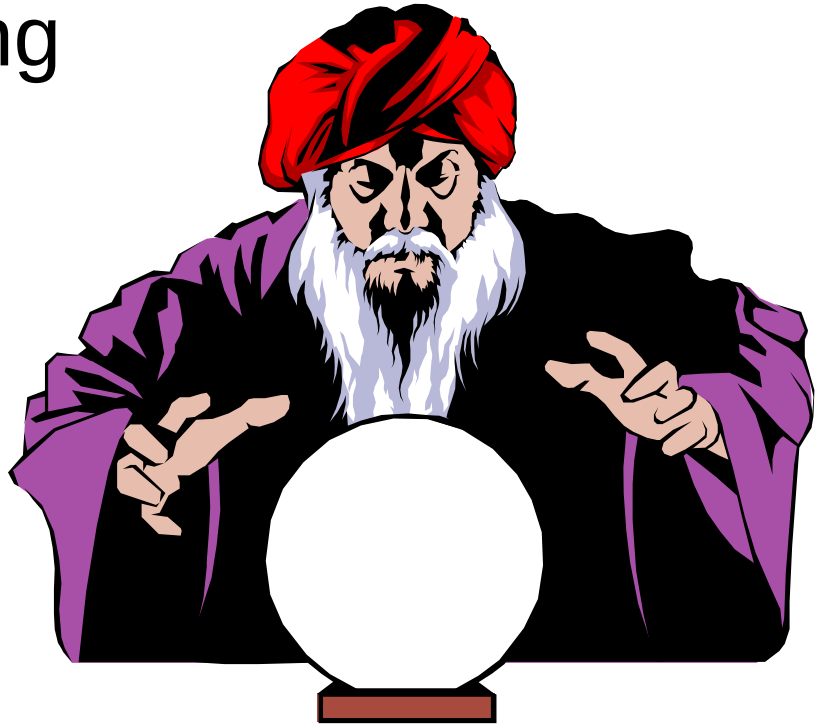
Nevada Department of Taxation,
Local Government Services Division

Revenue Projections

Presented to Nevada Association of Counties
March 9, 2016

Successful Forecasting

- Sound Assumptions
- Verifiable Information
- Reasonableness Testing



Forecasting Attributes

- Transparency
- Credibility
- Formality

Information Sources

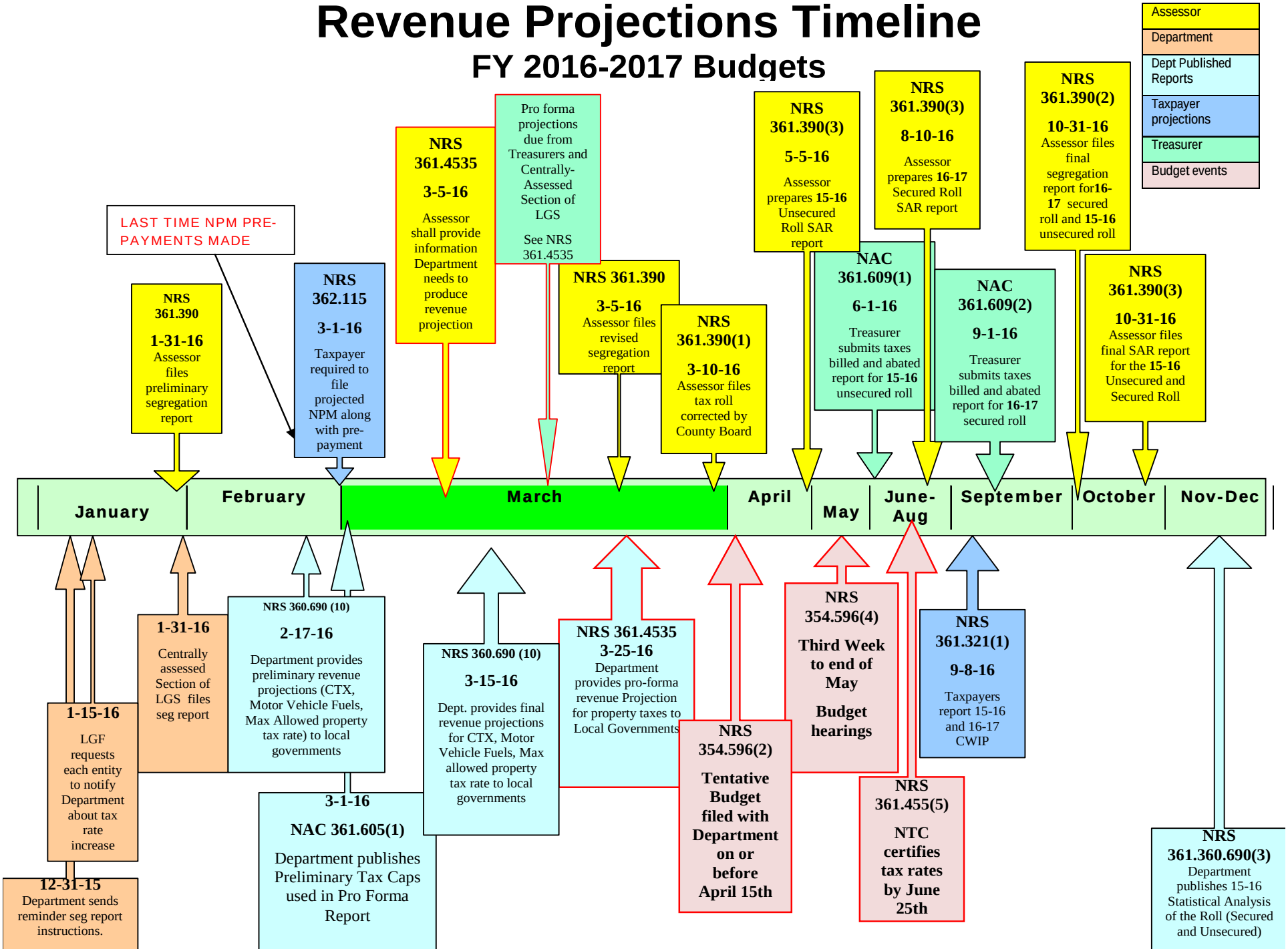
- Taxpayer returns (sales and use tax)
- Taxpayer surveys (net proceeds, centrally-assessed CWIP)
- Other state agencies
  - DMV (gallonage)
  - Department of Transportation (Road mileage)
  - State Demographer (population)

Information Sources

- County officials
  - County Assessors and Centrally-Assessed Property Section of DOAS, Dept. of Taxation (Segregation of the Roll Reports)
- Historical Data (5 year trends)
- Economic Forum
- Statutes, Regulations (limitations)
- News on the Economy

Revenue Projections Timeline

FY 2016-2017 Budgets



PROPERTY TAX REVENUE PROJECTIONS

Property Tax

- Building blocks to forecast property tax revenue:
  - Projected tax rates
  - Projected assessed values
  - Estimated effect of property tax limitations, exemptions, and abatements

Property Tax Limitations

- **Tax Rate Limits:**
  - **State of Nevada Constitution, Article 10, §2 ($5.00/100)**
  - **NRS 361.453: Limitation on total tax levy ($3.64/100)**
- **Revenue Limits:**
  - **NRS 354.59811: Total revenue from property tax limited to 106% of maximum allowable for preceding year.**
- **Assessment Limits:**
  - **NRS 361.225: 35% of taxable value**

Credits, Abatements, Exemptions

- Partial exemptions
- Full exemptions
- Abatements
  - Residential, General, LEED, Renewable Energy, GOED

Projected Tax Rates

- The Department of Taxation obtains tax rates from the finance departments of local governments in February.

Segregation of the Roll Report

- NRS 361.390 requires county assessors to submit three segregation reports:
  - January 31 (preliminary projection)
  - March 5 (final projection)
  - October 31 (true-up)

Nevada Department of Taxation
Division of Local Government Services

PRELIMINARY NRS 361.4722 TAX CAP FACTORS

FISCAL 2016 - 2017

Tax cap may be no higher than:			3.00%	8.00%		
COUNTY	MOVING AVERAGE GROWTH RATE	2 X 0.1% CPI CHANGE	RESIDENTIAL CAP	GENERAL CAP	RESIDENTIAL CAP FACTOR	GENERAL CAP FACTOR
CARSON CITY	-0.5%	0.2%	0.2%	0.2%	1.002	1.002
CHURCHILL	1.8%	0.2%	1.8%	1.8%	1.018	1.018
CLARK	-2.7%	0.2%	0.2%	0.2%	1.002	1.002
DOUGLAS	-1.7%	0.2%	0.2%	0.2%	1.002	1.002
ELKO	6.1%	0.2%	3.0%	6.1%	1.030	1.061
ESMERALDA	6.2%	0.2%	3.0%	6.2%	1.030	1.062
EUREKA	5.3%	0.2%	3.0%	5.3%	1.030	1.053
HUMBOLDT	5.8%	0.2%	3.0%	5.8%	1.030	1.058
LANDER	24.2%	0.2%	3.0%	8.0%	1.030	1.080
LINCOLN	6.9%	0.2%	3.0%	6.9%	1.030	1.069
LYON	-0.2%	0.2%	0.2%	0.2%	1.002	1.002
MINERAL	7.4%	0.2%	3.0%	7.4%	1.030	1.074
NYE	-0.3%	0.2%	0.2%	0.2%	1.002	1.002
PERSHING	5.2%	0.2%	3.0%	5.2%	1.030	1.052
STOREY	2.8%	0.2%	2.8%	2.8%	1.028	1.028
WASHOE	-0.1%	0.2%	0.2%	0.2%	1.002	1.002
WHITE PINE	1.9%	0.2%	1.9%	1.9%	1.019	1.019
STATEWIDE	-2.1%	0.2%	0.2%	0.2%	1.002	1.002

Note (1) : The General Tax Cap is calculated by taking the greater of the moving average growth rate or twice the CPI, up to a maximum of 8%. *See NRS 361.4722(1)(b).*

Note (2): The Residential Tax Cap is 3% unless the General Tax Cap is less than 3%. If the General Tax Cap is less than 3%, then the Residential Tax Cap must equal the General Tax Cap. *See NRS 361.4723(2)(b).*

Note (3): The Consumer Price Index ("CPI") used is All Urban Consumers, Series ID CUUR0000SA0, Not Seasonally Adjusted, U.S. City Average All Items, Annual Average. Source: Bureau of Labor Statistics. This year, the CPI annual average for 2015 is 0.1%. Twice the CPI is 0.2%.

Note (4): The Moving Average Growth Rate is based on data from the Statistical Analysis of the Roll from 2007-08 through 2014-15 published by the Department of Taxation; the October 2015 Segregation Report for the 2015-16 Secured and Unsecured Rolls; and the January 2016 Preliminary Projected Segregation Report for 2016-17 Secured and Unsecured Rolls reported by County Assessors.

Pro Forma Report

FY 2015-16 Proforma Ad Valorem Revenue Projections (Revised NY 5-21-15)
Property Tax Abatement Summary
By Taxing Entity

ESMERALDA COUNTY

TAX_ENTITY	(1) PROPOSED FY 16 TAX RATE	(2) FY 16 EXEMPT RATE	(3) PARCEL COUNT	(4) TOTAL ASSESSED VALUE (EXCLUDING NPM)	(5) TAX ON NEW PROPERTY	(6) CAP-SUBJECT TAX ON EXISTING PROPERTY	(7) CAP-EXEMPT TAX ON EXISTING PROPERTY	(8) EXEMPTIONS	(9) RECAPTURE AMOUNT	(10) TOTAL PREABATED TAX AMOUNT (5+6+7-8+9)	(11) ABATEMENT AMOUNT	(12) NET_TAX (10-11)	(13) REDEVELOP	(14) LEED/RENEWABLE ENERGY ABATEMENT	(15) NET TAX LESS REDEVELOPMENT AND LEED/RENEWABLE ENERGY ABATEMENT (12-13-14)
ALL ENTITIES															
STATE OF NEVADA	0.1700	-	2,528	64,691,158	44,536.49	102,835.93	-	37,398.36	162.41	110,136.47	4,460.82	105,675.65	-	-	105,675.65
GENERAL COUNTY	2.0995	-	2,528	64,691,173	550,025.70	1,270,038.72	-	461,871.24	2,005.51	1,360,198.70	55,090.03	1,305,108.67	-	-	1,305,108.67
SCHOOL DISTRICT	0.7500	-	2,528	64,691,173	196,484.53	453,692.02	-	164,993.25	716.41	485,899.72	32,019.18	453,880.53	-	-	453,880.53
TOTAL COUNTY			**2,528**	**64,691,158**	**791,046.73**	**1,826,566.67**	**-**	**664,262.85**	**2,884.33**	**1,956,234.88**	**91,570.02**	**1,864,664.85**	**-**	**-**	**1,864,664.85**
										Abatement Percent	4.68%				
STATE OF NEVADA					350,929										
Existing Secured	0.1700		2,528	26,668,783	596.58	45,432.86	-	693.42	162.41	45,498.43	2,351.02	43,147.41			43,147.41
New Property	0.1700			2,873,337	4,884.67		-			4,884.67		4,884.67			4,884.67
Existing Unsecured	0.1700			3,931,300		6,683.21	-			6,683.21		6,683.21			6,683.21
Centrally Assessed															
Secured	0.1700			30,708,250	38,189.11	50,719.86	-	36,704.94	-	52,204.03	2,109.80	50,094.23			50,094.23
Unsecured	0.1700			509,488	866.13	-	-	-	-	866.13	-	866.13	-	-	866.13
TOTAL STATE OF NEVADA	**0.1700**	**-**	**2,528**	**64,691,158**	**44,536.49**	**102,835.93**	**-**	**37,398.36**	**162.41**	**110,136.47**	**4,460.82**	**105,675.65**	**-**	**-**	**105,675.65**
Total AV - March Seg - Col. Q				64,697,729											
Difference				**(6,571)**											
GENERAL COUNTY															
Existing Secured															
General Fund	2.0435	-	2,528	26,668,783	7,170.98	546,142.31	-	8,336.58	1,952.02	546,928.73	28,259.61	518,669.12			518,669.12
State Indigent	0.0150	-	2,528	26,668,783	52.63	4,009.89	-	61.17	14.35	4,015.70	207.53	3,808.17			3,808.17
County Medical Assistance	0.0100	-	2,528	26,668,783	35.07	2,672.80	-	40.85	9.54	2,676.56	138.33	2,538.23			2,538.23
Agriculture Extension	0.0100	-	2,528	26,668,783	35.07	2,672.80	-	40.85	9.54	2,676.56	138.33	2,538.23			2,538.23
Youth Services	0.0010	-	2,528	26,668,783	3.50	268.26	-	4.14	0.95	268.57	13.70	254.87			254.87
HEALTH/WELFARE	0.0200	-	2,528	26,668,783	70.20	5,344.76	-	81.58	19.11	5,352.49	276.55	5,075.94			5,075.94
GENERAL TOTAL	2.0995	-	2,528	26,668,783	7,367.45	561,110.82	-	8,565.17	2,005.51	561,918.61	29,034.05	532,884.56	-	-	532,884.56
New Property	2.0995	-		2,873,351	60,326.01		-			60,326.01		60,326.01			60,326.01
Existing Unsecured	2.0995	-		3,931,300		82,537.64	-			82,537.64		82,537.64			82,537.64
Centrally Assessed															
Secured	2.0995	-		30,708,250	471,635.53	626,390.26	-	453,306.07	-	644,719.72	26,055.98	618,663.74			618,663.74
Unsecured	2.0995	-		509,488	10,696.71	-	-	-	-	10,696.71	-	10,696.71	-	-	10,696.71
TOTAL GENERAL COUNTY	**2.0995**	**-**	**2,528**	**64,691,173**	**550,025.70**	**1,270,038.72**	**-**	**461,871.24**	**2,005.51**	**1,360,198.70**	**55,090.03**	**1,305,108.67**	**-**	**-**	**1,305,108.67**

NET PROCEEDS OF MINERALS TAX REVENUE PROJECTIONS

Net Proceeds of Minerals Tax

- Taxpayer projection reports (price/production/estimated deductions)
- Sliding scale Net to Gross Ratio Tax Rate
- Carry-forward credits
- Taxes due

Nevada Department of Taxation
Net Proceeds Calculator

COUNTY ROOP

Tax District Overlapping Combined Rate - Dist. 0002 1.7700

Gross yield	$	1,000,000
Net Proceeds	$	400,000
Net to gross ratio		40.0%

Net Proceeds of Minerals Tax Revenue	Minerals	Geothermal	Royalties	Total
Net Proceeds	$ 400,000	$ 400,000	$ 75,000	$ 875,000
Net Proceeds Tax Revenue	$ 16,000.00	$ 7,080.00	$ 3,750.00	$ 26,830
County Distribution	$ 6,400.00	$ 6,400.00	$ 1,200.00	$ 14,000.00
State Debt Distribution	680.00	680.00	127.50	1,487.50
State General Fund Distribution	8,920.00	0.00	2,422.50	11,342.50
Total	$ 16,000.00	$ 7,080.00	$ 3,750.00	$ 26,830.00
Check sum				26,830.00

NPM Tax Rate Table	NPM Tax Rate
NPM Tax Rate if net to gross ratio is less than 10	2.0000
if net to gross ratio is 10 or more but less than 18	2.5000
if net to gross ratio is 18 or more but less than 26	3.0000
if net to gross ratio is 26 or more but less than 34	3.5000
if net to gross ratio is 34 or more but less than 42	4.0000
if net to gross ratio is 42 or more but less than 50	4.5000
NPM Tax Rate if net to gross ratio is 50 or more	5.0000

Tax Rate Allocation	Metals	Geothermal	Royalties
Net Proceeds Tax Rate	4.0000	1.7700	5.0000
Combined Rate (District Rate - State Debt Rate)	1.6000	1.6000	1.6000
State Debt Rate	0.1700	0.1700	0.1700
ate [Max(NPM Rate - County Combined Rate, 0)]	2.2300	0.0000	3.2300
Total Tax Rate	4.0000	1.7700	5.0000

Form 2204 LGSCA **2015**

Nevada Department of Taxation - Net Proceeds of Minerals Tax

ESTIMATED YEAR REPORT AND PAYMENT

For Production January 1 through December 31, 2015 (Tax Year 2015-16) NRS 362.115

Report and Payment Due Date: March 1, 2015

Operator _____
Mine Name _____
PIN _____
County _____
Tax District _____

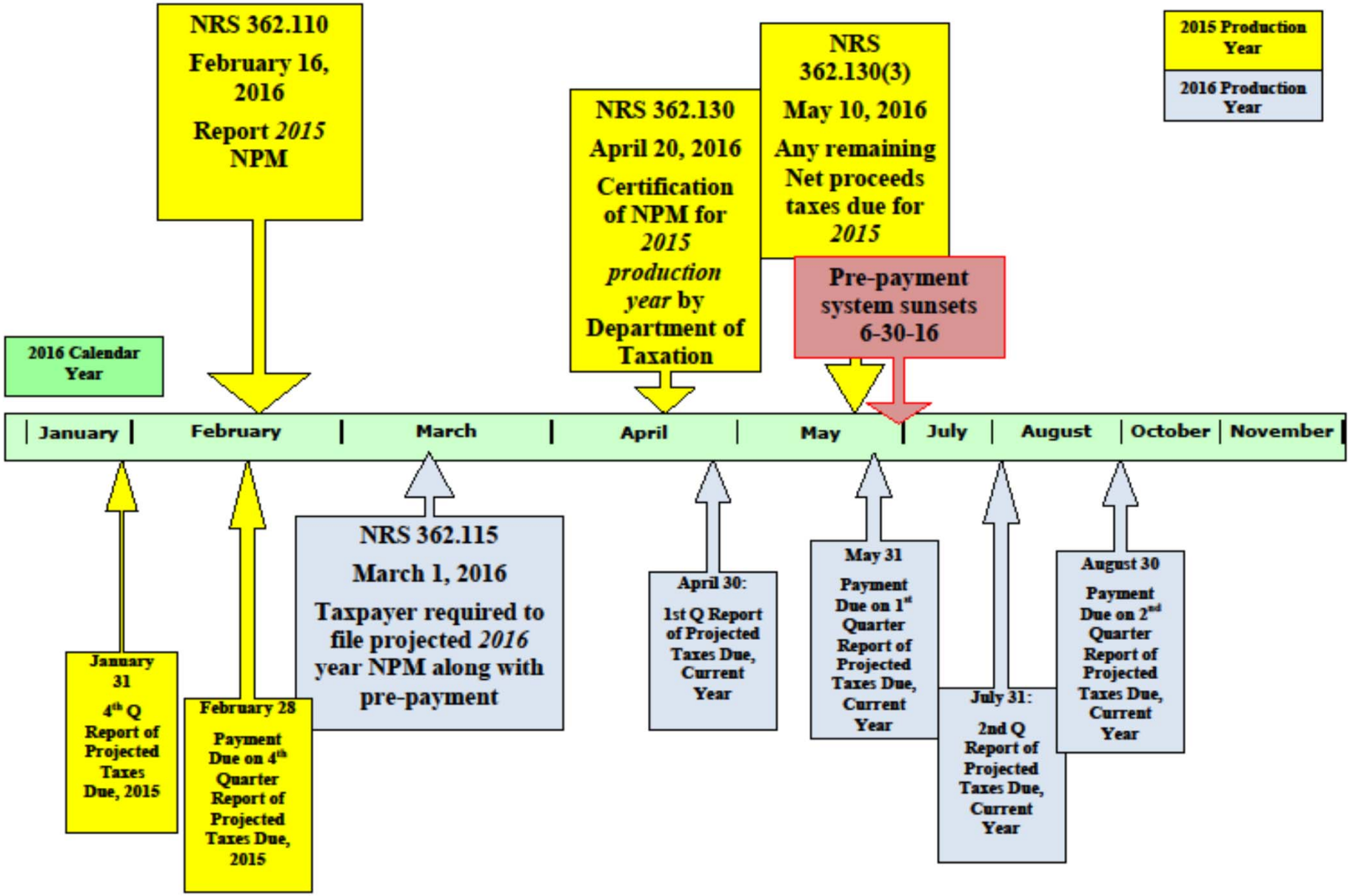
Return the completed form to:
Department of Taxation
Centrally-Assessed Properties Section
1550 College Parkway, Room 115
Carson City, Nevada 89706

Questions? Call the Department at (775) 684-2004, 684-2028, or 684-2033

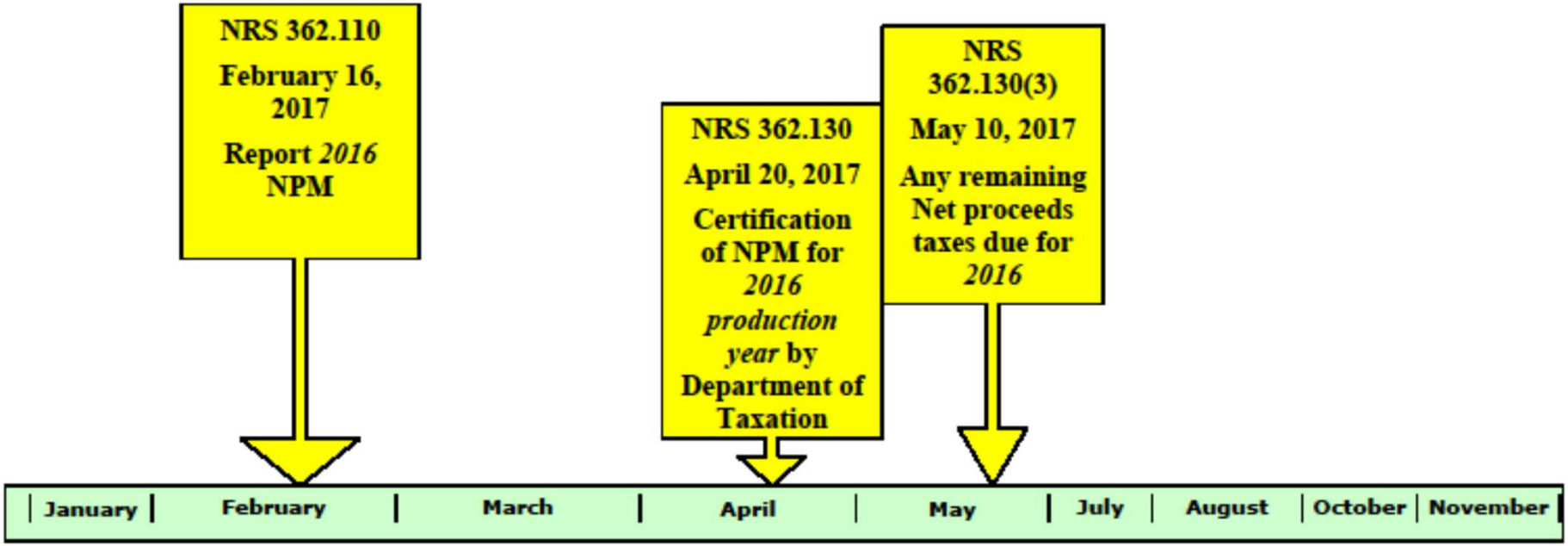
Report estimated Gross Yield and Allowable Deductions for the period January 1, 2015 through December 31, 2015
Consult the reporting and payment instructions provided by the Department and NRS and NAC 362

Line Number	Description	Amount	Department Use Only
1	Gross Yield (See Instructions: Please fill in quantity and price below for each product, if not enough lines on form please attach schedule)		
	Product 1. description		
	Quantity 1.		
	Price 1.		
	Product 2. description		
	Quantity 2.		
	Price 2.		
	Product 3. description		
	Quantity 3.		
	Price 3.		
2	Allowable Deductions (See Instructions)		
3	Line 1 minus Line 2	-	
4	Net Proceeds (If Line 3 is positive, enter amount on line 3, otherwise enter zero)	-	
5	Tax Rate. Enter as a percentage, for example 0.05 or 5%. (See Attached Schedule and Instructions)		
6	Net Proceeds Tax (Line 4 times Line 5)	-	
7	Royalties Payable Based on Production (Excluding non-taxable royalties. See Instructions		
8	Net Proceeds Tax on Royalties (Line 7 times 5%)	-	
9	Estimated Tax Due for 2015 (Tax Year 2015-16) (Line 6 plus Line 8)	-	
10	Prior Tax Owed or Credit Carryforward (Enter Credit as negative amount) (See Instructions)		
11	Total Tax Due or Remaining Credit Carryforward (Line 9 plus Line 10)	-	
12	**Payment Due with Report (Line 11 if positive, otherwise zero)**	-	

Net Proceeds of Minerals
Reporting and Payment Timeline



Net Proceeds of Minerals
Reporting and Payment Timeline



Nevada Department of Taxation

Division of Local Government Services

Unverified, Raw Data from Taxpayer NPM Projection Reports

As of March 5, 2016

County	Net Proceeds Tax Basis	Royalties Payable Estimate	Total Tax Basis	Annual Tax Due	Taxpayer Carry forward	Taxpayer Balance	County Tax Due	County Tax Credit Applied	Net County Tax
Churchill	11,598,440	1,889,813	13,488,253	568,134	(119,049)	449,085	354,871	(59,525)	295,346
Clark	10,768,565	200,000	10,968,565	548,428	(38,428)	510,000	258,342	(19,214)	239,128
Elko	124,081,855	14,626,182	138,708,037	6,929,098	(2,006,175)	4,922,923	3,256,527	(1,003,088)	2,253,440
Esmeralda	5,960,000	0	5,960,000	286,120	0	286,120	169,830	0	169,830
Eureka	283,013,941	74,431,251	357,445,192	17,822,085	(7,241,014)	10,581,071	5,734,426	(3,620,507)	2,113,920
Humboldt	255,762,681	1,500,000	257,262,681	12,863,134	(3,629,755)	9,233,379	5,301,155	(1,814,877)	3,486,277
Lander	454,357,949	27,320,201	481,678,150	24,077,142	(4,060,107)	20,017,035	15,342,412	(2,030,054)	13,312,359
Lincoln	80,000	4,000	84,000	3,128	(1,200)	1,928	2,932	(600)	2,332
Lyon	5,600,912	153,217	5,754,129	231,697	(27,758)	203,939	169,213	(13,879)	155,334
Mineral	1,800,000	559,000	2,359,000	63,950	(315,779)	(251,829)	52,449	(157,890)	52,449
Nye	71,449,354	33,558,192	105,007,546	5,189,996	(19,100)	5,170,896	3,638,257	(9,550)	3,628,707
Pershing	38,469,984	4,556,932	43,026,916	2,151,346	131,208	2,282,554	1,259,312	0	1,259,312
Storey	1,399,096	0	1,399,096	55,964	0	55,964	46,040	0	46,040
Washoe	2,229,736	0	2,229,736	60,356	10,972	71,328	56,566	0	56,566
White Pine	3,000,000	8,000,000	11,000,000	550,000	(743,410)	(193,410)	383,900	(371,705)	12,195
Total	**1,269,572,513**	**166,798,788**	**1,436,371,301**	**71,400,579**	**(18,059,595)**	**53,340,984**	**36,026,233**	**(8,729,182)**	**27,083,235**

ter3/7/2016

CONSOLIDATED TAX (C-TAX) REVENUE PROJECTIONS

Intro to CTX

- CTX was formulated in 1997 as a way to combine the distribution of six different tax types into one monthly distribution.
- Each tax type has unique distribution rules and formulas

Components of CTX

- Cigarette Tax
- Liquor Tax
- Government Services Tax (GST)
- Real Property Transfer Tax (RPTT)
- Basic City County Relief Tax (BCCRT)
- Supplemental City County Relief Tax (SCCRT)

First Tier vs. Second Tier Distribution

- First Tier – Total amount of CTX available for distribution from of the components to each county
- Second Tier – Revenue distributed to each county is further allocated among local governments and special districts in each county according to *base* and *excess* distribution formulas

Second Tier Distribution

- Base Allocation: Recalculated annually. The lesser of the prior year's base or actual allocation multiplied by CPI determines the next year's base allocation. *NRS 360.680.*
- *From July 1, 2014 forward, the annual base allocation will be the prior year's distribution multiplied by the 5 year average of CPI.*

Second Tier Distribution

- Excess Distribution is the amount of revenue available to distribute after the Base Distribution has been made.
- The Excess formula combines the 5 year moving average of the changes in population and assessed valuation for each local government, except Special Districts are based only on change in AV.

CONSOLIDATED TAX DISTRIBUTION
REVENUE SUMMARY BY COUNTY

COUNTY	BCCRT	SCCRT	CIGARETTE	LIQUOR	RPTT	GST	CTX REVENUE TOTAL
CARSON CITY	5,060,295	17,276,668	197,706	71,000	334,697	2,369,373	**25,309,740**
CHURCHILL	1,330,093	4,355,936	91,528	32,870	95,659	1,289,088	**7,195,175**
CLARK	193,757,081	673,664,307	7,716,751	2,771,241	24,514,819	108,486,972	**1,010,911,171**
DOUGLAS	3,420,203	14,519,273	175,668	63,086	745,465	2,702,767	**21,626,462**
ELKO	6,745,286	23,827,585	195,075	70,056	301,999	4,570,240	**35,710,242**
ESMERALDA	67,329	1,127,065	3,361	1,207	1,611	181,370	**1,381,942**
EUREKA	964,525	3,751,377	6,782	2,435	8,392	336,478	**5,069,989**
HUMBOLDT	2,261,158	9,088,624	62,135	22,314	78,949	1,690,567	**13,203,747**
LANDER	1,168,750	2,850,191	22,756	8,172	20,747	779,588	**4,850,204**
LINCOLN	154,221	1,106,266	18,536	6,657	18,862	431,830	**1,736,371**
LYON	2,158,694	10,782,170	194,077	69,697	439,614	2,809,725	**16,453,977**
MINERAL	222,670	1,485,784	16,534	5,938	8,419	398,892	**2,138,237**
NYE	2,872,870	9,498,844	167,752	60,243	228,575	2,373,134	**15,201,417**
PERSHING	323,149	1,806,030	24,590	8,831	31,344	635,125	**2,829,067**
STOREY	478,633	1,683,780	14,515	5,212	93,087	343,014	**2,618,242**
WASHOE	34,420,050	118,871,007	1,609,924	578,156	5,658,882	26,248,208	**187,386,229**
WHITE PINE	1,183,203	2,785,974	37,652	13,521	30,936	908,234	**4,959,520**
TOTAL	256,588,210	898,480,881	10,555,342	3,790,636	32,612,055	156,554,607	1,358,581,732

ADMINISTRATIVE SERVICES DIVISION, 3/15/16

Other Projections Available:

- Local School Support Tax
- GST available to Schools
- County Option Motor Vehicle Fuel Tax (MVFT)
- County Option 1 cent MVFT
- 1.25 cents MVFT
- 1.75 cents MVFT
- 2.35 cents MVFT

Website locations

- Preliminary Projections (2-15-16):

http://tax.nv.gov/uploadedFiles/taxnvgov/Content/LocalGovt/PolicyPub/2016-17PreliminaryProjections.pdf

- Final Projections (3-15-16):

http://tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/LGF_Revenue_Projections/

Website locations

- Property Tax Caps (3-1-16 and 5-1-16):

http://tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/General_Abatement_Factors/

- Pro Forma Property Tax Projections (3-25-16):

http://tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/LGF_ProForma_Tax/

Revenue Projections

- Questions?