


EY Payroll NewsFlash Workforce Tax Services

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Vol.24, 053
June 26, 2023

Nevada's Modified Business Tax to decrease effective July 1, 2023

The Nevada Department of Taxation (Department) [announced](#) that because the state's Modified Business Tax (MBT) collected in the previous fiscal year exceeded the forecasted amount by 4%, the MBT rates will decrease proportionately, effective July 1, 2023.

MBT rates effective July 1, 2023

- **General business.** The MBT rate is 1.17% (previously 1.378%) of gross wages after deducting employee health benefits paid by the employer; the first \$50,000 of gross wages is not taxable
- **Financial institutions and mining.** The MBT rate is 1.554% (previously 1.853%) of gross wages after deducting employee health care benefits paid by the employer; there is no \$50,000 exemption

Background

Employers subject to Nevada state unemployment insurance under [NRS 612](#) are subject to the MBT except for non-profit organizations, Indian tribes, political subdivisions and employers with only household employees.

The MBT is paid on total gross wages and taxable tips as reported quarterly to the Nevada Employment Security Division (ESD) on Form NUCS 4072 less employee health benefits paid by the employer. For general businesses only, the first \$50,000 of gross wages is not taxable.

When employers register with the ESD for state unemployment insurance they are automatically registered with the Department for the MBT.

To determine the MBT rate that applies, a business must self-report as general business, financial institution or mining.

For more information see the Department's [frequently asked questions](#).

Contact us for more information

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