

DISCLAIMER

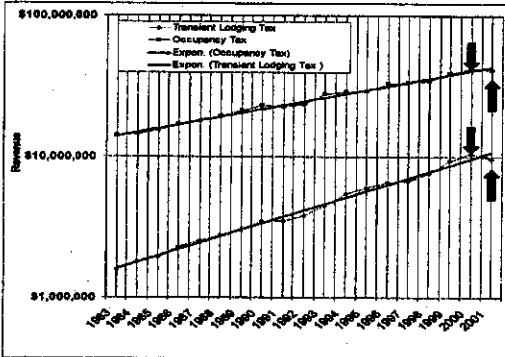
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Comparison of Room Occupancy Tax and Transient Lodging Tax in Clark County

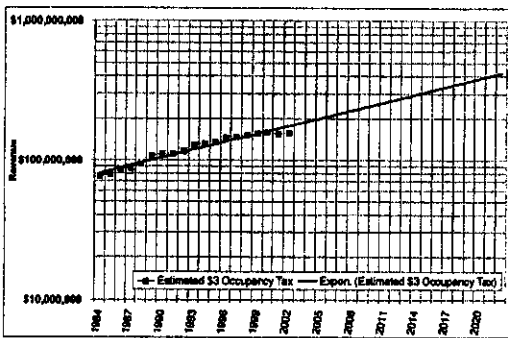


Comparison of Stability

Room Occupancy

From Year 2000 to 2001, the Room Occupancy decreased 2.08 percent.

Forecasted State Room Occupancy Tax Revenue



Forecasted Room Occupancy Tax Revenue for Biennium Years

- Years 2003-2005 \$365 million
- Years 2005-2007 \$395 million
- Years 2007-2009 \$428 million
- Years 2009-2011 \$464 million

Governor's Tax Task Force Criteria for Evaluating a Tax

- Predictability
- Transparency
- Stability
- Uniformity
- Equity
- Ease of Compliance
- Ease of Administration
- Competitiveness
- Economic Neutrality
- Flexibility
- Integration
- Exportability

Anticipated Arguments

- Argument: Economically disadvantaged persons use inexpensive hotel/motel rooms.
- Rebuttal: The same exemption would apply to the Room Occupancy Tax that applies to the Transient Lodging Tax.

Anticipated Arguments

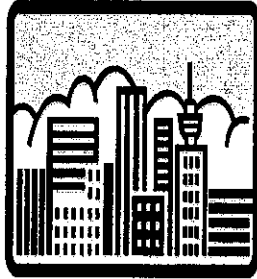
- Argument: A \$3 flat tax will harm tourism.
- Rebuttal: A tourist will drop \$3 in a slot machine in a heart beat.

Anticipated Arguments

- Argument: Total taxes for a room will be too high.
- Rebuttal: A \$3 flat tax rate would contribute 2 percent to the cost of a \$150 room.

Transient Lodging Tax Rates

• Houston	17.0%
• Seattle	15.6
• Dallas	15.0
• Chicago	14.9
• St. Louis	14.87
• Cleveland	14.5
• Nashville	14.25
• San Francisco	14.0
• Atlanta	14.0
• Philadelphia	14.0
• New York	13.25
• Las Vegas	9.0
(median)	



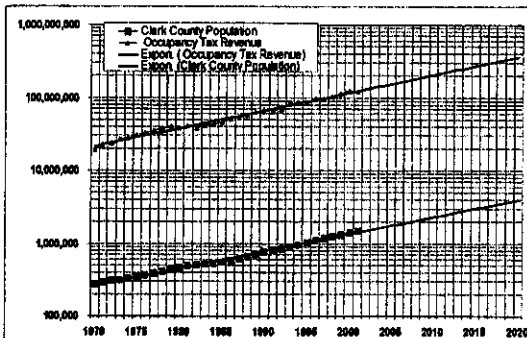
Competition

Exhibit and Convention Meeting Space

Clark County is currently the largest provider of exhibit and convention meeting space in the Las Vegas area. The county's current capacity is approximately 1.5 million square feet. The county is currently in the process of expanding its capacity to approximately 2.5 million square feet. This expansion will allow the county to accommodate larger conventions and exhibitions, which will in turn generate additional tax revenue for the county.

Current
Expansion

Room Occupancy Grows Faster than Population in Clark County



Quote

"Oh! We could never have anticipated the growth that has occurred in the last few years."

Proposed Taxes
Biennium 2003-2005

• Occupancy Tax	\$365 million
• Gross Receipts Tax	\$222 million
• Admissions & Amusement Tax	\$150 million
• Cigarette Tax	\$124 million
• Property Tax	\$114 million
• Business and License Tax and Fee	\$106 million
• Corporate Filing Fees	\$58 million
• Liquor Tax	\$35 million
• <u>Restricted Slot License Fees</u>	<u>\$5 million</u>
TOTAL	\$814 million