

# Nevada Renewable Energy Tax Abatement RETA

Nevada Governor's Office of Energy

...Director of GOE shall prepare a comprehensive state energy plan for the promotion of:

**NRS 701.190**

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- 1A. Energy projects that enhance the economic development of the State;
- 1B. The use of renewable energy

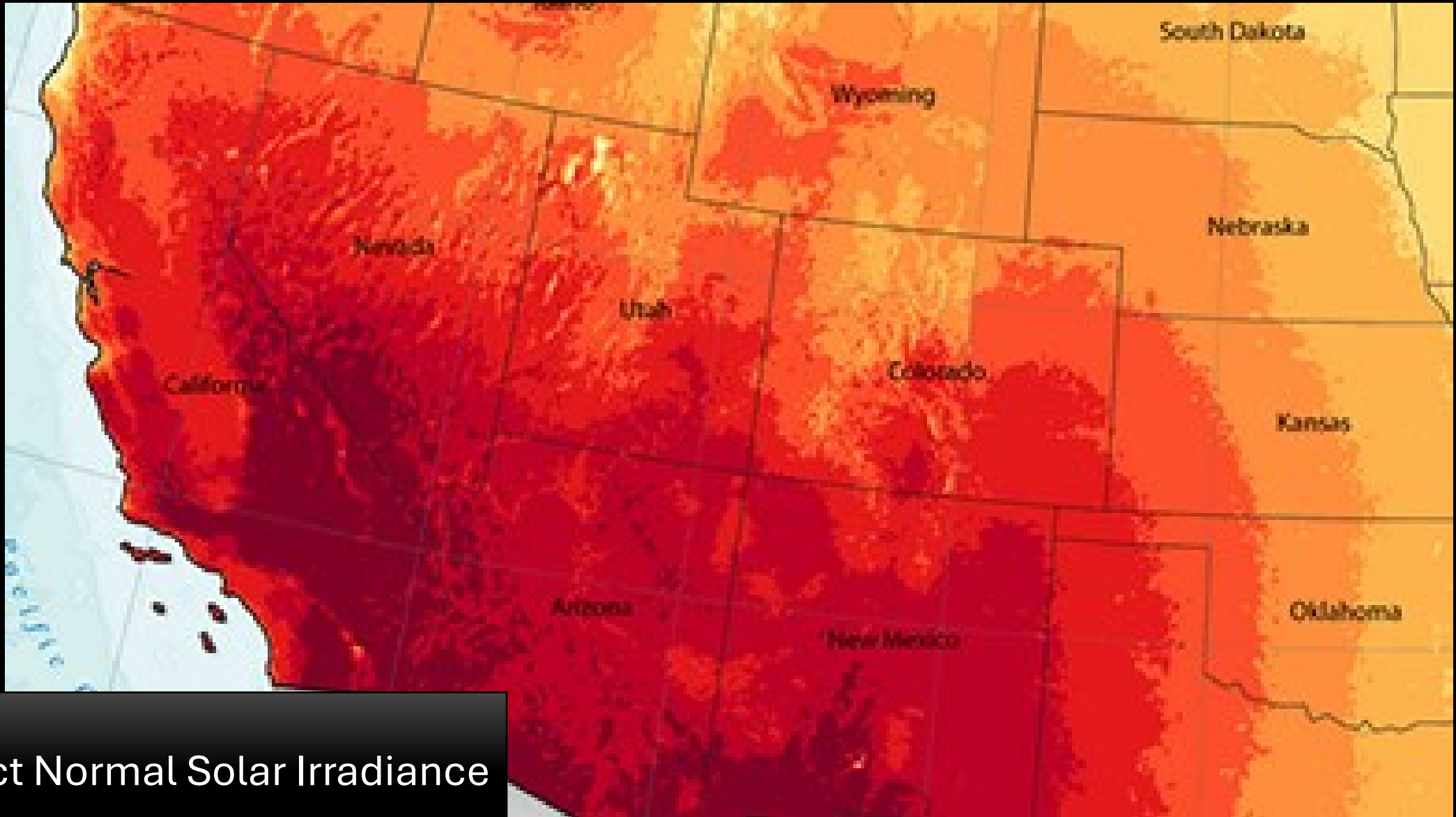


## NRS 701.180

General duties concerning energy resources ...the Director shall...

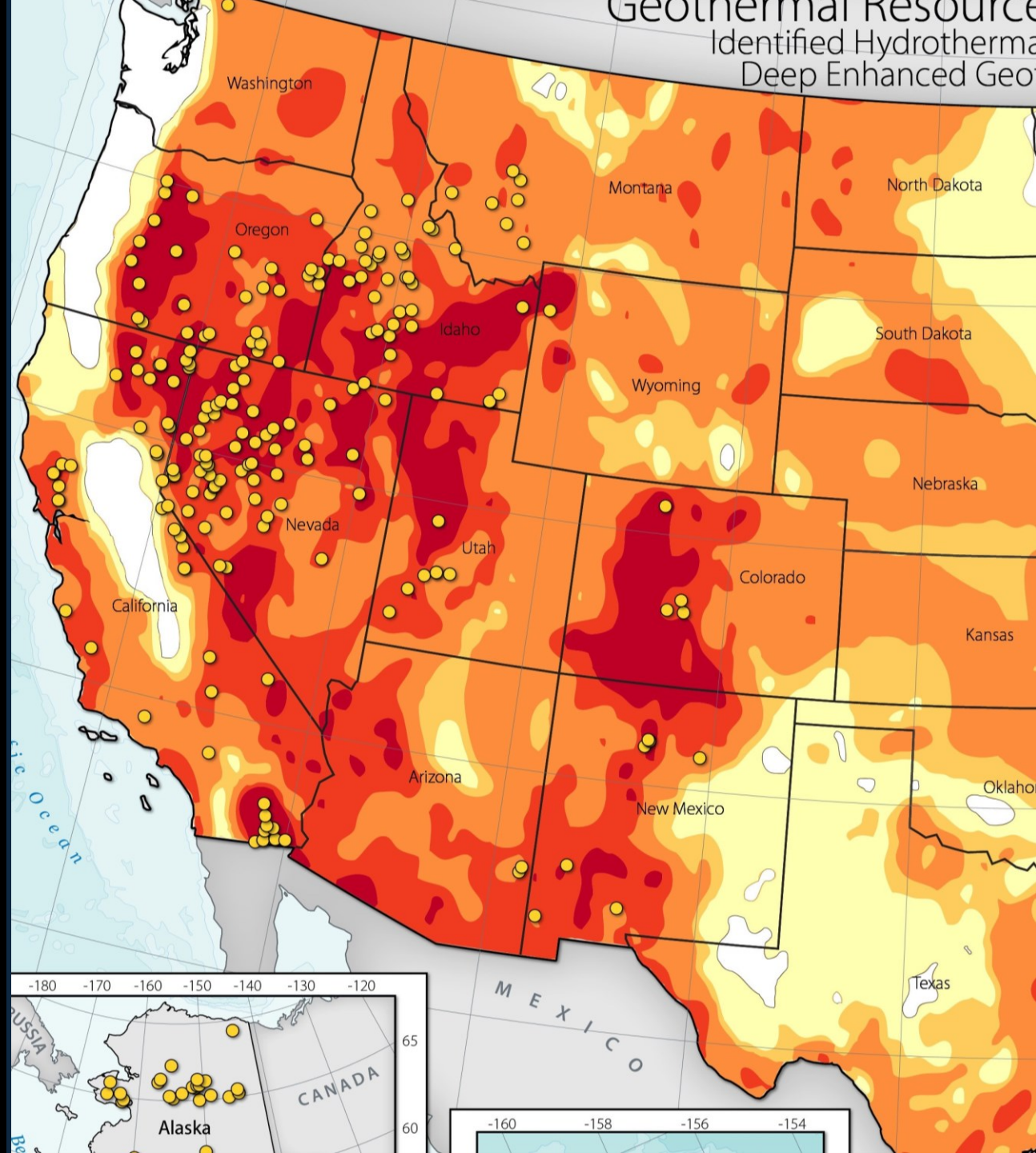
8. Upon request by a developer of an energy development project or a local government in a county which an energy project is proposed to be located, coordinate discussions, not otherwise required by any existing regulatory agency, with interested parties concerning any potential effect of the energy development project.

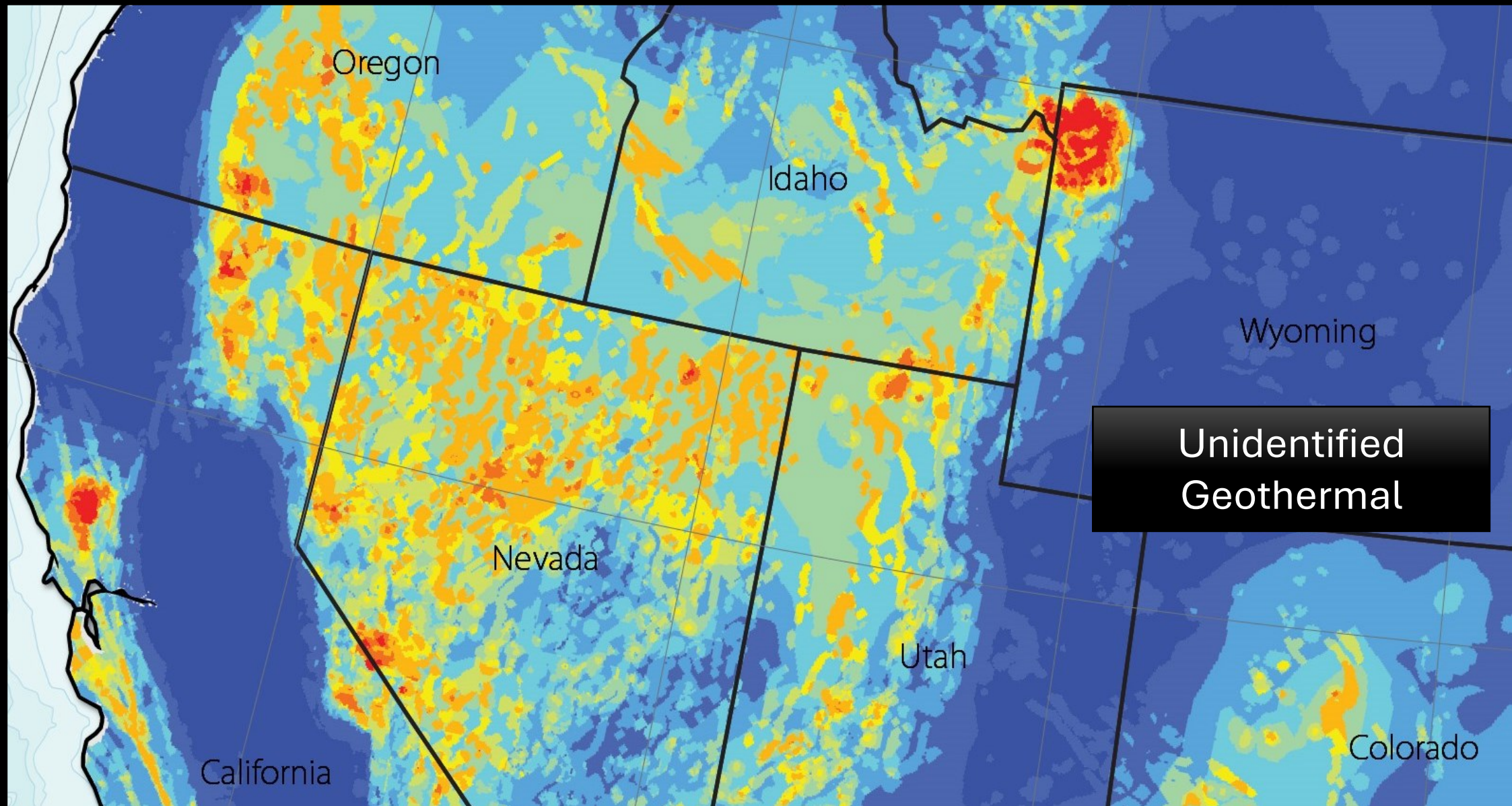
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Direct Normal Solar Irradiance

- Identified Geothermal





# Nevada RETA

- Partial Sales Tax, Partial Use Tax & Partial Property Tax Abatements to eligible renewable energy projects
- Attracts developers to produce utility scale renewable energy projects
- Employ at least 50% Nevada workers at 175% average wage during construction



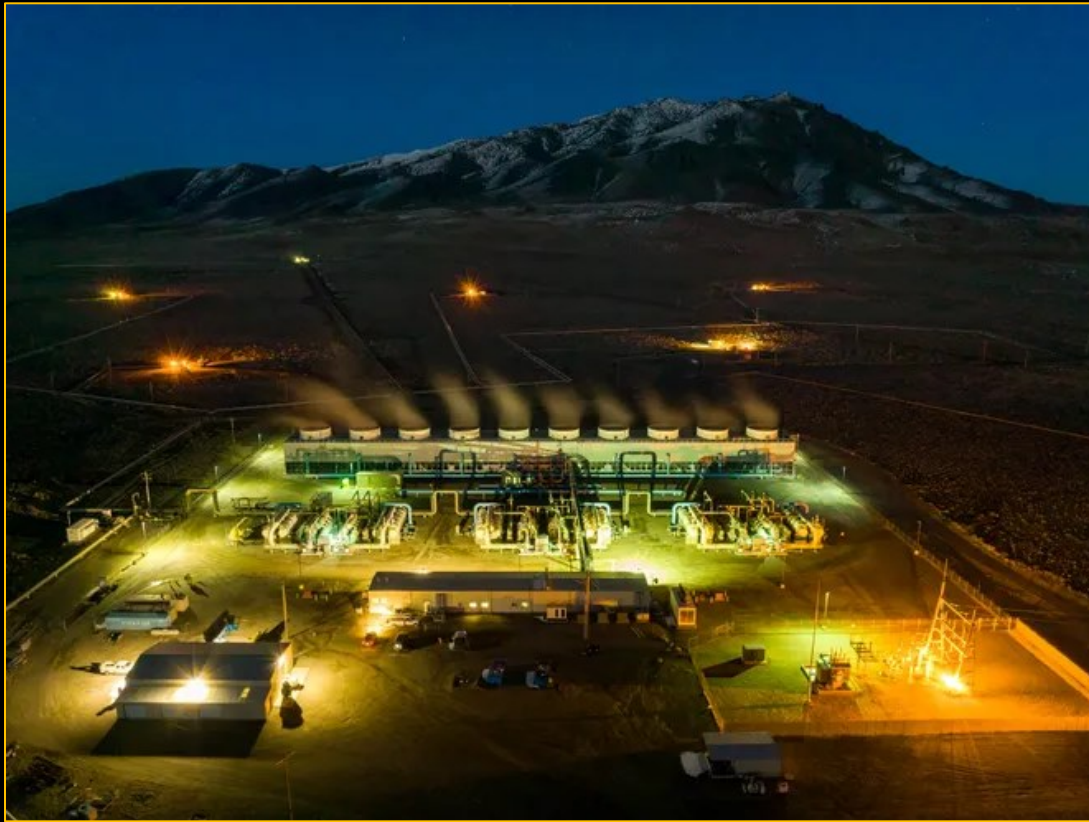
# Governor's Office of Energy

- Reviews applications
- Conducts public hearings for eligibility
- Reviews annual compliance reports after granting abatements





# Since regulations were adopted in 2010....



- Over 16,000 construction jobs
- 623 operational jobs
- Avg. hourly wage - \$40 - 45/hr.
- Capital investment > \$10.6 billion
- Property & sales taxes abated - \$1.2 billion

- \$11.358 Billion – payroll, taxes & capital investment in Nevada
- \$886.244 million in property & sales use tax benefits
- 6088 Megawatts of renewable energy
- Over 64 projects



# RETA Requirements

- In operation - 10 years or more
- 10 MW minimum facility
- 50% Nevada residents – all projects
- Construction workers paid at least 175% of avg Nevada hourly wage – excluding management
- Provide health insurance by 3rd party – including dependents

# RETA requirements

- \$10 mil NV capital investment in counties w/ at least 100k people or city of 60K
- 75 or more full time construction employees
- In counties less than 100K or city no more than 60K - \$3 mil NV capital investment
- 50 or more full time construction employees

NRS 701A.300 – 701A.450

NAC 701A.500 – 701A.660

[Energy.nv.gov/reta/](http://Energy.nv.gov/reta/)





# RETA Application Process

1. Project submits PDF of full application – confidential, redacted & confidential Excel workbook with fee
  2. GOE reviews & assigns AFN
  3. Application sent to offices in NRS 701A.360 w/ notices
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## RETA Application Process

1. Fiscal notes from Dept of Taxation:
  - a. Sales & Use Tax
  - b. Property Tax
2. Fiscal notes from Dept. of Administration

Redacted application w/ notice sent to:

1. County Treasurer
2. Board of Commissioners
3. County assessor



# County Board of Commissioners

- 30 days to object to the project and respond to GOE in writing for their objection
- Commissioners' denial of application must demonstrate projected costs of services will surpass revenue & benefits – NRS 701.365(2)

# RETA Application Process

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GOE schedules hearing when fiscal notes are received

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15 business days for notice of intent to Participate in Hearing – filed by state & county offices

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Hearing held – application approved or denied

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GOE produces Order, Abatement Agreement and Certificate of Eligibility (COE to Taxation)





# RETA Fiscal Notes

- Estimate of fiscal impact of the partial abatement on the State & on each affected government
- Property tax – Dept. of Taxation
- Sales & Use Tax – Dept. of Taxation
- Chief of the Budget Division – Dept. of Administration

# RETA Fiscal Notes – Real & Personal Property Tax

NRS 362.100(1)(b)

Geothermal power plants –  
valued by the Dept. of Taxation



NRS 361.320 (7)

Intra county electric light &  
power companies – locally  
assessed



## NRS 361.320 (1)

Facilities that own transmission lines or other property that traverse county boundary lines are centrally assessed by the Nevada Department of Taxation.



# Real Property – NRS 361.0356

Buildings, structures, fences and other improvements built or erected upon any land to be classified as real property

Refer all questions to the county assessor or the Nevada Dept of Taxation, Centrally Assessed Properties



# Real Property Fixture Test - NAC 361.1127

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- “..components attached to the land or foundations, or “so essential to the land or improvements that the land or improvement cannot perform its desired function without the nonattached item”



# Taxable Possessory Interest

- Exists when an entity has the right to a beneficial use of tax exempt, government-owned real property with or without rent or fee
- An example is a lease by a corporation or business
- Please refer all questions to the county assessor or The Nevada Department of Taxation – Centrally Assessed Properties

# Nevada Governor's Office of Energy

- [energy.nv.gov/reta/](http://energy.nv.gov/reta/)
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