

# *Incentive Programs - Nevada*

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*Nevada Governor's Office of*

**ECONOMIC DEVELOPMENT**

# *Introduction*

- **GOED Programs:**
  - Standard Tax Abatements
  - Transferable Tax Credits
  - Film Office Tax Incentives
- **Business and Industry Programs:**
  - Industrial Development Revenue Bonds (IDRBs)
  - New Market Tax Credit (NMTC)
- **Nevada Opportunity Zones (OZ)**
- **Economic Development Rate Rider Program (EDRR)**

# ***Standard Tax Abatements***

# Standard Tax Abatements

Standard Tax Abatements:	
<b>Sales and Use Tax Abatement</b>	Sales and use tax abatement for up to 2 years on qualified capital equipment purchases, with reductions in the rate to as low as 2%.
<b>Modified Business Tax Abatement</b>	Up to 50% abatement for up to 4 years on quarterly payroll over \$50,000 taxed at 1.378%.
<b>Personal Property Tax Abatement</b>	An abatement on personal property not to exceed 50% over a maximum of 10 years.
<i>Requirements to Qualify:</i>	<p><b>Minimum Hourly Wage:</b> 100% of statewide average wage (\$26.67)</p> <p><b>Capital Investment:</b></p> <ul style="list-style-type: none"> <li>▪ <i>Urban Area</i> \$5 million in equipment for industrial or manufacturing facilities or \$1 million for all other facility types.</li> <li>▪ <i>Rural Area</i> \$1 million in equipment for industrial or manufacturing facilities or \$250,000 for all other facility types.</li> </ul> <p><b>Number of Primary Jobs created:</b></p> <ul style="list-style-type: none"> <li>▪ Urban Area: 50 or more FTE</li> <li>▪ Rural Area: 10 or more FTE</li> </ul> <p>For detail information go to: <a href="https://goed.nv.gov/programs-incentives/incentives/">https://goed.nv.gov/programs-incentives/incentives/</a></p>

# ***Transferable Tax Credits***

# Transferable Tax Credits

## Transferable Tax Credits for Legislatively Approved Qualified Projects

<b>SB2 - Capital Investment of at least \$1 Billion</b>	<p>\$38M available; \$9,500 for each qualified employee up to 4,000 jobs</p> <p><b>Abatement of taxes include:</b></p> <ul style="list-style-type: none"><li>• Sales and Use Tax – Reduced to 2% for 15 years</li><li>• Modified Business Tax – 75% for 10 years</li><li>• Property Taxes (Real and Personal) – 75% for 10 years</li></ul> <p>1 project approved: Faraday in 2016 – relinquished and withdrew in 2017</p>
<b>SB1 - Capital Investment of at least \$3.5 Billion</b>	<p>\$195M (authority has been exhausted); \$12,500 for each qualified employee up to 6,000 jobs</p> <p><b>Abatement of taxes include:</b></p> <ul style="list-style-type: none"><li>• Sales and Use Tax – Reduced to 2% for 20 years</li><li>• Modified Business Tax – 100% for 10 years</li><li>• Property Taxes (Real and Personal) – 100% for 10 years</li></ul> <p>1 project approved: Tesla – project in compliance with NRS requirements</p>

# ***Film Office Tax Incentives***

# Nevada Film Office Program

## Nevada Film Office Transferable Tax Credit

**Incentives:** 15% of the qualified production costs; 15% on wages, salaries and fringes for all resident personnel; 12% on wages, salaries, and fringes to non-resident ATL personnel.

Bonus 1- BTL NV Resident 5%

Bonus 2- Rural Location 5%

**Project Criteria:** Qualified production costs in Nevada of at least \$500,000; total qualified spend and production costs incurred in Nevada are at least 60% of the total budget.

**Compensation Caps:** Up to \$750,000 per individual/loan-out corporation; total Nevada resident producer compensation must be less than 10% of total Nevada expenditures; total non-resident producer compensation must be less than 5% of Nevada expenditures.

**Project Caps:** \$6 million per production.

**Annual Funding Caps:** \$10million per fiscal year; tax credits remaining may be carried over.

For detail information go to: <https://nevadafilm.com/tax-incentives/>



# ***Business and Industry Programs***

# Business and Industry Programs

## Industrial Development Revenue Bonds (IDRBs)

Tax-exempt municipal bond/public debt instrument structured to assist a borrower achieve the lowest cost of capital.

Bonds may be used for projects located in Nevada including but not limited to:

- Industrial uses including manufacturing and warehousing
- Research and development facilities
- Commercial enterprises
- Civic and cultural enterprises open to the public including theaters and museums
- Accredited educational institutions
- Health facilities
- Preservation of historic structures

### Qualifying Criteria:

The size of the expansion, the number of new jobs created, and high wages are important factors in weighing the approval of the application along with the ability of the applicant to pay back the bonds.

For detail information go to: [https://business.nv.gov/Programs/IDRB\\_Program\\_Overview/](https://business.nv.gov/Programs/IDRB_Program_Overview/)

# Business and Industry Programs

## **New Market Tax Credit (NMTC)**

Helps businesses and nonprofit organizations to gain access to “gap funding” to support businesses located in economically distressed communities.

**Federal NMTC** – This program funds projects requiring over \$5million in total equity and funding.

Community Development Entities (CDEs) allocated federal tax credits to incentivize private capital to invest in ventures in distressed or disadvantaged communities. For their investment, the private investors receive a tax credit against their federal income tax liability through the IRS.

**Nevada NMTC** – This program funds projects from \$300,000 to \$3 million and up.

The Nevada NMTC program allocates insurance premium tax credits to CDEs for investment in these same low-income census tracts.

**City of Las Vegas NMTC** - for more information, visit

[www.lasvegasnevada.gov/Business/Economic-Development/Business-Incentives](http://www.lasvegasnevada.gov/Business/Economic-Development/Business-Incentives).

For detail information go to: [https://business.nv.gov/Programs/New\\_Markets\\_Tax\\_Credit\\_Program/](https://business.nv.gov/Programs/New_Markets_Tax_Credit_Program/)

# ***Nevada Opportunity Zones***

# Nevada Opportunity Zones

## Opportunity Zone (OZ) Map



Opportunity Zone Program offers three tax benefits:

- Temporary deferral of taxes
- Set-up in Basis - a reduction in taxes by 10 to 15%
- Permanent exclusion - the exclusion of capital gains tax on appreciation if held for 10 years

The percent of tax relief depends on how long investment stays in the **Opportunity Fund**

- Opportunity Fund is an investment vehicle set up as either a partnership or corporation for investing in eligible property that is in a Qualified Opportunity Zone.

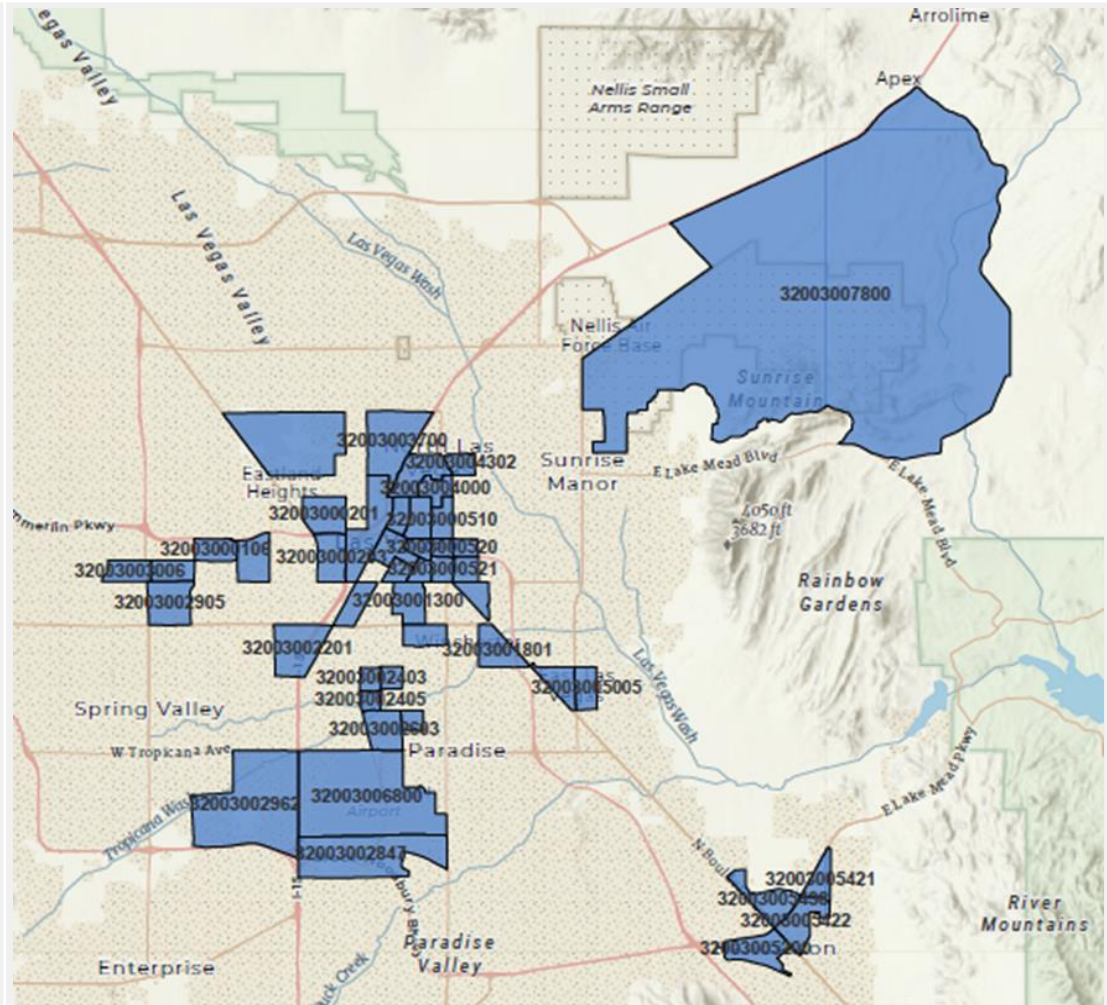
For full list of Nevada OZs by county and list of available OZ Funds got to:  
<https://opportunitydb.com/location/Nevada/>

# Clark County OZ Map

The state of Nevada has **61 designated OZ**

**45 Opportunity Zones** are in Clark County

- 11 of which are in the unincorporated areas (Paradise, Sunrise Manor and Winchester).



# ***Economic Development Rate Raider Program (EDRR)***

# Economic Development Rate Raider (EDRR)

## EDRR Program:

**Certificate of Eligibility for an EDRR** for discounts to be applied for 8 years on rates up to 25 megawatts of power capacity used by the Company within the Project Site pursuant to a contract with a term of 10 years.

Pursuant to [NRS 704.7881](#) and the 10 years contract entered, the Company could be eligible for a **discount to the base tariff energy rate portion of its electric bill** as follows:

- years **1 – 2** of contract – **no discount** of the base tariff energy rate
- years **3 – 4** of contract - up to **30%** discount of the base tariff energy rate
- years **5 – 8** of contract - up to **20%** discount of the base tariff energy rate
- years **9 – 10** of contract – up to **10%** discount of the base tariff energy rate

### **How the program is administered:**

- Pursuant to NRS Chapter 704.7876, GOED, in consultation with the Public Utilities Commission of Nevada would approve application for the program.
- Once approved, the company would complete the agreement, NV Energy will administer it and adjust electric bill accordingly when the discounts start.

NV Energy / GOED has roughly 24MW's to use to complete the allocation for companies interested, in **southern Nevada**, to make an application to participate in this program.