

REVENUE STRUCTURE

The State of Nevada, Department of Taxation mandates the type of revenue classifications used by local governments. The following is a description of the *major* revenue sources collected by Clark County:

Property Tax – Property tax revenue is a tax levy against tangible assessed valuation and real and personal property. The Assessor determines the assessed value of each parcel of improved or unimproved property in Clark County. Tax rates for each applicable governmental entity are combined and levied against the assessed value. The maximum total allowed combined tax rate under the Nevada Constitution is \$5.00 per \$100 of assessed valuation. Statutorily, the combined tax rate is further limited to \$3.64 per \$100 of assessed valuation and the amount that taxes can increase from one year to the next is capped at 3 percent for owner occupied homes and 8 percent for other properties (e.g. rental properties or commercial). Historically, this revenue is the most stable source of revenue for local governments and Clark County has consistently levied tax rates below the level authorized by State law. Property tax revenue is the largest General Fund revenue source.

Consolidated Tax – Consolidated tax revenue is the component of six revenue sources, principally sales tax, which is collected by the State, consolidated into a “pool” and distributed to local governments through a statutory formula which takes into account relative population and assessed valuation. The six revenue sources are: Basic City-County Relief Tax (sales tax), Supplemental City-County Relief Tax (sales tax), Cigarette Tax, Liquor Tax, Real Property Transfer Tax, and Basic Governmental Services Tax (fuel tax). This is the second largest General Fund revenue source.

Licenses and Permits - Revenue included under Licenses and Permits includes fees paid for business licenses, liquor licenses, marriage licenses, gaming licenses, and franchise fees. This is the third largest General Fund revenue source.

Charges for Services - Clark County collects various fees for services such as recording fees, zoning fees, off-site permits, and court clerk fees, which are intended to pass the cost of providing the service to the user rather than the public at large.

Transfers In - Clark County’s budget includes various taxing entities, including, the unincorporated towns and fire service district. These funds are ultimately transferred to the General Fund to cover costs incurred in the General Fund for providing town services such as police, fire, parks and public works. The primary sources of revenue for these entities are property tax and the consolidated tax.