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TAXATION REVENUE (In Millions)

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TAX	FY 2004	FY 2005	Effective Date
Reduce Cigarette Stamp Fee to 0.5%	\$ 3.5	\$ 3.5	7/1/03
Reduce Other Tobacco Allowance to Zero	\$ 0.1	\$ 0.1	7/1/03
Reduce Liquor Tax Allowance to Zero	\$ 0.8	\$ 0.8	7/1/03
Reduce State/LSST Retailer Allowance to Zero	\$ 19.2	\$ 20.3	7/1/03
Business License Fee - BLF - \$100 Annual Fee	\$ 23.5	\$ 24.5	7/1/03
Live Entertainment Tax (10% on Casino and Non-Casino) ¹	\$ 47.9	\$ 81.1	7/1/03 & 1/01/04 ¹
Cigarettes (65-Cent Increase in FY 04)	\$ 95.8	\$ 99.0	7/1/03
Liquor (50 percent increase in FY 04)	\$ 10.1	\$ 10.4	7/1/03
Gaming (Increase Rates by 0.25% in FY 2004)	\$ 22.5	\$ 48.8	7/1/03
Restricted Slots (33% Increase)	\$ 2.3	\$ 3.6	7/1/03
Secretary of State Fees (AB 536) ²	\$ 14.8	\$ 17.3	7/1/03 & 10/01/03 ²
Business License Tax - BLT (Increase to \$125 in FY 04)	\$ 20.3	\$ (12.6)	7/1/03
Bank Franchise Fee (5 percent)	\$ 20.5	\$ 22.1	1/1/2004, but will collect full year in FY 2004
Real Estate Transfer Tax - RETT (\$1.88 per \$500 (.376%); 1 st \$100,000 exempt)	\$ 24.2	\$ 48.5	
Unified Business Tax - UBT ³	\$ 49.8	\$ 146.4	1/1/04 - 12/31/04 - Phase In; 1/1/05 - Full Implementation ³
TOTAL	\$ 355.3	\$ 513.8	
BIENNIUM TOTAL		\$ 869.1	

¹ 10 percent tax on admissions to live entertainment event, including food and beverages. Tax effective July 1, 2003 for gaming properties and January 1, 2004 for non-gaming establishments.

² Increase commercial recording fees effective October 1, 2003

³ FY 2004 - Unified Business Tax (UBT) becomes effective on January 1, 2004. From January 1, 2004 through June 30, 2004, the tax is imposed on businesses with gross revenue in excess of \$3,000,000. The UBT is imposed at a rate of 0.25 percent on gross revenue in excess of \$450,000, not to exceed 1 percent of gross profit. Gross profit is defined as gross revenue less cost of goods sold. This figure includes a number of deductions, including, without limitation, a deduction for subcontractor costs incurred by a master developer. Any revenue received by a business entity from any sale of food for human consumption which is exempt from taxation under the Sales and Use Tax Act is exempt from the UBT tax. Taxes upon gross gaming revenue and financial institutions are not included in this figure; but rather, are reported on other lines of this summary (e.g., gaming tax increase and banking franchise tax).

FY 2005 - From July 1, 2004 through December 31, 2004, the tax is imposed on businesses with gross revenue in excess of \$3,000,000. The UBT is imposed at a rate of 0.25 percent on gross revenue in excess of \$450,000, not to exceed 1 percent of gross profit. Definitions, exclusions, deductions, and other provisions are unchanged from FY 2004. Any revenue received by a business entity from any sale of food for human consumption which is exempt from taxation under the Sales and Use Tax Act is exempt from the UBT tax. From January 1, 2005 through June 30, 2005, the UBT is imposed at a rate of 0.25 percent on gross revenue in excess of \$450,000, not to exceed 1 percent of gross profit. Again, definitions, exclusions, deductions, and other provisions remain unchanged.