



State of Nevada
DEPARTMENT OF TAXATION
ANNUAL REPORT
Fiscal 2006 - 2007



JIM GIBBONS
Governor

THOMAS R. SHEETS
Chair, Nevada Tax Commission

DINO DICIANNO
Executive Director

STATE OF NEVADA
DEPARTMENT OF TAXATION

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January 15, 2008

The Honorable Jim Gibbons
Governor of Nevada
Executive Chambers
Carson City, Nevada 89710

Dear Governor Gibbons:

Pursuant to the provisions of NRS 360.100, the Department of Taxation submits herewith the Annual Report for the fiscal year ending June 30, 2007. During 2006-07, gross revenues and distributions changed in the following amounts.

Revenues	2005 - 2006	2006 - 2007	Increase/ (Decrease)	Percent Change
Sales and Use Taxes	\$ 985,035,972	\$ 1,000,216,533	\$ 15,180,561	1.54%
Local School Support Tax	1,089,384,723	1,106,359,747	16,975,024	1.56%
City/County Relief Tax	1,089,390,724	1,106,236,279	16,845,555	1.55%
Local Option Taxes	499,145,620	527,521,494	28,375,874	5.68%
Intoxicating Beverage Taxes	41,310,450	43,044,469	1,734,019	4.20%
Cigarette Tax and Fees	131,775,345	129,544,079	(2,231,266)	-1.69%
Other Tobacco Products	8,178,593	8,841,781	663,188	8.11%
Estate Tax	6,795,409	2,063,308	(4,732,100)	-69.64%
Lodging Tax	17,279,556	18,363,565	1,084,009	6.27%
Net Proceeds of Minerals Tax	44,524,830	62,178,511	17,653,681	39.65%
Centrally Assessed Property Tax	64,443,588	69,137,776	4,694,188	7.28%
Business Tax and Fees	431,986	239,466	(192,520)	-44.57%
Insurance Premium Tax	238,333,715	259,274,818	20,941,103	8.79%
Tire Tax	1,714,345	1,669,148	(45,197)	-2.64%
Government Services Fee	35,059,703	38,563,347	3,503,644	9.99%
Bank Excise Tax	2,819,210	3,029,997	210,787	7.48%
Business License Fee	21,897,095	19,997,653	(1,899,442)	-8.67%
Live Entertainment Tax	8,688,864	10,838,426	2,149,563	24.74%
Modified Business Tax	255,251,922	278,952,602	23,700,679	9.29%
Real Property Transfer Tax	164,841,506	120,374,961	(44,466,546)	-26.98%
Total	\$ 4,706,303,156	\$ 4,806,447,960	\$ 100,144,804	2.13%

Distributions	2005 - 2006	2006 - 2007	Increase/ (Decrease)	Percent Change
State General Fund	\$ 1,903,859,244	\$ 1,931,824,665	\$ 27,965,420	1.47%
State Distributive School Fund	94,428,822	111,655,998	17,227,177	18.24%
Local Governments	2,674,865,272	2,733,038,247	58,172,975	2.17%
Other Distributions	21,102,872	21,717,431	614,558	2.91%
Estate Tax Reserve, Endowment and Trust Funds	6,751,949	2,063,308	(4,688,640)	-69.44%
State Debt Service Fund	5,294,997	6,148,312	853,315	16.12%
Total	<u>\$ 4,706,303,156</u>	<u>\$ 4,806,447,960</u>	<u>\$ 100,144,804</u>	<u>2.13%</u>

Sincerely,

Dino DiCianno
Executive Director

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Department of Taxation
Tax Commission
Thomas R. Sheets - Chairman
Dino DiCianno – 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 <http://tax.state.nv.us>
or one of our offices at the following locations**

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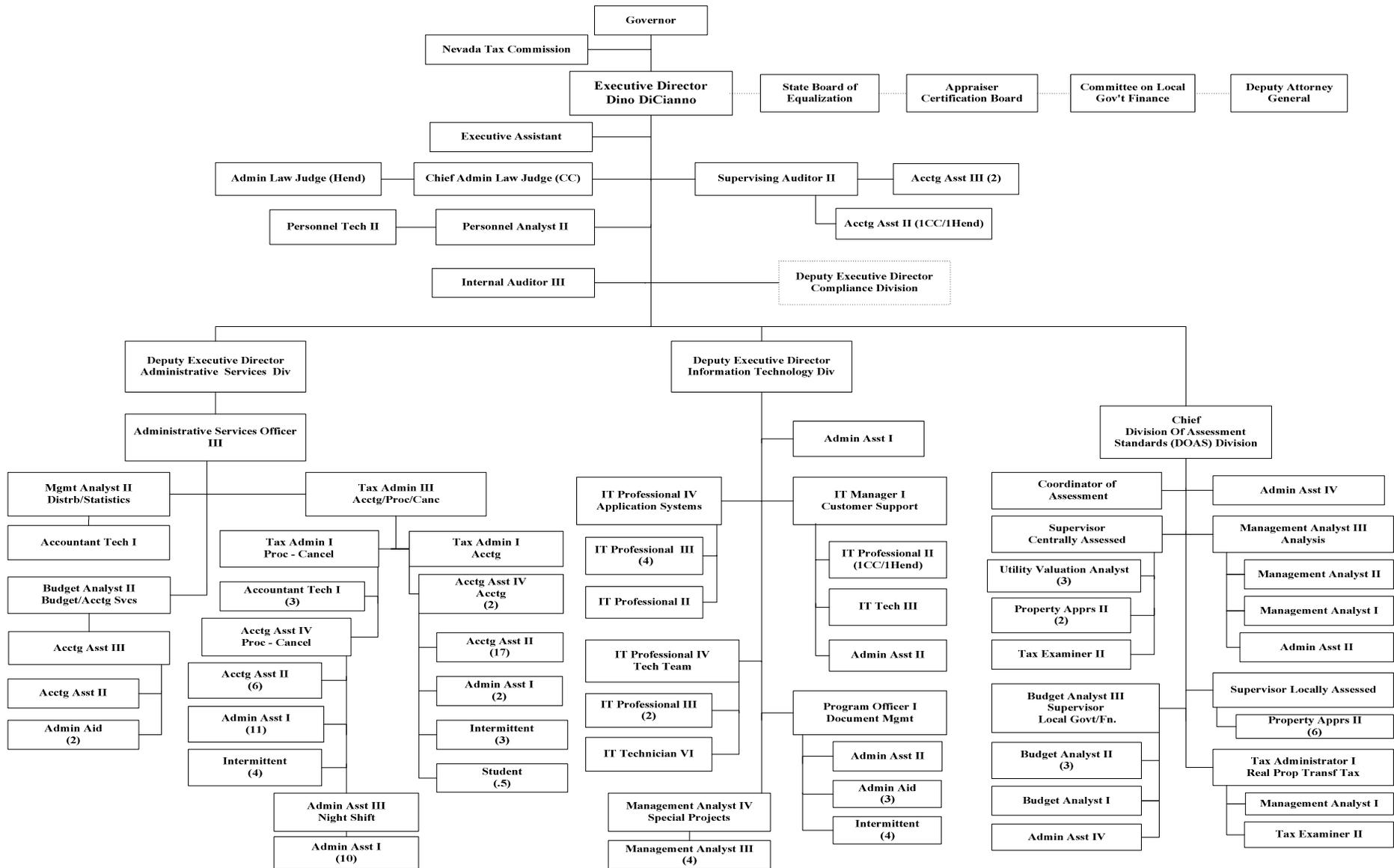
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DEPARTMENT OF TAXATION

Admin Svcs / Info Tech / DOAS Divisions

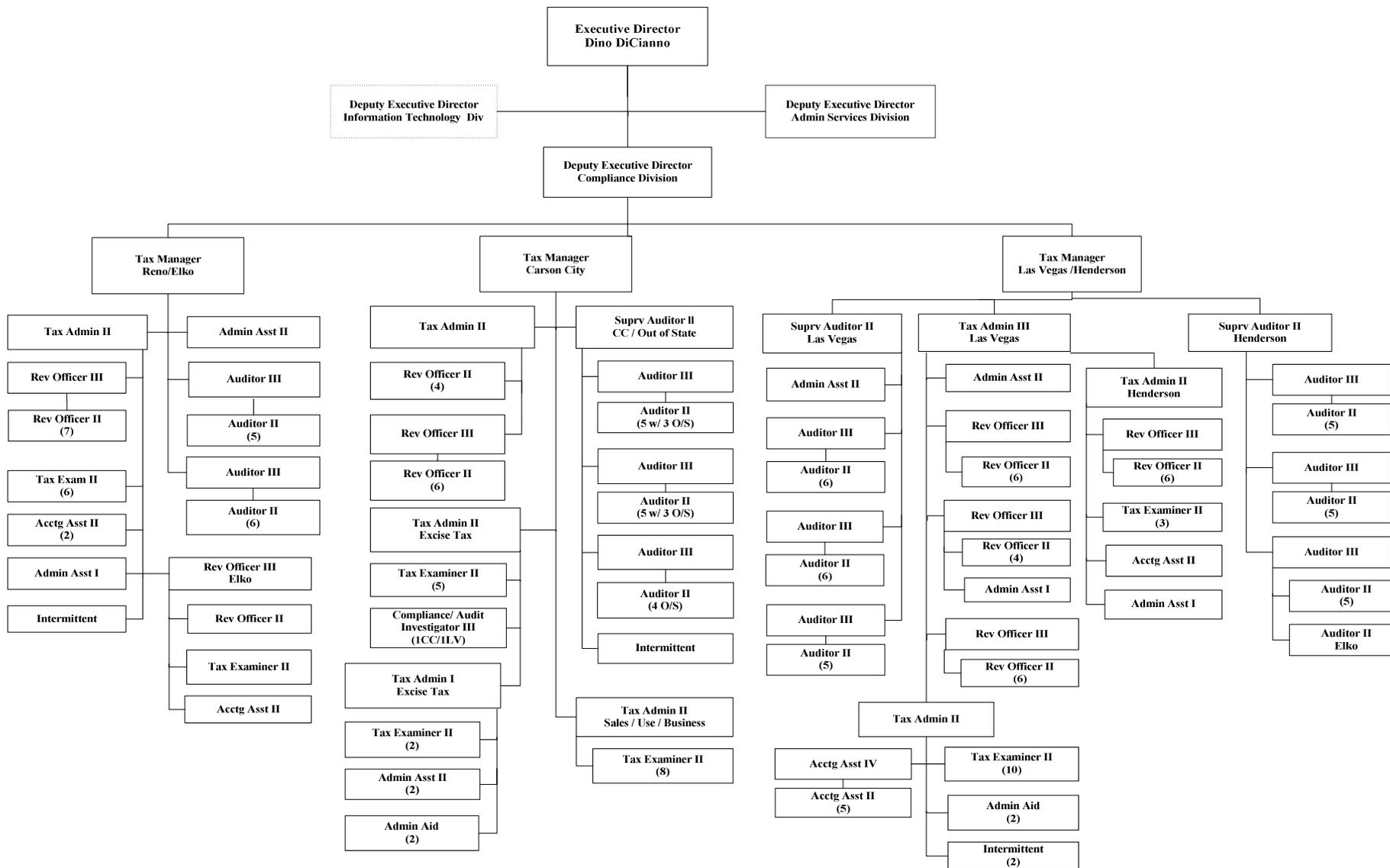
July 1, 2007



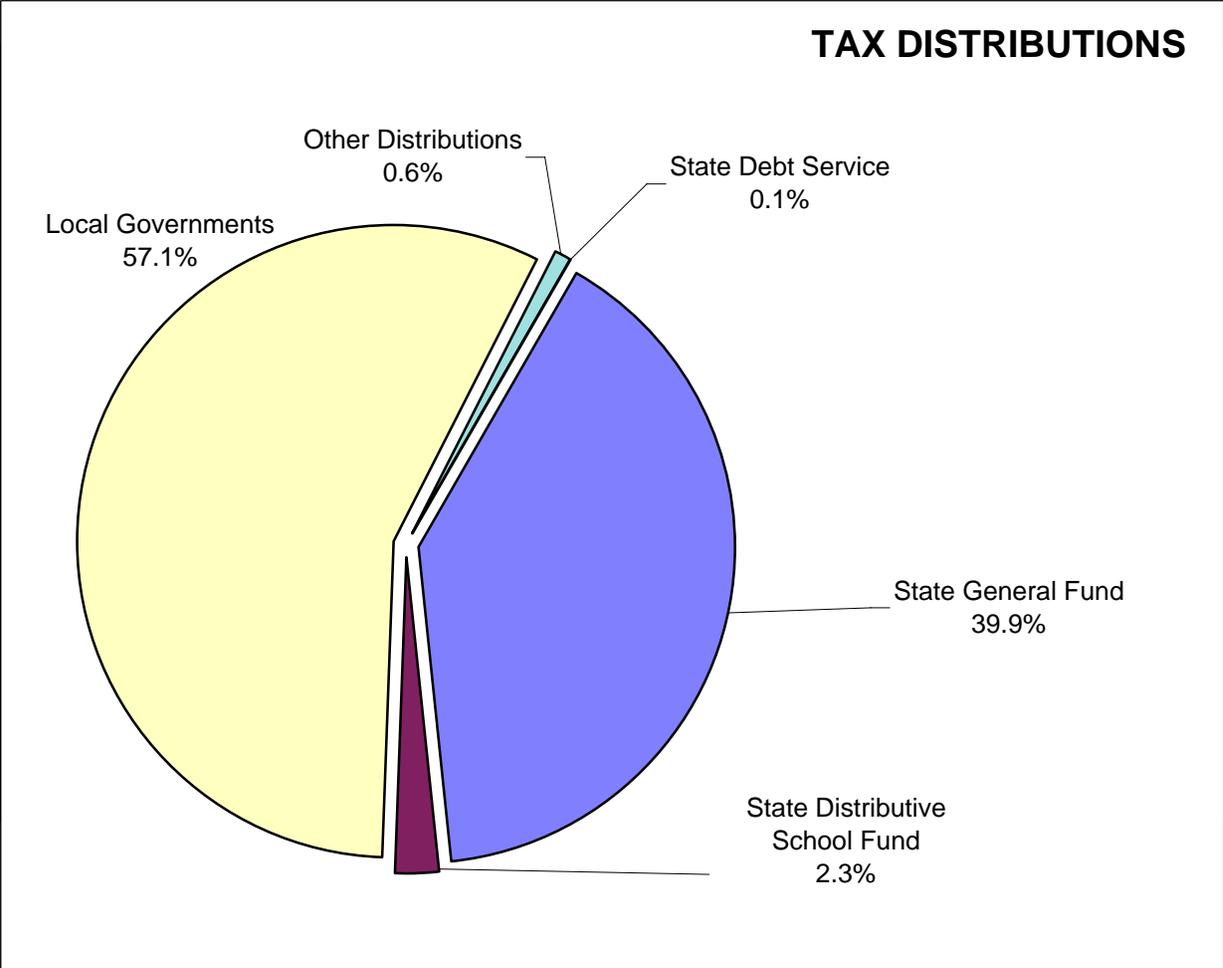
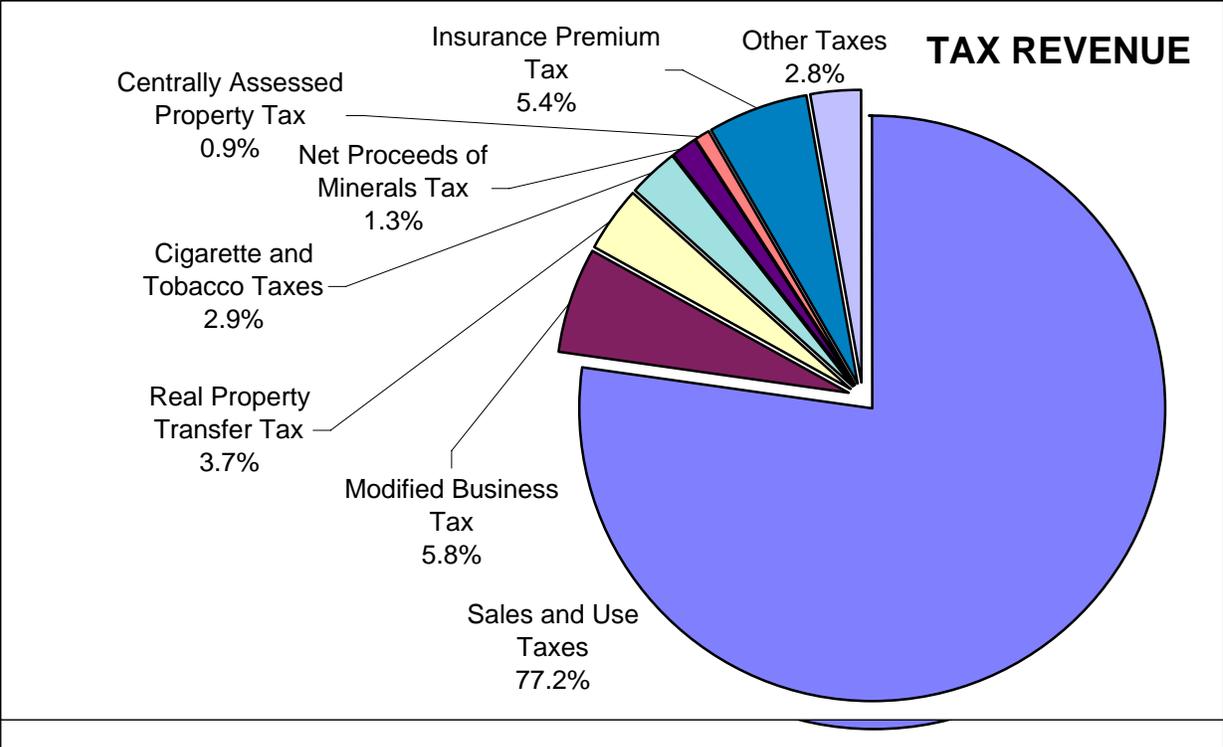
DEPARTMENT OF TAXATION

Compliance Division

July 1, 2007



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 (repealed)	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 Auto Lease Fee	482.313
Insurance Premium Tax	680B

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 Jim Gibbons, Ex Officio Member

Thomas Sheets, Chairman
Robert Barengo, Member
Ann Bersi, Ph.D., Member

George Kelesis, Member
Joan Lambert, Member
John Marvel, Member

David Turner, Member
Hank Vogler, Member

Boards and Commissions (continued)

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
Dr. Richard Mason, Member

Steven Johnson, Member
Michael Cheshire, 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, Vice-Chairman
Bob Anderson, Member
Andrew Green, Member

Steve Hanson, Member
Marty Johnson, Member
Alan Kalt, Member
Beth Kohn-Cole, Member

John Sherman, Member
Mary Walker, Member
James Wells, 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.

David Adams, Chairman
John Faulkner, Member

Norma Green, Member
Jeff Johnson, Member

Greg Worms, Member
Vacant

DEPARTMENT OF TAXATION ADMINISTRATION

Dino DiCianno
Executive Director

Vincent Cherpeski
Deputy Executive Director

Christopher Nielsen
Deputy Executive Director

DEPARTMENT ORGANIZATION AND FUNCTION

The Department of Taxation has five major divisions/sections: the Executive Section; the Administrative Services/Fiscal Division; Information Technology Division; the Compliance Division which consists of both the Revenue/Collection and Audit Sections; and the Division of Assessment Standards.

Executive is comprised of the Director, who also acts as the secretary to the State Board of Equalization; Deputy Directors; Administrative Law Judges; Petitions; Personnel and Internal Audit. Staff administers taxpayer petitions, taxpayer hearings, personnel services and internal audit functions.

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, and Support Services/Mailroom.

Information Technology is responsible for the operation, maintenance and on-going enhancements to the Unified Taxation System (UTS) which includes the taxpayer facing web portal, Nevada Tax and the Discover Tax data warehouse utilized by audit and compliance. In addition to the UTS, support is also provided for the official website for Taxation, the Department's Intranet, statewide LAN/WAN and desktop applications.

Compliance – Revenue/Collection 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 Modified Business Tax, the Business License Fee, Insurance Premium Tax, Cigarette Tax, Other Tobacco Tax, Liquor Tax, Lodging Tax, Live Entertainment Tax, Bank Excise Tax, Estate Tax, Short-term Auto Lease Fee, etc. 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 in this Section actively collect accounts receivable; answer questions on taxability; conduct hearings; monitor accounts for compliance with statutes and reporting requirements; and provide general taxpayer education.

Compliance staff also conducts compliance investigations to ensure businesses are registered, anonymous tips regarding tax evasion are followed-up, individuals are located through skip tracing, etc. As the need arises, this Section may issue tax deficiency notices, approve payment plans, file liens and withholds; and as a last measure may close an affected business.

Audit administers a comprehensive audit program to ensure taxpayer compliance. This section is responsible for ensuring financial compliance with laws relating to all Sales and Use taxes, the Business License tax and fee, Modified Business tax, Net Proceeds of Minerals tax, Cigarette and Other Tobacco tax, Liquor tax and Tire tax. Audit staff also assist with taxpayer information and education including proper reporting and record keeping requirements; and conduct taxpayer workshops.

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 and the real property transfer 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.

Department Organization and Function (continued)

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 2006-07, the Department's staff consisted of 323.5 positions statewide, with a budget of \$32,624,626.69.

The audit staff conducted 1,994 sales and use tax audits during Fiscal Year 2006-07. The total net collections from audit billings during this period was \$19,303,760. Audits billed may be collected in succeeding fiscal years or may ultimately be reduced through negotiated settlement agreements approved by the Nevada Tax Commission. Net audit collections decreased in FY06 compared to previous years due primarily to legislative changes to the audit selection criteria. It called for random selection instead of risk based selection.

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>	
2001-02	1,796	\$11,126,994	
2002-03	1,825	12,002,694	
2003-04	1,377	18,014,504	
2004-05	1,643	19,173,515	
2005-06	1,668	12,450,287	
2006-07	1,994	19,303,760	

<u>FISCAL YEAR</u>	<u>GROSS SALES AND USE TAXES</u>	<u>COLLECTIONS AS % OF GROSS TAX</u>	<u>AUDIT COVERAGE</u>
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%
2004-05	3,279,620,525	0.58%	2.50%
2005-06	3,662,957,039	0.34%	2.32%
2006-07	3,740,245,463	0.52%	2.08%

Department Financial Statement

APPROPRIATIONS AND EXPENDITURES
JULY 1, 2006 - JUNE 30, 2007 - REVERSIONS AS OF JUNE 30, 2007

FUNDING/APPROPRIATIONS	WORK PROGRAM FUNDS	RECEIPTS / EXPENDITURES	RECEIPTS LESS WORK PROGRAM
General Fund Appropriations	\$ 31,802,687	\$ 31,802,687.00	\$ -
Balance Forward from FY06 - SB1	88,221	88,221.00	
General Fund Appropriations - SB463	3,674,059	3,674,059.00	
Supplemental Appropriation - SB340	208,573	208,573.00	
Audit Fees	27,015	36,063.79	(9,048.79)
Cigarette Tax Administration	428,721	428,721.00	-
Short Term Auto Lease Fee	2,868	10,813.12	(7,945.12)
Environmental Protection Transfer	8,162	8,345.75	(183.75)
Justice Court/Township Fees	105,281	127,914.00	(22,633.00)
Returned Check Charge	26,949	35,336.64	(8,387.64)
Miscellaneous Revenue	2,623	2,295.75	327.25
General Fund Salary Adjustment	952,199	692,048.00	260,151.00
Total Available Funds	\$ 37,327,358	\$ 37,115,078.05	\$ 212,279.95

EXPENDITURES

Salaries	\$ 19,829,568	\$ 19,709,915.55	\$ 119,652.45
Out-of-state Travel	5,828	3,870.88	1,957.12
In-state Travel	221,015	180,327.99	40,687.01
Operating	2,779,964	2,625,289.19	154,674.81
Equipment	3,500	-	3,500.00
Out-of-state Audit	66,954	59,482.99	7,471.01
SB8/UTS Project	12,134,738	8,528,946.90	3,605,791.10
E Payment Fees	91,000	3,191.80	87,808.20
AB489/SB509	88,221	-	88,221.00
Lockbox Program	444,796	422,260.04	22,535.96
Demographer	186,186	186,186.00	-
Cigarette Stamps	122,406	121,848.60	557.40
Information Services	1,317,823	749,572.37	568,250.63
Training	25,691	24,066.38	1,624.62
Purchasing Assessment	9,668	9,668.00	-
Total Expenditures	\$ 37,327,358	\$ 32,624,626.69	\$ 4,702,731.31
Reversion June 30, 2007		816,392.36	
Balance Forward to Fiscal Year 2008		3,674,059.00	
Difference Work Program less Receipts		212,279.95	
Available Funds Accounted for	\$ 37,327,358	\$ 37,327,358.00	

REVERSIONS

To General Fund	816,392.36
Balance Forward to Fiscal Year 2008	\$ 3,674,059.00
Total Reversion	\$ 4,490,451.36

COMPONENTS OF SALES AND USE TAX RATES

<u>NRS</u> <u>CHAPTER</u>	<u>TAX RATE</u>	<u>TAX DESCRIPTION</u>	<u>DISTRIBUTION</u>
Minimum Statewide Tax Rate			
372	2.00%	Sales Tax	To the General Fund.
374	2.25%	Local School Support Tax	<u>In-State Business Returns</u> : Tax is distributed to the school district in which the business is located. <u>Out-of-State Business Returns</u> : Tax distributed to the State Distributive School Fund.
377	0.50%	Basic City-County Relief Tax	<u>In-State Business Returns</u> : Tax distributed to the county where the sale was made. <u>Out-of-State Business Returns</u> : Tax distributed to counties based on a population formula.
377	1.75%	Supplemental City-County Relief Tax	Tax distributed to all local governments according to statutory formula.
	6.50%	Minimum Statewide Tax Rate	

Option Taxes

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 - collection suspended effective 10/1/2006
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 Carson City, Churchill County, 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.
354.705	0.25%	Operating White Pine County and payment of debt service due to Severe Financial Emergency	Imposed by White Pine County.
SB74	0.25%	This bill amended the language of NRS 377B to provide funds for judicial and/or public safety infrastructure projects.	

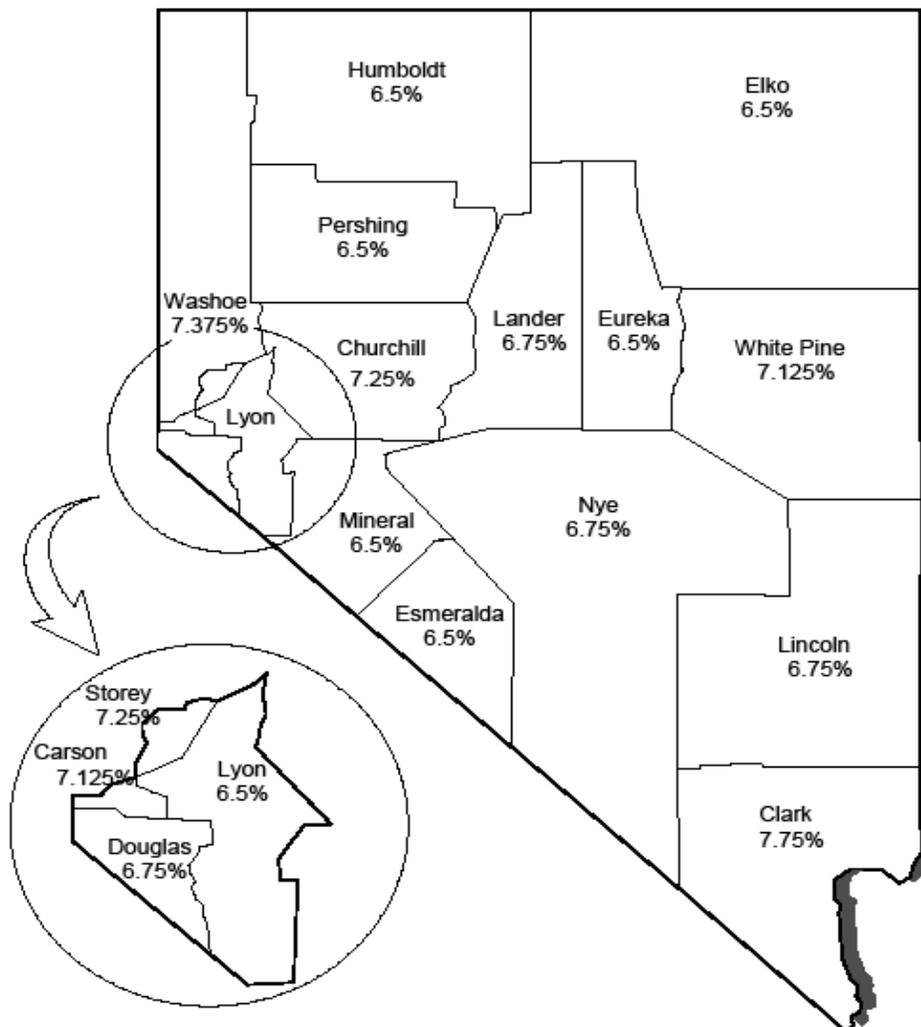
Components of Sales and Use Tax Rates (continued)

Special Acts

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.
0.25%	Tricounty Railway Commission - Carson City, Lyon & Storey counties (voter approval)	Imposed by Storey County.
0.125%	Washoe Railroad Grade Project (county commission approval)	Imposed by Washoe County.
0.25%	Clark County Sales and Use Tax Act of 2005	Imposed by Clark County.

Miscellaneous Amendments

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

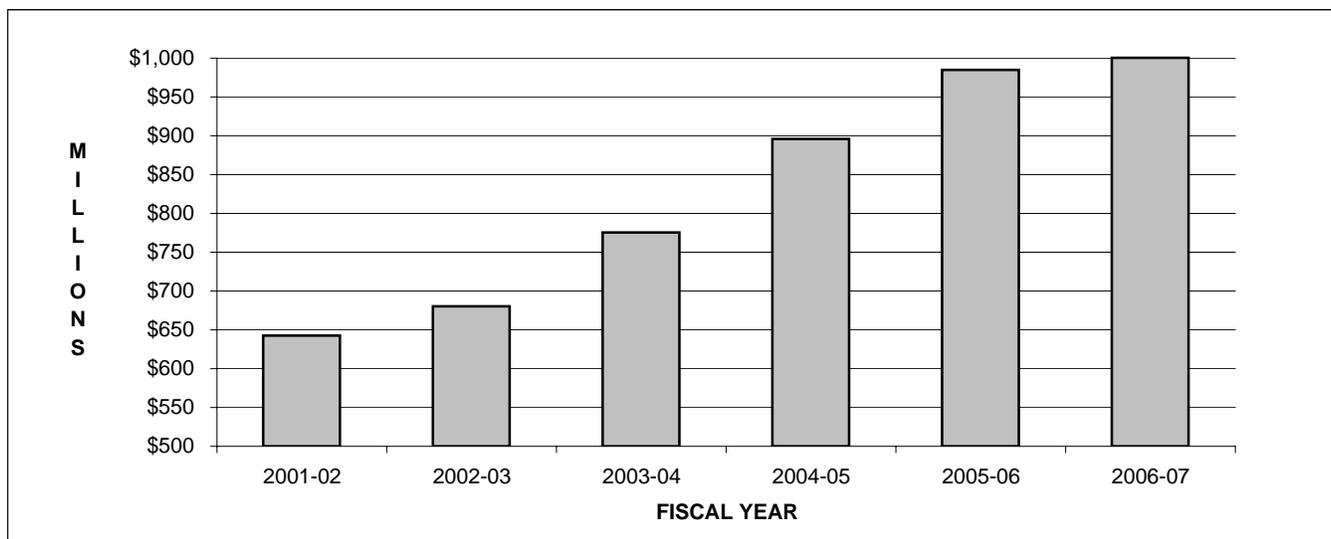


CERTIFIED POPULATION

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 2006-07.

CARSON CITY	57,104	HUMBOLDT COUNTY	17,293
		Winnemucca	7,401
CHURCHILL COUNTY	26,585	LANDER COUNTY	5,509
Fallon	8,339	Austin	288
CLARK COUNTY	1,796,380	Battle Mountain	2,692
Boulder City	15,203	Kingston	288
Henderson	241,134	LINCOLN COUNTY	3,886
Las Vegas	569,838	Caliente	1,015
Mesquite	16,423	Alamo	428
North Las Vegas	180,219	Panaca	562
Bunkerville	1,198	Pioche	698
Enterprise	95,377	LYON COUNTY	48,860
Indian Springs	1,679	Yerington	2,980
Laughlin	8,226	Fernley	16,357
Moapa	1,261	MINERAL COUNTY	4,629
Moapa Valley	6,726	NYE COUNTY	41,302
Mt. Charleston	879	Amargosa	1,383
Paradise	191,650	Beatty	1,032
Searchlight	1,088	Gabbs	312
Spring Valley	165,335	Manhattan	124
Summerlin	20,256	Pahrump	33,241
Sunrise Manor	186,511	Round Mountain	744
Whitney	27,155	Tonopah	2,607
Winchester	35,208	PERSHING COUNTY	6,736
DOUGLAS COUNTY	50,108	Lovelock	2,363
Gardnerville	5,165	STOREY COUNTY	4,012
Genoa	248	WASHOE COUNTY	396,844
Minden	2,983	Reno	206,735
ELKO COUNTY	47,586	Sparks	85,618
Carlin	2,261	WHITE PINE COUNTY	9,275
Elko	17,850	Ely	4,166
Wells	1,423	Lund	156
West Wendover	4,848	McGill	1,109
Jackpot	1,273	Ruth	394
Montello	181	TOTAL STATEWIDE POPULATION	2,518,869
Mountain City	121		
ESMERALDA COUNTY	1,276		
Goldfield	438		
Silver Peak	126		
EUREKA COUNTY	1,485		
Crescent Valley	311		
Eureka	440		

SALES AND USE TAX REVENUE



FISCAL YEAR	TAX	PERMIT FEES	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
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%
2004-05	895,961,537	56,830	896,018,368	15.58%
2005-06	984,963,434	72,538	985,035,972	9.93%
2006-07	1,000,145,956	70,577	1,000,216,533	1.54%

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

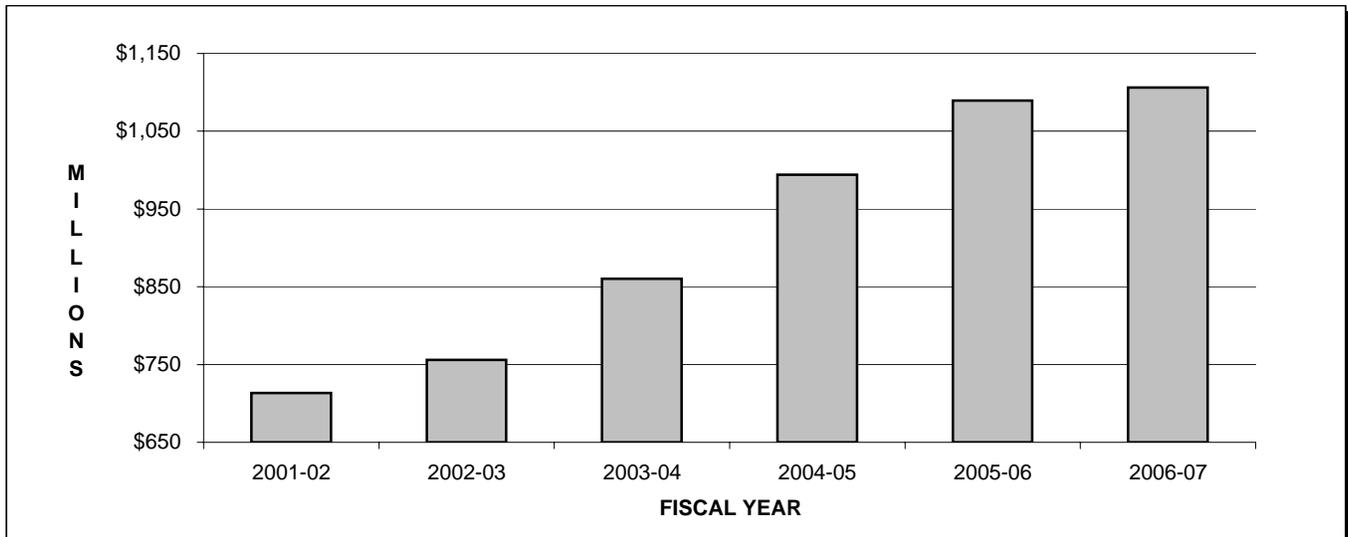
State General Fund since inception.

Sales and Use Tax Revenue (continued)

STATE 2% SALES AND USE TAX COLLECTION BY COUNTY
FISCAL YEAR 2006-07

COUNTY	TAXES AND FEES	% OF TOTAL
Carson City	\$ 20,230,348	2.02%
Churchill	6,475,658	0.65%
Clark	734,598,279	73.44%
Douglas	15,435,863	1.54%
Elko	23,763,333	2.38%
Esmeralda	325,744	0.03%
Eureka	9,971,836	1.00%
Humboldt	9,505,908	0.95%
Lander	5,598,698	0.56%
Lincoln	290,124	0.03%
Lyon	7,742,814	0.77%
Mineral	710,231	0.07%
Nye	10,779,587	1.08%
Pershing	1,366,295	0.14%
Storey	4,046,666	0.40%
Washoe	145,517,232	14.55%
White Pine	3,852,722	0.39%
Out of State	5,194	0.00%
TOTAL	\$ 1,000,216,533	100.00%

LOCAL SCHOOL SUPPORT TAX REVENUE



FISCAL YEAR	TAX	PERMIT FEES	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
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%
2004-05	994,084,828	58,109	994,142,937	15.54%
2005-06	1,089,312,186	72,537	1,089,384,723	9.58%
2006-07	1,106,289,125	70,622	1,106,359,747	1.56%

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.

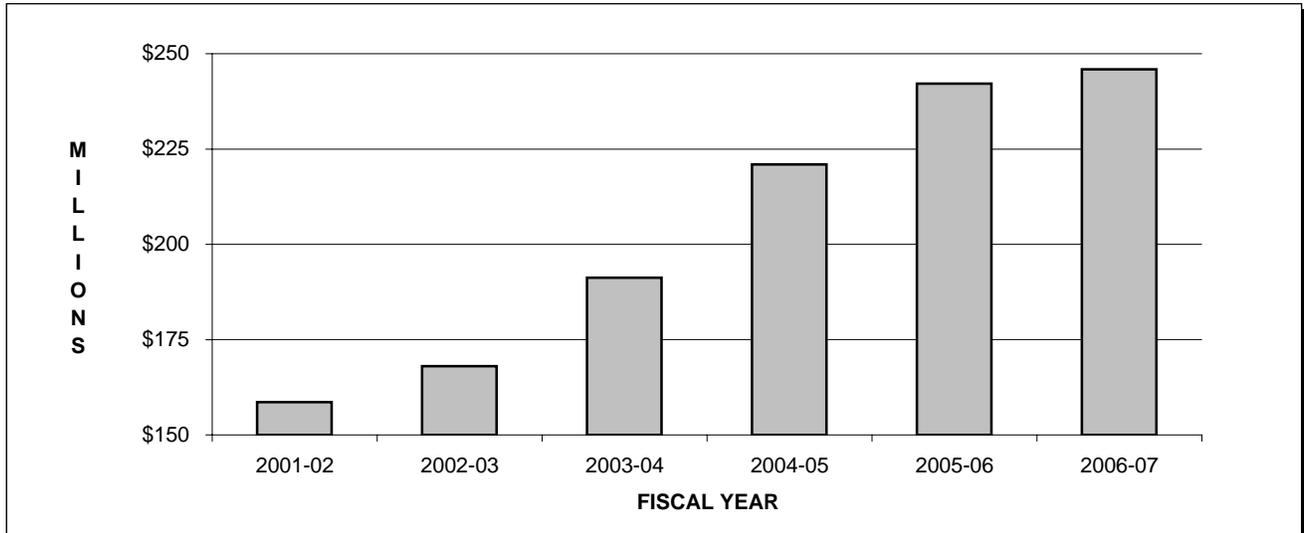
July 1, 1993 - State General Fund Commission increased from .50 percent to 1 percent on in-state and out-of-state collections.

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 2006-07

COUNTY	TAX	% OF TOTAL
Carson City	\$ 27,008,927	2.44%
Churchill	6,277,936	0.57%
Clark	719,500,251	65.03%
Douglas	16,302,559	1.47%
Elko	29,763,708	2.69%
Esmeralda	133,425	0.012%
Eureka	2,166,202	0.20%
Humboldt	8,181,381	0.74%
Lander	1,446,087	0.13%
Lincoln	344,678	0.03%
Lyon	5,930,853	0.54%
Mineral	441,686	0.04%
Nye	7,954,584	0.72%
Pershing	604,587	0.05%
Storey	843,330	0.08%
Washoe	156,893,557	14.18%
White Pine	2,613,510	0.24%
Total County School District Distribution	\$ 986,407,260	89.16%
State Distributive School Fund	111,655,998	10.09%
State General Fund	8,296,489	0.75%
TOTAL	\$ 1,106,359,747	100.00%

BASIC CITY/COUNTY RELIEF TAX REVENUE



FISCAL YEAR	TAX	PERMIT FEES	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
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%
2004-05	220,909,291	58,672	220,967,964	15.53%
2005-06	242,077,670	72,590	242,150,260	9.59%
2006-07	245,814,672	70,622	245,885,294	1.54%

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.

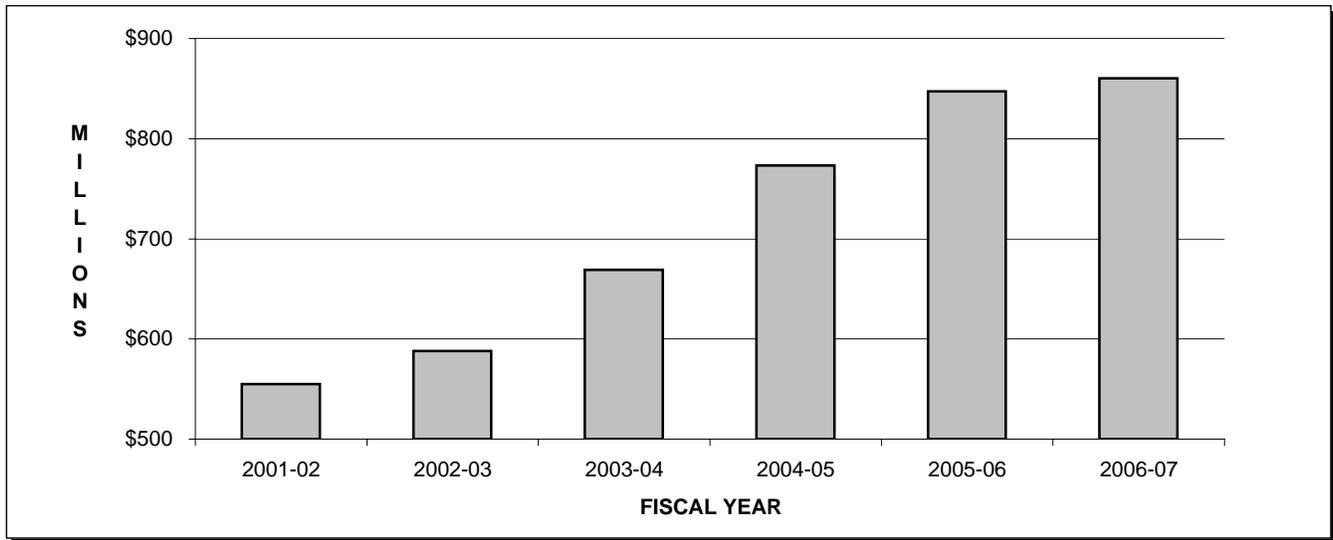
Basic City/County Relief Tax Revenue (continued)

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 2006-07

COUNTY	TAX	% OF TOTAL
Carson City	\$ 5,090,083	2.07%
Churchill	1,637,619	0.67%
Clark	179,800,010	73.12%
Douglas	3,863,754	1.57%
Elko	5,457,272	2.22%
Esmeralda	84,967	0.03%
Eureka	1,883,716	0.77%
Humboldt	2,269,683	0.92%
Lander	1,254,081	0.51%
Lincoln	163,392	0.07%
Lyon	2,114,558	0.86%
Mineral	203,197	0.08%
Nye	2,797,997	1.14%
Pershing	326,488	0.13%
Storey	397,492	0.16%
Washoe	35,787,902	14.55%
White Pine	909,476	0.37%
Total County Transfers	\$ 244,041,684	99.25%
State General Fund	1,843,610	0.75%
Total	\$ 245,885,294	100.00%

SUPPLEMENTAL CITY/COUNTY RELIEF TAX REVENUE



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
2001-02	\$ 555,043,630	1.17%
2002-03	587,935,233	5.93%
2003-04	669,173,311	13.82%
2004-05	773,176,301	15.54%
2005-06	847,240,463	9.58%
2006-07	860,350,985	1.55%

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 2006-07

COUNTY	TAX	% OF TOTAL
Carson City	\$ 17,438,930	2.03%
Churchill	5,297,892	0.62%
Clark	624,098,511	72.54%
Douglas	15,573,313	1.81%
Elko	19,218,559	2.23%
Esmeralda	1,133,721	0.13%
Eureka	7,199,587	0.84%
Humboldt	8,087,500	0.94%
Lander	2,739,851	0.32%
Lincoln	1,321,811	0.15%
Lyon	11,177,596	1.30%
Mineral	1,842,643	0.21%
Nye	9,204,999	1.07%
Pershing	2,065,187	0.24%
Storey	1,731,006	0.20%
Washoe	122,757,620	14.27%
White Pine	3,009,625	0.35%
Total County Transfers	<u>\$ 853,898,352</u>	<u>99.25%</u>
State General Fund	6,452,632	0.75%
TOTAL	<u><u>\$ 860,350,985</u></u>	<u><u>100.00%</u></u>

SEVERE FINANCIAL EMERGENCY FUND

Fund Balance June 30, 2007 \$ 674,005

Supplemental City/County Relief Tax (continued)

LOCAL GOVERNMENT TAX ACTS OF 1991 AND 1993
SPECIAL FUND COLLECTIONS AND DISTRIBUTIONS
FISCAL YEAR 2006-07

COLLECTIONS

CHURCHILL COUNTY

Sales and Use Tax	\$	757,356
Motor Vehicle Privilege Tax		634,425
Real Property Transfer Tax		27,790
Property Tax		119,922
Interest		9,358
TOTAL	\$	<u>1,548,850</u>

WASHOE COUNTY

Sales and Use Tax	\$	17,738,989
Motor Vehicle Privilege Tax		156
Gaming License Fee		797,839
Real Property Transfer Tax		1,177,125
Property Tax		3,657,707
Interest		58,543
TOTAL	\$	<u>23,430,358</u>

DISTRIBUTIONS

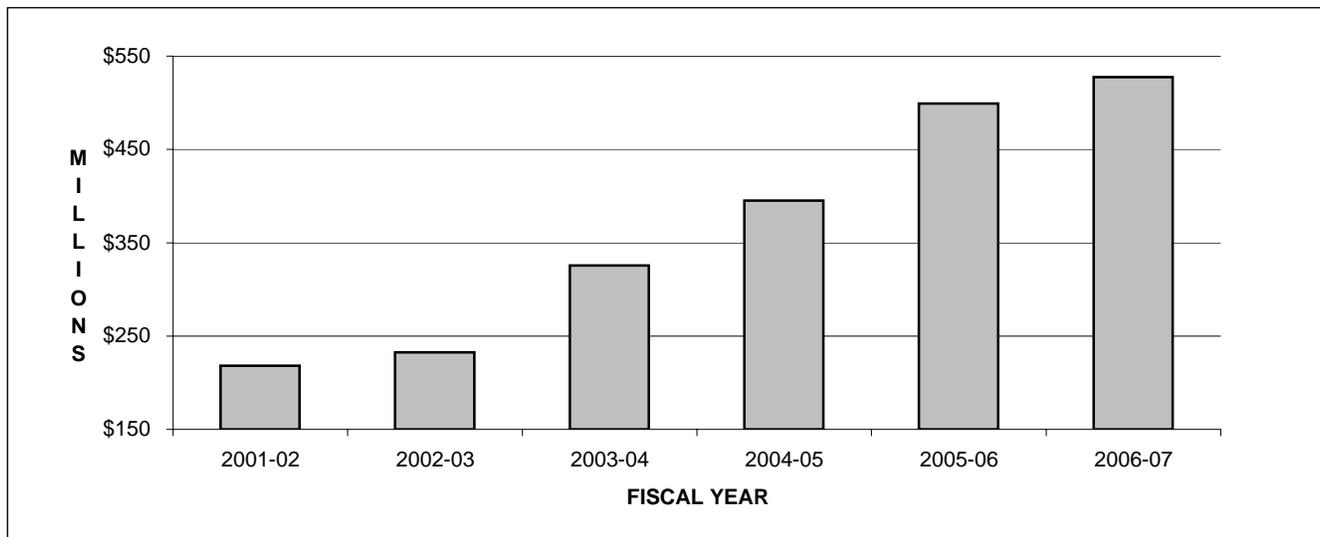
CHURCHILL COUNTY

	\$	1,179,849
Fallon		283,021
Other		85,980
TOTAL	\$	<u>1,548,850</u>

WASHOE COUNTY

	\$	15,594,307
Reno		3,555,626
Sparks		1,839,007
Other		2,441,419
TOTAL	\$	<u>23,430,358</u>

LOCAL OPTION SALES AND USE TAX



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
2001-02	\$ 218,298,280	1.52%
2002-03	232,359,331	6.44%
2003-04	325,477,883	40.08%
2004-05	395,314,926	21.46%
2005-06	499,145,620	26.27%
2006-07	527,521,494	5.68%

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.

Local Option Sales and Use Tax (continued)

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.
	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.
	2003	Added NRS 377A.062 that the tax for miscellaneous purposes may be used to support the operation and maintenance of a county swimming pool.
	2005	Passed the Clark County Sales and Use Tax Act of 2005. The revenues are to be used to employ and equip additional police officers. Amended Chapter 377B to allow the tax for infrastructure to be used for the construction or renovation of facilities having cultural or historical value. Also allows the tax to be used for the maintenance and operation of wastewater treatment facilities.

Local Option Sales and Use Tax (continued)

LOCAL OPTION SALES AND USE TAXES DISTRIBUTION
FISCAL YEAR 2006-07

COUNTY	PROVISION	USE OF PROCEEDS	DATE IMPOSED	AMOUNT
<u>Option Taxes</u>				
Carson City	377A	Public Roads	1/1/1987	\$ 2,445,170
Carson City	377B	V&T Railroad Bonds	4/1/2006	1,208,317
Churchill	377A	Public Roads	11/1/1986	757,356
Churchill	377B	Infrastructure	10/1/2005	751,171
Clark	377A	Regional Transportation	7/1/1991	178,716,556
Clark	377A	Regional Transportation ¼% increase	10/1/2003	
Clark	377B	So NV Water Authority	4/1/1999	89,374,124
Clark	543	Flood Control	3/1/1987	89,484,366
Lander	377B	Water Treatment	4/1/2004	693,406
Lincoln	377B	School / Public Utilities	1/1/2001	36,940
Nye	377A	Public Roads	5/1/1986	1,324,831
Storey	377A	Tourism	8/1/1985	507,740
Storey	377B	School / Public Utilities	1/1/2001	512,049
Washoe	377A	Regional Transportation	11/1/1982	26,621,398
Washoe	377A	Regional Transportation ¼% increase	7/1/2003	
Washoe	377B	Flood/Public Safety	4/1/1999	8,895,013
White Pine	374A	School Cap Improvement	4/1/2000	237,920
White Pine	377A	Public Roads	11/1/1986	476,912
White Pine	377A	Swimming Pool	10/1/2003	130,733
White Pine	354	Operating/Severe Fin. Emergency	7/1/2006	475,769
<u>Special Acts</u>				
Churchill		Local Government Tax Act	10/1/1991	757,356
Clark		Police Support	10/1/2005	88,641,946
Storey		Tricounty Railway Commission	1/1/1996	512,057
Washoe		Railroad Grade Project	4/1/1999	8,895,013
Washoe		Local Government Tax Act	10/1/1991	17,788,989
<u>Miscellaneous Amendments</u>				
Carson City		Open Space	7/1/1997	2,444,405
Douglas		Misc Facilities & Services	7/1/1999	1,879,121
Total to Counties				\$ 523,568,656
State General Fund				3,952,838
TOTAL				\$ 527,521,494

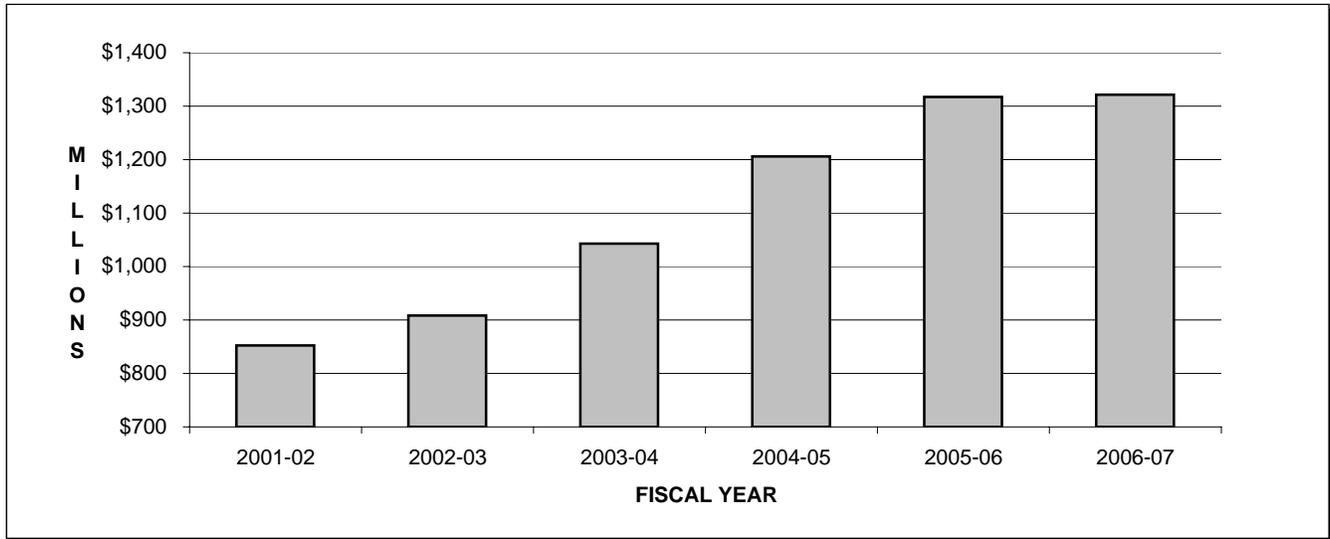
TAXABLE SALES COMPARISON

Taxable Sales Comparison by County

County	Fiscal Year 2005-06	Fiscal Year 2006-07	% Change
Carson City	\$ 1,024,709,559	\$ 991,893,429	-3.2%
Churchill	332,239,237	306,426,359	-7.8%
Clark	35,745,051,299	36,262,388,158	1.4%
Douglas	818,057,923	765,218,511	-6.5%
Elko	1,032,095,694	1,193,448,998	15.6%
Esmeralda	8,602,520	16,522,690	92.1%
Eureka	315,531,086	501,077,457	58.8%
Humboldt	484,211,983	474,811,166	-1.9%
Lander	170,560,020	280,377,578	64.4%
Lincoln	31,542,406	15,397,747	-51.2%
Lyon	445,074,154	375,522,868	-15.6%
Mineral	33,522,049	35,678,759	6.4%
Nye	522,350,527	540,376,915	3.5%
Pershing	63,022,755	68,332,008	8.4%
Storey	110,771,605	204,716,866	84.8%
Washoe	7,268,593,250	7,202,640,557	-0.9%
White Pine	175,159,655	192,877,042	10.1%
STATE TOTAL	\$ 48,581,095,722	\$ 49,427,707,108	1.7%

The above comparisons for Fiscal Year 2005-06 and Fiscal Year 2006-07 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
2001-02	\$ 852,528,895	2.37%
2002-03	908,388,329	6.55%
2003-04	1,042,616,446	14.78%
2004-05	1,205,661,429	15.64%
2005-06	1,317,411,455	9.27%
2006-07	1,321,356,387	0.30%

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.
- 2005 SB 38 provides an additional method for calculating the excess amount of the base monthly amount to be allocated to local governments in which: (1) the average amount of the assessed valuation of taxable property attributable to the net proceeds of minerals over the preceding 5 fiscal years is at least \$50 million; (2) the average percentage of change in the population over the preceding 5 fiscal years is a negative figure; or (3) both. The bill applied retroactively to January 1, 2005, but did not affect money previously distributed to local governments.

CONSOLIDATED TAX
SUMMARY OF THE REVENUE TRANSFERRED BY COUNTY
FISCAL YEAR 2006-07

COUNTY	BCCRT	SCCRT	CIGARETTE	LIQUOR	RPTT	GST	TOTAL
CARSON CITY	\$ 5,090,083	\$ 17,438,930	\$ 354,884	\$ 71,479	\$ 519,745	\$ 2,851,810	\$ 26,326,931
CHURCHILL	1,637,619	5,297,892	165,753	33,397	152,845	1,404,095	8,691,601
CLARK	179,800,010	624,098,511	11,226,808	2,262,693	41,467,470	106,538,933	965,394,425
DOUGLAS	3,863,754	15,573,313	312,605	62,991	872,122	2,904,842	23,589,627
ELKO	5,457,272	19,218,559	296,002	59,625	382,602	3,488,874	28,902,934
ESMERALDA	84,967	1,133,721	7,901	1,591	10,610	135,888	1,374,678
EUREKA	1,883,716	7,199,587	9,186	1,849	13,313	214,357	9,322,008
HUMBOLDT	2,269,683	8,087,500	107,763	21,712	119,291	1,387,544	11,993,493
LANDER	1,254,081	2,739,851	34,330	6,917	36,637	581,629	4,653,445
LINCOLN	163,392	1,321,811	24,214	4,879	42,077	441,401	1,997,773
LYON	2,114,558	11,177,596	308,558	62,261	643,226	3,009,704	17,315,904
MINERAL	203,197	1,842,643	28,475	5,729	16,353	354,562	2,450,958
NYE	2,797,997	9,204,999	259,903	52,422	504,309	3,080,519	15,900,150
PERSHING	326,488	2,065,187	42,019	8,467	29,055	440,524	2,911,740
STOREY	397,492	1,731,006	24,992	5,035	106,037	332,704	2,597,266
WASHOE	35,787,902	122,757,620	2,474,788	498,656	6,474,190	25,116,589	193,109,743
WHITE PINE	909,476	3,009,625	57,820	11,650	53,856	781,285	4,823,711
TOTAL	\$ 244,041,684	\$ 853,898,352	\$ 15,736,000	\$ 3,171,352	\$ 51,443,738	\$ 153,065,260	\$ 1,321,356,387

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

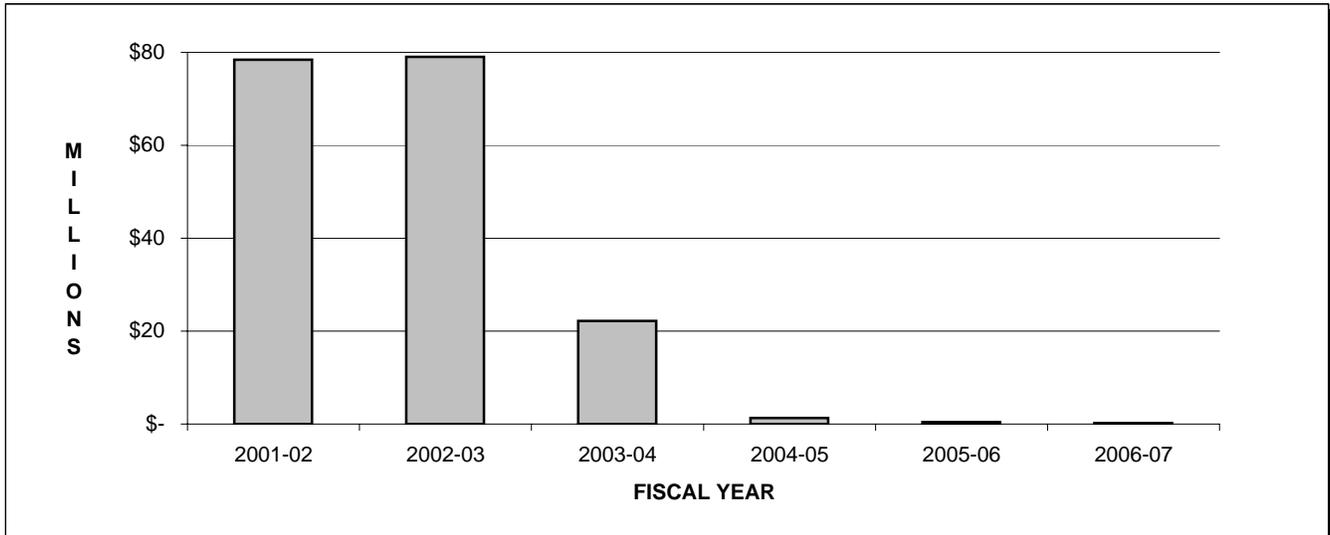
RPTT: Each county treasurer deposits to the Consolidated Tax Account, at least quarterly the revenue collected within the county.

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

CONSOLIDATED TAX DISTRIBUTION
FISCAL YEAR 2006-07

CARSON CITY	\$ 25,948,927	LANDER COUNTY	\$ 3,671,667
Other	378,004	Other	981,778
TOTAL	<u>\$ 26,326,931</u>	TOTAL	<u>\$ 4,653,445</u>
CHURCHILL COUNTY	\$ 6,555,570	LINCOLN COUNTY	\$ 1,460,327
Fallon	1,817,095	Caliente	163,072
Other	318,936	Other	374,374
TOTAL	<u>\$ 8,691,601</u>	TOTAL	<u>\$ 1,997,773</u>
CLARK COUNTY	\$ 340,102,045	LYON COUNTY	\$ 15,553,316
Boulder City	8,818,451	Yerington	341,517
Henderson	99,587,194	Other	1,421,070
Las Vegas	263,249,775	TOTAL	<u>\$ 17,315,904</u>
Mesquite	9,108,527	MINERAL COUNTY	\$ 2,315,746
North Las Vegas	52,955,745	Other	135,213
Other	191,572,687	TOTAL	<u>\$ 2,450,958</u>
TOTAL	<u>\$ 965,394,425</u>	NYE COUNTY	\$ 13,495,015
DOUGLAS COUNTY	\$ 12,902,586	Gabbs	103,162
Other	10,687,040	Other	2,301,973
TOTAL	<u>\$ 23,589,627</u>	TOTAL	<u>\$ 15,900,150</u>
ELKO COUNTY	\$ 11,813,788	PERSHING COUNTY	\$ 2,159,964
Carlin	1,485,141	Lovelock	471,112
Elko	10,680,141	Other	280,665
Wells	962,596	TOTAL	<u>\$ 2,911,740</u>
West Wendover	2,226,465	STOREY COUNTY	\$ 2,596,380
Other	1,734,804	Other	886
TOTAL	<u>\$ 28,902,934</u>	TOTAL	<u>\$ 2,597,266</u>
ESMERALDA COUNTY	\$ 1,324,722	WASHOE COUNTY	\$ 99,372,745
Other	49,956	Reno	55,256,937
TOTAL	<u>\$ 1,374,678</u>	Sparks	25,167,648
EUREKA COUNTY	\$ 9,240,621	Other	13,312,414
Other	81,387	TOTAL	<u>\$ 193,109,743</u>
TOTAL	<u>\$ 9,322,008</u>	WHITE PINE COUNTY	\$ 3,033,632
HUMBOLDT COUNTY	\$ 7,659,830	Ely	1,275,872
Winnemucca	2,980,797	Other	514,208
Other	1,352,866	TOTAL	<u>\$ 4,823,711</u>
TOTAL	<u>\$ 11,993,493</u>		
TOTAL DISTRIBUTION			<u><u>\$ 1,321,356,387</u></u>

BUSINESS TAX



FISCAL YEAR	LICENSE FEES	TAX	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
2001-02	\$ 680,845	\$ 77,713,806	\$ 78,394,651	0.77%
2002-03	739,561	78,286,572	79,026,132	0.81%
2003-04	-	22,216,500	22,216,500	-71.89%
2004-05	-	1,297,383	1,297,383	-94.16%
2005-06	-	431,986	431,986	-66.70%
2006-07	-	239,466	239,466	-44.57%

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.

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

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.

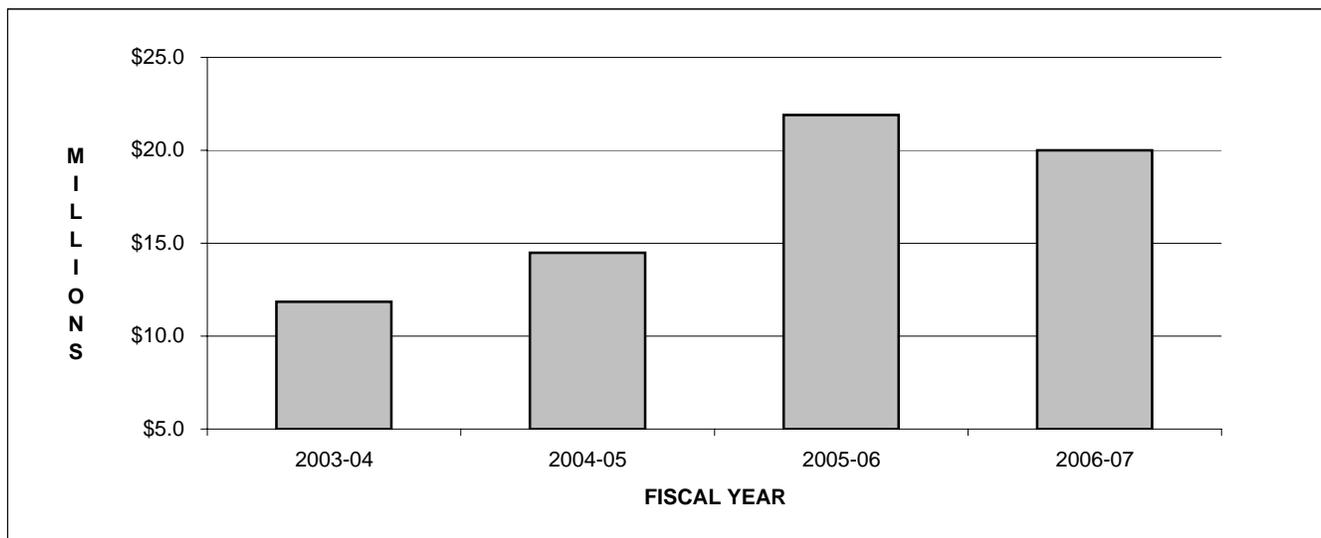
Effective January 1, 1994, per AB 456, the basis for calculating the tax was changed to the total number of equivalent full-time employees employed by the business in a quarter. The number of equivalent full-time employees may be calculated by: A) determining the total number of hours worked per quarter,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



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
2003-04	\$ 11,851,752	N/A
2004-05	14,486,315	22.23%
2005-06	21,897,095	51.16%
2006-07	19,997,653	-8.67%

LEGAL CITATION

Chapter 360.760 - 360.795

IMPOSITION AND RATE

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

CURRENT DISTRIBUTION OF REVENUE

State General Fund.

HISTORY

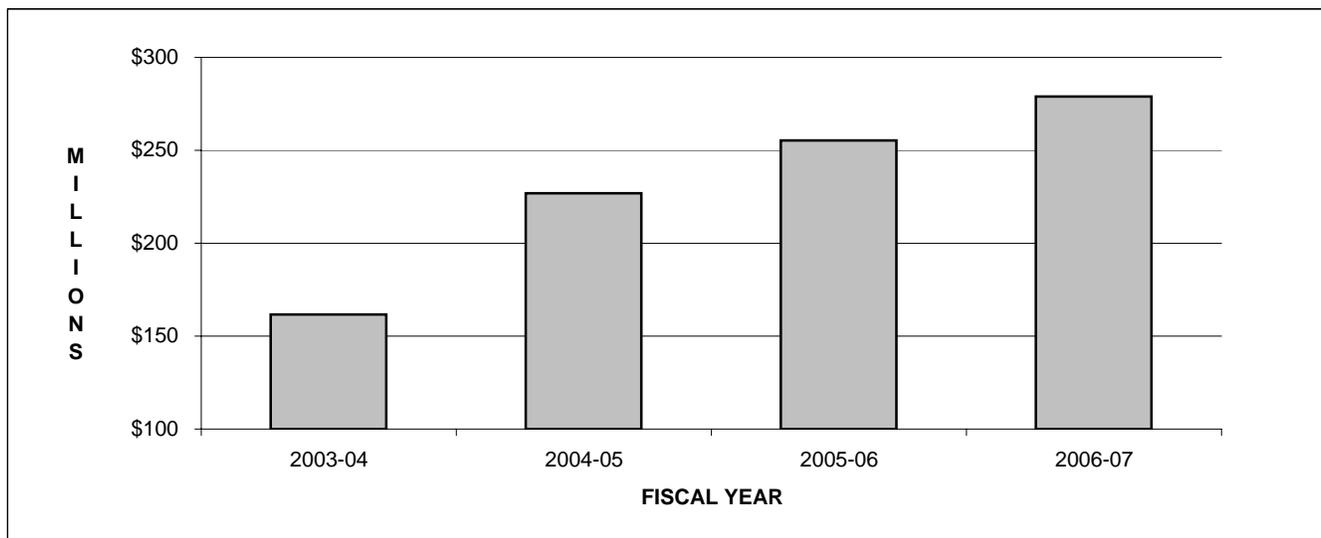
ORIGINALLY ENACTED

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.

AMENDMENTS

Amended effective July 1, 2005 by the 22nd Special Session of the Nevada Legislature to include a fee for Exhibition Facilities. If paid annually, the fee is \$5,000. If paid quarterly, the fee is equal to the total number of businesses taking part in each exhibition at the facility who do not have a state business license, multiplied by the number of days on which the exhibition is held, multiplied by \$1.25.

MODIFIED BUSINESS TAX



FISCAL YEAR	GENERAL BUSINESS	FINANCIAL INSTITUTIONS	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
2003-04	\$ 146,161,812	\$ 15,487,677	\$ 161,649,489	N/A
2004-05	205,348,170	21,575,335	226,923,505	40.38%
2005-06	232,760,812	22,491,110	255,251,922	12.48%
2006-07	257,432,283	21,520,319	278,952,602	9.29%

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

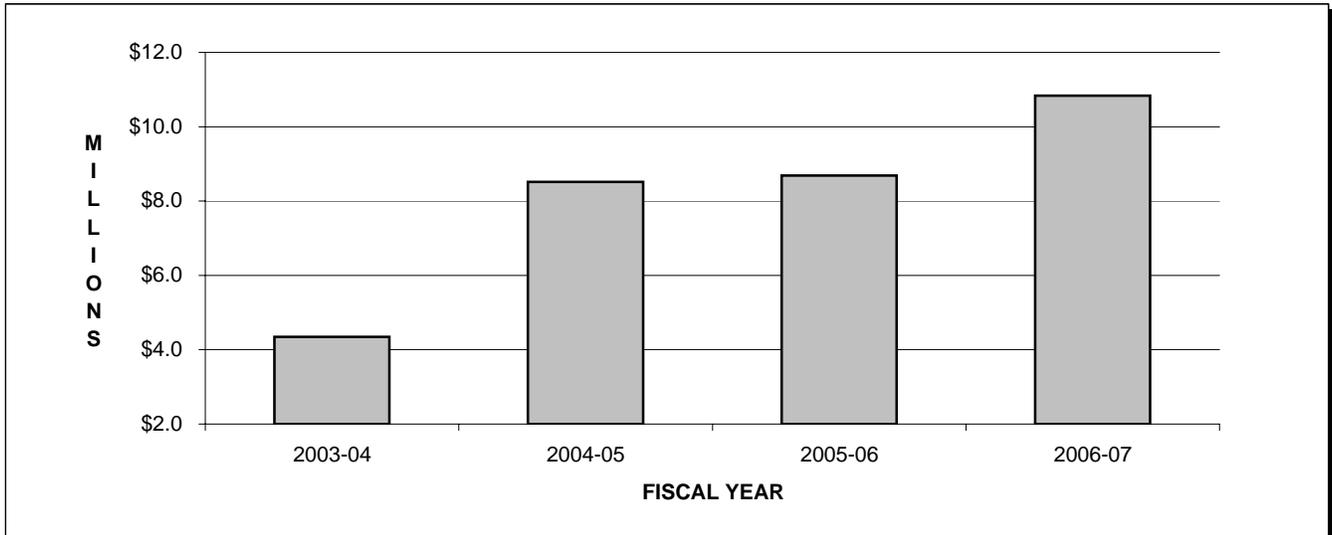
ORIGINALLY ENACTED

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.

AMENDMENTS

The 2003 Special Session of the State Legislature set the initial tax rate of 0.7% for general businesses, effective July 1, 2003 through June 30, 2004. The rate decreased to 0.65% effective July 1, 2004 through June 30, 2005. The rate for general businesses decreased to 0.63% effective July 1, 2005.

LIVE ENTERTAINMENT TAX



FISCAL YEAR	LESS THAN 7500 SEATS	7500 SEATS OR GREATER	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
2003-04	\$ 3,228,404	\$ 1,117,464	\$ 4,345,868	N/A
2004-05	6,594,521	1,921,511	8,516,031	95.96%
2005-06	6,459,681	2,229,182	8,688,864	2.03%
2006-07	7,950,521	2,887,905	10,838,426	24.74%

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

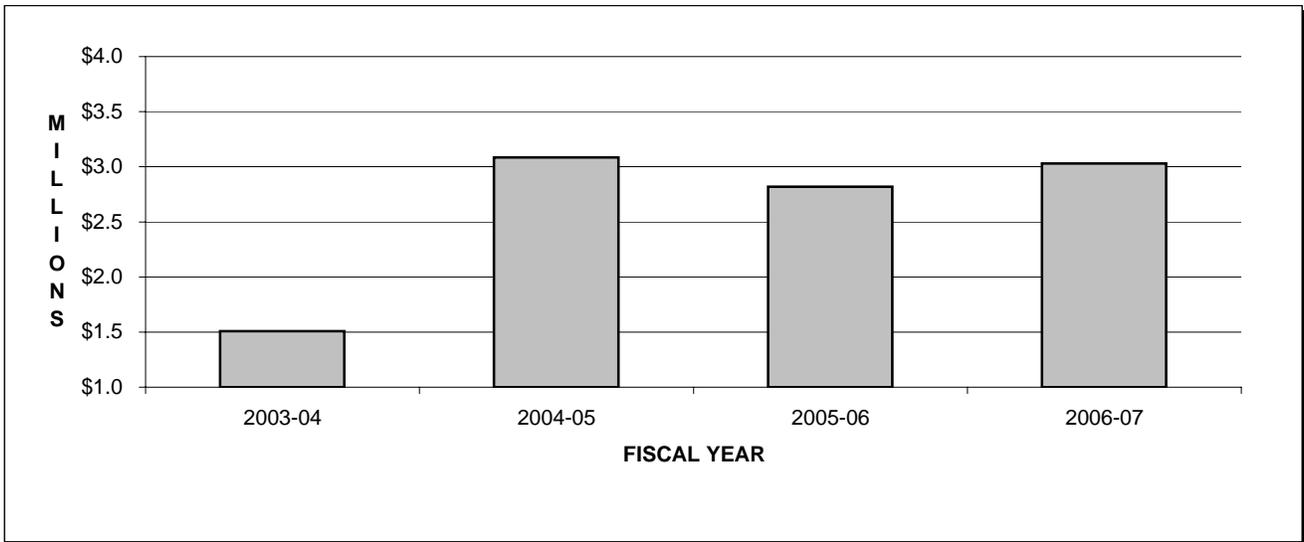
ORIGINALLY ENACTED

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

AMENDMENTS

Amended by the 2005 Session of the State Legislature to reduce the minimum occupancy to 200 seats.

BANK EXCISE TAX



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR FISCAL YEAR
2003-04	\$ 1,508,192	N/A
2004-05	3,084,456	104.51%
2005-06	2,819,210	-8.60%
2006-07	3,029,997	7.48%

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 REVENUE State General Fund.

HISTORY

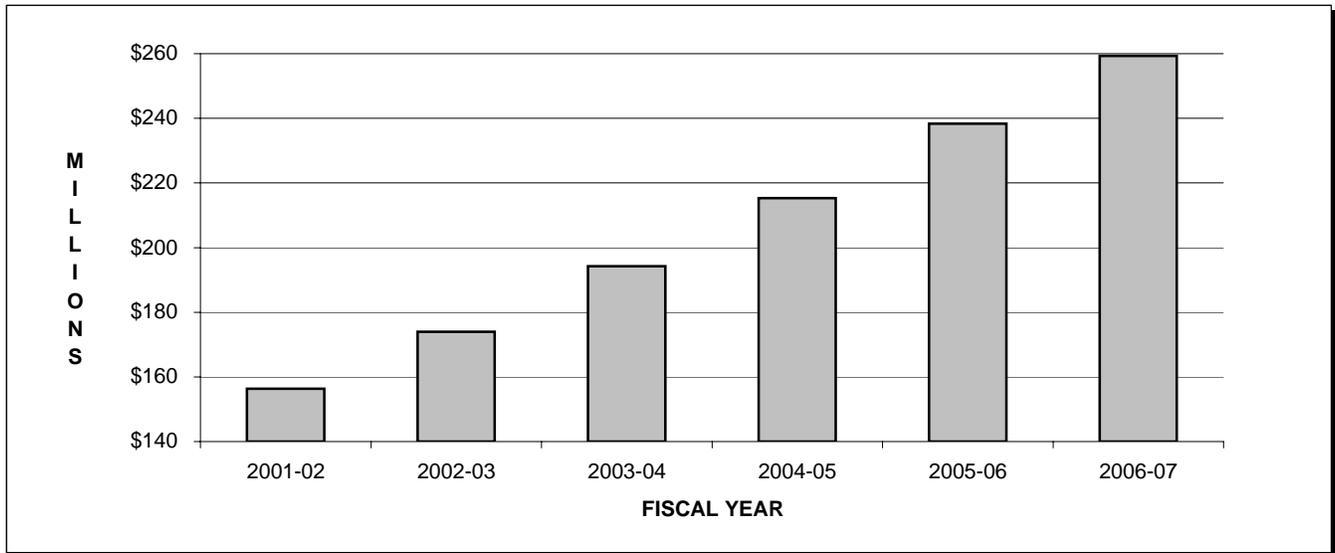
ORIGINALLY ENACTED

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

AMENDMENTS

2005 Special Session of the State Legislature amended the language to impose the tax on the number of branch offices in each county in excess of one branch per county.

INSURANCE PREMIUM TAX



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
2001-02	\$ 156,347,356	6.42%
2002-03	173,990,728	11.28%
2003-04	194,218,036	11.63%
2004-05	215,356,492	10.88%
2005-06	238,333,715	10.67%
2006-07	259,274,818	8.79%

LEGAL CITATION

Chapter 680B Nevada Revised Statutes.

IMPOSITION AND RATE

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

CURRENT DISTRIBUTION OF REVENUE

State General Fund.

HISTORY

ORIGINALLY ENACTED

1933 session of the State legislature.

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

Insurance Premium Tax (continued)

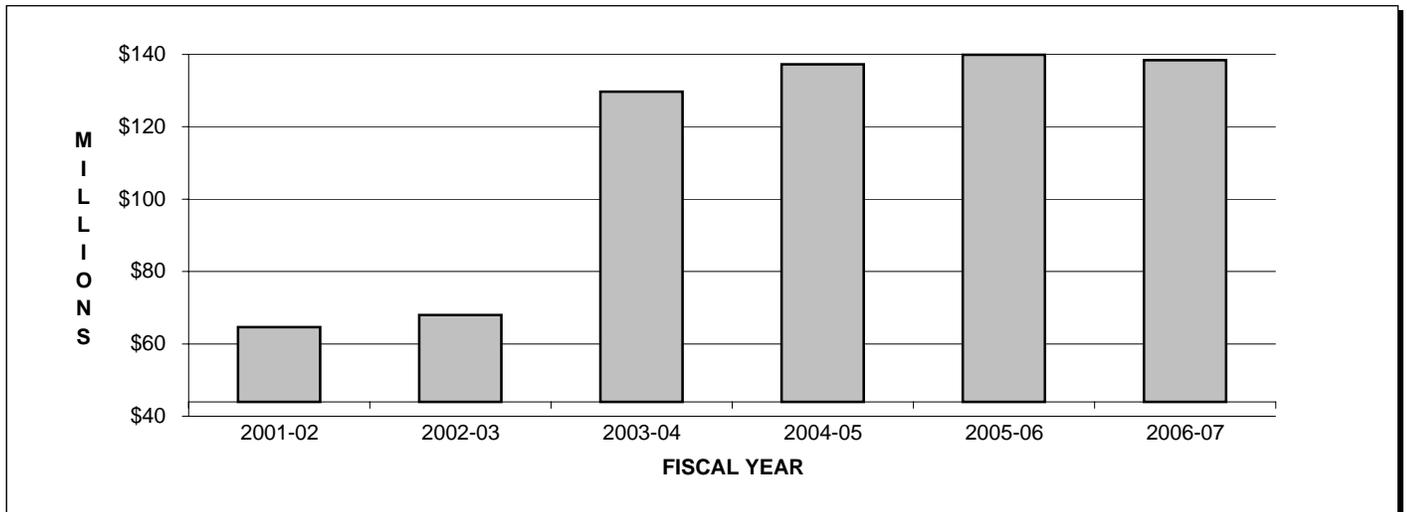
1995 Session of the State Legislature passed legislation requiring private insurers who are writing industrial insurance in this State to pay premium tax on those policies. The legislation also provided for a credit against premium taxes on industrial insurance policies in an amount equal to the assessment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

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

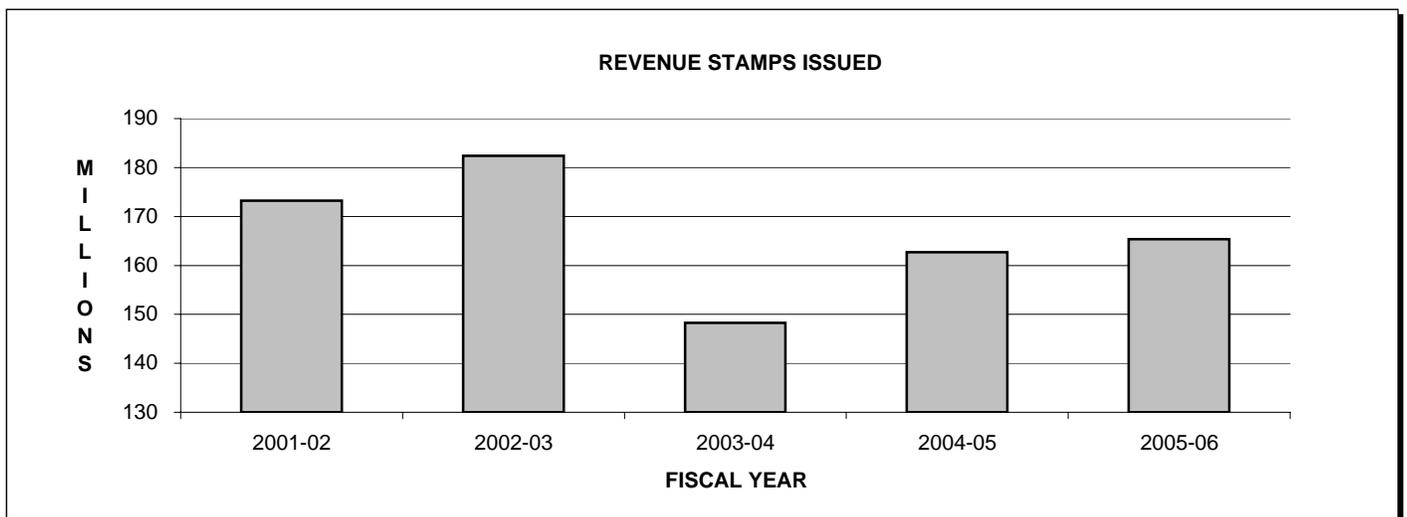
1999 Session of the State Legislature requires insurers to provide statements to insureds if the portion of premium is attributable to the general premium tax, fees or assessments, effective July 1, 2000.

2005 Session of the State Legislature lowered the tax rate for Risk Retention Groups from 3.5% to 2%, effective June 17, 2005.

CIGARETTE AND OTHER TOBACCO PRODUCTS TAX REVENUE



FISCAL YEAR	TAX	OTHER TOBACCO PRODUCTS	LICENSES	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
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%
2004-05	129,668,815	7,557,607	14,225	137,240,648	5.83%
2005-06	131,761,988	8,178,593	13,358	139,953,938	1.98%
2006-07	129,532,491	8,841,781	11,588	138,385,860	-1.12%



FISCAL YEAR	REVENUE STAMPS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	REVENUE STAMPS	% CHANGE FROM PRIOR YEAR
2001-02	173,235,750	-4.23%	2004-05	162,707,400	9.73%
2002-03	182,399,100	5.29%	2005-06	165,343,500	1.62%
2003-04	148,277,400	-18.71%	2006-07	162,454,182	-1.75%

NOTE: Revenue stamps represent the 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.

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; July 22, 2003, 40 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 2000-01	37,875,000	FY 2003-04	28,995,000
FY 2001-02	33,870,000	FY 2004-05	24,705,000
FY 2002-03	33,915,000	FY 2005-06	26,535,000

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

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

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

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

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

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

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

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

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

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

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

Cigarette and Other Tobacco Products Tax Revenue (continued)

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.

2005 Assembly Bill 436, effective October 1, 2005, requires the Department to maintain a listing of tobacco products that may be sold in the state of Nevada on the Department's internet website by January 1, 2006; prohibits a person from affixing a stamp to a package of cigarettes of a manufacturer of tobacco products or brand family which is not included in the directory; and prohibits the sale, offer or possession for sale, cigarettes of a manufacturer of tobacco products or brand family not included in the directory.

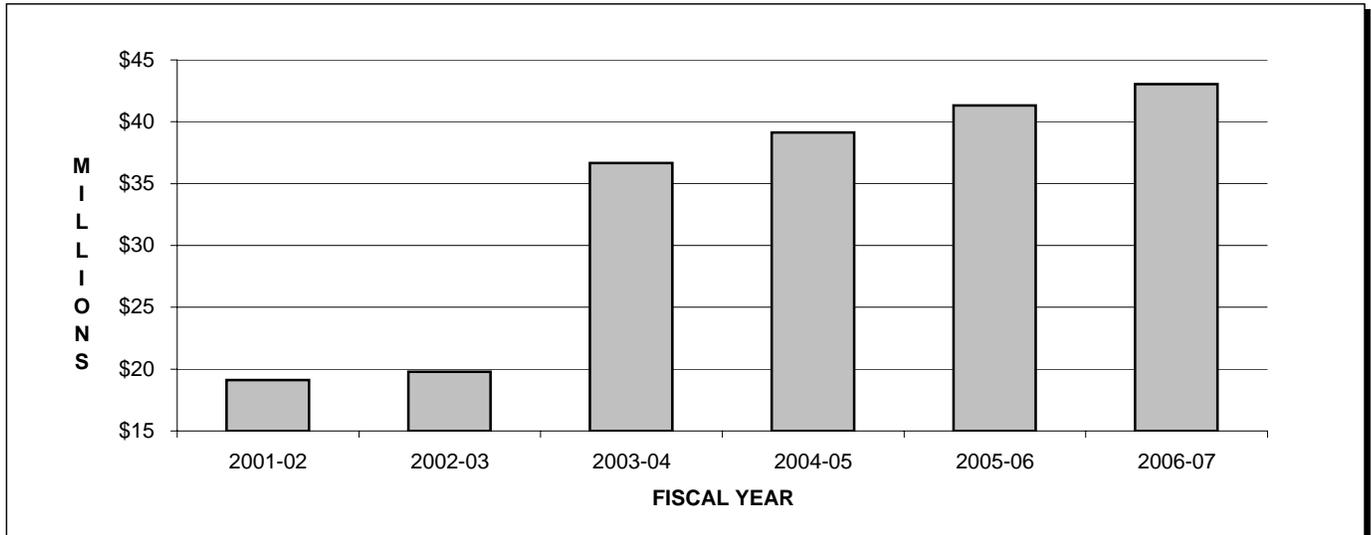
Assembly Bill 464, effective June 10, 2005, adds new licensing requirements for manufacturers and retailers of tobacco products; adds licensing and reporting requirements for anyone selling tobacco products into Nevada; prohibits a person, other than a wholesale dealer, from receiving unstamped cigarette packages; and provides various felony charges for certain violations of the tobacco tax laws.

Cigarette and Other Tobacco Products Tax Revenue (continued)

TRANSFER OF CIGARETTE TAX REVENUE
TO CONSOLIDATED TAX
FISCAL YEAR 2006-07

COUNTY	TAX	% OF TOTAL
Carson City	\$ 354,884	0.26%
Churchill	165,753	0.12%
Clark	11,226,808	8.11%
Douglas	312,605	0.23%
Elko	296,002	0.21%
Esmeralda	7,901	0.01%
Eureka	9,186	0.01%
Humboldt	107,763	0.08%
Lander	34,330	0.02%
Lincoln	24,214	0.02%
Lyon	308,558	0.22%
Mineral	28,475	0.02%
Nye	259,903	0.19%
Pershing	42,019	0.03%
Storey	24,992	0.02%
Washoe	2,474,788	1.79%
White Pine	57,820	0.04%
TOTAL COUNTY TRANSFER	\$ 15,736,000	11.37%
Administrative Fees	428,721	0.31%
Refunds	293,778	0.21%
State General Fund	113,085,579	81.72%
Other Tobacco Products (General Fund)	8,841,781	6.39%
TOTAL	\$ 138,385,860	100.00%

LIQUOR TAX REVENUE



FISCAL YEAR	TAX	LICENSES	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
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%
2004-05	39,020,195	114,513	39,134,707	6.72%
2005-06	41,190,145	120,305	41,310,450	5.56%
2006-07	42,904,833	139,636	43,044,469	4.20%

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
- 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)

2005 Assembly Bill 221, effective June 10, 2005, adds rectifiers to the definition of a supplier.

Senate Bill 233, effective June 10, 2005, creates licensing requirements for Instructional Wine Making Facilities; limits the amount of wine produced per person to 60 gallons in a 12 month period; wine produced on the premises can only be used for household or personal use; and exempts Instructional Wine Making Facilities from the liquor excise tax.

Senate Bill 457, effective June 17, 2005, revised provisions governing the storage and transfer of liquor between certain retail liquor stores; authorizes a wholesale dealer, supplier, retailer or retail liquor dealer to bring a civil action for certain violations relating to intoxicating liquor; requires sellers, servers and security personnel employed at an establishment where alcoholic beverages are sold to complete alcohol awareness training; and requires the Department of Taxation to impose administrative fines upon the owners or operators of certain establishments for violations relating to alcohol awareness training cards.

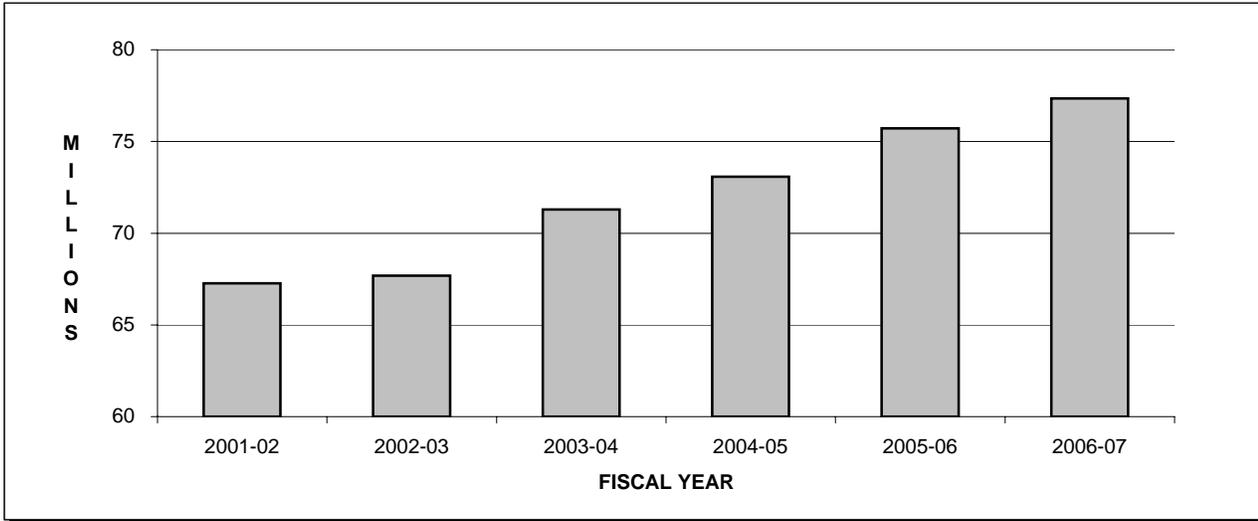
Liquor Tax Revenue (continued)

TRANSFER OF LIQUOR TAX REVENUE
TO CONSOLIDATED TAX
FISCAL YEAR 2006-07

COUNTY	TAX	% OF TOTAL
Carson City	\$ 71,479	0.17%
Churchill	33,397	0.08%
Clark	2,262,693	5.26%
Douglas	62,991	0.15%
Elko	59,625	0.14%
Esmeralda	1,591	0.00%
Eureka	1,849	0.00%
Humboldt	21,712	0.05%
Lander	6,917	0.02%
Lincoln	4,879	0.01%
Lyon	62,261	0.14%
Mineral	5,729	0.01%
Nye	52,422	0.12%
Pershing	8,467	0.02%
Storey	5,035	0.01%
Washoe	498,656	1.16%
White Pine	11,650	0.03%
TOTAL COUNTY TRANSFER	\$ 3,171,352	7.37%
Alcohol and Drug Abuse Account	38,921,711	90.42%
State General Fund	951,406	2.21%
TOTAL	\$ 43,044,469	100.00%

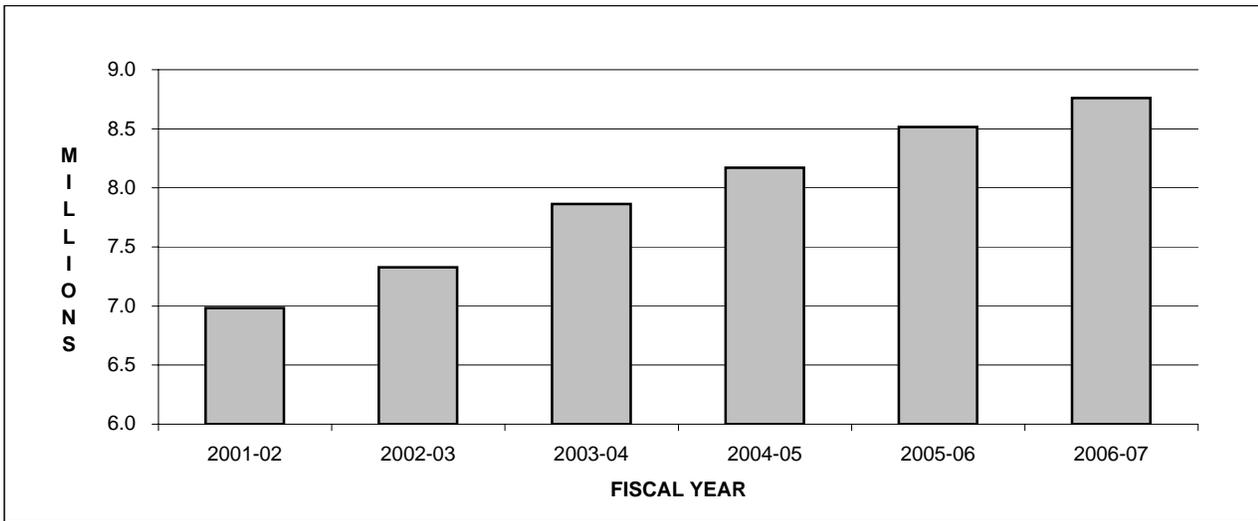
ALCOHOLIC BEVERAGE GROWTH

BEER - GALLONS



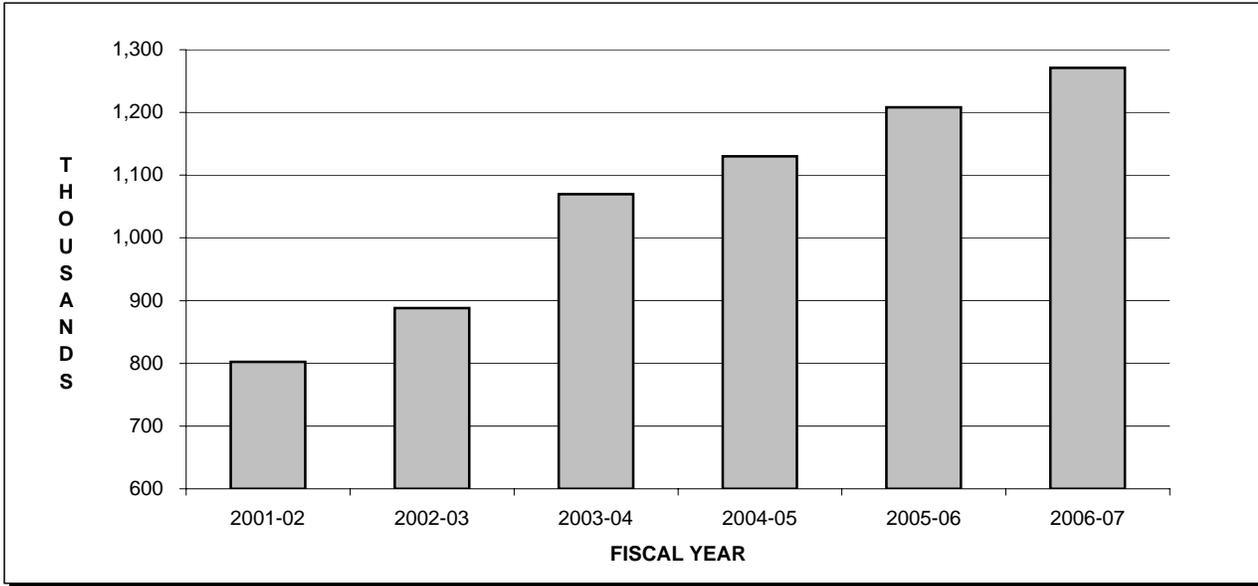
FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR
2001-02	67,260,904	3.51%	2004-05	73,075,697	2.51%
2002-03	67,679,367	0.62%	2005-06	75,718,958	3.62%
2003-04	71,284,786	5.33%	2006-07	77,348,980	2.15%

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



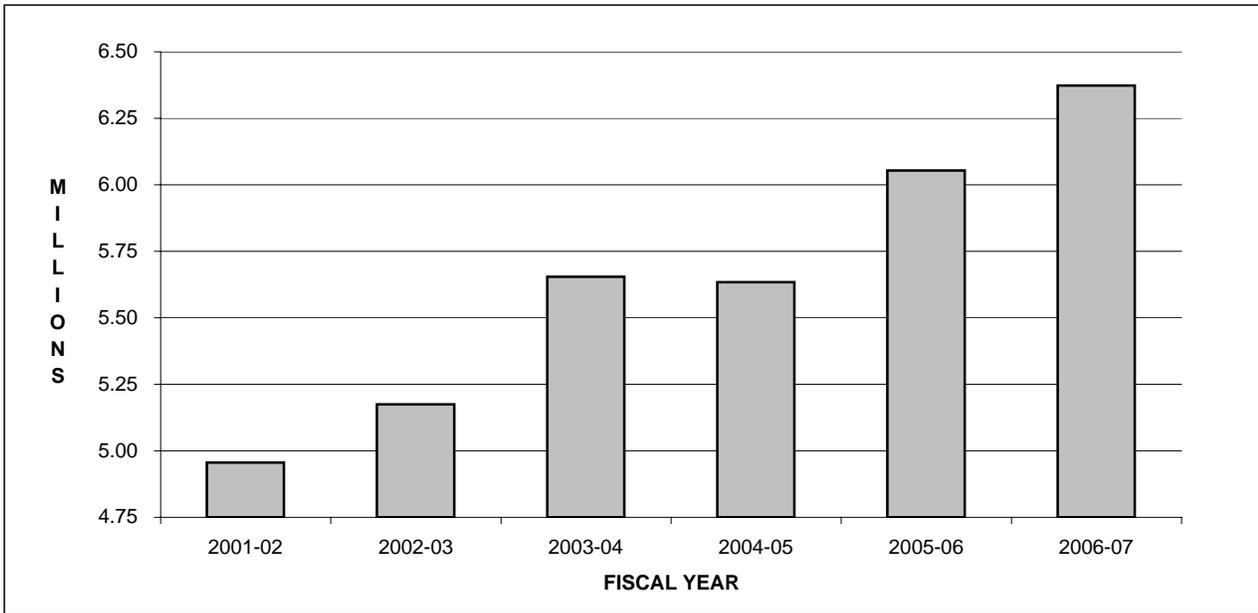
FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR
2001-02	6,984,115	1.04%	2004-05	8,169,837	3.91%
2002-03	7,328,539	4.93%	2005-06	8,516,246	4.24%
2003-04	7,862,597	7.29%	2006-07	8,761,174	2.88%

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



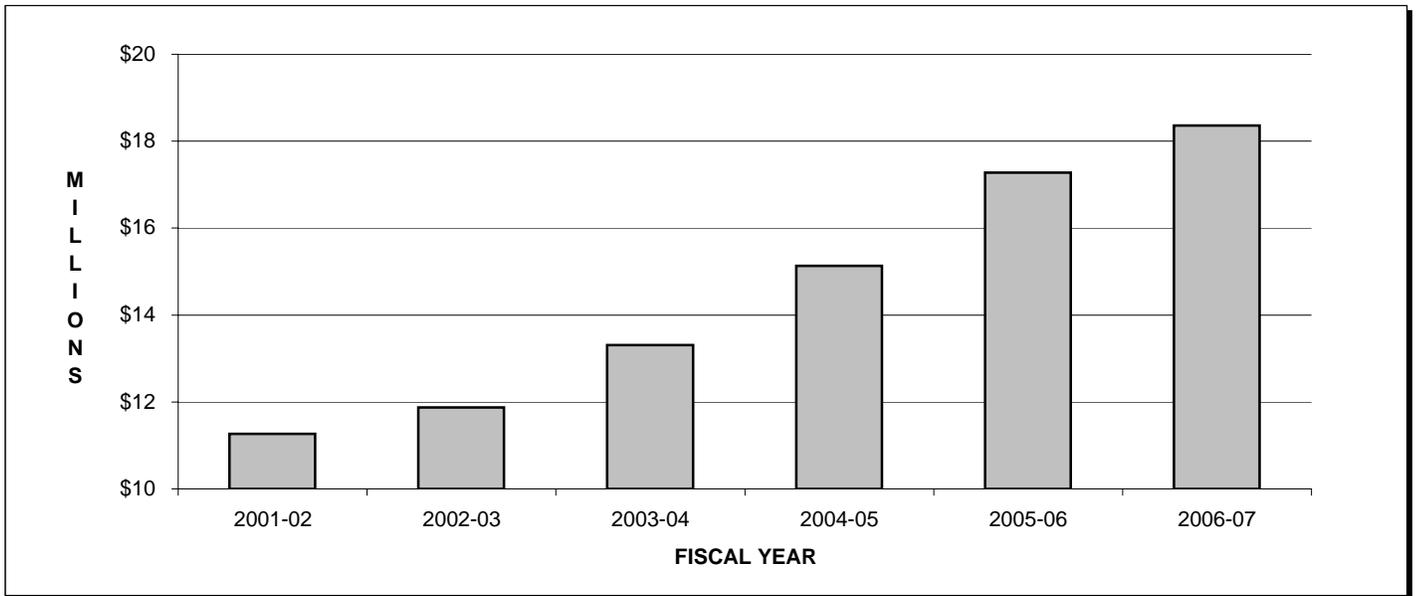
FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR
2001-02	802,531	4.56%	2004-05	1,129,927	5.65%
2002-03	887,933	10.64%	2005-06	1,207,998	6.91%
2003-04	1,069,464	20.44%	2006-07	1,271,165	5.23%

ALCOHOLIC BEVERAGES OVER 22% BY VOLUME - GALLONS



FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	GALLONS	% CHANGE FROM PRIOR YEAR
2001-02	4,956,285	-0.22%	2004-05	5,633,972	-0.35%
2002-03	5,174,300	4.40%	2005-06	6,053,519	7.45%
2003-04	5,653,811	9.27%	2006-07	6,373,631	5.29%

LODGING TAX



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
2001-02	\$ 11,268,582	-13.66%	2004-05	\$ 15,134,104	13.74%
2002-03	11,875,153	5.38%	2005-06	17,279,556	14.18%
2003-04	13,305,505	12.04%	2006-07	18,363,565	6.27%

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.

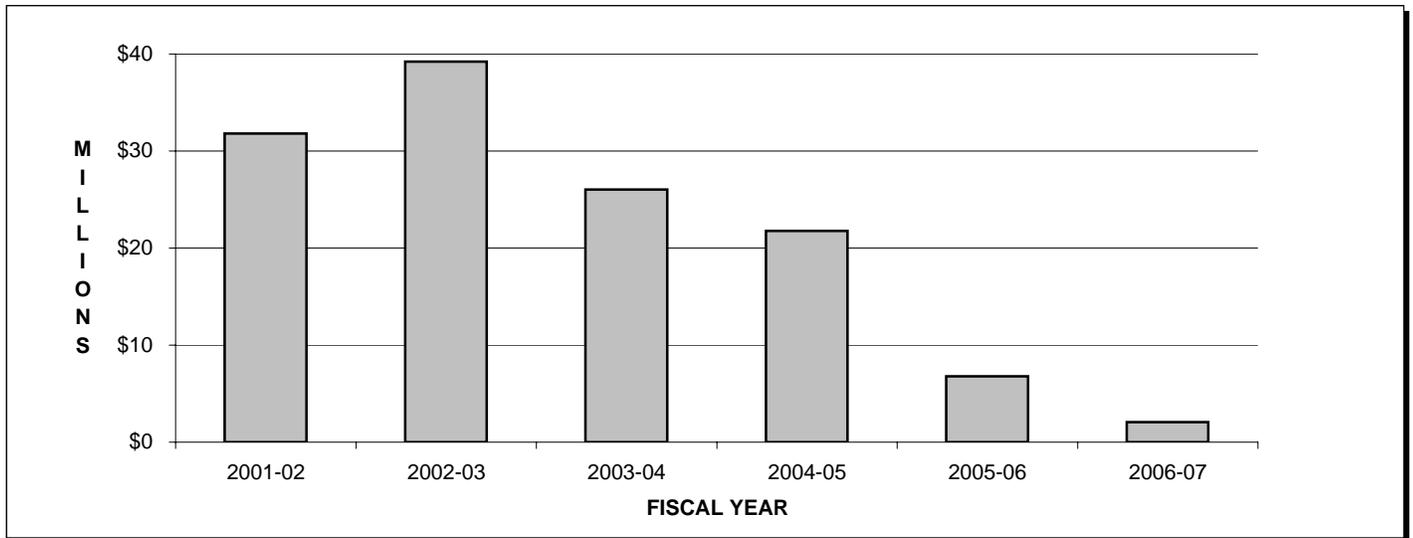
CURRENT DISTRIBUTION OF REVENUE

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
2001-02	\$ 31,794,795	-24.53%	2004-05	\$ 21,774,432	-16.31%
2002-03	39,203,340	23.30%	2005-06	6,795,409	-68.79%
2003-04	26,018,237	-33.63%	2006-07	2,063,308	-69.64%

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)

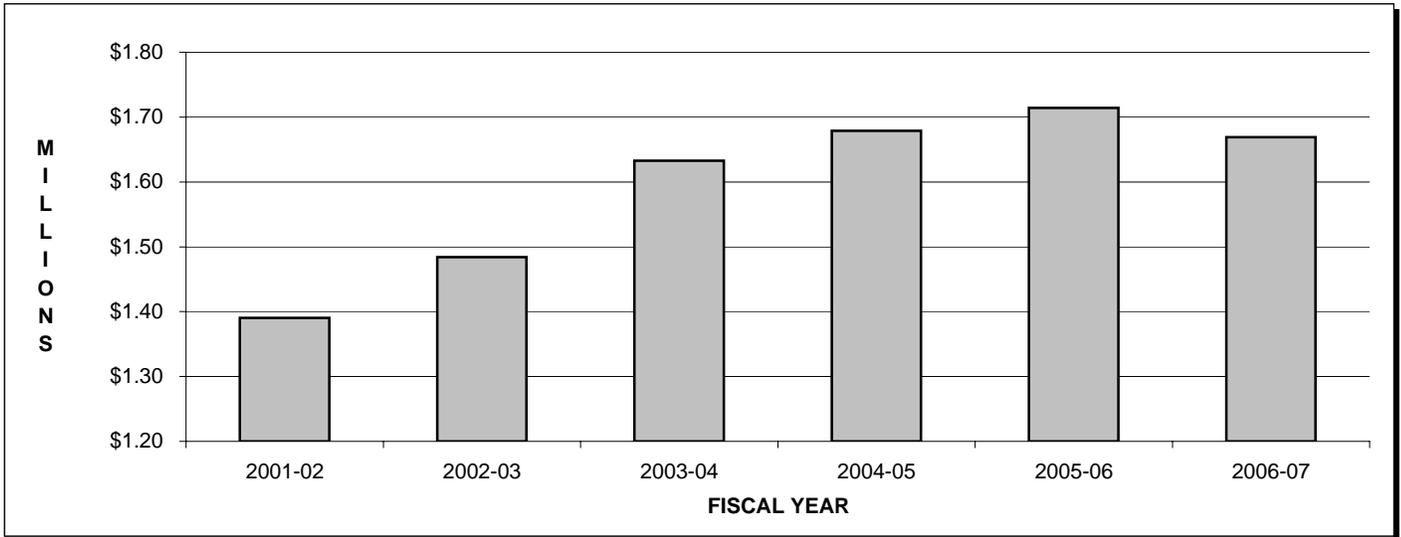
DISTRIBUTION OF ESTATE TAX REVENUE
FISCAL YEAR 2006-07

Department of Taxation administrative costs	\$	-
Reserve for refunds		1,304,651
Department of Education: Trust Fund for the Education of Pupils		379,328
University of Nevada System Endowment Fund		379,328
TOTAL	\$	<u>2,063,308</u>

ESTATE TAX RESERVE FOR REFUNDS

Beginning balance brought forward July 1, 2006	\$	561,985
Estate tax receipts - Reserve for refunds Fiscal Year 2007		1,304,651
Balance available	\$	<u>1,866,637</u>
Less: Refunds issued Fiscal Year 2007		775,977
Ending Balance at June 30, 2007	\$	<u>1,090,660</u>

TIRE TAX



FISCAL YEAR	TOTAL COLLECTIONS	% CHANGE FROM PRIOR YEAR
2001-02	\$ 1,390,414	-0.49%
2002-03	1,483,883	6.72%
2003-04	1,632,492	10.01%
2004-05	1,678,740	2.83%
2005-06	1,714,345	2.12%
2006-07	1,669,148	-2.64%

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

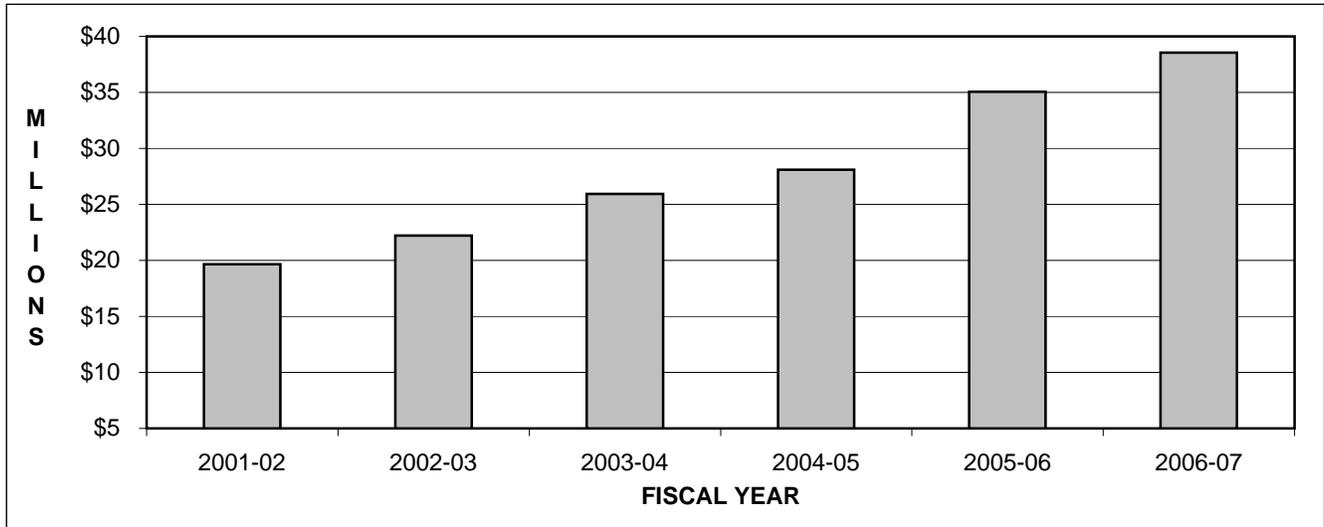
ORIGINALLY ENACTED

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	% CHANGE FROM PRIOR YEAR
2001-02	\$ 19,662,998	137.24%
2002-03	22,208,165	12.94%
2003-04	25,925,323	16.74%
2004-05	28,091,131	8.35%
2005-06	35,059,703	24.81%
2006-07	38,563,347	9.99%

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.

Effective April 1, 2004 Washoe County imposed a fee at the rate of 2% of lease charges with 0.25% of that amount going to the Department of Taxation for Collection allowance.

Effective July 1, 2005 Clark County imposed a fee at the rate of 2% of lease charges with 0.10% of that amount going to the Department of Taxation for Collection allowance.

CURRENT DISTRIBUTION OF REVENUE

State General Fund, Washoe County and Clark County.

HISTORY

ORIGINALLY ENACTED

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

AMENDMENTS

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

Government Services Fee (continued)

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

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

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>CLARK COUNTY</u>	<u>COLLECTION ALLOWANCE</u>	<u>TOTAL COLLECTIONS</u>
2003-04	\$ 25,638,556	\$ 286,050	\$ -	\$ 717	\$ 25,925,323
2004-05	26,793,014	1,294,872	-	3,245	28,091,131
2005-06	26,659,737	1,370,907	7,018,598	10,461	35,059,703
2006-07	29,806,850	1,367,665	7,378,019	10,813	38,563,347

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, NV and consists of four (4) 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 331 interstate or intercounty properties owned by airlines, railroads, telecommunications, electric power, gas pipeline, private carlines and water companies are valued by the Centrally Assessed Properties Section. The companies valued generate 392 assessments including secured, unsecured and PET 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 57 secured mining property valuations and 120 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 97 net proceeds operators and 379 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 265 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. White Pine County was declared to be in a severe financial emergency, and the Department took over the management of the county as of June 27, 2005.

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) and prepares special studies in accordance with the Nevada Tax Commission's instructions.

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). The Department provides guidance in the implementation of the property tax abatement program adopted by the Nevada State Legislature in 2005.

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 Real Property Transfer Tax Section, providing oversight, compliance, and audit services to the offices of county recorders.

The section monitors appeals of the real property transfer tax in local jurisdictions and reviews district attorney opinions for congruity and compliance with NRS 375 and NAC 375. In addition, the section discovers, researches, and distributes information to the county recorders with regard to applying exemptions and requirements for supporting documentation.

The section audits all counties to insure the tax is collected fairly and equitably with all claims for exemption in compliance with statute pursuant to NRS 375.090. The audit consists of on-site inspections, individual interviews with the recorder and treasurer of the subject county, and review of deeds, declarations of value, other corporate, estate planning, and legal, title documents, to determine whether the transfer of real property was a taxable event or not.

Based on the results of the on-site inspections, interviews, and questionnaire responses, the staff makes recommendations, if any, on issues relating to the collection and distribution of the tax. Any adjustments, with regard to the under or over payment of taxes, are brought to the Recorder's attention for correction. The Department follows up to ensure corrections are accomplished.

The Real Property Transfer Tax Section also monitors all statutory NRS 375.023 and NRS 375.070 remittances, and reconciles the remittances to the mandated NAC 375.400 reporting from the county recorder reports.

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

- * The State 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 Nevada Tax Commission.
- * 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

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

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

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

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

NUMBER OF CERTIFIED APPRAISERS - JUNE 2007				
JURISDICTIONS	REAL PROPERTY	PERSONAL PROPERTY	REAL AND PERSONAL PROPERTY	TEMPORARY CERTIFICATIONS
Department of Taxation	1	0	11	3
Carson City	2	1	2	1
Churchill	4	2	0	1
Clark	5	2	53	3
Douglas	0	0	6	0
Elko	3	1	3	2
Esmeralda	0	0	1	1
Eureka	2	1	0	1
Humboldt	4	1	0	0
Lander	0	0	1	1
Lincoln	0	0	1	0
Lyon	6	0	3	0
Mineral	1	0	1	0
Nye	3	0	4	1
Pershing	2	0	0	0
Storey	1	1	1	0
Washoe	3	1	30	0
White Pine	3	0	0	1
Independent Contractors	0	0	0	0
TOTAL	40	10	117	15

STATE BOARD OF EQUALIZATION
2006-07 SUMMARY OF TRANSACTIONS* - SECURED PROPERTY VALUATIONS

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.

Number of Appeals	COUNTY	Adjustments to Assessed Value on Tax Roll		
		Increased	Decreased	Net Impact
-	Carson City	-	-	-
-	Churchill	-	-	-
80	Clark	\$105,929,728	\$71,164,628	\$ 34,765,099
1	Douglas	-	-	-
-	Elko	-	-	-
-	Esmeralda	-	-	-
-	Eureka	-	-	-
-	Humboldt	-	-	-
-	Lander	-	-	-
-	Lincoln	-	-	-
1	Lyon	-	-	-
-	Mineral	-	-	-
-	Nye	-	-	-
-	Pershing	-	-	-
-	Storey	-	-	-
377	Washoe	973,463	33,741,530	(32,768,067)
-	White Pine	-	-	-
459	TOTALS	\$ 106,903,190	\$ 104,906,158	\$ 1,997,032
1	CA Unitary**	-	-	-
460	GRAND TOTAL	\$ 106,903,190	\$ 104,906,158	\$ 1,997,032

Note: The principal difference between Secured and Unsecured tax rolls is related to the levy of the tax.

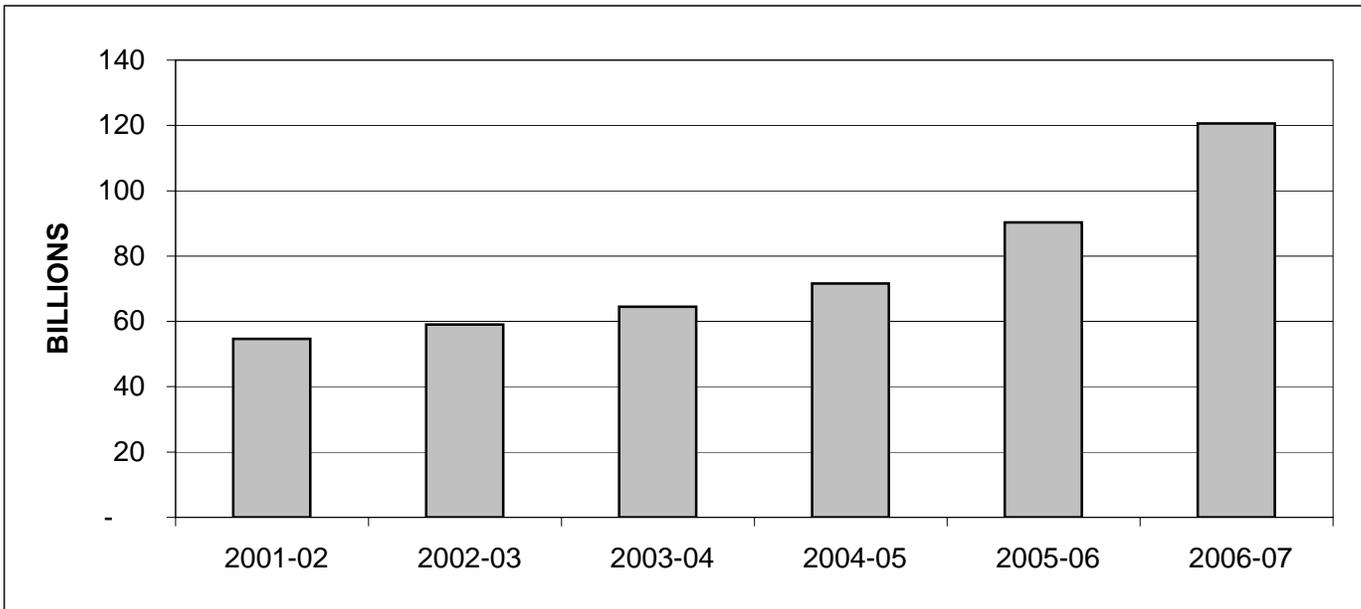
Pursuant to NRS 361.450, every tax levied is a perpetual lien against the property assessed until the tax and any penalty charges and interest which may accrue are paid. The lien attaches on July 1 each year, upon all [real] property within the county.

**STATE BOARD OF EQUALIZATION
2006-07 SUMMARY OF TRANSACTIONS* - UNSECURED PROPERTY VALUATIONS**

Number of Appeals	COUNTY	Adjustments to Assessed Value on Tax Roll		
		Increased	Decreased	Net Impact
-	Carson City	-	-	-
-	Churchill	-	-	-
8	Clark	\$ 316,533	\$ 1,753,054	\$ (1,436,520)
-	Douglas	-	-	-
-	Elko	-	-	-
-	Esmeralda	-	-	-
-	Eureka	-	-	-
-	Humboldt	-	-	-
-	Lander	-	-	-
-	Lincoln	-	-	-
-	Lyon	-	-	-
1	Mineral	13,704,521	-	13,704,521
-	Nye	-	-	-
-	Pershing	-	-	-
1	Storey	-	-	-
30	Washoe	-	51,377	(51,377)
-	White Pine	-	-	-
40	TOTALS	\$ 14,021,055	\$ 1,804,431	\$ 12,216,623
6	<i>CA Unitary</i>	-	175,201,000	
4	<i>CA Net Proceeds</i>	5,137	-	
50	GRAND TOTAL	\$ 14,026,192	\$ 177,005,431	\$ 12,216,623

ASSESSED VALUATIONS

TOTAL NET ASSESSED VALUATION STATEWIDE



FISCAL YEAR	VALUATION	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	VALUATION	% CHANGE FROM PRIOR YEAR
2001-02	\$ 54,685,453,506	6.87%	2004-05	\$ 71,640,934,393	11.08%
2002-03	59,062,746,303	8.00%	2005-06	90,334,503,081	26.09%
2003-04	64,490,999,135	9.19%	2006-07	120,626,982,542	33.53%

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 PROPERTY CLASSES BEFORE EXEMPTIONS

	2005-06 VALUATION	PERCENT OF TOTAL VALUATION	2006-07 VALUATION	PERCENT OF TOTAL VALUATION
* RURAL LANDS	\$ 100,777,877	0.095%	\$ 104,870,620	0.073%
RURAL LANDS - IMPROVEMENTS	105,216,404	0.099%	118,417,653	0.082%
FARM EQUIPMENT & MACHINERY	23,394,575	0.022%	26,876,412	0.019%
URBAN PROPERTY - LAND	53,202,087,805	49.927%	81,918,034,386	56.841%
URBAN PROPERTY-IMPROVEMENTS	46,812,468,518	43.930%	54,665,392,269	37.931%
OTHER PERSONAL PROPERTY	1,114,572,592	1.046%	1,227,380,810	0.852%
PUBLIC UTILITIES	2,728,872,437	2.561%	2,912,527,978	2.021%
AIRPLANES	233,846,300	0.219%	326,327,390	0.226%
BILLBOARDS	19,929,894	0.019%	22,887,394	0.016%
OPEN SPACE	516,450	0.000%	10,658,006	0.007%
MILL & MINE IMPROVEMENTS	633,042,107	0.594%	822,610,580	0.571%
MINING EQUIPMENT & MACHINERY	401,329,806	0.377%	411,623,850	0.286%
MOBILE HOMES	266,346,505	0.250%	269,337,786	0.187%
NET PROCEEDS OF MINES	853,542,044	0.801%	1,222,283,793	0.848%
PATENTED MINE CLAIMS	60,971,710	0.057%	53,375,958	0.037%
OIL & GAS LEASES	3,571,372	0.003%	5,246,418	0.004%
TOTAL	\$ 106,560,486,397	100.000%	\$ 144,117,851,303	100.000%

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

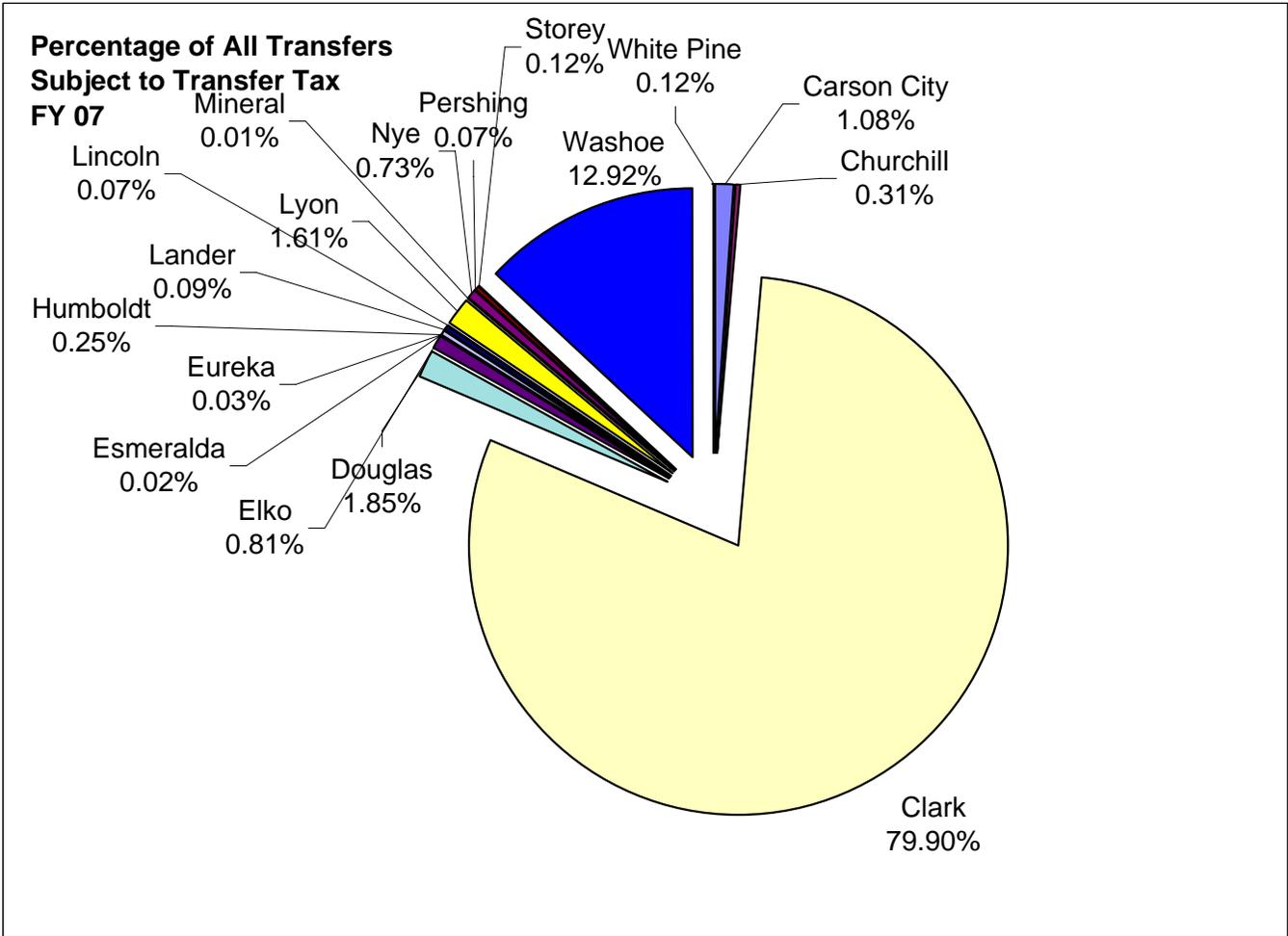
ASSESSED VALUATION BY COUNTIES AFTER EXEMPTIONS

COUNTY	FISCAL YEAR 2005-06	FISCAL YEAR 2006-07	CHANGE	PERCENT CHANGE
CARSON CITY	\$ 1,239,748,256	\$ 1,477,730,862	\$ 237,982,606	19.20%
CHURCHILL	479,441,786	574,222,847	94,781,061	19.77%
CLARK	68,134,680,893	94,604,027,797	26,469,346,903	38.85%
DOUGLAS	2,493,618,189	3,138,840,533	645,222,344	25.87%
ELKO	998,507,355	1,003,523,976	5,016,620	0.50%
ESMERALDA	37,682,340	44,162,576	6,480,236	17.20%
EUREKA	572,249,921	806,597,208	234,347,287	40.95%
HUMBOLDT	526,567,834	603,136,725	76,568,891	14.54%
LANDER (2)(3)(4)(5)	338,960,543	195,494,903	(143,465,640)	-42.33%
LINCOLN	111,095,164	162,760,010	51,664,845	46.51%
LYON	1,084,364,904	1,378,766,353	294,401,448	27.15%
MINERAL (2)(3)(4)(5)	87,888,516	78,377,630	(9,510,887)	-10.82%
NYE	1,195,941,781	1,452,122,024	256,180,243	21.42%
PERSHING	144,884,717	180,972,768	36,088,050	24.91%
STOREY	233,115,082	346,980,740	113,865,658	48.85%
WASHOE	12,480,923,076	14,169,770,936	1,688,847,860	13.53%
WHITE PINE	174,832,723	409,494,656	234,661,933	134.22%
TOTAL	\$ 90,334,503,081	\$ 120,626,982,542	\$ 30,292,479,461	33.53%

The above totals may not reflect final 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 - 375.026 Nevada Revised Statutes.

IMPOSITION AND RATE

\$1.95 on each \$500 of value, or fraction thereof, on transfer of real property.

CURRENT DISTRIBUTION OF REVENUE

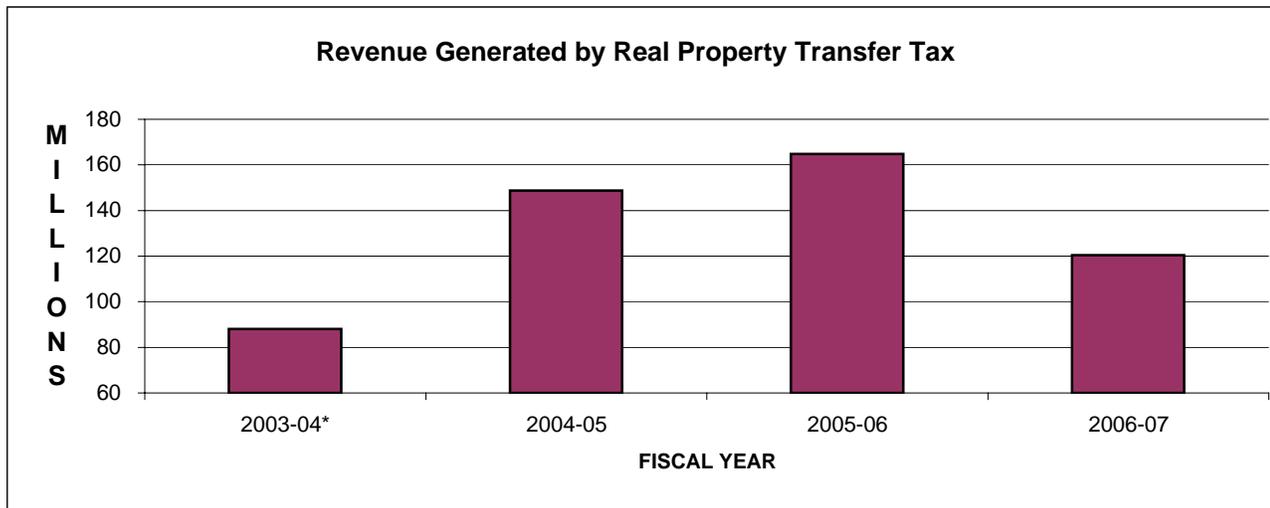
\$1.30 to the State General Fund, \$0.55 to Consolidated Tax, and \$0.10 to the Account for Low Income Housing.

HISTORY

ORIGINALLY ENACTED

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

Real Property Transfer Tax (continued)



Fiscal Year	Collections	% Change from Prior Year
2003-04*	\$ 88,027,661	N/A
2004-05	\$ 148,730,974	68.96%
2005-06	\$ 164,841,506	10.83%
2006-07	\$ 120,374,961	-26.98%

* 3 quarters of data only

**General Fund Collected for Each Quarter
FISCAL YEAR 2007**

	July - Sept 06 <u>1st Quarter</u> General Fund	Oct - Dec 06 <u>2nd Quarter</u> General Fund	Jan - Mar 07 <u>3rd Quarter</u> General Fund	April - June 07 <u>4th Quarter</u> General Fund
Carson City	\$ 353,666	\$ 251,024	\$ 314,517	\$ 296,996
Churchill	101,824	87,113	81,827	86,893
Clark	26,134,279	25,447,694	22,664,486	22,780,498
Douglas	606,016	505,042	499,316	433,541
Elko	264,655	257,534	176,834	196,266
Esmeralda	8,073	6,763	6,533	3,847
Eureka	8,194	11,683	5,673	5,601
Humboldt	81,347	59,436	77,202	61,156
Lander	28,851	23,479	13,680	19,723
Lincoln	22,678	51,342	10,189	14,250
Lyon	526,120	359,167	294,386	325,476
Mineral	4,538	13,273	12,095	8,360
Nye	239,837	334,372	304,178	301,694
Pershing	23,919	17,866	11,731	14,472
Storey	39,223	83,585	80,210	45,109
Washoe	4,225,846	3,392,624	3,300,838	4,230,294
White Pine	40,172	23,947	26,018	35,885
TOTAL FOR QUARTER	<u>\$ 32,709,240</u>	<u>\$ 30,925,946</u>	<u>\$ 27,879,713</u>	<u>\$ 28,860,062</u>
TOTAL FOR YEAR	<u>\$ 32,709,240</u>	<u>\$ 63,635,186</u>	<u>\$ 91,514,899</u>	<u>\$ 120,374,961</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.

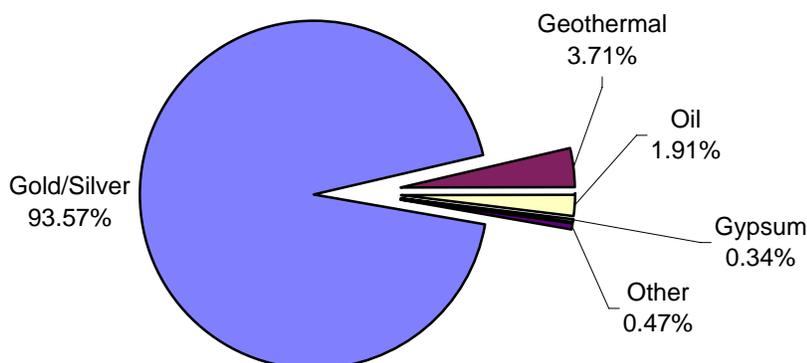
The tax rate on the net proceeds of each operation depends on the ratio of the net proceeds to the gross proceeds as provided in NRS 362.140. The maximum tax rate is five percent, applied to net proceeds in excess of \$4,000,000 annually and to all royalties. The Department certifies and bills the net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

Percent of Total Gross Proceeds by Mineral Type

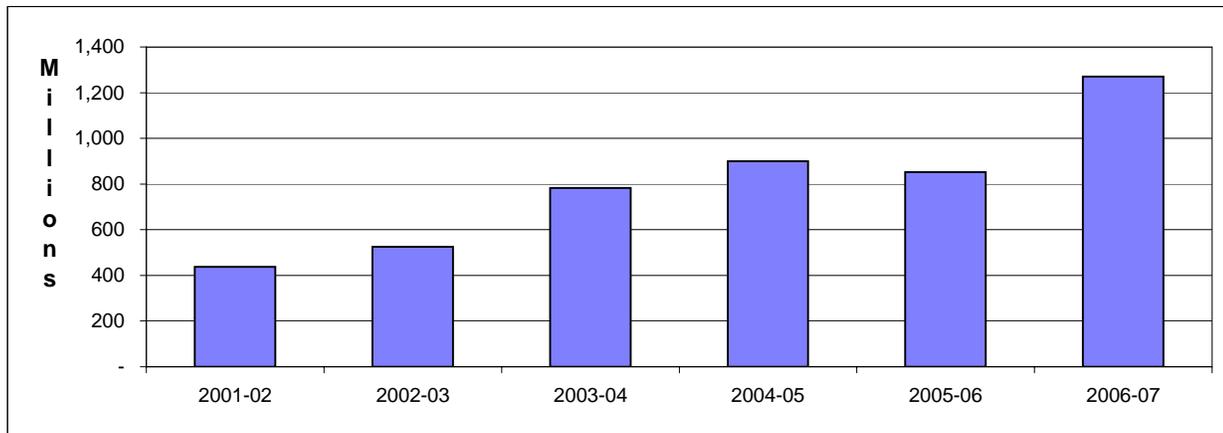
Mineral Type	Percent of Total Gross Proceeds 2003-2004	Percent of Total Gross Proceeds 2004-2005	Percent of Total Gross Proceeds 2005-2006	Percent of Total Gross Proceeds 2006-2007
Gold/Silver	94.18%	92.18%	93.81%	93.57%
Geothermal	0.62%	2.37%	1.27%	1.91%
Oil	0.42%	0.45%	0.53%	0.47%
Gypsum	0.52%	0.46%	0.35%	0.34%
Other	4.26%	4.54%	4.04%	3.71%
	100.00%	100.00%	100.00%	100.00%

Other includes: Building Stone, Clay, Dolomite, Feldspar, Gemstones, Salt, and other miscellaneous minerals.

Percent of Gross Proceeds 2006-2007



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
2001-02	438,013,468	-27.16%	2004-05	899,946,917	14.91%
2002-03	524,535,480	19.75%	2005-06	853,038,767	-5.21%
2003-04	783,208,831	49.31%	2006-07	1,270,839,999	48.98%

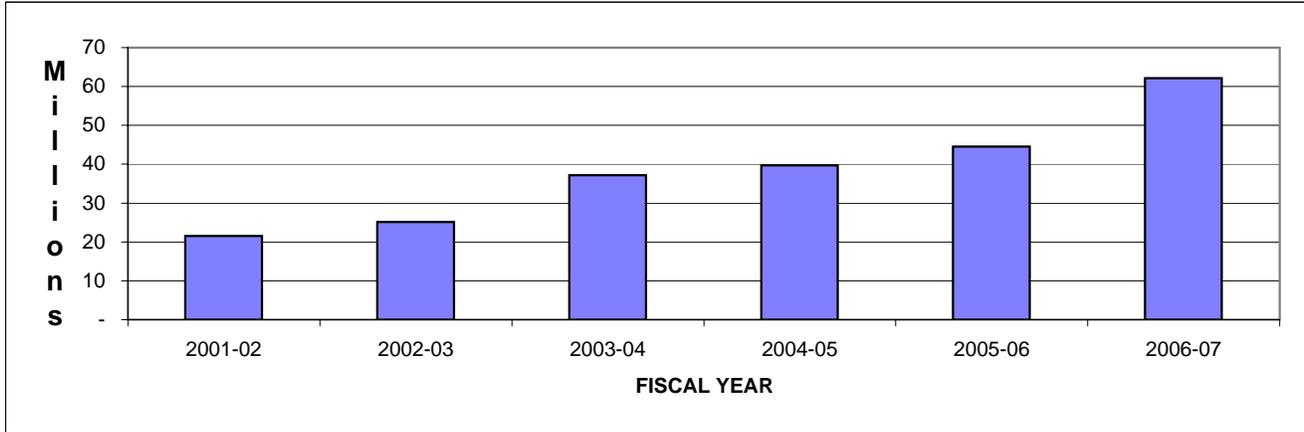
* Based on actual calendar year reports to the Department.

ACTUAL NET PROCEEDS OF MINERALS ASSESSED VALUATIONS BY COUNTY

COUNTY	2003-04	2004-05	2005-06	2006-07
Carson City	\$ -	\$ -	\$ -	\$ -
Churchill	11,741,724	31,139,107	22,707,635	27,768,929
Clark	4,460,800	3,485,211	3,665,792	3,108,788
Douglas	36,578	29,374	18,350	24,414
Elko	87,242,534	104,523,070	73,710,852	104,779,095
Esmeralda	493,178	594,393	126,885	3,234,450
Eureka	207,305,771	248,186,052	270,408,434	458,613,325
Humboldt	85,028,363	70,036,472	52,450,411	122,533,907
Lander	233,414,110	265,538,030	206,044,239	34,374,761
Lincoln	44,877	20,813	35,799	51,313
Lyon	140,751	192,788	96,422	101,012
Mineral	5,884,381	8,221,458	7,424,840	5,379,236
Nye	137,687,050	147,725,274	154,270,419	195,164,744
Pershing	1,439,464	15,876,466	19,206,532	51,073,593
Storey	402,530	1,025,199	2,015,975	5,771,580
Washoe	989,482	2,637,610	2,322,364	4,368,209
White Pine	6,897,238	715,600	38,533,818	254,492,643
TOTAL	\$ 783,208,831	\$ 899,946,917	\$ 853,038,767	\$ 1,270,839,999

Note: The above information may not include adjustments for County and State Board of Equalization pending decisions, and pending or unresolved audits.

TAX REVENUE ON NET PROCEEDS OF MINERALS



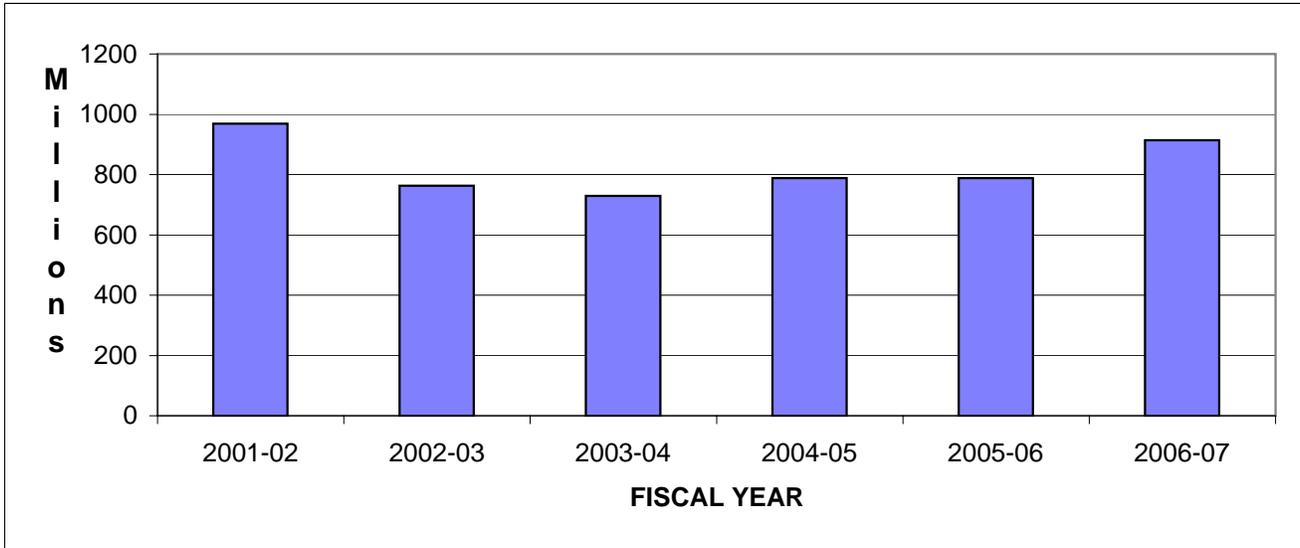
FISCAL YEAR	TAX REVENUE*	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	TAX REVENUE*	% CHANGE FROM PRIOR YEAR
2001-02	\$ 21,492,962	-27.57%	2004-05	\$ 39,690,846	6.80%
2002-03	25,162,206	17.07%	2005-06	44,524,830	12.18%
2003-04	37,162,642	47.69%	2006-07	62,178,511	39.65%

* Based on actual calendar year reports to the Department.

NET PROCEEDS OF MINERALS TAX DISTRIBUTION FISCAL YEAR 2006-2007

COUNTY	TOTAL DISTRIBUTION
Carson City	\$ -
Churchill	574,670
Clark	73,524
Douglas	615
Elko	2,489,641
Esmeralda	92,166
Eureka	8,089,017
Humboldt	2,584,508
Lander	1,141,634
Lincoln	1,594
Lyon	3,273
Mineral	187,735
Nye	6,691,233
Pershing	1,373,667
Storey	1,443
Washoe	129,201
White Pine	8,911,172
TOTAL COUNTY DISTRIBUTION	\$ 32,345,089
State Debt Service Fund	2,145,099
State General Fund	27,685,453
State General Fund (Penalties & Interest)	2,869
TOTAL	\$ 62,178,511

MINING PROPERTIES - ASSESSED VALUATIONS



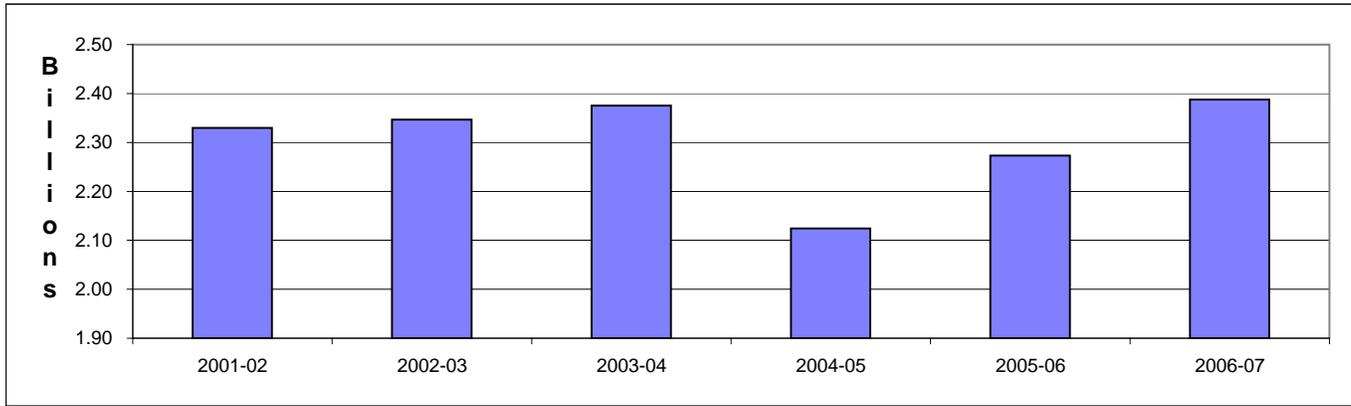
FISCAL YEAR	ASSESSED VALUATION	% CHANGE FROM PRIOR YEAR	FISCAL YEAR	ASSESSED VALUATION	% CHANGE FROM PRIOR YEAR
2001-02	\$ 969,260,490	-11.99%	2004-05	\$ 788,574,215	8.06%
2002-03	762,715,050	-21.31%	2005-06	788,253,720	-0.04%
2003-04	729,725,160	-4.33%	2006-07	913,819,390	15.88%

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 2005-06		FISCAL YEAR 2006-07	
	NUMBER OF APPRAISALS	ASSESSED VALUATION	NUMBER OF APPRAISALS	ASSESSED VALUATION
Carson City	0	\$ -	0	\$ -
Churchill	10	37,786,100	10	42,984,130
Clark	10	18,725,200	8	17,779,860
Douglas	0	-	0	-
Elko	22	47,198,240	15	48,102,530
Esmeralda	11	6,325,000	9	4,659,030
Eureka	27	260,047,280	25	313,256,510
Humboldt	22	152,127,300	20	155,176,160
Lander	14	97,281,000	15	147,209,360
Lincoln	6	213,460	5	179,750
Lyon	9	15,666,660	9	17,765,040
Mineral	6	4,393,050	2	8,818,420
Nye	33	67,482,260	29	69,085,320
Pershing	11	30,334,270	13	31,484,350
Storey	6	2,504,530	6	2,360,050
Washoe	7	14,651,640	7	20,046,450
White Pine	5	33,517,730	4	34,912,430
TOTAL	199	\$ 788,253,720	177	\$ 913,819,390

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



ASSESSMENT YEAR	VALUATION	% CHANGE FROM PRIOR YEAR	ASSESSMENT YEAR	VALUATION	% CHANGE FROM PRIOR YEAR
2001-02	\$ 2,329,812,936	1.09%	2004-05	\$ 2,124,411,839	-10.56%
2002-03	2,346,522,079	0.72%	2005-06	2,273,383,448	7.01%
2003-04	2,375,318,094	1.23%	2006-07	2,387,226,864	5.01%

CENTRALLY ASSESSED UNITARY AND CONSTRUCTION WORK IN PROGRESS
TAX DISTRIBUTION
FISCAL YEAR 2006-07

COUNTY	SECURED UTILITIES & 6-Mo CWIP	PRIVATE CARLINES	UNSECURED 12-Mo CWIP and PET	TOTAL TAX
Carson City	\$ 927,356	\$ -	\$ 90,046	\$ 1,017,402
Churchill	1,145,305	7,371	67,591	1,220,267
Clark	30,105,979	14,340	5,943,914	36,064,234
Douglas	695,306	-	67,563	762,869
Elko	2,604,672	32,268	166,010	2,802,949
Esmeralda	547,969	-	31,251	579,219
Eureka	397,831	5,126	19,852	422,809
Humboldt	2,038,783	15,883	107,961	2,162,627
Lander	1,247,445	7,143	85,709	1,340,297
Lincoln	969,665	11,177	52,483	1,033,325
Lyon	1,867,743	4,956	141,092	2,013,791
Mineral	746,113	-	53,451	799,564
Nye	2,062,829	-	155,966	2,218,795
Pershing	1,315,904	13,280	85,781	1,414,964
Storey	324,318	1,573	780,705	1,106,596
Washoe	8,937,458	15,072	667,882	9,620,412
White Pine	514,059	-	29,989	544,048
Total County Distribution	\$ 56,448,734	\$ 128,189	\$ 8,547,244	\$ 65,124,167
State Debt Service Fund	3,485,437	8,637	509,139	4,003,213
State General Fund - P&I	10,396	-	-	10,396
TOTAL	\$ 59,944,568	\$ 136,825	\$ 9,056,383	\$ 69,137,776

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	\$ -	\$ -	\$ 11,433,257	\$ 409,732	\$ 12,681,275	\$ 406,125	\$ -	\$ -	\$ 6,957,641	\$ 259,975	\$ 32,148,005
Churchill	6,151,849	1,689	20,786,935	720,188	8,772,249	219,256	5,566,478	11,423	2,437,070	14,848	44,681,986
Clark	123,538,552	16,110	726,663,594	78,833,168	201,050,855	3,494,580	13,111,327	27,354	16,010,124	367,119	1,163,112,784
Douglas	8,621	-	17,896,681	641,360	2,751,411	88,115	-	-	11,018,955	132,274	32,537,417
Elko	5,809,983	1,690	41,309,667	928,974	4,461,783	142,891	25,390,675	51,572	21,060,413	390,689	99,548,337
Esmeralda	9,353,204	760	9,302,453	326,346	-	-	-	-	227,701	7,349	19,217,813
Eureka	2,898,769	584	10,027,090	284,416	646,483	20,704	4,910,655	9,940	2,177,647	27,467	21,003,755
Humboldt	2,602,566	14	60,815,913	1,237,474	6,673,995	213,738	13,822,063	28,040	7,525,495	365,028	93,284,325
Lander	5,643,677	1,125	23,582,060	843,985	1,109,028	35,517	4,020,571	8,152	3,186,813	54,554	38,485,482
Lincoln	1,844,914	13	6,194,226	613,881	14,556,960	30,913	9,534,400	19,892	4,458,643	50,036	37,303,878
Lyon	2,956,098	365	36,100,353	1,231,650	10,675,474	312,600	3,801,051	7,879	8,015,060	208,363	63,308,893
Mineral	5,421,601	806	14,491,543	488,151	478,827	15,335	-	-	423,572	15,769	21,335,604
Nye	17,069,142	2,978	37,549,539	1,453,150	400,802	12,836	-	-	6,775,622	250,888	63,514,957
Pershing	1,569,790	4	21,885,168	757,770	8,472,346	271,332	8,330,095	16,893	4,361,695	56,009	45,721,101
Storey	1,638,669	119	5,972,895	214,050	2,485,337	31,651	867,175	1,759	577,173	18,429	11,807,258
Washoe	28,802,794	1,132	98,048,079	3,372,943	66,222,176	1,683,007	12,623,510	25,896	52,067,435	1,767,746	264,614,720
White Pine	2,881,769	10	10,415,546	156,363	-	-	-	-	1,413,941	54,256	14,921,885
Total	\$ 218,192,000	\$ 27,400	\$ 1,152,475,000	\$ 92,513,600	\$ 341,439,000	\$ 6,978,600	\$ 101,978,000	\$ 208,800	\$ 148,695,000	\$ 4,040,800	\$ 2,066,548,200

AEX, LLC Ceased operations in Nevada.

American Medflight, Inc., elected County Assessment per SB 307

TransMeridian Airlines 2006-07 assessed value revised from \$1,500,000 to \$0 by State Board of Equalization on March 27, 2006.

Valley Electric 2006-07 assessed value revised from \$24,224,000 to \$19,027,000 by State Board of Equalization on March 27, 2006

Southern California Edison 2006-07 assessed value revised from \$54,297,000 to \$38,675,000 by State Board of Equalization on March 27, 2007

**2006-2007 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
				Airlines	Electrics	Gas/Pipeline	Railroad	Communication	
Carson City	\$119,447		\$232,888	\$474	\$1,121,954	\$953,913		\$846,001	\$ 2,922,343
Churchill	101553	288,385	980	10,220	1,957,508	514,993	14,148	33,450	2,530,318
Clark	7474101	554,268	16,168	408,201	192,596,196	11,621,187	33,878	2,186,346	206,845,809
Douglas	453359	-	-	725	1,755,435	206,967	-	234,257	2,197,384
Elko	112078	1,333,435	9,310	101,278	2,713,527	335,625	63,872	2,384,452	5,598,754
Esmeralda	140805	-	3,587	56,525	865,207	-	-	37,719	959,451
Eureka	40385	290,344	14,632	12,080	915,112	48,630	12,311	67,726	1,055,858
Humboldt	68407	758,981	68,757	7,722	4,001,979	502,032	34,727	262,933	4,809,394
Lander	42484	224,404	41,037	11,885	2,322,549	83,423	10,097	169,375	2,597,328
Lincoln	12180	431,443	2,284	6,848	1,656,371	180,378	24,636	139,620	2,007,852
Lyon	89298	177,829	158,931	12,370	3,315,623	734,241	9,758	637,441	4,709,434
Mineral	125283	-	13,947	25,773	1,294,930	36,018	-	50,867	1,407,588
Nye	312413	-	205,322	70,194	3,592,049	30,149	-	905,401	4,597,793
Pershing	110390	463,052	28,159	1,432	2,061,793	637,308	20,922	133,616	2,855,072
Storey	18615	47,409	13,329	5,091	23,359,273	67,509	2,179	50,395	23,484,448
Washoe	1037031	537,203	2,116,004	36,232	8,839,022	3,383,725	32,073	5,731,570	18,022,623
White Pine	185072	-	48,666	5,648	445,672	-	-	176,131	627,451
Total	\$10,442,900	\$5,106,754	\$2,974,000	\$772,700	\$252,814,200	\$19,336,100	\$258,600	\$14,047,300	\$287,228,900

Nevada Power Company assessed value revised from \$175,622,300 to \$177,903,100 by State Board of Equalization on March 27, 2006.

*CWIP = Construction Work in Progress

**PET = Property Escaping Taxation

Pursuant to NRS 361.321, construction-work-in-progress (CWIP) must be included on the central assessment roll.

**2006-2007 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	13	3	0	0	2	5	23	\$ 32,148,005	\$ 3,274,678	\$ 35,422,683
Churchill	30	9	0	148	2	11	200	44,681,986	2,921,237	47,603,223
Clark	75	20	10	148	2	21	276	1,163,112,784	214,890,346	1,378,003,129
Douglas	9	3	1	0	0	3	16	32,537,417	2,650,742	35,188,159
Elko	37	15	4	148	2	19	225	99,548,337	7,053,577	106,601,914
Esmeralda	11	8	4	0	2	8	33	19,217,813	1,103,844	20,321,657
Eureka	25	9	3	148	2	11	198	21,003,755	1,401,219	22,404,975
Humboldt	25	9	2	148	2	11	197	93,284,325	5,705,539	98,989,864
Lander	30	9	3	148	2	10	202	38,485,482	2,905,253	41,390,735
Lincoln	25	8	2	148	2	11	196	37,303,878	2,453,759	39,757,636
Lyon	30	10	3	140	2	12	197	63,308,893	5,135,492	68,444,385
Mineral	18	9	4	0	2	10	43	21,335,604	1,546,818	22,882,422
Nye	26	10	4	0	2	12	54	63,514,957	5,115,529	68,630,486
Pershing	26	8	2	148	2	11	197	45,721,101	3,456,672	49,177,773
Storey	25	9	3	140	0	6	183	11,807,258	23,563,800	35,371,059
Washoe	53	15	8	148	3	15	242	264,614,720	21,712,860	286,327,580
White Pine	16	6	2	0	2	7	33	14,921,885	861,189	15,783,074
Total	474	160	55	1,612	31	183	2,492	\$2,066,548,200	\$305,752,554	\$2,372,300,754

* 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, 2005, this consisted of overseeing the financial activities of 17 counties, 18 incorporated cities, 47 unincorporated towns, 17 school districts, 167 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

Compile, calculate and prepare proforma projections of 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 permit

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 governi

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 budg

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 and Finance 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 2006-2007

	COUNTY	SCHOOLS	CITIES	TOWNS	DISTRICTS	TOTAL
Carson City	\$ 116,723,448	\$ 90,526,328	\$ -	\$ -	\$ 8,033,978	\$ 215,283,754
Churchill	54,334,758	49,271,856	24,470,277	-	1,117,700	129,194,591
Clark	6,594,833,957	3,751,688,687	1,934,839,848	15,180,901	1,687,385,052	13,983,928,445
Douglas	81,244,355	80,267,216	-	5,750,925	59,116,052	226,378,548
Elko	63,544,040	109,172,260	45,557,851	4,632,154	6,419,836	229,326,141
Esmeralda	5,240,485	1,863,898	-	385,321	-	7,489,704
Eureka	15,957,117	11,477,500	-	1,063,895	823,430	29,321,942
Humboldt	25,438,172	35,763,772	8,927,885	-	24,429,616	94,559,445
Lander	20,316,886	13,884,990	-	1,959,454	8,279,043	44,440,373
Lincoln	12,475,048	13,870,643	1,834,648	1,120,356	7,117,906	36,418,601
Lyon	60,683,319	116,238,970	23,472,576	-	16,632,103	217,026,968
Mineral	9,573,790	9,542,753	-	1,615,085	10,254,709	30,986,337
Nye	55,046,676	66,432,039	-	22,456,841	2,724,745	146,660,301
Pershing	9,677,981	12,478,033	2,106,531	62,085	12,426,943	36,751,573
Storey	13,298,238	9,110,212	-	152,300	1,829,856	24,390,606
Washoe	687,351,544	591,762,479	548,976,874	-	411,491,266	2,239,582,163
White Pine	12,384,760	16,631,431	3,944,983	176,276	21,285,928	54,423,378
Multi-county districts					19,301,204	19,301,204
TOTALS	\$ 7,838,124,574	\$ 4,979,983,067	\$ 2,594,131,473	\$ 54,555,593	\$ 2,298,669,367	\$ 17,765,464,074

* Source: Final budgets filed June 1, 2006