

**STATE OF NEVADA
ECONOMIC FORUM**



**FORECAST OF FUTURE
STATE REVENUES**

December 2, 2024

THE STATE OF NEVADA ECONOMIC FORUM

Linda Rosenthal, Chair
Jennifer Lewis, Vice Chair
Michael Crome
Brian Gordon
Marvin Leavitt



December 2, 2024

The Honorable Joe Lombardo
Governor of Nevada
Capitol Building
Carson City, Nevada 89701-4747

Dear Governor Lombardo:

Enclosed is the Economic Forum's report on future state revenues prepared pursuant to *Nevada Revised Statutes* 353.228. This report includes a description of the purpose of the Economic Forum, the methodology employed in arriving at the estimated General Fund revenues, economic assumptions, and the final revenue projections. As required by statute, the Economic Forum plans to revisit these projections on or before May 1, 2025, to determine if any adjustment is necessary.

Respectfully submitted,

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Linda Rosenthal, Chair
State of Nevada Economic Forum

A handwritten signature in blue ink, appearing to read "Jennifer Lewis", is written over a horizontal line.

Jennifer Lewis, Vice Chair

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Marvin Leavitt

Enclosure

THE STATE OF NEVADA ECONOMIC FORUM

Linda Rosenthal, Chair
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December 2, 2024


Members of the 83rd Legislature
Legislative Building
Capitol Complex
Carson City, Nevada 89701-4747


Dear Nevada Legislator:


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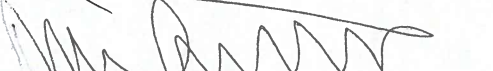
Respectfully submitted,


Linda Rosenthal, Chair
State of Nevada Economic Forum


Jennifer Lewis, Vice Chair


Michael Crome


Brian Gordon


Marvin Leavitt

Enclosure

**REPORT TO THE GOVERNOR
AND THE LEGISLATURE ON
FUTURE STATE REVENUES**

December 2, 2024

Senate Bill 23 of the 67th (1993) Legislative Session provided for the creation of an Economic Forum to forecast State General Fund revenues. The Forum, a panel of five representatives from the private sector with backgrounds in economics, business, and taxation, is required to adopt an official forecast of unrestricted General Fund revenues for the biennial budget cycle. The seven-member Technical Advisory Committee on Future State Revenues, made up of Executive and Legislative Branch staff members as well as a representative of local government, was also created in S.B. 23 to provide assistance and resources to the Forum.

The Forum must submit its forecast to the Governor and the Legislature by December 3 of each even-numbered year, and any revisions by May 1 of each odd-numbered year; however, if either of these dates falls on a weekend or a holiday, the Forum must submit its forecast no later than the second business day following these dates. The Governor must use the December forecast in developing The Executive Budget submitted to the Legislature, and the Legislature uses the May forecast in developing the legislatively approved General Fund budget during session.

This report includes the December 2, 2024, forecast of unrestricted General Fund revenues for Fiscal Years (FY) 2025, 2026, and 2027.

Methodology and Procedures

Based on the provisions of Assembly Bill 332 of the 76th (2011) Legislative Session, the Forum is required to hold two additional informational meetings during each biennium to consider current economic indicators and update the status of actual General Fund

revenues compared to the most recent revenue estimates made by the Forum. These two informational meetings of the Forum were held on December 5, 2023, and June 6, 2024. These interim meetings allowed the Forum to receive regular updates on current economic conditions and the outlook for the state's economy while also tracking the actual FY 2023 and FY 2024 revenues against the Forum's May 2023 forecast. During these meetings, the Forum reviewed various economic indicators and received a series of presentations from Legislative Counsel Bureau staff; the Department of Taxation; and the Department of Employment, Training and Rehabilitation.

Governor Joe Lombardo appointed the five members of the Economic Forum in 2024 for a two-year term. These appointments include two members nominated by the leadership of the Senate and Assembly. The Forum has since held public meetings three times on October 16, 2024; November 7, 2024; and December 2, 2024, to complete its assigned responsibilities and duties regarding the approval of forecasts of unrestricted General Fund revenues for FYs 2025, 2026, and 2027.

The first meeting of the Forum, held on October 16, 2024, was devoted to organizing and reviewing the assigned tasks; reviewing the accuracy of forecasts prepared in December 2022 and May 2023; and determining a course of action for future meetings, including recommending that interest income generated for the State General Fund be included as a major revenue source for consideration by the Forum at the November and December meetings. The Forum also reviewed historical taxable sales and gaming market statistics and received presentations relating to Nevada's employment and unemployment outlook, the real estate market and regional economic outlook in Northern and Southern Nevada, the tourist and convention/trade show market, the state's insurance markets, and interest income generated for the State General Fund through the Office of the State Treasurer.

During the November 7, 2024, meeting, the Forum received a presentation on the national, regional, and Nevada economic outlook from Emily Mandel, Associate Director—Senior Economist, Moody's Analytics (an economic consulting firm under contract with the state).

Additionally, at the November 7 meeting, the Budget Division of the Governor's Office of Finance and the Fiscal Analysis Division of the Legislative Counsel Bureau provided preliminary projections and economic analysis for seven major General Fund revenues. The Department of Taxation, the Gaming Control Board, and the Office of the State Treasurer also provided projections and analysis concerning the major revenues for which they collect. In addition to the state agency information, the Forum received forecasts of gaming percentage fees and sales taxes from Moody's Analytics. The Forum also received forecasts of all non-major General Fund revenues developed by the Technical Advisory Committee for the Forum's review and consideration.

The Economic Forum reviewed the forecast information and requested that any updated forecasts and information be provided at the meeting on December 2, 2024. At that time, the Forum directed the Technical Advisory Committee to prepare forecasts for non-major revenues based on projections by individual state agencies, the Budget Division, and the Fiscal Analysis Division.

At the December 2, 2024, meeting, the Forum received revised forecasts and economic analysis from the Budget Division, Fiscal Analysis Division, Department of Taxation, Gaming Control Board, Office of the State Treasurer, Moody's Analytics, and the Technical Advisory Committee, which were used to produce the binding forecast of all unrestricted General Fund revenue. A copy of the Economic Forum's official December 2, 2024, forecast is provided in the attached table. A final meeting of the Forum will be scheduled during the 83rd (2025) Legislative Session, on or before May 1, 2025, to make any necessary revisions to the December 2, 2024, forecast.

Economic Review

In 2020, the global outbreak of a novel coronavirus abruptly ended a decade of economic expansion in the United States, a period defined by low inflation, declining unemployment, and steady wage growth. The resulting recession, though brief—lasting just two months from February to April, according to the National Bureau of Economic Research—was the shortest on record but caused widespread and severe disruptions. Travel restrictions, quarantines, and other measures implemented globally to contain the virus significantly affected both national and international economies. Within this short period, economic activity ground to a halt, underscoring the pandemic's profound and immediate effects on everyday life and economic stability.

Between the first and second quarters of 2020, nearly 20 million Americans lost their jobs, pushing the unemployment rate from a low of 3.5% in February to a peak of 14.8% in April. This surge was driven by widespread measures to curb the spread of COVID-19, including business closures and operational restrictions. Swift government intervention under both the Trump and Biden administrations helped cushion the economic blow. Programs like the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA), which authorized more than \$4.5 trillion in federal expenditures between March 2020 and March 2021, provided critical stimulus and assistance during the pandemic, including direct payments to households, enhanced unemployment benefits, and business support.

Nevada's response to the COVID-19 pandemic mirrored that of many other states, with Governor Steve Sisolak declaring a state of emergency on March 12, 2020. By the end of the month, most non-essential businesses, including casinos, were ordered to close, and residents were instructed to stay home except for essential activities or outdoor exercise. Restrictions began to ease in April 2020 but were not fully lifted until June of that year. Given Nevada's heavy reliance on the tourism and gaming industries—both of which faced prolonged shutdowns and strict capacity limits upon reopening—the pandemic-induced recession hit the state's economy particularly hard.

In 2020, Nevada's economy faced severe challenges as the state's gross domestic product (GDP) contracted by 5.7%. Nationwide, unemployment rose to 8.1%, but Nevada's unemployment rate was significantly higher at 13.5% for the year. The monthly unemployment data underscores the scale of the crisis. In 2019, Nevada's unemployment rate was a historically low 4.1%. By April 2020, it had soared to 30.6%—the highest unemployment rate ever recorded in both state and U.S. history. Unemployment remained elevated throughout the year, leading to a sharp increase in transfer payments. These payments, which include unemployment benefits and federal relief checks, temporarily accounted for about 30% of Nevadans' personal income, up from about 17% before the pandemic.

The prolonged closure of businesses and capacity restrictions also took a significant toll on Nevada's state budget. On May 18, 2020, \$401.2 million was transferred from the Account to Stabilize the Operation of the State Government to the State General Fund (the entirety of the state's Rainy Day Fund at the time), which was necessary to support the state budget for the remainder of FY 2020. In July 2020, the Legislature convened the first of two special sessions to address budget shortfalls and secure additional revenue for the State General Fund for Fiscal Year 2021. Key measures included redirecting Governmental Services Tax revenue, originally allocated to the State Highway Fund, to the General Fund, requiring an advance payment of the Net Proceeds of Minerals Tax for calendar year 2021 to be paid during FY 2021, and implementing a 90-day tax amnesty program through the Department of Taxation, allowing individuals with unpaid tax liabilities to settle their debts without penalties or interest. These steps were critical to stabilizing state finances amid the economic downturn.

As Nevada entered late 2020, uncertainty about the pandemic's trajectory persisted. Questions loomed over the likelihood of additional outbreaks, the availability and effectiveness of COVID-19 vaccines, and the timing and scale of potential federal stimulus packages. These uncertainties prompted the Economic Forum to project only modest revenue growth for the 2021-23 Biennium during their meetings in December 2020 and May 2021. However, actual State General Fund revenues far exceeded these conservative projections. In the second half of FY 2021, revenues

outpaced the May 2021 forecast by \$221.4 million. The trend continued with even stronger growth in FY 2022 and FY 2023, surpassing projections by \$1.007 billion and \$1.111 billion, respectively. General Fund revenues, before the effect of any tax credits, grew by 8.6% in FY 2021 compared to the prior year, followed by a remarkable 22.0% increase in FY 2022 and a solid 6.3% gain in FY 2023.

The economic rebound came with the gradual lifting of COVID-19 restrictions and was supported by federal aid and stimulus programs, in particular ARPA, which was passed by Congress and signed by President Joe Biden in March 2021. The provisions of this act allocating \$350 billion of Coronavirus State and Local Fiscal Recovery Funds to state and local governments in the U.S., of which approximately \$2.7 billion was allocated to the State of Nevada, have allowed many state programs, which may otherwise have been funded by the State General Fund or other sources, to be funded through these federal dollars through the end of 2026.

These offsets to expenditures historically funded with General Fund dollars, along with the record collections from the State General Fund in FYs 2022 and 2023, allowed the Legislature and Governor to not only increase the maximum amount of money that may be held in the state's Rainy Day Fund during the 82nd (2023) Legislative Session, but also to fully fund this account for the first time in the state's history.

The provisions of ARPA and other federal stimulus programs approved during the pandemic had far-reaching effects beyond those on state government beginning in 2021—nationwide, real GDP increased by 6.1% in 2021; and in Nevada, it increased by 9.9%. Unemployment in Nevada also saw a dramatic improvement—after peaking at 30.6% in April 2020, it dropped to 7.6% within a year as the economy began a partial, restricted reopening, and reached 5.3% by the end of 2021 after the abolishment of all restrictions. National unemployment followed a similar trajectory, rising to 14.8% in April 2020 before falling to 6.1% by April 2021 and improving to 3.9% by the end of the year.

When coronavirus restrictions were lifted in June 2021, consumer demand for goods and services surged. Americans nationwide, along with Nevadans, were eager and, partially

due to the federal transfer payments, financially ready to return to Nevada's gaming and entertainment destinations after months of isolation. In the second half of 2021, monthly visitor numbers in Las Vegas climbed to over 3 million, culminating in total visitor volume exceeding 32 million for the year. While this figure fell short of pre-pandemic levels, the Las Vegas Convention and Visitors Authority (LVCVA) noted a significant shift: post-pandemic visitors arrived with larger budgets for hotel accommodations, dining, shopping, sightseeing, and gambling than before the pandemic. As a result, Nevada's gaming industry experienced record-breaking monthly and annual wins, driving gaming and other tax revenues for the state to unprecedented heights.

By 2022, inflation emerged as a major challenge for the U.S. economy. Strong consumer demand, fueled by the post-pandemic recovery and the significant federal stimulus from 2020 and 2021, collided with a disrupted and realigning supply side. Contributing factors included labor shortages, the restructuring of global supply chains, and energy market volatility following Russia's invasion of Ukraine in the spring of 2022. Although increases in prices would have benefits for the State General Fund beginning in FY 2022, driving up consumption-based excise tax revenues, these dynamics drove inflation to levels far exceeding forecasts. After years of low inflation, the Consumer Price Index (CPI) rose by 4.7% in 2021 after only having increased by 1.2% in the previous year and increased by another 8.0% in 2022.

Starting in March 2022, the Federal Open Market Committee implemented significant increases to the Federal Funds Rate, with a total of eleven separate rate increases totaling 525 basis points between March 2022 and July 2023. These measures aimed to reduce inflation without plunging the economy into a recession, a so-called "soft landing" scenario. When the Economic Forum convened in December 2022 and May 2023 to forecast the 2023-25 Biennium, its projections were largely consistent with the Federal Reserve's soft-landing scenario. The May 2023 forecast anticipated more robust General Fund revenue growth of 5.1% in FY 2023, with more moderate growth in FYs 2024 and 2025.

Actual collections for FY 2023 would still exceed the Economic Forum’s May 2023 forecast by \$44.7 million, and despite a more moderate outlook, actual collections for FY 2024 would also exceed the May 2023 forecast by \$264.7 million. Along with significant growth in interest income generated from high interest rates and all-time high revenue collections in the state, several extraordinary events during FY 2024 significantly boosted Nevada’s predominantly entertainment-driven economy. In late September 2023, the Sphere opened in Las Vegas with a U2 concert residency, drawing global attention and attracting additional visitors. November 2023 saw the city host its first Formula 1 race, generating worldwide excitement among motorsport enthusiasts. Finally, in February 2024, Las Vegas welcomed the Super Bowl, cementing its reputation as a premier destination for high-profile events.

These exceptional events had a direct effect on the State General Fund through the growth in revenues from the Non-Gaming Live Entertainment Tax, which applies to ticket sales for live entertainment events outside casinos, such as concerts, festivals, and sporting events, though it excludes games played by Nevada-based professional sports teams, such as the Las Vegas Raiders of the National Football League and the Vegas Golden Knights of the National Hockey League. Since the pandemic, revenue from this tax has surged—in FY 2022, it generated \$39.8 million, more than doubling to \$79.9 million in FY 2023 and reaching \$129.3 million in FY 2024.

While the inflation rate remained above the Federal Reserve’s 2% target at 4.1% in 2023, it gradually declined throughout 2024, with year-over-year growth of 3.2% through the first half of the year. At the same time, concerns over higher unemployment rates, which have historically tended to correlate to lower inflation rates, have been largely unfounded—the U.S. unemployment rate, which was 3.6% in March 2022 (as the Federal Reserve instituted its first increase of the Federal Funds Rate to combat the growing inflation rate), would stay below 4% for more than two years, only reaching that 4% level by May 2024 and reaching a maximum of 4.3% in July.

With many analysts pointing to the Federal Reserve having achieved their goal of a soft landing, the Federal Reserve implemented two decreases to the Federal Funds Rate (by

50 basis points in September 2024 and by another 25 basis points in November). With the recent election of Donald Trump, who will become the first person to serve as U.S. President in non-consecutive terms since Grover Cleveland began his second term in office in March 1893, and the gain of control of both houses of Congress by the Republican Party in the November general elections, many of these same analysts are now eyeing the proposed policies of the incoming administration and their possible effects on the economy in 2025 and beyond, if enacted.

	2018	2019	2020	2021	2022	2023
<u>U.S.</u>						
Gross Domestic Product (% change)	5.3%	4.3%	-0.9%	10.9%	9.8%	6.6%
Real GDP (% change)	3.0%	2.6%	-2.2%	6.1%	2.5%	2.9%
Employment (Total Nonfarm) (% change)	1.6%	1.3%	-5.8%	2.9%	4.3%	2.3%
Personal Income (% change)	5.1%	4.8%	6.8%	9.2%	3.1%	5.9%
Wages and Salaries (% change)	4.9%	4.8%	1.5%	9.0%	7.9%	5.4%
Consumer Price Index (% change)	2.4%	1.8%	1.2%	4.7%	8.0%	4.1%
Fuels & Utilities (% change)	1.8%	0.4%	0.6%	68.0%	14.5%	2.4%
Food (% change)	1.4%	1.9%	3.4%	3.9%	9.9%	5.8%
Housing Starts (% change)	3.9%	3.2%	6.9%	16.0%	-3.0%	-8.5%
Oil (\$ per barrel)	\$65	\$57	\$39	\$68	\$95	\$78
<u>Nevada</u>						
Gross Domestic Product (% change)	5.7%	7.0%	-4.5%	14.4%	12.7%	8.2%
Real GDP (% change)	3.3%	4.4%	-5.7%	9.9%	4.4%	2.6%
Employment (Total Nonfarm) (% change)	3.3%	2.8%	-9.9%	7.2%	8.3%	3.4%
Personal Income (% change)	6.9%	7.4%	6.9%	12.3%	3.7%	6.6%
Wage Growth (% change)	7.1%	5.4%	-2.5%	14.2%	13.0%	6.3%
Housing Starts (% change)	-2.2%	4.1%	3.3%	19.4%	-14.2%	-10.1%
Las Vegas Visitors (% change)	-0.2%	1.0%	-55.2%	69.4%	20.5%	5.2%

Sources: Bureau of Economic Analysis; Bureau of Labor Statistics; Census Bureau; Nevada Department of Employment, Training and Rehabilitation; Las Vegas Convention and Visitors Authority; Moody's Analytics

Housing

After the turmoil caused by the Great Recession, the U.S. housing market entered a period of stability that lasted for nearly a decade, both in terms of homes sold and home prices. By 2019, the number of existing homes sold nationwide was 4.8 million, and in the prior four years, the number of homes sold per year was within 200,000 of that total.

Though the median family home price increased by just over 23.0% during that period, from \$221,270 in 2015 to \$280,180 in 2019, the average family in the U.S. had little difficulty in affording a single-family home. By the end of 2019, the National Association of Realtors' Housing Affordability Index, which measures whether a typical family earns enough income to qualify for a mortgage, was at 166.13, indicating that on average, the U.S. median family income was 166.13% of the income necessary to qualify for a conventional mortgage with a 20% down payment.

The COVID-19 pandemic, however, caused a fundamental shift in demand for housing, due to a combination of factors, including favorable work-from-home policies offered to many employees and mortgage rates that fell below 3.0% by mid-2020. As a result, throughout 2020 and 2021, existing single-family home sales drastically increased, crossing the 5-million threshold in 2020 (the first year that had occurred since 2006) and reaching 5.4 million in 2021. The increased demand had similar effects on prices—the median home price in the U.S. exceeded \$300,000 for the first time in history by the third quarter of 2020, and by the same quarter in 2021, this price was in excess of \$350,000.

However, this rapid growth in the market was fairly short-lived. By the end of 2021, year-over-year inflation rates were reaching 7.0%, as measured by the CPI, and shortly thereafter, in an effort to reduce this rate, the Federal Open Market Committee announced the first of seven increases to the Federal Funds Rate in 2022—the first increase raised this rate from 0.25% to 0.5% on March 17, 2022, and by the time of the seventh increase on December 14, 2022, the Federal Funds Rate had reached 4.5%. Mortgage rates were quick to respond to these increases, with the 30-year fixed rate, which averaged just above 3% at the end of 2021, increasing to nearly 3.8% in the first quarter of 2022, to almost 5.25% in the second quarter, and by the end of 2022, it was at nearly 6.7%.

These drastic increases in mortgage rates significantly dampened sales in 2022, which fell by 17.2% to a total of just under 4.5 million units. Further contributing to this softening of sales was a lack of an available supply of homes. Nationwide, the housing supply, which had been at or near 4 months for the last half of the previous decade, dropped to

just over 2.5 months by the third quarter of 2020, and was at just over 2 months by the end of 2021. Though the available supply increased to just under 3.25 months by the end of 2022, this indicated a housing supply that was still lower than any point prior to the beginning of the pandemic.

Interest rates continued to increase throughout 2023, with the Federal Funds Rate increasing by 25 basis points on four different occasions between February and July. As a result, the average 30-year mortgage rate stayed above 6.0% for the first half of the year and climbed above 7% by the third quarter. As such, existing single-family home sales fell further in 2023; the 3,659,000 homes sold that year were the fewest sold since 1995.

Despite the low sales in 2022 and 2023, the decreased supply of available housing continued to fuel price increases. The median single-family home price, which was just short of \$400,000 by the second quarter of 2022, fell slightly through the rest of 2022 and into 2023, but would increase sharply afterwards, nearing \$400,000 by the end of 2023 and exceeding that amount by the first quarter of 2024. The combination of high interest rates and record-high home prices would cause another milestone—by the third quarter of 2023, the Housing Affordability Index fell below 100 for the first time, indicating that, on average, the median family income was no longer sufficient to qualify for a mortgage on a single-family home in the U.S.

Through the first half of 2024, existing home sales in the U.S. were at just under 1.8 million units, a 2.6% decrease from the same period in 2023, and mortgage interest rates remained, on average, between 6.75% and 7.0% during that period. With the Federal Open Market Committee lowering the Federal Funds Rate by 50 basis points in September (the first reduction since March 2020, following eleven consecutive increases over a period of sixteen months), Moody's Analytics forecasts that this rate will drop to 6.3% by the end of 2024, and that total sales will reach 3,659,000 units in 2024, the same number of units that were sold in 2023.

Although the median home price continues to increase in 2024, the increases are more moderate than over the past few years—in the second quarter of 2024, it was only at

\$408,000, a 2.3% increase compared to the last quarter of 2023. This, along with reductions in interest rates through the first half of the year, has helped to reverse the decreases in the Housing Affordability Index, which was at 93.00 at the end of 2023, but had increased to 96.28 as of the second quarter of 2024. While this indicates that the average American family has only 96.28% of the income necessary to afford a home mortgage on that median-priced home, it is a sign that, perhaps, the drastic declines in home affordability may be moderating and stabilizing at the national level.

TABLE 2: SELECTED U.S. HOUSING MARKET STATISTICS
CALENDAR YEARS 2018 - 2023

	2018	2019	2020	2021	2022	2023
New Housing Completions (% change)	3.3%	5.9%	2.0%	4.3%	3.6%	4.6%
Sales of New Single-Family Homes (% change)	0.7%	10.5%	20.4%	-6.1%	-16.9%	3.9%
Median Existing Single-Family Home Price (% change)	4.8%	5.0%	9.7%	18.4%	10.2%	0.6%
Sales of Existing Single-Family Homes (% change)	-3.1%	0.5%	6.3%	6.8%	-17.2%	-18.3%
Housing Affordability Index (% change)	-7.2%	9.4%	5.9%	-12.3%	-26.4%	-11.7%
Average 30-Year Fixed Mortgage Rate (%)	4.54%	3.93%	3.11%	2.96%	5.33%	6.80%
Total Mortgage Originations (% change)	-4.8%	32.7%	83.4%	9.7%	-48.9%	-36.0%
Total Mortgage Loans Delinquent (% change)	-0.8%	90.0%	1.4%	0.7%	0.3%	1.3%
Total Foreclosures Started (% change)	-4.7%	-10.9%	-70.0%	-48.1%	371.4%	-9.1%
Supply of Existing Single-Family Homes (Months)	3.96	3.89	3.03	2.18	2.63	3.08

Sources: National Association of Realtors, U.S. Census Bureau, Federal Home Loan Mortgage Corporation (Freddie Mac), Mortgage Bankers Association

In Nevada, housing supply has been a concern for much of the last decade, with the available supply of homes dropping to close to 1 month in Southern Nevada by early 2018 (from a level of nearly four months at the beginning of 2016). As a result, sales of existing single-family homes, which neared 58,000 units in 2017, decreased to 54,500 units in 2018. Though available inventory in Southern Nevada increased to above 2 months for much of 2019, it was not enough to spur additional sales, as statewide sales decreased to 51,600 total units in 2019. Because of these relative shortages in the housing supply, home prices also continued to increase during that period. The median home price, which was at just over \$280,000 at the end of 2017, crossed the \$300,000 mark by the end of 2018 and approached \$322,000 by the end of 2019.

These conditions did not immediately change as a result of the pandemic. Single-family home sales, still constrained by supply shortages that reached as low as 1.5 months in

Southern Nevada in mid-2020, continued to decrease in 2020 to 47,350 units (the lowest total since 2008). Because of these continued supply constraints, the median home price continued to climb—by the end of 2020, the price reached \$358,000, more than 11.0% higher than the end of 2021.

Though calendar year 2020 did not result in increased demand in housing in Nevada, 2021 was a different story, as sales for that year reached nearly 60,000 units for the first time since 2013. Though mortgage rates reached their historical lows at the end of 2020, rates remained in the 3% range for much of the year, encouraging buyers (at least one-third of whom came from out-of-state) to make home purchases in Nevada.

Because a significant number of these out-of-state buyers came from California and other markets with higher housing costs, the relatively lower costs of homes may have led these buyers to perceive their new homes in Nevada as being more affordable, even as the median home price increased to \$440,000 by the end of 2021. By the first quarter of 2022, though, as mortgage rates made their first big jump to 3.8% and the median home price surged to over \$470,000, Nevada's Housing Affordability Index, as estimated by Moody's Analytics, dropped below 100.00 for the first time since the fourth quarter of 2007 (the quarter in which the Great Recession officially began, according to the National Bureau of Economic Research). This metric meant that by the beginning of 2022, the average Nevada family could no longer afford a home mortgage, given average mortgage rates and home prices.

From the standpoint of affordability, 2022 and 2023 were no better in Nevada. The Housing Affordability Index continued to fall, reaching 76.00 by the end of 2022 and just above 70.00 by the end of 2023 (meaning that the average family can only afford to make just over 70.0% of the mortgage payment for a median-priced home). This decline was largely fueled by increases in mortgage rates (which continued to climb through this period, peaking at 7.3% at the end of 2023) and the median home price (which increased to \$482,000 by the third quarter of 2022 and fell to just under \$436,000 in the first quarter of 2023, before increasing again to \$469,000 by the end of the year).

Not surprisingly, single-family home sales also suffered during this period—in 2022, sales dropped by more than a third (to 39,600 units), and in 2023, they fell again by more than 30%, to 27,200 units.

For the first two quarters of 2024, existing single-family home sales, as estimated by Moody's Analytics, have increased by 6.4% compared to the same period in 2023. This can be attributed to a number of possible factors, including moderations in the growth in the median home price (which increased by only \$7,000 between the end of 2023 and the middle of 2024) and reductions in the mortgage rate (from 7.3% at the end of 2023 to just under 7% in mid-2024).

While further reductions in interest rates may help spur home sales in 2024 and beyond, continued shortages of existing housing inventory may exert further upward pressure on prices, especially as a lack of available land limits the ability of developers to build enough new homes to meet the demand. However, efforts at the state and federal level to address the affordability of housing for Nevadans, including the dedication of \$500 million of State and Local Fiscal Recovery Funds from ARPA to affordable housing in late 2022, as well as efforts from Governor Lombardo and Nevada's Congressional Delegation to make more public lands in Nevada available for development, are likely to allow Nevadans more options in housing that are within their budgets over the next several years.

Inflation Trends and Policy Responses in the U.S.

In the last two years, the U.S. has seen inflation surge to levels not seen in decades, driven primarily by supply chain disruptions, strong consumer demand, and geopolitical tensions. Initially, it was expected that these imbalances would resolve themselves in 2022 and that the inflation would thus be transitory; however, inflation proved to be persistent well beyond the end of that year.

After decades of low inflation, prices began to rise sharply in late 2021, surging in early 2022 to levels unseen since the early 1980s. By March 2022, the CPI had risen 8.5% year-over-year, peaking at 9.0% in June 2022, the highest annual increase in over

four decades. Price increases were widespread, affecting key categories like housing, energy, and food, with nearly every segment of the economy experiencing notable inflation.

In response, the Federal Reserve began to implement a series of aggressive rate hikes raising the Federal Funds Rate from near zero in early 2022 to a target range between 5.25% and 5.5% by the end of 2023. This tightening aimed to curb inflation by cooling economic activity and reducing the overall demand for goods and services.

The effects of the Federal Reserve's rate hikes continued to influence the economy in 2023. In 2023, the inflation rate stood at 4.1%, a significant decrease from the previous year's average of 8.0%. However, it remained well above the Federal Reserve's 2.0% target, which aligns with its dual mandate of promoting maximum employment and maintaining stable prices. Although inflation remained above target, it began to show signs of moderation as rising borrowing costs curbed consumer spending and business investments, marking steady progress from the previous year's highs. Although the overall inflation trend was declining, certain sectors, particularly food and services, continued to experience price pressures driven by rising wage costs. Yet the steady CPI decline through 2023 demonstrated the gradual effectiveness of the Federal Reserve's policies.

By October of this year, the CPI has fallen to 2.6% year-over-year and as inflation has eased, it has allowed the Federal Reserve to reassess its monetary policy stance. So far in 2024, the Federal Reserve has implemented two rate cuts, a 50-basis point reduction in September followed by another 25-basis point cut in November. This may be suggesting the U.S. is successfully achieving a "soft landing"—a policy outcome where inflation is controlled without triggering significant unemployment increases.

Inflation has continued its downward trend in 2024, driven by easing supply chain disruptions, stabilizing energy prices, a cooling labor market, and tighter monetary policies implemented by the Federal Reserve. However, some sectors, such as housing and healthcare, still face upward price pressures due to persistent demand and labor shortages. These dynamics highlight the complex nature of the current economic recovery.

Employment

From 2022 to 2024, the U.S. labor market displayed remarkable recovery and resilience following the disruptions of the COVID-19 pandemic. This period was characterized by tight labor conditions, sustained job growth, and evolving challenges that influenced the pace of recovery across various sectors. In 2022, the labor market rebounded strongly from the pandemic, adding millions of jobs and pushing unemployment rates to near-historic lows. This robust recovery continued into 2023 but began to moderate as the Federal Reserve's interest rate hikes cooled the economy. In 2024, the labor market showed further stabilization despite economic uncertainties. Job creation continued but at a slower pace than in the immediate post-pandemic years. As of October 2024, the national unemployment rate stood at 4.1%, remaining steady over recent months but slightly higher than the sub-4% levels observed earlier in the year. This reflects a stable, yet slightly softened labor market compared to pre-pandemic levels, which saw a 3.7% unemployment rate in 2019.

As of September 2024, the Job Openings and Labor Turnover Survey (JOLTS) reports a job openings-to-unemployed workers ratio of 1.1. This represents a significant decline from the pandemic-era highs of around 2.0 in 2022, meaning there were two job openings for every jobseeker. The drop suggests an easing of labor market pressure as the demand for workers balances more closely with the available labor supply. This shift reflects a moderation in hiring amid slower economic growth, as employers become more cautious about adding positions. While job openings remain ample, the current ratio indicates a gradual normalization compared to the tightness observed in recent years.

As of October 2024, the U.S. economy continues to surpass pre-pandemic employment levels, with total nonfarm payroll employment exceeding February 2020 figures by approximately 6.7 million jobs. This reflects significant economic recovery and widespread job creation. While most industry sectors have fully recovered and now employ more workers than before the pandemic, a few sectors remain below pre-pandemic levels. Compared to February 2020 levels, employment in mining and logging has decreased by 46,000 jobs, accommodation and food services has decreased by 65,400 jobs, and the other services sector has decreased by 15,000 jobs.

In October, employers added just 12,000 jobs nationally, influenced by hurricanes and strike activity that temporarily reduced payrolls. This stands in contrast to the average of 194,000 jobs added per month over the prior twelve months. October's job gains were up 1.4% compared to the same time last year. Year-to-date, job gains have averaged 170,000 per month. For comparison, from January to October 2023, the monthly average was 254,000 jobs. While this marks a significant drop from the elevated figures seen in 2023, it aligns more closely with pre-pandemic norms.

Since the start of the year, the U.S. job market has continued to grow across various industries, albeit at a slower pace than in previous years. The private education and health services sector has been at the forefront of job gains, fueled by increasing demand for healthcare and caregiving services, with an average of 79,000 jobs added per month. The leisure and hospitality industry has also made notable progress in its post-pandemic recovery, adding an average of 17,000 jobs per month. The retail trade sector has seen modest gains, averaging 5,000 new jobs per month. Construction employment has expanded steadily, with an average of 19,000 jobs added monthly, supported by government infrastructure investments and persistent housing demand. In contrast, manufacturing has experienced mixed results, stemming from shifting demand and supply side factors. On average, manufacturing has recorded a decline of 9,000 jobs per month so far this year.

This year, wage growth has shown moderation with average hourly earnings hovering around 4% year-over-year growth. This has marked a slight cooling compared to earlier wage surges, indicating alignment with broader economic conditions as inflation has continued to ease.

Nevada's labor market closely reflects national trends while facing unique challenges. Last year, the average unemployment rate in Nevada was 5.1%. For comparison, the jobless rate averaged 5.2% in 2022. The latest data from the U.S. Bureau of Labor Statistics indicates that the seasonally adjusted unemployment rate rose to 5.7% in October, marking the highest rate nationwide, matched only by the District of Columbia. The gap between the national and Nevada unemployment rates has widened to

1.6 percentage points. Nevada's unemployment rate remains higher than the national average due to a combination of economic factors unique to Nevada. The accommodations and food services sector, which plays a dominant role in Nevada's economy, has faced significant challenges in achieving recovery during the post-pandemic period.

Earlier in 2024, there were 1.0 job openings per unemployed worker in Nevada, reflecting a decline from the more pronounced tightness in prior months and years but still highlighting a competitive labor market. By September 2024, this ratio was closer to 0.8, signaling further normalization as hiring slows and unemployment levels stabilize. This gradual shift aligns with broader trends across the U.S., where labor demand has moderated, and job openings have decreased in response to slowing economic growth.

Nevada's labor market has seen an uptick in participation as more people have re-entered the workforce since the pandemic. However, the overall labor participation rate remains lower than pre-pandemic levels due to several factors. Demographic shifts, including an aging population, have naturally reduced workforce engagement. Recovery challenges in industries such as hospitality, along with a skills gap between job seekers and opportunities in growing sectors, have also contributed to this decline.

While the rising labor force participation rate is a positive sign of economic activity, it temporarily raises the unemployment rate as these job seekers may not immediately find work. Additionally, Nevada's economy, heavily reliant on discretionary spending in tourism-dependent industries, remains vulnerable to fluctuations in national and global demand. This sensitivity exacerbates unemployment during periods of economic uncertainty. Efforts to diversify Nevada's economy with growth in sectors like manufacturing and professional services are underway, but the transition is gradual and limited in its ability to offset challenges in hospitality and related industries.

Nevada's job market recovery surpassed pre-pandemic levels by 133,500 jobs overall according to the U.S. Bureau of Labor Statistics' October preliminary report. Over the last 12 months, Nevada's employment growth was 1.3%, similar to the national rate of 1.4% and modest compared to previous recovery periods. All industry sectors have

surpassed pre-pandemic employment levels, except for the leisure and hospitality sector, which remains 1,100 jobs below February 2020 levels. This shortfall is primarily driven by the accommodation and food services subsector, which is still down by 8,900 jobs.

Nevada's employment growth has been slowing down from the strong gains experienced in the post-pandemic recovery. Job growth in 2024 year-to-date has averaged just 600 jobs per month, marking a sharp slowdown compared to the 4,800 jobs per month added during the same period last year. Industries such as leisure and hospitality are still grappling with the lingering effects of the pandemic, with the sector experiencing a slight decline this year, losing an average of 200 jobs per month so far this year. The construction industry has seen modest growth, adding an average of 600 jobs per month in 2024, similar to last year's average of 500 jobs per month. While the manufacturing sector has averaged only 100 jobs added per month so far this year, it still saw a strong 3.9% increase in employment in October compared to the previous year, highlighting steady growth despite the modest monthly gains. Retail employment has remained relatively stagnant since recovering from the pandemic. This sector has faced several challenges, including the growing shift toward online shopping, which reduces demand for brick-and-mortar retail stores, and the rising cost of living, which has curbed retail spending. However, wage growth in Nevada exceeds national trends. Average hourly earnings increased by 5.4% over the year in October, marking one of the largest increases so far this year.

In summary, the labor market between 2022 and 2024 demonstrated considerable recovery from pandemic-related disruptions. Both nationally and in Nevada, employment surpassed pre-pandemic levels. While the labor market shows signs of moderation, these trends suggest a stabilizing economy that may provide a foundation for more sustainable long-term growth.

Consumer Spending

Consumer spending has played a pivotal role in supporting economic growth since the U.S. emerged from the 2020–2021 COVID-19 pandemic. Accounting for over two-thirds of GDP, strength in consumer spending has at times made up for softness in other areas

of the economy. Households accumulated excess savings during the pandemic, fueled by a combination of federal fiscal stimulus (including direct financial relief to individuals) and a lack of spending opportunities due to widespread lockdowns and business closures. According to research done by the Federal Reserve Bank of San Francisco, between March 2020 and August 2021 households accumulated \$2.1 trillion in excess savings. The personal savings rate, as measured by the U.S. Bureau of Economic Analysis, peaked at 15.1% in 2020 before falling to 10.9% in 2021 and 3% in 2022. The savings rate then rose slightly and has been hovering around 5% since early 2023.

Consumer spending, adjusted for inflation, spiked 8.8% nationally in 2021 compared to the prior year as the economy recovered and Americans emerged with flush pocketbooks and pent-up demand. However, this surge in demand collided with supply chain disruptions, labor shortages, and rising energy costs, together fueling inflation to its highest levels in four decades by mid-2022. In response, the Federal Open Market Committee began aggressively raising interest rates to curb inflation, leading to a slowdown in consumer spending growth. After adjusting for inflation, real consumer spending grew just 3% in 2022 and 2.5% in 2023.

Despite challenges from high prices and elevated interest rates, American consumers remained a key driver of economic growth in 2023 and 2024. Through the first three quarters of 2024, consumer spending was the largest contributor to gains in real GDP. In the third quarter of 2024, consumer spending increased at an annualized rate of 3.7%, marking the fastest pace since early 2023. While spending on goods surged during the later stages of the pandemic, rising 11.3% in 2021 after adjusting for inflation, real spending on goods fell by 0.6% in 2022 before modestly rebounding by 1.9% in 2023. In contrast, inflation-adjusted services spending has remained more stable, growing by 5.0% in 2022 and 2.9% in 2023, reflecting sustained demand in areas like travel, dining, and entertainment.

The fluctuating relationship between goods and services spending has also been evident in Nevada, with spending on goods rising 3.0% in 2023 while services gained 7.6%. A slowdown in the purchasing of goods, as well as moderating inflation since the start of

FY 2024, help explain some of the deceleration in Sales and Use Tax collections in Nevada. While sales tax collections grew by a staggering 21.7% in FY 2022, growth pared back to 6.7% in FY 2023 and further moderated to 4.0% in FY 2024. Easing inflation takes some of the pressure off price growth and is thus less of a contributor to continued growth in tax collections, while still-high interest rates are a drag on durable goods spending. With the Federal Reserve signaling a possible slow-and-steady approach to monetary policy easing, taxable sales in Nevada may stabilize over the coming years.

As inflation pressures have eased, wage growth has emerged as a bright spot heading into late 2024. Nationally, wage growth has outpaced inflation each month for the last year and a half, even alongside some softening in the historically tight labor market. As this trend continues, consumers are gradually regaining purchasing power. However, this positive momentum is tempered by rising household debt and a growing rate of credit card delinquencies, which are currently at levels not seen since 2013. Mortgage rates remain elevated even as benchmark interest rates have begun receding, keeping housing costs, and pressure on household budgets, high. The Federal Reserve Bank of San Francisco estimates that households spent down all of the excess savings accumulated from the pandemic by early 2024. As households have less savings and more debt, strength in consumer spending in the coming years will likely depend on continued income growth.

Moody's Analytics expects real GDP to increase 2.7% nationally in calendar year 2024 before pulling back slightly to 2.2% growth in 2025, followed by 2.0% growth in 2026 and 2.2% growth in 2027. Real consumption expenditures are expected to follow a similar pattern—after rising by 2.7% in 2024, there is expected to be 2.6% growth in 2025 and 2.1% growth in both 2026 and 2027. Overall economic growth is expected to remain somewhat higher in Nevada than the nation, with Moody's Analytics forecasting 3.1% real GDP growth in Nevada in calendar year 2024 and 3.2% growth per year in 2025, 2026, and 2027.

In Nevada, consumer spending is supported by out-of-state visitors, particularly those visiting Southern Nevada. In 2019, the LVCVA reported 42.5 million visitors to Las Vegas, or more than 3.5 million per month on average. This figure collapsed to 19 million visitors in 2020 due to the pandemic but has been gaining ground ever since. Las Vegas surpassed 40.8 million visitors in 2023, and through October 2024 visitation is up 2.9% from last year with average monthly visitors approaching, but not yet hitting, the 3.5 million seen in 2019. While the number of visitors has not yet surpassed pre-pandemic levels, the amount visitors are spending in the state has. The LVCVA estimates \$1,261 in spending per visitor in 2023 compared to \$867 per visitor in 2019. Even after adjusting for inflation, that represents an increase in per-visitor spending of 22%.

The strong growth in tourism seen in 2023 and 2024 may prove challenging to repeat in the coming years, as 2023 was supported by the inaugural Formula 1 race in Southern Nevada while 2024 saw the Super Bowl held at Allegiant Stadium. The lack of large international events like trade shows during the pandemic has created lingering challenges for Las Vegas' convention and trade show industry, and mid-week convention attendance has not recovered to the same extent as overall visitation. The city's diversification into sports and entertainment should continue to provide a stabilizing influence, although the A's baseball team is not expected to begin playing in Southern Nevada until 2028, which is outside of the current forecast window. With fewer new events and venues on the horizon and more moderate economic growth nationally, visitation growth may normalize around pre-pandemic levels in the coming years.

General Fund Revenue Forecast—Fiscal Years 2025, 2026, and 2027

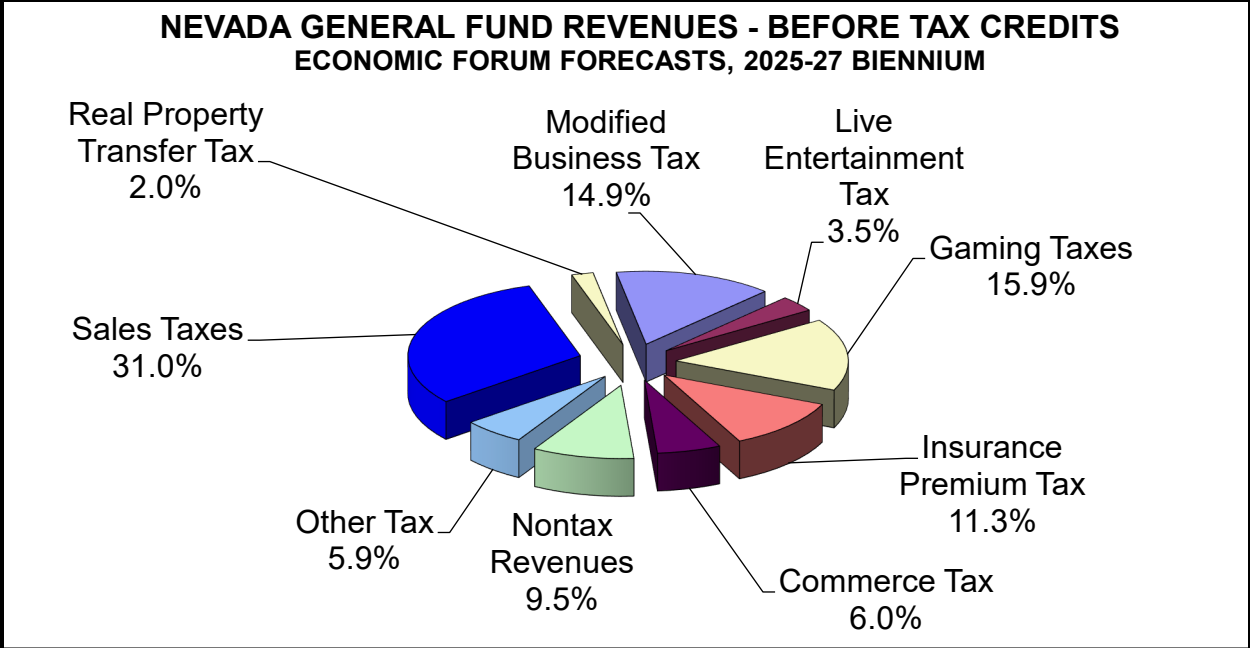
At the December 2, 2024, meeting, the Economic Forum took into consideration presentations made at the meetings on October 16, 2024, and November 7, 2024. These presentations included the Nevada employment outlook made by David Schmidt from the Department of Employment, Training and Rehabilitation and the U.S. and Nevada general economic outlook by Emily Mandel from Moody's Analytics. The Forum also took into consideration the economic outlooks used to derive the General Fund revenue forecasts made by the Budget Division, the Department of Taxation, the Gaming Control Board, the Office of the State Treasurer, Moody's Analytics, and the Fiscal Analysis Division.

(Exhibits presented to the Economic Forum at its meetings are available from the Fiscal Analysis Division upon request, or on the Legislative Counsel Bureau's website: <https://www.leg.state.nv.us/App/InterimCommittee/REL/Interim2023/Committee/1973/Overview>.)

Based on consideration of the information that was provided to the Forum at these meetings, the following forecast was approved at the December 2, 2024, meeting.

Total Nevada General Fund revenues, before the application of any tax credits approved by the Legislature, are forecast at \$6.276 billion for FY 2026 and \$6.457 billion for FY 2027. The 2025-27 biennial total of \$12.733 billion is 4.0% higher than the current revised estimate for FY 2025 and the actual collections for FY 2024 of \$12.238 billion for the 2023-25 Biennium.

As you will note in the chart on the next page, gaming taxes are forecast to provide 15.9% of all General Fund revenues during the 2025-27 Biennium before the application of tax credits, a decrease from the 16.7% now estimated for the current biennium. Sales tax collections are forecast to provide 31.0% of all General Fund revenues during the 2025-27 Biennium before the application of tax credits, an increase from the 30.5% currently estimated for the 2023-25 Biennium. Modified Business Tax collections are forecast to provide 14.9% of all General Fund revenues during the 2025-27 Biennium before the application of tax credits, an increase from the 14.3% currently estimated for the 2023-25 Biennium.



More detailed information on specific revenues in addition to gaming, sales, and modified business taxes is available in the accompanying table.

Sales Tax

Sales tax collections are forecast to reach \$1.793 billion in FY 2025, a 0.2% increase from FY 2024 levels. Sales taxes are expected to increase by 4.0% in FY 2026 and increase by 3.2% in FY 2027. These forecasts result in projected total sales tax receipts of \$3.791 billion during the 2025-27 Biennium.

Gaming Percentage Fee Tax

Total gaming percentage fee tax revenues are forecast to reach \$969.8 million in FY 2025, a decrease of 3.0% from actual FY 2024 collections. From this base, the tax is estimated to increase by 1.1% in FY 2026 and increase by 1.2% in FY 2027 to yield revenues of \$1.974 billion for the General Fund during the 2025-27 Biennium.

Modified Business Tax

Total Modified Business Tax revenues, before the effect of the credit that may be taken against this tax by persons who pay the Commerce Tax, are forecast to reach

\$891.7 million in FY 2025, an increase of 3.9% from actual FY 2024 collections. Modified Business Tax collections are estimated to increase by 4.3% in FY 2026 and increase by 4.0% in FY 2027, which results in total revenues of \$1.898 billion for the General Fund during the 2025-27 Biennium.

Collections for the Modified Business Tax are additionally estimated to be reduced by \$67.6 million in FY 2025, \$70.4 million in FY 2026, and \$74.3 million in FY 2027, as a result of the Commerce Tax Credit allowed against the Modified Business Tax. The Commerce Tax Credit is discussed in greater detail in the Commerce Tax subsection below.

Insurance Premium Tax

Total Insurance Premium Tax revenues are forecast to reach \$683.0 million in FY 2025, an increase of 5.6% from actual FY 2024 collections. From this base, the tax is estimated to increase by 2.4% in FY 2026 and increase by 5.2% in FY 2027 to yield revenues of \$1.435 billion for the General Fund during the 2025-27 Biennium.

Live Entertainment Tax

Total Live Entertainment Tax revenues from gaming and nongaming establishments are forecast to reach \$221.5 million in FY 2025, a decrease of 13.6% from actual FY 2024 collections. From this base, the tax is estimated to increase by 0.3% in FY 2026 and increase by 0.3% in FY 2027 to yield revenues of \$445.2 million for the General Fund during the 2025-27 Biennium.

Real Property Transfer Tax

Total Real Property Transfer Tax revenues are forecast to reach \$118.5 million in FY 2025, an increase of 8.8% from actual FY 2024 collections. From this base, the tax is estimated to increase by 6.3% in FY 2026 and increase by 4.9% in FY 2027 to yield revenues of \$258.2 million for the General Fund during the 2025-27 Biennium.

Commerce Tax

Total Commerce Tax revenues are forecast to reach \$353.9 million in FY 2025, an increase of 3.2% from actual FY 2024 collections. From this base, the tax is estimated to increase by 4.6% in FY 2026 and increase by 5.5% in FY 2027 to yield revenues of \$760.5 million for the General Fund during the 2025-27 Biennium.

As approved by the Legislature during the 78th (2015) Legislative Session, taxpayers who have a Commerce Tax liability in a preceding fiscal year are entitled to take a credit of up to 50% of that liability against the Modified Business Tax in the current fiscal year. Based on the actual FY 2024 Commerce Tax collections of \$343.1 million, actual and projected revenue based on FY 2024 taxable activity but not collected until FY 2025, and historical usage of these credits against the Modified Business Tax, the Commerce Tax Credit is estimated at \$67.6 million in FY 2025.

The Commerce Tax Credit is estimated to be \$70.4 million in FY 2026 and \$74.3 million in FY 2027, which yields total Commerce Tax Credits of \$144.7 million taken against the Modified Business Tax during the 2025-27 Biennium.

Interest Income—Treasurer

Total revenue generated from interest income is forecast to reach \$244.3 million in FY 2025, an increase of 8.6% from actual FY 2024 collections. From this base, this revenue is estimated to decrease by 6.8% in FY 2026 and decrease by 2.4% in FY 2027 to yield revenues of \$450.1 million for the General Fund during the 2025-27 Biennium.

Tax Credit Programs

Total credits from all other tax credit programs authorized by the Legislature are forecast to reduce General Fund revenues by \$51.0 million in FY 2025, by \$72.3 million in FY 2026, and by \$83.2 million in FY 2027. The total forecast of \$155.5 million in tax credits for the 2025-27 Biennium results in a reduction in General Fund revenue of \$66.2 million compared to the \$89.3 million in tax credits estimated for the 2023-25 Biennium, based on the actual credits taken in FY 2024 and the revised estimates for FY 2025.

Total General Fund Revenues

Total Nevada General Fund revenues, after the application of all tax credits, are forecast at \$6.134 billion for FY 2026 and \$6.299 billion for FY 2027. The 2025-27 biennial total of \$12.433 billion is 3.4% higher than the current revised estimate for FY 2025 and the actual collections for FY 2024 of \$12.021 billion for the 2023-25 Biennium, after the application of all tax credits. This results in an estimated \$412.3 million increase in total General Fund revenues between the 2023-25 Biennium and the 2025-27 Biennium.

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 2, 2024, FORECAST
ACTUAL: FY 2022 THROUGH FY 2024 AND FORECAST: FY 2025 THROUGH FY 2027
ECONOMIC FORUM'S FORECAST FOR FY 2025, FY 2026, AND FY 2027 APPROVED AT THE DECEMBER 2, 2024, MEETING

DESCRIPTION	FY 2022		FY 2023		FY 2024		ECONOMIC FORUM DECEMBER 2, 2024, FORECAST		FY 2025		FY 2026		FY 2027	
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FORECAST	% Change	FORECAST	% Change	FORECAST	% Change	FORECAST	% Change
TAXES														
MINING TAX														
3064 Net Proceeds of Minerals [1-21][1-23][1-24]	\$71,266,942	-59.9%	\$1,441,386	-98.0%	\$0		\$0		\$0		\$0		\$0	
3245 Centrally Assessed Penalties	\$423	-96.5%	\$0	-100.0%	\$0		\$0		\$0		\$0		\$0	
3074 Mining Gross Revenue Tax - Gold and Silver [3-22]	\$36,921,487		\$68,281,750	84.9%	\$0		\$0		\$0		\$0		\$0	
TOTAL MINING TAXES AND FEES	\$108,188,852	-39.1%	\$69,723,135	-35.6%	\$0		\$0		\$0		\$0		\$0	
SALES AND USE														
3001 Sales & Use Tax [1-20][4-22][1-25]	\$1,613,341,781	21.7%	\$1,721,543,930	6.7%	\$1,790,433,565	4.0%	\$1,793,172,000	0.2%	\$1,865,437,000	4.0%	\$1,925,690,000	3.2%	\$1,925,690,000	3.2%
3002 State Share - LSST [1-20][4-22][1-25]	\$15,666,269	20.7%	\$16,491,566	5.3%	\$17,108,572	3.7%	\$17,483,000	2.2%	\$18,188,000	4.0%	\$18,775,000	3.2%	\$18,775,000	3.2%
3003 State Share - BCCRT [1-20][4-22][1-25]	\$7,004,724	21.1%	\$7,384,228	5.4%	\$7,653,650	3.6%	\$7,845,000	2.5%	\$8,161,000	4.0%	\$8,425,000	3.2%	\$8,425,000	3.2%
3004 State Share - SCCRT [1-20][4-22][1-25]	\$24,509,793	21.1%	\$25,839,923	5.4%	\$26,782,538	3.6%	\$27,458,000	2.5%	\$28,565,000	4.0%	\$29,487,000	3.2%	\$29,487,000	3.2%
3005 State Share - PTT [1-20][4-22][1-25]	\$19,349,241	22.8%	\$20,426,887	5.6%	\$21,127,104	3.4%	\$21,660,000	2.5%	\$22,533,000	4.0%	\$23,260,000	3.2%	\$23,260,000	3.2%
TOTAL SALES AND USE	\$1,679,871,809	21.7%	\$1,791,686,533	6.7%	\$1,863,105,429	4.0%	\$1,867,618,000	0.2%	\$1,942,884,000	4.0%	\$2,005,637,000	3.2%	\$2,005,637,000	3.2%
GAMING - STATE														
3041 Percent Fees - Gross Revenue: <u>Before Tax Credits</u> [4-24]	\$964,214,339	40.7%	\$970,128,567	0.6%	\$999,947,106	3.1%	\$969,771,000	-3.0%	\$980,813,000	1.1%	\$992,863,000	1.2%	\$992,863,000	1.2%
Tax Credit Programs:														
Film Transferrable Tax Credits [TC-1]	(\$664,260)		(\$2,200,088)		(\$1,842,482)		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs	(\$664,260)		(\$2,200,088)		(\$1,842,482)		\$0		\$0		\$0		\$0	
Percent Fees - Gross Revenue: <u>After Tax Credits</u> [4-24]	\$963,550,079	40.8%	\$967,928,479	0.5%	\$998,104,624	3.1%	\$969,771,000	-2.8%	\$980,813,000	1.1%	\$992,863,000	1.2%	\$992,863,000	1.2%
3032 Pari-mutuel Tax	\$3,162		\$3,858	22.0%	\$3,580	-7.2%	\$4,000	11.7%	\$4,000	0.0%	\$4,100	2.5%	\$4,100	2.5%
3181 Racing Fees	\$10,102		\$5,390	-46.6%	\$10,605	96.8%	\$6,400	-39.7%	\$7,500	17.2%	\$7,500	0.0%	\$7,500	0.0%
3247 Racing Fines/Forfeitures	\$1,500		\$3,900	160.0%	\$750	-80.8%	\$0	-100.0%	\$0		\$0		\$0	
3042 Gaming Penalties	\$361,734	-52.5%	\$329,016	-9.0%	\$10,930,133	3222.1%	\$850,000	-92.2%	\$700,000	-17.6%	\$700,000	0.0%	\$700,000	0.0%
3043 Flat Fees-Restricted Slots [2-20]	\$8,466,294	8.3%	\$8,481,030	0.2%	\$8,607,351	1.5%	\$8,639,000	0.4%	\$8,673,000	0.4%	\$8,703,000	0.3%	\$8,703,000	0.3%
3044 Non-Restricted Slots [2-20]	\$10,149,080	3.6%	\$10,246,840	1.0%	\$10,556,985	3.0%	\$10,430,000	-1.2%	\$10,460,000	0.3%	\$10,472,000	0.1%	\$10,472,000	0.1%
3045 Quarterly Fees-Games	\$5,466,294	0.0%	\$5,437,382	-0.5%	\$5,488,322	0.9%	\$5,295,000	-3.5%	\$5,309,000	0.3%	\$5,320,000	0.2%	\$5,320,000	0.2%
3046 Advance License Fees	\$16,467,639	382.3%	\$53,651	-99.7%	\$9,610,894	17813.9%	\$550,000	-94.3%	\$550,000	0.0%	\$550,000	0.0%	\$550,000	0.0%
3048 Slot Machine Route Operator	\$26,000	-13.3%	\$25,000	-3.8%	\$25,000	0.0%	\$25,000	0.0%	\$25,000	0.0%	\$25,000	0.0%	\$25,000	0.0%
3049 Gaming Info Systems Annual	\$49,000	63.3%	\$47,000	-4.1%	\$54,000	14.9%	\$48,000	-11.1%	\$48,000	0.0%	\$48,000	0.0%	\$48,000	0.0%
3028 Interactive Gaming Fee - Operator	\$250,000	-73.3%	\$500,000	100.0%	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%
3029 Interactive Gaming Fee - Service Provider	\$14,000	27.3%	\$13,000	-7.1%	\$13,000	0.0%	\$13,000	0.0%	\$13,000	0.0%	\$13,000	0.0%	\$13,000	0.0%
3030 Interactive Gaming Fee - Manufacturer	\$75,000	0.0%	\$75,000	0.0%	\$75,000	0.0%	\$75,000	0.0%	\$75,000	0.0%	\$75,000	0.0%	\$75,000	0.0%
3033 Equip Mfg. License	\$287,480	-0.2%	\$279,490	-2.8%	\$300,000	7.3%	\$288,000	-4.0%	\$288,500	0.2%	\$290,000	0.5%	\$290,000	0.5%
3034 Race Wire License	\$4,332	92.7%	\$3,402	-21.5%	\$7,825	130.0%	\$5,200	-33.5%	\$5,300	1.9%	\$5,400	1.9%	\$5,400	1.9%
3035 Annual Fees on Games	\$84,550	-42.2%	\$85,101	0.7%	\$94,663	11.2%	\$109,200	15.4%	\$106,400	-2.6%	\$105,700	-0.7%	\$105,700	-0.7%
TOTAL GAMING - STATE: BEFORE TAX CREDITS	\$1,005,930,506	40.9%	\$995,717,627	-1.0%	\$1,046,225,214	5.1%	\$996,608,800	-4.7%	\$1,007,577,700	1.1%	\$1,019,681,700	1.2%	\$1,019,681,700	1.2%
Tax Credit Programs														
TOTAL GAMING - STATE: AFTER TAX CREDITS	\$1,005,266,246	41.0%	\$993,517,539	-1.2%	\$1,044,382,732	5.1%	\$996,608,800	-4.6%	\$1,007,577,700	1.1%	\$1,019,681,700	1.2%	\$1,019,681,700	1.2%
LIVE ENTERTAINMENT TAX (LET)														
3031G Live Entertainment Tax-Gaming [5-22]	\$99,353,405	1265.5%	\$121,381,051	22.2%	\$127,004,289	4.6%	\$117,257,000	-7.7%	\$115,694,000	-1.3%	\$114,817,000	-0.8%	\$114,817,000	-0.8%
3031NG Live Entertainment Tax-Nongaming [5-22]	\$39,802,290	946.4%	\$79,907,593	100.8%	\$129,274,874	61.8%	\$104,276,000	-19.3%	\$106,549,000	2.2%	\$108,106,000	1.5%	\$108,106,000	1.5%
TOTAL LET	\$139,155,695	1155.9%	\$201,288,644	44.6%	\$256,279,162	27.3%	\$221,533,000	-13.6%	\$222,243,000	0.3%	\$222,923,000	0.3%	\$222,923,000	0.3%
COMMERCE TAX														
3072 Commerce Tax	\$281,881,659	27.0%	\$302,294,190	7.2%	\$343,073,688	13.5%	\$353,940,000	3.2%	\$370,063,000	4.6%	\$390,416,000	5.5%	\$390,416,000	5.5%
TRANSPORTATION CONNECTION EXCISE TAX														
3073 Transportation Connection Excise Tax	\$28,464,128	66.1%	\$39,978,332	40.5%	\$40,157,801	0.4%	\$47,987,000	19.5%	\$46,263,000	-3.6%	\$53,817,000	16.3%	\$53,817,000	16.3%
CIGARETTE TAX														
3052 Cigarette Tax [3-20]	\$144,068,816	-5.7%	\$135,275,124	-6.1%	\$122,973,891	-9.1%	\$113,863,000	-7.4%	\$108,463,000	-4.7%	\$103,638,000	-4.4%	\$103,638,000	-4.4%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 2, 2024, FORECAST
ACTUAL: FY 2022 THROUGH FY 2024 AND FORECAST: FY 2025 THROUGH FY 2027
ECONOMIC FORUM'S FORECAST FOR FY 2025, FY 2026, AND FY 2027 APPROVED AT THE DECEMBER 2, 2024, MEETING

DESCRIPTION	FY 2022		FY 2023		FY 2024		ECONOMIC FORUM DECEMBER 2, 2024, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2025 FORECAST	% Change	FY 2026 FORECAST	% Change	FY 2027 FORECAST	% Change
TAXES - CONTINUED												
MODIFIED BUSINESS TAX (MBT)												
MBT - NONFINANCIAL BUSINESSES (MBT-NFI) [4-20][6-22][3-24]												
3069 MBT - Nonfinancial: <u>Before Tax Credits</u>	\$747,602,083	28.9%	\$853,620,756	14.2%	\$798,137,393	-6.5%	\$828,906,000	3.9%	\$865,515,000	4.4%	\$900,829,000	4.1%
Commerce Tax Credits	(\$47,232,337)		(\$61,033,687)		(\$59,891,198)		\$0		\$0		\$0	
MBT - Nonfinancial: <u>After Commerce Tax Credits</u>	\$700,369,745	30.3%	\$792,587,068	13.2%	\$738,246,195	-6.9%	\$828,906,000	12.3%	\$865,515,000	4.4%	\$900,829,000	4.1%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]	(\$104,621)		(\$739,637)		(\$1,016,342)		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]	(\$11,462,423)		(\$10,395,406)		(\$8,083,700)		\$0		\$0		\$0	
College Savings Plan Tax Credits [TC-6]	(\$473)		(\$392)		\$0		\$0		\$0		\$0	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0		\$0		\$0	
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0		\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs	(\$11,567,517)		(\$11,135,436)		(\$9,100,042)		\$0		\$0		\$0	
MBT - Nonfinancial: <u>After Tax Credit Programs</u>	\$688,802,229	29.9%	\$781,451,633	13.5%	\$729,146,153	-6.7%	\$828,906,000	13.7%	\$865,515,000	4.4%	\$900,829,000	4.1%
MBT - FINANCIAL BUSINESSES (MBT-FI) [4-20][6-22][3-24]												
3069 MBT - Financial: <u>Before Tax Credits</u>	\$46,926,269	10.8%	\$44,035,096	-6.2%	\$40,922,695	-7.1%	\$42,800,000	4.6%	\$44,673,000	4.4%	\$46,802,000	4.8%
Commerce Tax Credits	(\$548,227)		(\$411,651)		(\$477,803)		\$0		\$0		\$0	
MBT - Financial: <u>After Commerce Tax Credits</u>	\$46,378,041	10.6%	\$43,623,445	-5.9%	\$40,444,892	-7.3%	\$42,800,000	5.8%	\$44,673,000	4.4%	\$46,802,000	4.8%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]	\$0		\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]	(\$320,277)		(\$404,890)		(\$92,320)		\$0		\$0		\$0	
College Savings Plan Tax Credits [TC-6]	\$0		\$0		\$0		\$0		\$0		\$0	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0		\$0		\$0	
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0		\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs	(\$320,277)		(\$404,890)		(\$92,320)		\$0		\$0		\$0	
MBT - Financial: <u>After Tax Credit Programs</u>	\$46,057,764	10.3%	\$43,218,555	-6.2%	\$40,352,573	-6.6%	\$42,800,000	6.1%	\$44,673,000	4.4%	\$46,802,000	4.8%
MBT - MINING BUSINESSES (MBT-MINING) [4-20][6-22][3-24]												
3069 MBT - Mining: <u>Before Tax Credits</u>	\$20,878,094	9.0%	\$21,988,228	5.3%	\$19,577,939	-11.0%	\$20,010,000	2.2%	\$20,228,000	1.1%	\$20,279,000	0.3%
Commerce Tax Credits	(\$66,316)		(\$78,774)		(\$89,912)		\$0		\$0		\$0	
MBT - Mining: <u>After Commerce Tax Credits</u>	\$20,811,778	9.0%	\$21,909,454	5.3%	\$19,488,027	-11.1%	\$20,010,000	2.7%	\$20,228,000	1.1%	\$20,279,000	0.3%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]	\$0		\$0		\$0		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]	\$0		\$0		\$0		\$0		\$0		\$0	
College Savings Plan Tax Credits [TC-6]	\$0		\$0		\$0		\$0		\$0		\$0	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0		\$0		\$0	
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0		\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs	\$0		\$0		\$0		\$0		\$0		\$0	
MBT - Mining: <u>After Tax Credit Programs</u>	\$20,811,778	9.0%	\$21,909,454	5.3%	\$19,488,027	-11.1%	\$20,010,000	2.7%	\$20,228,000	1.1%	\$20,279,000	0.3%

**GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 2, 2024, FORECAST
 ACTUAL: FY 2022 THROUGH FY 2024 AND FORECAST: FY 2025 THROUGH FY 2027
 ECONOMIC FORUM'S FORECAST FOR FY 2025, FY 2026, AND FY 2027 APPROVED AT THE DECEMBER 2, 2024, MEETING**

DESCRIPTION	FY 2022		FY 2023		FY 2024		ECONOMIC FORUM DECEMBER 2, 2024, FORECAST		FY 2026		FY 2027	
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FORECAST	% Change	FORECAST	% Change	FORECAST	% Change
TAXES - CONTINUED												
TOTAL MBT - NFI, FI, & MINING												
TOTAL MBT: <u>BEFORE TAX CREDITS</u>	\$815,406,446	27.1%	\$919,644,080	12.8%	\$858,638,027	-6.6%	\$891,716,000	3.9%	\$930,416,000	4.3%	\$967,910,000	4.0%
TOTAL COMMERCE TAX CREDITS	(\$47,846,881)		(\$61,524,113)		(\$60,458,912)		(\$67,626,000)		(\$70,383,000)		(\$74,264,000)	
TOTAL MBT: <u>AFTER COMMERCE TAX CREDITS</u>	\$767,559,565	28.3%	\$858,119,967	11.8%	\$798,179,114	-7.0%	\$824,090,000	3.2%	\$860,033,000	4.4%	\$893,646,000	3.9%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]	(\$104,621)		(\$739,637)		(\$1,016,342)		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0		\$0		\$0		\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]	(\$11,782,700)		(\$10,800,296)		(\$8,176,019)		(\$8,600,000)		(\$7,200,000)		(\$6,655,000)	
College Savings Plan Tax Credits [TC-6]	(\$473)		(\$392)		\$0		(\$600)		(\$650)		(\$700)	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0		\$0		\$0	
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0		\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs	(\$11,887,794)		(\$11,540,325)		(\$9,192,361)		(\$8,600,600)		(\$7,200,650)		(\$6,655,700)	
TOTAL MBT: <u>AFTER TAX CREDIT PROGRAMS</u>	\$755,671,771	27.8%	\$846,579,642	12.0%	\$788,986,753	-6.8%	\$815,489,400	3.4%	\$852,832,350	4.6%	\$886,990,300	4.0%
INSURANCE TAXES												
3061 Insurance Premium Tax: <u>Before Tax Credits [5-24]</u>	\$541,092,065	10.1%	\$581,438,893	7.5%	\$646,678,025	11.2%	\$683,008,000	5.6%	\$699,556,000	2.4%	\$735,775,000	5.2%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]	(\$714,842)		(\$2,936,809)		(\$3,152,877)		\$0		\$0		\$0	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	(\$350,000)		\$0		\$0		\$0		\$0		\$0	
Nevada New Markets Job Act Tax Credits [TC-3]	(\$23,671,913)		(\$30,280,991)		(\$21,103,337)		(\$24,000,000)		(\$16,000,000)		(\$26,500,000)	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		(\$3,000,000)		(\$3,000,000)		\$0		\$0		\$0	
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0		\$0		\$0		\$0		\$0		\$0	
Total - Tax Credit Programs	(\$24,736,755)		(\$36,217,799)		(\$27,256,215)		(\$24,000,000)		(\$16,000,000)		(\$26,500,000)	
Insurance Premium Tax: <u>After Tax Credit Programs</u>	\$516,355,310	5.8%	\$545,221,094	5.6%	\$619,421,810	13.6%	\$659,008,000	6.4%	\$683,556,000	3.7%	\$709,275,000	3.8%
3062 Insurance Retaliatory Tax	\$502,182	84.9%	\$408,026	-18.7%	\$370,858	-9.1%	\$385,100	3.8%	\$396,300	2.9%	\$402,300	1.5%
3067 Captive Insurer Premium Tax	\$1,161,859	2.7%	\$1,268,717	9.2%	\$1,143,526	-9.9%	\$1,261,000	10.3%	\$1,276,000	1.2%	\$1,300,000	1.9%
TOTAL INSURANCE TAXES: <u>BEFORE TAX CREDITS</u>	\$542,756,106	10.1%	\$583,115,636	7.4%	\$648,192,408	11.2%	\$684,654,100	5.6%	\$701,228,300	2.4%	\$737,477,300	5.2%
TAX CREDIT PROGRAMS	(\$24,736,755)		(\$36,217,799)		(\$24,256,215)		(\$24,000,000)		(\$16,000,000)		(\$26,500,000)	
TOTAL INSURANCE TAXES: <u>AFTER TAX CREDITS</u>	\$518,019,351	5.9%	\$546,897,837	5.6%	\$623,936,193	14.1%	\$660,654,100	5.9%	\$685,228,300	3.7%	\$710,977,300	3.8%
REAL PROPERTY TRANSFER TAX (RPTT)												
3055 Real Property Transfer Tax [6-24]	\$177,690,923	32.7%	\$110,612,300	-37.8%	\$108,964,910	-1.5%	\$118,525,000	8.8%	\$125,982,000	6.3%	\$132,195,000	4.9%
GOVERNMENTAL SERVICES TAX (GST)												
3051 Governmental Services Tax [5-20][2-21][7-24]	\$26,430,864	-73.9%	\$27,035,866	2.3%	\$0		\$0		\$0		\$0	
OTHER TAXES												
3113 Business License Fee	\$119,544,202	5.6%	\$118,270,353	-1.1%	\$122,663,071	3.7%	\$125,502,000	2.3%	\$127,473,000	1.6%	\$129,294,000	1.4%
3050 Liquor Tax	\$50,392,542	15.7%	\$46,007,920	-8.7%	\$49,048,983	6.6%	\$47,633,000	-2.9%	\$48,511,000	1.8%	\$48,707,000	0.4%
3053 Other Tobacco Tax [6-20][8-24]	\$35,755,018	10.6%	\$35,158,816	-1.7%	\$32,932,665	-6.3%	\$31,802,000	-3.4%	\$31,342,000	-1.4%	\$31,215,000	-0.4%
4862 HECC Transfer	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%
3068 Branch Bank Excise Tax	\$2,336,987	-9.9%	\$2,250,520	-3.7%	\$2,160,550	-4.0%	\$2,093,000	-3.1%	\$2,038,000	-2.6%	\$1,982,000	-2.7%
TOTAL TAXES: <u>BEFORE TAX CREDITS</u>	\$5,162,874,552	21.7%	\$5,383,059,077	4.3%	\$5,499,415,798	2.2%	\$5,508,474,900	0.2%	\$5,669,484,000	2.9%	\$5,849,893,000	3.2%
TOTAL COMMERCE TAX CREDITS	(\$47,846,881)		(\$61,524,113)		(\$60,458,912)		(\$67,626,000)		(\$70,383,000)		(\$74,264,000)	
TOTAL TAXES: <u>AFTER COMMERCE TAX CREDITS</u>	\$5,115,027,671	21.8%	\$5,321,534,964	4.0%	\$5,438,956,886	2.2%	\$5,440,848,900	0.0%	\$5,599,101,000	2.9%	\$5,775,629,000	3.2%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]	(\$1,483,723)		(\$5,876,534)		(\$6,011,701)		(\$7,258,000)		(\$3,110,000)		(\$6,000,000)	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		(\$2,137,500)		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	(\$350,000)		\$0		\$0		\$0		\$0		\$0	
Nevada New Markets Job Act Tax Credits [TC-3]	(\$23,671,913)		(\$30,280,991)		(\$21,103,337)		(\$24,000,000)		(\$16,000,000)		(\$26,500,000)	
Education Choice Scholarship Tax Credits [TC-5]	(\$11,782,700)		(\$10,800,296)		(\$8,176,019)		(\$8,600,000)		(\$7,200,000)		(\$6,655,000)	
College Savings Plan Tax Credits [TC-6]	(\$473)		(\$392)		\$0		(\$600)		(\$650)		(\$700)	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		(\$3,000,000)		(\$3,000,000)		(\$9,000,000)		(\$10,000,000)		(\$8,000,000)	
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0		\$0		\$0		\$0		(\$36,000,000)		(\$36,000,000)	
Total - Tax Credit Programs	(\$37,288,809)		(\$49,958,212)		(\$38,291,058)		(\$50,996,100)		(\$72,310,650)		(\$83,155,700)	
TOTAL TAXES: <u>AFTER TAX CREDITS</u>	\$5,077,738,862	21.3%	\$5,271,576,751	3.8%	\$5,400,665,828	2.4%	\$5,389,852,800	-0.2%	\$5,526,790,350	2.5%	\$5,692,473,300	3.0%

**GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 2, 2024, FORECAST
 ACTUAL: FY 2022 THROUGH FY 2024 AND FORECAST: FY 2025 THROUGH FY 2027
 ECONOMIC FORUM'S FORECAST FOR FY 2025, FY 2026, AND FY 2027 APPROVED AT THE DECEMBER 2, 2024, MEETING**

DESCRIPTION	FY 2022		FY 2023		FY 2024		ECONOMIC FORUM DECEMBER 2, 2024, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2025 FORECAST	% Change	FY 2026 FORECAST	% Change	FY 2027 FORECAST	% Change
LICENSES												
3101 Insurance Licenses	\$29,419,100	8.5%	\$28,869,901	-1.9%	\$29,972,617	3.8%	\$30,645,000	2.2%	\$31,208,000	1.8%	\$31,731,000	1.7%
3120 Marriage License	\$345,163	2.6%	\$339,664	-1.6%	\$335,411	-1.3%	\$336,600	0.4%	\$336,600	0.0%	\$335,700	-0.3%
SECRETARY OF STATE												
3105 UCC	\$3,454,770	-9.9%	\$3,243,588	-6.1%	\$3,482,261	7.4%	\$3,546,000	1.8%	\$3,584,000	1.1%	\$3,620,000	1.0%
3129 Notary Fees	\$717,235	8.8%	\$783,890	9.3%	\$788,253	0.6%	\$776,100	-1.5%	\$775,300	-0.1%	\$775,100	0.0%
3130 Commercial Recordings [9-24]	\$88,574,485	5.0%	\$85,644,772	-3.3%	\$89,170,782	4.1%	\$91,028,000	2.1%	\$92,176,000	1.3%	\$93,369,000	1.3%
3131 Video Service Franchise	\$300	-98.9%	\$150	-50.0%	\$250	66.7%	\$300	20.0%	\$300	0.0%	\$300	0.0%
3121 Domestic Partnership Registry Fee	\$62,391	11.8%	\$59,221	-5.1%	\$59,018	-0.3%	\$42,500	-28.0%	\$36,300	-14.6%	\$36,600	0.8%
3152 Securities [7-22]	\$35,068,024	9.5%	\$36,480,299	4.0%	\$36,668,572	0.5%	\$37,067,000	1.1%	\$37,229,000	0.4%	\$37,402,000	0.5%
TOTAL SECRETARY OF STATE	\$127,877,205	5.7%	\$126,211,920	-1.3%	\$130,169,135	3.1%	\$132,459,900	1.8%	\$133,800,900	1.0%	\$135,203,000	1.0%
3172 Private School Licenses	\$217,461	-8.6%	\$223,463	2.8%	\$217,310	-2.8%	\$219,000	0.8%	\$220,500	0.7%	\$222,100	0.7%
3173 Private Employment Agency	\$20,100	18.2%	\$18,700	-7.0%	\$19,500	4.3%	\$19,900	2.1%	\$20,200	1.5%	\$20,600	2.0%
REAL ESTATE												
3161 Real Estate License	\$2,936,854	-1.0%	\$2,852,290	-2.9%	\$2,710,525	-5.0%	\$2,794,000	3.1%	\$2,795,000	0.0%	\$2,791,000	-0.1%
3162 Real Estate Fees	\$2,850	46.2%	\$3,300	15.8%	\$3,140	-4.8%	\$3,300	5.1%	\$3,400	3.0%	\$3,400	0.0%
TOTAL REAL ESTATE	\$2,939,704	-0.9%	\$2,855,590	-2.9%	\$2,713,665	-5.0%	\$2,797,300	3.1%	\$2,798,400	0.0%	\$2,794,400	-0.1%
3102 Athletic Commission Fees	\$5,846,931	6286.0%	\$5,280,420	-9.7%	\$7,584,245	43.6%	\$6,578,000	-13.3%	\$6,627,000	0.7%	\$6,676,000	0.7%
TOTAL LICENSES	\$166,665,664	9.8%	\$163,799,658	-1.7%	\$171,011,882	4.4%	\$173,055,700	1.2%	\$175,011,600	1.1%	\$176,982,800	1.1%
FEES AND FINES												
3203 Divorce Fees	\$152,694	-3.4%	\$139,010	-9.0%	\$138,148	-0.6%	\$137,900	-0.2%	\$137,600	-0.2%	\$136,900	-0.5%
3204 Civil Action Fees	\$1,259,803	-7.4%	\$1,224,759	-2.8%	\$1,337,211	9.2%	\$1,445,000	8.1%	\$1,433,000	-0.8%	\$1,424,000	-0.6%
3242 Insurance Fines	\$367,121	-17.9%	\$342,015	-6.8%	\$891,023	160.5%	\$415,200	-53.4%	\$423,500	2.0%	\$431,900	2.0%
3242LC Investigative Costs Recovery - Labor Commission	\$69,050	103.1%	\$28,804	-58.3%	\$6,500	-77.4%	\$27,200	318.5%	\$27,200	0.0%	\$27,200	0.0%
3103MD Medical Plan Discount Reg. Fees	\$500	0.0%	\$0	-100.0%	\$0		\$500		\$500	0.0%	\$500	0.0%
REAL ESTATE FEES												
3107IOS IOS Application Fees	\$8,020	-3.4%	\$5,220	-34.9%	\$3,500	-33.0%	\$6,400	82.9%	\$6,300	-1.6%	\$6,300	0.0%
3165 Land Co Filing Fees	\$36,175	24.1%	\$35,775	-1.1%	\$28,425	-20.5%	\$27,900	-1.8%	\$27,800	-0.4%	\$27,900	0.4%
3169 Real Estate Reg Fees	\$26,750	4.1%	\$5,150	-80.7%	\$5,175	0.5%	\$8,500	64.3%	\$9,100	7.1%	\$9,800	7.7%
4741 Real Estate Exam Fees	\$801,447	-7.5%	\$580,723	-27.5%	\$548,337	-5.6%	\$585,300	6.7%	\$611,400	4.5%	\$637,800	4.3%
3178 Real Estate Accred Fees	\$112,750	7.3%	\$117,925	4.6%	\$123,450	4.7%	\$115,300	-6.6%	\$116,500	1.0%	\$118,100	1.4%
3254 Real Estate Penalties	\$93,843	-16.6%	\$94,843	1.1%	\$82,660	-12.8%	\$90,200	9.1%	\$90,900	0.8%	\$91,700	0.9%
3190 A.B. 165, Real Estate Inspectors	\$62,320	-8.2%	\$57,695	-7.4%	\$49,460	-14.3%	\$56,200	13.6%	\$56,000	-0.4%	\$56,000	0.0%
TOTAL REAL ESTATE FEES	\$1,141,305	-6.1%	\$897,330	-21.4%	\$841,007	-6.3%	\$889,800	5.8%	\$918,000	3.2%	\$947,600	3.2%
3066 Short Term Car Lease [8-22]	\$74,584,103	63.3%	\$81,417,029	9.2%	\$78,876,414	-3.1%	\$79,579,000	0.9%	\$81,077,000	1.9%	\$82,626,000	1.9%
3103AC Athletic Commission Licenses/Fines	\$183,965	12.3%	\$171,847	-6.6%	\$206,300	20.0%	\$188,500	-8.6%	\$193,700	2.8%	\$197,600	2.0%
3150 Navigable Water Permit Fees	\$65,000	0.0%	\$65,000	0.0%	\$65,000	0.0%	\$65,000	0.0%	\$65,000	0.0%	\$65,000	0.0%
3205 State Engineer Sales	\$3,721,744	-3.3%	\$3,993,998	7.3%	\$3,440,211	-13.9%	\$3,654,000	6.2%	\$3,665,000	0.3%	\$3,630,000	-1.0%
3206 Supreme Court Fees	\$190,495	7.1%	\$190,265	-0.1%	\$184,555	-3.0%	\$184,100	-0.2%	\$183,900	-0.1%	\$181,800	-1.1%
3115 Notice of Default Fee	\$355,350	83.4%	\$475,177	33.7%	\$394,792	-16.9%	\$360,700	-8.6%	\$354,600	-1.7%	\$348,700	-1.7%
3601 Professional Employer Organization Fee [9-22]	\$92,500		\$108,500	17.3%	\$106,500	-1.8%	\$120,100	12.8%	\$122,200	1.7%	\$124,300	1.7%
3271 Misc Fines/Forfeitures [10-24]	\$2,060,891	-27.1%	\$2,629,670	27.6%	\$3,074,722	16.9%	\$2,500,000	-18.7%	\$2,500,000	0.0%	\$2,500,000	0.0%
TOTAL FEES AND FINES	\$84,244,519	50.0%	\$91,683,403	8.8%	\$89,562,384	-2.3%	\$89,567,000	0.0%	\$91,101,200	1.7%	\$92,641,500	1.7%

**GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 2, 2024, FORECAST
 ACTUAL: FY 2022 THROUGH FY 2024 AND FORECAST: FY 2025 THROUGH FY 2027
 ECONOMIC FORUM'S FORECAST FOR FY 2025, FY 2026, AND FY 2027 APPROVED AT THE DECEMBER 2, 2024, MEETING**

DESCRIPTION	FY 2022		FY 2023		FY 2024		ECONOMIC FORUM DECEMBER 2, 2024, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2025 FORECAST	% Change	FY 2026 FORECAST	% Change	FY 2027 FORECAST	% Change
USE OF MONEY AND PROP												
OTHER REPAYMENTS												
4403 Forestry Nurseries Fund Repayment (05-M27)	\$20,670		\$20,670		\$20,670		\$20,670		\$20,670		\$20,670	
4408 Comp/Fac Repayment	\$13,032		\$13,032		\$13,032		\$5,239		\$5,239		\$5,239	
4408 OCIO Repayment - State Microwave Communications System	\$266,914		\$266,914		\$266,914		\$266,914		\$266,914		\$266,914	
4408 OCIO Repayment - Cyber Security Resource Enhancement	\$124,406		\$0		\$0		\$0		\$0		\$0	
4408 OCIO Repayment - Wide-Area Network Upgrade	\$223,808		\$0		\$0		\$0		\$0		\$0	
4408 OCIO Repayment - Enterprise Cloud Application [1-22]	\$448,209		\$448,209		\$448,209		\$448,209		\$0		\$0	
4408 OCIO Repayment - Firewall Replacement [2-22]	\$677,637		\$677,635		\$677,635		\$677,634		\$0		\$0	
4408 OCIO Repayment - Content Management and Portal Platform [2-24]	\$0		\$0		\$221,313		\$221,312		\$221,312		\$221,312	
4408 OCIO Repayment - IT Service Management Provider Replacement [1-26]							\$0		\$105,733		\$105,733	
4408 OCIO Repayment - Computer Hardware and Software Replacement [2-26]							\$0		\$4,287		\$4,287	
4408 OCIO Repayment - Firewall Replacement and Security Upgrades [3-26]							\$0		\$402,908		\$402,908	
4408 OCIO Repayment - IT Investments Tracking System [4-26]							\$0		\$68,021		\$68,021	
4102 City of North Las Vegas Repayment - Windsor Park Relocation [11-24]					\$3,000,000		\$3,000,000		\$3,000,000		\$3,000,000	
4409 Motor Pool Repay - LV	\$125,000		\$125,000		\$125,000		\$125,000		\$125,000		\$125,000	
TOTAL OTHER REPAYMENTS	\$1,899,676	112.3%	\$1,551,460	-18.3%	\$4,772,773	207.6%	\$4,764,978	-0.2%	\$4,220,084	-11.4%	\$4,220,084	0.0%
INTEREST INCOME												
3290 Treasurer	\$24,192,051	175.2%	\$142,585,710	489.4%	\$224,917,309	57.7%	\$244,289,000	8.6%	\$227,770,000	-6.8%	\$222,379,000	-2.4%
3291 Other	\$11,780	-40.2%	\$423,700	3496.8%	\$765,210	80.6%	\$688,700	-10.0%	\$619,800	-10.0%	\$557,800	-10.0%
TOTAL INTEREST INCOME	\$24,203,830	174.8%	\$143,009,409	490.9%	\$225,682,518	57.8%	\$244,977,700	8.5%	\$228,389,800	-6.8%	\$222,936,800	-2.4%
TOTAL USE OF MONEY & PROP	\$26,103,506	169.0%	\$144,560,870	453.8%	\$230,455,292	59.4%	\$249,742,678	8.4%	\$232,609,884	-6.9%	\$227,156,884	-2.3%
OTHER REVENUE												
3059 Hoover Dam Revenue	\$324,405	17.7%	\$300,000	-7.5%	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%
MISC SALES AND REFUNDS												
3047 Expired Slot Machine Wagering Vouchers	\$16,506,340	88.5%	\$19,316,120	17.0%	\$18,374,082	-4.9%	\$18,296,000	-0.4%	\$18,391,000	0.5%	\$18,466,000	0.4%
3107 Misc Fees [9-22]	\$695,658	33.6%	\$732,209	5.3%	\$1,039,259	41.9%	\$1,071,000	3.1%	\$1,128,000	5.3%	\$1,187,000	5.2%
3109 Court Admin Assessments [7-20][12-24]	\$0		\$0		\$0		\$0		\$0		\$0	
3114 Court Administrative Assessment Fee [12-24]	\$1,419,507	-10.3%	\$1,449,420	2.1%	\$15,544,481	972.5%	\$15,840,000	1.9%	\$15,809,000	-0.2%	\$15,738,000	-0.4%
3168 Declare of Candidacy Filing Fee	\$58,241	142.7%	\$55,208	-5.2%	\$82,090	48.7%	\$37,200	-54.7%	\$71,400	91.9%	\$37,200	-47.9%
3202 Fees & Writs of Garnishments	\$570	-24.5%	\$500	-12.3%	\$715	43.0%	\$400	-44.1%	\$300	-25.0%	\$200	-33.3%
3220 Nevada Report Sales	\$1,215	-79.9%	\$3,810	213.6%	\$14,695	285.7%	\$4,100	-72.1%	\$15,700	282.9%	\$4,100	-73.9%
3222 Excess Property Sales	\$12,878	-30.2%	\$0	-100.0%	\$0		\$0		\$0		\$0	
3240 Sale of Trust Property	\$0		\$0		\$0		\$0		\$0		\$0	
3243 Insurance - Misc	\$391,986	-0.9%	\$374,159	-4.5%	\$400,685	7.1%	\$389,300	-2.8%	\$387,300	-0.5%	\$389,200	0.5%
3274 Misc Refunds	\$32,662	-14.8%	\$30,224	-7.5%	\$2,919,728	9560.3%	\$2,031,000	-30.4%	\$1,197,000	-41.1%	\$531,000	-55.6%
3276 Cost Recovery Plan [8-20][10-22][13-24]	\$9,079,171	-17.2%	\$8,575,644	-5.5%	\$8,450,166	-1.5%	\$7,874,000	-6.8%	\$8,056,000	2.3%	\$8,054,000	0.0%
TOTAL MISC SALES & REF	\$28,198,227	26.4%	\$30,537,293	8.3%	\$46,825,901	53.3%	\$45,543,000	-2.7%	\$45,055,700	-1.1%	\$44,406,700	-1.4%
3255 Unclaimed Property [11-22][14-24]	\$56,059,921	17.6%	\$60,022,800	7.1%	\$70,965,216	18.2%	\$62,980,000	-11.3%	\$62,860,000	-0.2%	\$65,426,000	4.1%
TOTAL OTHER REVENUE	\$84,582,554	20.4%	\$90,860,094	7.4%	\$118,091,117	30.0%	\$108,823,000	-7.8%	\$108,215,700	-0.6%	\$110,132,700	1.8%
TOTAL GENERAL FUND REVENUE: BEFORE TAX CREDITS	\$5,524,470,795	22.0%	\$5,873,963,101	6.3%	\$6,108,536,473	4.0%	\$6,129,663,278	0.3%	\$6,276,422,384	2.4%	\$6,456,806,884	2.9%
TOTAL COMMERCE TAX CREDITS												
	(\$47,846,881)		(\$61,524,113)		(\$60,458,912)		(\$67,626,000)		(\$70,383,000)		(\$74,264,000)	
TOTAL GENERAL FUND REVENUE: AFTER COMMERCE TAX CREDITS	\$5,476,623,914	22.1%	\$5,812,438,988	6.1%	\$6,048,077,560	4.1%	\$6,062,037,278	0.2%	\$6,206,039,384	2.4%	\$6,382,542,884	2.8%
TAX CREDIT PROGRAMS:												
FILM TRANSFERABLE TAX CREDITS [TC-1]	(\$1,483,723)		(\$5,876,534)		(\$6,011,701)		(\$7,258,000)		(\$3,110,000)		(\$6,000,000)	
ECONOMIC DEVELOPMENT TRANSFERABLE TAX CREDITS [TC-2]	\$0		\$0		\$0		(\$2,137,500)		\$0		\$0	
CATALYST ACCOUNT TRANSFERABLE TAX CREDITS [TC-4]	(\$350,000)		\$0		\$0		\$0		\$0		\$0	
NEVADA NEW MARKET JOBS ACT TAX CREDITS [TC-3]	(\$23,671,913)		(\$30,280,991)		(\$21,103,337)		(\$24,000,000)		(\$16,000,000)		(\$26,500,000)	
EDUCATION CHOICE SCHOLARSHIP TAX CREDITS [TC-5]	(\$11,782,700)		(\$10,800,296)		(\$8,176,019)		(\$8,600,000)		(\$7,200,000)		(\$6,655,000)	
COLLEGE SAVINGS PLAN TAX CREDITS [TC-6]	(\$473)		(\$392)		\$0		(\$600)		(\$650)		(\$700)	
AFFORDABLE HOUSING TRANSFERABLE TAX CREDITS [TC-7]	\$0		(\$3,000,000)		(\$3,000,000)		(\$9,000,000)		(\$10,000,000)		(\$8,000,000)	
BASEBALL STADIUM TRANSFERABLE TAX CREDITS [TC-8]	\$0		\$0		\$0		\$0		(\$36,000,000)		(\$36,000,000)	
TOTAL - TAX CREDIT PROGRAMS	(\$37,288,809)		(\$49,958,212)		(\$38,291,058)		(\$50,996,100)		(\$72,310,650)		(\$83,155,700)	
TOTAL GENERAL FUND REVENUE: AFTER TAX CREDITS	\$5,439,335,105	21.6%	\$5,762,480,775	5.9%	\$6,009,786,502	4.3%	\$6,011,041,178	0.0%	\$6,133,728,734	2.0%	\$6,299,387,184	2.7%

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 2, 2024, FORECAST
ACTUAL: FY 2022 THROUGH FY 2024 AND FORECAST: FY 2025 THROUGH FY 2027
ECONOMIC FORUM'S FORECAST FOR FY 2025, FY 2026, AND FY 2027 APPROVED AT THE DECEMBER 2, 2024, MEETING

DESCRIPTION	ECONOMIC FORUM DECEMBER 2, 2024, FORECAST											
	FY 2022 ACTUAL	%	FY 2023 ACTUAL	%	FY 2024 ACTUAL	%	FY 2025 FORECAST	%	FY 2026 FORECAST	%	FY 2027 FORECAST	%
		Change		Change		Change		Change		Change		Change

NOTES:

FY 2020: Notes 1 through 8 represent legislative actions approved during the 2019 Legislative Session.

- [1-20] A.B. 445 requires a marketplace facilitator, defined as a person who facilitates the sale of tangible personal property by a marketplace seller in the state of Nevada, to collect and remit sales and use taxes on certain sales that are facilitated on behalf of the marketplace seller, effective October 1, 2019. Estimated to generate \$16,459,000 in FY 2020 and \$21,945,000 in FY 2021 for the State 2% rate. This requirement is also estimated to increase collections for the General Fund Commissions by \$668,000 in FY 2020 (LSST: \$160,000; BCCRT: \$72,000; SCCRT: \$252,000; PTT: \$184,000) and \$892,000 in FY 2021 (LSST: \$214,000; BCCRT: \$96,000; SCCRT: \$336,000; PTT: \$246,000).
- [2-20] S.B. 535 removes the requirement that an amount equal to \$2 per slot machine collected from quarterly restricted and non-restricted slot machine fees be allocated to the Account to Support Programs for the Prevention and Treatment of Problem Gambling. Estimated to generate \$1,303,100 in FY 2020 (Non-restricted: \$1,149,400; Restricted: \$153,700) and \$1,298,800 in FY 2021 (Non-restricted: \$1,143,900; Restricted: \$154,900).
- [3-20] A.B. 535 increases the existing license fee on wholesale dealers of cigarettes, which is currently distributed between the State General Fund and local governments, and establishes new license fees for manufacturers, wholesale dealers of other tobacco products, and tobacco retailers. This bill requires all license fee proceeds to be retained by the Department of Taxation to administer and enforce the cigarette and OTP statutes. This action to require the license fees on wholesale dealers of cigarettes to be retained by the Department is estimated to reduce General Fund revenue by less than \$10,000 per year in FY 2020 and FY 2021; thus, no adjustment is made to the forecast.
- [4-20] S.B. 551 permanently repeals the provisions requiring the Modified Business Tax (MBT) tax rates on nonfinancial institutions (MBT-NFI), financial institutions (MBT-FI), and mining companies (MBT-Mining) to be reduced by the Department of Taxation if actual collections from these taxes, in combination with collections from the Commerce Tax and Branch Bank Excise Tax and tax credits taken against the MBT, are more than 4% above the Economic Forum's May forecast in any even-numbered fiscal year.

As a result of the passage of this bill, the rates for the MBT-NFI, which was to be reduced to 1.378% for all taxable wages in excess of \$50,000 per calendar quarter, and the MBT-FI and MBT-Mining, which were to be reduced to 1.853% for all taxable wages, effective July 1, 2019, will remain at the current rates of 1.475% (for the MBT-NFI) and 2% (for the MBT-FI and MBT-Mining), on and after that date. Estimated to generate \$48,166,000 in FY 2020 (MBT-NFI: \$44,101,000; MBT-FI: \$2,335,000; MBT-Mining: \$1,730,000) and \$49,998,000 in FY 2021 (MBT-NFI: \$45,827,000; MBT-FI: \$2,420,000; MBT-Mining: \$1,751,000).
- [5-20] S.B. 541 requires 25% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund on a permanent basis, effective July 1, 2019. The remaining 75% portion of these proceeds are to be deposited in the State Highway Fund. Estimated to generate \$21,954,000 in FY 2020 and \$22,321,000 in FY 2021.
- [6-20] S.B. 263 specifies that alternative nicotine products and vapor products, including e-cigarettes and their components, are subject to the 30 percent wholesale tax on other tobacco products, effective January 1, 2020. Estimated to generate \$3,699,000 in FY 2020 and \$7,931,000 in FY 2021.
- [7-20] Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved projections and the authorized allocation for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059) for FY 2020 and FY 2021. Estimated to generate \$351,220 in FY 2020 and \$270,166 in FY 2021.
- [8-20] Adjustment to the Statewide Cost Allocation amount included in the Legislatively Approved budget after the May 1, 2019, approval of the General Fund revenue forecast by the Economic Forum.

FY 2021: Notes 1 through 3 represent legislative actions approved during the 31st Special Session (July 2020).

- [1-21] S.B. 3 requires the advance payment on the net proceeds of minerals (NPM) tax in FY 2021 based on the estimated net proceeds for the current calendar year 2021. This additional NPM tax payment in FY 2021 is estimated to generate \$54,500,000 from the General Fund portion of the tax due on the estimated net proceeds for calendar year 2021 based on the consensus estimate prepared by the Department of Taxation, Budget Division, and the Fiscal Analysis Division. The provisions of S.B. 3 also apply to FY 2022 and FY 2023, but the NPM tax reverts back to the former method (tax due based on actual mining activity from the preceding calendar year) of taxing net proceeds on July 1, 2023.
- [2-21] S.B. 3 requires 100% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund in FY 2021 only. Beginning in FY 2022, the distribution reverts to 75% of the additional revenue generated from the GST 10% depreciation schedule change deposited in the State Highway Fund and 25% deposited in the State General Fund, as approved in S.B. 541 (2019). Estimated to generate an additional \$71,346,000 in FY 2021 for the State General Fund, based on the consensus estimate prepared by the Budget Division and the Fiscal Analysis Division.
- [3-21] S.B. 3 requires the Department of Taxation to establish and conduct a tax amnesty program by which taxpayers may pay a fee, tax, or assessment required to be paid to the Department without incurring any penalties or interest that would otherwise be required as a result of the unpaid fee, tax, or assessment. This program is required to be conducted by the Department for a period of not more than 90 calendar days and must be concluded no later than June 30, 2021. Estimated to generate \$14,000,000 to the State General Fund and \$7,000,000 to the Distributive School Account (DSA) in FY 2021 based on the consensus estimate prepared by the Department of Taxation, Budget Division, and the Fiscal Analysis Division.

FY 2022: Notes 1 and 2 represent legislative actions approved during the 2019 Legislative Session.

- [1-22] Section 1 of A.B. 512 provides a General Fund appropriation of \$2,138,800 in FY 2020 to the Office of the Chief Information Officer (OCIO, formerly the Division of Enterprise Information Technology Services of the Department of Administration) for the implementation of an enterprise cloud electronic mail and business productivity application. The legislatively approved repayment of this appropriation is 25 percent of the cost of the implementation of an enterprise cloud electronic mail and business productivity application per year, beginning in FY 2022.
- [2-22] Section 2 of A.B. 512 provides a General Fund appropriation of \$4,186,202 in FY 2020 to the Office of the Chief Information Officer (OCIO, formerly the Division of Enterprise Information Technology Services of the Department of Administration) for the replacement of firewalls. The legislatively approved repayment of this appropriation is 25 percent of the cost of the replacement of the firewalls per year, beginning in FY 2022.

**GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 2, 2024, FORECAST
ACTUAL: FY 2022 THROUGH FY 2024 AND FORECAST: FY 2025 THROUGH FY 2027
ECONOMIC FORUM'S FORECAST FOR FY 2025, FY 2026, AND FY 2027 APPROVED AT THE DECEMBER 2, 2024, MEETING**

DESCRIPTION	FY 2022		FY 2023		FY 2024		ECONOMIC FORUM DECEMBER 2, 2024, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2025 FORECAST	% Change	FY 2026 FORECAST	% Change	FY 2027 FORECAST	% Change

FY 2022: Notes 3 through 11 represent legislative actions approved during the 2021 Legislative Session.

- [3-22] A.B. 495 imposes an annual tax on each business entity engaged in the business of extracting gold or silver in this State whose Nevada gross revenue in a taxable year exceeds \$20 million, effective July 1, 2021. The tax rate is 0.75% of all taxable revenue in excess of \$20 million, but not more than \$150 million; and 1.1% of all Nevada gross revenue in excess of \$150 million. The proceeds from this tax are to be deposited in the State General Fund in FY 2022 and FY 2023, but will be deposited in the State Education Fund as a dedicated state funding source for the benefit of K-12 education under the Pupil-Centered Funding Plan beginning in FY 2024. Estimated to generate \$83,802,000 in FY 2022 and \$80,996,000 in FY 2023.

- [4-22] S.B. 440 provides an exemption from sales and use taxes on purchases of tangible personal property by members of the Nevada National Guard who are on active status and who are residents of this State and certain relatives of such members, if the purchase occurs on the date on which Nevada Day is observed or the immediately following Saturday or Sunday, between July 1, 2021, and June 30, 2031. The bill also revises the eligibility requirements for the current exemption that is authorized for members of the Nevada National Guard called into active service to provide that this exemption is available to these members and certain relatives, if the member has been called into active duty for a period of more than 30 days outside of the United States. The exemption is anticipated to reduce sales and use tax revenue for the state and local governments; however, an estimate of the potential reduction was not prepared.

- [5-22] S.B. 367 provides an exemption from the Live Entertainment Tax for live entertainment that is provided by or entirely for the benefit of a governmental entity, effective upon passage and approval (June 4, 2021). Because this exemption is expected to provide a minimal reduction to LET revenues, no adjustment to the forecast was made.

- [6-22] On May 13, 2021, the Nevada Supreme Court upheld a First Judicial District Court ruling that certain actions by the Legislature in Senate Bill 551 (2019) were unconstitutional, as that legislation was approved without the two-thirds majority in each house required in Article 4, Section 18 of the Nevada Constitution. As a result, the tax rates for the Modified Business Tax were reduced effective April 1, 2021 to the rates determined by the Department of Taxation on or before September 30, 2018, that were to become effective on July 1, 2019, pursuant to the provisions of NRS 360.203. The rate for the MBT-NFI was reduced from 1.475% to 1.378% for all taxable wages in excess of \$50,000 per calendar quarter and the rate for the MBT-FI and MBT-Mining was reduced from 2.0% to 1.853% on all quarterly taxable wages. The court ruling additionally requires the Department of Taxation to issue refunds for all MBT that was collected at the higher rates, between July 1, 2019, and March 31, 2021, based on the difference between the rate approved in S.B. 551 and the reduced rate determined by the Department in September 2018, as well as interest on the excess amount collected.

The adjustments to the May 2021 Economic Forum forecast reflect the estimated combined negative impact for each fiscal year for the refund and interest attributable to FY 2020 and FY 2021 overpayments as allocated to FY 2021 and FY 2022 and the tax rate reduction for the fourth quarter of FY 2021 and all four quarters of FY 2022 and FY 2023. The estimated negative impact to total MBT collections attributable to the refund and interest on tax overpayments for FY 2020 and FY 2021 allocated to FY 2021 is \$75,575,000 (MBT-NFI: \$68,066,000, MBT-FI: \$4,647,000, MBT-Mining: \$2,862,000) and allocated to FY 2022 is \$4,717,000 (MBT-NFI: \$3,722,000, MBT-FI: \$943,000, MBT-Mining: \$52,000). The estimated negative impact to total MBT collections attributable to the reduction in the tax rates for FY 2021 is \$12,128,000 (MBT-NFI: \$10,917,000, MBT-FI: \$785,000, MBT-Mining: \$426,000), for FY 2022 is \$50,573,000 (MBT-NFI: \$45,445,000, MBT-FI: \$3,386,000, MBT-Mining: \$1,742,000), and for FY 2023 is \$53,659,000 (MBT-NFI: \$48,238,000, MBT-FI: \$3,637,000, MBT-Mining: \$1,784,000). The estimates for the refund and interest are based on information provided by the Department of Taxation, based on an analysis of actual taxpayer accounts, regarding the potential total refund and interest amounts for the four quarters of FY 2020 and the three quarters of FY 2021 and the actual refund and interest amounts issued for each fiscal year in FY 2021 by each component of the MBT.

- [7-22] S.B. 9 provides an exemption from licensure for investment advisers to certain qualifying private funds, effective July 1, 2022, if: (1) the investment adviser solely advises one or more qualifying private funds; (2) the investment adviser is not required to register with the Securities and Exchange Commission; (3) neither the investment adviser nor any of its advisory affiliates have engaged in certain bad acts; (4) the investment adviser files certain reports with the Administrator, who is the Deputy of Securities appointed by the Secretary of State; and (5) the investment adviser pays a fee prescribed by the Administrator. Estimated to reduce revenue by \$12,000 in FY 2023.

- [8-22] S.B. 389 provides for the regulation and licensing of peer-to-peer car sharing programs by the Department of Motor Vehicles, and also provides that passenger cars that are shared through such a program are subject to a Short Term Car Lease Fee that is identical to the fee already collected by the Department of Taxation on the rental of other passenger cars in this state, effective October 1, 2021. Estimated to generate \$750,000 in FY 2022 and \$1,000,000 in FY 2023.

- [9-22] The proceeds from the licensure of certain professional employer organizations (employee leasing companies), which were being retained by the Division of Industrial Relations in the Department of Business and Industry, were going to be deposited in the State General Fund beginning on July 1, 2021. The Economic Forum May 4, 2021, forecast accounted for this action by including an estimate of \$103,500 in G.L. 3107. Senate Bill 55 transfers the duties for regulating and licensing professional employer organizations from the Division to the Labor Commissioner, effective July 1, 2021. It was determined after the passage of S.B. 55 that the Labor Commissioner will post the revenues from the licensing fees in G.L. 3601, not G.L. 3107. Thus, a new line for G.L. 3601 – Professional Employer Organization Fee is added to the table and \$103,500 is transferred from the forecast for G.L. 3107 to this new G.L., resulting in a net zero change to the Economic Forum May 4, 2021, forecast.

- [10-22] Adjustment to the Statewide Cost Allocation amount included in the Legislatively Approved budget after the May 4, 2021, approval of the General Fund revenue forecast by the Economic Forum.

- [11-22] A.B. 445 requires the State Controller, as soon as practicable after the close of FY 2021, to transfer \$1,000,000 from the Abandoned Property Trust Account (Unclaimed Property) to the Grant Matching Account for the purpose of providing grants or satisfying matching requirements for nongovernmental organizational grants by the Office of Federal Assistance in the Office of the Governor. For FY 2023 and all subsequent years, the first \$1.0 million of revenue from Unclaimed Property that is generated after the required transfer of the first \$7.6 million to the Millennium Scholarship Trust Fund must be transferred to the Grant Matching Account. The actions in A.B. 445, therefore, reduce the forecast for this revenue source by \$1.0 million per year in FY 2022, FY 2023, and all future fiscal years.

FY 2023: Note 1 represents legislative actions approved during the 2023 Legislative Session.

- [1-23] S.B. 124 amends the provisions originally approved in S.B. 3 of the 31st Special Session (July 2020), which required the prepayment of the State General Fund portion of the Net Proceeds of Minerals Tax for FY 2021, FY 2022, and FY 2023 based on the estimated mining activity during each of those calendar years, to revert the payment of the tax back to its former method (tax due based on actual mining activity from the preceding calendar year) of taxing net proceeds on July 1, 2022, rather than on July 1, 2023, as originally approved in S.B. 3. The passage of S.B. 124 will require these tax proceeds to be paid based on actual calendar year 2023 mining activity during FY 2024, and the proceeds will be deposited in the State Education Fund, pursuant to A.B. 495 (2021); thus, the resultant forecast for this tax remains zero in FY 2024 and FY 2025, based on current law.

FY 2024: Notes 1 and 2 represent legislative actions approved during the 2021 Legislative Session.

- [1-24] A.B. 495 provides that, beginning in FY 2024, the portion of the Net Proceeds of Minerals Tax currently deposited in the State General Fund be instead deposited in the State Education Fund as a dedicated state funding source for the benefit of K-12 education under the Pupil-Centered Funding Plan. This action did not affect the Economic Forum's forecast for FY 2022 or FY 2023.

- [2-24] S.B. 426 provides a General Fund appropriation of \$1,784,500 to the Office of the Chief Information Officer (OCIO, formerly the Division of Enterprise Information Technology Services of the Department of Administration) for the replacement of the content management and portal platform. The legislatively approved annual repayment of this appropriation is 25 percent of the cost of the replacement of the content management and portal platform per year, beginning in FY 2024.

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 2, 2024, FORECAST
ACTUAL: FY 2022 THROUGH FY 2024 AND FORECAST: FY 2025 THROUGH FY 2027
ECONOMIC FORUM'S FORECAST FOR FY 2025, FY 2026, AND FY 2027 APPROVED AT THE DECEMBER 2, 2024, MEETING

DESCRIPTION	ECONOMIC FORUM DECEMBER 2, 2024, FORECAST											
	FY 2022 ACTUAL	% Change	FY 2023 ACTUAL	% Change	FY 2024 ACTUAL	% Change	FY 2025 FORECAST	% Change	FY 2026 FORECAST	% Change	FY 2027 FORECAST	% Change

FY 2024: Note 3 represents actions resulting from the Department of Taxation's September 2022 Modified Business Tax rate reduction determination, as required pursuant to NRS 360.203.

[3-24] S.B. 483 (2015) enacted a rate reduction mechanism, codified in NRS 360.203, by which the rates for the Modified Business Tax are to be lowered if combined collections from the MBT, Commerce Tax, and Branch Bank Excise Tax in any even-numbered fiscal year exceed the May 1 forecast for the Economic Forum, adjusted for any actions approved by the Legislature, for that fiscal year by more than 4%, as determined by the Department of Taxation on or before September 30 of each even-numbered year. The rate reduction under this mechanism is to become effective at the beginning of the fiscal year following the determination by the Department.

On September 30, 2022, the Department of Taxation determined that actual collections for these taxes in FY 2022 exceeded the Economic Forum's May 4, 2021, forecasts, adjusted for legislative actions and court decisions, by more than 4%. As a result, the tax rate reduction mechanism approved in S.B. 483 requires the MBT-Nonfinancial rate to be reduced from 1.378% to 1.17% on all taxable wages in excess of \$50,000 per calendar quarter, and the MBT-Financial and MBT-Mining rates to be reduced from 1.853% to 1.554% on all taxable wages, effective at the beginning of FY 2024 (July 1, 2023). The rate reduction determined by the Department on September 30, 2022, reduces the MBT-Nonfinancial rate to the minimum by which this may be reduced pursuant to NRS 360.203; thus, no further rate reductions may occur under these provisions based on current law.

FY 2024: Notes 4 through 14 represent legislative actions approved during the 2023 Legislative Session.

[4-24] S.B. 266 excludes, for the purposes of gross gaming revenue for the calculation of the percentage fee tax on gross gaming revenue, cash received as entry fees for the right to participate in a contest or tournament conducted on the premises of a licensed gaming establishment with the participants physically present at those premises when participating under certain circumstances, effective July 1, 2023. The effective date of July 1, 2023, results in a reduction of revenue of \$1,563,100 for the last 11 months of FY 2024, and \$1,705,200 for all twelve months of FY 2025.

[5-24] S.B. 435 specifies that if an assessment against the operators of certain private medical providers in Nevada is imposed by the Division of Health Care Financing and Policy of the Department of Health and Human Services, the proceeds must be used to provide additional support and services under Medicaid for Medicaid recipients with serious behavioral health conditions, effective upon passage and approval (June 8, 2023).

If such an assessment is imposed, the use of these proceeds for Medicaid services is anticipated to increase capitation payments to contracted managed care organizations, which would increase insurance premium tax collections (as these capitation payments are considered as net direct considerations for the calculation of the tax). However, as it is not known what the rate of assessment that may be imposed or when such an assessment may begin, the effect on the State General Fund is not known at this time.

[6-24] A.B. 448 clarifies that the exemption from the real property transfer tax for a mere change in identity, form or place of organization, does not apply if the business entity to which the real property is transferred was formed for the purpose of avoiding those taxes, effective upon passage and approval (June 15, 2023). The effect upon the State General Fund is not known at this time, as it is anticipated that the Department of Taxation will need to develop regulations to establish guidelines for determining which entities are formed for the purpose of avoiding the tax.

[7-24] S.B. 452 requires 100% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be permanently allocated to the State Highway Fund, effective July 1, 2023. As approved under this bill, the State General Fund will no longer receive proceeds from this tax beginning in FY 2024.

[8-24] A.B. 232 revises the tax on other tobacco products to specify that the tax on premium cigars, defined as a cigar that is rolled by hand, has a wrapper made of whole tobacco leaves, and which does not have a filter or mouthpiece, is 30 percent of the wholesale price of the cigar, but cannot be less than 30 cents per premium cigar or more than 50 cents per premium cigar, effective July 1, 2023, until June 30, 2027. Estimated to reduce collections by \$1,000,000 per fiscal year in FY 2024 and FY 2025.

[9-24] A.B. 260 provides an exemption from any fees imposed by the Secretary of State's Office under Title 7 of the NRS for veterans services organizations, as recognized by the United States Secretary of Veterans Affairs, any agent or officer of such an organization, effective January 1, 2024. Estimated to reduce revenue by \$650 in FY 2024 and \$1,300 in FY 2025.

[10-24] S.B. 145 revises the fine structure that may be imposed by the Labor Commissioner for violations of provisions relating to intentional misclassification of employees by an employer, removing the \$2,500 fine that may be imposed upon an employer for a first offense of these provisions. Estimated to reduce revenue by \$10,000 per fiscal year in FY 2024 and FY 2025.

[11-24] S.B. 450 provides a General Fund appropriation of \$12,000,000 to the Housing Division of the Department of Business and Industry to establish a program for the relocation of persons residing in the Windsor Park neighborhood of the City of North Las Vegas whose residences have been damaged by the sinking of the ground beneath the residences. The legislatively approved repayment of this appropriation is \$250,000 per month, which must be withheld from the payment made from the Local Government Tax Distribution Account to the City of North Las Vegas for each month beginning on July 1, 2023, until the month when the total amount withheld from the city equals \$12,000,000.

[12-24] S.B. 448 eliminates the distribution of certain court administrative assessment fees to the Office of the Court Administrator and other functions pursuant to subsection 8 of NRS 176.059, and instead requires that those proceeds be deposited in the State General Fund in addition to the \$5 per assessment that is currently deposited pursuant to subsections 5 and 6 of NRS 176.059, effective July 1, 2023. The elimination of this revenue distribution additionally eliminates the provisions that require court administrative assessment revenue that was not used or distributed for these purposes to be deposited in the State General Fund. Estimated to generate \$15,569,000 per fiscal year in FY 2024 and FY 2025.

[13-24] Adjustment to the Statewide Cost Allocation amount included in the Legislatively Approved budget after the May 1, 2023, approval of the General Fund revenue forecast by the Economic Forum.

[14-24] A.B. 45 requires, by the end of each fiscal year, the transfer of \$2,500,000 from the Abandoned Property Trust Account (Unclaimed Property) to the Account for Student Loan Repayment for Providers of Health Care in Underserved Communities, effective January 1, 2024. This revenue must be transferred after the required transfer of the first \$7.6 million to the Millennium Scholarship Trust Fund and the next \$1 million to the Grant Matching Account.

A.B. 45 additionally requires, if the Nevada Health Service Corps has been established pursuant to NRS 396.900, that \$250,000 per fiscal year, beginning in FY 2024, be transferred to the University of Nevada School of Medicine for the purpose of obtaining matching money for the Corps from the federal government. This transfer must occur after the \$7.6 million transfer to the Millennium Scholarship Trust Fund; the \$1 million transfer to the Grant Matching Account; and the \$2.5 million transfer to the Account for Student Loan Repayment for Providers of Health Care in Underserved Communities.

FY 2025: Note 1 represents legislative actions approved during the 2023 Legislative Session.

[1-25] S.B. 428 requires the submission of a question on the November 2024 General Election ballot seeking approval to amend the Sales and Use Tax Act of 1955 to provide an exemption from the State 2% sales and use tax for diapers for children and adults. If this question is approved by the voters, the sales tax exemption for these products will be effective January 1, 2025, until December 31, 2050.

S.B. 428 also provides that if the ballot question is approved by the voters, identical exemptions for these products from the Local School Support Tax and other state and local taxes would become effective January 1, 2025, and would also expire on December 31, 2050. If approved, these exemptions would reduce the amount of the commission that is kept by the Department of Taxation and deposited in the State General Fund for collection of these taxes.

GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 2, 2024, FORECAST
ACTUAL: FY 2022 THROUGH FY 2024 AND FORECAST: FY 2025 THROUGH FY 2027
ECONOMIC FORUM'S FORECAST FOR FY 2025, FY 2026, AND FY 2027 APPROVED AT THE DECEMBER 2, 2024, MEETING

DESCRIPTION	ECONOMIC FORUM DECEMBER 2, 2024, FORECAST											
	FY 2022 ACTUAL	%	FY 2023 ACTUAL	%	FY 2024 ACTUAL	%	FY 2025 FORECAST	%	FY 2026 FORECAST	%	FY 2027 FORECAST	%
		Change		Change		Change		Change		Change		Change

FY 2026: Notes 1 through 4 represent legislative actions approved during the 2023 Legislative Session.

- [1-26] A.B. 482 provides General Fund appropriations totaling \$422,932 to the Office of Finance in the Office of the Governor as a loan to the Office of the Chief Information Officer (OCIO, formerly the Division of Enterprise Information Technology Services of the Department of Administration) for the replacement of the information technology service management provider and for the replacement of computer hardware and associated software. The legislatively approved repayment of this appropriation is 25 percent of the costs for these specified purposes per fiscal year, beginning in FY 2026.

- [2-26] A.B. 487 provides a General Fund appropriation of \$17,147 to the Office of Finance in the Office of the Governor as a loan to the Office of the Chief Information Officer (OCIO, formerly the Division of Enterprise Information Technology Services of the Department of Administration) for the replacement of computer hardware and associated software. The legislatively approved repayment of this appropriation is 25 percent of the cost of the replacement of the computer hardware and associated software per fiscal year, beginning in FY 2026.

- [3-26] A.B. 488 provides General Fund appropriations totaling \$1,611,624 to the Office of the Chief Information Officer (OCIO, formerly the Division of Enterprise Information Technology Services of the Department of Administration) for the replacement of computer hardware and associated software; for the replacement of components of a security firewall; and for security upgrades to mountaintop microwave sites. The legislatively approved repayment of this appropriation is 25 percent of the costs for these specified purposes per fiscal year, beginning in FY 2026.

- [4-26] A.B. 506 provides General Fund appropriations totaling \$272,082 to the Office of the Chief Information Officer (OCIO, formerly the Division of Enterprise Information Technology Services of the Department of Administration) for the replacement of the system for tracking information technology investments and for the replacement of computer hardware and associated software. The legislatively approved repayment of this appropriation is 25 percent of the costs for these specified purposes per fiscal year, beginning in FY 2026.

TAX CREDIT PROGRAMS APPROVED BY THE LEGISLATURE

- [TC-1] Pursuant to S.B. 165 (2013), the Governor's Office of Economic Development (GOED) could issue up to \$20 million per fiscal year for a total of \$80 million for the four-year pilot program in transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax. The provisions of the film tax credit program were amended in S.B. 1 (28th Special Session (2014)) to reduce the total amount of the tax credits that may be approved by GOED to a total of \$10 million.

Pursuant to A.B. 492 (2017), a total of \$10 million per year in film tax credits may be awarded by GOED beginning in FY 2018, in addition to any remaining amounts from S.B. 1 of the 28th Special Session (2014). Any portion of the \$10 million per fiscal year that is not approved by GOED may be carried forward and made available during the next or any future fiscal year. The forecasts for FY 2025, FY 2026, and FY 2027 are based on information provided by the Nevada Film Office of GOED.

- [TC-2] Pursuant to S.B. 1 (28th Special Session (2014)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to \$12,500 for each qualified employee employed by the participants in the project, to a maximum of 6,000 employees, plus 5 percent of the first \$1 billion of new capital investment in the State made collectively by the participants in the qualifying project, plus an additional 2.8 percent of the next \$2.5 billion in new capital investment in the State made collectively by the participants in the project. The amount of credits approved by GOED may not exceed \$45 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$195 million. The forecast is \$0 per fiscal year for FY 2023, FY 2024, and FY 2025, because the entirety of the \$195 million in transferrable tax credits that could be authorized pursuant to S.B. 1 have been awarded and used.

Pursuant to S.B. 1 (29th Special Session (2015)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to \$9,500 for each qualified employee employed by the participants in the project, to a maximum of 4,000 employees. The amount of credits approved by GOED may not exceed \$7.6 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$38 million.

Pursuant to Senate Bill 410 of the 2019 Session, a project is eligible for the transferable tax credits only if the Interim Finance Committee approves a written request submitted by GOED for the issuance of the transferable tax credits. The Interim Finance Committee may approve such a request only if the Interim Finance Committee determines that approval of the request will not impede the ability of the Legislature to carry out its duty to provide for an annual tax sufficient to defray the estimated expenses of the State for each fiscal year as set forth in Article 9, Section 2 of the Nevada Constitution; and will promote the economic development of this State and aid the implementation of the State Plan for Economic Development developed by the Executive Director of GOED.

On January 31, 2023, the Interim Finance Committee, under the provisions required pursuant to Senate Bill 410 of the 2019 Session, approved a written request by the Office of Economic Development for the issuance of \$2,137,500 in transferable tax credits to Redwood Materials, Inc., the lead participant engaged in a qualified project in Storey County. The Board of Economic Development approved the application for this project at its meeting on December 1, 2022. Based on information received from GOED, the estimated amount of credits that will be used is \$2,137,500 in FY 2025.

- [TC-3] Pursuant to S.B. 357 (2013), the Nevada New Markets Jobs Act allows insurance companies to receive a credit against the tax imposed on insurance premiums in exchange for making qualified equity investments in community development entities, particularly those that are local and minority-owned. A total of \$200 million in qualified equity investments may be certified by the Department of Business and Industry. In exchange for making the qualified equity investment, insurance companies are entitled to receive a credit against the Insurance Premium Tax in an amount equal to 58 percent of the total qualified equity investment that is certified by the Department. The credits, which were allowed to be taken by insurance companies beginning in the third quarter of FY 2015 under the provisions of S.B. 357, may be taken in increments beginning on the second anniversary date of the original investment, as follows:

2 years after the investment is made: 12%; 3 years after the investment is made: 12%; 4 years after the investment is made: 12%; 5 years after the investment is made: 11%; and 6 years after the investment is made: 11%.

Pursuant to A.B. 446 (2019), an additional \$200 million in qualified equity investments could be certified by the Department of Business and Industry, effective July 1, 2019, with a total of \$116 million of credits that may be taken based on the increment percentages originally approved in S.B. 357 (2013). However, pursuant to A.B. 446, no credits could be taken against the Insurance Premium Tax before July 1, 2021 (FY 2022).

Pursuant to S.B. 450 (2023), an additional \$170 million in qualified equity investments may be certified by the Department of Business and Industry, effective July 1, 2024, with a total of \$98.6 million of credits that may be taken based on the increment percentages originally approved in S.B. 357 (2013). However, pursuant to S.B. 450, no credits may be taken against the Insurance Premium Tax before July 1, 2026 (FY 2027).

S.B. 240 additionally allows the Department of Business and Industry, effective July 1, 2024, to certify \$30 million in impact qualified equity investments, with a total of \$22.5 million of credits that may be taken based on the increment percentages in the bill (0% in the first two years, and 15% per year in the next five years). Pursuant to S.B. 240, none of these credits may be taken against the Insurance Premium Tax before July 1, 2026 (FY 2027).

The forecasts for FY 2025, FY 2026, and FY 2027 are based on information provided by the Department of Business and Industry and the Department of Taxation.

**GENERAL FUND REVENUES - ECONOMIC FORUM DECEMBER 2, 2024, FORECAST
 ACTUAL: FY 2022 THROUGH FY 2024 AND FORECAST: FY 2025 THROUGH FY 2027
 ECONOMIC FORUM'S FORECAST FOR FY 2025, FY 2026, AND FY 2027 APPROVED AT THE DECEMBER 2, 2024, MEETING**

DESCRIPTION	FY 2022		FY 2023		FY 2024		ECONOMIC FORUM DECEMBER 2, 2024, FORECAST					
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2025 FORECAST	% Change	FY 2026 FORECAST	% Change	FY 2027 FORECAST	% Change

- [TC-4] S.B. 507 (2015) authorizes the Governor's Office of Economic Development (GOED) to approve transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax to new or expanding businesses to promote the economic development of Nevada. As approved in S.B. 507, the total amount of transferrable tax credits that may be issued is \$500,000 in FY 2016, \$2,000,000 in FY 2017, and \$5,000,000 for FY 2018 and each fiscal year thereafter.
- A.B. 1 of the 29th Special Session (2015) reduced the total amount of transferrable tax credits that may be issued by GOED to zero in FY 2016, \$1 million in FY 2017, \$2 million per year in FY 2018 and FY 2019, and \$3 million in FY 2020. For FY 2021 and future fiscal years, the amount of credits that may be issued by GOED remains at \$5 million per year. The forecasts for FY 2025, FY 2026, and FY 2027 are based on information provided by GOED.
- [TC-5] A.B. 165 (2015) allows taxpayers who make donations of money to certain scholarship organizations to receive a dollar-for-dollar credit against the taxpayer's liability for the Modified Business Tax (MBT). The total amount of credits that may be approved by the Department of Taxation (Department) is \$5 million in FY 2016, \$5.5 million in FY 2017, and 110 percent of the total amount of credits authorized in the previous year, for all subsequent fiscal years.
- S.B. 555 (2017) authorized an additional \$20 million in credits against the MBT under this program in Fiscal Year 2018 beyond those that were authorized in FY 2018 based on the provisions of A.B. 165 (2015). Any amount of the \$20 million in credits that is not approved by the Department may be issued in future fiscal years.
- A.B. 458 (2019) permanently eliminated the 10 percent increase in the amount of credits that may be authorized in each year, capping the total amount that may be authorized in each year at \$6,655,000 beginning in FY 2020. The bill additionally clarified that the \$6,655,000 limit per year applies to the combined credits that may be taken under both chapters of the MBT (Chapters 363A and 363B), rather than as a separate limit for each chapter.
- S.B. 551 (2019) authorized an additional \$4,745,000 in credits against the MBT (Chapters 363A and 363B combined) under this program per year in FY 2020 and FY 2021 beyond those that were authorized in those years based on the provisions of A.B. 458 (2019). Any amount of the \$4,745,000 in credits that is not approved by the Department in each fiscal year may be issued in future fiscal years.
- A.B. 495 (2021) authorized an additional \$4,745,000 in credits against the MBT (Chapters 363A and 363B combined) under this program per year in FY 2022 beyond those that are authorized in that year based on the provisions of A.B. 458 (2019). The forecasts for FY 2025, FY 2026, and FY 2027 were prepared by the Governor's Finance Office and the Fiscal Analysis Division based on information provided by the Department of Taxation.
- [TC-6] S.B. 412 (2015) provides a tax credit against the Modified Business Tax (MBT) to certain employers who match the contribution of an employee to one of the college savings plans offered through the Nevada Higher Education Prepaid Tuition Program and the Nevada College Savings Program authorized under existing law. The amount of the tax credit is equal to 25 percent of the matching contribution, not to exceed \$500 per contributing employee per year, and any unused credits may be carried forward for 5 years. The provisions relating to the Nevada College Savings Program are effective January 1, 2016, and the Higher Education Prepaid Tuition Program are effective July 1, 2016.
- The forecasts for FY 2025, FY 2026, and FY 2027 are based on information provided by the Treasurer's Office on enrollment and contributions for the College Savings Program.
- [TC-7] S.B. 448 (2019) authorizes the Housing Division of the Department of Business and Industry (Division) to approve a total of \$40 million of transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax. Under the provisions of S.B. 448, the Division may award up to \$10 million in transferable tax credits per year to persons who develop affordable housing projects in Nevada over the four years of the pilot program, but may award an additional \$3 million in credits in any fiscal year if the issuance of the credits is necessary for the development of additional affordable housing projects in the state. If the Division approves any credits in excess of \$10 million in a fiscal year, the amount to be awarded in the next fiscal year must be reduced by the amount in excess of \$10 million that was issued in the previous fiscal year. If the Division does not issue all of the \$10 million in credits authorized in a fiscal year, that amount is carried forward and may be issued in a subsequent fiscal year.
- S.B. 284 (2021) made several changes to this tax credit program, including revising the procedure for the issuance of transferable tax credits so that transferable tax credits are issued before, rather than after, the project is completed; removing the 4-year sunset provisions originally established by S.B. 448 (2019), making the program permanent; and clarifying that the maximum amount of tax credits that may be issued under the program remains at \$40 million as established in S.B. 448 (2019).
- The forecasts for FY 2025, FY 2026, and FY 2027 are based on information provided by the Division.
- [TC-8] S.B. 1 (35th Special Session (June 2023)) authorizes the developer partner of a qualified major league baseball stadium project to apply to the Stadium Authority for a certificate of eligibility for transferrable tax credits which may be applied to the Modified Business Tax, the Gaming Percentage Fee Tax, or the Insurance Premium Tax (with the exception of any of these taxes generated from activity occurring within the stadium district). A qualified project may be approved for a maximum of \$36 million in tax credits per fiscal year, beginning in Fiscal Year 2026, and a maximum of \$180 million in transferrable tax credits may be awarded to all qualified projects in the state.
- The forecasts for FY 2026 and FY 2027 are based on information provided by the Las Vegas Stadium Authority.