

NOTE TO VOTERS

Streamlined Sales Tax Project

Ballot Question No. ____ seeks to simplify the state and local tax base by making it uniform as required by the Streamlined Sales Tax Project. The Streamlined Sales Tax Project was created by state governments throughout the United States, with input from local governments and the private sector, to standardize and modernize sales and use tax collection. The goal of streamlining the tax base is to facilitate the collection of sales and use taxes for out-of-state sales and sales over the internet and to ensure that the tax revenues that support state and local governments are not reduced as a result of an increase in such sales.

Currently, certain exemptions from the portion of the Sales and Use Tax that is distributed to the State differ from the exemptions from the portion of the tax that is distributed at the local level. If Ballot Question No. ____ is approved, the exemptions from the portion of the Sales and Use Tax that is distributed to the State will be amended so that they are identical to the exemptions from the portion of the tax that is distributed at the local level. If the question is not approved, the exemptions from the portion of the Sales and Use Tax that is distributed at the local level will be amended so that they are identical to the portion of the tax that is distributed to the State. Regardless of whether the question is approved or not approved, the exemptions for all portions of the Sales and Use Tax will become identical as required by the Streamlined Sales Tax Project.

Sales and Use Tax

Nevada's statewide sales tax consists of three separate parts levied at different rates on the sale and use of tangible personal property in the State. The current combined rate that applies to each county within the State is 6.50 percent. In addition to these three parts, each county also may impose additional taxes subject to the approval of the voters or governing body in that county. These additional taxes have, in nine counties, increased the rate of the sales tax above the 6.50 percent rate imposed statewide.

The tax includes:

| <u>Tax</u> | <u>Rate</u> |
|---|--------------|
| 1. The State Sales and Use Tax | 2.00 percent |
| 2. The Local School Support Tax (LSST) | 2.25 percent |
| 3. The City-County Relief Tax (CCRT) | 2.25 percent |
| 4. Optional local taxes—currently not more than | 1.00 percent |

The State Sales and Use Tax may be amended or repealed only with the approval of the voters. The Local School Support Tax (LSST) and the City-County Relief Tax (CCRT) may be amended or repealed by the Legislature without the approval of the voters.