



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

June 8, 2015

IMPORTANT – PLEASE READ
FUEL TAX RATES AND FY 16 CLARK COUNTY INDEXED TAXES CHANGES

Dear State of Nevada Fuel Supplier:

During the 77th Legislative Session the Legislature enacted Assembly Bill 413 (AB413), effective January 1, 2014. This bill allows for Clark County to start indexing of **all fuel types, including Special Fuels**, but excluding jet and aviation fuels.

In order to establish the rate for indexing, the PPI (Producer Price Index for Highway and Street Construction) will be used to determine the yearly rates. The PPI is an index published by the United State Department of Labor, which measures inflation in the costs of such construction. For FY14 the PPI rate was 6.22%; for FY15 the PPI rate was 6.05%; for **FY16 the rate is 5.25%**.

Each year the rate of the Producer Price Index, PPI, will increase by the amount of the overall PPI in Clark County. 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. This tax increase must be included on all fuel sales in Clark County on or after July 1, 2015 and remitted to the Department with the July 2015 tax return, due August 31, 2015. A breakdown of the County tax structure is 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
G – R	Ramona Hall	(775) 684-4938	RHall@dmv.nv.gov
S – Z	Patricia Espinoza	(775) 684-4812	PEspinoza@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
Amy McKinney, ASD ASO IV

FY16 Fuel Tax Matrix
Gross vs. Net Tax Rates

Effective July 1, 2015

<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¢)
<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 365.195
<u>Motor Fuels Indexed Taxes:</u>			
Clark County-PPI	\$0.0968938	\$0.0949559	AB413, NRS 373.0663
Washoe County Index-CPI	\$0.0266427	\$0.0261098	AB516, NRS 373.066
Washoe County Index-PPI	\$0.2584666	\$0.2532973	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	\$0.0967917	\$0.0948559	AB413, NRS 373.0663
Washoe County Index-PPI	\$0.2456571	\$0.2407439	SB201, NRS 373.066
CNG	\$0.21	\$0.2058	NRS 366.190
Clark County Index-PPI	\$0.0729417	\$0.0714829	AB413, NRS 373.0663
Washoe County Index-PPI	\$0.1851260	\$0.1814235	SB201, NRS 373.066
LPG	\$0.0640	\$0.06272	NRS 366.190
Clark County Index-PPI	\$0.0747978	\$0.0733018	AB413, NRS 373.0663
Washoe County Index-PPI	\$0.1898368	\$0.1860401	SB201, NRS 373.066
A55	\$0.19	\$0.1862	NRS 366.190
Clark County Index-PPI	\$0.0352645	\$0.0345592	AB413, NRS 373.0663
Washoe County Index-PPI	\$0.0895013	\$0.0877113	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 590.840

*Effective January 1, 2010, Cleanup and Inspection Fees are 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 of Department.

Clark County Index Taxes Breakdown for Motor Fuels

Product Type Gasoline/Gasohol

PPI Rate FY16 Gross Rate \$0.0968938 Net rate \$0.0949559 AB413, NRS 373.0663

Producer Price Index (PPI) – History (obtained from Regional Transportation Commission of Southern Nevada)

FY14 = 6.22%
 FY15 = 6.05%
 FY16 = 5.25%

Clark County Index (CCI) Calculation – History

	<u>Gross Tax Base</u>	<u>Net Tax Base</u>	(Gross tax base less 2% collection allowance)
State Tax (County)	\$0.0535	\$0.05243	NRS 365.190 (From Net State Tax distributed to County)
State Tax	\$0.18455	\$0.180859	AB413
Federal Tax	\$0.1840	\$0.18032	AB413
County Option	\$0.09	\$0.0882	NRS 373.070
County Other	<u>\$0.01</u>	<u>\$0.0098</u>	NRS 365.195
Total	\$0.52205	\$0.511609*	*.52205 – 2% = .511609 for purpose of indexing
Gross Tax Base	\$0.52205	Net Tax Base	\$0.511609
PPI rate FY14	x <u>6.22%</u>	PPI rate for FY14	x <u>6.22%</u>
Total Gross CCI FY14	\$0.0324715	Total Net CCI FY14	\$0.0318221

Adjusted Tax Base – FY 16

	<u>Gross</u>	<u>Net</u>
Tax Base	\$0.52205	\$0.511609
Prior CCI Adj.	<u>\$0.0660201</u>	<u>\$0.0646997</u>
	<u>\$0.5880701</u>	<u>\$0.5763087</u>
	<u>Gross Tax Base</u>	<u>Net Tax Base</u>
		(Gross tax base less 2% collection allowance)
Adjusted Tax Base*	\$0.588071	Adjusted Tax Base
PPI rate FY16	X <u>5.25%</u>	PPI rate for FY16
Total Gross CCI	<u>\$0.0308737</u>	Total Net Clark
		<u>\$0.0302562</u>
	<u>Gross Tax Rate FY16</u>	<u>Net Tax Rate FY16</u>
Original Tax Base	\$0.52205	\$0.511609
Prior CCI Increases	\$0.0660201	\$0.0646997
CCI Increase FY16	<u>\$0.0308737</u>	<u>\$0.0302562</u>
Total FY 16	<u>\$0.6189438</u>	<u>\$0.6065649</u>

* Clark County Indexed figures for FY16 were calculated by the Regional Transportation Commission of Southern Nevada and sent to the Department for implementation

Clark County Index Taxes Breakdown for Special Fuels

Product Type Diesel/Biodiesel/LNG

PPI Rate FY16 Gross Tax Rate **\$0.0967917** Net Tax Rate **\$0.0948559** AB413, NRS 373.0663

Producer Price Index (CCI) Calculation – History (obtained from Regional Transportation Commission of Southern Nevada)

FY14 = 6.22%
 FY15 = 6.05%
 FY16 = 5.25%

Clark County Index (CCI) Calculation – History

	<u>Gross Tax Base</u>	<u>Net Tax Rate</u>	(Gross tax base less 2% collection allowance)
State Tax	\$0.2775	\$0.27195	NRS 366.190
Federal Tax	\$0.2440	\$0.23912	AB413
Total	\$0.5215	\$0.5110700*	*.5215 – 2% = .511700 for purpose of indexing
Gross Tax Base	\$0.5215	Net Tax Base	\$0.5110700
PPI Rate FY14	x 6.22%	PPI rate for FY14	x 6.22%
Total Gross CCI FY14	\$0.0324373	Total Net CCI FY14	\$0.0317886

Adjusted Tax Base – FY 16

	<u>Gross</u>	<u>Net</u>
Tax Base	\$0.5215	\$0.5110700
Prior CCI Adj.	\$0.0659505	\$0.0646315
	<u>\$0.5874505</u>	<u>\$0.5757015</u>
	<u>Gross Tax Base</u>	<u>Net Tax Base</u>
		(Gross tax base less 2% collection allowance)
Adjusted Tax Base*	\$0.5874505	Adjusted Tax Base
PPI rate FY16	X 5.25%	PPI rate for FY16
Total Gross CCI	<u>\$0.0308412</u>	Total Net Clark
		<u>\$0.0302243</u>
	<u>Gross Tax Rate FY16</u>	<u>Net Tax Rate FY16</u>
Total Cumulative CCI		
Original Tax Base	\$0.5215	\$0.5110700
Prior CCI Increases	\$0.0659505	\$0.0646315
CCI Increase FY16	<u>\$0.0308412</u>	<u>\$0.0302244</u>
Total FY 16	<u>\$0.6182917</u>	<u>\$0.6059259</u>

* Clark County Indexed figures for FY16 were calculated by the Regional Transportation Commission of Southern Nevada and sent to the Department for implementation

Product Type CNG

PPI Rate FY16 Gross Tax Rate \$0.0729417 Net Tax Rate \$0.0714829 AB413, NRS 373.0663

Producer Price Index (PPI) – History (obtained from Regional Transportation Commission of Southern Nevada)

FY14 = 6.22%
 FY15 = 6.05%
 FY16 = 5.25%

Clark County Index (CCI) 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	AB413
Total	\$0.3930	\$0.38514*	*.03930 – 2% = \$.38514 for purpose of indexing

Gross Tax Base	\$0.3930	Net Tax Base	\$0.038514
PPI rate FY14	x 6.22%	PPI rate for FY14	x 6.22%
Total Gross CCI FY14	\$0.0244446	Total Net CCI FY14	\$0.0239557

Adjusted Tax Base – FY 16

	<u>Gross</u>	<u>Net</u>	
Tax Base	\$0.3930	\$0.3851400	
Prior CCI Adj.	\$0.0497000	\$0.0487060	
	<u>\$0.4427</u>	<u>\$0.4338460</u>	
	<u>Gross Tax Base</u>	<u>Net Tax Base</u> (Gross tax base less 2% collection allowance)	
Adjusted Tax Base*	\$0.4427	Adjusted Tax Base	\$0.433846
PPI rate FY16	X 5.25%	PPI rate for FY16	x 5.25%
Total Gross CCI	<u>\$0.0232418</u>	Total Net Clark	<u>\$0.0227769</u>
	<u>Gross Tax Rate FY16</u>	<u>Net Tax Rate FY16</u>	
Total Cumulative CCI			
Original Tax Base	\$0.3930	\$0.38514	
Prior CCI Increases	\$0.0497	\$0.0487060	
CCI Increase FY16	\$0.0232418	\$0.0227769	
Total FY 16	<u>\$0.4659418</u>	<u>\$0.4566229</u>	

*Clark County Indexed figures for FY16 were calculated by the Regional Transportation Commission of Southern Nevada and sent to the Department for implementation

Product Type LPG

PPI Rate FY16 Gross Tax Rate \$0.0747978 Net Tax Rate \$0.0733018 AB413, NRS 373.0663

Producer Price Index (PPI) - History (obtained from Regional Transportation of Southern Nevada)

FY14 = 6.22%
 FY15 = 6.05%
 FY16 = 5.25%

Clark County Index (CCI) 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	<u>\$0.1830</u>	<u>\$0.17934</u>	AB413
Total	\$0.4030	\$0.39494*	*.4030 – 2% = .39494 for purpose of indexing

Gross Tax Base	\$0.4030	Net Tax Base	\$0.39494
PPI rate FY14	x 6.22%		x 6.22%
Total Gross CCI FY14	<u>\$0.0250666</u>	Total Net CCI FY14	<u>\$0.0245653</u>

Adjusted Tax Base – FY 16

	<u>Gross</u>	<u>Net</u>
Tax Base	\$0.4030	\$0.39494
Prior CCI Adj.	<u>\$0.0509646</u>	<u>\$0.0499454</u>
	<u>\$0.4539646</u>	<u>\$0.4448854</u>
	<u>Gross Tax Base</u>	<u>Net Tax Base</u> (Gross tax base less 2% collection allowance)
Adjusted Tax Base*	\$0.4539646	Adjusted Tax Base \$0.4448853
PPI rate FY16	X 5.25%	PPI rate for FY16 x 5.25%
Total Gross CCI	<u>\$0.0238331</u>	Total Net Clark <u>\$0.0233564</u>
Total Cumulative CCI	<u>Gross Tax Rate FY16</u>	<u>Net Tax Rate FY16</u>
Original Tax Base	\$0.4030	\$0.39494
Prior CCI Increases	\$0.0509646	\$0.0499454
CCI Increase FY16	<u>\$0.0238331</u>	<u>\$0.0233564</u>
Total FY 16	<u>\$0.4777977</u>	<u>\$0.4682418</u>

* Clark County Indexed figures for FY16 were calculated by the Regional Transportation Commission of Southern Nevada and sent to the Department for implementation

Product Type A55

PPI Tax Rate FY16 Gross rate \$0.0352645 Net Tax Rate \$0.0345592 AB413, NRS 373.0663

Producer Price Indexing (PPI) – History (obtained from Regional Transportation Commission of Southern Nevada)

FY14 = 6.22%
 FY15 = 6.05%
 FY16 = 5.25%

Clark County Index (CCI) 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		AB413
Total	\$0.19	\$0.1862*	*.19 – 2% = \$.1862 for purpose of indexing
Gross Tax Base	\$0.19	Net Tax Base	\$0.1862
PPI rate FY14	x 6.22%	PPI rate for FY14	x 6.22%
Total Gross CCI FY14	\$0.011818	Total Net CCI FY14	\$0.0115816

Adjusted Tax Base – FY 16

	<u>Gross</u>	<u>Net</u>	
Tax Base	\$0.19	\$0.1862	
Prior CCI Adj.	\$0.024028	\$0.0235474	
	<u>\$0.214028</u>	<u>\$0.2097474</u>	
	<u>Gross Tax Base</u>	<u>Net Tax Base</u>	
Adjusted Tax Base*	\$0.214028	Adjusted Tax Base	\$0.2097474
PPI rate FY16	X 5.25%	PPI rate for FY16	x 5.25%
Total Gross CCI	<u>\$0.0112365</u>	Total Net Clark	<u>\$0.0110118</u>
Total Cumulative CCI	<u>Gross Tax Rate FY16</u>	<u>Net Tax Rate FY16</u>	
Original Tax Base	\$0.19	\$0.1862	
Prior CCI Increases	\$0.0240280	\$0.0235474	
CCI Increase FY16	\$0.0112365	\$0.0110118	
Total FY 16	<u>\$0.2252645</u>	<u>\$0.2207592</u>	

* Clark County Indexed figures for FY16 were calculated by the Regional Transportation Commission of Southern Nevada and sent to the Department for implementation