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June 7, 2007

Dear Assessor,

On May 7, 2007, the Nevada Tax Commission adopted the Department's recommendation to exempt all personal property for which the administrative costs exceed revenue from taxes pursuant to NRS361.068 (2). The level of exemption adopted is \$17.00.

At the hearing, the Department reported the following information:

- The cost of collecting property taxes on personal property per individual tax bill ranged from a low of \$4.61 in Lander County to a high of \$32.99 in Eureka County.
- The mean total cost of an individual tax bill is \$17.36.
- The weighted average total cost of an individual tax bill is \$12.66.
- The median total cost of an individual tax bill is \$17.19.
- Array:

=< \$12.66 (6):	\$12.66> < \$19.99 (4):	=> \$20.00 (7):
Churchill \$10.93	Lincoln \$14.85	Carson City \$22.33
Clark \$ 6.54	Mineral \$17.97	Douglas \$26.44
Esmeralda \$12.34	Storey \$17.19	Elko \$21.58
Humboldt \$ 8.90	White Pine \$14.07	Eureka \$32.99
Lander \$ 4.61		Nye \$20.37
Lyon \$11.09		Pershing \$25.91
		Washoe \$27.12

If you would like a complete copy of the report or if you have any questions, please call me at (775) 684-2095 or email me at trubald@tax.state.nv.us

Sincerely,

Terry E. Rubald, Chief
Division of Assessment Standards

NEVADA TAX COMMISSION

May 7, 2007

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. The results of the survey are as follows:

- The cost for an individual tax bill for all of the counties ranges from \$4.61 to \$32.99.
- The mean total cost of an individual tax bill is \$17.36.
- The weighted average total cost of an individual tax bill is \$12.66.
- The median total cost of an individual tax bill is \$17.19.
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		Washoe \$27.12

RECOMMENDATION:

Based on the survey and the resulting mean and median costs, the Department recommends that personal property bills of \$17.00 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 FOR PERSONAL PROPERTY TAX BILLS 2006-07
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	\$ 6,330	\$ 548	\$ 635	\$ -	\$ -	\$ 112,093	\$ 119,606	5,355	\$ 22.34
CHURCHILL	1,045	2,500	100	17,000	500	22,500	43,645	3,999	10.91
CLARK	62,992	32,082	-	-	9,101	627,767	731,942	112,000	6.54
DOUGLAS	2,200	700	150	8,800	275	90,000	102,125	3,862	26.44
ELKO	3,300	2,500	200	1,000	4,500	117,936	129,436	6,000	21.57
ESMERALDA	409	237	150	125	30	8,925	9,876	801	12.33
EUREKA	117	39	12	150	100	12,907	13,325	404	32.98
HUMBOLDT	412	668	223	1,671	1,114	13,038	17,126	1,925	8.90
LANDER	904	280	47	317	1,398	2,862	5,808	1,262	4.60
LINCOLN	300	250	300	180	-	3,500	4,530	305	14.85
LYON	2,990	670	150	-	500	65,742	70,052	6,316	11.09
MINERAL	94	101	74	-	400	13,641	14,310	737	19.42
NYE	2,574	224	-	2,255	975	198,760	204,788	10,053	20.37
PERSHING	839	114	12	-	20	37,405	38,390	1,482	25.90
STOREY	291	108	-	-	-	10,034	10,433	607	17.19
WASHOE	11,000	3,800	1,200	10,000	5,000	807,290	838,290	30,912	27.12
WHITE PINE	283	57	90	210	366	11,128	12,133	862	14.08
STATEWIDE TOTALS	\$ 96,080	\$ 44,878	\$ 3,343	\$ 41,708	\$ 24,279	\$ 2,155,528	\$ 2,365,815	186,882	
MEAN WEIGHTED AVERAGE	\$ 5,652	\$ 2,640	\$ 197	\$ 2,453	\$ 1,428	\$ 126,796	\$ 139,166	10,993	\$ 17.45
MEDIAN	\$ 904	\$ 280	\$ 100	\$ 180	\$ 400	\$ 22,500	\$ 38,390	1,925	\$ 17.19

*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 2006-07
Statewide Summary of Cost Per Account

County	Postage	Mailers	Printing	Collection	Utilities	Manpower	Total Cost/ Account
CARSON CITY	\$ 1.18	\$ 0.10	\$ 0.12	\$ -	\$ -	\$ 20.93	\$ 22.33
CHURCHILL	0.26	0.63	0.03	4.25	0.13	5.63	10.93
CLARK	0.56	0.29	-	-	0.08	5.61	6.54
DOUGLAS	0.57	0.18	0.04	2.28	0.07	23.30	26.44
ELKO	0.55	0.42	0.03	0.17	0.75	19.66	21.58
ESMERALDA	0.51	0.30	0.19	0.16	0.04	11.14	12.34
EUREKA	0.29	0.10	0.03	0.37	0.25	31.95	32.99
HUMBOLDT	0.21	0.35	0.12	0.87	0.58	6.77	8.90
LANDER	0.72	0.22	0.04	0.25	1.11	2.27	4.61
LINCOLN	0.98	0.82	0.98	0.59	-	11.48	14.85
LYON	0.47	0.11	0.02	-	0.08	10.41	11.09
MINERAL	0.13	0.14	0.10	-	0.54	18.51	19.42
NYE	0.26	0.02	-	0.22	0.10	19.77	20.37
PERSHING	0.57	0.08	0.01	-	0.01	25.24	25.91
STOREY	0.48	0.18	-	-	-	16.53	17.19
WASHOE	0.36	0.12	0.04	0.32	0.16	26.12	27.12
WHITE PINE	0.33	0.07	0.10	0.24	0.42	12.91	14.07
STATEWIDE MEAN	\$ 0.50	\$ 0.24	\$ 0.11	\$ 0.57	\$ 0.25	\$ 15.78	\$ 17.45
WEIGHTED AVERAGE	\$ 0.51	\$ 0.24	\$ 0.02	\$ 0.22	\$ 0.13	\$ 11.53	\$ 12.66
MEDIAN	\$ 0.48	\$ 0.18	\$ 0.04	\$ 0.22	\$ 0.10	\$ 16.53	\$ 17.19

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NEVADA DEPARTMENT OF TAXATION
PERSONAL PROPERTY COLLECTION COSTS 2006-07
Material & Labor Cost Per Account

County	Materials	% Materials	Manpower	% Manpower	Total Cost/Account	Total %
CARSON CITY	\$ 1.40	6.3%	\$ 20.93	93.7%	\$ 22.33	100.0%
CHURCHILL	5.30	48.5%	5.63	51.5%	10.93	100.0%
CLARK	0.93	14.2%	5.61	85.8%	6.54	100.0%
DOUGLAS	3.14	11.9%	23.30	88.1%	26.44	100.0%
ELKO	1.92	8.9%	19.66	91.1%	21.58	100.0%
ESMERALDA	1.20	9.7%	11.14	90.3%	12.34	100.0%
EUREKA	1.04	3.2%	31.95	96.8%	32.99	100.0%
HUMBOLDT	2.13	23.9%	6.77	76.1%	8.90	100.0%
LANDER	2.34	50.8%	2.27	49.2%	4.61	100.0%
LINCOLN	3.37	22.7%	11.48	77.3%	14.85	100.0%
LYON	0.68	6.1%	10.41	93.9%	11.09	100.0%
MINERAL	0.91	4.7%	18.51	95.3%	19.42	100.0%
NYE	0.60	2.9%	19.77	97.1%	20.37	100.0%
PERSHING	0.67	2.6%	25.24	97.4%	25.91	100.0%
STOREY	0.66	3.8%	16.53	96.2%	17.19	100.0%
WASHOE	1.00	3.7%	26.12	96.3%	27.12	100.0%
WHITE PINE	\$ 1.16	8.2%	12.91	91.8%	14.07	100.0%
STATEWIDE MEAN	\$ 1.67	13.7%	\$ 15.78	86.3%	\$ 17.45	100.0%
WEIGHTED AVERAGE	\$ 1.13	8.9%	\$ 11.53	91.1%	\$ 12.66	100.0%
MEDIAN	\$ 1.16	8.24%	\$ 16.53	91.8%	\$ 17.19	100.0%

NEVADA DEPARTMENT OF TAXATION
COLLECTION COSTS OF PERSONAL PROPERTY TAX BILLS
Effect of \$19.00 Exemption Limitation for 2006-07 Fiscal Tax Year

County	Total Billing Cost	Number of Accounts	Avg Cost /Account	Number of Bills	Average Cost/Bill	Total Amount Exempted	PP Bills <\$19.00	Average Exemption /Bill
CARSON CITY	\$ 119,606	5,355	\$ 22.34	5,998	\$ 19.94	\$ 19,733.00	2,086	\$ 9.46
CHURCHILL	43,645	3,999	10.91	3,999	10.91	10,764.00	1,104	9.75
CLARK	731,942	112,000	6.54	88,955	8.23	153,728.00	12,391	12.41
DOUGLAS	102,125	3,862	26.44	3,862	26.44	8,473.00	1,082	7.83
ELKO	129,436	6,000	21.57	6,000	21.57	7,981.00	600	13.30
ESMERALDA	9,876	801	12.33	801	12.33	3,875.00	315	12.30
EUREKA	13,325	404	32.98	509	26.18	1,041.85	105	9.92
HUMBOLDT	17,126	1,925	8.90	1,925	8.90	9,365.00	811	11.55
LANDER	5,808	1,262	4.60	1,262	4.60	3,511.04	330	10.64
LINCOLN	4,530	305	14.85	495	9.15	1,425.67	95	15.01
LYON	70,052	6,316	11.09	6,940	10.09	12,901.00	1,939	6.65
MINERAL	14,310	737	19.42	593	24.13	3,501.00	333	10.51
NYE	204,788	10,053	20.37	8,045	25.46	27,642.00	2,436	11.35
PERSHING	38,390	1,482	25.90	1,696	22.64	835.00	94	8.88
STOREY	10,433	607	17.19	607	17.19	1,150.00	134	8.58
WASHOE	838,290	30,912	27.12	27,854	30.10	40,946.00	4,141	9.89
WHITE PINE	12,133	862	14.08	862	14.08	1,673.92	177	9.46
STATEWIDE TOTALS	\$ 2,365,815	186,882		160,403		\$ 308,546	28,173	
MEAN	\$ 139,166	10,993	\$ 17.45	9,435	\$ 17.17	\$ 18,150	1,657	\$ 10.44
WEIGHTED AVERAGE			\$ 12.66		\$ 14.75			\$ 10.95
MEDIAN	\$ 38,390	1,925	\$ 17.19	1,925	\$ 17.19	\$ 7,981	600	\$ 9.92

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