

# PROPERTY TAXES IN NEVADA

The *Nevada Constitution* places a rate cap of five cents on one dollar of assessed valuation (i.e., \$5.00 per \$100 of assessed valuation).

There is a statutory cap of \$3.64 per \$100 of assessed valuation. This does not include an amount of two cents allowed “outside the cap,” first authorized under Senate Bill (SB) 507 during the 72<sup>nd</sup> (2003) Legislative Session—and reauthorized biennially since—for capital projects and the conservation of natural resources, resulting in an effective cap of \$3.66 per \$100 of assessed valuation.

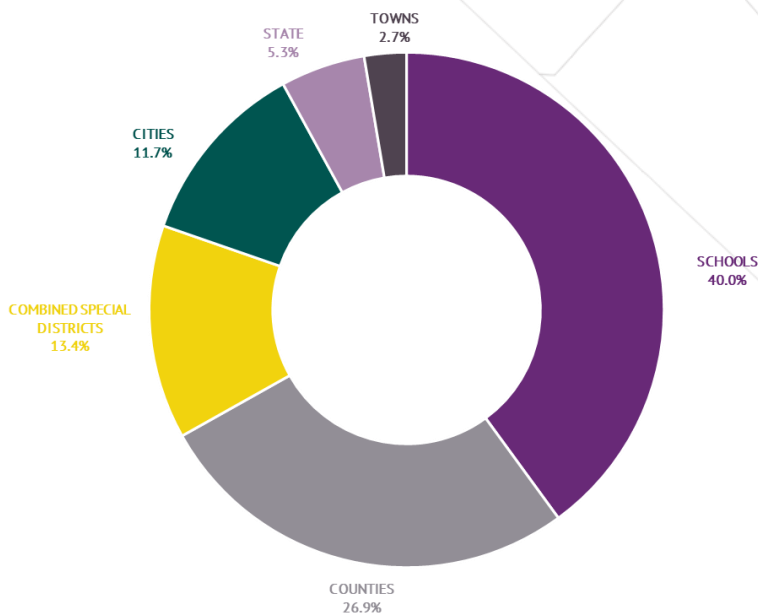
Property tax revenues may increase by a maximum of six percent over the prior fiscal year, but the combined property tax rate itself cannot be lower than that imposed in the previous fiscal year.

Nevada applies a depreciation factor to age of improvements (e.g., residential home on a property). It is the **only** state to do so.

The level of assessment is fixed at 35 percent of taxable value.

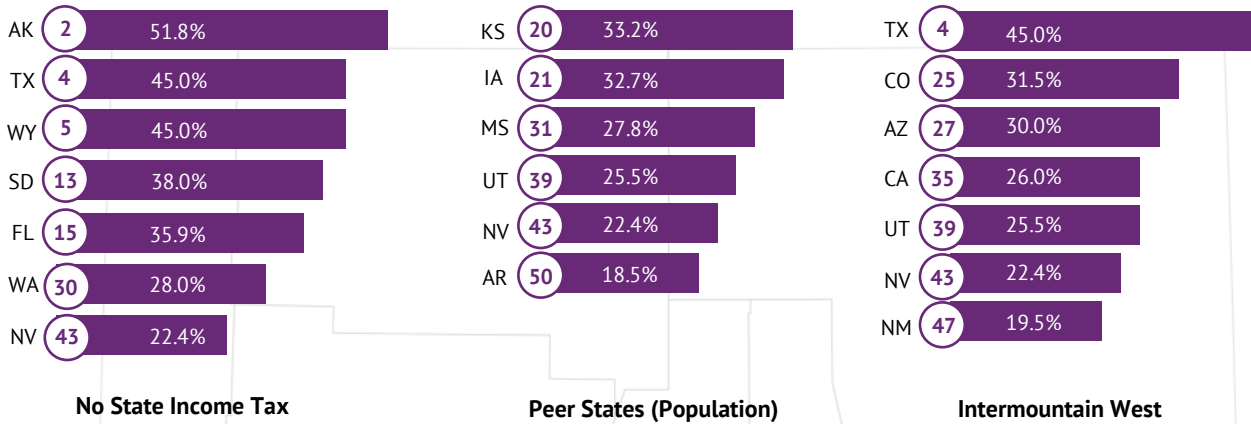
Property tax bills for owner-occupied single family residences cannot increase by more than 3 percent over the previous fiscal year; tax bills on all other property types cannot increase by more than 8 percent over the previous fiscal year.

PROPERTY TAX REVENUE DISTRIBUTION, FISCAL YEAR 2020



- Most property tax dollars are distributed to schools, though property taxes make up less than one-fifth (19.4 percent) of schools’ operating expenses.
- Of all jurisdictions in Nevada, the State is one of the least dependent on property taxes. The property tax money that the State receives is used primarily for the State’s bond debt redemption.

## SHARE OF PROPERTY TAX IN TOTAL STATE AND LOCAL GOVERNMENT TAX REVENUE, 2017



Property taxes make up 22.4 percent of total State and local government tax revenue in Nevada, for a ranking of 43<sup>rd</sup> in the nation. New Hampshire ranks first (66.6 percent), and Alabama ranks last (17.3 percent). Relative to other states, property taxes in Nevada do not contribute as much to governmental tax revenue. Its ranking is generally low but at the bottom when compared to other states that do not have a State income tax and near the bottom in comparison to its peer states (on the basis of population) and its neighbor states (Intermountain West).

## PROPERTY TAX REVENUE PER CAPITA, 2017

State	Amount (\$)	Rank
<b>NO STATE INCOME TAX</b>		
Wyoming	2,171.89	10
Alaska	2,123.64	12
Texas	1,933.56	14
South Dakota	1,654.41	18
Washington	1,551.20	25
Florida	1,375.76	30
Nevada	1,041.47	40
<b>PEER STATES (POPULATION)</b>		
Iowa	1,645.83	19
Kansas	1,543.55	26
Utah	1,075.39	36
Nevada	1,041.47	40
Mississippi	1,017.69	41
Arkansas	748.20	49
<b>INTERMOUNTAIN WEST</b>		
Texas	1,933.56	14
California	1,623.94	21
Colorado	1,594.51	24
Arizona	1,137.76	35
Utah	1,075.39	36
Nevada	1,041.47	40
New Mexico	795.14	48

40<sup>th</sup>



DC is ranked 1<sup>st</sup>: \$3,616.90



AL is ranked 51<sup>st</sup>: \$584.80



NV is ranked 40<sup>th</sup>: \$1,041.47, near the bottom of all states – including those that also do not have a State income tax – but higher than two peers (MS and AR) and one neighbor (NM).