

Modified Business Tax Wage Comparison Resumes January 1, 2026!

Who Must File a Modified Business Tax (MBT) Return

Every employer subject to the Nevada Unemployment Compensation Law (NRS 612) — with the exception of nonprofit 501(c) organizations, Indian tribes and political subdivisions — will automatically be set up with an MBT account after registering with the Employment Security Division (ESD) to file unemployment taxes.

The total gross wages reported to ESD must match the total gross wages reported on the MBT return. The Department of Taxation (Department) performs a quarterly wage comparison between MBT returns and the wages reported to ESD to ensure consistency.

If the Department finds no record of an MBT return for a given period, or if the gross wages reported differ from those reported to ESD, a deficiency determination will be issued under NRS 360.300 through 360.400.

If no MBT return was filed, a manual bill will be created based on the wages reported to ESD, including the tax due, plus any applicable penalties and interest. If a return was filed but reported lower wages than those reported to ESD, a manual bill will be issued for the additional tax owed on the underreported wages, along with penalties and interest.

If you disagree with the determination, you must file a petition for redetermination within 45 days from the date the notice was served. Failure to file or postmark a petition within this 45-day window will result in the determination becoming final and immediately payable.

If the final determination remains unpaid and no payment agreement is in place by the 45-day due date, an additional penalty of 10% of the determination amount, excluding prior penalties and interest, will be applied.

If you provided health care coverage for your employees but did not file an MBT return for this quarter, you must submit the return within 45 days to receive credit for the healthcare deduction. Please note that only the amounts paid directly by the employer — not amounts withheld from employees' paychecks — qualify for this deduction. Ensure that the total gross wages reported on the MBT return match those reported to ESD. If the wages align, the billing will be canceled, and the return will be posted for the applicable period.

If you receive a billing notice, please take the following steps before contacting the Department:

- **Log into** your online Employer Self Service (ESS) Portal at nui.nv.gov and locate your total gross wages reported.
- **Compare** your gross wages reported to ESD with your gross wages reported on your **MBT return** for the quarter listed in the notice.
- **Review** the difference between the two amounts — this difference forms the basis for the billing.
- If you filed an amended/corrected return with ESD, or if ESD audited your account for the period in question, the billing may or may not reflect the updated amounts. In such cases, you may need to provide a screen shot from your ESD ESS Portal to the Department.

If you still have questions after reviewing the amounts, feel free to contact the Department's Call Center for further assistance at 866-962-3707.