



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
Tonopah Solar Energy, LLC
Crescent Dunes Solar Energy Project
as required by NRS 701A.375-1(a)**

July 5, 2011
Revised with property tax component, May 11, 2011

Prepared by: Janet Rogers for Stephanie Day, Budget Division Interim Director

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 the Tonopah Solar Energy, LLC Crescent Dunes Solar Energy Project for developing a net output 110 MW concentrating solar power facility in Nye County, will result in the State foregoing the following revenues:

STATE SALES AND USE TAX ABATED —

Tonopah Solar Energy, LLC indicates they will purchase items subject to Nevada's 2.0% state sales and use tax totaling \$577,777,774. Given this information, the General Fund will be impacted by an abatement totaling \$377,400 less any applicable collection allowance.

<u>Fiscal Year</u>	<u>Expenditure Subject to Abatement</u>	<u>Amount Abated</u>
FY 2012	\$ 104,444,443	\$ 2,088,889
FY 2013	\$ 397,777,777	\$ 7,955,556
FY 2014	\$ 75,555,554	\$ 1,511,111
Total	\$ 577,777,774	\$11,555,555

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 Tonopah Solar Energy, LLC Crescent Dunes Solar Energy Project for a net output 110 MW concentrating solar power facility is eligible for property tax abatement, the total taxable value of the property will range from \$927,433,580 in the first year to \$663,412,112 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 after June 30, 2011, 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 \$5,198,177, with annual amounts ranging from \$303,503 in the first year to \$217,102 in the last year.
- There is no impact to the State's General Fund.