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Lindloff, Chip

From: Diaz, Leanne
Sent: Wednesday, May 07, 2003 5:27 PM
To: Lindloff, Chip
Cc: DeSilva, Susan
Subject: RE: Hearings scheduled on Nevada excise tax bill

Chip - These are not very strong points, but hopefully Elizabeth or Susan can get you some firmer points. Feel free to add as makes sense to you. Please let us know how this goes and what, if anything, the ASA coordinated. In CA they had a contact, so hopefully they will in NV as well. I've attached CA talking points for your information. Much of it does not apply in NV.

To summarize: NV AB 281 would implement a gross receipts tax of 0.25% on our business in NV. There are several components of this bill, but the Gross Receipts tax is the biggest piece we want to oppose

Impact: In Q1, Revenue was \$900K, conservatively annualized to \$3.6M (you have a growing hospitality business which is not at a full run rate yet). This means you would pay annual tax of about \$9K. With an annualized PBT of \$18K, this tax would take away 50% of your profits for the Northern NV area. You would have to pass this increase cost along to your clients.

- Staffing firms permit businesses to manage their labor costs more effectively, providing them with flexibility and the means to remain competitive.
- Small businesses often rely on outside firms to provide them with accounting, bookkeeping, secretarial, legal, advertising and other services, many of which are provided by staffing firms.
- Adding a tax on our gross receipts means that we would have to pass along this increased cost of doing business by raising our prices. Our clients are mostly small businesses in Nevada, and they would be negatively impacted.

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-----Original Message-----

From: Lindloff, Chip
Sent: Wednesday, May 07, 2003 5:01 PM
To: emeade@staffingtoday.net
Cc: Diaz, Leanne; Sheppard, Lynda
Subject: FW: Hearings scheduled on Nevada excise tax bill

05/08/2003

ASSEMBLY COMMITTEE ON TAXATION
DATE: 05/08/03 ROOM: 3142 EXHIBIT E
SUBMITTED BY: Chip Lindloff