



**Jim Gibbons**  
Governor

**Edgar J. Roberts**  
Director

Motor Carrier Division  
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March 8, 2010

**IMPORTANT – PLEASE READ  
CHANGES TO WASHOE COUNTY INDEXED TAXES**

Dear State of Nevada Fuel Supplier

During the 75<sup>th</sup> Legislative Session the Legislature enacted Senate Bill 201, effective January 1, 2010. The bill changes the fuel types subject to the PPI (Producer Price Index) previously the CPI (Consumer Price Index) and the manner in which the indexing is now calculated. **All fuel types, including Special Fuels**, but excluding jet and aviation fuels are now subject to the indexing. In addition, the federal excise tax rates will be included in the base tax rates for the purposes of indexing. Previously only gasoline and gasohol were indexed.

The notification sent out to all suppliers on December 8, 2009 contained an error; the CPI percentages were inadvertently omitted. SB201 allowed for the PPI rate to be collected, **in addition** to the CPI rate in effect at the end of June 30, 2009 (FY 09). **The new collection amounts will be effective April 1, 2010.**

Each year the rate of the Producer Price Index, PPI, will increase by the amount of the overall PPI. The PPI Index Tax is a cumulative tax and will be added to the previous CPI tax. The PPI rates will be updated at the beginning of each fiscal year, starting July 1, 2010. To avoid confusion I am not attaching a sample of the new worksheets; they will be available when you log into the system to file your April 2010 supplier tax return. A breakdown of the county tax structure and appropriate statutory requirements are attached for your convenience.

**Please ensure you use the most current version of the tax return and corresponding worksheets.** In addition, a formatted version (in Excel) of the tax return and corresponding worksheets is available on our webpage at [www.dmvnv.com](http://www.dmvnv.com). You will continue to collect the **gross tax rates** but will only remit the net tax rates, provided on the matrix, to the Department.

If you have any questions about this notification, or need additional assistance, please contact your Tax Examiner at the following:

A – F	Tammy Holt	(775) 684-4628	<a href="mailto:THolt@dmv.nv.gov">THolt@dmv.nv.gov</a>
G – R	Ramona Hall	(775) 684-4938	<a href="mailto:RHall@dmv.nv.gov">RHall@dmv.nv.gov</a>
S – Z	Michele Nicholson	(775) 684-4812	<a href="mailto:MNicholson@dmv.nv.gov">MNicholson@dmv.nv.gov</a>

Sincerely,

Carmen Shipman  
Tax Program Supervisor II  
Fuel Industry Section

cc: Rhonda Bavaro, Motor Carrier Administrator  
Debbie Cook – ASD ASO IV

## FY10 Fuel Tax Rate Matrix

Gross vs. Net Tax Rates

Effective January 1, 2010

<u>Product</u>	<u>Gross Tax Rates</u>	<u>Net Tax Rates**</u>	<u>Authority</u>
Gasoline/Gasohol	\$ 0.23	\$ 0.2254	NRS 365.175 (12.65¢) NRS 365.540 (5.0¢) NRS 365.190 & 550 (3)(a)(b) (5.35 ¢)
<b><u>County Option</u></b>	<b>\$ 0.04</b>	<b>\$ 0.0392</b>	NRS 373.070
Douglas			
Esmeralda			
Eureka			
Lincoln			
Nye			
Storey			
<b><u>County Option</u></b>	<b>\$ 0.065</b>	<b>\$ 0.0637</b>	NRS 373.070
Elko			
<b><u>County Option</u></b>	<b>\$ 0.09</b>	<b>\$ 0.0882</b>	NRS 373.070
Carson City			
Churchill			
Clark			
Humboldt			
Lander			
Lyon			
Mineral			
Pershing			
Washoe			
White Pine			
County Other	\$ 0.01	\$ 0.0098	NRS 365.195
Washoe County Index-CPI	\$.0266427	\$.0261098	AB516
Washoe County Index-PPI	\$ 0.0340190	\$ 0.0333386	SB201
Inspection Fee*	\$ 0.00055	\$ 0.00055	NRS 590.120
Cleanup Fee*	\$ 0.0075	\$ 0.0075	NRS 590.840
Clear Diesel	\$ 0.27	\$ 0.2646	NRS 366.190
Washoe County Index	\$ 0.0323330	\$ 0.0316863	SB201
CNG***	\$ 0.21	\$ 0.2058	NRS 366.190
Washoe County Index	\$ 0.0243660	\$ 0.0238787	SB201
LPG**	\$ 0.22	\$ 0.2156	NRS 366.190
Washoe County Index	\$ 0.0249860	\$ 0.0244863	SB201
A55	\$ 0.19	\$ 0.1862	NRS 366.190
Washoe County Index	\$ 0.0117800	\$ 0.0115444	SB201
Jet	\$ 0.01	\$ 0.0098	NRS 365.170(1)(b)(1)
Jet Option	\$ 0.02	\$ 0.02	NRS 365.203(a)
Aviation	\$ 0.02	\$ 0.0196	NRS 365.170(1)(b)(2)
Aviation Option	\$ 0.08	\$ 0.08	NRS 365.203(b)

\*Effective January 1, 2010, Cleanup and Inspection Fees will be assessed on Ethanol and Methanol at the time of Importation per SB332.

\*\*Net Tax rates are calculated by taking the gross tax rate less 2% collection allowance. Charge customers gross rate, remit net rate to Department.

\*\*\*Tax rate applied after conversion of gallons.

**Washoe County Index Breakdown for Motor Fuels**

**Product Type Gasoline/Gasohol**

<u>CPI rate FY09**</u>	Gross rate <u>\$0.0266427</u>	Net rate <u>\$0.0261098</u>	AB516
<u>PPI Increase FY10</u>	Gross rate <u>\$0.0340190</u>	Net rate <u>\$ 0.0333386</u>	SB201

**Producer Pricing Index (PPI) – History (obtained from Washoe County Regional Transportation Commission)**

FY10 = 6.20%

**Washoe County Index (WCI) Calculation – History**

	<u>Gross Tax Base</u>	<u>Net Tax Base</u>	(Gross tax base less 2% collection allowance)
State Tax (County portion)	\$ 0.062786	\$ 0.06153028	NRS 365.190 (From Net State Tax distributed to County)
State Tax	\$ 0.18455	\$ 0.180859	SB201
Federal Tax	\$ 0.184	\$ 0.18032	SB201
County Option	\$ 0.105621	\$ 0.10350858	NRS 373.070
County Other	\$ 0.011736	\$ 0.01150128	NRS 365.195
Total	<u>\$ 0.548693</u>	<u>\$ 0.53771914*</u>	<b>*.548693 - 2% = .53771914 for purposes of indexing</b>
Gross Tax Base	\$ 0.548693	Net Tax Base	\$ 0.53771914
PPI rate FY10	x 6.20%	PPI rate for FY10	x 6.20%
Total Gross WCI FY10	<u>\$ 0.0340190</u>	Total Net WCI FY10	<u>\$ 0.0333386</u>
<b>+ FY09 CPI</b>	<u>\$0.0266427</u>	Net Tax Base	<u>\$0.0261098</u>
<b>Total Gross Collection</b>	<u><b>\$0.0606617***</b></u>	<b>Total Net Collection</b>	<u><b>\$0.0594484 ***</b></u>

\*\*\*Effective April 1, 2010

NOTE: Due to decimal placements and difference in collection process, the original net tax rate (see Washoe County Index Calculation – History) is .00003 less than the Net Tax Rate base in FY05. Prior decimal placement was 4; however with the percentage factors resulting from the CPI calculations, it is necessary to carry the decimal placement to 7.

\*\*SB201 allowed for the PPI rate to be collected, in addition to the CPI rate in effect on June 30, 2009 (FY09). The CPI rate will remain constant, the PPI rate, which is a cumulative tax, will be updated each fiscal year and added to the CPI rate.

\*WCI figures for FY10 were calculated by RTC and sent to the Department for implementation.

## Washoe County Index Breakdown for Special Fuels

### Product Type Diesel/Biodiesel

PPI Increase FY10      Gross rate \$0.032333      Net rate \$ 0.0316863      SB201

### Producer Pricing Index (PPI) – History (obtained from Washoe County Regional Transportation Commission)

FY10 = 6.20%

### Washoe County Index (WCI) Calculation – History

	<u>Gross Tax Base</u>	<u>Net Tax Base</u>	(Gross tax base less 2% collection allowance)
State Tax	\$ 0.2775	\$ 0.27195	NRS 366.190
Federal Tax	\$ 0.244	\$ 0.23912	SB201
Total	<u>\$ 0.5215</u>	<u>\$ 0.5110700*</u>	<b>*.5215 - 2% = .5110700 for purposes of indexing</b>
Gross Tax Base	\$ 0.5215	Net Tax Base	\$ 0.5110700
PPI rate FY10	<u>x 6.20%</u>	PPI rate for FY10	<u>x 6.20%</u>
Total Gross WCI FY10	<u>\$ 0.032333</u>	<u>Total Net WCI FY10</u>	<u>\$ 0.0316863</u>

### Product Type CNG

PPI Increase FY10      Gross rate \$0.024366      Net rate \$ 0.0238787      SB201

### Producer Pricing Index (PPI) – History (obtained from Washoe County Regional Transportation Commission)

FY10 = 6.20%

### Washoe County Index (WCI) Calculation – History

	<u>Gross Tax Base</u>	<u>Net Tax Base</u>	(Gross tax base less 2% collection allowance)
State Tax	\$ 0.21	\$ 0.2058	NRS 366.190
Federal Tax	\$ 0.183	\$ 0.17934	SB201
Total	<u>\$ 0.393</u>	<u>\$ 0.38514*</u>	<b>*.393 - 2% = .38514 for purposes of indexing</b>
Gross Tax Base	\$ 0.393	Net Tax Base	\$ 0.38514
PPI rate FY10	<u>x 6.20%</u>	PPI rate for FY10	<u>x 6.20%</u>
Total Gross WCI FY10	<u>\$ 0.024366</u>	<u>Total Net WCI FY10</u>	<u>\$ 0.0238787</u>

### Product Type LPG

PPI Increase FY10      Gross rate \$0.024986      Net rate \$ 0.0244863      SB201

### Producer Pricing Index (PPI) – History (obtained from Washoe County Regional Transportation Commission)

FY10 = 6.20%

### Washoe County Index (WCI) Calculation – History

	<u>Gross Tax Base</u>	<u>Net Tax Base</u>	(Gross tax base less 2% collection allowance)
State Tax	\$ 0.22	\$ 0.2156	NRS 366.190
Federal Tax	\$ 0.183	\$ 0.17934	SB201
Total	<u>\$ 0.403</u>	<u>\$ 0.39494*</u>	<b>*.393 - 2% = .39494 for purposes of indexing</b>
Gross Tax Base	\$ 0.403	Net Tax Base	\$ 0.39494
PPI rate FY10	<u>x 6.20%</u>	PPI rate for FY10	<u>x 6.20%</u>
Total Gross WCI FY10	<u>\$ 0.024986</u>	<u>Total Net WCI FY10</u>	<u>\$ 0.0244863</u>

**Product Type A55**

PPI Increase FY10      Gross rate \$0.01178      Net rate \$ 0.0115444      SB201

**Producer Pricing Index (PPI) – History (obtained from Washoe County Regional Transportation Commission)**

FY10 = 6.20%

**Washoe County Index (WCI) Calculation – History**

	<b><u>Gross Tax Base</u></b>	<b><u>Net Tax Base</u></b>	(Gross tax base less 2% collection allowance)
State Tax	\$ 0.19	\$ 0.1862	NRS 366.190
Federal Tax	\$ 0.00	\$ 0.00	SB201
Total	<u>\$ 0.19</u>	<u>\$ 0.1862*</u>	<b>*.19 - 2% = .1862 for purposes of indexing</b>
Gross Tax Base	\$ 0.19	Net Tax Base	\$ 0.1862
PPI rate FY10	x <u>6.20%</u>	PPI rate for FY10	x <u>6.20%</u>
Total Gross WCI FY10	<u>\$ 0.01178</u>	<u>Total Net WCI FY10</u>	<u>\$ 0.0115444</u>