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A Limited Liability Limited Partnership

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Nevada Remains a Tax-Friendly Jurisdiction for Business

The State of Nevada has long been regarded as a favorable jurisdiction for business for a number of reasons, not the least of which is the traditionally low cost of doing business in the Silver State. The current taxes and fees applicable to businesses include the following:

Payroll Tax: Employers are required to pay a tax equal to 0.65% of the total wages paid to their employees. This tax applies only to companies receiving wages for services provided in Nevada. Accordingly, companies that do not have employees working in Nevada would have no tax liability.

Special Payroll Tax on "Financial Institutions:" Financial institutions are charged a higher (2.0%) payroll tax on employee wages, instead of the general (0.65%) payroll tax described above. The definition of "financial institution" is broad and includes activities that may not be obvious, such as companies primarily engaged in investing, lending money, managing trusts or owning and licensing patents and copyrights. Companies that do not have employees working in Nevada will have no tax liability.

Business License Fee: All companies doing business in Nevada are required to obtain a business license from the Nevada Department of Taxation. The application fee for the license will be increased is \$100. In addition, an annual license fee of \$100 will be imposed.

Secretary of State Fees: The minimum filing fees for incorporating in Nevada is \$75.

No Income Tax: Nevada has no corporate income tax on corporate shares and no franchise tax. Truly, Nevada remains a tax-friendly jurisdiction for business.

This firm is particularly proud of our involvement with the budgetary process. Our firm's Nevada office has participated in the dialogue and legislation planning process with the Las Vegas Chamber of Commerce and various "grass roots" initiative groups. In addition, we have been in contact with members of the Nevada legislature and have closely monitored the legislative process throughout recent regular and special legislative sessions.

The foregoing discussion summarizes certain of the new taxes and fees applicable to companies doing business in Nevada. Other taxes and fees apply to particular industries or transactions and, of course, the details of the tax laws are more complex than the general discussion provided above.

Please contact Jeff Rabinovitz of our Nevada office, at (702) 836-3500, or send an email to jrabinovitz@nevadacorporatelaw.com to discuss the possible impact of these tax laws on your business.