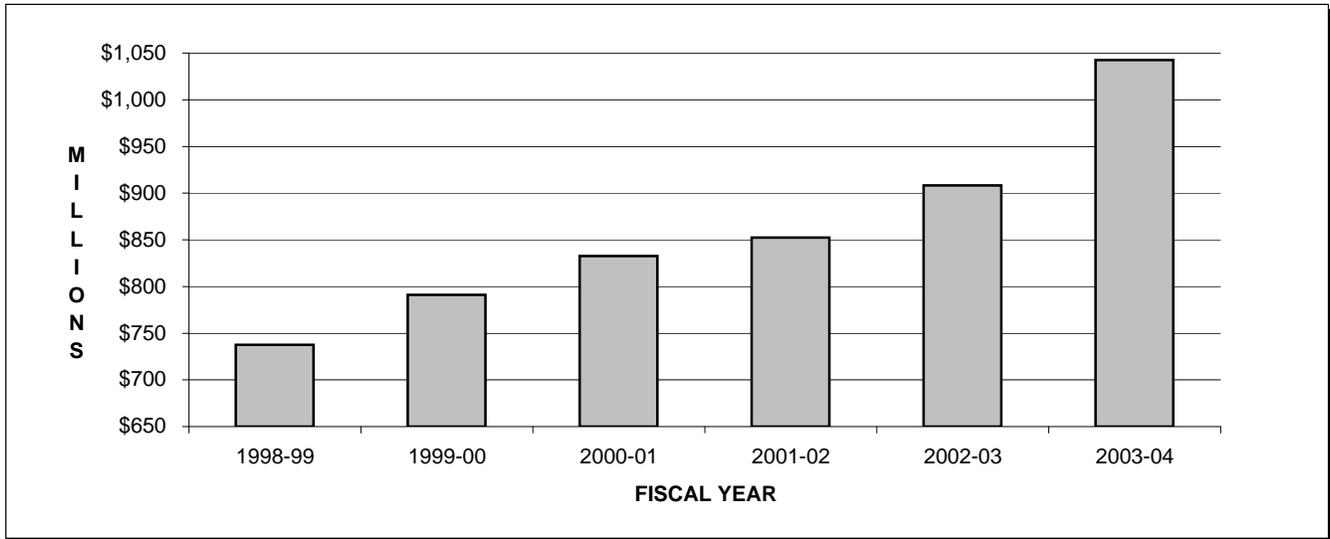
Business Code and Type	Fiscal Year 2002-03	Fiscal Year 2003-04	% Change
01 Agricultural Production-Crops	4,781,349	4,796,902	0.3%
02 Agricultural Production-Livestock	3,073,627	4,047,224	31.7%
07 Agricultural Services	42,801,958	49,261,425	15.1%
08 Forestry	221,676	619,808	179.6%
09 Fishing, Hunting, and Trapping	204	83	-59.3%
10 Metal Mining	122,633,843	128,050,298	4.4%
12 Coal Mining	-	-	0.0%
13 Oil and Gas Extraction	6,607,553	7,108,160	7.6%
14 Mining and Quarrying of Nonmetallic Minerals	10,066,246	14,739,795	46.4%
15 Building Construction-General Contractors	148,480,367	207,147,388	39.5%
16 Heavy Construction other than Bldg. Construction	223,241,155	163,217,555	-26.9%
17 Construction-Special Trade Contractors	807,412,388	931,870,795	15.4%
20 Food and Kindred Products	26,208,284	26,174,702	-0.1%
21 Tobacco Products	1,060,187	534,251	-49.6%
22 Textile Mill Products	15,131,276	20,487,598	35.4%
23 Apparel and Other Finished Products	2,550,122	3,126,300	22.6%
24 Lumber and Wood Products, Except Furniture	66,618,857	84,196,746	26.4%
25 Furniture and Fixtures	31,553,067	34,891,314	10.6%
26 Paper and Allied Products	11,480,696	18,647,790	62.4%
27 Printing, Publishing, and Allied Industries	59,112,313	64,312,379	8.8%
28 Chemicals and Allied Products	68,069,099	93,772,116	37.8%
29 Petroleum Refining and Related Industries	31,217,552	33,891,040	8.6%
30 Rubber and Misc Plastics Products	14,017,909	14,299,630	2.0%
31 Leather and Leather Products	481,128	349,278	-27.4%
32 Stone, Clay, Glass, and Concrete Products	151,541,545	188,306,514	24.3%
33 Primary Metal Industries	22,604,836	22,659,883	0.2%
34 Fabricated Metal Products	55,794,579	69,493,699	24.6%
35 Industrial and Commercial Machinery	323,963,385	387,022,576	19.5%
36 Electronic and Other Electrical Equipment	152,179,487	158,758,012	4.3%
37 Transportation Equipment	36,549,914	37,329,588	2.1%
38 Measuring, Analyzing and Controlling Instruments	46,445,780	41,746,306	-10.1%
39 Misc. Manufacturing Industries	128,037,860	140,419,722	9.7%
40 Railroad Transportation	7,996,622	11,126,793	39.1%
41 Local and Suburban Transit	14,518,142	5,086,732	-65.0%
42 Motor Freight Transportation and Warehousing	23,852,313	24,902,801	4.4%
43 United States Postal Service	748,603	614,690	-17.9%
44 Water Transportation	4,081,557	1,184,988	-71.0%
45 Transportation By Air	14,428,252	23,575,769	63.4%
46 Pipelines, Except Natural Gas	487,960	58,715	-88.0%
47 Transportation Services	7,649,765	5,796,765	-24.2%
48 Communications	176,673,134	214,811,778	21.6%
49 Electric, Gas, and Sanitary Services	241,292,084	189,345,085	-21.5%
50 Wholesale Trade-Durable Goods	1,886,638,365	2,353,198,258	24.7%
51 Wholesale Trade-Nondurable Goods	396,987,466	424,337,220	6.9%
52 Bldg. Materials, Hardware, Garden, Mobile Homes	2,122,314,525	2,602,866,968	22.6%
53 General Merchandise Stores	3,127,574,845	3,423,683,317	9.5%
54 Food Stores	1,366,491,944	1,464,944,295	7.2%
55 Automotive Dealers and Gasoline	5,101,421,811	5,814,395,240	14.0%

Taxable Sales Comparison by Business Type (continued)

Business Code and Type	Fiscal Year 2002-03	Fiscal Year 2003-04	% Change
56 Apparel and Accessory Stores	\$ 1,415,009,244	\$ 1,667,357,385	17.8%
57 Home Furniture, Furnishings and Equipment	1,936,234,436	2,230,654,009	15.2%
58 Eating and Drinking Places	6,362,258,941	7,073,034,635	11.2%
59 Miscellaneous Retail	3,542,460,500	3,883,302,731	9.6%
60 Depository Institutions	38,242,832	39,940,286	4.4%
61 Nondepository Credit Institutions	179,221,687	163,765,090	-8.6%
62 Security and Commodity Brokers	4,365,392	5,220,689	19.6%
63 Insurance Carriers	732,777	1,079,668	47.3%
64 Insurance Agents, Brokers, and Service	2,068,466	15,898,616	668.6%
65 Real Estate	40,343,283	49,796,470	23.4%
67 Holding and Other Investment Offices	13,729,726	16,113,362	17.4%
70 Hotels, Rooming Houses, Camps, and Lodging	72,186,877	88,491,711	22.6%
72 Personal Services	114,652,333	123,831,397	8.0%
73 Business Services	1,202,294,801	1,211,660,420	0.8%
75 Automotive Repair, Services, and Parking	1,042,143,385	1,087,561,259	4.4%
76 Miscellaneous Repair Services	123,895,715	215,321,567	73.8%
78 Motion Pictures	59,492,358	67,013,128	12.6%
79 Amusement and Recreation Services	444,992,826	576,163,952	29.5%
80 Health Services	71,857,528	85,623,087	19.2%
81 Legal Services	1,025,130	1,222,866	19.3%
82 Educational Services	4,073,247	7,960,562	95.4%
83 Social Services	923,557	1,089,227	17.9%
84 Museums and Art Galleries	831,466	648,336	-22.0%
86 Membership Organizations	5,986,102	7,850,004	31.1%
87 Engineering, Accounting, Research and Mgt.	66,963,821	50,253,974	-25.0%
88 Private Households	225	63	-72.0%
89 Miscellaneous Services	5,198,596	6,093,887	17.2%
91 Executive, Legislative and General Govt.	-	175	100.0%
92 Justice, Public Order, and Safety	-	-	0.0%
93 Public Finance, Taxation, and Monetary Policy	-	-	0.0%
94 Administration of Human Resource Programs	125,989	131,338	4.2%
95 Administration of Environmental Quality	101,707	139,312	37.0%
96 Administration of Economic Programs	67,786	72,566	7.1%
97 National Security and International Affairs	1,188	-	-100.0%
99 Nonclassifiable Establishments	49,552,836	51,026,475	3.0%
STATE TOTAL	<u>\$ 33,908,130,387</u>	<u>\$ 38,239,526,538</u>	12.8%

The above comparisons for Fiscal Year 2002-03 and Fiscal Year 2003-04 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%
2003-04	1,042,616,446	14.78%

**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 2003-04

COUNTY	BCCRT	SCCRT	CIGARETTE	LIQUOR	RPTT	MVPT	TOTAL
CARSON CITY	\$ 4,626,760.74	\$ 15,895,264.27	\$ 379,421.34	\$ 69,243.65	\$ 538,672.75	\$ 2,654,765.23	\$ 24,164,127.98
CHURCHILL	1,234,634.21	3,971,723.63	174,418.71	31,834.93	158,576.65	1,226,213.18	6,797,401.31
CLARK	139,417,398.10	481,362,925.61	10,797,538.01	1,970,977.14	37,669,324.34	84,051,502.15	755,269,665.35
DOUGLAS	3,767,662.52	12,669,852.00	307,248.95	56,080.39	1,099,663.70	2,560,114.31	20,460,621.87
ELKO	3,450,563.96	11,720,015.05	320,843.41	58,545.21	209,146.29	2,627,482.89	18,386,596.81
ESMERALDA	35,666.39	922,260.00	7,761.54	1,416.32	2,597.10	117,077.94	1,086,779.29
EUREKA	666,350.75	2,456,800.55	9,608.07	1,753.65	4,675.55	188,626.04	3,327,814.61
HUMBOLDT	1,586,571.34	5,516,672.39	112,871.67	20,599.13	103,368.61	1,077,795.89	8,417,879.03
LANDER	248,445.77	2,460,576.00	37,983.11	6,929.56	13,707.51	443,387.07	3,211,029.02
LINCOLN	127,543.35	1,195,164.00	26,635.97	4,859.86	18,766.55	344,068.30	1,717,038.03
LYON	1,643,052.48	8,382,948.00	271,056.96	49,483.67	746,134.40	2,143,969.69	13,236,645.20
MINERAL	194,751.15	1,716,504.00	32,432.22	5,918.51	10,537.65	299,570.34	2,259,713.87
NYE	1,940,162.97	6,908,268.00	244,146.34	44,566.41	508,287.74	2,285,419.83	11,930,851.29
PERSHING	244,274.09	1,922,244.00	47,970.78	8,754.46	18,519.20	376,705.29	2,618,467.82
STOREY	217,424.94	1,446,396.00	25,265.98	4,611.52	62,806.50	274,036.56	2,030,541.50
WASHOE	30,001,717.03	102,960,585.99	2,500,951.26	456,502.69	6,590,093.40	21,401,623.79	163,911,474.16
WHITE PINE	422,813.00	2,646,312.00	61,213.86	11,170.79	38,307.06	609,981.89	3,789,798.60
<b>TOTAL</b>	<b>\$ 189,825,792.79</b>	<b>\$ 664,154,511.49</b>	<b>\$ 15,357,368.18</b>	<b>\$ 2,803,247.89</b>	<b>\$ 47,793,185.00</b>	<b>\$ 122,682,340.39</b>	<b>\$ 1,042,616,445.74</b>

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

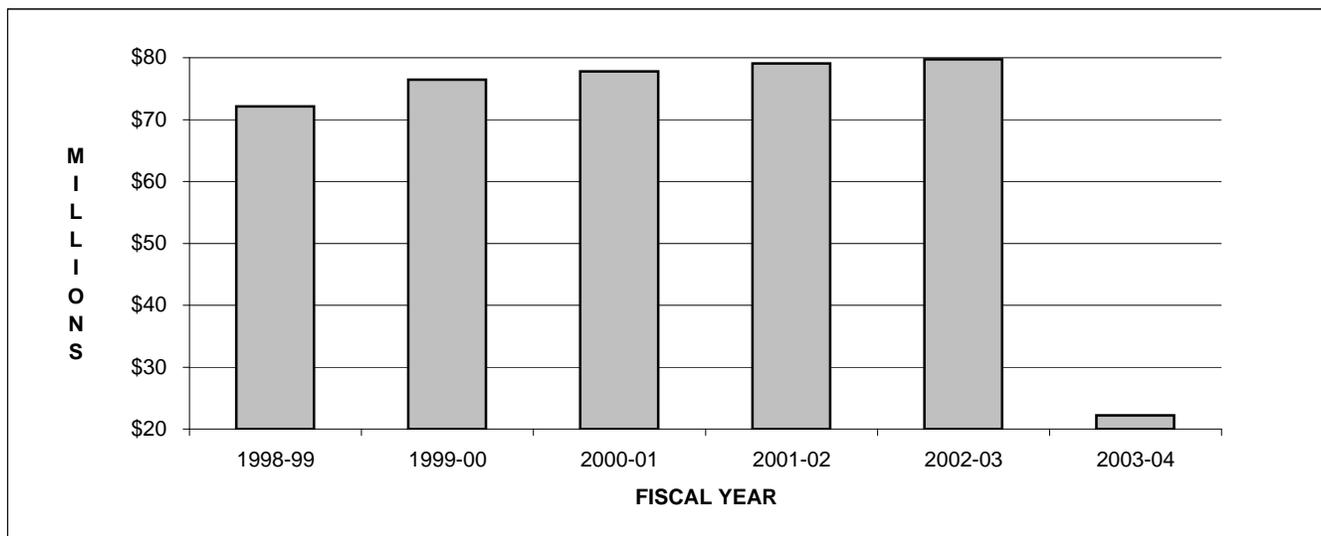
RPTT: Each county treasurer deposits to the Consolidated Tax Account, at least quarterly, the revenue collected within the county.

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

CONSOLIDATED TAX DISTRIBUTION  
FISCAL YEAR 2003-04

<p><b>CARSON CITY</b>                   \$   23,832,162 Other                                <u>331,966</u> TOTAL                               \$   24,164,128</p>	<p><b>LANDER COUNTY</b>               \$   2,530,387 Other                                <u>680,642</u> TOTAL                               \$   3,211,029</p>	
<p><b>CHURCHILL COUNTY</b>         \$   5,083,657 Fallon                              1,457,275 Other                                <u>256,469</u> TOTAL                               \$   6,797,401</p>	<p><b>LINCOLN COUNTY</b>             \$   1,252,377 Caliente                            140,862 Other                                <u>323,798</u> TOTAL                               \$   1,717,038</p>	
<p><b>CLARK COUNTY</b>                \$  264,091,201 Boulder City                      7,818,296 Henderson                         78,290,939 Las Vegas                         206,944,053 Mesquite                          6,561,705 North Las Vegas                 37,621,661 Other                                <u>125,665,860</u> TOTAL                               \$  755,269,665</p>	<p><b>LYON COUNTY</b>                 \$   11,788,471 Yerington                         300,690 Other                                <u>1,147,484</u> TOTAL                               \$   13,236,645</p>	
<p><b>DOUGLAS COUNTY</b>            \$   11,031,675 Other                                <u>9,428,947</u> TOTAL                               \$   20,460,622</p>	<p><b>NYE COUNTY</b>                 \$   10,108,051 Gabbs                               69,287 Other                                <u>1,753,513</u> TOTAL                               \$   11,930,851</p>	
<p><b>ELKO COUNTY</b>                 \$   7,354,057 Carlin                               899,886 Elko                                 6,562,166 Wells                                580,865 West Wendover                 1,646,154 Other                                <u>1,343,469</u> TOTAL                               \$   18,386,597</p>	<p><b>PERSHING COUNTY</b>         \$   1,986,444 Lovelock                         373,099 Other                                <u>258,925</u> TOTAL                               \$   2,618,468</p>	
<p><b>ESMERALDA COUNTY</b>        \$   1,047,118 Other                                <u>39,662</u> TOTAL                               \$   1,086,779</p>	<p><b>STOREY COUNTY</b>             \$   2,029,665 Other                                877 TOTAL                               \$   2,030,542</p>	
<p><b>EUREKA COUNTY</b>             \$   3,133,263 Other                                <u>194,551</u> TOTAL                               \$   3,327,815</p>	<p><b>WASHOE COUNTY</b>            \$   84,503,117 Reno                                47,481,733 Sparks                             20,287,910 Other                                <u>11,638,714</u> TOTAL                               \$  163,911,474</p>	
<p><b>HUMBOLDT COUNTY</b>         \$   5,385,878 Winnemucca                     2,076,619 Other                                <u>955,382</u> TOTAL                               \$   8,417,879</p>	<p><b>WHITE PINE COUNTY</b>        \$   2,383,404 Ely                                 1,002,402 Other                                <u>403,993</u> TOTAL                               \$   3,789,799</p>	
<p><b>TOTAL DISTRIBUTION</b></p>		<p><u><u><b>\$ 1,042,616,446</b></u></u></p>

## BUSINESS TAX



FISCAL YEAR	LICENSE FEES	TAX	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
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%
2003-04	-	22,216,500	22,216,500	-72.15%

### 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.

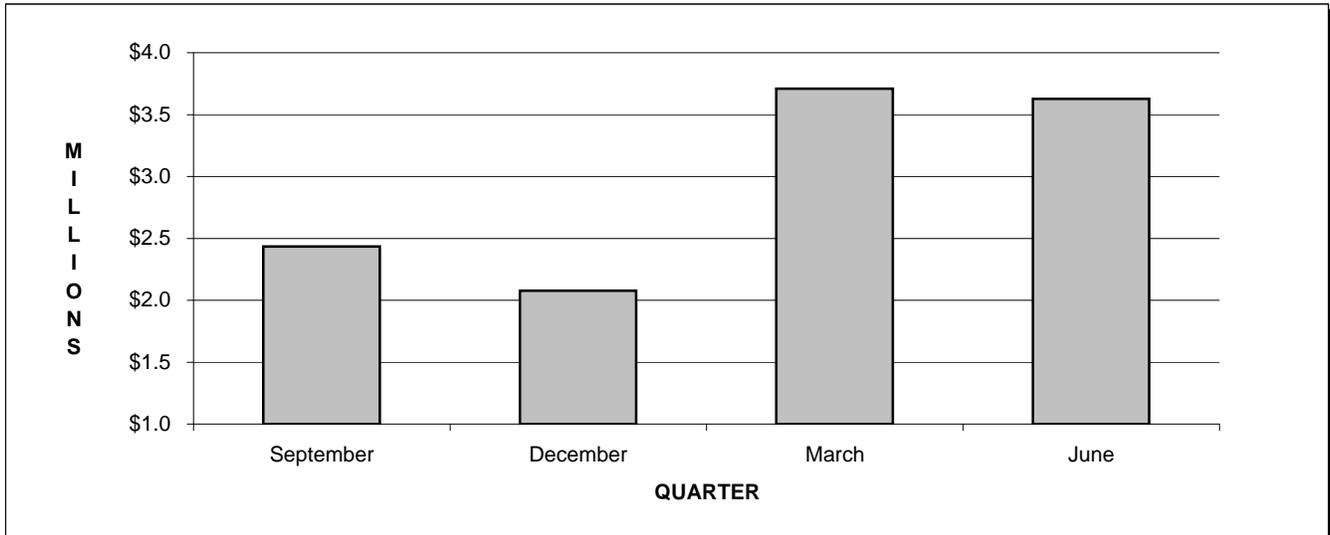
Effective January 1, 1994, per AB 456, the basis for calculating the tax was changed to the total number of equivalent full-time employees employed by the business in a quarter. The number of equivalent full-time employees may be calculated by: A) determining the total number of hours worked per quarter, 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.

2003 special session of the State Legislature increased the Business License Fee to \$100, effective July 1, 2003.

REPEALED

2003 special session of the State Legislature repealed the Business Tax effective 9/30/2003.

## BUSINESS LICENSE FEE



QUARTER	TOTAL COLLECTIONS
September	\$ 2,434,767
December	2,078,215
March	3,710,298
June	3,628,473
<b>TOTAL FY 03-04</b>	<b>\$ 11,851,752</b>

**LEGAL CITATION**

Chapter 360.760 - 360.795

**IMPOSITION AND RATE**

Business License Fee is \$100 annually, effective July 1, 2003. A tax imposed on persons doing business in Nevada.

**CURRENT DISTRIBUTION OF REVENUE**

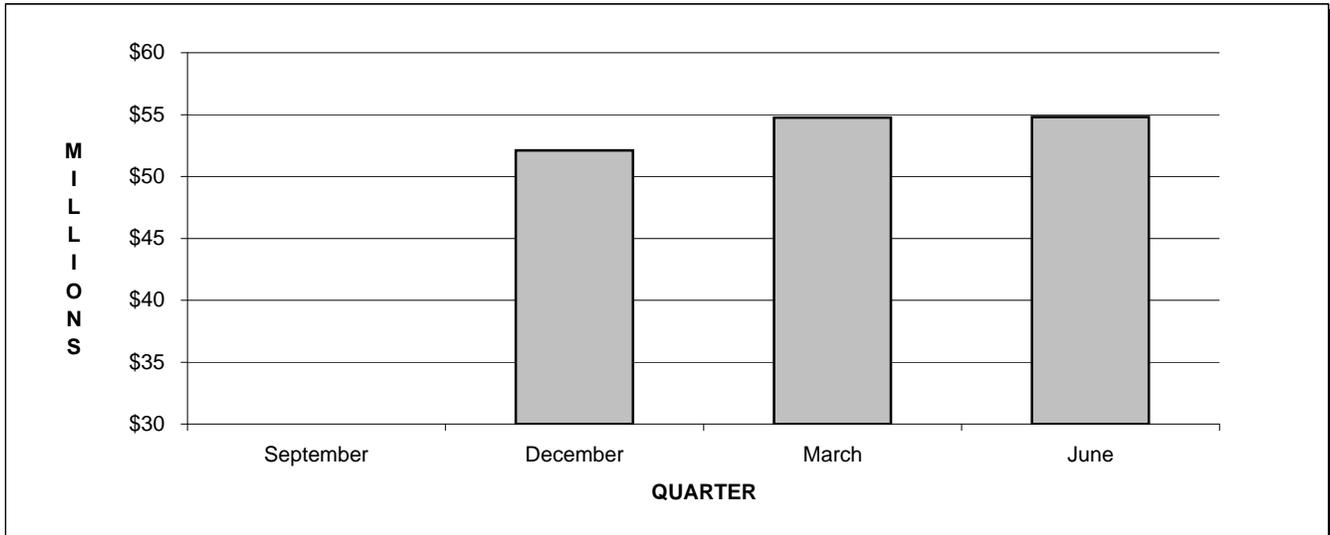
State General Fund.

HISTORY

**ORIGINALLY ENACTED**

2003 Legislative Session, effective October 1, 2003. This is a license fee imposed on a person for the privilege of conducting business in this state. This business license replaces the business license requirement in 364A, which was repealed September 30, 2003.

## MODIFIED BUSINESS TAX



QUARTER	GENERAL BUSINESS	FINANCIAL INSTITUTIONS	TOTAL COLLECTIONS
September	N/A	N/A	N/A
December	\$ 47,596,106	\$ 4,504,422	\$ 52,100,528
March	49,007,322	5,735,884	54,743,206
June	49,558,384	5,247,371	54,805,755
<b>TOTAL FY 03-04</b>	<b>\$ 146,161,812</b>	<b>\$ 15,487,677</b>	<b>\$ 161,649,489</b>

### LEGAL CITATION

Chapter 363A, 363B

### IMPOSITION AND RATE

Tax is imposed on businesses and financial institutions. The tax rate is 0.65 percent, for businesses other than financial institutions, and 2 percent for financial institutions, of the employer's gross wages paid by the employer during the calendar quarter. There is an allowable deduction from the gross wages for amounts paid by the employer for qualified health insurance or a qualified health benefit plan. The tax is due on or before the last day of the month immediately following the calendar quarter.

### CURRENT DISTRIBUTION OF REVENUE

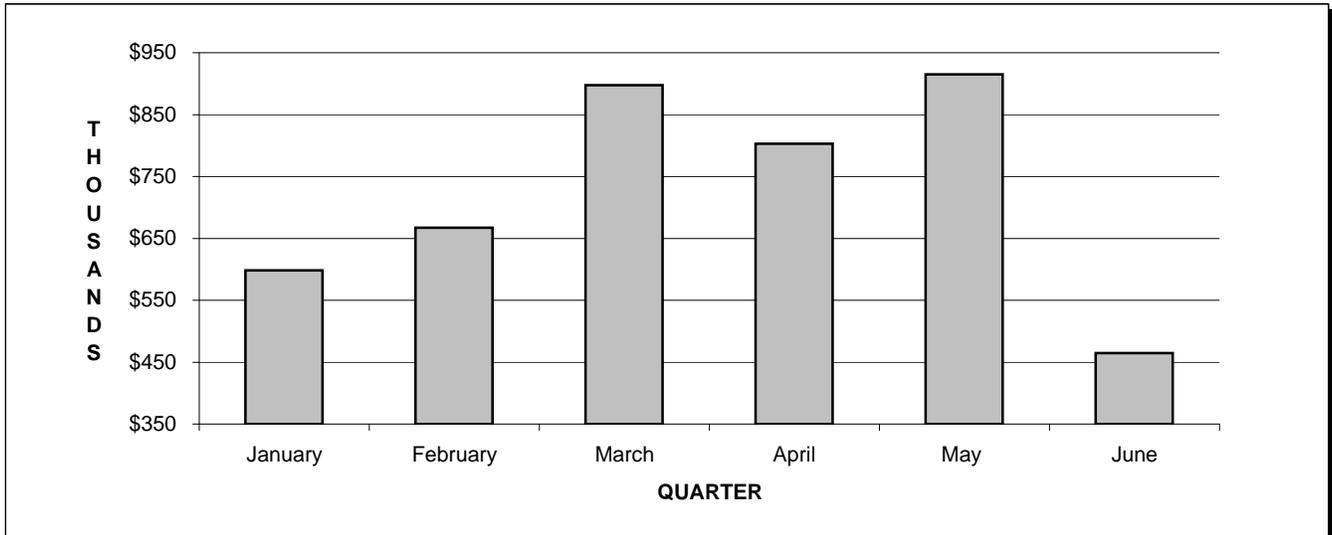
State General Fund.

### HISTORY

### ORIGINALLY ENACTED

2003 Special Session of the State Legislature, effective July 1, 2003. This tax replaces the business tax under NRS 364A which was repealed September 30, 2003.

# LIVE ENTERTAINMENT TAX



MONTH	LESS THAN 7500 SEATS	7500 SEATS OR GREATER	TOTAL COLLECTIONS
January	\$ 461,252	\$ 136,995	\$ 598,247
February	583,850	83,592	667,442
March	596,305	301,431	897,736
April	538,718	264,224	802,942
May	605,196	309,735	914,931
June	443,083	21,487	464,569
<b>TOTAL FY 03-04</b>	<b>\$ 3,228,404</b>	<b>\$ 1,117,464</b>	<b>\$ 4,345,868</b>

**LEGAL CITATION**

Chapter 368A

**IMPOSITION AND RATE**

A tax imposed on any facility with 300 or more seats where live entertainment is provided and admission is charged. The Department of Taxation is only responsible for collecting this tax from non-gaming facilities. For facilities seating more than 300 and less than 7500 the rate is 10 percent of the admission charge plus 10 percent of any amount paid for food, refreshments and merchandise purchased at the facility. For facilities seating more than 7,500 the rate of tax is 5 percent of the admission charge.

**CURRENT DISTRIBUTION OF REVENUE**

State General Fund.

HISTORY

**ORIGINALLY ENACTED**

2003 Session of the State Legislature, effective January 1, 2004.

# BANK EXCISE TAX

FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
2003-04	\$ 1,508,192	N/A

LEGAL CITATION Chapter 363A.120 Nevada Revised Statutes.

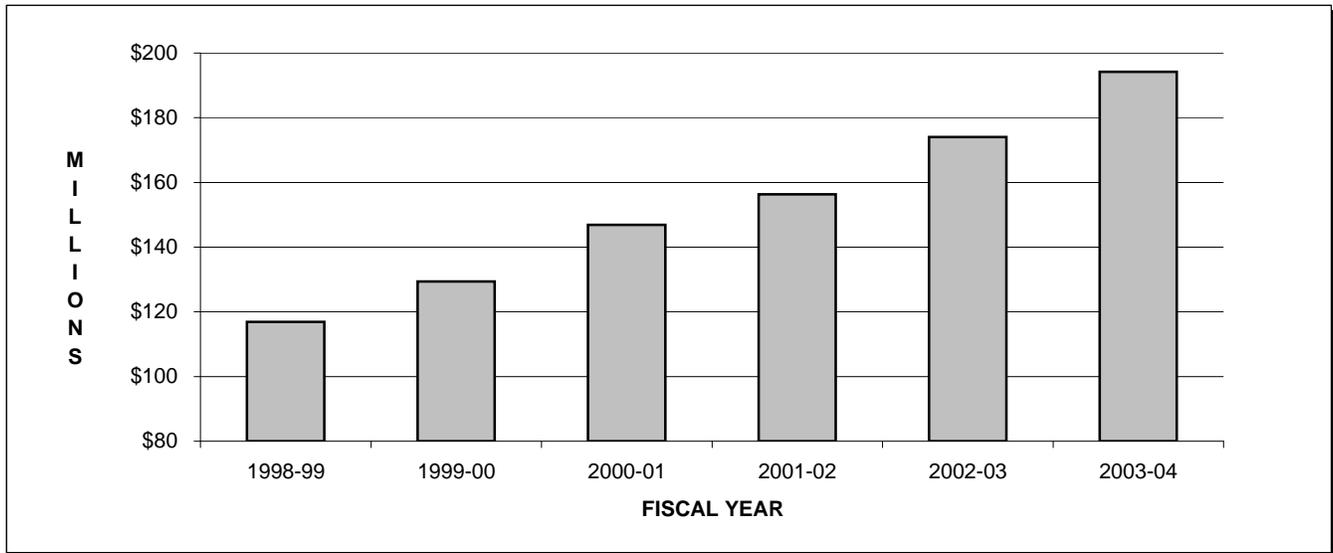
IMPOSITION AND RATE A tax imposed on each bank at the rate of \$1,750 for each branch office in excess of one maintained by the bank in this state on the first day of each calendar quarter. Each bank that maintains more than one branch office in this state on the first day of a calendar quarter shall make quarterly tax payments due on or before the last day of the first month of that calendar quarter.

CURRENT DISTRIBUTION OF RE State General Fund.

## HISTORY

ORIGINALLY ENACTED 2003 Session of the State Legislature, effective January 1, 2004.

# INSURANCE PREMIUM TAX



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
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%
2003-04	194,218,036	11.63%

**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.

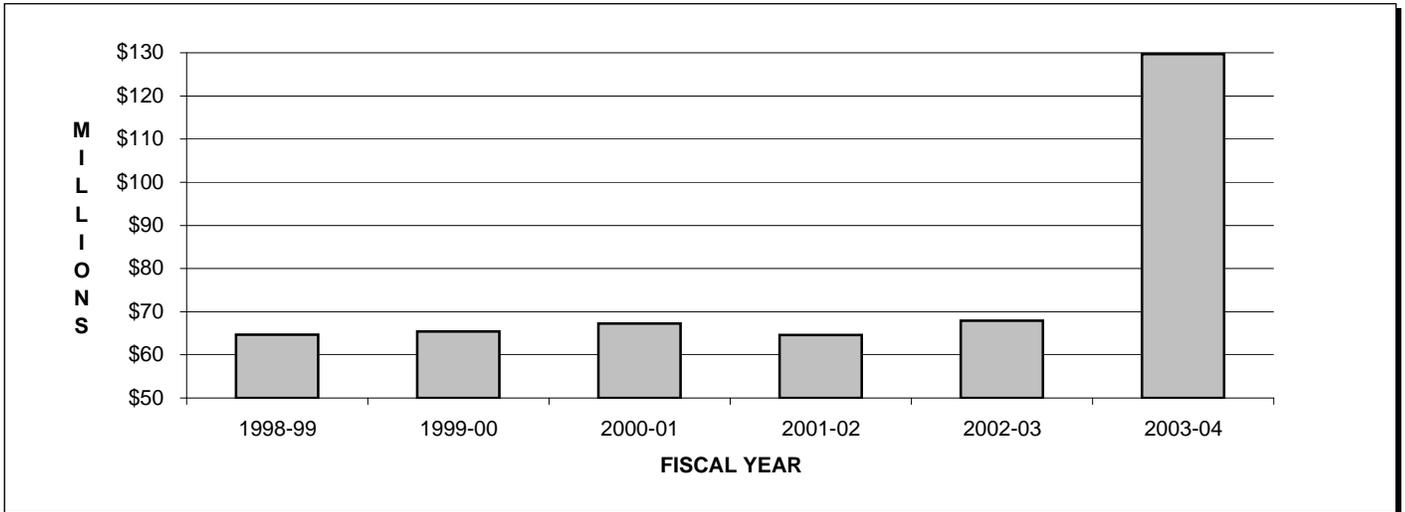
Insurance Premium Tax (continued)

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.

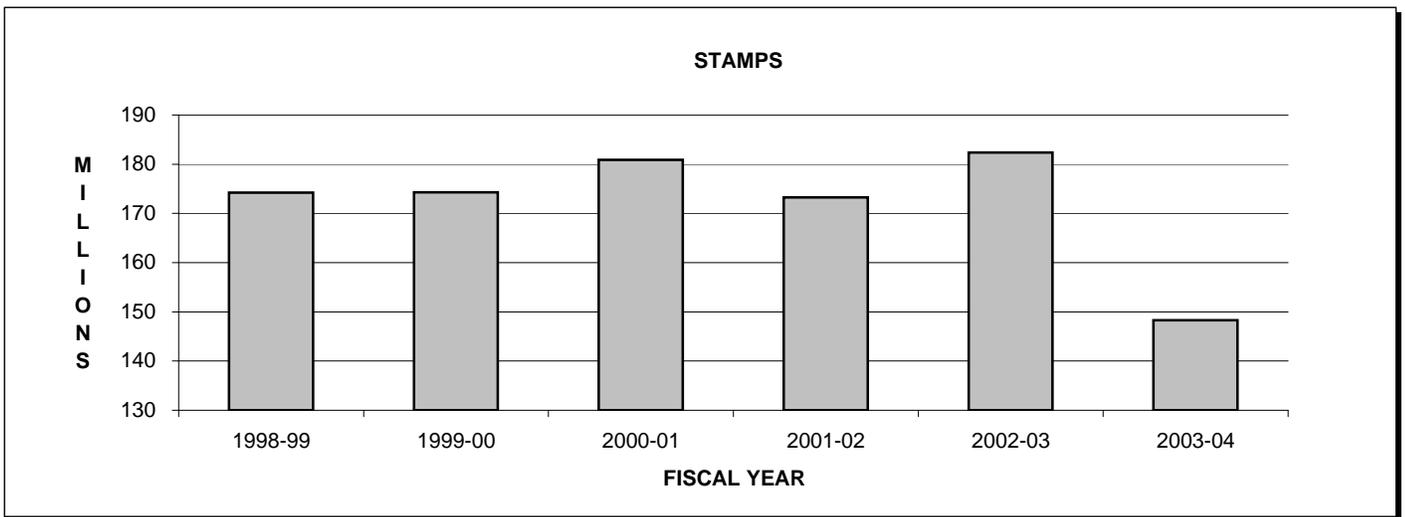
1997 Session of the State Legislature changed the due date of the annual return from March 1<sup>st</sup> to March 15<sup>th</sup> and requires insurers to report premium taxes based on actual premiums written instead of estimated, effective January 1, 1998.

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
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%
2003-04	122,732,268	6,927,276	14,940	129,674,484	90.86%



FISCAL YEAR	REVENUE STAMPS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	REVENUE STAMPS	% CHANGE FROM PRIOR YEAR
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%
2000-01	180,880,840	3.78%	2003-04	148,277,400	-18.71%

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 - 40 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.  35 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 1998-99	35,475,000	FY 2001-02	33,870,000
FY 1999-00	38,385,000	FY 2002-03	33,915,000
FY 2000-01	37,875,000	FY 2003-04	28,995,000

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.

2003 Senate Bill 8, effective July 22, 2003, enacted a tax rate change on cigarettes to 40 mills per cigarette.

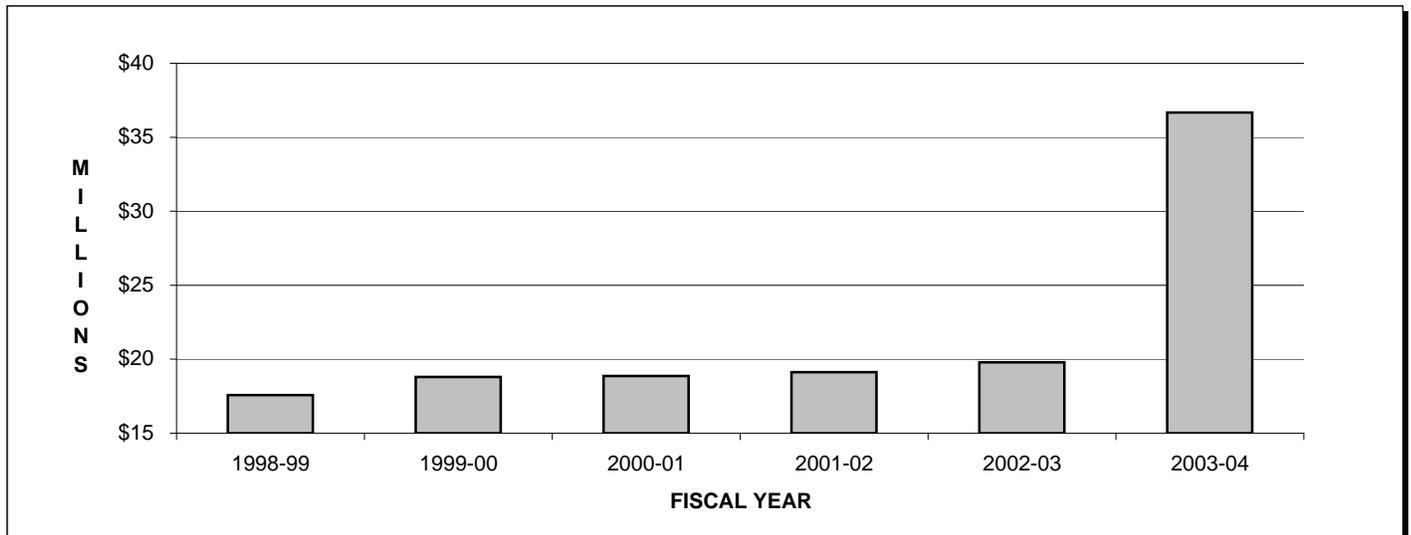
Assembly Bill 4, effective August 1, 2003, changed the cigarette wholesalers' discount rate for stamping from 3% to 0.5%. AB4 also changed the other tobacco products wholesalers' collection allowance from 2% to 0.5% if the taxes are paid timely.

Cigarette and Other Tobacco Products Tax Revenue (continued)

TRANSFER OF CIGARETTE TAX REVENUE  
TO CONSOLIDATED TAX  
FISCAL YEAR 2003-04

<b>COUNTY</b>	<b>TAX</b>	<b>% OF TOTAL</b>
Carson City	\$ 379,421	0.29%
Churchill	174,419	0.13%
Clark	10,797,538	8.33%
Douglas	307,249	0.24%
Elko	320,843	0.25%
Esmeralda	7,762	0.01%
Eureka	9,608	0.01%
Humboldt	112,872	0.09%
Lander	37,983	0.03%
Lincoln	26,636	0.02%
Lyon	271,057	0.21%
Mineral	32,432	0.03%
Nye	244,146	0.19%
Pershing	47,971	0.04%
Storey	25,266	0.02%
Washoe	2,500,951	1.93%
White Pine	61,214	0.05%
<b>TOTAL COUNTY TRANSFER</b>	<b>\$ 15,357,368</b>	<b>11.84%</b>
Administrative Fees	428,721	0.33%
Refunds	190,390	0.15%
State General Fund	106,770,729	82.34%
Other Tobacco Products (General Fund)	6,927,276	5.34%
<b>TOTAL</b>	<b>\$ 129,674,484</b>	<b>100.00%</b>

# LIQUOR TAX REVENUE



FISCAL YEAR	TAX	LICENSES	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
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%
2003-04	36,625,381	44,781	36,670,163	85.26%

## LEGAL CITATION

Chapters 369 and 597 Nevada Revised Statutes.

## RATES

Over 22 percent by volume \$ 3.60 per gallon  
 Over 14 percent to 22 percent by volume \$1.30 per gallon  
 .5 to 14 percent by volume \$.75 per gallon  
 Beer \$.16 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 \$3.45 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.
	2003	Assembly Bill 437, effective July 1, 2003, changed the definition of supplier and authorized the transfer of liquor including beer, between affiliated retailers that hold non-restricted gaming licenses.
		Assembly Bill 4, effective August 1, 2003, changed the early payment discount rate from 3% to 0.5%.
		Senate Bill 373, effective October 1, 2003, changed the reporting requirements for shipments of liquor into Nevada by a common or contract carrier.
		Raised rates for beer to 16 cents per gallon; liquor up to 14 percent, 75 cents per gallon; over 14 percent to 22 percent, \$1.30 per gallon and over 22 percent to \$3.60 per gallon.

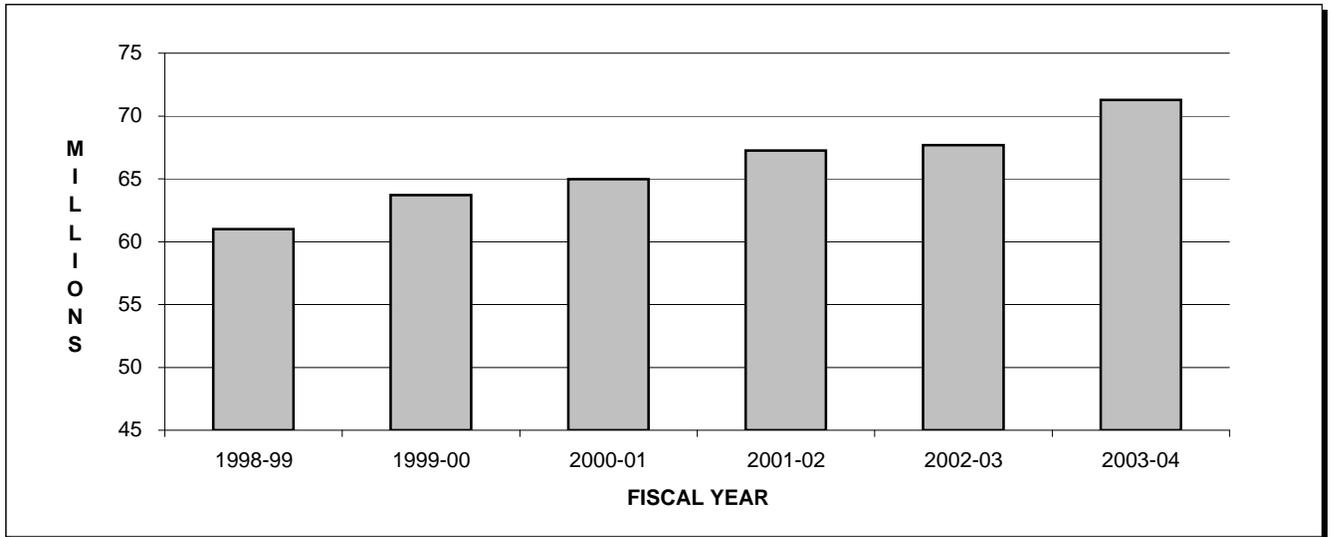
Liquor Tax Revenue (continued)

TRANSFER OF LIQUOR TAX REVENUE  
TO CONSOLIDATED TAX  
FISCAL YEAR 2003-04

<b>COUNTY</b>	<b>TAX</b>	<b>% OF TOTAL</b>
Carson City	\$ 69,244	0.19%
Churchill	31,835	0.09%
Clark	1,970,977	5.37%
Douglas	56,080	0.15%
Elko	58,545	0.16%
Esmeralda	1,416	0.00%
Eureka	1,754	0.00%
Humboldt	20,599	0.06%
Lander	6,930	0.02%
Lincoln	4,860	0.01%
Lyon	49,484	0.13%
Mineral	5,919	0.02%
Nye	44,566	0.12%
Pershing	8,754	0.02%
Storey	4,612	0.01%
Washoe	456,503	1.24%
White Pine	11,171	0.03%
<b>TOTAL COUNTY TRANSFER</b>	<b>\$ 2,803,248</b>	<b>7.64%</b>
Alcohol and Drug Abuse Account	840,974	2.29%
State General Fund	33,025,941	90.06%
<b>TOTAL</b>	<b>\$ 36,670,163</b>	<b>100.00%</b>

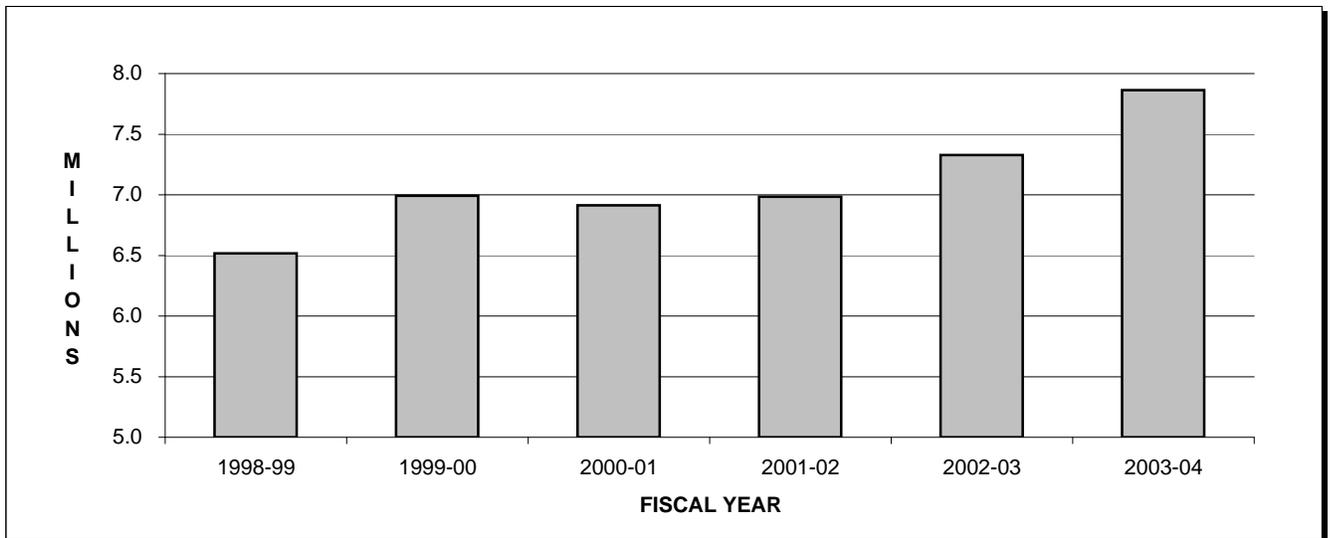
# ALCOHOL BEVERAGE GROWTH

## BEER - GALLONS



FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR
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%
2000-01	64,980,519	2.01%	2003-04	71,284,786	5.33%

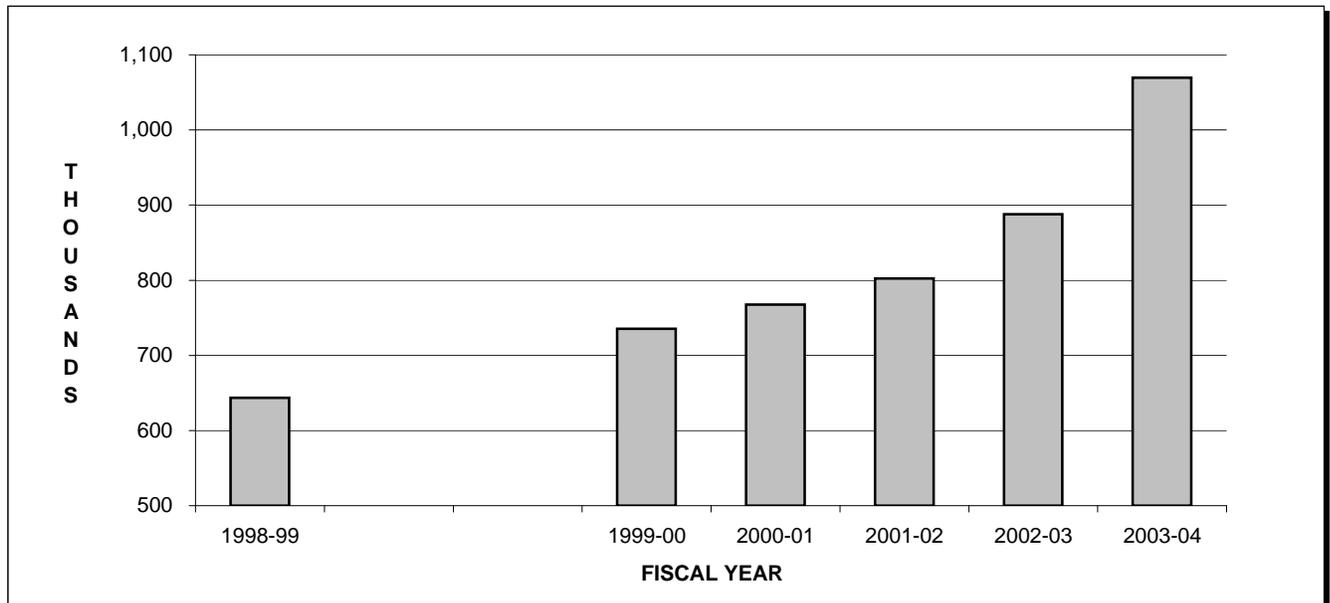
## ALCOHOLIC BEVERAGES .50% TO 14% BY VOLUME - GALLONS



FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR
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%
2000-01	6,912,143	-1.15%	2003-04	7,862,597	7.29%

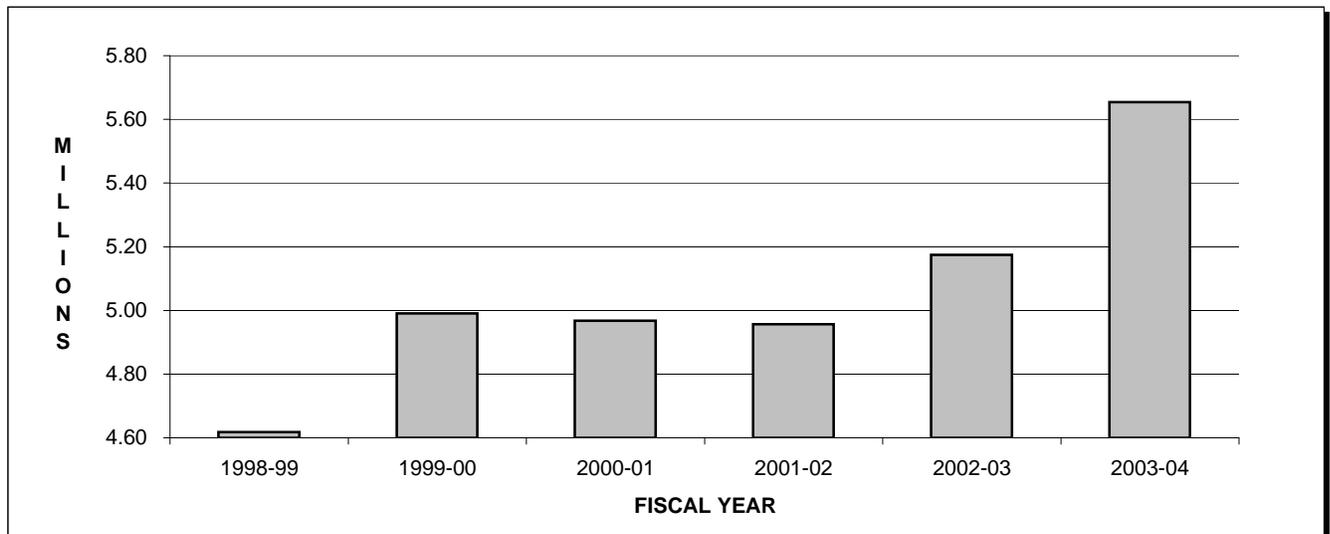
Alcohol Beverage Growth (continued)

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



FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR
1998-99	643,652	1.34%	2001-02	802,531	4.56%
1999-00	735,244	14.23%	2002-03	887,933	10.64%
2000-01	767,540	4.39%	2003-04	1,069,464	20.44%

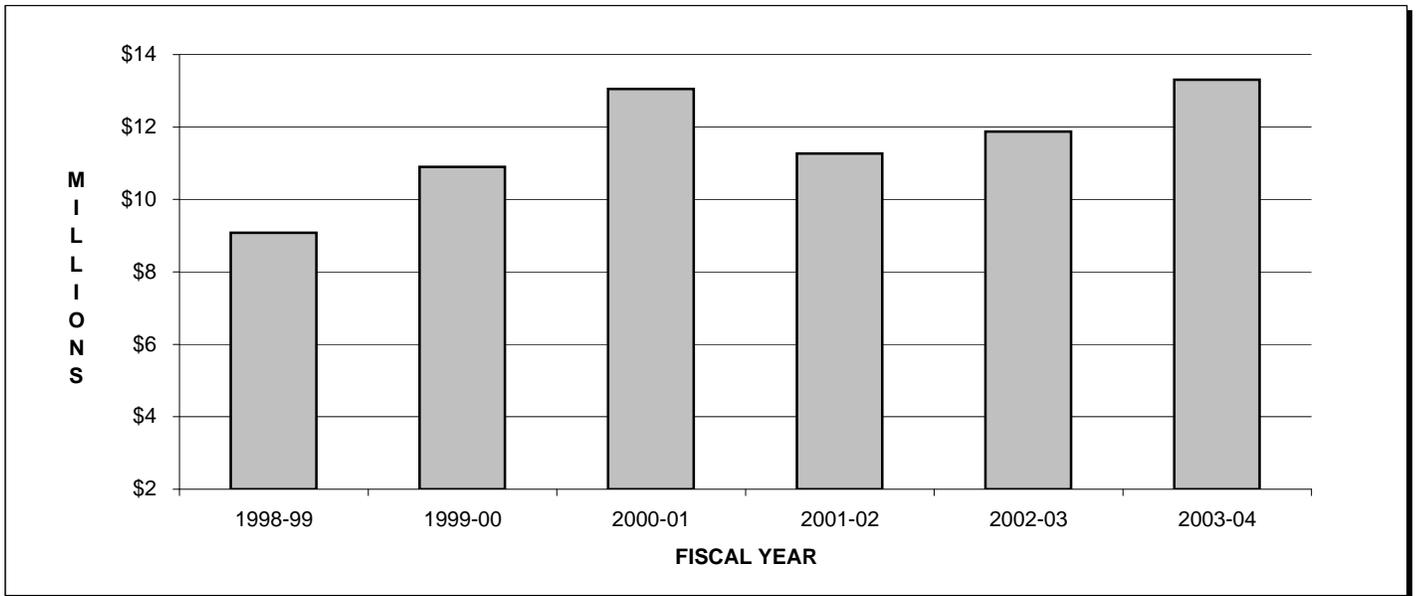
**ALCOHOLIC BEVERAGES OVER 22% BY VOLUME - GALLONS**



FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR
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%
2000-01	4,967,451	-0.46%	2003-04	5,653,811	9.27%

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

# LODGING TAX



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
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%
2000-01	13,050,670	19.70%	2003-04	13,305,505	12.04%

**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.

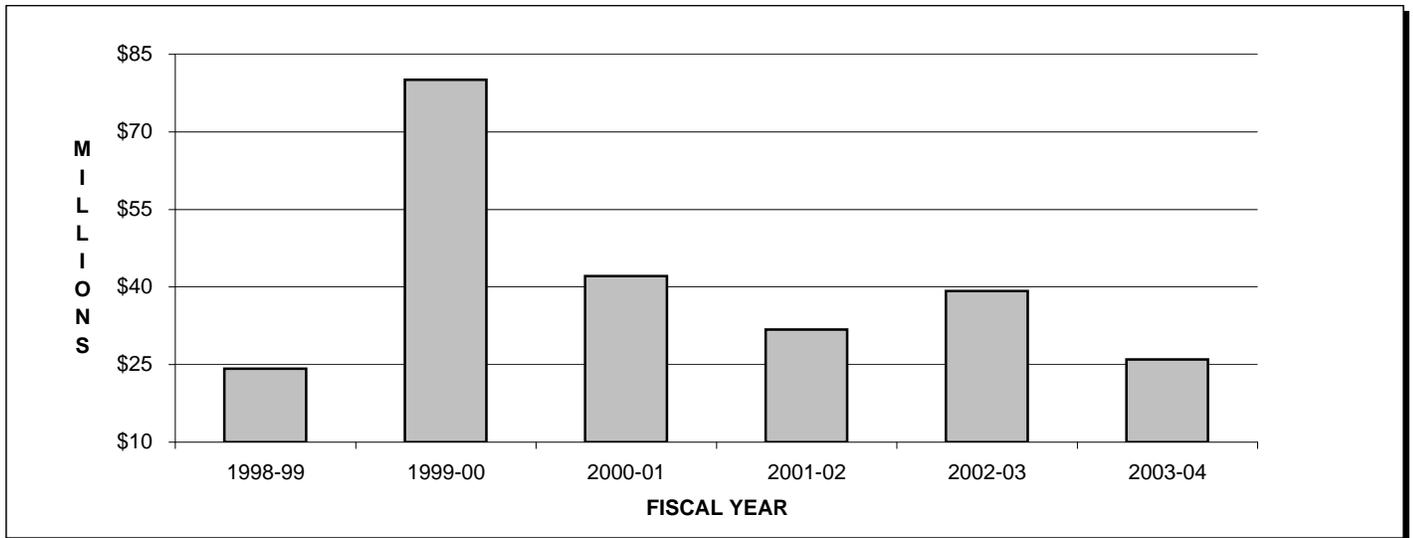
**CURRENT DISTRIBUTION OF REVENUE**

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
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%
2000-01	42,126,902	-47.41%	2003-04	26,018,237	-33.63%

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 2003-04

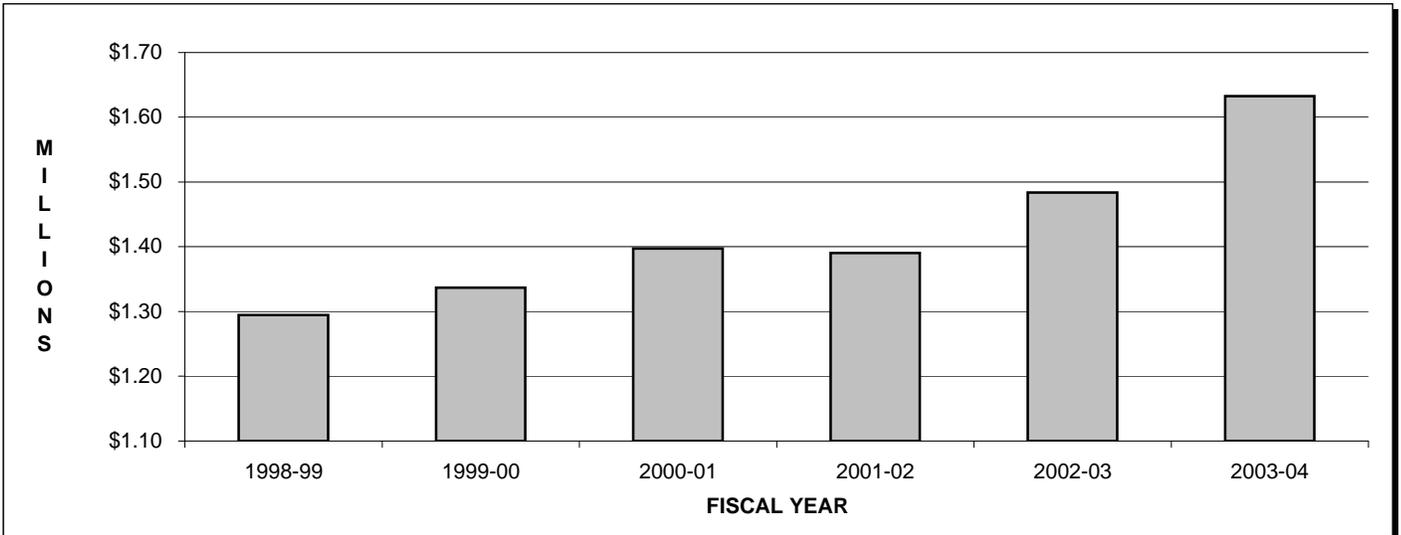
Department of Taxation administrative costs	\$	173,440
Reserve for refunds		1,296,560
Department of Education: Trust Fund for the Education of Pupils		12,274,118
University of Nevada System Endowment Fund		12,274,118
<b>TOTAL</b>		<u><u>\$ 26,018,237</u></u>

**ESTATE TAX RESERVE FOR REFUNDS**

---

Beginning balance brought forward July 1, 2003	\$	2,327,949
Estate tax receipts - Reserve for refunds Fiscal Year 2004		1,296,560
Balance available		<u>\$ 3,624,509</u>
Less: Refunds issued Fiscal Year 2004		(1,275,243)
<b>Ending Balance at June 30, 2004</b>		<u><u>\$ 2,349,266</u></u>

# TIRE TAX



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
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%
2003-04	1,632,492	10.01%

**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

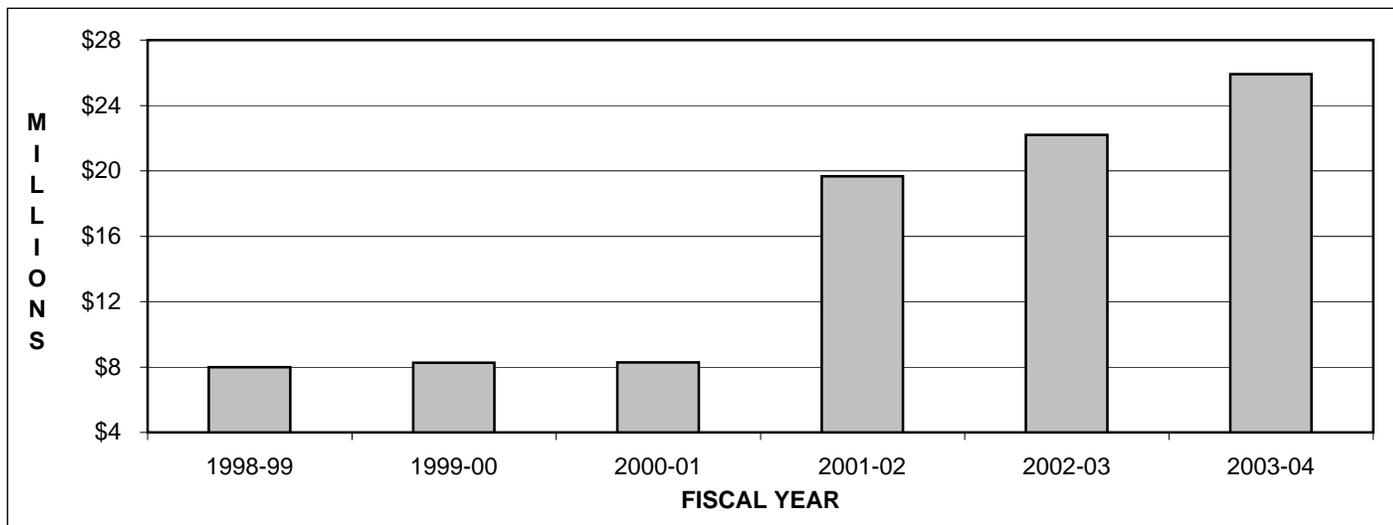
**ORIGINALLY ENACTED**

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
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
2003-04	25,925,323

**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. In addition effective April 1, 2004 Washoe County has imposed a fee at the rate of 2% of lease charges with .25% of that amount going to the Department of Taxation for Collection.

**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

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

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

Assembly Bill 267 effective July 1, 2003 allows certain items to be exempted from the governmental services fee and recovery surcharge.

Assembly Bill 16 effective July 1, 2003, authorizes the county commissioners of a county whose population is 400,000 or more (Clark County only) to impose a fee of up to 2% on the lease of certain passenger cars by a short-term lessor.

**DISTRIBUTION OF GOVERNMENT SERVICES FEE**

<u>FISCAL YEAR</u>		<u>GENERAL FUND</u>	<u>WASHOE COUNTY</u>	<u>COLLECTION ALLOWANCE</u>
2003-04	\$	25,638,556	\$ 286,050	\$ 717
				<u>\$ 25,925,323</u>

## **DIVISION OF ASSESSMENT STANDARDS**

The Division of Assessment Standards (DOAS) is responsible for administering and overseeing 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 253 interstate or intercounty properties owned by airlines, railroads, telecommunications, electric power, gas pipeline, private airlines and water companies are valued by the Centrally Assessed Properties Section. The companies valued generate 327 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 76 secured mining property valuations and 145 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 94 net proceeds operators and 384 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 268 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: agricultural land (NRS 361a.140); mobile homes (NRS 361.325); and 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)).

### **Real Property Transfer Tax (RPPT)**

Under the authority of NRS 375, the Real Property Transfer Tax is administered by the Division of Assessment Standards, providing oversight and audit services to the offices of county recorders.

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 the Department of 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.

<b>NUMBER OF CERTIFIED APPRAISERS - JUNE 2004</b>				
<b>JURISDICTIONS</b>	<b>REAL PROPERTY</b>	<b>PERSONAL PROPERTY</b>	<b>REAL AND PERSONAL PROPERTY</b>	<b>TEMPORARY CERTIFICATIONS</b>
Department of Taxation	1	0	14	0
Carson City	2	1	1	1
Churchill	2	2	0	1
Clark	5	3	53	1
Douglas	0	1	5	0
Elko	4	0	3	0
Esmeralda	0	0	1	0
Eureka	3	1	0	0
Humboldt	2	0	0	2
Lander	0	0	1	2
Lincoln	1	0	0	0
Lyon	6	0	2	0
Mineral	2	0	0	0
Nye	3	1	4	0
Pershing	2	0	0	0
Storey	0	0	1	0
Washoe	20	3	6	0
White Pine	4	0	0	0
Independent Contractors	0	0	0	0
<b>TOTAL</b>	<b>57</b>	<b>12</b>	<b>91</b>	<b>7</b>

# 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 2003-04 SUMMARY OF TRANSACTIONS

COUNTY	APPEALS *			ASSESSED VALUATION ADJUSTMENTS TO TAX ROLL *	
	TOTAL	SUSTAINED	DENIED	INCREASES	DECREASES
Carson City	-	-	-	\$ -	\$ -
Churchill	-	-	-	-	-
Clark	49	38	11	28,952,225	(16,117,845)
Douglas	1	-	1	-	-
Elko	4	3	1	12,488,934	-
Esmeralda	-	-	-	-	-
Eureka	-	-	-	-	-
Humboldt	-	-	-	-	-
Lander	-	-	-	-	-
Lincoln	-	-	-	-	-
Lyon	-	-	-	-	-
Mineral	1	1	-	12,707,910	-
Nye	-	-	-	-	-
Pershing	-	-	-	-	-
Storey	-	-	-	-	-
Washoe	293	75	218	6,037,589	(452,589)
White Pine	1	1	-	24,888	-
<b>COUNTY TOTAL</b>	<b>349</b>	<b>118</b>	<b>231</b>	<b>\$ 60,211,546</b>	<b>\$ (16,570,434)</b>
<b>CENTRALLY ASSESSED</b>					
<b>CENTRALLY ASSESSED TOTAL</b>	<b>8</b>	<b>7</b>	<b>1</b>	<b>\$ 8,475,402</b>	<b>\$ (268,130)</b>
<b>STATEWIDE TOTAL</b>	<b>357</b>	<b>125</b>	<b>232</b>	<b>\$ 68,686,948</b>	<b>\$ (16,838,564)</b>

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

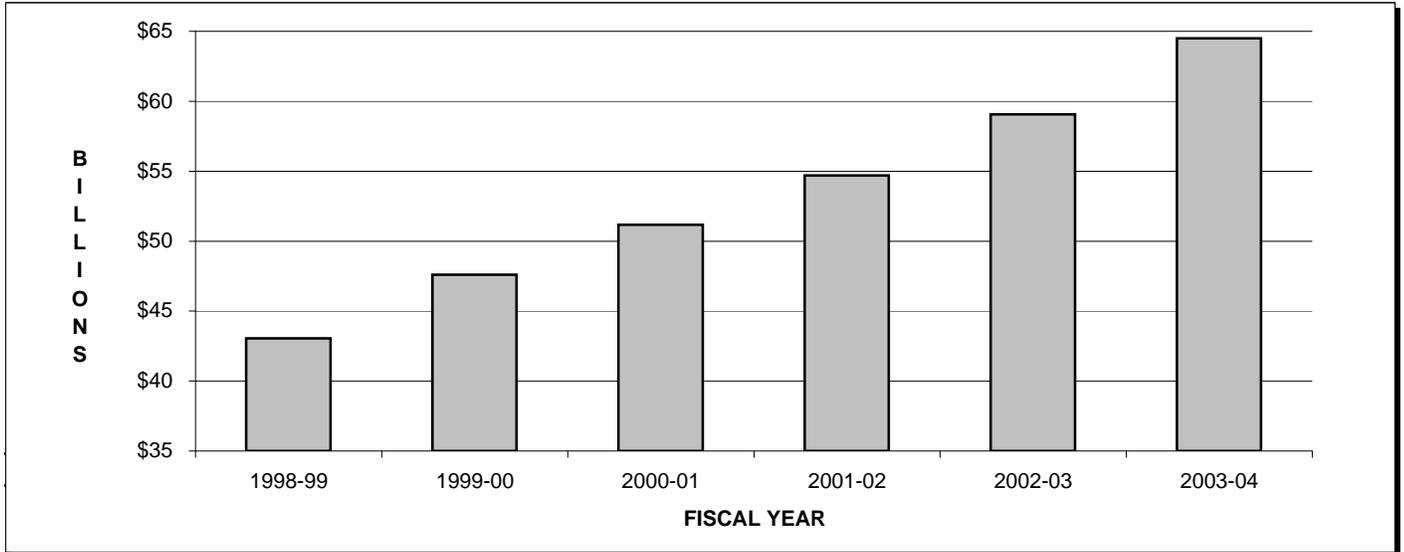
Details of all transactions are available at the Department of Taxation, Executive Office, Carson City, Nevada. Appeals represent the number of protests presented to the Board. An appeal often includes more than one parcel of property.

### TOTAL APPEALS STATEWIDE

FISCAL YEAR	APPEALS	FISCAL YEAR	APPEALS
1998-99	113	2001-02	94
1999-00	107	2002-03	222
2000-01	91	2003-04	357

# ASSESSED VALUATIONS

## TOTAL NET ASSESSED VALUATION STATEWIDE



FISCAL YEAR	VALUATION	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	VALUATION	% CHANGE FROM PRIOR YEAR
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%
2000-01	51,172,070,842	7.49%	2003-04	64,496,557,804	9.20%

### 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**

	<b>2002-03 VALUATION</b>	<b>PERCENT OF TOTAL VALUATION</b>	<b>2003-04 VALUATION</b>	<b>PERCENT OF TOTAL VALUATION</b>
* RURAL LANDS	\$ 91,069,996	0.15%	\$ 90,770,174	0.13%
RURAL LANDS - IMPROVEMENTS	96,531,175	0.16%	97,503,150	0.13%
FARM EQUIPMENT & MACHINERY	22,647,467	0.03%	21,155,721	0.03%
URBAN PROPERTY - LAND	24,847,789,921	35.11%	27,979,894,624	38.65%
URBAN PROPERTY - IMPROVEMENTS	35,875,220,819	51.16%	38,316,164,410	52.93%
OTHER PERSONAL PROPERTY	834,799,062	6.11%	778,893,957	1.08%
PUBLIC UTILITIES	2,643,937,642	3.88%	2,684,594,730	3.71%
AIRPLANES	158,598,106	0.23%	192,901,309	0.27%
BILLBOARDS	12,870,034	0.02%	15,680,840	0.02%
OPEN SPACE	634,460	0.00%	589,097	0.00%
MILL & MINE IMPROVEMENTS	536,628,630	1.04%	654,237,963	0.90%
MINING EQUIPMENT & MACHINERY	424,908,200	0.90%	460,189,300	0.64%
MOBILE HOMES	277,432,391	0.46%	265,105,370	0.37%
NET PROCEEDS OF MINES	455,556,533	0.68%	786,183,627	1.09%
PATENTED MINE CLAIMS	47,325,636	0.07%	49,064,009	0.07%
OIL & GAS LEASES	1,671,858	0.00%	2,217,877	0.00%
<b>TOTAL</b>	<b>\$ 66,327,621,930</b>	<b>100.00%</b>	<b>\$ 72,395,146,158</b>	<b>100.00%</b>

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

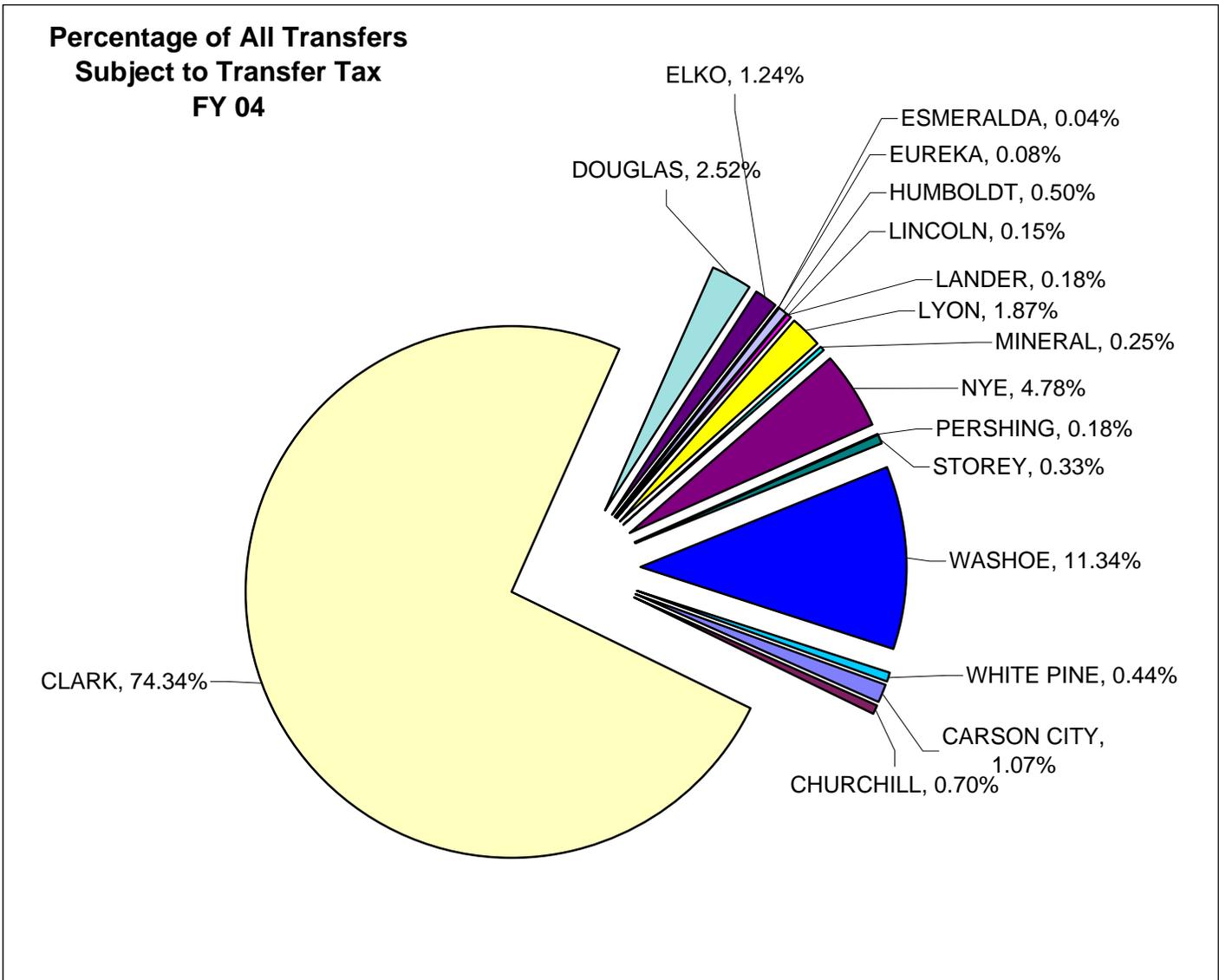
**ASSESSED VALUATION BY COUNTIES AFTER EXEMPTIONS**

<b>COUNTY</b>	<b>FISCAL YEAR 2002-03</b>	<b>FISCAL YEAR 2003-04</b>	<b>CHANGE</b>	<b>PERCENT CHANGE</b>
CARSON CITY	\$ 1,077,835,505	\$ 1,095,377,655	\$ 17,542,149	1.63%
CHURCHILL	432,104,233	418,664,712	(13,439,521)	-3.11%
CLARK	41,827,517,854	45,902,732,336	4,075,214,482	9.74%
DOUGLAS	1,819,415,261	1,918,338,626	98,923,365	5.44%
ELKO	929,856,535	949,479,167	19,622,632	2.11%
ESMERALDA	41,529,382	39,017,321	(2,512,061)	-6.05%
EUREKA	337,517,310	536,102,531	198,585,221	58.84%
HUMBOLDT	535,756,299	536,926,750	1,170,451	0.22%
LANDER	237,306,233	375,611,778	138,305,545	58.28%
LINCOLN	106,454,196	112,720,417	6,266,221	5.89%
LYON	767,117,382	821,172,344	54,054,962	7.05%
MINERAL	103,009,568	103,953,902	944,335	0.92%
NYE	873,463,563	952,139,950	78,676,387	9.01%
PERSHING	153,756,180	140,765,977	(12,990,202)	-8.45%
STOREY	166,608,144	166,788,223	180,079	0.11%
WASHOE	9,507,484,402	10,300,503,001	793,018,599	8.34%
WHITE PINE	146,014,257	126,263,113	(19,751,144)	-13.53%
<b>TOTAL</b>	<b>\$ 59,062,746,303</b>	<b>\$ 64,496,557,804</b>	<b>\$ 4,377,292,797</b>	<b>8.00%</b>

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.
- (8) Growth in net proceeds

# REAL PROPERTY TRANSFER TAX



LEGAL CITATION

Chapter 375.023 Nevada Revised Statutes.

IMPOSITION AND RATE

\$1.30 on each \$500 of value, or fraction thereof, on transfer of real property

CURRENT DISTRIBUTION OF REVENUE

State General Fund.

## HISTORY

ORIGINALLY ENACTED

2002 special session of State Legislature, effective October 1, 2003.

**REAL PROPERTY TRANSFER TAX  
General Fund Collected for Each Quarter**

**FISCAL YEAR 2004**

	July - Sept 03 <b>1st Quarter*</b>	Oct - Dec 03 <b>2nd Quarter</b>	Jan - Mar 04 <b>3rd Quarter</b>	April - June 04 <b>4th Quarter</b>
	<u>General Fund</u>	<u>General Fund</u>	<u>General Fund</u>	<u>General Fund</u>
Carson City	N/A	\$ 252,118.15	\$ 296,782.20	\$ 360,793.72
Churchill	N/A	104,113.10	69,221.10	116,078.64
Clark	N/A	19,539,216.39	21,116,420.08	29,816,327.78
Douglas	N/A	607,706.45	556,146.73	767,010.57
Elko	N/A	54,413.07	190,207.02	81,846.73
Esmeralda	N/A	573.71	1,012.86	1,033.45
Eureka	N/A	2,707.90	2,243.18	2,761.90
Humboldt	N/A	33,225.14	47,880.38	133,743.74
Lander	N/A	7,271.97	7,901.40	6,931.60
Lincoln	N/A	2,767.70	12,360.40	12,058.50
Lyon	N/A	337,461.69	385,887.65	596,667.35
Mineral	N/A	4,660.50	5,034.90	10,056.80
Nye	N/A	241,257.98	241,746.92	268,988.22
Pershing	N/A	11,815.51	6,203.34	15,412.51
Storey	N/A	23,217.46	25,163.37	68,514.68
Washoe	N/A	3,539,031.99	3,071,886.05	4,919,829.63
White Pine	N/A	11,458.16	18,120.96	19,446.57
	*Tax implemented October 1, 2003			
<b>TOTAL FOR QUARTER</b>	\$ -	<u>\$ 24,773,016.87</u>	<u>\$ 26,054,218.54</u>	<u>\$ 37,197,502.39</u>
<b>TOTAL FOR YEAR</b>	\$ -	\$ 24,773,016.87	\$ 50,827,235.41	<u><u>\$ 88,024,737.80</u></u>

# NET PROCEEDS OF MINERALS

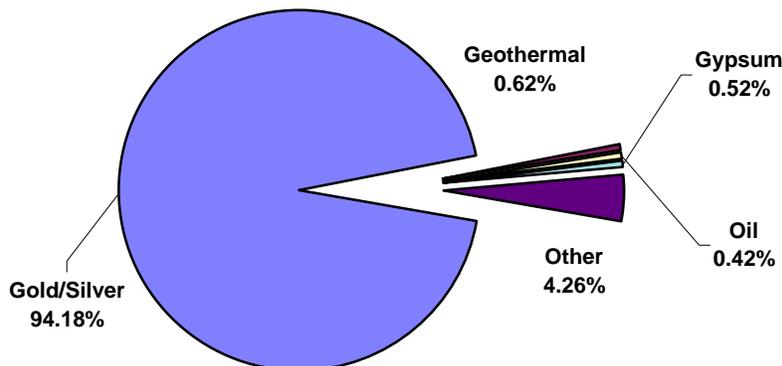
The Nevada Department of Taxation determines the tax on the net proceeds of minerals pursuant to NRS Chapter 362. Producers annually report the gross yield of each separate extractive operation as well as expenses related to the extraction, processing, transportation, and marketing of the mineral. Royalty 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.

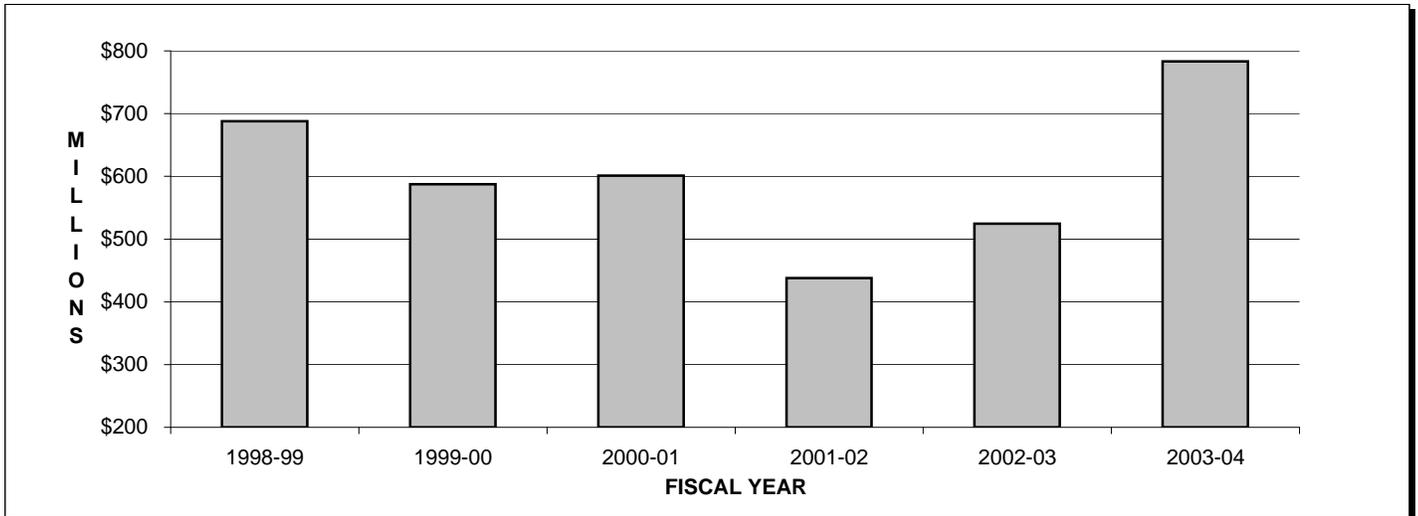
## Percent of Total Gross Proceeds by Mineral Type

Mineral Type	Percent of Total Gross Proceeds 2000-2001	Percent of Total Gross Proceeds 2001-2002	Percent of Total Gross Proceeds 2002-2003	Percent of Total Gross Proceeds 2003-2004
Gold/Silver	92.70%	91.83%	91.63%	94.18%
Geothermal	1.71%	2.07%	2.90%	0.62%
Oil	0.55%	0.45%	0.40%	0.42%
Gypsum	0.55%	0.64%	0.52%	0.52%
Other	4.49%	5.01%	4.55%	4.26%
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 2003-2004



# ACTUAL NET PROCEEDS OF MINERALS ASSESSED VALUATIONS



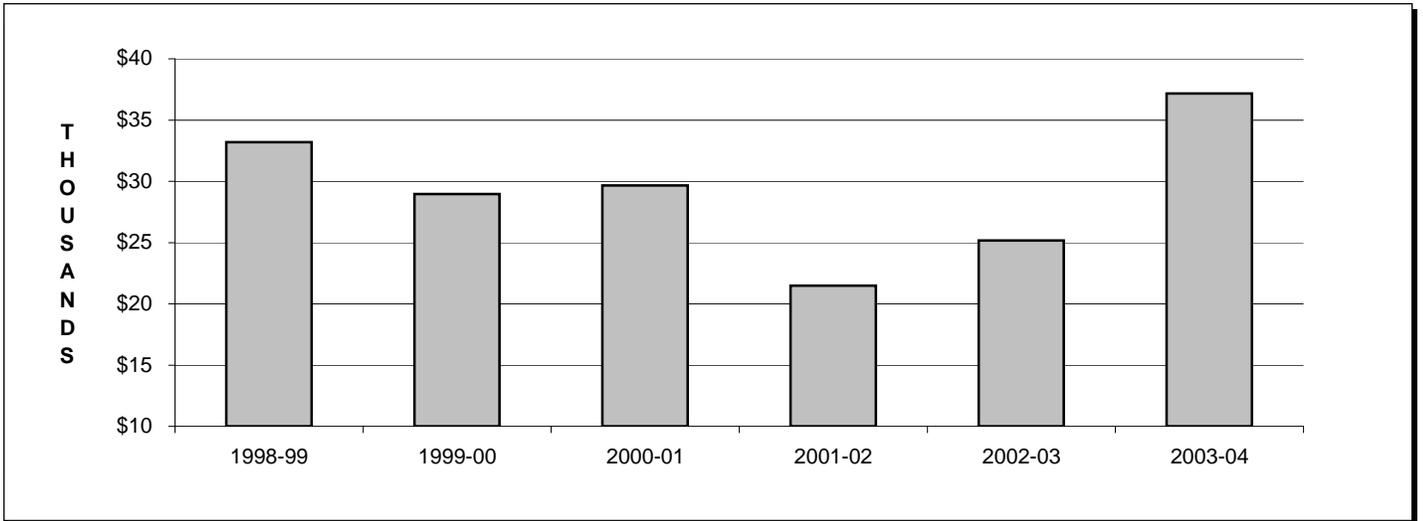
FISCAL YEAR	ACTUAL ASSESSED VALUATION*	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	ACTUAL ASSESSED VALUATION*	% CHANGE FROM PRIOR YEAR
1998-99	\$ 687,985,198	8.77%	2001-02	\$ 438,013,468	-27.16%
1999-00	587,254,060	-14.64%	2002-03	524,535,480	19.75%
2000-01	601,362,809	2.40%	2003-04	783,208,831	49.31%

\* Based on actual calendar year reports to the Department.

## ACTUAL NET PROCEEDS OF MINERALS ASSESSED VALUATIONS BY COUNTY

COUNTY	2001-02	2002-03	2003-04
Carson City	\$ -	\$ -	\$ -
Churchill	7,806,807	28,894,049	11,741,724
Clark	4,627,047	4,228,234	4,460,800
Douglas	73,592	27,797	36,578
Elko	55,916,124	66,668,138	87,242,534
Esmeralda	563,385	1,202,645	493,178
Eureka	81,252,218	76,095,179	207,305,771
Humboldt	27,656,258	60,985,573	85,028,363
Lander	189,091,684	158,779,195	233,414,110
Lincoln	62,473	87,304	44,877
Lyon	151,792	505,896	140,751
Mineral	1,493,869	179,014	5,884,381
Nye	55,108,524	85,807,820	137,687,050
Pershing	10,692,469	12,931,864	1,439,464
Storey	698,358	850,199	402,530
Washoe	1,813,125	867,415	989,482
White Pine	1,005,743	26,425,158	6,897,238
<b>TOTAL</b>	<b>\$ 438,013,468</b>	<b>\$ 524,535,480</b>	<b>\$ 783,208,831</b>

# TAX REVENUE ON NET PROCEEDS OF MINERALS



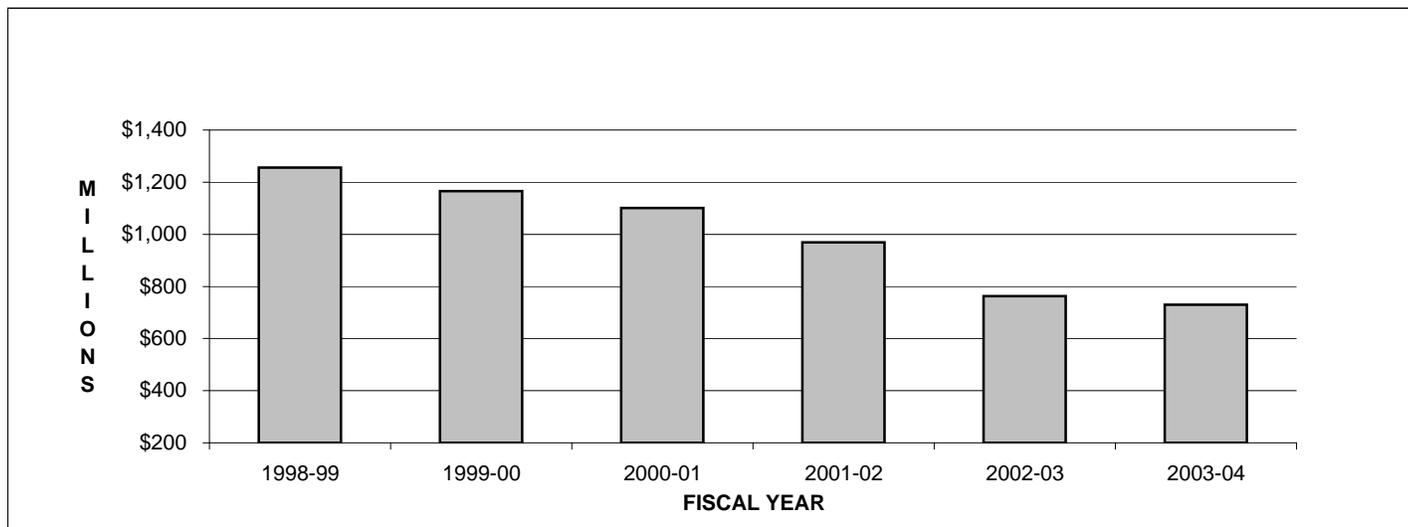
FISCAL YEAR	TAX REVENUE*	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	TAX REVENUE*	% CHANGE FROM PRIOR YEAR
1998-99	\$ 33,194,589	6.52%	2001-02	\$ 21,492,962	-27.57%
1999-00	28,957,844	-12.76%	2002-03	25,162,206	17.07%
2000-01	29,675,250	2.48%	2003-04	37,162,642	47.69%

\* Based on actual calendar year reports to the Department.

## NET PROCEEDS OF MINERALS TAX DISTRIBUTION FISCAL YEAR 2003-2004

COUNTY	TOTAL DISTRIBUTION
Carson City	\$ -
Churchill	297,759
Clark	105,495
Douglas	740
Elko	2,049,505
Esmeralda	13,143
Eureka	3,331,918
Humboldt	1,577,453
Lander	6,415,111
Lincoln	1,171
Lyon	7,901
Mineral	205,365
Nye	4,761,729
Pershing	41,174
Storey	12,256
Washoe	31,838
White Pine	240,693
<b>TOTAL COUNTY DISTRIBUTION</b>	<b>\$ 19,093,251</b>
State Debt Service Fund	1,284,832
State General Fund	16,776,579
State General Fund (Penalties & Interest)	7,980
<b>TOTAL</b>	<b>\$ 37,162,642</b>

## MINING PROPERTIES - ASSESSED VALUATIONS



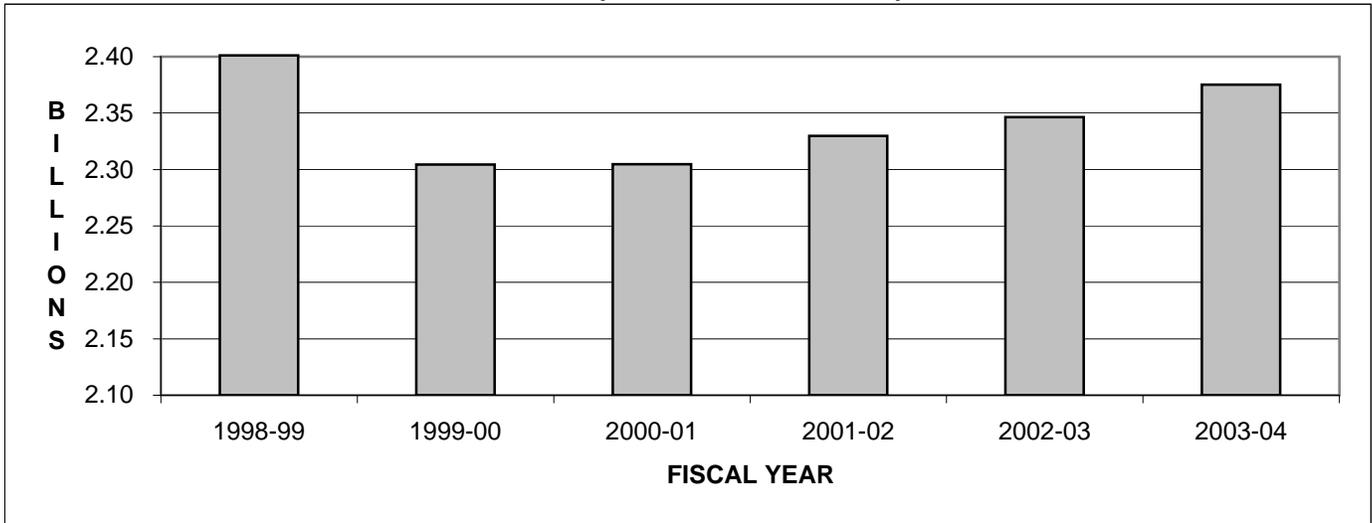
FISCAL YEAR	ASSESSED VALUATION	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	ASSESSED VALUATION	% CHANGE FROM PRIOR YEAR
1998-99	\$1,256,167,190	-8.69%	2001-02	\$ 969,260,490	-11.99%
1999-00	1,165,667,231	-7.20%	2002-03	762,715,050	-21.31%
2000-01	1,101,255,910	-5.53%	2003-04	729,725,160	-4.33%

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

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 . . ."

COUNTY	FISCAL YEAR 2002-03		FISCAL YEAR 2003-04	
	NUMBER OF APPRAISALS	ASSESSED VALUATION	NUMBER OF APPRAISALS	ASSESSED VALUATION
Carson City	0	\$ -	0	\$ -
Churchill	9	35,080,870	11	37,807,110
Clark	14	45,894,470	11	25,497,850
Douglas	0	-	0	-
Elko	17	62,309,380	17	49,440,640
Esmeralda	11	7,257,330	11	5,394,040
Eureka	24	205,502,520	24	265,407,060
Humboldt	15	163,467,470	17	141,394,810
Lander	24	76,148,240	27	65,708,100
Lincoln	23	627,840	22	611,790
Lyon	10	11,628,250	12	12,615,200
Mineral	7	11,532,580	5	5,934,000
Nye	36	81,308,450	33	71,278,200
Pershing	13	30,117,370	14	20,921,400
Storey	6	1,486,120	4	1,527,770
Washoe	6	11,713,500	8	11,386,850
White Pine	7	18,640,660	5	14,800,340
<b>TOTAL</b>	<b>222</b>	<b>\$ 762,715,050</b>	<b>221</b>	<b>\$ 729,725,160</b>

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



ASSESSMENT YEAR	VALUATION	% CHANGE FROM PRIOR YEAR	ASSESSMENT YEAR	VALUATION	% CHANGE FROM PRIOR YEAR
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%
2000-01	2,304,685,610	0.01%	2003-04	2,375,318,094	1.23%

**CENTRALLY ASSESSED UNITARY AND CONSTRUCTION WORK IN PROGRESS  
TAX DISTRIBUTION  
FISCAL YEAR 2003-04**

COUNTY	SECURED UTILITIES & 6-Mo CWIP	PRIVATE CARLINES	UNSECURED, 12-Mo CWIP, & PET	TOTAL TAX
Carson City	\$ 835,206	\$ -	\$ 65,155	\$ 900,361
Churchill	1,340,046	6,162	67,209	1,413,417
Clark	30,708,086	12,036	4,171,906	34,892,029
Douglas	762,423	-	48,108	810,532
Elko	3,434,816	26,935	100,858	3,562,609
Esmeralda	555,303	-	51,354	606,657
Eureka	397,786	3,896	13,829	415,511
Humboldt	1,942,497	11,934	72,804	2,027,235
Lander	1,433,047	5,969	77,066	1,516,082
Lincoln	1,213,632	9,307	308,591	1,531,530
Lyon	1,895,043	4,084	117,040	2,016,168
Mineral	827,193	-	59,069	886,262
Nye	2,223,016	-	176,014	2,399,030
Pershing	1,679,059	11,095	80,852	1,771,006
Storey	346,265	1,097	13,737	361,100
Washoe	8,827,991	12,568	529,266	9,369,825
White Pine	476,461	-	14,728	491,189
<b>Total County Distribution</b>	<b>\$ 58,897,871</b>	<b>\$ 105,084</b>	<b>\$ 5,967,587</b>	<b>\$ 64,970,542</b>
State Debt Service Fund	3,650,206	7,253	373,810	4,031,270
State General Fund - P&I	19,325	-	14,042	33,367
<b>TOTAL</b>	<b>\$ 62,567,402</b>	<b>\$ 112,337</b>	<b>\$ 6,355,440</b>	<b>\$ 69,035,179</b>

**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	\$309,612	\$48	\$12,914,604	\$461,473	\$11,010,255	\$473,266	\$0	\$0	\$8,350,203	\$451,244	\$33,970,706
Churchill	6,427,202	2,776	23,435,552	799,763	8,878,382	276,720	4,586,991	2,030	8,742,245	129,850	\$53,281,510
Clark	120,846,802	147,207	767,097,285	34,773,172	153,983,314	6,535,392	10,709,994	4,859	48,045,006	816,330	\$1,142,959,362
Douglas	767,885	120	19,600,247	700,369	2,517,218	108,200		0	12,122,442	250,362	\$36,066,843
Elko	7,736,342	2,507	56,569,227	1,158,573	4,299,265	184,800	21,015,571	9,162	35,207,935	554,560	\$126,737,941
Esmeralda	9,578,588	29,970	10,618,392	360,542	0	0	0	0	240,186	9,275	\$20,836,953
Eureka	3,612,938	4,747	9,092,355	259,895	632,360	27,181	4,070,811	1,766	6,292,427	78,821	\$24,073,300
Humboldt	3,175,080	2,798	59,592,486	1,401,028	6,534,185	280,866	11,446,200	4,981	13,150,251	239,950	\$95,827,825
Lander	6,289,216	1,613	26,189,925	934,574	1,082,710	46,539	3,330,223	1,448	7,589,434	170,877	\$45,636,560
Lincoln	4,426,375	2,356	7,964,856	349,781	7,154,444	452,827	7,788,179	3,534	13,956,453	502,228	\$42,601,033
Lyon	3,244,089	6,031	40,246,829	1,343,708	8,473,365	314,405	3,114,870	1,400	10,862,508	405,790	\$68,012,995
Mineral	5,874,142	13,043	16,238,978	531,828	468,366	20,132	0	0	527,478	27,981	\$23,701,948
Nye	18,645,253	34,735	43,198,646	1,430,653	392,046	16,852	0	0	8,370,438	421,666	\$72,510,290
Pershing	2,178,740	801	24,527,555	836,081	8,286,429	356,185	6,899,398	3,001	10,194,496	165,831	\$53,448,516
Storey	2,417,457	6,211	4,003,942	143,072	2,722,043	32,464	718,075	313	1,621,441	28,097	\$11,693,114
Washoe	23,889,447	13,896	98,999,415	3,312,095	67,960,618	2,149,470	10,413,689	4,607	72,343,286	3,208,618	\$282,295,141
White Pine	2,763,631	2,240	9,085,706	116,394	0	0	-	0	5,147,770	87,020	\$17,202,761
<b>Total</b>	<b>\$222,182,800</b>	<b>\$271,100</b>	<b>\$1,229,376,000</b>	<b>\$48,913,000</b>	<b>\$284,395,000</b>	<b>\$11,275,300</b>	<b>\$84,094,000</b>	<b>\$37,100</b>	<b>\$262,764,000</b>	<b>\$7,548,500</b>	<b>\$2,150,856,800</b>

\*Includes values amended by the State Board of Equalization through Oct 8,2004

State Board Cases:

- National Airlines statewide assessed value revised from \$7,309,000 to \$0 per State Board of Equalization 3/24/03 Hearing
- Sunworld International Airlines, Inc. statewide assessed value revised from \$12,000 to \$0 per State Board of Equalization 3/24/03 Hearing
- Lake Mead Air statewide assessed value revised from \$200,000 to \$0 per State Board of Equalization 5/9/03 Hearing
- Mt Wheeler Power Company statewide assessed value revised from \$7,862,000 to \$6,552,000 per State Board of Equalization 3/24/03 Hearing
- Broadwing Communication Services, Inc. 2003-2004 statewide assessed value revised from \$8,304,000 to \$5,430,000 per State Board of Equalization 3/24/03 Hearing
- Mpower Communications Corporation 2003-2004 statewide assessed value revised from \$7,548,000 to \$2,816,000 per State Board of Equalization 6/10/03 Hearing
- Qwest Communications Corporation 2003-2004 statewide assessed value revised from \$32,979,000 to \$20,004,000 per State Board of Equalization 3/24/03 Hearing
- Time Warner Telecom 2003-2004 statewide assessed value revised from \$2,826,000 to \$2,487,000 per State Board of Equalization 3/24/03 Hearing
- Kern River Gas Transmission Company 6 mo CWIP assessed value revised from \$14,764,200 to \$2,953,700 per State Board of Equalization 3/24/03 Hearing

**2003-2004 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	\$ 124,931	\$ -	\$ -	\$ 29	\$ 949,535	\$ 986,715	\$ -	\$ 582,540	\$ 2,518,819	\$ 2,643,751
Churchill	91,600	241,174	0	12,618	1,630,556	576,934	13,912	273,298	2,507,318	2,840,092
Clark	7,859,698	463,535	3,747,400	758,532	70,552,041	72,605,049	33,294	822,206	144,771,121	156,841,754
Douglas	300,298	0	0	73	1,441,092	225,587	0	325,527	1,992,279	2,292,577
Elko	198,742	1,113,919	0	11,595	2,151,235	385,291	62,775	1,013,427	3,624,322	4,936,984
Esmeralda	513,495	0	0	159,001	791,983	0	0	11,675	962,659	1,476,154
Eureka	69,960	242,525	0	24,746	544,431	56,671	12,098	147,156	785,101	1,097,587
Humboldt	17,744	633,970	0	15,020	2,623,784	585,579	34,128	409,451	3,667,962	4,319,676
Lander	76,731	187,450	0	7,057	1,922,527	97,030	9,923	299,840	2,336,376	2,600,557
Lincoln	3,819	360,822	327,600	12,641	687,989	11,193,646	24,211	83,534	12,002,020	12,694,261
Lyon	193,736	148,672	0	31,383	2,727,111	655,505	9,590	568,633	3,992,222	4,334,630
Mineral	150,727	0	0	67,792	1,080,540	41,974	0	35,341	1,225,647	1,376,374
Nye	679,528	0	0	178,313	3,571,176	35,134	0	532,028	4,316,652	4,996,179
Pershing	38,374	386,778	0	4,921	1,704,203	742,611	20,561	302,585	2,774,881	3,200,033
Storey	46,756	39,599	0	33,165	294,387	75,196	2,141	35,790	440,680	527,035
Washoe	773,975	449,850	0	71,998	6,742,638	5,561,978	31,568	4,229,610	16,637,791	17,861,616
White Pine	42,286	0	0	12,016	257,873	0	0	109,859	379,748	422,034
<b>Total</b>	<b>\$11,182,400</b>	<b>\$4,268,294</b>	<b>\$4,075,000</b>	<b>\$1,400,900</b>	<b>\$99,673,100</b>	<b>\$93,824,900</b>	<b>\$254,200</b>	<b>\$9,782,500</b>	<b>\$204,935,600</b>	<b>\$224,461,294</b>

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

\*\* Includes values amended by the State Board of Equalization through Oct. 8, 2004.

State Board Cases

Omni Air International value reduced from \$4,306,000 to \$3,159,000 per State Board of Equalization 3/22/04

CWIP = Construction Work in Progress

PET = Property Escaping Taxation

**2003-2004 TAX YEAR  
CENTRALLY ASSESSED UTILITIES TAX ROLL SUMMARY**

	Secured Unitary Assessments	Secured 6 Mo. CWIP *	Unsecured Airline Assessments	Unsecured Carline Assessments	Unsecured PET **	Unsecured 12 Mo. CWIP Assessments	Combined Number of Assessments	Secured Total Value Assessments	Unsecured Total Value Assessments	Combined Total Value Assessments
Carson City	15	6	3	0	0	6	30	\$33,970,706	\$2,643,751	\$36,614,457
Churchill	36	11	5	166	0	12	230	53,281,510	\$2,840,092	56,121,602
Clark	80	22	19	109	4	24	258	1,142,959,362	\$156,841,754	1,299,801,116
Douglas	10	4	4	0	0	4	22	36,066,843	\$2,292,577	38,359,420
Elko	40	17	3	167	0	18	245	126,737,941	\$4,936,984	131,674,925
Esmeralda	14	8	5	0	0	7	34	20,836,953	\$1,476,154	22,313,108
Eureka	32	11	3	166	0	13	225	24,073,300	\$1,097,587	25,170,887
Humboldt	30	10	5	167	0	11	223	95,827,825	\$4,319,676	100,147,501
Lander	36	11	4	166	0	12	229	45,636,560	\$2,600,557	48,237,117
Lincoln	31	10	2	109	2	11	165	42,601,033	\$12,694,261	55,295,294
Lyon	36	13	6	161	0	11	227	68,012,995	\$4,334,630	72,347,625
Mineral	22	10	6	0	0	8	46	23,701,948	\$1,376,374	25,078,323
Nye	31	11	6	0	0	12	60	72,510,290	\$4,996,179	77,506,469
Pershing	33	10	4	166	0	12	225	53,448,516	\$3,200,033	56,648,549
Storey	27	11	5	160	0	11	214	11,693,114	\$527,035	12,220,149
Washoe	58	13	12	166	0	18	267	282,295,141	\$17,861,616	300,156,757
White Pine	23	4	2	0	0	6	35	17,202,761	\$422,034	17,624,795
<b>Total</b>	<b>554</b>	<b>182</b>	<b>94</b>	<b>1703</b>	<b>6</b>	<b>196</b>	<b>2735</b>	<b>\$2,150,856,800</b>	<b>\$224,461,294</b>	<b>\$2,375,318,094</b>

\* 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, 2004, this consisted of overseeing the financial activities of 17 counties, 18 incorporated cities, 49 unincorporated towns, 17 school districts, 163 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, review, and approve 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.

LOCAL GOVERNMENT

BUDGETED (ESTIMATED) EXPENDITURES-EXPENSES\*

**FISCAL YEAR 2003-2004**

	COUNTY	SCHOOL	CITIES	TOWNS	DISTRICTS	TOTAL
Carson City	\$ 88,882,289	\$ 74,769,658	\$ -	\$ -	\$ 2,392,571	\$ 166,044,518
Churchill	46,346,531	37,676,401	16,622,266	-	1,109,470	101,754,668
Clark	3,928,450,097	2,692,913,512	1,674,274,005	12,005,353	1,288,391,197	9,596,034,164
Douglas	59,321,388	67,921,589	-	4,164,078	46,821,173	178,228,228
Elko	58,865,099	82,163,371	40,006,143	3,493,228	6,459,377	190,987,218
Esmeralda	4,928,025	1,338,892	-	1,615,304	-	7,882,221
Eureka	13,281,192	5,592,033	-	553,351	288,000	19,714,576
Humboldt	20,250,739	34,150,182	6,931,797	-	17,432,717	78,765,435
Lander	17,928,968	11,256,466	-	1,587,303	7,204,675	37,977,412
Lincoln	7,409,687	14,241,527	3,455,614	976,514	5,520,746	31,604,088
Lyon	36,484,486	76,852,752	10,126,233	-	10,042,865	133,506,336
Mineral	7,584,402	8,004,358	-	1,317,924	8,760,271	25,666,955
Nye	50,211,051	48,981,646	-	12,505,029	3,826,656	115,524,382
Pershing	9,786,584	11,741,018	1,773,170	71,833	8,432,762	31,805,367
Storey	10,890,958	5,333,082	-	214,687	982,813	17,421,540
Washoe	482,211,926	482,972,219	448,616,481	-	341,780,439	1,755,581,065
White Pine	12,102,466	13,037,016	4,301,052	102,905	20,590,724	50,134,163
Multicounty Districts					16,089,113	16,089,113
<b>TOTALS</b>	<b>\$ 4,854,935,888</b>	<b>\$ 3,668,945,722</b>	<b>\$ 2,206,106,761</b>	<b>\$ 38,607,509</b>	<b>\$ 1,786,125,569</b>	<b>\$ 12,554,721,449</b>

\* Source: Final budgets filed June 1, 2003

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