

BDR 32-622
A.B. 516

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 03, 2003

Agency Submitting: Department of Motor Vehicles

Items of Revenue or Expense, or Both	Fiscal Year 2002-03	Fiscal Year 2003-04	Fiscal Year 2004-05	Effect on Future Biennia
County Revenue (Revenue)			\$4,081,324	\$19,728,474
State Revenue (Revenue)			\$5,014,277	\$24,951,042
DMV Commission (Revenue)			\$11,197	\$54,279
Expense to DMV (Expense)		\$100,030	\$30	\$60
Total		\$100,030	\$9,106,768	\$44,733,735

Explanation (Use Additional Sheets of Attachments, if required)

See Attached for calculations.

This BDR proposes to index motor vehicle fuel taxes, except aviation and jet fuel taxes, based upon a five-year average of the Consumer Price Index for all consumers and all items. These figures represent the difference between the projected indexed revenues and projected current revenues.

DMV collects and distributes fuel taxes for the counties. County Revenue is calculated based on the projected number of supplier taxable gallons sold times county tax rates minus 2% Supplier Collection Allowance minus DMV commission as applicable. DMV collects and distributes fuel taxes to the Highway Fund. State Revenue is calculated based on the projected number of supplier taxable gallons sold times state tax rate minus 2% Supplier Collection Allowance

Per the interlocal contracts with the counties, the DMV commission is 1/2 of 1% of all taxes assessed under NRS 373.030.

Expense is to amend and produce the form for county fuel tax rates and to add the allocation formula for each county to the existing computer program that is contracted through Affiliated Computer Systems - State and Local Solutions.

Name Dennis R. Colling
Title Chief of Administration

DEPARTMENT OF ADMINISTRATION'S COMMENT

Date April 07, 2003

Agency's estimates appear reasonable.

Name John P. Comeaux
Title Director

**ATTACHMENT
AB 516
Inflation Indexing of Motor Vehicle Fuel**

Revenue

Description	Calculation	FY 03-04	FY 04-05	FY 05-07
INDEXED COUNTY OPTION TAX REVENUE	Indexed Net Revenue - .5% DMV Commission =	\$81,863,863.80	\$86,020,954.90	\$184,173,647.29
CURRENT COUNTY OPTION TAX REVENUE	Current Net Revenue - .5% DMV Commission =	\$81,863,863.80	\$83,792,732.99	\$173,372,075.55
NET EFFECT	Adjusted Indexed Net Revenue - Adjusted Current Net Revenue =	\$0.00	\$2,228,221.91	\$10,801,571.74

INDEXED COUNTY NRS TAX REVENUE	Indexed Net Revenue =	\$67,045,323.00	\$71,071,932.00	\$153,885,082.00
CURRENT COUNTY NRS TAX REVENUE	Current Net Revenue =	\$67,045,323.00	\$69,218,830.00	\$144,958,179.00
NET EFFECT	Indexed Net Revenue - Current Net Revenue =	\$0.00	\$1,853,102.00	\$8,926,903.00

INDEXED STATE TAX REVENUE	Indexed Net Revenue =	\$186,354,324.00	\$197,409,922.00	\$427,866,296.00
CURRENT STATE TAX REVENUE	Current Net Revenue =	\$186,354,324.00	\$192,395,645.00	\$402,915,254.00
NET EFFECT	Indexed Net Revenue - Current Net Revenue =	\$0.00	\$5,014,277.00	\$24,951,042.00

INDEXED DMV COMMISSION	Per contract, DMV receives 1/2 of 1% of Net Revenue collected under NRS 373 option taxes	\$411,376.20	\$432,266.11	\$925,495.72
CURRENT DMV COMMISSION	Per contract, DMV receives 1/2 of 1% of Net Revenue collected under NRS 373 option taxes	\$411,376.20	\$421,069.01	\$871,216.47
NET EFFECT	Indexed Commission - Current Commission =	\$0.00	\$11,197.10	\$54,279.25

Expenditure

**ATTACHMENT
AB 516**

Inflation Indexing of Motor Vehicle Fuel

Description	Calculation	FY 03-04	FY 04-05	FY 05-07
Contract Programming Hours	800 hours @ \$125.00 per hour =	\$100,000.00	\$0.00	\$0.00
Tax Rate Sheet Printing	8.5 X 11 pages X 300 copies =	\$30.00	\$30.00	\$60.00
Totals		\$100,030.00	\$30.00	\$60.00

FY 03/04				
County Option Tax Generated	\$0.00			
County NRS Tax Generated	\$0.00			
State Revenue Generated	\$0.00			
DMV Expenditures	\$100,030.00			
FY04/05				
County Option Tax Generated	\$2,228,221.91		\$11,197.10	NRS 373.080
County NRS Tax Generated	\$1,853,102.00			
State Revenue Generated	\$5,014,277.00			
DMV Expenditures	\$30.00			
FY05/07				
County Option Tax Generated	\$10,801,571.74		\$54,279.25	NRS 373.080
County NRS Tax Generated	\$8,926,903.00			
State Revenue Generated	\$24,951,042.00			
DMV Expenditures	\$60.00			

*Total gasoline & gasohol growth rate is based on the trend of the taxable gallons of fuel sold from FY 95 thru FY 02 and equals 4.38% in FY03, 3.35% in FY04, 3.24% in FY05, 3.14% in FY06 and 3.04% in FY07.

*County gasoline & gasohol growth rate is based on the trend of the taxable gallons of fuel sold from FY 78 thru FY 02 and equals -3.59% in FY03, 2.37% in FY04, 2.31% in FY05, 2.26% in FY06 and 2.21% in FY07.