



**STATE OF NEVADA
DEPARTMENT OF TAXATION**

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Department of Taxation Major Legislation Overview 2015

Senate Bill 483 (2015)

This overview includes only the sections of SB 483 that are administered by the Department of Taxation. Please Contact the Secretary of State's office for changes related to the Business License Fee and the fees for filing annual lists.

The Commerce Tax is a gross revenue tax on each business in this State whose Nevada gross revenue in a fiscal year exceeds \$4,000,000.

- The taxable year is the State's fiscal year and begins on July 1, 2015.
- The tax is collected annually with the first return and payment due on August 15, 2016 for July 1, 2015-June 30, 2016.
- Determining Nevada Gross Revenue
 - take the gross revenue as defined in **section 8** of SB 483, situated to Nevada pursuant to **section 22** and make various adjustments to that amount pursuant to **section 21** of the bill to the extent they are adjustments for your business in Nevada.
- The rate is based on the industry in which the business entity is primarily engaged based on a company's NAICS code. From **Sections 24-49** of the bill, industry codes and rates are:
 - Agriculture, Forestry and Hunting (NAICS 11) .063%
 - Mining, Quarrying, and Oil and Gas Extraction (NAICS 21) .051%
 - Utilities & Telecommunications (NAICS 22, 517) .136%
 - Construction (NAICS 23) .083%
 - Manufacturing (NAICS 31-33) .091%
 - Wholesale Trade (NAICS 42) .101%
 - Retail Trade (NAICS 44-45) .111%
 - Air Transportation (NAICS 481) .058%
 - Truck Transportation (NAICS 484) .202%
 - Rail Transportation (NAICS 482) .331%
 - Other Transportation (NAICS 483, 485-488, 491-492) .129%
 - Warehousing and Storage (NAICS 493) .128%
 - Publishing, Software, Data Processing (NAICS 511-512, 515, 518) .253%
 - Finance and Insurance (NAICS 52) .111%

- Real Estate Rental and Leasing (NAICS 53) .25%
 - Professional, Scientific, or Technical Services (NAICS 54) .181%
 - Management of Companies and Enterprises (NAICS 55) .137%
 - Administrative and Support Services (NAICS 561) .154%
 - Waste Management and Remediation Services (NAICS 562) .261%
 - Educational Services (NAICS 61) .281%
 - Health Care and Social Assistance (NAICS 62) .190%
 - Arts, Entertainment and Recreation (NAICS 71) .24%
 - Accommodations (NAICS 721) .2%
 - Food Services and Drinking Places (NAICS 722) .194%
 - Other Services (NAICS 81) .142%
 - Unclassified Business .128%
- Businesses subject to the Commerce Tax will be entitled to a credit toward their Modified Business Tax (MBT) liability equal to 50% of their Commerce Tax liability beginning the first quarter after the first payment of the Commerce Tax. The credit toward the MBT may be used only in the same fiscal year as the Commerce Tax was paid. Example: Co. A paid \$5,000 in Commerce Tax on August 15, 2016. Co. A could begin using the \$2,500 credit on October 31, 2016 MBT return and could use the credit for MBT liability through June 30, 2017.

Modified Business Tax

- Rate changes
 - 1.475% for general business; exemption is \$50K per quarter
 - 2% for financial institutions and any entity subject to the Net Proceeds of Minerals Tax.
- Rate change is effective July 1, 2015 and will be effective on the first quarter return of FY 2016 (i.e. quarter end September 30, 2015 due October 31, 2015).

Cigarette Tax

- Increases from .80 per pack to \$1.80 per pack of 20 cigarettes on July 1, 2015.
- Cigarette stamps purchased prior to July 1, 2015 but not affixed prior to July 1, 2015 will be subject to the additional tax.

Senate Bill 266

Live Entertainment Tax (changes apply to receipts from admission charges after October 1, 2015)

- Tax applies to admission charge for both gaming and non-gaming venues
- One rate - 9% of admission charge for all venues over 200 people
- Food and beverage at a live entertainment venue will no longer be subject to the live entertainment tax.

- New additions to tax:
 - Outdoor entertainment on gaming property or off gaming property
 - Legal escort services
 - Non profits that sells over 7,500 tickets per event
 - Non profits in which patrons provide the entertainment if the non profit sells over 15,000 to such event

Assembly Bill 175 (this bill implements the tax and an amendment to SB 376 transfers the responsibility for collecting and remitting to the Department of Taxation)

- Passenger Carrier Tax is a 3% excise tax on fares of transportation network companies, common motor carriers, and taxicabs.
- The tax will be collected monthly
 - For transportation network companies (TNC) the tax applies upon receiving authority to operate in Nevada from the Nevada Transportation Authority.
 - For all other taxpayers the tax is effective beginning August 28, 2015.