Director



Motor Carrier Division 555 Wright Way Carson City, NV 89711 – 0600 (775) 684-4711

June 9, 2016

# IMPORTANT – PLEASE READ FUEL TAX RATES AND FY 17 <u>WASHOE COUNTY</u> INDEXED TAXES CHANGES

Dear State of Nevada Fuel Supplier:

The Department has converted all Industry reporting to an automated system. As a result, all tax calculations subject to 2% collection are using the net tax rate. **A fuel tax matrix is enclosed for your convenience.** 

Additionally, during the 72<sup>nd</sup> Legislative session, the Legislature enacted and the Governor approved Assembly Bill 516, effective October 1, 2003. As a result of AB516, all motor fuels subject to Washoe County fuel taxes are also subject to Consumer Price Indexing (CPI).

In addition, the 75<sup>th</sup> Legislative session enacted Senate Bill (SB) 201 effective January 1, 2010. This bill allows <u>all motor</u> <u>fuels and special fuels</u> delivered into Washoe County and subject to Washoe County fuels taxes to also be subject to the Producer Price Index (PPI), in addition to the previously collected CPI.

Each year the rate of the Producer Price Index, PPI, will increase by the amount of the overall PPI in Washoe County. For FY10 the PPI base was 6.20%; for FY11 the base was 5.18%; for FY12 the base was 4.98%; for FY13 the base was 5.81%; for FY 14 the base was 6.22%; for FY 15 the base was 6.05%; for FY 16 the base was 5.25%; **for FY 17 the base is 3.43%.** The PPI Index Tax is a cumulative tax and the total increase is the difference between the base tax rates for the County, per statute, and the cumulative PPI increases calculated each year. This increase will be added to the previous PPI tax and the CPI tax that was in effect on June 30, 2009. This tax increase must be included on all fuel sales in Washoe County on or after July 1, 2016 and remitted to the Department with the July 2016 tax return, due August 31, 2016. A breakdown of the county tax structure and appropriate statutory requirements are also attached for your convenience.

<u>Please ensure you use the most current version of the tax return and corresponding worksheets.</u> In addition, a formatted version (in Excel) of the tax return and corresponding worksheets is available on our webpage at <a href="https://www.dmvnv.com">www.dmvnv.com</a>. You will continue to collect the **gross tax rates** but will only remit the net tax rates, provided on the attached 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	Regina Ward	(775) 684-4628	RWard@dmv.nv.gov
G – R	Ramona Hall	(775) 684-4938	RHall@dmv.nv.gov
S-Z	Bobbi Senn	(775) 684-4812	RSenn@dmv.nv.gov

Sincerely,

Carmen Shipman
Tax Program Supervisor II
Fuel Industry Section

cc: Wayne Seidel, Motor Carrier Administrator Dawn Lietz, Motor Carrier Deputy Administrator Cyndie Munoz – ASD ASO IV

# FY17 Fuel Tax Rate Matrix

Gross vs. Net Tax Rates

# Effective July 1, 2016

<u>Product</u>	Gross Tax Rates	Net Tax Rates**	Authority
<u>Gasoline/Gasohol</u>	\$0.23	\$0.2254	NRS 365.175 (12.65¢) NRS 365.540 (5.0¢) NRS 365.190 & 550 (3)(a)(b) (5.35¢)
County Option Esmeralda Eureka Lincoln Storey	\$0.04	\$0.0392	NRS 373.070
County Option Carson City Churchill Clark Douglas Elko Humboldt Lander Lyon Mineral Nye Pershing Washoe White Pine	\$0.09	\$0.0882	NRS 373.070
County Other	\$0.01	\$0.0098	NRS 365.192
Motor Fuels Indexed Taxes: Clark County Index-PPI Washoe County Index-CPI Washoe County Index-PPI  Special Fuels and Indexed Taxes: Clear Diesel, Biodiesel, LNG Clark County Index-PPI Washoe County Index-PPI CNG Clark County Index-PPI Washoe County Index-PPI LPG Clark County Index-PPI LPG Clark County Index-PPI Washoe County Index-PPI A55 Clark County Index-PPI Washoe County Index-PPI	\$0.1002336 \$0.0266427 <b>\$0.2861522</b> \$0.27 \$0.1001280 <b>\$0.2719706</b> \$0.21 \$0.0754560 <b>\$0.2049557</b> \$0.0640 \$0.0773760 <b>\$0.2101711</b> \$0.19 \$0.0364800 <b>\$0.0990882</b>	\$0.0982289 \$0.0261098 <b>\$0.2804292</b> \$0.2646 \$0.0981254 <b>\$0.2665312</b> \$0.2058 \$0.0739470 <b>\$0.2008566</b> \$0.06272 \$0.0758285 <b>\$0.2059677</b> \$0.1862 \$0.0357504 <b>\$0.0971064</b>	AB413, NRS 373.0663 AB516, NRS 373.065 SB201, NRS 373.066  NRS 366.190 AB413, NRS 373.066 NRS 366.190 AB413, NRS 373.066 NRS 366.190 AB413, NRS 373.066 NRS 366.190 AB413, NRS 373.066 NRS 366.190 AB413, NRS 373.066 NRS 366.190 AB413, NRS 373.066 NRS 366.190 AB413, NRS 373.066 NRS 366.190 AB413, NRS 373.0663 SB201, NRS 373.0663 SB201, NRS 373.0663 SB201, NRS 373.0663
Jet Jet Option - Clark Jet Option - White Pine	\$0.01 \$0.03 \$0.04	\$0.0098 \$0.03 \$0.04	NRS 365.170(1)(b)(1) NRS 365.203(a)
Aviation Aviation Option	\$0.02 \$0.08	\$0.0196 \$0.08	NRS 365.170(1)(b)(2) NRS 365.203(b)
Inspection Fee* Cleanup Fee*	\$0.00055 \$0.0075	\$0.00055 \$0.0075	NRS 590.120 NRS 445C

<sup>\*</sup>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.

# **Washoe County Index Tax 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, NRS 373.065

PPI Increase FY17 Gross rate \$0.2861522 Net rate \$ 0.2804292 SB201, NRS 373.066

**Total Index Tax to** 

be collected-FY17 Gross rate \$03127952 Net rate \$0.3065393

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

FY10 = 6.20%	FY14 = 6.22%
FY11 = 5.18%	FY15 = 6.05%
FY12 = 4.98%	FY16 = 5.25%
FY13 = 5.81%	FY17 = 3.43%

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

#### Gross Tax Base Net Tax Base (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 \$ 0.180859 SB201 \$ 0.18455 Federal Tax \$ 0.18032 SB201 \$ 0.1840 County Option \$ 0.105621 \$ 0.10350858 NRS 373.070 County Other \$ 0.011736 \$ 0.01150128 NRS 365.195

Total \$0.548693 \$0.53771914\* \*.548693 - 2% = .53771914 for purposes of indexing

 Gross Tax Base
 \$ 0.5486930
 Net Tax Base
 \$ 0.53771914

 PPI rate FY10
 x
 6.20%
 PPI rate for FY10
 x
 6.20%

 Total Gross WCI FY10
 \$ 0.0340190
 Total Net WCI FY10
 \$ 0.0333386

#### Adjusted Tax Base - FY 17

	<u>Gross</u>	<u>Net</u>
Tax Base	\$0.548693	\$0.53771914
Prior WCI Adj.	<u>\$0.2584666</u>	\$0.2532973
•	\$0.8071596	\$0.7910164

Gross Tax Base Net Tax Base (Gross tax base less 2% collection allowance)

 Adjusted Tax Base\*
 \$0.8071596
 Adjusted Tax Base
 \$0.7910164

 PPI rate FY 17
 X 3.43%
 PPI rate for FY16
 x 3.43%

 Total Gross WCI
 \$0.0276856
 Total Net WCI
 \$0.0271319

 Total Cumulative WCI
 Gross Tax Rate FY17
 Net Tax Rate FY17

 Original Tax Base
 \$0.548693
 \$0.53771914

 Prior WCI Increases
 \$0.2584666
 \$0.2532973

 WCI Increase FY 16
 \$0.0276856
 \$0.0271319

 Total FY 16
 \$0.8348452
 \$0.8181483

<sup>\*\*</sup>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.

<sup>\*</sup>WCI figures for FY17 were calculated by the RTC and sent to the Department for implementation.

# Washoe County Index Tax Breakdown for Special Fuels

#### **Product Type Diesel/Biodiesel**

PPI Increase FY17 Gross rate \$.2719706 Net rate \$ 0.2665312 SB201, NRS 373.066

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

FY10 = 6.20%	FY14 = 6.22%
FY11 = 5.18%	FY15 = 6.05%
FY12 = 4.98%	FY16 = 5.25%
FY13 = 5.81%	FY17 = 3.43%

## Washoe County Index (WCI) Calculation - History

Gross Tax Base Net Tax Base (Gross tax base less 2% collection allowance	:)
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State Tax \$0.2775 \$0.27195 NRS 366.190

Federal Tax \$0.244 \$0.23912 SB201

Total \$0.5215 \$0.5110700\* \*.5215 - 2% = .5110700 for purposes of indexing

#### Adjusted Tax Base - FY 17

	<u>Gross</u>	<u>Net</u>
Tax Base	\$0.5215	\$0.5110700
Prior WCI Adj.	<u>\$0.2456571</u>	\$0.2407439
	<u>\$0.7671571</u>	<u>\$0.7518139</u>

	Gross Tax Base	Net Tax Base (Gross tax bas	se less 2% collection allowance)
Adjusted Tax Base*	\$0.7671571	Adjusted Tax Base	\$0.7518139

Total Cumulative WCI Gross Tax Rate FY 17
Original Tax Base \$0.5215\$

Net Tax Rate FY 17
\$0.5110700

 Prior WCI Increases
 \$0.2456571
 \$0.2407439

 WCI Increase FY 16
 \$0.0263135
 \$0.0257872

 Total FY 16
 \$0.7934706
 \$0.7776012

<sup>\*</sup>WCI figures for FY 17 were calculated by the RTC and sent to the Department for implementation.

#### **Product Type CNG**

PPI Increase FY 17 Gross rate \$0.2049557 Net rate \$ 0.2008566 SB201, NRS 373.066

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

FY 10 = 6.20%	FY 14 = 6.22%
FY 11 = 5.18%	FY 15 = 6.05%
FY 12 = 4.98%	FY 16 = 5.25%
FY 13 = 5.81%	FY17 = 3.43%

# Washoe County Index (WCI) Calculation - History

Gross T	ax Base	Net Tax	Base (Gro	ss tax base les	s 2% collection	allowance)

 State Tax
 \$0.21
 \$0.2058
 NRS 366.190

 Federal Tax
 \$0.1830
 \$0.17934
 \$B201

Total  $\frac{\$0.3930}{\$0.38514^*}$   $\frac{\$0.38514^*}{\$0.38514^*}$  \*.3930 - 2% = .38514 for purposes of indexing

 Gross Tax Base
 \$0.3930
 Net Tax Base
 \$0.38514

 PPI rate FY10
 x 6.20%
 PPI rate for FY10
 x 6.20%

 Total Gross WCI FY10
 \$0.024366
 Total Net WCI FY10
 \$0.0238787

#### Adjusted Tax Base - FY 17

	<u>Gross</u>	<u>Net</u>
Tax Base	\$0.3930	\$0.38514
Prior WCI Adj.	<u>\$0.1851260</u>	\$0.1814235
•	\$0.5781260	\$0.5665635

Gross Tax Base

Met Tax Base (Gross tax base less 2% collection allowance)

Adjusted Tay Base \$0 5665635

 Total Cumulative WCI
 Gross Tax Rate FY 17
 Net Tax Rate FY 17

 Original Tax Base
 \$0.3930
 \$0.385140

 Prior WCI Increases
 \$0.1851260
 \$0.1814235

WCI Increase FY 17 \$0.0198297 \$0.0194331 Total FY 17 \$0.5979557 \$0.5859966

<sup>\*</sup>WCI figures for FY 17 were calculated by the RTC and sent to the Department for implementation.

#### **Product Type LPG**

PPI Increase FY 17 Gross rate \$0.2101711 Net rate \$ 0.2059677 SB201, NRS 373.066

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

FY10 = 6.20%	FY14 = 6.22%
FY11 = 5.18%	FY15 = 6.05%
FY12 = 4.98%	FY16 = 5.25%
FY13 = 5.81%	FY17 = 3.43%

## Washoe County Index (WCI) Calculation - History

Gross Tax Base Net Tax Base (Gross tax base less 2% collection allowance)

 State Tax
 \$0.22
 \$0.2156
 NRS 366.190

 Federal Tax
 \$0.1830
 \$0.17934
 \$B201

Total  $\frac{\$0.4030}{\$0.39494}$  \*.4030 - 2% = .39494 for purposes of indexing

 Gross Tax Base
 \$0.4030
 Net Tax Base
 \$0.39494 

 PPI rate FY10
 \$x\$ 6.20% PPI rate for FY10
 \$x\$ 6.20% 

 Total Gross WCI FY10
 \$0.024986 Total Net WCI FY10
 \$0.0244863 

#### Adjusted Tax Base - FY 17

	<u>Gross</u>	<u>Net</u>
Tax Base	\$0.4030	\$0.39494
Prior WCI Adj.	<u>\$0.1898368</u>	\$0.1860401
	\$0.5928368	\$0.5809801

 Adjusted Tax Base\*
 Net Tax Base
 Gross tax base less 2% collection allowance)

 Adjusted Tax Base\*
 \$0.5928368
 Adjusted Tax Base
 \$0.5809801

 PPI rate FY 17
 x 3.43%
 PPI rate for FY 17
 x 3.43%

 Total Gross WCI
 \$0.0203343
 Total Net WCI
 \$0.0199276

 Total Cumulative WCI
 Gross Tax Rate FY 17
 Net Tax Rate FY 17

 Original Tax Base
 \$0.4030
 \$0.39494

 Prior WCI Increases
 \$0.1898368
 \$0.1860401

 WCI Increase FY 17
 \$0.0203343
 \$0.0199276

 Total FY 17
 \$0.6131711
 \$0.6009077

<sup>\*</sup>WCI figures for FY17 were calculated by the RTC and sent to the Department for implementation.

#### **Product Type A55**

PPI Increase FY17 Gross rate \$0.0985690 Net rate \$0.0971064 SB201, NRS 373.066

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

FY 10 = 6.20%	FY 14 = 6.22%
FY 11 = 5.18%	FY 15 = 6.05%
FY 12 = 4.98%	FY 16 = 5.25%
FY 13 = 5.81%	FY17 = 3.43%

## Washoe County Index (WCI) Calculation - History

	Gross Tax Base	Net Tax Base	(Gross tax base less 2% collection allowance)
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 State Tax
 \$0.19
 \$0.1862
 NRS 366.190

 Federal Tax
 \$0.00
 \$0.00
 SB201

Total  $\frac{\$0.19}{\$0.1862^*}$  \*.19 - 2% = .1862 for purposes of indexing

#### Adjusted Tax Base - FY 17

	<u>Gross</u>	<u>Net</u>
Tax Base	\$0.19	\$0.1862
Prior WCI Adj.	<u>\$0.0895013</u>	\$0.877113
	\$0.2795013	\$0.2739113

Gross Tax Base Net Tax Base (Gross tax base less 2% collection allowance)

Total Cumulative WCI Gross Tax Rate FY 17 Net Tax Rate FY 17

 Original Tax Base
 \$0.19
 \$0.1862

 Prior WCI Increases
 \$0.0895013
 \$0.087113

 WCI Increase FY 17
 \$0.0095869
 \$0.00939516

 Total FY 17
 \$0.2890882
 \$0.2833064

<sup>\*</sup>WCI figures for FY 17 were calculated by the RTC and sent to the Department for implementation.