



BRIAN SANDOVAL
Governor

ROBERT R. BARENGO
Chair, Nevada Tax Commission
CHRISTOPHER G. NIELSEN
Interim Executive Director

STATE OF NEVADA
DEPARTMENT OF TAXATION

Web Site: <http://tax.state.nv.us>

1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

LAS VEGAS OFFICE

Grant Sawyer Office Building, Suite 1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

RENO OFFICE
4600 Kietzke Lane
Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 687-9999
Fax: (775) 688-1303

HENDERSON OFFICE

2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

FISCAL IMPACT

**Renewable Energy Partial Abatement Of Sales/Use Taxes
One Nevada Transmission Line Project 11-061411TR
Nevada Power Company dba NV Energy
Sierra Pacific Power Company dba NV Energy
Great Basin Transmission South, LLC**

In accordance with the provisions NRS 701A of the Nevada Revised Statutes, Nevada Power Company dba NV Energy, Sierra Pacific Power Company dba NV Energy, and Great Basin Transmission South, LLC has requested a Sales and Use Tax Abatement for their Renewable Energy Project. This project is located in White Pine, Nye, Lincoln, Elko, Lander, Eureka, and Clark County. Upon approval, this project would be granted a partial abatement of Sales and Use Tax for a period of three years, commencing on July 1, 2011.

The Nevada State Office of Energy has provided to the Department of Taxation a completed copy of the Renewable Energy Tax Abatements Application for this project. According to Schedule 6 of this application, Nevada Power Company dba NV Energy, Sierra Pacific Power Company dba NV Energy, and Great Basin Transmission South, LLC will purchase a total of \$79,342,027.00 worth of tangible, personal property subject to Sales and/or Use Tax during the first year of the abatement period. At the current Sales or Use Tax rate for White Pine, Nye, Lincoln, Elko, Lander, Eureka, and Clark County, the full Sales Tax for these purchases would be \$5,751,752.04 less any applicable collection allowance.

According to Schedule 7 of this application form, NV Energy will purchase \$102,039,542.00 worth of tangible, personal property subject to Sales and/or Use Tax during the second year of the abatement period. Schedule 8 shows no purchases of tangible, personal property subject to Sales and/or Use Tax will be purchased during the third year.

Based on this information, the Department of Taxation projects the following Sales Tax related fiscal impact for the three years of the abatement period broken down by county.

WHITE PINE COUNTY FISCAL IMPACT

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
	7.475%	*JAN 1, 2011 - DEC 31, 2011	JAN 1, 2012 - DEC 31, 2012	JAN 1, 2013 - DEC 31, 2013	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$660,223.96	\$1,151,482.86	\$0.00	\$1,811,706.82
Local School Support Tax	2.600%	\$858,291.15	\$1,496,927.72	\$0.00	\$2,355,218.87
Basic City Relief	0.500%	\$165,055.99	\$287,870.72	\$0.00	\$452,926.71
Supp. City County Relief	1.750%	\$577,695.97	\$1,007,547.50	\$0.00	\$1,585,243.47
County Option	0.625%	\$206,319.99	\$359,838.39	\$0.00	\$566,158.38

Total Amount Abated (State & Local/County):	1st year	\$1,609,295.90
	2nd year	\$2,806,739.47
	3rd year	\$0.00
	Total	<u>\$4,416,035.37</u>

Total Amount Abated (Local/County Only):	1st year	\$949,071.94
	2nd year	\$1,655,256.61
	3rd year	\$0.00
	Total	<u>\$2,604,328.55</u>

*First year fiscal breakdown does not include purchases already made.

NYE COUNTY FISCAL IMPACT

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
	7.100%	*JAN 1, 2011 - DEC 31, 2011	JAN 1, 2012 - DEC 31, 2012	JAN 1, 2013 - DEC 31, 2013	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$353,981.58	\$108,161.50	\$0.00	\$462,143.08
Local School Support Tax	2.600%	\$460,176.05	\$140,609.95	\$0.00	\$600,786.00
Basic City Relief	0.500%	\$88,495.40	\$27,040.38	\$0.00	\$115,535.77
Supp. City County Relief	1.750%	\$309,733.88	\$94,641.31	\$0.00	\$404,375.20
County Option	0.250%	\$44,247.70	\$13,520.19	\$0.00	\$57,767.88

Total Amount Abated (State & Local/County):	1st year	\$796,458.56
	2nd year	\$243,363.38
	3rd year	\$0.00
	Total	<u>\$1,039,821.93</u>

Total Amount Abated (Local/County Only):	1st year	\$442,476.98
	2nd year	\$135,201.88
	3rd year	\$0.00
	Total	<u>\$577,678.85</u>

*First year fiscal breakdown does not include purchases already made.

LINCOLN COUNTY FISCAL IMPACT

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
	7.100%	*JAN 1, 2011 - DEC 31, 2011	JAN 1, 2012 - DEC 31, 2012	JAN 1, 2013 - DEC 31, 2013	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$530,044.64	\$180,937.50	\$0.00	\$710,982.14
Local School Support Tax	2.600%	\$689,058.03	\$235,218.75	\$0.00	\$924,276.78
Basic City Relief	0.500%	\$132,511.16	\$45,234.38	\$0.00	\$177,745.54
Supp. City County Relief	1.750%	\$463,789.06	\$158,320.31	\$0.00	\$622,109.37
County Option	0.250%	\$66,255.58	\$22,617.19	\$0.00	\$88,872.77

Total Amount Abated (State & Local/County):	1st year	\$1,192,600.44
	2nd year	\$407,109.38
	3rd year	\$0.00
	Total	<u>\$1,599,709.82</u>

Total Amount Abated (Local/County Only):	1st year	\$662,555.80
	2nd year	\$226,171.88
	3rd year	\$0.00
	Total	<u>\$888,727.68</u>

*First year fiscal breakdown does not include purchases already made.

ELKO COUNTY FISCAL IMPACT

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
	6.850%	*JAN 1, 2011 - DEC 31, 2011	JAN 1, 2012 - DEC 31, 2012	JAN 1, 2013 - DEC 31, 2013	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$169.20	\$23,469.18	\$0.00	\$23,638.38
Local School Support Tax	2.600%	\$219.96	\$30,509.93	\$0.00	\$30,729.89
Basic City Relief	0.500%	\$42.30	\$5,867.30	\$0.00	\$5,909.60
Supp. City County Relief	1.750%	\$148.05	\$20,535.53	\$0.00	\$20,683.58
County Option	0.000%	\$0.00	\$0.00	\$0.00	\$0.00

Total Amount Abated (State & Local/County):

1st year	\$359.55
2nd year	\$49,872.01
3rd year	\$0.00
Total	<u><u>\$50,231.56</u></u>

Total Amount Abated (Local/County Only):

1st year	\$190.35
2nd year	\$26,402.83
3rd year	\$0.00
Total	<u><u>\$26,593.18</u></u>

*First year fiscal breakdown does not include purchases already made.

LANDER COUNTY FISCAL IMPACT

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
	7.100%	*JAN 1, 2011 - DEC 31, 2011	JAN 1, 2012 - DEC 31, 2012	JAN 1, 2013 - DEC 31, 2013	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$0.00	\$4,842.56	\$0.00	\$4,842.56
Local School Support Tax	2.600%	\$0.00	\$6,295.33	\$0.00	\$6,295.33
Basic City Relief	0.500%	\$0.00	\$1,210.64	\$0.00	\$1,210.64
Supp. City County Relief	1.750%	\$0.00	\$4,237.24	\$0.00	\$4,237.24
County Option	0.250%	\$0.00	\$605.32	\$0.00	\$605.32

Total Amount Abated (State & Local/County):	1st year	\$0.00
	2nd year	\$10,895.76
	3rd year	\$0.00
	Total	<u>\$10,895.76</u>

Total Amount Abated (Local/County Only):	1st year	\$0.00
	2nd year	\$6,053.20
	3rd year	\$0.00
	Total	<u>\$6,053.20</u>

*First year fiscal breakdown does not include purchases already made.

EUREKA COUNTY FISCAL IMPACT

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
	6.850%	*JAN 1, 2011 - DEC 31, 2011	JAN 1, 2012 - DEC 31, 2012	JAN 1, 2013 - DEC 31, 2013	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$42,421.14	\$322,522.96	\$0.00	\$364,944.10
Local School Support Tax	2.600%	\$55,147.48	\$419,279.85	\$0.00	\$474,427.33
Basic City Relief	0.500%	\$10,605.29	\$80,630.74	\$0.00	\$91,236.03
Supp. City County Relief	1.750%	\$37,118.50	\$282,207.59	\$0.00	\$319,326.09
County Option	0.000%	\$0.00	\$0.00	\$0.00	\$0.00

Total Amount Abated (State & Local/County):	1st year	\$90,144.92
	2nd year	\$685,361.29
	3rd year	\$0.00
	Total	<u>\$775,506.21</u>

Total Amount Abated (Local/County Only):	1st year	\$47,723.78
	2nd year	\$362,838.33
	3rd year	\$0.00
	Total	<u>\$410,562.11</u>

*First year fiscal breakdown does not include purchases already made.

CLARK COUNTY FISCAL IMPACT

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
	8.100%	*JAN 1, 2011 - DEC 31, 2011	JAN 1, 2012 - DEC 31, 2012	JAN 1, 2013 - DEC 31, 2013	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$0.00	\$249,374.28	\$0.00	\$249,374.28
Local School Support Tax	2.600%	\$0.00	\$324,186.56	\$0.00	\$324,186.56
Basic City Relief	0.500%	\$0.00	\$62,343.57	\$0.00	\$62,343.57
Supp. City County Relief	1.750%	\$0.00	\$218,202.50	\$0.00	\$218,202.50
County Option	1.250%	\$0.00	\$155,858.93	\$0.00	\$155,858.93

Total Amount Abated (State & Local/County):	1st year	\$0.00
	2nd year	\$685,779.27
	3rd year	\$0.00
	Total	<u>\$685,779.27</u>

Total Amount Abated (Local/County Only):	1st year	\$0.00
	2nd year	\$436,404.99
	3rd year	\$0.00
	Total	<u>\$436,404.99</u>

*First year fiscal breakdown does not include purchases already made.

TOTAL FISCAL IMPACT

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
		*JAN 1, 2011 - DEC 31, 2011	JAN 1, 2012 - DEC 31, 2012	JAN 1, 2013 - DEC 31, 2013	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$1,586,840.54	\$2,040,790.84	\$0.00	\$3,627,631.38
Local School Support Tax	2.600%	\$2,062,892.70	\$2,653,028.09	\$0.00	\$4,715,920.79
Basic City Relief	0.500%	\$396,710.14	\$510,197.71	\$0.00	\$906,907.85
Supp. City County Relief	1.750%	\$1,388,485.47	\$1,785,691.99	\$0.00	\$3,174,177.46
County Option	Variable	\$316,823.20	\$552,440.02	\$0.00	\$869,263.22

Total Amount Abated (State & Local/County):	1st year	\$3,688,859.35
	2nd year	\$4,889,120.56
	3rd year	\$0.00
	Total	<u>\$8,577,979.90</u>

Total Amount Abated (Local/County Only):	1st year	\$2,102,018.81
	2nd year	\$2,848,329.72
	3rd year	\$0.00
	Total	<u>\$4,950,348.52</u>

*First year fiscal breakdown does not include purchases already made.