

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: April 2, 2015

Agency Submitting: Department of Taxation

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
Cat 01 Personnel (Expense)		\$51,169		
Cat 26 Information Tech (Expense)		\$253,250		
Bank Excise Tax (Revenue)		(\$2,788,166)	(\$2,788,166)	(\$5,576,332)
Modified Business Tax (Revenue)		\$199,500,000	\$199,500,000	\$199,500,000
Total	0	\$196,407,415	\$196,711,834	\$193,923,668

Explanation

(Use Additional Sheets of Attachments, if required)

Please see attached

Name Deonne Contine

Title Executive Director

DEPARTMENT OF ADMINISTRATION'S COMMENTS

Date Monday, March 30, 2015

The agency's response appears reasonable.

Name James R. Wells, CPA

Title Interim Director

DESCRIPTION OF FISCAL EFFECTBDR/Bill/Amendment Number: 32-851Name of Agency: Department of Taxation

Division/Department: _____

Date: March 27, 2015

BDR 32-851 provides for changes to the Modified Business Tax, Bank Excise Tax and Business License. NRS 363A for Modified Business Tax for Financial Institutions will be repealed and NRS 363B will be amended to reflect a rate of 1.56% where the first \$50,000 in wages is exempt from taxation. In addition, deductions for health care are no longer permitted. The Bank Excise Tax will be repealed as well. The provisions that impact the Department become effective July 1, 2015.

Expenses:

The Department will be required to make some programming changes to the Unified Tax System. The cost to do so will be \$304,419

Revenue:

The Department most recently collected \$2,788,166 dollars in Fiscal Year 2014 in Bank Excise Taxes. Should the Bank Excise Tax be repealed, the General Fund will see a loss of approximately the same amount per fiscal year.

Based on historical filing information, the Department estimates the increase in revenue for the Modified Business Tax to be \$199.5 million per fiscal year.

Expense Summary
BDR 32-851
Nevada Department of Taxation
March 27, 2015

Budget Account: 2361 DEPARTMENT OF TAXATION

Department: 13 DEPARTMENT OF TAXATION

Catg	Description	FY 2016 Est	FY 2017 Est	Future Biennia
01	Personnel Costs for Programming/Implementer	\$ 51,169.10	\$ -	\$ -
26	Information Tech	\$ 253,250.00		
	Total	\$ 304,419.10	\$ -	\$ -