

Consolidated Tax

Distribution

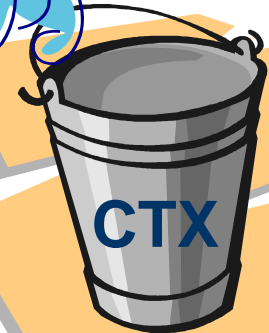
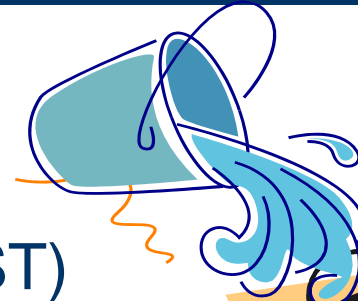
Or, "Can anyone explain the CTX?"

Introduction to the Consolidated Tax Distribution (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 which are applied.
- Additional details may be found in Chapter 360 of the Nevada Revised Statutes, or by contacting the Department of Taxation.

The Components of CTX

- 1) Cigarette Tax
- 2) Liquor Tax
- 3) Government Services Tax (GST)
- 4) Real Property Transfer Tax (RPTT)
- 5) Basic City County Relief Tax (BCCRT)
- 6) Supplemental City County Relief Tax (SCCRT)



The CTX components explained

- **Cigarette Tax** -- 5 mills (1/2 cent) per cigarette/10 cents per pack of 20. The total amount of tax collected statewide is distributed amongst the counties on the basis of their population. NRS 370.260
- **Liquor Tax** -- 50 cents per gallon of liquor containing over 22% alcohol. The total amount of tax collected statewide is distributed amongst the counties on the basis of their population. NRS 369.173



The CTX components explained

- **Government Services Tax (GST)** – formerly called Motor Vehicle Privilege Tax (MVPT) is collected by the Department of Motor Vehicles. It is based on the value of a motor vehicle at the time of registration. The GST is distributed back to the county of origin. NRS 482.180 and 482.181
- **Real Property Transfer Tax (RPTT)** – 55 cents per \$500 of value on real property transfers within each county. The RPTT is distributed back to the county of origin. NRS 375



The CTX components explained

- **Basic City County Relief Tax (BCCRT)** - $\frac{1}{2}\%$ of the 6.85% statewide sales/use tax rate. The BCCRT is distributed to the county where the sale is made. For out-of-state companies, the BCCRT is distributed amongst all counties on the basis of population. NRS 377.055
- **Supplemental City-County Relief Tax (SCCRT)** -- 1.75% of the 6.85% statewide sales/use tax rate. SCCRT is distributed back to the counties based on a statutory distribution formula. NRS 377.057

The CTX components explained

- **Supplemental City-County Relief Tax (SCCRT)**
continued –
 - Eight of Nevada’s counties (“Guaranteed Counties”) receive a guaranteed monthly allocation of SCCRT regardless of their SCCRT receipts per NRS 377.057
 - The remaining counties’ (“Point of Origin Counties”) SCCRT distribution is in proportion to the amount of their in-state collections to the state as a whole after the Guaranteed Counties have first received their allocation

Sample Calculation for SCCRT

- 1) The Guaranteed counties' distribution is subtracted from the total in-state collections. ($\$58,967,155.70 - \$2,955,536.00 = \$56,011,619.70$)
- 2) The percentage of each Point of Origin county's in-state collections to the whole of the remaining in-state collections is determined. ($Clark\ is\ \$44,208,366.27 \div \$56,694,755.25 = 77.9761\%$)
- 3) The above percentage is applied to the total amount remaining after the Guaranteed counties' distribution. ($Clark\ is\ 77.9761\% \times \$61,265,840.24 = \$47,772,720.66$)

FY 13-14 CONSOLIDATED TAX DISTRIBUTION CALCULATION OF TAX TO COUNTIES

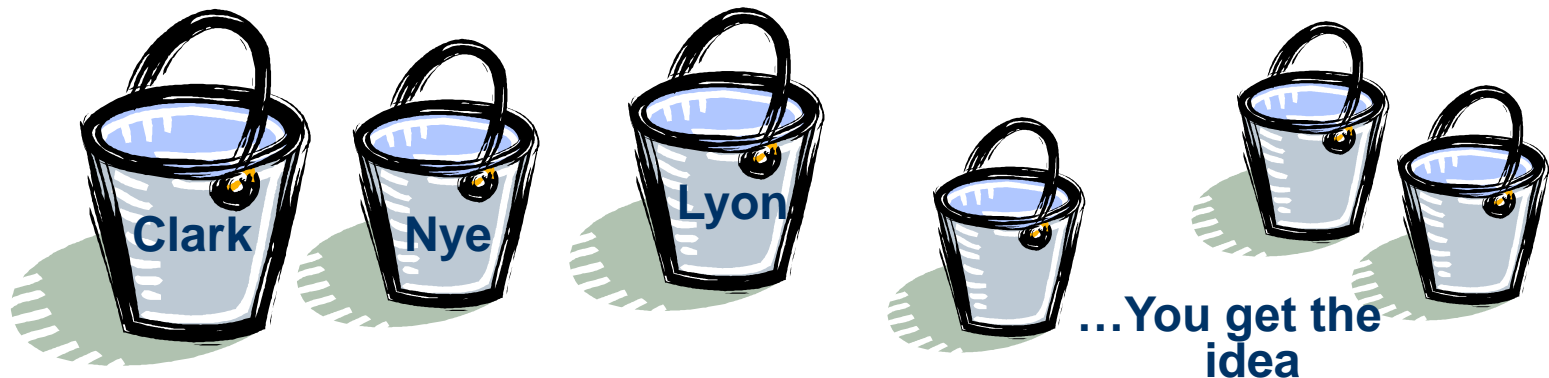
COUNTY	SCCRT IN-STATE COLLECTIONS	GUARANTEED COUNTIES	POINT OF ORIGIN			SCCRT CO ALLOCATION
			COLLECTIONS	% OF TOTAL	DISTRIBUTION	
CARSON CITY	1,050,680.27		1,050,680.27	1.8532%	1,135,392.67	1,135,392.67
CHURCHILL	319,573.73		319,573.73	0.5637%	345,339.76	345,339.76
CLARK	44,208,366.27		44,208,366.27	77.9761%	47,772,720.66	47,772,720.65
DOUGLAS	757,927.11	1,133,929.92				1,133,929.92
ELKO	1,810,181.96		1,810,181.96	3.1929%	1,956,130.13	1,956,130.13
ESMERALDA	17,154.85	83,238.42				83,238.42
EUREKA	439,815.03		439,815.03	0.7758%	475,275.66	475,275.66
HUMBOLDT	967,175.71		967,175.71	1.7059%	1,045,155.45	1,045,155.45
LANDER	381,675.67	207,869.83				207,869.83
LINCOLN	30,112.46	89,404.67				89,404.67
LYON	479,819.69	829,419.83				829,419.83
MINERAL	64,292.89	121,860.00				121,860.00
NYE	650,261.00		650,261.00	1.1470%	702,689.10	702,689.10
PERSHING	104,162.79	152,706.92				152,706.92
STOREY	95,065.76	125,157.42				125,157.42
WASHOE	7,248,701.28		7,248,701.28	12.7855%	7,833,136.82	7,833,136.82
WHITE PINE	342,189.23	211,949.00				211,949.00
TOTAL	58,967,155.70	2,955,536.00	56,694,755.25	100.0000%	61,265,840.25	64,221,376.24

DIFFERENCE =

TOTAL SCCRT IN-STATE COLLECTIONS	58,967,155.70
TOTAL SCCRT OUT-OF-STATE RECEIPTS	6,401,201.38
OTHER ADDITIONS	-
LESS SCCRT GENERAL FUND COMMISSION	1,146,980.84
SCCRT AVAILABLE FOR DISTRIBUTION	<u>64,221,376.24</u>

First Tier vs. Second Tier distribution

- **First Tier** – Total amount of CTX available for distribution from all of the components is allocated among the 17 counties. (Think of 17 buckets, each containing one county's total distribution.)



First Tier Distribution amounts

This spreadsheet is a sample of one month's distribution. The CTX Components are highlighted in green. The "Total" amount for Carson City (highlighted in orange) is the first tier distribution to that county.

<u>COUNTY</u>	<u>BCCRT</u>	<u>SCCRT</u>	<u>CIGARETTE</u>	<u>LIQUOR</u>	<u>RPTT</u>	<u>GST</u>	<u>TOTAL</u>
CARSON CITY	331,456.07	1,135,392.67	17,570.40	9,308.15	-	156,517.23	1,650,244.52
CHURCHILL	106,325.39	345,339.76	7,998.44	4,237.28	-	82,662.41	546,563.28
CLARK	13,714,380.89	47,772,720.65	630,099.97	333,803.77	-	7,021,678.52	69,472,683.80
DOUGLAS	244,516.96	1,133,929.92	15,216.94	8,061.38	-	184,163.50	1,585,888.70
ELKO	542,051.81	1,956,130.13	16,407.30	8,691.98	33,723.25	314,521.30	2,871,525.77
ESMERALDA	5,394.03	83,238.42	272.55	144.39	-	12,751.44	101,800.83
EUREKA	124,762.90	475,275.66	637.33	337.63	2,084.50	27,390.91	630,488.93
HUMBOLDT	282,942.29	1,045,155.45	5,509.35	2,918.65	-	119,920.86	1,456,446.60
LANDER	111,203.74	207,869.83	1,971.56	1,044.46	1,511.95	58,474.24	382,075.78
LINCOLN	11,771.16	89,404.67	1,616.30	856.25	-	33,793.14	137,441.52
LYON	170,337.17	829,419.83	16,557.52	8,771.56	34,160.50	197,021.07	1,256,267.65
MINERAL	21,114.36	121,860.00	1,482.87	785.57	-	31,263.66	176,506.46
NYE	211,713.42	702,689.10	14,037.05	7,436.31	-	180,876.08	1,116,751.96
PERSHING	33,840.94	152,706.92	2,222.56	1,177.43	-	43,091.13	233,038.98
STOREY	29,391.78	125,157.42	1,300.33	688.86	-	23,373.99	179,912.38
WASHOE	2,314,550.67	7,833,136.82	135,548.22	71,808.45	325,735.85	1,679,791.04	12,360,571.05
WHITE PINE	102,562.78	211,949.00	3,151.78	1,669.69	-	68,498.53	387,831.78
TOTAL	18,358,316.36	64,221,376.24	871,600.47	461,741.81	397,216.05	10,235,789.05	94,546,039.98

First Tier vs. Second Tier distribution

- **Second Tier** – Each county's Second Tier distribution is a further breakdown of the First Tier distribution. The revenue is now allocated among the Local Governments and Special Districts in each county according to *Base* and *Excess* Distribution formulas. (These formulas were revised by AB 68 of the 2013 Legislative Session.)

The Second Tier distribution

The Base Distribution--

- Each entity (local government) has a base allocation that was determined when CTX was established in 1997.
- Base allocations are recalculated annually. The actual allocation multiplied by the Consumer Price Index (CPI) determines the next year's base allocation. NRS 360.680
- Beginning July 1, 2014 the annual base allocation is the prior year's distribution multiplied by the 5 year average of CPI.

Sample Base Distribution

Note that the “Revenue Available to Distribute” is the same as the First Tier distribution amount. It is allocated among the local governments according to the Base Distribution percentage. In the case where revenue is less than the base distribution amount, a modified distribution is made prorating the amount of revenue available among the local governments in the same proportion as the base distribution.

FY 13-14	<u>BASE MONTHLY ALLOCATION</u>	<u>% OF BASE</u>	<u>MODIFIED DISTRIBUTION</u>	<u>EXCESS DISTRIBUTION OR SHORTFALL</u>	<u>BASE DISTRIBUTION</u>
THE COUNTY OF CARSON CITY					
REVENUE AVAILABLE TO DISTRIBUTE	1,650,244.52				
LOCAL GOVERNMENTS					
CARSON CITY	1,616,827.48	0.9987	-	-	1,616,827.48
SPECIAL DISTRICTS					
CARSON-TRUCKEE WATER CONSERVANCY	2,068.07	0.0013	-	-	2,068.07
					-
<u>TOTAL CARSON CITY</u>	<u>1,618,895.54</u>	<u>1.0000</u>	<u>-</u>	<u>31,348.98</u>	<u>1,618,895.54</u>

The Second Tier distribution

Excess Distribution--

- The Excess Distribution is the amount of revenue available to distribute after the Base Distribution has been made.
- Excess is distributed based on a formula combining the 5 year moving average of the changes in population and assessed valuation for each local government. Special Districts have no associated population, so only the change in assessed valuation is used in calculating their excess distribution. NRS 360.690

Sample Excess Distribution

The Revenue Available to Distribute less the Base Distribution equals the amount of excess distribution. In the case where the amount of revenue is less than the base distribution, there is no excess distribution.

	BASE MONTHLY ALLOCATION	WITH 1 PLUS EXCESS % DISTRIBUTION	EXCESS DISTRIBUTION	TOTAL DISTRIBUTION
FY 13-14				
THE COUNTY OF CARSON CITY				
REVENUE AVAILABLE TO DISTRIBUTE	1,650,244.52		31,348.98	
LOCAL GOVERNMENTS				
CARSON CITY	1,616,827.48	0.9987	31,308.61	1,648,136.09
SPECIAL DISTRICTS				
CARSON-TRUCKEE WATER CONSERVANCY	2,068.07	0.0013	40.36	2,108.43
<u>TOTAL CARSON CITY</u>	1,618,895.54	1.0000	31,348.98	1,650,244.52

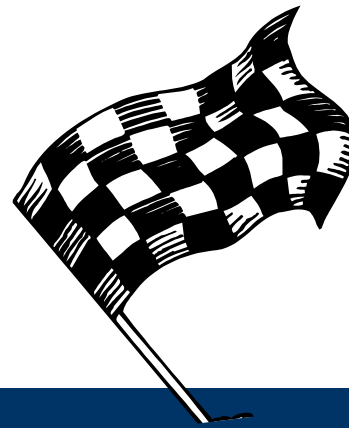


**This column is calculated
according to the
statutory formula**

“1 Plus” Vs. “0.02 Plus”

- Conditions for using “1 Plus” (NRS 360.690):
 - All counties with the exception of Clark and Washoe counties calculate their excess distribution according to the 1 Plus formula.
 - Clark and Washoe counties calculate their excess distribution according to the 0.02 plus formula.

Summary



- The CTX distributes six different tax types
- The first tier calculation is the gross revenue allocated to each of the 17 counties
- The second tier calculation allocates the revenue among the entities within a county
- The base distribution is calculated prior to the excess distribution
- The excess distribution may be distributed using the One Plus or 0.02 Plus formula