



Brian Sandoval
Governor

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Motor Carrier Division
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June 7, 2013

IMPORTANT – PLEASE READ
FUEL TAX RATES AND FY 14 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 is 6.22%. 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, 2013 and remitted to the Department with the July 2013 tax return, due August 31, 2013. 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 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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Sincerely,

Carmen Shipman
Tax Program Supervisor II
Fuel Industry Section

cc: Wayne Seidel, Motor Carrier Administrator
Amy McKinney – ASD ASO IV

FY14 Fuel Tax Rate Matrix
Gross vs. Net Tax Rates

Effective July 1, 2013

<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
Douglas			
Esmeralda			
Eureka			
Lincoln			
Nye			
Storey			
<u>County Option</u>	\$0.09	\$0.0882	NRS 373.070
Carson City			
Churchill			
Clark			
Elko			
Humboldt			
Lander			
Lyon			
Mineral			
Pershing			
Washoe			
White Pine			
<u>County Other</u>	\$0.01	\$0.0098	NRS 365.192
<u>Special Fuels and Indexed Taxes</u>			
Washoe County Index-CPI	\$0.0266427	\$0.0261098	AB516, NRS 373.066
Washoe County Index-PPI	\$0.1744541	\$0.1709650	SB201, NRS 373.066
Clear Diesel, Biodiesel	\$0.27	\$0.2646	NRS 366.190
Washoe County Index	\$0.1658082	\$0.1624920	SB201, NRS 373.066
CNG***	\$0.21	\$0.2058	NRS 366.190
Washoe County Index	\$0.1249523	\$0.1224532	SB201, NRS 373.066
LPG***	\$0.22	\$0.2156	NRS 366.190
Washoe County Index	\$0.1281319	\$0.1255692	SB201, NRS 373.066
A55	\$0.19	\$0.1862	NRS 366.190
Washoe County Index	\$0.0604096	\$0.0592014	SB201, NRS 373.066
<u>Jet/Aviation and Fees</u>			
Jet	\$0.01	\$0.0098	NRS 365.170(1)(b)(1)
Jet Option	\$0.03	\$0.03	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 590.840

*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 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 FY14</u>	Gross rate <u>\$0.1744541</u>	Net rate <u>\$ 0.1709650</u>	SB201, NRS 373.066
Total Index Tax to be collected-FY14	Gross rate <u>\$0.2010971</u>	Net rate <u>\$0.1970751</u>	

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

FY10 = 6.20%	FY14 = 6.22%
FY11 = 5.18%	
FY12 = 4.98%	
FY13 = 5.81%	

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 14

	<u>Gross</u>	<u>Net</u>
Tax Base	\$0.548693	\$0.53771914
Prior WCI Adj.	<u>\$0.1321082</u>	<u>\$0.1294660</u>
	<u>\$0.6808012</u>	<u>\$0.6671852</u>
	<u>Gross Tax Base</u>	<u>Net Tax Base</u> (Gross tax base less 2% collection allowance)
Adjusted Tax Base*	\$0.6808012	Adjusted Tax Base \$0.6671852
PPI rate FY 14	X 6.22%	PPI rate for FY14 x 6.22%
Total Gross WCI	<u>\$0.0423458</u>	Total Net WCI <u>\$0.0414989</u>
	<u>Gross Tax Rate FY14</u>	<u>Net Tax Rate FY14</u>
Total Cumulative WCI		
Original Tax Base	\$0.548693	\$0.53771914
Prior WCI Increases	\$0.1321082	\$0.1294660
WCI Increase FY 14	<u>\$0.0423458</u>	<u>\$0.0414989</u>
Total FY 14	<u>\$0.7231471</u>	<u>\$0.7086841</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 FY14 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 FY14 Gross rate \$0.1658082 Net rate \$0.1624920 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%
 FY12 = 4.98%
 FY13 = 5.81%

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>	<u>Total Net WCI FY10</u>	<u>\$0.0316863</u>

Adjusted Tax Base – FY 14

	<u>Gross</u>	<u>Net</u>	
Tax Base	\$0.5215	\$0.5110700	
Prior WCI Adj.	<u>\$0.1255611</u>	<u>\$0.1230499</u>	
	<u>\$0.6470611</u>	<u>\$0.6341199</u>	
	<u>Gross Tax Base</u>	<u>Net Tax Base</u>	
	(Gross tax base less 2% collection allowance)		
Adjusted Tax Base*	\$0.6470611	Adjusted Tax Base	\$0.6341199
PPI rate FY 14	x 6.22%	PPI rate for FY 14	x 6.22%
Total Gross WCI	<u>\$0.0402472</u>	Total Net WCI	<u>\$0.0394422</u>
	<u>Gross Tax Rate FY 14</u>	<u>Net Tax Rate FY 14</u>	
Total Cumulative WCI			
Original Tax Base	\$0.5215	\$0.5110700	
Prior WCI Increases	\$0.1255611	\$0.1230499	
WCI Increase FY 14	<u>\$0.0402472</u>	<u>\$0.0394422</u>	
Total FY 14	<u>\$0.6873082</u>	<u>\$0.6735620</u>	

*WCI figures for FY 14 were calculated by the RTC and sent to the Department for implementation.

Product Type CNG

PPI Increase FY 14 Gross rate \$0.1249523 Net rate \$ 0.1224532 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 12 = 4.98%
FY 13 = 5.81%

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	\$0.1830	\$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 14

	<u>Gross</u>	<u>Net</u>
Tax Base	\$0.3930	\$0.38514
Prior WCI Adj.	<u>\$0.0946223</u>	<u>\$0.0927298</u>
	<u>\$0.4876223</u>	<u>\$0.4778699</u>

	<u>Gross Tax Base</u>	<u>Net Tax Base</u>	(Gross tax base less 2% collection allowance)
Adjusted Tax Base*	\$0.4876223	Adjusted Tax Base	\$0.4778670
PPI rate FY 14	x 6.22%	PPI rate for FY13	x 6.22%
Total Gross WCI	<u>\$0.0303301</u>	Total Net WCI	<u>\$0.0297235</u>

	<u>Gross Tax Rate FY 14</u>	<u>Net Tax Rate FY 14</u>
Total Cumulative WCI		
Original Tax Base	\$0.3930	\$0.385140
Prior WCI Increases	\$0.0946223	\$0.0927298
WCI Increase FY 14	\$0.0303301	\$0.0297234
Total FY 14	<u>\$0.5179524</u>	<u>\$0.5075932</u>

*WCI figures for FY 14 were calculated by the RTC and sent to the Department for implementation.

Product Type LPG

PPI Increase FY 14 Gross rate \$0.1281319 Net rate \$ 0.1255692 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%
FY12 = 4.98%
FY13 = 5.81%

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 14

	<u>Gross</u>	<u>Net</u>
Tax Base	\$0.4030	\$0.39494
Prior WCI Adj.	\$0.0970300	\$0.0950894
	<u>\$0.5000300</u>	<u>\$0.4900294</u>

	<u>Gross Tax Base</u>	<u>Net Tax Base</u>	(Gross tax base less 2% collection allowance)
Adjusted Tax Base*	\$0.5000300	Adjusted Tax Base	\$0.4900294
PPI rate FY 14	x 6.22%	PPI rate for FY 14	x 6.22%
Total Gross WCI	<u>\$0.0311019</u>	Total Net WCI	<u>\$0.0304798</u>

	<u>Gross Tax Rate FY 14</u>	<u>Net Tax Rate FY 14</u>
Total Cumulative WCI		
Original Tax Base	\$0.4030	\$0.39494
Prior WCI Increases	\$0.0970300	\$0.0950894
WCI Increase FY 14	\$0.0311019	\$0.0304798
Total FY 14	<u>\$0.5311319</u>	<u>\$0.5205093</u>

*WCI figures for FY14 were calculated by the RTC and sent to the Department for implementation.

Product Type A55

PPI Increase FY14 Gross rate \$0.0604096 Net rate \$0.0592014 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 12 = 4.98%
FY 13 = 5.81%

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 14

	<u>Gross</u>	<u>Net</u>
Tax Base	\$0.19	\$0.1862
Prior WCI Adj.	<u>\$0.0457462</u>	<u>\$0.0448313</u>
	<u>\$0.2357462</u>	<u>\$0.2310313</u>

	<u>Gross Tax Base</u>	<u>Net Tax Base</u>	(Gross tax base less 2% collection allowance)
Adjusted Tax Base*	\$0.2357462	Adjusted Tax Base	\$0.2310313
PPI rate FY 14	x 6.22%	PPI rate for FY 14	x 6.22%
Total Gross WCI	<u>\$0.0146634</u>	Total Net WCI	<u>\$0.0143701</u>

	<u>Gross Tax Rate FY 14</u>	<u>Net Tax Rate FY 14</u>
Total Cumulative WCI		
Original Tax Base	\$0.19	\$0.1862
Prior WCI Increases	\$0.0457462	\$0.0448313
WCI Increase FY 14	<u>\$0.0146634</u>	<u>\$0.0143701</u>
Total FY 14	<u>\$0.2504096</u>	<u>\$0.2454014</u>

*WCI figures for FY 14 were calculated by the RTC and sent to the Department for implementation.