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**FISCAL IMPACT  
Renewable Energy Partial Abatement of Sales/Use Taxes  
October 13, 2015**

**Luning Energy, LLC**

In accordance with the provisions NRS 701A of the Nevada Revised Statutes, Luning Energy, LLC has requested a Sales and Use Tax Abatement for their Renewable Energy Project. This project is located in Mineral 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, Luning Energy, LLC will purchase a total of \$104,950,000.00 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 Mineral County, the full Sales Tax for these purchases would be \$7,189,075.00 less any applicable collection allowance.

According to Schedule 7 of this application form, Luning Energy, LLC will purchase \$11,000.00 worth of tangible, personal property subject to Sales and/or Use Tax during the second year of the abatement period. Schedule 8 shows \$11,000.00 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.

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
	6.85%	FY 2016	FY 2017	FY 2018	TOTAL
Sales/Use Tax (General Fund)	2.00%	\$2,099,000.00	\$220.00	\$220.00	\$2,099,440.00
Local School Support Tax	2.60%	\$2,728,700.00	\$286.00	\$286.00	\$2,729,272.00
Basic City Relief	0.50%	\$524,750.00	\$55.00	\$55.00	\$524,860.00
Supp. City County Relief	1.75%	\$1,836,625.00	\$192.50	\$192.50	\$1,837,010.00

<b>Total Amount Abated (State &amp; Local/County):</b>	<b>1st year</b>	<b>\$4,460,375.00</b>
	<b>2nd year</b>	<b>\$467.50</b>
	<b>3rd year</b>	<b>\$467.50</b>
	<b>Total</b>	<b><u>\$4,461,310.00</u></b>

<b>Total Amount</b>		
<b>Abated</b>	<b>1st year</b>	\$2,361,375.00
<b>(Local/County Only):</b>	<b>2nd year</b>	\$247.50
	<b>3rd year</b>	\$247.50
	<b>Total</b>	<u>\$2,361,870.00</u>

<b>First Year Purchase</b>	\$104,950,000.00
<b>Second Year Purchase</b>	\$11,000.00
<b>Third Year Purchase</b>	\$11,000.00