



Economic Impact of Tesla Electric Semi Truck & Battery Manufacturing Expansion in Storey County, Nevada

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Disclaimer: The information and observations contained in this report are based on our present knowledge of the components of development, and of the current physical, socioeconomic and fiscal conditions of the affected areas. Estimates made in this analysis are based on hypothetical assumptions, current tax policies, and the current economic structure of the region. However, even if the assumptions outlined in this report were to occur, there will usually be differences between the estimates and the actual results because events and circumstances frequently do not occur as expected. This analysis is based on the best available information and is intended to aid the State of Nevada in quantifying the impacts of Tesla on the local economy. In no way will Applied Economics LLC be held responsible or have any liability or be subject to damages from this analysis. This report may be used only for the purposes that it was intended.

INTRODUCTION

The Nevada Governor's Office of Economic Development contracted Applied Economics to perform a third-party economic analysis of Tesla and their planned expansion in Storey County. Tesla is planning to build an electric semi truck and battery manufacturing facility adjacent to the existing gigafactory in Storey County. This analysis is intended to provide a framework for understanding the economic and revenue impacts of the company's proposed facilities, relative to the benefits of the Single Site \$3.5 billion investment program (N.R.S. 360.900-980).

Tesla is anticipated to make a major new capital investment, adding 4 million square feet of manufacturing space and supporting approximately 3,000 additional jobs at build out. The expansion would involve the two new facilities including a 100 GWh 4680 cell factory that could produce batteries for an estimated 1.5 million vehicles per year, and the first high-volume electric semi truck manufacturing facility in the country that could produce up to 50,000 trucks per year.¹ All the jobs created by the company would be net new jobs thereby growing the economy both locally and regionally. The expansion of this company in Storey County would not only create substantial new jobs and capital investment, but would also support significant additional economic activity at related local suppliers in Nevada within the electric vehicle ecosystem.

¹ Daimler Truck North America is currently manufacturing electric semi-trucks in Portland, Oregon, but production levels are significantly less than the proposed Tesla facility.

PROJECT SUMMARY

Based on the assumptions provided by the company, Table 1 details the anticipated labor and capital investment by Tesla over the next 20 years. The company is expected to create a total of 3,000 new jobs within the next eight years including production workers, material handlers, technical and skilled trades and engineers. The average wage is estimated at \$33.49 per hour including benefits. Employment growth is expected to proceed in phases beginning with 200 jobs in 2023 and ramping up to 3,000 jobs by 2030. This analysis assumes that the company will make a \$1.6 billion investment for the construction of 4 million square feet of manufacturing space, and a \$2.0 billion investment in equipment over six years. The economic impact results in this analysis will show the construction and operation impacts of the Tesla expansion on the state over the next 20 years.

**TABLE 1
PROJECT DESCRIPTION**

Year	Jobs	Payroll	Capital Investment	
			Construction	Equipment
2023	200	\$13,933,712	\$240,000,000	\$100,000,000
2024	680	\$47,374,621	\$400,000,000	\$300,000,000
2025	1,000	\$69,668,560	\$640,000,000	\$600,000,000
2026	2,160	\$150,484,090	\$240,000,000	\$700,000,000
2027	2,500	\$174,171,400	\$80,000,000	\$200,000,000
2028	2,700	\$188,105,112	\$0	\$100,000,000
2029	2,800	\$195,071,968	\$0	\$0
2030	3,000	\$209,005,680	\$0	\$0
2031	3,000	\$209,005,680	\$0	\$0
2032	3,000	\$209,005,680	\$0	\$0
2033	3,000	\$209,005,680	\$0	\$0
2034	3,000	\$209,005,680	\$0	\$0
2035	3,000	\$209,005,680	\$0	\$0
2036	3,000	\$209,005,680	\$0	\$0
2037	3,000	\$209,005,680	\$0	\$0
2038	3,000	\$209,005,680	\$0	\$0
2039	3,000	\$209,005,680	\$0	\$0
2040	3,000	\$209,005,680	\$0	\$0
2041	3,000	\$209,005,680	\$0	\$0
2042	3,000	\$209,005,680	\$0	\$0
Total	3,000	\$3,555,883,302	\$1,600,000,000	\$2,000,000,000

Economic Impacts

- **Construction Impacts.** Construction jobs are not permanent and should therefore be viewed as a “person-year” equivalent. An estimated 9,275 direct construction jobs and 5,858 additional indirect and induced jobs could be created in the Washoe/Storey County region, and throughout the state, between 2023 and 2027 from the new construction activity associated with the building and site improvements for the battery and semi truck manufacturing facilities. This level of construction activity could result in a one-time economic impact of \$2.8 billion to the state over six years. These construction impacts are in addition to the operation impacts detailed below.
- **Operation Impacts.** In total, the Tesla expansion could create an annual economic impact estimated at \$2.2 billion at stabilized (or full operational) annual levels, or \$38.0 billion over the next 20 years. The company’s operation could directly and indirectly support an estimated 6,655 total jobs (based on 3,000 direct jobs) and \$7.5 billion in labor income over the 20-year period.
- **Overall Stabilized Impacts.** Based on the construction and operation impacts combined, the Tesla expansion could generate a total economic impact of \$40.8 billion over 20 years.
- **Jobs and Income.** The facility is expected to employ 3,000 people with estimated total annual wages of \$209.0 million (in current dollars) by 2030. Through the multiplier effect, an additional 3,655 jobs and \$232.5 million in annual payroll could be supported at other local businesses, based on the assumed level of supplier demand that could be met within the state. The additional jobs and payroll at other local businesses stem from direct and indirect impacts of supplier demand created by the battery and truck manufacturing, and consumer demand created by employees. An estimated 89% of these indirect and induced jobs could be captured in the Washoe/Storey County region, based on the IMPLAN multipliers.
- **Supported Population.** The 3,000 direct jobs and an estimated 3,655 indirect and induced jobs associated with Tesla’s operations could support a population (including families) of about 12,000 people. Approximately 85% of the workforce could potentially live in Washoe and Storey counties based on expected commuting patterns.

State and Local Tax Impacts

- **Company Tax Impacts.** Assuming a capital investment of \$3.6 billion in land, buildings and equipment, the company could generate an estimated \$21.8 million in gross average annual property tax revenues, \$11.2 million in gross average annual sales and use taxes, \$1.1 million in average annual business license taxes on utilities, and \$2.1 million in gross average annual modified business taxes over 20 years. All total, this could result in an estimated \$725.8 million in gross state and local revenues the next 20 years.

- Value of Abatements.** The proposed package of abatements could total \$330.3 million. The incentives include a 10 year, 100% real and personal property tax abatement; a reduction in local sales and use taxes on equipment purchases and construction materials for 20 years to a total state and local tax rate of 5.35%; and a 100% abatement of modified business taxes for 10 years.
- Value of Anticipated Diversification District Reimbursements.** In addition to the abatements available through the Single Site \$3.5 Billion Investment Program, Tesla could also receive a reimbursement of a portion of unabated sales and use taxes through an economic diversification district established between the county and Lead Participant pursuant to (N.R.S. 271B.070). The county could reimburse the 2% state sales and use tax and the 0.75% unabated local option sales and use taxes. The company would not be eligible for reimbursement of the 2.6% local school support tax, a component of the sales and use tax. The value of the anticipated sales and use tax reimbursement is estimated at \$81.4 million over 20 years.
- Employee Tax Impacts.** In addition to company taxes, Tesla employees, and indirect and induced employees could generate property and sales and use tax revenues through employee spending and property ownership. Employee revenues are estimated at an annual average of \$21.8 million per year for new jobs associated with the expansion, or \$370.5 million over 20 years, based on the level of economic impacts and the estimated number of direct, indirect and induced employees that could be supported by Tesla semi truck manufacturing in Washoe and Storey counties.
- Net Revenues.** After abatements and anticipated reimbursements, Tesla and its employees could generate an estimated \$684.7 million in net revenues to state and local governments over 20 years.



Tesla Expansion Summary of Key Findings

Jobs and Income Created	Jobs	Annual Labor Income	Average Hourly Wage
Direct	3,000	\$209.0 million	\$33.49
Indirect	3,655	\$232.5 million	\$30.57
Total	6,655	\$441.5 million	\$31.89
Operational Output Impact	Stabilized Annual	10 Year Total	20 Year Total
Direct	\$1.5 billion	\$10.4 billion	\$25.3 billion
Indirect	\$0.7 billion	\$5.2 billion	\$12.7 billion
Total	\$2.2 billion	\$15.7 billion	\$38.0 billion
Construction Impact	Total	Annual Average¹	
Direct Jobs	9,275	1,855	
Indirect Jobs	5,858	1,172	
Total	15,133	3,027	
One-Time Economic Impact	\$2.8 billion	\$567.0 million	
Capital Investment	Total		
Direct Construction	\$1.6 billion		
Equipment	\$2.0 billion		
Total	\$3.6 billion		
Tax Revenue Impact and Value of Abatements and Reimbursements	Annual Average	10 Year Total	20 Year Total
Gross Company Taxes before Incentives			
State of Nevada	\$6.2 million	\$88.8 million	\$123.3 million
Local Government and Schools	\$30.1 million	\$409.9 million	\$602.5 million
Total	\$36.3 million	\$498.7 million	\$725.8 million
Employee Taxes			
State of Nevada	\$5.2 million	\$42.6 million	\$103.4 million
Local Government and Schools	\$13.4 million	\$110.1 million	\$267.2 million
Total	\$18.5 million	\$152.7 million	\$370.5 million
Value of Abatements			
State of Nevada	na	\$29.6 million	\$29.6 million
Local Government and Schools	na	\$300.6 million	\$300.6 million
Total	na	\$330.3 million	\$330.3 million
Value of Anticipated Sales and Use Tax Reimbursement			
State of Nevada	na	\$59.2 million	\$59.2 million
Local Government and Schools	na	\$22.2 million	\$22.2 million
Total	na	\$81.4 million	\$81.4 million

¹ Annual average during initial construction period in 2023 and 2027.

ECONOMIC IMPACTS

The economic benefits resulting from the expansion of Tesla in Storey County can be measured in terms of both the one-time construction impacts and on-going operation impacts. These impacts include direct, indirect and induced jobs, labor income and output that could be generated by the project. Indirect and induced impacts are the result of the multiplier effect and capture supported supplier and consumer businesses and employees in the Washoe/Storey region, and statewide, that could benefit from the new battery and semi truck manufacturing facilities.

Construction Impacts

The facilities required for this project could result in construction expenditures estimated at \$1.6 billion over the next five years based on data provided by Tesla. The multiplier effect of this spending could result in a total increase in economic activity of \$2.8 billion over five years, including \$1.6 billion in direct construction expenditures, \$1.2 billion in indirect and induced impacts in Washoe and Storey Counties, and an additional \$72.0 million in indirect and induced impacts throughout the rest of the state. The estimated 15,133 direct, indirect and induced jobs created statewide by the construction activity could result in \$1.3 billion in total labor income over the five-year period.

**TABLE 2
CONSTRUCTION IMPACT OF TESLA EXPANSION
WASHOE AND STOREY COUNTIES AND THE STATE OF NEVADA
(Thousands of Dollars)**

Year	Direct - Washoe Storey Region			Indirect/Induced - Washoe Storey Region			Indirect/Induced - Rest of State			Statewide Total		
	Construction Expenditures	Jobs	Labor Income	Output	Jobs	Labor Income	Output	Jobs	Labor Income	Output	Jobs	Labor Income
2023	\$240,000	1,391	\$138,603	\$174,470	847	\$55,687	\$10,803	32	\$1,973	\$425,273	2,270	\$196,263
2024	\$400,000	2,318	\$231,006	\$290,783	1,412	\$92,811	\$18,005	53	\$3,289	\$708,789	3,783	\$327,106
2025	\$640,000	3,709	\$369,609	\$465,254	2,259	\$148,498	\$28,808	84	\$5,262	\$1,134,062	6,053	\$523,369
2026	\$240,000	1,392	\$138,603	\$174,470	847	\$55,687	\$10,803	32	\$1,973	\$425,273	2,271	\$196,263
2027	\$80,000	464	\$46,201	\$58,157	282	\$18,562	\$3,601	11	\$658	\$141,758	757	\$65,421
2028	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
2029	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
2030	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
2031	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
2032	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
2033	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
2034	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
2035	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
2036	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
2037	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
2038	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
2039	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
2040	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
2041	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
2042	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
Total	\$1,600,000	9,275	\$924,023	\$1,163,134	5,648	\$371,245	\$72,021	210	\$13,156	\$2,835,155	15,133	\$1,308,423

Operation Impacts

On-going economic impacts from the operations of Tesla semi truck manufacturing over the next 20 years include direct output, employment and labor income, and the corresponding level of indirect and induced impacts that could be supported by this project.

The new battery and semi truck manufacturing operation is anticipated to launch with 200 jobs and \$13.9 million in annual payroll in 2023. The company could add 2,800 jobs over the next eight years up to a stabilized level of 3,000 jobs and \$209.0 million in annual wages or labor income by 2030 (Table 3). Through local supplier purchases and employee spending, the Tesla expansion could create an estimated annual economic impact of \$2.2 billion at full operational levels, based on the assumptions used in this analysis. The company could indirectly support an estimated 3,655 additional jobs and \$232.5 million in annual labor income at other related businesses in the Washoe/Storey region and throughout the state on an on-going basis once they reach full employment levels.

**TABLE 3
ANNUAL OPERATION IMPACT OF TESLA EXPANSION
ON WASHOE AND STOREY COUNTIES AND THE STATE OF NEVADA
(Thousands of Dollars)**

Year	Direct - Washoe Storey Region			Indirect/Induced - Washoe Storey Region			Indirect/Induced - of State			Rest	Statewide Total		
	Output	Jobs	Labor Income	Output	Jobs	Labor Income	Output	Jobs	Labor Income	Output	Jobs	Labor Income	
2023	\$99,206	200	\$13,934	\$45,078	216	\$14,539	\$4,587	28	\$958	\$148,871	444	\$29,431	
2024	\$337,302	680	\$47,375	\$153,264	733	\$49,431	\$15,596	95	\$3,258	\$506,162	1,508	\$100,064	
2025	\$496,032	1,000	\$69,669	\$225,389	1,078	\$72,693	\$22,935	140	\$4,791	\$744,356	2,218	\$147,153	
2026	\$1,071,429	2,160	\$150,484	\$486,839	2,329	\$157,016	\$49,540	302	\$10,349	\$1,607,808	4,791	\$317,850	
2027	\$1,240,079	2,500	\$174,171	\$563,471	2,696	\$181,732	\$57,338	349	\$11,978	\$1,860,889	5,545	\$367,882	
2028	\$1,339,286	2,700	\$188,105	\$608,549	2,912	\$196,271	\$61,925	377	\$12,936	\$2,009,760	5,989	\$397,312	
2029	\$1,388,889	2,800	\$195,072	\$631,088	3,020	\$203,540	\$64,219	391	\$13,416	\$2,084,196	6,211	\$412,027	
2030	\$1,488,095	3,000	\$209,006	\$676,166	3,235	\$218,078	\$68,806	420	\$14,374	\$2,233,067	6,655	\$441,458	
2031	\$1,488,095	3,000	\$209,006	\$676,166	3,235	\$218,078	\$68,806	420	\$14,374	\$2,233,067	6,655	\$441,458	
2032	\$1,488,095	3,000	\$209,006	\$676,166	3,235	\$218,078	\$68,806	420	\$14,374	\$2,233,067	6,655	\$441,458	
2033	\$1,488,095	3,000	\$209,006	\$676,166	3,235	\$218,078	\$68,806	420	\$14,374	\$2,233,067	6,655	\$441,458	
2034	\$1,488,095	3,000	\$209,006	\$676,166	3,235	\$218,078	\$68,806	420	\$14,374	\$2,233,067	6,655	\$441,458	
2035	\$1,488,095	3,000	\$209,006	\$676,166	3,235	\$218,078	\$68,806	420	\$14,374	\$2,233,067	6,655	\$441,458	
2036	\$1,488,095	3,000	\$209,006	\$676,166	3,235	\$218,078	\$68,806	420	\$14,374	\$2,233,067	6,655	\$441,458	
2037	\$1,488,095	3,000	\$209,006	\$676,166	3,235	\$218,078	\$68,806	420	\$14,374	\$2,233,067	6,655	\$441,458	
2038	\$1,488,095	3,000	\$209,006	\$676,166	3,235	\$218,078	\$68,806	420	\$14,374	\$2,233,067	6,655	\$441,458	
2039	\$1,488,095	3,000	\$209,006	\$676,166	3,235	\$218,078	\$68,806	420	\$14,374	\$2,233,067	6,655	\$441,458	
2040	\$1,488,095	3,000	\$209,006	\$676,166	3,235	\$218,078	\$68,806	420	\$14,374	\$2,233,067	6,655	\$441,458	
2041	\$1,488,095	3,000	\$209,006	\$676,166	3,235	\$218,078	\$68,806	420	\$14,374	\$2,233,067	6,655	\$441,458	
2042	\$1,488,095	3,000	\$209,006	\$676,166	3,235	\$218,078	\$68,806	420	\$14,374	\$2,233,067	6,655	\$441,458	
Total	\$25,317,460	3,000	\$3,555,883	\$11,503,831	3,235	\$3,710,241	\$1,170,617	420	\$244,546	\$37,991,907	6,655	\$7,510,671	

The multiplier effect of Tesla's expansion in Storey County could result in a total operational economic impact of \$38.0 billion over the next 20 years, based on direct employment of 3,000 jobs and estimated annual wages of \$209.0 million by 2030. Should the number of jobs or the amount of payroll increase, the economic impacts would increase proportionally.

The new jobs generated directly and indirectly by Tesla's new manufacturing facilities could support a local population estimated at 12,000 people, with about 85% of those workers expected to live in Washoe or Storey counties. This includes families of direct employees, as well as families of employees at related supplier and consumer businesses supported through the multiplier effect. This analysis assumes that about 85% of the employees could work and live in the region, and the remaining employees would live elsewhere in Northern Nevada.

The secondary or indirect impacts described here are called multiplier effects. Multiplier effects are a way of representing the larger economic effects on the state's economy. The multiplier effects translate into an increase in output (loosely defined as labor cost, plus cost of inputs plus profits) into a corresponding increase in jobs and labor income. In essence, the multiplier effect represents the recycling of local spending. This recycling process creates new business opportunities.

The multipliers used in this analysis are from IMPLAN, a national vendor of economic impact software. Industry-specific multipliers for industrial construction, storage battery manufacturing and heavy truck manufacturing were used in the analysis. The multipliers are specific to the current economic base of Washoe and Storey counties and the state of Nevada. Local multipliers for heavy truck manufacturing did not exist in the IMPLAN model for the region and had to be created using national per employee ratios of output, proprietor income and employee compensation. Multipliers for these two types of manufacturing industries were applied accordingly. The multipliers for the region and the state were held constant over the 20-year period.

The average output multiplier for the state is 1.50 and the average jobs multiplier is 2.22. This means that for every \$1 million of output created by Tesla, an additional \$500,000 in economic activity is generated in the state's economy based on the current economic structure, and for every one direct job created by the company, an additional 1.22 indirect and induced jobs are supported in Nevada.

TAX REVENUE IMPACTS

In addition to supporting jobs, income and output at related businesses in the region and state through economic multiplier effects, the Tesla expansion would generate state and local tax revenues to Storey County, Washoe County and the State of Nevada. All total, the company could generate an estimated \$684.7 million in new company and employee tax revenues in Nevada, net of abatements and anticipated reimbursements, over the next 20 years. This figure includes \$725.8 million in gross company revenues and \$370.5 million in employee revenues, less \$330.3 million in abatements and \$81.4 million in anticipated reimbursements over 20 years.

Net Company Tax Revenues

State and local sales and use taxes generated by the company on equipment purchases and construction materials would be abated for the first 20 years down to a rate of 5.35%. Real and personal property taxes and modified business taxes would be abated by 100% for ten years through the Single Site \$3.5 billion investment incentive program. In addition to the abatements, the company could qualify for a reimbursement of the 2% state sales and use tax and 0.75% unabated local option sales and use taxes through an economic diversification district established between the county and Lead Participant pursuant to (N.R.S. 271B.070). The value of anticipated county sales and use tax reimbursements is estimated at \$81.4 million.

In total, the company could generate an estimated \$123.3 million in gross state taxes and \$602.5 million in gross local taxes over 20 years. Net of abatements and anticipated reimbursements, this would result in \$34.4 million in net state taxes and \$279.7 million in net local taxes for a total of \$314.1 million (Table 4).

Property taxes are abated at a rate of 100% for the first ten years, but the company could pay an estimated \$191.0 million in real and personal property taxes in the second ten years, based on the capital investment assumptions used in this analysis.²

There could be \$77.0 million in net state and local sales and use taxes in the first six years, after abatements and anticipated reimbursements. State sales and use taxes are not abated, and unabated local sales and use taxes include a 3.35% tax that would go to the schools, infrastructure, tourism and the Tri-County Railway Commission. However, it is anticipated that the 2% state sales and use tax and 0.75% of the local sales and use tax could be reimbursed through an economic diversification district, resulting in net sales and use taxes of 2.6% or \$77.0 million as shown in Figure 4. An alternative version of Figure 4 showing abatements only and excluding anticipated county sales tax reimbursements is included in Appendix A.

Company tax and fee impacts also include an estimated \$21.1 million in county business license fees on utilities (which would be paid by the utility provider), assuming a 1% tax rate in Storey County. State modified business tax (MBT) would be 100% abated for the first ten years, but

² Personal property is depreciated using a 15-year schedule. Taxable real property value is estimated at 70% of construction cost based on comparable properties.

could result in \$25.0 million in revenues in years 11 through 20. The MBT taxes in Table 4 include a deduction for employer paid health insurance at \$9,009 per employee per year, based on information provided by Tesla on health insurance costs.

**TABLE 4
DIRECT TAX REVENUE IMPACT OF TESLA EXPANSION NET OF ABATEMENTS
AND ANTICIPATED SALES AND USE TAX REIMBURSEMENTS**

Year	School District		Storey County		Fire District	State		Total Company Revenues
	Property Tax ¹	Sales and Use Tax ²	Property Tax ¹	Bsns License Fees	Property Tax ¹	Property Tax ¹	MBT ³	
2023	\$0	\$6,344,000	\$0	\$600,000	\$0	\$0	\$0	\$6,944,000
2024	\$0	\$14,040,000	\$0	\$800,000	\$0	\$0	\$0	\$14,840,000
2025	\$0	\$25,584,000	\$0	\$1,000,000	\$0	\$0	\$0	\$26,584,000
2026	\$0	\$21,944,000	\$0	\$1,100,000	\$0	\$0	\$0	\$23,044,000
2027	\$0	\$6,448,000	\$0	\$1,100,000	\$0	\$0	\$0	\$7,548,000
2028	\$0	\$2,600,000	\$0	\$1,100,000	\$0	\$0	\$0	\$3,700,000
2029	\$0	\$0	\$0	\$1,100,000	\$0	\$0	\$0	\$1,100,000
2030	\$0	\$0	\$0	\$1,100,000	\$0	\$0	\$0	\$1,100,000
2031	\$0	\$0	\$0	\$1,100,000	\$0	\$0	\$0	\$1,100,000
2032	\$0	\$0	\$0	\$1,100,000	\$0	\$0	\$0	\$1,100,000
2033	\$6,240,479	\$0	\$12,913,404	\$1,100,000	\$3,798,552	\$1,185,740	\$2,504,910	\$27,743,085
2034	\$5,902,282	\$0	\$12,213,575	\$1,100,000	\$3,592,694	\$1,121,480	\$2,504,910	\$26,434,940
2035	\$5,595,212	\$0	\$11,578,156	\$1,100,000	\$3,405,781	\$1,063,134	\$2,504,910	\$25,247,194
2036	\$5,297,975	\$0	\$10,963,084	\$1,100,000	\$3,224,854	\$1,006,657	\$2,504,910	\$24,097,480
2037	\$5,007,095	\$0	\$10,361,166	\$1,100,000	\$3,047,797	\$951,387	\$2,504,910	\$22,972,354
2038	\$4,720,567	\$0	\$9,768,255	\$1,100,000	\$2,873,389	\$896,945	\$2,504,910	\$21,864,065
2039	\$4,442,400	\$0	\$9,192,645	\$1,100,000	\$2,704,070	\$844,091	\$2,504,910	\$20,788,116
2040	\$4,183,774	\$0	\$8,657,470	\$1,100,000	\$2,546,645	\$794,950	\$2,504,910	\$19,787,749
2041	\$4,019,717	\$0	\$8,317,988	\$1,100,000	\$2,446,784	\$763,778	\$2,504,910	\$19,153,178
2042	\$3,968,831	\$0	\$8,212,690	\$1,100,000	\$2,415,810	\$754,109	\$2,504,910	\$18,956,350
Total	\$49,378,332	\$76,960,000	\$102,178,433	\$21,100,000	\$30,056,376	\$9,382,269	\$25,049,102	\$314,104,512

Note: All figures are in constant 2023 dollars.

¹ Property tax calculation assumes 100% abatement of real and personal property for 10 years.

² Sales tax calculation assumes a 20-year abatement of sales and use taxes on capital equipment and construction materials to a rate of 5.35% with 0.75% going to the Tri-County Railway, Tourism and Infrastructure, 2% to the state, and 2.6% to schools. Additionally, the company could receive a reimbursement of the 2% state tax and 0.75% local sales tax through an economic diversification district per NRS 271B.070. ³ MBT calculation assumes a 100% abatement for 10 years.

Employee Tax Revenues

Along with the taxes paid by the company, there could also be taxes generated by employees. Using the results from the economic impact analysis on direct, indirect and induced employees and labor income, it is possible to estimate employee tax impacts. In total, the employees associated with this project and living in the Washoe/Storey region could generate an estimated \$370.5 million in state and local revenues over the next 20 years.

Employee property tax revenues were based on average residential assessed value per capita in Washoe County, times the annual supported population, times a total property tax rate of 3.65%. Employee property taxes are estimated at about \$3.5 million per year to the school district, \$4.2 million to the county, \$1.0 million to other special districts, and \$0.6 million to the state at full employment beginning in 2030 (Table 5). All total the expansion could support an estimated \$158.3 million in employee property tax revenues over 20 years.

**TABLE 5
EMPLOYEE LOCAL AND STATE TAX REVENUE IMPACTS**

Year	Washoe County School Districts		Washoe County		Special Districts		State		Total Employee Revenues
	Property Tax	Sales and Use Tax	Property Tax	Sales and Use Tax	Property Tax	Sales and Use Tax	Property Tax	MBT	
2023	\$230,483	\$195,064	\$281,742	\$274,965	\$64,679	\$182,469	\$43,210	\$179,379	\$1,451,990
2024	\$783,642	\$663,216	\$957,923	\$934,880	\$219,909	\$620,396	\$146,913	\$609,888	\$4,936,766
2025	\$1,152,415	\$975,318	\$1,408,710	\$1,374,823	\$323,395	\$912,346	\$216,049	\$896,894	\$7,259,950
2026	\$2,489,216	\$2,106,686	\$3,042,813	\$2,969,617	\$698,534	\$1,970,668	\$466,666	\$1,937,290	\$15,681,491
2027	\$2,881,037	\$2,438,294	\$3,521,774	\$3,437,057	\$808,488	\$2,280,866	\$540,123	\$2,242,234	\$18,149,874
2028	\$3,111,520	\$2,633,358	\$3,803,516	\$3,712,022	\$873,167	\$2,463,335	\$583,333	\$2,421,613	\$19,601,864
2029	\$3,226,762	\$2,730,890	\$3,944,387	\$3,849,504	\$905,507	\$2,554,570	\$604,938	\$2,511,302	\$20,327,859
2030	\$3,457,245	\$2,925,953	\$4,226,129	\$4,124,469	\$970,186	\$2,737,039	\$648,245	\$2,690,681	\$21,779,946
2031	\$3,457,245	\$2,925,953	\$4,226,129	\$4,124,469	\$970,186	\$2,737,039	\$648,245	\$2,690,681	\$21,779,946
2032	\$3,457,245	\$2,925,953	\$4,226,129	\$4,124,469	\$970,186	\$2,737,039	\$648,245	\$2,690,681	\$21,779,946
2033	\$3,457,245	\$2,925,953	\$4,226,129	\$4,124,469	\$970,186	\$2,737,039	\$648,245	\$2,690,681	\$21,779,946
2034	\$3,457,245	\$2,925,953	\$4,226,129	\$4,124,469	\$970,186	\$2,737,039	\$648,245	\$2,690,681	\$21,779,946
2035	\$3,457,245	\$2,925,953	\$4,226,129	\$4,124,469	\$970,186	\$2,737,039	\$648,245	\$2,690,681	\$21,779,946
2036	\$3,457,245	\$2,925,953	\$4,226,129	\$4,124,469	\$970,186	\$2,737,039	\$648,245	\$2,690,681	\$21,779,946
2037	\$3,457,245	\$2,925,953	\$4,226,129	\$4,124,469	\$970,186	\$2,737,039	\$648,245	\$2,690,681	\$21,779,946
2038	\$3,457,245	\$2,925,953	\$4,226,129	\$4,124,469	\$970,186	\$2,737,039	\$648,245	\$2,690,681	\$21,779,946
2039	\$3,457,245	\$2,925,953	\$4,226,129	\$4,124,469	\$970,186	\$2,737,039	\$648,245	\$2,690,681	\$21,779,946
2040	\$3,457,245	\$2,925,953	\$4,226,129	\$4,124,469	\$970,186	\$2,737,039	\$648,245	\$2,690,681	\$21,779,946
2041	\$3,457,245	\$2,925,953	\$4,226,129	\$4,124,469	\$970,186	\$2,737,039	\$648,245	\$2,690,681	\$21,779,946
2042	\$3,457,245	\$2,925,953	\$4,226,129	\$4,124,469	\$970,186	\$2,737,039	\$648,245	\$2,690,681	\$21,779,946
Total	\$58,819,259	\$49,780,218	\$71,900,538	\$70,170,961	\$16,506,094	\$46,566,158	\$11,028,417	\$45,777,454	\$370,549,098

Note: All figures are in constant 2023 dollars. School and county revenues represent employees in Washoe and Storey Counties only.

Employee sales and use tax revenues include taxes on household spending in the region by direct, indirect and induced employees. They are estimated by multiplying total labor income from the economic impact times 31% (share of taxable expenditures), times a residency ratio of 85% for the Washoe/Storey region, times the local sales and use tax rate.³ No residency adjustment is used for state sales and use tax. Employee sales and use taxes are estimated at about \$2.9 million per year to school districts, \$4.1 million to the county, and \$2.7 million to the state at full employment beginning in 2030.⁴ All total the company could generate about \$166.5 million in employee sales and use tax revenues over 20 years.

Indirect and induced employees could generate an estimated \$2.7 million per year in state MBT revenues at full employment, or \$45.8 million over 20 years. For this calculation a rate of 1.378% is applied to indirect and induced labor income from the economic impacts. Modified business tax from direct employees is already captured in company revenues.

Note that revenues to school districts, the county and other special districts in Table 5 are limited to taxes generated by the estimated 85% of employees that are expected to live in Washoe and Storey counties. There could be additional local sales and property taxes in other Nevada counties where the remaining employees live that are not included in Table 5.

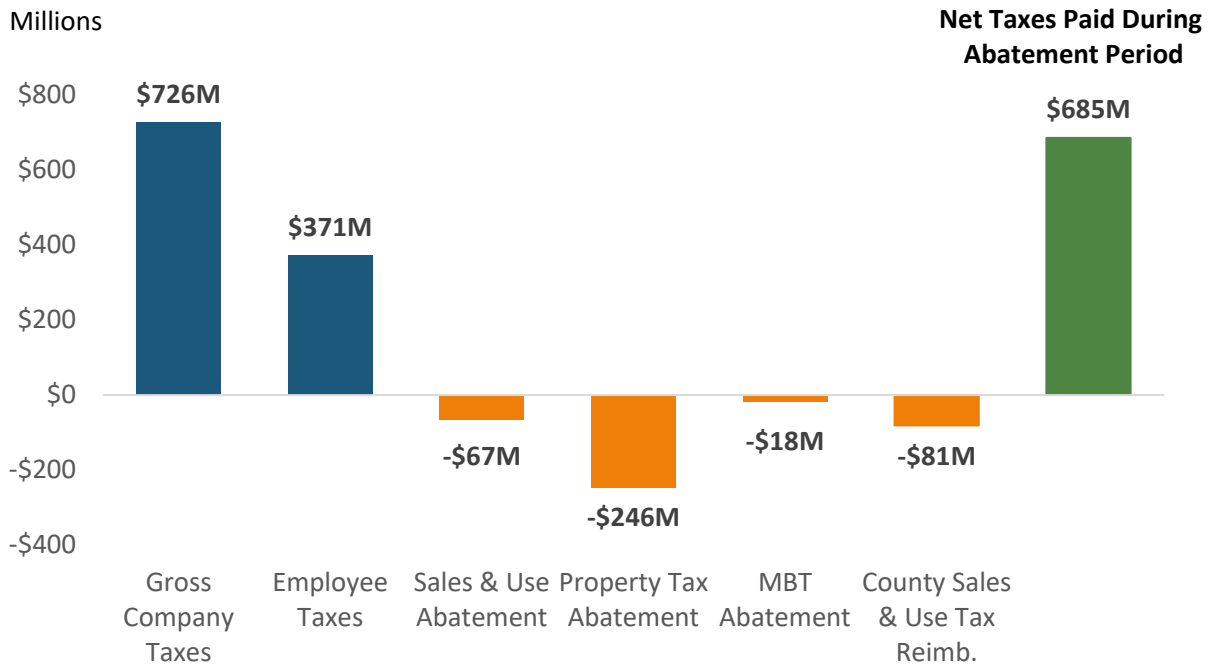
³ According to the Census Bureau Consumer Expenditure Survey, persons in the median income range spend about 31% of their income on taxable goods.

⁴ Reflects state sales and use tax rate of 2%.

Value of Abatements and Anticipated Reimbursements

The proposed package of abatements available to Tesla under the Single Site \$3.5 Billion Investment program could total \$330.3 million over a period of up to 20 years (Table 6). Figure 1 shows the value of each component of the abatement including sales, property tax and modified business taxes, relative to gross company taxes and employee taxes. The Single Site \$3.5 Billion program includes a 100% real and personal property tax abatement for 10 years, abatement of all but 5.35% of the sales and use tax on equipment purchases and construction materials for 20 years, and a 100% MBT abatement for 10 years. In addition, it is anticipated that the company could qualify for a reimbursement the 2% state sales and use tax and 0.75% of local option sales and use taxes through an economic diversification district established between the county and the Lead Participant. The value of these county reimbursements is estimated at \$81.4 million. After abatements and anticipated reimbursements, the company could generate an estimated \$685 million in state and local taxes over the next 20 years.

FIGURE 1
SUMMARY OF TAXES, ABATEMENTS AND ANTICIPATED REIMBURSEMENTS
2023 TO 2042



**TABLE 6
TESLA EXPANSION ABATEMENT SUMMARY**

Year	Real and Personal Property Tax Abatement				Sales and Use Tax Abatement	MBT Abatement	Sales and Use Tax Reimbursement ¹		Total Abatements & Reimbursements	
	Storey County	School District	Fire District	State	Storey County	State	Storey County	State	Local	State
2023	\$647,990	\$313,145	\$190,610	\$59,500	\$5,490,000	\$164,422	\$1,830,000	\$4,880,000	\$8,471,745	\$5,103,922
2024	\$5,478,367	\$2,647,453	\$1,611,493	\$503,037	\$12,150,000	\$565,648	\$4,050,000	\$10,800,000	\$25,937,313	\$11,868,685
2025	\$12,147,026	\$5,870,122	\$3,573,118	\$1,115,369	\$22,140,000	\$833,133	\$7,380,000	\$19,680,000	\$51,110,266	\$21,628,502
2026	\$17,384,211	\$8,401,023	\$5,113,666	\$1,596,260	\$18,990,000	\$1,802,764	\$6,330,000	\$16,880,000	\$56,218,900	\$20,279,024
2027	\$18,220,572	\$8,805,199	\$5,359,686	\$1,673,057	\$5,580,000	\$2,086,966	\$1,860,000	\$4,960,000	\$39,825,457	\$8,720,023
2028	\$17,683,971	\$8,545,884	\$5,201,842	\$1,623,785	\$2,250,000	\$2,254,144	\$750,000	\$2,000,000	\$34,431,697	\$5,877,928
2029	\$16,495,493	\$7,971,544	\$4,852,244	\$1,514,656	\$0	\$2,337,732	\$0	\$0	\$29,319,281	\$3,852,388
2030	\$15,429,614	\$7,456,452	\$4,538,710	\$1,416,784	\$0	\$2,504,910	\$0	\$0	\$27,424,776	\$3,921,694
2031	\$14,508,496	\$7,011,317	\$4,267,758	\$1,332,205	\$0	\$2,504,910	\$0	\$0	\$25,787,571	\$3,837,115
2032	\$13,657,556	\$6,600,095	\$4,017,449	\$1,254,070	\$0	\$2,504,910	\$0	\$0	\$24,275,099	\$3,758,980
2033	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2034	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2035	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2036	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2037	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2038	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2039	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2040	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2041	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2042	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$131,653,295	\$63,622,233	\$38,726,577	\$12,088,722	\$66,600,000	\$17,559,539	\$22,200,000	\$59,200,000	\$322,802,105	\$88,848,261

¹ The company is anticipated to receive a reimbursement of a portion of unabated sales and use taxes through an economic diversification district established between the county and Lead Participant pursuant to (N.R.S. 271B.070). The county could reimburse the 2% state sales and use tax and the 0.75% unabated local option sales and use taxes.

Summary

The Tesla expansion described in this analysis could create significant economic benefits for Northern Nevada and the state. This would be the first heavy truck manufacturing facility in Nevada, and the one of only two facilities in the country manufacturing all-electric semi trucks. It would expand the electric vehicle industry cluster in Nevada and support the shift toward alternative fuel vehicles at a new scale, building on Tesla's existing presence in Storey County.

The company could create new primary jobs and payroll, and generate additional demand for other local businesses based on supplier purchases and employee spending. The company could generate significant property, sales and MBT revenues to state and local governments in Nevada once the abatements and reimbursements expire. In addition, tax revenues generated by employees on their housing and consumer spending could result in additional sales and property taxes at the full unabated rate.

APPENDIX A

DIRECT TAX REVENUE IMPACT OF TESLA EXPANSION NET OF SINGLE SITE \$3.5 BILLION INVESTMENT ABATEMENTS

Year	School District		Storey County			Fire District	State			Total Company Revenues
	Property Tax ¹	Sales and Use Tax ²	Property Tax ¹	Sales Tax ²	Bsns License Fees	Property Tax ¹	Sales Tax ²	Property Tax ¹	MBT ³	
2023	\$0	\$6,344,000	\$0	\$1,830,000	\$600,000	\$0	\$4,880,000	\$0	\$0	\$13,654,000
2024	\$0	\$14,040,000	\$0	\$4,050,000	\$800,000	\$0	\$10,800,000	\$0	\$0	\$29,690,000
2025	\$0	\$25,584,000	\$0	\$7,380,000	\$1,000,000	\$0	\$19,680,000	\$0	\$0	\$53,644,000
2026	\$0	\$21,944,000	\$0	\$6,330,000	\$1,100,000	\$0	\$16,880,000	\$0	\$0	\$46,254,000
2027	\$0	\$6,448,000	\$0	\$1,860,000	\$1,100,000	\$0	\$4,960,000	\$0	\$0	\$14,368,000
2028	\$0	\$2,600,000	\$0	\$750,000	\$1,100,000	\$0	\$2,000,000	\$0	\$0	\$6,450,000
2029	\$0	\$0	\$0	\$0	\$1,100,000	\$0	\$0	\$0	\$0	\$1,100,000
2030	\$0	\$0	\$0	\$0	\$1,100,000	\$0	\$0	\$0	\$0	\$1,100,000
2031	\$0	\$0	\$0	\$0	\$1,100,000	\$0	\$0	\$0	\$0	\$1,100,000
2032	\$0	\$0	\$0	\$0	\$1,100,000	\$0	\$0	\$0	\$0	\$1,100,000
2033	\$6,240,479	\$0	\$12,913,404	\$0	\$1,100,000	\$3,798,552	\$0	\$1,185,740	\$2,504,910	\$27,743,085
2034	\$5,902,282	\$0	\$12,213,575	\$0	\$1,100,000	\$3,592,694	\$0	\$1,121,480	\$2,504,910	\$26,434,940
2035	\$5,595,212	\$0	\$11,578,156	\$0	\$1,100,000	\$3,405,781	\$0	\$1,063,134	\$2,504,910	\$25,247,194
2036	\$5,297,975	\$0	\$10,963,084	\$0	\$1,100,000	\$3,224,854	\$0	\$1,006,657	\$2,504,910	\$24,097,480
2037	\$5,007,095	\$0	\$10,361,166	\$0	\$1,100,000	\$3,047,797	\$0	\$951,387	\$2,504,910	\$22,972,354
2038	\$4,720,567	\$0	\$9,768,255	\$0	\$1,100,000	\$2,873,389	\$0	\$896,945	\$2,504,910	\$21,864,065
2039	\$4,442,400	\$0	\$9,192,645	\$0	\$1,100,000	\$2,704,070	\$0	\$844,091	\$2,504,910	\$20,788,116
2040	\$4,183,774	\$0	\$8,657,470	\$0	\$1,100,000	\$2,546,645	\$0	\$794,950	\$2,504,910	\$19,787,749
2041	\$4,019,717	\$0	\$8,317,988	\$0	\$1,100,000	\$2,446,784	\$0	\$763,778	\$2,504,910	\$19,153,178
2042	\$3,968,831	\$0	\$8,212,690	\$0	\$1,100,000	\$2,415,810	\$0	\$754,109	\$2,504,910	\$18,956,350
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¹ Property tax calculation assumes 100% abatement of real and personal property for 10 years.

² Sales tax calculation assumes a 20-year abatement of sales and use taxes on capital equipment and construction materials to a rate of 5.35% with 0.75% going to the Tri-County Railway, Tourism and Infrastructure, 2% to the state, and 2.6% to schools. ³ MBT calculation assumes a 100% abatement for 10 years.

Note: This table excludes anticipated county sales and use tax reimbursements.

ENTITY INFORMATION

ENTITY INFORMATION	
TESLA, INC.	Entity Name:
E0576452012-6	Entity Number:
Foreign Corporation (80)	Entity Type:
Active	Entity Status:
11/06/2012	Formation Date:
NV20121672465	NV Business ID:
Perpetual	Termination Date:
11/30/2023	Annual Report Due Date:
TESLA, INC.	Domicile Name:
Delaware - United States	Jurisdiction: