

**EXECUTIVE AGENCY**  
**FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: April 4, 2019

Agency Submitting: Department of Taxation

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2018-19</b>	<b>Fiscal Year 2019-20</b>	<b>Fiscal Year 2020-21</b>	<b>Effect on Future Biennia</b>
Excise tax on electronic vaping products (Revenue)		\$7,882,000	\$8,036,000	\$16,072,000
License Fees (Revenue)		\$344,100	\$424,100	\$848,200
Additional Positions (Expense)		\$565,433	\$630,796	\$1,261,592
Information Services - Category 26 (Expense)		\$63,179		
Total	0	\$7,597,488	\$7,829,304	\$15,658,608

Explanation

(Use Additional Sheets of Attachments, if required)

The department has reviewed the bill and determined it would increase general fund revenue by about \$7.882 million in fiscal year 2019-20 and \$8.036 million in fiscal year 2020-21. The bill would also increase revenue from license fees by about \$344,100 in fiscal year 2019-20 and \$424,100 in fiscal year 2020-21. The bill would increase workload to license retailers and additional wholesalers, collect tax from electronic vapor products, and distribute revenues from electronic vapor products to counties that have an established health district or to the Account for Public Health Improvement. Expenses for a compliance audit investigator, auditor, revenue officer, tax examiner, administrative assistant, accounting assistant, and management analyst are included. Expenses are also included to program the Tax Administration System to accommodate the additional licensing, tax collections, and distributions.

Name Kile M. Porter

Title Deputy Executive Director

**GOVERNOR'S OFFICE OF FINANCE COMMENTS**

The agency's response appears reasonable.

Date Friday, March 29, 2019

Name Laura Freed

Title Executive Branch Budget Officer

2019-2021 Biennium (FY20-21)  
VAP TAX ON VAPOR PRODUCTS

Section A: Position Detail

Budget Account: 2361 DEPARTMENT OF TAXATION

Type	Description	PCN	Class	Gd Step	Add Gd	Anv Mo	St	End	Ret Cd	FTE Actual	FTE WP	FTE Y1	FTE Y2 MI	2019-2020		2020-2021		
														Salary	Benefits	Salary	Benefits	
<b>E225 EFFICIENT AND RESPONSIVE STATE GOVERNMENT</b>																		
<b>GF GENERAL FUND POSITIONS</b>																		
4	AUDITOR 2	010000	07154	34-7	0	10	10-19	6-21	1	0.00	0.00	1.00	1.00	Y SUM	46,476	17,396	64,227	23,379
4	COMPLIANCE/AUDIT INVEST 3	010002	11363	35-7	0	10	10-19	6-21	1	0.00	0.00	1.00	1.00	Y SUM	48,577	17,858	67,208	23,973
4	MANAGEMENT ANALYST 3	010005	07624	37-7	0	10	10-19	6-21	1	0.00	0.00	1.00	1.00	Y SUM	53,124	18,857	73,427	25,188
4	TAX EXAMINER 2	010006	07255	30-4	0	10	7-19	6-21	1	0.00	0.00	1.00	1.00	Y SUM	45,986	19,565	47,413	20,037
4	ADMIN ASSISTANT 2	010008	02212	25-4	0	10	7-19	6-21	1	0.00	0.00	1.00	1.00	Y SUM	37,351	17,666	38,527	18,272
4	ACCOUNTING ASSISTANT 2	010009	02303	25-4	0	10	10-19	6-21	1	0.00	0.00	1.00	1.00	Y SUM	27,942	13,319	38,527	18,272
4	REVENUE OFFICER 2	010010	07233	32-7	0	10	10-19	6-21	1	0.00	0.00	1.00	1.00	Y SUM	42,571	16,536	58,819	22,304
TOTAL FOR LINE ITEM POSITION GROUP GF										0.00	0.00	7.00	7.00		302,027	121,197	388,148	151,425
TOTAL FOR DECISION UNIT E225										0.00	0.00	7.00	7.00		302,027	121,197	388,148	151,425
TOTAL FOR BUDGET ACCOUNT 2361										0.00	0.00	7.00	7.00		302,027	121,197	388,148	151,425

## Section A1: Line Item Detail by GL

Budget Account: 2361 DEPARTMENT OF TAXATION

Item No	Description	Actual 2017-2018	Work Program 2018-2019	VAP Year 1 2019-2020	VAP Year 2 2020-2021
<b>E225</b>	<b>EFFICIENT AND RESPONSIVE STATE GOVERNMENT</b> [See Attachment]				
<b>REVENUE</b>					
2511	BALANCE FORWARD FROM PREVIOUS YEAR	0	0	819,806	952,478
	TOTAL REVENUES FOR DECISION UNIT E225	0	0	819,806	952,478
<b>EXPENDITURE</b>					
<b>01</b>	<b>PERSONNEL SERVICES</b>				
5100	SALARIES	0	0	302,027	388,148
5200	WORKERS COMPENSATION	0	0	7,046	6,134
5300	RETIREMENT	0	0	46,059	59,192
5400	PERSONNEL ASSESSMENT	0	0	1,857	1,883
5500	GROUP INSURANCE	0	0	52,288	65,996
5700	PAYROLL ASSESSMENT	0	0	624	618
5750	RETIRED EMPLOYEES GROUP INSURANCE	0	0	8,487	11,372
5800	UNEMPLOYMENT COMPENSATION	0	0	460	603
5840	MEDICARE	0	0	4,379	5,629
5860	BOARD AND COMMISSION PAY	0	0	20,000	24,000
	TOTAL FOR CATEGORY 01	0	0	443,227	563,575
<b>03</b>	<b>IN-STATE TRAVEL</b>				
6200	PER DIEM IN-STATE	0	0	12,256	12,256
6210	FS DAILY RENTAL IN-STATE	0	0	3,125	3,125
6240	PERSONAL VEHICLE IN-STATE	0	0	1,524	1,524
6250	COMM AIR TRANS IN-STATE	0	0	12,615	12,615
	TOTAL FOR CATEGORY 03	0	0	29,520	29,520
<b>04</b>	<b>OPERATING</b>				
7020	OPERATING SUPPLIES	0	0	3,366	4,488
7021	OPERATING SUPPLIES-A	0	0	157	209
7050	EMPLOYEE BOND INSURANCE	0	0	26	21
7054	AG TORT CLAIM ASSESSMENT	0	0	599	598
705A	NON B&G - PROP. & CONT. INSURANCE	0	0	11	14
7061	CONTRACTS - A	0	0	4,900	0
7110	NON-STATE OWNED OFFICE RENT	0	0	17,441	23,681
7255	B & G LEASE ASSESSMENT	0	0	98	131
7289	EITS PHONE LINE AND VOICEMAIL	0	0	724	965
7291	CELL PHONE/PAGER CHARGES	0	0	567	756
7460	EQUIPMENT PURCHASES < \$1,000	0	0	180	0
7465	EQUIP > \$1,000 LESS THAN \$5,000 - A	0	0	3,516	0
	TOTAL FOR CATEGORY 04	0	0	31,585	30,863

State of Nevada - Budget Division  
 Line Item Detail & Summary  
 2019-2021 Biennium (FY20-21)

Item No	Description	Actual 2017-2018	Work Program 2018-2019	VAP Year 1 2019-2020	VAP Year 2 2020-2021
<b>05</b>	<b>EQUIPMENT</b>				
8241	NEW FURNISHINGS <\$5,000 - A	0	0	31,430	0
	TOTAL FOR CATEGORY 05	0	0	31,430	0
<b>26</b>	<b>INFORMATION SERVICES</b>				
7465	EQUIP > \$1,000 LESS THAN \$5,000 - A	0	0	3,200	0
7547	EITS BUSINESS PRODUCTIVITY SUITE	0	0	2,936	3,914
7554	EITS INFRASTRUCTURE ASSESSMENT	0	0	2,041	2,034
7556	EITS SECURITY ASSESSMENT	0	0	935	890
7771	COMPUTER SOFTWARE <\$5,000 - A	0	0	2,191	0
8270	SPECIAL EQUIPMENT >\$5,000	0	0	2,440	0
8371	COMPUTER HARDWARE <\$5,000 - A	0	0	15,928	0
	TOTAL FOR CATEGORY 26	0	0	29,671	6,838
	TOTAL EXPENDITURES FOR DECISION UNIT E225	0	0	565,433	630,796
	TOTAL REVENUES FOR BUDGET ACCOUNT 2361	0	0	819,806	952,478
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## Section B1: Summary by GL

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7291	CELL PHONE/PAGER CHARGES	0	0	567	756
7460	EQUIPMENT PURCHASES < \$1,000	0	0	180	0
7465	EQUIP > \$1,000 LESS THAN \$5,000 - A	0	0	3,516	0
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