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Governor

Terri L. Albertson
Director



Motor Carrier Division
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June 8, 2017

IMPORTANT – PLEASE READ
FUEL TAX RATES AND FY 18 WASHOE COUNTY 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 72nd 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 75th Legislative session enacted Senate Bill (SB) 201 effective January 1, 2010. This bill allows **all motor fuels and special fuels** 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 was 3.43%; **for FY 18 the base is 2.15%**. 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, 2017 and remitted to the Department with the July 2017 tax return, due August 31, 2017. A breakdown of the county tax structure and appropriate statutory requirements are also 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. 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
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S – Z	Patricia Espinoza	(775) 684-4812	PEspinoza@dmv.nv.gov

Sincerely,

Karen Stoll
Tax Program Supervisor II
Fuel Industry Section

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

FY18 Fuel Tax Rate Matrix
Gross vs. Net Tax Rates

Effective July 1, 2017

<u>Product</u>	<u>Gross Tax Rates</u>	<u>Net Tax Rates**</u>	<u>Authority</u>
<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 ¢)
<u>County Option</u>	\$0.04	\$0.0392	NRS 373.070
Esmeralda			
Eureka			
Lincoln			
Storey			
<u>County Option</u>	\$0.09	\$0.0882	NRS 373.070
Carson City			
Churchill			
Clark			
Douglas			
Elko			
Humboldt			
Lander			
Lyon			
Mineral			
Nye			
Pershing			
Washoe			
White Pine			
<u>County Other</u>	\$0.01	\$0.0098	NRS 365.192
<u>Motor Fuels Indexed Taxes:</u>			
Clark County Index-PPI	\$0.1136127	\$0.1113405	AB413, NRS 373.0663
Washoe County Index-CPI	\$0.0266427	\$0.0261098	AB516, NRS 373.065
Washoe County Index-PPI	\$0.3041013	\$0.2980193	SB201, NRS 373.066
<u>Special Fuels and Indexed Taxes:</u>			
Clear Diesel, Biodiesel, LNG	\$0.27	\$0.2646	NRS 366.190
Clark County Index-PPI	\$0.1134930	\$0.1112231	AB413, NRS 373.0663
Washoe County Index-PPI	\$0.2890302	\$0.2832496	SB201, NRS 373.066
CNG	\$0.21	\$0.2058	NRS 366.190
Clark County Index-PPI	\$0.0855278	\$0.0838173	AB413, NRS 373.0663
Washoe County Index-PPI	\$0.2178117	\$0.2134555	SB201, NRS 373.066
LPG	\$0.0640	\$0.06272	NRS 366.190
Clark County Index-PPI	\$0.0877041	\$0.0859500	AB413, NRS 373.0663
Washoe County Index-PPI	\$0.2233543	\$0.2188872	SB201, NRS 373.066
A55	\$0.19	\$0.1862	NRS 366.190
Clark County Index-PPI	\$0.0413493	\$0.0405223	AB413, NRS 373.0663
Washoe County Index-PPI	\$0.1053036	\$0.1031975	SB201, NRS 373.066
<u>Jet/Aviation and Fees</u>			
Jet	\$0.01	\$0.0098	NRS 365.170(1)(b)(1)
Jet Option - Clark	\$0.03	\$0.03	NRS 365.203(a)
Jet Option – White Pine	\$0.04	\$0.04	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)
Inspection Fee*	\$0.00055	\$0.00055	NRS 590.120
Cleanup Fee*	\$0.0075	\$0.0075	NRS 445C

*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
<u>PPI Increase FY18</u>	Gross rate <u>\$0.3041013</u>	Net rate <u>\$ 0.2980193</u>	SB201, NRS 373.066
Total Index Tax to be collected-FY18	Gross rate <u>\$0.3307443</u>	Net rate <u>\$0.3241294</u>	

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

FY10 = 6.20%	FY14 = 6.22%	FY18 = 2.15%
FY11 = 5.18%	FY15 = 6.05%	
FY12 = 4.98%	FY16 = 5.25%	
FY13 = 5.81%	FY17 = 3.43%	

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	\$ 0.1840	\$ 0.18032	SB201
County Option	\$ 0.105621	\$ 0.10350858	NRS 373.070
County Other	<u>\$ 0.011736</u>	<u>\$ 0.01150128</u>	NRS 365.195
Total	<u>\$ 0.548693</u>	<u>\$ 0.53771914*</u>	*.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	<u>\$ 0.0340190</u>	Total Net WCI FY10	<u>\$ 0.0333386</u>

Adjusted Tax Base – FY 18

	<u>Gross</u>	<u>Net</u>
Tax Base	\$0.548693	\$0.53771914
Prior WCI Adj.	<u>\$0.2861522</u>	<u>\$0.2804292</u>
	<u>\$0.8348452</u>	<u>\$0.8181483</u>
	<u>Gross Tax Base</u>	<u>Net Tax Base</u> (Gross tax base less 2% collection allowance)
Adjusted Tax Base*	\$0.8348452	Adjusted Tax Base \$0.8181483
PPI rate FY 18	X 2.15%	PPI rate for FY18 x 2.15%
Total Gross WCI	<u>\$0.0179491</u>	Total Net WCI <u>\$0.0175901</u>
	<u>Gross Tax Rate FY18</u>	<u>Net Tax Rate FY18</u>
Total Cumulative WCI		
Original Tax Base	\$0.548693	\$0.53771914
Prior WCI Increases	\$0.2861522	\$0.2804292
WCI Increase FY 18	<u>\$0.0179491</u>	<u>\$0.0175901</u>
Total FY 18	<u>\$0.8527943</u>	<u>\$0.8357384</u>

**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 FY18 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 FY18 Gross rate \$.2890302 Net rate \$ 0.2832496 SB201, NRS 373.066

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

FY10 = 6.20%	FY14 = 6.22%	FY18 = 2.15%
FY11 = 5.18%	FY15 = 6.05%	
FY12 = 4.98%	FY16 = 5.25%	
FY13 = 5.81%	FY17 = 3.43%	

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>	*.5215 - 2% = .5110700 for purposes of indexing
Gross Tax Base	\$0.5215	Net Tax Base	\$0.5110700
PPI rate FY10	x 6.20%	PPI rate for FY10	x 6.20%
Total Gross WCI FY10	<u>\$0.032333</u>	Total Net WCI FY10	<u>\$0.0316863</u>

Adjusted Tax Base – FY 18

	<u>Gross</u>	<u>Net</u>	
Tax Base	\$0.5215	\$0.5110700	
Prior WCI Adj.	\$0.2719706	\$0.2665312	
	<u>\$0.7934706</u>	<u>\$0.7776012</u>	
	<u>Gross Tax Base</u>	<u>Net Tax Base</u> (Gross tax base less 2% collection allowance)	
Adjusted Tax Base*	\$0.7934706	Adjusted Tax Base	\$0.7776012
PPI rate FY 18	x 2.15%	PPI rate for FY 18	x 2.15%
Total Gross WCI	<u>\$0.0170596</u>	Total Net WCI	<u>\$0.0167184</u>
Total Cumulative WCI	<u>Gross Tax Rate FY 18</u>	<u>Net Tax Rate FY 18</u>	
Original Tax Base	\$0.5215	\$0.5110700	
Prior WCI Increases	\$0.2719706	\$0.2665312	
WCI Increase FY 18	\$0.0170596	\$0.0167184	
Total FY 18	<u>\$0.8105302</u>	<u>\$0.7943196</u>	

*WCI figures for FY 18 were calculated by the RTC and sent to the Department for implementation.

Product Type CNG

PPI Increase FY 18 Gross rate \$0.2178117 Net rate \$ 0.2134555 SB201, NRS 373.066

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

FY 10 = 6.20% FY 14 = 6.22% FY18 = 2.15%
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)
State Tax	\$0.21	\$0.2058	NRS 366.190
Federal Tax	\$0.1830	\$0.17934	SB201
Total	<u>\$0.3930</u>	<u>\$0.38514*</u>	*.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	<u>\$ 0.024366</u>	Total Net WCI FY10	<u>\$ 0.0238787</u>

Adjusted Tax Base – FY 18

	Gross	Net
Tax Base	\$0.3930	\$0.38514
Prior WCI Adj.	\$0.2049557	\$0.2008566
	<u>\$0.5979557</u>	<u>\$0.5859966</u>

	Gross Tax Base	Net Tax Base	(Gross tax base less 2% collection allowance)
Adjusted Tax Base*	\$0.597557	Adjusted Tax Base	\$0.5859966
PPI rate FY 18	x 2.15%	PPI rate for FY18	x 2.15%
Total Gross WCI	<u>\$0.0128560</u>	Total Net WCI	<u>\$0.0125989</u>

	Gross Tax Rate FY 18	Net Tax Rate FY 18
Total Cumulative WCI		
Original Tax Base	\$0.3930	\$0.385140
Prior WCI Increases	\$0.2049557	\$0.2008566
WCI Increase FY 18	\$0.0128560	\$0.0125989
Total FY 18	<u>\$0.6108117</u>	<u>\$0.5985955</u>

*WCI figures for FY 18 were calculated by the RTC and sent to the Department for implementation.

Product Type LPG

PPI Increase FY 18 Gross rate \$0.2233543 Net rate \$ 0.2188872 SB201, NRS 373.066

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

FY10 = 6.20%	FY14 = 6.22%	FY18 = 2.15%
FY11 = 5.18%	FY15 = 6.05%	
FY12 = 4.98%	FY16 = 5.25%	
FY13 = 5.81%	FY17 = 3.43%	

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	\$0.1830	\$0.17934	SB201
Total	<u>\$0.4030</u>	<u>\$0.39494*</u>	*.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	<u>\$0.024986</u>	Total Net WCI FY10	<u>\$0.0244863</u>

Adjusted Tax Base – FY 18

	<u>Gross</u>	<u>Net</u>
Tax Base	\$0.4030	\$0.39494
Prior WCI Adj.	\$0.2101711	\$0.2059677
	<u>\$0.6131711</u>	<u>\$0.6009077</u>

	<u>Gross Tax Base</u>	<u>Net Tax Base</u> (Gross tax base less 2% collection allowance)
Adjusted Tax Base*	\$0.6131711	Adjusted Tax Base \$0.6009077
PPI rate FY 18	x 2.15%	PPI rate for FY 18 x 2.15%
Total Gross WCI	<u>\$0.0131832</u>	Total Net WCI <u>\$0.0129164</u>

	<u>Gross Tax Rate FY 18</u>	<u>Net Tax Rate FY 18</u>
Total Cumulative WCI		
Original Tax Base	\$0.4030	\$0.39494
Prior WCI Increases	\$0.2101711	\$0.2059677
WCI Increase FY 18	\$0.0131832	\$0.0129195
Total FY 18	<u>\$0.6263543</u>	<u>\$0.6138272</u>

*WCI figures for FY18 were calculated by the RTC and sent to the Department for implementation.

Product Type A55

PPI Increase FY18 Gross rate \$0.1053036 Net rate \$0.1031975 SB201, NRS 373.066

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

FY 10 = 6.20% FY 14 = 6.22% FY18 = 2.15%
FY 11 = 5.18% FY 15 = 6.05%
FY 12 = 4.98% FY 16 = 5.25%
FY 13 = 5.81% FY 17 = 3.43%

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	\$0.19	\$0.1862	NRS 366.190
Federal Tax	\$0.00	\$0.00	SB201
Total	<u>\$0.19</u>	<u>\$0.1862*</u>	*.19 - 2% = .1862 for purposes of indexing

Gross Tax Base	\$0.19	Net Tax Base	\$0.1862
PPI rate FY10	x 6.20%	PPI rate for FY10	x 6.20%
Total Gross WCI FY10	<u>\$0.01178</u>	Total Net WCI FY10	<u>\$0.0115444</u>

Adjusted Tax Base – FY 18

	<u>Gross</u>	<u>Net</u>
Tax Base	\$0.19	\$0.1862
Prior WCI Adj.	<u>\$0.0990820</u>	<u>\$0.0971064</u>
	<u>\$0.2890882</u>	<u>\$0.2833064</u>

	<u>Gross Tax Base</u>	<u>Net Tax Base</u>	(Gross tax base less 2% collection allowance)
Adjusted Tax Base*	\$0.2890882	Adjusted Tax Base	\$0.2832984
PPI rate FY 18	x 2.15%	PPI rate for FY 18	x 2.15%
Total Gross WCI	<u>\$0.0062154</u>	Total Net WCI	<u>\$0.0060911</u>

Total Cumulative WCI	<u>Gross Tax Rate FY 18</u>	<u>Net Tax Rate FY 18</u>
Original Tax Base	\$0.19	\$0.1862
Prior WCI Increases	\$0.0990820	\$0.0971064
WCI Increase FY 18	<u>\$0.0062154</u>	<u>\$0.0060858</u>
Total FY 18	<u>\$0.2953036</u>	<u>\$0.2893975</u>

*WCI figures for FY 18 were calculated by the RTC and sent to the Department for implementation.