

# Utilities Sales Tax Rates and Taxability

## Welcome to Utilities Sales Tax Rates and Taxability

This bulletin provides important information about the June 2024 release of Utilities Sales Tax Rates and Taxability. Please review this bulletin carefully. If you have any questions, additional information is available on CCH [Support Online](#).

## Interim Release

This release corrects minor errors and adds late rate changes in Alabama and Louisiana.

## Updates to Current Utilities Database – System Changes Effective June 2024

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### Change to the Nomenclature of the Ely, Nevada Local Franchise Tax

Among the taxes covered in our Utilities database is the Ely, Nevada Local Franchise Tax (as captured by Tax Type 36/83).

To quote the legislative provision that established this tax:

“Every business entity providing electrical service within the city of Ely must obtain and pay for an annual business franchise.

The fee for such franchise is payable not later than 30 calendar days after the end of each calendar quarter and shall be 3% of the total gross receipts.”<sup>1</sup>

Given the fact that Section 3-13-1 of the Ely Municipal Code is captioned “Electric Service Franchise Fee”, we are hereby renaming the tax description for this tax as the “Electric Service Franchise Fee”, effective with this June 2024 release.

### Expiration of the Wells, Nevada Local Franchise Tax from the Database

Prior to this month’s release, our database reflected that a Local Franchise Tax as captured by Tax Type 36/84 was imposed by the city of Wells, Nevada.

To quote the legislative provisions that establish this tax:

“The **grantee** shall, during the term of this franchise, or any renewal or extension hereof, pay to the city for the privilege of operating a gaseous fuels distribution system under this franchise a fee equal to 3% of the gross annual revenues taken in or received by the **grantee** from the sale of gaseous fuels within the city from the operation of the gaseous fuels distribution system.”<sup>2</sup>

In turn, the term “grantee” is defined to mean “Wells Propane, Inc., and its successors and assigns as allowed within this chapter”<sup>3</sup> rendering this fee a “company-specific” franchise tax.

Given our long-standing managerial policy of excluding company-specific regulatory fees from inclusion in our database, we are hereby expiring the Wells, Nevada Local Franchise Tax (as captured by Tax Type 36/84) from our database, effective with this June 2024 release.

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<sup>1</sup> Ely, Nevada Municipal Code § 3-13-1.A.

<sup>2</sup> Wells, Nevada Municipal Code § 6-8-12.A.

<sup>3</sup> Wells, Nevada Municipal Code § 6-8-2.

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