



**Jim Gibbons**  
Governor

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Director

Motor Carrier Division  
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June 1, 2010

**IMPORTANT – PLEASE READ  
FUEL TAX RATES AND FY 11 WASHOE COUNTY INDEXED TAXES CHANGES**

Dear State of Nevada Fuel Supplier:

The Department has converted all Industry reporting to an automated system. As a result, all tax calculations subject to 2% collection are using the net tax rate. **A fuel tax matrix is enclosed for your convenience.**

Additionally, during the 72<sup>nd</sup> Legislative session, the Legislature enacted and the Governor approved Assembly Bill 516, effective October 1, 2003. As a result of AB516, all motor fuels subject to Washoe County fuel taxes are also subject to Consumer Price Indexing (CPI).

In addition, the 75<sup>th</sup> Legislative session enacted Senate Bill (SB) 201 effective January 1, 2010. This bill allows **all motor fuels and special fuels** delivered into Washoe County and subject to Washoe County fuels taxes to also be subject to the Producer Price Index (PPI), in addition to the previously collected CPI.

Each year the rate of the Producer Price Index, PPI, will increase by the amount of the overall PPI in Washoe County. For FY10 the PPI base was 6.20%; for FY11 the base is 5.18%. 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 and the CPI tax in effect on June 30, 2009. This tax increase must be included on all fuel sales in Washoe County on or after July 1, 2010 and remitted to the Department with the July 2010 tax return, due August 31, 2010. A breakdown of the county tax structure and appropriate statutory requirements are also 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](http://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	Tammy Holt	(775) 684-4628	<a href="mailto:THolt@dmv.nv.gov">THolt@dmv.nv.gov</a>
G – R	Ramona Hall	(775) 684-4938	<a href="mailto:RHall@dmv.nv.gov">RHall@dmv.nv.gov</a>
S – Z	Michele Nicholson	(775) 684-4812	<a href="mailto:MNicholson@dmv.nv.gov">MNicholson@dmv.nv.gov</a>

Sincerely,

Carmen Shipman  
Tax Program Supervisor II  
Fuel Industry Section

cc: Rhonda Bavaro, Motor Carrier Administrator  
Deborah Cook – ASD ASO IV

**FY11 Fuel Tax Rate Matrix**  
Gross vs. Net Tax Rates

Effective July 1, 2010

<u>Product</u>	<u>Gross Tax Rates</u>	<u>Net Tax Rates**</u>	<u>Authority</u>
Gasoline/Gasohol	<b>\$0.23</b>	<b>\$0.2254</b>	NRS 365.175 (12.65¢) NRS 365.540 (5.0¢) NRS 365.190 & 550 (3)(a)(b) (5.35 ¢)
<b><u>County Option</u></b>	<b>\$0.04</b>	<b>\$0.0392</b>	NRS 373.070
Douglas			
Esmeralda			
Eureka			
Lincoln			
Nye			
Storey			
<b><u>County Option</u></b>	<b>\$0.065</b>	<b>\$0.0637</b>	NRS 373.070
Elko			
<b><u>County Option</u></b>	<b>\$0.09</b>	<b>\$0.0882</b>	NRS 373.070
Carson City			
Churchill			
Clark			
Humboldt			
Lander			
Lyon			
Mineral			
Pershing			
Washoe			
White Pine			
<b><u>County Other</u></b>	<b>\$0.01</b>	<b>\$0.0098</b>	NRS 365.195
Washoe County Index-CPI	\$0.0266427	\$0.0261098	AB516
Washoe County Index-PPI	\$0.0642035	\$0.0629194	SB201
Inspection Fee*	\$0.00055	\$0.00055	NRS 590.120
Cleanup Fee*	\$0.0075	\$0.0075	NRS 590.840
Clear Diesel	\$0.27	\$0.2646	NRS 366.190
Washoe County Index	\$0.0610215	\$0.0598011	SB201
CNG***	\$0.21	\$0.2058	NRS 366.190
Washoe County Index	\$0.0459856	\$0.0450659	SB201
LPG***	\$0.22	\$0.2156	NRS 366.190
Washoe County Index	\$0.0471557	\$0.0462126	SB201
A55	\$0.19	\$0.1862	NRS 366.190
Washoe County Index	\$0.0222322	\$0.0217876	SB201
Jet	\$0.01	\$0.0098	NRS 365.170(1)(b)(1)
Jet Option	\$0.02	\$0.02	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)

\*Effective January 1, 2010, Cleanup and Inspection Fees will be 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 to Department.

\*\*\*Tax rate applied after conversion of gallons.

## Washoe County Index Tax Breakdown for Motor Fuels

### Product Type Gasoline/Gasohol

<u>CPI rate FY09**</u>	Gross rate <u>\$0.0266427</u>	Net rate <u>\$0.0261098</u>	AB516
<u>PPI Increase FY11</u>	Gross rate <u>\$0.0642035</u>	Net rate <u>\$ 0.0629194</u>	SB201
<b>Total Index Tax to be collected-FY11</b>	<b>Gross rate <u>\$0.0908462</u></b>	<b>Net rate <u>\$0.0890292</u></b>	

### Producer Pricing Index (PPI) – History (obtained from Washoe County Regional Transportation Commission)

FY10 = 6.20%  
FY11 = 5.18%

### Washoe County Index (WCI) Calculation – History

	<u>Gross Tax Base</u>	<u>Net Tax Base</u>	(Gross tax base less 2% collection allowance)
State Tax (County portion)	\$ 0.062786	\$ 0.06153028	NRS 365.190 (From Net State Tax distributed to County)
State Tax	\$ 0.18455	\$ 0.180859	SB201
Federal Tax	\$ 0.184	\$ 0.18032	SB201
County Option	\$ 0.105621	\$ 0.10350858	NRS 373.070
County Other	\$ 0.011736	\$ 0.01150128	NRS 365.195
Total	<u>\$ 0.548693</u>	<u>\$ 0.53771914*</u>	<b>*.548693 - 2% = .53771914 for purposes of indexing</b>
Gross Tax Base	\$ 0.548693	Net Tax Base	\$ 0.53771914
PPI rate FY10	x 6.20%	PPI rate for FY10	x 6.20%
Total Gross WCI FY10	<u>\$ 0.0340190</u>	Total Net WCI FY10	<u>\$ 0.0333386</u>

### Adjusted Tax Base – FY 11

	<u>Gross</u>	<u>Net</u>
Tax Base	\$0.548693	\$0.53771914
Prior WCI Adj.	<u>\$0.0340190</u>	<u>\$0.0333386</u>
	<u>\$0.582712</u>	<u>\$0.5710577</u>
	<u>Gross Tax Base</u>	<u>Net Tax Base</u>
Adjusted Tax Base*	\$0.582712	(Gross tax base less 2% collection allowance)
PPI rate FY11	X 5.18%	Adjusted Tax Base \$0.5710577
Total Gross WCI	<u>\$0.0301845</u>	PPI rate for FY11 x 5.18%
		Total Net WCI <u>\$0.0295808</u>
	<u>Gross Tax Rate FY11</u>	<u>Net Tax Rate FY11</u>
Total Cumulative WCI	\$0.548693	\$0.53771914
Original Tax Base	\$0.0340190	\$0.0333386
WCI Increase FY10	\$0.0301845	\$0.0295808
WCI Increase FY 11	<u>\$0.6128965</u>	<u>\$0.6006386</u>
Total FY 11		

NOTE: Due to decimal placements and difference in collection process, the original net tax rate (see Washoe County Index Calculation – History) is .00003 less than the Net Tax Rate base in FY05. Prior decimal placement was 4; however with the percentage factors resulting from the CPI calculations, it is necessary to carry the decimal placement to 7.

\*\*SB201 allowed for the PPI rate to be collected, in addition to the CPI rate in effect on June 30, 2009 (FY09). The CPI rate will remain constant, the PPI rate, which is a cumulative tax, will be updated each fiscal year and added to the CPI rate.

\*WCI figures for FY11 were calculated by the RTC and sent to the Department for implementation.

## Washoe County Index Tax Breakdown for Special Fuels

### Product Type Diesel/Biodiesel

PPI Increase FY11      Gross rate \$0.0610215      Net rate \$ 0.0598011      SB201

### Producer Pricing Index (PPI) – History (obtained from Washoe County Regional Transportation Commission)

FY10 = 6.20%

FY11 = 5.18%

### Washoe County Index (WCI) Calculation – History

	<u>Gross Tax Base</u>	<u>Net Tax Base</u> (Gross tax base less 2% collection allowance)	
State Tax	\$0.2775	\$0.27195	NRS 366.190
Federal Tax	\$0.244	\$0.23912	SB201
Total	<u>\$0.5215</u>	<u>\$0.5110700*</u>	<b>*.5215 - 2% = .5110700 for purposes of indexing</b>
Gross Tax Base	\$0.5215	Net Tax Base	\$0.5110700
PPI rate FY10	x <u>6.20%</u>	PPI rate for FY10	x <u>6.20%</u>
Total Gross WCI FY10	<u>\$0.032333</u>	Total Net WCI FY10	<u>\$0.0316863</u>

### Adjusted Tax Base – FY 11

	<u>Gross</u>	<u>Net</u>	
Tax Base	\$0.5215	\$0.5110700	
Prior WCI Adj.	<u>\$0.032333</u>	<u>\$0.0316863</u>	
	<u>\$0.553833</u>	<u>\$0.5427563</u>	
	<u>Gross Tax Base</u>	<u>Net Tax Base</u> (Gross tax base less 2% collection allowance)	
Adjusted Tax Base*	\$0.553833	Adjusted Tax Base	\$0.5427563
PPI rate FY11*	x <u>5.18%</u>	PPI rate for FY11	x <u>5.18%</u>
Total Gross WCI	<u>\$0.0286885</u>	Total Net WCI	<u>\$0.0281148</u>
Total Cumulative WCI	<u>Gross Tax Rate FY11</u>	<u>Net Tax Rate FY11</u>	
Original Tax Base	\$0.5215	\$0.5110700	
WCI Increase FY10	\$0.032333	\$0.0316863	
WCI Increase FY11	<u>\$0.0286885</u>	<u>\$0.0281148</u>	
Total FY11	<u>\$0.5825215</u>	<u>\$0.5708711</u>	

\*WCI figures for FY11 were calculated by the RTC and sent to the Department for implementation.

**Product Type CNG**

PPI Increase FY11      Gross rate \$0.0459856      Net rate \$ 0.0450659      SB201

**Producer Pricing Index (PPI) – History (obtained from Washoe County Regional Transportation Commission)**

FY10 = 6.20%  
FY11 = 5.18%

**Washoe County Index (WCI) Calculation – History**

	<b><u>Gross Tax Base</u></b>	<b><u>Net Tax Base</u></b> (Gross tax base less 2% collection allowance)	
State Tax	\$0.21	\$0.2058	NRS 366.190
Federal Tax	\$0.1830	\$0.17934	SB201
Total	<u>\$0.3930</u>	<u>\$0.38514*</u>	<b>*.3930 - 2% = .38514 for purposes of indexing</b>

Gross Tax Base	\$0.3930	Net Tax Base	\$ 0.38514
PPI rate FY10	x 6.20%	PPI rate for FY10	x 6.20%
Total Gross WCI FY10	<u>\$ 0.024366</u>	Total Net WCI FY10	<u>\$ 0.0238787</u>

**Adjusted Tax Base – FY 11**

	<b><u>Gross</u></b>	<b><u>Net</u></b>
Tax Base	\$0.3930	\$0.38514
Prior WCI Adj.	<u>\$0.024366</u>	<u>\$0.0238787</u>
	<u>\$0.417366</u>	<u>\$0.4090187</u>

	<b><u>Gross Tax Base</u></b>	<b><u>Net Tax Base</u></b> (Gross tax base less 2% collection allowance)
Adjusted Tax Base*	\$0.417366	Adjusted Tax Base \$0.4090187
PPI rate FY11*	x 5.18%	PPI rate for FY11 x 5.18%
Total Gross WCI	<u>\$0.0216196</u>	Total Net WCI <u>\$0.0211872</u>

	<b><u>Gross Tax Rate FY11</u></b>	<b><u>Net Tax Rate FY11</u></b>
Total Cumulative WCI		
Original Tax Base	\$0.3930	\$0.385140
WCI Increase FY10	\$0.024366	\$0.0238787
WCI Increase FY11	<u>\$0.0216196</u>	<u>\$0.0211872</u>
Total FY11	<u>\$0.4389856</u>	<u>\$0.4302059</u>

\*WCI figures for FY11 were calculated by the RTC and sent to the Department for implementation.

**Product Type LPG**

PPI Increase FY11      Gross rate \$0.0471557      Net rate \$ 0.0462126      SB201

**Producer Pricing Index (PPI) – History (obtained from Washoe County Regional Transportation Commission)**

FY10 = 6.20%  
FY11 = 5.18%

**Washoe County Index (WCI) Calculation – History**

	<b><u>Gross Tax Base</u></b>	<b><u>Net Tax Base</u></b> (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>	SB201
Total	<u>\$0.4030</u>	<u>\$0.39494*</u>	<b>*.4030 - 2% = .39494 for purposes of indexing</b>

Gross Tax Base	\$0.4030	Net Tax Base	\$0.39494
PPI rate FY10	x 6.20%	PPI rate for FY10	x 6.20%
Total Gross WCI FY10	<u>\$0.024986</u>	Total Net WCI FY10	<u>\$0.0244863</u>

**Adjusted Tax Base – FY 11**

	<b><u>Gross</u></b>	<b><u>Net</u></b>
Tax Base	\$0.4030	\$0.39494
Prior WCI Adj.	<u>\$0.024986</u>	<u>\$0.0244863</u>
	<u>\$0.427986</u>	<u>\$0.4194263</u>

	<b><u>Gross Tax Base</u></b>	<b><u>Net Tax Base</u></b> (Gross tax base less 2% collection allowance)
Adjusted Tax Base*	\$0.427986	Adjusted Tax Base \$0.4194263
PPI rate FY11*	x 5.18%	PPI rate for FY11 x 5.18%
Total Gross WCI	<u>\$0.0221697</u>	Total Net WCI <u>\$0.0217263</u>

	<b><u>Gross Tax Rate FY11</u></b>	<b><u>Net Tax Rate FY11</u></b>
Total Cumulative WCI		
Original Tax Base	\$0.4030	\$0.39494
WCI Increase FY10	\$0.024986	\$0.0244863
WCI Increase FY11	<u>\$0.0221697</u>	<u>\$0.0217263</u>
Total FY11	<u>\$0.4501557</u>	<u>\$0.4411526</u>

\*WCI figures for FY11 were calculated by the RTC and sent to the Department for implementation.

**Product Type A55**

PPI Increase FY11

Gross rate \$0.0222322

Net rate \$0.0217876

SB201

**Producer Pricing Index (PPI) – History (obtained from Washoe County Regional Transportation Commission)**

FY10 = 6.20%

FY11 = 5.18%

**Washoe County Index (WCI) Calculation – History**

	<b><u>Gross Tax Base</u></b>	<b><u>Net Tax Base</u></b>	(Gross tax base less 2% collection allowance)
State Tax	\$0.19	\$0.1862	NRS 366.190
Federal Tax	\$0.00	\$0.00	SB201
Total	<u>\$0.19</u>	<u>\$0.1862*</u>	<b>*.19 - 2% = .1862 for purposes of indexing</b>

Gross Tax Base	\$0.19	Net Tax Base	\$0.1862
PPI rate FY10	x <u>6.20%</u>	PPI rate for FY10	x <u>6.20%</u>
Total Gross WCI FY10	<u>\$0.01178</u>	Total Net WCI FY10	<u>\$0.0115444</u>

**Adjusted Tax Base – FY 11**

	<b><u>Gross</u></b>	<b><u>Net</u></b>
Tax Base	\$0.19	\$0.1862
Prior WCI Adj.	<u>\$0.01178</u>	<u>\$0.0115444</u>
	<u>\$0.20178</u>	<u>\$0.1977444</u>

	<b><u>Gross Tax Base</u></b>	<b><u>Net Tax Base</u></b>	(Gross tax base less 2% collection allowance)
Adjusted Tax Base*	\$0.20178	Adjusted Tax Base	\$0.1977444
PPI rate FY11*	x <u>5.18%</u>	PPI rate for FY11	x <u>5.18%</u>
Total Gross WCI	<u>\$0.0104522</u>	Total Net WCI	<u>\$0.0102432</u>

Total Cumulative WCI	<b><u>Gross Tax Rate FY11</u></b>	<b><u>Net Tax Rate FY11</u></b>
Original Tax Base	\$0.19	\$0.1862
WCI Increase FY10	\$0.01178	\$0.0115444
WCI Increase FY11	<u>\$0.0104522</u>	<u>\$0.0102432</u>
Total FY11	<u>\$0.2122322</u>	<u>\$0.2079876</u>

\*WCI figures for FY11 were calculated by the RTC and sent to the Department for implementation.