



**DEPARTMENT OF ADMINISTRATION**

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**BUDGET DIVISION  
ENERGY-RELATED TAX INCENTIVE FISCAL NOTE  
FOR  
ORNI 39, LLC/Ormat Nevada Inc.  
McGinness Hills Geothermal Project  
Phase II  
Lander County, NV  
as required by NRS 701A.375-1(a)**

May 7, 2014

Prepared by: Janet Rogers for Julia Teska, Budget Division 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 sales and use tax incentives provided to the ORNI 39, LLC/Ormat Nevada Inc. McGinness Hills Geothermal Project (Phase II) for the development and operation of a geothermal power generation facility in Lander County, Nevada, will result in the State foregoing the following revenues:

STATE SALES AND USE TAX ABATED —

The McGinness Hills Geothermal Project (Phase II) application indicates they will purchase items subject to Nevada's 2.0% state sales and use tax totaling \$73,000,000. Given this information, the General Fund will be impacted by an abatement totaling \$1,460,000, less any applicable collection allowance.

<u>Fiscal Year</u>	<u>Expenditure Subject to Abatement</u>	<u>Amount Abated</u>
FY 2014	\$ 70,000,000	\$ 1,400,000
FY 2015	\$ 1,500,000	\$ 30,000
FY 2016	\$ 1,500,000	\$ 30,000
Total	\$ 73,000,000	\$ 1,460,000