



# **Economic Development for Nevada's Sierra Region**







## Northern Nevada: An Overview

- ❖ *Logistics advantage* - Reach nearly 60,000 customers within a one-day truck transit
- ❖ *Close proximity to major markets and U.S. deep water seaports serving the Pacific Rim*
- ❖ *Affordable Lease Rates*
- ❖ *Low Cost*- Inexpensive to incorporate
- ❖ *State's Favorable Tax Structure*: Ranked **#5** on The Tax Foundation's 2018 *State Business Tax Climate Index*
- ❖ *Competitive Utility Rates*
- ❖ *Pro-business regulatory environment*
- ❖ *Nevada Ranked #1 by SBE Council's Small Business Policy Index 2018*: best environment for small business and entrepreneurship
- ❖ *State Business Incentives*: job creation, capital investment, aviation, and training
- ❖ *University of Nevada, Reno* ranked among top 5 business programs in the country



## About Nevada's Sierra Region

- ❖ *Encompasses 4 counties*
  - Carson City (state capital)
  - Douglas County
  - Lyon County
  - Storey County
- ❖ *Land mass of 3,183 square miles*
- ❖ *Population 159,000+*
- ❖ *Includes the south shore of Lake Tahoe*
- ❖ *Easy access to elected and government officials*
- ❖ *3<sup>rd</sup> largest metropolitan area in the Silver State*
- ❖ *Interconnected Communities*
  - 3 small urban cities
  - 25 incorporated towns
  - 6 Tribal communities
  - Many rural areas
- ❖ *Diverse Industry Sectors*
  - Manufacturing
  - Construction
  - Logistics
  - Health care
  - Aerospace
  - Mining
  - Agriculture
  - Tourism & many others
- ❖ *Served by Western Nevada College, home to the only International Mechatronics Certificate Program in the Western U.S.*

# The Nevada Advantage

## ❖ ***Nevada's Tax Structure:***

- NO Corporate Income Tax
- NO Personal Income Tax
- NO Inventory Tax
- NO Unitary Tax
- NO Estate and/or Gift Taxes
- NO Franchise Tax
- NO Inheritance Tax
- NO Special Intangible Tax



## ❖ ***Low cost of doing business***

- **4.6% lower than the national average**  
(Forbes, November 2017)
- One of the lowest costs to incorporate in the United States

## ❖ ***Highest Standard for Corporate Veil Protection:***

Nevada law provides extremely strong protection for controlling officers and shareholders against piercing the corporate veil and being held personally liable for lawful acts of the corporation, with the exception of fraud.

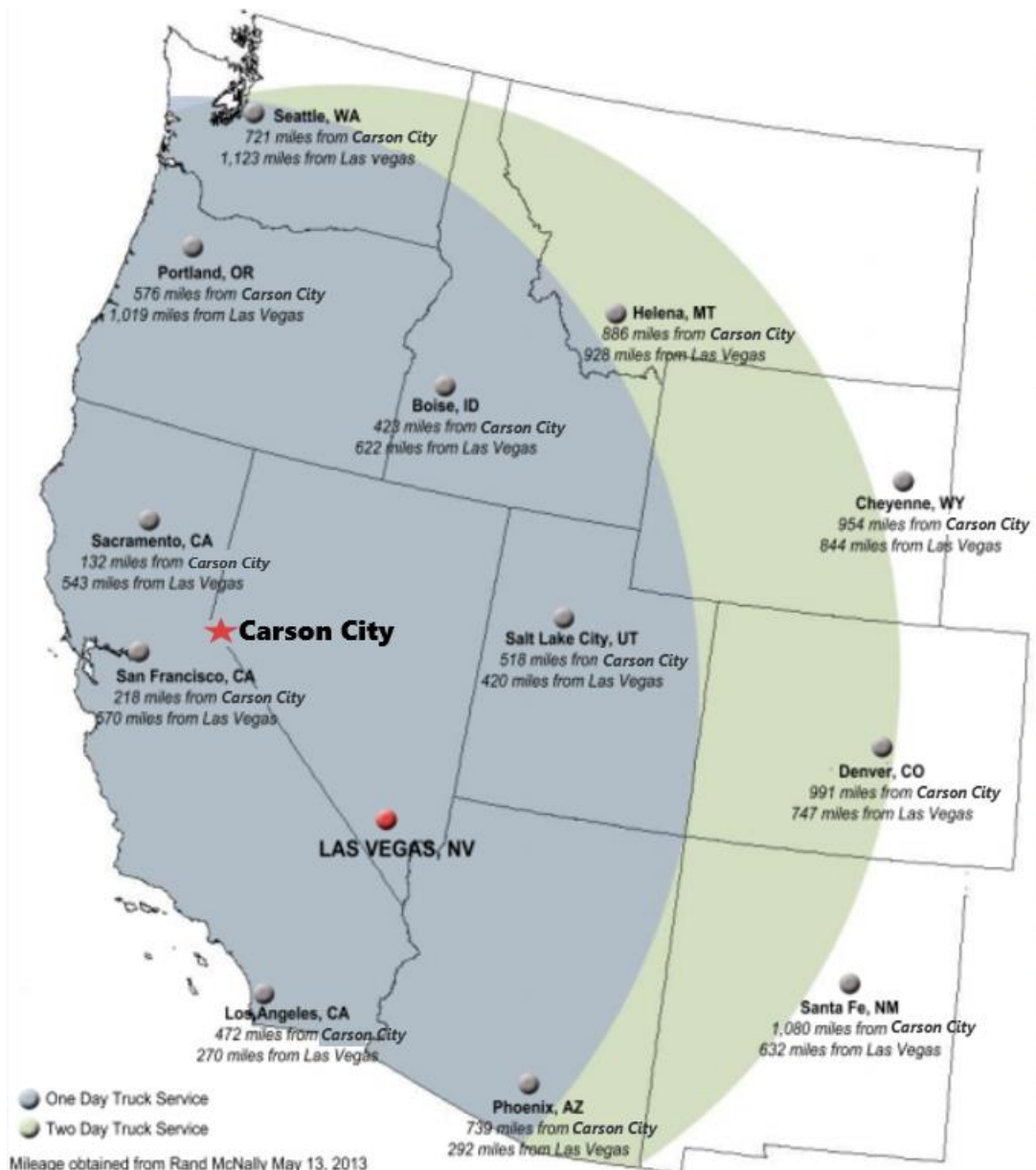
## ❖ ***Director Primacy:*** State law permits management to put in place strong protection from hostile takeovers. Also, Nevada allows the corporation's articles of incorporation to vest authority to adopt, amend or repeal bylaws exclusively in the directors, so that shareholders would not be able to change the corporation's bylaws.

## ❖ ***Corporate Information Protection:*** Nevada and Texas are the only two states that have no IRS information-sharing agreement (although other states' incorporation laws often supersede Nevada law in certain cases or for fraud crimes).



# Close to Your Customers

The close proximity of Northern Nevada to the western U.S., combined with easy access to the state's multi-modal transportation infrastructure, allows trucking and logistics to **reach nearly 60 million customers within a one-day truck transit**. More than 50 freight carriers and 65 trucking companies serve Northern Nevada offering transcontinental fast-freight and van-line **shipping to major markets and U.S. deep water seaports serving the Pacific Rim**.



# Workforce & Employment

## Nevada is a Right to Work State:

*Right to Work Laws secure the right of employees to decide for themselves whether or not to join or financially support a union.*

## Nevada Has Low Workers' Compensation Rates:

*Nevada law requires all business owners to obtain and maintain workers' compensation coverage.*

### Workman's Compensation Premium Rate Ranking

State	Ranking	Index Rate	Percent of Study Median
Nevada*	46	1.33	71%
Arizona	37	1.61	86%
California	3	2.92	155%
Colorado	43	1.42	76%
Idaho	19	2.02	107%
New Mexico	27	1.88	100%
Oregon	39	1.58	84%
Utah	45	1.35	72%



### ❖ *Nevada has a payroll cap:\$36,000 of reportable payroll per employee, per employer, per year*

- No adjustment was made to Nevada's rates to compensate for its payroll limitation on workers' compensation premium
- Rankings are based on a scale of 1 to 51, 1 being the highest rates and 51 being the lowest

### ❖ *Employers may obtain workers' compensation insurance from a private insurance company authorized to provide workers' compensation in Nevada by the State Division of Insurance (DOI)*

- If qualified, an employer may be self-insured through an approval process overseen by DOI
- For smaller businesses, there are associations of self-insured employers - groups of employers (generally in the same type of business) which are members of the association

# The Sierra Region of Nevada



# State of Nevada Incentive Programs

## Business Incentives

- ❖ **Sales & Use Tax Abatement** - On eligible machinery and equipment; reduces rate to 2%
- ❖ **Sales Tax Deferral** - Set up an interest free payment plan for taxes in equal monthly payments over a 60 month period (5Yrs)
- ❖ **Modified Business Tax (Payroll Tax) Abatement** - 50% for 4 Years on new jobs
- ❖ **Personal Property Tax Abatement** - Up to 50% abatement of personal property tax for up to 10 years on eligible equipment
- ❖ **Data Center Tax Abatement** -An abatement up to 75% for personal property and reduction of sales tax to 2%.
- ❖ **Aviation Tax Abatement** -Personal Property Tax abatement up to 50% and Sales and Use Tax reduction to 2%.

## Training Incentives

### Silver State Works

- ❖ **On the Job Training** -Administered by Nevada Department of Employment Training and Rehabilitation (DETR)
- ❖ **Job Placement** -Nevada Job Connect recruitment and employee search/job placement services are available at no cost to the employer
- ❖ **Employer Incentive Job Program** - Receive 50% of participants wages through training period
- ❖ **Incentive Based Employment** - Receive wage retention supplements of up to \$2,000 per employee



# Business Incentives Quick Guide

Requirement Type & Timeline		Sales & Use Tax Abatement <i>Approximate 75% tax abatement on capital equipment purchases - rate reduced to 2% NRS 374.157</i>	Modified Business Tax Abatement <i>Up to 50% abatement for up to 4 years on quarterly payroll over \$50,000 taxed at 1.475% NRS 363B.120</i>	Personal Property Tax Abatement <i>Up to 50% abatement for up to 10 years on personal property NRS 361.0687</i>	Real Property Tax Abatement for Recycling <i>Up to 50% abatement for up to 10 years on real property for qualified recycling businesses NRS 701A.210</i>	Aviation Parts Tax Abatement <i>Approximate 75% sales tax and 50% personal property tax abatements for up to 20 years AB 161 78th (2015) Session</i>	Data Center Tax Abatement <i>Approximate 75% sales tax and 75% personal property tax abatements for up to 10 or 20 years SB 170 78th (2015) Session</i>
Capital Investment	Rural <100,000/60,000	New	2 years	2 years	2 years	1 year	5 years
		Expansion	\$250,000	\$1,000,000 Manufacturing \$250,000 Non-Manufacturing	\$1,000,000 Manufacturing \$250,000 Non-Manufacturing	\$250,000	\$25,000,000 for 10 years \$100,000,000 for 20 years
Number of Primary Jobs Created	Rural <100,000/60,000	New	20% of the value of tangible property	20% of the value of tangible property	20% of the value of tangible property	\$250,000	\$25,000,000 for 10 years \$100,000,000 for 20 years
		Expansion	10	10 or 6 whichever is greater	10	5	10 for 10 years 50 for 20 years
Minimum Hourly Wage Level	Rural <100,000/60,000	New	10% or 6 whichever is greater	10% or 6 whichever is greater	10% or 6 whichever is greater	3% or 3 whichever is greater	10 for 10 years 50 for 20 years
		Expansion	100% statewide or county average wage, whichever is less	100% statewide or county average wage, whichever is less	100% statewide or county average wage, whichever is less	100% statewide or county average wage, whichever is less	100% statewide or county average wage, whichever is less

To qualify for incentives, the company must meet two of the three requirements (Capex, Jobs, Wage) and meet minimum health insurance standards.

- \*\* The applicant will provide a medical health insurance plan for all employees including an option for dependent health insurance coverage of which the employer will pay at least 65% of the premium.
- \*\* The applicant is expected to register pursuant to the laws of Nevada and to obtain all licenses and permits required by Nevada and the County, City, or Town in which the business operates.
- \*\* The applicant commits to maintaining business in Nevada for 5 years.

# Sales and Use Tax Abatement

**NRS 360.750, 374.357**

A partial abatement of sales and use taxes is available to qualified companies that locate or expand their business in Nevada. The tax abatement is on the gross receipts from the sale, and the storage, use or other consumption, of eligible capital equipment. The sales and use tax rates vary by county within Nevada. The abatement reduces the sales and use tax rate to 2%. The approved business is eligible for tax abatements for a two year period beginning the date the abatement becomes effective.

All tax abatements can be reduced if the company's average hourly wage falls below the state average wage, even when a company qualifies under (i) number of employees and (ii) capital investment. If a company qualifies under (i) average wage and (ii) number of employees or capital investment, this reduction is not applicable. This reduction has two tiers:

1. (a) If the unemployment rate is 7% or higher and the company average hourly wage is 85%-99% of the average statewide average hourly wage, the company will receive the full abatements provided the additional requirements have been met.
1. (b) If the unemployment rate is 7% or higher and the company average hourly wage is 70%-84% of the average statewide or county average hourly wage (whichever is less), then the company will receive 25% of the Modified Business Tax Abatement (MBT) and Personal Property Tax Abatement (PPT), and the full amount of the Sales & Use Tax Abatement (SUT), provided the additional requirements have been met.
2. (a) If the unemployment rate is less than 7% the company must pay 100% of the of average statewide hourly wage in order to receive full abatements.
2. (b) If the unemployment rate is less than 7% and the company average hourly wage is 85%-99% of the average statewide hourly wage, then the company will receive 25% of the MBT and PPT, but the SUT abatement is only reduced to 4.6% instead of down to 2.0%.
2. (c) If the unemployment rate is less than 7% and company average hourly wage is below 85% of the statewide hourly wage, then no abatements will be awarded.

## **The Company's Responsibilities**

The company makes application to the Governor's Office of Economic Development ("Office"), and if approved, executes an agreement with the Office that includes but is not limited to: (i) a commitment to maintain the business in Nevada for 5 years, (ii) a requirement to register pursuant to the laws of Nevada, and obtains all licenses and permits required by the state, county, city or town in which the business operates, and (iii) a requirement to provide a medical insurance plan approved by the Office for all employees including but not limited to the company paying at least 65% of the employee premium cost. All abatements are voidable and recoverable with interest if the business fails to comply with any terms of the agreement. Audits will be performed by the Department of Taxation after 2 and 5 years to ensure compliance.

# Sales and Use Tax Abatement

**NRS 360.750, 374.357**

## Eligibility

The Governor's Office of Economic Development ("GOED") will look for the following criteria when reviewing an applicant's eligibility for abatement. Two of the following three requirements must be met:

*Note: Criteria is different depending on whether the business is in a county whose population is 100,000 or more or a city whose population is 60,000 or more (i.e., "urban" area), or if the business is in a county whose population is less than 100,000 or a city whose population is less than 60,000 (i.e., "rural" area).*

- **Capital Investment** – A capital investment of \$1 million in eligible equipment in urban areas or \$250,000 in eligible equipment in rural areas are required. This criteria is applicable to new businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by the business.
- **Number of Primary Jobs Created** – New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase the number of employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.
- **Wage Level** – In urban areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly wage. For businesses in rural areas, the average hourly wage will equal or exceed the lesser of the county-wide average hourly wage or statewide average hourly wage.

Upon approval by the Office and execution of an incentive agreement a certificate of eligibility will be provided to the Department of Taxation for administration of the tax abatement. Please contact your local Regional Development Authority to apply for the sales & use tax abatements. This is a summary only and may not include all program requirements.



# Personal Property Tax Abatement

**NRS 360.750, 361.0687**

A partial abatement from personal property tax is available to qualified companies that locate or expand their business in Nevada. This tax abatement can be up to 50% of the tax due for 10 years beginning from when the abatement becomes effective. The applicant must apply for abatement not more than one year before the business begins to develop for expansion or operation in Nevada.

A partial abatement of personal property taxes applies only to the same list of machinery and equipment eligible for the sales and use tax abatement allowed under NRS 374.357. Property tax rates vary by taxing district within Nevada.

All tax abatements can be reduced if the company's average hourly wage falls below the state average wage, even when a company qualifies under (i) number of employees and (ii) capital investment. If a company qualifies under (i) average wage and (ii) number of employees or capital investment, this reduction is not applicable. This reduction has two tiers:

1. (a) If the unemployment rate is 7% or higher and the company average hourly wage is 85%-99% of the average statewide average hourly wage, the company will receive the full abatements provided the additional requirements have been met.
1. (b) If the unemployment rate is 7% or higher and the company average hourly wage is 70%-84% of the average statewide or county average hourly wage (whichever is less), then the company will receive 25% of the Modified Business Tax Abatement (MBT) and Personal Property Tax Abatement (PPT), and the full amount of the Sales & Use Tax Abatement (SUT), provided the additional requirements have been met.
2. (a) If the unemployment rate is less than 7% the company must pay 100% of the of average statewide hourly wage in order to receive full abatements.
2. (b) If the unemployment rate is less than 7% and the company average hourly wage is 85%-99% of the average statewide hourly wage, then the company will receive 25% of the MBT and PPT, but the SUT abatement is only reduced to 4.6% instead of down to 2.0%.
2. (c) If the unemployment rate is less than 7% and company average hourly wage is below 85% of the statewide hourly wage, then no abatements will be awarded.

## The Company's Responsibilities

The company makes application to the Governor's Office of Economic Development ("Office"), and if approved, executes an agreement with the Office that includes but is not limited to: (i) a commitment to maintain the business in Nevada for 5 years, (ii) a requirement to register pursuant to the laws of Nevada, and obtains all licenses and permits required by the state, county, city or town in which the business operates, and (iii) a requirement to provide a medical insurance plan approved by the Office for all employees including but not limited to the company paying at least 65% of the employee premium cost. All abatements are voidable and recoverable with interest if the business fails to comply with any terms of the agreement. Audits will be performed by the Department of Taxation after 2 and 5 years to ensure compliance.

# Personal Property Tax Abatement

NRS 360.750, 361.0687

## Eligibility

The Governor's Office of Economic Development ("GOED") will look for the following criteria when reviewing an applicant's eligibility for abatement. Two of the following three requirements must be met:

*Note: Criteria is different depending on whether the business is in a county whose population is 100,000 or more or a city whose population is 60,000 or more (i.e., "urban" area), or if the business is in a county whose population is less than 100,000 or a city whose population is less than 60,000 (i.e., "rural" area).*

- **Capital Investment** – In urban areas, a capital investment of \$5 million in eligible equipment for industrial or manufacturing facilities and \$1 million for all other types of facilities. The requirement in rural areas is \$1 million for industrial or manufacturing facilities and \$250,000 for all other facility types. These criteria are applicable to new businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the company's tangible property owned by the business.
- **Number of Primary Jobs Created** – New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase the number of employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.
- **Wage Level** – In urban areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly wage. For businesses in rural areas, the average hourly wage will equal or exceed the lesser of the countywide or statewide average hourly wage.

Upon approval by the Office and execution of an incentive agreement a certificate of eligibility will be provided to the Department of Taxation and the Treasurer and Assessor of the county in which the property will be located for administration of the tax abatement. Please contact Northern Nevada Development Authority to apply for the personal property tax abatement. This is a summary only and may not include all program requirements.

# Modified Business Tax Abatement

**NRS 3638.120**

A partial abatement of the Modified Business Tax is available to qualified companies that locate or expand their business in Nevada. The current tax imposed on each employer is at the rate of 1.475% on taxable wages over \$50,000 in a quarter. A business may qualify for a partial abatement of up to 50% of the amount of the business tax due during the first four years of operations.

For a new company, the abatement of the Modified Business Tax applies to the number of new employees stated in its application. For an expanding business, the abatement does not apply to existing employees of the business, but does apply to the number of new employees directly related to the expansion.

All tax abatements can be reduced if the company's average hourly wage falls below the state average wage, even when a company qualifies under (i) number of employees and (ii) capital investment. If a company qualifies under (i) average wage and (ii) number of employees or capital investment, this reduction is not applicable. This reduction has two tiers:

(a) If the unemployment rate is 7% or higher and the company average hourly wage is 85%-99% of the average statewide average hourly wage, the company will receive the full abatements provided the additional requirements have been met.

(b) If the unemployment rate is 7% or higher and the company average hourly wage is 70%-84% of the average statewide or county average hourly wage (whichever is less), then the company will receive 25% of the Modified Business Tax Abatement (MBT) and Personal Property Tax Abatement (PPT), and the full amount of the Sales & Use Tax Abatement (SUT), provided the additional requirements have been met.

2. (a) If the unemployment rate is less than 7% the company must pay 100% of the of average statewide hourly wage in order to receive full abatements.

2. (b) If the unemployment rate is less than 7% and the company average hourly wage is 85%-99% of the average statewide hourly wage, then the company will receive 25% of the MBT and PPT, but the SUT abatement is only reduced to 4.6% instead of down to 2.0%.

2. (c) If the unemployment rate is less than 7% and company average hourly wage is below 85% of the statewide hourly wage, then no abatements will be awarded.

## The Company's Responsibilities

The company makes application to the Governor's Office of Economic Development ("Office"), and if approved, executes an agreement with the Office that includes but is not limited to: (i) a commitment to maintain the business in Nevada for 5 years, (ii) a requirement to register pursuant to the laws of Nevada, and obtains all licenses and permits required by the state, county, city or town in which the business operates, and (iii) a requirement to provide a medical insurance plan approved by the Office for all employees including but not limited to the company paying at least 65% of the employee premium cost. All abatements are voidable and recoverable with interest if the business fails to comply with any terms of the agreement. Audits will be performed by the Department of Taxation after 2 and 5 years to ensure compliance.



# Modified Business Tax Abatement

**NRS 3638.120**

## Eligibility

The Governor's Office of Economic Development ("GOED") will look for the following criteria when reviewing an applicant's eligibility for abatement. Two of the following three requirements must be met:

*Note: Criteria is different depending on whether the business is in a county whose population is 100,000 or more or a city whose population is 60,000 or more (i.e., "**urban**" area), or if the business is in a county whose population is less than 100,000 or a city whose population is less than 60,000 (i.e., "**rural**" area).*

☐ Capital Investment – A capital investment of \$1 million in eligible equipment in urban areas or \$250,000 in eligible equipment in rural areas are required. This criteria is applicable to new businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by the business.

☐ Number of Primary Jobs Created – New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase the number of employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.

☐ Wage Level – In urban areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly wage. For businesses in rural areas, the average hourly wage will equal or exceed the lesser of the county-wide average hourly wage or statewide average hourly wage.

Upon approval by the Office and execution of an incentive agreement a certificate of eligibility will be provided to the Department of Taxation for administration of the tax abatement. Please contact Northern Nevada Development Authority to apply for the modified business tax abatement. This is a summary only and may not include all program requirements.

# Data Center Tax Abatement

## *NRS Chapter 360*

A partial abatement from personal property tax and sales and use tax are available to data center companies that locate or expand their business in Nevada. The personal property tax abatement can be up to 75% of the taxes due for 10 or 20 year abatement periods. Abatements for sales and

use tax are for taxes imposed on the purchase of eligible machinery or equipment. The abatement reduces the applicable tax rate to 2% for a period of 10 or 20 years, a near 75% reductions in most jurisdictions. Abatements apply to co-located businesses of the data center.

Note: for fiscal year 2015-2016 any partial abatement must not include an abatement of the local school support tax imposed by chapter 374 of NRS.

**Eligible Goods:** personal property located at the center. From the tax imposed in the gross receipts from the sale, and the storage, use or other consumption, of eligible machinery or equipment for use at a data center. Machinery or equipment necessary to and specifically related to the business of the data center or collocated business. The term does not include vehicles, buildings or the structural component of buildings.

### **The Company's Responsibilities**

The company makes application to the Governor's Office of Economic Development ("Office"), and if approved, executes an agreement with the Office that includes but is not limited to: (i) a commitment to maintain the business in Nevada for 10 years, (ii) a requirement to register pursuant to the laws of Nevada, and obtains all licenses and permits required by the state, county, city or town in which the business operates, and (iii) a requirement to provide a medical insurance plan approved by the Office for all employees including but not limited to the company paying at least 65% of the employee premium cost. All abatements are voidable and recoverable with interest if the business fails to comply with any terms of the agreement. Audits will be performed by the Department of Taxation after 2, 5, 8 and 10 years to ensure compliance.

### **Eligibility**

The Governor's Office of Economic Development will look for the following criteria when reviewing an applicant's eligibility for abatements.

The applicant must meet the following criteria to achieve 10 year abatement period:

1. Data Center must add 10 or more Full-time Employees (FTE) at least 5 years after receiving certificate of eligibility and continue to employ 10 FTEs for 10 years.
2. Data Center must make (in respective county) a cumulative capital investment of at least \$25,000,000 in capital assets not later than five years after the abatement effective date.

# Data Center Tax Abatement

*NRS Chapter 360*

3. Data Center must pay at least 100% of the average statewide hourly wage.
4. Data Center must have at least 50% of the employees engaged in the construction of the data center be residents of Nevada.

**The applicant must meet the following criteria to achieve 20 year abatement period:**

1. Data Center must add 50 or more FTEs at least 5 years after receiving certificate of eligibility and continue to employ 50 FTEs for 20 years.
2. Data Center must make (in respective county) a cumulative capital investment of at least \$100,000,000 in capital assets not later than five years after the abatement effective date.
3. Data Center must pay at least 100% of the average statewide hourly wage.
4. Data Center must have at least 50% of the employees engaged in the construction of the data center be residents of Nevada.

Please contact Northern Nevada Development Authority to apply for data center tax abatements.

**This is a summary only and may not include all program requirements.**



# Aviation Tax Abatement

## *NRS Chapter 360*

Partial abatements from Personal Property and Sales & Use Taxes are available to companies that locate or expand their business in Nevada. The personal property tax abatement can be up to 50% for 20 years on the taxes due on tangible personal property, and the sales & use tax abatement reduces the applicable tax rate to 2% for a similar 20 year period, a near 75% reduction in most jurisdictions.

*Note: the Sales & Use tax abatement excludes aircraft purchase.*

**Eligible Goods:** for sales & use tax imposed on the purchase of tangible personal property used to operate, manufacture, service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft. For personal property tax imposed on an aircraft and the personal property used to own, operate, manufacture service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft.

### **The Company's Responsibilities**

The company makes application to the Governor's Office of Economic Development ("Office"), and if approved, executes an agreement with the Office that includes but is not limited to: (i) a commitment to maintain the business in Nevada for 5 years, (ii) a requirement to register pursuant to the laws of Nevada, and obtains all licenses and permits required by the state, county, city or town in which the business operates, and (iii) a requirement to provide a medical insurance plan approved by the Office for all employees including but not limited to the company paying at least 65% of the employee premium cost. All abatements are voidable and recoverable with interest if the business fails to comply with any terms of the agreement. Audits will be performed by the Department of Taxation after 2, 5, 8 and 10 years to ensure compliance.

### **Eligibility**

The Office will review the following eligibility criteria:

- All companies must meet the number of full-time employee's (FTE) requirement. A new business must have 5 or more FTEs within 1 year after receiving a certificate of eligibility. An existing business must increase FTEs by 3 or 3% of existing in-state staff, whichever is greater, within 1 year after receiving a certificate of eligibility.
- In addition to the FTE requirement, all companies must meet one of the following:
  - a) New capital investment of at least \$250,000 in Nevada within 1 year after receiving certificate of eligibility;
  - b) Maintain and possess in Nevada tangible personal property having a value of not less than \$5,000,000 during the abatement period;
  - c) Average hourly wage for employees of the company shall be at or above the average statewide hourly wage; or

# Aviation Tax Abatement

## *NRS Chapter 360*

d) The company develops, refines or owns a patent or other intellectual property, or has been issued a FAA certificate pursuant to 14 CFR Part 21.

Upon approval by the Office and execution of an incentive agreement, the company will be issued a document from the Department of Taxation certifying the partial abatement for sales and use tax which can be presented to retailers and customers of the business at the time of sale.

Please contact your Northern Nevada Development Authority to apply for the aviation tax abatements.

**Note:** *The personal property tax abatement excludes a business whose physical property is collectively valued and centrally assessed pursuant to NRS 361.320 and 361.3205 unless the business is regulated under 14 C.F.R. Part 125 or 135.*

**This is a summary only and may not include all program requirements**

# Real Property Tax Abatement for Recycling

NRS 701A.210

A partial abatement of real property (land and buildings) tax is available for businesses and facilities using recycled material that have as a primary purpose the conservation of energy or the substitution of fossil sources for other sources of energy. To qualify, the 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. Qualifying businesses can receive a partial abatement of up to 50% of the tax due on real property for not more than 10 years beginning from when the abatement becomes effective.

## The Company's Responsibilities

The company makes application to the Governor's Office of Economic Development ("Office"), and if approved, executes an agreement with the Office that includes but is not limited to: (i) a commitment to maintain the business in Nevada for 5 years, (ii) a requirement to register pursuant to the laws of Nevada, and obtains all licenses and permits required by the state, county, city or town in which the business operates, and (iii) a requirement to provide a medical insurance plan approved by the Office for all employees including but not limited to the company paying at least 65% of the employee premium cost. All abatements are voidable and recoverable with interest if the business fails to comply with any terms of the agreement. Audits will be performed by the Department of Taxation after 2 and 5 years to ensure compliance.

## Eligibility

The Governor's Office of Economic Development ("GOED") will look for the following criteria when reviewing an applicant's eligibility for abatement. Two of the following three requirements must be met:

*Note: Criteria is different depending on whether the business is in a county whose population is 100,000 or more or a city whose population is 60,000 or more (i.e., "**urban**" area), or if the business is in a county whose population is less than 100,000 or a city whose population is less than 60,000 (i.e., "**rural**" area).*

- **Capital Investment** – In urban areas, a capital investment of \$5 million in eligible equipment for industrial or manufacturing facilities and \$1 million for all other types of facilities. The requirement in rural areas is \$1 million for industrial or manufacturing facilities and \$250,000 for all other facility types. These criteria are applicable to new businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the company's tangible property owned by the business.



# Real Property Tax Abatement for Recycling

**NRS 701A.210**

- **Number of Primary Jobs Created** – New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase the number of employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.
- **Wage Level** – In urban areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly wage. For businesses in rural areas, the average hourly wage will equal or exceed the lesser of the county-wide average hourly wage or statewide average hourly wage.

Upon approval by the Office and execution of an incentive agreement a certificate of eligibility will be provided to the Department of Taxation and the Treasurer and Assessor of the county in which the property will be located for administration of the tax abatement. Please contact Northern Nevada Development Authority to apply for the real property tax abatement. This is a summary only and may not include all program requirements.

# NEVADA STATE EB-5 *regional center*



## Business Growth through Foreign Capital Investment

*Professionals bringing exceptional Business Ventures and Foreign Capital Investors Together*

The Nevada State EB-5 Regional Center (NVEB-5) is a unique blend of a non-profit and an approved U.S. Citizenship and Immigration Services (USCIS) organization utilizing industry proven processes and procedures. In fact, NVEB-5 is one of only two non-profit regional centers in the country. This status provides peace of mind in knowing that the viability of the project, local job creation and return for the foreign capital investor is first and foremost.

NVEB-5 does not own or have any direct economic or other related self-interest or connection with a project. Rather, NVEB-5 is focused on providing a means for financially sound, viable and secure job creating project opportunities which fully satisfy all the requirements for investors to obtain their Green Cards through the United States EB-5 Immigrant Investor Program which is administered and overseen by USCIS.

NVEB-5 is located, near world renowned Lake Tahoe, in beautiful Carson City, Nevada and supports three key counties in Northern Nevada comprised of Carson City, Douglas County and Lyon County, and surrounding counties. NVEB-5 was created through a partnership between Northern Nevada Development Authority and Hop & Mae Adams Foundation.

### Why NVEB-5?

*The many benefits to investors include:*

- NVEB-5 is a Non-Profit Organization
- USCIS Certified
- IIUSA® Member
- Professional and Expert Coordination
- Investment Due Diligence
- Immigration Assistance
- Investment Management
- Live Anywhere in the US
- Minimum Investment Contribution of US \$500,000 in TEA Areas

### Contact Us Today!



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PARTNER



Northern Nevada  
Development Authority

PARTNER



MEMBER



# **NNDA: Your Business Resource for Growth and Expansion**

The **connector** and **problem solver** between the Sierra Region's business communities, government, and the many resources to support business growth

## **❖ Legal**

- **Resolve Permitting Issues**
- **Navigate State Agency Requirements**
- **Provide Feedback to Federal, State and Local Government**



## **❖ Operations**

- **Site Selection**
- **Productivity Resources**
- **Workforce Resources and Training**



## **❖ Finance**

- **State Tax Incentives**
- **Federally-Guaranteed Loans**
- **International Trade and Export Resources**



# NNDA: Your Business Resource for Growth and Expansion

## ❖ **Authorized Agent for State Tax Incentives:**

Assists Sierra Region clients with the minimal application process and obtaining approvals from local and state officials.



## ❖ **Nevada Certified Sites:** NNDA administers the Nevada Certified Sites program. A Nevada Certified Site designation serves as pre-qualification indicating that a property's title is clear, it possesses sufficient utilities and other infrastructure required for commercial use, is properly zoned, and has multi-modal transportation access for distribution and logistics. The designation results in turnkey properties for businesses that want to move forward quickly. For more information: **NevadaCertifiedSites.com**



## ❖ **Opportunity Zones:** The Qualified Opportunity Zones (QOZ) program was created by the 2017 Tax Cuts and Jobs Act, enacted as an economic development tool. A QOZ is a U.S. Census tract where investments in new projects may qualify for capital gains tax deferral or partial abatement. The Sierra Region has 4 designated QOZs.



# About NNDA

**Vision:** A Prosperous, Resilient and Sustainable Economy for Northern Nevada

**Mission:** To influence, facilitate and support the ongoing growth and prosperity of the economic ecosystem of the Sierra Region of Nevada



**NNDA Strategic Focus:**

**Leverage & Maximize  
Upticks**

**to**

**Minimize & Mitigate  
Downturns**

NNDA is the state-designated Regional Development Authority (RDA) for the Sierra Region of Nevada: Carson City (state capital), Douglas County, Lyon County, and Storey County. Established in 1981, it was the first and is the oldest RDA in the Silver State.

The organization is a Nevada domestic 501(c)(6) nonprofit corporation. NNDA helps to grow and strengthen the region's economic ecosystem, and facilitates business-to-business resources to support new, relocating, and resident companies. Since 2010, NNDA has assisted more than 100 companies with relocation and expansion while generating over \$1.4 billion total economic impact for the region.

Pursuant to NRS 231, all information provided by clients to NNDA is confidential unless or until the client stipulates otherwise.

# THANK YOU to OUR NNDA PARTNERS!!

Helping to make it possible for us to provide services at no cost to clients

## Elite Partners



## Premier Partners

