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**ADMISSIONS  
AND  
AMUSEMENT  
TRANSACTION TAX**

**ANALYSIS WHITE PAPER**

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PREPARED FOR:



PREPARED BY:



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## INTRODUCTION

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### *Project Overview*

Applied Analysis (“AA”) was retained by the Nevada Taxpayers Association (the “NTA”) to review and analyze the potential for an admissions and amusement transaction tax in the State of Nevada (“Nevada”). Specifically, this analysis focused on the source’s potential tax base as well as the theoretical rate required to offset revenues generated by other similar taxes.<sup>1</sup> The primary reason for the replacement of existing revenue sources was the avoidance of double taxation. Additionally, the revenue productivity and administrative characteristics of the tax were also reviewed by a collective effort of the NTA and AA.<sup>2</sup>

### *Summary of Findings*

The estimated admissions and amusement tax base is \$1.82 billion. If this tax were to take the place of the existing Casino Entertainment Tax and Boxing and Wrestling Fees, a rate of 3.7 percent would be required. Please see Exhibit 1 on the following page for an overview of the hypothetical levy.

### *Methodology*

A standard approach to estimating fiscal productivity of an expanding or additional public revenue source was applied. At the most summary level, the analysis steps were: 1) estimate admissions and amusement spending/sales in Nevada; 2) obtain data on the revenue productivity of replaced revenues sources (e.g., Casino Entertainment Tax and Boxing and Wrestling Fees); and 3) estimate the rate that when applied to the estimated base of admissions and amusement spending/sales (Step 1) would generate the revenues currently produced by the replaced revenue sources (Step 2).

Estimates on admissions and amusement spending were generated from information provided by the United States Department of Commerce, Census Bureau; the United States Department of Labor, Bureau of Labor Statistics; the Las Vegas Convention and Visitors Authority; and the Reno-Sparks Convention and

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<sup>1</sup> Taxes offset are discussed more in the body of this text. They include Nevada’s Casino Entertainment Tax (NRS 463.401) and Boxing and Wrestling Fees (NRS 467). *See also*, Nevada Taxpayers’ Association, *Nevada Tax Facts*, November 2001.

<sup>2</sup> Please see the *Conclusion* subsection, *infra*.

**EXHIBIT 1: CHARACTERISTICS SUMMARY FOR ANALYZED ADMISSIONS AND AMUSEMENT TAX**

<b>Title of the Tax:</b>	<b>Admissions and Amusement Tax</b>
<b>Law:</b>	None. Tax does not currently exist. <sup>3</sup>
<b>Basis of the Tax:</b>	Fees for participant sports; admissions to events, movies, concerts, and plays (including dinner theaters); health, swimming, tennis and country club memberships; recreational lessons or instruction; sightseeing and other tours; and admissions charges to night clubs, cabarets, bars with live music and other similar venues.
<b>Procedure:</b>	Transaction tax is added to the retail price of the admission or amusement payment.
<b>Rate:</b>	3.7 percent of retail price.
<b>Distribution:</b>	State General Fund
<b>Collection:</b>	Nevada Department of Taxation
<b>Exemptions:</b>	Tickets sold by or to non-profit groups as recognized by the Department of Taxation under the authority of NRS 372. The rental of a facility by a non-profit or educational organization to a for-profit or commercial entity does not exempt the collection of the tax by the for-profit or commercial entity.
<b>Contact</b>	Nevada Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706-7921
<b>Yield:</b>	\$67,000,000

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<sup>3</sup> Tax would be generally controlled by Nevada Revised Statute 360.

Visitors Authority.

### **Taxable Business Receipts**

Data on business receipts by industry were obtained from the Census Bureau's *Economic Census* report for 1997.<sup>4</sup> The *Economic Census* is a major source of facts about the structure and functioning of the Nation's economy. It provides essential information for government, business, industry, and the general public.<sup>5</sup> The economic census furnishes an important part of the framework for such composite measures as gross domestic product, input/output measures, production and price indices, and other statistical series that measure short-term changes in economic conditions. Cited uses of economic census data include the following:<sup>6</sup>

1. Policymaking agencies of the Federal Government use the data to monitor economic activity and to assess the effectiveness of policies;
2. ***State and local governments use the data to assess business activities and tax bases within their jurisdictions and to develop programs to attract business;*** [emphasis added]
3. Trade associations study trends in their own and competing industries, which allows them to keep their members informed of market changes;
4. Individual businesses use the data to locate potential markets and to analyze their own production and sales performance relative to industry or area averages.

The economic census provides industry-specific data on establishments,<sup>7</sup> receipts,<sup>8</sup> and payrolls<sup>9</sup> at the national, state, and local level. These data were then inflated to

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<sup>4</sup> Please see <http://www.census.gov/epcd/www/econ97.html>.

<sup>5</sup> Title 13 of the United States Code (Sections 131, 191, and 224) directs the Census Bureau to take the economic census every 5 years, covering years ending in 2 and 7.

<sup>6</sup> Please see <http://www.census.gov/epcd/ec97/introgen.htm#purpose>.

<sup>7</sup> An establishment is a single physical location at which business is conducted and/or services are provided. It is not necessarily identical with a company or enterprise, which may consist of one establishment or more. Economic census figures represent a summary of reports for individual establishments rather than companies.

<sup>8</sup> Includes the total sales, shipments, receipts, revenue, or business done by establishments within the scope of the economic census.

<sup>9</sup> Payroll includes all forms of compensation, such as salaries, wages, commissions, dismissal pay, bonuses, vacation allowances, sick-leave pay, and employee contributions to qualified

2001 values, assuming the same relative mix of employment and revenue generating capacity per employee.

These data have some important limitations. Primary among them is the fact that revenues spent are grouped by standard industry codes as opposed to how dollars are actually spent.<sup>10</sup> An example of the problems arising from this limitation can be illustrated by looking at a hypothetical theme park. Let us assume that a theme park residing within Nevada generates \$5 million in revenue each year. A large share of its revenue would obviously come from the purchase of admissions passes or the active participation in arcade style games, both of which would be subject to an admissions and amusement transaction levy. Some of the revenue, however, would likely come from the sale of merchandise, food and/or beverages; these revenues would not be subject to an admissions tax. There is no way to distinguish between taxable and non-taxable revenues with the reported data.

The opposite situation is equally, if not more, troubling. When two activities (or more) are carried on at a single location under a single ownership, all activities are generally grouped together as a single “establishment.” The entire establishment is then classified on the basis of its major activity and all data are included in that single classification.<sup>11</sup> Movie theater ticket sales within a casino-hotel, for example, would likely be classified as casino-hotel<sup>12</sup> revenue as opposed a movie production industry revenue.<sup>13</sup> Thus, many revenues are not captured by this analysis, which

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pension plans paid during the year to all employees. For corporations, payroll includes amounts paid to officers and executives; for unincorporated businesses, it does not include profit or other compensation of proprietors or partners. Payroll is reported before deductions for social security, income tax, insurance, union dues, etc. This definition of payroll is the same as that used by the Internal Revenue Service (IRS) on Form 941.

<sup>10</sup> This report presents data classified according to the 1997 North American Industry Classification System (NAICS).

<sup>11</sup> The Economic census documentation notes, however, that when distinct and separate economic activities (for which different industry classification codes were appropriate) were conducted at a single location under a single ownership, separate establishment reports for each of the different activities were obtained in the census. See <http://www.census.gov/epcd/ec97/introgen.htm#purpose>.

<sup>12</sup> NAICS 72112 (Casino Hotels): This industry comprises establishments primarily engaged in providing short-term lodging in hotel facilities with a casino on the premises. The casino on premises includes table-wagering games and may include other gambling activities, such as slot machines and sports betting. These establishments generally offer a range of services and amenities, such as food and beverage services, entertainment, valet parking, swimming pools, and conference and convention facilities.

<sup>13</sup> NAICS 51213 (Motion Picture and Video Exhibition): This industry comprises establishments primarily engaged in operating motion picture theaters and/or exhibiting motion pictures or videos at film festivals, and so forth.

likely leads to an underestimation of total taxable revenue.

### **Residential Consumer Spending Patterns**

Data on residential consumer spending patterns were obtained from the United States Bureau of Labor Statistics, *Consumer Expenditure Survey*, 2000.<sup>14</sup> This survey consists of two components: a diary, or record keeping survey, and an interview survey. The results reported in the expenditure survey are a compilation of both efforts and report spending at the consumer unit (generally household) level.<sup>15</sup> Survey participants record dollar amounts for goods and services purchased during the recording period.<sup>16</sup> Expenditure amounts include all sales and excise taxes for items purchased for the consumer unit itself or for others. Excluded are expenditures made by businesses and expenditures for which the consumer unit is reimbursed.

Consumer expenditure data are reported for major metropolitan statistical areas and regionally.<sup>17</sup> Unfortunately, Nevada is not considered a major area for which consumer expenditures are specifically reported. Thus, Nevada is required to use data for the western region or a comparable metropolitan area among those analyzed by the survey. Phoenix, Arizona was considered the most comparable regional area.<sup>18</sup> Income and spending levels were adjusted to reflect the cost of living in Nevada.

Consumer expenditure data is reported for several general and specific expenditure categories. The one most important to this analysis was entertainment spending on fees and admissions. Generally, “fees and admissions” includes fees for participant sports; admissions to sporting events, movies, concerts, and plays; health, swimming, tennis and country club memberships; fees for other social, recreational,

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<sup>14</sup> Please see <http://www.bls.gov/cex/home.htm#overview>.

<sup>15</sup> A consumer unit comprises either: (1) all members of a particular household who are related by blood, marriage, adoption, or other legal arrangements; (2) a person living alone or sharing a household with others or living as a roomer in a private home or lodging house or in permanent living quarters in a hotel or motel, but who is financially independent; or (3) two or more persons living together who use their income to make joint expenditure decisions. Financial independence is determined by the three major expense categories: Housing, food, and other living expenses. *See* U.S. Department of Labor, Bureau of the Census, *Consumer Expenditures in 2000*, Report 958. April 2002.

<sup>16</sup> Spending is included whether or not payment was actually made at the time of purchase.

<sup>17</sup> Please see <ftp://ftp.bls.gov/pub/special.requests/ce/msa/y9900/west.txt>

<sup>18</sup> Other western regional areas included Los Angeles, San Diego, San Francisco, Denver, Seattle, Honolulu, Portland, and Anchorage.

and fraternal organizations; recreational lessons or instruction; rental of movies, and recreation expenses on trips.<sup>19</sup>

Not unlike the economic census data, consumer expenditure data also have some important limitations. For one, the data report only spending by residential consumers. In Nevada, this is a critical consideration given the fact that between 16 and 18 percent of Nevada's full-time-equivalent population is comprised of leisure and convention travel consumers.<sup>20</sup> These individuals are omitted from the survey; thus, this analysis will also tend to underestimate to spending volume within the state.

A second limitation is the fact that entertainment expenditures for fees and admissions include, "recreation expenses on trips." Expenditures made locally cannot be segregated from total spending; thus, an overestimation of taxable spending is possible.

A third limitation deals with the specificity of expenditures reported at the metropolitan statistical level. Entertainment spending is not segmented at this more specific geography. Thus, fees and admissions spending is combined with expenditures on 1) television, radio, and sound equipment;<sup>21</sup> 2) pets, toys, hobbies, and playground equipment;<sup>22</sup> and 3) other entertainment equipment and services.<sup>23</sup> The vast majority of these categories are outside of the reach of the levy analyzed in this analysis. Information reported for comparable jurisdictions was used only for general comparison purposes.

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<sup>19</sup> Please see <http://www.bls.gov/cex/csxgloss.htm#enter>.

<sup>20</sup> Based on a calculation of visitation and population bases in Nevada. See University of Nevada Las Vegas, International Gaming Institute, *The Hospitality Industries Impact on the State of Nevada*, 1999. Nevada Taxpayers Association, *Nevada Issues: Economic Diversification in Nevada*, April 2000

<sup>21</sup> Television, radio, and sound equipment includes television sets, video recorders, video cassettes, tapes, discs, disc players, video game hardware, video game cartridges, cable TV, radios, phonographs, tape recorders and players, sound components, records, compact discs, and tapes (including records, compact discs, and tapes purchased through mail order clubs), musical instruments, and rental and repair of TV and sound equipment.

<sup>22</sup> Pets, toys, hobbies, and playground equipment includes pets, pet food, pet services, veterinary expenses, etc.; toys, games, hobbies, and tricycles; and playground equipment.

<sup>23</sup> Other entertainment equipment and services includes indoor exercise equipment, athletic shoes, bicycles, trailers, purchase and rental of motorized campers and other recreational vehicles, camping equipment, hunting and fishing equipment, sports equipment (winter, water, and other), boats, boat motors and boat trailers, rental of boats, landing and docking fees, rental and repair of sports equipment, photographic equipment and supplies (film and film processing), photographer fees, repair and rental of photo equipment, fireworks, and pinball and electronic video games.



### **Visitor Spending**

Data on non-resident consumer spending patterns were obtained from the Las Vegas Convention and Visitors Authority and Reno-Sparks Convention and Visitors Authority visitor profile surveys.<sup>24</sup> These studies provide detailed data on visitor spending by category. Spending categories generally include, food and drink, transportation, shopping, shows, sightseeing, and lodging.<sup>25</sup> Total visitor spending on shows and sightseeing was assumed to be subject to a transaction tax levied on admissions and amusement.

While these data are important to the analysis, we must cite our concern that the data reported may tend to materially overstate visitor spending. For example, the Las Vegas Convention and Visitors Authority reported that in 2001, visitors spent an average of \$85.34 on hotel and motel lodging per visitor per night.<sup>26</sup> At the reported visitor volume for that year (35 million) and the average stay per visitor of (3.6 nights), total rooms spending would have been \$10.1 billion.<sup>27</sup>

This estimate can then be measured against the rooms revenue figure reported by the Nevada State Gaming Control Board.<sup>28</sup> In 2001, total rooms revenue for all non-restricted gaming licensees with \$1 million or more in gross gaming revenue was \$3.5 billion. It is generally accepted that these gaming licensees account for the vast majority of the state's lodging revenue. Even if we assume that they represent only 75 percent of the state's room tax collections, an extrapolation of the Authority's estimates would still yield a base more than twice that which is likely to actually exist.

This analysis is not intended to be disparaging to the Authority in anyway. Its research staff were helpful in this analysis are more than qualified. Rather, the

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<sup>24</sup> GLS Research, 2001*Las Vegas Visitor Profile Study*, 2001 and RRC Associates, *Reno-Sparks Convention and Visitors Authority 1999 Visitor Profile Study: Final Report*, 2000.

<sup>25</sup> GLS Research, 2001*Las Vegas Visitor Profile Study*, 2001; *see also* [http://www.vegasfreedom.com/gen\\_vizpro.asp](http://www.vegasfreedom.com/gen_vizpro.asp). We note that the expenditure categories reported by the Reno-Sparks Convention and Visitors Authority are slightly different but can be categorized similarly.

<sup>26</sup> GLS Research, 2001*Las Vegas Visitor Profile Study*, 2001; *see also* [http://www.vegasfreedom.com/gen\\_vizpro.asp](http://www.vegasfreedom.com/gen_vizpro.asp).

<sup>27</sup> Conversations with representatives of the Las Vegas Convention and Visitors Authority suggest that this is due largely to the way in which data are reported and collection. Nonetheless, an application of the figures as generally represented would result in a material understatement. We note that much of this error is outside the control of the Authorities research staff.

<sup>28</sup> State of Nevada Gaming Control Board, *Gaming Abstract*, 2001.

example above is intended to illustrate how these data's limitations may overestimate the base of visitor spending. There are not readily available ways of similarly validating the estimates of shows and sightseeing spending. It is important to note, however, that if similar trends are present, the base of sales supported by Nevada's visitor population may be materially overstated.

### **Comparable Jurisdiction Analyses**

In addition to the estimates provided herein, AA also reviewed admissions and amusement taxes in other jurisdictions. This was not a comprehensive review, however, representatives from some jurisdictions were interviewed to better understand how similar levies function and whether their respective policy objectives have been met. Additionally, the State of Ohio also prepared a summary of admissions taxation in 13 states. That analysis was also included for comparative purposes.<sup>29</sup>

Some jurisdictions also estimated the revenue producing capacities of different admissions and amusement expenditures. These data were used to "reality test" the estimates provided. We note that the revenue generating capacity of these taxes was generally quite low.

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<sup>29</sup> Please see [http://www.state.oh.us/tax/business\\_startup\\_btg.html](http://www.state.oh.us/tax/business_startup_btg.html).

## ESTIMATES OF ADMISSIONS AND AMUSEMENT SPENDING

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### *Summary of Findings*

Depending on the dataset used, the base of taxable admissions and amusement expenditures is estimated to range from \$838 million to \$2.8 billion annually.<sup>30</sup> The former estimate is based on taxable business receipts of selected industries while the latter results from a review and analysis of resident and visitor spending patterns. Both of these analyses are discussed in greater detail below.

We believe that the estimate derived from business receipts data (\$838 million) materially underestimates the potential tax base. By contrast, the \$2.8 billion estimate stemming from residential and non-residential spending patterns likely overestimates the tax base. The midpoint between these two outcomes is approximately \$1.8 billion. The midpoint, when combined with the estimates provided above, will be used as a high, mid, and low scenario for analysis purposes.

### *Taxable Business Receipts*

In 1997, the last year for which business activity survey data is available, total receipts, sales, and shipments for Nevada businesses was \$88 billion, or roughly \$96,000 per employee.<sup>31</sup> Admissions and amusement industry receipts accounted for just under four percent of the total at \$3.8 billion. Receipts from taxable industries totaled \$705 million, or 1.2 percent of total business activity.

Defining admissions and amusement industries is no trivial pursuit. While the majority of amusement and recreation spending is found in the *arts, entertainment, and recreation* category,<sup>32</sup> spending on other key items, such as movie theater tickets and

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<sup>30</sup> We note concern over the broadness of this range. However, these analyses reflect the estimates based on the best available information.

<sup>31</sup> Please see <http://www.census.gov/epcd/www/econ97.html>

<sup>32</sup> The Arts, Entertainment, and Recreation sector includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises (1) establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and (3) establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure time interests. US Census Bureau, <http://www.census.gov/epcd/ec97/def/71.HTM>.

sightseeing operations, are found outside the principal category and are recorded under the *information*<sup>33</sup> and *transportation*<sup>34</sup> classifications.

Additionally, not all of the receipts collected in the principal category would be properly subjected to an admission and amusement tax. The *arts, entertainment, and recreation* industry classification also includes revenues from businesses engaged in events promotion, museums, and non-hotel gaming establishments. All of which would be exempt from the reviewed levy.

A detailed review of major spending categories was undertaken, and AA and the NTA worked jointly to identify industries whose business receipts would most properly be subject to an admissions and amusement tax. This effort was further supported by a review of similar levies in other jurisdictions.<sup>35</sup> The identified industry categories and their reported productivity in 1997 are provided in Exhibit A-1 in the appendix that follows this summary.

The next step in this analysis was to estimate revenue production for the base analysis year, 2001. Industry specific business receipts per employee multipliers were used to estimate revenue growth in taxable sectors. Because employment information could not be provided at a level of detail similar to that of business activity, the analysis assumes that employment distributions remain materially similar between 1997 and 2001. To be conservative, no inflation in revenue generation per employee was applied.

Business receipts in 2001 were estimated to be \$839 million annually. Exhibit 2 on the following page provides the estimated contribution by industry.

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<sup>33</sup> The Information sector comprises establishments engaged in the following processes: (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data. The main components of this sector are the publishing industries, including software publishing, the motion picture and sound recording industries, the broadcasting and telecommunications industries, and the information services and data processing industries. US Census Bureau, <http://www.census.gov/epcd/ec97/def/51.HTM>.

<sup>34</sup> The Transportation and Warehousing sector includes industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation. Establishments in these industries use transportation equipment or transportation related facilities as a productive asset. The type of equipment depends on the mode of transportation. The modes of transportation are air, rail, water, road, and pipeline. US Census Bureau, <http://www.census.gov/epcd/ec97/def/48-49.HTM>.

<sup>35</sup> Please see *Comparable Jurisdiction Analyse, infra*.

**EXHIBIT 2**  
**ESTIMATES OF BUSINESS RECEIPTS FOR INDUSTRIES WITH SUBSTANTIAL ADMISSIONS AND AMUSEMENTS REVENUE**  
**NEVADA INDUSTRIES, 1997 AND 2001**

1997 (1)

Industry	Firms	Receipts (\$1,000)	Annual Payroll (\$1,000)	Paid Employment	Receipts per Employee	Receipts Per Establishment
Performing Arts Companies	130	126,172	48,614	1,416	89,105	970,554
Spectator Sports	22	47,181	12,381	652	72,363	2,144,591
Amusement & Theme Parks	23	102,865	24,787	1,138	90,391	4,472,391
Golf Courses & Country Clubs	47	136,286	42,898	2,305	59,126	2,899,702
Skiing Facilities	4	8,454	2,713	371	22,787	2,113,500
Marinas	12	16,437	2,888	142	115,754	1,369,750
Fitness & Recreational Sports Centers	85	68,031	21,550	1,994	34,118	800,365
Bowling Centers	14	4,245	1,337	141	30,106	303,214
All Other Amusement & Recreation Industries	79	62,749	17,422	859	73,049	794,291
Motion Picture & Video Exhibition	36	56,156	6,451	813	69,073	1,559,889
Scenic and Sightseeing Spending	26	75,573	14,326	617	122,485	2,906,654
<b>TOTAL (2)</b>	<b>478</b>	<b>705,050</b>	<b>195,644</b>	<b>10,392</b>	<b>67,847</b>	<b>1,475,000</b>

2001 (3)

Industry	Firms	Receipts (\$1,000)	Annual Payroll (\$1,000)	Paid Employment	Receipts per Employee	Receipts Per Establishment
Performing Arts Companies	155	150,323	57,919	1,687	89,105	970,554
Spectator Sports	26	56,212	14,751	777	72,363	2,144,591
Amusement & Theme Parks	27	122,554	29,531	1,356	90,391	4,472,391
Golf Courses & Country Clubs	56	162,373	51,109	2,746	59,126	2,899,702
Skiing Facilities	5	10,072	3,232	442	22,787	2,113,500
Marinas	14	19,583	3,441	169	115,754	1,369,750
Fitness & Recreational Sports Centers	101	81,053	25,675	2,376	34,118	800,365
Bowling Centers	17	5,058	1,593	168	30,106	303,214
All Other Amusement & Recreation Industries	94	74,760	20,757	1,023	73,049	794,291
Motion Picture & Video Exhibition	43	66,905	7,686	969	69,073	1,559,889
Scenic and Sightseeing Spending	31	90,038	17,068	735	122,485	2,906,654
<b>TOTAL (2)</b>	<b>569</b>	<b>838,931</b>	<b>232,762</b>	<b>12,381</b>	<b>67,847</b>	<b>1,475,000</b>

**Notes:**

(1) US Department of Commerce, Census Bureau, Economic Census 1997.

(2) Totals may not sum to 100 percent due to rounding.

(3) Estimates for 2001 are based on employment growth estimates provided by the Nevada Department of Employment, Training and Rehabilitation.

We outline the limitations to this analysis in the *Methodology* subsection in this report.<sup>36</sup> However, they are sufficiently noteworthy to briefly restate them here. Primary among the limitations is the fact that industry revenues are grouped by standard industry codes as opposed how dollars are actually spent.<sup>37</sup> They do not distinguish between taxable and non-table revenues given the reported data. Thus, movie theater industry receipts, for example, would include the taxable ticket sales as well as the exempt revenues from the sale of refreshments and other merchandise. To this extent, taxable sales would likely be overstated.

A second limitation is also a material consideration. Establishments (e.g., businesses) are generally classified on the basis of their major activity, and all data for it is included in that classification.<sup>38</sup> Movie theater ticket sales within a casino-hotel, for example, would likely be classified as casino-hotel<sup>39</sup> revenue as opposed to movie production industry revenue.<sup>40</sup> These revenues are not captured by this analysis, and likely lead to an underestimation of total taxable revenue.

### ***Residential Consumer Spending Patterns***

Nevada's consumer units (generally, households) spend an estimated \$566 annually on entertainment-related fees and admissions. With approximately 792,000 households residing in Nevada,<sup>41</sup> total fee and admission spending by residents was roughly \$448 million in 2001. Fees and admissions spending includes fees for participant sports; admissions to sporting events, movies, concerts, and plays; health, swimming, tennis and country club memberships; fees for other social,

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<sup>36</sup> Please see the *Methodology* subsection in the *Introduction* section, *supra*.

<sup>37</sup> This report presents data classified according to the 1997 North American Industry Classification System (NAICS).

<sup>38</sup> The Economic census documentation notes, however, that when distinct and separate economic activities (for which different industry classification codes were appropriate) were conducted at a single location under a single ownership, separate establishment reports for each of the different activities were obtained in the census. See <http://www.census.gov/epcd/ec97/introgen.htm#purpose>.

<sup>39</sup> NAICS 72112 (Casino Hotels): This industry comprises establishments primarily engaged in providing short-term lodging in hotel facilities with a casino on the premises. The casino on premises includes table-wagering games and may include other gambling activities, such as slot machines and sports betting. These establishments generally offer a range of services and amenities, such as food and beverage services, entertainment, valet parking, swimming pools, and conference and convention facilities.

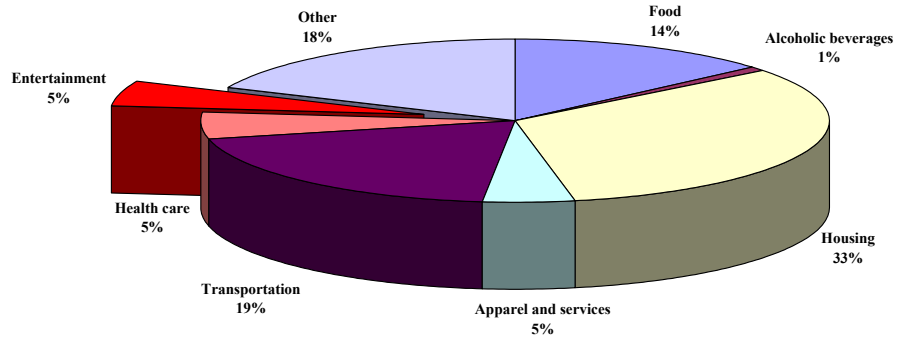
<sup>40</sup> NAICS 51213 (Motion Picture and Video Exhibition): This industry comprises establishments primarily engaged in operating motion picture theaters and/or exhibiting motion pictures or videos at film festivals, and so forth.

<sup>41</sup> Nevada State Demographer population estimates, 2001; U.S. Census Bureau persons per household estimates, 2001. Please see [www.census.gov](http://www.census.gov).

recreational, and fraternal organizations; recreational lessons or instruction; rental of movies, and recreation expenses on trips.<sup>42</sup>

Consumer spending estimates were derived from the U.S. Department of Labor, Bureau of Labor Statistics, *Consumer Expenditure Survey*, 2001.<sup>43</sup> These data were combined with employment earnings data provided by the Nevada Department of Employment, Training and Rehabilitation, and population figures supplied by the Nevada State Demographer’s office. The “top-down” approach described below was used to ensure the revenue estimates remained conservative.

**EXHIBIT 3: DISTRIBUTION OF AVERAGE UNITED STATES CONSUMER UNIT EXPENDITURES  
MAJOR SPENDING CATEGORIES, 2000**



Source: US Department of Labor, *Consumer Expenditure Survey*, 2001.

On average, American consumer units<sup>44</sup> (generally, households) spend \$38,000 each year.<sup>45</sup> Exhibit 3, above, illustrate how these expenditures are distributed across several major spending categories, with entertainment accounting for just over 5

<sup>42</sup> Please see <http://www.bls.gov/cex/csxgloss.htm#enter>.

<sup>43</sup> Please see <http://www.bls.gov/bls/proghome.htm>.

<sup>44</sup> A consumer unit comprises either: (1) all members of a particular household who are related by blood, marriage, adoption, or other legal arrangements; (2) a person living alone or sharing a household with others or living as a roomer in a private home or lodging house or in permanent living quarters in a hotel or motel, but who is financially independent; or (3) two or more persons living together who use their income to make joint expenditure decisions. Financial independence is determined by the three major expense categories: Housing, food, and other living expenses. To be considered financially independent, at least two of the three major expense categories have to be provided entirely, or in part, by the respondent.

<sup>45</sup> US Department of Labor, Bureau of Labor Statistics. Please see <ftp://ftp.bls.gov/pub/special.requests/ce/standard/2000/region.txt>.

percent of the annual total. Exhibit A-2 in the appendix following this text summary provides a detailed set of expenditures by consumer unit.

Spending patterns differ by region.<sup>46</sup> Consumers in the Midwestern States, for example, tend to spend the lowest amounts on food, while consumers in the Western States tend to spend the highest amounts on housing. Aggregate income and spending levels also vary by region. Consumers in the Northeastern States have higher incomes relative to their overall spending levels, where as consumers in the Midwestern States have lower incomes, but spend a higher share of their net earnings.<sup>47</sup>

**EXHIBIT 4: AVERAGE CONSUMER EXPENDITURES  
RESIDENTIAL CONSUMER UNITS IN SELECTED AREAS, 2000<sup>48</sup>**

<b>Spending Category</b>	<b>United States</b>	<b>Western States</b>	<b>Phoenix, Arizona</b>	<b>Nevada<sup>49</sup></b>
Food	\$5,158	\$5,554	\$5,486	\$5,269
Alcoholic beverages	372	449	467	427
Housing	12,319	13,972	13,123	13,296
Apparel and services	1,856	1,945	1,979	1,992
Transportation	7,417	7,943	8,858	7,516
Health care	2,066	2,001	2,168	1,878
Entertainment	1,863	2,021	2,042	2,078
Other	6,994	7,442	7,868	8,321
<b>Total</b>	<b>\$38,045</b>	<b>\$41,327</b>	<b>\$41,991</b>	<b>\$40,779</b>

While it was important to review overall spending trends as an element of this analysis, the more particular focus was on entertainment spending, specifically for fees and admissions in Nevada. Data specific to Nevada was not available through the reports issued by the United State's Bureau of Labor Statistics; as such, national, regional, and comparable jurisdiction data were used as a basis of approximation and to ensure the reasonableness of the estimates generated.

The Western State's average expenditures were used as the basis for estimating Nevada's residential consumer spending.<sup>50</sup> The baseline average income was

<sup>46</sup> Id.

<sup>47</sup> Id.

<sup>48</sup> US Department of Labor, Consumer Expenditure Survey, 2000.

<sup>49</sup> Data on Nevada estimated by adjusting Western State's spending pattern to reflect Nevada's income level.



adjusted to more closely reflect the same in Nevada. The Nevada consumer unit income level was estimated at \$44,042. This figure is approximately six percent lower than the reported Western State's average and reflects the ratio between Nevada's income and the national average as reported by the United States Bureau of Economic Analysis.<sup>51</sup> Expenditures were then recalculated based on their relative share of the adjusted income level. Exhibits A-3 and A-4 in the appendix following the text summary provide a detailed overview of consumer spending as reported for the Western United States and as estimated for the State of Nevada.

Again, the primary focus of this analysis was to estimate consumer spending on fees and admissions. Applying the analysis above, Nevada's households spend approximately \$566 annually on entertainment-related fees and admission. Given estimates of population and household density factors provided by the Nevada State Demographer's Office, total spending on fees and admission was approximately \$448 million in 2001.<sup>52</sup>

The primary limitation of this analysis is that it includes only spending by residential consumers.<sup>53</sup> Visitors to Nevada make up a formidable consumer group, and omitting them from this analysis would tend to materially underestimate the revenue productivity of an admissions and amusement tax. Estimates of the tax base that created by these non-resident consumers is provided in the *Visitor Spending* section, below.

### **Income and Expenditure Regressivity**

A discussion of consumer spending patterns would be incomplete without some treatment of regressivity. Generally, fiscal systems strive to achieve "vertical equity." Vertical equity is present where increases in income and/or spending are not coupled with decreases in a taxpayer's relative tax burden. Where poor residents carry greater burdens, the system or levy is said to be regressive. Where the opposite situation exists, the system or levy is said to be progressive.

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<sup>50</sup> Western States included Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. *See also* <ftp://ftp.bls.gov/pub/special.requests/ce/standard/2000/region.txt>.

<sup>51</sup> Please see <http://www.bea.doc.gov/bea/regional/reis/>

<sup>52</sup> Nevada's population in 2001 was estimated at 2.08 million. Nevada State Demographer, May 2002. Nevada's persons per household were estimated at 2.62. U.S. Census Bureau, Nevada Quick Facts, June 2002. Total number of households was estimated at 792,610.

<sup>53</sup> Other limitations include the fact that fee and admission expenditures include "recreation expenses on trips." Please see the *Methodology* subsection, *supra*.

Regressivity is generally measured by looking at changes in spending patterns between high-income and low-income consumer groups. Our analysis looked at Western States consumers with annual incomes between \$10,000 and \$20,000 and those with annual incomes above \$70,000. These groups were selected because they each represented approximately 20 percent of the consumers surveyed by the US Department of Labor, *Consumer Expenditure Survey*.<sup>54</sup> Both income and expenditure regressivity measures were calculated, these analyses are summarized in Exhibits A-5 and A-6 in the appendix following this summary.

Because this analysis is specific to a transaction tax on admissions and amusement spending, expenditure regressivity is the most salient issue. Total spending for consumer units reporting incomes between \$10,000 and \$20,000 was \$24,300 in 2000.<sup>55</sup> Total spending for consumer units with incomes above \$70,000 was \$82,707 during the same period.<sup>56</sup> Admissions and amusement spending for these two groups averaged \$262 and \$1,313 respectively.<sup>57</sup> This represented 1.1 percent of the lower income groups total annual expenditures and 1.6 percent of the higher income groups total expenditures.

Expenditure regressivity can be measured by looking at the changes in consumer spending patterns at each income level. The difference in average total spending was 240 percent, while the difference in admissions and amusement spending was 402 percent. That is to say that every 1.0 percent increase in total spending was accompanied by a 1.7 percent increase in admissions and amusement spending. Thus, admissions and amusement spending appears to have a “progressive” pattern, where those consumers with the ability to spend more bear a greater relative tax burden.

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<sup>54</sup> US Department of Labor, *Consumer Expenditure Survey*, 2000.

<sup>55</sup> We note that average expenditures for this category exceed average income by nearly \$10,000 annually. This is largely the result of credit spending, spending of income reported from a prior period, and transfers of wealth via public assistance and other programs. US Department of Labor, April 2002.

<sup>56</sup> We note that average expenditures for this category were exceeded by total income by \$35,000. The balances of these expenditures were likely placed in savings or other non-reported investment instruments. US Department of Labor, April 2002.

<sup>57</sup> US Department of Labor, *Consumer Expenditure Survey*, 2000.

## *Visitor Spending*

Nevada welcomes more than 48 million visitors each year.<sup>58</sup> On a full time equivalency basis, these visitors account for roughly than 18 percent of the state's population. They represent a substantial portion of the state's economy and its public revenues.

Data provided by the Las Vegas Convention and Visitors Authority and the Reno-Sparks Convention and Visitors Authority suggest that non-gaming visitor expenditures statewide total more than \$27.8 billion each year.<sup>59</sup> Exhibit 5, on the following page, illustrates these expenditures by spending category.

The question raised by this analysis is: *which of these expenditures would be subject to an admissions and amusement tax?* Spending on shows, sightseeing, entertainment and special events account for 8.4 percent of all reported visitor spending, or \$2.3 billion annually.<sup>60</sup> Of this total, 93 percent is attributable to expenditures in Southern Nevada.

The limitations of these data and analyses are provided in the *Methodology* subsection above. We note in that discussion our concern that the survey-based data reported may overstate spending in some categories. There are no readily available means of validating the estimates of shows and sightseeing spending per visitor or per trip, however, a review of other spending categories where alternative and independent sources are available would indicate aggressive estimates of visitor spending resulting from survey limitations. It is important to note that if similar trends are present in admissions and amusement spending categories, the tax base estimates may be overstated.

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<sup>58</sup> Nevada Commission on Tourism. Research Department. April 2002.

<sup>59</sup> Las Vegas Convention and Visitors Authority, *Visitor Profile Study*, 2001; Reno-Sparks Convention and Visitors Authority, *1999 Visitor Profile Study*, 1999.

<sup>60</sup> Expenditures not included in this analysis are those for food, drink, shopping, lodging, and recreation.

**EXHIBIT 5: VISITOR EXPENDITURES  
CATEGORIES BY REGION, 2001<sup>67</sup>**

Non-Gaming Expenditures per Visitors <sup>64</sup>	Regions and Estimated Visitor Volumes						
	Clark County <sup>61</sup> 35,017,317		Washoe County <sup>62</sup> 5,008,504		Other <sup>63</sup> 8,428,493		Totals
Food & drink	\$213.17	\$7,464,641,465	\$99.00	\$495,841,896	n/a	n/a	\$7,960,483,361
Transportation	61.62	2,157,767,074	n/a	n/a	n/a	n/a	\$2,157,767,074
Shopping	106.75	3,738,098,590	85.00	425,722,840	n/a	n/a	\$4,163,821,430
<b>Shows</b>	<b>45.54</b>	<b>1,594,688,616</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$1,594,688,616</b>
<b>Sightseeing</b>	<b>17.40</b>	<b>609,301,316</b>	<b>6.00</b>	<b>30,051,024</b>	<b>n/a</b>	<b>n/a</b>	<b>\$639,352,340</b>
<b>Shows and entertainment</b>	<b>n/a</b>	<b>n/a</b>	<b>21.00</b>	<b>105,178,584</b>	<b>n/a</b>	<b>n/a</b>	<b>\$105,178,584</b>
Hotel/motel room	307.22	10,758,160,198	80.00	400,680,320	n/a	n/a	\$11,158,840,518
Recreation	n/a	n/a	3.00	15,025,512	n/a	n/a	\$15,025,512
<b>Special events</b>	<b>n/a</b>	<b>n/a</b>	<b>2.00</b>	<b>10,017,008</b>	<b>n/a</b>	<b>n/a</b>	<b>\$10,017,008</b>
<b>Total Spending<sup>65</sup></b>	<b>\$751.70</b>	<b>\$26,322,657,258</b>	<b>\$296.00</b>	<b>\$1,457,474,664</b>	<b>n/a</b>	<b>n/a</b>	<b>\$27,805,174,442</b>
<b>Total Admissions and Amusement Spending<sup>66</sup></b>	<b>\$62.94</b>	<b>\$2,203,989,932</b>	<b>\$29.00</b>	<b>\$145,246,616</b>	<b>n/a</b>	<b>n/a</b>	<b>\$2,349,236,548</b>

<sup>61</sup> We note concern that spending estimates reported by the Las Vegas Convention and Visitors authority may tend to over estimate the total volume of transactions. Please see the *Methodology* subsection, supra. This analysis is not intended to be disparaging the Authority in anyway. Its research staff were helpful in this analysis are more than qualified. Rather, the commentary provided is specific to the data's limitations.

<sup>62</sup> Visitor expenditures reported for 1999. To be conservative, we have not inflated these values to 2001 dollars.

<sup>63</sup> Nevada Commission on Tourism estimates that visitor volume in the balance of the state is 8.4 million. There is no information on expenditures made by these visitors. To be conservative, we have made no assumption as to the spending contribution made by these visitors.

<sup>64</sup> Gaming expenditures have been excluded from this analysis.

<sup>65</sup> Totals may not sum to 100 percent due to rounding.

<sup>66</sup> Id.

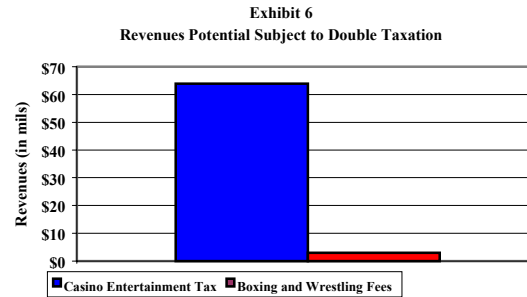
<sup>67</sup> Las Vegas Convention and Visitors Authority, *Visitor Profile Study*, 2001; Reno-Sparks Convention and Visitors Authority, *1999 Visitor Profile Study*, 1999.

## ESTIMATED REVENUES OF REPLACED SOURCES

Some admissions and amusement transactions are already subject to a levy within the State of Nevada. Specifically, transactions that are subject to Nevada's Casino Entertainment Tax<sup>68</sup> and Boxing and Wrestling Fees<sup>69</sup> would suffer from "double taxation" if an admissions and amusement tax were to be levied. As such, the NTA has asked that AA remove these revenues from the fiscal system for analysis purposes.

The Casino Entertainment Tax<sup>70</sup> is a 10 percent levy on the total sales of merchandise, food, refreshments, and charges for admission in areas where entertainment is provided. In fiscal year 2001, the tax generated \$64 million, or had a taxable base of \$639 million.<sup>71</sup> There are several exemptions to this levy that limit its application and comparability to the admissions and amusement tax.<sup>72</sup>

The state's Boxing and Wrestling Fees<sup>73</sup> generated \$3.0 million in fiscal year 2001.<sup>74</sup> These fees are levied on the total gross receipts and proceeds from the sale, lease, or other exploitation on television including closed circuit telecast. Amateur contests or exhibitions or any contest or exhibition participated by a school, college, or university are specifically exempt.<sup>75</sup>



<sup>68</sup> Nevada Revised Statutes 463.401. Enacted 1965.

<sup>69</sup> Nevada Revised Statutes 467. Enacted 1941.

<sup>70</sup> Nevada Revised Statutes 463.401. Enacted 1965.

<sup>71</sup> Nevada Department of Taxation, April, 2002.

<sup>72</sup> Exemptions include licensees with not more than 50 slot machines or not more than 5 games within those limits, or if no alcoholic beverage is served or permitted to be consumed; only light refreshments are served; no charge for dancing where space is provided; music if instrumental or other music supplied without any charge to the owner, lessee or operator to an concessionaire; or mechanical music. Nevada Department of Taxation; *see also* Nevada Taxpayers Association, *Nevada Tax Facts*, 2001. It is also noteworthy that the tax is applied to venues with more than 2,700 seats. The Casino Entertainment tax also cannot be segregated by the expenditure giving rise to its collection.

<sup>73</sup> Nevada Revised Statutes 467. Enacted 1941.

<sup>74</sup> Nevada Department of Taxation, April, 2002.

<sup>75</sup> Other exemptions include exhibitions of oriental unarmed self-defense in which no dangerous blow is intended to be struck. *See also* Nevada Taxpayers Association, *Nevada Tax Facts*, 2001.

## ANALYSIS OF RATE AND REVENUE PRODUCTION

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### *Rate Required to Offset Replaced Sources*

The first step in an analysis of rate and revenue production is to determine the tax rate necessary to offset the revenue that would be eliminated in an effort to avoid double taxation.<sup>82</sup> Exhibit 7

(right) illustrates that a mid scenario tax rate of approximately 3.7 percent would be required to replace the \$67 million in lost revenues.

This rate merely maintains the status quo. It does not generate any additional revenues; however, it would expand the tax base and add stability to the overall fiscal system. The subsection that follows looks at the revenue productivity of the levy at different rates and marginal thresholds.

**EXHIBIT 7: BASELINE RATE REQUIRED TO OFFSET LOST REVENUES  
HIGH, MID AND LOW SCENARIO ESTIMATES, 2001<sup>76</sup>**

<b>Replaced Revenues</b>	
Casino Entertainment Tax <sup>77</sup>	\$63,919,196
Boxing and Wrestling Fees <sup>78</sup>	<u>3,037,305</u>
Total Replaced Revenues	66,956,501
<b>Transaction Tax Bases</b>	
High Scenario <sup>79</sup>	\$2,797,853,826
<b>Mid Scenario<sup>80</sup></b>	<b>1,818,372,413</b>
Low Scenario <sup>81</sup>	838,891,000
<b>Rates Required to Offset Losses</b>	
High Scenario	2.4%
<b>Mid Scenario</b>	<b>3.7%</b>
Low Scenario	8.0%

### *Revenue Productivity*

Revenue productivity is reviewed from two vantage points: 1) rate increments and 2) revenue thresholds. Rate increments focus on the revenue productivity at different tax rates (i.e., revenue produced per 0.25 percent levy imposed), while revenue

<sup>76</sup> Figures may not sum to 100 percent due to rounding.

<sup>77</sup> Fiscal year 2001 collections estimates, based on data provided by the Nevada Department of Taxation. *See also* NRS 463.401.

<sup>78</sup> Fiscal year 2001 collections estimates, based on data provided by the Nevada Department of Taxation. *See also* NRS 467.

<sup>79</sup> High scenario is based on estimates of resident and visitor spending. *See Estimates of Amusements and Admissions Spending, supra.*

<sup>80</sup> Mid scenario is the midpoint between the bases estimated via a review of business receipts and that of resident and visitor spending patterns. *See Estimates of Amusements and Admissions Spending, supra.*

<sup>81</sup> Low scenario is based on estimates of business receipts for selected industry groups. *See Estimates of Amusements and Admissions Spending, supra.*

<sup>82</sup> Please see *Estimated Revenues of Replaced Sources, supra.*

thresholds estimate the rate required to meet certain revenue requirements (i.e., the rate required to generate \$100 million in revenue). This analysis is not intended to be a recommendation; but rather, it is provided as a point of general reference. Exhibits 8 and 9, below and on the following page, summarize the findings of this analysis.

**EXHIBIT 8: ADMISSIONS AND AMUSEMENT TAX REVENUE PRODUCTIVITY  
HIGH, MID AND LOW SCENARIOS BY REVENUE THRESHOLD, 2001<sup>83</sup>**

<b>Tax Rate</b>	<b>High Scenario<sup>84</sup></b>	<b>Mid Scenario<sup>85</sup></b>	<b>Low Scenario<sup>86</sup></b>
0.25%	\$6,990,000	<b>\$4,550,000</b>	\$2,100,000
0.50%	13,990,000	<b>9,090,000</b>	4,190,000
0.75%	20,980,000	<b>13,640,000</b>	6,290,000
1.00%	27,980,000	<b>18,180,000</b>	8,390,000
1.50%	41,970,000	<b>27,280,000</b>	12,580,000
2.00%	55,960,000	<b>36,370,000</b>	16,780,000
2.50%	69,950,000	<b>45,460,000</b>	20,970,000
3.00%	83,940,000	<b>54,550,000</b>	25,170,000
3.50%	97,920,000	<b>63,640,000</b>	29,360,000
4.00%	111,910,000	<b>72,730,000</b>	33,560,000
4.50%	125,900,000	<b>81,830,000</b>	37,750,000
5.00%	139,890,000	<b>90,920,000</b>	41,940,000
6.00%	167,870,000	<b>109,100,000</b>	50,330,000
7.00%	195,850,000	<b>127,290,000</b>	58,720,000
8.00%	223,830,000	<b>145,470,000</b>	67,110,000
9.00%	251,810,000	<b>163,650,000</b>	75,500,000
10.00%	279,790,000	<b>181,840,000</b>	83,890,000

<sup>83</sup> Figures have been rounded to the nearest \$10,000.

<sup>84</sup> High scenario is based on estimates of resident and visitor spending. *See Estimates of Amusements and Admissions Spending, supra.*

<sup>85</sup> Mid scenario is the midpoint between the bases estimated via a review of business receipts and that of resident and visitor spending patterns. *See Estimates of Amusements and Admissions Spending, supra.*

<sup>86</sup> Low scenario is based on estimates of business receipts for selected industry groups. *See Estimates of Amusements and Admissions Spending, supra.*

**EXHIBIT 9: ADMISSIONS AND AMUSEMENT TAX RATES AT VARIABLE REVENUE THRESHOLDS  
HIGH, MID AND LOW SCENARIOS BY REVENUE THRESHOLD, 2001**

<b>Revenue Threshold</b>	<b>High Scenario<sup>87</sup></b>	<b>Mid Scenario<sup>88</sup></b>	<b>Low Scenario<sup>89</sup></b>
\$1,000,000	0.04%	<b>0.05%</b>	0.12%
\$5,000,000	0.18%	<b>0.27%</b>	0.60%
\$10,000,000	0.36%	<b>0.55%</b>	1.19%
\$25,000,000	0.89%	<b>1.37%</b>	2.98%
\$50,000,000	1.79%	<b>2.75%</b>	5.96%
\$100,000,000	3.57%	<b>5.50%</b>	11.92%
\$150,000,000	5.36%	<b>8.25%</b>	17.88%
\$250,000,000	8.94%	<b>13.75%</b>	29.80%
\$300,000,000	10.72%	<b>16.50%</b>	35.76%
\$500,000,000	17.87%	<b>27.50%</b>	59.60%

<sup>87</sup> High scenario is based on estimates of resident and visitor spending. *See Estimates of Amusements and Admissions Spending, supra.*

<sup>88</sup> Mid scenario is the midpoint between the bases estimated via a review of business receipts and that of resident and visitor spending patterns. *See Estimates of Amusements and Admissions Spending, supra.*

<sup>89</sup> Low scenario is based on estimates of business receipts for selected industry groups. *See Estimates of Amusements and Admissions Spending, supra.*



## **SUPPLEMENTAL ANALYSIS: ADMISSIONS AND AMUSEMENT TAXES IN OTHER JURISDICTIONS**

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In the course of preparing the estimates provided in the preceding sections of this report, AA also reviewed admissions and amusement taxes in other jurisdictions. This was not a comprehensive review, but was a supplemental information gathering exercise that was intended for internal purposes. Discussions with the NTA suggested that these data might be useful; thus, they were included as a supplement. Exhibit 10 on the following page summarizes the data collected.

Representatives from selected jurisdictions were interviewed to better understand how similar levies function and whether their respective policy objectives were met. Additionally, the State of Ohio also prepared a summary of admissions taxation in 13 states. That analysis was also obtained and its finding included in the comparative summary.<sup>90</sup>

Some jurisdictions for which data was available included estimates of the revenue producing capacities as well as tax bases. While each tax was unique, this information provided a valuable comparison to the broad theoretical levy analyzed herein. Most notable was the fact that jurisdictions imposing an admissions and amusement tax tended to generate only moderate revenues from the source.

One example is the State of Florida, which generates \$346 million annually from \$6.3 billion in admissions spending.<sup>91</sup> Florida's admissions spending is roughly \$370 per capita. By comparison, the mid-scenario estimate for Nevada is \$860 per person. At first blush it appears as though the local estimate may be overly aggressive, particularly considering both economies reliance on tourism. A closer look, however, provides some additional perspective. Florida welcomes approximately 70 million visitors each year;<sup>92</sup> Nevada's welcomes 48 million visitors.<sup>93</sup> In per capita terms, Florida reports 4.3 visitors per person. In Nevada, visitors per capita are 22.8. Obviously, the per capita benefits derived from visitor spending in Nevada are substantially greater than those in Florida.

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<sup>90</sup> Please see [http://www.state.oh.us/tax/business\\_startup\\_btg.html](http://www.state.oh.us/tax/business_startup_btg.html)

<sup>91</sup> Florida Department of Revenue, 2001.

<sup>92</sup> Visit Florida, Research Department Interview, June 2002.

<sup>93</sup> Nevada Commission on Tourism.

While much of the state-to-state variation can be explained by similar differences in exemptions, rates, and demographics, the NTA may want to look further into this issue before it concludes its review and analysis of this topic.

## EXHIBIT 10: ADMISSIONS AND AMUSEMENT TAXES IN OTHER JURISDICTIONS

State	Levy	Notes
California	Admissions exempt from retail sales tax	No special admissions tax and admissions are exempt from sales taxes.
Connecticut	Admissions tax	An admissions tax of 8 percent of the admissions charge to motion picture shows. Effective July 1, 2001, the rate is reduced to 6 percent. The admissions tax is 10 percent of the admission charge to any other place of amusement, entertainment or recreation. Dues tax of 10 percent of membership dues or initiation fees to any social, athletic or sporting club organization. In 2001, the tax generated \$26 million. There are 155 admissions tax payers and 180 dues taxpayers. Please see <a href="http://www.drs.state.ct.us/annualreport.htm">http://www.drs.state.ct.us/annualreport.htm</a> .
Florida	Admissions subject to retail sales tax.	Admissions are subject to sales tax only. Gross "admissions" sales in Florida were \$6.3 billion, or \$386 per capita.
Illinois	Admissions tax	Admissions tax varies among municipalities highest rate currently in effect is 7 percent.
Indiana	Admissions tax	Counties may authorize the tax. Tax rates and base varies.
Kentucky	Admissions subject to retail sales tax.	Admissions are subject to sales tax only.
Maryland	Admissions and amusement tax	The admissions and amusement tax is a local tax collected by the Comptroller's Office for Maryland's counties, Baltimore City and other incorporated cities and towns. It is imposed on the gross receipts from admissions, the use or rental of recreational or sports equipment and the sale of merchandise, refreshments or services at a nightclub or similar place where entertainment is provided. Reportedly the tax base in Maryland is roughly \$500 million per year, and the tax generates \$50 to \$60 million annually. Rates vary in Maryland by jurisdiction.
Michigan	Admissions exempt from retail sales tax	No special admissions tax and admissions are exempt from sales taxes.
New Jersey	Admissions tax	Admissions tax subject to sales tax and local admissions tax. The state sales tax rate is 6 percent and the highest admissions rate is 3 percent - This give the combined rate of 9 percent.
New York	Admissions subject to retail sales tax.	Admissions are subject to sales tax only.
Ohio	Admission excise taxes	Although there is no state tax on admissions, a number of municipalities levy a tax on admissions to theaters, sporting events, and other places of amusement. During calendar year 1997, 55 municipalities levied an admissions tax. Operators of movie theaters and other places of amusement for which there is an admission charge pay the tax. Collections in 1999 totaled \$18.3 million. Most rates are 3 percent or less.
Pennsylvania	Admissions tax	Admissions taxes vary among municipalities. Maximum rate is 5 percent of admission price.
South Carolina	Admissions tax	If you operate a place of amusement in South Carolina, the entry or admission fee or the cost to use the place of amusement is subject to a tax. This tax is known as the "admissions tax." The tax is 5 percent of the admissions price. A list of taxable and exempt items is available at <a href="http://www.sctax.org/publications/admissguid99.html">http://www.sctax.org/publications/admissguid99.html</a> .
Texas	Admissions subject to retail sales tax.	Admissions are subject to sales tax only.
West Virginia	Admissions subject to retail sales tax.	Admissions are subject to sales tax only.

This is a draft document. It is intended for review and discussion purposes only.



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## **APPENDIX A: EXHIBITS**

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This is a draft document. It is intended for review and discussion purposes only.



**Exhibit A-1**  
**Summary Review of Admissions and Amusement Spending**  
**Spending by NAICS Category for the United States and Nevada**  
**Including Assessments of Inclusion or Exclusion of Each Category, Based on 1997 Unadjusted Estimates**

Description	Analysis Taxability Status	Total Spending		Nevada as a Percentage of United States
		United States (in \$1,000s)	State of Nevada (in \$1000's)	
<b>Performing Arts, Spectator Sports, &amp; Related Industries</b>				
Performing Arts Companies				
Theater Companies & Dinner Theaters				
Opera Companies	<b>Taxable</b>	n/a	0	n/a
Theater Companies	<b>Taxable</b>	2,043,181	n/a	n/a
Dinner Theaters	<b>Taxable</b>	<u>n/a</u>	<u>n/a</u>	n/a
Total Theater Companies	<b>Taxable</b>	2,344,240	37,295	
Dance Companies	<b>Taxable</b>	109,384	0	0.00%
Musical Groups & Artists				
Symphony Orchestras & Chamber Music Organizations	<b>Taxable</b>	40,022	n/a	n/a
Other Music Groups & Artists	<b>Taxable</b>	<u>2,132,475</u>	<u>n/a</u>	n/a
Total Musical Groups & Artists		2,172,497	47,019	n/a
Other Performing Arts Companies				
Circuses	<b>Taxable</b>	268,351	n/a	n/a
Other Performing Arts Companies (Except Circuses)	<b>Taxable</b>	<u>377,070</u>	<u>n/a</u>	n/a
Total Other Performing Arts Companies		645,421	41,858	6.49%
Total Performing Arts Companies		5,271,542	126,172	2.39%

**Exhibit A-1**  
**Summary Review of Admissions and Amusement Spending**  
**Spending by NAICS Category for the United States and Nevada**  
**Including Assessments of Inclusion or Exclusion of Each Category, Based on 1997 Unadjusted Estimates**

Description	Analysis Taxability Status	Total Spending		Nevada as a Percentage of United States
		United States (in \$1,000s)	State of Nevada (in \$1000's)	
Spectator Sports				
Sports Teams & Clubs				
Football Clubs	<b>Taxable</b>	2,503,339	0	0.00%
Baseball Clubs	<b>Taxable</b>	2,296,558	5,937	0.26%
Other Professional Sports Clubs	<b>Taxable</b>	<u>3,008,787</u>	<u>2,309</u>	<u>0.08%</u>
Total Sports Teams & Clubs		7,808,684	8,246	0.11%
Racetracks				
Dog Racetrack Operation	<b>Taxable</b>	796,069	0	0.00%
Auto Racetrack Operation	<b>Taxable</b>	897,600	4,564	0.51%
Horse Racetrack Operation	<b>Taxable</b>	<u>2,448,351</u>	<u>0</u>	<u>0.00%</u>
Total Racetracks		4,142,020	4,564	0.11%
Other Spectator Sports	<b>Taxable</b>	1,705,329	0	0.00%
Professional Athletes	<b>Taxable</b>	302,751	n/a	n/a
Racing (Except Racetrack Operation)	<b>Taxable</b>	<u>1,402,578</u>	<u>n/a</u>	<u>n/a</u>
Total Other Spectator Sports		1,705,329	21,296	1.25%
Total Spectator Sports		<b>13,656,033</b>	<b>47,181</b>	0.35%

**Exhibit A-1**  
**Summary Review of Admissions and Amusement Spending**  
**Spending by NAICS Category for the United States and Nevada**  
**Including Assessments of Inclusion or Exclusion of Each Category, Based on 1997 Unadjusted Estimates**

Description	Analysis Taxability Status	Total Spending		Nevada as a Percentage of United States
		United States (in \$1,000s)	State of Nevada (in \$1000's)	
Promoters Of Performing Arts, Sports, & Similar Events				
Promoters Of Performing Arts, Sports, & Similar Events W/Facility	<b>Exempt</b>	1,548,106	2,779	0.18%
Promoters Of Performing Arts, Sports, & Similar Events W/O Facil	<b>Exempt</b>	<u>3,496,987</u>	<u>13,476</u>	0.39%
Total Promoters Of Performing Arts, Sports & Similar Events		<b>5,045,093</b>	<b>16,255</b>	0.32%
Agents/Managers For Artists, Athletes, & Other Public Figures	<b>Exempt</b>	<b>2,409,918</b>	<b>15,407</b>	0.64%
Independent Artists, Writers, & Performers	<b>Exempt</b>	<b>6,361,000</b>	<b>112,333</b>	1.77%
<b>Total Performing Arts, Spectator Sports, &amp; Related Industries</b>		<b>32,743,586</b>	<b>318,249</b>	0.97%
<b>Taxable Total Performing Arts, Spectator Sports, &amp; Related Industries</b>		<b>18,927,575</b>	<b>174,254</b>	0.92%
<b>Museums, Historical Sites, &amp; Similar Institutions</b>				
Museums	<b>Exempt</b>	259,215	n/a	n/a
Historical Sites	<b>Exempt</b>	27,462	n/a	n/a
Zoos & Botanical Gardens	<b>Exempt</b>	96,915	0	0.00%
Nature Parks & Other Similar Institutions	<b>Exempt</b>	<u>100,091</u>	<u>0</u>	0.00%
<b>Total Museums, Historical Sites, &amp; Similar Institutions</b>		<b>483,683</b>	<b>1,497</b>	0.31%
<b>Taxable Museums, Historical Sites, &amp; Similar Institutions</b>		<b>0</b>	<b>0</b>	n/a

**Exhibit A-1**  
**Summary Review of Admissions and Amusement Spending**  
**Spending by NAICS Category for the United States and Nevada**  
**Including Assessments of Inclusion or Exclusion of Each Category, Based on 1997 Unadjusted Estimates**

Description	Analysis Taxability Status	Total Spending		Nevada as a Percentage of United States
		United States (in \$1,000s)	State of Nevada (in \$1000's)	
<b>Amusement, Gambling, &amp; Recreation Industries</b>				
Amusement Parks & Arcades		8,418,476	0	0.00%
Amusement & Theme Parks				
Waterparks	<b>Taxable</b>	342,958	n/a	n/a
Amusement Parks (Except Waterparks)	<b>Taxable</b>	<u>6,828,719</u>	<u>20,850</u>	0.31%
Total Amusement & Theme Parks		7,171,677	20,850	0.29%
Amusement Arcades	<b>Pending Review</b>	1,246,799	n/a	n/a
Amusement Parks & Arcades		<b>8,418,476</b>	<b>102,865</b>	1.22%
Gambling Industries				
Casinos (Except Casino Hotels)	<b>Exempt</b>	10,186,070	579,779	5.69%
Other Gambling Industries				
Slot Machine Operators	<b>Exempt</b>	1,618,475	n/a	n/a
Lottery, Bingo, Bookie, & Other Betting Operation	<b>Exempt</b>	<u>3,737,024</u>	<u>n/a</u>	n/a
Total Other Gambling Industries		5,355,499	368,909	6.89%
Total Gambling Industries		<b>15,541,569</b>	<b>948,688</b>	6.10%



**Exhibit A-1**  
**Summary Review of Admissions and Amusement Spending**  
**Spending by NAICS Category for the United States and Nevada**  
**Including Assessments of Inclusion or Exclusion of Each Category, Based on 1997 Unadjusted Estimates**

Description	Analysis Taxability Status	Total Spending		Nevada as a Percentage of United States
		United States (in \$1,000s)	State of Nevada (in \$1000's)	
Other Amusement & Recreation Services				
Golf Courses & Country Clubs	<b>Taxable</b>	8,636,921	136,286	1.58%
Skiing Facilities	<b>Taxable</b>	1,340,813	8,454	0.63%
Marinas	<b>Taxable</b>	2,541,481	16,437	0.65%
Fitness & Recreational Sports Centers	<b>Taxable</b>	7,944,954	68,031	0.86%
Bowling Centers	<b>Taxable</b>	2,820,685	4,245	0.15%
All Other Amusement & Recreation Industries	<b>Taxable</b>	<u>4,616,296</u>	<u>62,749</u>	1.36%
Other Amusements & Recreation Centers		<b>27,901,150</b>	<b>296,202</b>	1.06%
<b>Total Amusement, Gambling, &amp; Recreation Industries</b>		<b>51,861,195</b>	<b>1,347,755</b>	2.60%
<b>Taxable Amusement, Gambling, &amp; Recreation Industries</b>		<b>36,319,626</b>	<b>399,067</b>	1.10%
<b>TOTAL ADMISSIONS, AMUSEMENTS AND ENTERTAINMENT SPENDING</b>		<b>85,088,464</b>	<b>1,667,501</b>	1.96%
<b>TAXABLE ADMISSIONS, AMUSEMENTS AND ENTERTAINMENT SPENDING</b>		<b>55,247,201</b>	<b>573,321</b>	1.04%
<b>Publishing Industries</b>				
Newspaper, Periodical, Book, & Database Publishers				
Newspaper Publishers	<b>Exempt</b>	41,601,011	286,785	0.69%
Periodical Publishers	<b>Exempt</b>	29,884,807	33,311	0.11%
Book Publishers	<b>Exempt</b>	22,648,251	15,979	0.07%
Database & Directory Publishers	<b>Exempt</b>	12,258,101	n/a	n/a
Other Publishers				
Greeting Card Publishers	<b>Exempt</b>	5,338,986	n/a	n/a
All Other Publishers	<b>Exempt</b>	<u>5,604,847</u>	<u>n/a</u>	n/a
Total Other Publishers		10,943,833	n/a	n/a

**Exhibit A-1**  
**Summary Review of Admissions and Amusement Spending**  
**Spending by NAICS Category for the United States and Nevada**  
**Including Assessments of Inclusion or Exclusion of Each Category, Based on 1997 Unadjusted Estimates**

Description	Analysis Taxability Status	Total Spending		Nevada as a Percentage of United States
		United States (in \$1,000s)	State of Nevada (in \$1000's)	
Total Newspaper, Periodical, Book, & Database Publishers		117,336,003	355,488	0.30%
Software Publishers	<b>Exempt</b>	61,699,420	39,176	0.06%
<b>Total Publishing Industries</b>		<b>179,035,423</b>	<b>394,664</b>	0.22%
Taxable Publishing Industries		<b>0</b>	<b>0</b>	n/a
<b>Motion Picture &amp; Sound Recording Industries</b>				
Motion Picture & Video Industries				
Motion Picture & Video Production				
Motion Picture Production (Except For Television)	<b>Exempt</b>	10,040,215	17,579	0.18%
Motion Picture & Video Production For Television	<b>Exempt</b>	<u>10,111,876</u>	<u>14,210</u>	0.14%
Total Motion Picture & Video Production		20,152,091	31,789	0.16%
Motion Picture & Video Distribution				
Motion Picture Film Exchanges	<b>Exempt</b>	9,211,872	n/a	n/a
Film Or Tape Distribution For Television	<b>Exempt</b>	<u>3,296,789</u>	<u>n/a</u>	n/a
Total Motion Picture & Video Distribution		12,508,661	n/a	n/a
Motion Picture & Video Exhibition				
Motion Picture Theaters (Except Drive-Ins)	<b>Taxable</b>	7,486,977	n/a	n/a
Drive-In Motion Picture Theaters	<b>Taxable</b>	<u>110,342</u>	<u>n/a</u>	n/a
Total Motion Picture & Video Exhibition		7,597,319	56,156	0.74%
Postproduction & Other Motion Picture & Video Industries				
Teleproduction & Other Postproduction Services	<b>Exempt</b>	3,684,397	n/a	n/a
Other Motion Picture & Video Industries	<b>Exempt</b>	<u>843,184</u>	<u>n/a</u>	n/a

**Exhibit A-1**  
**Summary Review of Admissions and Amusement Spending**  
**Spending by NAICS Category for the United States and Nevada**  
**Including Assessments of Inclusion or Exclusion of Each Category, Based on 1997 Unadjusted Estimates**

Description	Analysis Taxability Status	Total Spending		Nevada as a Percentage of United States
		United States (in \$1,000s)	State of Nevada (in \$1000's)	
Total Postproduction & Other Motion Picture & Video Industries		4,527,581	9,548	0.21%
Total Motion Picture & Video Industries		44,785,652	102,837	0.23%
Sound Recording Industries				
Record Production	Exempt	182,369	n/a	n/a
Integrated Record Production/Distribution	Exempt	8,735,863	n/a	n/a
Music Publishers	Exempt	1,368,407	1,959	0.14%
Sound Recording Studios	Exempt	540,601	n/a	n/a
Other Sound Recording Industries	Exempt	<u>312,641</u>	<u>n/a</u>	n/a
Total Sound Recording Industries		11,139,881	9,548	0.09%
<b>Total Motion Picture &amp; Sound Recording Industries</b>		<b>55,925,533</b>	<b>108,559</b>	0.19%
<b>Taxable Motion Picture &amp; Sound Recording Industries</b>		<b>7,597,319</b>	<b>56,156</b>	0.74%
<b>Broadcasting &amp; Telecommunications</b>				
Radio & Television Broadcasting				
Radio Broadcasting				
Radio Networks	Exempt	851,348	1,927	0.23%
Radio Stations	Exempt	<u>9,796,786</u>	<u>62,402</u>	0.64%
Total Radio Broadcasting		10,648,134	64,329	0.60%
Television Broadcasting	Exempt	29,777,076	166,058	0.56%
Total Radio & Television Broadcasting		40,425,210	230,387	0.57%
Cable Networks & Program Distribution				

**Exhibit A-1**  
**Summary Review of Admissions and Amusement Spending**  
**Spending by NAICS Category for the United States and Nevada**  
**Including Assessments of Inclusion or Exclusion of Each Category, Based on 1997 Unadjusted Estimates**

Description	Analysis Taxability Status	Total Spending		Nevada as a Percentage of United States
		United States (in \$1,000s)	State of Nevada (in \$1000's)	
Cable Networks	Pending Review	10,389,609	n/a	n/a
Cable & Other Program Distribution	Pending Review	<u>34,999,969</u>	<u>n/a</u>	n/a
Total Cable Networks & Program Distribution		45,389,578	275,630	0.61%
Telecommunications				
Wired Telecommunications Carriers	Exempt	208,790,552	649,640	0.31%
Wireless Telecommunications Carriers (Except Satellite)				
Paging	Exempt	16,970,204	208,502	1.23%
Cellular & Other Wireless Telecommunications	Exempt	<u>20,918,658</u>	<u>4,878</u>	0.02%
Total Wireless Telecommunications Carriers (Except Satellite)		37,888,862	213,380	0.56%
Telecommunications Resellers	Exempt	7,592,298	166,327	2.19%
Satellite Telecommunications	Exempt	5,096,182	n/a	n/a
Other Telecommunications	Exempt	<u>1,133,004</u>	<u>n/a</u>	n/a
Total Telecommunications		260,500,898	1,029,347	0.40%
<b>Total Broadcasting &amp; Telecommunications</b>		<b>346,315,686</b>	<b>1,535,364</b>	<b>0.44%</b>
<b>Taxable Broadcasting &amp; Telecommunications</b>		<b>0</b>	<b>0</b>	<b>n/a</b>
<b>Information Services &amp; Data Processing Services</b>		41,937,212	60,413	0.14%
Information Services				
News Syndicates	Exempt	1,402,374	3,483	0.25%
Libraries & Archives	Exempt	860,933	n/a	n/a
Other Information Services				
On-Line Information Services	Exempt	8,042,568	33,715	0.42%
All Other Information Services	Exempt	<u>794,692</u>	<u>n/a</u>	n/a
Total Other Information Services		8,837,260	38,208	0.43%

**Exhibit A-1**  
**Summary Review of Admissions and Amusement Spending**  
**Spending by NAICS Category for the United States and Nevada**  
**Including Assessments of Inclusion or Exclusion of Each Category, Based on 1997 Unadjusted Estimates**

Description	Analysis Taxability Status	Total Spending		Nevada as a Percentage of United States
		United States (in \$1,000s)	State of Nevada (in \$1000's)	
Total Information Services		11,100,567	38,208	0.34%
Data Processing Services	<b>Exempt</b>	30,836,645	22,205	0.07%
<b>Total Information Services &amp; Data Processing Services</b>		<b>41,937,212</b>	<b>60,413</b>	0.14%
<b>Taxable Information Services &amp; Data Processing Services</b>		<b>0</b>	<b>0</b>	n/a
<b>TOTAL INFORMATION SPENDING</b>		<b>623,213,854</b>	<b>2,099,000</b>	0.34%
<b>TAXABLE INFORMATION SPENDING</b>		<b>7,597,319</b>	<b>56,156</b>	0.74%
<b>Scenic &amp; Sightseeing Transportation, Land</b>				
Sightseeing Buses	<b>Taxable</b>	462,186	n/a	n/a
Horse Drawn Cabs & Carriages	<b>Taxable</b>	14,094	0	0.00%
Scenic Railroads	<b>Taxable</b>	<u>81,318</u>	<u>0</u>	0.00%
<b>Total Scenic &amp; Sightseeing Transportation, Land</b>		557,598	0	0.00%
<b>Scenic &amp; Sightseeing Transportation, Water</b>				
Excursion & Sightseeing Boats (Including Dinner Cruises)	<b>Taxable</b>	861,001	0	0.00%
Charter Fishing & Party Fishing Boats	<b>Taxable</b>	<u>267,624</u>	<u>0</u>	0.00%
<b>Total Scenic &amp; Sightseeing Transportation, Water</b>		1,128,625	0	0.00%
<b>Scenic &amp; Sightseeing Transportation, Other</b>				
Sightseeing Airplanes And Helicopters	<b>Taxable</b>	199,691	45,081	22.58%
Aerial Tramways (Scenic Or Sightseeing) & Cable Lifts	<b>Taxable</b>	<u>7,522</u>	<u>0</u>	0.00%
<b>Total Scenic &amp; Sightseeing Transportation, Other</b>		207,213	45,081	21.76%

**Exhibit A-1**  
**Summary Review of Admissions and Amusement Spending**  
**Spending by NAICS Category for the United States and Nevada**  
**Including Assessments of Inclusion or Exclusion of Each Category, Based on 1997 Unadjusted Estimates**

Description	Analysis Taxability Status	Total Spending		Nevada as a Percentage of United States
		United States (in \$1,000s)	State of Nevada (in \$1000's)	
<b>TOTAL SCENIC AND SIGHTSEEING SPENDING</b>		<b>1,893,436</b>	<b>75,573</b>	3.99%
<b>TAXABLE SCENIC AND SIGHTSEEING SPENDING</b>		<b>1,893,436</b>	<b>75,573</b>	3.99%
<b>TOTAL SPENDING</b>		<b>710,195,754</b>	<b>3,842,074</b>	0.54%
<b>TOTAL TAXABLE SPENDING</b>		<b>64,737,956</b>	<b>705,050</b>	1.09%

Source: U.S. Census Bureau, *Economic Census, 1997*.

**Exhibit A-2: Consumer Expenditures by Region  
Dollars per Consumer Unit, 2000**

<b>Item</b>	<b>All Consumers</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
<b>Average annual expenditures</b>	\$38,045	\$38,902	\$39,213	\$34,707	\$41,328
<b>Food</b>	5,158	5,377	5,255	4,724	5,554
Food at home	3,021	3,202	2,933	2,823	3,269
Cereals and bakery products	453	491	444	422	480
Cereals and cereal products	156	164	152	148	167
Bakery products	297	326	292	274	313
Meats, poultry, fish, and eggs	795	883	721	779	821
Beef	238	248	226	230	255
Pork	167	162	160	176	164
Other meats	101	116	103	94	94
Poultry	145	174	125	142	146
Fish and seafood	110	149	78	100	124
Eggs	34	35	28	36	38
Dairy products	325	354	330	286	356
Fresh milk and cream	131	132	132	122	145
Other dairy products	193	222	197	164	211
Fruits and vegetables	521	579	482	470	592
Fresh fruits	163	181	151	141	196
Fresh vegetables	159	184	137	139	190
Processed fruits	115	131	113	103	123
Processed vegetables	84	83	81	86	84
Other food at home	927	895	957	867	1,021
Sugar and other sweets	117	126	124	107	117
Fats and oils	83	89	75	82	87
Miscellaneous foods	437	398	468	410	484
Nonalcoholic beverages	250	240	249	238	277
Food prepared by consumer unit on out of town trips	40	41	41	29	55
Food away from home	2,137	2,175	2,322	1,901	2,285
<b>Alcoholic beverages</b>	372	390	388	304	449
<b>Housing</b>	12,319	13,505	11,961	10,855	13,972
Shelter	7,114	8,222	6,633	5,839	8,667
Owned dwellings	4,602	5,229	4,599	3,803	5,320
Mortgage interest and charges	2,639	2,574	2,471	2,238	3,498
Property taxes	1,139	1,780	1,224	825	987

**Exhibit A-2: Consumer Expenditures by Region  
Dollars per Consumer Unit, 2000**

<b>Item</b>	<b>All Consumers</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
Maintenance, repairs, insurance, other expenses	825	874	903	739	834
Rented dwellings	2,034	2,434	1,531	1,643	2,832
Other lodging	478	559	503	393	515
Utilities, fuels, and public services	2,489	2,570	2,513	2,596	2,226
Natural gas	307	413	430	190	272
Electricity	911	816	834	1,148	704
Fuel oil and other fuels	97	271	73	57	35
Telephone services	877	856	884	891	864
Water and other public services	296	214	291	311	351
Household operations	684	643	670	645	796
Personal services	326	312	369	284	360
Other household expenses	358	331	301	361	436
Housekeeping supplies	482	530	514	440	472
Laundry and cleaning supplies	131	146	133	126	122
Other household products	226	245	238	213	216
Postage and stationery	126	139	143	101	135
Household furnishings and equipment	1,549	1,540	1,631	1,334	1,811
Household textiles	106	134	117	85	106
Furniture	391	388	378	338	489
Floor coverings	44	47	54	41	37
Major appliances	189	179	198	168	221
Small appliances, miscellaneous housewares	87	91	103	72	93
Miscellaneous household equipment	731	702	782	630	865



**Exhibit A-2: Consumer Expenditures by Region**  
**Dollars per Consumer Unit, 2000**

<b>Item</b>	<b>All Consumers</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
<b>Apparel and services</b>	1,856	2,115	1,917	1,617	1,945
Men and boys	440	484	489	382	445
Men, 16 and over	344	374	386	295	354
Boys, 2 to 15	96	110	103	87	91
Women and girls	725	849	771	612	746
Women, 16 and over	607	705	646	499	652
Girls, 2 to 15	118	144	125	113	95
Children under 2	82	82	88	82	75
Footwear	343	382	324	303	391
Other apparel products and services	266	318	245	238	288
<b>Transportation</b>	7,417	6,664	7,841	7,211	7,943
Vehicle purchases (net outlay)	3,418	2,719	3,759	3,566	3,430
Cars and trucks, new	1,605	1,456	1,540	1,632	1,759
Cars and trucks, used	1,770	1,246	2,132	1,909	1,620
Other vehicles	43	c/ 17	86	c/ 24	51
Gasoline and motor oil	1,291	1,094	1,352	1,290	1,400
Other vehicle expenses	2,281	2,251	2,327	2,073	2,586
Vehicle finance charges	328	228	353	366	329
Maintenance and repairs	624	570	610	584	749
Vehicle insurance	778	808	750	747	831
Vehicle rental, leases, licenses, other charges	551	646	615	376	677
Public transportation	427	600	403	283	527
<b>Health care</b>	2,066	1,862	2,172	2,147	2,001
Health insurance	983	908	1,047	1,063	853
Medical services	568	504	575	533	669
Drugs	416	349	439	470	368
Medical supplies	99	101	111	82	111
<b>Entertainment</b>	1,863	1,915	2,040	1,617	2,021
Fees and admissions	515	577	566	395	595
Television, radios, sound equipment	622	627	665	574	648
Pets, toys, and playground equipment	334	316	360	313	355
Other entertainment supplies, equipment, and services	393	395	449	335	423
<b>Personal care products and services</b>	564	578	544	550	594
<b>Reading</b>	146	172	164	114	158

**Exhibit A-2: Consumer Expenditures by Region  
Dollars per Consumer Unit, 2000**

<b>Item</b>	<b>All Consumers</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
<b>Education</b>	632	823	667	477	674
<b>Tobacco products and smoking supplies</b>	319	326	360	334	245
<b>Miscellaneous</b>	776	738	798	729	859
<b>Cash contributions</b>	1,192	1,064	1,615	953	1,233
<b>Personal insurance and pensions</b>	3,365	3,371	3,490	3,077	3,679
Life and other personal insurance	399	423	429	407	333
Pensions and Social Security	2,966	2,948	3,061	2,670	3,346

Source: US Department of Labor, Consumer Expenditure Survey, 2001.

**Exhibit A-3: Western States Consumer Expenditures by Income Range  
Dollars per Consumer Unit, 2000**

Item	Total complete reporting	Income Range								
		Less than \$5,000	\$5,000 to \$9,999	\$10,000 to \$14,999	\$15,000 to \$19,999	\$20,000 to \$29,999	\$30,000 to \$39,999	\$40,000 to \$49,999	\$50,000 to \$69,999	\$70,000 and over
<b>Average annual expenditures</b>	\$43,598	\$19,277	\$17,354	\$21,808	\$27,291	\$30,621	\$36,673	\$45,254	\$51,042	\$82,707
Food	5,633	2,781	2,805	3,182	4,267	4,642	5,002	5,929	6,530	9,171
Food at home	3,298	1,653	1,906	2,210	2,861	2,941	3,063	3,581	3,693	4,778
Cereals and bakery products	487	204	264	308	416	423	457	516	559	733
Cereals and cereal products	171	67	111	115	149	166	180	179	191	227
Bakery products	317	137	153	193	266	257	277	337	367	507
Meats, poultry, fish, and eggs	797	372	457	561	780	777	729	872	808	1,126
Beef	238	86	145	196	227	221	210	288	240	328
Pork	152	75	75	92	158	171	152	138	152	212
Other meats	94	59	47	86	79	95	88	90	95	131
Poultry	147	72	98	88	120	134	145	175	165	202
Fish and seafood	127	49	62	69	154	119	91	144	119	205
Eggs	39	30	30	30	41	37	43	38	37	48
Dairy products	364	201	218	234	289	322	365	394	421	515
Fresh milk and cream	141	83	84	99	122	138	151	152	150	185
Other dairy products	223	118	134	136	167	184	214	243	270	330
Fruits and vegetables	607	339	382	425	539	543	558	665	671	852
Fresh fruits	199	113	132	152	173	176	177	202	227	280
Fresh vegetables	193	107	112	134	176	183	180	207	212	268
Processed fruits	129	76	84	80	111	111	121	151	141	183
Processed vegetables	86	43	54	59	80	74	79	104	91	123
Other food at home	1,043	538	585	683	837	876	953	1,135	1,235	1,552
Sugar and other sweets	123	67	73	72	110	112	123	122	153	172
Fats and oils	88	37	56	54	89	93	84	100	85	121
Miscellaneous foods	491	272	263	323	363	380	447	547	600	746
Nonalcoholic beverages	281	132	153	200	245	245	257	296	329	410
Food prepared by consumer unit on out of town trips	59	30	39	34	31	46	42	71	67	104
Food away from home	2,335	1,128	899	971	1,406	1,701	1,939	2,347	2,837	4,393
Alcoholic beverages	457	282	247	289	268	302	280	417	549	875
Housing	14,215	7,560	6,264	8,119	9,081	10,216	12,394	14,764	16,750	25,482
Shelter	8,707	4,956	3,990	5,046	5,312	6,345	8,065	9,353	9,914	15,313
Owned dwellings	5,345	1,292	1,203	1,777	2,006	2,855	4,349	5,408	6,925	12,084
Mortgage interest and charges	3,457	566	443	648	844	1,388	2,799	3,875	4,803	8,350
Property taxes	932	359	343	471	560	587	811	808	1,055	1,932
Maintenance, repairs, insurance, other expenses	957	368	417	657	603	880	739	725	1,067	1,801
Rented dwellings	2,793	2,959	2,499	3,053	3,050	3,221	3,440	3,604	2,479	1,773
Other lodging	569	705	288	216	255	270	276	341	510	1,456
Utilities, fuels, and public services	2,206	1,189	1,249	1,592	1,792	1,865	2,180	2,362	2,607	3,169
Natural gas	259	149	121	177	214	210	244	262	318	395
Electricity	713	368	415	581	619	630	697	747	813	987
Fuel oil and other fuels	37	20	48	31	39	39	41	56	33	30
Telephone services	849	495	516	585	666	714	886	929	1,000	1,188
Water and other public services	348	157	149	218	254	272	312	369	443	568
Household operations	867	247	197	355	727	465	422	784	841	2,148
Personal services	399	51	40	85	484	177	149	404	387	1,027
Other household expenses	469	195	156	270	244	288	273	380	454	1,121
Housekeeping supplies	544	270	246	313	382	406	497	570	687	889
Laundry and cleaning supplies	137	80	80	98	140	109	152	133	157	188
Other household products	245	128	109	115	175	186	216	272	329	395
Postage and stationery	162	62	57	101	67	111	129	165	201	307
Household furnishings and equipment	1,891	898	581	813	869	1,136	1,230	1,695	2,701	3,962
Household textiles	131	50	33	76	98	133	68	122	142	251
Furniture	472	249	129	284	222	269	369	334	431	1,130
Floor coverings	47	84	3	13	20	10	27	44	52	114
Major appliances	206	85	90	119	123	107	147	179	219	455
Small appliances, miscellaneous housewares	122	69	56	45	71	105	74	113	129	245
Miscellaneous household equipment	913	362	270	276	335	513	546	903	1,729	1,767
Apparel and services	2,130	1,017	933	895	1,507	1,698	1,881	2,009	2,164	4,054
Men and boys	507	210	117	150	358	411	373	480	615	1,012
Men, 16 and over	412	181	101	100	264	310	267	399	515	858
Boys, 2 to 15	95	29	17	50	94	101	106	82	100	153
Women and girls	783	402	385	376	560	569	754	784	762	1,434
Women, 16 and over	681	359	320	327	500	482	671	649	653	1,266
Girls, 2 to 15	102	43	65	50	60	87	83	135	109	168
Children under 2	84	35	27	48	65	67	77	123	111	122
Footwear	389	186	242	135	354	433	462	367	361	560
Other apparel products and services	367	184	163	186	170	218	215	256	315	925

**Exhibit A-3: Western States Consumer Expenditures by Income Range  
Dollars per Consumer Unit, 2000**

Item	Total complete reporting	Income Range								
		Less than \$5,000	\$5,000 to \$9,999	\$10,000 to \$14,999	\$15,000 to \$19,999	\$20,000 to \$29,999	\$30,000 to \$39,999	\$40,000 to \$49,999	\$50,000 to \$69,999	\$70,000 and over
Transportation	8,036	2,772	2,741	3,983	5,333	5,956	7,240	9,211	8,870	14,997
Vehicle purchases (net outlay)	3,553	849	943	1,595	2,547	2,580	3,148	4,507	3,239	7,111
Cars and trucks, new	1,766	52	432	464	1,071	1,237	1,250	2,186	1,144	4,406
Cars and trucks, used	1,727	794	503	1,131	1,449	1,318	1,879	2,209	1,974	2,583
Other vehicles	61	3	8	d/	27	25	20	111	121	123
Gasoline and motor oil	1,303	623	595	722	955	1,084	1,291	1,417	1,676	2,000
Other vehicle expenses	2,661	1,029	931	1,377	1,563	2,002	2,404	2,878	3,357	4,777
Vehicle finance charges	330	74	65	89	148	239	337	409	507	582
Maintenance and repairs	833	353	353	635	557	709	760	891	931	1,359
Vehicle insurance	831	272	290	441	561	714	828	919	1,091	1,327
Vehicle rental, leases, licenses, other charges	668	330	223	211	297	340	479	659	828	1,508
Public transportation	519	271	272	290	267	290	397	409	597	1,108
Health care	2,008	822	1,202	1,652	1,955	1,772	1,798	2,043	2,362	2,805
Health insurance	874	371	503	725	803	822	790	913	1,007	1,210
Medical services	622	277	368	414	540	520	572	598	763	946
Drugs	383	141	249	417	478	331	356	384	392	474
Medical supplies	129	32	82	96	133	99	80	148	200	175
Entertainment	2,222	1,358	809	1,114	1,070	1,514	1,699	2,202	2,697	4,402
Fees and admissions	605	314	223	248	278	350	421	554	773	1,313
Television, radios, sound equipment	665	372	337	458	453	490	622	679	852	1,054
Pets, toys, and playground equipment	386	158	136	160	199	272	333	439	496	722
Other entertainment supplies, equipment, and services	566	514	112	248	141	402	324	530	577	1,313
Personal care products and services	607	330	329	341	440	461	568	636	682	1,011
Reading	179	74	76	103	111	133	153	176	224	327
Education	696	1,125	705	351	433	403	369	738	552	1,322
Tobacco products and smoking supplies	247	187	210	242	211	252	256	293	302	227
Miscellaneous	1,030	375	371	416	744	769	904	1,114	1,195	1,948
Cash contributions	1,386	337	251	452	880	682	1,224	1,091	1,524	3,316
Personal insurance and pensions	4,751	257	410	670	991	1,822	2,905	4,630	6,642	12,772

Source: US Department of Labor, Consumer Expenditure Survey, 2001.

**Exhibit A-4: Estimated Nevada Consumer Expenditures by Income Range  
Dollars per Consumer Unit, 2000**

Item	Total complete reporting	Income Range								
		Less than \$5,000	\$5,000 to \$9,999	\$10,000 to \$14,999	\$15,000 to \$19,999	\$20,000 to \$29,999	\$30,000 to \$39,999	\$40,000 to \$49,999	\$50,000 to \$69,999	\$70,000 and over
<b>Average annual expenditures</b>	\$40,779	\$19,277	\$17,354	\$21,808	\$27,291	\$30,621	\$36,673	\$45,254	\$51,042	\$82,707
Food	5,269	2,781	2,805	3,182	4,267	4,642	5,002	5,929	6,530	9,171
Food at home	3,085	1,653	1,906	2,210	2,861	2,941	3,063	3,581	3,693	4,778
Cereals and bakery products	456	204	264	308	416	423	457	516	559	733
Cereals and cereal products	160	67	111	115	149	166	180	179	191	227
Bakery products	297	137	153	193	266	257	277	337	367	507
Meats, poultry, fish, and eggs	745	372	457	561	780	777	729	872	808	1,126
Beef	223	86	145	196	227	221	210	288	240	328
Pork	142	75	75	92	158	171	152	138	152	212
Other meats	88	59	47	86	79	95	88	90	95	131
Poultry	137	72	98	88	120	134	145	175	165	202
Fish and seafood	119	49	62	69	154	119	91	144	119	205
Eggs	36	30	30	30	41	37	43	38	37	48
Dairy products	340	201	218	234	289	322	365	394	421	515
Fresh milk and cream	132	83	84	99	122	138	151	152	150	185
Other dairy products	209	118	134	136	167	184	214	243	270	330
Fruits and vegetables	568	339	382	425	539	543	558	665	671	852
Fresh fruits	186	113	132	152	173	176	177	202	227	280
Fresh vegetables	181	107	112	134	176	183	180	207	212	268
Processed fruits	121	76	84	80	111	111	121	151	141	183
Processed vegetables	80	43	54	59	80	74	79	104	91	123
Other food at home	976	538	585	683	837	876	953	1,135	1,235	1,552
Sugar and other sweets	115	67	73	72	110	112	123	122	153	172
Fats and oils	82	37	56	54	89	93	84	100	85	121
Miscellaneous foods	459	272	263	323	363	380	447	547	600	746
Nonalcoholic beverages	263	132	153	200	245	245	257	296	329	410
Food prepared by consumer unit on out of town trips	55	30	39	34	31	46	42	71	67	104
Food away from home	2,184	1,128	899	971	1,406	1,701	1,939	2,347	2,837	4,393
Alcoholic beverages	427	282	247	289	268	302	280	417	549	875
Housing	13,296	7,560	6,264	8,119	9,081	10,216	12,394	14,764	16,750	25,482
Shelter	8,144	4,956	3,990	5,046	5,312	6,345	8,065	9,353	9,914	15,313
Owned dwellings	4,999	1,292	1,203	1,777	2,006	2,855	4,349	5,408	6,925	12,084
Mortgage interest and charges	3,234	566	443	648	844	1,388	2,799	3,875	4,803	8,350
Property taxes	872	359	343	471	560	587	811	808	1,055	1,932
Maintenance, repairs, insurance, other expenses	895	368	417	657	603	880	739	725	1,067	1,801
Rented dwellings	2,612	2,959	2,499	3,053	3,050	3,221	3,440	3,604	2,479	1,773
Other lodging	532	705	288	216	255	270	341	510	1,456	1,456
Utilities, fuels, and public services	2,063	1,189	1,249	1,592	1,792	1,865	2,180	2,362	2,607	3,169
Natural gas	242	149	121	177	214	210	244	262	318	395
Electricity	667	368	415	581	619	630	697	747	813	987
Fuel oil and other fuels	35	20	48	31	39	39	41	56	33	30
Telephone services	794	495	516	585	666	714	886	929	1,000	1,188
Water and other public services	326	157	149	218	254	272	312	369	443	568
Household operations	811	247	197	355	727	465	422	784	841	2,148
Personal services	373	51	40	85	484	177	149	404	387	1,027
Other household expenses	439	195	156	270	244	288	273	380	454	1,121
Housekeeping supplies	509	270	246	313	382	406	497	570	687	889
Laundry and cleaning supplies	128	80	80	98	140	109	152	133	157	188
Other household products	229	128	109	115	175	186	216	272	329	395
Postage and stationery	152	62	57	101	67	111	129	165	201	307
Household furnishings and equipment	1,769	898	581	813	869	1,136	1,230	1,695	2,701	3,962
Household textiles	123	50	33	76	98	133	68	122	142	251
Furniture	441	249	129	284	222	269	369	334	431	1,130
Floor coverings	44	84	3	13	20	10	27	44	52	114
Major appliances	193	85	90	119	123	107	147	179	219	455
Small appliances, miscellaneous housewares	114	69	56	45	71	105	74	113	129	245
Miscellaneous household equipment	854	362	270	276	335	513	546	903	1,729	1,767
Apparel and services	1,992	1,017	933	895	1,507	1,698	1,881	2,009	2,164	4,054
Men and boys	474	210	117	150	358	411	373	480	615	1,012
Men, 16 and over	385	181	101	100	264	310	267	399	515	858
Boys, 2 to 15	89	29	17	50	94	101	106	82	100	153
Women and girls	732	402	385	376	560	569	754	784	762	1,434
Women, 16 and over	637	359	320	327	500	482	671	649	653	1,266
Girls, 2 to 15	95	43	65	50	60	87	83	135	109	168
Children under 2	79	35	27	48	65	67	77	123	111	122
Footwear	364	186	242	135	354	433	462	367	361	560
Other apparel products and services	343	184	163	186	170	218	215	256	315	925

**Exhibit A-4: Estimated Nevada Consumer Expenditures by Income Range  
Dollars per Consumer Unit, 2000**

Item	Total complete reporting	Income Range								
		Less than \$5,000	\$5,000 to \$9,999	\$10,000 to \$14,999	\$15,000 to \$19,999	\$20,000 to \$29,999	\$30,000 to \$39,999	\$40,000 to \$49,999	\$50,000 to \$69,999	\$70,000 and over
Transportation	7,516	2,772	2,741	3,983	5,333	5,956	7,240	9,211	8,870	14,997
Vehicle purchases (net outlay)	3,323	849	943	1,595	2,547	2,580	3,148	4,507	3,239	7,111
Cars and trucks, new	1,652	52	432	464	1,071	1,237	1,250	2,186	1,144	4,406
Cars and trucks, used	1,615	794	503	1,131	1,449	1,318	1,879	2,209	1,974	2,583
Other vehicles	57	3	8	d/	27	25	20	111	121	123
Gasoline and motor oil	1,219	623	595	722	955	1,084	1,291	1,417	1,676	2,000
Other vehicle expenses	2,489	1,029	931	1,377	1,563	2,002	2,404	2,878	3,357	4,777
Vehicle finance charges	309	74	65	89	148	239	337	409	507	582
Maintenance and repairs	779	353	353	635	557	709	760	891	931	1,359
Vehicle insurance	777	272	290	441	561	714	828	919	1,091	1,327
Vehicle rental, leases, licenses, other charges	625	330	223	211	297	340	479	659	828	1,508
Public transportation	485	271	272	290	267	290	397	409	597	1,108
Health care	1,878	822	1,202	1,652	1,955	1,772	1,798	2,043	2,362	2,805
Health insurance	817	371	503	725	803	822	790	913	1,007	1,210
Medical services	582	277	368	414	540	520	572	598	763	946
Drugs	358	141	249	417	478	331	356	384	392	474
Medical supplies	121	32	82	96	133	99	80	148	200	175
Entertainment	2,078	1,358	809	1,114	1,070	1,514	1,699	2,202	2,697	4,402
Fees and admissions	566	314	223	248	278	350	421	554	773	1,313
Television, radios, sound equipment	622	372	337	458	453	490	622	679	852	1,054
Pets, toys, and playground equipment	361	158	136	160	199	272	333	439	496	722
Other entertainment supplies, equipment, and services	529	514	112	248	141	402	324	530	577	1,313
Personal care products and services	568	330	329	341	440	461	568	636	682	1,011
Reading	167	74	76	103	111	133	153	176	224	327
Education	651	1,125	705	351	433	403	369	738	552	1,322
Tobacco products and smoking supplies	231	187	210	242	211	252	256	293	302	227
Miscellaneous	963	375	371	416	744	769	904	1,114	1,195	1,948
Cash contributions	1,296	337	251	452	880	682	1,224	1,091	1,524	3,316
Personal insurance and pensions	4,444	257	410	670	991	1,822	2,905	4,630	6,642	12,772

Source: US Department of Labor, Consumer Expenditure Survey, 2001.

**Exhibit A-5: Western States Spending Patterns and Expenditure Regressivity  
Dollars per Consumer Unit, 2000**

Average annual expenditures	Categorical Spending by Consumer Unit Income Range		Total Spending by Consumer Unit Income Range		Categorical Spending as a % of Total by Consumer Unit Income Range		Change in Categorical Spending	Change in Total Spending	Expenditure Regressivity Ratio
	\$10,000 to \$19,999	Over \$70,000	\$10,000 to \$19,999	Over \$70,000	\$10,000 to \$19,999	Over \$70,000			
Food	\$3,677	\$9,171	\$24,312	\$82,707	15.1%	11.1%	149%	240%	0.62
Food at home	2,507	4,778	24,312	82,707	10.3%	5.8%	91%	240%	0.38
Cereals and bakery products	357	733	24,312	82,707	1.5%	0.9%	105%	240%	0.44
Cereals and cereal products	131	227	24,312	82,707	0.5%	0.3%	74%	240%	0.31
Bakery products	226	507	24,312	82,707	0.9%	0.6%	124%	240%	0.52
Meats, poultry, fish, and eggs	661	1,126	24,312	82,707	2.7%	1.4%	70%	240%	0.29
Beef	210	328	24,312	82,707	0.9%	0.4%	56%	240%	0.23
Pork	122	212	24,312	82,707	0.5%	0.3%	74%	240%	0.31
Other meats	83	131	24,312	82,707	0.3%	0.2%	58%	240%	0.24
Poultry	103	202	24,312	82,707	0.4%	0.2%	97%	240%	0.40
Fish and seafood	108	205	24,312	82,707	0.4%	0.2%	90%	240%	0.38
Eggs	35	48	24,312	82,707	0.1%	0.1%	37%	240%	0.15
Dairy products	259	515	24,312	82,707	1.1%	0.6%	99%	240%	0.41
Fresh milk and cream	110	185	24,312	82,707	0.5%	0.2%	69%	240%	0.29
Other dairy products	150	330	24,312	82,707	0.6%	0.4%	120%	240%	0.50
Fruits and vegetables	477	852	24,312	82,707	2.0%	1.0%	79%	240%	0.33
Fresh fruits	162	280	24,312	82,707	0.7%	0.3%	73%	240%	0.31
Fresh vegetables	153	268	24,312	82,707	0.6%	0.3%	75%	240%	0.31
Processed fruits	94	183	24,312	82,707	0.4%	0.2%	94%	240%	0.39
Processed vegetables	69	123	24,312	82,707	0.3%	0.1%	79%	240%	0.33
Other food at home	753	1,552	24,312	82,707	3.1%	1.9%	106%	240%	0.44
Sugar and other sweets	89	172	24,312	82,707	0.4%	0.2%	92%	240%	0.39
Fats and oils	70	121	24,312	82,707	0.3%	0.1%	73%	240%	0.30
Miscellaneous foods	341	746	24,312	82,707	1.4%	0.9%	119%	240%	0.49
Nonalcoholic beverages	221	410	24,312	82,707	0.9%	0.5%	86%	240%	0.36
Food prepared by consumer unit on out of town trips	33	104	24,312	82,707	0.1%	0.1%	219%	240%	0.91
Food away from home	1,170	4,393	24,312	82,707	4.8%	5.3%	276%	240%	1.15
Alcoholic beverages	279	875	24,312	82,707	1.1%	1.1%	213%	240%	0.89
Housing	8,558	25,482	24,312	82,707	35.2%	30.8%	198%	240%	0.82
Shelter	5,167	15,313	24,312	82,707	21.3%	18.5%	196%	240%	0.82
Owned dwellings	1,882	12,084	24,312	82,707	7.7%	14.6%	542%	240%	2.26
Mortgage interest and charges	738	8,350	24,312	82,707	3.0%	10.1%	1032%	240%	4.30
Property taxes	512	1,932	24,312	82,707	2.1%	2.3%	278%	240%	1.16
Maintenance, repairs, insurance, other expenses	632	1,801	24,312	82,707	2.6%	2.2%	185%	240%	0.77
Rented dwellings	3,052	1,773	24,312	82,707	12.6%	2.1%	-42%	240%	-0.17
Other lodging	234	1,456	24,312	82,707	1.0%	1.8%	523%	240%	2.18
Utilities, fuels, and public services	1,683	3,169	24,312	82,707	6.9%	3.8%	88%	240%	0.37
Natural gas	194	395	24,312	82,707	0.8%	0.5%	104%	240%	0.43
Electricity	598	987	24,312	82,707	2.5%	1.2%	65%	240%	0.27
Fuel oil and other fuels	35	30	24,312	82,707	0.1%	0.0%	-13%	240%	-0.06
Telephone services	622	1,188	24,312	82,707	2.6%	1.4%	91%	240%	0.38
Water and other public services	234	568	24,312	82,707	1.0%	0.7%	142%	240%	0.59
Household operations	525	2,148	24,312	82,707	2.2%	2.6%	309%	240%	1.29
Personal services	267	1,027	24,312	82,707	1.1%	1.2%	284%	240%	1.18
Other household expenses	258	1,121	24,312	82,707	1.1%	1.4%	334%	240%	1.39

**Exhibit A-5: Western States Spending Patterns and Expenditure Regressivity  
Dollars per Consumer Unit, 2000**

Average annual expenditures	Categorical Spending by Consumer Unit Income Range		Total Spending by Consumer Unit Income Range		Categorical Spending as a % of Total by Consumer Unit Income Range		Change in Categorical Spending	Change in Total Spending	Expenditure Regressivity Ratio
	\$10,000 to \$19,999	Over \$70,000	\$10,000 to \$19,999	Over \$70,000	\$10,000 to \$19,999	Over \$70,000			
Housekeeping supplies	345	889	24,312	82,707	1.4%	1.1%	158%	240%	0.66
Laundry and cleaning supplies	117	188	24,312	82,707	0.5%	0.2%	60%	240%	0.25
Other household products	142	395	24,312	82,707	0.6%	0.5%	177%	240%	0.74
Postage and stationery	85	307	24,312	82,707	0.4%	0.4%	259%	240%	1.08
Household furnishings and equipment	839	3,962	24,312	82,707	3.4%	4.8%	372%	240%	1.55
Household textiles	86	251	24,312	82,707	0.4%	0.3%	192%	240%	0.80
Furniture	256	1,130	24,312	82,707	1.1%	1.4%	342%	240%	1.42
Floor coverings	16	114	24,312	82,707	0.1%	0.1%	604%	240%	2.51
Major appliances	121	455	24,312	82,707	0.5%	0.6%	277%	240%	1.15
Small appliances, miscellaneous housewares	57	245	24,312	82,707	0.2%	0.3%	331%	240%	1.38
Miscellaneous household equipment	303	1,767	24,312	82,707	1.2%	2.1%	483%	240%	2.01
Apparel and services	1,174	4,054	24,312	82,707	4.8%	4.9%	245%	240%	1.02
Men and boys	245	1,012	24,312	82,707	1.0%	1.2%	313%	240%	1.30
Men, 16 and over	175	858	24,312	82,707	0.7%	1.0%	391%	240%	1.63
Boys, 2 to 15	70	153	24,312	82,707	0.3%	0.2%	118%	240%	0.49
Women and girls	460	1,434	24,312	82,707	1.9%	1.7%	212%	240%	0.88
Women, 16 and over	406	1,266	24,312	82,707	1.7%	1.5%	212%	240%	0.88
Girls, 2 to 15	55	168	24,312	82,707	0.2%	0.2%	208%	240%	0.87
Children under 2	56	122	24,312	82,707	0.2%	0.1%	119%	240%	0.49
Footwear	235	560	24,312	82,707	1.0%	0.7%	138%	240%	0.58
Other apparel products and services	179	925	24,312	82,707	0.7%	1.1%	418%	240%	1.74
Transportation	4,599	14,997	24,312	82,707	18.9%	18.1%	226%	240%	0.94
Vehicle purchases (net outlay)	2,030	7,111	24,312	82,707	8.3%	8.6%	250%	240%	1.04
Cars and trucks, new	741	4,406	24,312	82,707	3.0%	5.3%	494%	240%	2.06
Cars and trucks, used	1,276	2,583	24,312	82,707	5.2%	3.1%	102%	240%	0.43
Other vehicles	n/a	123	24,312	82,707	n/a	0.1%	n/a	240%	n/a
Gasoline and motor oil	828	2,000	24,312	82,707	3.4%	2.4%	141%	240%	0.59
Other vehicle expenses	1,462	4,777	24,312	82,707	6.0%	5.8%	227%	240%	0.94
Vehicle finance charges	116	582	24,312	82,707	0.5%	0.7%	402%	240%	1.67
Maintenance and repairs	599	1,359	24,312	82,707	2.5%	1.6%	127%	240%	0.53
Vehicle insurance	496	1,327	24,312	82,707	2.0%	1.6%	168%	240%	0.70
Vehicle rental, leases, licenses, other charges	250	1,508	24,312	82,707	1.0%	1.8%	503%	240%	2.09
Public transportation	279	1,108	24,312	82,707	1.1%	1.3%	296%	240%	1.23
Health care	1,790	2,805	24,312	82,707	7.4%	3.4%	57%	240%	0.24
Health insurance	761	1,210	24,312	82,707	3.1%	1.5%	59%	240%	0.25
Medical services	472	946	24,312	82,707	1.9%	1.1%	101%	240%	0.42
Drugs	445	474	24,312	82,707	1.8%	0.6%	7%	240%	0.03
Medical supplies	113	175	24,312	82,707	0.5%	0.2%	55%	240%	0.23
Entertainment	1,094	4,402	24,312	82,707	4.5%	5.3%	302%	240%	1.26
<b>Fees and admissions</b>	<b>262</b>	<b>1,313</b>	<b>24,312</b>	<b>82,707</b>	<b>1.1%</b>	<b>1.6%</b>	<b>402%</b>	<b>240%</b>	<b>1.67</b>
Television, radios, sound equipment	456	1,054	24,312	82,707	1.9%	1.3%	131%	240%	0.55
Pets, toys, and playground equipment	178	722	24,312	82,707	0.7%	0.9%	306%	240%	1.27
Other entertainment supplies, equipment, and services	199	1,313	24,312	82,707	0.8%	1.6%	559%	240%	2.33
Personal care products and services	386	1,011	24,312	82,707	1.6%	1.2%	162%	240%	0.67
Reading	107	327	24,312	82,707	0.4%	0.4%	207%	240%	0.86
Education	388	1,322	24,312	82,707	1.6%	1.6%	240%	240%	1.00
Tobacco products and smoking supplies	228	227	24,312	82,707	0.9%	0.3%	0%	240%	0.00
Miscellaneous	566	1,948	24,312	82,707	2.3%	2.4%	244%	240%	1.02
Cash contributions	647	3,316	24,312	82,707	2.7%	4.0%	412%	240%	1.72
Personal insurance and pensions	817	12,772	24,312	82,707	3.4%	15.4%	1464%	240%	6.10



**Exhibit A-6: Western States Spending Patterns and Income Regressivity**  
**Dollars per Consumer Unit, 2000**

Average annual expenditures	Categorical Spending by Consumer Unit Income Range		Average Income by Consumer Unit Income Range		Spending as a Percentage of Income by Consumer Unit Income Range		Change in Categorical Spending	Change in Average Income	Income Regressivity Ratio
	\$10,000 to \$19,999	Over \$70,000	\$10,000 to \$19,999	Over \$70,000	\$10,000 to \$19,999	Over \$70,000			
Food	\$3,677	\$9,171	\$14,718	\$117,404	25.0%	7.8%	149%	698%	0.21
Food at home	2,507	4,778	14,718	117,404	17.0%	4.1%	91%	698%	0.13
Cereals and bakery products	357	733	14,718	117,404	2.4%	0.6%	105%	698%	0.15
Cereals and cereal products	131	227	14,718	117,404	0.9%	0.2%	74%	698%	0.11
Bakery products	226	507	14,718	117,404	1.5%	0.4%	124%	698%	0.18
Meats, poultry, fish, and eggs	661	1,126	14,718	117,404	4.5%	1.0%	70%	698%	0.10
Beef	210	328	14,718	117,404	1.4%	0.3%	56%	698%	0.08
Pork	122	212	14,718	117,404	0.8%	0.2%	74%	698%	0.11
Other meats	83	131	14,718	117,404	0.6%	0.1%	58%	698%	0.08
Poultry	103	202	14,718	117,404	0.7%	0.2%	97%	698%	0.14
Fish and seafood	108	205	14,718	117,404	0.7%	0.2%	90%	698%	0.13
Eggs	35	48	14,718	117,404	0.2%	0.0%	37%	698%	0.05
Dairy products	259	515	14,718	117,404	1.8%	0.4%	99%	698%	0.14
Fresh milk and cream	110	185	14,718	117,404	0.7%	0.2%	69%	698%	0.10
Other dairy products	150	330	14,718	117,404	1.0%	0.3%	120%	698%	0.17
Fruits and vegetables	477	852	14,718	117,404	3.2%	0.7%	79%	698%	0.11
Fresh fruits	162	280	14,718	117,404	1.1%	0.2%	73%	698%	0.11
Fresh vegetables	153	268	14,718	117,404	1.0%	0.2%	75%	698%	0.11
Processed fruits	94	183	14,718	117,404	0.6%	0.2%	94%	698%	0.14
Processed vegetables	69	123	14,718	117,404	0.5%	0.1%	79%	698%	0.11
Other food at home	753	1,552	14,718	117,404	5.1%	1.3%	106%	698%	0.15
Sugar and other sweets	89	172	14,718	117,404	0.6%	0.1%	92%	698%	0.13
Fats and oils	70	121	14,718	117,404	0.5%	0.1%	73%	698%	0.10
Miscellaneous foods	341	746	14,718	117,404	2.3%	0.6%	119%	698%	0.17
Nonalcoholic beverages	221	410	14,718	117,404	1.5%	0.3%	86%	698%	0.12
Food prepared by consumer unit on out of town trips	33	104	14,718	117,404	0.2%	0.1%	219%	698%	0.31
Food away from home	1,170	4,393	14,718	117,404	7.9%	3.7%	276%	698%	0.40
Alcoholic beverages	279	875	14,718	117,404	1.9%	0.7%	213%	698%	0.31
Housing	8,558	25,482	14,718	117,404	58.1%	21.7%	198%	698%	0.28
Shelter	5,167	15,313	14,718	117,404	35.1%	13.0%	196%	698%	0.28
Owned dwellings	1,882	12,084	14,718	117,404	12.8%	10.3%	542%	698%	0.78
Mortgage interest and charges	738	8,350	14,718	117,404	5.0%	7.1%	1032%	698%	1.48
Property taxes	512	1,932	14,718	117,404	3.5%	1.6%	278%	698%	0.40
Maintenance, repairs, insurance, other expenses	632	1,801	14,718	117,404	4.3%	1.5%	185%	698%	0.26
Rented dwellings	3,052	1,773	14,718	117,404	20.7%	1.5%	-42%	698%	-0.06
Other lodging	234	1,456	14,718	117,404	1.6%	1.2%	523%	698%	0.75
Utilities, fuels, and public services	1,683	3,169	14,718	117,404	11.4%	2.7%	88%	698%	0.13
Natural gas	194	395	14,718	117,404	1.3%	0.3%	104%	698%	0.15
Electricity	598	987	14,718	117,404	4.1%	0.8%	65%	698%	0.09
Fuel oil and other fuels	35	30	14,718	117,404	0.2%	0.0%	-13%	698%	-0.02
Telephone services	622	1,188	14,718	117,404	4.2%	1.0%	91%	698%	0.13
Water and other public services	234	568	14,718	117,404	1.6%	0.5%	142%	698%	0.20

**Exhibit A-6: Western States Spending Patterns and Income Regressivity**  
**Dollars per Consumer Unit, 2000**

Average annual expenditures	Categorical Spending by Consumer Unit Income Range		Average Income by Consumer Unit Income Range		Spending as a Percentage of Income by Consumer Unit Income Range		Change in Categorical Spending	Change in Average Income	Income Regressivity Ratio
	\$10,000 to \$19,999	Over \$70,000	\$10,000 to \$19,999	Over \$70,000	\$10,000 to \$19,999	Over \$70,000			
Household operations	525	2,148	14,718	117,404	3.6%	1.8%	309%	698%	0.44
Personal services	267	1,027	14,718	117,404	1.8%	0.9%	284%	698%	0.41
Other household expenses	258	1,121	14,718	117,404	1.8%	1.0%	334%	698%	0.48
Housekeeping supplies	345	889	14,718	117,404	2.3%	0.8%	158%	698%	0.23
Laundry and cleaning supplies	117	188	14,718	117,404	0.8%	0.2%	60%	698%	0.09
Other household products	142	395	14,718	117,404	1.0%	0.3%	177%	698%	0.25
Postage and stationery	85	307	14,718	117,404	0.6%	0.3%	259%	698%	0.37
Household furnishings and equipment	839	3,962	14,718	117,404	5.7%	3.4%	372%	698%	0.53
Household textiles	86	251	14,718	117,404	0.6%	0.2%	192%	698%	0.27
Furniture	256	1,130	14,718	117,404	1.7%	1.0%	342%	698%	0.49
Floor coverings	16	114	14,718	117,404	0.1%	0.1%	604%	698%	0.87
Major appliances	121	455	14,718	117,404	0.8%	0.4%	277%	698%	0.40
Small appliances, miscellaneous housewares	57	245	14,718	117,404	0.4%	0.2%	331%	698%	0.47
Miscellaneous household equipment	303	1,767	14,718	117,404	2.1%	1.5%	483%	698%	0.69
Apparel and services	1,174	4,054	14,718	117,404	8.0%	3.5%	245%	698%	0.35
Men and boys	245	1,012	14,718	117,404	1.7%	0.9%	313%	698%	0.45
Men, 16 and over	175	858	14,718	117,404	1.2%	0.7%	391%	698%	0.56
Boys, 2 to 15	70	153	14,718	117,404	0.5%	0.1%	118%	698%	0.17
Women and girls	460	1,434	14,718	117,404	3.1%	1.2%	212%	698%	0.30
Women, 16 and over	406	1,266	14,718	117,404	2.8%	1.1%	212%	698%	0.30
Girls, 2 to 15	55	168	14,718	117,404	0.4%	0.1%	208%	698%	0.30
Children under 2	56	122	14,718	117,404	0.4%	0.1%	119%	698%	0.17
Footwear	235	560	14,718	117,404	1.6%	0.5%	138%	698%	0.20
Other apparel products and services	179	925	14,718	117,404	1.2%	0.8%	418%	698%	0.60
Transportation	4,599	14,997	14,718	117,404	31.3%	12.8%	226%	698%	0.32
Vehicle purchases (net outlay)	2,030	7,111	14,718	117,404	13.8%	6.1%	250%	698%	0.36
Cars and trucks, new	741	4,406	14,718	117,404	5.0%	3.8%	494%	698%	0.71
Cars and trucks, used	1,276	2,583	14,718	117,404	8.7%	2.2%	102%	698%	0.15
Other vehicles	n/a	123	14,718	117,404	n/a	0.1%	n/a	698%	n/a
Gasoline and motor oil	828	2,000	14,718	117,404	5.6%	1.7%	141%	698%	0.20
Other vehicle expenses	1,462	4,777	14,718	117,404	9.9%	4.1%	227%	698%	0.33
Vehicle finance charges	116	582	14,718	117,404	0.8%	0.5%	402%	698%	0.58
Maintenance and repairs	599	1,359	14,718	117,404	4.1%	1.2%	127%	698%	0.18
Vehicle insurance	496	1,327	14,718	117,404	3.4%	1.1%	168%	698%	0.24
Vehicle rental, leases, licenses, other charges	250	1,508	14,718	117,404	1.7%	1.3%	503%	698%	0.72
Public transportation	279	1,108	14,718	117,404	1.9%	0.9%	296%	698%	0.42
Health care	1,790	2,805	14,718	117,404	12.2%	2.4%	57%	698%	0.08
Health insurance	761	1,210	14,718	117,404	5.2%	1.0%	59%	698%	0.08
Medical services	472	946	14,718	117,404	3.2%	0.8%	101%	698%	0.14
Drugs	445	474	14,718	117,404	3.0%	0.4%	7%	698%	0.01
Medical supplies	113	175	14,718	117,404	0.8%	0.1%	55%	698%	0.08

**Exhibit A-6: Western States Spending Patterns and Income Regressivity**  
**Dollars per Consumer Unit, 2000**

Average annual expenditures	Categorical Spending by Consumer Unit Income Range		Average Income by Consumer Unit Income Range		Spending as a Percentage of Income by Consumer Unit Income Range		Change in Categorical Spending	Change in Average Income	Income Regressivity Ratio
	\$10,000 to \$19,999	Over \$70,000	\$10,000 to \$19,999	Over \$70,000	\$10,000 to \$19,999	Over \$70,000			
Entertainment	1,094	4,402	14,718	117,404	7.4%	3.7%	302%	698%	0.43
<b>Fees and admissions</b>	<b>262</b>	<b>1,313</b>	<b>14,718</b>	<b>117,404</b>	<b>1.8%</b>	<b>1.1%</b>	<b>402%</b>	<b>698%</b>	<b>0.58</b>
Television, radios, sound equipment	456	1,054	14,718	117,404	3.1%	0.9%	131%	698%	0.19
Pets, toys, and playground equipment	178	722	14,718	117,404	1.2%	0.6%	306%	698%	0.44
Other entertainment supplies, equipment, and services	199	1,313	14,718	117,404	1.4%	1.1%	559%	698%	0.80
Personal care products and services	386	1,011	14,718	117,404	2.6%	0.9%	162%	698%	0.23
Reading	107	327	14,718	117,404	0.7%	0.3%	207%	698%	0.30
Education	388	1,322	14,718	117,404	2.6%	1.1%	240%	698%	0.34
Tobacco products and smoking supplies	228	227	14,718	117,404	1.5%	0.2%	0%	698%	0.00
Miscellaneous	566	1,948	14,718	117,404	3.8%	1.7%	244%	698%	0.35
Cash contributions	647	3,316	14,718	117,404	4.4%	2.8%	412%	698%	0.59
Personal insurance and pensions	817	12,772	14,718	117,404	5.5%	10.9%	1464%	698%	2.10