

# *Presentation to the Economic Forum*

## *October 17, 2014*

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*Nevada Governor's Office of*  
**ECONOMIC DEVELOPMENT**

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- I. Tesla Gigafactory
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## *S.B. 1 Tax Abatements*

- Used for Tesla Gigafactory or similar large-scale opportunities
- Abates 100% Sales Tax for up to 20 years (2034)
- Abates 100% Real & Personal Property Tax for 10 years (2024)
- Abates 100% Modified Business Tax for 10 years (2024)
- For purchases, construction and employment within a defined 1,000 acre Economic Diversification District (EDD) located at TRIC
- Minimum investment of \$3.5 billion or claw back of all abatements
- Nevada workforce residency and health insurance requirements
- Company funded annual audit

# *S.B. 1 Transferable Tax Credits*

- Transferable Tax Credit of \$12,500 per permanent, full-time job up to 6,000 jobs (average wage \$22 per hour or greater)
- Additional Transferable Tax Credit of 5% of first \$1 billion investment, and 2.8% of next \$2.5 billion investment (total \$3.5 billion investment)
- All employment and investment activity must occur within EDD
- Audit required prior to issuance of tax credits

# *GOED Tax Abatements*

- Sales & Use Tax: Abates applicable County tax rate down to 2 percent for new machinery/equipment purchased in a two year period
- Personal Property Tax: Abates personal property tax by 50% for up to ten years for new machinery/equipment purchased in a two year period
- Modified Business Tax: Abates payroll excise tax by 50% for up to four years for new employees hired in a one year period
- All GOED tax abatements are performance based

# *Catalyst Fund Grants*

- \$11.5 million performance based grant program created by the Nevada Legislature
- Through October 2014, 15 approved/reserved grants totaling \$10.0 million were approved, or an average grant of \$665,000
- 3,870 projected jobs, or an average grant per employee of \$2,586
- Typical grant awards are spread over 3 to 5 years
- Annual report required prior to funding, reviewed and approved by local jurisdiction

# *Transferable Film Tax Credits*

- \$10 million performance based program that promotes film, television and other media productions in Nevada
- Typical production earns 10% to 15% of its qualified budget in tax credits
- Through October 2014, 5 productions were pre-qualified for \$5.9 million in tax credits on \$53.8 million in production budgets
- No permanent job have been created for these productions, 146 FTE “person years” of work were generated, or \$40,500 per one-year job
- Outside audit required prior to issuance of transferable tax credits

# *Other GOED Incentive Programs*

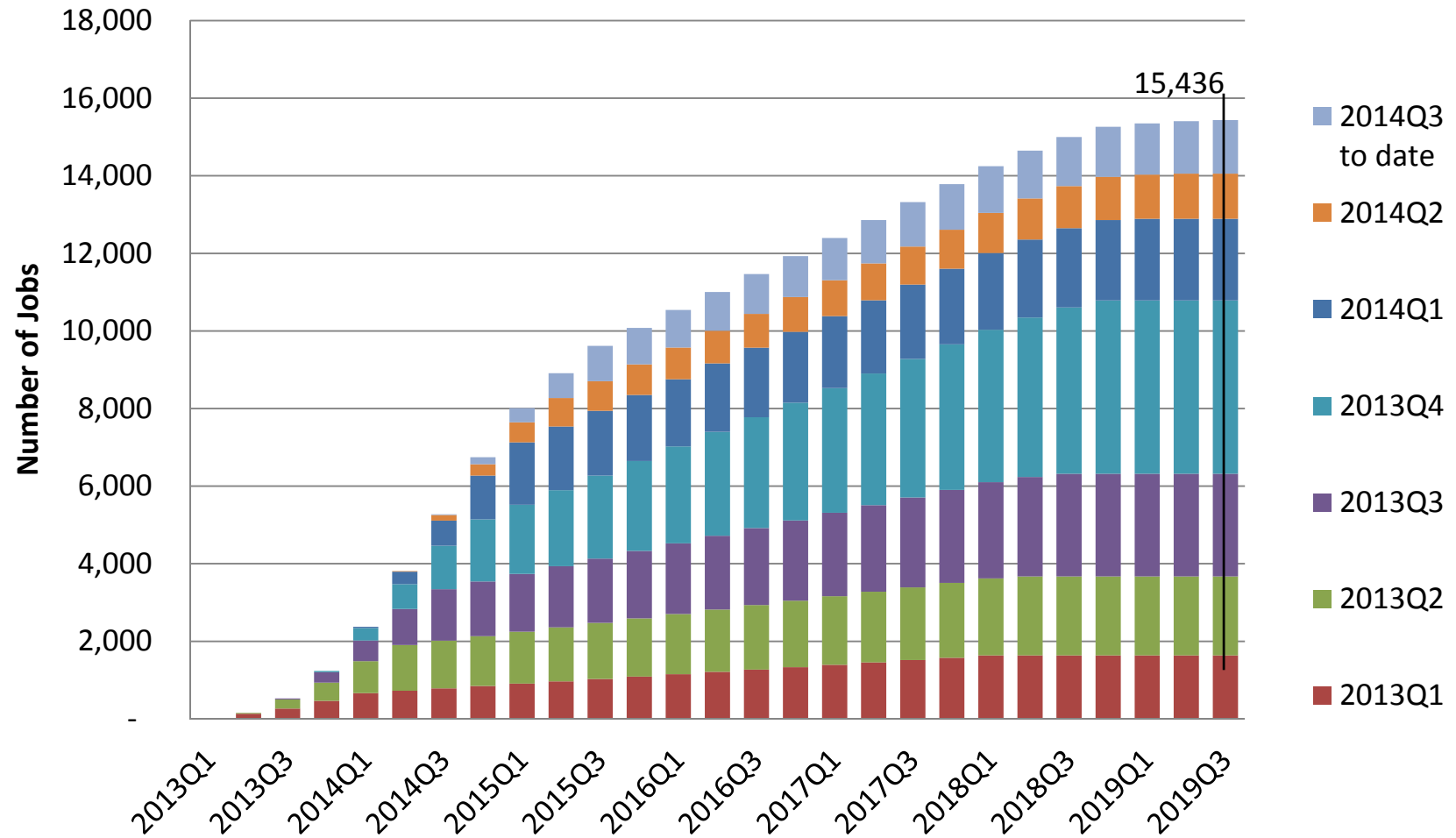
- Knowledge Fund Grants: \$10 million in research, innovation and commercialization grants made to UNR, UNLV, and DRI
- Train Employee Now Grants: Company tailored, skills based workforce training program, averages \$1000 per qualified employee with 25% company match
- Battle Born Venture Fund: Federally funded \$5 million evergreen venture capital fund that prioritizes high-growth, sustainable early stage companies



# *Annual Assisted Company Statistics: 2009-2014 Year-to-Date*

Year	Companies	Current/ Contract Jobs	Build-out Jobs	Cumulative Build-out Jobs	Average Wage	Capital Investment
2009	34	1,279	NA	NA	\$18.43	\$488,614,579
2010	35	1,802	NA	NA	\$19.25	\$283,782,682
2011	47	1,600	NA	NA	\$18.54	\$401,876,289
2012 <sup>1</sup>	75	2,223	NA	NA	\$20.38	\$2,239,934,665
2013 <sup>2</sup>	116	4,771	10,787	10,787	\$18.69	\$681,687,290
2014 YTD	59	3,257	4,649	15,436	\$18.38	\$279,765,291
<sup>1</sup> GOED officially took over statewide economic development on July 1, 2012						
<sup>2</sup> Systematic tracking of build-out jobs began in 2013						

# Projected Jobs from Assisted Companies



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