

STEVE SISOLAK Governor JAMES C. DeVolld Chair, Nevada Tax Commission SHELLIE HUGHES Executive Director

## STATE OF NEVADA DEPARTMENT OF TAXATION

Web Site: http://tax.nv.gov 1550 College Parkway, Suite 115 Carson City, Nevada 89706-7937 Phone: (775) 684-2000 Fax: (775) 684-2020

Call Center (866) 962-3707

LAS VEGAS OFFICE 700 E. Warm Springs Rd. Second Floor Las Vegas, Nevada 89101 Phone: (702) 486-2300 Fax: (702) 486-2373 RENO OFFICE 4600 Kietzke Lane Building L, Suite 235 Reno, Nevada 89502 Phone: (775) 687-9999 Fax: (775) 688-1303

In the Matter of: ) Approval of Exemptions, as authorized ) Under NRS 361.068(2) where Administrative ) Costs Exceed Revenue from Tax on ) Personal Property for Application FY 2022-2023 )

### NOTICE OF DECISION

### Appearances

On March 7, 2022, Shannon Silva, Supervisor with the Locally Assessed Properties Division, appeared on behalf of the Department of Taxation.

#### Summary

The matter of the approval of the level of exemption of personal property based on the amount of taxes due for personal property compared to the cost of collecting those taxes as provided for in NRS 361.068(2), came before the Nevada Tax Commission (Commission) on March 7, 2022. The Commission reviewed the Billing Cost Survey and the report of the Department.

### DECISION

The Commission, having considered all evidence and testimony pertaining to the matter, hereby adopts an exemption amount, pursuant to NRS 361.068(2). The taxes due for personal property which are \$10.00 or less are exempt from collection for FY 2022-2023.

BY THE NEVADA TAX COMMISSION THIS 12 DAY OF MARCH, 2022.

Hughes, Executive Director nellie

cc: County Assessors

# NEVADA TAX COMMISSION March 7, 2022

**TOPIC:** Determination of the amount of personal property to be exempted; that amount that is less than the cost of collecting the taxes.

**AUTHORITY:** Nevada Revised Statute 361.068 (2), allows the Nevada Tax Commission to exempt from taxation that personal property for which the annual taxes would be less than the cost of collecting those taxes. If such an exemption is provided, the Nevada Tax Commission shall annually determine the average cost of collecting property taxes in this state. This average cost must be used in determining the applicability of the exemption.

**EXPLANATION:** The Division of Local Government Services of the Department of Taxation conducted a survey of county assessors and treasurers to determine the cost of collecting property taxes in this state during the 2021-2022 fiscal year. The results of the survey are as follows:

- The cost to collect an individual tax bill in all the counties ranges from \$1.70 to \$17.32. •
- The mean total cost of an individual tax bill is \$6.55, up from the prior year of \$6.22. ٠

- The median total cost of an individual tax bill is \$6.92, up from the prior year of \$6.68. •
- Arrav: •

	=<	\$10.00 (1	2):		\$10.00><\$1	\$19.99 (5):			
Carson City	\$	8.33	Eureka	\$	5.99	Lincoln	\$ 14.44		
Churchill	\$	9.48	Humboldt	\$	4.03	Lyon	\$ 13.03		
Clark	\$	6.49	Lander	\$	7.86	Nye	\$ 12.15		
Douglas	\$	1.70	Mineral	\$	3.59	Pershing	\$ 17.32		
Elko	\$	6.00	Storey	\$	6.92	White Pine	\$ 16.08		
Esmeralda	\$	4.74	Washoe	\$	3.21				

Percent of tax bills exempted compared to number of accounts in previous year, using \$10.00 level of exemption:

Carson City	14%	Eureka	17%	Nye	10%	
Churchill	17%	Humboldt	8%	Pershing	9%	
Clark	7%	Lander	7%	Storey	22%	
Douglas	12%	Lincoln	3%	Washoe	11%	
Elko	13%	Lyon	10%	White Pine	10%	
Esmeralda	18%	Mineral	10%	Centrally-Ass	39%	

Total dollar amount exempted in FY 21-22 \$67,538 from counties; \$256 from Centrally-Assessed carlines.

# **<u>RECOMMENDATION:</u>**

Based on the survey and the resulting median and mean costs, the Department recommends that personal property bills of \$10.00 or less be exempted from taxation by authority of NRS 361.068 (2). This amount will eliminate most personal property billings that are not cost effective. By statute, the billing cost is reviewed annually, and adjustments made as needed.

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Line Description	Stat	ewide Totals	Carson City	Churchill	Clark	Douglas	Elko	Esmeralda	Eureka	Humboldt	Lander	Lincoln	Lyon	Mineral	Nye	Pershing	Storey	Washoe	White Pine
1 Number of PP Accounts Billed in 20-21 (Line 1)		148,451	5,565	3,197	74,584	4,093	7,636	735	738	3,176	1,630	993	5,012	1,020	8,222	1,438	855	28,252	1,305
2 Number of PP Accounts on Unsecured Roll (Line 2)		140,070	5,379	2,541	74,584	3,533	7,389	650	738	1,827	1,258	514	4,341	571	6,177	798	853	28,251	666
3 Number of PP Accounts exempted (Line 3)		13,931	775	559	5,455	508	970	135	128	239	122	29	525	106	812	133	186	3,117	132
4 Total Tax Dollar Amount exempted (Line 4)	\$	67,538.49	7,280	2,125.81	27,003.31	2,815.85	5,156	671.45	868.60	1,538.00	606.00	160.20	1,810.00	423.98	3,262.08	580.73	400.61	12,439.67	396.84
5 Percent PP Accounts exempted (Line 3 / Line 1)		9.38%	14%	17%	7%	12%	13%		17%	8%	7%	3%	10%	10%	10%	9%	22%	11%	
6 Percent PP Accounts on Unsecured Roll (L2/L1)		94.35%	97%	79%	100%	86%	97%		100%	58%	77%	52%	87%	56%	75%	55%	100%	100%	
7 Average Tax Dollar Amount exempted ( L4 / L3)	\$		\$ 9.39		\$ 4.95		\$ 5.32	•	\$ 6.79	+ ••••	\$ 4.97	\$ 5.52		\$ 4.00	\$ 4.02	\$ 4.37	\$ 2.15		•
8 Number of FTE Employees (Line 5)		237.00	9	8	120	8	13	2	4	8	4	3	9	3	17	-	3	22	4
9 Number of Persons performing activities (Line 6)		44.25	8	1	6	2	3	1	2	5	1	3	3	1	5	-	1	1	1.0
Percent of Persons performing activities in Lines 8-13																			
10 to Total FTE (Line 9/Line 8)		19%	89%	13%	5%	25%	23%		50%	63%	25%	100%	33%	33%	29%	#DIV/0!	33%	6%	
11 Average Wage Per Hour for Persons on Line 8	\$	22.86	\$18.74		\$ 37.84		\$ 26.11	•	\$ -	+	+	\$ 15.92		\$ 17.89	•	+	\$ 26.90		•
12 Average Wage Per Hour for Persons on Line 9	\$	24.14	\$33.09		\$ 37.84		\$ 26.11	•	\$ 30.44	φ <u>σ1.00</u>	\$ 26.15	\$ 20.92		\$ 17.89	•		\$ 26.90		
13 Average Wage Per Hour for Persons on Line 10	\$	23.00	\$15.75	21.76			•	•	\$ 26.69		\$ -	\$ 20.92		\$ 17.89	•		•	\$ 23.80	\$ 26.46
14 Average Wage Per Hour for Persons on Line 11	\$	24.09	\$35.00	23.90				•	\$ -	+	\$ -			\$ 17.89			\$ 26.90		\$ 26.46
15 Average Wage Per Hour for Persons on Line 12	\$	23.40	\$37.95	23.90	\$ 40.40	\$ 32.60	\$ 29.03	•	\$ -	\$ 21.00	\$ -	\$ 37.71	\$ 34.09	\$ 17.89	\$ 32.54		\$ 26.90		\$ 38.46
16 Average Wage Per Hour for Persons on Line 13	\$	8.42	\$33.09		\$ 70.33	-	\$ -	\$ 14.35	\$ -	\$-	\$-	Ş	Ŷ	Ŷ	\$-	Ŷ	Ŷ	\$ 25.39	
17 Man-hours worked on Activity in Line 8		1,373	16	8	200	20	16.00	-	-	6	100	125	208	10	520	16	3	-	125
18 Man-hours worked on Activity in Line 9		1,796	168	-	300	12	25.00	-	8	80	100	275	208	40	260	40	105	-	175
19 Man-hours worked on Activity in Line 10		9,185	112	1,120	4,800	-	549.00	-	152	20	-	160	104	60	520	500	-	838	250
20 Man-hours worked on Activity in Line 11		2,763	100	80	450	10	97.00	-	-	100	-	50	416	15	260	150	75	835	125
21 Man-hours worked on Activity in Line 12		6,391	40	120	4,400	22	79.00	-	-	25	-	30	832	5	260	-	15	508	55
22 Man-hours worked on Activity in Line 13		552	40	-	100	-	-	195.00	-	-	-	-	-	-	-	-	-	217	-
23 Total Man-hours worked on All Activities (Line 14)		23,252	1,338	1,328	10,250	64	1,096.00	195.00	160.00	231.00	200.00	640.00	\$ 1,768.00	130.00	1,820.00	706.00	198.00	2,397.83	730.00
24 Total Labor Cost for Activity in Line 8	\$	47,766.82	\$299.84	191.20	\$7,568.00	\$652.00	\$417.76	\$35.00	\$0.00	\$144.00	\$2,616.00	\$1,990.00	\$7,090.72	\$178.90	\$22,661.60	\$533.60	\$80.70	\$0.00	\$3,307.50
25 Total Labor Cost for Activity in Line 9	\$	54,354.94	\$5,559.12	210.63	\$11,352.00	\$391.20	\$652.75	\$42.00	\$243.52	\$2,480.00	\$2,615.00	\$5,753.00	\$7,090.72	\$715.60	\$8,460.40	\$1,334.00	\$2,824.50	\$0.00	\$4,630.50
26 Total Labor Cost for Activity in Line 10	\$	299,871.38	\$1,764.00	24,371.20	\$181,632.00	\$0.00	\$15,937.47	\$76.00	\$4,056.88	\$440.00	\$0.00	\$3,347.20	\$4,786.08	\$1,073.40	\$19,156.80	\$16,675.00	\$0.00	\$19,940.35	\$6,615.00
27 Total Labor Cost for Activity in Line 11	\$	85,378.25	\$3,500.00	1,912.00	\$18,180.00	\$326.00	\$2,815.91	\$60.00	\$0.00	\$3,100.00	\$0.00	\$1,046.00	\$14,181.44	\$268.35	\$8,460.40	\$5,002.50	\$2,017.50	\$21,200.65	\$3,307.50
28 Total Labor Cost for Activity in Line 12	\$	239,162.52	\$1,518.00	2,868.00	\$177,760.00	\$717.20	\$2,293.37	\$20.00	\$0.00	\$525.00	\$0.00	\$1,131.30	\$28,362.88	\$89.45	\$8,460.40	\$0.00	\$403.50	\$12,898.12	\$2,115.30
29 Total Labor Cost for Activity in Line 13	\$	16,664.48	\$1,323.60	-	\$7,033.00	\$0.00	\$0.00	\$2,798.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,509.63	\$0.00
30 Total Labor Cost for All Activities (Line 14)	\$	777,262.27	\$37,234.44	29,553.03	\$403,525.00	\$2,086.40	\$32,911.26	\$3,031.25	\$4,300.40	\$6,689.00	\$5,231.00	\$13,267.50	\$61,511.84	\$2,325.70	\$67,199.60	\$23,545.10	\$5,326.20	\$59,548.75	\$19,975.80
31 Cost of Mailers and Printing (Line 15)	\$	47,329.50	\$639.44	-	\$17,035.00	\$2,216.80	\$5,994.55	\$15.00	\$0.00	\$1,500.00	\$2,119.00	\$300.00	\$427.00	\$1,050.00	\$11,424.98	\$575.20	\$153.90	\$3,603.00	\$275.63
32 Cost of Postage (Line 16)	\$	96,012.37	\$2,203.40	754.12	\$59,667.00	\$1,600.00	\$5,010.16	\$369.60	\$119.85	\$1,000.00	\$945.00	\$575.94	\$367.00	\$290.00	\$9,575.00	\$790.90	\$436.05	\$11,875.22	\$433.13
33 Cost of Delinquent Collection (Line 17)	\$	28,138.84	\$639.44	-	\$0.00	\$1,043.20	\$0.00	\$70.00	\$0.00	\$3,625.00	\$0.00	\$200.00	\$1,657.00	\$0.00	\$5,712.49	\$0.00	\$0.00	\$14,891.71	\$300.00
34 Cost of Other (a) (Line 19)	\$	16,093.14	\$5,618.00	-	\$1,710.00	\$0.00	\$1,180.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,330.00	\$0.00	\$6,000.00	\$0.00	\$0.00	\$254.82	\$0.00
35 Cost of Other (b) (Line 20)	\$	3,074.12	\$0.00	-	\$1,897.00	\$0.00	\$697.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$480.12	\$0.00
36 Total Cost of All Personal Property Accounts (Line 22)	)\$	972,429.24	\$46,334.72	30,307.15	\$483,834.00	\$6,946.40	\$45,793.29	\$3,485.85	\$4,420.25	\$12,814.00	\$12,814.00	\$14,343.44	\$65,292.84	\$3,665.70	\$99,912.07	\$24,911.20	\$5,916.15	\$90,653.62	\$20,984.56
37 Average Cost Per Personal Property Account (L36 /L1)	\$	6.55	\$ 8.33	\$ 9.48	\$ 6.49	\$ 1.70	\$ 6.00	\$ 4.74	\$ 5.99	\$ 4.03	\$ 7.86	\$ 14.44	\$ 13.03	\$ 3.59	\$ 12.15	\$ 17.32	\$ 6.92	\$ 3.21	\$ 16.08
Median	\$	6.92																	
Mean (C37/C2) (Statewide Down)	\$	6.55																	
Mean (D38:T38) (Indiv Counties Across)	\$	8.32																	