

**PROPOSED REGULATION OF
THE NEVADA TAX COMMISSION**

LCB File No. R003-08

February 28, 2008

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

AUTHORITY: §§1-10, NRS 360.090 and 701A.110.

A REGULATION relating to taxation; providing for the administration of the partial abatement of certain property taxes for certain buildings and other structures that use resources efficiently; and providing other matters properly relating thereto.

Section 1. Chapter 701A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 10, inclusive, of this regulation.

Sec. 2. *As used in sections 2 to 10, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in NRS 701A.110 and sections 3 to 7, inclusive, of this regulation have the meanings ascribed to them in those sections.*

Sec. 3. *“Department” means the Department of Taxation.*

Sec. 4. *“Eligible building or other structure” means a building or other structure which the Director determines to be eligible for the LEED abatement.*

Sec. 5. *“LEED abatement” means the partial abatement of certain property taxes authorized by NRS 701A.110.*

Sec. 6. *“LEED abatement percentage” means the applicable percentage determined pursuant to paragraph (a) of subsection 4 of NRS 701A.110 for any eligible building or other structure.*

Sec. 7. *“Net taxable value” means the taxable value of any property after deducting the taxable value of any portion of the property that is receiving any exemption from the taxable value otherwise determined pursuant to chapter 361 of NRS.*

Sec. 8. 1. *Upon receiving a certificate of eligibility for the LEED abatement from the Director, a county tax receiver shall, with regard to the pertinent parcel or other taxable unit of property that includes an eligible building or other structure:*

(a) Obtain from the county assessor or the Department, as applicable, the following information:

(1) The net taxable value of all the land and of each improvement on the land that comprises the property;

(2) The LEED abatement percentage certified by the Director for each eligible building or other structure; and

(3) The percentage of the net taxable value of each eligible building or other structure which is subject to the LEED abatement.

(b) Calculate the percentage of the total net taxable value of the property attributable to:

(1) Each eligible building or other structure;

(2) Each building or other structure which is not eligible for the LEED abatement; and

(3) The land that comprises the property.

↪ The sum of the percentages determined pursuant to this paragraph must equal 100 percent.

(c) Calculate the weighted LEED abatement percentage for each eligible building or other structure by:

(1) Multiplying the percentage of the total net taxable value of the property attributable to the building or other structure, as determined pursuant to subparagraph (1) of paragraph

(b), by the LEED abatement percentage certified for the building or other structure by the Director; and

(2) Multiplying the result determined pursuant to subparagraph (1) by the percentage of the net taxable value of the building or other structure which is subject to the LEED abatement, as indicated pursuant to subparagraph (3) of paragraph (a).

(d) Calculate the weighted average LEED abatement percentage for the property by adding all the weighted LEED abatement percentages determined for the property pursuant to paragraph (c).

(e) Calculate the applicable LEED abatement and net tax due for each category of taxing entity listed on the tax bill for the property, other than any category of taxing entity on behalf of which any taxes imposed for public education are being billed, as follows:

(1) The applicable LEED abatement must be determined by multiplying the weighted average LEED abatement percentage for the property determined pursuant to paragraph (d) by the total amount of tax due to the taxing entity after the application of any partial abatement of taxes required by NRS 361.4722 or 361.4724; and

(2) The net tax due must be determined by subtracting the applicable LEED abatement determined pursuant to subparagraph (1) from the total amount of tax due to the taxing entity after the application of any partial abatement of taxes required by NRS 361.4722 or 361.4724.

(f) Calculate:

(1) The total LEED abatement for the property by adding all the sums determined for the property pursuant to subparagraph (1) of paragraph (e); and

(2) The total net tax due for the property by adding all the sums determined for the property pursuant to subparagraph (2) of paragraph (e).

(g) Allocate the total LEED abatement for the property among the eligible buildings and other structures by:

(1) Dividing the weighted LEED abatement percentage for each eligible building or other structure determined pursuant to paragraph (c) by the weighted average LEED abatement percentage for the property determined pursuant to paragraph (d); and

(2) Multiplying the result determined pursuant to subparagraph (1) by the total LEED abatement for the property determined pursuant to subparagraph (1) of paragraph (f).

↪ The sum of all the amounts allocated pursuant to this paragraph must equal the total LEED abatement for the property determined pursuant to subparagraph (1) of paragraph (f).

2. A county tax receiver may use a worksheet provided by the Department to facilitate the calculations required by this section.

3. For the purposes of this section:

(a) The LEED abatement applies to:

(I) Zero percent of the net taxable value of any land; and

(II) Zero percent of the net taxable value of any building or other structure that is not eligible for the LEED abatement.

(b) The LEED abatement percentage for any land and for any building or other structure that is not eligible for the LEED abatement is zero percent.

(c) The weighted LEED abatement percentage for any land and for any building or other structure that is not eligible for the LEED abatement is zero percent.

Sec. 9. *A county tax receiver shall, not later than:*

1. June 1 of each year, submit to the Department and each taxing entity a summary report of the total amount of property taxes subject to the LEED abatement which are billed

on behalf of each taxing entity for the current tax year for property on the unsecured tax roll.

The report must separately state for each taxing entity:

(a) The total number of parcels or other taxable units of property for which the property taxes were billed;

(b) The total assessed value of all the property for which the property taxes were billed;

(c) The total amount of the property taxes that would have been billed if not for the application of the LEED abatement;

(d) The total amount of any reduction in billable property taxes as a result of the application of the LEED abatement; and

(e) The total amount of property taxes actually billed.

2. September 1 of each year, submit to the Department and each taxing entity a summary report of the total amount of property taxes subject to the LEED abatement which are billed on behalf of each taxing entity for the current tax year for property on the secured tax roll.

The report must separately state for each taxing entity:

(a) The total number of parcels or other taxable units of property for which the property taxes were billed;

(b) The total assessed value of all the property for which the property taxes were billed;

(c) The total amount of the property taxes that would have been billed if not for the application of the LEED abatement;

(d) The total amount of any reduction in billable property taxes as a result of the application of the LEED abatement; and

(e) The total amount of property taxes actually billed.

Sec. 10. *To assist the Department in its preparation of the fiscal note required by subparagraph (2) of paragraph (a) of subsection 3 of NRS 701A.110, an applicant for the LEED abatement shall, when it submits the application required by subsection 1 of NRS 701A.110, notify the Department in writing of each taxing district in which the pertinent project is or will be located.*