

# NEVADA TAX COMMISSION

March 7, 2011

**TOPIC:** Determination of the amount of personal property to be exempted; that amount that is less than the cost of collecting the taxes.

**AUTHORITY:** Nevada Revised Statute 361.068 (2), allows the Nevada Tax Commission to exempt from taxation that personal property for which the annual taxes would be less than the cost of collecting those taxes. If such an exemption is provided, the Nevada Tax Commission shall annually determine the average cost of collecting property taxes in this state. This average cost must be used in determining the applicability of the exemption.

**EXPLANATION:** The Division of Assessment Standards of the Department of Taxation conducted a survey of county assessors and treasurers to determine the cost of collecting property taxes in this state during the 2010-2011 fiscal year. The results of the survey are as follows:

- The cost for an individual tax bill for all of the counties ranges from \$5.18 to \$28.84.
- The mean total cost of an individual tax bill is \$15.59, down from the prior year of \$17.02.
- The weighted average total cost of an individual tax bill is \$10.81, down from the prior year of \$13.05.
- The median total cost of an individual tax bill is \$15.52, down from the prior year of \$19.12.
- Array:

=< \$13.06 (7):	\$13.06 > < \$19.99 (6):	=> \$20.00 (4):
Carson City \$10.50	Churchill \$15.52	Douglas \$28.84
Clark \$ 9.86	Lincoln \$16.21	Eureka \$23.01
Elko \$10.83	Mineral \$17.15	Lyon \$24.59
Esmeralda \$13.06	Nye \$14.06	White Pine \$22.33
Humboldt \$12.44	Pershing \$18.85	
Lander \$ 5.18	Storey \$16.57	
Washoe \$ 5.95		

## **RECOMMENDATION:**

Based on the survey and the resulting mean and median costs, the Department recommends that personal property bills of \$16.00 or less continue to be exempted from taxation by authority of NRS 361.068 (2). This amount will eliminate most personal property billings that are not cost effective. By statute, the billing cost is reviewed annually and adjustments made as needed.

**NEVADA DEPARTMENT OF TAXATION**  
**COLLECTION COSTS OF PERSONAL PROPERTY TAX BILLS 2010-11**  
**Statewide Summary of Billing Costs & Average Cost Per Account**

County	Postage	Mailers	Printing	Collection	Utilities	Manpower	Total Cost	Total No Accounts	Avg Cost/Account
CARSON CITY	\$ 804	\$ 240	\$ 225	\$ -	\$ 92	\$ 56,918	\$ 58,279	5,551	\$ 10.50
CHURCHILL	1,172	1,500	100	26,450	550	14,190	43,962	2,832	15.52
CLARK	38,400	11,025	6,821	-	5,796	726,752	788,794	80,000	9.86
DOUGLAS	1,200	570	150	9,000	350	95,000	106,270	3,685	28.84
ELKO	7,210	1,170	-	-	1,500	66,936	76,816	7,095	10.83
ESMERALDA	165	75	100	-	50	7,813	8,203	628	13.06
EUREKA	130	45	9	-	-	5,040	5,224	227	23.01
HUMBOLDT	542	739	616	3,693	3,078	15,200	23,866	1,919	12.44
LANDER	673	219	60	260	1,400	3,345	5,957	1,150	5.18
LINCOLN	700	90	320	280	120	5,200	6,710	414	16.21
LYON	2,624	488	575	1,337	-	125,997	131,021	5,328	24.59
MINERAL	167	500	200	75	400	10,426	11,768	686	17.15
NYE	1,947	300	-	1,100	1,500	115,849	120,696	8,585	14.06
PERSHING	838	233	60	-	100	25,882	27,113	1,438	18.85
STOREY	245	83	-	-	-	10,110	10,438	630	16.57
WASHOE	8,570	4,000	4,000	12,500	13,328	122,500	164,898	27,729	5.95
WHITE PINE	238	54	50	100	150	15,349	15,942	714	22.33
<b>STATEWIDE TOTALS</b>	\$ 65,625	\$ 21,330	\$ 13,286	\$ 54,795	\$ 28,414	\$ 1,422,507	\$ 1,605,956	148,611	
<b>MEAN WEIGHTED AVERAGE</b>	\$ 3,860	\$ 1,255	\$ 782	\$ 3,223	\$ 1,671	\$ 83,677	\$ 94,468	8,742	\$ 15.59
<b>MEDIAN</b>	\$ 804	\$ 300	\$ 100	\$ 100	\$ 350	\$ 15,349	\$ 27,113	1,919	\$ 10.81

\*Clark County reports Costs as basic categories

\*\*Printing, Collection & Utility Cost statistical indicators skewed by non-reporting counties

**NEVADA DEPARTMENT OF TAXATION**  
**COLLECTION COSTS FOR AN INDIVIDUAL TAX BILL 2010-11**  
**Statewide Summary of Cost Per Account**

<b>County</b>	<b>Postage</b>	<b>Mailers</b>	<b>Printing</b>	<b>Collection</b>	<b>Utilities</b>	<b>Manpower</b>	<b>Total Cost/ Account</b>
CARSON CITY	\$ 0.14	\$ 0.04	\$ 0.04	\$ -	\$ 0.02	\$ 10.25	\$ 10.49
CHURCHILL	0.41	0.53	0.04	9.34	0.19	5.01	15.52
CLARK	0.48	0.14	0.09	-	0.07	9.08	9.86
DOUGLAS	0.33	0.15	0.04	2.44	0.09	25.78	28.83
ELKO	1.02	0.16	-	-	0.21	9.43	10.82
ESMERALDA	0.26	0.12	0.16	-	0.08	12.44	13.06
EUREKA	0.57	0.20	0.04	-	-	22.20	23.01
HUMBOLDT	0.28	0.38	0.32	1.92	1.60	7.92	12.42
LANDER	0.59	0.19	0.05	0.23	1.22	2.91	5.19
LINCOLN	1.69	0.22	0.77	0.68	0.29	12.56	16.21
LYON	0.49	0.09	0.11	0.25	-	23.65	24.59
MINERAL	0.24	0.73	0.29	0.11	0.58	15.20	17.15
NYE	0.23	0.03	-	0.13	0.17	13.49	14.05
PERSHING	0.58	0.16	0.04	-	0.07	18.00	18.85
STOREY	0.39	0.13	-	-	-	16.05	16.57
WASHOE	0.31	0.14	0.14	0.45	0.48	4.42	5.94
WHITE PINE	0.33	0.08	0.07	0.14	0.21	21.50	22.33
<b>STATEWIDE MEAN</b>	<b>\$ 0.49</b>	<b>\$ 0.21</b>	<b>\$ 0.13</b>	<b>\$ 0.92</b>	<b>\$ 0.31</b>	<b>\$ 13.52</b>	<b>\$ 15.58</b>
<b>WEIGHTED AVERAGE</b>	<b>\$ 0.44</b>	<b>\$ 0.14</b>	<b>\$ 0.09</b>	<b>\$ 0.37</b>	<b>\$ 0.19</b>	<b>\$ 9.57</b>	<b>\$ 10.81</b>
<b>MEDIAN</b>	<b>\$ 0.39</b>	<b>\$ 0.15</b>	<b>\$ 0.05</b>	<b>\$ 0.13</b>	<b>\$ 0.17</b>	<b>\$ 12.56</b>	<b>\$ 15.52</b>

\*Clark County reports Costs as basic categories

\*\*Printing, Collection & Utility Cost statistical indicators skewed by non-reporting counties

**NEVADA DEPARTMENT OF TAXATION**  
**COLLECTION COSTS OF PERSONAL PROPERTY TAX BILLS 2010-11**  
**Material & Labor Cost Per Account**

<b>County</b>	<b>Materials</b>	<b>% Materials</b>	<b>Manpower</b>	<b>% Manpower</b>	<b>Total Cost/Account</b>	<b>Total %</b>
CARSON CITY	\$ 0.24	2.3%	\$ 10.25	97.7%	\$ 10.49	100.0%
CHURCHILL	10.51	67.7%	5.01	32.3%	15.52	100.0%
CLARK	0.78	7.9%	9.08	92.1%	9.86	100.0%
DOUGLAS	3.05	10.6%	25.78	89.4%	28.83	100.0%
ELKO	1.39	12.8%	9.43	87.2%	10.82	100.0%
ESMERALDA	0.62	4.7%	12.44	95.3%	13.06	100.0%
EUREKA	0.81	3.5%	22.20	96.5%	23.01	100.0%
HUMBOLDT	4.50	36.2%	7.92	63.8%	12.42	100.0%
LANDER	2.28	43.9%	2.91	56.1%	5.19	100.0%
LINCOLN	3.65	22.5%	12.56	77.5%	16.21	100.0%
LYON	0.94	3.8%	23.65	96.2%	24.59	100.0%
MINERAL	1.95	11.4%	15.20	88.6%	17.15	100.0%
NYE	0.56	4.0%	13.49	96.0%	14.05	100.0%
PERSHING	0.85	4.5%	18.00	95.5%	18.85	100.0%
STOREY	0.52	3.1%	16.05	96.9%	16.57	100.0%
WASHOE	1.52	25.6%	4.42	74.4%	5.94	100.0%
WHITE PINE	\$ 0.83	3.7%	21.50	96.3%	22.33	100.0%
<b>STATEWIDE MEAN</b>	\$ 2.06	15.8%	\$ 13.52	84.2%	\$ 15.58	100.0%
<b>WEIGHTED AVERAGE</b>	\$ 1.23	11.4%	\$ 9.57	88.6%	\$ 10.81	100.0%
<b>MEDIAN</b>	\$ 0.94	7.91%	\$ 12.56	92.1%	\$ 15.52	100.0%

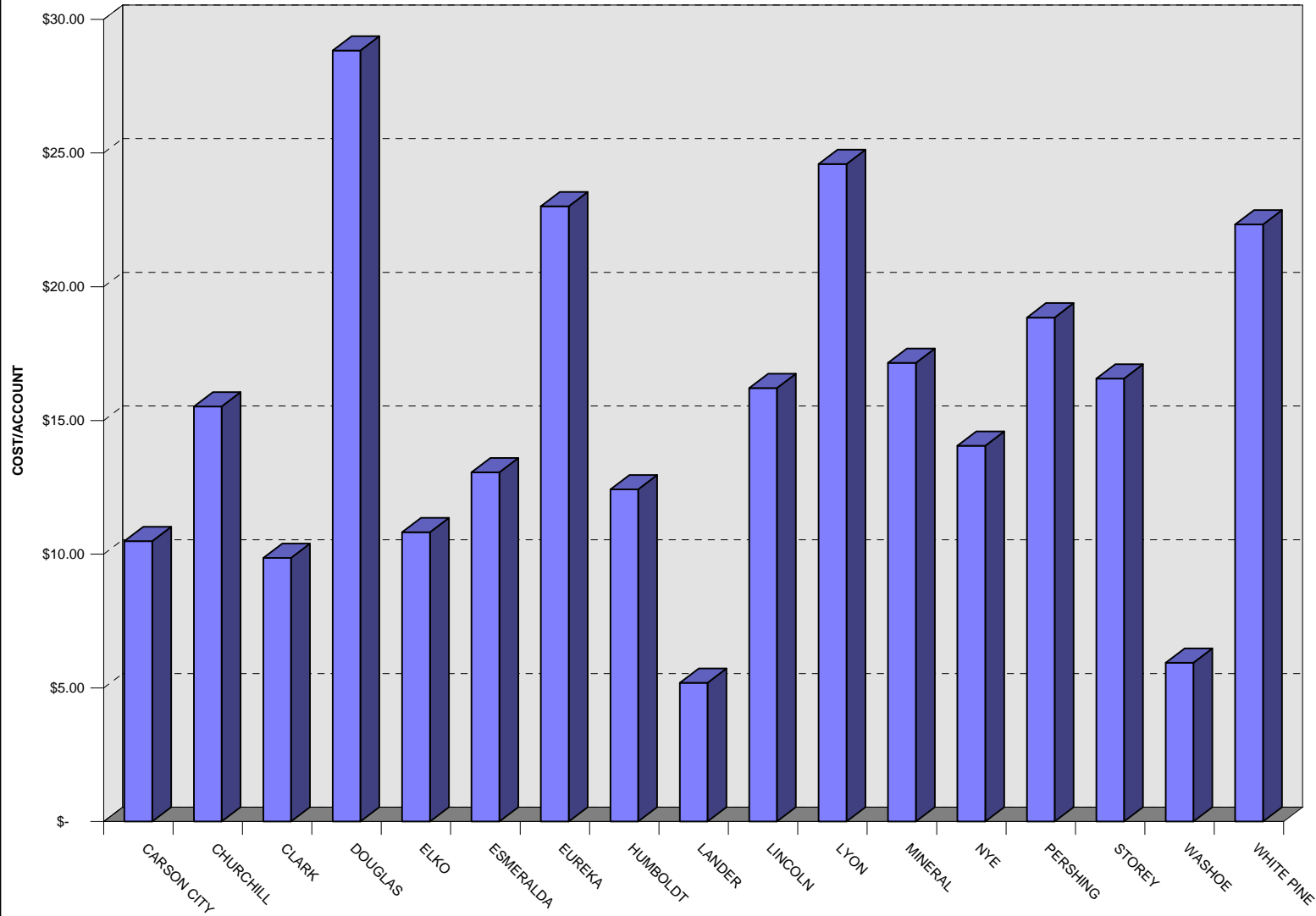
**NEVADA DEPARTMENT OF TAXATION**  
**COLLECTION COSTS OF PERSONAL PROPERTY TAX BILLS 2010-11**  
**Effect of \$17.00 Exemption Limitation for 2009-10 Fiscal Tax Year**

<b>County</b>	<b>Total Billing Cost</b>	<b>Number of Accounts</b>	<b>Avg Cost /Account</b>	<b>Number of Bills</b>	<b>Average Cost/Bill</b>	<b>Total Amount Exempted</b>	<b>PP Bills &lt;\$17.00</b>	<b>Average Exemption /Bill</b>
CARSON CITY	\$ 58,279	5,551	\$ 10.50	5,814	\$ 10.02	\$ 8,146.00	1,521	\$ 5.36
CHURCHILL	43,962	2,832	15.52	2,832	15.52	9,085.00	930	9.77
CLARK	788,794	80,000	9.86	92,977	8.48	116,085.00	10,021	11.58
DOUGLAS	106,270	3,685	28.84	3,685	28.84	6,907.00	960	7.19
ELKO	76,816	7,095	10.83	7,095	10.83	11,518.60	1,129	10.20
ESMERALDA	8,203	628	13.06	885	9.27	3,164.20	275	11.51
EUREKA	5,224	227	23.01	500	10.45	2,474.00	273	9.06
HUMBOLDT	23,866	1,919	12.44	1,919	12.44	7,533.00	688	10.95
LANDER	5,957	1,150	5.18	1,150	5.18	2,907.80	301	9.66
LINCOLN	6,710	414	16.21	415	16.17	1,419.10	151	9.40
LYON	131,021	5,328	24.59	5,328	24.59	14,358.00	1,741	8.25
MINERAL	11,768	686	17.15	686	17.15	5,205.00	306	17.01
NYE	120,696	8,585	14.06	4,921	24.53	3,020.00	496	6.09
PERSHING	27,113	1,438	18.85	1,747	15.52	945.13	109	8.67
STOREY	10,438	630	16.57	630	16.57	1,436.00	218	6.59
WASHOE	164,898	27,729	5.95	27,729	5.95	47,806.78	6,312	7.57
WHITE PINE	15,942	714	22.33	714	22.33	447.35	172	2.60
<b>STATEWIDE TOTALS</b>	\$ 1,605,956	148,611		159,027		\$ 242,458	25,603	
<b>MEAN</b>	\$ 94,468	8,742	\$ 15.59	9,355	\$ 14.93	\$ 14,262	1,506	\$ 8.91
<b>WEIGHTED AVERAGE</b>			\$ 10.81		\$ 10.10			\$ 9.47
<b>MEDIAN</b>	\$ 27,113	1,919	\$ 15.52	1,919	\$ 15.52	\$ 5,205	496	\$ 9.06

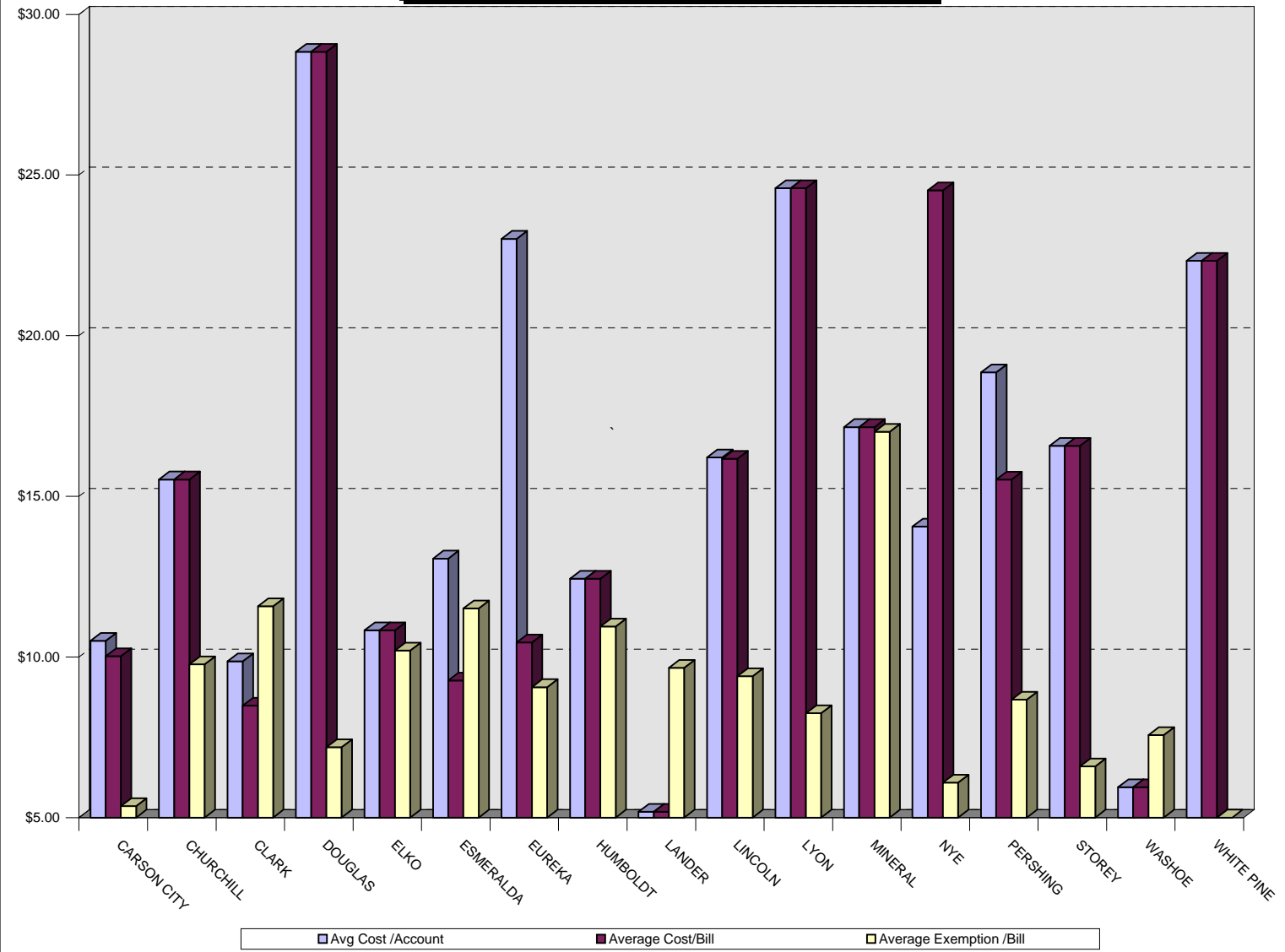
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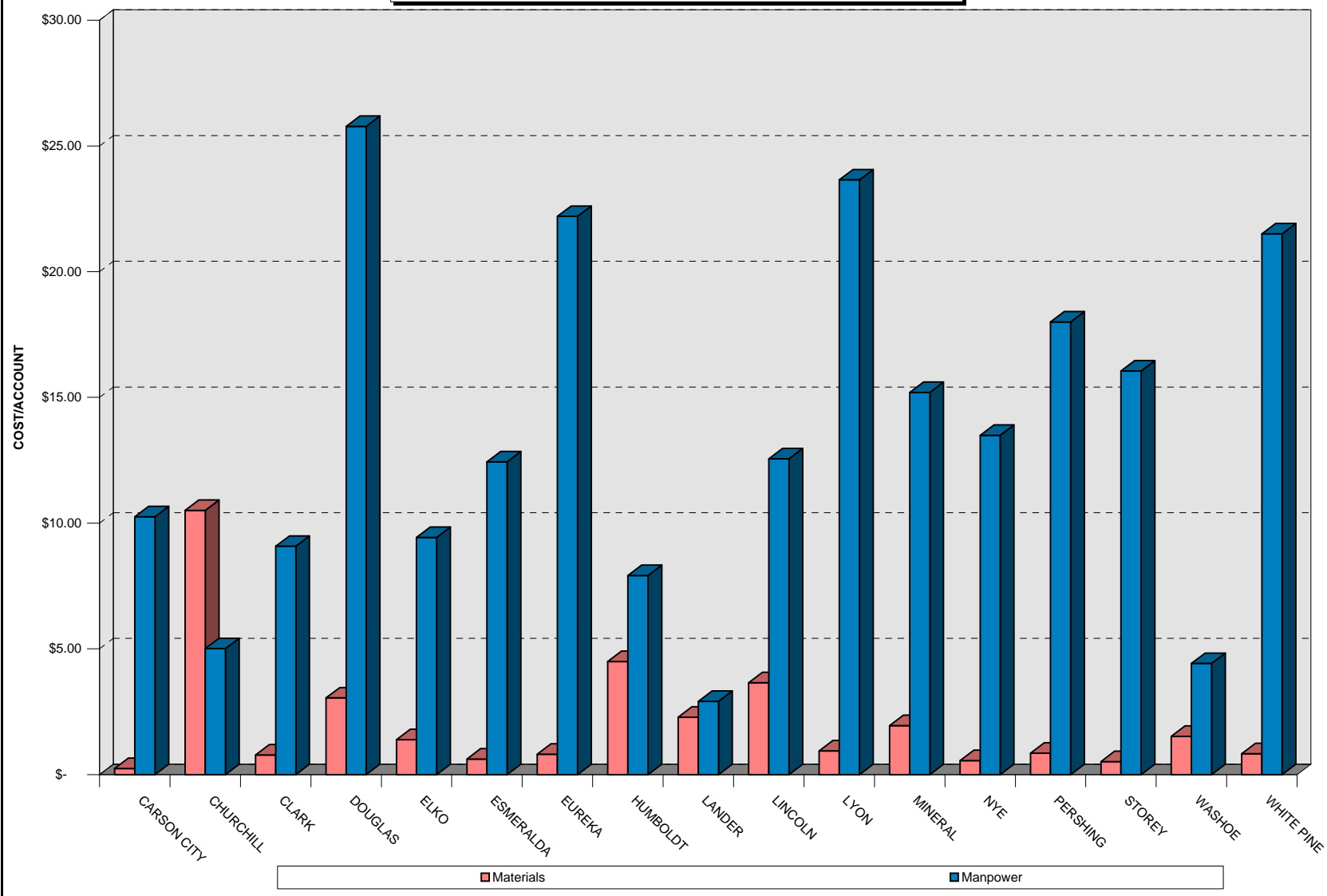
# TOTAL COST/PERSONAL PROPERTY ACCOUNT



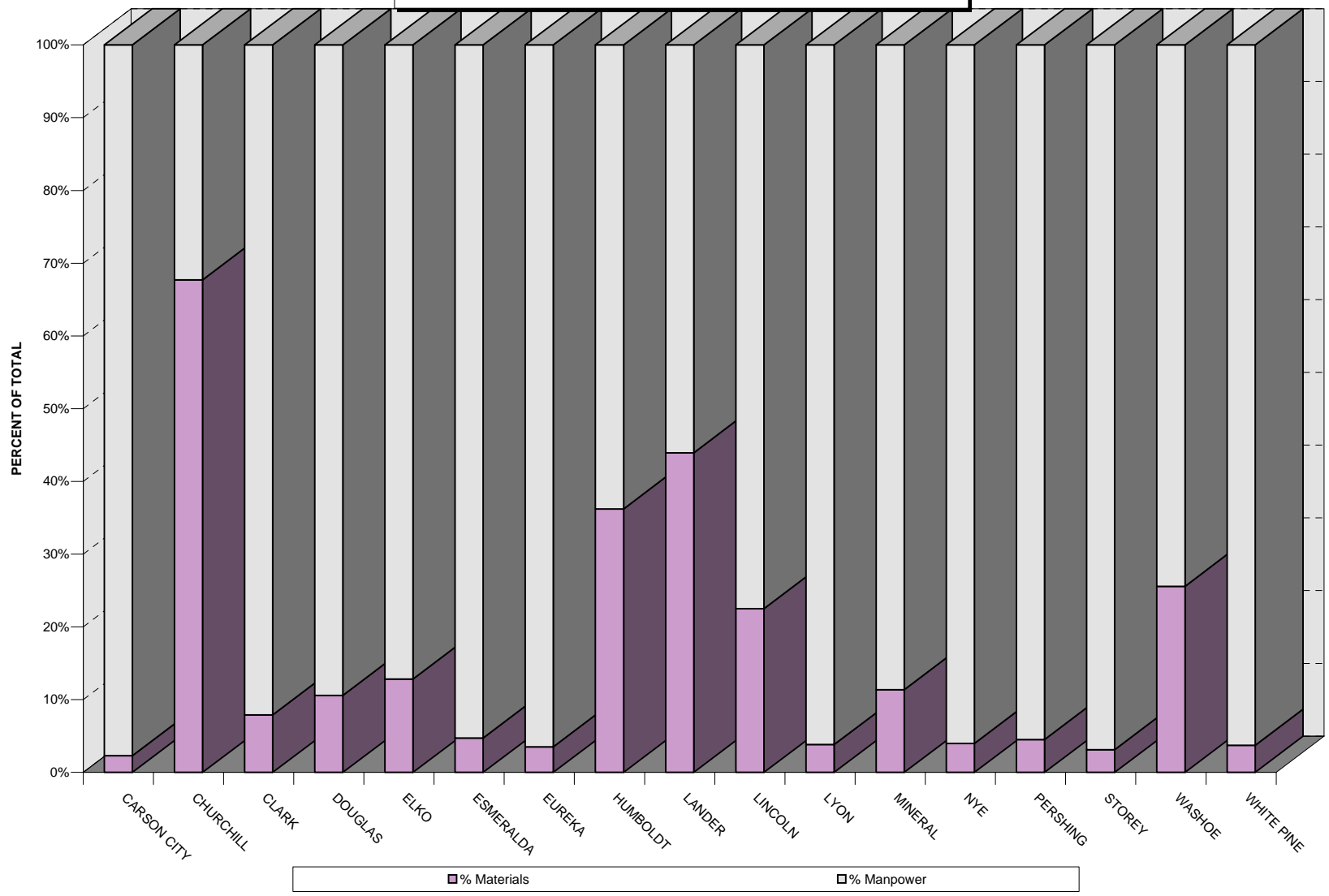
### EFFECT OF \$17 EXEMPTION LIMIT



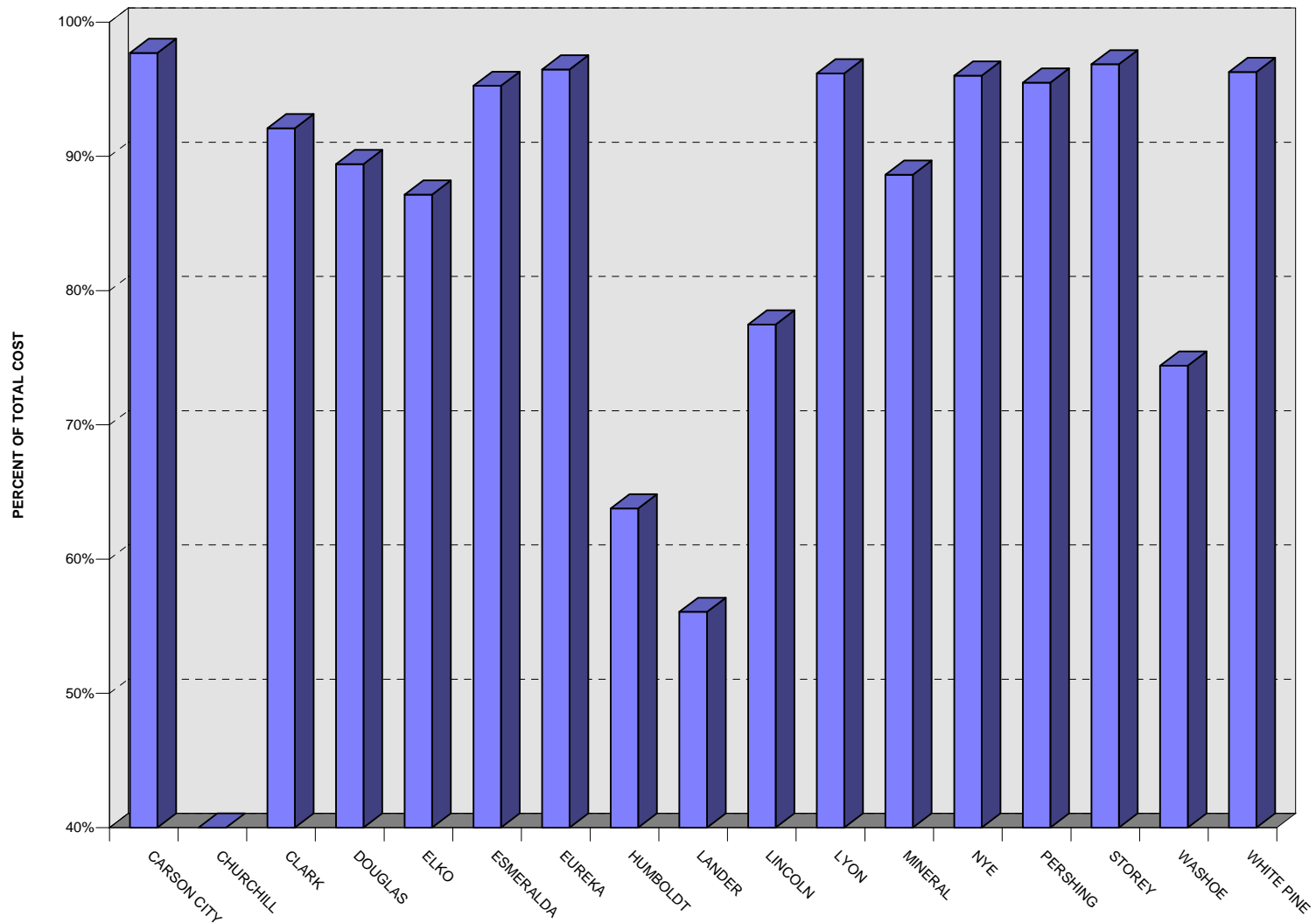
# MATERIALS & MANPOWER COSTS



# MATERIALS & MANPOWER COSTS



# MANPOWER COSTS



# MATERIALS COST

