



STATE OF NEVADA
DEPARTMENT OF TAXATION

Web Site: <https://tax.nv.gov>

Call Center: (866) 962-3707

LAS VEGAS OFFICE
700 E. Warm Springs Rd, Suite 200
Las Vegas, Nevada 89119
Phone (702) 486-2300
Fax (702) 486-2373

JOE LOMBARDO
Governor
GEORGE KELESIS
Chair, Nevada Tax Commission
SHELLIE HUGHES
Executive Director

CARSON CITY OFFICE
3850 Arrowhead Dr., 2nd Floor
Carson City, Nevada 89706
Phone: (775) 684-2000
Fax: (775) 684-2020

RENO OFFICE
4600 Kietzke Lane, Suite L235
Reno, NV 89502
Phone: (775) 687-9999
Fax: (775) 688-1303

FISCAL IMPACT
Renewable Energy Partial Abatement of Sales/Use Taxes
July 24, 2024

Sierra Solar Phase 1 Project

In accordance with the provisions NRS 701A of the Nevada Revised Statutes, Sierra Solar Phase 1 Project has requested a Sales and Use Tax Abatement for their Renewable Energy Project. This project is located in Churchill 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 Governor's 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, Sierra Solar Phase 1 Project will purchase a total of \$658,391,915.00 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 \$50,037,785.54 less any applicable collection allowance.

According to Schedule 7 of this application form, Sierra Solar Phase 1 Project will purchase \$252,658,942.00 worth of tangible, personal property subject to Sales and/or Use Tax during the second year of the abatement period. Schedule 8 shows \$0.00 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.

Sierra Solar Phase 1

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
	7.600%	2024	2025	2026	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$13,167,838.30	\$5,053,178.84	\$0.00	\$18,221,017.14
Local School Support Tax	2.600%	\$17,118,189.79	\$6,569,132.49	\$0.00	\$23,687,322.28
Basic City Relief	0.500%	\$3,291,959.58	\$1,263,294.71	\$0.00	\$4,555,254.29
Supp. City County Relief	1.750%	\$11,521,858.51	\$4,421,531.49	\$0.00	\$15,943,390.00
County Option	0.750%	\$4,937,939.36	\$1,894,942.07	\$0.00	\$6,832,881.43

*Local School Support Tax Rate paid at time of purchase is subject to current rate in Statute

Total Amount Abated (State & Local/County):	1st year	\$32,919,595.75
	2nd year	\$12,632,947.10
	3rd year	\$0.00
	Total	<u>\$45,552,542.85</u>

Total Amount Abated (Local/County Only):	1st year	\$19,751,757.45
	2nd year	\$7,579,768.26
	3rd year	\$0.00
	Total	<u>\$27,331,525.71</u>

First Year Purchase	\$658,391,915.00
Second Year Purchase	\$252,658,942.00
Third Year Purchase	\$0.00

County	Churchill County
Sales Tax Rate	7.600%
Full Sales Tax First Year	\$50,037,785.54
Sales/Use Tax General Fund	2.000%
Local School Support Tax	2.600%
Basic City Relief	0.500%
Supp. City County Relief	1.750%
County Option	0.750%