



NEVADA DEPARTMENT OF TAXATION
Division of Local Government Services

REAL PROPERTY
TRANSFER TAX
1st QUARTER FY2013-2014
REPORT
July 1, 2013 to September 30,
2013

Division of Local Government Services

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Department of Taxation
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RESULTS

Background

The Real Property Transfer Tax (RPTT) is collected in each county when deeds¹ are presented for recording, with some exceptions². Tax rates vary in each county³ and range from \$1.95 to \$2.55 per \$500 of value⁴ or fraction thereof. The amounts collected are then distributed to various funds at the county and State levels. The statutes related to RPTT are contained in Nevada Revised Statutes (NRS) Chapter 375. The regulations for the tax are contained in Nevada Administrative Code (NAC) Chapter 375. For a more complete description of the tax, please refer to the next section, Administration of the Real Property Transfer Tax.

Tax Totals

The following table shows the total tax⁵ by county for the 1st quarter of fiscal year 2014 (July 1, 2013 to September 30, 2013) and the year to date amounts for Fiscal Year 2014 (July 1, 2013 to June 30, 2014). Approximately 92% (~\$27 million) of the year to date total tax (~\$29.3 million) for FY2014 relates to transactions in Clark County and Washoe County.

County	1st Quarter FY2014	1st Q%	Year to Date FY2014	YTD%
Total	\$29,270,370.19	100.00%	\$29,270,370.19	100.00%
CLARK	\$23,131,256.55	79.03%	\$23,131,256.55	79.03%
WASHOE	\$ 3,874,723.44	13.24%	\$ 3,874,723.44	13.24%
DOUGLAS	\$ 816,894.00	2.79%	\$ 816,894.00	2.79%
LYON	\$ 408,819.45	1.40%	\$ 408,819.45	1.40%
ELKO	\$ 285,286.95	0.97%	\$ 285,286.95	0.97%
CARSON CITY	\$ 235,220.70	0.80%	\$ 235,220.70	0.80%
NYE	\$ 174,456.75	0.60%	\$ 174,456.75	0.60%
STOREY	\$ 101,552.10	0.35%	\$ 101,552.10	0.35%
HUMBOLDT	\$ 96,283.20	0.33%	\$ 96,283.20	0.33%
CHURCHILL	\$ 50,198.35	0.17%	\$ 50,198.35	0.17%
LANDER	\$ 30,459.00	0.10%	\$ 30,459.00	0.10%
PERSHING	\$ 23,210.85	0.08%	\$ 23,210.85	0.08%
WHITE PINE	\$ 16,235.70	0.06%	\$ 16,235.70	0.06%
LINCOLN	\$ 11,038.95	0.04%	\$ 11,038.95	0.04%
MINERAL	\$ 8,338.20	0.03%	\$ 8,338.20	0.03%
EUREKA	\$ 4,217.85	0.01%	\$ 4,217.85	0.01%
ESMERALDA	\$ 2,178.15	0.01%	\$ 2,178.15	0.01%

¹ Per NRS 375.010(1)(b) a deed essentially means any instrument that transfers real property, regardless of the name of the document, with certain exceptions.

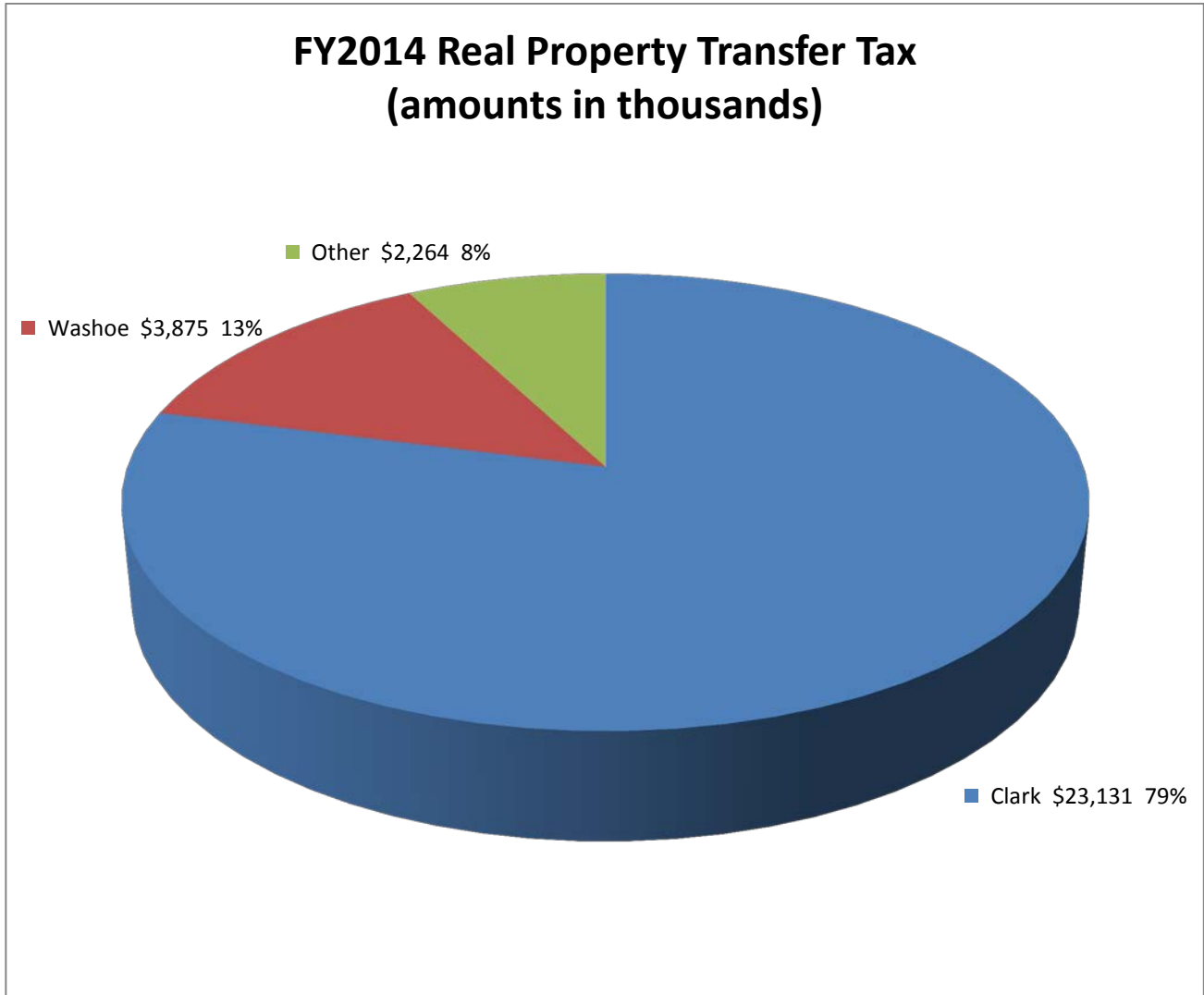
² Non-taxable events are listed in NRS 375.010(1)(b), exemptions are listed in NRS 375.090

³ See Table 1 in the next section for a table of the rates and distribution in each county.

⁴ NRS 375.020 through 375.026 impose tax "for each \$500 of value or fraction thereof...if the consideration or value of the interest or property conveyed exceeds \$100"

⁵ Amounts in table are from Recorders Monthly Report.

The total tax for the 1st quarter of fiscal year 2014 is depicted graphically below:



Transactions in Washoe County and Clark County account for approximately 92% of the 1st quarter Real Property Transfer Tax in FY2014. Transactions in the other 15 counties account for the remaining 8%. The total tax is approximately \$29,270,370.

Distribution of Tax

The following table shows the distribution of the tax for the 1st quarter of fiscal year 2013-14 (July 1, 2013 through September 30, 2013)⁶. The “Level of Government” heading indicates where the tax is ultimately used.

<i>Level of Govt</i>	<i>State</i>	<i>County</i>	<i>County</i>	<i>County</i>	<i>State</i>	<i>County</i>
	General Fund⁷	Collection Allowance⁸	Consolidated Tax⁹	School District¹⁰	Low Income Housing¹¹	Local Govt Tax Act¹²
TOTAL	\$15,599,932.91	\$157,575.08	\$6,666,638.00	\$5,442,648.60	\$1,212,116.00	\$191,459.60
CLARK	\$11,674,481.25	\$117,924.05	\$4,989,094.55	\$5,442,648.60	\$907,108.10	N/A
WASHOE	\$2,432,570.28	\$24,571.42	\$1,039,559.95	N/A	\$189,010.90	\$189,010.90
DOUGLAS	\$539,150.04	\$5,445.96	\$230,406.00	N/A	\$41,892.00	N/A
LYON	\$269,820.84	\$2,725.46	\$115,308.05	N/A	\$20,965.10	N/A
ELKO	\$188,289.39	\$1,901.91	\$80,465.55	N/A	\$14,630.10	N/A
CARSON CITY	\$155,245.66	\$1,568.14	\$66,344.30	N/A	\$12,062.60	N/A
NYE	\$115,141.46	\$1,163.05	\$49,205.75	N/A	\$8,946.50	N/A
STOREY	\$67,024.39	\$677.01	\$28,642.90	N/A	\$5,207.80	N/A
HUMBOLDT	\$63,546.91	\$641.89	\$27,156.80	N/A	\$4,937.60	N/A
CHURCHILL	\$31,514.77	\$318.33	\$13,467.85	N/A	\$2,448.70	\$2,448.70
LANDER	\$20,102.94	\$203.06	\$8,591.00	N/A	\$1,562.00	N/A
PERSHING	\$15,319.16	\$154.74	\$6,546.65	N/A	\$1,190.30	N/A
WHITE PINE	\$10,715.56	\$108.24	\$4,579.30	N/A	\$832.60	N/A
LINCOLN	\$7,285.71	\$73.59	\$3,113.55	N/A	\$566.10	N/A
MINERAL	\$5,503.21	\$55.59	\$2,351.80	N/A	\$427.60	N/A
EUREKA	\$2,783.78	\$28.12	\$1,189.65	N/A	\$216.30	N/A
ESMERALDA	\$1,437.58	\$14.52	\$614.35	N/A	\$111.70	N/A

⁶ Amounts in table are calculated from Recorders Monthly Report.

⁷ Per NRS 375.023, the tax rate includes \$1.30 per \$500 of value or fraction thereof for the State General Fund. The amount in the table is net of the collection allowance per NRS 375.023(4).

⁸ Per NRS 375.023(4), counties are entitled to 1% of the State’s \$1.30 portion of the taxes collected to defray the County’s administrative costs associated with the tax.

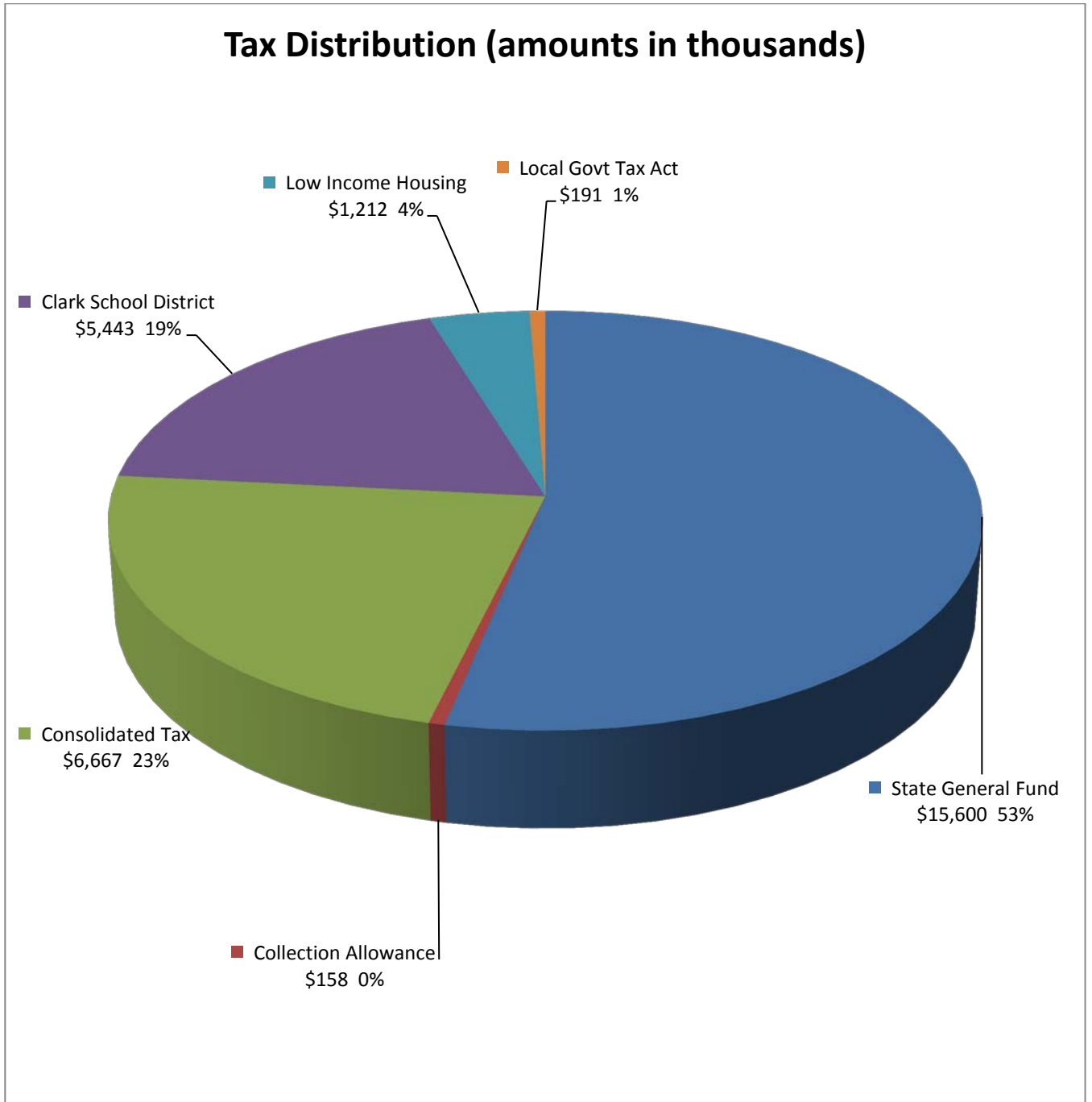
⁹ Per NRS 375.020, the tax rate includes \$0.65 per \$500 of value or fraction thereof. Of this amount, \$0.55 (NRS 375.070(1)(c) is distributed to the Local Government Tax Distribution Account, where it is combined with the proceeds of other taxes and becomes part of the Consolidated Tax or CTX (See NRS 360.660). The CTX is ultimately distributed back to counties. The remaining \$0.10 (NRS 375.070(1)(a)) is distributed to the state administered Low-Income Housing program created per NRS 319. In Clark County an additional \$0.60 is added which is distributed to the Clark County School District NRS 375.070(1)(b).

¹⁰ Ultimately distributed to the County School District. See note 9.

¹¹ Ultimately distributed to the State account for Low-Income Housing, created pursuant to NRS 319.500. See note 9.

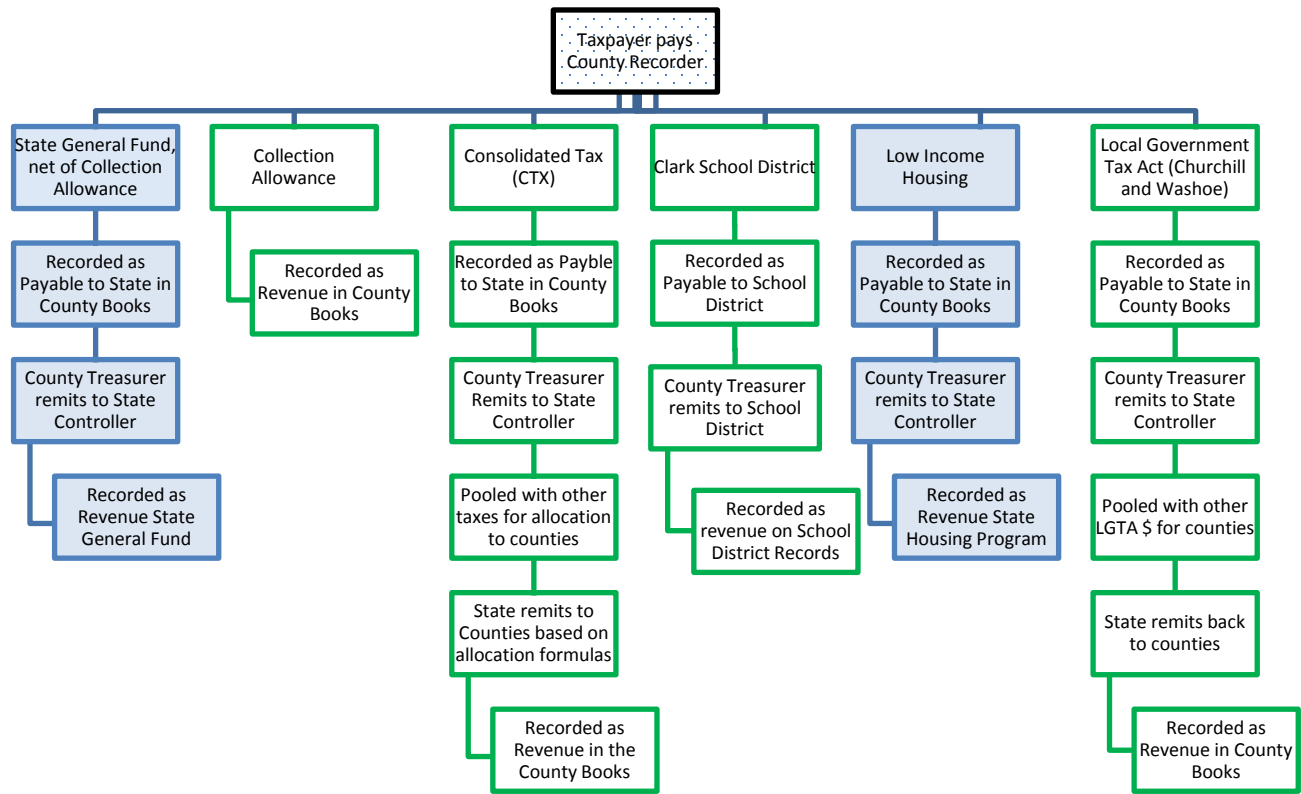
¹² The Local Government Tax Act (LGTA) was passed in 1991 and can be found in the Special Acts section at the following link. <http://leg.state.nv.us/SpecialActs/48-LocalGovernmentTax1991.html>. See Section 32. Please also see the updated LGTA of 1993. This act allows certain counties, by local ordinance, to levy an additional tax of \$0.10 per \$500 of value or fraction thereof. Currently only Churchill County and Washoe County levy the tax. The tax is ultimately distributed back to the County through the Tax Distribution Fund.

The distribution of the tax for the 1st quarter of fiscal year 2014 is depicted graphically as follows:



The proceeds allocated to the State General Fund (net of collection allowance) and to Low-Income Housing are ultimately used at the State level. The remaining proceeds are ultimately used at the local government level.

The total tax collected by the County Recorder is posted to various accounts in the County books and records. A portion of the amount collected is retained by the County. The retained amount consists of the collection allowance and School District amount (currently only in Clark County). The remaining portions (Consolidated Tax (CTX), State General fund (net of collection allowance), Low Income Housing, and Local Government Tax Act) are remitted by the County Treasurer to the State Controller for further distribution. CTX is ultimately combined with other taxes and distributed back to the Counties based on statutory allocation formulas. Similarly, the LGTA is combined with other LGTA taxes and distributed back to the counties. The following flowchart shows the flow of the tax through the various systems. The blue indicates proceeds ultimately used at the state level. The green indicated proceeds ultimately used at the local government level.



See the distribution table and graph on the prior two pages for amounts distributed per the above flowchart for the 1st quarter of FY2014.

Exemptions

The total number of deeds filed with the County Recorders for the 1th Quarter of Fiscal Year 2014 are shown in the following tables together with the number of each type of exemption. The exemption numbers correspond with the subparagraphs of NRS 375.090 as follows:

NRS 375.090 Exemptions. The taxes imposed by [NRS 375.020](#), [375.023](#) and [375.026](#) do not apply to:

1. A mere change in identity, form or place of organization, such as a transfer between a business entity and its parent, its subsidiary or an affiliated business entity if the affiliated business entity has identical common ownership.
2. A transfer of title to the United States, any territory or state or any agency, department, instrumentality or political subdivision thereof.
3. A transfer of title recognizing the true status of ownership of the real property, including, without limitation, a transfer by an instrument in writing pursuant to the terms of a land sale installment contract previously recorded and upon which the taxes imposed by this chapter have been paid.
4. A transfer of title without consideration from one joint tenant or tenant in common to one or more remaining joint tenants or tenants in common.
5. A transfer, assignment or other conveyance of real property if the owner of the property is related to the person to whom it is conveyed within the first degree of lineal consanguinity or affinity.
6. A transfer of title between former spouses in compliance with a decree of divorce.
7. A transfer of title to or from a trust without consideration if a certificate of trust is presented at the time of transfer.
8. Transfers, assignments or conveyances of unpatented mines or mining claims.
9. A transfer, assignment or other conveyance of real property to a corporation or other business organization if the person conveying the property owns 100 percent of the corporation or organization to which the conveyance is made.
10. A conveyance of real property by deed which becomes effective upon the death of the grantor pursuant to [NRS 111.655](#) to [111.699](#), inclusive.
11. The making, delivery or filing of conveyances of real property to make effective any plan of reorganization or adjustment:
 - (a) Confirmed under the Bankruptcy Act, as amended, 11 U.S.C. §§ 101 et seq.;
 - (b) Approved in an equity receivership proceeding involving a railroad, as defined in the Bankruptcy Act; or
 - (c) Approved in an equity receivership proceeding involving a corporation, as defined in the Bankruptcy Act,
➤ if the making, delivery or filing of instruments of transfer or conveyance occurs within 5 years after the date of the confirmation, approval or change.
12. A transfer to an educational foundation. As used in this subsection, “educational foundation” has the meaning ascribed to it in subsection 3 of [NRS 388.750](#).
13. A transfer to a university foundation. As used in this subsection, “university foundation” has the meaning ascribed to it in subsection 3 of [NRS 396.405](#).

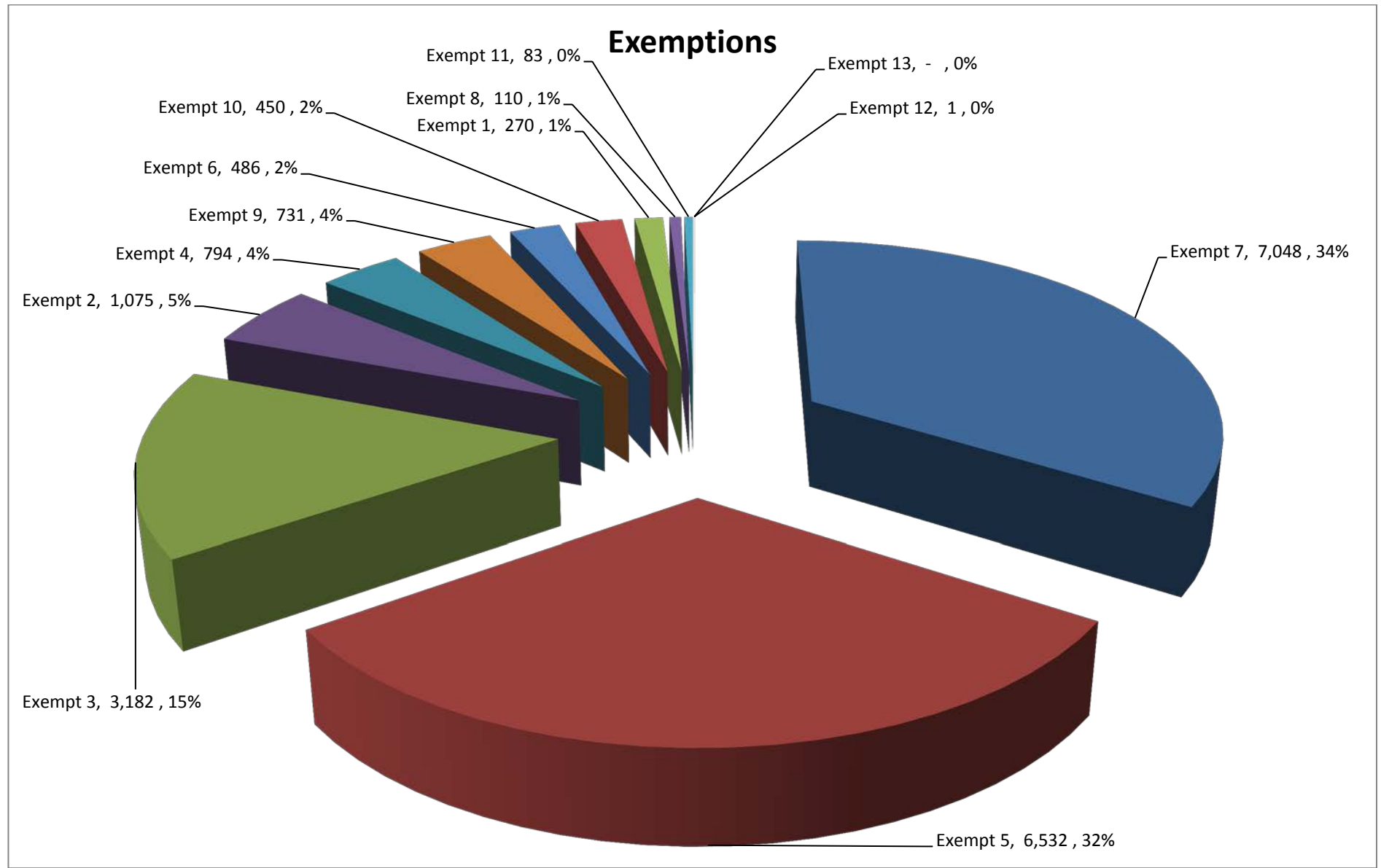
(Added to NRS by 1967, 1761; A 1969, 569; 1971, 246; 1985, 862, 2046; 1991, 1122, 2053; 1993, 2308, 2624; 1995, 716, 1037; [2001, 1593](#); [2003, 3486](#); [2003, 20th Special Session, 172, 174](#); [2005, 962, 2057, 2488](#); [2007, 3393](#); [2009, 1112](#); [2011, 1354](#))

Number of Exemptions for the 1st quarter of fiscal year 2014

	% of Total Transfers	Total Transfers	Exempt Transfers	% of Total Exemptions	% of Transfers Exempted by County	1	2	3	4	5	6	7	8	9	10	11	12	13
TOTAL	100.00%	57085	20762	100.00%	36.37%	270	1075	3182	794	6532	486	7048	110	731	450	83	1	0
CLARK	77.46%	44218	14927	71.90%	33.76%	230	792	2306	615	4853	299	4955	6	613	238	20	0	0
WASHOE	11.36%	6485	2911	14.02%	44.89%	16	118	411	91	861	92	1147	5	48	65	57	0	0
DOUGLAS	2.72%	1554	580	2.79%	37.32%	2	16	81	14	155	24	250	0	16	21	1	0	0
NYE	1.84%	1049	540	2.60%	51.48%	2	58	61	21	130	9	213	8	3	34	1	0	0
LYON	1.65%	943	415	2.00%	44.01%	5	29	77	14	151	13	103	1	10	11	1	0	0
ELKO	1.53%	874	364	1.75%	41.65%	2	7	68	10	125	16	99	13	12	12	0	0	0
CARSON CITY	1.10%	626	331	1.59%	52.88%	3	17	54	9	64	7	151	0	9	17	0	0	0
CHURCHILL	0.55%	312	200	0.96%	64.10%	2	28	46	4	43	10	32	6	3	26	0	0	0
PERSHING	0.32%	184	60	0.29%	32.61%	4	0	10	1	12	4	10	19	0	0	0	0	0
HUMBOLDT	0.28%	161	119	0.57%	73.91%	0	2	20	8	41	6	16	10	0	16	0	0	0
LANDER	0.24%	137	67	0.32%	48.91%	1	0	7	1	22	2	15	5	11	3	0	0	0
WHITE PINE	0.23%	129	76	0.37%	58.91%	0	4	17	0	24	1	15	13	1	1	0	0	0
STOREY	0.18%	104	36	0.17%	34.62%	1	2	5	1	15	1	6	0	2	0	3	0	0
MINERAL	0.16%	93	38	0.18%	40.86%	1	1	6	3	8	1	6	6	2	4	0	0	0
LINCOLN	0.14%	80	47	0.23%	58.75%	1	1	6	0	17	1	18	2	0	1	0	0	0
ESMERALDA	0.12%	69	35	0.17%	50.72%	0	0	5	1	7	0	5	16	1	0	0	0	0
EUREKA	0.12%	67	16	0.08%	23.88%	0	0	2	1	4	0	7	0	0	1	0	1	0

Per the tables and graphs under the heading “Tax Totals”, transactions in Washoe County and Clark County account for approximately 92% of the tax dollars. The above table indicates that transactions in Washoe County and Clark County account for approximately 89% of the total number of transfers. Transactions in the other 15 counties account for approximately 11% of the total number of transfers.

The following chart shows the number of exemptions by category for the 1st quarter of fiscal year 2014



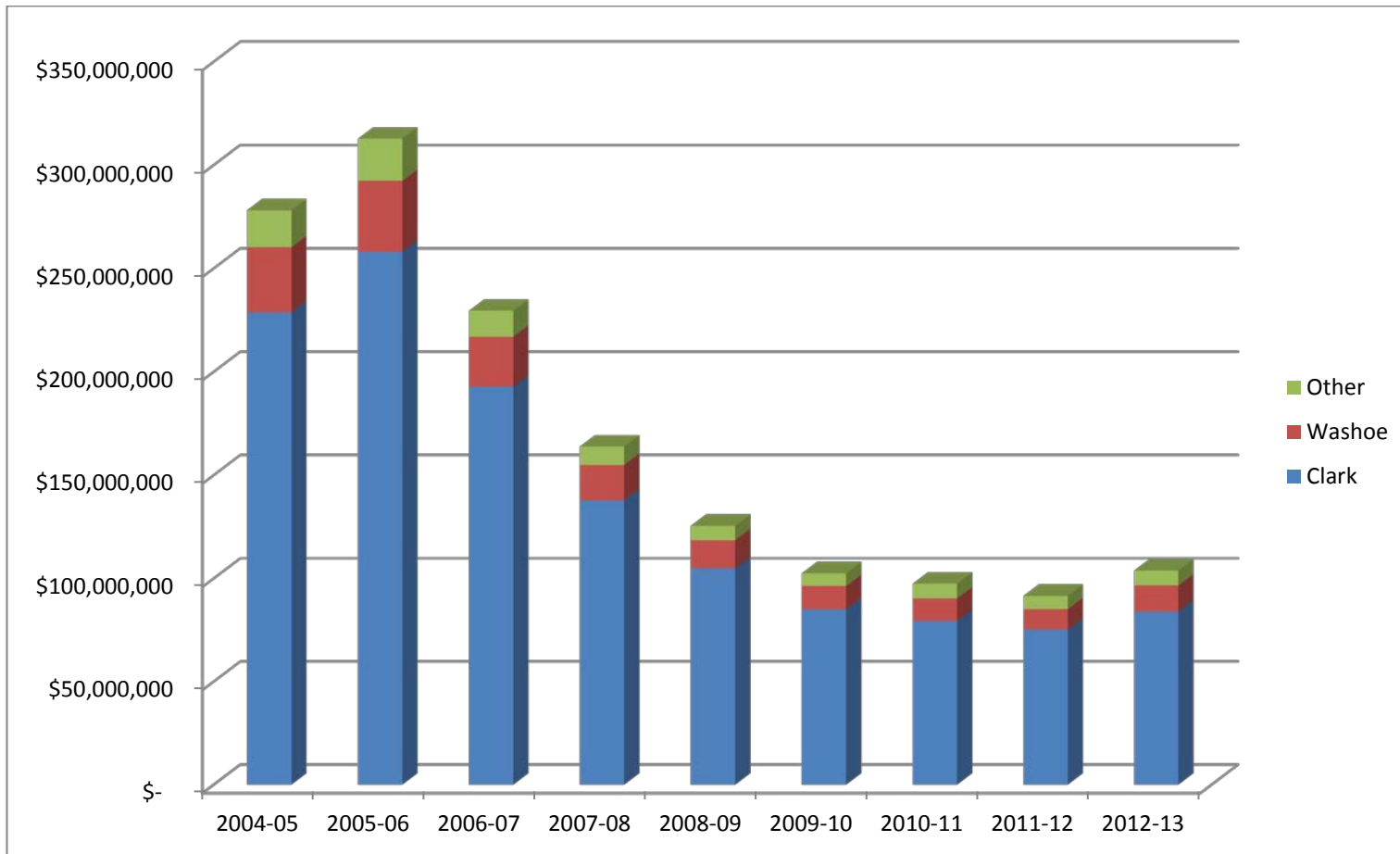
Historical Trends

The following table shows the tax for the last nine fiscal years¹³.

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
TOTAL	\$278,116,016.30	\$312,725,296.59	\$229,471,598.66	\$163,815,334.90	\$125,473,123.05	\$102,479,032.88	\$97,451,899.65	\$91,555,410.38	\$103,806,790.53
CLARK	228,738,537.05	257,904,928.10	192,759,296.24	137,797,728.78	104,987,657.80	85,006,222.45	79,337,410.50	75,173,556.50	83,853,906.75
WASHOE	31,430,655.35	34,428,382.65	24,162,347.55	17,115,622.20	13,573,497.00	11,257,946.06	10,943,230.05	9,910,474.93	12,686,613.60
DOUGLAS	5,138,731.70	4,549,810.75	3,064,226.75	2,401,438.10	1,695,928.65	1,714,878.45	1,780,599.60	1,574,651.35	2,237,118.00
LYON	3,904,630.89	4,533,857.25	2,280,528.90	1,351,396.80	1,363,978.20	1,154,696.40	1,183,072.80	941,914.35	1,074,019.05
ELKO	940,654.65	1,250,928.90	1,356,498.00	939,102.45	759,552.30	694,227.30	774,791.55	993,248.10	1,037,288.85
CARSON CITY	2,078,341.20	2,269,398.60	1,842,732.45	989,119.95	788,195.75	881,450.70	685,290.45	826,474.35	950,829.75
NYE	2,944,091.71	4,140,151.98	1,920,498.38	1,273,158.19	1,035,619.89	836,748.55	692,554.20	661,397.10	689,625.30
HUMBOLDT	337,727.32	779,372.85	423,116.94	384,624.02	264,691.06	220,888.23	210,432.30	390,138.45	396,148.35
CHURCHILL	1,488,128.20	1,268,986.90	569,985.10	445,190.30	302,973.60	272,486.80	1,373,664.00	274,482.70	337,844.10
STOREY	388,315.20	480,829.05	375,950.25	468,920.40	344,079.35	148,882.50	151,499.40	305,682.00	112,557.90
WHITE PINE	137,517.90	234,050.70	190,944.00	237,763.50	74,454.90	78,076.05	108,872.40	81,995.55	111,198.75
LANDER	65,388.15	144,529.13	129,897.10	83,984.55	60,317.40	45,748.96	64,515.75	85,569.90	91,143.98
PERSHING	136,533.11	185,981.25	103,010.70	107,388.45	85,031.70	41,377.05	51,902.55	102,137.10	89,704.90
LINCOLN	288,511.90	424,515.00	149,180.85	99,202.35	76,683.75	44,089.50	55,649.10	59,239.05	59,434.05
MINERAL	47,771.10	51,567.85	57,979.35	53,036.10	30,669.60	47,759.40	15,646.80	39,089.70	40,969.50
EUREKA	26,634.32	55,385.84	47,199.75	41,513.16	15,730.65	21,411.83	13,417.95	119,802.15	29,653.65
ESMERALDA	23,846.55	22,619.79	38,206.35	26,145.60	14,061.45	12,142.65	9,350.25	15,557.10	8,734.05

¹³ Amounts in table are calculated from Recorders Monthly Report.

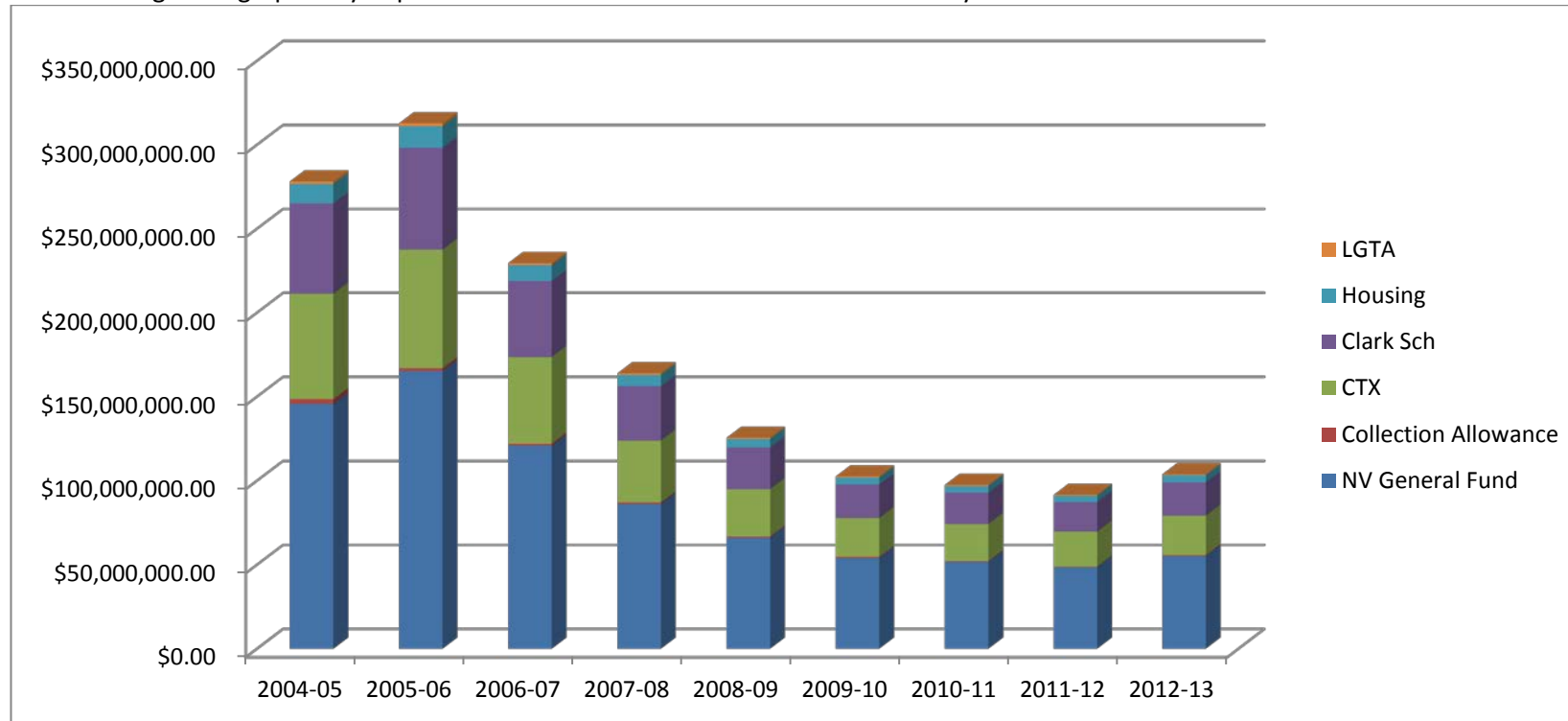
These trends are depicted graphically as follows;



The following table shows the distribution of the tax over the last nine years¹⁴.

	2004-05 ¹⁵	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
TOTAL	\$278,116,016.30	\$312,725,296.59	\$229,471,598.66	\$163,815,334.90	\$125,473,123.05	\$102,479,032.88	\$97,451,899.65	\$91,555,410.38	\$103,806,790.53
NV General Fund	145,609,562.84	165,198,296.34	120,720,609.82	86,153,571.83	66,061,540.87	54,063,971.70	51,601,076.70	48,424,653.77	55,071,139.29
Collection Allowance	2,850,030.31	1,668,669.66	1,219,400.10	870,238.10	667,288.29	546,100.72	521,223.00	489,137.92	556,274.13
Consolidated Tax	62,809,827.87	70,597,562.54	51,590,004.20	36,817,765.74	28,231,427.72	23,104,261.41	22,051,742.18	20,694,296.48	23,534,674.91
Clark School District	53,820,832.25	60,683,512.49	45,355,128.53	32,422,995.01	24,702,978.31	20,001,464.11	18,667,626.00	17,687,895.65	19,730,331.00
Low-Income Housing	11,419,968.70	12,835,920.46	9,380,000.76	6,694,139.23	5,132,986.86	4,200,774.80	4,009,407.67	3,762,599.36	4,279,031.80
Local Gov't Tax Act	1,605,794.32	1,741,335.10	1,206,455.25	856,625.00	676,901.00	562,460.14	600,824.10	496,827.20	635,339.40

The following chart graphically depicts the distribution of the tax over the last nine years.



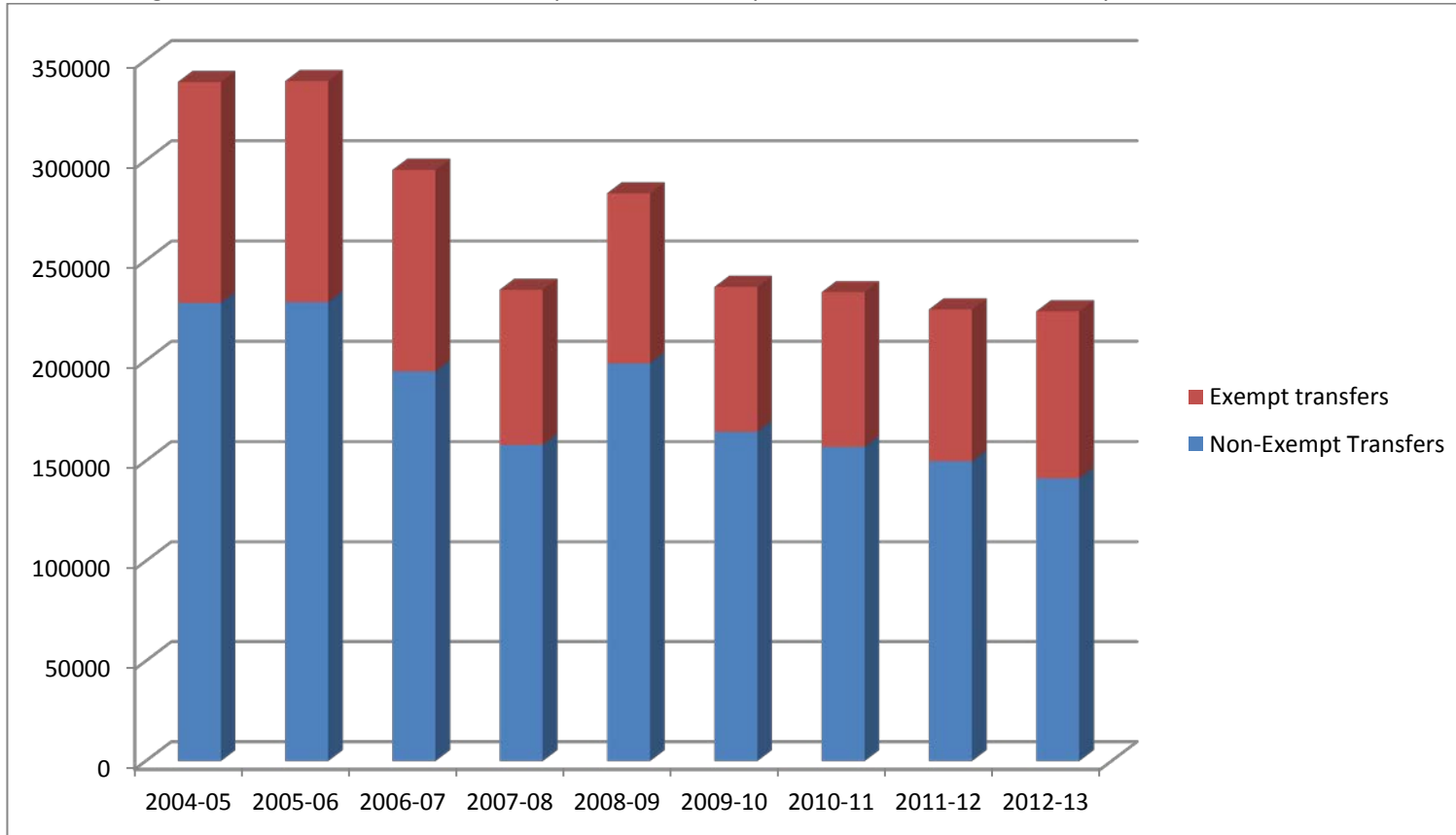
¹⁴ Amounts in table are calculated from Recorders Monthly Report.

¹⁵ Per statute for the fiscal year 2004-05, Washoe and Clark counties retained a 2% collection allowance and the remaining counties retained a 1% collection allowance. The 2005 legislative session bill SB390 implemented a 1% collection allowance for all counties.

The following table shows the total number of transfers and the exempt transfers over the last nine years; highlighted cells indicated that data was not available for all or part of the periods.

	2004-05 Total Transfers	2004-05 Exempt Transfers	2005-06 Total Transfers	2005-06 Exempt Transfers	2006-07 Total Transfers	2006-07 Exempt Transfers	2007-08 Total Transfers	2007-08 Exempt Transfers	2008-09 Total Transfers	2008-09 Exempt Transfers	2009-10 Total Transfers	2009-10 Exempt Transfers	2010-11 Total Transfers	2010-11 Exempt Transfers	2011-12 Total Transfers	2011-12 Exempt Transfers	2012-13 Total Transfers	2012-13 Exempt Transfers
TOTAL	339077	110289	339509	110279	295175	100524	235433	77429	283526	84783	236769	72212	234218	77262	225585	75773	224646	83352
CLARK	258325	97663	264656	97616	233345	81864	187925	54962	239143	64371	190504	52570	188531	56145	178268	54857	176144	60095
WASHOE	35824	0	32393	0	26773	6663	21313	10404	20378	9113	22460	9178	23231	10207	23412	10125	24001	11619
DOUGLAS	8255	3293	8673	3070	7244	2776	6765	2490	5734	2272	6100	2096	5512	2120	6497	2106	6268	2325
NYE	11704	0	9735	0	8048	0	4611	1972	4550	2114	4453	1990	3245	1969	3233	1964	3554	2049
LYON	8297	3029	7138	2960	4459	2418	2994	1808	3553	1637	3530	1525	3583	1639	3558	1470	3591	1628
CARSON CITY	3361	1802	3132	1807	2426	1489	2162	1415	1863	1202	2056	1186	2094	1241	2230	1214	2317	1344
ELKO	4850	1223	5311	1371	5102	1534	3577	1324	2907	1217	2679	1182	2589	1154	3156	1213	3249	1283
CHURCHILL	2364	1013	2148	983	1964	1269	1256	698	1205	735	1011	537	1161	681	1142	613	1359	831
HUMBOLDT	1300	563	1444	647	1608	623	1204	554	1277	592	1202	555	1296	655	1033	729	683	652
WHITE PINE	877	318	934	379	790	393	656	346	508	288	496	299	509	294	521	301	558	320
PERSHING	946	283	974	237	725	308	757	318	713	325	630	241	866	275	712	289	876	269
STOREY	972	393	708	367	565	337	455	284	401	246	390	202	353	177	361	172	397	202
LINCOLN	542	188	512	226	450	228	397	221	255	165	265	172	287	180	282	143	396	188
MINERAL	546	241	523	216	519	268	440	258	329	196	327	179	297	197	342	175	328	170
LANDER	422	121	595	182	567	184	430	197	365	172	310	126	294	128	396	158	442	162
ESMERALDA	200	90	259	111	332	103	250	107	166	66	197	98	209	127	255	171	231	127
EUREKA	292	69	374	107	258	67	241	71	179	72	159	76	161	73	187	73	252	88

The following chart shows the number of exempt and non-exempt transfers over the last nine years.



Reconciliation

Pursuant to NAC 375.400, County Recorders must provide the Department the following information each month:

- Total number of deeds subject to RPTT during the prior month;
- Total taxes collected during the prior month;
- Total number of exemptions granted by type of exemption;
- Such other information that may be useful in coordinating the collection and administration of the taxes (under this category, a line item on the report form for the total collection allowance that may be retained by the county, based on the General Fund taxes collected during the prior month and the school district portion for Clark County)

Pursuant to NRS 375.023(3), County Treasurers must remit a portion of the amounts collected to the State Controller for distribution to various accounts in the State books and records. Counties retain a portion of the amount collected. See “Distribution of Tax” above for a complete explanation of the distribution.

The Department prepares a quarterly reconciliation of the tax. The Department prepares a workpaper with the expected distribution of the funds per the Recorder’s Report. The expected collection allowance is reconciled to the collection allowance reported by the Recorder. The expected distributions to the State, including CTX, General Fund, Low Income Housing, and LGTA amounts, are compared with the State Controller’s records and the County Treasurer remittance reports. Any discrepancies are investigated and brought to the attention of the County Recorder, County Treasurer, or State Controller, as needed. The expected Clark County School District portion is reconciled to the school district amount reported by the Recorder.

During the 1th Quarter of fiscal year 2014, there is one outstanding unresolved issue relating to distribution of the tax in Washoe County; this is minor and is expected to be a data entry error. There were approximately 3 items that required adjustment during the 1st quarter of fiscal year 2014 and all adjustments were resolved. Of the adjustments, one was a data entry error and two are refunds issued per NRS 375.150, NRS 375.290, or NRS 375.310.

ADMINISTRATION OF THE REAL PROPERTY TRANSFER TAX

Authority and Oversight

The 20th Special Session of the Nevada State Legislature in 2003 instituted the passage of Senate Bill 8, which authorized an additional tax rate for the State General fund and gave the Department of Taxation administrative authority and oversight. The Department is required by NRS 375.019 to coordinate the collection and administration of the tax. The Nevada Tax Commission adopted regulations governing the Department's authority and oversight as well as the reporting of the Real Property Transfer Tax (RPTT) on March 1, 2004. Refer to NAC 375.400, 410, and 420.

Calculation and Collection of the Tax

The RPTT was originally imposed in 1968. The tax rates were established in NRS 375.020. NRS 375.020 has been amended from time to time. The current rate is \$0.65 per \$500 of value, or fraction thereof, for counties whose population is less than 700,000. The base rate in all counties of \$0.65 is segregated between county revenue¹⁶ (consolidated tax \$0.55) and state revenue¹⁷ (low-income housing \$0.10). For any county whose population is 700,000 or more, the rate is \$1.25 per \$500 of value or fraction thereof. The only county eligible for the higher rate at the current time is Clark County. The additional \$0.60 per \$500 of value, or fraction thereof, imposed in Clark County is dedicated to the Clark County School District fund for capital projects.

The Local Government Tax Act (LGTA) of 1991 provides an optional tax levy, if county commissioners approve an ordinance to impose a Real Property Transfer Tax, of up to 10 cents for each \$500 of value or fraction thereof. Currently, only Churchill County and Washoe County impose an additional \$0.10 levy.

NRS 375.026, passed by the Legislature in 2003, provides for the imposition of an additional levy of \$0.05 per \$500 of value or fraction thereof. The taxes so levied are for use in the Plant Industry Program as required by NRS 561.355. To date, no counties have levied any taxes for this program.

Finally, NRS 375.023 provides for the imposition of \$1.30 per \$500 of value or fraction thereof for the State General Fund.

¹⁶ The County Revenue is based on \$0.55 per \$500 of value, or fraction thereof, and is part of the Consolidated Tax.

¹⁷ The State Revenue is based on \$0.10 per \$500 of value, or fraction thereof, and is part of the low income housing program created pursuant to NRS 319.

The following table shows each component of RPTT and when it was implemented.

Table 1: Real Property Transfer Tax Rates, by Component Levied

Entity	Component Type	Effective Date	Rate (per \$500)	Total Rate
Churchill County	County (now Consolidated Tax)	1/1/1968	\$0.55	
	Low Income Housing	7/1/1991	\$0.10	
	LGTA	7/1/1991	\$0.10	
	State General Fund	10/1/2003	<u>\$1.30</u>	\$2.05
Clark County	County (now Consolidated Tax)	1/1/1968	\$0.55	
	School District	8/1/1977	\$0.60	
	Low Income Housing	7/1/1991	\$0.10	
	State General Fund	10/1/2003	<u>\$1.30</u>	\$2.55
Washoe County	County (now Consolidated Tax)	1/1/1968	\$0.55	
	Low Income Housing	7/1/1991	\$0.10	
	LGTA	7/1/1991	\$0.10	
	State General Fund	10/1/2003	<u>\$1.30</u>	\$2.05
All other counties	County (now Consolidated Tax)	1/1/1968	\$0.55	
	Low Income Housing	7/1/1991	\$0.10	
	State General Fund	10/1/2003	<u>\$1.30</u>	\$1.95

Collection Allowance

Pursuant to NRS 375.023(4), counties are entitled to deduct and withhold a collection allowance for the cost of collecting the tax. Per the 2005 Legislative Session, all counties may deduct 1% of the State's portion of the taxes collected.

The collection allowance is retained by the county and deducted from the amount remitted to the State.

Distribution of the Tax

All components of the Real Property Transfer Tax, net of the collection allowance, are transmitted to the State Controller, with two exceptions. The first exception is the Plan Industry Program. If and when any taxes are levied for the Plant Industry Program, they must be transmitted directly to the State Treasurer. The second exception is the school district component levied in Clark County, which is transmitted directly to the Clark County Treasurer for ultimate distribution to the School District.

NRS 375.070 requires the tax imposed by NRS 375.020 (the \$0.65 per \$500 of value of fraction thereof) to be transmitted to the State Controller at the end of each quarter. Some counties transmit on a monthly basis and in turn receive back a monthly distribution of the consolidated tax (CTX) component (the \$0.55 per \$500 or fraction thereof). The remaining Low-Income Housing component (\$0.10 per \$500 value or fraction thereof) is distributed to the State housing program.

The State Controller distributes the tax represented by the CTX component to the Local Government Tax Distribution Account, where it is combined with the proceeds of other taxes and becomes part of the Consolidated Tax distribution (CTX) administered by the Department of Taxation pursuant to NRS 360.660. The remaining \$0.10 of the \$0.65 is distributed by the State Controller to the Account for Low-Income Housing, created pursuant to NRS 319.500.

The Real Property Transfer Taxes collected pursuant to the Local Government Tax Act (LGTA) are also transmitted to the State Controller and are distributed to the Intergovernmental Trust Fund which accrues interest. The real property transfer taxes are distributed back to the participating counties, along with the proceeds of other types of taxes collected pursuant to LGTA, by the Department of Taxation.

The taxes collected by counties on behalf of the state are distributed by the State Controller to the State General Fund. The taxes collected on behalf of the state, however, are required to be transmitted within 30 days after the end of the calendar quarter *during which the tax was collected*. (NRS 375.023(3)). For instance, taxes collected by the County Recorder in January must be remitted to the State Controller no later than April 30. Taxes collected in January may be remitted monthly as other components of the RPTT are transmitted, but cannot be remitted later than 30 days after the last day of the calendar quarter.

In all counties the County Treasurer or County Controller is currently responsible for transmitting the taxes to the State Controller, and the transmittal report must reflect the time period when the taxes were actually collected by the Recorder, not when the Treasurer or Controller received the monies from the Recorder. If the State conducts an audit, the period to be audited would be when the monies were first received from the taxpayer (“the collection period”). The collection period must balance to the transmittal reports.