

JOE LOMBARDO Governor TONY WREN Chair, Nevada Tax Commission SHELLIE HUGHES Executive Director

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 2023-2024 )

## NOTICE OF DECISION

### Appearances

Victoria Salas, Property Appraiser 2 with 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 6, 2023. 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 2023-2024.

BY THE NEVADA TAX COMMISSION THIS 6<sup>TH</sup> DAY OF MARCH, 2023.

Shellie Hughes, Executive Director

cc: County Assessors

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# NEVADA TAX COMMISSION March 6, 2023

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

**<u>AUTHORITY</u>:** 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 2022-2023 fiscal year. The results of the survey are as follows:

- The cost to collect an individual tax bill in all the counties ranges from \$1.19 to \$22.31.
- The mean total cost of an individual tax bill is \$8.21, up from the prior year of \$6.55.
- The median total cost of an individual tax bill is \$7.94, up from the prior year of \$6.92.
- Array:

Carson City	\$ 8.43	Eureka	\$ 7.94	Lincoln	\$ 4.88
Churchill	\$ 10.01	Humboldt	\$ 4.16	Lyon	\$ 15.46
Clark	\$ 6.74	Lander	\$ 8.70	Nye	\$ 14.49
Douglas	\$ 2.26	Mineral	\$ 4.28	Pershing	\$ 22.31
Elko	\$ 8.07	Storey	\$ 9.66	White Pine	\$ 6.81
Esmeralda	\$ 1.19	Washoe	\$ 4.18		

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

Carson City	15%	Eureka	9%	Nye	13%	
Churchill	14%	Humboldt	8%	Pershing	11%	
Clark	6%	Lander	8%	Storey	22%	
Douglas	6%	Lincoln	7%	Washoe	11%	
Elko	8%	Lyon	11%	White Pine	9%	
Esmeralda	15%	Mineral	12%	Centrally-As	8%	

• Total dollar amount exempted in FY 22-23 \$56,023.40 from counties; \$43.57 from Centrally-Assessed Carlines.

# **RECOMMENDATION:**

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 18-19 (Line 1)		147,013	5,276	3,219	75,991	3,909	7,988	698	611	3,263	1,560	1,110	5,003	924	6,066	1,243	832	28,040	1,280
2	Number of PP Accounts on Unsecured Roll (Line 2)		135,716	5,111	2,584	75,991	3,446	7,742	660	166	1,908	1,193	473	4,331	484	1,486	608	830	28,039	664
3	Number of PP Accounts exempted (Line 3)		12,538	792	446	4,865	240	662	108	54	268	123	83	541	107	770	133	184	3,049	113
4	otal Tax Dollar Amount exempted (Line 4)	\$	56,023.40	2,741	2,137.56	23,926.92	1,268.00	3,149	541.39	180.71	603.11	601.89	357.33	3,568.87	431.85	3,028.65	559.98	426.48	12,121.52	378.74
5	Percent PP Accounts exempted (Line 3 / Line 1)		9%	15%	14%	6%	6%	8%	15%	9%	8%	8%	7%	11%	12%	13%	11%	22%	11%	9%
6	Percent PP Accounts on Unsecured Roll (L2/L1)		92.32%	97%	80%	100%	88%	97%	95%	27%	58%	76%	43%	87%	52%	24%	49%	100%	100%	
	Average Tax Dollar Amount exempted ( L4 / L3)	\$	4.47	\$ 3.46	\$ 4.79	\$ 4.92	\$ 5.28	\$ 4.76	\$ 5.01	\$ 3.35	\$ 2.25	\$ 4.89	\$ 4.31	\$ 6.60	\$ 4.04 \$	3.93	\$ 4.21	\$ 2.32		\$ 3.35
8	Number of FTE Employees (Line 5)		228.00	8	8	105	8	19	2	3	8	4	3	9	3	15	4	3	22	4
9	Number of Persons performing activities (Line 6)		50.00	5	1	4	2	12	1	2	4	1	2	3	1	7	2	1	2	1.0
	Percent of Persons performing activities in Lines 8-13																			
	o Total FTE (Line 9/Line 8)		22%	63%	13%	4%	25%	63%	50%	67%	50%	25%	67%	33%	33%	47%	38%	33%	7%	25%
11 /	verage Wage Per Hour for Persons on Line 8	\$	43.33	\$316.64	25.10	\$ 41.09	\$ 32.60	\$ 26.19	\$-	\$ 26.15	\$ 25.00	\$ 27.48	\$ 21.26	\$ 38.29	\$ 19.42 \$	\$ 45.24	\$ 33.35	\$ 29.25	\$-	\$ 29.54
12	Average Wage Per Hour for Persons on Line 9	\$	416.75	\$6,694.80	-	\$ 41.09	\$ 32.60	\$ 26.19	\$-	\$ 26.15	\$ 32.00	\$ 27.48	\$ 16.56	\$ 38.29	\$ 19.42 \$	33.78	\$ 37.61	\$ 29.25	\$-	\$ 29.54
13 /	Average Wage Per Hour for Persons on Line 10	\$	497.28	\$8,020.32	22.85	\$ 41.09	\$ 31.88	\$ 26.55	\$-	\$ 25.00	\$ 25.00	\$ 19.90	\$ 21.26	\$ 47.97	\$ 19.42	38.24	\$ 37.61	\$ 22.49	\$ 24.68	\$ 29.54
14 /	Average Wage Per Hour for Persons on Line 11	\$	1,006.44	\$16,685.53	25.10	\$ 43.76	\$ 32.60	\$ 26.28	\$-	\$ 26.15	\$ 32.00	\$-	\$ 21.26	\$ 38.29	\$ 19.42	33.78	\$ 37.61	\$ 29.25	\$ 28.83	\$ 29.54
15 /	Average Wage Per Hour for Persons on Line 12	\$	101.39	\$1,323.60	25.10	\$ 43.76	\$ 32.60	\$ 35.43	\$-	\$ 26.15	\$ 27.00	\$-	\$ 21.26	\$ 38.29	\$ 19.42 \$	33.78	\$-	\$ 29.25	\$ 28.83	\$ 39.23
16 /	Average Wage Per Hour for Persons on Line 13	\$	63.33	\$946.76	-	\$ 76.37	\$-	\$ 24.59	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ - \$	5 -	\$ -	\$ -	\$ 28.83	\$ -
17	Man-hours worked on Activity in Line 8		1,218	16	8	200	20	16.00	-	8	4	100	80	208	10	520	16	2	-	10
18	Man-hours worked on Activity in Line 9		1,428	168	-	300	12	40.00	-	8	80	100	20	208	40	260	40	112	-	40
19	Man-hours worked on Activity in Line 10		9,542	336	1,120	4,800	64	694.00	-	140	95	20	80	104	60	520	500	76	833	100
20	Man-hours worked on Activity in Line 11		3,508	518	80	450	10	421.00	-	8	80	-	30	416	15	260	150	70	960	40
21	Man-hours worked on Activity in Line 12		6,810	40	120	4,400	22	231.00	-	8	10	-	10	832	5	260	-	12	800	60
22	Man-hours worked on Activity in Line 13		845	36	-	100	-	350.00	-	-	-	-	-	-	-	-	-	-	359	-
23	Total Man-hours worked on All Activities (Line 14)		23,351	1,114	1,328	10,250	128	1,752.00	-	172.00	269.00	220.00	220.00	\$ 1,768.00	130.00	1,820.00	706.00	272.00	2,952.00	250.00
24	otal Labor Cost for Activity in Line 8	\$	47,175.30	\$316.64	200.80	\$8,218.00	\$652.00	\$419.04	\$40.00	\$209.20	\$100.00	\$2,748.00	\$1,700.80	\$7,964.32	\$194.20	\$23,524.80	\$533.60	\$58.50	\$0.00	\$295.40
25	otal Labor Cost for Activity in Line 9	\$	49,849.92	\$6,694.80	-	\$12 <i>,</i> 327.00	\$391.20	\$1,047.60	\$55.00	\$209.20	\$2,560.00	\$2,748.00	\$331.20	\$7,964.32	\$776.80	\$8,782.80	\$1,504.40	\$3 <i>,</i> 276.00	\$0.00	\$1,181.60
26	otal Labor Cost for Activity in Line 10	\$	329,439.70	\$8,020.32	25,592.00	\$197,232.00	\$ 2,040.32	\$18,425.70	\$90.00	\$ 3,500.00	\$2,375.00	\$ 398.00	\$1,700.80	\$4,988.88	\$1,165.20	\$19,884.80	\$18,805.00	\$ 1,709.24	\$20,558.44	\$2,954.00
27	otal Labor Cost for Activity in Line 11	\$	114,781.02	\$16,685.53	2,008.00	\$19,692.00	\$326.00	\$11,062.35	\$50.00	\$209.20	\$2,560.00	\$0.00	\$637.80	\$15,928.64	\$291.30	\$8,782.80	\$5,641.50	\$2,047.50	\$27,676.80	\$1,181.60
28 -	otal Labor Cost for Activity in Line 12	\$	273,008.23	\$1,323.60	3,012.00	\$192,544.00	\$717.20	\$8,183.65	\$30.00	\$209.20	\$270.00	\$0.00	\$212.60	\$31,857.28	\$97.10	\$8,782.80	\$0.00	\$351.00	\$23,064.00	\$2,353.80
29	otal Labor Cost for Activity in Line 13	\$	27,540.23	\$946.76	-	\$7 <i>,</i> 637.00	\$0.00	\$8,606.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,349.97	\$0.00
30	otal Labor Cost for All Activities (Line 14)	\$	841,794.40	\$33,987.65	30,812.80	\$437,650.00	\$4,126.72	\$47,744.84	\$265.00	\$4,336.80	\$7,865.00	\$5,894.00	\$4,583.20	\$68,703.44	\$2,524.60	\$69,758.00	\$26,484.50	\$7,442.24	\$81,649.21	\$7,966.40
31 (	Cost of Mailers and Printing (Line 15)	\$	68,302.91	\$692.46	205.07	\$39,318.00	\$2,086.40	\$4,488.40	\$20.00	\$200.00	\$1,500.00	\$2,198.00	\$254.98	\$3,252.14	\$1,075.00	\$6,067.99	\$661.48	\$149.76	\$6,083.23	\$50.00
32 (	Cost of Postage (Line 16)	\$	79,190.87	\$2,197.73	1,192.39	\$30,584.18	\$1,577.67	\$7,326.00	\$375.21	\$317.49	\$1,707.15	\$904.80	\$441.61	\$1,918.66	\$351.31	\$2,277.28	\$588.30	\$440.96	\$26,488.32	\$501.81
33 (	Cost of Delinquent Collection (Line 17)	\$	23,062.23	\$2,455.45	-	\$4,373.75	\$1,043.20	\$2,769.62	\$172.45	\$0.00	\$2,500.00	\$0.00	\$137.36	\$3,458.71	\$0.00	\$2,925.00	\$0.00	\$0.00	\$3,026.69	\$200.00
34 (	Cost of Other (a) (Line 19)	\$	6,840.00	\$0.00	-	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,840.00	\$0.00	\$0.00	\$0.00	\$0.00
35 (	Cost of Other (b) (Line 20)	\$	4,087.47	\$3,393.81	-	\$0.00	\$0.00	\$693.66	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
36	otal Cost of All Personal Property Accounts (Line 22)	) \$	1,031,027.08	\$44,480.95	32,210.26	\$511,925.93	\$8,833.99	\$64,442.52	\$832.66	\$4,854.29	\$13,572.15	\$13,572.15	\$5,417.15	\$77,332.95	\$3,950.91	\$87,868.27	\$27,734.28	\$8,032.96	\$117,247.45	\$8,718.21
37	Average Cost Per Personal Property Account (L36 /L1)	\$	7.01	\$ 8.43	\$ 10.01	\$ 6.74	\$ 2.26	\$ 8.07	\$ 1.19	\$ 7.94	\$ 4.16	\$ 8.70	\$ 4.88	\$ 15.46	\$ 4.28 \$	5 14.49	\$ 22.31	\$ 9.66	\$ 4.18	\$ 6.81
	Aedian (Indiv Counties Across)	\$	7.94		10<	4 1	/lin	\$ 1.19												
	Mean (C37/C2) (Statewide Down)	\$	7.01		10>	13 N		\$ 22.31												
	Mean (D38:T38) (Indiv Counties Across)	\$	8.21		-	201		,1												
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