

Nevada Modified Business Tax Change

June 20, 2009

To: Our Clients

From: Payroll Systems

Subject: Nevada Modified Business Tax Change - effective July 1, 2009 for General Business

The State of Nevada signed into law, effective July 1, 2009, a significant change in the “Modified Business Tax” (MBT) calculation.

General Business - Senate Bill 429 changes the tax rate for MBT to .5% for the first 62,500 in total company\employer taxable wages, and 1.17% for all remaining company\employer taxable wages.

Financial Institutions – The MBT for Financial Institutions remains unchanged at 2.0% for all company\employer taxable wages.

MBT is now calculated on company wages, and not individual employees. The new calculation rules prohibit our ability to allocate MBT to a specific employee, department or job. If you are receiving Departmentalized Reports, or Job Costing Reports, the MBT will no longer be on these reports.

If we collect and pay MBT for you, we will continue to collect it, pay, and report it properly.

We appreciate your understanding to this matter. If you have any further questions please contact your Payroll Processor.