

Welcome to a **brighter** nevada.

Founded on innovation, sustainability and inclusiveness.

Driven by renewable energy and human ingenuity.



Current Nevada Commission on Economic Development Incentives



State Incentive Programs:

Incentives:	State of Nevada - NCED:
<p>Sales Tax Abatement:</p>	<ul style="list-style-type: none"> ▪An abatement of sales & use tax on eligible machinery and equipment listed on application only ▪Under abatement rate would be 2%
<p>Sales Tax Deferral:</p>	<ul style="list-style-type: none"> ▪Sales tax that can't be abated - can be deferred ▪Setting up a payment plan for taxes - equal monthly payments over 60 months (5 year payment plan)
<p>Modified Business Tax (Payroll Tax) Abatement:</p>	<ul style="list-style-type: none"> ▪Abatement is 50% for 4 Years on new jobs
<p>Personal Property Tax Abatement:</p>	<ul style="list-style-type: none"> ▪Eligible for up to 50% abatement of personal property tax over 10 years ▪Abatement applied to equipment listed on the application
<p>Property Tax Abatement for Recycling:</p>	<ul style="list-style-type: none"> ▪Real and personal property tax abatement is available to qualified recycling businesses (50% for 10 years) ▪At least 50 percent of the material or product must be recycled on site.

Qualification Criteria:

- Primary company (jobs)
- A majority of the Nevada operation's revenue is generated outside the state
- Must agree to do business in Nevada for at least five years at or above the initial level
- Must comply with all state and local business licensing requirements
- Provide health insurance to the employee (and cover 25% of the cost) with an option for the dependents
- Application must be brought to NCED from a recognized development authority

Sales & Use Tax Abatement:

- All but 2% of the applicable sales & use tax can be abated (NRS mandate)
 - 2% goes to the state general fund
- The abatement is eligible for the capital equipment listed in the application only

Example:

New company located in Sparks is approved for abatement on \$1,000,000 of new equipment

	Tax Rate	Equipment	Tax
Total applicable Tax	7.725%	1,000,000	\$77,250
Not eligible for abatement	2%	1,000,000	\$20,000 paid
Abatement	5.725%	1,000,000	\$57,250 abated

Sales & Use Tax Deferral:

- The 2% of sales tax that can't be abated can be deferred
- Essentially it is setting up a payment plan for taxes due

Example:

\$1,000,000 equipment purchased

2% tax due will be \$20,000

Payment plan will be $\$20,000/60$ *months* or monthly payments of \$333.33



Personal Property Tax Abatement:

- Eligible for up to 50% abatement of personal property tax over 10 years
 - The Commission has discretion over the percentage and time frame on traditional incentives
- Abatement applied to eligible equipment listed on the application



Modified Business Tax Abatement:

- Payroll tax on gross wages less health insurance costs
- Rate 1.17% on wages above \$250,000
- Abatement is 50% for four years on new jobs

Train Employees Now:

- Designed for short-term training programs for new or expanding companies
 - Full time, primary jobs
- Program is administered by Management Assistance Partnership (MAP) or TMCC
- MAP/TMCC works with local community colleges to set up appropriate training plan and paperwork
- Company must cover at least 25% of training costs
- Some funding for this program is provided through a partnership with DETR. There are other workforce training funds available to companies depending on the training and skill set desired. Custom packages can be developed.

Eligibility Requirements



New companies – Urban

	<i>Sales & Use Tax Abatement</i>	<i>Sales & Use Tax Deferral</i>	<i>Personal Property Tax Abatement</i>	<i>Modified Business Tax Abatement</i>	<i>Train Employees Now (TEN)</i>
Capital Investment	\$1,000,000	\$100,000	\$50,000,000 – ind. \$5,000,000 - other	\$1,000,000	N/A
Number of jobs	75	10	75	75	10
Average hourly average wage	\$19.83	\$15.86 (80% of state/county average wage)	\$19.83	\$19.83	\$15.86 (80% of state/county average wage)
Notes	Two out of three	Must post security deposit	Wage and capital investment are required	Two out of three	Two out of two



New companies – Rural

	<i>Sales & Use Tax Abatement</i>	<i>Sales & Use Tax Deferral</i>	<i>Personal Property Tax Abatement</i>	<i>Modified Business Tax Abatement</i>	<i>Train Employees Now (TEN)</i>
Capital Investment	\$250,000	\$100,000	\$5,000,000 – ind. \$500,000 - other	\$250,000	N/A
Number of jobs	15	10	15	15	10
Average hourly average wage	\$19.83	\$15.86 (80% of state/county average wage)	\$19.83	\$19.83	\$15.86 (80% of state/county average wage)
Notes	Two out of three	Must post security deposit	Wage and capital investment are required	Two out of three	Two out of two



Expanding companies

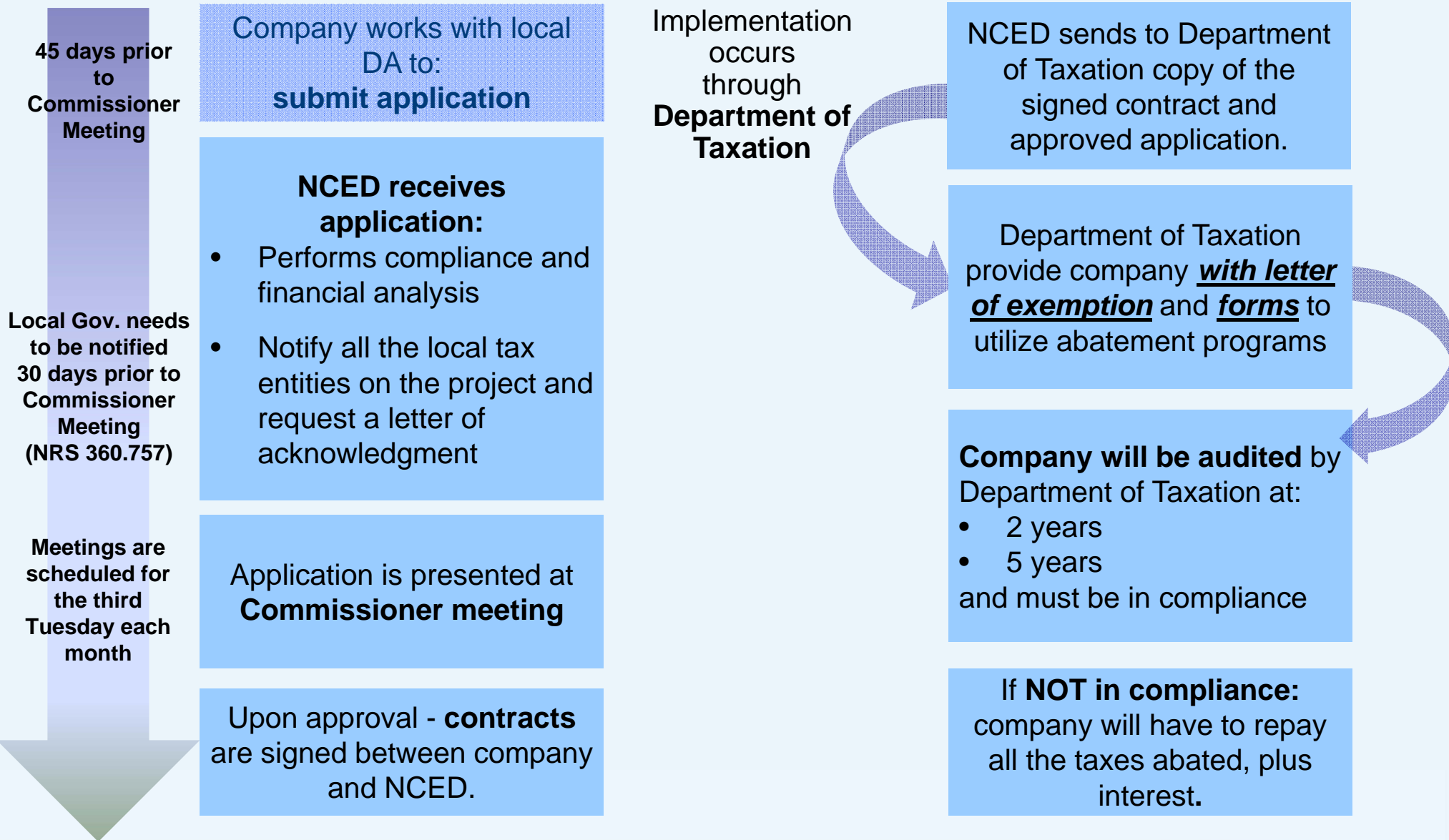
	<i>Sales & Use Tax Abatement</i>	<i>Sales & Use Tax Deferral</i>	<i>Personal Property Tax Abatement</i>	<i>Modified Business Tax Abatement</i>	<i>Train Employees Now (TEN)</i>
Capital Investment	20% increase in tangible property	\$100,000	20% increase in tangible property	20% increase in tangible property	N/A
Number of jobs	10% or 6, whichever is greater	10	10% or 6, whichever is greater	10% or 6, whichever is greater	10
Average hourly average wage	\$19.83	\$15.86 (80% of state/county average wage)	\$19.83	\$19.83	\$15.86 (80% of state/county average wage)
Notes	Two out of three	Must post security deposit	Two out of three	Two out of three	Two out of two



Application and Approval Process

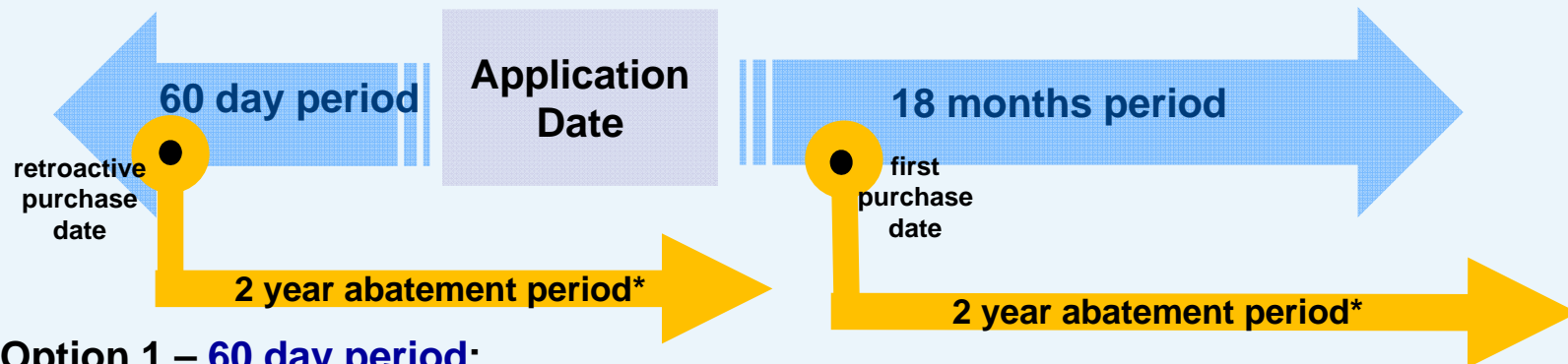


Incentive Process:



Eligible Equipment Purchase Timeline: Sales & Use Tax Abatement (NRS 374.357)

Equipment Purchase Period - from the application date:



Option 1 – 60 day period:

- Application must be submitted not later than 60 days after the date of acquisition of the eligible machinery or equipment

Retroactive purchase approval:

- Equipment that has been purchased 60 days prior to the application date may be included in application

Option 2 – 18 months period:

- Application must be submitted not earlier than 18 months before business is located or expanded in the State

Pre-purchase approval:

- First purchase of the equipment has to occur in 18 months period from the date of the application

*Abatement for eligible machinery (NRS 374.357): Taxpayer is eligible for abatement for not more than 2 years.