Public Comment
Nevada Tax Commission, October 22

Subj: Serious Concerns with the Washoe RTC5 Taxes

This is a request that the Nevada Tax Board take a serious look at the administration of RTC5 (Washoe) and the formula used.

Summary: Trying to keep a complicated subject short, it appears that Washoe County, RTC and DMV are violating various of provisions of the appliable NRS and Washoe County Code (WCC) jeopardizing past and future gas tax increases by ignoring a mandatory system of checks and balances and instead doing everything "in house" at RTC with no formal required review or oversight. I question the formula used by RTC to determine and implement (with oversight) the multi-million dollar annual increases.

DETAILS: RTC5, the annual indexed gas increase (gas, diesel and various clean air fuels) takes effect every July 1 making Washoe the highest gas tax in the entire USA. 73 cents of that is Washoe tax of which approx. 58 cents is RTC5 = a total of over $1.13. Over $10 million dollars in RTC5 annually which is significant.

Motor Fuel Taxes
Regional Fuel Tax Distribution

	Adjusted Base + CPI + PPI as of Jul 1, 2026 (FY 2027)										
	Washoe County, Reno, & Sparks			Gross[3] Sub-Total	Washoe County Only	Gross[3] Total	RTC	RTC Indexing on State Tax 18.45¢	RTC Indexing on Fed Tax 18.4¢	Total RTC Tax	Grand Total Washoe County Tax
Gasoline/Gasohol	NRS 365.190	NRS 365.180	NRS 365.192		NRS 365.180		NRS 373.030	NRS 373.066	NRS 373.066		
Cents/Gallon - Base	1.75	2.35	1.00	5.1000	1.25	6.3500	9.00	0.0000	0.0000	9.0000	15.3500
Cents/Gallon - CPI[1]	0.3038	0.4079	0.1736	0.8853	0.2169	1.1022	1.5621	0.0000	0.0000	1.5621	2.664296
Cents/Gallon - PPI[2]	2.0618	2.7687	1.1783	6.0088	1.4727	7.4815	10.6039	18.5278	18.4726	47.6042	55.08574
Cents/Gallon - Total	4.1156	5.5265	2.3519	11.9941	2.9396	14.9337	21.1660	18.5278	18.4726	58.1663	73.1000

NOTES: 1. Cents Per Gallon is Base (per NRS) plus CPI, effective October 1, 2003 through January 1, 2010.
2. Cents Per Gallon is Base (per NRS) plus PPI, effective January 1, 2010. Adjusted annualy every July 1 on a formula based on the lesser of 7.8% or 10 year rolling average of PPI.
3. A 2% administrative fee is applied to cents per gallon to get to net distribution.

WCC 20.43419 - Contract with the department. The board shall contract with the department to perform all functions incident to the administration and operation of this ordinance, including the calculation of each annual increase in the taxes imposed by sections 3 through 15 of this ordinance. (Ord. No. 1416, eff. 1-1-10)

As per WCC, the Department is the DMV. I have a copy of that contract with DMV that has been ignored. It calls for a 2% fee to the DMV so a major issue exists if DMV or who gets that fee and if they provided the services required? It appears strongly they did not. I have in writing from DMV that they do NOT do the required calculations!

Essentially County Code (WCCC) 20.43416 - Review by commission, is requires a "review" by the RTC Board and that was in place to 2022 when it ended (see legal definition of review).

That review requires that it be submitted to the Washoe Board of County Commissioners (BCC), a third check and balance that has not occurred.
Calculation by RTC (not DMV as required): The RTC 10 year formula seems not consistent with the formula required by WCC or NRS. An email opinion from LCB states:
The LCB email opinion (not a formal analysis) states:

> The language of the statutes sets forth a specific formula for determining the annual increases in the rates of those taxes. Under the language of the statute, the percentage increase in the rates of those taxes is calculated by determining the "lesser of 7.8 percent or the adjusted average street and highway construction inflation index for the fiscal year in which the increase becomes effective."

Nevada Taxation has the authority to review and address any related tax issues under NRS 350, NRS360, et seq. In this case a fuel tax is a sales tax. NRS 350.558 "Taxation" defined. "Taxation" means the levy and collection of taxes as defined in NRS 350.560, but in NRS 350.710 "taxation" pertains to any type of tax, … ee also NRS 350.013.
NRS 360.140 Organization of Department; hiring and assignment of employees.
3. Persons employed by the Department may be assigned to stations, offices or locations selected by the Executive Director both within the State and in other states where in the judgment of the Executive Director it is necessary to maintain personnel to protect, investigate and collect revenues to which the State is entitled.

In Conclusion, strong evidence exists that:
A. The DMV is required by law to do the calculation and then receive a 2% fee but instead the calculations are done by RTC. Where does the 2% fee then go?
B. The RTC Board is required by law to "review" and approve calculations etc. in a public meeting but as of 2022, that process stopped.
C. The RTC is then required to submit those findings to the County Commission (presuming a BCC public review under NRS 241) and that has not occurred.
D. There are serious concerns that the RTC has not used the mandated formula to determine the annual increase (which is DMV responsibility) and that their formula is not consistent with the law.

In this case we are talking millions of tax dollars. I am asking that Taxation
(1) Review the formula used.
(2) Review the process for compliance with NRS and WCC and take action if needed to ensure compliance and correction.

Complete details and documentation upon request as this is a basic summary.

Sincerely,

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