



DEPARTMENT OF ADMINISTRATION

209 E. Musser Street, Room 200
Carson City, Nevada 89701-4298
(775) 684-0222
Fax (775) 684-0260
<http://www.budget.state.nv.us/>

BUDGET DIVISION
ENERGY-RELATED TAX INCENTIVE FISCAL NOTE
FOR SILVER STATE SOLAR POWER NORTH, LLC
as required by NRS 701A.375-1(a)

January 19, 2011

Prepared by: Janet Rogers for Andrew Clinger, Budget Division Chief

Based on the information submitted by the applicant and provided to the Department of Administration by the Nevada State Office of Energy, the Budget Division estimates that the energy-related tax incentives provided to Silver State Solar Power North, LLC for development of their 50 MW AC solar photovoltaic facility located east of Primm, in Clark County, Nevada, will result in the State foregoing the following revenues:

STATE SALES AND USE TAX ABATED —

Silver State Solar Power North, LLC indicates they will purchase items subject to Nevada's 2.0% state sales and use tax totaling \$111,694,141. Given this information, the General Fund will be impacted by an abatement totaling \$2,233,883 less any applicable collection allowance.

Fiscal Year	Expenditure Subject to Abatement	Amount Abated
FY 2010	\$0	\$0
FY 2011	\$68,469,406	\$1,369,388
FY 2012	\$43,224,736	\$864,495
FY 2013	\$0	\$0
Total	\$111,694,141	\$2,233,883

STATE PROPERTY TAX ABATED —

According to analysis obtained from the Division of Assessment Standards of the Nevada Department of Taxation, over the 20 year period during which the Silver State Solar Power North, LLC solar photovoltaic facility property is eligible for property tax abatement, the total taxable value of the property will range from \$120,028,619 in the first year to \$87,247,010 in the final year. In each of these years, the State would normally have collected a 17 cents per 100 dollar levy for its debt fund. The provisions of Assembly Bill 522 enacted in NRS 701 specify that 55% of the property tax due on the facility is to be abated. The non-abated portion is split between the State and local governments, with 45% of the non-abated amount paid to the State and the remaining 55% paid to the local government. For applicable property taxes collected prior to June 30, 2011, the State's portion is applied to the General Fund; thereafter, the State's portion is applied to the State of Nevada Renewable Energy Fund.

- Over the 20 years of the abatement, the State's debt fund loses a total of \$677,336 with annual amounts ranging from \$39,279 in the first year to \$28,552 in the last year.
- In the first year of the abatement IF THERE IS TAXABLE PROPERTY PRIOR TO JUNE 30, 2011, the State's General Fund could receive as much as \$14,462 (45% of the amount of the first year non-abated property tax), depending on when the property is acquired; thereafter, the State's General Fund is unaffected by the abatement.