



**STATE OF NEVADA
DEPARTMENT OF TAXATION**

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

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

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

STEVE SISOLAK
Governor
JAMES DEVOLLD
Chair, Nevada Tax Commission
MELANIE YOUNG
Executive Director

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

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
July 1, 2021**

ORNI 36, LLC - North Valley Power Plant

In accordance with the provisions NRS 701A of the Nevada Revised Statutes, ORNI 36, LLC – North Valley Power Plant has requested a Sales and Use Tax Abatement for their Renewable Energy Project. This project is located in Washoe 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, ORNI 36, LLC will purchase a total of \$47,199,602.00 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 Washoe County, the full Sales Tax for these purchases would be \$3,901,047.11 less any applicable collection allowance.

According to Schedule 7 of this application form, ORNI 36, LLC will purchase \$1,820,466.00 worth of tangible, personal property subject to Sales and/or Use Tax during the second year of the abatement period. Schedule 8 shows \$1,820,466.00 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.

ORNI 36 LLC

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	
	8.265%	2020	2021	2022	TOTAL
Sales/Use Tax (General Fund)	2.000%	\$943,992.04	\$36,409.32	\$36,409.32	\$1,016,810.68
Local School Support Tax	2.600%	\$1,227,189.65	\$47,332.12	\$47,332.12	\$1,321,853.88
Basic City Relief	0.500%	\$235,998.01	\$9,102.33	\$9,102.33	\$254,202.67
Supp. City County Relief	1.750%	\$825,993.04	\$31,858.16	\$31,858.16	\$889,709.35
County Option	1.415%	\$667,874.37	\$25,759.59	\$25,759.59	\$719,393.56

*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	\$2,673,857.45
	2nd year	\$103,129.40
	3rd year	\$103,129.40
	Total	<u>\$2,880,116.25</u>

Total Amount Abated (Local/County Only):	1st year	\$1,729,865.41
	2nd year	\$66,720.08
	3rd year	\$66,720.08
	Total	<u>\$1,863,305.57</u>

First Year Purchase	\$47,199,602.00
Second Year Purchase	\$1,820,466.00
Third Year Purchase	\$1,820,466.00

County	Washoe
Sales Tax Rate	8.265%
Full Sales Tax First Year	\$3,901,047.11
Sales/Use Tax General Fund	2.00%
Local School Support Tax	2.60%
Basic City Relief	0.50%
Supp. City County Relief	1.75%
County Option	1.42%