

Data Center Tax Abatement

NRS 360.754

A company and co-located tenants who intends to locate or expand a data center that meets certain requirements may qualify for:

- Personal property tax abatement of 75% of the tax due for 10 or 20 years
- Sales and use tax abatement reducing the rate to 2% for 10 or 20 years *Requires the Governor's Office of Economic Development Board to approve a reduction to 2% by a two-thirds vote. If this is not approved, the abatement will be reduced to 4.6%*

The company must meet all three requirements within the first 5 years of operation listed below:

- **10 year abatements:**
 - **Jobs:** Within 5 years employ 10 full-time employees who are Nevada residents
 - **Wages:** Pay at least 100% of the statewide average wage
 - **Capital Investment:** Within 5 years, invest at least \$25 million in cumulative capital expenditures between the applicant and tenants
- **20 year abatements:**
 - **Jobs:** Within 5 years employ 50 full-time employees who are Nevada residents
 - **Wages:** Pay at least 100% of the statewide average wage
 - **Capital Investment:** Within 5 years, invest at least \$100 million in cumulative capital expenditures between the applicant and tenants

Co-Located Tenants Must:

- Enter into a minimum two-year agreement with the applicant to use or occupy space at the data center
- Obtain a business license issued by the Secretary of State

Company Must:

- Maintain the business in Nevada for 10 years
- Register pursuant to the laws of Nevada
- Offer medical insurance plan and pay at least 65% of the plans premium costs
- Ensure that 50% or more of all workers engaged in construction of the data center are Nevada residents

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.