

**LCB File No. R050-01**

**PROPOSED REGULATION OF THE COMMISSION ON ECONOMIC DEVELOPMENT**

(This proposed regulation was previously adopted as LCB File No. T036-01)

EXPLANATION -- Mater in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: §§1-7, NRS 360.750.

**Section 1.** NAC 360 is hereby amended by adding sections 2 through 7 as follows:

**Sec. 2. 1. *Definitions***

*(a) "Abatement" means the relief of a portion of the taxes imposed pursuant to chapter 361, 364A or 374 of NRS.*

*(b) "Commission," for the purposes of NRS 360.750, means the commission on economic development.*

*(c) "Eligible machinery or equipment" has the meaning ascribed to it in NRS 374.357.*

*9d) "Primary jobs" means the revenue used to compensate the employee is generated from outside the economic region.*

**Sec. 3. 1.** *An application for an abatement must be made on a form prescribed by the commission on economic development.*

*2. An application must be made not more than 18 months before a business commences operations.*

*3. Except as otherwise provided in subsection 5, the commission must consider each application for an abatement of taxes. If an application is received at least fifteen days in advance, the application will be considered at the first regularly scheduled meeting. If an*

*application is received less than fifteen working days before a regularly scheduled meeting, the application will be considered at the next available scheduled meeting of the commission.*

*4. If an application for an abatement requires special or additional review and consideration, the commission may postpone consideration of the application to the next available regularly scheduled meeting of the commission.*

*5. If an application for an abatement is approved by the commission, the applicant is eligible for a refund of any taxes he paid which are subject to the abatement.*

*6. An application approved pursuant to NRS 374.357 or 364A.170 must be certified by the commission to the department of taxation for administration of the abatement. An application approved pursuant to NRS 361.0687 must be certified by the commission to the county assessor for administration of the abatement. The commission will immediately forward to the appropriate taxing authority a certificate of eligibility for the abatement and any materials submitted to the commission by the business which applied for the abatement.*

**Sec. 4.** *(1) The commission will consider approval of an application for an abatement pursuant to NRS 374.357, NRS 364A.170, or NRS 361.0687 if the goals of the business are consistent with the goals of the commission concerning industrial development and diversification. The goals of the commission include, without limitation:*

*(a) Diversification from the industries of gaming and hospitality;*

*(b) The attraction of basic industries, including, manufacturing, warehousing and distribution, and back-office operations;*

*(c) The attraction of business facilities and services, including, corporate headquarters, research and development, and producer services; and*

*(d) The expansion of existing businesses and industries that are consistent with the goals described in paragraphs (a), (b) and (c);*

*2. Prior to approval of an application pursuant to NRS 374.357, NRS 364A.170, or NRS 361.0687, the commission must also consider whether:*

*(a) The business complies with the requirements of NRS 360.750;*

*(b) The business commits to maintain the business in this state for at least 5 years after the date the business first pays taxes to the department of taxation or to the county treasurer, as appropriate;*

*(c) The business agrees in writing to supply to the executive director of the commission, upon request, any record necessary for the commission to verify the business satisfies all requirements of the partial abatement;*

*(d) For applications for abatement made pursuant to NRS 374.357 or 364A.170, the business registers with the department of taxation on a form provided by the department of taxation.*

*Sec. 5. An abatement granted pursuant to NRS 360.750 to an existing business for an expansion applies only to the additional employees resulting from the expansion. The tax due pursuant to chapter 364A of NRS on the basis of the existing employees must be calculated in the same manner and paid at the same time as before the expansion existed until the abatement expires or is otherwise terminated.*

*Sec. 6. 1. If the commission grants a partial abatement pursuant to NRS 361.0687, the commission will immediately forward a certificate of eligibility for the partial abatement stating the percentage of the property exempted to:*

*(a) The department of taxation; and*

*(b) The county assessor of each county in which personal property used in connection with the business will be located.*

**Sec. 7. 1.** *If the commission on economic development grants an abatement pursuant to NRS 374.357, the business shall employ the number of employees as set forth in the approval by the fourth quarter that it is in operation and maintain that number of employees for at least 5 years.*