



Nevada Department of Taxation
December 21, 2009

MBT Rate Changes Causing Billings/Credit Notices

Modified Business Tax Rate Change

SB429 changed the tax rate for MBT as well as creating a tiered reporting system. These changes are in effect from July 1, 2009 thru June 30, 2011.

If the sum of all taxable wages, after health care deductions, paid by the employer does not exceed \$62,500 for the calendar quarter, the amount of tax is 0.5% of the sum of those wages (0.005). If the sum of all the wages paid by the employer exceeds \$62,500 for the calendar quarter, the tax is \$312.50 plus 1.17% of the amount the wage exceeds \$62,500.

For example: if the sum of all wages for the entity in the 12/09 quarter is \$101,000. The tax is \$312.50 plus \$450.45 ($0.0117 \times \$38,500$ which is the amount exceeding \$62,500) = total tax due of \$762.95.

No changes were made to the definition of Financial Institutions or the tax rate for Financial Institutions which remains at 2%.

The Department has been receiving incorrect forms which result in credits (when taxable wages are less than \$62,500.00) or liabilities (when taxable wages are more than \$62,500.00).

Also, one form per entity should be filed, not per location, to prevent wages above and beyond \$62,500 from being charged at 0.5%.

Please verify that the form you are submitting is the correct form to avoid unnecessary correspondence from the department. The form is located on our [Common Forms](#) page.