

# *Incentive Programs - Nevada*

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*Nevada Governor's Office of*

**ECONOMIC DEVELOPMENT**

# ***Introduction***

- **GOED Programs:**
  - Standard Tax Abatements
  - Aviation Tax Abatements
  - Data Center Tax Abatements
  - Real Property for Recycling Tax Abatements
  - SB1 and SB2 Abatements
  - Film Office Tax Incentives
  - Economic Development Rate Rider Program (EDRR)
- **Business and Industry Programs:**
  - Industrial Development Revenue Bonds (IDRBs)
  - New Market Tax Credit (NMTC)
- **Nevada Opportunity Zones (OZ)**

# ***Standard Tax Abatements***

# Standard Tax Abatements

## Standard Tax Abatements (NRS 360.750):

<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>

# ***Data Center Tax Abatements***

# Data Center Tax Abatements

## Aviation Tax Abatements (NRS 360. 753):

<b>Data Center Sales and Use Tax Abatement</b>	Sales and use tax abatement for up to 10 years on qualified capital equipment purchases, with reductions in the rate to as low as 2% - <i>Requires the Governor's Office of Economic Development Board to approve a reduction to 2% by a two-thirds vote.</i>
<b>Data Center 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>	<ul style="list-style-type: none"><li>▪ Create 5 or more new full-time jobs within one year</li><li>▪ Pay an average wage of at least 100% of the statewide average wage</li></ul> <p><i>In addition to the above requirements the company must meet 1 of the following criteria:</i></p> <ul style="list-style-type: none"><li>▪ Make a new capital investment of at least \$250,000 within 1 year</li><li>▪ Maintain and possess in this State tangible personal property of not less than \$5,000,000</li><li>▪ The business develops, refines or owns a patent or other intellectual property, or has been issued a FAA certificate (14 CFR Part 21)</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>

# ***Aviation Tax Abatements***

# Aviation Tax Abatements

## Aviation Tax Abatements (NRS 360.754):

<b>Aviation Sales and Use Tax Abatement</b>	Sales and use tax abatement for up to 10 or 20 years on qualified capital equipment purchases, with reductions in the rate to as low as 2% - <i>Requires the Governor's Office of Economic Development Board to approve a reduction to 2% by a two-thirds vote.</i>
<b>Aviation Personal Property Tax Abatement</b>	An abatement on personal property not to exceed 75% over a maximum of 10 or 20 years.
<i>Requirements to Qualify:</i>	<p><b>10-year abatements:</b></p> <ul style="list-style-type: none"><li>▪ Jobs: Within 5 years employ 10 full-time employees who are Nevada residents</li><li>▪ Wages: Pay at least 100% of the statewide average wage</li><li>▪ Capital Investment: Within 5 years, invest at least \$25 million in cumulative capital expenditures between the applicant and tenants</li></ul> <p><b>20-year abatements:</b></p> <ul style="list-style-type: none"><li>▪ Jobs: Within 5 years employ 50 full-time employees who are Nevada residents</li><li>▪ Wages: Pay at least 100% of the statewide average wage</li><li>▪ Capital Investment: Within 5 years, invest at least \$100 million in cumulative capital expenditures between the applicant and tenants</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>



# ***Real Property Tax for Recycling Abatements***

# Real Property Tax for Recycling Abatements

## Real Property Tax for Recycling Abatements (NRS 360.750, NRS 710A.210):

<b>Real Property Tax for Recycling Tax Abatement</b>	Qualifying businesses can receive a partial abatement of up to 50% of the tax due on real property over a maximum of 10 years.
<i>Requirements to Qualify:</i>	<ul style="list-style-type: none"><li>▪ Must meet the 'Standard Abatement' requirements for an Urban and Rural location</li><li>▪ Business must be in the primary trade of recycling at least 50% of raw material or an intermediate product onsite; or converting the energy derived from recycled material (specifically, industrial, domestic, agricultural or municipal waste) into electricity.</li></ul>

# ***SB1 and SB2 Abatements***

# SB1 and SB2 Abatement Packages

## Abatements for Qualified Projects

### SB2 - Capital Investment of at least \$1 Billion

#### Abatement of taxes include:

- Sales and Use – Reduced to 2% for 15 years
- MBT – 75% for 10 years
- Property Taxes (Real and Personal) – 75% for 10 years

*Transferrable Tax Credits (TTCs) - \$38M available; \$9,500 for each qualified employee up to 4,000 jobs. TTCs sunset on July 1, 2025.*

### SB1 - Capital Investment of at least \$3.5 Billion

#### Abatement of taxes include:

- Sales and Use – Reduced to 2% for 20 years
- MBT – 100% for 10 years
- Property Taxes (Real and Personal) – 100% for 10 years

*No longer available: TTCs initially approved for this package was \$195M \$12,500 for each qualified employee up to 6,000 jobs. Authority has been exhausted and TTCs sunset on July 1, 2022*

# *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 NV of at least \$500,000; total qualified spend and production costs incurred in NV are at least 60% of the total budget.

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

**Project Caps:** \$6,000,000 per production.

**Annual Funding Caps:** \$10,000,000 per fiscal year; tax credits remaining may be carried over.

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

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

# Economic Development Rate Rider (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.



# ***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 \$5,000,000 in total equity and funding. The CDFI recently allocated an additional \$7 billion to support this program.

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).

