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FISCAL IMPACT
Renewable Energy Partial Abatement Of Sales/Use Taxes
Copper Mountain Solar 2, LLC Project 11-1026SPV
FIRST SOLAR ELECTRIC, LLC

In accordance with the provisions NRS 701A of the Nevada Revised Statutes, First Solar Electric, LLC has requested a Sales and Use Tax Abatement for their Renewable Energy Project. This project is located in 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 the date of approval.

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, First Solar Electric, LLC, LLC will purchase a total of \$382,900,000.00 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 Clark County, the full Sales Tax for these purchases would be \$31,014,900.00 less any applicable collection allowance.

According to Schedule 7 and Schedule 8 of this application form, First Solar Electric, LLC will not purchase any tangible, personal property subject to Sales and/or Use Tax during the second year and third year of the abatement period.

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.

Sales Tax Component	Tax Rate JAN 2012 - JUN 2013	Tax Rate JUN 2013 - DEC 2014	First Year	Second Year	Second Year	Third Year	
	8.100%	7.750%	JAN 1, 2012 - DEC 31, 2012	JAN 1, 2013 - JUN 31, 2013	JUL 1, 2013 - DEC 31, 2013	JAN 1, 2014 - DEC 31, 2014	TOTAL
Sales/Use Tax (General Fund)	2.000%	2.000%	\$7,658,000.00	\$0.00	\$0.00	\$0.00	\$7,658,000.00
Local School Support Tax	2.600%	2.350%	\$9,955,400.00	\$0.00	\$0.00	\$0.00	\$9,955,400.00
Basic City Relief	0.500%	0.500%	\$1,914,500.00	\$0.00	\$0.00	\$0.00	\$1,914,500.00
Supp. City County Relief	1.750%	1.750%	\$6,700,750.00	\$0.00	\$0.00	\$0.00	\$6,700,750.00
County Option	1.250%	1.150%	\$4,786,250.00	\$0.00	\$0.00	\$0.00	\$4,786,250.00

Total Amount Abated (State & Local/County):	1st year	\$21,059,500.00
	2nd year	\$0.00
	3rd year	\$0.00
	Total	<u>\$21,059,500.00</u>

Total Amount Abated (Local/County Only):	1st year	\$13,401,500.00
	2nd year	\$0.00
	3rd year	\$0.00
	Total	<u>\$13,401,500.00</u>

* Tax rate increase of 0.35% added by SB 429 of the 2009 legislature is set to sunset June 30, 2013; however, the prevailing rate at time of purchase will be owed to the Department of Taxation.