

STATE OF NEVADA DEPARTMENT OF TAXATION





MODIFIED BUSINESS TAX



MODIFIED BUSINESS TAX

Business entities are subject to Modified Business Tax in one of two categories:

General – NRS 363B

Financial Institutions – NRS 363A

Net Proceeds of Minerals – NRS 363A

MODIFIED BUSINESS TAX

Financial Institutions:

A financial Institution is

- an institution or person who is licensed, registered or otherwise authorized to do business in this State per NRS 363A.050.

Does not include:

a credit union per NRS 678

Federal land credit association

A person who is primarily engaged in the sale, solicitation or negotiation of insurance and who would be considered an employee subject to the modified business tax

*A person whose primary business consists of the sale, solicitation or negotiation of insurance**

**(SB103, 2015 Legislative session, effective 7/1/2015)*

MODIFIED BUSINESS TAX

- **As a result of the 2015 Legislative session, the General Modified Business tax rate was increased to 1.475% of net payroll**
- **General Modified Business Tax for wages under \$50,000 per quarter is not taxable.**
- **Net proceeds of Mining have been added to NRS 363A**
- **Additional deductions and credits allowed**

MODIFIED BUSINESS TAX

Who is required to be registered?

Any business who is required to pay a contribution pursuant to NRS 612.535

except.....

Indian Tribe

Nonprofit organization under 26 U.S.C. 501(c)

Political subdivision

NRS 363A.030

NRS 363B.030

MODIFIED BUSINESS TAX

Categories and Rates (*EFFECTIVE 7/1/2015*)

NRS 363B.110

General

- **Wages over \$50,000 in a calendar quarter** **1.475%**
 Wages up to **\$50,000** in a calendar quarter
 - **No tax...*but a return MUST still be filed***

Financial

2.00%

All wages are subject to the tax

Includes Financial institutions and Net Proceeds of Minerals entities.

NRS 363A.130. AB 483, 2015 legislative session

MODIFIED BUSINESS TAX

- Returns are due by the last day of the month following the quarter in which the tax was due (*NRS 363B.110, NRS 363A.130*)
(example: quarter ended September 30, return is due by October 31)
- Up to 10% penalty if late (*NRS 360.417*)
- Interest calculated at .75% per month on unpaid balance (*NRS 360.417*)

MODIFIED BUSINESS TAX GENERAL

Print Form

NEVADA DEPARTMENT OF TAXATION

MODIFIED BUSINESS TAX RETURN GENERAL BUSINESS (Effective July 1, 2015)

Mail Original To: NEVADA DEPARTMENT OF TAXATION
PO BOX 52609
PHOENIX AZ 85072-2609

TID NO:020-TX

FOR DEPARTMENT USE ONLY

PERIOD ENDING:	09/30/15
DUE BY:	11/02/15
DATE PAID:	08/11/15

IF POSTMARKED AFTER DUE DATE, PENALTY AND INTEREST WILL APPLY. If the address as shown is incorrect, please make any corrections before mailing the return. Use the space on the left for these corrections.

1. TOTAL GROSS WAGES (INCLUDING TIPS) PAID THIS QUARTER	1.	
2a. ENTER DEDUCTION FOR PAID HEALTH INSURANCE/HEALTH BENEFITS PLAN):	2a.	
2b. ENTER DEDUCTION FOR QUALIFIED VETERANS WAGES (See Instructions)	2b.	
3. Line 1 minus Line 2a and Line 2b	3.	
4. Offset Carried Forward from Previous Quarter	4.	
5. Line 3 minus Line 4	5.	
6. TAXABLE WAGES (If line 5 is greater than zero enter amount here, if less than zero enter on Line 17)	6.	
7. ENTER THRESHOLD OF \$50,000.	7.	
8. TAXABLE WAGES (Line 5 minus Line 7, but not less than \$0)	8.	
9. CALCULATED TAX (Line 8 x .01475)	9.	
10. CREDITS (Overpayments or other approved credits, see instructions)	10.	
11. NET TAX DUE (Line 9 minus Line 10)	11.	
12. PENALTY (LINE 11 x 0% see instructions)	12.	
13. INTEREST (See instructions for current rate and calculation)	13.	
14. PREVIOUS DEBITS (Outstanding liabilities)	14.	
15. TOTAL AMOUNT DUE (Line 11 + Line 12 + Line 13 + Line 14)	15.	
16. AMOUNT PAID	16.	
17. CARRY FORWARD (If Line 5 is less than zero (0) enter amount here. This Offset will be carried forward for the next quarter)	17.	

MAKE CHECK PAYABLE TO NEVADA DEPT OF TAXATION - A RETURN MUST BE FILED EVEN IF NO TAX LIABILITY EXISTS

ENTER NAME OF PERSON SIGNING RETURN _____

Signature _____ Phone _____ Date _____

Title _____ FEIN of Business Named Above _____

I hereby certify that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct and complete return. **THIS RETURN MUST BE SIGNED**



To e-mail, save this form to your computer and e-mail the attachment to: nevadaolt@tax.state.nv.us with the subject of 'Modified Business Tax Return'

TXR-020.04
MBT-GB
Revised 07/14/15

This form is a universal form that will calculate tax, interest and penalty for the appropriate periods if used on-line.

MODIFIED BUSINESS TAX FINANCIAL

Print Form

NEVADA DEPARTMENT OF TAXATION

**MODIFIED BUSINESS TAX RETURN
FINANCIAL INSTITUTIONS** (Revised July 1, 2015)

Mail Original To: NEVADA DEPARTMENT OF TAXATION
PO BOX 52809
PHOENIX AZ 85072-2609

TID NO:021-TX

FOR DEPARTMENT USE ONLY

PERIOD ENDING: 09/30/15
DUE BY: 11/02/15
DATE PAID:

IF POSTMARKED AFTER DUE DATE, PENALTY AND INTEREST WILL APPLY. If the address as shown is incorrect, please make any corrections before mailing the return. Use the space on the left for these corrections.

1. TOTAL GROSS WAGES (INCLUDING TIPS) PAID THIS QUARTER	1.	
2a. ENTER DEDUCTION FOR PAID HEALTH INSURANCE/HEALTH BENEFITS PLAN):	2a.	
2b. ENTER DEDUCTION FOR QUALIFIED VETERANS WAGES (See Instructions)	2b.	
3. NET WAGES (Line 1 minus Line 2a and Line 2b)	3.	
4. Offset Carried Forward from Previous Quarter	4.	
5. Line 3 minus Line 4	5.	
6. TAXABLE WAGES (If line 5 is greater than zero enter amount here, if less than zero enter on Line 15)	6.	
7. CALCULATED TAX 2% OR .02 X Line 6	7.	
8. CREDITS (Overpayments or other approved credits, see Instructions)	8.	
9. NET TAX DUE (Line 7 minus Line 8)	9.	
10. PENALTY (See Instructions for calculation)	10.	
11. INTEREST (See Instructions for current rate and calculation)	11.	
12. PREVIOUS DEBITS (Outstanding liabilities)	12.	
13. TOTAL AMOUNT DUE (Line 9 + Line 10 + Line 11 + Line 12)	13.	
14. AMOUNT PAID	14.	
15. CARRY FORWARD (If Line 5 is less than zero (0) enter amount here. This Offset will be carried forward for the next quarter)	15.	

MAKE CHECK PAYABLE TO NEVADA DEPT OF TAXATION - A RETURN MUST BE FILED EVEN IF NO TAX LIABILITY EXISTS

ENTER NAME OF PERSON
SIGNING RETURN

Signature _____ Phone _____ Date _____
Title _____ FEIN of Business Named Above _____

I hereby certify that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct and complete return. THIS RETURN MUST BE SIGNED



To e-mail, save this form to your computer and e-mail the attachment to: nevadaolt@tax.state.nv.us with the subject of 'Modified Business Tax Return'

TXR-021.04
MBT-FI
Revised 07/14/15

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MODIFIED BUSINESS TAX

How is my business classified?

NAICS code

(North American Industry Classification System)

Your business is classified on its Federal Income
Tax Return by this code

MODIFIED BUSINESS TAX

Wages

WHAT TO REPORT?

A: The wages you have reported to the Employment Security Department on their form NUCS-4072, line 3, “Employer’s Quarterly Contribution and Wage Report”

NRS 362A.135

NRS 363B.115

MODIFIED BUSINESS TAX

Health Benefit Deduction

WHAT TO INCLUDE?

Any amount authorized by NRS 363B.115, paid by the employer for health insurance or a health benefit plan for its employees in the calendar quarter for which the tax is paid.

The deduction may include:

- **Premiums for a policy of health insurance for employees**
- **Amounts paid by a self-insured employer in a qualified employee welfare benefit plan for claims, direct administrative services, premiums or aggregate stop-loss insurance coverage**
- **Amounts paid by an employer to a Taft-Hartley trust under 29 U.S.C. 186(c)(5)**

MODIFIED BUSINESS TAX

Health Benefit Deduction

WHAT **NOT** TO INCLUDE?

- Amounts paid for industrial injury or occupational disease insurance
- Payments made by the employee for health care/health insurance
- Amounts deducted from the wages of employees for such health care or insurance
- Life insurance

MODIFIED BUSINESS TAX

Qualifying Veteran Deduction

An employer may deduct from the total amount of wages reported for wages paid to:

NRS 363A and NRS 363B; AB 71, 2015 Legislative session, effective 7/1/2015

- **an employee who is a veteran per NRS 471.005**
- **a veteran hired after 7/1/2015 and on or before 6/30/2019**
- **a veteran who has been unemployed for a continuous period of not less than 3 months immediately preceding the date of hire**
- **a veteran who has been receiving unemployment compensation continuously for the period of unemployment**
- **the veteran who has been employed in a full-time position throughout the entire calendar quarter for which the deduction is claimed**

MODIFIED BUSINESS TAX

Qualifying Veteran Deduction *(Continued)*

The qualifying veteran must:

- **provide the employer documentation to verify that he/she meets the criteria defining a qualifying veteran**
- **submit to the Department of Taxation an affidavit, signed under penalty of perjury to the employer which states that:**
 - ✓ **he/she meets the requirements defining a qualifying veteran**
 - ✓ **he/she meets all qualifications for the position of employment for which he/she is hired**
 - ✓ **he/she was not hired to replace another employee or, if so, the replaced employee left voluntarily or was terminated for cause.**

MODIFIED BUSINESS TAX

Qualifying Veteran Deduction *(Continued)*

Amount to deduct:

- **All wages paid to the qualifying veteran during the first 4 full calendar quarters following the hiring of the veteran.**
- **50% of wages paid to the veteran during the 5th through 12th full calendar quarters following the hiring of the veteran.**
- **This deduction expires July 1, 2022.**

MODIFIED BUSINESS TAX

Credits Allowed

Film Credit:

A producer of a qualified production that is produced in this State in whole or in part may, on or before December 31, 2017, apply to the Office of Economic Development for a certificate of eligibility for transferable tax credits for any qualified expenditures and production costs identified in NRS 360.7591.

The transferable tax credits may be applied to any tax imposed by:

- NRS 363A and NRS 363B – Modified Business Tax
- NRS 463.370 – Gaming License Fees
- NRS 680B – Insurance Fees and Taxes

MODIFIED BUSINESS TAX

Credits Allowed

Abatement of taxes

The lead participant in a qualified project under abatement of taxes may apply to the Office of Economic Development for a certificate of eligibility for transferable tax credits.

The credit may be applied to any tax imposed by

- NRS 363A or NRS 363B – Modified Business Tax
- NRS 463.370 – Gaming License Fees
- NRS 680B – Insurance Fees and Taxes

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NRS 360.945

NRS 231, SB 507, 2015 Legislative Session, effective 6/8/2015

MODIFIED BUSINESS TAX

Credits Allowed

Nevada Educational Choice Scholarship Program

A taxpayer who is required to pay a Modified Business Tax (MBT) per NRS 363A or NRS 363B may receive a credit against the MBT tax due for any donation of money made by the taxpayer to a scholarship organization. The taxpayer must:

- Notify the scholarship organization of the intent to donate and seek a credit per provisions of NRS 385.
- The scholarship organization must apply to the Department of Taxation for approval prior to accepting the contribution.
- The Department of Taxation, if approving the request, will notify the scholarship organization of the approved amount.
- Upon approval, the scholarship organization shall notify the taxpayer who must, not later than 30 days after receiving the notice, donate the money to the scholarship organization.
- Failure to meet the deadlines described above shall result in a forfeit of any claim to the credit by the taxpayer.

(AB165, 2015 Legislative Session, effective 4/13/2015)

MODIFIED BUSINESS TAX

Credits Allowed

Nevada Educational Choice Scholarship Program

(continued)

Scholarship Organization must:

- *be exempt from taxation per IRC 501(c)(3)*
- *not own or operate any school in this State*
 - *including a private school which receives any grant money*
- *accept donations from taxpayers and other persons and may also solicit and accept gifts and grants*
- *provide grants on behalf of pupils who are members of a household whose income is not more than 300% of the federally designated level signifying poverty and may not exceed \$7,755 for fiscal year 2015-2016 and adjusted each July 1 per the Consumer Price Index (All Items)*
- *Not limit to a single school for which it provides grants*

MODIFIED BUSINESS TAX

Credits Allowed

Nevada Educational Choice Scholarship Program

(continued)

The cumulative amount the Department of Taxation may approve is as follows:

Fiscal Year 2015-2016:	\$5,000,000
Fiscal Year 2016-2017:	\$5,500,000
Fiscal years following:	110% of amount authorized in prior year

Carry forward excess contributions:

If the amount of tax the taxpayer is required to pay is less than the credit authorized, the taxpayer may carry the balance of the credit forward for not more than 5 years after the end of the calendar year in which the donation is made, or until the balance of the credit is applied, whichever is earlier.

MODIFIED BUSINESS TAX

Credits Allowed

Nevada College Savings Trust Fund *(NRS 353B340)*

An employer is entitled to a credit against the Modified Business Tax per NRS 363A.130 and NRS 363B.110 if:

- The contribution matches the contribution made to the savings account by an employee of the employer
- The credit available is equal to 25% of the matching contribution, not to exceed \$500 per contributing employee per year

Any excess of the credit may be applied to the tax liability for five years after the year in which the matching contribution was made

(SB412, 2015 legislative session, effective 1/1/2016)

MODIFIED BUSINESS TAX

Credits Allowed

Nevada Higher Education Prepaid Tuition Program

(NRS 353B)

An employer is entitled to a credit against the Modified Business Tax per NRS 363A.130 and NRS 363B.110 if:

- the contribution to the Nevada Higher Education Prepaid Tuition Program is made on behalf of a qualified beneficiary
- the contribution matches a contribution made on behalf of the qualified beneficiary by an employee of the employer
- the employee has a prepaid tuition contract per NRS 353B.100
- the credit available is equal to 25% of the matching contribution, not to exceed \$500 per contributing employee per year

Any excess of the credit may be applied to the tax liability for five years after the year in which the matching contribution was made

(SB412, 2015 legislative session, effective 7/1/2016)

MODIFIED BUSINESS TAX

Credits Allowed

Commerce Tax

- An employer, pursuant to NRS 363A and NRS 363B is entitled to subtract from the calculated Modified Business tax a credit in the amount equal to 50% of the amount of the commerce tax paid by the employer.
- The credit may only be used for any of the four calendar quarters immediately following the end of the taxable year for which the commerce tax was paid.
- The taxable year is from July 1 to June 30 of each year.
- The amount of credit used for a calendar quarter may not exceed the amount of tax calculated for Modified Business Tax for that quarter. Any unused credit may not be carried forward beyond the fourth calendar quarter immediately following the end of the taxable year for which the commerce tax was paid. There is no refund to the taxpayer for any unused credit.

MODIFIED BUSINESS TAX

Carry forward:

If allowable health deductions for any quarter exceed the wages paid in that quarter, the amount that is in excess of reported wages is allowed to be carried forward and used as a deduction in future reports.

NRS 363A.135(3)

NRS 363B.115(3)

MODIFIED BUSINESS TAX

Employee Leasing Companies

The client company of an employee leasing company is deemed the employer of the employees it leases. This means that employee leasing companies may now take the \$50,000 quarterly deduction for every client company they service, instead of just one such deduction.

AB 389, 2015 Legislative Session

Written Response

Most tax issues can be addressed by the Department of Taxation. Please be advised that any responses to inquiries made to the Department are only binding if put in writing, such as Nevada Revised Statutes, Administrative Code, Nevada Tax Notes, or in written correspondence.



DEPARTMENT OF TAXATION

Contact Information

**Our offices are open Monday-Friday
8:00 AM – 5:00 PM**

**Contact our Call Center at
1-866-962-3707**



Southern Nevada:
Grant Sawyer Office Building
555 E. Washington Avenue
Suite 1300
Las Vegas, NV 89101

OR

2550 Paseo Verde Parkway
Suite 180
Henderson, NV 89074

Carson City:
1550 College Parkway
Suite 115
Carson City, NV 89706-7937

Reno:
4600 Kietzke Lane
Building L, Suite 235
Reno, NV 89502