

---

# Nevada creates Annual Commerce Tax to Raise State Revenue

01.28.16

On July 1, 2015, Nevada signed into law the Nevada Revenue Plan which increases the corporation annual business fee, expands the payroll tax, and creates a new Commerce Tax on the gross receipts for every business whose Nevada gross revenue exceeds \$4 million. The Commerce Tax (S.B. 483) affects partnerships, LLC's, LLP's, corporations, trusts, and individual taxpayers who do business in the state of Nevada

The tax rate is based on 26 business categories, with a partial credit against payroll tax, and can range from 0.051% to 0.331%. Should a business entity be engaged in more than one business category, the business will be taxed in the category most of its business activity can be attributed to. No deduction is permitted for cost of goods sold or other expenses.

The Commerce Tax year is July 1 through June 30 other than companies with fiscal years ends of June 30. Taxpayers are required to adjust their reporting due to these new requirements. The first tax report is due on the 45th day following the end of the tax year. Business entities can request a 30-day extension. There will be a grace period through February 15, 2017.

For more information, contact your **BPM Tax Advisor** if you need assistance in planning with the "65-Day Rule," call (415) 421-5757, or email [bpm@bpmcpa.com](mailto:bpm@bpmcpa.com). BPM is here to advise how this opportunity can apply to your particular circumstances.