



**DEPARTMENT OF ADMINISTRATION**

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**BUDGET DIVISION**  
**ENERGY-RELATED TAX INCENTIVE FISCAL NOTE**  
**FOR CC LANDFILL ENERGY LLC**  
**as required by NRS 701A.375-1(a)**

February 23, 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 CC Landfill Energy LLC for developing, owning, and operating a landfill-gas-fueled electric power generation facility in Clark County, Nevada, will result in the State foregoing the following revenues:

**STATE SALES AND USE TAX ABATED —**

CC Landfill Energy LLC indicates they will purchase items subject to Nevada's 2.0% state sales and use tax totaling \$20,749,487. Given this information, the General Fund will be impacted by an abatement totaling \$414,990 less any applicable collection allowance.

Fiscal Year	Expenditure Subject to Abatement	Amount Abated
FY 2010	\$0	\$0
FY 2011	\$19,060,000	\$381,200
FY 2012	\$1,689,487	\$33,790
FY 2013	\$0	\$0
Total	\$20,749,487	\$414,990

## 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 CC Landfill Energy LLC landfill gas fueled electric power generation facility is eligible for property tax abatement, the total taxable value of the property will range from \$32,288,000 in the first year to \$23,085,020 in the final year. In each of these years, the State would normally have collected a 17 cent 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 \$181,440, with annual amounts ranging from \$10,576 in the first year to \$7,569 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 \$3,894 (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.