

ECONOMIC FORUM



**Thursday, May 1, 2025
9:30 a.m.**

**Legislative Building
401 S. Carson St.
Carson City, Nevada
Room 4100**

With videoconference to:

**Nevada Legislature Office Building
7230 Amigo Street
Las Vegas, Nevada
Room 165**

NORTHERN NEVADA
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THE STATE OF NEVADA LEGISLATIVE COUNSEL BUREAU

REVISED MEETING NOTICE AND AGENDA

Name of Organization: Economic Forum
(*Nevada Revised Statutes* [NRS] 353.226 – 353.229)

Date and Time of Meeting: Thursday, May 1, 2025
9:30 a.m.

Place of Meeting: Legislative Building, Room 4100
401 South Carson Street
Carson City, Nevada, 89701

Note: Some members of the Forum may attend the meeting in person, and some may attend remotely. Other persons may observe the meeting and provide testimony in person, remotely, telephonically, or through a simultaneous videoconference conducted at the following location:

Nevada Legislature Office Building, Room 165
7230 Amigo Street
Las Vegas, Nevada 89119

To provide public comment or testimony telephonically, dial (888) 475-4499 on the date of the meeting. When prompted, provide Meeting ID 830 3851 4101, and then press #. When prompted for a Participant ID, press #.

Additionally, this meeting can be listened to or viewed live over the Internet. The address for the Nevada Legislature's website is <https://www.leg.state.nv.us>. Click on the link: "[Scheduled Meetings](#)."

We are pleased to make reasonable accommodations for members of the public with a disability. If accommodations for the meeting are necessary, please notify the Fiscal Analysis Division of the Legislative Counsel Bureau, in writing, at fiscal@lcb.state.nv.us, or call the Fiscal Analysis Division at (775) 684-6821 as soon as possible.

Please provide the meeting secretary with electronic or written copies of testimony and visual presentations if you wish to have complete versions included as exhibits with the minutes. Copies of testimony and visual presentations may also be emailed to EconomicForum@lcb.state.nv.us, mailed to the Fiscal Analysis Division, 401 South Carson St., Carson City, NV 89701, or faxed to (775) 684-6475.

Items on this agenda may be taken in a different order than listed. Two or more agenda items may be combined for consideration. An item may be removed from this agenda or discussion relating to an item on this agenda may be delayed at any time.

I. ROLL CALL.

II. OPENING REMARKS.

III. PUBLIC COMMENT.

Public testimony under this agenda item may be presented in person, by phone, or by written comment.

Because of time considerations, each person offering testimony during this period of public comment will be limited to not more than 3 minutes. To call in to provide testimony during this period of public comment in the meeting any time after 8:30 a.m. on Thursday, May 1, 2025, dial (888) 475-4499. When prompted to provide the Meeting ID, please enter 830 3851 4101 and then press #. When prompted for a Participant ID, please press #. To resolve any issues related to dialing in to provide public comment for this meeting, please call (775) 684-6990.

A person may also have comments added to the minutes of the meeting by submitting them in writing either in addition to testifying or in lieu of testifying. Written comments may be submitted electronically before, during, or after the meeting by email to EconomicForum@lcb.state.nv.us. You may also mail written documents to the Fiscal Analysis Division, 401 South Carson St., Carson City, NV 89701, or fax them to (775) 684-6475.

For
Possible
Action

IV. APPROVAL OF THE MINUTES OF THE OCTOBER 16, 2024, MEETING.

For
Possible
Action

V. APPROVAL OF THE MINUTES OF THE NOVEMBER 7, 2024, MEETING.

For
Possible
Action

VI. APPROVAL OF THE MINUTES OF THE DECEMBER 2, 2024, MEETING.

For
Possible
Action

VII. PRESENTATION ON THE NATIONAL, REGIONAL, AND STATE ECONOMIC OUTLOOK.

Emily Mandel, Associate Director – Senior Economist, Moody’s Analytics

For
Possible
Action

VIII. PRESENTATION ON THE STATE EMPLOYMENT OUTLOOK.

*David Schmidt, Chief Economist, Research and Analysis Bureau,
Department of Employment, Training and Rehabilitation*

For
Possible
Action

IX. PRESENTATION OF THE HISTORICAL TAXABLE SALES AND GAMING MARKET STATISTICS.

For
Possible
Action

X. REVIEW AND APPROVAL OF FORECASTS OF MAJOR GENERAL FUND REVENUES FOR FY 2025, FY 2026, AND FY 2027.

A. STATE 2% SALES TAX

B. LIVE ENTERTAINMENT TAX

- GAMING
- NONGAMING

C. GAMING PERCENTAGE FEE TAX

D. INSURANCE PREMIUM TAX

E. MODIFIED BUSINESS TAX

- NONFINANCIAL
- FINANCIAL
- MINING

F. REAL PROPERTY TRANSFER TAX

G. COMMERCE TAX

H. INTEREST INCOME – TREASURER

*For
Possible
Action*

- XI. REVIEW AND APPROVAL OF FORECASTS OF MINOR GENERAL FUND REVENUES AND TAX CREDITS FOR FY 2025, FY 2026, AND FY 2027 APPROVED BY THE TECHNICAL ADVISORY COMMITTEE ON FUTURE STATE REVENUES (NRS 353.229) AT ITS APRIL 23, 2025, MEETING.

*For
Possible
Action*

- XII. APPROVAL OF THE ECONOMIC FORUM'S MAY 1, 2025, REVENUE FORECAST REPORT.

*For
Possible
Action*

- XIII. SCHEDULING OF FUTURE ECONOMIC FORUM MEETINGS.

- XIV. PUBLIC COMMENT.

Public testimony under this agenda item may be presented in person, by phone, or by written comment.

Because of time considerations, each person offering testimony during this period of public comment will be limited to not more than 3 minutes. To provide public testimony by telephone during this period of public comment, members of the public may call any time after the Chair announces this second period of public comment on Thursday, May 1, 2025. To call in, dial (888) 475-4499. When prompted to provide the Meeting ID, please enter 830 3851 4101 and then press #. When prompted for a Participant ID, please press #. To resolve any issues related to dialing in to provide public comment for this meeting, please call (775) 684-6990.

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- XV. ADJOURNMENT.

Notice of this meeting was posted at the Legislative Building, 401 South Carson Street, Carson City, NV 89701; at the Nevada Legislature Office Building, 7230 Amigo Street, Las Vegas, NV 89119; and on the Internet through the Nevada Legislature's website at www.leg.state.nv.us.

Supporting public material provided to Forum members for this meeting may be requested from Maria Montes, Fiscal Secretary, Fiscal Analysis Division, Legislative Counsel Bureau, 401 South Carson Street, Carson City, NV 89701, at (775) 684-6821 or by email at EconomicForum@lcb.state.nv.us. Supporting public material for this meeting is/will also be available through the Nevada Legislature's website at www.leg.state.nv.us. Click on the link "[Scheduled Meetings](#)" followed by "[Economic Forum](#)."

MINUTES OF THE OCTOBER 16, 2024,
MEETING OF THE
ECONOMIC FORUM

The meeting of the Economic Forum (created by Senate Bill 23 of the 67th [1993] Legislature) was called to order by Chair Linda Rosenthal at 9:04 a.m. on Wednesday, October 16, 2024, in Room 165 of the Nevada Legislature Office Building, 7230 Amigo Street, Las Vegas, Nevada. The meeting was videoconferenced to Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada.

ECONOMIC FORUM MEMBERS PRESENT:

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

STAFF:

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division,
Legislative Counsel Bureau (LCB)
Susanna Powers, Deputy Fiscal Analyst, Fiscal Analysis Division, LCB
Christian Thauer, Deputy Fiscal Analyst, Fiscal Analysis Division, LCB
Hayley Owens, Economist, Fiscal Analysis Division, LCB
Maria Montes, Committee Secretary, Fiscal Analysis Division, LCB
Bronwyn Johnson, Committee Secretary, Fiscal Analysis Division, LCB
Mauricio Solorio Arteaga, Ph.D., Economist, Governor's Finance Office

EXHIBITS:

Exhibit A: Meeting Packet and Agenda
Exhibit B: Agenda Item VIII—Office of the State Treasurer Presentation
Exhibit C: Agenda Item VII—Silver State Health Insurance Exchange Presentation
Exhibit D: Agenda Item XII—Report on the Forecast Accuracy of the Economic Forum
for Selected Revenues
Exhibit E: Agenda Item XIII—Statewide Taxable Sales by NAICS—FY 2021 to FY 2025

I. ROLL CALL.

BRONWYN JOHNSON (Committee Secretary, Fiscal Analysis Division, LCB) called roll. All members were present.

II. PUBLIC COMMENT.

There was no public comment.

CHAIR ROSENTHAL:

I would like to welcome the members, presenters, staff, and members of the public to the October 16, 2024, meeting of the Economic Forum (Forum). I would like to thank LCB staff for their assistance in setting up this meeting and their work today to allow the meeting's agenda to be completed. The Forum is statutorily required to provide a forecast of unrestricted General Fund revenue for the current fiscal year, Fiscal Year (FY) 2025, and for FY 2026 and FY 2027 of the next biennium on or before December 3, 2024. This is the forecast that is required to be used by the Governor in developing The Executive Budget that will be submitted to the Legislature for the 83rd (2025) Legislative Session.

Several informational presentations will be given at today's meeting. Then, at the November 7, 2024, meeting, the Forum will hear additional informational presentations and set preliminary forecasts. On December 2, 2024, the Forum will meet to approve the required final General Fund revenue forecasts. This follows the process that has historically been used to develop and improve the required December General Fund revenue forecasts.

I would like to take this opportunity to thank the members for their service to the Forum. I look forward to working with each of the members as the Forum progresses towards its December 2, 2024, goal of adopting a set of General Fund revenue forecasts. I would also like to take a moment to thank all the presenters who are willing to be here today to share their expertise in several fields and areas that will benefit the Forum in reaching this goal.

III. PRESENTATION ON THE STATE POPULATION OUTLOOK.

CHRISTOPHER WRIGHT (State Demographer, Department of Taxation):

Today, I will be discussing birth rates, demographic characteristics, and population projections. Starting with national birth trends, the fertility rate in the United States dropped to its lowest level in over a century in 2023 (page 8, Exhibit A). Approximately 3.6 million babies were born resulting in 54.4 live births for every 1,000 women aged 15 through 44. That is a significant decline, especially considering the fluctuations observed during the COVID-19 pandemic. Initially, there was a steep plunge in birth rates during the early months of the pandemic. Although rates have somewhat stabilized since then, there was still a 3.0% drop from 2022 to 2023.

An interesting aspect of this trend is the record low in teen birth rates (page 9, Exhibit A). In 2023, the rate fell to 13.2 births per 1,000 women aged 15 through 19, marking a staggering 79.0% decrease since its peak in 1991. At the same time, there was a significant shift toward older mothers. The highest birth rates are now among women aged 30 through 34, with a slight increase in birth rates for women aged 40 or older. This trend indicates a societal shift with many women choosing to delay starting a family until they feel more financially and emotionally ready.

Regarding Nevada, total births increased from about 29,732 in 2000 to approximately 31,514 in 2023 (page 11, Exhibit A). Clark County remains the largest contributor to this

growth, with births rising from 21,560 to 23,646 over the same period. However, it is important to note that areas like Washoe County and Carson City have experienced fluctuations and even declines in recent years.

Nevada has experienced a notable decline in birth rates over the past two decades, falling from about 69.5 births per 1,000 women aged 15 through 44 in 2000 to 47.2 births per 1,000 women aged 15 through 44 in 2023 (page 12, [Exhibit A](#)). Initially, counties like Elko and Humboldt saw increases peaking around 2008 and 2010; however, following these peaks, Clark and Washoe Counties faced significant declines, with Clark County's rate dropping from 78.5 births per 1,000 women aged 15 through 44 in 2006 to 47.6 births per 1,000 women aged 15 through 44 in 2023. There is considerable variability among counties. Humboldt County has remained stable, while Douglas County has sharply declined from 57 births per 1,000 women aged 15 through 44 in 2010 to 32.9 births per 1,000 women aged 15 through 44 in 2023.

Looking at the natural population increases, which are births minus deaths, from 2010 to 2023, Nevada saw fluctuating natural population increases (page 13, [Exhibit A](#)). Nevada peaked in growth in 2010, experienced a sharp decline in 2020, and then rebounded in 2023. Clark and Washoe Counties showed significant increases during that period, while counties like Churchill, Douglas, and Nye faced consistent declines. Smaller counties exhibited stability or minimal changes, but many areas have struggled with population stability since before 2020.

Analyzing domestic migration trends using the Internal Revenue Service's (IRS) interstate migration data, there was a net decrease in economic migration from 2020 to 2021 compared to 2021 to 2022 which resulted in a total loss of 4,506 residents (page 14, [Exhibit A](#)). Clark County saw a drop of 886 residents while Washoe County saw a more significant decrease of 1,801 residents. In contrast, some counties such as Lander, Lyon, and Storey reported modest gains. That overall trend suggests that while urban areas like Clark and Washoe Counties are still gaining residents, they are also facing challenges that could hinder future population growth.

Insights from moving companies add another layer of understanding to migration trends (page 15, [Exhibit A](#)). For instance, Nevada recently rose from being number 13 to number 11 on the U-Haul growth index, indicating a higher volume of inbound moves. However, reports from United Van Lines suggest that Nevada is now classified as a balanced state with nearly equal numbers of residents moving in and out.

To summarize the key points (page 16, [Exhibit A](#)): (1) fertility rates continue to decline nationally and in Nevada; (2) natural increases in population are decreasing; and (3) while international migration remains steady, domestic migration to Nevada is on the decline.

Regarding median age and other demographic characteristic trends, there is an overall increase in median age across Nevada's counties over the past 13 years reflecting an aging population (page 18, [Exhibit A](#)). Notably, Douglas County's median age rose from 47.7 to 55.4. Storey County's median age rose from 50.5 to 55.6, indicating a substantial

demographic shift. While Clark County went from 35.5 to 38.8, it is growing at a slower rate compared to rural counties.

When Nevada's trends are compared with national averages, both are experiencing an increase in median age indicating a shift toward an older population (page 19, [Exhibit A](#)). However, Nevada's growth rate in median age is more pronounced, which could be reflective of its attractiveness to retirees and economic conditions that favor older demographics.

Analyzing racial and ethnic distributions reveals significant changes. The inner ring of the chart on page 20 shows the 2010 U.S. Census Bureau data, while the outer ring reflects the Vintage 2023 Census estimates ([Exhibit A](#)). Most racial and ethnic groups have seen proportional increases, except for the White alone category, which has decreased. The largest increase was in the two or more races category followed by growth in Asian and Black or African American alone populations, indicating a more diverse demographic landscape.

Moving on to population projections, the 20-year population projections are based on the Regional Economic Models, Inc. (REMI) econometric model, which has been used by the State Demographer for more than 20 years (page 22, [Exhibit A](#)). The latest version was released in June 2024. For the model, I updated the sector employment through Quarter 2 of 2023 and included sector employment forecasts from the Governor's Office of Economic Development (GOED).

Nevada's total population is predicted to grow from approximately 3.24 million in 2023 to 3.94 million by 2043, marking an increase of about 20.5% (page 23, [Exhibit A](#)). Clark County will see the most significant growth, rising from about 2.36 million in 2023 to nearly 2.96 million by 2043. In contrast, counties like Carson City are projected to grow modestly while Douglas County may face slight declines.

The overall growth rate for Nevada is projected to decline gradually from 1.9% in 2023 to 0.4% by 2043 (page 24, [Exhibit A](#)). This indicates a trend toward slower growth moving into the next two decades.

Nevada's growth rates are expected to decline over the next two decades across three key areas (page 25, [Exhibit A](#)). Starting at 2.1% in 2024, Clark County will decrease to 0.5% by 2043. Washoe County begins at 1.8% in 2024 and will drop to 0.2% by 2043. Lastly, rural areas will experience slow growth, staying around 0.9% to 0.2%.

The state should consider some risks that could impact the demographic trends presented: changes in international migration policy, employee commuting patterns, fluctuating migration patterns, global instability, and housing availability (page 26, [Exhibit A](#)). In summary, while 20-year projections offer valuable insights for planning and policy making, they should be approached with caution. Flexibility and adaptability will be crucial in addressing the risks associated with long-term forecasting.

There was no further discussion on this agenda item.

IV. PRESENTATION ON THE STATE EMPLOYMENT OUTLOOK.

DAVID SCHMIDT (Chief Economist, Research and Analysis Bureau, Department of Employment, Training and Rehabilitation [DETR]):

In my presentation today, the Forum will see some of the same trends that were just presented by the Department of Taxation but translated through the lens of employment and unemployment. Please note, the most recent data is available through August; however, data through September will be made available to the public tomorrow.

The overall stable conditions through August show that Nevada's employment growth rate so far has been in the range of about 3.0% to 3.5% (page 30, Exhibit A). The employment growth rate was slightly higher at 3.7% in January, but it has been in a narrow band the whole year. The unemployment rate has also been in a narrow band of between 5.1% and 5.5%, which is a little higher compared to the nation. Currently, Nevada is number 2 in the country when it comes to unemployment. Depending on the month, Nevada has been between number 1 and number 4. Nevada's labor force participation rate for the share of the population 16 years of age or older that are not institutionalized or in the military has been very steady. It was 62.8% in January and February and has been 62.7% ever since. Nevada's hourly wages have seen a little more of a change. Nevada started off the year with weak growth in terms of hourly wages that people were receiving. The total earnings were down earlier in the year because the wages were not enough to offset the declines in hours that were being worked. As the year has progressed, the total earnings moved up a little. Nevada's hourly wage rate is currently 3.6% and total weekly earnings are also increasing. Nevada has been in a stable place for the labor market so far this year.

Page 31 shows the 3.0% growth rate of Nevada compared to other states (Exhibit A). Nevada is currently number 4 in the nation and has been in that top four range for most of the year. Compared to the nation and some states that are below half a percent growth, Nevada is performing well in terms of employment in the state.

Looking across industry sectors, Nevada is performing well. Page 32 features a lot of information, but I would focus on the two columns at the far right (Exhibit A). The furthest column is the monthly change, which was the change from July to August, seasonally adjusted by industry sector. The second column from the right is the annual change over the year. On this chart, the 3.0% growth that Nevada has been experiencing can be observed. Nevada began the year growing a bit more rapidly and that pace has been slowing down in terms of the total number of jobs in the state.

The only industry that is down more than a percentage point over the year is wholesale trade. It is currently down about 3.0%. In contrast:

- The construction industry is up 11.2%.
- The manufacturing industry is up 4.7%.
- The mining and logging industry is up 8.3%.

- The other services industry is up nearly 5.0%.
- The transportation, warehousing, and utilities industry—also referred to as “the logistics sector”—is also up 5.0%.

Thus, Nevada is experiencing some areas of significant growth, but there are also some areas pulling back. In July, the Mirage Hotel and Casino in Las Vegas closed, which put a slight negative trend into the most recent months in terms of the leisure and hospitality industry. Nevada was particularly stronger in accommodation and food services but that has taken a slight step back in August.

The charts on page 33 show how the story has changed since the June 6, 2024, meeting of the Forum ([Exhibit A](#)). The dashed line on each of the charts shows the data as of April 2024 that was available at the time of the June meeting. To the right of the dashed line is how the various industries have changed since the last time DETR’s Research and Analysis Bureau was able to present to the Forum.

There are similar stories looking across the industries, but five noteworthy industries are highlighted on page 33:

- The construction industry has seen a noticeable uptick in growth since the June 6, 2024, meeting.
- The financial activities industry was looking flat at the June meeting and has seen a bit of a decline since then.
- The leisure and hospitality industry has taken a bit of a step back especially after July 2024.
- The other services industry has seen a sharp increase.
- The wholesale trade industry was looking flat at the June meeting and has seen a downward trend since then.

The top chart on page 34 displays the Las Vegas metropolitan statistical area (MSA) and the bottom chart displays the Reno-Sparks MSA ([Exhibit A](#)). Both charts span the period from 1990 to 2024. Interestingly, for the first time since the Great Recession, Nevada is getting back to levels of construction employment that were seen during 2005 and 2006. The Reno-Sparks MSA came close but not quite up to the peak level of construction employment that has previously been seen in Nevada.

While it could be concerning when remembering what happened with construction employment during the Great Recession, it is important to note that the growth that has been seen in the last decade and a half has been slower and steadier. It has been more like the growth that is needed to maintain a growing economy, labor force, and state instead of the boom acceleration that was seen in 2005 and 2006. The fact that Nevada is getting close to these levels 15 years later is not concerning. It shows that there was a backlog of demand that has been getting met as the industry has been growing. These

charts show what has been happening with the construction industry as Nevada has gone through the recovery period and why it is up almost 11.5% over the year.

The charts on page 35 display the total change in employment since December 2019 compared to other states and the change in the share of manufacturing employment as a share of all employment in Nevada (Exhibit A). It should be noted that Nevada is number 1 in both categories. Nevada has seen the largest growth, including the impacts of the COVID-19 pandemic over the last five years and it has seen the most intensification into the manufacturing industry in the nation over the last decade.

I included the information on page 36 because of the impact on wholesale trade (Exhibit A). One of the questions that DETR's Research and Analysis Bureau will get with these kinds of presentations is, "What can you tell me about the details and makeup of the industry?" There are a couple of examples on page 36. Looking at industries whose North American Industry Classification System (NAICS) sector code begins with a 4, which are Sector 42, wholesale trade; Sectors 44 and 45, retail trade; and Sectors 48 and 49, Transportation and Warehousing. The color shows the relative level of wages paid in each industry within the scope of this chart. The fact that wholesale trade is down is perhaps a bit more significant because of these sectors. It is also a broad industry that pays the highest level of wages. Wages tend to be lower within the retail sector and the warehousing industry. Wages tend to be a little higher within the transportation sector and the wholesale trade sector tends to have the highest wages within this industry. Page 36 includes the average weekly wage, the change in the average weekly wage, the level of employment, and the change in employment for each sector within the trade, transportation, and utilities industry.

Another industry that is difficult to quantify is the other services industry, which has seen a lot of growth since the June 6, 2024, meeting of the Forum (page 37, Exhibit A). The other services industry includes many different things. Personal care services and automotive repair and maintenance are the two biggest sectors in the industry. The industry also includes services such as: cosmetologists and barbers; drycleaning and laundry services; groundskeeping; home health aide, but not with the same level of medical focus and instead more like a live-in assistant; and personal and household goods repair and maintenance.

Page 38 observes the changes in wages and earnings (Exhibit A). Weekly earnings are the combination of the hourly wages that people are earning and the total number of hours that people are working. Total weekly earnings are now rising. Earlier this year, Nevada was a bit negative, but it is now up 2.1%. On average over the last three months, Nevada ranks 39 out of 51 states.

Nevada's hourly wages are increasing at a faster pace, and it is right at the national average at 25 out of 51 states, growing by 3.6% (page 39, Exhibit A). The increase in hourly wages is offset somewhat by a decline in hours worked (page 40, Exhibit A). Nevada has not seen the largest decline, but it has seen a steady decline in the number of hours being worked. As people's hourly wages are increasing, the total number of hours being worked has decreased. About 6 to 12 months ago, Nevada was relatively

high near the top in the nation but now it is ranked 16 out of 51 states in terms of the total number of average hours worked.

As I mentioned, Nevada's unemployment rate is high compared to other states (page 41, Exhibit A). By historical standards, 5.5% is not high but it is somewhat elevated compared to a 4.5% to 5.0% estimate of full employment levels. There are some states with incredibly low unemployment rates, going down as low as 2.0% in South Dakota. One of the questions I have often been asked to explain is how Nevada has been leading the nation in employment growth but also leading the nation in unemployment. The two are more related than one would think. It is much more challenging for employers in a state with 2.0% unemployment to find workers, thus the cost of expanding and growing is higher. With a somewhat higher unemployment, there is a larger pool of available workers and that has helped sustain the employment growth that Nevada has been experiencing, especially over the last couple of years.

The composition of employment is such that most unemployment in Nevada, as well as in other states, is under 14 weeks. This is one of the alternative measures of labor underutilization that the U.S. Bureau of Labor Statistics (BLS) produces. Total unemployment can be measured by the classical definition, U-3 (Total unemployed). There are also some more restrictive measures, such as U-1 (Persons unemployed 15 weeks or longer), or U-2 (Job losers and persons who completed temporary jobs). For the chart on page 42, the horizontal axis is people who are unemployed 15 weeks or more and the vertical axis is people who are unemployed 14 weeks or less (Exhibit A). Nevada does not have the highest rates of people who are unemployed for 15 weeks or more. Nevada is closer to the top in terms of its people who are unemployed for 14 weeks or less. This makes sense because a lot of Nevada's unemployment has been driven by people entering the labor force or reentering the labor force, not by people losing their jobs. People are moving from outside the labor force into job search and then into employment.

This is evident when looking at the cause of unemployment, which is the U-2 measure, and the U-3 measure minus the U-2 measure. Most of Nevada's unemployment is not due to job loss; rather, it is for other reasons, particularly leaving work, entering the labor force, and reentering the labor force. As shown on page 43, Nevada has the second highest amount of unemployment that is not from job loss in the country next to Kentucky (Exhibit A).

There are many states that have their larger share of unemployment resulting because of job loss. Page 44 shows how that has changed and emerged over the last year (Exhibit A). Nevada is in the upper left chart, as it has seen a decrease in both unemployment due to job loss and unemployment due to other reasons. The lower right chart shows that there are many states that have seen an increase in unemployment due to job loss and unemployment due to other reasons. The bottom left chart shows that many states have also seen an increase in unemployment due to job loss.

That is something DETR's Research and Analysis Bureau is keeping track of, because in a recession, it is evident across all states that unemployment due to job loss is what drives up the unemployment rate. First, there is an increase in unemployment due to job loss

and then, as you get further into the recession and people reenter the labor market looking for work, there is an increase in unemployment due to other reasons. Lastly, as the recovery from the recession unfolds, there is a decline in both unemployment rates and then there is an increase in unemployment due to job loss. It is a large counterclockwise circle. Therefore, looking for increases in unemployment due to job loss is something that DETR's Research and Analysis Bureau is observing to see how the economy is unfolding.

Looking at unemployment as it relates to the unemployment insurance program, page 45 shows the average duration of benefits and the exhaustion rate (Exhibit A). That data explains, out of the one in four people who are unemployed who file for unemployment, the number of weeks they are claiming and how many of them go through their entire entitlement and then run out of money without exiting the program. Both of those measures are slightly elevated. Typically, an average duration is under 15 weeks and Nevada is currently at an average duration of 16.2 weeks. Therefore, there is a slightly longer job search taking place. Also, typically, the expected exhaustion rate would be 35.0% or below and Nevada is currently at a 38.0% exhaustion rate. Neither of these are like the near 100% exhaustion rate that happened during the COVID-19 pandemic or the 70.0% exhaustion rate that happened during the Great Recession, but they are a little higher than what would be considered a normal level of activity for the system.

At the same time, the number of people applying for unemployment insurance is nearly the lowest it has ever been. It was slightly lower right after the pandemic. Right now, Nevada is comparable to where it was in 2019, which is roughly 1.5 claims per 1,000 people employed in the state. During the 1990s, Nevada had an average level of 3 claims per 1,000 people employed. The volume of people relative to the size of the workforce is half of what it was in the past. The fact that there is a larger share of people claiming benefits does not have as much of an impact on the overall system as it did perhaps 20 or 30 years ago.

Nevada has been stable in labor force participation throughout the last year. Nevada was near the bottom in the country immediately after the COVID-19 pandemic but has recovered to close to the national average. As shown on page 46, Nevada currently ranks 30 out of 51 states in terms of its labor force participation, which is the usual place (Exhibit A). Some states rank higher and some rank lower, but it is not necessarily a huge driver of the current levels of activity.

As Nevada has an aging population, it is important to look at the impact of retirement when discussing labor force participation. There is an increasing number of people who are not participating in the labor force because they are retired and do not want to work. The population that is compared against is the entire civilian non-institutional population who are 16 years of age or older. For example, if there is a person who is 99 years old and has been retired for 30 years, that person is still being counted as part of the population that could potentially be in the workforce. However, it is unlikely that person will work.

The chart on page 47 looks at some of the microdata available from the current population survey and displays the share of those who are retired in the population (Exhibit A). It shows the impact of retirement on Nevada's labor force participation rate. The red line on the chart shows Nevada's retirement rate for the non-participating population. The gray ribbon shows the 20th to 80th percentile of states' retirement rate for the non-participating population. From 2010 to about 2020, there was an increase of about 15.0% to 20.0% in the retirement rate. One of the positive things is that it has become a lot more stable for Nevada over the last seven years. There are not the same increases outside of the spike that happened because of COVID-19 pandemic. It has also started to level out for the 20th to 80th percentile of states. The trend of increasing levels of retirement pushing down the labor force participation rate might be starting to ebb and there is a little more stability.

If people who are retired are excluded from consideration, what happens to the labor force participation rate? There is a different result when the denominator is changed. Instead of seeing the labor force participation rate driven down much more rapidly over the last few decades, it is a steadier trend, as shown on page 48 (Exhibit A). For both Nevada as well as for the 20th to 80th percentile of states, there have been some increases in the last couple of years. Removing the retirement element, the trend is toward more people beginning to participate in the labor force, which could help Nevada attract more of the population into the labor market.

Page 49 shows how much room there is to grow in Nevada (Exhibit A). The squares represent the 10,000 individuals that are not in the labor force:

- The gray squares represent the individuals in the labor force.
- The dark red squares represent people who do not want a job. They are outside the labor force and have no desire to be in it.
- The orange squares represent about 40,000 people who want a job but have not searched for work in more than 12 months. That means those individuals could find work under the right circumstances, but it is going to be hard to attract them into the workforce.
- The yellow square represents people who want a job and have searched for work during the last 12 months but are not currently available for work.
- The pink squares represent people who are available for work and have searched in the last 12 months. That is probably the most gettable share of individuals.

Of the people outside the labor force, the survey would indicate that there are about 30,000 people that are in the gettable pool of individuals. The data shows that these numbers are steady and do not fall to zero in the history of the series.

Page 50 displays the current employment levels and the annual change that Nevada is experiencing (Exhibit A). The first gray column is DETR's Research and Analysis Bureau's 2022 to 2032 long-term projected growth rate. It is an annual rate made with

ten years in mind that will likely include a full business cycle in the scope of the projection. That is not to say that DETR's Research and Analysis Bureau expects the total non-farm employment rate to be at 1.3% every year, but rather, DETR's Research and Analysis Bureau expects the average rate to be 1.3% for total non-farm employment over the next ten years. About a month ago, the BLS released its ten-year projections for 2023 to 2033. The BLS's growth rates have slowed a bit more, going from 0.5% to 0.4% on average.

The growth rate is expected to slow over the next ten years. Growth in employment comes from one of two places: (1) employers are employing an increasing share of the existing population, or (2) population is growing, and employers are maintaining a steady share of employment. The Department of Taxation's presentation helped confirm that as Nevada's population is expected to slow, it will have impacts on Nevada's employment rate because there will be a smaller share of new workers naturally entering the workforce. If Nevada is close to normal in terms of its labor force participation rate, the population is the only other place from which it would be attracting workers. Long-term constraints on population growth can be expected over the next decade. Thinking about this next cycle for the Forum, Nevada may end up somewhere between the projection of long-term constraints on population growth and the current levels of growth.

Finally, page 51 shows some considerations for Nevada's outlook (Exhibit A). This slide was presented during the June 6, 2024, meeting of the Forum but DETR's Research and Analysis Bureau is including what has changed since that time. One key risk is that wage growth was lagging inflation. Nevada has seen increases in its wage growth while inflation has been falling nationally. Nevada is now growing at 3.6% in average hourly wage, which is in excess of inflation. Total weekly earnings are up 2.1%, which is close to the level of inflation that is being experienced in the state.

Additionally, the BLS projected that there is a preliminary downward revision to the current employment statistics. Monthly employment estimates that DETR's Research and Analysis Bureau often presents based on weaker growth. In the more comprehensive data that is now available for the first quarter of 2024, which is from the Quarterly Census of Employment and Wages (QCEW), the Current Employment Statistics survey gets benchmarked back down to the QCEW count. The QCEW is based on a nearly comprehensive administrative data set that comes from the unemployment insurance program and the growth rate has been lower. That is true in Nevada as well. Nevada is seeing about 3.5% growth rate in Current Employment Statistics estimates in the first quarter of this year. The data from the first quarter of the QCEW data shows about a 2.7% growth rate. While it is not a one-to-one match, it can probably be expected to see some downward revisions to the employment growth trends.

MR. GORDON:

Thank you for the overview. I am particularly appreciative of the dichotomy that you provided regarding the fact that Nevada has one of the fastest growing job markets in the country, yet it has one of the highest unemployment rates overall. Are there any industries or occupations that are driving some of those unemployment levels that perhaps have not been seen in the past?

MR. SCHMIDT:

That is a bit tricky to answer regarding the scope of total unemployment. Recently, I have been looking at trends in unemployment insurance claims. Unemployment insurance claims are about a quarter of total unemployment, but they are about half of the total job loss related unemployment. The other half of the job loss related unemployment are new entrants into the workforce that do not really have an industry or occupation component. Examining the people who are on the unemployment insurance program, there have not been any industries that are unusually high in terms of their overall layoff activity.

DETR's Research and Analysis Bureau has recently started pulling data to track employers that have ten or more initial claims, which are people entering unemployment for any week, and then aggregating that by industry. The sources of claims are the areas that tend to be normal sources of claims, such as the construction industry. The construction industry tends to have very high levels of claims because it is more project-based. A person is hired to do a job, finishes the job, and might claim unemployment for a few weeks, and then moves on to the next job. Because there is a higher flow of individuals, that industry is typically a high source of unemployment claims. The professional and business services industry and the administrative support industry also have a similar situation. There are people that will be hired on a contract and then they will file a claim and be through the system more frequently.

In the last few months there has been an increase in unemployment claims for people that were not regularly in and out of the system. There have been some businesses that have closed in the leisure and hospitality industry and the level of unemployment claims has spiked a bit, but it is falling back down quickly. However, there are not any industries that are showing unusually high levels of activity. Most of the trends have been the normal sorts of expected activity.

The tension of the average level of pay might be contributing to the increasing duration of people in unemployment. There has been a softening in employment growth, falling from the mid-3.0% to the 3.0% range. At the same time, wages have increased. The model of supply and demand would be confused by this because one would expect that if the labor market gets softer, the price of labor goes down but instead wages are increasing. What are the wages that people are expecting and are people holding out for a higher wage a little bit longer? The hourly wage is going up even though the duration of employment is increasing slightly. Employers are still asking how they can attract new employees, and at the same time, there is a slight increase in the duration of unemployment. The issue is in finding the right worker and that worker getting the wage they expect. The challenge of matching those criteria is where some of the increase in unemployment duration is coming from.

MS. LEWIS:

Over the past ten years that I have been on this Forum, there has been a strong commitment towards increasing manufacturing and trying to diversify Nevada's economy. This report is proof that Nevada is making strides in that direction. Seeing the growth in

manufacturing versus the rest of the states, it is a lot of work, but it is working. I think that will continue to grow and will make a good impact on Nevada.

MR. SCHMIDT:

I very much agree. I would highlight that, in the manufacturing charts, the growth since 2019 is a particularly strong story for Nevada because using December 2019 as a basis for comparison is after the Tesla-Panasonic Gigafactory opened so that does not include the surge in manufacturing jobs because of that endeavor. The fact that Nevada is still leading the nation in terms of the pace of growth for manufacturing since that time is a particularly strong story.

There was no further discussion on this agenda item.

V. PRESENTATION ON PERSONAL INCOME AND WAGES IN RELATION TO POPULATION, EMPLOYMENT, AND INFLATION ON A NATIONAL LEVEL AND IN THE STATE OF NEVADA.

SUSANNA POWERS (Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

The presentation for this agenda item begins on page 53 (Exhibit A). The first five slides overlap with the employment and population outlook that was just presented by Mr. Wright and Mr. Schmidt; therefore, I will focus more on nominal and inflation adjusted income and wages and how Nevada compares to the national average.

Starting with page 60, the data is updated to the second quarter as the Fiscal Analysis Division finalized the charts before the BLS released its September inflation statistics late last week (Exhibit A). I do, however, have verbal updates for the third quarter report. The good news about inflation is that it is moderating. The overall inflation rate, shown as the year-over-year percent change on page 61, has been trending down from the peak of 8.6% in mid-2022 to 3.2% in mid-2024 (Exhibit A). In the third quarter, the headline inflation rate is at 2.6%. There has been some easing on a core Consumer Price Index (CPI) measure as well. The core CPI was up by 3.4% at the mid-year mark and it is at 3.2% in the third quarter.

Recent trends in food and energy price inflation have also shown signs of moderation after several years of significant increases (page 62, Exhibit A). These two components tend to be more volatile. Energy prices were up by 2.3% in the second quarter. In the third quarter, energy prices declined by 3.4% from the same quarter a year ago. Recently, there has been deceleration in the average food inflation. Food prices were up by 2.2% in the second quarter and that was the same reading as in the third quarter.

Page 63 shows the pieces and the respective shares of the total personal income for the United States through the second quarter of this year (Exhibit A). This information is from the latest available data from the Bureau of Economic Analysis of the U.S. Department of Commerce. There have not been any notable changes since the Fiscal Analysis Division presented the same information during the December 5, 2023, meeting of the Forum. Everything is largely stable post the COVID-19 pandemic.

Page 64 displays the same pieces and the respective shares of the total personal income for Nevada (Exhibit A). There is the same consistency across the board in Nevada as well.

Page 65 focuses on United States total personal income and total wages and salaries (Exhibit A). Recent personal income and wages and salaries trends have steadily increased, reflecting a positive economic outlook. In nominal terms, compared to the first quarter of 2020, which was the onset of the COVID-19 pandemic, personal income is up by 31.4% and wages and salaries are up by 29.3%.

Page 66 displays the same information for Nevada (Exhibit A). In nominal terms, compared to the first quarter of 2020, personal income is up by 36.6% and wages and salaries are up by 35.3%.

Page 67 shows the growth rates for personal income comparing Nevada and the United States (Exhibit A). Since the second quarter of 2020, Nevada's personal income growth averages 7.5% compared to the 6.4% for the United States.

Page 68 shows a comparison of the growth rates for wages and salaries between Nevada and the United States (Exhibit A). Since the second quarter of 2020, Nevada has outpaced the United States with a growth rate of 8.0% compared to a growth rate of 6.2% for the United States.

Page 69 brings in the population component and shifts to per capita personal income for the United States (Exhibit A). Compared to the quarter preceding the start of the COVID-19 pandemic, per capita personal income in nominal terms is up by 27.3%; however, when adjusted for inflation, the growth rate is lower and up by 5.1% since that period.

Page 70 displays that same information for Nevada (Exhibit A). In nominal terms, Nevada's per capita personal income is up by 29.2% since the first quarter of 2020. When adjusted for inflation, it is up by 6.8% since that period.

Page 71 shows a side-by-side comparison of per capita personal income for the United States and Nevada with information from the previous two pages in one chart (Exhibit A). Nevada's per capita personal income is trending below that of the United States but the nominal percent change in per capita personal income compared to the quarter preceding the start of the pandemic is slightly higher in Nevada than in the United States.

Page 72 demonstrates that Nevada's inflation adjusted per capita personal income is also trending below that of the United States (Exhibit A). However, the percent change in per capita personal income compared to the quarter preceding the start of the COVID-19 pandemic is slightly higher in Nevada than in the United States.

Page 73 shows that, in terms of the nominal per capita personal income growth rates, Nevada has performed slightly better compared to the United States since the onset of the COVID-19 pandemic (Exhibit A). For the last four years, the United States per capita

personal income growth has averaged 5.7% compared to 6.2% for Nevada. On inflation adjusted terms, the trend is similar. For the United States, the average percent change in per capita income growth for the last four years is only 1.3% for the United States and 1.8% for Nevada (page 74, [Exhibit A](#)).

Page 75 shifts to wages and salaries on a per employee basis for the United States ([Exhibit A](#)). There has been a robust growth in employee wages and salaries. When compared to the quarter that preceded the start of the COVID-19 pandemic, wages and salaries per employee are up by 23.9%. When adjusted for inflation, wages and salaries are up only by 2.3% for that period.

Page 76 displays the same information for Nevada ([Exhibit A](#)). In nominal terms, Nevada wages and salaries per employee are up by 23.0% since the first quarter of 2020. However, when adjusted for the effects of inflation, wages and salaries on a per employee basis are up by 1.7% for that period.

Page 77 shows a side-by-side comparison of wages and salaries per employee in nominal terms for the United States and Nevada with information from the previous two pages in one chart ([Exhibit A](#)). It is interesting to note that the widening gap between the United States and Nevada that occurred after the Great Recession has never narrowed.

Page 78 displays a side-by-side comparison of wages and salaries per employee on inflation adjusted terms for the United States and Nevada ([Exhibit A](#)). On an inflation adjusted basis, the percent change in per employee wages and salaries in Nevada since before the COVID-19 pandemic peak is below that of the United States.

Page 79 summarizes the nominal growth rates of wages and salaries per employee for the past four years ([Exhibit A](#)). In terms of wages and salaries per employee growth rates, Nevada is very comparable to the United States.

Page 80 shows that on an inflation adjusted basis, for the last four years, wages and salaries per employee grew only 5.7% for the United States and by 0.8% for Nevada ([Exhibit A](#)).

Page 81 shifts to the median household income for the United States and Nevada between 2000 and 2023 ([Exhibit A](#)). After 2011, Nevada's median household income trailed below that of the United States for a long period. That trend briefly reversed in 2019 but fell again below the United States level in 2020. Since then, the median household income in Nevada has steadily increased, climbing slightly above that of the United States last year.

In inflation adjusted terms, household median incomes are still worse off when comparing the most recent data to before the COVID-19 pandemic peak (page 82, [Exhibit A](#)). When adjusted for inflation, the United States median household income fell by 1.6% between 2019 and 2023 and the Nevada median household income declined by 3.8%. Although that is not good news, those are improved statistics compared to the last time this information was presented to the Forum.

Page 83 is a summary of the United States versus Nevada comparison in terms of the nominal growth rates that I highlighted earlier (Exhibit A).

Page 84 is a summary of the United States and Nevada comparisons in terms of inflation adjusted growth rates that I highlighted earlier (Exhibit A).

Page 85 shows Nevada's General Fund revenue divided by the personal income of Nevada residents in thousands of dollars (Exhibit A). This chart is sensitive to the economic cycles and the effects of technology changes. If the blue line is moving up, the General Fund is growing faster than personal income. If the blue line is moving down, personal income is rising faster than the General Fund. Nevada witnessed a decline in FY 2020 due to the COVID-19 pandemic. There was a slight rebound in FY 2021, followed by a robust increase in FY 2022, a slight increase in FY 2023, and then no significant change in FY 2024.

Lastly, page 86 demonstrates how the General Fund and personal income growth rates have performed over time (Exhibit A). The first observation is that the trend between two series tends to move together. Obviously, the State General Fund received a large portion of revenue from sources that are supported by personal income. The second observation is that, while Nevada had record growth in tax revenue collection in FY 2022, compared with pre-pandemic growth trends, the peak in the General Fund growth rate—represented by the blue line—did not surpass the peak of FY 2004 that followed the 72nd (2003) Legislative Session when major changes were made to taxes.

CHAIR ROSENTHAL:

You mentioned that the gap between Nevada and the United States since the Great Recession has not recovered and remained steady. Has the diversification of the labor sectors impacted that or is there some other explanation for why that gap has remained?

MS. POWERS:

I do not have any insight on that, but I agree with your assessment that the diversification of the labor sectors is probably a reason, but there might be other contributing factors.

There was no further discussion on this agenda item.

VI. PRESENTATION ON THE CURRENT STATUS AND OUTLOOK FOR THE TOURIST AND CONVENTION/TRADE SHOW MARKET IN NEVADA.

STEVE HILL (Chief Executive Officer [CEO]/President, Las Vegas Convention and Visitors Authority [LVCVA]):

Today's presentation (page 87, Exhibit A) includes some themes, one of which is that the significant ups and downs in the industry have relaxed. The industry is back beyond the COVID-19 pandemic level. The trends in the industry are calmer than before, and the industry is doing exceptionally well. There are some opportunities that I will discuss

further in terms of the number of visitors, the occupancy, and the destination. The industry has not recovered to where it was prior to the pandemic but, from a financial standpoint, it is setting records every year.

As we have budgeted for the LVCVA, which reflects the destination's performance to some extent, the LVCVA approached each of the past few years with the mindset that if last year's results could be replicated, it would be great. Yet, each time, the outcome has been significantly better. This year, the LVCVA followed the same approach, budgeting for its revenue, which is largely an increment of the room tax, down a bit from FY 2024. That is mainly because Las Vegas will not host a Super Bowl this fiscal year and it will host the second Formula 1 race rather than the first Las Vegas Formula 1 race. There is a different demand between the first race in Las Vegas and the second race. From June, July, and August, the LVCVA is 8.0% ahead of what it had budgeted. Thus, the LVCVA is on pace in the first three months of this fiscal year to be ahead of what was very much a record fiscal year, FY 2024.

Consumers are pausing and waiting for the election. In terms of pocketbooks, the more modest Las Vegas visitors are showing some signs of weaknesses and concerns. However, travel remains a disproportionate priority compared to what it was prior to the COVID-19 pandemic. Therefore, Las Vegas is still outperforming the nation, and travel is outperforming what it did in the past.

From a financial standpoint, visitor spend has reached a record, as can be seen in the chart titled *Record Visitor Spend*. In comparison to calendar year 2019 and calendar year 2023, overall visitor spend has gone from \$37 billion to \$51 billion, with a 15.0% year-over-year gain. That gain is continuing but it is moderating into FY 2024, which is up 2.5% so far over FY 2023.

Slide 4 shows the gaming revenue records over the last few years. Las Vegas continues to set records. The LVCVA primarily focuses on the revenue per available room (RevPAR), which combines occupancy with average daily rate. The RevPAR is setting a 10.0% record in FY 2024, and it continues to improve into FY 2025. The gray bars represent the national average. Las Vegas is overperforming versus the rest of the country in RevPAR. As I described, the LVCVA's General Fund room tax revenue for this year was \$360 million, which is partially the adjustment the LVCVA made and partially the timing of when the judgement was submitted, as the LVCVA did not have full information for FY 2024 in April 2024. Las Vegas started and finished the year stronger than what the LVCVA had anticipated.

The charts on slide 5 display the occupancy comparison. For FY 2019, the occupancy was at 88.4%. Las Vegas peaked a couple years prior to that at 90.0% occupancy. Las Vegas has recovered to an 83.5% range and is now relatively flat. The LVCVA sees that as an opportunity and thinks there is a 5.0% occupancy rate, which is a significant number of visitors to be able to move forward. The LVCVA is working to try to make that happen. Additionally, slide 5 includes an average daily rate (ADR) comparison, which mirrors what I discussed earlier.

The chart on slide 6 provides a different way of looking at Las Vegas's visitor volume. Las Vegas was nearly back to 41 million visitors in calendar year 2023. Looking at 2024 year-to-date, Las Vegas is nearly back to 42.5 million visitors.

Convention attendance remains about 10.0% lower than what it was prior to the COVID-19 pandemic. It has recovered as much as a natural recovery is going to take place. That number can grow but it is going to take a sales effort. Convention attendance is not waiting for others to return who have not yet returned. The LVCVA has noticed two things:

1. There is a significant overlap between international visitation and meeting visitation. Las Vegas meeting attendees, who are largely from Asia, have not returned and the LVCVA does not anticipate a jump in return from Asian visitation as it relates to meetings.
2. Coming out of the COVID-19 pandemic, larger companies are sending less people to meetings as a cost-cutting trend.

On the other hand, 3.5 million square feet of net leasable meeting space was added to Las Vegas during the pandemic. About 20.0% of that was added to the LVCVA building but Caesars Entertainment, MGM Resorts International, Resorts World Las Vegas, and Wynn Las Vegas also added space. At the beginning of the pandemic, there was 11.5 million square feet of meeting space and there is now 15.0 million square feet of meeting space in Las Vegas. There is ample room to accommodate new shows across the city, which will be helpful in growing convention attendance. The LVCVA's goal is for that to grow to an excess of 8 million meeting visitors.

However, 30.0% has not been added to Las Vegas's room count. Las Vegas has not added enough room count to allow meeting visitors to grow past 8 million, especially if Las Vegas keeps those types of visitors in proportion to other types of visitors. Another goal of the LVCVA is to drive demand that exceeds supply. In some cases, the LVCVA is doing that. The growth in sports and events, the desire to grow meetings, and the overperformance of leisure travelers are now at some level competing for rooms and driving the price of those rooms higher, which is the goal; however, there are subsequent ramifications.

The chart on slide 8 shows a different way of looking at hotel occupancy. As can be seen, even into this year, hotel occupancy is relatively flat.

The next few slides include information on occupancy and numbers in the destination. The charts on slide 9 feature the midweek occupancy rates as well as the weekend occupancy rates for 2023 and 2024 in comparison to 2019. The LVCVA would like to get back to the pink dotted line.

As it relates to the national average on hotel occupancy, Las Vegas continues to overperform. Las Vegas has historically been 20 to 23 points above the United States' average. Las Vegas has recovered to the point that it is now more than 20.0% higher than the national average. Las Vegas continues to overperform the United States'

average, which is more of a reference point to see how much Las Vegas was overperforming before compared to now.

The charts on slide 11 show the ADR year-to-date numbers, which are slightly different than the numbers that were shown for calendar year 2023 on slides 5 and 6. The LVCVA wanted to show where Las Vegas is with ADR to date.

The chart on slide 12 displays the growth trends in the RevPAR and the volatility that was seen three to five years ago. That volatility is starting to level out.

The chart titled *Clark County Gross Gaming Revenue* shows a significant jump has occurred since the COVID-19 pandemic. The LVCVA thinks that the federal stimulus that most everyone across the country received during the pandemic contributed to that increase in combination with the fact that there were fewer alternatives to spend money during that time. That money has largely been spent but the level of gaming has remained high.

Slide 14 shows the moderation of the growth as a total number. As can be seen on slide 15, Las Vegas is gradually returning to normal revenues. Las Vegas is still well above the levels prior to the pandemic, but on a per visitor basis, it is gradually starting to recede.

MR. LEAVITT:

Because there is an increase in visitor spending, is the mix of what visitors spend their money on when they come to Las Vegas changing? I ask because Nevada receives tax revenue from some things more so than others. Do higher room rates cause a decrease in what visitors spend on gaming or other things?

MR. HILL:

Mr. Gordon could probably answer that question better than I.

MR. GORDON:

The Forum looks at these numbers at every meeting and observes the Live Entertainment Tax (LET), gaming tax revenues, and major revenue sources, and I believe Mr. Leavitt is thinking about how the sources of those revenues have been shifting dramatically since coming out of the COVID-19 pandemic. Based on the LVCVA presentation, it seems there are more investments from travelers on experiences. I think that has been evident over the past couple of years. Travelers are investing in things that are a little different than maybe what they were investing in five or ten years ago. Some of those things have a greater tax revenue potential for the State General Fund. While there have been increases in room rates, at the same time, gaming spend is at an all-time high. Las Vegas now has a higher-end customer that is spending more money than before.

MR. HILL:

Thank you, Mr. Gordon. Las Vegas is seeing a shift in its customers, but it is also experiencing a record spend. Going forward, the LET will probably not be as robust as it was in the fiscal year when the first Formula 1 race and the Super Bowl occurred. Those were both meaningful portions to the increase in the LET. While the LVCVA has goals of bringing events of that size to Las Vegas every year, there will be some resulting fluctuations. It appears that gaming revenue is flattening, and visitor spend translates into a sales tax increment that matters significantly to state revenue. That continues to improve. The trend seen across the board is a moderation of growth; however, growth will be in the low, single digits rather than the 10.0% or 12.0% growth that has been seen in some areas.

MR. LEAVITT:

In December, the Forum must estimate revenues for Nevada for the next 2.5 years. A lot can happen in that timeframe. Based on what you see in the industry, how would you estimate revenues for the next 2.5 years compared to what Nevada has experienced in the last 2.5 years?

MR. HILL:

I remain optimistic about Las Vegas. It is outperforming the country for which there are solid reasons. A lot can happen in 2.5 weeks and more so in 2.5 years. The outcome of the election will potentially be helpful to understand how policies will be impacted. Things have been very strong, but I do not think that the growth of the industry is going to mirror what has happened over the last two or three years. It is not possible to grow and maintain that rate. On the other hand, the opportunity Las Vegas has in occupancy, meeting attendees, sporting events, and live entertainment bodes well for the tourism and hospitality industries. Steady growth is likely in a solid national economic backdrop. If the economic backdrop of the nation goes into a normal downturn—which, the nation has not had a normal downturn in a while—Las Vegas can maintain some stability. With that kind of range, I think Las Vegas can overperform that backdrop over the next 2.5 years.

MR. LEAVITT:

Nevada has some taxes that relate specifically to big events and performances. How do you see those changing over the next couple of years?

MR. HILL:

Generally, there is a great demand for increased events in Las Vegas. Largely, it is finding venues and the capacity to hold all those events that have an interest. Las Vegas will have major league baseball in 2028 and there is a real opportunity to have the National Baseball Association in that general timeframe as well. That will matter quite a bit when there are events that bring between 5,000 and 15,000 people. It is different than events at Allegiant Stadium, which bring in 60,000 people. Those events create compression in the market and create a higher level of spend, which is very important to

driving the revenue that Nevada receives. There is an outsized effect because of the size of the events at Allegiant Stadium and there is sustained and growing demand for those events. That is seen across the board. The promoters of those events recognize the appeal of Las Vegas and are eager to be part of it. The LVCVA is looking forward to more venues becoming available because the demand is currently more than Las Vegas can accommodate.

MR. CROME:

I echo what Mr. Hill shared. Across the board there has been a lot of growth, and promoters want to participate. For example, rugby promoters saw the impact of having an event in Las Vegas and growing its fanbase in Las Vegas, but even from a viewership standpoint, promoters saw a significant jump because of that broadcast. There is increasing interest in larger events at Allegiant Stadium and across other venues in Las Vegas.

MR. HILL:

The National Rugby League (NRL) came to Las Vegas last year on a trial basis and later signed a four-year extension agreement. For the next four years, during the first weekend in March, the NRL will open its season here, which is a fantastic time for Las Vegas. There is a continued demand.

Continuing the presentation, slide 16 shows a summary of Las Vegas visitor statistics, many of which I have already covered. It shows all the statistics in one place as of August 2024.

Slide 17 is an index for many of the things the LVCVA tracks versus where they were in 2019. For the most part, things such as visitors and occupancy have almost returned to 2019 numbers. The financial aspects of what the LVCVA tracks are all substantially above 2019 levels.

Slide 18 provides a comparison of where Las Vegas is between the top 25 markets in the United States and the United States as a whole. It also provides a comparison of occupancy, ADR, and RevPAR numbers and how each of those study areas compares to 2019. Financially, for ADR and RevPAR, Las Vegas is substantially past the comparisons between the United States and the top 25 markets in the United States.

Slide 19 provides a snapshot of international visitation. Canada and Mexico are typically about half of Las Vegas's international visitation. People from Canada and Mexico are fans of Las Vegas and visit frequently. Visitation from overseas has not quite recovered. That is weighted more toward Asia than Australia, Europe, and South America but visitation is still down in the United Kingdom and the LVCVA is focused on trying to drive that back. Ireland and the United Kingdom are Las Vegas's biggest overseas market. The LVCVA is investing in additional resources to drive the recovery because it sees opportunity. Some of this is the overlap between international visitation and visitors who come for meetings. For example, the Consumer Electronics Show and the National

Association of Broadcasters have more than 30.0% international attendees at their events and are experiencing the same trend as Las Vegas.

The chart titled *International Visitation to Las Vegas* displays an outline of Las Vegas's top ten international markets. China is still a third of what it was before the COVID-19 pandemic. Korea is doing better than that and Las Vegas has a direct flight out of Seoul. Japan is still less than half of what it was prior to the pandemic.

I have already discussed some of the key issues. There is a bit of election anxiety. Additionally, there is a slowing growth in the job market and a concern at the lower end of Las Vegas visitors. Looking at the performance of properties that have lower price, mid-price, and high price: the high price properties continue to overperform; mid-price properties are solidly growing but at a diminished rate; and lower price properties have had some reduction over the past few months.

However, the LVCVA sees positive trends and opportunities. Las Vegas has the capacity to grow. I did not include the shift that will occur because of the renovation at the convention center, which will be done at the end of 2025, that is diminishing the recovery in the meeting industry. The LVCVA is having to shift shows around the building because there is limited square footage available. The LVCVA is renovating one hall at a time. That process will be done at the end of 2025 and the LVCVA will have more space available. The year 2026 is going to have a nice cycle for conventions and meetings in Las Vegas so there will be a bump moving into FY 2026.

MR. CROME:

You mentioned that the number of convention attendees is down slightly compared to before the COVID-19 pandemic, which I found surprising. Someone shared an anecdote about how a lot of people who were working from home had not returned to working in the office so the convention business would be an opportunity for people to get together and see people they do not see daily. What are your thoughts? With the convention business being down, is that business moving elsewhere? Is it moving more regionally because perhaps the office space is in a regional space? Is that a concern for Nevada?

MR. HILL:

Peers across the country are seeing the same things. This is not a shift of business and does not become more regional. Las Vegas is very reliant on the technology industry. If this were more regional, there would be a disproportionate bump in Las Vegas versus elsewhere. Mostly, this is happening because of the two things that I mentioned earlier. Companies have decided that they do not need quite as many people to attend such events. Interestingly, the exhibition space has not diminished as much as attendance. The same people are showing up to exhibit, but the number of attendees is slightly less. The show organizers and exhibitors are happy with the shows, but there are 10.0% to 15.0% less people in attendance, which means the LVCVA is going to need to sell more shows to recover. That may grow back at some level, but it is not a situation in which the

rest of the people who have been reticent to travel and attend these shows are waiting to come back when they feel more comfortable.

MR. CROME:

You made a comment about how the room count is not keeping up effectively with the square footage of convention space. What does that pipeline look like from a room count? What is the shortage that Las Vegas needs to keep up with the convention space? If Las Vegas does not keep up, where does the squeeze occur—in the convention business, live entertainment business, or the transient business?

MR. HILL:

Las Vegas has slightly over 150,000 open rooms right now. It peaked around 156,000 when the Tropicana Casino Resort and Mirage Hotel and Casino were still open. There is room for growth in the meeting industry in the number of rooms. There is competition for those rooms. Among the leisure sector, the meeting sector, and the sports and events sector, the leisure transient customer has been overperforming over the past number of years to which the properties have generally responded. It has driven up room rates, which is a part of the LVCVA's customer's consideration when bringing their meetings to Las Vegas. The customers see the benefit of Las Vegas but as noted in the presentation, the spread between room rates in Las Vegas and the national average or with the top 25 markets in the United States continues to widen and that has been expressed as a concern to the LVCVA. However, that is a positive reflection on Las Vegas. Las Vegas wants to be the most valuable rather than the cheapest, and that is what it has become. There is a bit of a different mindset for meeting organizers as they look for room blocks.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Next, the Forum will hear from the Reno-Sparks Convention and Visitors Authority (RSCVA).

MIKE LARRAGUETA (President and CEO, RSCVA):

During today's presentation (page 109, Exhibit A), I will provide a background of the RSCVA board and executive staff; information about the RSCVA's history, vision, and mission statement; historical data on visitor accounts, revenue, and ADR for Washoe County; a brief discussion on occupied rooms and the growth in the global distribution production segment; an update on the meetings and conventions segment; the impact of the United States Bowling Congress (USBC) to Washoe County and to Reno, Tahoe, and Sparks; a brief update on an endeavor that the RSCVA has invested in in Northern Nevada, which is a world-class 200-meter Mondo track arriving December 2024; and some air passenger data. Lastly, I will discuss the economic impacts and highlights for the past fiscal year.

The RSCVA Board of Directors consists of:

- Hillary Schieve, Mayor of the City of Reno, who serves as the board's chair.
- Richard L. Jay, a representative from the Reno-Tahoe International Airport, who serves as the board's vice chair.
- Stephen Ascuaga, a representative of the Reno-Sparks Chamber of Commerce, who serves as the board's secretary/treasurer.
- Eddie Ableser.
- Charlene Bybee, Sparks City Councilwoman.
- John East, Chief Operating Officer for Jacobs Entertainment.
- Alexis Hill, Washoe County Commissioner, and chair of the Washoe County Board of County Commissioners.
- Greg Long, Chief Operating Officer for Travel North Tahoe Nevada.
- Rick Murdock, Vice President of Governmental Affairs at Caesars Entertainment's THE ROW in downtown Reno.

The RSCVA executive staff consists of seven talented and experienced individuals who oversee the areas of communication and public affairs, facility sales, finance, and marketing.

The RSCVA was established in 1959. The vision of the RSCVA is to be the preferred event, gaming, and outdoor destination. Its mission is to attract overnight visitors to Reno and Tahoe while supporting sustainable growth of the RSCVA communities.

Looking at data from the past year and future projections for Washoe County, shown on slide 6, visitor counts in Washoe County and Northern Nevada have shown consistent performance, averaging approximately 3.8 million visitors per year for the past four fiscal years, following the COVID-19 pandemic and the lifting of travel restrictions in the State of Nevada.

Slide 7 shows that taxable room revenue has been consistent surpassing \$457.0 million per year for the past three fiscal years. Moving into the next fiscal year, the RSCVA is forecasting a moderate decline in FY 2024-2025 to \$448.0 million in tax revenue.

The ADR for Washoe County and Northern Nevada experienced a significant increase from \$123.59 in FY 2020-2021 to \$141.90 in FY 2021-2022, as displayed on slide 8. There was an additional increase of \$6 from FY 2021-2022 to FY 2022-2023. Similar to what the RSCVA is forecasting for the budget of this fiscal year, July 2024 through June 2025, it is anticipating a slight decline in the ADR.

Slide 9 shows that cash occupied room nights, much like taxable room revenues and ADR, increased significantly in FY 2021-2022 and has remained consistent through FY 2023-2024. Again, the RSCVA is being somewhat conservative in its forecasting with a slight decline in cash occupied room nights for FY 2024-2025.

The global distribution systems are a channel in the hotel industry segment, which is predominantly driven by business travel. The RSCVA wanted to share this information with the Forum because there has been significant growth. As can be seen on slide 10, using FY 2018-2019 as the benchmark—because the market performed very well in Washoe County and Northern Nevada before the COVID-19 pandemic—there has been significant growth in room nights for the last three fiscal years, growing substantially from 160,000 room nights to over 190,000 room nights. The revenue relevant to that segment has also grown from \$26.0 million to nearly \$31.0 million. To echo Mr. Hill's comments, what is relevant to this segment is that this drives a higher ADR, and it is an ADR that is growing in Nevada's market significantly.

Washoe County's room inventory is shown on slide 11. There has been a moderate increase each year from FY 2019-2020 through FY 2023-2024. The RSCVA is forecasting a slight increase in FY 2024-2025 that is predominantly driven by the select service category. That includes places such as Hyatt or Hilton Gardens Inn, which generally cater to the business traveler.

As shown on slide 12, Washoe County is growing in the select service area. Available room inventory surpassed 36,000 in FY 2023-2024.

The meetings and conventions segment has seen increased demand in Washoe County. As shown on slide 13, group leads have increased in FY 2021-2022 and FY 2022-2023, with a slight decrease in FY 2023-2024. Contracted group room nights have increased in the past three fiscal years, finishing at just under 300,000 net room nights booked for FY 2023-2024. The RSCVA is unique in terms of the convention and visitors bureau and destination marketing organization worlds, as there is a tremendous reliance on the sales organization in the meetings and conventions segment to source but also convert over 50.0% of the contracted meetings and convention room nights that are generated on an annual basis. The Washoe County and Northern Nevada areas will generate about 600,000 room nights on an annual basis in the meetings and conventions segment, which also comprises the social, military, educational, religious, and fraternal segments as well as the sports segment. The RSCVA is responsible for consistently sourcing, contracting, and converting over 50.0% of the annual room night number.

The USBC Open and Women's Championships are contracted with the USBC through 2033 and currently negotiating an extension for 2035, 2037, and 2038. To put into perspective the relevance and importance that the USBC has on Northern Nevada, the Women's Championship represents approximately 15,000 bowlers, 35,000 room nights, and an economic impact of over \$25.0 million every time they hold a congress tournament in Reno, Nevada. The Open Championship, which is significantly larger, brings approximately 50,000 bowlers, 120,000 room nights, and an economic impact of

\$70.0 million per tournament. The Women's Championship will generally meet between April and June and the Open Championship takes place between March and July.

The RSCVA is very excited to announce that in June 2023 the RSCVA Board of Directors approved the purchase of a 200-meter world-class certified indoor Mondo track, shown on slide 15. This investment of \$3.2 million is an opportunity to truly differentiate Northern Nevada from its competitors. There are only three indoor tracks in the entire western United States. Indoor track season takes place from December 1 through the end of February, which is consistently a slower period in terms of occupancy and demand in ADR for Northern Nevada. This world-class indoor track will be located in the Reno-Sparks Convention Center. In addition to the track, the board also approved the purchase of 1,200 portable bleacher seats and over \$400,000 in track equipment from UCS Spirit, which is based in Carson City, Nevada.

The first season will begin in December 2024. The RSCVA has partnered with the University of Nevada, Reno (UNR), to be its home for the women's indoor track team. The UNR women's indoor track team will operate and run four meets in the first year and the RSCVA will have four additional meets contracted with other opportunities. Room night production in year one is forecasted at 24,000. As seen on slide 15, it tiers up on an annual basis. By year five, the RSCVA is anticipating over 50,000 room nights being produced during the indoor track season.

The RSCVA will also pursue opportunities like what Las Vegas has done in the collegiate basketball segment. The RSCVA plans to go after the Big West Conference, Mountain West Conference, National Collegiate Athletics Association (NCAA) conference championships, Western Athletic Conference, and any west coast affiliated type of conferences. The RSCVA will also pursue the opportunity to host the NCAA championships, which were held in Albuquerque, New Mexico last year. That is one of the three tracks located in the western United States.

Slide 16 provides a quick summary showing that this past summer, the Reno-Tahoe International Airport had its highest passenger counts in over two decades. It saw an increase between 9.0% and 12.0% in June 2024 through August 2024. The Reno-Tahoe International Airport added over 90,000 seats in 2024, which is a 9.0% increase in available seats this fall over last year.

To conclude the presentation, I will provide some economic impact highlights. Washoe County experienced over \$5.2 billion in total economic impact of tourism in the calendar year 2023. This included \$3.3 billion in visitor spending, over 43,000 in total jobs generated, and over \$443.0 million in state and local taxes generated.

MR. GORDON:

I see that the USBC works in a cadence. When were the previous events? When should the Forum consider whether the USBC was included in the historical visitor volume data and other metrics?

MR. LARRAGUETA:

The USBC has been meeting in Reno, Nevada, but also in Las Vegas, Nevada, for over two decades. It generally rotates on average about every 2.5 years. The 2025 Open Championship will be taking place in Las Vegas at the South Point Hotel and Casino. There is over 20 years of historical data on the performance of the USBC bowlers. The USBC has met in other destinations across the country—such as Baton Rouge, Louisiana, and Syracuse, New York—but it has found the State of Nevada to be its home.

MR. GORDON:

When was the last USBC event held in Reno?

MR. LARRAGUETA:

The Women's Championship was held in Reno in 2024, and the Open Championship was held in Reno in 2023.

MR. GORDON:

Thinking about inventory and venues going forward, are there any changes on the horizon that the Forum should be thinking about over the next three years in terms of capacity that may be coming to the Northern Nevada market?

MR. LARRAGUETA:

As it relates to room inventory, Northern Nevada is seeing growth in the select service category. Northern Nevada is not seeing any significant growth in the larger casino resorts within Washoe County. There has been a lot of discussion about things happening at North Lake Tahoe with Cal Neva and the possibilities of other properties expanding or growing but nothing is concrete. There is a new 10,000-seat arena scheduled to open May 2027 at the Grand Sierra Resort. As part of the expansion, there are discussions and plans of an additional tower and possibly having AAA hockey in Northern Nevada, which is very exciting.

MR. LEAVITT:

As it relates to the total economy in Washoe County, what percentage of that is tourism? Is that percentage holding steady or changing?

MR. LARRAGUETA:

I do not have specific data with me today, but the RSCVA is budgeting a decline in total room tax revenue of approximately 5.0% to 6.0% for FY 2024-2025 compared to the prior fiscal year. There are several reasons that are driving that decline in taxable revenue, and some were mentioned in the LVCVA's presentation. The RSCVA is also forecasting a slight decrease in occupancy of just under 1.0% for FY 2023-2024. If those numbers

come to fruition and the RSCVA is accurate, that is going to impact the overall economic deliverables for Washoe County this fiscal year.

MR. CROME:

The indoor track that you mentioned, is that a new facility or is it a portable track that will be built for the event and then disassembled?

MR. LARRAGUETA:

It is a portable track. The RSCVA can disassemble the track, should it book a major program or a full facility program that drives tremendous room nights during that time of year. The RSCVA has identified a 10,000 square foot facility that is adjacent to the Reno-Sparks Convention Center where it will store the portable track outside of indoor track season, which is around the months of March through November.

CHAIR ROSENTHAL:

Lastly, for this agenda item, the Forum will hear from the Department of Tourism and Cultural Affairs, Division of Tourism.

RAFAEL VILLANUEVA (CEO, Travel Nevada, and Deputy Director, Division of Tourism, Department of Tourism and Cultural Affairs):

With today's presentation, I will provide information about Travel Nevada, an overall look at state growth and revenue related to tourism, an overview of rural areas and the two major drivers of tourism to the state, and an outline of the 15 counties for which Travel Nevada is responsible (page 127, Exhibit A).

Travel Nevada is a division within the Department of Tourism and Cultural Affairs, which also includes the Division of Museums and History and the Nevada Arts Council (page 128, Exhibit A).

Travel Nevada is responsible for industry development, marketing, *Nevada Magazine*, public relations, and research (page 129, Exhibit A).

As shown on page 130, the Nevada Commission on Tourism, Travel Nevada's oversight and policy commission, is led by Stavros Anthony, Lieutenant Governor (Exhibit A). The commission has two members who are appointed by statute, which are the CEO of the RSCVA, Mr. Larragueta, and the CEO of the LVCVA. Currently, the LVCVA designee is Fletch Brunelle, Vice President of Marketing at the LVCVA. The commission also consists of commissioners that represent different areas of the state, especially the rural counties, such as:

- Shelly J. Capurro, Tom Clark Solutions
- Donald Contursi, Founder and President of Lip Smacking Food Tour.

- Mendy Elliott, consultant and lobbyist in Northern Nevada.
- Jane Moon, representing Fallon.
- Rick Murdock, Vice President of Governmental Affairs at Caesars Entertainment.
- Judith Perez Siegel, Siegel Group.
- Jill Rowland-Lagan, CEO of the Boulder City Chamber of Commerce.
- Herb Santos, Jr., attorney in Northern Nevada.

Travel Nevada expects to have two additional rural commissioners appointed by the Governor by the end of November.

The Nevada Commission on Tourism was established by a proposal made by Governor Richard H. Bryan in 1983. The proposal also included the task of diversifying the gaming focus on the tourism industry. Rather than focusing on the 17 counties, 6 territories were developed that could work together (page 131, [Exhibit A](#)). Those territories include: (1) Cowboy Country, (2) Las Vegas territory, (3) Nevada Silver Trails, (4) Pony Express Territory, (5) Reno-Tahoe area, and (6) Indian Territory, which represents the entire state.

Travel Nevada's goal is to lead certain areas and also support people and leverage against successes. The Forum already heard about the work that the LVCVA and RSCVA are doing to add visitors to their areas and encourage those visitors to explore the rest of the state.

Nevada visitor volume has yet to reach the numbers it experienced before the COVID-19 pandemic, but the numbers have still been substantial (page 133, [Exhibit A](#)). Currently, Nevada visitor volume is 52.2 million visitors, which is a substantial growth from 2022.

As shown on page 134, room nights occupied also grew statewide ([Exhibit A](#)). The Nevada occupancy rate grew about 4.0% from the previous year.

Nevada's ADR also increased about \$17 statewide (page 135, [Exhibit A](#)). Much of that was driven by the growth of the higher end products in Southern Nevada. Convention attendance is 6.3 million. Much of the convention attendance and airport volume is driven by the success of Southern Nevada.

Nevada benefited substantially by investing \$75.0 billion into its economy and \$5.5 billion in state and local taxes, representing about 20.0% of jobs in the state and providing a major benefit to household tax savings of \$4,800 (page 136, [Exhibit A](#)).

Regarding the rural areas, Nevada is very fortunate that it has two strong airports: one in Southern Nevada and one in Northern Nevada. However, a large portion of Nevada's visitors are from the drive market; therefore, Nevada is reliant on Arizona, California, Oregon, Utah, and other surrounding states.

Nevada's rural areas had a record setting growth of tax room collection of \$1.26 million (page 139, Exhibit A). That is based on the percentage allocated to Travel Nevada to help market the destination. Visitors' volume was 5.4 million and room nights occupied had growth of \$3.24 million.

The following three pages show how rural Nevada was not significantly impacted by the COVID-19 pandemic. As shown on page 140, there was a drop in 2020, but rural Nevada immediately surpassed pre-pandemic numbers in 2021, 2022, and 2023 (Exhibit A).

Visitor spending had an impact of \$2.1 billion set over 17,900 jobs (page 141, Exhibit A), which represents about 8.5% of the jobs in Nevada. There was a labor income of \$657.6 million, generating state and local taxes over \$277.0 million.

Page 142 shows the gross gaming revenue by county with the blue line representing Southern Nevada, which was over \$13.0 billion (Exhibit A). It is fascinating that Washoe County and the rural counties have about the same revenue generation of gaming, with each adding about \$1.0 billion to the economy.

Finally, I wanted to discuss elements that Travel Nevada believes are affecting tourism. According to Tourism Economics, occupancy levels and ADR are going to flatten. The bulk of the growth is going to be in upper luxury products and the moderate and low hotel products are going to drop. Unfortunately, there are no luxury products in the rural areas. Outside of Southern Nevada, luxury products are very limited.

Travel Nevada's goal is to be able to develop taxable experiences in the rural areas to drive people there, recognizing that most people may do day trips because the volume of the product will be in Southern Nevada and Washoe County. Travel Nevada wants to drive spend at rural areas, so it has developed the 3D Project, which provides grants to communities to develop programs and products that can generate tax or jobs to the rural areas. That is currently on its second phase as Travel Nevada just awarded \$1.0 million to two different groups: one in the "cultural portal" that is Carson City, Douglas County, and Virginia City to develop programs that will drive interest and volume of visitors to that area, and one in Boulder City that is going to take advantage of the outdoor recreation in that area.

Travel Nevada is hoping to develop programs along with economic development to drive lodging increases that are unique to those rural markets. Travel Nevada is aware that everyone who lives in rural communities understands and believes tourism is important to those communities; however, some people do not want an abundance of tourists. Therefore, Travel Nevada needs to maintain a balance of developing sustainable programs and stewardships to bring visitors to those areas but also teach visitors to take care of those areas so that the people who live in those communities are willing and want them back.

There was no further discussion on this agenda item.

VIII. PRESENTATION ON INTEREST INCOME GENERATED FOR THE STATE GENERAL FUND.

This agenda item was taken out of order.

ZACH CONINE (State Treasurer, Office of the State Treasurer):

I am joined today by the Deputy Treasurer of Investments, Steven Hale, and we are here to discuss the investment returns of the Treasury because those have gone up exponentially in the last couple of years. That is due to a combination of factors that I will review. Additionally, both Mr. Hale and I will discuss what the Office of the State Treasurer does to project investment returns, which is not an exact science, but this is a room of inexact science. The office appreciates the opportunity to talk about the work it does.

To talk scope and scale, I will begin on page 2 (Exhibit B). In the past, the Treasurer's interest returns were relatively de minimis. In FY 2024, there will be an excess of \$350 million, which is not de minimis. Both Mr. Hale and I joined the process around 2021, and we are happy to show the "hockey stick" of investment returns on this chart. Investment returns in the state are primarily driven by three factors: (1) assets under management—part of that is a prediction game on what kind of assets under management Nevada will have as that number has gone up over the last couple of years due to federal dollars coming in that have not yet gone out as well as tax revenue being greater than expected, (2) what happens in the market, and (3) what happens for prowess perspective.

Mr. Hale and his investment team have effectively professionalized what Nevada did from an investment perspective prior to Mr. Hale's and my time at the Office of the State Treasurer. In the past, the investment efforts of the office were basically an accounting measure. The Office of the State Treasurer made sure Nevada had enough money to pay the bill on the day that bill was due, sometimes paying bills before they were due, which was not necessarily a good choice. That has since changed. The office now has an investment mentality, which shows up in what it buys, how it buys it, and in the returns.

STEVEN HALE (Deputy Treasurer of Investments, Office of the State Treasurer):

Looking at the chart on page 2 (Exhibit B), before 2022 or 2023, Nevada's returns overall for the General Fund were small. It is dramatic to have that kind of impact in a short period of time. I want to discuss what caused that. As Treasurer Conine mentioned, there are two drivers to overall interest earned in the General Fund and those are the overall level of market rates and the total assets available. The chart on the left on page 3 (Exhibit B) shows that from 2019 through 2021 interest rates were almost zero in the front end of the curve, like ten basis points on the federal funds and the two-year rate. Because of some exogenous shocks and inflation, the federal government had to move to bring interest rates higher and the market reacted overall on the long end of the curve to a large hike in interest rates. There was a twenty-fold increase in interest rates over a very short period, from late 2021 to mid-2022, which is a significant impact. Looking at the righthand chart on page 3, there was about \$3 billion in assets under management through 2019.

Again, because of a variety of factors and federal funds, that grew to about \$10 billion, which tripled the assets under management. Basically, there is a force multiplier on the interest rates for that period which caused that dramatic increase in the returns for the last two years.

How are these rates forecast going forward given they are volatile and highly subject to exogenous shocks and other things such as recessions and inflation? The office uses, as a proxy, treasury futures, which are basically an indication that there is a market for these. People who want to hedge or buy duration for fixed income portfolios trade these contracts and buy these going forth. They trade on a quarterly basis going out approximately five years, perhaps further. They are easily findable, and they are objective because they are an actual market. It is better than using a think tank's view of future interest rates. Given that, this is something that is printed, and it is usable, supportable, and repeatable. Thus, the office is comfortable that this is the best option.

The office uses four term maturities—federal funds, six-month, two-year, and five-year contracts—because that covers the investable period of the fund. Almost 60.0% of the fund is within one year. The office does some other things in terms of waiting to ensure it closely aligns the structure of the portfolio also, which I will discuss later. Using that data, the office creates an interest rate forecast that covers the 8 quarters of the FY 2026 and FY 2027 budgets. It is slightly more than that because there is an interim period between now and then that the office also must forecast; therefore, it is closer to 14 or 15 quarters. Thus, the office has that matrix of interest rates that it has calculated—there is a blended rate for each quarter going forward.

Projecting total assets involves five steps (page 5, [Exhibit B](#)). First, the office analyzes historical trends to gain a sense of how funds are coming and going. Sometimes staff are surprised at what happens in terms of revenues. For example, the impact of the Formula 1 race and the Super Bowl was evident. Fluctuating revenue from \$9.2 billion to \$9.5 billion was due to those events. The office adjusts for seasonality because sometimes there are large expenditures that only happen in a particular quarter. Historically, the office has used a 5.0% growth rate for investable assets. That has turned out to be conservative so it will be re-evaluated based on current trends. The portfolio definitely grew by more than 5.0% over the last four or five years.

The office incorporate anticipated inflows and expenditures and create an expected total assets available matrix for 8 to 11 quarters.

TREASURER CONINE:

Regarding the incorporation of anticipated inflows and expenditures in the last couple of years, that has been a much larger piece of this work. From an inflow perspective, the office knew when to expect the federal American Rescue Plan Act (ARPA) funds; however, the timing of the funds for some of the additional programs was unknown. By the time we observe an increase in tax revenues from a tax perspective, we have already seen it from a cash perspective, which often means we have that advantage. When there are legislative changes, such as the State Education Fund, they can broadly and quickly

shift how money flows through the state. One of the biggest anticipated expenditures is approximately \$1.0 billion to \$1.4 billion in federal money that is still in the system that needs to be spent by December 31, 2026. That anticipated work is relatively challenging. There was an expectation that the state would have spent approximately \$800 million of those funds in the previous biennium; however, that was not the case, so those projects were moved into the current biennium. That is a bit of a moving target but given the fact that the federal money must be spent by the deadline, the office is confident the funds will be expended.

MR. HALE:

Once the forecast for assets under management has been developed and a matrix for future returns has been established, it is just a matter of multiplication. It is no different than if someone had a money market fund—they could multiply it by current rates, which would allow them to forecast how much they could expect to earn. I would note the methodology weights a percentage of assets available towards each treasury to reflect asset liability requirements. The office will be paying major bills next week, this month, next month and that is always a priority; therefore, minimal cash is available. The office is required by compliance and policy to maintain a certain amount of cash in the near term, which the model reflects.

Forecasting earned interest is challenging—market rates and available assets are subject to unpredictable events like recessions, pandemics, financial crises, and wars, which makes it challenging. The office tries to take an objective approach to avoid being accused of weighting or underweighting certain things or being subjective. It is repeatable—my successors should be able to follow the same model as I did with my predecessors because it is not a new model.

Lastly, I would note that the office often takes a cautious approach because there is no benefit to overestimating. Thus, it may slightly lower the figure to prevent putting someone's budget at risk.

TREASURER CONINE:

I believe this group fully understands that there is no advantage to being overly optimistic in our work. The office appreciates the opportunity to go through the methodology.

MR. GORDON:

Thank you for the explanation about how the Office of the State Treasurer develops these forecasts. As the Forum works on the forecast for the 2025-27 Biennium, we know that expenditures may change between the start and end of the 83rd (2025) Legislative Session. How should the Forum approach the necessary adjustments for the next few years, and what is the timing for those adjustments? I have not fully considered how that process works when the Forum develops these projections going into the legislative session and then adjusts them after the legislative session concludes.

TREASURER CONINE:

Generally, it tends to balance out except in the case of major shifts in state processes, such as the recent change related to the State Education Fund, or the movement of federal funds within the state and the timing of when those funds need to be allocated. Functionally, if the state spends funds earlier than anticipated, it may or may not matter from an investment return perspective. I do not know that there is much value in trying to get it exact, as the legislative process will alter some parts of the puzzle. In the case of the ARPA funds, there are many private participants in that process, some of whom are going to move more quickly than others or submit for reimbursement more quickly than others. The Office of the State Treasurer is adept at ensuring there is enough money to pay the bills at any given time, but also maximizing potential output going forward. There is a sufficient amount of cash on hand to cover those bills, but the office also strives to remain fiscally cautious, keeping its core mandates. These mandates include ensuring there is enough money to cover bills, generating revenue, and avoiding financial losses. The office seeks opportunities to perform better. The main goal is not to aim for home runs, but instead, consistently hit singles.

MR. GORDON:

The conservative nature of how you approach it probably helps in that process.

MR. LEAVITT:

I am not looking for exact numbers, but I would like to know your present estimate as to how revenue in the 2025-27 Biennium will compare to the revenue in 2023-25 Biennium.

TREASURER CONINE:

From a treasury perspective, the revenue in the upcoming biennium appears similar to the current biennium with a slight decrease because interest rates are going to decline and assets under management are likely to decline. The revenue will be closer to the levels in 2022 and 2023 rather than 2024, and 2025 will be decent from an asset and management perspective. I expect the Federal Reserve will continue easing in some capacity, which will show in our work. The office does not expect that assets under management should continue to increase anywhere close to the rate that they have increased in the past. They may decrease as the ARPA funds are spent. Both of those things should bring that number down slightly going forward. Historically, that process is done in advance of the December Economic Forum meeting. The Office of the State Treasurer is beginning that process now. Futures contracts will look different in 60 days.

MR. LEAVITT:

Given the size of Interest Income, I have thought about changing it to a major revenue source as opposed to having it considered by the Technical Advisory Committee on Future State Revenues (TAC).

CHAIR ROSENTHAL:

Yes, that is an agenda item today.

TREASURER CONINE:

We deeply support that work, because it brings more attention to the staff at the Office of the State Treasurer and their hard work. This interest rate model has been in use for a long time, and it will only improve as more people examine and discuss it.

CHAIR ROSENTHAL:

It appears assets in 2024 were approximately \$9.0 billion and there will be a reduction resulting from the federally mandated spend of \$1.4 billion. Please remind me of the deadline for expenditure of the ARPA funds.

TREASURER CONINE:

The ARPA funds must be obligated by December 31, 2024, and spent by December 31, 2026. I would clarify that “spend” means the funds must have passed out of the state’s hands. I would note that some of that requirement is statutory, but much of the rules related to the ARPA funds are determined at the federal level. With a change in administration, those rules could change. However, we expect the timing to remain the same.

CHAIR ROSENTHAL:

What are you assuming in your forecast for the 2025-27 Biennium in terms of when that \$1.4 billion will be spent?

TREASURER CONINE:

The Office of the State Treasurer has been working with the Governor's Finance Office and the Fiscal Analysis Division to review each line item. We currently have a good idea of the obligations of spend. For example, we know there is approximately \$380.0 million in the Homes Means Nevada program. Each of those line items has specific components to which funds have been allocated and we can get smart about cash flows within them. We begin with the larger numbers and then move to the smaller ones. As noted earlier, the smaller amounts do not have as much of an immediate impact as the larger amounts, so it is important to know the timing of the expenditures. Currently it is being forecast in a straight line—the \$1.4 billion in a two-year period. We can improve that, which is why we are working through each line item. Mr. Hale and his team do similar work related to education spend, tax revenues, etc. The more closely we align with actual outcomes, the more effectively we will be at deploying the capital.

CHAIR ROSENTHAL:

Regarding the rate portion of the forecast, I assume the Office of the State Treasurer has a required investment policy. Is that mandated by the Legislature or the Office of the State Treasurer?

TREASURER CONINE:

The investment policy is set by the Board of Finance, which includes me, the State Controller, the Governor, and two public members. Generally, we are constrained by constitutional prohibitions about the type of assets we can own. That constraint is tighter with statutory constraint and that statutory constraint is tighter on policy. Most of the constraint exists at the statutory level, such as the types of assets that can be purchased, credit ratings, etc. A couple of the constraints are tighter on policy. The investment policy does not change frequently. Occasionally there will be changes when the Legislature allows the purchase of a new type of asset or removes the ability to purchase a new type of asset, which is infrequent. There also may be changes when there is a directional decision by the rest of the members of the Board of Finance and the Office of the State Treasurer.

CHAIR ROSENTHAL:

The average of the benchmark rates that are used to do the forecasts are federal Treasury rates, correct? Thus, they are very conservative and therefore low. It sounds like there is room in your investment policy to invest in things that yield higher, which results in a conservative estimate. Is that correct?

TREASURER CONINE:

That is correct.

CHAIR ROSENTHAL:

Mr. Nakamoto, when we get to Agenda Item XIV, it would be helpful if you could provide the historical forecast versus actuals for this revenue source.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

I will have that information when we reach that agenda item.

There was no further discussion on this agenda item.

VII. PRESENTATION ON NEVADA INSURANCE MARKETS.

TODD RICH (Chief Deputy Insurance Commissioner, Division of Insurance, Department of Business and Industry [B&I]):

With me today is Adam Plain, Insurance Regulation Liaison, Division of Insurance, B&I. We would like to share some details on the current Nevada insurance market and the potential impact to the insurance premium taxes. I would like to begin with a quick overview of the functions of the division and then I will review the life and health segments of the market. Mr. Plain will then discuss the growing property and casualty areas. We will try to provide our view of the market and what we are witnessing in respect to potential future trends.

The division's foundational mission is to protect Nevada consumers in their interactions with the regulated insurance companies in the state. This is achieved by ensuring that insurance companies are solvent and have the financial capability to pay claims. The agency also gets involved at an individual claim level when consumers feel they are not receiving fair treatment related to their insurance contracts. To date for calendar year 2024, the division has recovered about \$7.8 million for consumers.

The division is responsible for regulating auto, home, medical malpractice, health, life, and title insurance. Additionally, the division regulates the service contract industry as well as the Nevada self-insured workers compensation model. The division is responsible for approving rates and forms. There are currently 140 domestic carriers and over 1,400 authorized carriers that operate in the state. The division examines these companies from a financial solvency and market conduct perspective. Since the COVID-19 pandemic, the division has seen a significant increase in the number of individual producers. There are currently approximately 249,000 individual producers, most of which are out of state. When they renew their licenses, a large portion of the fee goes to the General Fund. For all the market segments, it is fair to say that Nevada has a well-functioning, competitive insurance market.

The overview of the Nevada market in 2023, found on page 147 of the meeting packet, includes a ranking or percentage breakdown of where the premiums originate (Exhibit A). The largest is the health insurance piece, which has over \$10.0 billion in premium revenues. That is followed by the property and casualty areas at 33.0% with \$8.5 billion, and then life, accident, and non-traditional health products, which is approximately \$7.1 billion and accounts for about 28.0% of the premiums in the state.

When looking at Nevada's life annuities, accident, and limited health products. Limited health products are pieces outside of traditional health coverage. For example, Aflac is considered a limited health product. Page 148 provides a breakdown from where these direct written premiums have come, going back to 2015 (Exhibit A). There have been steady increases particularly in 2021 and 2022 and then a slight decrease in 2023.

In looking at life insurance premiums written again over the last ten years or so there has been a steady increase (page 149, Exhibit A). There was a significant increase in 2022

and a slight decrease in 2023. We would estimate, in terms of life insurance, which is a big driver of this number, that as Nevada's aging population reaches a certain age, they will not seek traditional life insurance. It becomes very expensive, and they may be in a position in their life where the need is less.

The pie chart on page 150 provides an overview of health coverage by source (Exhibit A). The largest section is the group market such as employers' coverage. Medicaid is also a large segment at 25.0%. The commercial market, which the division regulates, includes the large group, small group, and individual market. The division estimates there are approximately 300,000 uninsured Nevadans. I believe our colleagues from the Silver State Health Insurance Exchange will delve more deeply into that piece.

As I mentioned, the division only regulates the fully insured market—individual, small group, and large group—however, the Insurance Premium Tax is paid from this market in addition to association health plans, which are considered small group and large group, but they do contribute to the Insurance Premium Tax. Additionally, the Medicaid managed care organization plans pay into the Insurance Premium Tax; however, the fee-for-service traditional Medicaid does not.

When looking at health insurance by lines of business—individual, group, vision, dental, etc.—there was a moderate increase from 2022 to 2023 of about 8.1%. For the Affordable Care Act (ACA) health markets, there has been a steady change in terms of individual and small group, and then into large group. There have been some retreats from the small group and the large group. That is probably due to people who are not fully insured utilizing more of the products offered by their employer.

The division is responsible for approving rate increases. Page 153 shows the actual increases of the individual and small group market since 2022 (Exhibit A). The average for the individual market is approximately 4.8% and for the small group, it is about 5.2%. The division anticipates that percentages around 5.0% will continue. The primary driver of medical inflation is pharmacy costs, which are not expected to decrease any time soon.

Page 154 discusses health carriers and average monthly premiums (Exhibit A). The Silver State Health Insurance Exchange will discuss this in further detail.

ADAM PLAIN (Insurance Regulation Liaison, Division of Insurance, B&I):

Moving on to property and casualty, page 155 shows that Nevada's property and casualty market includes an extensive list of types of business, of which automobile insurance premiums top the list by a wide margin (Exhibit A). Page 156 is a recap of the same data that was shown for the health lines. Looking at that growth year-over-year in premiums, there was a large spike in 2023, which I will discuss shortly. There has been steady growth in all the property and casualty lines over the last decade.

Moving on to page 157, auto insurance premiums is a topic of concern for many Nevadans (Exhibit A). The division has conducted some consumer outreach around insurance premiums, cost of inflation related to labor for automobile repairs, parts (original equipment manufacturer [OEM] and non-OEM parts), frequency of auto accidents, and

driving habits post-pandemic. All these items have led to a large increase in risks for auto insurance, which has led to a commensurate increase in auto insurance premiums in the aggregate.

All of this funnels into the Nevada Total Premium Written graph on page 158 and the Premium Tax Collections graph on page 159 (Exhibit A). It is important to note that the Nevada premium tax on insurance products is a gross tax on direct premiums written. There is no deduction for claims paid or administrative expenses. It is reflective of the general rate of inflation on claims costs and general population growth. As more businesses relocate and more people move to Nevada, the population increases and more policies are written, and ultimately premiums and the premium tax increase. It is important to note in this premium tax collections chart that it was not always the case. A home office tax credit program was created in statute that would depress premium tax collections by a small degree, but that was capped and then phased out as of FY 2020. The chart on page 159 is reflective of overall growth in population and direct premiums written.

MR. RICH:

I wanted to mention something in respect to the medical and health insurance side. In 2023, Friday Health Plans, a health insurer, went insolvent. This is unusual and has not happened in about ten years. The division placed the company under receivership, which means the Division of Insurance brought someone in to manage the company and pay the claims. I mention this because there could potentially be an impact to the Insurance Premium Tax for the carriers that were involved because there was an assessment of about \$15.0 million to health carriers in the state to help the Nevada Insurance Guaranty Association pay these claims. In accordance with *Nevada Revised Statutes* (NRS) 686C.280, the member insurers that had to pay this assessment can offset the assessment to 20.0% of the amount over the next five years. They may get an offset in their taxable base because they had to pay out this assessment.

Moving on to page 160, *Forward-Looking Topics*, the division wanted to spend some time on auto and home rates and the overall concerns the division has seen in terms of auto rates (Exhibit A). Nevada is in the top ten in terms of most expensive states. Several factors have added to this problem:

- Nevada faces challenges with insurance fraud.
- The cost of replacement parts is still expensive.
- During the COVID-19 pandemic there was a shortage of law enforcement. Bad driving habits during that time has continued and law enforcement does not have adequate staff to address minor driving issues.
- Growing cities, particularly Las Vegas and Reno, have resulted in busier roads and increasing numbers of accidents.

The role of the Division of Insurance is to approve rates before carriers can implement those rates. The rates must be adequate to ensure that carriers can pay bills and claims. The rates cannot be unfairly discriminatory or excessive. The division evaluates and approves the rates. Unfortunately, the division has had to approve some large rate increases. The division considers carrier profitability and projections, and if the rate filings are appropriate, they will be approved. The rates that have been approved this year will not go into effect until next year and the following year. The division has seen rate increases of 10.0%, 20.0%, and 25.0%. Premiums are going to increase as well as the subsequent taxes.

Regarding home insurance, Nevada is lucky because currently the state ranks about 48th in terms of cost of home insurance. Nevada does not experience a lot of catastrophes such as hurricanes, windstorms, or hailstorms. However, Nevada is prone to wildfires, which drives some of the rate increases. There is a lot of pressure on carriers to get more rate to be more profitable to ensure they can pay claims. We have seen the cost of reinsurance, which is insurance that carriers pay to manage large claims, increase drastically since 2017. It coincides with the advent of all the fires in California and the west. Consequently, these costs are passed on to consumers; therefore, there will be higher rates on the home side as well.

We are seeing cancellations and non-renewals by some of the larger home carriers. The division is working with these carriers as well as consumers to ensure they can find coverage. Although not currently a major issue, it is a concern. The division is working to find solutions for consumers.

MR. PLAIN:

The Economic Forum is tasked with doing revenue projections for the upcoming biennium, and that is somewhat dependent on what comes out of the Legislature, although that is not necessarily considered when doing these projections. One item the division wanted to put on the radar for the Forum and staff is that of service contracts.

Service contracts are regulated under Title 57 of NRS, although these contracts are not traditional insurance products. Service contracts includes things such as a warranty to fix appliances when selling/buying a home, a new car warranty, etc. While service contracts are regulated by the division under NRS, they are under more scrutiny recently. Senate Bill 436 (82nd [2023] Legislative Session) directed the Division of Insurance to do some reporting on the service contract industry and the scope, and how it is interacting with consumers. We mention this to note that the service contract industry in Nevada is looking at about \$690.0 million in revenue in calendar year 2022 against \$176.0 million in claims in that same calendar year, and they are statutorily exempt from the Insurance Premium Tax. If the increased scrutiny continues through the 83rd (2025) Legislative Session, this may be a topic to revisit in terms of projections in future periods.

Finally, going back to the health insurance segment, I had the pleasure of addressing the Forum in 2012 and 2014 during which time we were discussing the implementation of the ACA and its impact on health insurance premiums. The impact on health insurance

premiums was unknown at that time, but everyone hoped it would lead to more people being insured. In the past decade, we have learned that the actions at the state level are having some unanticipated effects. One of those effects is the concept of federal defrayal. Through a very convoluted process, the federal government pays health insurance carriers tax credits on behalf of consumers who meet certain income thresholds. When the ACA was passed, the federal government decided it did not want a green light for states to impose new benefit mandates that would drive up premiums and increase the amount of Insurance Premium Tax credits for which the federal government is liable on behalf of consumers. There are certain safeguards in place, one of which is that if a state enacts new health insurance benefit mandates in its state-regulated market for individuals, and those mandates lead to premium increases, the state, not the federal government, is responsible for covering those costs. I understand this is an expense item rather than a revenue item, but I mention it to highlight that there are no federal rules, guidelines, or laws defining how the state should manage this responsibility. It is simply a requirement that the state must pay. It is possible that the state will have some liability for Plan Year (PY) 2025 and beyond. In the situation where the state is liable for these payments, the cost could be covered by the General Fund, or the Legislature may choose to offset the expense to health carriers, potentially through a premium tax credit program, for instance. Again, I highlight this because it may impact future Insurance Premium Tax revenue projections.

MR. CROME:

On that last point, what is the magnitude of the federal defrayal?

MR. RICH:

The division's contracted actuaries analyzed the mandate and the estimate for each plan year is potentially \$2.0 million to \$5.0 million. It is a pharmaceutical mandate and we do not know the prescribing habits; therefore, the division will not know until it happens. The division's role is to identify that this is a defrayal issue. How the state will cover those costs has yet to be determined. Ultimately, that would be a policy decision beyond the division's scope.

MR. CROME:

Regarding the home insurance piece, you mentioned there were a lot of cancellations, mostly due to non-renewals. Initially, I thought that was contradictory, but you helped clear it up when you said that Nevada is a low-risk environment. What is the driving factor? It sounds like carriers are potentially exiting the market. Why would that be if it is a low-risk market for home insurance carriers. If you could help me bridge those two things—Nevada is a low-risk state, yet home insurance rate premiums are increasing.

MR. RICH:

When I said that Nevada ranks 48th, I was referring to home insurance costs compared to other states. Nevada is on the very low end in terms of what consumers pay for home insurance. The cost is approximately \$1,040 per year compared to some other

states that are much higher. However, some carriers are concerned about being in the Nevada market if they do not get a rate increase. They are also concerned about the wildfire risk, particularly in Northern Nevada. I would note the recent Davis Creek fire was not significant in terms of homes lost compared to other wildfires. Carriers are realizing the potential risks of writing in Nevada, so the division has had discussions with many of the big carriers to share with them that Nevada has never experienced a major fire issue. I believe the most homes lost due to a wildfire in Nevada has been 40, which is minimal compared to Colorado, California, Hawaii, etc.

Although Nevada is still on the low-end of home insurance costs, the division anticipates those rates are going to increase slightly as carriers are requesting and demonstrating a need for more rate.

MR. CROME:

That was helpful. Relative to the states, that increase is still lower on an average percentage basis than it would be in another state such as Florida.

MR. RICH:

The division is approving some rate increases in the range of 10.0% to 15.0%. The division is seeing some cancellations but have found that those consumers are finding other carriers, particularly people located in the wildland urban interface areas such as Incline Village. The division anticipates that home insurance rates will increase statewide.

MR. PLAIN:

Traditionally, rate setting in the property and casualty market has been based on actuarial analytics that is backwards looking—beginning with historical data and then trending it forward. In the last five years, carriers in states such as California have determined that is an outdated method. Based on historical data, California's rates were too low because there had not been a history of large-scale fires outside of a five-to-ten-year window. We look at this in Nevada and there is still not a history of devastating fires in the state. Traditionally, homeowners and property insurance premiums for fire and wildfire risks were lower. The insurance industry is now shifting its focus to a more forward-looking approach, rather than relying on past data. Thus, they are increasingly using wildfire and risk modeling systems to assess future risks. This is not limited to Nevada and California; it is also occurring in states such as Colorado, and states where tornados and hurricanes occur. The carriers believe that a 3.0% rate increase based on historical data no longer makes sense. Instead, carriers believe they need to request higher rates due to this forward-looking approach or cancel or non-renew a large portion of its business in a concentrated geographic area because the risk is too high. Carriers have said that although the risk of a particular area being completely devastated due to a wildfire may be low, if it occurs, those carriers stand to lose multiple billions of dollars in that one small geographic area. The company's solvency cannot absorb that cost. That is where the non-renewal/cancellation pullback is originating.

MR. GORDON:

On the auto insurance side, it sounds like similarly, there could be double digit increases in overall premiums going into the next biennium. Is that how the Forum should be thinking about it?

MR. RICH:

The division is seeing a lot of pressure on the auto insurance side. As Mr. Plain mentioned, the division analyzes historical data and the profitability of these companies. Many carriers on the auto side are losing money operating in Nevada. There are a lot of factors such as insurance fraud. Nevada is a very litigious state in terms of auto insurance. I spoke with a small insurer a couple of weeks ago and the carrier is exiting the market because it felt that Nevada was just too costly. The division saw payouts from ten years ago that averaged around \$39,000; now, they are up to about \$130,000. The cost of doing business in the state continues to increase due to insurance fraud and crowded highways. Insurance carriers are losing money; therefore, the division is granting rate increases in the range of 5.0% to 20.0%; although that is expected to stabilize in the next couple years. I do not think we have even seen the impact so much from the insurance tax side because many of those increases will go into effect later this year and in 2025. From the Forum's perspective, I would say there will be significant growth on the property and casualty side of the insurance tax collections.

RUSSELL COOK (Executive Director, Silver State Health Insurance Exchange [SSHIX]):

I am joined this morning by Janel Davis, Chief Operations Officer. We appreciate the opportunity to give you an overview of the state of affairs at Nevada Health Link and SSHIX.

JANEL DAVIS (Chief Operations Officer, SSHIX):

I am going to review slide 2 of the presentation (Exhibit C), which provides an overview of the Exchange's vision, mission, and values. The Exchange's vision is access to health insurance for all Nevadans, and the mission is to increase the number of insured Nevadans by facilitating the sale of health insurance. SSHIX provides and connects eligible Nevada residents to quality health care and dental care through the creation of a transparent, simplified marketplace. SSHIX is consumer-focused and innovative with diverse stakeholder involvement, which is vital to the success and implementation of the Exchange. SSHIX is also committed to creating a business-friendly environment for the simple purchase of health and dental insurance.

MR. COOK:

SSHIX is the state agency that operates the online marketplace of Nevada Health Link (www.nevadahealthlink.com). Many resources have been invested to promote awareness. The essence of the agency is to connect Nevadans who are not insured by their employer or Medicaid and who are not eligible for Medicare to comprehensive health insurance coverage as well as dental coverage; however, most enrollees are enrolled in health

coverage. Nevadans can purchase ACA-qualified health plans or qualified dental plans through the Exchange, and if eligible, they can receive subsidy assistance to help reduce the cost of their monthly premiums as well as the cost of doctor visits. Nevada Health Link is the only site where Nevadans can get access to this ACA financial assistance.

I would like to emphasize that the agency is solely self-funded through an assessment on monthly premium fees for the plans that are offered through the website. No state funds are used to support operations and only very limited federal funds are used to support operations. To clarify, the reason I mention federal funds is because establishment grants were provided under the rollout of the ACA. Those funds were exhausted several years ago, and for the last five years the agency has operated solely on the fee-based revenue.

MS. DAVIS:

Slide 4 is an overview of the county-level data that represents enrollees throughout the state. Clark County is the highest county with approximately 77,000 enrollees. The next highest area is Washoe County followed by Douglas County. All the figures listed on this page are current as of October 1, 2024.

MR. COOK:

The proportional distribution of these enrollments throughout the state roughly mirrors the populations of the respective counties themselves. There is a similar reach and impact in each county throughout the state.

Regarding 2024 enrollment demographics, the figures provided on slide 5 were based upon the end of last year's open enrollment period. Open enrollment runs from November 1 through January 15. As of mid-January 2024, there was total enrollment of approximately 99,000 health plan selections, of which 52.9% were female and 46.4% were male. That does not equal 100.0% because ACA regulations allow the Exchange to enroll consumers without having the gender identifier. The ratings are the same for males and females. That is one of the benefits that was introduced with the ACA.

Regarding age breakdowns, only 14.4% of enrollees are under the age of 18; 20.0% are between the ages of 18 and 34; 33.4% are between the ages of 35 and 54; and 32.2% are 55 years of age or older.

MS. DAVIS:

Slide 6 summarizes the open enrollment metrics as of January 21, 2024, which is the end of the open enrollment period for Nevada Health Link. This is a summary of the unique enrollees with a health plan. The total enrollees after this last plan year were 99,312. In the bottom left there is a pie chart that consists of the enrollees that used assistance from either a navigator or broker as well as non-assisted enrollees. In the top right corner, it shows the average premium costs before Advanced Premium Tax Credits (APTC) as well as after the APTCs, and then a monthly average APTC. I wanted to reiterate that this includes the unique enrollees with a 2024 plan selection in either confirmed or pending status. As of January 1, 2024, consumers who terminated their policies have been

removed from these counts. The average premium values are monthly averages for all enrollees. The average APTC is the monthly average for enrollees with monthly APTC that is less than \$0.

MR. COOK:

Before moving on, I wanted to note a couple things about the age distribution. You may have noticed that on slide 5, there were broader buckets in terms of age range, but we report federally ten-year increments for age brackets. The largest bracket by far is 55 to 64 years of age. We refer to that as the pre-Medicare population and this population is currently about 27,500 enrollees.

I also wanted to mention that most of the enrollees in that bucket do not qualify for subsidy assistance even though that is the largest group of enrollees. We believe that reflects the quality of ACA health insurance. It is heavily emphasized that these subsidies, or premium reductions, are available, but we believe this is a strong indicator that people are attracted to the quality of these health plans and the benefits they offer even if they do not qualify for subsidies.

I would like to mention a concept regarding the actuarial values of these plans. They are divided into “metal tiers”. In the top row on slide 6, to the right of the number of total enrollees, there is a breakdown—silver, expanded bronze, gold, bronze, etc. That is an indicator of the actuarial value as well as the deductible and maximum out of pocket that is associated with each of those tiers of coverage. The higher the metal level, the higher the monthly premiums, but lower deductibles, lower maximum out of pocket, and higher actuarial values. We depend upon the enrollment assister population, because over 69.0% of enrollees receive free assistance from either an agent, broker, or navigator. These assisters extremely beneficial in helping consumers understand their out-of-pocket costs; it is not just about how much the individual is paying per month but also copays and deductibles.

Next, I would like to provide a history of enrollment numbers. The first year that Nevada Health Link offered coverage was 2014—that was the first year for ACA coverage nationwide. Nevada struggled with the rollout, as did every state, and the federal marketplace of <https://www.healthcare.gov/>. In fact, the technology problems were so troublesome during 2014 that Nevada made the decision to move to the <https://www.healthcare.gov/> marketplace—the federally facilitated marketplace—starting in PY 2015 and through PY 2019. However, Nevada Health Link retained a desire rather to re-establish a state-based marketplace for a couple reasons. The chief consideration was the cost of utilization of the federal marketplace. The Centers for Medicare and Medicaid Services (CMS) was steadily increasing the utilization fee for the marketplace. SSHIX projected in approximately 2018 that those increases would literally price Nevada Health Link out of business by about 2022. Another consideration was the flexibility that is afforded to states that run their own state-based marketplace. When a state uses the federal platform, considerations like the timing of the open enrollment period, etc. are dictated by the CMS. Being a state-based marketplace offers a great deal of flexibility in

terms of being able to make those types of operational decisions, which we believe are in the best interest of Nevadans.

Moving from 2019 to 2020, it coincides with the migration from the healthcare.gov platform to the Nevada Health Link platform. There was slight erosion there with a reduction from about 83,500 to 77,000. That was not the result of any technical issues with the migration—everyone who was enrolled through healthcare.gov was transitioned to the Nevada Health Link marketplace and their coverage was automatically renewed for 2020. The erosion was largely the result of voluntary cancellations from consumers. Nevada Health Link recovered quickly and has experienced steady gains since then, reaching a high point in 2022. That was largely attributable to the introduction of expanded subsidies under ARPA, which were more recently extended under the Inflation Reduction Act of 2022. That was a big part of the puzzle, but SSHIX also attributes a significant amount of the growth between 2021 and 2022 to enhanced marketing and outreach efforts as well as significant growth in the assister community, including an increase in the number of licensed agents and brokers who offer enrollment assistance for Nevada Health Link.

The last three years have been steady, reaching a plateau of around 100,000 enrollees. To contextualize that within the statewide insured landscape, the individual market represents about 4.0% to 5.0% of the statewide insured rate. Nevada Health Link fits within that range. The 100,000 or so enrollees exist alongside Nevadans who have purchased their insurance directly from an insurance carrier to comprise the whole of that individual insurance category.

Ms. DAVIS:

Slide 8 relates to the Public Health Emergency (PHE) Medicaid Unwinding. August 2024 marked the final month of Nevada's unwinding of the PHE. I would note that the Exchange collaborated closely with its partners at the Department of Health and Human Services, Division of Health Care Financing and Policy, Medicaid, and the Department of Business and Industry, Division of Insurance. Together, the agencies worked to ensure effective outreach to Nevada consumers, educating them on the unprecedented unwinding process, while also safeguarding their eligibility and preventing any loss of coverage, whether through Medicaid or the Exchange. During this timeframe, approximately 129,000 Nevadans were referred to the Exchange following a loss of Medicaid or the Children's Health Insurance Program (CHIP) eligibility during the unwinding period, which began in May 2023. Outreach efforts involved a comprehensive campaign that included expanding the number of customer service representatives, enhancing the consumer assistance call center, and making outbound calls. Recently, the Exchange embarked on a Short Message Service (SMS) text messaging campaign to reach every impacted household with a valid phone number on file. Of the individuals who lost Medicaid or CHIP eligibility, approximately 4,900 enrolled in health insurance coverage through the Nevada Health Link marketplace.

MR. COOK:

These numbers on slide 8 represent a subset of the total number of impacted households within the unwinding period. The unwinding was related to a moratorium on Medicaid redetermination imposed by the PHE legislation enacted in 2020. If an individual qualified for Medicaid during this time, they could roll on to Medicaid. The usual periodic Medicaid redeterminations that were conducted on a scheduled basis were paused beginning in the second quarter of 2020 and resumed in May 2023. The Medicaid rolls steadily increased over those years. The purpose of the unwinding period was to work through that backlog and redetermine all these households per the standards that existed prior to the enacting of the PHE.

The 129,000 Nevadans mentioned earlier by Ms. Davis is a subset of the total number of Nevadans who lost Medicaid or CHIP eligibility during the unwinding period. The reason being, the Exchange only receives referrals from Nevada Medicaid for households that lost their eligibility due to the specific reason of an increase in income which placed their household income over the Medicaid or CHIP eligibility threshold. There are a number of other reasons why households might have lost their Medicaid eligibility, including what is known as a non-cooperation or procedural denial, meaning that the household did not provide the requested documentation, usually income verification documentation, that would have been required to complete the eligibility redetermination. Of the total number of individuals and households that lost Medicaid or CHIP eligibility, the Exchange only saw a fraction of that. Of those 129,000 that were referred to Nevada Health Link, only about 11,500 took the next step of claiming their application data and receiving an eligibility determination from the Nevada Health Link platform. Of those 11,500, only 4,900 re-enrolled. That gap between 11,500 and 4,900 is very near to a 50.0% success rate in terms of attracting those individuals who received an eligibility termination and convincing them to enroll. That indicates the website was easy to navigate and that once consumers understood their options and received their eligibility determination, they were easily able to enroll. Over 50.0% who received eligibility determinations did not enroll. When analyzing that data, we made some inferences. Of the individuals that enrolled, the net premium that those individuals were paying each month looked like an inverse bell curve. At the low end of the scale, individuals who qualified for these premium reductions were typically paying a net premium up to about \$80 per month, and there was a sharp reduction after that. At the high end of the scale, a significant number of people who lost their Medicaid coverage were enrolling in unsubsidized coverage, meaning that their income had increased so much during the unwinding period that they no longer qualified for Medicaid or CHIP and their income also exceeded the eligibility threshold for premium reductions through the Exchange. That \$80 number for net premium seems to be a key threshold, beyond which individuals or households who were previously covered by Medicaid but are now required to pay for their own health insurance consider it to be unaffordable.

In terms of outreach and messaging efforts, since inception, the Nevada Health Link platform has provided email and print mail notifications to consumers who are referred to the Exchange from Nevada Medicaid. The Exchange supplemented those efforts to add the direct-to-consumer outbound calls and SMS messaging. To date, the Exchange has

sent approximately 80,000 SMS messages. Every household with a valid telephone number or SMS-enabled telephone number on file has received at least one message.

Slide 9 discusses PY 2025 open enrollment. This year, Nevada Health Link will be offering a total of 141 qualified health plans for sale from eight different insurance carriers. Those are the same eight insurance carriers who offered health plans during PY 2024 as well—the Exchange was able to retain all eight of the insurance carriers. Those eight carriers are offering plans at all four metal tiers—catastrophic, bronze, silver, and gold. The monthly premium increases based on the tier, but so does the actuarial value, and typically, the deductible and maximum out of pocket decreases.

The next four bullet points detail the availability of health plans at the county level. The reason there are four bullet points is because the ACA rating methodology allowed Nevada to define four separate service areas, or rating areas, throughout the state. Rating area one, which includes Clark County and Nye County, is by far the most populous rating area. That area will have 86 health plans available from seven different health carriers. Rating area two, which is Washoe County, will have 71 plans available from seven carriers. Rating area three, which comprises Douglas County, Lyon County, Storey County, and Carson City, is referred to as the quad counties rating area. It will have 46 health plans available from four different carriers. The remainder of the state, rating area four, is the rural counties. That area will have 31 plans available from two carriers.

You may be wondering why the disparity in terms of the insurance carriers and plan offerings. Insurance carriers have the option to provide plans in only a subset of the rating areas throughout the state. Many have chosen not to offer plans in the rural counties. The Exchange believes that is primarily because the demographics tend to skew a little older; the actuary analysis is slightly more complex; and it is thought of as a higher risk pool of potential enrollees.

As noted earlier, the Exchange also offers dental coverage. There will be 18 qualified dental plans available from five different dental carriers throughout the state. As far as rate increases relative to 2024 are concerned, the final average rate increase on the Exchange is 6.55%. That is weighted in terms of the current distribution of enrollments throughout the platform. Most enrollees choose a silver plan, and gold and catastrophic tiers have the lowest enrollment numbers. That value of 6.55% is weighted in terms of the proportional distribution of enrollment across those different metal tiers and plans.

As noted previously, approximately 70.0% of the plans receive the benefit of free enrollment assistance. That happens from two different populations of enrollment assisters. On the one hand, ACA regulations require the Exchange to administer a Navigator program. Navigators are essentially grantees who are paid by the Exchange through its operating budget. The term “grant funding” is from the ACA legislation; it does not refer to federal grants. Agency fee-based revenue is used for this purpose, not General Funds. There are seven Navigator organizations throughout the state who are employing a total of 40 individuals to provide free enrollment assistance. Navigators are different from agents and brokers who receive monthly commissions; these grantees are

paid by the Exchange to offer free enrollment assistance. Navigators are located in a variety of community partners throughout the state, primarily community health centers. They help the Exchange develop printed materials as well as to provide in-person assistance in a variety of languages. For example, the Exchange has a longstanding partnership with the Asian Community Development Center in Las Vegas, which provides printed resources and enrollment assistance in Tagalog, Korean, Mandarin, Chinese, Vietnamese, etc. The Exchange also has a Navigator presence at the Mexican Consulate in Las Vegas. Free enrollment assistance on a walk-in basis is provided at the consulate. The Exchange also has an extensive agent and broker community. Almost 900 agents and brokers are going to be licensed to offer enrollment assistance for PY 2025. Within that population, each year the Exchange singles out 8 broker awardees for the Preferred Broker program. These selections are based not only on exemplary performance but also on the Exchange's effort to identify emerging brokers, those new to the field, who are located in rural areas of the state. For instance, Reisa Nolte, who is a broker who works and lives in the Elko area. This is the first time the Exchange has been able to partner with a broker in that area. The awardees have a \$10,000 budget every year with which they can use to promote their business, this in turn promotes awareness of Nevada Health Link. Ms. Nolte was able to get a billboard on Interstate 80. I had the pleasure of being in Elko last week for a community partnership event. I heard extensive and positive feedback from the community about how excited they were, and apparently this has been quite a boon to Ms. Nolte's business as well.

These are just a few examples of the Exchange's community outreach efforts aimed at establishing partnerships throughout the state that can help promote awareness of the Nevada Health Link marketplace.

Ms. DAVIS:

Slide 10 is an overview of Nevada's uninsured landscape. I want to preface that this is somewhat outdated information from prior to the COVID-19 pandemic, but it still provides helpful insight into the uninsured landscape in the state. Before the ACA, depending on what you read, the uninsured rate in Nevada was around 24.0% to 26.0%. After the ACA and the marketplace in the state, that rate decreased to between 10.0% and 12.0%, and the situation changed slightly after the pandemic. The Exchange relied heavily on the Guinn Center for Policy Priorities, which conducted a study that showed an estimated 350,000 to 400,000, or nearly 14.0%, of Nevadans were uninsured. Of those uninsured, 37.0% were thought to be eligible for Medicaid or CHIP; 19.0% (around 77,000) were thought to be eligible for the Exchange with the assistance of subsidies; 12.0% were thought to be ineligible for Exchange financial assistance because they had affordable employer-sponsored insurance; 27.0% were ineligible for Medicaid or Exchange due to immigration status; and 5.0% were ineligible for financial assistance because they were over 400.0% of the federal poverty level, which is where the subsidy assistance ends. Subsidy assistance is available between 138.0% and 400.0% of the federal poverty level. However, these consumers may now qualify for the subsidies due to the ARPA increases.

The Exchange is considering conducting further research to update the data; however, I would note the Exchange uses the U.S. Census Bureau, which recently conducted an uninsured study. Based on that study, the current uninsured rate was reported at 11.6%.

MR. COOK:

Despite the difficulties that the pandemic has presented to other sectors of the economy, health insurance is one of the only sectors where business increased throughout the pandemic period. That was largely attributable to the expanded subsidies made available under ARPA and later under the Inflation Reduction Act of 2022. Those subsidies are currently scheduled to expire at the end of 2025. I did not want to end on a grim note but it is important to note that while there has been positive progress in reducing the statewide uninsured rate over the past few years—especially with the moratorium on Medicaid redeterminations playing a significant role—there is concern that the combined effects of the unwinding of the PHE and the potential expiration of the expanded ARPA and Inflation Reduction Act of 2022 subsidies could reverse this progress in the coming years.

Chair Rosenthal called a recess at 12:32 p.m. The meeting reconvened at 1:04 p.m.

IX. PRESENTATION ON THE SOUTHERN NEVADA ECONOMIC, CONSTRUCTION, AND HOUSING OUTLOOK.

JOHN RESTREPO (Principal, RCG Economics):

As economists focused on the labor markets and economic development, we love the motto, “Economics is extremely useful as a form of employment for economists.” The other one I like is, “If you think amateur economists are dangerous, please do not listen to a professional economist.”

I will begin with a brief overview of the United States economy, then on to discuss the Southern Nevada economy, and the real estate and land issue (page 163, [Exhibit A](#)).

CAMERON BELT (Senior Economist and Research Director, RCG Economics)

We wanted to provide some interesting insights at the macro–United States economic level to underscore some different themes throughout the presentation and hopefully highlight some things that have not been brought up throughout the rest of the day.

At the macro level, one of the things that is gaining interest is the divergence between Gross Domestic Product (GDP) and Gross Domestic Income (GDI). These two measures should track 1:1. It is two sides of the same equation—GDP is spending and GDI is income—you cannot spend more than you make. In reality, the numbers are showing some different scenarios right now. As of quarter two, the gap is not quite as big. The GDI is growing year-over-year at a slower rate than the GDP, and that raised some flags. Again, these numbers do get revised. They are from different types of surveys so there is always some bias; however, this is the first time we are seeing this big of a difference. It is also the longest time that we have seen a divergence between the levels of both the GDP and the GDI. The GDI has been below the GDP since the beginning of 2023, which

does not happen very often, and it has not happened ever for this prolonged period. It is raising some questions to which there are a lot of different answers, but one of them is, debt possibly has more at play than expected.

Another topic that is not discussed much is the cumulative impact of inflation over time. Normally, we look at the CPI year-over-year, and in recent months, it has decreased from a large peak. I like to present it in a different way, which looks at the cumulative impact on prices from a base year to current time. From January 2021 until now, gasoline is up 35.0%, food is up 21.0%, and all items are up 19.0%, core prices in general are up 18.0%; however, average weekly earnings are only up 16.0%. There has been an increase in prices that has been cumulative over time; we hear it is decelerating, but the fact of the matter is that wages have been held back compared to prices. That plays into the GDP and GDI. Prices are increasing so on the surface we are seeing an increase in that activity, but we might not be seeing it at the household level. I would like to point out that for the past few years, median household income in the United States has decreased for three consecutive years, marking the first time in a long while there has been such a consistent decline. However, the most recent estimates for 2023 show a gain, which is great. That said, we are essentially back to where we were in 2019. It is nice to recover some of those losses, but we are still at the same level as a few years ago.

By the same token, we have seen household debt come back to where it was before, and savings, after declining to less than 2.0% in the middle of 2022, finally increased to 5.2%. Recently, wages have been stagnant, debt has been up, and savings has been down. At a macro level, those are the three things I like to examine. Those are three things to be aware of as we are thinking about this and as it ties into Nevada overall.

MR. RESTREPO:

The reason this is important is because we all know that in Southern Nevada particularly, it is still largely driven by discretionary spending by visitors. We export our product, and the visitors spend it in Nevada. When those visitors are feeling a little concerned about purchasing power, it impacts the state's economic activity. We always want to set the stage on the local economy by what is happening at the national level because we are dependent on the kindness of strangers coming here and spending their money.

On the Southern Nevada front—Las Vegas MSA, Clark County—the employment numbers are currently showing 1,200,000 jobs and an unemployment rate of 3.7%. The effects of the pandemic are evident, but if we went further back, you would see the real collapse after the Great Recession. Nevada is beginning to stabilize—the unemployment rate is holding steady, and the job numbers are growing at a decent pace. Annual job growth of 3.7% is respectable. We expect to maintain this momentum through 2025, but beyond that, the outlook is uncertain. Nevada's economy is performing relatively well, largely because the American consumer is doing okay. Despite rising costs, people are still spending, and there continues to be strong economic activity at the national level.

The chart titled, *LV MSA Wages: Since 2014 Nominal Up 47%, Real Up Just 7%* on slide 11 is very important. The dark blue line represents nominal wage growth, and the

red line represents wages after adjusting for inflation. We are at \$662 a week after adjusting for inflation, \$1,000 before adjusting for inflation. I believe this number is equivalent to the level in 2010 or 2011. The wage growth is still stagnant, which causes a challenge with the cost of housing and other things. One of the biggest concerns for Southern Nevada right now is the wage issue.

The chart titled, *Clark County Taxable Retail Sales July 2024: -4.4% YoY, Real -6.9%* is provided because it relates to economic activity, consumer spending, etc. Recently, we have begun adjusting taxable retail sales by inflation—the purchasing power of the dollar. When the state looks at taxable retail sales, it should be looking at the nominal amount, which is the dark line, but also the spending power of that dollar, which is the red line. You can see there is a divergence at this point, which is not unique to Nevada. It is recommended to look at these fiscal numbers on an inflation adjusted basis when possible and when appropriate.

Gaming win is doing well. There have been historical numbers in the last couple of years, but when adjusting for inflation, it is not all that dramatically different from August 2014. The big collapse was the closing of the resort industry during the pandemic. Again, the purchasing power of these dollars are losing some of their strength.

Moving on to the real estate side, we depend on data from Home Builders Research. The median housing price of a new home in Las Vegas, at the end of August 2024, was \$500,000. The median price of an existing home was \$416,000, and the blended number between those two is about \$436,000. The housing market is still growing in terms of housing prices, which is good for the seller but not the buyer. It has started to stabilize. New home prices have increased by 30.0% since 2020, existing homes have increased by about 40.0%, and the weighted average is about 38.0%.

The *Monthly Home Closings, 8/08-8/24: LV MSA* chart is a companion to the *SA Median Home Price: LV MSA* chart. The chart reflects home closings—amount of actual sales per month. The red line represents total home sales—there were about 3,500 home sales in August 2024, of which 874 were new homes and 2,700 were existing homes, because the inventory is much larger. There is a shortage of housing across the valley in terms of construction, which is causing prices to increase, along with a variety of other reasons. The chart shows the volume of activity absorption rates since 2020. Total home sales were down by 25.0%, existing homes were down by 5.0%, and new homes were down by 29.0%. It is not a function of affordability, more than anything. That is why the apartment market has grown over the last few years; that is what we are seeing in terms of a housing activity compared to apartments.

We analyze the Case-Shiller Home Price Index to see where Nevada stands on housing prices. The index is a little complex, but essentially Nevada is performing better than the United States average in terms of a housing cost index, which is good news. Compared to some of these national indicators, Nevada prices are better than others in terms of the affordability index.

The former Housing Opportunity Index is now referred to as the Housing Cost Index. The Housing Cost Index is developed by the National Association of Home Builders and Wells Fargo. The Housing Cost Index for Las Vegas is a bit higher compared to the United State average. The Housing Cost Index represents a share of the typical family's income needed to make a mortgage payment on a median priced home. It is at 38.0% in the United States and 40.0% in Nevada. We are getting mixed numbers, because on one hand, the Case-Shiller Home Price Index says Nevada is performing better than the national average, but looking at the Housing Cost Index, Nevada is performing worse than the national average in terms of affordability. It is even a little tougher in the Reno market.

Mortgage rates are finally trending down—most recently, 6.2%. Interest rates peaked at about 7.5%. They were much lower prior to the ramp up of all the liquidity that was put into the system that caused interest rates to increase. The Federal Reserve got involved to cool off the economy. The result of that is higher interest rates, which cooled off the housing market. That was not necessarily bad because the housing inventory was low due to lack of construction nationwide. The housing affordability issue is not limited to interest rates, but also lack of inventory for a variety of reasons—the pandemic, land issues, construction costs, etc.

I would note the Federal Reserve will likely decrease interest rates a couple more times before the end of the year, probably 25 basis points. That seems to be the consensus. The Federal Reserve is monitoring things very carefully to see where the economy is heading nationally.

The data shown on the *LV MSA Apartment Vacancy Index* chart is obtained from Apartment List (Exhibit A), which has good information. This index is an average of all vacancies at the property level; it is weighted by the number of units in each property. In Las Vegas MSA, the index was 6.3% vacancy rate at the end of September 2024, and 6.7% at the national level. Essentially, there is full occupancy—vacancy rates between 5.0% and 6.0% are basically considered full occupancy. There are not a lot of units available to absorb. There has been a cooling off of rents—more apartment complexes are offering move-in deals.

It is the same situation with overall rents—the *Overall Apartment Monthly Rent, 9/17-9/24* chart shows the average monthly rent in the United States versus the Las Vegas MSA. It compares the monthly average rents between September 2017 to September 2024. The average monthly rent in the Las Vegas area is about \$1,500 a month, and it is about \$1,400 at the national level. There has been a little divergence between those rents, but they are flattening out slightly in both the United States and Nevada. It is uncertain when rents will return to the \$1,000 to \$1,100 per month rate; I do not think it will be anytime soon, but at least rents are stabilizing.

The chart titled, *LV MSA Median Monthly Apartment Rents. 1 & 2-BR Units: October 2024* shows rents broken down by each of the valley's jurisdictions and one bedroom versus two bedroom. Currently, Henderson is clearly the most expensive rental market in the valley. The first three groupings combine to make the unincorporated Clark County

average, which is in the middle, and then Las Vegas and North Las Vegas are to the right. That is a snapshot as of October 2024.

The *LV MSA Jurisdictions Y/Y Median Rent Growth: October 2023 – October 2024* chart shows the overall rent growth over the past year. North Las Vegas has had the highest rate of rent growth; the other ones are flattening out. I think the prices in North Las Vegas were a little less expensive so there was the most appreciation in terms of rent—people began moving into that area due to pricing.

Vacancy rates in the industrial and office market are used as indicators of the health of the economy and to a certain extent, the rate of economic development and economic diversification. The office market remains incredibly weak. Recently, while speaking with office brokers at a conference, I learned that the office market is weak nationally. There was a 12.0% vacancy rate at the end of the second quarter, and no indication that will change soon.

We are seeing an increase in the industrial vacancy rate, which is one of the key indicators we monitor from an economic diversification perspective. The industrial vacancy rate has increased to 6.0%, which is relatively full, but it is starting to increase. Currently, there is a limited supply of quality space available, and there is some building obsolescence driving some of the vacancy rate based on the remaining available space. However, the market remains overall healthy.

Moving on to office and industrial monthly rent—rents are a quarter per square foot, per month. Office is up at \$2.64 but is has not changed drastically over the last few years. The rent in the industrial market is moving along at a decent pace, but industrial brokers are expecting a significant increase in rents over the next year. This is driven by growing demand from users entering Southern Nevada, particularly for large, big-box logistics centers. There is not as much on the manufacturing front yet, but it is progressing in that regard.

Over the last few years, we have conducted a number of studies for the National Association for Industrial and Office Properties (NAIOP), GOED, and more recently the Nevada Department of Transportation, under a consulting contract with another engineering firm. The studies have been to evaluate the land availability issue, because there is a severe shortage of developable land in Southern Nevada. Currently, there is a disconnect between the demand for land within the timeframes that developers and users need and when land will become available through the federal government. This is influenced by the lengthy process of land release, as well as pending legislation in Congress, including Senator Catherine Cortez Masto's land bill.

The map on the page titled, *LV MSA Limited Land Availability is Threatening Economic Growth*, is from a study that was conducted for GOED a couple years ago ([Exhibit A](#)). The dark blue places indicate the remaining vacant land parcels. At that time, there was only about 16,000 acres of developable land, in parcels of 20 acres or more with a slope no more than 7.0%. The reason for the 7.0% maximum slope is because it is difficult to build for large scale industrial warehouse distribution and logistics uses if the slope is

beyond 7.0%. When we started narrowing it down by those parameters, there was not much land available in the Las Vegas Valley. This does not include the potential land that would be made available in other locations. I would note that these are parcels that will be ready within the next five to ten years.

We used a filtering system to identify all these parcels. We used a sophisticated modeling system to look at these parcels, after which we assigned points and tiers to the parcels based on certain factors. The tier levels are noted on the left side of page 190 (Exhibit A). The ranking criteria helped to determine the most developable parcels and more desirable parcels for end users—for companies and developers coming to Southern Nevada.

We did the study at the end of 2021 for GOED. We learned from the study that of those 16,000 acres, only 5,000 acres were in the preferred areas—Tier 1 and Tier 2. The majority of the parcels were in less desirable areas. Approximately 10,000 acres were in Tier 3 and about 1,200 acres were in Tier 4. These areas were less desirable because they were further out, not near housing or services, etc. The most concerning part is that there were no Tier 1 areas of any size. These are areas that are considered the best sites, areas with utilities, freeway and/or rail access, proximity to infrastructure, etc. Nothing that could accommodate a business such as Tesla or another large-scale user. This information was provided to Senator Catherine Cortez Masto's office, and I think it had a slight impact on her lands bill. Subsequently, we conducted a study for GOED that considered many factors in all the land down to Primm and Sloan and to the California border. The land situation is a little better in those areas, if that land is made available in a reasonable amount of time. However, it is unknown when the airport will be available and when the lands bill will be finalized. As I mentioned earlier, there is a disconnect between the demand for land within the timeframes that developers and users need and when land will become available through the federal government. This is concerning in terms of moving toward a more sustainable economy.

MR. BELT:

Earlier this year we conducted an exercise to categorize all the land that is available throughout the Las Vegas Valley. Through a partnership with the University of Nevada, Las Vegas Lied Center for Real Estate, we can visualize the amount of developable vacant land going back to 1980. This is primarily focused on vacant, privately held developable land. Anything that is in white on the maps on the page titled, *LV Valley Vacant, Developable Land: 1980 & 2024*, is either already developed land or federally owned or municipally owned land (Exhibit A). The white indicates land that is available to be developed by the private sector and has low enough slope for construction purposes. From 1980 to 2024 there was a dramatic difference—dramatic growth over the last 40 years. It is real—there is not much available land where development can occur. This constraint is continuing to put pressures on home construction and commercial development. The land issue is a real one that impacts multiple areas of the economy.

MR. RESTREPO:

I want to re-emphasize that the reason this information is important is because it ultimately impacts the fiscal state of Nevada in terms of revenue flows. The resort industry is doing well, and professional sports has also become critical to the state. However, clients in the commercial development and non-real estate industries have expressed concerns about the ability to sustain Nevada's economy to generate revenue needed by state and local governments to provide services. One aspect we have been examining, which is not necessarily a constraint in terms of physical or economic factors, is the state's regulatory framework. Along with other issues discussed today, factors such as zoning, business occupancy, licensing, etc. are also standing in the way of progress toward a more resilient economy. We are always evaluating these barriers to entry because addressing them is crucial for the state's prosperity. It is essential to ensure that the revenue base continues to grow.

MR. BELT:

There are five things currently on our minds at RCG, the first of which is the land supply issue, which is a real barrier that we can put real numbers behind. We can see the absorption happening on a yearly basis, and we know there is a fixed point. Because of that, it gains a lot of attention, and it is a significant concern. The next issue is wages and income. While we have seen growth overall in terms of nominal, that flattening out in the real basis is a concern. It is something to be aware of at least because that functions into everything that we have for Nevada residents. As we discussed earlier, the Case-Shiller Home Price Index shows that the Las Vegas MSA is less expensive compared to top 20 metros. That means that everybody coming from everywhere else can obtain housing for less money, but for those who live here, the cost of housing index is much higher than the rest of the United States.

The next issue we call "diversity of double down." We talk about economic diversification in terms of new sectors, but the question becomes whether to double down on a certain sector with more support. For example, when it comes to entertainment, should that be supplemented with more gaming related toward that, or is it health care that is toward sports and entertainment, or is it entirely new industries that do not really exist in Southern Nevada? It is one thing to take something from zero to one, and it is another to take what currently exists within the market and find ways to help offshoot for that as well—we call that doubling down to some extent.

MR. RESTREPO:

I forgot to mention this earlier, which is key to all of this, but what is the ultimate impact of artificial intelligence (AI) and automation to the job base in Southern Nevada and Nevada in general? Some studies that were conducted before the COVID-19 pandemic indicated that the Las Vegas MSA was one of the economy's most susceptible to losing jobs because of AI and automation—up to 65.0% of jobs that existed in 2019 will be lost by 2035. If we assume that is an exaggeration, and it is only 30.0%, it is still a significant disruption in the job markets due to AI, automation, and robotics. Ultimately, we will

adjust, and people will get retrained and work alongside AI and robotics, but there will be some level of disruption in the state's economy as well as the United States' economy. Keep in mind that also could have a significant effect, at least in the short to intermediate terms as it spreads. We are concerned about these studies that show that Southern Nevada is one of the most vulnerable economies. All of this is influenced by AI—who knew it would grow so quickly and start taking over the world?

MR. BELT:

That is a perfect segue into the next point, regulations and the cost of doing business. With AI, there have been dramatic changes in how things get done. Regulations and regulatory environments are necessarily fixed in point, which can hinder resilience. As things evolve, some barriers that were originally well-intentioned and grounded in history may no longer be relevant moving forward. It is important to understand how these barriers interact with new advancements, and we must remain aware of this dynamic. As mentioned earlier, resilience is critical to our ability to make the most of our resources, such as our land, which is affected by zoning laws, and our minds, which relates to new business models and new ways of doing business. We need a regulatory environment that fosters innovation rather than hindering it. If we do not create that environment, other states will potentially attract growth, entrepreneurs, and new businesses.

We would like to end on one final bit of word on economics: "The function of economic forecasting is not to predict the future but to tell you what you need to know to make meaningful actions in the present" (Peter F. Drucker). It is not about getting everything right, but about being aware of what matters and recognizing the threats to those areas and where those challenges may lead.

MR. LEAVITT:

You provided a lot of interesting information. As you know, when we do the projections, we do them by individual taxes and such. If you were going to give the Forum advice on how to view the general economy for the next 30 months, what would you say?

MR. RESTREPO:

We do not know what to expect with the upcoming election. In a recent Wall Street Journal article, it said that 68.0% of the economists interviewed said that Donald Trump's economic plan or strategy would create incredible amounts of inflation. Mr. Trump is already talking about 1,000% tariffs, which is concerning for the economy; however, he says a lot of things that he does not follow through on so those tariffs may never come to fruition. We do not anticipate a downturn in the economy per se, but we do see a slowing down until inflation is controlled and wages catch up. Something that Americans do not speak about as much—notice how the savings decreased. Americans love to spend money—everyone agrees on that no matter where they are politically. Let us take on more debt, but that takes away from investment as well. I think Nevada will experience growth in the state GDP of 2.0% to 3.0% over the next 30 months. It will be less on wage

growth, but it will be slow and steady growth. Again, barring anything crazy like an expansion of the war in Ukraine or other international issues.

MR. BELT:

One line item that comes to my mind is the slowing of the gaming win percentage. Any taxes that come along directly with gaming win may slow down compared to previous estimates. We might see that relaxing a little and I do know there are other entities here that are forecasting slowed growth on gaming win. That does not mean that the Las Vegas Strip overall is underperforming. Obviously, the LET could increase and things along those lines. However, I think gaming win will experience some moderation. I would say be conservative with any related estimates.

MR. RESTREPO:

It is all the question of discretionary spending.

MR. GORDON:

I was thinking about some of the trends you noted in the housing market and the commercial real estate markets. You mentioned that on the housing side, inventory is still tight, and prices have held their ground for several reasons. Please provide feedback on expectations going forward if we wanted to think about the value of property being transacted between residential and commercial.

MR. RESTREPO:

We are weighing the issue of demand for real estate in Southern Nevada, which remains strong. One of the greatest advantages of being next to California is the overflow of that economic activity. Southern Nevada and Nevada in general are in a great place in terms of location as a state and as a region. The issue of land availability is critical, and to a certain extent, that perception of the water issue. Nevada does well in managing its water resources, but the water level in Lake Mead is still decreasing.

I think there will be a slowdown in the commercial real estate markets, primarily because of the land issue and the cost of labor. At a recent NAIOP conference, I had an interesting conversation with a developer from California who had done a lot of work in Southern Nevada over many years. The developer said it was the first time they had seen that it is more expensive to develop commercial real estate in Southern Nevada than in Southern California because of construction costs, but more so because of labor and land costs. Southern Nevada is more expensive land wise then the Inland Empire, for example, for industrial land. Thus, I think we are going to see a slowdown in some of that demand because of costs and uncertainty related to interest rates and global events. We are already starting to see a slight downward trend in terms of demand and a slight upward trend on the vacancy side.

Ms. LEWIS:

I spend most of my time thinking about land, so I appreciate hearing a discussion on the topic. Sometimes, I feel I have a little complex because my specialty is the Real Property Transfer Tax. That is such a minor tax compared to the sales tax and other revenue streams. However, with land, that will trigger investment in manufacturing, which will trigger sales tax with the housing. As it becomes more expensive to house people, it will start triggering problems with employment because people will not relocate to Nevada if they can go to Arizona and hire staff for lower wages and they can live better. I think land is somewhat an underpinning of the whole valley. What I have also seen is a push between residential and industrial—I have never seen industrial land more expensive than residential land. That is unprecedented. Historically, industrial land is in the middle of nowhere and a little scary. Now, industrial land is prime land in places like west Henderson and different markets. To me, it is crucial to think about how that is all going to marry up when we do the Real Property Transfer Tax projections.

Regarding rent, back in 2020, during the pandemic, many outside investors purchased mom-and-pop properties and raised rents, which led to a range of issues. Now that rents are beginning to decrease and concessions are being offered, these investors are losing some of those projects. As a result, we can expect some of them to come back through the Real Property Transfer Tax. However, it is always difficult to predict how it will play out. It makes me happy to know that land underpin most of the economy.

Mr. RESTREPO:

It is interesting that for the first time in my history here, the commercial developers are not complaining about losing land to the home builders. It is a challenge, but it could be mitigated somewhat. One thing we have discussed with our clients in the public sector is visiting the municipal areas' zoning regulations and laws to see if there are barriers to making more infield development more feasible, desirable, and acceptable. If there are not going to be many large parcels on the outskirts, the question is what can be done to redevelop retail centers and similar properties using the regulatory structure to encourage development and make it easier for both residential and commercial developers to do more within the urban core.

Ms. LEWIS:

I agree, and I think the timeframes are a key factor. When someone is holding land for three years, the only party benefiting is the lender. The value is not being added to the new homebuyer, industrial user, or manufacturer; instead, it is going to the lender. This could be more of a policy issue, separate from the Economic Forum.

Mr. RESTREPO:

Sometimes we forget that housing affordability is a component of economic development. It is a factor that companies consider when moving into an area—they look at the labor force, cost of living, utilities, land costs, and other factors; however, housing costs for

potential employees is a significant deciding factor. Housing affordability is key to economic resilience and economic development as well.

There was no further discussion on this agenda item.

X. PRESENTATION ON THE NORTHERN NEVADA ECONOMIC, CONSTRUCTION, AND HOUSING OUTLOOK.

BRIAN BONNENFANT (Project Manager, Center for Regional Studies, UNR):

I am going to discuss growth, housing, and income wage (page 199, Exhibit A). I am not going to talk about the more traditional economic indicators because I think that is provided to the Forum from experts at the state agencies.

I am going to begin with population growth. I am using this as a premise into the overall presentation because the two official sources of population growth and estimates are the State Demographer and the U.S. Census Bureau, both of which have very divergent methodologies and sources, but combined they do an excellent job explaining economic and demographic trends in the region.

The blue columns on the chart titled, *New Population Washoe County*, represent data from the State Demographer. The State Demographer estimated that over the last three years, Nevada grew by 35,000 people just in Washoe County. According to the U.S. Census Bureau, Washoe County only grew 10,000. You see that over the last three years there is a disconnect so we are going to evaluate these methods and sources to determine the reason.

The State Demographer population data is based on jobs and housing units. The chart titled, *2023-2024 Employment Change by Industry, Reno-Sparks MSA (CYTD thru August)*, shows jobs data in the Reno-Sparks MSA through August. The Reno-Sparks MSA includes the Tahoe-Reno Industrial Center (TRIC). Through August, the Reno-Sparks area is up approximately 6,300 jobs compared to the same period last year—in 2023, the Reno-Sparks area was up 5,700 jobs. Interest rates had a lot to do with those figures. That still supports the population number of 7,000 that the State Demographer reported in 2023. Prior to that, there was a clawback of jobs from the pandemic. During the “Tesla” years between 2014 and 2019, there was an average of 8,700 new jobs per year in the Reno-Sparks MSA.

Regarding the Current Employment Statistics data, as you have been hearing throughout the year, the current employment survey is revised often as it gets backed up with that cover employment from the QCEW data.

The top areas of growth in the Reno-Sparks MSA include the following industries: leisure and hospitality, construction, government, and education and health services. Those are regional and national growth trends in those sectors. Another trend in the Reno-Sparks MSA as well as nationally is a decrease in the professional and business services sector, which grew during the pandemic because of the need for temporary

staffing. There are also some linkages with professional business services within the technology industry that continue to experience layoffs.

The data will get revised when the first quarter of 2024 QCEW data is available—that is the most recent data. In the Reno-Sparks MSA, only 950 jobs are showing over the first quarter in 2023, so we are seeing some real numbers pull back on that QCEW side. In the second quarter, we saw surprising numbers in the manufacturing sector, because Tesla laid off 700 employees at the Gigafactory in Storey County in June 2024.

The other side of the State Demographer population estimate methodology is related to housing units. The chart titled *New Residential Construction Washoe County* shows the number of housing units added to the Washoe County tax rolls according to the county assessor. Single family units are represented in blue and multifamily units are represented in red. In 2023, Washoe County nearly surpassed the 2005 mark of almost 6,000 new single-family units added to the tax roll, so 2023 was a banner year, which solidly supports the State Demographer's population estimate in 2023.

Prior to the Great Recession, there was a 15-year run of adding over 2,000 single family homes. We reached that in 2018, and then when interest rates were raised in 2022, the number of single-family homes dropped below the 2,000 mark. That gap continues to be filled by multifamily units. The juggle between single family and multifamily units is about the mortgage rate. That 6.0% is the key number as we see who is going to move into higher permitting—single family or multifamily. We are still tracking almost 6,000 multifamily units under construction in the area. We are going to continue to see a lot of that inventory and that product come in even though permits are down.

The U.S. Census Bureau uses natural growth plus migration—births minus deaths plus migration—to determine population estimates. The chart titled, *Natural Growth Trends Washoe County*, shows birth rates in Washoe County represented in blue. There have been more deaths in Washoe County. In 2022, with the increase in deaths from the pandemic, Washoe County organically grew by only 22 people. The new paradigm for many locations, especially rural counties, and even developing countries, is that birth rates are decreasing, deaths are increasing, and there is very low if not negative natural growth. Rural communities and developing countries rely on in-migration for growth. The chart titled, *Net Migration to Washoe County*, shows the upward trend in 2014 because of Tesla and the influx of jobs. The county reached approximately 6,000 per year in net migration. Currently, Washoe County is down to 372 in 2023 according to the U.S. Census Bureau. It should be taken as a warning that there is much less movement on a net into Washoe County.

As shown in the chart titled, *2023 Net Migration by Nevada County*, the U.S. Census Bureau gave Washoe County a net negative domestic migration of 241 in 2023. That probably has not happened since 1960 when the Stead Air Force Base was closed, so this is another new paradigm for the area. This indicates that the cost of living is so high that people can no longer afford to live in Washoe County. Consequently, there is a net leave out of the county. Much of the population growth in Washoe County was from foreign in-migration as noted in the second column. The other Northern Nevada

counties—Carson City, Douglas County, Churchill County—are all doing well with net migration. Lyon County was above Washoe County with 1,188 in domestic migration. That shows the affordability as people are moving to Fernley and Dayton to get away from the high cost of housing and even gasoline in the Reno-Sparks area.

The chart titled, *In-Migration by Age Range*, shows that the Washoe County population is growing with 18- to 39-year-olds. They represent 53.0% of the incoming population, whereas in the United States population, they only represent 30.0%. Washoe County is poaching from other areas for those age ranges. It is very beneficial for the economy and the communities to have that labor force and homebuyers coming into the area.

There is also a decent number of people over the age of 65 moving into Washoe County, but they only represent 10.0% of in-migration in the county compared to 80.0% of the United States' population. That age group is underrepresented in Washoe County. Although there is good weather, there is snow as well as smoke from wildfires, so retirement age has not been the age range for in-migration in Washoe County.

Back to natural growth, there has been an increase in deaths. Consequently, only three counties in the United States organically grew in 2023, with Elko County barely meeting that mark. The counties in red on the chart titled, *2023 Population Change by Nevada County*, had a decrease in population due to the median age in those counties. This is going to be an ongoing issue as baby boomers become older. The number of births minus the number of deaths equal migration. In 2023, ten counties grew according to the U.S. Census Bureau. This is where the wheels fall off with the U.S. Census Bureau methodology—the rural Nevada counties and within the industries of mining and associated industries. What is the definition of a resident in those areas? Many of the residents in those counties in the rural areas are on wheels. That is a very hard task for the state and the U.S. Census Bureau to monitor and understand the population in the rural areas. I know the State Demographer and the county assessors struggle with this every year. There is transient labor within the rural counties—they buy gas and groceries, visit bars and restaurants, and pay for lodging. Looking at these two different methodologies, one is 10,000 and one is 35,000. The State Demographer's methods are more empirical—housing units and jobs are empirical data. However, the U.S. Census Bureau data is heavily based on surveys, which have been especially difficult to conduct since the pandemic. The Bureau of Labor Statistics reports that the unemployment survey response rate was 60.0% pre-pandemic and post-pandemic it is 30.0%. The 2020 decennial census conducted by the U.S. Census Bureau was not fully released due to the lack of confidence in the sample size.

The chart titled *New Home Sales Activity Washoe County* shows home sales by month for the last five years. Home sales in 2024 through August are slightly higher than 2023. Approximately 107 new single-family homes were sold compared to 102 in 2023. The median values are represented in red. Since the mortgage rates increased in 2022, the median price has increased significantly. When normalized with the size of the structure, the cost per square foot between August and now is \$281. The lowest red dot, January 2024, was \$274 per square foot compared to the highest red dot, July 2023, at \$280 per square foot. The builders are keeping these prices in check—not a lot of

variation. The volatile red line is affected by whether people are purchasing large or small homes.

The chart titled *Number of Single Family Permits Issued Monthly* is through August 2024. From January through August 2024, single-family permits are up 21.0% compared to a 24.0% decrease in 2023. There is a lot of optimism from the builders due to increased demand. We estimate 2025 to be about the same as the 2024; however, it depends on how the mortgage rates are adjusted by the Federal Reserve.

The chart titled *Existing Home Sales Activity Washoe County* shows the existing home sales market. The sales volumes are slightly higher in 2024 through September compared to 2023. However, on the median values, the prices are increasing when normalized with the size of the house. In September 2024, the median price was \$329 per square foot. In July 2024, which was the highest point in the last year, it was \$322 per square foot, and then the lowest point was January 2024 at \$295 per square foot. Existing homes in the Washoe County area are about \$50 more per square foot than a new single-family product.

The chart titled, *Existing Home Price Trends Greater Reno-Sparks*, looks at quarterly median values and just existing homes in the Greater Reno-Sparks area since 2001. The blue line represents the average annual appreciation rate in the 1990s, which is a very solid, non-volatile decade of home appreciation, and that was a 3.8% average annual appreciation rate. Between 2001 and now, the average annual appreciation rate in the third quarter of 2024 is 4.8%. Between 2012 and the pandemic, the average annual appreciation rate of housing was 11.0% per year for those many years. From the pandemic to mid-2022, as mortgage rates increased, it jumped to a 22.0% average annual appreciation rate. Since the rise in mortgage rates, seasonal patterns are more erratic, and the mortgage rates are expected to affect property values. We are hoping for a moderate 4.0% to 6.0% per year in average appreciation. The last four quarters in the area have been exactly that—between 4.9% and 6.3%. We like the 4.0% to 6.0% range because that is how income and wages grow. However, housing prices are not hostage to wages and income—they are very much about supply and demand. With mortgage rates lessening, the race will be between buyers and sellers—who is going to lead that race? The demand is still there, but not the supply. New listings and active listing totals in the area are still well below pre-pandemic levels.

The chart titled, *Wage & Income Trends Reno-Sparks MSA*, separates Washoe County from the TRIC, where wages are \$200 more per week to entice people to commute. It can be a difficult drive in the winter. The last ten-year average annual wage increase in the TRIC area has been 6.3% per year—very good wages. In Washoe County, the ten-year average annual wage increase has been 4.1% per year.

Looking at the first quarter in 2024 QCEW wage, there has been a cooling of that wage in Washoe County at approximately 3.7%, and 5.7% in the TRIC area. The annual income of \$77,000 in the first quarter of 2024 affords Class A rents between \$1,650 and \$1,675. By doubling the \$77,000 annual wage, a household could afford to purchase a single-family home.

The chart titled *Regional Home Sales* looks at regional home sales in 2024. It contains three quarters of the sales volumes and the gross sales across all the areas broken apart between new and existing. This data comes from county assessor data, so it is very empirical. We prorated that fourth quarter in 2024 to get an estimate on 2024 sales volumes and gross sales. We understand the fourth quarter is seasonal—it cools off—but with the lessening mortgage rates, we think it will buttress that seasonality to provide the fourth quarter as a proration.

We have this data in the raw format, each record, and would be happy to share it if you or staff would like to tease out the tax revenues with the Real Property Transfer Tax or the property tax.

There has been a lot of discussion about investors buying up the single-family market. We regularly look at the assessor data to review the property tax cap of 8.0%. It is coded in the data so it can be pulled out to run ratios. Also, the owner names, even if the property is owned by a Limited Liability Company (LLC), are available. We also check this regularly because of all the narrative about investors putting that upward pressure on the prices by purchasing homes; however, we do not see it. When the prices become high, those investment algorithms take a pass on us—those \$600,000 homes are not for the investment clubs. What we are seeing is in the multifamily units, or apartments. In the past five years the investments have been focused on multifamily units. Multifamily rent rates and vacancy rates do not have official real time database collected, so there is a lot of anxiety with these rates. The data on the graph titled, *Apartment Vacancy & Rent Trends Greater Reno-Sparks*, comes from Johnson Perkins Griffin, local appraisers. They have done a survey for several years, which is very transparent. The data is for Class A rent, not Class B, Senior, or Affordability, but it shows rent trends. The graph regularly shows a vacancy rate of less than 3.0%. Builders see this data and seek to lower that vacancy rate if they can afford the land. However, there is a lot of pushback from CoStar and Apartments.com, which is owned by the same global national company. They feel the vacancy rate is more in the 8.0% to 10.0% range. I think they believe that have data that backs this up, but I have been unable to access the data. The U.S. Census Bureau, American Community Survey data includes rent rates and vacancies, but it is two years old. In looking at their data, however, it is still very low.

Looking back more than three years, rents have been around the \$1,600 mark. Rents also have a seasonality like home prices. The increased inventory is helping with the rent rates.

The chart titled, *Number of Multi-Family Units Permitted Monthly*, shows that multifamily building permits are down 29.0% in 2024 through August compared to 2023, when it was down 42.0%. From 2022 to 2024, permits decreased by 59.0%. I believe this decline is primarily due to high interest rates, which prevents access to capital to purchase land as well as rising construction and material costs. The September 2024 job report was stellar with an unemployment rate of 4.2%, which is still full employment rate. There was also a revised GDP of 3.0% in the second quarter, a revised GDI from 1.3% to 3.4% in the second quarter, and persistent inflation. Given current economic conditions, it is unlikely interest rates will drop in November. It may take until 2025 before the Federal Reserve

reduces interest rates below 6.0%. Additionally, with political changes at the local, state, and federal levels, I believe investors will likely hold off making any significant moves until after the 2024 General Election.

There is a lot happening in the Reno-Sparks regional economy. There are now four economic clusters that are driven by geopolitics, climate change, and consumer purchasing behavior. That is all benefiting the economies in the region with the logistic economy, the federal economy, the renewable economy, and the electric vehicle economy, which now has its own little ecosystem with mining, manufacturing, and recycling—a complete loop. With the lightning pace of accepting AI, the region is about to add a fifth economic cluster to the region, which will be data centers. I believe Tract broke ground in the TRIC on its first project. This project is going to require as much power as 1.5 million homes. This is about renewable energy and increasing grid capacity. I have heard this is why there is a big push out west, because the east coast is out of grid capacity. Consequently, there is a tremendous amount of interest in data centers in the region. There is still a lot of land available, which works perfectly for data centers. There is a lot of angst from economic development officials about data centers, possibly because data centers do not require as many employees. Although they are high-paying jobs, there are not many. However, data centers are the darling of local governments because there is minimal cost of services but imagine the amount in property tax and sales tax where the machines have to be regenerated every two to three years.

Overall, the region is doing well. We are hostage to capital costs and interest rates as well as the outcome of the election. These economic clusters are budding, and our region is prime for a lot of growth. I did not talk very much about commercial real estate. I think that was parked into that distressed land of them negotiating with lenders through the year. There are reports from CBRE, Colliers, and Dickson Commercial that track rents and vacancies. On the construction side, retail and office are off the table. It is currently about the manufacturing industry and data centers on the commercial real estate side.

There was no further discussion on this agenda item.

XI. REPORT AND DISCUSSION OF FY 2024 ACTUAL COLLECTIONS COMPARED TO THE ECONOMIC FORUM MAY 1, 2023, FORECAST, ADJUSTED FOR LEGISLATIVE ACTIONS APPROVED DURING THE 2023 SESSION AND THE 34TH AND 35TH SPECIAL SESSIONS.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Agenda Item XI begins on page 221 of the meeting packet ([Exhibit A](#)). Table 1 shows the actual compared to the forecasts for the major revenue sources as well as selected minor revenue sources for FY 2023 and FY 2024. I will be walking through the last column on the right titled, *May 1, 2023 Forecast*. This column displays the forecasts for each of the forecasters as well as the Economic Forum's approved forecast under the Economic Forum line. The actual collections as well as the forecasts are shown. For example, the Sales and Use Tax, the actual collections of approximately \$1.79 billion were \$52.9 million dollars below the forecast. The actual collections of \$999.9 million for

the Percentage Fee Tax were approximately \$44.2 million above the forecast. Actual collections for the Insurance Premium Tax were approximately \$33.7 million above the forecast. Including all components of the Modified Business Tax (MBT), actual collections were approximately \$73.7 million above the forecast.

I will provide a high-level overview of the major revenue sources, which include the Sales and Use Tax, Percentage Fee Tax, Insurance Premium Tax, MBT, LET (gaming and non-gaming), Real Property Transfer Tax, and Commerce Tax. The select non-major General Fund revenues are shown on page 223 (Exhibit A). I will also focus on one non-major revenue on page 224, Interest Income-Treasurer, because it will be discussed under another agenda item as well.

Interest Income in FY 2024 finished at \$224.9 million, which was approximately \$54.3 million above the forecast, approximately 24.1%. I will also provide the FY 2023 information as well because that is relevant to the question. The actual collections of \$142.6 million were approximately \$25.9 million above the forecast. I would note the agency, fiscal, and budget forecasts were identical and that was what the TAC had approved as its consensus forecast, which was brought to the Forum for approval.

At the bottom of page 226, the total General Fund revenue net of tax credits was approximately \$6.0 billion, which was approximately \$285.2 million, or 4.8%, above the forecast (Exhibit A). Given all the economic conditions, I think the Forum did well.

I would note that Table 2, which begins on page 229, is similar information, but it includes all the revenue sources that are forecast by the Economic Forum, both majors and minors for both the December 2022 and May 2023 meetings for FY 2024 (Exhibit A).

There was no further discussion on this agenda item.

XII. REPORT ON FORECAST ACCURACY BY FORECASTER FOR SELECTED REVENUES.

CHRISTIAN THAUER (Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

The Forecast Accuracy Report has been updated for FY 2024 (Exhibit D). The members have been provided a printed copy, and it is also available on the committee meeting page (<https://www.leg.state.nv.us/App/InterimCommittee/REL/Interim2023/Meeting/34549>).

The table of contents shows what is included in the Forecast Accuracy Report. Under *Forecast Error Analysis by Forecaster for Selected Revenues*, each of the major revenue sources are listed with page numbers. The information provided for each of the major revenue sources includes the forecast versus actual collections. A broad overview and summary of the overall picture of forecast accuracy is provided on pages 1 and 2 of the report, with page 2 being a helpful summary (Exhibit D).

CHAIR ROSENTHAL:

On that summary table, is that for FY 2024?

MR. THAUER:

The table on page 2 is the average and absolute average percent forecast error over all biennia (Exhibit D). It does not include FY 2025 because the 2023-25 Biennium is not over yet. If you are interested in, for example, the General Fund forecast for those actual comparisons for FY 2024, you would find that in the individual sections for revenue sources. On page 37, in the upper row, is the Economic Forum forecast variance to actual collections for FY 2024, which is 4.4%. That number is gross, so it does not include tax credits. Beneath that is the variants of forecast versus actual collections for the agency, fiscal, and budget.

There was no further discussion on this agenda item.

XIII. PRESENTATION OF HISTORICAL TAXABLE SALES, GAMING MARKET, AND COMMERCE TAX STATISTICS.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Agenda Item XIII contains a series of charts and tables relating to taxable sales, gaming statistics, and the Commerce Tax. The information has been updated to include the latest observations and is available on the committee page (<https://www.leg.state.nv.us/App/InterimCommittee/REL/Interim2023/Meeting/34549>).

I would note that we normally do not print this agenda item because there are hundreds of pages; however, I did print the [Statewide Taxable Sales by NAICS—FY 2021 to FY 2025](#) (Exhibit E). The table shows the sales tax and taxable sales FY 2023, and it might provide some insight as to why the forecast missed. Many of the top performing categories were not performing as well as expected.

There was no further discussion on this agenda item.

XIV. INSTRUCTIONS TO THE TECHNICAL ADVISORY COMMITTEE ON FUTURE STATE REVENUES (NRS 353.229) CONCERNING THE GENERAL FUND REVENUE FORECASTS.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

There are two components that the staff to Economic Forum and the TAC need from the members with respect to this agenda item to proceed in our duties for the upcoming meetings. The first component is the decision on the Commerce Tax, and if that should remain a major revenue source, regardless of whether there will be individual forecasts, or a consensus forecast. The consensus forecast works well, especially considering this is still a relatively new tax. Looking at some of the information for Agenda Items XI and XII, we have done well in terms of the forecast. We will defer to the guidance of this body on how to proceed.

MR. LEAVITT MOVED TO CONTINUE INCLUDING THE COMMERCE TAX AS A MAJOR GENERAL FUND REVENUE SOURCE AND AS A CONSENSUS FORECAST.

MS. LEWIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

MR. NAKAMOTO:

The second component of this agenda item is to determine if there will be any changes to the major General Fund revenue sources and non-major General Fund revenue sources. Based on conversations in previous meetings, the primary question is related to the Treasurer's Interest Income. I pulled information back to FY 2007, but I think the last few biennia might be a useful guide to the committee members based on conditions during that time. I have given the statistics for the May 1, 2023, meeting for FY 2023 and FY 2024 when there was a larger variance in the forecast. Based on information provided by the Office of the State Treasurer, part of that was because the state had more money than expected. Also, the Federal Reserve did not act as quickly as anticipated in reducing interest rates. Both factors resulted in a higher variant.

The May 1, 2021, Economic Forum forecasted about \$7.8 million for Treasurer's Interest Income, and the actuals came in at approximately \$24.2 million. Much of that was endemic of what was happening with revenue collections in FY 2022. Coming out of the pandemic, all the actuals came in significantly above the forecasts. We also did not anticipate that much revenue interest due to rising interest rates.

For FY 2021, it was slightly closer—the forecast was approximately \$7.7 million, and the actuals came in at about \$8.8 million. That was at the end of the pandemic and things were accelerating more than expected. For the May 2019, Economic Forum forecast, FY 2020, revenues were a little more stable and interest rates were stable and low. The Treasurer's forecast for FY 2020, which was accepted at the May 2019 Economic Forum meeting, was approximately \$17.6 million and actual collections were just over \$20.0 million. For FY 2019, the forecast was approximately \$17.7 million and actual collections were approximately \$18.2 million.

I do not know if that is helpful in making a decision. As staff to the Economic Forum and the TAC, regardless of the decision, we can make arrangements for the Office of the State Treasurer to provide a presentation. Even if the Forum decides to leave Interest Income as a minor revenue source, when you get to that agenda item at the November and December meetings, the Office of the State Treasurer can present its forecast and provide a detailed explanation. As forecasters, we think the Office of the State Treasurer has done well, all things considered.

MR. CROME MOVED TO MOVE TREASURER'S INTEREST INCOME TO A MAJOR GENERAL FUND REVENUE SOURCE AND REQUEST THE OFFICE OF THE STATE TREASURER PRESENT THE FORECAST TO THE ECONOMIC FORUM.

MS. LEWIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

MR. NAKAMOTO:

Given the late notice, it is entirely possible that the Forum will receive a consensus forecast presented by the Office of the State Treasurer. We will make arrangements with the Office of the State Treasurer to present the forecasts and include it as a new major General Fund revenue source for the November and December meetings.

CHAIR ROSENTHAL:

I think it is fine to have a consensus forecast because I know the Office of the State Treasurer is the source of the information. The committee members would like to be able to talk to and obtain input from the Office of the State Treasurer and have an opportunity to revise the forecast if necessary.

I must leave to catch my flight, so I will turn the gavel over to Vice Chair Lewis.

There was no further discussion on this agenda item.

XV. SCHEDULING OF FUTURE ECONOMIC FORUM MEETINGS.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

The two meetings of the Economic Forum for this cycle have been scheduled for November 7, 2024, and December 2, 2024. The meetings will be held in Carson City and videoconferenced to Las Vegas. I believe the staff at the GFO has contacted the members for any necessary travel arrangements.

There was no further discussion on this agenda item.

XVI. PUBLIC COMMENT.

There was no public comment.

XVII. ADJOURNMENT.

Vice Chair Lewis adjourned the meeting at 2:39 p.m.

Respectfully submitted,

Carla Ulrych, Secretary for the Minutes

APPROVED:

Linda Rosenthal, Chair

Date

MINUTES OF THE NOVEMBER 7, 2024,
MEETING OF THE
ECONOMIC FORUM

The meeting of the Economic Forum (created by Senate Bill 23 of the 67th [1993] Legislature) was called to order by Chair Linda Rosenthal at 9:24 a.m. on Thursday, November 7, 2024, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 335 of the State of Nevada Building, 700 East Warm Springs Road, Las Vegas, Nevada.

ECONOMIC FORUM MEMBERS PRESENT:

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

STAFF:

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau (LCB)
Susanna Powers, Deputy Fiscal Analyst, Fiscal Analysis Division, LCB
Christian Thauer, Deputy Fiscal Analyst, Fiscal Analysis Division, LCB
Hayley Owens, Economist, Fiscal Analysis Division, LCB
Maria Montes, Committee Secretary, Fiscal Analysis Division, LCB
Bronwyn Johnson, Committee Secretary, Fiscal Analysis Division, LCB
Mauricio Solorio Arteaga, Ph.D., Economist, Governor's Finance Office

EXHIBITS:

Exhibit A: Meeting Packet and Agenda
Exhibit B: Agenda Item VII – Table 8 – Comparison of May 1, 2025; December 2, 2024; and November 7, 2024, Forecasts by Forecaster (Revised)
Exhibit C: Agenda Item VII – Gaming Control Board, Gaming Revenue Forecasts
Exhibit D: Agenda Item VII – Governor's Finance Office Forecast
Exhibit E: Agenda Item VII – Fiscal Analysis Division Forecast Information Packet
Exhibit F: Agenda Item VII – Department of Taxation, Major Revenue Forecasts

I. ROLL CALL.

BRONWYN JOHNSON (Committee Secretary, Fiscal Analysis Division, LCB) called roll. All members were present.

II. OPENING REMARKS.

CHAIR ROSENTHAL:

My name is Linda Rosenthal, Chair of the Economic Forum (Forum). I would like to welcome my fellow Economic Forum members, presenters, staff, and any public participants to the November 7, 2024, meeting of the Forum. I would also like to thank

LCB staff for their assistance with today's meeting. I would ask Michael Nakamoto, Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB, as staff to the Forum, to assist me as needed in conducting today's agenda.

The Forum is required to provide a forecast of unrestricted General Fund revenue for the current fiscal year, which is Fiscal Year (FY) 2025, and for FY 2026 and FY 2027, on or before December 3rd. In compliance with that mandate, the Forum will be meeting on Monday, December 2, 2024, to finalize the unrestricted General Fund revenue forecast. Today's meeting will include a presentation by Emily Mandel from Moody's Analytics (Moody's) on Moody's current economic outlook and forecasts for the sales and gaming taxes, as well as presentations of preliminary forecasts of the state's major General Fund revenue sources and minor General Fund revenue sources, which were approved by the Technical Advisory Committee on Future State Revenues (TAC) at its November 4, 2024, meeting.

The Forum will not formally approve any forecasts at today's meeting. This meeting is intended to allow the forecasters to present their preliminary forecasts and the assumptions or outlook used in generating those forecasts. On December 2, 2024, the Forum will meet to finalize the General Fund forecasts, which will be used by the Governor in developing The Executive Budget and subsequently be submitted to the Legislature for the 83rd (2025) Legislative Session.

There was no further discussion on this item.

III. PUBLIC COMMENT.

There was no public comment.

IV. APPROVAL OF MINUTES OF THE JUNE 6, 2024, MEETING.

MR. LEAVITT MOVED TO APPROVE THE MINUTES OF THE JUNE 6, 2024, MEETING.

MR. CROME SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

V. PRESENTATION ON THE NATIONAL, REGIONAL, AND STATE ECONOMIC OUTLOOK.

EMILY MANDEL (Associate Director – Senior Economist, Moody's Analytics):

It is always good to discuss the economic outlook, and I think this one comes at an interesting time. Given the 2024 General Election results, there may be some changes to the forecast. Those changes will be incorporated into Moody's December 2024 baseline. Unfortunately, that will be after the December 2, 2024, Forum meeting, so I will try to make some adjustments before that meeting to ensure that Moody's incorporates

some of the revisions to the outlook that might be expected given the election results. I will discuss those prospective revisions later in the presentation.

There is still uncertainty, of course, as to the actual policies and legislation that will come about; however, the full party control clears the way for some more significant changes than anticipated in Moody's previous baseline. That will be one factor that will underline the preliminary nature of these initial forecasts that have been provided to the Forum.

Over the past year or two, the discussion concerning a recession has shifted quite a bit, from questioning whether the United States was experiencing a recession to elevated recession risks, and finally, questioning whether the nation had reached a soft landing. There has been much discussion about the definition of a soft landing—does it mean that interest rates are coming down, once there is full employment, once inflation is back to target, or is it that interest rates are back to a neutral rate, which they are not. Regardless, the U.S. is on the path towards that soft landing based on current economic data.

The Federal Reserve has a dual mandate—to promote maximum employment and stable prices. There are two lines on the chart on page 38 of the meeting packet (Exhibit A)—the blue line represents the unemployment rate, and the green line represents the Personal Consumption Expenditures (PCE) deflator. The unemployment rate is hovering around 4.0%, which is in line with Moody's expectations for a full employment economy. The PCE is the Federal Reserve's preferred metric of inflation, similar to the Consumer Price Index, but with some differences. The PCE is currently near 2.0%, which is expected in a well-functioning economy.

Recently, the unemployment rate has increased slightly, but that is by design. The labor market has been very tight, which was fueling some of the price increases and strong wage gains but also going into higher prices that I think are still one of the major difficulties that households are facing in this economy. There are some other areas of fairly strong performance in the economy that I think are worth mentioning. Strong business formations have taken off since the COVID-19 pandemic. Just seeing that kind of entrepreneurship and vitality in the economy bodes well and is one of the reasons there has been fairly strong growth in productivity in the economy, which is a positive outcome. In addition, the Gross Domestic Product (GDP) is growing at a solid 3.0% per year. Thus, by and large, many of these metrics are moving in the right direction. The U.S. is in a stronger position from these metrics than a year or a year and a half ago.

The last portion of this to ensure that the United States remains in a strong position is the further easing in interest rates (page 39, Exhibit A). The interest rates include the federal funds rate, which is the rate the Federal Reserve directly targets; the 10-year U.S. Treasury; and the 30-year fixed mortgage. These rates have started to drop—there has already been one cut and additional cuts are anticipated. This is one area that could potentially be impacted. The Federal Reserve might move more slowly based on the election results, but either way, the rates are coming down, bringing them a little further out of the restrictive territory.

Moody's baseline—the numbers that are underlying these forecasts—anticipate an additional quarter percentage point cut in 2024 and then another quarter percentage point cut each quarter until the policy rate levels off in mid-2026 into that equilibrium level shown on the chart.

I think it is important not to overstate the speed with which this decline in interest rates will support the economy. The current economy is fairly rate insensitive. People have locked in a lot of lower rates, especially related to housing. Many people still have lower mortgage rates from the start of the pandemic, or pre-pandemic, when mortgage rates were significantly lower. Even corporations that are refinancing debt that is on a shorter timeline, if the debt was issued three to five years ago, those were periods when the interest rate was lower; therefore, refinancing will likely be at a higher rate than those earlier debts. It will take time to filter through until the impacts are seen. However, it is progress and movement in the right direction. It takes some of the risk off the economy.

A lot of what has been driving the economy, Nevada in particular, is consumer spending—how consumers have been faring in this economy, how consumers are expected to fare. The chart on page 40 of the meeting packet provides an interesting look into how different segments of households, based on income, have been coping with this period of higher rates and higher prices (Exhibit A). The chart shows the personal savings rate by income group. It is a measure of how much of household income is being saved versus being spent. If that turns negative, like what was seen with many of these income groups, it means they are spending more than their income. They could be burning through savings or borrowing money, but that is a sign of financial difficulty. That has begun to improve, and it is starting to level off; still lower than pre-pandemic but at least moving to the positive side of that again. The big contrast is the 80th and up income tiers—those households have done well in this economy, which makes sense. Homeowners and those with wealth in the stock market are probably doing well and have not been impacted as much. Many of the price pressures are crucial for daily life, including expenses like groceries and housing; however, those are potentially a smaller share of the income for the higher income groups. Therefore, those groups may not have needed to borrow at the higher rates. That is one factor that has kept propelling the economy forward, because that spending has remained quite strong. There has been strong growth in consumer spending overall, which is expected to continue. It will not necessarily improve but broaden the space where the spending is being seen as some of the lower-income households begin to fare better as wage growth is more than keeping pace with prices.

However, that is not the case with everyone; some people have gone under stress as is reflected in other metrics. The chart on page 41 reflects borrowing on credit cards (Exhibit A). The interest rate that is being charged on those cards is noted in blue on the chart. Those interest rates have increased as well as the delinquency rate on this type of debt. As households rapidly depleted excess savings and then borrowed on these credit cards, they might have been able to keep up until interest rates began to rise, which happened later than this period of high inflation. Consequently, that has become difficult for many to manage, which has resulted in an increase in loan delinquency rates. It is important to note that these rates are still far below the levels seen during the Great Recession, which was closer to 7.0% as opposed to the 4.0% that is seen now.

Thus, while it is not a crisis or a major fault line in the economy, it is an issue that requires stabilization—and there have been signs of stabilization in recent months. The credit card borrowing rates are going to be some of the fastest rates to respond to these lower interest rates—still high rates but starting to improve.

One of the key reasons this is set for improvement is the continued relationship between wage growth and price growth. Wage growth is softening as noted by the lines at the top of the chart on page 42, but wage growth has not softened as much as inflation has slowed (Exhibit A). As real incomes rise, more people will have breathing room, and it will help them pay down that debt and pay for their consumption. As noted, that is important because consumers are the main edge of the economy. Consumer spending creates demand for businesses; it is increasingly a major factor powering even the global economy right now as the U.S. economy has performed more strongly than a lot of its counterparts. As consumers keep spending, businesses continue to see steady income, which encourages further investment.

Recessions are ultimately a crisis of confidence. When spending and investment decline, it creates a self-reinforcing cycle that leads to actual contractions in economic activity. If real incomes continue to rise and consumer confidence starts to improve, the U.S. is in a relatively strong position to sustain this economic expansion, albeit at a slower pace. Given the nation is at near full employment, the economy is expected to moderate somewhat moving forward; not seeing the same strong gains in employment and incomes as before but still experiencing growth and moving in the right direction.

As mentioned earlier, this is Moody's baseline forecast, and it will remain largely consistent as it assesses potential changes going forward. However, the recent election has introduced a lot of uncertainty. These are estimates, and I do not want to overstate the finality of these numbers. Moody's ran some simulations looking at different policies the candidates were proposing in August 2024. Moody's baseline forecast is built on the assumption of a Harris administration with a divided government. In this scenario, the expectation was more of a status quo, with no major shifts in policy. However, with a Trump administration, there is potential for more significant changes, and the economic impact of some of the policy proposals put forward by President-elect Trump could be considerable (page 43, Exhibit A). There are some potential positives for GDP growth from proposed changes to the tax code, particularly a lower corporate tax rate. However, offsetting impacts are expected, such as tariffs and the impact on inflation, which could slow the reduction in interest rates. Additionally, a reduction in immigration could shrink the labor force, and since the labor force is a key factor in maintaining a full employment economy, this could limit job growth.

The figures are not final, but they generally reflect the expected directional impacts of some of these policies. Even by December, it will be challenging to predict exactly what to expect. Moody's can listen to what the candidates have said and incorporate that into the forecast, but ultimately, there is a significant amount of uncertainty about what will become law. Moody's will make adjustments and try to account for these factors to the best of its ability, but it will remain an estimate until any legislation is enacted.

I would like to shift to the Nevada outlook; however, if there are any questions on the U.S. portion of the forecast, I would also be happy to take those questions now.

CHAIR ROSENTHAL:

I realize my questions might be premature given that you still have substantial work to do following the outcome of the 2024 General Election. You mentioned the Federal Reserve may act more slowly, but the current expectation is a quarter basis point reduction followed by quarterly reductions. Do you anticipate that will change? What factors might cause the Federal Reserve to slow its actions?

MS. MANDEL:

The Federal Reserve is in a tough spot, largely due to the inflationary pressures from tariffs and possibly immigration. When tariffs raise the cost of imported goods, some of that increase is passed on to consumers, which drives inflation. The Federal Reserve will likely be cautious because it does not want to cut interest rates only to have to raise them again soon after. To avoid a whiplash effect, it seems prudent for the Federal Reserve to slow the pace of rate cuts while these factors play out. It is hard to say for sure, but these are some of the key factors that could lead to a more gradual approach. That could mean delaying the pace of those quarter point cuts, pushing them out a bit further than initially expected.

MR. LEAVITT:

As you are aware, a forecast needs to be made for Nevada for the next two and a half years. If you were to compare the risk outlook for this period to the risks faced in the previous forecast, how would you say they compare?

MS. MANDEL:

That is a very interesting question. I believe the nature of the risks has changed. Over the past couple of years, much of the pressure has stemmed from the aftermath of the COVID-19 pandemic, particularly around supply chain disruptions and efforts to keep consumer inflation expectations in check, ensuring inflation could get back to target. Looking ahead, I think the risks for the next couple of years are more focused on policy, particularly potential changes in policy. Additionally, some geopolitical risks have intensified, which could have consequences, potentially on oil prices.

I am trying to find a way to quantify these risks, but they are so different that it is difficult to quantify. I will have a clearer picture and be able to provide recession probabilities when this is revisited in December.

MR. GORDON:

Regarding the chart on page 43, would you orient the Forum to the graph on the left, the change from baseline (Exhibit A)? The baseline is how the economy is performing at present, and this is the delta that Moody's is preliminarily suggesting would exist on a

go-forward basis. Am I reading the line correctly in terms of the slowing of the economy, but not necessarily a negative turn?

MS. MANDEL:

Yes, that is correct, broadly speaking. This is a comparison of the percentage point difference between the new forecast and the baseline forecast. I would note this is based on an August 2024 baseline, so it is not the same as the current baseline. Essentially, there was an initial trajectory—not a straight line and not exactly where we are today—but it is where we expected to go. Now, we expect it to be slightly different so there is a gap in terms of looking ahead over the next few years.

When Moody's ran the initial assumptions—and there are some changes that Moody's is planning to make based on how quickly these policies are implemented, which will also change things—solely from a peer modeling perspective, I think this resulted in a mild contraction of economic activity beginning mid-2025 to mid-2026; thus, there are actual declines. Again, it is a preliminary forecast, but that is how to think about this, how much lower it could potentially be under these policies versus the status quo baseline.

I talk to a lot of states, but it is especially nice to talk to Nevada because this state does well, and it has a quickly growing economy. The title of the chart on page 44, *Nevada Slipping Within Mountain West*, is a little less positive, but I think it is still important to keep in mind the broader trends that are seen in Nevada's economy (Exhibit A). The horizontal axis represents how employment has changed over the past year, and the vertical access represents how employment has changed over the past three months. Basically, it is a way to look at the broader trend versus more recent movement and then determine how that compares to other states in the region. Over the past year, Nevada has still been ahead of the national average, and it is still near the front of the other mountain west states; however, the last few months have been slightly weaker.

Year-over-year, there are still strong gains in sectors like goods production, construction, mining, manufacturing, government, etc. However, more recently, there have been losses in leisure/hospitality, as well as some pullback in goods production. Leisure/hospitality is highly seasonal, so the data can fluctuate more, which is why I would not place too much emphasis on it. That said, it is important to consider this slower economic growth in the context of other factors, such as the weaker performance that has been seen in recent sales tax collections. There are a couple data points that show a slight pullback in the economy after a strong summer.

Another factor to consider when looking at the employment numbers is that it is likely there will be some downward revisions to data from the past couple of quarters, specifically the last quarter of calendar year 2023 and the first quarter of calendar year 2024. This will mostly affect employment in the manufacturing, retail, and mining sectors. Even with those revisions, Nevada is still ahead of the national average. Nevada is not alone in this trend as downward revisions are expected nationally. It is also important to note that these revisions do not necessarily mean that current employment levels are any different, but the path to get here is slightly weaker. This is something to

keep in mind for the future as it will manifest in the employment data in March 2025. The turquoise line on page 45, which is data from the Quarterly Census of Employment and Wages, will begin to push out a little further, but again, the changes will not be seen until March 2025 (Exhibit A).

The expanding labor force has kept Nevada growing and it has risen over the past year. The unemployment rate has also edged up over the past year. Nevada's unemployment rate is currently the highest in the country outside of the District of Columbia. That is not unusual for Nevada, but we do not want it to continue to rise. Moody's baseline forecast expects some improvement as the labor force growth slows down combined with ongoing job gains. Moody's forecast shows it dropping to approximately 4.0% by 2027, which is a decent improvement. If unemployment rises, it is potentially a cause for concern, but the fact that it has been rising as the labor force has also been expanding is preferred.

There are still plenty of positive factors in the outlook for Nevada. For example, there are a lot of job openings in the state. Those job openings have come in somewhat over the past couple of years as has also been seen nationally—likewise by design to take some pressure off the labor market—but there are still many job openings and businesses looking to hire. Mostly importantly, layoffs are still low. This is something that Moody's has been examining closely both nationally and at the state level because layoffs will trigger a crisis of consumer confidence. Layoffs are a sign that businesses are struggling. That is not something Moody's has observed, and unemployment claims are also still low.

I am focusing on some of the negatives because there are things to watch, but I do not want to negate the other metrics that are not concerning or only mildly concerning. Overall, it is still a decent picture.

Affordability has been a challenge. That was seen earlier with the United States starting to experience increases in default rates. This is also a challenge in Nevada where affordability was a struggle even before the pandemic when it was declining significantly, and it has declined even further since. Page 47 of the meeting packet shows Nevada's housing affordability index (Exhibit A). This metric measures the portion of income that a median-income household would need to allocate to afford the mortgage on a median-priced home. It considers factors like mortgage rates, housing prices, and household income, providing a broad overview of the affordability of the current housing market, which is not very affordable. In Nevada and most of the western U.S., affordability is a struggle. There are a couple factors that will improve. Most of this challenge has been from an undersupply of housing, which feels strange to say considering that during the period following the Great Recession, Nevada had too much housing. However, given the strong population growth and relative lack of new building since then, Nevada is once again in the position where there is not enough housing, which keeps the pressure on prices. More construction is expected in the forecast, which will improve the availability of housing. Also, lower mortgage rates will make mortgages more affordable.

I have been talking about strong population growth in Nevada, which is true. The affordability pressures are less than the pressures of California residents. The graph on page 48 shows the top destinations from which people are relocating to Nevada (Exhibit A).

Of the locations listed, California is the state that people are most frequently leaving. Nevada is still maintaining some advantage relative to some places, but for the average Nevada resident, affordability still needs to improve so that people have the resources for other areas of their lives; things that impact the broader economy as well as tax revenues, which will be discussed later. Despite the price pressures, net migration has somewhat accelerated recently. People still consider Nevada a place to which it is worth relocating, even with the higher prices.

As noted, improvement in affordability is anticipated as home prices begin to level off and even contract (page 49, Exhibit A). That is largely due to increased construction. As those construction projects are completed, it will reduce housing prices, and finally level off after the significant increases in 2021 and 2022. Year-over-year there has been a price increase in the Case-Shiller Home Price Index—the Home Price Index was almost 25.0% for over a year, which is a significant amount. Although there have been slight declines in the housing market and housing prices, it is not going to take away from the wealth that households have accumulated, but it will give income more time to start catching up to the current high housing prices.

I focused on some of the negatives in the economy, but I believe it is important to keep this position within the broader outlook of Nevada remaining an outperformer. As long as Nevada's population is growing faster and the state continues to add jobs, Nevada will remain significantly ahead of the average economy in the United States. Page 50 shows two forecasts—population and personal income (Exhibit A). Personal income is staying around the 5.5% level, which is quite strong. As the discussion moves into revenue series, it would be helpful to think of these two metrics as a base level of what a normal economy would feed into these series. These metrics would be a good benchmark for thinking about how sales tax revenues and to a lesser extent, the Gaming Percentage Fee revenues, could increase relative to these metrics. It is slower than previously, especially related to income. This is partially due to less tightness in the labor market, and less inflation for which employers must account. Nevada is in a lower price level-type of situation now, which is good.

Moving on to the Sales and Use Tax outlook and the Gaming Percentage Fee, the Sales and Use Tax ties in closely to the earlier indicators, because people's incomes determine what they can spend (page 51, Exhibit A). As interest rates start to decline, that will also make borrowing more affordable. There are a few factors that Moody's included in its model for the Sales and Use Tax—personal income, unemployment, and PCE on durable goods. Nevada has a more cyclical economy than many other states, so unemployment is a greater factor. There was a significant increase in PCE on durable goods during the COVID-19 pandemic largely as people were buying goods for their home, many trying to improve their home office situation. People could not spend on services, so they spent more on goods. Goods consumption likely came ahead of needs. There has been slower growth in goods spending since that time. As time goes on, there will be more increases in durable goods spending as people have the resources and desire to spend in these areas. This will be especially true as housing construction continues—home building and furnishing new homes are a significant driver of this

spending. The chart on page 49 shows the rising home building starts, which will also help improve the outlook for spending (Exhibit A).

Finally, I have also included national recreation spending in the model to provide a measure of visitor spending in Nevada. This spending includes dining out, retail shopping, activities, etc. All these things contribute to sales tax revenues in Nevada outside of spending by local residents.

Looking forward, the forecast tracks closely to the income series that I discussed earlier. There is still growth, but not necessarily the same growth as in FY 2023 and before; however, the growth aligns with the resources Nevada residents have to spend. As the positive effects of lower interest rates and increased homebuilding become evident, it is important to also consider the offsetting impact of slower price growth. Prices are a double-edged sword. On one hand, higher prices reduce real incomes and limit the amount of money people have to spend. On the other hand, as people spend more at these higher prices, sales tax revenues are nominal.

The tourism economy in Nevada is performing surprisingly close to where one would expect it to be if the pandemic had never occurred. I was looking at some different metrics around recreation spending, Gaming Percentage Fee revenues, and visitor counts, and it is all similar to what would be expected if there was a line drawn between then and now. I think this underlines the story of normalization—getting back to those economic fundamentals. As an example of one of these metrics, the chart on page 52 displays Las Vegas visitor volume (Exhibit A). Obviously, this is one of the major drivers of tourism in Nevada. The current visitor volume is similar to before the pandemic. There are still some areas that need continued improvement, such as international visitation. Also, smaller areas such as conventions have not returned to pre-pandemic levels. Although there are some areas that need improvement, by and large, this metric has returned to pre-pandemic levels.

On the other hand, however, is consumer confidence (page 53, Exhibit A). People need to have confidence in the economy in order to afford luxuries like vacations, gambling, etc. This factor is going to be especially important looking forward over the next couple of years to see how this changes. The interesting aspect of consumer confidence is that it has not really aligned with some of the other metrics. Consumer confidence is not especially low depending on what you look at, but it is kind of middling, and it is not really a level that would be expected to be consistent with an unemployment rate nationally of around 4.0%. People do not feel confident in the current economy and their own prospects. Much of that comes back to these price pressures. Economists focus a lot on inflation and how prices are changing, but even if prices are rising more slowly, prices are not going down. Economists do not want prices to go down, because deflation is not good from an economic perspective. However, that means prices are still much higher than they were before the pandemic and that does not make people happy. That is the major factor behind the lack of consumer confidence.

It will be interesting to see how these metrics change after the election. On one hand, there could be a positive shift, with people viewing the outcome as a fresh start and

possibly adopting a new perspective on their economic situation, leading to improvements. On the other hand, depending on the impact of upcoming policies, there could be some deterioration moving into the next year. This is going to be a major factor for looking at how Gaming Percentage Fee revenues change. Consumer confidence is middling and Gaming Percentage Fees are slightly stronger than before (page 54, Exhibit A). Gaming Percentage Fees have been very volatile lately with significant changes during and after the pandemic followed by slow growth in FY 2023 and a stronger gain in FY 2024. Moody's expects that things will be slower in FY 2025, primarily because it will be coming off very strong growth in the last couple of years. The industry has shifted some to look at different types of recreation activities. Las Vegas has hosted many high-profile events, especially last year, such as the Super Bowl, but the upcoming year will not necessarily be a repeat of the past year.

The Quarter 1 value for FY 2025 is a negative value, which is purely related to timing and some of that revenue will be shifted into Quarter 2. I do not believe it signals any real weakening; however, Moody's does not expect that visitors will top the previous year's values by much. Growth is expected to resume, driven by rising incomes and increased consumer spending, as well as potentially more international visitors.

MR. GORDON:

Regarding the Gaming Percentage Fee outlook, I understand the thought process related to FY 2025 and returning to growth. In terms of how Moody's looks at its models, is that based on a volume impact or value impact? You referred to the stability of the tourism economy in terms of visitor volume. The value related growth is because visitors will be spending more than in the past, correct?

MS. MANDEL:

Yes, Moody's looks at both sides. I did not mention this but the two factors in this model include disposable income (value), and visitor volume (based on national recreation spending). Moody's tries to combine both of those factors when looking at growth. I think more of this growth is coming from value, from the perspective of resources; however, Moody's also anticipates continuous improvement in volume.

MR. CROME:

On the gaming piece, there is a shift in FY 2025 from Quarter 1 to Quarter 2 and you mentioned that Nevada will make up for that change. I expected to see a decline in Quarter 1 given the activity in the state, but why do you anticipate Quarter 2 will make up for that change?

MS. MANDEL:

August 2024 ended on a Saturday so some of this revenue was recognized the following month. In addition, there was a one-month delay in some of the revenue. After I finished this for the following month, the first month of Quarter 2, I believe there was a 25.0% decline followed by a 27.0% decline year-over-year; therefore, it appears some of that

revenue has been shifted. My positivity is more from an arithmetic perspective. Expecting to see some of that revenue shifted into the second quarter, absent some of that shifted income, things would look slightly weaker in the second quarter. That is coming off some of the stronger growth in the same quarter of the previous year, therefore, looking at some of those base effects.

MR. CROME:

Regarding consumer confidence, you indicated things are improving, such as the lower unemployment rate. What factors do you think will cause a rebound in consumer confidence? Prices are expected to remain stable, allowing wages to gradually catch up. Over time, will there be a psychological shift, with people becoming more comfortable with higher prices as the new norm?

MS. MANDEL:

Looking at the current metrics from an economic standpoint, they look fine; therefore, I think it will take time to move past some of the stressors of the past couple of years. I believe it will be a combination of rising incomes combined with slowly rising prices. The price of goods will be at a higher level, but they will begin to feel more affordable. The cost of some goods has increased significantly in recent years; however, in the past year, the cost of those same goods may have only increased by a small percentage, which may be more acceptable as income continues to rise.

MR. CROME:

Regarding the unemployment rate, you indicated it is expected to improve. Nevada is going to continue experiencing migration. In which sector are you anticipating an improvement in the availability of jobs?

MS. MANDEL:

Moody's anticipates labor force growth will continue to rise, but at a slower pace. Much of this was due to national immigration over the past couple of years. That has already started to slow down somewhat, and Nevada is not especially reliant on international immigration, but it is a component. As far as job gains, I believe the health care sector has a strong outlook and I expect some improvement in the manufacturing industry. I do not anticipate there will be significant increases in the leisure/hospitality industry.

MR. LEAVITT:

The visitor volume is rebounding, but we have seen over several months that gaming is not doing well. Over time, has there been a change in the mix of spending when visiting Nevada? Nevada's two biggest revenue sources are gross gaming and sales tax. Gross gaming had done well until recently. Is Nevada entering a period where the two principal taxes are not going to grow as much as some of the auxiliary spending? For example, if room rates increase, visitors will pay the room tax, but that is not one of

the state's major taxes. If visitors spend more money on rooms and less on gaming, that impacts the state's revenues.

MS. MANDEL:

I agree. There has been a lot of focus on sports and events that are supposed to keep drawing people to Las Vegas. Consequently, more visitors to Nevada will have spillover effects, still some gaming; however, I think the focus of visitation has changed. Additionally, there is more availability of gaming outside of Nevada, and this continues to expand. This means people can still participate in gaming without traveling to Las Vegas. It is positive that there has been so much diversification because otherwise it would probably just be a loss to some of these visitors. However, I do think, especially for the Gaming Percentage Fee side of things, there is a downside from this shift. I am a little more optimistic on sales taxes because there is a strong internal demand just from Nevada residents, so prospects are good in that regard, but the gaming industry has some challenges.

CHAIR ROSENTHAL:

It is interesting because major events such as the Super Bowl and Formula 1 have come to Las Vegas and that is driving visitation. These events seem to draw a higher income participant because these are expensive events. The question is whether those same individuals are gamblers. I do not know what degree of magnitude would be needed to see results in the associated taxes. It is good that the number of visitors is similar now as it was prior to the pandemic, but the question is about the makeup of those visits.

The forecasts will be updated for the December 2, 2024, meeting. I know that some of the analytics that Moody's provides is also used as base information in some of the other modeling by the forecasters. In terms of timing, will Moody's be able to update its forecast in time to get it to the other economists?

MS. MANDEL:

Probably not. Moody's just published its November forecast so that did not give time to implant things. Moody's December forecast will likely come out, at the national level, the first week of December and then it takes another week for the state level to be produced. Moody's will have some thought pieces and things published before then that I would be happy to share with the state economists, but it will not be baked into the actual forecast numbers yet because those figures were during the election cycle.

CHAIR ROSENTHAL:

The data will not be provided to the state economists because of timing, but in Moody's forecast the data will be included so the comparison will be different?

MS. MANDEL:

I will try to determine how to incorporate these into my forecast, but they also will not be based on finalized forecasts from Moody's side because those are published externally

as soon as Moody's has them internally. It will be more of an estimation for now. I am in the process of weighing the different factors and trying to understand the potential impacts as we continue to discuss them.

CHAIR ROSENTHAL:

Yes, I understand the timing challenges. When the Forum reconsiders the forecast in May 2025, there may be more variability than in the past, given the potential for significant policy changes stemming from the election results, which could ultimately affect the numbers.

MS. MANDEL:

I think we might have concrete legislation and executive actions and other things to account for in May.

There was no further discussion on this item.

VI. PRESENTATION OF HISTORICAL TAXABLE SALES AND GAMING MARKET STATISTICS.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Based on requests from past Forum members in previous cycles, the Fiscal Analysis Division prepares a series of tables and charts relating to taxable sales and gaming. Printed copies are not usually provided, but they can be provided upon request. The tables and charts are also available on the meeting webpage (<https://www.leg.state.nv.us/App/InterimCommittee/REL/Interim2023/Meeting/34550>).

For the October 16, 2024, meeting, the tables were updated through the first month of FY 2025 for sales tax for taxable sales and through the third month for the Gaming Percentage Fee as well as the Commerce Tax statistics through FY 2024. There is no additional information for the Commerce Tax, which is why it is not included. The rest of those taxable sales and gaming charts have been updated to incorporate the most recent month—through August for sales tax and through the fourth month of FY 2025, which is September, for the Gaming Percentage Fees. If Forum members have any questions about those charts, please contact the Fiscal Analysis Division.

There was no further discussion on this item.

VII. REVIEW AND DISCUSSION OF PRELIMINARY FORECASTS OF MAJOR GENERAL FUND REVENUES FOR FY 2025, FY 2026, AND FY 2027.

- A. GAMING PERCENTAGE FEE TAX
- B. LIVE ENTERTAINMENT TAX
 - GAMING
 - NON-GAMING
- C. STATE 2% SALES TAX

- D. INSURANCE PREMIUM TAX
- E. MODIFIED BUSINESS TAX
 - NONFINANCIAL
 - FINANCIAL
 - MINING
- F. REAL PROPERTY TRANSFER TAX
- G. COMMERCE TAX
- H. INTEREST INCOME – TREASURER

CHAIR ROSENTHAL:

We will move to Agenda Item VII. The Forum will hear presentations on the preliminary forecasts for the major General Fund revenues. It would be helpful if each presenter would begin with a general overview of the broad assumptions or underlying outlook that is included in the forecast.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

I would like to provide an overview of the tables that are in meeting packet under the tab for Agenda Item VII as a refresher on the information that is being provided as well as for members of the public who may be watching the meeting (Exhibit A). There are five tables for this agenda item, which begin on page 57 of the meeting packet.

- Table 1 (page 57, Exhibit A) shows the actual collections for each piece of the General Fund, everything that is under consideration by either the Forum or the TAC for FY 2022, FY 2023, and FY 2024 as well as year-to-date collections through October 31 for both FY 2024 and FY 2025. In terms of actual revenue, this is the most current information. An updated table will be provided at the December 2, 2024, meeting. The updated table will include actual revenues through November 30 of FY 2024 and FY 2025. The Forum members and the public may not see that updated table until the day before or the day of the meeting because we must wait until the beginning of the month to obtain that information and include it in the table.
- Table 3 (page 67, Exhibit A) shows the forecasts for each of the revenue sources—major and non-major revenue sources—by fiscal year and then by forecaster. For each fiscal year, there is an individual column for the agency, fiscal, and budget. The “agency” is the relevant agency which collects or administers this revenue source; “fiscal” is the Fiscal Analysis Division; and “budget” is the Governor’s Finance Office (GFO) Budget Division.
- Table 4 (page 77, Exhibit A) is more of a summary table that provides information about the major General Fund revenues that will be presented today. The figures are rounded to the nearest millions with some decimal points trailing behind. This table gives information on the FY 2024 actuals as well as the forecast for FY 2025, FY 2026, and FY 2027 from each of the forecasters. The table also includes Moody’s forecast for the Gaming Percentage Fee and the Sales and Use Tax.

There is a row listed for Economic Forum for each of these revenue sources—this is the Forum’s approved forecast at the May 1, 2023, meeting for FY 2025 only. It is provided as a reference as to how the forecasts are changing compared to what the Forum considered and approved at the last meeting during the 82nd (2023) Legislative Session.

- Table 8, which is on green paper, has been provided to the Forum members. For those who may be looking at the meeting packet online, the version of Table 8 that is included in the packet contains a typographical error due to a formula error relating to a percentage change on the old version. The corrected version is the version to which we will refer (Exhibit B).

The table is set up in such a way that everyone’s forecast will be added for the December meeting, which will allow Forum members to see the changes in each fiscal year as well as the changes in the forecast for each of the forecasters. We will do the same thing for the May 2025 meeting so that all the forecasts for all the major revenues that will be considered by the Forum will be in one place. The document includes everything on today’s agenda including interest income.

- Table 9 (page 89, Exhibit A) shows the average growth in the tax during the remainder of the last fiscal year and then the growth that is needed for each of the forecasters to achieve their forecasts during the current fiscal year. This information is based on the year-to-date actual collections for each major revenue source for which we have information available compared to the collections in the same periods from the previous two fiscal years. Table 9 is not usually provided until the December meeting because that is when the quarterly information for the Modified Business Tax (MBT), Insurance Premium Tax, and Real Property Transfer Tax is available; however, I thought it would be beneficial for Forum members to see the information for the monthly tax revenues for which we have data. That includes two months of the Sales and Use Tax, two months of the non-gaming portion of the Live Entertainment Tax (LET), three months of the gaming portion of the LET, and four months of the Gaming Percentage Fee. This will allow Forum members to see on the forecasts that are being presented today, based on the actual collections, the average growth in each month or until the end of the year that needs to be achieved to reach that forecast.

The information is there as a reference so that when the forecasts are being presented for FY 2025, it will help to determine what it means between now and the end of FY 2025 to achieve those forecasts.

A. GAMING PERCENTAGE FEE TAX

MICHAEL LAWTON (Senior Economic Analyst, Gaming Control Board [GCB]):

During my discussion, I will be referring to a set of charts, which have been provided to the Forum members (Exhibit C). In terms of forecast methodology, when the GCB forecasts percentage fee collections, gaming win is forecast first for the applicable

fiscal years and then gaming win is converted into taxable gaming win, which is then converted into percentage fees. The GCB projects growth rates for each of the state's 16 individual major markets such as Las Vegas Downtown, the Las Vegas Strip, Las Vegas locals, Elko, Reno, etc.

In these forecasts, the GCB incorporates into its model any new property openings, property expansions, and known or anticipated closings. This is done through a review of historical data and trends and most importantly, through interviewing some of the individual properties in the various markets. The GCB also obtains input from several Wall Street analysts and from the Research Department of the Las Vegas Convention and Visitors Authority. The sum of these individual market forecasts produces an estimate of total statewide gaming win. Within these markets, the GCB also forecasts slot win and games win separately.

To your question, Chair Rosenthal, based on discussions with several operators in markets across the state, I would say the outlook is stable, but with the caveat that the GCB forecast shows moderate growth in FY 2026 and FY 2027. I will get to the substance of this forecast shortly, but there will be a definite reset in FY 2025 compared to FY 2024.

Before I get into actual gaming win forecasts, I wanted to discuss some recent trends related to baccarat. I think it is important information due to the considerable amount of attention there has been recently relating to difficult comparisons linked to baccarat win amounts being driven by a whole percentage. The first chart displays baccarat volumes (page 2, Exhibit C). During FY 2024, baccarat volumes totaled \$9.1 billion. It was a steady increase of 9.7%, or \$803.9 million, over last fiscal year. Baccarat volumes have been steadily increasing post-pandemic; however, baccarat volumes are down about 23.7%, or \$2.8 billion, which remains quite below the peak level established in FY 2014. Currently, baccarat volume is down 1.3%, or \$37.6 million, which is not concerning, because that could change in a positive direction in a single weekend.

The next chart, which displays baccarat win totals, is somewhat of a surprise (page 3, Exhibit C). In FY 2024, there was a large spike in the win amounts, which set a new all-time record of \$1.65 billion, which was 42.9%, or \$494.5 million, over FY 2023. The win amount was even higher than the peak level recorded in FY 2014 of \$1.6 billion—it exceeded that number by 2.2%, or \$36.0 million. The \$494.5 million increase that baccarat recorded in FY 2024 was 84.0% of the \$587.5 million increase that total gaming recorded in FY 2024. Nearly all the growth came from one game. The fiscal year-to-date for baccarat is down \$175.9 million, or 31.5%. That amount cannot be made up in a weekend.

The next chart shows how this occurred (page 4, Exhibit C). The hold percentage in FY 2024 was 18.0%, which established the highest hold percentage recorded by baccarat in the last 20 years. Not including FY 2024, the average hold in baccarat for the past 10 years was around 13.0%. Fiscal year-to-date, baccarat is at 13.65%, which is close to the expected percentage. Last year at this time, baccarat was at 19.66% through December.

Baccarat is a volatile game—significant swings can occur due to the large amounts wagered by a limited number of customers. However, based on my research in FY 2024, which included discussions with multiple industry representatives, the hold percentage recorded in FY 2024 is not sustainable. Simply put, baccarat ran extremely lucky for the house in FY 2024. There have been some structural changes to the game. Additional side wages are offered, and customers are allowed to make much larger maximum bets than when I was a baccarat dealer in the 1990s. These two factors increase volatility; however, there is not enough structural change in the game that would support a 30.4% increase in hold between FY 2023 and FY 2024.

The big picture is that in addition to the gaming win totals from which the state benefited, the state's percentage fees also benefited from the spike and hold. If a normalized hold percentage was applied to baccarat volume totals in FY 2024, percentage fees would increase by approximately \$25.0 million, which accounts for much of the \$29.8 million increase recorded in percentage fees in FY 2024. While what occurred in FY 2024 with baccarat might be viewed as a loan that Nevada may need to repay this fiscal year, rest assured that after speaking with the baccarat houses, the game and overall business are healthy. However, it remains very concentrated and extremely volatile, which will not change.

The chart on page 5 outlines the total gaming win forecast for the state (Exhibit C). Charts for the Las Vegas Strip and the balance of Clark County have also been provided on pages 6 and 7. For FY 2025, gross gaming win is forecast at a total of \$15.6 billion, which is a decrease of approximately 1.0%, or \$156.9 million, versus the all-time record of \$15.72 billion established last year. The state has recorded all-time records in gaming win in three consecutive fiscal years back to FY 2022. Fiscal year-to-date, the state is down 1.2%, or \$59.6 million. For the remaining eight months of FY 2025, the state is facing a growth rate of about 5.0%.

The comparison for baccarat over the last eight months of the fiscal year is a volume increase of 14.1%, or \$778.6 million, and an increase in win of 53.5%, or \$379.1 million on a hold percentage of 17.3%, so a very difficult comparison. I would note that the next two quarters represent the highest gaming win totals in state history. The fourth quarter in FY 2023 was the highest gaming win total in state history, and the first quarter in FY 2024 was the second highest gaming win total in state history.

As mentioned earlier, the decreases noted for the first four months of the fiscal year are related to baccarat. Excluding baccarat from the gaming win totals, the state is up 2.5%, or \$116.2 million, which is healthy given the 2.5% growth is off all-time records. The factors that go into this forecast that are showing a decrease include a potentially slightly weaker second Formula 1 race, which is related to hold. I think the credit lines are there and the players will be there, but I do not know if the state is going to hold baccarat at 18.9% in November 2024.

There are several factors that will cause a slide in FY 2025 and FY 2026. February 2025 does not include the Super Bowl—it must be baked into the forecast because that event will not be replicated. Also, the Mirage Hotel and Casino closed in July 2024, and the

benefits from the Durango Station Casino and Resort and Fontainebleau Las Vegas will be annualized in December 2024, making it more challenging to drive growth from these two entities moving into December. The last factor is the baccarat comparisons discussed earlier.

In FY 2026, gaming win is expected to grow, \$15.68 billion, which is an increase of 0.7%, or \$113.2 million. In FY 2027, gaming win totals are expected to come in at \$15.86 billion, which is an increase of 1.1%, or \$179.1 million, from FY 2026. There are no major new property openings during the forecast period. I am estimating the Hard Rock Hotel and Casino will open early in FY 2028. Over the forecast period, growth is being driven by gradual increases to slot win and a stabilization of game and table win after the hold driven record set in FY 2024.

The chart on page 6 is the forecast for the Las Vegas Strip. It is interesting to note that the Las Vegas Strip is showing a larger decrease than the state (Exhibit C). Forecasted gross gaming for the Las Vegas Strip in FY 2025 is \$8.77 billion, which is a decrease of 2.8%, or \$249.2 million, compared to the all-time record set last year of \$9.0 billion. Similar to the state, the Las Vegas Strip has set three consecutive record gaming wins going back to FY 2022. Fiscal year-to-date, the Las Vegas Strip is currently down 4.4%, or \$131.0 million. An unusual statistic I would note is that through the first four months of the fiscal year, the state is up 3.3%, or \$71.4 million, in the statewide gaming win, excluding the Las Vegas Strip. Not surprising to the overall theme of this discussion today, baccarat is responsible for the decreases recorded on the Las Vegas Strip. For example, fiscal year-to-date on the Las Vegas Strip, slot win is up 1.8%, or \$27.5 million. Games win is obviously down 11.3%, or \$158.6 million, but that is because of baccarat. Table game win excluding baccarat is up 3.3%, or \$28.5 million, on volumes which are up 1.2%. Total gaming win on the Las Vegas Strip, excluding baccarat, is up 2.3%, or \$56.0 million.

For the remaining eight months of FY 2025, the Las Vegas Strip is facing a growth rate of 6.5%. Growth is also forecast for FY 2026. The Las Vegas Strip's gaming win will total \$8.9 billion, which is an increase of 1.4%, or \$126.2 million. Growth is again forecast in FY 2027 with a \$9.0 billion gaming win, which is an increase of 1.3%, or \$113.4 million, over FY 2026.

The next chart is the balance of Clark County (page 7, Exhibit C). I usually do not present this chart to the Forum, although it is a very important market—the state's second largest market outside the Las Vegas Strip. I think it is important for the Forum members to see this because the majority of what is currently driving gaming increases in the state is coming from this market. Fiscal year-to-date, the balance of Clark County is currently up 11.5%, or \$63.7 million, compared to the all-time record that was established last year, which was \$1.8 billion. As I mentioned earlier, a statewide gaming win, excluding the Las Vegas Strip, is up 3.3%, or \$71.4 million. The balance of Clark County is responsible for about 89.0% of that growth.

The balance of Clark County is doing well because it has benefited from the opening of the Durango Station Casino and Resort in December 2023. Additionally, the balance of

Clark County benefits from record levels of employment like the rest of the state. It also benefits from continued population growth and then an improved mix of higher income earners that are moving into the area. Consequently, FY 2025 is forecasted to come in at \$1.92 billion, which is an increase of 5.7%, or \$104.0 million, over FY 2024. For the remaining eight months of the year, the balance of Clark County is facing a growth rate of 9.5%.

In FY 2026, the growth trajectory is expected to moderate to 1.0%, or \$1.94 billion, in gaming win, which is an increase of \$19.7 million. Although not significant, this moderation of growth is the result of a full year of annualization of the Durango Station Casino and Resort.

In FY 2027, gaming win is forecast at a total of \$1.96 billion, an increase of 1.4%, or \$27.4 million, over FY 2026.

Page 8 contains the slot win forecast (Exhibit C). Slot win has been steadily increasing post-pandemic and has continued to set all-time records going back to FY 2022. Difficult comparisons, record levels of inflation, and rising interest rates have not impacted slot win totals. There is no indication of any imminent softness on the horizon as customer behavior has remained stable. Consequently, the GCB is forecasting continued moderate growth for the forecast period.

Currently, fiscal year-to-date slot win is up 1.8%, or \$61.4 million, on volumes which are up 1.3%, or \$633.9 million. The comparison over the remaining eight months of the year is an increase of 2.0%. In FY 2025, slot win is anticipated to come in at \$10.48 billion, which is an increase of 1.2%, or \$124.0 million, over last year's all-time record of \$10.35 billion. In FY 2026, slot win is forecast at a total of \$10.55 billion, which is an increase of 0.7%, or \$70.1 million. In FY 2027, slot win is forecast at a total of \$10.67 billion, which is an increase of 1.1%, or \$120.5 million.

The statewide game and table win forecast is on page 9 (Exhibit C). Like slot win, game and table win has recorded all-time records in three consecutive fiscal years going back to FY 2022. In my opinion, these game win totals have been very impressive over this period considering that a key component of table game win, which is baccarat, has not reached record levels until last fiscal year. For FY 2025, the GCB is forecasting game and table win to total \$5.1 billion, which is a decrease of 5.2%, or \$280.9 million, compared to FY 2024. Fiscal year-to-date game and table win is down 6.9%, or \$121.0 million, and volumes are up 1.3%, or \$141.6 million. The comparison growth for baccarat over the last eight months is difficult with an increase of 11.4%. Baccarat's comparison is 53.5% growth and then non-baccarat game and table win is essentially flat, a decrease of 0.4%.

Growth is forecast again for FY 2026—games win of \$5.13 billion, which is an increase of 0.9%, or \$43.2 million, over FY 2025. In FY 2027, games win is forecast at a total of \$5.2 billion, which is an increase of 1.1%, or \$58.6 million, over FY 2026. Like slot win, the state is experiencing games win, and game and table win remains solid, excluding baccarat. There are several contributing factors which the GCB believes will cause games

win to record a decrease in FY 2025 before these totals can stabilize and Nevada begins to experience growth again.

Obviously, I have discussed these factors which all fall under table game play. These include very difficult baccarat (which is a table game) comparisons on the Las Vegas Strip; a slightly weaker Formula 1 race in November related to hold is on the table game comparison; and the Super Bowl in FY 2025, which was a one-time event, is going to be more skewed to tables than it is for slots based on the type of business that was brought in for that game. Those are the reasons why there is a reset in FY 2025. I believe the state can grow off that, but I think Nevada will require a reset in FY 2025, especially on the table game side.

The next chart is the taxable gaming win forecast on page 10 (Exhibit C). As I stated, gaming win is converted to taxable gaming revenue (TGR). This chart follows a similar trajectory as the GCB's total gaming win forecast. Taxable gaming revenue is expected to come in at \$14.88 billion, which is a 1.0% increase, or \$154.4 million, compared to the all-time record in FY 2024 of \$415.03 billion. Fiscal year-to-date, TGR is down 1.5%, or \$72.0 million, similar to gaming win. The comparison over the remaining eight months of the year for TGR is an increase of 4.1%.

One thing this chart does not display is the ratio between gaming win and TGR, which drives the whole TGR. That is currently sitting at 95.6%, which is down slightly from last year at 95.91%. That ratio is forecast to come in at 95.57% versus 95.60% from last year, so a slight decrease. It will continue to decrease in FY 2026 before it increases slightly in FY 2027. This key ratio has been decreasing post-pandemic due to sustained increases in the total amount of credit issued each fiscal year coming out of the pandemic. In FY 2026, the GCB is forecasting an increase of TGR of 0.7%, or \$99.4 million, with \$14.98 billion in TGR. In FY 2027, the forecast is for continued growth of 1.4%, or \$206.1 million, with \$15.18 billion in TGR.

In FY 2025, the GCB is forecasting \$972.1 million in percentage fee collections, which is a decrease of 2.8%, or \$27.9 million, from the all-time record in FY 2024 of \$999.9 million (page 11, Exhibit C). Current fiscal year-to-date with four months reported, the total percentage fee collections are \$320.2 million. That is down 3.0%, or \$10.0 million. The comparison over the last eight months of the fiscal year is an increase of 3.9%.

There are two components that comprise the percentage fee collections—percentage fee collections on TGR and the estimated fee adjustment (EFA). Fiscal year-to-date, percentage fee collections on TGR are at \$317.4 million, which is down 1.9%, or \$6.0 million. For the forecast, the total is \$970.2 million, which is a decrease of 1.1%, or \$11.0 million. The EFA fiscal year-to-date is \$2.8 million, which is down 58.35%, or \$4.0 million. The EFA is forecast to come in at \$1.9 million and decrease \$16.9 million, or 90.0%, compared to last year's \$18.7 million in EFA collections. To clarify, the EFA is the difference between the amount of tax due on taxable gross gaming revenue for the current month, less the amount of tax paid on taxable gross gaming revenue from three months prior. As gaming revenue growth begins to slow or slightly decrease, as forecasted, EFA totals are expected to moderate as well. In FY 2026, the GCB is

forecasting percentage fee collections of \$980.8 million, which is an increase of 0.9%, or \$8.7 million. In FY 2027, the GCB is forecasting percentage fee collections to total \$992.9 million, which is an increase of 1.2%, or \$12.1 million.

MR. GORDON:

Obviously, you have your finger on the pulse of what is happening in terms of the gaming market. It sounds like you have a lot of conversations with people in the industry and obtain feedback in real time from operators and others within the industry. The discussion about baccarat was informative and insightful, and provided the Forum members with valuable points to consider. The hold adjustment that is required because of the anomaly that happened last year makes sense and your commentary was helpful.

What are your thoughts about the international versus domestic play that takes place on the table game side? Nevada has yet to see the international consumer level come back to the pre-pandemic level; there appears to be more visitation from domestic travelers. I believe historically the international component has been a big contributor to the high-end table game segment. Although the number of international travelers will increase, that will be partially offset from these record-setting hold percentages. Did you factor that in when preparing the forecasts?

MR. LAWTON:

I do not take that into consideration in building the forecast, but those are great observations. I have been wondering about the resurgence of baccarat play post-pandemic; it is unclear from where all the play is coming. These visitors are not coming from Asia, because they cannot even get here. There has been a notable shift toward domestic baccarat play, and there has even been some international domestic play. Additionally, travelers from Latin American, Europe, etc. are traveling to Las Vegas, helping to offset the absence of the Asian market; however, I am uncertain if that will fully fill the gap left by Asian travelers. From conversations I have had with executives on the Las Vegas Strip, money transfers out of Asia might not return. The record levels of baccarat volume in FY 2014 were during a time when the symbiotic relationship between Asian operators and Las Vegas resorts thrived, and it was much easier to transfer money; however, that dynamic has since changed.

MR. GORDON:

Regarding the balance of Clark County submarket, the one-year anniversary of the opening of the Durango Station Casino and Resort is approaching so Nevada will not likely see as much growth in that area. The data you provided is specifically for the balance of Clark County, it does not include the other local segments.

MR. LAWTON:

Certain markets lean more to mid-level or low-level and growth in those markets is challenging. If there is a market segment in any business that is struggling, it is because they are stretched to the maximum due to inflation and other factors. I think those markets

such as North Las Vegas and Boulder Highway do not have as much growth as the Durango Station Casino and Resort and Red Rock Casino Resort and Spa. There are some other impacts in the Boulder Highway due to remodels and road construction that will impact resorts in that area. I believe the growth is mostly going to come from the balance of Clark County, because the Durango Station Casino and Resort is going to expand in 2026. I think some of the loss of business that Red Rock Casino Resort and Spa has experienced will be backfilled. Overall, I concentrated more on the balance of Clark County than I did the other two markets.

MR. GORDON:

Is stability the general theme going forward for the balance of the state, outside of the submarkets that you focus on?

MR. LAWTON:

Yes, I think there will be some stability going forward. However, I was recently speaking with a friend who runs the largest casinos in the Carson Valley, and he indicated that it was going to be tough because those casinos cater to mid-level customers who are stretched thin. When I talk to operators in Elko and Reno, they mention that while high-end play is helping keep them afloat, they are also concerned about the potential decline in mid-level play because they rely on those customers too.

I think the outlook for the balance of the state is a little softer than the Las Vegas Strip, not that the Las Vegas Strip was anticipating significant growth. Those operators acknowledged it will be difficult for them too and they are hoping for 1.0% or 2.0% growth and control margins. That is how they are going to remain profitable.

MR. GORDON:

The forecast assumes the broader economy is humming along at a reasonable pace of growth. If something were to change at the national or global level, that would affect these forecasts, correct?

MR. LAWTON:

Yes, absolutely.

MR. LEAVITT:

What is the risk that Nevada will not measure up if revenue is less than anticipated? As I understand it, the risk is almost entirely with baccarat. If everything else is excluded, that appears to be very stable growth and the risk is low. On this particular tax, there is one thing that causes the risk. Is that accurate?

MR. LAWTON:

Yes, every month when the numbers come in, the first thing I check is how baccarat performed, because that determines the state's fortunes in terms of percentage fees. The risky assumption would be thinking baccarat will hold at 19.0% indefinitely. I have inquired about this many times, but no one has indicated that the game has changed so much structurally that the operators are going to hold at 19.0% every year. I do think it could increase due to the structural changes discussed earlier, like the side bets and higher maximum bets, but it is also possible that it could swing in the opposite direction. The state might be able to drive hold a little, but not the 19.0%. I might be wrong, but I am only as good as the information I am gathering. Ultimately, the risk would be to assume that is going to continue, and this forecast did not make that assumption.

MR. LEAVITT:

No one can truly predict what it will be, but I would prefer to forecast under that amount rather than over, because the risk on the state is that money will be spent that is not actually available. If the forecast is under, the ending balance will build up, but that is nowhere near the risk if we go the other direction.

MR. LAWTON:

To paraphrase Yogi Berra, predicting is hard, especially when you have to predict the future. Over time, I have learned that the nature of the GCB is to forecast conservatively. When I am working with models and talking with operators, I try to approach everything with caution, not jump to conclusions or assume things will remain the same. I think this is a good forecast. It was described to me that Nevada essentially received a loan in FY 2024. It was a better fiscal year than expected, and the state may need to "pay back" some of that money in FY 2025, which will be painful. However, I am confident that Nevada will see growth in FY 2026 and FY 2027, though a reset in FY 2025 is necessary. This was evident coming in because of the Super Bowl and the first Formula 1 race. Those events were very strong and then on top of that, the hold—there were two new properties, Durango Station Casino and Resort and Fontainebleau Las Vegas. It is going to be difficult to replicate that in FY 2025.

MR. LEAVITT:

I was very happy to hear in your presentation that the rest of the market, other than baccarat, is stable. That bodes well for the economy of the state.

MR. LAWTON:

I agree. I feel good about slot revenue and non-table game revenue, both are healthy.

CHAIR ROSENTHAL:

Please describe your assumptions for baccarat volumes in the out periods.

MR. LAWTON:

I do not prepare a forecast specific to baccarat now that Matt Maddox is no longer the chair of the Forum—he required that from the economists. In my outlook for volume for baccarat and in talking to operators, baccarat is healthy, concentrated, and volatile. There is no reason to believe baccarat volume will decline significantly. While it may experience a slight dip of 2.0% to 5.0% in FY 2025 due to events like the Super Bowl and Formula 1, it should grow from there. None of the operators have suggested that increasing baccarat volume will be challenging. Resorts are investing capital to attract these players, with new rooms and enhanced amenities. They are fully committed to capturing their share of the baccarat market.

CHAIR ROSENTHAL:

When you prepare the forecast, is the assumption that the volumes are stable?

MR. LAWTON:

Yes, volumes are stable and holds will not replicate FY 2024.

CHAIR ROSENTHAL:

To the extent that there is an increased volume of international visitors who tend to play more baccarat, there could be some conservatism in that assumption, correct?

MR. LAWTON:

Yes, I agree that I did not take that into account, but I do not believe it has a significant impact. Based on the Las Vegas Convention and Visitors Authority presentation during the October 16, 2024, meeting, it seems unlikely that international visitor volume will see an immediate increase. There have been sales efforts on the convention side, but that is weak and needs to grow. The question is why that has not begun to grow at this point.

CHAIR ROSENTHAL:

Is the convention visitor really the baccarat player?

MR. LAWTON:

No, but to your point, I think it is not just the convention side, the international baccarat player component has not returned either.

CHAIR ROSENTHAL:

Yes, that was my point. I understand it is largely driven by China, and I appreciate your perspective on that; however, if international visitation were to recover, there is some conservatism in the forecast, correct?

MR. LAWTON:

Absolutely, I am always going to lean conservative on baccarat.

MR. CROME:

I am going to revisit the baccarat topic because Mr. Lawton spent time at the start of his presentation discussing the game's volatility. Given the upcoming forecast, it would be helpful for the Forum members to see baccarat volume presented separately from the rest of the data. This would provide clarity around the assumptions. I understand that baccarat win is highly volatile, but the volume itself is such a significant component that I am uncertain how the Forum can adequately do its job without a breakdown of baccarat volume.

The other point I would like to address is that I do agree with your conservative approach of adjusting the baccarat hold back to historic levels. We all recognize that it could swing the other way as well. If we wanted to be extremely conservative, we could even consider setting it below the historical hold, although I am not recommending that. That is also another risk. You mentioned it as a "loan"—the loan might come due next year, but I doubt that will happen.

Returning to my original point, I believe the Forum needs to see the baccarat volume separately to fully understand the forecast.

MR. LAWTON:

I will provide a baccarat forecast to the Forum.

MR. CROME:

Yes, please provide it for the December 2, 2024, meeting. It would be helpful to see the table with and without baccarat, tying back to volume, which is also driving the win piece. This data will help inform the Forum's decision.

DR. MAURICIO SOLORIO ARTEAGA (Economist, GFO):

My approach was very different from Mr. Lawton's due to my lack of information and experience. I reviewed the historical revenue of Gaming Percentage Fees, which have been very stable over the years. On most of my graphs you will see a red rectangle, which indicates the timeframe between March 2020 and April 2021 when COVID-19 restrictions were in place (Exhibit D). The pre-pandemic monthly average revenues were approximately \$58.5 million from July 2005 to March 2020 (page 3, Exhibit D). After the pandemic, there was an increase in average monthly revenue to \$82.2 million.

My forecast is based mostly on the number of visitors to Nevada, state population growth, and disposable income of Nevada residents and domestic non-residents. The main limitation with this approach is that I am uncertain how many visitors gamble and how

much they spend on gambling. Therefore, this forecast is mainly driven by visitor volume and disposable income.

Once I put my forecast into the historical trend from April 2021 to October 2024, the monthly average revenue increases to \$82.2 million, which is an increase of \$4.5 million in monthly average revenue. The forecasted monthly average revenue from November 2024 to June 2027 is approximately \$92.8 million. This translates to an estimate of \$1.03 billion in Gaming Percentage Fees for FY 2025, \$1.06 billion in FY 2026, and \$1.08 billion in FY 2027; therefore, I am forecasting some growth. However, after seeing Mr. Lawton's presentation, I think this is probably not realistic. Again, the main limitation on my model is that it is based on visitor volume and disposable income.

CHAIR ROSENTHAL:

I think historically, the Forum has tended to lean towards the agency's forecast because the GCB has such rich information; however, it is always valuable to consider different perspectives and see how various economic models perform based on different assumptions.

MR. NAKAMOTO:

I wanted to provide some general comments for the Forum members regarding the Fiscal Analysis Division's forecast. As some of you know, the Fiscal Analysis Division prepares its own packet, which includes write-ups on the various forecasts (Exhibit E). Pages 2 through 25 are the main drivers of the forecast. There are different variables relating to wages, personal income, employment, some housing indicators, visitor volume, and the Consumer Price Index; however, it is not an exhaustive list. This information is provided to the Forum to provide a better understanding of the Fiscal Analysis Division's outlook.

The Fiscal Analysis Division's total forecast for the General Fund, before tax credits, shows some growth in FY 2025 compared to FY 2024; it is about 0.3%. That does not necessarily hold consistent with all the revenue sources. There is growth in some of the revenue sources. For example, the forecasts for Gaming Percentage Fee and Sales and Use Tax are weak, the reasons for which are not necessarily related to the economy. Generally speaking, the Fiscal Analysis Division forecast is calling for moderate and stable growth; that is the overarching theme. However, there are instances where a forecast will be negative in FY 2025, such as the Gaming Percentage Fee forecast, which considers the baccarat issue as referenced by Mr. Lawton, as well as the lack of special events such as the Super Bowl. There is some mitigation this year because the Super Bowl and Lunar New Year coincided on the same weekend last year, effectively causing a loss of the Lunar New Year crowd. Many people who would typically travel to Las Vegas for the event were likely priced out. This year, since the two events fall on different weekends, it could help lessen the impact. The Fiscal Analysis Division has factored that into the forecast, but there are other issues as well, such as collection issues and various tax and policy changes that are affecting revenues in positive and negative ways; however, we are also looking at the economy in general.

The forecasts that the Fiscal Analysis Division is presenting are agnostic to the recent election; the forecasts are based on the most realistic scenario going forward. The election will certainly have an impact, but there are other factors at play as well. For example, Ms. Mandel talked about the uncertainty around when interest rates will drop. The Federal Open Market Committee is currently meeting and is expected to announce the new rate soon.

CHAIR ROSENTHAL:

I believe the Federal Open Market Committee has announced that the interest rate will be reduced by a quarter.

MR. NAKAMOTO:

Thank you for that information. The Fiscal Analysis Division will adjust the forecasts accordingly.

These types of things are anticipated, but the real question is how consumers and the economy will respond—and when that response will occur. Thus, much of this comes down to timing. We anticipate that in FY 2026 and FY 2027, Nevada will experience moderate and stable growth across many of these revenue sources. The key question is how long it will take to reach that point. Compared to some of the other forecasters, the Fiscal Analysis Division believes it may take longer—possibly until the beginning of calendar year 2025—before interest rates on housing, vehicle loans, and other areas start to decrease, which will ultimately spur more taxable activity. However, we are also considering that people are perhaps saving a little more money—which Ms. Mandel noted in her presentation—but also the people who are spending money and consuming may be consuming things that are not subject to Nevada taxes. For example, Mr. Leavitt mentioned the room tax, but consumers may be spending more on groceries, which are exempt from the state sales tax, and they may be paying more for insurance, which is less disposable income than they have for live entertainment, sales tax, etc. While it might seem like Nevada's outlook is soft, I do not believe it is anything more than the fact that FY 2024 was a strong fiscal year, and the state will try to match that performance in FY 2025. In some instances, that will not work out, especially with external factors like the absence of the Super Bowl this year. Beyond FY 2025, the state will begin to experience growth again.

SUSANNA POWERS (Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

I will be presenting the Gaming Percentage Fee forecast, which begins on page 27 (Exhibit E). It includes a summary of how the tax functions and what variables drive the TGR. I will briefly describe the Fiscal Analysis Division's forecast methodology and start with Table 2 on page 31. The Fiscal Analysis Division starts the forecast with a coin-in estimate derived by forecasting the coin in per slot machine. Slot win is determined by estimating the win percentage. The slot win percentage has been higher than usual; however, we anticipate it will come down slightly. Fiscal year-to-date, the slot win

percentage is averaging around 7.13%. The history and forecast for the slot coin-in, slot win percentage, and slot win are summarized in this table.

The Fiscal Analysis Division repeats the same steps for the game and table market. It starts with the volume for games and tables by forecasting the drop per game. After the division has locked in a win percentage with which it is comfortable, game and table win is determined. As noted earlier, the FY 2025 game and table win percentage reached an all-time high, but that is expected to settle. Fiscal year-to-date, game and table win is averaging about 14.8%. Again, the history and forecast are shown on Table 2 for the game and table market.

To develop the forecast for Gaming Percentage Fees, slots are separated from the game and table segment. Clark County, Washoe County, and balance of state are drivers, but Clark County is the main driver for the statewide forecast. Baccarat is not separated in the Fiscal Analysis Division's forecast; it is included in the game drop. It can vary to the extent of the share it makes of the game's drop. It has been hovering around 25.0%; however, lately, it has been as low as 20.0% and as high as 30.0% during the Super Bowl month. It varies considerably but it is considered in the gaming volume when the division is forecasting.

Next, I will be turning to Table 1A, which is on page 28 (Exhibit E). Once the slot and gaming segments have been determined, they are summed up to determine total win and then the TGR by estimating the TGR-to-win ratio. The final step is to estimate the effective tax rate—the assumptions for which are included on Table 1A. The EFA is an automatic calculation.

Table 1B is located on page 29 (Exhibit E). This table shows the Gaming Percentage Fee collections on taxable gross revenue in the column titled, % *Fee-TGR* and the EFA is in the column titled, % *Fee-EFA*. The total percentage fee collections are in the column titled, % *Fee-Total*.

Table 1B also includes the current fiscal year-to-date statistics for the key variables driving the forecast. In FY 2024, Nevada had an extraordinary fiscal year for gaming due to the Formula 1 race, the Super Bowl, and other events. Currently slot win is up by 1.8% (Exhibit E). The slot win will pull back some because of those difficult comparisons against the quarters a year ago that will be hard to repeat or beat. The Fiscal Analysis Division's FY 2025 slot win forecast is essentially flat over the fiscal year. Most notably, the early indicators signaled that the upcoming Formula 1 race may not be in the same demand as the previous race. There have been headlines about lower room rates and ticket prices, so we have taken that as an indicator that perhaps there is a slight pullback there as well related to even gaming revenue. Then of course, the Super Bowl will be excluded so we are trying to true up against that year.

The games win is down by 6.9%. The forecast assumes an improvement but overall, the forecast shows it falling by 3.2% by the end of the current fiscal year. As noted earlier, FY 2025 is going to be a reset year for gaming revenue. Our comparisons are harder in the coming quarters than what they have been so far. The Fiscal Analysis Division's

FY 2026 and FY 2027 forecasts for the growth in slot win are similar to the period seen before the COVID-19 pandemic; however, they are more conservative. The table game side is more challenging because it can be significantly impacted by baccarat play; therefore, the forecast takes that into consideration. The Fiscal Analysis Division is showing modest growth in games win hovering around 2.0%. Fiscal Year 2025 to date, Gaming Percentage Fee collections are down by 3.0%, and the forecast estimates that collections will decline by 3.2% to \$968.08 million in FY 2025, and then increase by 2.0% in FY 2026 to \$987.92 million and increase again by 1.9% in FY 2027 to \$1.07 billion.

B. LIVE ENTERTAINMENT TAX GAMING • NONGAMING

MICHAEL LAWTON (Senior Economic Analyst, GCB):

The casino LET is based on a forecast of taxable casino entertainment activity. The forecast of taxable activity is based on an examination of historical growth patterns and most importantly, through a review of entertainment offerings and discussions with industry representatives. The forecast also incorporates expected increases in taxable activity due to the opening of new properties or changes in entertainment venues at existing properties. As I have said in the past, the LET is one of the more difficult taxes to forecast as the GCB does not receive any of the statistical detail that it receives for game-related taxes, and changes to entertainment offerings are challenging to predict. I think this particular forecast period feels much like forecasting baccarat win with the recent swings. For example, a 32.0% drop in March 2023, a 26.0% increase in April 2023, and this year, there was a 22.0% decrease in the first month and a 23.0% decrease in September 2024. The LET is extremely volatile and difficult for me, as a forecaster, to establish a base because it changes so frequently.

In FY 2024, the gaming LET collections were \$127.0 million. Like gaming, under the current law, admissions are taxed at 9.0%. That is the highest percentage ever recorded, which is good. The state is coming off an all-time record and is off to a slow start—fiscal year-to-date collections are \$28.9 million. That is down 17.7%, or \$6.2 million, compared to last year through September. However, the growth trajectory for the remaining nine months is essentially flat—a decrease of 0.8%.

The chart on page 12 shows the gaming LET collections (Exhibit C). The GCB is forecasting them to remain below the all-time record set last fiscal year. The gaming LET collections in FY 2025 are projected to decrease 6.9%, or \$8.8 million, with \$118.2 million in collections. There are several factors driving this decrease, the first of which was the closing of the Mirage Hotel and Casino (Mirage). The Mirage had a much stronger impact on LET collections than gaming. It had Cirque du Soleil as well as the Shin Lim Magic Show that was held in a large auditorium five nights a week. Those were big contributors to the LET. The Shin Lim Magic Show will be at the Venetian Resort and some of the attendance from the Mirage will go to other shows, but the extent of that remains to be seen. To date, that is not helping the state.

Another factor to consider, maybe more than the closure of the Mirage, is the fact that Adele and Garth Brooks, who headline at the Colosseum at Caesars Palace, are ending their residencies in FY 2025. I am not aware of any replacements. Those two shows are significant to the LET.

Regarding the lag in convention attendance and international travel from pre-pandemic levels, those two market segments overlap. They are significant drivers to midweek hotel occupancy, as well as showroom attendance and ticket prices. The shows run all week, so that business is needed to facilitate attendance and profitability.

The last point I would like to make about this forecast model, which is something I heard and considered years ago, there are certain non-gaming LET venues that are negatively impacting the gaming LET venues in terms of attendance to shows, particularly the Sphere. For the gaming operators, that is bad because they do not own the Sphere, but from the perspective of the state, the revenue is still going to the LET. Thus, it is positive revenue, but it impacts the forecast.

As I stated earlier, Nevada is off to a slow start; however, I anticipate gaming LET can make up some ground this fiscal year due to certain show rotations that will benefit collections. Adele will finish her run in November so there will likely be a spike. However, I do not see a path for growth in FY 2025 similar to the gaming forecast. In FY 2026, the GCB is projecting flatlining the base—\$113.7 million in gaming LET, which is a 3.8% decrease, or \$4.5 million from FY 2025. The reason for that is because FY 2025 benefits from the Garth Brooks and Adele residencies for most of the fiscal year; however, FY 2026 does not have that benefit. Until I hear differently, I am not going to assume another show is going to replace those two shows.

In FY 2027, the GCB is forecasting collections to total \$114.8 million, which is an increase of 1.0%, or \$1.1 million from FY 2026, which is very modest growth. I feel that some of these collections are going to stabilize due to improved midweek convention business. It is a key driver for growth—it allows large production shows and headliners to reach maximum capacity and profitability. Prices increase based on attendance. My assumption is expected to offset some of the anticipated decreases to the base as a result of those shows that are ending in FY 2025, and then the assumption is also going to offset this continued competition from non-gaming LET venues. Non-gaming venues are not going away. Incredible lineups are being offered at the Sphere, Allegiant Stadium, and T-Mobile Arena. The competition factor with the gaming side will persist for a while. I think there is an offset because it is going to go to the General Fund on the non-gaming side, but I considered that in my forecast. I do not know if any show replacements will be announced in December, but possibly by May 2025. Even if a replacement show is announced, there is always a ramp-up period. Overall, my outlook is soft, but after looking at the non-gaming LET forecast, it appears the other forecasters are seeing the same thing.

CHAIR ROSENTHAL:

I do not see what you are seeing in the non-gaming forecast. I see the non-gaming forecast is down compared to FY 2024.

MR. LAWTON:

I think that might be related to the Super Bowl.

CHAIR ROSENTHAL:

I thought your point was that the state was making up for the decline in gaming LET with non-gaming LET.

MR. LAWTON:

I do not think the state will make up for it in FY 2025.

CHAIR ROSENTHAL:

It still does not match the state's revenue in FY 2024 except for the GFO forecasts; it is down significantly.

You are removing the benefit of Adele and Garth Brooks completely from your base and not replacing it with anything, either due to timing or, at a lower level, there is nothing replacing those shows, correct?

MR. LAWTON:

I do not know the exact numbers for those two shows. I am given a set number and I ask questions from there. I did not completely remove the Colosseum at Caesars Palace revenue from the base, but for the months with large spikes, I removed those from the base. I did not include that in the average monthly estimate for gaming LET collections. Those shows were very strong, and I am uncertain they will be replaced in FY 2025 and FY 2026. I am sure a new show will be added, but the magnitude is unknown. Hopefully, Celine Dion will make an announcement for Resorts World Las Vegas, which will change the entire forecast, but nothing has been announced.

CHAIR ROSENTHAL:

I understand the dilemma in not knowing, which makes it difficult to forecast. You made a point about the success of the Sphere and the assumption is that it will continue, but in this case, there was great success with the Adele and Garth Brooks residencies, but you made the assumption that will not continue. I think it is a little conservative again.

MR. LAWTON:

It is definitely conservative. I looked at the Fiscal Analysis Division's forecast, and maybe not to that level, but I can see where there could be growth. The base will decrease in

FY 2026, but I do not know to what level. I would assume it is going to decrease slightly. In FY 2025, although the state is off to a slow start and will not match FY 2024, it does benefit from the Garth Brooks and Adele shows. I believe Garth Brooks' residency ends in March 2025. I do not know that a new show will be up and running by FY 2026, because it takes time to ramp up. Caesars Palace did not give me any indication about replacements.

ERICA SCOTT (Economist, Department of Taxation):

Today I am going to be presenting the Department of Taxation's forecast for the major revenue sources for the General Fund. To begin, I will discuss the key assumptions that went into this forecast for the agency (page 2, Exhibit E). Those key assumptions are as follows:

- Consumer Price Index will remain at a normalized percentage of approximately 2.0% to 3.0% within the next biennium.
- Mortgage interest rates continue to trend slightly downward into the next biennium but maintain around a 5.0% range.
- Nevada's gross state product continues to increase at a steady 3.5% to 4.0% annualized nominal growth.
- Jobs in Nevada continue to increase. To clarify, wage growth is the 5.0% that I am putting into this assumption.
- Overall assumption is that Nevada continues to maintain a healthy stream of tourism while building economic diversification.

Like my colleagues, the department is also forecasting steady stable growth. More stabilization within FY 2026 and FY 2027 for some of these revenues. Beginning with the LET for the non-gaming portion, the assumption is healthy tourism and continued activity, especially in Las Vegas and Southern Nevada due to the large events centers. Nevada has substantially increased over the past three years in this revenue source. Southern Nevada has seen the opening of new stadiums and concert arenas as well as hosting national and international events.

The chart on page 4 shows FY 2022 through the first two months of FY 2025 (Exhibit F). The chart is color-coded to highlight the highest and lowest values. February 2024 was the highest month on record at \$29.5 million, the same month that Las Vegas hosted the Super Bowl. Prior to the pandemic, the average monthly revenue for this tax type was around \$2.1 million, which was in FY 2019. Fast forward to FY 2025, the average monthly LET non-gaming revenue tax is over \$9.0 million a month (excluding February) from this revenue source. That is an increase of 334.0% from FY 2019. Comparing normalized revenue from FY 2019 prior to the pandemic to present time, those event centers are driving that increase of 334.0%.

On page 5 is a time series view of the revenue stream with an obvious peak during February 2024 (Exhibit F). With non-gaming LET, the tax is due when the admission is sold, so the revenue may or may not reflect during the month of the event. This depends on the timing of when the taxpayer releases tickets for sale as well as the consumer behavior of ticket purchases. Typically for a high-priced large venue event, when tickets go on sale months in advance, some of that revenue will show up in the months leading up to the event, but that is not always the case.

Page 6 shows the non-gaming LET revenues from FY 2019 through FY 2024, which are represented by blue bars, and the Department of Taxation's forecasts are represented by red bars (Exhibit F). Without a one-shot event in this biennium as popular as the Super Bowl, the forecast for LET dips down in FY 2025 but is still high above the prior revenues of FY 2023. The department forecasts continued growth from this revenue source.

For FY 2025, the department's forecast for non-gaming LET is \$108.3 million, which is a 16.3% decrease from the prior year. That is not to imply any weakening market for the live entertainment in the state, but rather the effect of a normalized tourism trend the year after hosting one of the biggest events. In FY 2026, the department forecast \$113.5 million, which is an increase of 4.8%, followed by \$128.3 million, or a 6.0% increase in FY 2027. Despite the decrease forecasted in FY 2025, the department's outlook for this tax type is overall very positive with growth forecasted for FY 2026 and FY 2027.

MR. CROME:

Looking at page 4, Formula 1 is part of the non-gaming LET, correct (Exhibit F)?

MS. SCOTT:

Yes.

MR. CROME:

Is that the lift that is shown in December 2024?

MS. SCOTT:

The Department of Taxation is held to confidentiality on taxpayer information.

MR. CROME:

You mentioned the Super Bowl, that is why I asked about the Formula 1 race.

MS. SCOTT:

Speaking to specifics of months where revenue is posted, those revenues are not necessarily going to show up in one month of revenues. It depends on when they are sold and consumer demand.

DR. MAURICIO SOLORIO ARTEAGA (Economist, GFO):

Regarding the LET gaming historical data, the state revenue has been very stable over the years. Prior to the pandemic, the average monthly revenue from LET gaming was \$8.42 million per month. After the pandemic, there was an increase of \$9.0 million. The average has increased to \$9.0 million per month from April 2021 to September 2024, so that was an extremely consistent source of revenue. One of the things that I have taken into consideration in my model is increasing competition from the non-gaming LET (page 8, Exhibit D). This model itself is a competition-based model so how well the competition is doing will affect the financials of LET gaming. I am forecasting that the average monthly fee from LET gaming is going to decrease as the competition from LET non-gaming starts to increase, which puts pressure on the gaming side. I am forecasting a decrease of approximately \$0.04 million, and the average monthly revenue from October 2024 to June 2025 will be approximately \$8.8 million.

One of the reasons I do not have this number going down further as competition from the non-gaming institutions increases is because the pre-pandemic time on the LET gaming was also before Allegiant Stadium and the Sphere. Thus, I do not think this revenue will decrease—it will likely stabilize to the levels prior to Allegiant Stadium and the Sphere. I have that built into the model so it does not eliminate the LET gaming because casinos are still going to offer shows, which people will attend, but they will not have the same turn out as before.

Overall, I am forecasting a decline of the fiscal year revenues from \$127.8 million in FY 2024 to \$110.2 million in FY 2025; \$106.7 million in FY 2026; and \$104.9 million in FY 2027.

Moving on to non-gaming LET, one interesting aspect is the incredible growth from its beginning with the incorporation of the football stadium. Prior to the pandemic, the non-gaming LET was a very low number. The LET non-gaming revenue was on average \$2.11 million, which is nothing compared to the casinos' revenue. However, after the COVID-19 pandemic, when restrictions were lifted and Allegiant Stadium and other non-gaming institutions were built, this revenue continued to rise.

The major outlier on the graph on page 11 is in February 2024, mostly due to the Super Bowl, which significantly increased the non-gaming LET for that year (Exhibit D). I removed this outlier from my forecast because Nevada will not host a major event like this for several years. I replaced February 2024 with the average of the past five Februarys because I noticed it is very cyclical (page 12, Exhibit D). February is known to bring in \$3.0 million to \$5.0 million in revenue. After replacing February 2024 with the average revenue for the past five Februarys, I calculated the percentage of growth of the non-gaming LET revenue. Even after controlling for the Super Bowl, there was an increase in average monthly revenue of 66.2%, which is incredible growth (page 13, Exhibit D).

Adding my forecast into the mix, I am not foreseeing any significant growth because the newness of the non-gaming institutions will wear off; however, I am still forecasting

growth of 39.6% (page 14, Exhibit D). Adding that into the historical revenue, the actual growth in the non-gaming LET from November 2024 to June 2027 is 4.7%. This is the actual monthly growth that I am forecasting. Translated into dollar amounts, there is still an upward trend.

I understand my fiscal year forecasts are quite high compared to my colleagues. One of the reasons I was confident about submitting these numbers is because approximately \$40.0 million in revenue was generated in FY 2022, and in FY 2023, that amount nearly doubled to \$80.6 million—those two years did not include a Super Bowl or a Formula 1 race. In FY 2024, after controlling for the Super Bowl, the revenue was still \$100.0 million for the LET, which is a \$20.0 million increase.

In FY 2025, there was a record-breaking Ultimate Fighting Championship (UFC) fight in September 2024. That UFC fight included an average roster. In any other stadium, that fight would not have generated the record-breaking views and sales, which means that revenue was mainly driven by the venue, not the event. I am forecasting that other industries, such as the boxing industry, might want to mimic the success of that UFC fight. I would not be surprised if there is a big Cinco de Mayo fight in the same stadium. Thus, I left the forecasts as is because I believe Nevada is going to continue to do well especially now that artists are realizing how much money they can generate from a single concert at the Sphere, which is a state-of-the-art venue.

For FY 2025, I am forecasting \$139.78 million; for FY 2026, I am forecasting \$167.67 million; and for FY 2027, I am forecasting \$184.11 million in revenue from the non-gaming LET.

CHAIR ROSENTHAL:

It is amazing how Las Vegas always seems to find something. It always seems to recreate itself.

MR. CROME:

To clarify, for the normalized, I will call it FY 2024, it was about \$100.0 million because of the Super Bowl impact. Are you saying that you think it will increase another \$20.0 million in FY 2025 because of the growth that you have seen mostly historically? Is that the major driver?

DR. SOLORIO ARTEAGA:

Yes, that is the major driver as well as the hit shows that have not yet been seen. For the December 2, 2024, meeting, I do not know if the data will be available for tax revenue from the UFC fight, but if it is available, I can add it to the model to see if it is on track.

CHRISTIAN THAUER (Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

The Fiscal Analysis Division's LET forecast begins on page 45 (Exhibit E). I will start with the gaming LET, also called the casino LET. It is levied on ticket sales for live entertainment

taking place on the gaming license. As Mr. Lawton has mentioned, of note is that FY 2025 actual revenues generated by the casino LET for the first three months are down approximately 17.7% when compared with FY 2024 actuals for the same period. The question is how much should be read into these numbers, also given the volatility of the tax revenues in general and given that these numbers are only for three months.

Although we do not want to read too much into these numbers, there are three structural issues that should be mentioned in the context of which we look at these numbers. Generally, when considering FY 2025, we do so in comparison with FY 2024, which was a strong year for the casino LET. In a way, the lower numbers seen today is the normal way the tax would move. There are other reasons why the first three months in FY 2025 may have come in relatively weak. As mentioned by Mr. Lawton, the Mirage closed, which directly affects weekly ticket sales. The Fiscal Analysis Division also agrees that we may see cannibalization—we may have reached a point in Las Vegas where live entertainment taking place outside of the casinos competes and takes business away from live entertainment inside the casinos. For example, the Sphere and the large stadium events that are now regularly offering big ticket concerts.

All in all, that tells us that FY 2025 revenue levels will be lower than in FY 2024. However, the Fiscal Analysis Division is less pessimistic on how much lower the revenues will be because we do not see any sign of a crisis of casino live entertainment in Las Vegas. Adele's residency is scheduled through the end of calendar year 2024. I believe Garth Brooks is scheduled to play until March 2025. The Formula 1 will race again in Las Vegas, possibly lighter than the first race, but it is still going to take place. As well, the lineup for calendar year 2025 on the Las Vegas Strip includes artists such as Bruno Mars, Janet Jackson, Mariah Carey, Blake Shelton, Keith Urban, the Black Eyed Peas, Maroon 5, Rod Stewart, Carrie Underwood, the New Kids on the Block, and the Scorpions. While the Fiscal Division believes that revenue levels in FY 2025 will be lower than in FY 2024, casino live entertainment appears healthy and strong.

In view of these considerations, the Fiscal Analysis Division projects the gaming LET to decrease in FY 2025, when compared with FY 2024, by 4.7% to \$121,055,000. For FY 2026, the Fiscal Analysis Division projects the gaming LET to moderately grow by 2.1% to \$123,551,000. For FY 2027, the forecast is for continued moderate growth of 2.5% resulting in \$126,602,000 in tax revenues. After the casino LET falls slightly in FY 2025, we believe it will continue to grow moderately in FY 2026 and FY 2027.

I will now move on to the non-gaming part of the LET. As mentioned by the other presenters, the tax on entry fees for live entertainment outside casinos has in recent years become, only matched by interest income revenues, the most dynamic General Fund revenue source in Nevada. Chart 1 on page 49 illustrates that well (Exhibit E). The graph near the bottom of the chart between FY 2005 and FY 2021 represents non-gaming LET revenues. After FY 2021, revenues dramatically increased and even surpassed the revenues generated by the gaming LET in FY 2024.

The difficult question after such a development is where it will go from here. The first question that needs to be addressed is whether this tax will continue its dramatic steep

growth in collections during the 2025-27 Biennium. Three considerations and information points inform the Fiscal Analysis Division's answer to that question. First, unlike during the 2023-25 Biennium when the Sphere was added to the live entertainment market in Nevada, no additional large venues are scheduled to be added to the market during the 2025-27 Biennium. The planned new stadium for the Oakland A's will take time to be constructed, and in our view, will enter the market after the 2025-27 Biennium. Second, unlike during the 2023-25 Biennium, during which the Super Bowl and the first time Formula 1 race were held in Las Vegas, we do not know of any similarly big one-off events that are planned to be added to the live entertainment mix in Las Vegas during the 2025-27 Biennium. Third, we believe that visitors will continue to come to Las Vegas, but that visitor volume growth will be slow for reasons that the Las Vegas Convention and Visitors Authority presented at the October 16, 2024, meeting of the Forum. Based on that information, the Fiscal Analysis Division does not foresee tax revenues continuing their staggering growth path in the upcoming biennium.

The next question is on which level tax collection will stabilize. With respect to that question, we know that the Super Bowl in February 2024 was a very important event for the non-gaming LET in FY 2024, which will not repeat itself. We also think that the first Formula 1 race in November 2023 in Las Vegas was an exceptional event and that it will probably be lighter in terms of attention, crowds, and ticket prices the second and third times around. We further know now that festivals taking place in Nevada, generating non-gaming LET, have experienced declining revenues, and believe this trend will continue following a national trend in that respect.

In view of these considerations, the Fiscal Analysis Division projects the non-gaming LET to decrease by 17.7% in FY 2025 to \$106,396,000. As mentioned, this projection takes into account that in comparison to FY 2024, FY 2025 will not have a Super Bowl and Nevada will see lighter revenues generated by the Formula 1 race and festivals. In FY 2026, the division believes that non-gaming LET revenues will moderately grow off of that lower-level set in FY 2025 and increase by 1.2% to \$107,697,000. In FY 2027, there will be a similar growth pattern; however, the division also takes into account that the contract between Formula 1 and the Las Vegas Convention and Visitors Authority schedules annual Formula 1 races until the end of calendar year 2025 only. In other words, it is yet to be decided whether a Formula 1 race will really take place in Las Vegas in FY 2027, or more precisely, November 2026. The Fiscal Analysis Division decided to factor in this uncertainty relating to the Formula 1 race in FY 2027 by cutting in half the anticipated revenue generated by a Formula 1 race to essentially hatch against the upside and downside risks. With that in mind, the division projects declining tax revenues for FY 2027 by 6.1% resulting in non-gaming LET revenues of \$101,080,000. Any additional information removing the uncertainty regarding the Formula 1 race in FY 2027 would lead the Fiscal Analysis Division to revise the forecast.

To clarify for information concerning the mentioning of UFC fights at the Sphere, those events fall under the regulation of the Athletic Commission and the LET would not be levied on tickets sold for UFC fights, but instead the Athletic Commission has a fee similar to the LET that is differently collected. Thus, UFC fights would not be included in the non-gaming LET.

MR. LEAVITT:

I think it is interesting that for the LET gaming forecast, of all three forecasters, the Fiscal Analysis Division is higher than anyone else, but for the LET non-gaming forecast, the Fiscal Analysis Division is lower than anyone else. Combining the two, the Fiscal Analysis Division and the Department of Taxation forecasts are close.

CHAIR ROSENTHAL:

To clarify, the 9.0% tax is the same on both the gaming and non-gaming LET, correct?

MR. THAUER:

That is correct.

MR. GORDON:

Thank you to all of you that presented on this topic. What we have generally seen is that people who are coming to Las Vegas are focused a little more on these experiences as opposed to some of these other areas. My general sense is that venue and casino operators, and those who invest in the State of Nevada will continue to make investments that target that segment of the market; therefore, there may be some opportunities for additional demand within this segment of overall consumer spending. Obviously, there are some anomalies, and one offs, and things you cannot predict, but certainly it seems like Nevada has seen a pretty seismic shift in terms of the consumer. I think Nevada will probably continue to see the development of more venues and events that center around these types of experiential offerings.

MS. LEWIS:

The volatility of the events is interesting. I track what is happening at Allegiant Stadium for work purposes. I have been fascinated by the mayhem of the Taylor Swift and BTS events, and I have been trying to determine who else is touring that generates that much revenue and excitement. The other question I have also pondered is what other new venues might be coming to Nevada. I do not know what the Hard Rock Hotel and Casino will bring when it reopens in 2027. If the Hard Rock Hotel and Casino has a venue, I am curious if that venue will be as cool as a Cirque du Soleil show. I think most people have seen the other Cirque du Soleil shows because it has been around a long time.

Northern Nevada does not really rank in this area. I know there is an event center at the Grand Sierra Resort, but if the games are all locally based teams, I am uncertain that will make a difference for either of the LET revenues.

MR. THAUER:

If you are referring to local sports teams, they are exempt from the LET. There is also revenue from Northern Nevada, such as the Burning Man festival, which is subject to the LET. There are discussions about the Grand Sierra Resort building a large arena, but

that would be beyond the upcoming biennium; however, that could transform the Reno area into one of the major contributors to the LET.

Chair Rosenthal called a recess at 12:23 p.m. The meeting reconvened at 12:57 p.m.

C. STATE 2% SALES TAX

ERICA SCOTT (Economist, Department of Taxation):

I will first discuss the current revenues with the State 2% Sales Tax as a time series just within the past few years back to FY 2022 (page 9, Exhibit F). The graph highlights the seasonality of this tax with the peak months always in December. Within FY 2025 to date, the July and August monthly average of the State 2% Sales Tax revenue is \$144.0 million, but the average in FY 2024 was nearly \$150.0 million; therefore, it appears that FY 2025 is starting off somewhat stagnant. Although there is a lot of time remaining in this fiscal year with the highest earning months still to come.

With the key assumption in mind that the Consumer Price Index is coming back into a steady 2.0% to 3.0%, the stagnant State 2% Sales Tax revenue is not surprising for the first few months of this fiscal year. One of the most important indicators for this tax that the department used for the forecast is Nevada retail sales. Moody's has forecasted growth over 3.0% and 4.0% for FY 2025 through FY 2027. With that considered, the State 2% Sales Tax forecast is presented on the bar graph in the red columns (page 10, Exhibit F). Considering the growth forecasted by Moody's for Nevada retail sales and with the assumption that Nevada's tourism maintains a steady growth, the department's forecast for the State 2% Sales Tax is \$1.84 billion in FY 2025, \$1.93 billion in FY 2026, and \$2.01 billion in FY 2027.

The chart on page 11 shows the year-over-year growth, which works out to 2.8% growth in FY 2025, so somewhat flat but steady (Exhibit F). In FY 2026, growth is forecasted at 4.8%, and in FY 2027, growth is forecasted at 4.1%. While the Department of Taxation does not anticipate matching the growth rates seen in FY 2021, FY 2022, and FY 2023, steady growth is still anticipated.

DR. MAURICIO SOLORIO ARTEAGA (Economist, GFO):

For the State 2% Sales Tax, I wanted to begin with the analysis of the historical trend of this tax. As shown on page 18, the State 2% Sales Tax has been increasing on an upward trend with a dip during the months with COVID-19 pandemic restrictions (page 18, Exhibit D). I would note that even during the pandemic, Nevada saw a neutralization effect with regard to the percent growth.

The graph on page 19 shows the average percent growth, including the pandemic months, was around 1.12% on average per month from July 2016 to October 2024 (Exhibit D). Excluding the pandemic months, the average percent growth is 1.41%. There is not a significant difference with or without the pandemic months. I believe the reason for this is because during the pandemic, there was a supply disruption of goods. The few

items that were sold in the economy were sold at higher prices, so the low supply and higher prices helped the State 2% Sales Tax remain consistent.

One of the things I considered when preparing the forecast was the amount of consumer credit that Nevadans have been collecting throughout the years—that percentage has been outpacing the average household income in the State of Nevada. On the graph on page 21, the blue line represents consumer, and the green line represents average household income (Exhibit D). In terms of percentage, household income has not grown at the same rate as consumer credit—consumer credit is outperforming household income. This means that the debt-to-income ratio that households are accumulating is increasing—the debt is higher than what households are producing in income. The Federal Funds Rate has an inverse relationship with consumer credit. When interest rates increase, consumer credit goes down because it is more expensive to borrow money.

Interest rate decreases are expected in the upcoming years, which will influence consumer credit. Consumer credit will increase because it is less expensive to borrow money. I built the debt-to-income ratio variable into my model to neutralize the effect of borrowing against people who prioritize paying debt.

The GFO forecast as well as historical Sales and Use Tax data is shown on page 22 (Exhibit D). It is growing, but not exponentially because of that neutralization effect that was mentioned—some households are going to be more finically minded than others.

The chart on page 23 shows the percent change (Exhibit D). After merging in the GFO forecast, the average growth rate of the Sales and Use Tax will decrease around 0.34%. The forecasted average monthly percentage growth from November 2024 to June 2027 will be around 0.6%. That translates to \$1.85 billion in revenue in FY 2025, \$1.93 billion in FY 2026, and \$2.0 billion in FY 2027.

My theory of people prioritizing debt over discretionary spending might have been busted over the weekend. I went car shopping with my cousin and was surprised at the busyness of the dealership—there was even a waitlist to talk with a salesperson. As a good economist, I asked the salesperson how long the dealership had been that busy. He said sales have been strong for about six weeks, and the dealership is selling an average of 80 cars in a weekend. It made me think that perhaps I underestimated people. As interest rates go down, more people may be borrowing money for large purchases.

CHRISTIAN THAUER (Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

I would like to begin by providing some context. The State 2% Sales Tax, the most important tax for the General Fund, was a key driver for the expansion of revenues after the COVID-19 pandemic. Fueled by pent up consumer demand coming out of the pandemic as well as increasing inflation, the State 2% Sales Tax overperformed the May 2021 Economic Forum forecast significantly for the 2021-23 Biennium in each year of the biennium. However, during the 2023-25 Biennium, sales tax revenues started to come in lower than expected by the Economic Forum's May 2023 forecast. In FY 2023, revenues remained approximately \$26.0 million, or 1.5%, under the May 2023

Economic Forum forecast, and in FY 2024, by more than \$50.0 million, or 3.0%. As concerns the first two months of actuals in FY 2025, sales tax revenues to date are approximately 10.0% under forecasted revenues.

Another interesting development, throughout most of the 2023-25 Biennium State 2% Sales Tax revenues have been increasing year-over-year. In FY 2023, sales tax revenue increased by 6.7% when compared to FY 2022, and in FY 2024, by 4.0% over FY 2023. However, since May 2024 sales tax revenues not only fall behind the Economic Forum's May 2023 forecast, but they also shrink when compared with the same month one year before. July and August revenues for FY 2025 came in about 2.1% lower than July and August revenues in FY 2024.

The question is what should be read into these numbers. The Fiscal Analysis Division believes these developments of year-over-year decreases are not only related to lower inflation rates and a general normalization of consumer demand after the pandemic but are also related to a realignment of consumer spending. That relates to what Mr. Nakamoto said when he introduced the economic outlook before the Gaming Percentage Fee presentation in that wages continue to increase and consumers spend money, but our interpretation of the situation is that spending has moved increasingly into areas that are not covered by the sales tax such as increased rental payments, increased insurance payments, and groceries, which are exempt from the sales tax. For example, if you look at the two most important contributors to taxable sales by the North American Industry Classification System (NAICS) code—food services and drinking places and motor vehicle and parts dealers—sales by food services and drinking places decreased by 3.6% year-to-date over FY 2024 sales year-to-date, and sales by motor vehicle and parts dealers decreased by 12.9%. The Fiscal Analysis Division thinks this is due to consumers dining out less and grocery shopping more. Bigger investment in cars and auto parts are delayed due to the high interest rate environment and increasing cost-of-living prices for rent, insurances, and other necessities. However, the Fiscal Analysis Division does believe that this realignment of consumer behavior will soon level out with lowering interest rates, increasing wages, and re-emerging demand for new cars and auto parts. What was just presented by Dr. Solorio Arteaga fits into that narrative because I think we already see that happening in the car market. There were also over capacities of American car manufacturers, thus those manufacturers usually push the vehicles into the market through discounts and favorable loans. I believe that is already happening, but it is not yet reflected in the numbers due to the reporting lag. We believe this will level out and the state will proceed on a growth path. However, that growth path will be lower than in the previous years due to the cost-of-living pressures consumers feel in Nevada.

In view of these considerations, the Fiscal Analysis Division projects an increase of State 2% Sales Tax revenues by 0.3% to \$1.795 billion in FY 2025. For FY 2026, sales tax revenues will increase by 3.7% to \$1.861 billion. For FY 2027, sales tax revenue will increase by 4.7% to \$1.948 billion.

I would note that the Fiscal Analysis Division will need to make a small revision to the sales tax forecast in December as a result of Ballot Question 5 receiving the approval of voters in the 2024 General Election. Passage of Ballot Question 5 exempt diaper

products from the State 2% Sales Tax beginning in January 2025. The Fiscal Analysis Division will calculate how much we will need to deduce from the forecast due to this new exemption. As a ballpark estimate, in calendar year 2024, the loss would have amounted to approximately \$2.3 million; therefore, it is not a significant amount that will be removed from the forecast.

MR. LEAVITT:

Will another month of sales tax information be available by the December 2, 2024, meeting?

MR. THAUER:

The revenue figures will probably be available and then we will be able to work ourselves back to the sales. The Fiscal Analysis Division forecasts taxable sales first and from there on, forecasts the collections, including all the abatements, etc. Although the taxable sales figures from the Department of Taxation will not be available before we prepare the forecasts, we may have another data point for the actual collections.

MR. LEAVITT:

I am concerned about showing increases when all available data shows decreases up to the point where the forecast is made. However, there will be another forecast in May 2025, by which time we will know if there is a turnaround in sales tax revenue.

MR. THAUER:

I think the anecdotal story told by Dr. Solorio Arteaga was in line with what we are also seeing—that will be a turnaround soon. But yes, it is true that the current numbers look negative.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

To add to Mr. Thauer's comments, when I was discussing the Fiscal Analysis Division's economic overview and talked about timing, Fiscal Analysis Division staff had a similar question as to when sales tax revenue would begin to improve. Our assumption, at least for sales tax in FY 2025, is that much of the slower sales right now, especially for things like vehicles, are perhaps the result of higher interest rates. With the Federal Open Market Committee's action from this morning as well as Ms. Mandel's mention that there will likely be further reductions going forward, we assume this will spur additional spending. For FY 2025, there is not a lot of growth. Table 9 shows that the last ten months only need to grow by 0.5% to get to our forecasted amount (page 89, Exhibit A). The forecast for sales tax is a little weak in the first half of FY 2025, but it will begin to recover in the second half of FY 2025; therefore, sales tax is expected to result in a modestly positive outlook.

D. INSURANCE PREMIUM TAX

ERICA SCOTT (Economist, Department of Taxation):

The chart on page 13 shows the time series for the Insurance Premium Tax (Exhibit E). There is clearly an upward trajectory with the rate increases over the last several years. As well, the tax revenue growth over the past eight fiscal years is represented in this time series. In FY 2024, this tax revenue brought in an average of \$146.0 million per quarter to the General Fund.

During the October Economic Forum meeting, the Forum heard from Chief Deputy Insurance Commissioner, Todd Rich, who communicated that there were upcoming approved insurance carriers increasing their rates overall. Mr. Rich mentioned that several insurance carriers had upcoming rate increases between 10.0% and 25.0%, although those increases would not go into effect until FY 2026 and FY 2027. That has been factored into this forecast. Although the rate increases will be implemented, ultimately, consumer behavior will dictate what premiums are paid to the insurance carriers. Consumers still have the option of shopping with other carriers and adjusting coverages to offset the increased premium costs. These factors have all been considered into this forecast.

An additional consideration to the forecast is that the totals shown are just for the General Fund portion and before any tax credits are applied. Sometimes when the department does these year-over-year comparisons, if the tax credits are not included in those prior year totals, it shows a larger growth than what is being forecasted.

The department's forecast for FY 2025 is \$647.18 million, \$690.9 million in FY 2026, and \$737.1 million in FY 2027 (page 15, Exhibit E). When comparing the annualized growth, the figure is net tax credits for FY 2024 versus the forecasted FY 2025 prior to any tax credit being taken. Approximately \$27.0 million in tax credits were taken against that FY 2024 figure. Thus, the forecasted growth is closer to around 5.9% from FY 2024 to FY 2025. This is the difficulty of presenting net revenues to pre-credit forecasts. Ultimately, that growth is 5.9% in FY 2025, 6.8% in FY 2026, and 6.7% in FY 2027. The department's forecast is for the later fiscal years to be more reflective of the upcoming premium rate increases and the consumer behavior and premium payments.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

I would note that the numbers in Ms. Scott's presentation do not match what is on Table 8 because there is an additional portion of the Insurance Premium Tax, specifically on surplus lines insurance, that is not collected and administered by the Department of Taxation (Exhibit B). Rather, it is collected and administered by the Division of Insurance within the Department of Business and Industry. Thus, the forecasts seen in Table 8 are inclusive of that portion for the forecasted amounts from the Department of Business and Industry, and it is in the range of approximately \$25.0 million to \$26.0 million per fiscal year. That explains the difference between the presentation given by Ms. Scott and Table 8—the agency forecast is inclusive of both portions.

CHAIR ROSENTHAL:

Ms. Scott, you mentioned the approved carrier rate increases and consequently, consumers may shop around or reduce coverages to mitigate some of the impact of the higher rates. Do the assumptions in your forecast assume all the rate increases flow through without the consumer actions? In other words, what underlying rate assumption is in your forecast? Is it 100% of the rate increases or is there a mitigant for consumers acting against the rate increases?

Ms. SCOTT:

There is a mitigant; somewhere meeting in the middle. As insurance carriers do ask for rate increases, this would be more of a question for the Division of Insurance about the process; however, my understanding is that not every carrier is asking for a rate increase every time. That is also factored into this forecast. If the rate increases are not warranted in future fiscal years, that is also considered, but ultimately consumer behavior is going to dictate what premiums are paid.

DR. MAURICIO SOLORIO ARTEAGA (Economist, GFO):

Regarding the previous discussion with Ms. Scott, I have a schematic in my presentation showing the consumer dynamics related to the rate increases (page 27, Exhibit D), which might be helpful for the Forum members.

The chart on page 26 shows the historical time series of the Insurance Premium Tax (Exhibit D). This tax has experienced exponential growth rather than a flat trending slope. It was also not impacted by the pandemic because auto insurance must be paid regardless of whether the vehicle is driven.

The GFO forecast includes the rate increases that were effective in October 2024 (page 27, Exhibit D). According to the Division of Insurance, there are at least six carriers that will increase their rates by at least 10.0%. Nevada ranks fourth in the nation for the highest auto insurance rates in the United States. It is calculated that Nevada residents pay around \$3,500 a year on auto insurance, which is almost 5.0% of annual income.

One of the largest corporations that increased rates is Allstate. Rates increased by 10.0% effective October 28, 2024. This will have the largest impact because 94.0% of people are going to face a 10.8% increase. Farmers Group increased rates by 24.0%, which is quite a significant increase.

The schematic on page 27 shows the demand supply curve for the large insurance market (top) and the small-to-medium insurance market (bottom) (Exhibit D). If the equilibrium price for insurance is, for example, \$110.00 a month for auto insurance, and a large insurance company increases its rates by 24.0%, that will result in a premium rate increase of \$136.40, which is an increase of almost \$26.00. When those companies increase their prices, the demand for that given insurance price is going to go down, which is going to encourage people to migrate to the small-to-medium size market. That influx of people will then put pressure on the small-to-medium size companies to increase rates

because the transaction costs are going to increase due to the fact that those companies will need to hire more agents, implement new software, etc. The demand curve is going to naturally shift to the right, which is going to bring the price for the small-to-medium size insurance up. In my example, the rate will be higher than \$110.00, but the specific amount is unknown.

When the large insurance companies begin to see they are losing customers, they will decrease prices to compete with the small-to-medium size companies. Consequently, people are going to migrate from the small-to-medium size companies to the larger companies when they see that the difference between the two is not that big and the larger insurance companies have better coverage. Therefore, this dynamic is going to repeat itself and the price is going to stabilize to an equilibrium point where there is not going to be an incentive for people to move from large insurance to small insurance. It is uncertain when the price stabilization will occur, but it will be higher than what people are currently paying.

The other possibility in this scenario when insurance rates increase is that people can opt out of auto insurance. That is an increasing phenomenon in the United States. I was looking at some statistics and apparently 14.0% of Americans are driving without auto insurance, which is approximately 33 million people. As insurance rates increase, people will opt out, especially considering Nevada auto insurance costs about 5.0% of annual income. For people living paycheck to paycheck, they might choose to opt out of auto insurance and take their chances rather than pay higher insurance rates.

The green line on the graph on page 27 is the scenario where people just accept the rate increase (Exhibit D). The other scenario is where people shop around, which will stabilize rates. In my model, I factored in half the increase, or 5.0%, because of the market dynamics. I am forecasting an average quarterly percentage growth in insurance premiums to be around 1.8% from November 2024 to June 2027, so it is a moderate growth increase of the Insurance Premium Tax. That translates to \$653.72 million in FY 2025, \$679.35 million in FY 2026, and \$702.38 million in FY 2027.

MR. GORDON:

The GFO forecast includes both components of insurance that we were discussing before. Is that correct?

DR. SOLORIO ARTEAGA:

Yes.

MR. CROME:

Regarding the shift on the chart, are you assuming all the migration to smaller insurance companies will happen in the next fiscal year or gradually (page 27, Exhibit D)?

DR. SOLORIO ARTEAGA:

I am forecasting that it will be a dynamic shift because most insurance premiums are on a six-month basis. If someone is notified close to the termination of their policy, they may decide to switch to a different company. I believe it will occur as people are notified of the insurance premium increase.

MR. CROME:

You are assuming it will all occur in FY 2025, correct?

DR. SOLORIO ARTEAGA:

Yes, that is correct.

MR. CROME:

You mentioned that people could exit the market completely, but there is another option where people could choose to reduce their coverage. Did you consider any of those other factors in your analysis?

DR. SOLORIO ARTEAGA:

Yes, I will consider. One of the things that I noticed is that most people typically choose the state's legal minimum of auto insurance. The only decrease from the state legal minimum is to opt out of auto insurance, but then it is illegal for them to drive.

MR. NAKAMOTO:

In the Fiscal Analysis Division forecast packet, the Insurance Premium Tax begins on page 69; however, I will refer the Forum members to page 71, which is the table that is currently on the display (Exhibit E). This table is the historical collections for the Insurance Premium Tax back to FY 2011. This table in and of itself tells an interesting story because the only year during this period where Insurance Premium Tax collections were negative was in FY 2011, which was at the bottom of the Great Recession. Otherwise, there was slight growth in FY 2012, and it has continued to increase. There are reasons why in certain fiscal years it went up higher than others; FY 2015 was right at the beginning of the provisions of the Affordable Care Act. Consequently, there were increases in coverage as more people were able to obtain health insurance in an easier fashion.

As shown on the table, there has been stable growth, again with the exception perhaps of FY 2020 when collections only increased by 3.7%. I believe I have mentioned in my previous presentations on this tax that going back to the pandemic, there were a lot of auto insurance companies that were not increasing their rates or even refunding premiums to people because they were not driving as much. Consequently, there was less demand for auto insurance at least, which is only a portion of it, but that can help mitigate some of the collection growth; however, then it began to increase again. One of the things that we have observed, at least for some of these property insurance categories,

is that insurance companies that were not raising their rates during the pandemic suddenly found that as people were driving more, claims increased and the cost of automobile repairs increased; therefore, the insurance companies lost money because they were paying out more in claims than they were receiving back in premiums. From my estimation, that is one of the things that has been driving these large premium increases, at least in the automobile and some of the other property categories that have been previously discussed.

Again, that is not a significant part of the market. Thinking back to the presentation by the Division of Insurance at the October 16, 2024, meeting, approximately 38.0% of premiums are in the health insurance sector, which is also experiencing relatively stable growth. The information that the Division of Insurance was giving with respect to rates, at least for Plan Year 2025, ranged between 4.0% and 6.0% depending on the plan type, which is moderate. However, when almost 40.0% of insurance is going up by that amount, naturally, growth is expected. Whatever is in the property and casualty and life and all the other categories is only going to add to it.

One thing to note is the 11.2% growth in FY 2024. One piece of legislation that was passed during the 82nd (2023) Legislative Session was Senate Bill 435, which essentially says that if the Department of Health and Human Services establishes a tax upon private health providers, the proceeds will be used by Medicaid to provide services through managed care organizations for behavioral health services. As a result, there would be increases in the Insurance Premium Tax because the payments that are received by the managed care organizations are consideration for the Insurance Premium Tax and are taxed at a rate of 3.5%, like any other payments to insurance companies.

The information that I received from the Medicaid analysts in the Fiscal Analysis Division said that the provider tax began on January 1, 2024. As a reminder, we look at the quarterly collections for the tax, the premiums that are written, which make up about 95.0% of the tax, the surplus lines and the “all other,” which includes things like workers’ compensation, which is a smaller amount. For the third and fourth quarters of FY 2024, there is significant growth—just over \$20.0 million more in premium tax in those two quarters than the same two quarters in FY 2023. Based on the information available, approximately 40.0% is due to this provider tax. Private health providers, hospitals, and the like pay this tax, the money goes to Medicaid to pay for behavioral health services through managed care organizations, and then the managed care organizations must pay a portion of that back in Insurance Premium Tax. Most of the money is federal, so I believe the state is net ahead. Assuming about \$8.0 million per quarter of that was from this provider tax and the payments, actual growth will be just over 8.0% in the tax. We believe some of that growth is because the provider tax took effect at the beginning of the calendar year.

Having said that, I think the first two quarters of FY 2025 are stronger because we will annualize against the provider tax in the third quarter of FY 2025, which begins January 1, 2025. It is entirely possible though that the effect might be a little low because the growth is only between \$12.0 million and \$15.0 million; therefore, there could be an upside. There has been discussion from the other forecasters concerning the premium

increases. The Fiscal Analysis Division believes the more significant premium increases are limited to certain categories, such as property and casualty, which makes up approximately 20.0% of the market. With more moderate increases in areas such as health insurance, along with the expectation that the significant increase in auto and other insurance categories may begin to stabilize as we move past the pandemic, growth in FY 2026 and FY 2027 is projected to be more modest, in the range of 5.2% to 5.4%. That is probably a bit below the long-term looking at the percentages going forward, but there comes a point where it is reasonable to assume that premiums cannot be increased much more. It is entirely possible that premiums will continue to increase, but we expect that Nevada will experience slightly more growth in FY 2025, as we are still annualizing the impact of the provider tax. However, in FY 2026 and FY 2027, the state will have moved beyond that, and it will moderate some of the growth. In FY 2025, there will be 6.5% growth in FY 2025 to about \$688.9 million, \$726.1 million in FY 2026, and \$763.9 million in FY 2027.

MR. GORDON:

You mentioned that 20.0% of the overall premiums were sourced to property and casualty. What is the general distribution of the sources of the insurance premiums that are being paid where this tax applies?

MR. NAKAMOTO:

I would have to review the previous presentation, but the tax is applied uniformly—it does not differ between health insurance, auto insurance, or life insurance. Thus, we assume that the distribution of the rate is equal to the net premiums that are reported by the Division of Insurance. That assumption essentially says that 38.0% of the insurance written is health insurance; therefore, we assume that 38.0% of the Insurance Premium Tax derives from those premiums.

E. MODIFIED BUSINESS TAX NONFINANCIAL • FINANCIAL • MINING

CHAIR ROSENTHAL:

The next item is Agenda Item VII.E, which has three components—nonfinancial, financial, and mining. I would like the presenters to walk through all three components of the tax rather than switching between presenters for each component.

ERICA SCOTT (Economist, Department of Taxation):

First, I have a graphical representation of the quarterly General Fund revenues for the MBT (page 17, [Exhibit F](#)). This includes all three MBT types in the totals. The chart is color coded for the highest and lowest revenue quarters from FY 2022 through FY 2024. The second quarter of FY 2023 was the highest on record. The lowest revenue quarter is always quarter one of each fiscal year. It is also apparent where the rate reduction came into play in FY 2024—the MBT rates were reduced in July 2023 for FY 2024. This goes into play with the MBT revenues so the reduction by comparison in FY 2024 is due

to the rate decrease, not necessarily any economic indicators. Despite that rate reduction, quarters three and four of FY 2024 were in the top five highest revenue quarters from this time series, which is due to steady wage and job growth that Nevada has experienced within FY 2024.

Page 18 shows the time series of the MBT revenues from FY 2017 through FY 2024 (Exhibit F). With this view of the revenues, we can also clearly see the seasonality play out again. The lowest quarter of revenue is typically the first quarter of the fiscal year, but overall, there is still a steady incline in this revenue source.

Getting into the forecast, the department has broken out the general business portion of the MBT revenues in the two preceding years in the blue bars and then the red bars are the forecast for the agency (page 19, Exhibit F). Again, there is a dip in FY 2024, which is due to the tax rate decrease not reduced economic activity.

Since the department's key assumption is that Nevada's job growth continues the upward trend and wages remain at a growth rate of approximately 5.0%, the department is forecasting growth in each fiscal year for this tax type. Also, once again, the forecasted figures displayed here are prior to any tax credits. In this graphical representation, I have added back in the tax credits that were utilized to provide an apples-to-apples comparison with the year-over-year growth rate. The department is forecasting \$847.94 million in FY 2025, \$893.75 million in FY 2026, and \$939.76 million in FY 2027. This is a 6.2% increase in FY 2025, a 5.4% increase in FY 2026, and a 5.1% increase in FY 2027.

Moving on to the MBT financial institutions forecast, another factor that was added into this employment sector is the interest rates, specifically lowering of interest rates (page 21, Exhibit F). There was a general decrease in reporting of wages for financial institutions when interest rates were on the rise because those wages are tied to the financial sector. With the reduction of interest rates for lending, my model takes into effect the wage growth that would be the relationship with the lowering of interest rates and expanding that financial industry with jobs and income.

For the financial institutions section, the department is forecasting \$43.74 million in FY 2025, \$46.1 million in FY 2026, and \$48.48 million in FY 2027. In the chart on page 22, the department included the actual credits taken against the financial institution MBT returns (Exhibit F). With these forecasted figures, there will be a 6.9% increase in FY 2025, a 5.4% increase in FY 2026, and a 5.2% increase in FY 2027. This is reflective of the continued federal interest rate reductions anticipated in FY 2025 and followed by a steadying of interest rates in FY 2026 and FY 2027.

Next is the MBT mining forecast (page 23, Exhibit F). The department does not anticipate any large fluctuations in this industry. For this industry sector, I looked at industrial productions forecasted by Moody's. It does not seem to have a big fluctuation in FY 2025, but then there will be some normalized growth within FY 2026 and FY 2027. That being considered, the department's forecast is \$19.6 million in FY 2025, \$20.55 million FY 2026, and \$21.61 million in FY 2027, all before tax credits are applied. For the year-over-year comparisons, there will be a 0.1% increase in FY 2025, 4.8% in FY 2026, and 5.2% in

FY 2027. This is reflective of an anticipated slightly stagnant year in FY 2025 followed by some expansion in FY 2026 and FY 2027.

DR. MAURICIO SOLORIO ARTEAGA (Economist, GFO):

I am going to be presenting the MBT nonfinancial. This model is very straightforward; I used similar assumptions as Ms. Scott with strong economic growth, especially in the job market sector. The GFO forecast for FY 2025 is \$751.89 million, for FY 2026 it is \$763.14 million, and for FY 2027 it is \$797.7 million. I would note that these numbers might be a little short, especially after the results of the election. I was looking at the markets this morning, which reacted in favor of the election. The Dow Jones went up by 4.0%, and the S&P 500 went up by 3.0%. Economists are saying that the reason the markets reacted in favor of the election is because of the anticipated corporate tax cuts. Once these corporate tax cuts take effect, there will likely be a surge in business activity because companies will have the funds to expand; therefore, the job market is expected to grow with this tax credit. As noted, these numbers may be a little short, but it is too early to tell. By the May 2025 meeting, we should have a better understanding of the impact on the job market.

Moving on to the MBT financial, I am aware that I am the only one who shows this tax decreasing (page 33, Exhibit D). The reason for this is because of some research reports related to artificial intelligence (AI). According to Accenture Research, the banking industry is the industry that is most vulnerable to job displacement by AI. As shown on the chart, 54.0% of jobs in banking institutions are at risk of being replaced by AI or becoming automated. Only 12.0% of banking institution jobs will benefit from the introduction of AI, meaning that the job will become more efficient; 24.0% of those jobs are at low risk; and 10.0% of those jobs are safe from the introduction of AI. Displacement of 54.0% is significant. This is evident just by walking into a banking institution—there are few employees and many empty desks. There have been bank closures nationwide because many banks are moving to online services. Many financial institutions are boasting about their AI capabilities and advisors in television commercials. There will be some job displacement by AI in the coming months.

The graph on page 34 shows a survey conducted by Citigroup in which banks were asked if they have begun introducing AI (Exhibit D). Of the banks surveyed, 21.0% have not yet started to introduce AI in their operations; 68.0% have begun introducing AI; and only 11.0% are already in the deployment phase—they are already offering AI products to customers. Financial technology companies (FinTechs) are already ahead on the adoption of AI, and insurance companies are also beginning to implement AI—the automation of tedious tasks can be very beneficial for these companies.

The forecast shows the MBT decreasing due to the replacement of many jobs with AI (page 35, Exhibit D). In FY 2025, the GFO is forecasting \$38.26 million in revenue, and \$36.92 million in revenue in FY 2026. As jobs are replaced by AI, jobs will evolve because banking institutions will need to hire a more sophisticated type of employee—people with a software engineering degree or a minor in financial technology. When that transition of

labor begins, there will be an increase in gross salaries. Therefore, the forecast for FY 2027 is \$40.05 million, which reflects that job transition.

The MBT mining cannot be discussed without also discussing gold prices because Nevada is historically a mining state (page 37, Exhibit D). I have a degree in mining engineering from the University of Nevada, Reno, Mackay School of Earth Sciences and Engineering so I am familiar with how mining works with commodity prices.

The average gold price in terms of ounces is forecasted to increase in FY 2025, FY 2026, and FY 2027. The average gold prices are approximately \$2,500 for FY 2025, \$2,600 for FY 2026, and \$2,700 for FY 2027. One reason I believe people are forecasting high gold prices in the coming years is because gold is one of those commodities that loves chaos. When there is chaos in the world, gold prices increase. Peace treaties are not being forecasted in the coming years for the wars in the Middle East and between Ukraine and Russia.

The MBT mining forecast is increasing but not significantly with the gold price because of the engineering constraints that mining faces. Mining is one of those industries that cannot capitalize quickly on gold prices because of the engineering constraint—production cannot be ramped up quickly at a mining site because it takes time to order and receive equipment. Also, throughputs of processing facilities are limited so the facility needs to be expanded before increasing the amount that can be mined. The mining industry does not capitalize quickly; however, that capitalization is going to occur because I am sure that Nevada gold mines are already expanding their operations due to current gold prices. With that in mind, the forecast is \$22.16 million for FY 2025, \$22.10 million for FY 2026, and \$22.27 million for FY 2027.

HAYLEY OWENS (Economist, Fiscal Analysis Division, LCB):

I will be presenting the Fiscal Analysis Division's MBT forecast for nonfinancial, financial, and mining, which begins on page 77 of the Fiscal Analysis Division forecast information packet (Exhibit E). The first couple of pages summarize the forecast results and provide a history of this tax. It has experienced a number of tax rate changes as well as modifications to the way taxable wages are calculated. I do want to make a note on the rate changes that you have seen and heard from the presenters already. We did have a rate change for all three components of the MBT that began with the commencement of FY 2024. At that time, the rate for nonfinancial, or general businesses, was reduced from 1.378% of taxable wages in excess of the \$50,000 each quarter to 1.17%. The MBT rate for financial institutions and mining companies was reduced from 1.853% to 1.554% of taxable wages. I would note that those rate changes are permanent, and the way that statute is written, there are no more rate changes allowable by current law. The rate changes in FY 2024 are going to be the same for the entire forecast horizon, and without any kind of law change, additional rate changes are not anticipated.

Table 2A on page 80 shows wage and employment information for the nonfinancial sector (Exhibit E). As mentioned previously by other presenters, the general thought is that the Nevada economy is expected to continue growing, but at a slower rate now that the initial

post-COVID-19 recovery has peaked and passed. The MBT is a payroll tax, so it is really a function of both employment and wages. In preparing its forecasts, the Fiscal Analysis Division looks at employment expectations and average annual wage expectations and combines those into total wage forecasts. From there, the effective tax rate is applied to create the forecast.

At the bottom of Table 2A, in the second column, job growth is expected to slow—from 3.1% in FY 2024 to 2.3% in FY 2025; 1.6% in FY 2026; and 1.4% in FY 2027. The average annual wage growth, in the third column, is holding steady—it is not declining as much. The upward pressure on wages is easing, but wage growth between 2.6% and 2.8% is anticipated.

In Table 2B, columns A and B show the same total wage disbursement figures as the prior table, by quarter on top and then summarized since the fiscal year on the bottom (page 81, [Exhibit E](#)). Columns C and D translate this to total wages reported by taxpayers to the Department of Taxation. The Fiscal Analysis Division keeps the ratio of Department of Taxation taxpayer reported wages to Bureau of Economic Analysis equivalent wages steady at about 95.0%. This is in line with the past two fiscal year actuals. Columns F through J deal with taxable wage adjustments due to deductions for employer paid health care costs for health insurance or health benefit plans. The Fiscal Analysis Division expects those trends to remain steady.

Column I is the actual and forecasted taxable wages and column K is tax collections, which is the revenue. For the MBT for the nonfinancial sector, the forecasted revenue is \$834.2 million in FY 2025, \$869.4 million in FY 2026, and \$905.8 million in FY 2027. Those are growth rates of 4.5% in FY 2025 and then 4.2% in FY 2026 and FY 2027.

Chart 1 on page 82 shows the last three years of actual collections compared to the three years of forecast ([Exhibit E](#)). There is a decline in FY 2024 due to the permanent rate change and the state will grow from there. Chart 2 shows collections on a quarterly basis (page 83, [Exhibit E](#)). The past three fiscal years are shown in green, and the forecast years are shown in blue.

Moving to the MBT financial sector, Table 3A on page 85 has a typographical error that affects the numbers for FY 2027; however, it does not affect the actual forecast ([Exhibit E](#)). This is the same table as the one used for the nonfinancial sector showing employment and wage expectations. For the financial sector, employment is expected to grow at 1.0% per year in this sector—further slowing down from FY 2024 following the strong growth in FY 2022 and FY 2023. Average annual wages are expected to grow at 5.2% in FY 2025, 4.1% in FY 2026, and 4.1% in FY 2027. The table shows 0.2% for FY 2027, but it should be 4.1%. Similarly, the inflation adjusted wages should be showing 1.6% in FY 2027, not the -3.6% shown in the table.

Table 3B on page 86 shows detail on quarterly wages, taxpayer wages, health care deductions, and taxable wages ([Exhibit E](#)). The forecasted revenue for the MBT from financial institutions is \$43.3 million in FY 2025, \$45.4 million in FY 2026, and \$47.5 million in FY 2027. This represents growth rates of 5.9% in FY 2025, 4.8% in

FY 2026, and 4.5% in FY 2027. Growth rates are stronger in the beginning of the Fiscal Analysis Division's outlook versus the end because we also expect a slight boon to the financial sectors as interest rates are lowered, which might spur more activity.

Chart 1 on page 87 shows the last three years of actuals and the three years of the MBT financial sector forecast, as well as how that looks on a quarterly basis on page 88 (Exhibit E).

Table 4A on page 89 is the Fiscal Analysis Division's employment and wage forecast for the mining sector (Exhibit E). Employment is expected to hold steady. The percentage changes appear larger than they are because employment in this sector is low. Employment in this sector grew slightly in the latter half of FY 2024; thus, the forecast shows employment growing from that level in FY 2025, FY 2026, and FY 2027. As mentioned by Dr. Solorio Arteaga, we expect the current composition of mines to generally hold steady even in the face of historically high gold prices. Extraction costs and exploration and development timelines are constraining factors. In November 2022, my colleague, Susanna Powers, indicated that mining employment was not fluctuating, and that the industry had found efficiencies for mergers, and the forecast assumes a somewhat steady state. I believe that is what we have been observing and what we continue to anticipate.

Revenue collections for the MBT mining forecast are expected at \$20.6 million in FY 2025, \$21.1 million in FY 2026, and \$21.6 million in FY 2027. Chart 1 on page 91 shows the forecast on a fiscal year basis and Chart 2 on page 92 shows the forecast on a quarterly basis (Exhibit E).

Returning to Table 1 on page 79, the total MBT collections are shown in the bottom left section (Exhibit E). The MBT is expected to grow by approximately 4.6% in FY 2025, 4.2% in FY 2026, and 4.2% in FY 2027.

H. INTEREST INCOME – TREASURER

This agenda item was taken out of order.

CHAIR ROSENTHAL:

Agenda Item VII.H will be taken out of order because State Treasurer Zach Conine is available now to present on this item.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

I would note that the forecast information prepared by Treasurer Conine and his staff is available in the meeting packet beginning on page 97 (Exhibit A).

ZACH CONINE (State Treasurer, Office of the State Treasurer):

Page 97 shows expectations related to the average daily fund balance (Exhibit A). In the past, we have taken the average of the last two years for that quarter, because there is

some seasonality in average daily fund balance, and then it is increased by 5.0%. In discussions with the GFO and Fiscal Analysis Division staff, the 5.0% has not been added this year because, while we have not observed American Rescue Plan Act (ARPA) funds being spent outside the state from a cash balance standpoint, we are aware that approximately \$1.4 billion will be disbursed before the deadline of December 31, 2026. As a result, we wanted to account for this and determined this approach would be the simplest way to do so. Although the dates for when those funds will be disbursed are becoming clearer, we still do not have complete certainty. We thought that taking this approach was the most conservative way to manage the fund balance going forward. This also means we are being cautious about the potential impacts of the interest rate environment and the actual interest earnings for the portfolio. That is how we determined the average dollars under management.

STEVEN HALE (Deputy Treasurer of Investments, Office of the State Treasurer):

The rates for the projections going forward are in the table on page 98 (Exhibit A). As mentioned at the October 16, 2024, Economic Forum meeting, these rates come from forward contracts—they are interest rate futures contracts. They are a good proxy for predicting interest rates because these are actual contracted deliverable rates that are used to hedge specific obligations. Transactions and money exchanges occur based on these rates. The interest rate futures contracts are easy to find on Bloomberg, so it has been a resource for many years. Historically, the office has had good luck with this and the 5.0% forecast for the size of assets under management. It has historically been conservative so the office will continue with that approach. As noted by Treasurer Conine, the one thing that was changed was using 0.0% growth rate for this forecast. The total fund balances will not change much over the course of the next three years—it is going to finish about where the fund balance is currently, which is approximately \$9.4 billion (page 97, Exhibit A).

The key point on page 97 is the General Fund, as it is the portion from which interest is paid (Exhibit A). The General Fund column shows a slightly smaller number than the total fund balance. The General Fund is usually about 60.0% to 65.0% of the total fund balance. Page 98 includes the interest rates and page 99 includes some calculations for the size of the different segments of the portfolio (Exhibit A). Although not critical, it was provided as a historical record of those figures from 2010 going forward.

On page 100, the *FY Total* column reflects the projections by fiscal year (Exhibit A). These projections are based on the numbers that were used for projected assets as well as projected interest. The projection for FY 2025 is \$230.4 million, for FY 2026 it is \$225.4 million, and for FY 2027 it is \$224.0 million.

CHAIR ROSENTHAL:

Regarding the chart on page 97, you mentioned the General Fund is 60.0% to 65.0% of the total fund balance. Is that the only invested portion?

MR. HALE:

The total fund balance represents all the assets that are invested; however, the state does not pay out interest to all the state agencies. Distributed interest fluctuates between 58.0% and 70.0% in any given quarter, which can be seen in the last column titled, *% of Total*. The office's interest forecast—what is modeled for interest rates for the next several years—is based on the General Fund portion. The state will pay 3.54% on \$4.7 billion in this quarter. Both are estimated figures, and they contribute to the final estimated interest of \$42.0 million.

TREASURER CONINE:

The remaining funds are still available; they are simply being allocated to other areas of the state that are not part of this General Fund discussion.

CHAIR ROSENTHAL:

I understand the interest rate assumptions are based on Treasury bill rates. Are the funds typically invested in risk-free funds?

TREASURER CONINE:

I would say the funds are typically invested in low-risk funds such as treasuries, agencies, commercial notes, high-quality corporate commercial paper, and bank commercial paper—all of which are at the highest end of the scale, including Q1, P1, A1, and P1+.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

When the Forum meets on December 2, 2024, the Fiscal Analysis Division is hoping to have the best information possible with respect to the year-to-date revenue forecasts. Because this is the first time that interest income is a major revenue, it is uncertain whether the first quarter of interest will be posted. The timing is based on when the Treasurer and his staff finish the distributions, which oftentimes does not occur until after the Economic Forum meeting in December. I will discuss with the Office of the State Treasurer and determine whether additional information related to year-to-date actual revenues will be available for the Forum's consideration at the December meeting.

CHAIR ROSENTHAL:

When the Forum meets again in May 2025, more accurate information will be available to assess how this forecast compares to actual results.

MR. NAKAMOTO:

That is correct. By May 1, 2025, we will at least have data for the first two quarters, and possibly the third, depending on the timing. More than likely, it would be the first half of the fiscal year.

F. REAL PROPERTY TRANSFER TAX

ERICA SCOTT (Economist, Department of Taxation):

The graph on page 26 is a time series graph going back to FY 2004 when the Real Property Transfer Tax began distributing to the General Fund (Exhibit F). The housing crash and the Great Recession are reflected in this series, declining from FY 2006 to when it bottomed out in FY 2012. From FY 2012 to FY 2019 the Real Property Transfer Tax revenue was steadily increasing; however, when mortgage interest rates were at an historic low in FY 2020 through FY 2022, the number of property transfers soared resulting in extreme gains in Real Property Transfer Tax. Fiscal Year 2022 set the record of Real Property Transfer Tax to the General Fund at \$177.8 million only second to FY 2006 of \$164.8 million.

A drastic reduction in revenue occurred in FY 2023 while mortgage interest rates began to rise and the real estate market slowed significantly. While this drastic decline in FY 2023 may look similar to the decline in FY 2007, the pent-up housing demand as discussed earlier continued to show results in real estate transactions into FY 2024 even with the higher cost of borrowing.

Now into FY 2025, we look to our indicators for reference on where the state is headed. The department reviewed Moody's forecasted number of Nevada homes to be sold and new home starts, average home prices, etc. All indicators were on an upward trend within the 2025-27 Biennium in addition to the forecasted lowering of mortgage interest rates. The Department of Taxation's forecast is for steadying of this revenue and more stable growth in the coming years.

The bar graph on page 27 shows the General Fund portion of the Real Property Transfer Tax for FY 2023 and FY 2024 actual revenues in the blue columns and the red columns represent the forecasted years (Exhibit F). The forecast is \$118.23 million in FY 2025, \$132.33 million in FY 2026, and \$138.3 million in FY 2027. The department forecasted a slight increase in FY 2025 with some movement and an uptick in the real estate market, but generally the higher growth years are forecasted for FY 2026 and FY 2027 accounting for the lowering of interest rates.

Page 28 shows the year-over-year change, which works out to an increase of 8.5% in FY 2025, a larger increase of 11.9% in FY 2026, and as interest rates are coming down and stabilizing in FY 2027, the growth rate will be 4.5% (Exhibit F).

MR. GORDON:

Do you have the breakout between commercial, residential, and vacant transfers?

Ms. SCOTT:

I do not have that breakout available. I know the Local Government Services Division within the Department of Taxation publishes reports—that division would be a better resource.

MR. GORDON:

That information does exist though, correct? As the Department of Taxation builds its forecasts, is it done on a land use-by-land use basis or is it done in aggregate?

Ms. SCOTT:

The forecast was done as an aggregate and heavily tied to the number of transactions and the residential real estate market.

DR. MAURICIO SOLORIO ARTEAGA (Economist, GFO):

The Real Property Transfer Tax is a time series plot that tells the story of the housing market (page 40, Exhibit D). The housing bubble began in the early 2000s. Banks were issuing loans without proper due diligence, leading more people into the market and artificially driving up housing prices. Then in 2006, housing prices and the transfer tax peaked at the same. In 2007, the housing bubble burst resulting in 79.0% in foreclosures, which were reported in 2008. Many major financial institutions had to face insolvency, some declared bankruptcy, and some were bailed out by the federal government. That created the financial crisis of 2008 that lasted several years and is reflected in the Real Property Transfer Tax. In 2013, the housing market and the Real Property Transfer Tax began to recover.

In 2020, the COVID-19 pandemic triggered a housing boom due to historically low mortgage rates. People desired larger houses and took advantage of the lower rates. Consequently, there was a massive supply shortage. The construction industry also experienced high increases in prices, even prior to the pandemic, due to tariff wars that were in place specifically for China steel. The high demand and low supply inflated the housing market.

In June 2022, inflation reached a peak—the Consumer Price Index in June 2022 was 9.1%. That is when the Federal Reserve decided to intervene by increasing interest rates to cool down the economy. As a result, people hesitated to enter the housing market because the interest rate on a 30-year loan was around 9.0%. In 2024, the Real Property Transfer Tax began to increase because the housing market began to heat up.

The chart on page 41 illustrates the trends of mortgage rates and is one of the assumptions that I have taken into consideration in my forecast (Exhibit D). As noted earlier, historically low rates for 30-year fixed mortgages were seen in 2020 and 2021. In FY 2020, the average mortgage rate was 3.53% and in FY 2021, the average mortgage rate was 2.9%. The greatest variation in 30-year mortgage rates was seen in 2022, which is when the Federal Reserve began increasing rates. The average mortgage rate went from a low of 3.5% to 6.8%. The most aggressive rate increases by the Federal Reserve were in 2023—the highest mortgage rates seen in the United States. The maximum 30-year mortgage rate was approximately 7.2%, and the average was approximately 7.0%. I would note that the average mortgage rate was based on excellent credit; anything less would qualify for mortgage rates of 12.0% or 13.0%.

The forecasted mortgage rates for FY 2025, FY 2026, and FY 2027 are not going to decrease by much—the forecast is very conservative. As noted by Ms. Mandel, if the United States enters a tariff war, it will have an inflammatory effect that might cause the Federal Reserve to keep interest rates stable to combat the resulting inflation. It is too early to tell if a tariff war will occur. Ideally it will not, because that will set back the inflation policies implemented by the Federal Reserve.

The chart on page 42 shows the monthly average of 30-year mortgage rates (Exhibit D). The lowest monthly averages occurred in 2020 and 2021. The forecasted monthly average is still expected to remain high, which will create a holding effect for people who purchased homes before 2022. Prior to April 2022, people who purchased their houses had no incentive to sell. Previously, people would sell their small home in California and purchase a larger property in Nevada for the same price; however, now that seller would likely be facing a much higher interest rate. Consequently, there will be a hold back from people who already purchased residential properties.

The forecasted revenue is mainly driven by the fact that the few houses on the market are going to be sold at average high prices because people will enter the market as interest rates decrease but while inventory is low. I was looking at some collateralized loan obligation numbers and the forecast is for higher-than-average prices simply because, although people are still going to buy, supply is limited; therefore, the few houses that are available will sell at average market price. My forecast is mainly driven by that small volume, which will limit the state's ability to truly increase the Real Property Transfer Tax. The forecast for FY 2025 is \$120.43 million; \$124.54 million for FY 2026; and \$127.76 million for FY 2027.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

I was going to begin with Chart 1 on page 105, but it is very similar to the presentations by Ms. Scott and Dr. Solorio Arteaga (Exhibit E). One exception is that the Fiscal Analysis Division took the \$0.55 collections from the consolidated tax distribution—because this was primarily a local revenue source prior to the imposition of the state tax in 2003—and translated those collections to \$1.30 to show a little more of that run up going into the housing boom and then bust of the Great Recession.

In response to Mr. Gordon's previous question, the Fiscal Analysis Division looks at collections by county as reported in the State Controller's system and then reported by the Department of Taxation. The statistics related to the residential, commercial, and vacant land and associated transfers do exist. Our assumption has always been to analyze it in the aggregate, with a primary focus on the residential real estate sector, as it plays a major role in driving the market, particularly for the larger transfers through real estate investment trusts and other exempt entities that avoid the tax.

Regarding collections to date, we do not have the most up-to-date information, but we have a general sense because we can access the State Controller's system to determine what has posted. For the first quarter of FY 2025—2024 Q3—that number of \$30,659,000 is the best estimate of the forecast knowing that actual collections from 15 of 17 counties

have been received. The tax is collected at the county level when the transfer of the title is filed with the county recorder, then the county remits the tax to the state. We can see how much the collections are by month or quarter. The only counties that are missing to date are Esmeralda County and Storey County. Esmeralda County is not moving the needle—collections are going to be approximately \$5,000. Storey County will likely be more because there is increased activity, especially at the Tahoe-Reno Industrial Center where there could be some transfers of commercial property. Overall, the collections for those two counties will probably be approximately \$200,000 for the quarter. Those collections are not on the same scale as Clark County, which accounted for approximately \$22.0 million of the total \$30.6 million in collections. The tax is primarily driven by Clark County and to a lesser extent, Washoe County. The balance of the state accounts for between 10.0% and 15.0% of the total collections.

The state is up by approximately 7.9% year-to-date in collections for the Real Property Transfer Tax. In May 2023, I mentioned that I did not have much confidence in the housing market or real estate coming out of the pandemic. The housing market was relatively stable until the pandemic struck. After that, a combination of factors—low interest rates, desire to move to more affordable areas, and the flexibility of remote work—led to a significant surge in activity. However, as interest rates began to rise and supply constraints remained, we suddenly found ourselves unsure of where things would land. My forecasts expected a larger drop than what occurred. For FY 2024, the forecast in May 2023 showed this tax falling below \$100.0 million, but the actual collections were approximately \$10.0 million above the forecast. Some of those issues are still present—supply constraints, especially for new construction, as well as land and the amount that the federal government has released and made available. Over the forecast horizon, construction will increase but not at a significant rate, especially compared to the early 2000s; however, there will be steady growth. Consequently, that should free up some sales as well. I think there are constraints even on the existing markets—people are reluctant to let go of their existing homes again because interest rates are still a constraint. As Dr. Solorio Arteaga mentioned, if someone currently has a mortgage rate between 3.0% and 4.0%, moving to a new home with a 6.0% interest rate could mean paying the same or even a higher mortgage, even if they are downsizing. As a result, there is still little incentive for people to leave their current homes. However, there is still supply, and many people relocating from places like California or other states can pay cash for their homes. This is one of the realities of the market. Over the past six or seven years, we have noticed that the hyper-inflated prices in California—especially in major cities like Silicon Valley, San Francisco, and Los Angeles—have given people enough equity to bypass concerns about interest rates. These buyers can pay cash because they have accumulated equity. I think that will continue to increase; I do not think there is any reason to see downward pressure on prices given all these factors. There is still a relatively limited supply, and even with ongoing construction, it is not enough to lower prices. As a result, the Fiscal Analysis Division forecasts, which are on page 104 ([Exhibit E](#)), show growth of 8.3% to about \$118.0 million in FY 2025, and then we moderate that growth slightly in FY 2026 to 6.7%, followed by 4.9% in FY 2027. Much of that is driven by the fact that we believe prices are going to continue to increase and then stabilize slightly in FY 2026 and FY 2027, especially as interest rates come down.

One of the concerns is how far interest rates will drop. They will not fall to the point of FY 2019 and FY 2020 when interest rates were below 3.0%. Dr. Solorio Arteaga's charts indicate interest rates may fall between 5.5% and 6.0%, which is a reasonable range. This is what we have been observing lately, especially following the Federal Reserve's recent rate cut. However, 30-year mortgage rates did not follow suit. In fact, they rose slightly before dropping a bit. Looking ahead, we do not anticipate much sensitivity between the two, though we generally expect rates to stabilize by a percentage point. While this will not drive significant activity, it could lead to some slight movement—though it will probably be more at the margins than anything substantial.

MS. LEWIS:

I watch the data carefully on land more so than housing. About a year ago, land was selling for approximately \$1.0 million per acre, but at a recent land auction, that price increased to \$1.2 million. In doing the math and triangulating, by the time that land gets put into production in about two years, there is little room for the prices to drop. There may be some slight adjustments related to contractors and labor costs, but realistically, no one will take on a project if they are making less money—it is not viable to do for free. To me, there is no evidence suggesting that home prices will decrease soon.

I also track commercial transactions, and periodically an industrial park, for instance, will sell for around \$100.0 million. We have seen that a few times. It is difficult to predict whether this trajectory will continue.

MR. NAKAMOTO:

The trend with land is not a new development—land prices in Nevada, especially Southern Nevada, are increasing—but along the same lines, wages and cost of materials are also increasing. You are correct, there is not an incentive for homebuilders to construct homes that sell for less than current prices. To that end, it carries the existing along with it because many sellers may expect to get more for their properties, knowing that new home prices are rising. The rate at which homes sell may not accelerate the same way, as there are different factors at play. One being purely market driven, but the other having more components.

In Moody's baseline forecast, which is included in our assumptions at the beginning of the Fiscal Analysis Division packet, it shows the Case-Shiller House Price Index falling throughout the forecast horizon (page 20, Exhibit E). I do not think the current conditions necessarily support that—we are not seeing explosive growth, but I think there is still potential for some growth during the forecast period.

MR. LEAVITT:

Based on my years of experience with the Real Property Transfer Tax—I used to forecast it when I was in local government—I found that there are so many competing variables, such as interest rates, out-of-state buyers from California, and the housing market, that ultimately it is just an educated guess.

MR. NAKAMOTO:

You are correct. We look at any number of factors relating to inputs. As noted earlier, commercial transactions are unpredictable, especially the more significant transactions. We can look at historical data. For instance, earlier when I said I have a reasonable estimate of \$200,000 for Storey County's collections. However, looking at the same quarter in FY 2024, Storey County's collections were approximately \$897,000, and in the first quarter of FY 2022, I believe the collections were \$97,000. A single large commercial transaction is extremely noticeable in the smaller counties whereas it is much less noticeable in Clark and Washoe Counties. It is difficult to know when or where large commercial transactions may occur, so we tend to look at factors that are somewhat more predictable. The residential side is enough of a driver that it provides a decent outlook.

CHAIR ROSENTHAL:

Everything you are saying is evidenced in the forecast. You all have similar assumptions and mindset about what is happening with the inputs. Although the numbers are not strikingly different, there can still be an \$8.0 million to \$10.0 million swing in the forecasts even though you have similar assumptions. Again, this tax involves some guess work.

MR. LEAVITT:

One good thing about the Real Property Transfer Tax is if the forecast is off by 30%, it does not have a significant impact on statewide revenue given its size. That would not be the case with another tax, such as the State 2% Sales Tax.

MR. NAKAMOTO:

You are correct given the scope and magnitude of the Real Property Transfer Tax compared to the State 2% Sales Tax. Missing this revenue forecast by 30.0% is not going to have a devastating impact on the state, but as a forecaster, I would prefer that my forecast not miss by 30.0%.

G. COMMERCE TAX

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

The Commerce Tax tables for the consensus forecast between the Fiscal Analysis Division, the GFO, and the Department of Taxation begin on page 91 of the meeting packet ([Exhibit A](#)). There is a series of five tables. This is the methodology the Forum has used with respect to this consensus revenue forecast since the Commerce Tax was implemented. I think the logic when we first started the forecasts for the Commerce Tax as a major revenue was that there was limited information. It was a new tax implemented during the 78th (2015) Legislative Session and first collected in FY 2016, so it has been eight or nine years of actual revenue. As we have gone through this process, we found that the methodology and the forecast we developed have been reliable. It is not a completely predictable tax in terms of how the tax is paid, especially because of the timing of the tax. When the Commerce Tax was instituted, there was a desire to collect revenue

as quickly as possible. It is an annual tax, but the tax is due 45 days after the end of the fiscal year. That day, barring a weekend or a holiday, is August 14. The last reported taxes from the Department of Taxation are normally toward the end of August and the entire state closes the fiscal year by the third Friday in September, which was September 20 in this last fiscal year. This gives the Department of Taxation about 35 days to process all the returns and deposit the money into the General Fund before the fiscal year officially closes. However, taxpayers can file an extension to pay the tax later, which pushes the payment into the next fiscal year. One of the subsequent challenges is lining up the taxable year for which the tax was due versus when the tax was actually paid. For example, the tax might have been due on August 14, 2023, for FY 2023, but due to an extension, it was paid in late September or October, so the revenue was credited in FY 2024. Thus, the tables are an attempt to reconcile that and get all the money back to the business activity period for which it was generated and then move it back for the accounting period for the purposes of the forecast.

Table 1 shows the Commerce Tax between FY 2020 and FY 2024 based on the fiscal year activity period (page 91, Exhibit A). Meaning that it is the Commerce Tax that was due based on the activity that occurred in that fiscal year. The table shows actual to date for FY 2020 through FY 2023. The reason it is actual to date is because taxpayers regularly pay their tax for past fiscal years. For example, in FY 2024, money was received for Commerce Tax that was due in FY 2016. Therefore, these numbers are continually changing because we must put that money back in the activity period; we are constantly trying to track this revenue. Fortunately, that number gets less over time. Approximately \$25,000 was paid in FY 2024 that belonged to FY 2016. The numbers for FY 2020 and FY 2023 are essentially what was paid based on that activity period.

Fiscal Year 2024 is shown as an estimate. The reason for this is because we know how much Commerce Tax was paid in FY 2024 based on the tax activity in that fiscal year, but then we must estimate the FY 2024 tax activity that will be paid in FY 2025 and beyond. Approximately \$299.0 million was paid in FY 2024 based on that activity period, and another \$32.0 million to \$33.0 million, or about 11.0%, will be paid in subsequent fiscal years.

There are several estimates in the various columns. The first column is titled, *Commerce Tax: Moody's Forecast Growth*. That looks at Moody's forecast for Nevada gross state product, which is not a pure match, but it is a reliable match. It is close in many situations, either positive or negative, but it was a good starting point. Moody's October 2024 forecast for Nevada gross state product was 5.5% in FY 2025, 5.6% in FY 2026, and 5.4% in FY 2027. Subsequently, we added some various alternative scenarios that were slightly higher or lower. Based on the conversation between the GFO, Department of Taxation, and the Fiscal Analysis Division, the Commerce Tax consensus estimate (right column highlighted in gray) is the third scenario—it is the middle scenario showing 6.0% in FY 2025, 5.5% in FY 2026, and 5.5% in FY 2027, which is close to the gross state product forecast, but slightly higher in FY 2025. The consensus estimate is the estimate of the taxable activity that is going to occur based on what happens in FY 2025, FY 2026, and FY 2027.

Table 2 puts all the collections in the correct buckets in the appropriate fiscal years (page 92, Exhibit A). The table shows the FY 2020 through FY 2024 actuals, which is the actual amount of revenue that we are reporting—it was collected by the Department of Taxation in those fiscal years and deposited in the Controller's Office—when we have our actual sheets and all the tables, these are the numbers. In FY 2024 it was approximately \$343.1 million, or a growth of 13.5%. While reviewing the collections, we noticed that, on average, approximately 11.5% of the revenue collected was from a previous fiscal year; however, in FY 2024 that number was close to 14.0%. A significant amount of the revenue that shows up as actual collections for FY 2024 was based on activity in previous fiscal years—people were simply paying late, the majority of which was from FY 2023. This was likely because of people asking for an extension on or before August 14 and then not paying their tax until after the fiscal year closed.

Looking forward, we must determine between revenue paid in the current fiscal year and that paid from previous fiscal years. We think 14.0% is too high and will not necessarily repeat, so we reduced that percentage to approximately 11.0% in FY 2025, and we reduced it a little further in FY 2026 and FY 2027. You can see what that does to the growth rates of the collections in each of the scenarios, because there is not as much of an emphasis on the collections from the previous fiscal years, especially in FY 2025. Thus, in the consensus estimate—the same 6.0%, 5.5%, and 5.5% growth—the 6.0% growth in the activity period, once the payments and the timing of the payments are accounted for, translates to 3.2% growth in collections. The reason for this is because we do not anticipate collecting as much of these later payments in FY 2025 compared to FY 2024. It begins to even out in FY 2026 and FY 2027 as the percentage stabilizes. There is 4.6% growth in FY 2026 and 5.5% growth in FY 2027. This is not so much driven by the economic activity so much as the timing of the collections. The low growth rate in the consensus forecast is due to the anomaly caused by the unusually high collections from FY 2024, which are not expected to recur in FY 2026 and FY 2027.

Table 3 shows some select economic indicators for the Nevada economy—the Commerce Tax; the business activity collections, including that estimate of \$332.6 million that we think will be generated in terms of taxable activity from FY 2024; the Nevada GDP, which is the gross state product that I referred to previously; and statistics on population, personal income, and total employment (page 93, Exhibit A). Some of those metrics are used to determine the Commerce Tax per \$1,000 of GDP. I would note there is a formula error in that portion of the table—it should be about \$1.20 not in the tenth of a cent. That will be corrected.

From those metrics, stable growth is anticipated in the Commerce Tax. Once again, the activity periods show growth rates of 6.0%, 5.5%, and 5.5%. However, there will be slightly lower growth due to the issue with late payments and the adjustments needed to correct for that.

Page 95 includes two different tables that are related to the Commerce Tax credit against the MBT (Exhibit A). When the Commerce Tax was implemented, the rates for the MBT were increased. To provide some relief to businesses that are particularly labor intensive, there was an agreement that up to 50.0% of a taxpayer's Commerce Tax liability could

be taken as a credit against the MBT in the following fiscal year. Thus, these tables lay out the Commerce Tax and the Commerce Tax credits as well as the resulting forecast. Tables 1 and 2 lay out the Commerce Tax and associated credits based on the fiscal year business activity period. For the Commerce Tax, it is the tax that was paid in that fiscal year for the fiscal year, and then the Commerce Tax for that business activity year that was paid in future fiscal years. It is equivalent to Table 1 of the other set of tables. We do the same thing for the Commerce Tax credits—for each of the Commerce Tax credits by fiscal year, it is the credits that were used in the fiscal year based on the Commerce Tax that was paid in the previous fiscal year. The next column shows the Commerce Tax credits for that MBT fiscal year that was paid in future fiscal years. Taxpayers may file late or amended returns, but they still have the Commerce Tax credit that can be used. For example, if a taxpayer had a Commerce Tax credit that they earned based on what they paid in Commerce Tax in FY 2020, they can still use it against their FY 2021 MBT, even though they may have filed and paid that MBT in FY 2024.

There is a percentage listed on Table 1 in the row titled, *MBT Commerce Tax Credits as % of the Commerce Tax*. I mentioned earlier that the Commerce Tax credit can be up to 50.0% of the Commerce Tax that is paid; however, not all 50.0% of the credit is taken. Historically, the percentage taken was higher but as the MBT has decreased, the percentage has decreased to as low as 19.5% in FY 2024. However, going forward, the assumptions for FY 2025, FY 2026, and FY 2027 show it holding steady at approximately 20.0%.

Table 2 is again measuring the same statistics based on the accounting period; not based on the business activity period but the tax paid for that fiscal year. This is similar to Table 2 discussed earlier, but it requires some adjustments and modifications to be translated. Then we do the same thing for the Commerce Tax—consider both the Commerce Tax credits used in a fiscal year for the current business activity period and those used based on previous activity. That percentage is stable at just under 20.0% and then coming up to just over 20.0%. The forecasts for the Commerce Tax credits for FY 2025, FY 2026, and FY 2027 are shown on the bottom line. Approximately \$67.6 million in FY 2025, approximately \$70.4 million in FY 2026, and approximately \$74.3 million in FY 2027 compared to the FY 2024 actual that is listed there of approximately \$60.5 million. As the Commerce Tax and the MBT are growing, we think they will consistently grow together so that percentage remains around 20.0%.

MR. LEAVITT:

Whomever is responsible for the Commerce Tax must have had a hard night before they designed it based on its complexity. I have never seen one quite that bad. Some of the local governments' computations are similarly complex, but not usually the normal taxes.

MR. NAKAMOTO:

Having been with the LCB during the 78th (2015) Legislative Session, and indirectly involved when this was designed, at the behest of Governor Brian Sandoval at the time,

this is a very elegant solution that was developed by those people who were working with the Governor and his team.

There was no further discussion on this item.

VIII. REVIEW AND APPROVAL OF PRELIMINARY FORECASTS OF MINOR GENERAL FUND REVENUES AND TAX CREDITS FOR FY 2025, FY 2026, AND FY 2027 APPROVED BY THE TECHNICAL ADVISORY COMMITTEE ON FUTURE STATE REVENUES (NRS 353.229) AT ITS OCTOBER 30, 2024, MEETING.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Agenda Item VIII is the summary of the non-major General Fund revenues (or minor revenues) that were considered and approved by the TAC at its meeting held on October 30, 2024.

I will be discussing three tables, which begin on page 101 of the meeting packet (Exhibit A). Earlier, I discussed Table 4 as a summary of the major General Fund revenues; Table 5 is the non-major version of Table 4 (page 77, Exhibit A). This table lays out the FY 2024 actuals as well as the forecasts by forecasters—the Department of Taxation, Fiscal Analysis Division, and the GFO—for FY 2025, FY 2026, FY 2027. Numbers are also listed for the TAC, which are the numbers approved as part of the TAC's forecast at the October 30, 2024, meeting.

There are ten revenues that are considered “major-minor revenues.” Those revenues include some of the larger revenues such as unclaimed property and Secretary of State commercial recordings and security, as well as smaller revenues such as Athletic Commission fees (as charged on the admission of unarmed combat, such as boxing and mixed martial arts). Depending on the fiscal year, Athletic Commission fees are a major-minor revenue source, but currently that revenue is only about \$6.5 million per year.

Table 6 begins on page 103 and is the entirety of the forecast that was approved by the TAC at its October 30, 2024, meeting (Exhibit A). Table 6 is what I will focus on after discussing Table 7.

Table 7 is a summary of the forecast (page 115, Exhibit A). It includes some of the major-minor revenues, an “All Others” section, and tax credits, which will be discussed as part of the presentation on Table 6. Table 7 also shows the outcome—an apples-to-apples comparison of the forecasts for FY 2025, FY 2026, and FY 2027 for the non-major General Fund revenues compared to the FY 2024 actuals.

Returning to page 103, I will discuss some of the highlights of the non-major General Fund revenues (Exhibit A). For context with respect to the process, the fiscal year closes on the third Friday in September, which was September 20, 2024. On Wednesday of the following week, the Fiscal Analysis Division sent requests to the relevant agencies requesting their forecasts for each of the revenues on the General Fund revenue sheet

for FY 2025, FY 2026, and FY 2027. Requests were sent to Mr. Lawton, Gaming Control Board; Ms. Scott, Department of Taxation; and the Office of the State Treasurer, following the direction that was given to this body with respect to the definitions of a major revenue and a non-major revenue from the June 6, 2024, meeting, which was an item on that agenda. It is then incumbent upon Dr. Solorio Arteaga at the GFO as well as Fiscal Analysis Division staff to develop forecasts. The end results are the forecasts seen on Table 3, which shows all the forecasts that were submitted by each of the forecasters (page 67, Exhibit A).

After receiving those forecasts, the Fiscal Analysis Division met with Dr. Solorio Arteaga to develop a consensus for presentation to the TAC. We discussed what constitutes reasonable forecasts, whether an average can be used, and then reached an agreement on a forecast wherever possible. We presented that forecast to the TAC, explaining the decisions made and the underlying assumptions. After deliberation, the TAC approved the forecasts for those non-major revenue sources.

Table 6 is the consensus forecast between the GFO and the Fiscal Analysis Division that was approved at the October 30, 2024, TAC meeting (Exhibit A). Beginning on page 103 is a list of the taxes. The major revenues are blank because they are under the purview of the Economic Forum rather than the TAC. There was no forecast for the mining tax, (net proceeds of minerals tax and the gold and silver excise tax) because of legislative actions in the 81st (2021) Legislative Session that moved those revenues to the State Education Fund beginning in FY 2024. They remain on the sheet for posterity, but they are not forecasts to be considered by this body. The forecasts will be included with the forecast process for the State Education Fund.

With respect to the block of gaming taxes—of which there are about 15 different fees—the forecasts that were approved were prepared by Mr. Lawton who has the expertise and direct communication with the operators. In terms of the significant changes from FY 2024 to FY 2025, the first one is General Ledger (GL) 3042, Gaming Penalties. It was approximately \$10.9 million, but went down to \$850,000 in FY 2025, and then down to \$700,000 in FY 2026 and FY 2027. The \$10.9 million was a one-time unanticipated fine that was levied very early in FY 2024; it will not repeat unless the offender generates another fine. Based on information provided by Mr. Lawton, there is a Northern Nevada operator that was expected to be issued a \$250,000 fine by the Gaming Commission, which is included in the FY 2025 forecast but is not anticipated to repeat. This revenue source is not necessarily stable or predictable, but the typical revenue amount is closer to the forecasted amount barring any unforeseen fines.

The next item is GL 3046, Advance License Fees, which totaled approximately \$9.6 million in FY 2024, but then declines to around \$550,000 over the forecast period. The Advance License Fee is what primes the Gaming Percentage Fee. New licensees, whether they are opening a new casino or transferring a license, must pay a fee equal to three months of their estimated Gaming Percentage Fee to prime that tax. In previous fiscal years, the revenue for Advance License Fees increased when there were large casino openings. The Fontainebleau Las Vegas and other large properties opened in

FY 2024. Mr. Lawton's information indicates that no significant properties will be opening during the forecast period; thus, most of the revenue will come from transfers of licenses.

Next is GL 3073, Transportation Connection Excise Tax, which is commonly referred to as the Uber/Lyft tax. It was passed during the 78th (2015) Legislative Session as part of the structure to regulate network carriers such as Uber and Lyft. The tax added a 3.0% tax on the fares that are charged to network carriers, but it also applies to other common carriers such as taxicabs.

The revenue increases substantially in FY 2025, decreases in FY 2026, and then increases again in FY 2027. The reason for that is because the first \$5.0 million of this tax that is collected in each biennium goes to the State Highway Fund; thus, we must consider that when preparing the forecast. The actual activity for the tax is higher in FY 2024 and FY 2026 than what is showing in the forecast, but we are showing the General Fund portion and then have to back out the \$5.0 million, which results in large fluctuations between fiscal years.

The Cigarette Tax is imposed at a rate of \$1.80 per pack, \$1.70 of which goes into the State General Fund and the other \$0.10 goes to local governments through the Consolidated Tax distribution. As smoking becomes less popular, the number of packs for which stamps are issued is decreasing—stamps are purchased from the Department of Taxation and affixed to each pack—and there is no reason to believe it will not continue to decrease over the forecast horizon.

Moving on to the Other Taxes section on page 105, the Business License Fee is the annual fee that must be paid by entities doing business in the State of Nevada (Exhibit A). This annual fee also applies to entities that may not be doing business in the state but have filed articles of incorporation or registered as a limited liability company (LLC) or other type of entity with the Office of the Secretary of State; they are also required to obtain a business license. The fee is \$500 per year for a corporation and \$200 per year for any other type of entity. The growth in this is a mix of activity of local businesses within the state that are being established or renewing as well as businesses that may not be physically located in state but are using Nevada to form their corporation, LLC, or other entity. Because of the difference in the fees for corporations and non-corporations, the number of corporations that are receiving licenses is decreasing, and the number of non-corporations that are receiving licenses is increasing, the net of which is an overall slight increase of between \$125.0 million and \$129.0 million per year throughout the biennium. I believe the Business License Fee is now the largest of the non-major revenues, as the Cigarette Tax has fallen below it.

With respect to the Liquor Tax, there is steady growth in the tax through FY 2025, FY 2026, and FY 2027. I would note the 3.0% decrease in FY 2025. Fiscal Year 2024 was just over \$49.0 million and that was a significant increase compared to FY 2023. As we were analyzing it, we found there were not a lot of collections in June 2023, but July 2023 was unusually high. After speaking with the Department of Taxation, we discovered that one of the major taxpayers, which includes liquor wholesalers and others, filed their June 2023 return in July 2023. As a result, revenue that should have been

recorded in FY 2023 was instead recorded in FY 2024. This led to lower collections in FY 2023, higher collections in FY 2024, and a subsequent decline in FY 2025 to annualize the figures. Thus, there is not a significant change in the number of gallons of liquor that are being imported into the state; the decrease in FY 2025 is due to an accounting issue.

The Other Tobacco Tax (GL 3053) will decrease from FY 2024 to FY 2025 and throughout the forecast horizon. There are a few reasons for the decrease, the first of which relates to Assembly Bill 232 (82nd [2023] Legislative Session). The tax on other tobacco—anything other than cigarettes—is 30.0% of the wholesale price. Assembly Bill 232 specifies that the tax on premium cigars is set at 30%, but it also stipulates that the tax rate cannot be lower than \$0.30 or higher than \$0.50. As such, there has been a significant revenue loss because many cigars are imported into the state. Another observation is that since approximately FY 2019, the Other Tobacco Tax has included e-cigarettes and vapor products, which initially provided a significant increase to this tax during the first few fiscal years. However, as time has passed, the perception that vaping was a safer alternative to cigarettes may be diminishing. It seems that vaping could be falling out of favor, with people possibly turning to cannabis or quitting altogether. That was the logic behind the decrease—the demand for these products is going to decrease further.

Lastly, the Branch Bank Excise Tax (GL 3068) is not a significant revenue source, but it is worth noting because Dr. Solorio Arteaga mentioned it as a driving factor in his MBT financial institutions forecast. This tax is \$1,750 per bank branch, per quarter with an exemption for the first branch located in each county. Revenue for this tax has been falling. We have consistently observed a decline in the number of bank branches listed on the Federal Deposit Insurance Corporation (FDIC) website. Financial institutions, particularly the larger ones, have recognized that many customers now conduct their banking online or through mobile apps, leading to a reduced demand for in-person banking. While bank branch closures have been occurring for some time, it accelerated after the pandemic when there was a fundamental shift in the way that people conduct their banking. We think this revenue source will continue to decline, especially as the larger financial institutions such as Bank of America and Wells Fargo assess the optimal number of branches needed in each area.

Page 106 contains licenses and fees and fines (Exhibit A). I am only going to discuss a few items, the first of which is Commercial Records under the Secretary of State section. Commercial Recordings is a large revenue source at over \$90.0 million. Earlier, I discussed the business license fee and its application to entities outside of Nevada that wish to conduct business here and must form a corporation, LLC, etc. As noted, there are fees associated with this process, many of which are based on the value of shares. This revenue is deposited into GL 3130, Commercial Recordings.

The forecast shows stable growth. There is always competition in this venue. For the longest time, Nevada has been favorable for entities to form a corporation or an LLC here because historically, the laws for corporate protection and piercing the veil, so to speak, for any entity have been favorable; however, with rate increases in other states—

Wyoming and Delaware also have favorable laws—it becomes more competitive; thus, the growth is low to moderate.

MR. GORDON:

You are referring to commercial recordings. Are these foreign entities deciding to record in the State of Nevada? You discussed business licenses earlier, which are businesses that are recording and doing business in Nevada. Is that correct?

MR. NAKAMOTO:

Yes, you are correct. For commercial recordings, it could be a corporation or an LLC that is doing business in Nevada, but I think there is a bigger mix of entities that are not physically located in the state but want to form their corporation here. For example, the Tesla headquarters were previously in California but has since relocated to Texas. Tesla could have formed its corporation under Nevada laws and received the benefits of Nevada's corporate laws without the headquarters being physically located in Nevada. That is not uncommon for businesses. Over the years, it has generated a substantial amount of revenue for the General Fund. The business license fee is closely related, as it applies to anyone forming a corporation in Nevada. For example, even though Tesla's headquarters is not physically located here, the company would still be required to obtain a business license in Nevada. This requirement applies to nearly all businesses unless they meet specific thresholds or qualify for exemptions, such as home-based businesses. In this way, commercial recordings and business license fees are connected.

MR. GORDON:

They are both about \$100.0 million but one is a license to do business and the other is the commercial recording.

MR. NAKAMOTO:

Correct.

Secretary of State Securities (GL 3152) is the last of the larger Secretary of State categories discussed. This category relates to the license that is required for anyone who acts as a broker, such as a stockbroker or securities dealer, or a firm that sells securities or a similar service. There has been a low but steady increase in this revenue source, just over \$37.0 million per fiscal year.

The last item under Licenses section is Athletic Commission fees that were discussed earlier. The Athletic Commission charges an 8.0% fee on the admission price for unarmed combat events (boxing, mixed martial arts, etc.). It is similar to the LET in that the fee is charged based on admission price, but the rate and distribution are slightly lower. The Athletic Commission retains a quarter of that fee for its own budget, and the remainder is distributed into the General Fund. Revenue for events such as the UFC fall under this category. The Athletic Commission indicated that FY 2024 was high due to two large UFC events. Although there was a UFC event earlier this year at the Sphere in

Las Vegas, the Athletic Commission does not anticipate that FY 2025 will be as strong as FY 2024 based on information from the UFC and other large events. Thus, the forecast shows the revenue decreasing and then increasing again slightly.

Under the Fees and Fines section, I will be discussing Short Term Car Lease (GL 3066) because it is the largest in this category. This relates to the 10.0% fee for rental cars. It also includes a portion that applies to peer-to-peer car leasing companies—Turo is the best example. It is like Airbnb for cars. People can rent a personal car instead of going to Hertz, Avis, etc. The taxes are equivalent, but they are rolled together for confidentiality and disclosure purposes. There is slight growth in this revenue, but not as much as the Transportation Connection Excise Tax. Although people still rent cars, there may be a preference for taking a taxicab or using services like Uber or Lyft to avoid parking and traffic issues.

On page 107 is the Use of Money and Property section. This relates predominantly to repayments of General Fund loans (Exhibit A). Occasionally, the Legislature will pass a bill that makes an appropriation of General Fund revenue to an agency for a specific purpose with the agreement that the agency will repay the General Fund over a set number of years. It could be a fixed repayment or an accelerated repayment.

All these forecasts are based on statutorily required repayments of revenue, the largest of which is \$3.0 million per year from Senate Bill 450 (82nd [2023] Legislative Session). As background, the City of Las Vegas was appropriated \$12.0 million relating to the Windsor Park neighborhood. The Windsor Park neighborhood has received a lot of media coverage. Over the years, the residents of Windsor Park, which is near the North Las Vegas airport, have discovered that their homes are sinking because so much groundwater was pumped out from underneath their houses. Consequently, the houses are in disrepair and not repairable. Senate Bill 450 included an effort to allocate funding to address this issue, which involved federal funds as well as \$12.0 million appropriated to the Department of Business and Industry (B&I), Housing Division. The goal is to relocate the residents of Windsor Park to another area within the City of North Las Vegas and build them homes comparable to their original homes in the Windsor Park neighborhood. Although the money was allocated from the General Fund to the B&I Housing Division, the City of North Las Vegas is responsible for repaying the funds. The city is required to pay \$250,000 per month for four years. These payments will be deducted from the city's Consolidated Tax distribution, which is significantly higher, but the bill opted for a lower payment amount to avoid causing financial strain. The \$12.0 million will be repaid by the end of FY 2027.

I would note the Treasurer's Interest Income forecast for FY 2025, FY 2026, and FY 2027 is blank based on the decision made by the Economic Forum to change it to a major revenue (page 107, Exhibit A).

In the Other Revenue section, there are three highlights to note. The first highlight is Expired Slot Machine Wagering Vouchers (GL 3047). In a non-restricted location, when someone cashes out of a slot machine, they receive a ticket, which they must then insert into a nearby ticket-in, ticket-out kiosk to claim their winnings. However, not everyone

redeems their tickets, leading to an estimated \$18.3 million in unclaimed tickets for FY 2025. Based on a 2011 Nevada law, those tickets expire after 180 days. Of the value of that expired ticket, 25.0% may be kept by the operator, and the other 75.0% is deposited into the General Fund. The amounts shown on page 17 represent 75.0% of the value of vouchers that expire within a fiscal year (Exhibit A). Either a lot of people are leaving behind a few cents, or some people are failing to cash in larger tickets—regardless, it is a lot of revenue that continues to grow. The forecast decreases slightly because it follows slot win and some other things.

Court Administrative Assessment fee (GL 3114) was approximately \$15.5 million in FY 2024; however, it has historically been lower—about \$1.5 million. The increase is due to a law change during the 82nd (2023) Legislative Session. When an individual is found guilty of a misdemeanor or certain other infractions, they are required to pay an assessment based on the amount of their fine. This revenue is distributed to the local court and programs such as the Criminal History Repository, Supreme Court, and other related justice agencies and functions; however, \$5.00 is also distributed to the General Fund. The assessment revenue is generally in the range of \$1.5 million and \$2.0 million, but it fluctuates based on activity.

A decision was made during the 82nd (2023) Legislative Session to provide those justice agencies and functions with a General Fund appropriation instead of relying on court assessment fees. The entirety of the assessment fee revenue would instead be placed in the General Fund. Consequently, the revenue from these fees increased from \$1.5 million to \$15.5 million. This is a newer distribution for the General Fund, so this data will be used until better data becomes available.

Unclaimed property (GL 3255) is administered by the Office of the State Treasurer. Abandoned bank accounts, safe deposit boxes, gift certificates, etc., are turned over to the state after a certain time period. If the item is something such as shares of stock in a certificate, the state will sell those shares and hold the money for the owner. Residents can search the Office of the State Treasurer's website (<https://www.nvup.gov/>) to check for any unclaimed property in their name.

We assess the incoming revenue and the amount being distributed by the Office of the State Treasurer. While the money remains a perpetual liability for the state and the General Fund, it is initially placed into the General Fund until it is paid out. The state consistently ends up with more money than what is distributed. In FY 2024, it was approximately \$71.0 million, likely the highest on record.

Based on information in the State Controller's system, it appears that incoming funds have decreased, resulting in a slight reduction in the forecast. I believe the Office of the State Treasurer was in a similar position. I would note that a lot of funds came in toward the end of the month, but we must assume there will not be a corresponding amount distributed; therefore, this forecast may have the most movement at the December meeting of the Economic Forum.

Moving on to tax credits, there are eight programs listed on page 107 (Exhibit A). This is also part of the TAC's forecasts. These are the programs, where through various legislative actions, there is a credit that can be earned for various activities that can be used against one or more taxes. I believe tax credits started during the 77th (2013) Legislative Session and evolved into the list shown on page 107.

The first program is the Film Transferable Tax Credits, which was originally implemented during the 77th (2013) Legislative Session. It has been revised since that time, but under the current program, up to \$10.0 million in transferable tax credits can be issued to film productions for activity in Nevada. This includes television shows, movies, etc. For example, Battle Bots has an arena off the Las Vegas Strip where people can watch robots fight. Because it is also televised, film tax credits are earned. This program is administered by the Nevada Film Office within the Governor's Office of Economic Development (GOED). The credits that are earned by these productions can be transferred. Whomever uses the credit can use it against the MBT, Insurance Premium Tax, or the Gaming Percentage Fee. Under current law, up to \$10.0 million in tax credits can be issued. Anything that is not issued can be used in a subsequent fiscal year. Over time, we have found that the entire \$10.0 million does not get issued and used—the activity in terms of these credits is not currently supporting that. After speaking with Kim Spurgeon, Director of the Nevada Film Office, the figures are based on confirmed upcoming productions, applicants for the credits, and those currently filming, with each project undergoing audits before receiving credits and completing the entire process. According to the information provided by the Nevada Film Office for FY 2024 and FY 2025, tax credits in FY 2025 are expected to total \$7.3 million, followed by a slight decrease in FY 2026. In FY 2027, the amount is projected to increase again to around \$6.0 million per year, which aligns with the FY 2024 credits of approximately \$6.0 million.

The next item is Economic Development Transferable Tax Credits, which are often referred to as the “Tesla and Faraday Credits” (page 107, Exhibit A). During the 28th (2014) Special Session, the Legislature gave Tesla incentives in the form of transferable tax credits for the construction and operation of its gigafactory in Storey County. Two years later, during the 30th (2016) Special Session, the Legislature provided a similar deal to Faraday Future, but with less tax credits, to build a factory at Apex Industrial Park outside of North Las Vegas. Although that factory never materialized, the law was written in such a way that anyone who met the requirements could receive up to \$7.6 million per year in transferable tax credits until the end of FY 2025. In late 2022, Redwood Materials, a battery recycling company in Carson City, approached GOED requesting to build a facility in the Tahoe-Reno Industrial Center. Redwood Materials would recycle batteries and then sell the lithium to Tesla and Panasonic. Redwood Materials applied for transferable tax credits as well because the company had the ability under the so-called “Faraday” law to receive a limited amount of credits until those provisions expired at the end of this fiscal year. Based on the information submitted by Redwood Materials and the statutory requirement that the Interim Finance Committee approve the issuance of the credits, Redwood Materials was approved for \$2,137,500 in transferable tax credits. It was reflected on the Economic Forum sheets in May 2023 that Redwood Materials would take a portion of the tax credits in FY 2024, FY 2025, and FY 2026. I reached out to GOED because Redwood Materials did not use any of the credits in

FY 2024—the timing was off in the credits being issued. Based on information received from GOED, the entirety of those credits is anticipated to be issued and used in FY 2025.

The next item is Catalyst Account Transferable Tax Credits, which is a separate economic development incentive program administered by GOED. GOED can issue up to \$5.0 million per fiscal year of transferable tax credits against the MBT, Insurance Premium Tax, and Gaming Percentage Fee to small businesses as an incentive for them to come to Nevada. GOED indicated the program has not been used for several years and did not anticipate issuing any credits in the upcoming biennium, which is why the forecasts are zero (page 107, [Exhibit A](#)).

The Nevada New Market Jobs Act Tax Credits is a program that originated during the 77th (2013) Legislative Session. The Department of Business and Industry is allowed to receive \$200.0 million in investments from insurance companies. The department reinvests those funds into organizations that offer loans to businesses located mainly in low-income, distressed census tracts, with the goal of driving investment and activity in areas that need it most. In exchange for the investment that is made by these insurance companies, those companies are entitled to a 58.0% credit against their Insurance Premium Tax, which can be taken over a period of five years. That works out to \$116.0 million in total credits, and based on the percentages, between \$22.0 million and \$24.0 million of those credits are used per fiscal year.

As stated, the Nevada New Market Jobs Act Tax Credits program originated during the 77th (2013) Legislative Session. The first credits were used in calendar year 2015, and the credits eventually ran out because there were only five-years' worth of credits. The 80th (2019) Legislature reauthorized the program for a second round of tax credit authority—those credits were allowed to be taken in FY 2021. The FY 2024 actual figures, along with the forecasts for FY 2025 and FY 2026, reflect the remaining credits from the second incarnation of the program that are still outstanding and being utilized. In FY 2027, the amount increases because the 82nd (2023) Legislature reauthorized the program again, with investments starting in FY 2025 and the first credits being issued at the beginning of FY 2027. There is a slight difference in the amount of credits that can be issued—\$24.0 million per fiscal year to \$25.0 million per fiscal year. Based on the timing of how the credits are being issued, we see that number being slightly higher in FY 2027, which is due to the reauthorization of the program in 2023.

Because this program pertains to insurance companies that are making investments and receiving tax credits, they may use it against their own Insurance Premium Tax liability—it is not a transferable tax credit.

The College Savings Plan Tax Credit program is administered by the Office of the State Treasurer (page 107, [Exhibit A](#)). The program allows an employer that makes a matching contribution to a college savings plan, or a 529 plan, on behalf of its employees to receive a tax credit of up to 50.0% of the matching contribution amount against the MBT, up to a specified annual limit. The forecasts are very low, as historically, there has been limited participation in this program. The Office of the State Treasurer indicated that the program participation is likely to remain low.

The Education Choice Scholarship Tax Credit program allows a business to contribute to a scholarship organization which then in turn offers scholarships to children in grades K-12 to attend the school of their choice. This program originated during the 78th (2015) Legislative Session with an escalator of the amount of credits that could be issued. In subsequent years, that amount was frozen—the amount of credits that can be issued under this tax credit program is now set at \$6,655,000 per fiscal year. The FY 2024 actuals and the FY 2025 forecast are above that amount. We obtain information from the Department of Taxation regarding when these credits are issued, and how and when the credits are used. Because the tax credits can be issued in one fiscal year but can be taken any time within four years, not all the credits get used at one time; therefore, even though there is authorization for \$6.6 million per fiscal year, there are more credits than that available at any given time. Based on the most current information from the Department of Taxation, there is approximately \$2.9 million in outstanding previous fiscal year credits. Some of those credits were issued in FY 2019 and FY 2020 and are very close to expiring. In trying to determine how much of the \$2.9 million is likely to expired unused, the goal was to determine when the credits are expected to expire, and then, for those that have not expired, estimate when they will be used. The result of that is a forecast of approximately \$8.6 million in FY 2025, \$7.2 million in FY 2026, largely exhausting what is available, and then \$6,655,000 that is statutorily allowed for FY 2027.

The Affordable Housing Transferable Tax Credit program was established during the 80th (2019) Legislative Session. This program allows the B&I Housing Division to issue transferable tax credits as part of the financing for affordable housing projects. There are multiple public and private funding sources as well as a federal tax credit program for affordable housing projects. However, there was also a need for this last piece of financing—the Affordable Housing Transferable Tax Credit program—to spur more construction of affordable housing. The program was implemented right before the COVID-19 pandemic, and it was limited to \$40.0 million in tax credits over the life of the program, but no more than \$10.0 million in tax credits can be used per fiscal year. Many affordable housing construction projects were paused during the pandemic. However, following that period, approximately \$500 million in federal ARPA funds was allocated to support affordable housing initiatives. This further limited the need to use these tax credits because the ARPA funds must be utilized by the end of calendar year 2026. As of now, \$6.0 million of these credits have been used—\$3.0 million in FY 2023 and \$3.0 million in FY 2024.

The forecasts, provided by the Housing Division, are based on the affordable housing projects currently in the pipeline, the recipients to which the tax credits are expected to be issued, and the increasing reliance on tax credits as ARPA funds are utilized. These projections reflect what the Housing Division anticipates in terms of upcoming projects, while also considering the limitation of issuing only \$10.0 million in tax credits per fiscal year.

The final tax credit program is the Baseball Stadium Transferable Tax Credit program, which was approved pursuant to Senate Bill 1 of the 35th (2023) Special Session (page 105, [Exhibit A](#)). The project seeks to construct a baseball stadium at the southeast corner of Tropicana Avenue and Las Vegas Boulevard. The project includes

the issuance of a total of \$180.0 million in transferable tax credits over a span of five fiscal years based on certain goals and metrics that must be met relating to the construction of the project.

At the October 16, 2024, Economic Forum meeting, I inquired with Mr. Hill of the Las Vegas Convention and Visitors Authority about the status of the baseball stadium project. Mr. Hill indicated that the project was moving forward as scheduled, which means the first tax credits will be issued in FY 2026. Therefore, we are comfortable leaving the \$36.0 million per fiscal year in tax credits on the sheets for FY 2026 and FY 2027.

As a reminder, tax credits can be used against one or more revenue sources. The Forum will approve its forecasts as well as the forecast for the tax credits. Tax credits reduce the revenue available to the Governor when building The Executive Budget, and later in May, they affect the amount the Legislature can allocate under the legislatively approved budget.

CHAIR ROSENTHAL:

Since the Forum members were just provided a detailed review of the preliminary forecasts of minor General Fund revenues and tax credits, can we bypass that review at the December 2, 2024, meeting unless the forecast changes materially?

MR. NAKAMOTO:

The TAC will meet again on November 21, 2024, to consider any possible revisions to the forecast. Therefore, this item will be on the December 2, 2024, Economic Forum agenda. My intention is to discuss only the items that have changed, which will likely be minimal given the timing.

Table 7 is a summary of the TAC forecast for FY 2025, FY 2026, and FY 2027, and especially in comparison to the FY 2024 actuals (page 115, Exhibit A). The total of those non-major revenue sources in FY 2024 before tax credits was approximately \$806.9 million and then it declines to about \$774.8 million in FY 2025. The largest driver of that decline is a reduction of approximately \$20.0 million in gaming taxes and fees—\$10.0 million in fines and about \$9.0 million in Advance License Fees. Beyond that, there is a reduction in the Cigarette Tax of approximately \$8.0 million. In FY 2026, the forecast declines again to \$773.6 million. The primary reason for that decline is because the \$5.0 million in Transportation Network Connection Excise Tax that went into the General Fund in FY 2025 will instead go into the Highway Fund in FY 2026. In FY 2027, the number increases to approximately \$783.9 million. Overall, there is minimal growth in the non-major revenue sources.

There is slightly more movement in the tax credits. The total tax credits taken and used in FY 2024 was approximately \$38.3 million. The forecast for FY 2025 increased to approximately \$51.0 million. The primary drivers include the Redwood Materials transferable tax credits as well as an anticipated increase in the use of the Affordable Housing tax credits. In FY 2026 the amount increases to approximately \$72.3 million. The primary drivers include a reduction of approximately \$8.0 million in the

Nevada New Markets Job Act tax credits from \$24.0 million to \$16.0 million, which adds revenue, as well as \$36.0 million in Baseball Stadium credits in FY 2026 that were not reflected in FY 2025. In FY 2027, the forecast increases to approximately \$83.2 million, which is primarily driven by the third round of the Nevada New Markets Job Act tax credits.

The total amount after tax credits, which was approximately \$768.6 million in FY 2024, decreases to \$723.8 million in FY 2025—a decrease of about \$44.9 million, or 5.8%, in net revenue to the General Fund. It decreases again in FY 2026 to approximately \$701.3 million, which is a decrease of about \$22.4 million, or 3.1%. In FY 2027, it decreases further to about \$700.7 million, which is a decrease of about \$620,000, or 0.1%.

In past practice, the Economic Forum has not approved the non-major revenue sources forecast, but that is at your discretion whether to do so.

CHAIR ROSENTHAL:

The Forum will follow the same path as the major revenue source forecasts and approve the minor revenue source forecasts after the update is provided at the December 2, 2024, meeting.

There was no further discussion on this item.

IX. INSTRUCTIONS TO THE TECHNICAL ADVISORY COMMITTEE ON FUTURE STATE REVENUES (NRS 353.229) CONCERNING THE GENERAL FUND REVENUE FORECASTS.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Now that the Forum members have heard the forecasts for the major revenues and seen information about the forecasts for the non-major revenues, this is the Forum's time to decide whether to move any of the non-major revenue sources to a major revenue source or vice versa for the upcoming TAC meeting on November 21, 2024.

CHAIR ROSENTHAL:

Something to consider are the forecasts for the MBT for financial and mining, which are comparable in size or smaller than many of the minor revenue sources. The recommendation is to not move them to minor revenue sources, as it is preferable to keep the MBT consolidated in the forecast. Is it possible to have the TAC handle that forecast, or request that the forecasters do a consensus forecast similar to the Commerce Tax? What are the options in terms of who would provide that forecast?

MR. NAKAMOTO:

If we were to do those forecasts as a consensus forecast, we would likely manage it like the non-major revenues for the TAC—all the forecasters would submit their forecasts and we would then determine as a group the consensus forecast. If the Forum decided to move those items to a non-major revenue source, we would handle the forecasts the

same as all other non-major revenue sources. It is at the Forum's discretion whether that is handled at the TAC meeting or presented as a consensus forecast like the Commerce Tax.

CHAIR ROSENTHAL:

I am not certain if I see a benefit or drawback either way. Which option would be the easiest for staff to manage administratively?

MR. NAKAMOTO:

It might be simpler to keep those items as a major revenue source but present them as a consensus forecast. This would require a minor procedural change and would alter the information in the table, but it is something we can manage as the forecasters for the data to be presented at the December 2, 2024, meeting.

MR. CROME MOVED TO COMBINE ALL THE MODIFIED BUSINESS TAX CATEGORIES INTO A SINGLE CONSENSUS FORECAST AND CONTINUE THE MODIFIED BUSINESS TAX AS A MAJOR REVENUE SOURCE FOR FUTURE MEETINGS OF THE ECONOMIC FORUM.

CHAIR ROSENTHAL:

I would like to clarify that because the nonfinancial MBT is a very large number, I would like to hear it as an individual forecast. However, I would like to combine the financial and mining portions of the MBT.

MR. CROME:

I can amend the motion concerning the MBT. Instead of a single forecast, there will be two forecasts—one for the nonfinancial MBT and the other combining the financial and mining portions of the MBT.

CHAIR ROSENTHAL:

As a second point of clarification, the MBT will remain a major revenue source as a single category; however, the mining and financial portions of the MBT will be done by consensus forecast. For the nonfinancial, the Forum will hear presentations from each of the forecasters.

MR. CROME AMENDED THE ORIGINAL MOTION AND MOVED THAT THE MODIFIED BUSINESS TAX REMAIN A MAJOR REVENUE SOURCE, THE FINANCIAL AND MINING PORTIONS OF THE MODIFIED BUSINESS TAX BE PRESENTED AS A SINGLE CONSENSUS FORECAST, AND THE NONFINANCIAL PORTION OF THE MODIFIED BUSINESS TAX BE PRESENTED AS AN INDIVIDUAL FORECAST BY EACH OF THE FORECASTERS—DEPARTMENT OF TAXATION, GOVERNOR'S FINANCE OFFICE, AND THE FISCAL ANALYSIS DIVISION.

MR. GORDON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY OF THE MEMBERS PRESENT.

MR. NAKAMOTO:

For the December 2, 2024, meeting, individual forecasts will be presented to the Forum for the nonfinancial portion of the MBT and a consensus forecast will be presented for the financial and mining portions of the MBT. The GFO, the Department of Taxation, and the Fiscal Analysis Division will discuss how to best facilitate that request.

There was no further discussion on this item.

X. SCHEDULING OF FUTURE ECONOMIC FORUM MEETINGS.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

The next Economic Forum meeting is scheduled for Monday, December 2, 2024, at 9:00 a.m. During that meeting, the Forum will be considering and approving the forecasts for major and non-major revenue sources.

This is also an appropriate time for me to ask the Forum members to please keep your calendars free for Thursday, May 1, 2025. That is the next statutory deadline for the Forum to produce a forecast. I am hopeful that with as much advance notice as possible that Forum members can keep that date free. If not, I will work with Chair Rosenthal to determine a date that is acceptable.

XI. PUBLIC COMMENT.

There was no public comment.

XII. ADJOURNMENT.

Chair Rosenthal adjourned the meeting at 4:22 p.m.

Respectfully submitted,

Carla Ulrych, Secretary for the Minutes

APPROVED:

Linda Rosenthal, Chair

Date

MINUTES OF THE DECEMBER 2, 2024,
MEETING OF THE
ECONOMIC FORUM

The meeting of the Economic Forum (created by Senate Bill 23 of the 67th [1993] Legislature) was called to order by Chair Linda Rosenthal at 9:02 a.m. on Monday, December 2, 2024, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 165 of the Nevada Legislature Office Building, 7230 Amigo Street, Las Vegas, Nevada.

ECONOMIC FORUM MEMBERS PRESENT:

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

STAFF:

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division,
Legislative Counsel Bureau (LCB)
Susanna Powers, Deputy Fiscal Analyst, Fiscal Analysis Division, LCB
Christian Thauer, Deputy Fiscal Analyst, Fiscal Analysis Division, LCB
Hayley Owens, Economist, Fiscal Analysis Division, LCB
Maria Montes, Committee Secretary, Fiscal Analysis Division, LCB
Mauricio Solorio Arteaga, Ph.D., Economist, Governor's Finance Office

EXHIBITS:

Exhibit A: Meeting Packet and Agenda
Exhibit B: Agenda Item VI—Table 1 – General Fund Revenues – Actuals: FY 2022 through FY 2024 and FY 2025 versus FY 2024 Year-To-Date through November
Exhibit C: Agenda Item VI—Table 9 – Comparison of Average Growth Required over the Remainder of FY 2025 to Achieve the FY 2025 Forecast
Exhibit D: Agenda Item VI—Gaming Control Board, Gaming Revenue Forecasts
Exhibit E: Agenda Item VI—Fiscal Analysis Division Forecast Information Packet
Exhibit F: Agenda Item VI—Department of Taxation, Major Revenue Forecasts
Exhibit G: Agenda Item VI—Governor's Finance Office Revised Forecast
Exhibit H: Agenda Item VI—Table 8 – Comparison of May 1, 2025; December 2, 2024; and November 7, 2024, Forecasts by Forecaster
Exhibit I: Agenda Item VIII—Final Report to the Governor and Legislature on Future State Revenues (Revised 12-3-2024)

I. ROLL CALL.

MARIA MONTES (Committee Secretary, Fiscal Analysis Division, LCB) called roll. All members were present.

II. OPENING REMARKS.

CHAIR ROSENTHAL:

I would like to welcome the members, presenters, staff, and members of the public to the December 2, 2024, meeting of the Economic Forum (Forum). I would like to thank the LCB staff for their work in preparation and support of today's meeting. Today's meeting will include forecasts presented by the various forecasters of the state's major General Fund revenue sources. The Forum will be approving forecasts for FY 2025, FY 2026, and FY 2027 for each revenue source.

Additionally, the Forum will review the Technical Advisory Committee on Future State Revenues (TAC) forecasts approved at the November 21, 2024, meeting, and approve a forecast for the minor revenue sources and tax credit programs. Once the forecasts for all the revenue sources and tax credits have been approved, the Forum will recess to allow staff time to input the decisions in the forecast tables and the forecast report. Finally, the Forum will approve the Economic Forum's report that will be provided to the Governor and members of the Legislature as the forecast approved today is required to be used by the Governor in developing The Executive Budget submitted to the Legislature for the 83rd (2025) Legislative Session.

III. PUBLIC COMMENT.

There was no public comment.

IV. PRESENTATION ON THE NATIONAL, REGIONAL, AND STATE ECONOMIC OUTLOOK.

EMILY MANDEL (Associate Director – Senior Economist, Moody's Analytics [Moody's]):

I know the Forum has a lot to discuss today, so I am going to focus more on changes to the outlook from last time rather than reiterating the outlook itself. By and large, the recent data tells a similar story to what was discussed at the November 7, 2024, Forum meeting. The labor market is slowing, and you can see that in this metric, which is national-level data for a variety of labor market metrics (page 6, Exhibit A)—job openings, how much demand for labor for added positions, and people quitting their jobs and layoffs. The main story is still that these are falling. There is a gradual downward slope in these metrics—it is not unexpected and not necessarily a bad thing right now, but it still sets things up for a little weaker growth going forward when looking at these tax series that are on the agenda today relative to the growth we have seen over the past couple of years.

Nevada has a slightly weaker picture. The chart on page 7 (Exhibit A) is an update to the chart I showed the Forum a month ago but with one additional month of data. Looking at

employment from a year ago, it is not significantly different and still had growth over the past year—close to 1.5 percentage points. That is in line with the United States but a little slower than the regional area of the mountain west. However, looking at three months ago, Nevada has been slipping more dramatically. You can see that it is below the horizontal axis, meaning that Nevada has lost jobs on net looking at the past three months relative to the moving average of the previous three months.

Once again, this is not raising alarm bells, but it is not exactly where we would like to be right now for Nevada. It is possible that we will get some revisions that will improve this somewhat. I imagine that we are closer to flat rather than declining, especially when comparing the non-seasonally adjusted data to the seasonally adjusted data. There are some comparisons—especially for professional services, for example—that make me think this is a story of flat employment levels. There were a couple announcements earlier in the year that could have resulted in job losses, such as the closing of the Mirage Hotel and Casino. However, that should have come in around July, so I do not think that is really impacting things now. For example, looking at warn notices of upcoming layoffs, there is nothing of significance; therefore, I think this is a little broader across sectors.

When we see job growth slowing, that puts a lot more focus on layoffs. This is one of the higher frequency indicators we can see as far as stress—not just slowing, but outright stress—but that is still looking fine. The chart on page 8 ([Exhibit A](#)) shows two metrics. Initial unemployment claims in blue—people filing for unemployment benefits—as well as layoffs from the Job Openings and Labor Turnover Survey in green. These have edged up slightly but nowhere near levels from even most of the post-Great Recession recovery. We are close to where we were prior to the pandemic, which is not bad. There is some weakness but not really any large-scale layoffs. Without large-scale layoffs, consumers generally continue to spend—that confidence stays up, they continue spending, and with that continued spending, there is continued movement in the economy and forward progress. Altogether not a significantly different story from last time—a little more negative potentially on the Nevada front. You will see some of that flow through to some of the new numbers I have for the tax revenue series. As I said, a similar story, slowing but not anywhere near recession.

Page 9 ([Exhibit A](#)) is a slide that I did not show last time, but I think it is relevant to consumers' health and potential spending. This chart looks at delinquencies—people who are behind on their debt payments. On the left side is mortgage debt, which remains extremely low, and that is a source of strength in the economy because homeowners have built up a lot of equity in their homes and they might not be tapping into that yet, but they are able to tap into that equity as interest rates decline. It is also a source of confidence—if your home is worth much more than the purchase price, that makes you feel better financially.

On the right, the area that has seen a little more stress, is other types of debt. I have excluded mortgages as well as student loans, because the defaults on those are extremely low right now because of federal programs. This category includes credit cards, auto loans, etc. This is an area where we have seen it increase, largely because of the higher rate environment and the higher inflationary environment. This is an area where

you can see that consumers have come under more stress even relative to prior to the pandemic, but it has also leveled off recently. As interest rates continue to climb, we expect this to stabilize further from its current point.

I am trying to point out some of the areas of potential stress, but there is a lot that is still smooth sailing, especially compared to the Great Recession. We are not currently in that territory and do not expect to be in the future.

In November, I talked a lot about uncertainty. The uncertainty around the new presidential administration and Congress and how it might change the macro-outlook. We do not have more information as to the actual policies that will be implemented, but we have made some assumptions as to the adjustments that we will make in the December baseline that is currently in production. This is not included in the number you are seeing—it will be included in May 2025—however, I think it is useful to get a sense of the scale of any changes that are anticipated. The scale is relatively conservative. We are expecting the administration to take a gradual approach to implementing additional changes, assuming that any shakiness in the economy is going to cause some pullback in more extreme policy suggestions. For example, we may not see tariffs implemented at the full scale that has been discussed—implemented to some degree but not as potentially damaging from an economic perspective.

There are a few different areas in the table on page 10 (Exhibit A). The left column is Moody's November 2024 baseline, and it does not include any election impacts. December baseline includes changes that we anticipate pushing through in December 2024 or January 2025. Then there is the difference between those growth rates. We show this for real Gross Domestic Product (GDP) growth, which was slowing more so than economic growth nationally. That largely comes from some negative impacts to the economy from tariffs and immigration and resulting impacts on the labor force. That is being offset somewhat by expectations of more generous tax policy—prolonging the individual income tax from the Tax Cuts and Jobs Act pushing through an even lower corporate tax rate, which provides some stimulus to the economy.

In the Inflation column, it shows slightly higher inflation expectations from the new baseline (page 10, Exhibit A). That as well as higher interest rates to accompany that both in the near-term and long-term interest rates. From a tax revenue perspective, these offset somewhat because we look at nominal tax revenues. Higher inflation is a strain on consumers, but higher prices mean higher revenues for sales taxes, which has a positive impact on actual collections. On the other hand, higher interest rates can cause some reduction in spending as spending financed on debt is more expensive. Altogether though, this keeps us on the path of continued rising GDP growth and a continued reduction in interest rates, albeit a slightly slower return to that equilibrium interest rate/federal funds rate than we expected. It is a moderate adjustment, not calling for any recessions as a result of these policies; however, none of these policies have been implemented yet because the new administration is not in place. Moody's has some estimates about how to adjust for this but there is still uncertainty.

Thinking about Nevada, which is not a large exporter, the main area that could potentially impact the state is immigration. It could be potentially damaging for the leisure-hospitality industry. In the chart on page 11 ([Exhibit A](#)), Nevada is in red, which indicates it has a particularly high share of foreign-born employees. If the immigration policy becomes stricter and there are deportations or more restrictive legal immigration, that will reduce some of this labor force and potentially impact leisure-hospitality and home building, some of the areas that rely heavily on immigrant labor. This is something to take note of as we think about the outlook for employment in the state.

I am going to shift over to the revenue forecasts (page 12, [Exhibit A](#)). There are slightly larger changes than normal—some of this is defaulting to more conservative options and assumptions behind some of these forecasts as I think about potential upcoming changes. There is also an additional month of data for these different revenue series.

For the sales tax side, that continued to be on the weaker side. Also, another year of data came through around personal consumption expenditures for Nevada and that data was weak. It shifted down the expectations for spending by consumers in Nevada, particularly on goods. I think this was one of the themes of last month's conversation—these shifting patterns as far as consumer spending and how that has been less supportive of sales tax revenues. This new data further underlines that story where consumers may be spending more on services, shelter, or other areas that are not captured by taxable sales.

Ultimately, Moody's forecast is slightly more conservative, particularly in FY 2025 and especially towards the start of the year and the next couple of quarters, gaining speed further out as interest rates begin to come down. We are still expecting growth, but these numbers are going to be a little lower, thinking about a level shift down from what we talked about last month, which is coming from those three areas—weaker recent data points, lower expectations for durable goods spending, and weaker recent labor market data coming from Nevada—combined, it makes me want to take a more conservative approach.

Shifting over to gaming, the chart on page 14 ([Exhibit A](#)) has a lot going on. This is an area where I have also shifted the forecasts lower. That is coming from a couple areas similar to sales tax, although the factors are slightly different. This chart is looking at the exchange rate of the United States dollar against other currencies. The United States dollar has gained some strength, and this is continued after the span of this chart ends where the data ends. The strong dollar makes international tourism into the United States more expensive. This is an area of slow recovery, and we do not expect that to fully recover anytime soon. Also, I think this is an area that could provide some further drag on recovery. This is one other factor that is slightly negative.

The other factor is a change that I made thinking about the presentation from Michael Lawton of the Gaming Control Board during the November 7, 2024, meeting related to hold on baccarat winnings. Moody's model is structured in such a way that looks at changes to the economy, changes to some of these major economic variables, and Moody's takes those changes to modify the path of revenues—changes to revenues

versus changes to economies. If you look at the past year and think it was not necessarily real in the sense that some of the changes were based on favorable hold percentage for the house, then that leads me to shift some of this lower to discount some of that recent performance. Moody's is combining that with some of the factors discussed last time around the difficulty repeating the major events of the past year and the closure of the Mirage. There are some factors that have led me to bring this a little lower than last time.

I think the main difference from this forecast relative to some of the others is I have stronger expectations for that rebound in the out years. That is bringing things together with this growth in incomes that we are expecting to continue to see and have that eventually flow back into an increase in tourism, spending, and the Gaming Percentage Fee revenues in Nevada. Altogether though, a downward shift across this forecast horizon.

There was no further discussion on this agenda item.

V. PRESENTATION OF HISTORICAL TAXABLE SALES AND GAMING MARKET STATISTICS.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

This is a regular agenda item for the Economic Forum. Staff updates a series of tables and charts that are not printed but are available on the committee meeting page (<https://www.leg.state.nv.us/App/InterimCommittee/REL/Interim2023/Meeting/34551>).

The information that is provided under this agenda item includes updated sales tax information through the third month, September, which was reported by the Department of Taxation last week. The gaming information is only through October—that is for four months rather than five months. Typically, we would provide the fifth month of data, but the Gaming Control Board has not yet released the latest month of gaming information due to some reporting issues. The gaming charts that are on the website are the same as last month.

There was no further discussion on this agenda item.

VI. REVIEW AND APPROVAL OF FORECASTS OF MAJOR GENERAL FUND REVENUES FOR FY 2025, FY 2026, AND FY 2027.

- A. GAMING PERCENTAGE FEE TAX
- B. LIVE ENTERTAINMENT TAX
 - GAMING
 - NON-GAMING
- C. STATE 2% SALES TAX
- D. INSURANCE PREMIUM TAX
- E. MODIFIED BUSINESS TAX
 - NONFINANCIAL
 - FINANCIAL
 - MINING

F. REAL PROPERTY TRANSFER TAX
G. COMMERCE TAX
H. INTEREST INCOME – TREASURER

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

There are six tables that are available under this agenda item, four of which are in the meeting packet and two of which are outside the packet. The first table is Table 3, which is on page 19 ([Exhibit A](#)). It lists the forecasts by each of the forecasters—the agency, fiscal (Fiscal Analysis Division), and budget (Governor’s Finance Office [GFO] Budget Division)—for all of the revenues that are under consideration today, both the majors and the non-majors, that will be under Agenda Item VII. The next table, Table 3—Difference, is on page 29. It is keeping in line with the comments by Chair Rosenthal at the previous meeting about trying to keep this meeting focused on changes to the forecasts. This table shows the change in the forecasts from the November 7, 2024, meeting to today for all these revenues, major and non-major revenues. Table 4 on page 35 shows the agency, fiscal, budget, and Moody's forecasts for the major revenue sources for FY 2025, FY 2026, and FY 2027 as well as the FY 2024 actuals and the May 1, 2023, forecast for FY 2025.

Lastly, Table 8 shows the major revenue by forecaster as well as the changes from each meeting going forward (page 39, [Exhibit A](#)). This table shows everyone’s forecasts for each fiscal year based on the meeting. This table is also pulled from the meeting packet and printed on green paper ([Exhibit H](#)); we often refer to it when discussing the forecasts to make it easier to see all the forecasts and changes to the forecasts.

On the subject of tables that are outside the meeting packet, there are two additional tables that would typically be included in the meeting packet; however, because of the timing of this meeting, they were not included in the meeting packet. The first table is Table 1 ([Exhibit B](#)), which has green and orange stripes on the right side. This table shows the year-to-date collections through November of FY 2024 and FY 2025. Table 1 was compiled yesterday morning, so it contains the most current information. This is all the information that we have with the exception of the gaming revenues because of the issues at the Gaming Control Board. The gaming revenues data is the same information from the November 2025 meeting.

Table 9 is a three-page table with green and yellow stripes ([Exhibit C](#)). It shows the reference period—three months, four months, or a quarter—the actual collections for FY 2023, FY 2024, and FY 2025. It also shows how much each of the forecasts would need to grow based on the year-to-date actual collections to reach the FY 2025 forecast.

Lastly, I would note that the committee members were provided a draft of the Economic Forum report, which will be discussed under Agenda Item VIII. The draft was made available last week and hopefully you have all had a chance to read it. Before the meeting goes into recess, we will discuss any possible changes to the document before the final numbers are added.

CHAIR ROSENTHAL:

I have one general overarching comment as we listen to the presentations on these specific revenue sources. I would ask that the forecasters focus on the changes to their forecast since November and any significant drivers of those changes.

A. GAMING PERCENTAGE FEE TAX

MICHAEL LAWTON (Senior Economic Analyst, Gaming Control Board [GCB]):

The GCB has made minor downward revisions in FY 2025 for percentage fees based on the limited preliminary data for October's gaming win and collections. Nothing was materially adjusted in FY 2026 or FY 2027 for percentage fees due to the timing of the October gaming revenue release, which the GCB is planning to release Wednesday, December 4, 2024. For today's meeting, October results were not included in the GCB forecast models. However, I wanted to disclose that October's win results followed a similar narrative to recent months. There will be a low single-digit decrease to gross gaming revenue due to baccarat hold as well as a poor month for sports wagering for the State of Nevada due to hold. National Football League football wagering did not perform well during the month of October. Those are the two drivers for the decrease that will be reported December 4.

The first chart outlines the total gaming win forecasts for the state (page 2, Exhibit D). These figures are unchanged from the November meeting. No new major property openings are anticipated during the forecast period. Growth is being driven by gradual increases to slot win and a stabilization of game and table win after the hold driven record set in FY 2024.

The next chart outlines the slot win forecast (page 3, Exhibit D). These figures are unchanged from the November meeting.

Returning to the total gaming win forecast, fiscal year-to-date, the state is down 1.2%, \$59.6 million (page 2, Exhibit D). The state is facing a growth rate of 5.0% for the remaining eight months. The average growth required over the last eight months of the fiscal year to achieve the total gaming win forecast is a decrease of 0.9%.

Slot win fiscal year-to-date is up 1.8%, or \$61.4 million. Volumes are up 1.3%, or \$633.9 million. The comparison over the last eight months is an increase of 2.0%. The average growth required over the last eight months of the fiscal year to achieve the forecasts is also an increase of 0.9%.

Moving on to the game and table win forecast, nothing has changed from the November 2024 meeting (page 4, Exhibit D). Fiscal year-to-date, game and table win is down 6.9%, or \$121.0 million. Volumes are up 1.3%, or \$141.6 million. The comparison for games win over the next eight months is an increase of 11.4%. The baccarat increase is a comparison of 53.5% growth. Non-baccarat table game win is basically flat, a decrease of 0.4%.

The average growth required over the last eight months of FY 2025 to achieve this forecast is a decrease of 4.4%. The driver for the game and table win forecast decreasing is the hold comparisons on the Las Vegas Strip related to baccarat; the assumption that there will be a weaker second Formula 1 race related to hold as well as a February 2025 that does not include a Super Bowl game.

My next two charts, as requested by Mr. Crome, outline baccarat volume and win forecasts for the biennium (pages 5-6, Exhibit D). Baccarat volume during FY 2024 totaled \$9.14 billion and increased 9.7%, or \$803.9 million, over FY 2023. As the chart illustrates, baccarat volumes have steadily increased post-pandemic; however, volume remains 23.4%, or \$2.8 billion, below the peak level of \$11.93 billion recorded in FY 2014. Fiscal year-to-date, volumes are down 1.3%, or \$37.6 million. The comp for volume over the last eight months of FY 2024 is an increase of 14.1%, or \$778.6 million.

As I stated in November, the baccarat business is healthy; however, it remains very concentrated and volatile. Based on that assumption, baccarat volumes are expected to decrease slightly by 4.0%, or \$365.6 million, in FY 2025 totaling \$8.8 billion. The average growth required over the last eight months of FY 2025 to achieve this forecast is a decrease of 5.2%. This decrease is based on the current fiscal year-to-date figures being down in addition to the difficult remaining comp in FY 2024, which includes a February 2025 that does not benefit from the Super Bowl. In the next few months—November, December, and February—baccarat volumes are in or at the billion-dollar range. I am confident we can come close to those amounts, but I am not so sure that we will be able to grow on those amounts. As stated, the baccarat business is healthy, but still facing difficult comps on the volume side; therefore, the GCB forecasted a slight decrease. In developing this forecast, the assumptions also ran the baccarat volume, totals were averaging 25.0% of total games volume. This was within the range that we have seen over the last four years, thus being reasonable.

In FY 2026, volume for baccarat is forecast at \$8.9 billion, an increase of 1.7%, or \$150.0 million. In FY 2027, baccarat volume is forecasted at \$9.1 billion, an increase of 2.0%, or \$176.6 million.

The chart on page 6 is the baccarat win total forecast (Exhibit D). There was a significant spike in FY 2024 driven by hold. The baccarat win increase of \$494.5 million accounted for 84.2% of the state's \$587.5 million increase in total gaming win in FY 2024. Fiscal year-to-date, baccarat win is currently down \$175.8 million, or 31.5%. The hold is 13.65% versus 19.66% last year at this time.

Once the GCB developed the baccarat volume assumptions, the agency applied hold percentages which were more in line with historical norms and well below the anomaly in FY 2024. The average hold percentage over the forecast period was 13.78%, which could be considered slightly aggressive, but we do feel some of the new side bets which have been offered recently are lifting the game's overall hold. The average hold percentage applied to baccarat volumes developed the forecasted baccarat win amounts, which were on average 24.0% of total game and table win. This percentage is in line with a range seen over the last several years, not including FY 2024, which saw baccarat win

account for 30.7% of game and table win. The GCB felt that these percentages were reasonable. Based on those assumptions, baccarat win is expected to decrease by 26.8%, or \$440.5 million, in FY 2025 totaling \$1.206 billion. The comp for baccarat over the last eight months of FY 2024 is an increase of 53.5%, or \$379.1 million. The hold comparison is 17.3%. To hit this forecast, the required growth over the last eight months of FY 2025 is a decrease of 24.3%. In FY 2026, baccarat win is forecasted at \$1.23 billion, an increase of 2.0%, or \$24.2 million. In FY 2027, baccarat win is forecasted at \$1.256 billion, an increase of 2.1%, or \$26.1 million.

The final chart is percentage fees (page 7, Exhibit D). The GCB is forecasting \$969.8 million in collections. It is a decrease of 3.0%, or \$30.2 million, from the record total in FY 2024 of \$999.9 million. This is a \$2.3 million downward revision from the November 2024 meeting based on the limited information available prior to finalizing the forecast last week for today's meeting. Currently, fiscal year-to-date, four months reported, percentage fee collections are down \$320.2 million, or 3.0% percent, or \$10.0 million. The comparison over the last eight months is an increase of 3.9%. The forecasts for FY 2026 and FY 2027 are basically unchanged. The average growth required over the last eight months of FY 2025 to achieve the forecast is a decrease of 3.1%.

DR. MAURICIO SOLORIO ARTEAGA (Economist, GFO):

Regarding gaming percentage fees, my original assumption was that all visitors that come to Nevada come here to gamble, which was not realistic. Thus, I developed some realistic expectations that only 80.0% of visitors come to the state gamble, and I added an additional gamble amount of \$250 per visitor. This gamble amount is actually a dynamic amount—I began with a higher amount in FY 2025 and that amount decreases as the fiscal years move on. This will have a neutralization effect that I will show on my predictive forecast—as the number of visitors increase and the gamble amount decreases, that will produce a very stable gaming percentage fee, which is currently being seen in the incoming data. The limitation in my model is that it is still unable to encompass the complexity of gambling that comes with difference in demographics, wealth, and travel purposes. Thus, it still has limitations in terms of consumer spending behaviors. It also does not capture the competition from other sources such as California lotteries, holds in baccarat, or people who gamble millions of dollars in poker or sports.

The new model with new assumptions comes down to revenue of \$983.7 million in FY 2025, \$987.3 million in FY 2026, and \$986.4 million in FY 2027.

SUSANNA POWERS (Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

The Fiscal Analysis Division's gaming forecast begins on page 27 of the forecast packet (Exhibit E). Our forecast did not change from the one presented last month. Since the GCB was unable to provide an additional month of collection data, there was no reason to change the forecast.

Moving on to page 29, Table 1B summarizes the collection forecast (Exhibit E), which is the same as last time. Gaming percentage fee collections are expected to decline this year largely due to challenging year-over-year comparisons. The Fiscal Analysis Division's forecast estimates that collections will decline by 3.2% to \$968.08 million in FY 2025. Recent trends have not raised significant concerns about gaming volume. Additionally, consumer incomes have still experienced good growth despite inflation. Therefore, we forecast a 2.2% increase in collections in FY 2026 reaching \$987.92 million, followed by a 1.9% increase in FY 2027 to \$1.007 billion.

MR. LEAVITT:

My general feeling is for the December forecast, we are likely to be more conservative than liberal in this forecast so that we do not have to decrease it on May 1, 2025. Looking at the numbers this time, if we accept the agency forecast for all three years, we are slightly conservative compared to the Fiscal Analysis Division. The GFO in the outer years is a little different, but it would be slightly less than the Fiscal Analysis Division, which I think is a more conservative position. My motion is to recommend going with the agency forecast for all three years.

MR. LEAVITT MOVED TO APPROVE THE AGENCY'S (GAMING CONTROL BOARD) FORECAST FOR PERCENTAGE FEE COLLECTIONS OF \$969,771,000 FOR FY 2025, \$980,813,000 FOR FY 2026, AND \$992,863,000 FOR FY 2027.

MR. CROME SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

B. LIVE ENTERTAINMENT TAX GAMING • NON-GAMING

MICHAEL LAWTON (Senior Economic Analyst, GCB):

This forecast took some soul searching from the last meeting and more analysis and phone calls. The GCB has a slight downward revision of \$932,000 from the November meeting based on the limited information available prior to finalizing the forecast last week for today's meeting. I apologize, the GCB experienced technical difficulties with the servers, which is why this information is not included in the forecast. October's Live Entertainment Tax (LET) collections followed a similar trend seen this fiscal year. Revenue is down about \$1.8 million, or 15.6%, with \$10.0 million in collections in the gaming LET. That results in \$39.1 million for the fiscal year, down 16.7%, or \$7.8 million compared to FY 2024. The average growth required over the last nine months of FY 2025 to achieve the forecast is a decrease of 3.8%. None of the assumptions have changed—the Mirage closure, and the ending of Adele and Garth Brooks' headlining acts at the Colosseum at Caesars Palace.

I would like to briefly explain the above assumption that I felt might have been lost in translation during the last meeting. I did not remove Caesars Palace LET from the base.

I attempted to remove the impacts of the aforementioned acts from the base. I appreciate the concerns regarding the trajectory of this forecast, it concerns me as well. I understand that replacements will be announced; however, to be clear, Adele and Garth Brooks ran a combined 154 shows between FY 2023 and FY 2025, which played a large part in the growth of gaming LET during that period. Caesars Palace has not indicated that it has headlining acts of that magnitude running for an extended period of time comparable to Adele and Garth Brooks. Blake Shelton is playing in February 2025, but he has a limited residency of six shows. In other words, there are big shoes to fill for a lengthy period of time. Further impacting collections is the continued lag being seen in convention attendance and international travel from pre-pandemic levels. These two market segments overlap and are significant drivers to midweek hotel occupancy, showroom attendance, and ticket prices.

Lastly, the piece of information that I was most appreciative of from industry partners was the non-gaming LET venues, which are negatively impacting gaming LET in terms of attendance and shows, particularly the Sphere. Since the opening of the Sphere in September 2023, the delta between gaming and non-gaming LET has shrunk considerably, not including the Super Bowl impact of FY 2024, which allowed non-gaming to surpass gaming for the first time. When I look at the forecast, the non-gaming portion is averaging around \$100.0 million per fiscal year. Subsequent to the law change in FY 2016, non-gaming collections were averaging \$26.0 million per fiscal year pre-pandemic.

As I stated earlier, LET collections are off to a slow start this fiscal year, but I do anticipate gaming LET can make up some ground this fiscal year due to certain show rotations that will benefit collections; however, at this time, I do not see a path for growth. My forecast for FY 2026 and FY 2027 did not change, still under the assumption that collections will stabilize due to improved midweek group and convention business, which is a key driver for LET. It allows large production shows and headliners to reach maximum occupancy and profitability. That assumption is expected to offset some of the decreases anticipated to the base as the result of shows ending their run in FY 2025 and continued competition from non-gaming LET venues.

CHAIR ROSENTHAL:

Mr. Nakamoto, do we want to go to the Department of Taxation's revenue so that all gaming and non-gaming are together, or should I backtrack on my request to do both together?

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

I think the usual pattern is to have the agencies discuss gaming and non-gaming and then have the GFO followed by the Fiscal Analysis Division discuss gaming and non-gaming. I think the next step would be to have the Department of Taxation discuss the non-gaming.

ERICA SCOTT (Economist, Department of Taxation):

I will present the Department of Taxation's major revenue forecasts. We can go over the key assumptions revisited, although nothing drastic has changed in the department's

outlook (page 2, Exhibit F). Similar to the other agencies, very minor revisions have been made. For the most part, they have been revised downward just slightly based on gathering the most recent information—first quarter of FY 2025 and September, which is the third month of the monthly taxes. Factoring those recent months into the model, that is mainly the driver for any revisions.

Next is the non-gaming portion of the LET (page 4, Exhibit F). During the last meeting, we discussed the substantial growth in the LET over the past three years due to the state opening new stadiums and concert arenas and hosting international events. Revisiting this color-coded table showing the monthly totals of LET for FY 2022 into FY 2025, we can see the more yellow and green shaded months representing the highest revenues and most occurring in FY 2024. While forecasting for this revenue source, I once again reviewed the average monthly revenue for non-gaming LET to obtain a realistic normal monthly average; I eliminated February 2022 as an outlier. At the last meeting, this gave a 12-month average of over \$9.0 million. Now adding in the most recent month of September, this 12-month moving average still remains above \$9.0 million, although it was down slightly from the last meeting. Again, \$9.0 million in LET revenue for the non-gaming portion was used for this revised forecast. While the average monthly revenue for non-gaming LET is still above the \$9.0 million, the fiscal year-to-date comparison is down 23.9% due to the difficult comparisons of the prior year. Prior fiscal year-to-date comparisons included the opening of the Sphere and the inaugural Formula 1 race, which may have had some more demand than the second race. While the year-to-date is down compared to the unprecedented FY 2024, the monthly average is still 321.0% higher than the pre-pandemic fiscal year of 2019.

Moving on to the next slide with the time series of the non-gaming portion of the LET, the department added September 2024 (page 5, Exhibit F). As was mentioned at the last meeting, the non-gaming LET is due when the admission is sold, so the majority of the revenue may or may not be reflected during the actual month of the event, depending on the timing of the taxpayer releasing tickets for sale and also depending on the consumer behavior of ticket purchases. Typically for a high-priced, large venue event, the tax revenues tend to be realized in the months leading up to the event itself, although this is not always the case. Additionally, I would like to mention that cancellations of events can cause issues with the non-gaming portion of this tax since the tax is due at the time of the ticket sale. Rarely, but occasionally, an event is canceled after a taxpayer has already collected and remitted the taxes to the department; thus, refund activity would offset any new event ticket sales from this revenue source. Those could impact some of the revenue stream from this tax, although it is not a typical situation.

On page 6, there is a bar graph showing the non-gaming LET revenues from FY 2019 through FY 2024 in the blue bars, and the red bars represent the department's forecasts (Exhibit F). Without a one-shot event on the calendar as popular as the Super Bowl in this biennium, the forecast for the LET goes down in FY 2025 but still high above the prior year revenues of FY 2023. The department's forecast is for continued growth from this revenue source. The department's forecast through the biennium is \$104.7 million in FY 2025, \$110.0 million in FY 2026, and \$113.8 million in FY 2027.

On page 7, is a table with the forecast by fiscal year, the year-over-year growth, and the forecast revision percentage change (Exhibit F). The non-gaming LET forecasted revenues were revised downward by 3.0% and 5.0% in the next biennium since the last meeting, mainly due to adding the September 2024 actual revenues into the series. September came in quite a bit lower than the prior year. While the revision was downward, there is still overall growth forecasted after FY 2025 with that tough comparison year of FY 2024. The continual announcement of artist tours in Nevada indicate that we will maintain a steady growth from this revenue source.

CHAIR ROSENTHAL:

You made a comment about the fact that Formula 1 is repeating but might be weaker, and that the Sphere only had one grand opening, but the Sphere continues to have excellent venues and continues to sell out. I just want to make sure in your forecast that you are not showing a decline in contribution. I know you cannot talk about individual contributors, but the trajectory of the overall tax, would it include at least stability in the Sphere contribution?

MS. SCOTT:

That is correct. That is part of the reason I discussed the 12-month average of growth. It is a difficult comparison to when a venue first opens, but there is a forecast for steady growth in the LET.

DR. MAURICIO SOLORIO ARTEAGA (Economist, GFO):

I will be presenting the LET for the gaming portion. My original assumption on my prior model was that the LET will return to pre-pandemic levels. However, after discussing with my colleagues and talking to some other people about the original assumption, it was clear to me that yes, it will decline as the non-gaming venues increase; however, it will not return to pre-pandemic levels because the demand for alternative forms of entertainment will remain. There is also inflation in the mix—increasing operational costs and ticket prices will still increase. There is also an increasing market effort by non-gaming venues to maintain their attendance (Exhibit G).

As Mr. Lawton mentioned, there are some other artists that are trying to come to Las Vegas, so there will be some strong shows going forward. My revised forecast with these new assumptions is revenue of \$116.9 million for FY 2025, \$115.7 million for FY 2026, and \$114.6 million for FY 2027.

Moving forward to non-gaming LET, my original assumption was not an assumption to say, it was more of a mistake of the model (page 9, Exhibit G). The model was forecasting the opening of new venues, which is not going to happen; thus, I constrained the models by the total seating capacities of the non-gaming institutions. The total seating capacity was around 83,606, which is an approximation because I know that some of these venues can increase or decrease their seating capacities according to the event. I also took into consideration the amount of people that Formula 1 brings into the state—100,000 people per night. I included that in my model and the average ticket price

between the races and the events was around \$400 to \$600 per venue. Including this in my model, it constrained how much these venues can host events because there are only so many events that can be held each year. Having these constraints in the model created more realistic expectations in terms of revenues.

I am still showing steady growth in revenues; however, not as high as FY 2024. The revenue for FY 2025 will be \$105.75 million, \$107.49 million for FY 2026, and \$108.11 million for FY 2027.

CHAIR ROSENTHAL:

What is the commitment for Formula 1; is it a ten-year commitment?

DR. SOLORIO ARTEAGA:

I believe it is a three-year commitment. Formula 1 will be held in calendar year 2026, but it is unknown whether it will be held in Las Vegas in calendar year 2027.

CHRISTIAN THAUER (Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

The forecast for the LET begins on page 45 of the Fiscal Analysis Division Forecast Information Packet (Exhibit E). I will begin with the gaming LET, also called the casino LET. It is levied on ticket sales for live entertainment taking place under gaming license. Since the division has not received any additional information since the November 7, 2024, Forum meeting, it did not see any reason to change the forecast. The forecast is the same as it was in November. The division projects the gaming part of the LET to decrease in FY 2025 when compared with FY 2024 by 4.7% to \$121,055,000. From FY 2026, the division projects the gaming LET to moderately grow by 2.1% to \$123,551,000. For FY 2027, the division forecasts continued moderate growth of 2.5% resulting in \$126,602,000 in tax revenues.

I would now turn to the non-gaming part of the LET. Since the November 7, 2024, Forum meeting, the division has received information on an additional month of tax collection, namely the tax collections for September 2024. Revenues for September 2024 came in lower than projected resulting in first quarter revenue collections in FY 2025 of \$22.1 million, approximately \$7.0 million lower than in the first quarter of FY 2024. The first quarter actuals for FY 2025 are also approximately \$4.5 million lower than projected in November.

The question is what the division should read into these numbers for September, and whether the December 2 forecast should revise the November 7 forecast in view of these lower than projected revenues as considered as a general outlook. The answer to that question is that the Fiscal Analysis Division does not see a reason to change our forecast as concerns its fundamentals. There are mainly three reasons for this, the first of which is that the first three months in FY 2025 coincided with the transition period between concert residencies at the Sphere. Dead & Company had their last show in early August 2024. The new residency of the Eagles, which was recently extended through March 2025, only began in late September. Thus, there was a period of about 1.5 months

between early August and late September without a concert at the Sphere, naturally resulting in lower tax revenue collections.

The second reason is that it appears that September revenues were unusually low due to a larger repayment amount that was accounted for in this month. The repayment concerned taxes collected in FY 2024 on ticket sales for a festival that was canceled at the last minute due to weather. The repayments reduced the revenue collections for September as they are booked as negative revenues in that month.

Lastly, it appears that much of the ticket sales for the Formula 1 race that took place this November—which as you will recall, the division’s forecast projects to be lighter than last year—will only be accounted for as concerns tax revenues from October 2024 onward. This means that the division believes that some of the Formula 1 tax collections that came in September of last year will come in October of this year.

For all these reasons, the Fiscal Analysis Division does not believe that the low September collections are an indication of a fundamental shift in the live entertainment market in Las Vegas. For the division, September’s relatively weak actuals only mean that it must adjust the takeoff point of the forecast but not how tax revenues will develop over the biennium. We even believe that at least part of the revenue losses of this September when compared to September of last year will be made up for in the upcoming months and fiscal years. In view of these considerations, the Fiscal Analysis Division’s December 2 forecast projects \$104.28 million in LET non-gaming tax revenues in FY 2025. The December 2 forecast is thus \$2.12 million lower than the November forecast. For FY 2026, the division projects \$106.55 million in revenues, a reduction of \$1.15 million when compared to the November forecast. For FY 2027, the division forecasts \$101.27 million in non-gaming LET tax revenues. The December 2 forecast for FY 2027 is approximately \$190,000 under the November forecast.

As a reminder, as explained at the November meeting, the Fiscal Analysis Division’s forecast for FY 2027 considers that the contract between the Formula 1 and the Las Vegas Convention and Visitors Authority schedules annual Formula 1 races until the end of calendar year 2025. It is yet to be decided whether the Formula 1 race will take place in Las Vegas in FY 2027 or more precisely, in November 2026. The division decided to factor in this uncertainty relating to the Formula 1 race taking place in Las Vegas in FY 2027 by cutting the anticipated revenue generated by a Formula 1 race in half.

CHAIR ROSENTHAL:

Just to be clear, in each of the non-gaming LET forecasts, in FY 2027, which includes calendar year 2026, the Fiscal Analysis Division included half of a benefit from Formula 1. For the Department of Taxation and the GFO, please tell us what is in the forecast for FY 2027 related specifically to Formula 1.

Ms. SCOTT:

I also did a 50.0% chance for FY 2027.

DR. SOLORIO ARTEAGA:

I do have a Formula 1 race occurring in 2026. My guess is that the race will occur.

MR. LAWTON:

A little out of my lane, but what we have been reading is that those negotiations are occurring. I would think from the resort operator side, I would be shocked if that does not get continued.

MR. LEAVITT:

I am convinced to go with the agency forecast for FY 2025. I am concerned that it drops too much in the second year, so I propose we go with the Budget Division's forecast, which is slightly higher than the agency, and then go back to the agency for the third year.

MR. LEAVITT MOVED TO APPROVE THE AGENCY'S (GAMING CONTROL BOARD) FORECAST FOR LIVE ENTERTAINMENT TAX-GAMING OF \$117,257,000 FOR FY 2025, THE BUDGET DIVISION'S FORECAST OF \$115,694,000 FOR FY 2026, AND THE AGENCY'S FORECAST OF \$114,817,000 FOR FY 2027.

MS. LEWIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

MR. LEAVITT:

I am thinking of using the Fiscal Analysis Division's non-gaming LET forecast for the first two years. I do not want to go down quite as much as they did in the third year, so I would use the Budget Division's forecast for the third year, which would be in between the two.

MR. LEAVITT MOVED TO APPROVE THE FISCAL ANALYSIS DIVISION'S FORECAST FOR LIVE ENTERTAINMENT TAX-NONGAMING OF \$104,276,000 FOR FY 2025 AND \$106,549,000 FOR FY 2026, AND THE BUDGET DIVISION'S FORECAST OF \$108,106,000 FOR FY 2027.

MR. CROME SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

The Fiscal Analysis Division would like to ensure it has the correct numbers for the tables. For the gaming LET for FY 2025, the Forum went with the agency's forecast of \$117,257,000. In FY 2026, the Forum went with the Budget Division's forecast of \$115,694,000. In FY 2027, the Forum went back to the agency's forecast of \$114,817,000.

Then for the non-gaming LET, in FY 2025, the Forum went with the Fiscal Analysis Division's forecast of \$104,276,000. In FY 2026, the Forum went with the Fiscal Analysis Division's forecast of \$106,549,000. In FY 2027, the Forum went with the Budget Division's forecast of \$108,106,000.

C. STATE 2% SALES TAX

ERICA SCOTT (Economist, Department of Taxation):

I will be reviewing the State 2.0% Sales and Use Tax General Fund forecasts and the revisions that the agency has made. We will once again visit the time series graph, which now includes the September 2024 monthly sales tax revenue (page 9, Exhibit F). While September sales tax revenue was the tenth highest revenue month on record, it was still very flat in comparison to the prior year. Fiscal year-to-date, this revenue source is down slightly at 0.6%. When the agency reviewed taxable sales categories by taxpayers North American Industry Classification System (NAICS), we found that this fiscal year so far, food and beverage/drinking places, which has the largest taxable sales of any category, is down slightly by 1.6%. The second highest taxable sales are in the motor vehicle and parts dealers NAICS category, which is down 12.0% fiscal year-to-date. Meanwhile, other NAICS categories like non-store retailers are up by 9.0% fiscal year-to-date. Online shopping is still making a positive impact, although not enough to offset the slight decline in food and beverage taxable sales.

The reason for this mention is that food and beverage/drinking places is the largest category of sales tax generated with thousands of taxpayers; thus, any trend is not the impact of a few large taxpayers, but many. The indication here is that consumers may be tightening their belts slightly on spending. Also, as prices are coming in, year-to-year comparison is a bit tighter than prior years. Truly, December's sales tax revenue should really tell the story of what is to come in FY 2025 as that is always the highest month out of the year, but unfortunately, due to timing, we are not so lucky to have that information yet.

That said, on page 10, we can review the department's revised forecasts (Exhibit F). In the red bars, we see that the department has once again factored in the most recent month of revenue into the forecast series to include September. We are seeing very flat to negative comparisons. For this reason, the department's 2.0% sales and use tax forecast has been revised down to \$1.8 billion in FY 2025, \$1.9 billion in FY 2026, and \$1.9 billion in FY 2027.

Page 11 (Exhibit F) shows the year-over-year growth, which works out to 0.2% growth in FY 2025, 4.0% growth in FY 2026, and 3.2% growth in FY 2027. These revisions from the November forecast were downward by roughly 2.5% to 4.0%. The department's downward revisions are based mainly on incorporating September's revenue for this tax type, as well as the latest Moody's releases from November, which include the Nevada retail sales estimates, the Nevada GDP, and the Consumer Price Index (CPI). No one indicator necessarily had a significantly large change, but the slight downward revisions contributed to revising this forecast downward.

DR. MAURICIO SOLORIO ARTEAGA (Economist, GFO):

I am presenting the State 2.0% Sales and Use Tax. My prior model forecast steady consumer spending. However, I reviewed the Congressional Budget Office report on the economic outlook—this office publishes good data on consumer spending behavior, especially on tangible goods. In the research, the Congressional Budget Office learned that the consumption of goods would decline after the pandemic. I also added a better supply chain into my model with some steady state economic growth and higher long-term interest rates. From what I have seen in reports, everyone has this forecast for 2027 still on the higher end between 4.0% and 5.0%, so I still have my long-term interest rate higher than pre-pandemic levels of 2.0%.

The graph on page 13 (Exhibit G) from the Congressional Budget Office shows the budget and economic outlook. The economy as a whole—the entire United States—consumers have preferred to spend their money on entertainment or other sources of leisure. For example, vacations instead of a television. One of the things seen during the pandemic was a large spike in the consumption of tangible goods instead of leisure activities such as fine dining or vacations. Not only was there a significant increase in the consumption of goods but also in sales tax. After 2024, we have seen that the COVID-19 Relief funds are finally gone from households' bank accounts; therefore, the consumption of goods will be included in the projections for January 2024. You can see how it is decreasing quite rapidly. I am also adding that into my forecast as well as inflation. We have also seen inflation play a major role in inflating the sales tax because everything was very expensive.

One other thing to keep in mind is that during the pandemic, there were supply chain disruptions. People were stuck with the expensive items. Moving forward, that will not be the case. If something is expensive, people will look for a substitute. Another thing that my model considers is the effects of tariffs. Goldman Sachs came out with a research report just last week on the inflation effects of tariffs, especially with Canada, Mexico, and China. Goldman Sachs is projecting that everything in the economy is going to be 1.0% higher. Looking at the inflation of the Federal Reserve, which is around 2.0%, and adding 1.0% inflation on top of that due to tariffs, there will be a 3.0% inflation on goods, which will make consumers more mindful with their money. They will be spending their money on essentials. My model keeps that in mind, moving forward, if there are tariff wars or retaliatory wars.

Consequently, my forecast is now predicting for FY 2025 revenue of \$1.75 billion, \$1.77 billion for FY 2026, and \$1.82 billion for FY 2027. The reason I show FY 2027 increasing is because I believe we are going to realize that tariffs are not the answer for illegal immigration and drug trafficking. Hopefully tariffs are not going to be a part of the future in FY 2027. Also, I am forecasting interest rates will go down to the 5.0% benchmark. If those two conditions hold true, FY 2027 revenue will be \$1.82 billion.

CHRISTIAN THAUER (Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

The State 2.0% Sales Tax forecast is in the Fiscal Analysis Division Forecast Information Packet beginning on page 53 (Exhibit E). The December 2 forecast has not changed when compared with the November forecast, except for an adjustment of the take off point of the forecast and an adjustment to incorporate approval of Ballot Question 5 in the last General Election, which exempts diaper products from the State 2.0% Sales Tax.

Since the November Economic Forum meeting, sales tax net revenues for September came in just about \$8.0 million higher than the division had forecast. The question is of course, what does this one additional observation really tell us, and does it incline us to change our overall outlook? The answer to that question is no, it does not. The Fiscal Analysis Division believes that is basically in line with what it had forecast.

Whereas July and August—the first months of FY 2025—State 2.0% Sales Tax revenues came in lower than in July and August of the previous fiscal year, the September 2024 revenues came in 2.6% above the September 2023 revenues. The question is whether this means the period of shrinking revenues, sales tax revenues, is over. The division would caution against such a hasty assumption because if you look closer at what made up this increase in taxable sales, you see that, as Ms. Scott has already referred, the main drivers of taxable sales in Nevada are still giving a mixed picture. For example, sales of car parts are down year-over-year in September when compared to September of the previous year; sales of clothing, building materials, and gardening materials are down. As well, all types of retail and merchandise store sales are down. The sales of food and drinking places, the most important driver of our sales tax here in Nevada, has grown in September compared to September of the previous year by 2.3%. However, that is moderate growth that is under the inflation level.

What caused this growth of 2.6% in September compared to September the previous year? The division believes that these were mainly one-off and extraordinary sales related to data centers. When looking at some of the NAICS codes and the sales increases that occurred, data processing, hosting, and related services sales are up 195.7% in September 2024 when compared with September 2023, and electrical equipment, appliance, and compound manufacturing are up 600.0%. The Fiscal Analysis Division believes that the good news of the growth in September may still be an extraordinary event and that we are still in the process of realignment of consumer behavior. Consumers are spending money on goods, items, and services that are not covered by the sales tax such as rental income, insurance premiums, and groceries. The division does believe that its overall story still holds. This realignment may go on for another month or two, and then we will embark on a moderate growth path for the 2.0% sales tax again with inflation and interest rates coming down and pent-up demand. For example, the demand for car parts and cars, for which consumers can only postpone for so long.

All that means that the September forecast for FY 2025, FY 2026, and FY 2027 is approximately \$7.7 million above the November forecast. That is mainly due to the higher September revenues. We basically have a different take off point for our forecast. We thus project that State 2.0% Sales Tax revenues will increase by 0.7% to \$1,803,000,000

in FY 2025; increase by 3.7% to \$1,869,000,000 in FY 2026; and increase by 4.6% to \$1,956,000,000 in FY 2027.

MR. LEAVITT:

I am happy to hear about the increase. As I mentioned before, I still think the Forum should be a little conservative on the estimates for this time. By the time the Forum gets the May 2025 forecast, it will include the Christmas season, which is a large season as it relates to sales tax. Based on that, I would recommend that we use the agency forecast for all three years, which would be slightly less than the Fiscal Analysis Division's and Moody's forecasts, and slightly more than the Budget Division, which I am concerned is a little on the low side.

MR. LEAVITT MOVED TO APPROVE THE AGENCY'S (DEPARTMENT OF TAXATION) STATE 2.0% SALES AND USE TAX FORECAST OF \$1,793,172,000 FOR FY 2025, \$1,865,437,000 FOR FY 2026, AND \$1,925,690,000 FOR FY 2027.

MR. GORDON:

I will second that motion. I agree the sustainability of some of these consumer spending trends are a little concerning. I feel we should probably look at the agency forecast.

MR. GORDON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

MR. THAUER:

The motion approved adopts the agency's forecast, which means that for FY 2025 \$1,793,172,000 in revenues; for FY 2026, \$1,865,437,000; and for FY 2027, \$1,925,690,000.

E. MODIFIED BUSINESS TAX NONFINANCIAL • FINANCIAL • MINING

This agenda item was taken out of order.

CHAIR ROSENTHAL:

Mr. Nakamoto, in November, I thought we talked about having the financial and mining portions of this tax as a consensus forecast.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

That is correct. I suggest that we have the presentations from Ms. Scott, Dr. Solorio Arteaga, and Ms. Owens on the nonfinancial portion and then I will cover the consensus forecast for financial and mining separately.

ERICA SCOTT (Economist, Department of Taxation):

For the Modified Business Tax (MBT), we revisit the color-coded table, which shows the highest and lowest revenue quarters from FY 2022 through to quarter one of FY 2025 (page 17, Exhibit F). The first quarter of FY 2025 came in above the department's forecast model. Nothing has changed significantly from the model itself other than just applying this quarter of real revenue into the model. Quarter one came in at \$168.9 million to the General Fund, which was 7.9% higher than the prior fiscal year.

On page 18 is the time series again to include the first quarter of FY 2025 (Exhibit F). With this view of the revenues, we can see that seasonality play out. Quarter one is typically the lowest quarter of each fiscal year. With that quarter coming in above the department's expectations, the forecast was revised upward.

On page 19 (Exhibit F), we can review the prior years with the blue bars, which adds back in the tax credits, as well as the agency's forecast, which is shown in the red bars. With the revised forecast for the upcoming biennium, the department has forecasted \$849.9 million in FY 2025, \$894.6 million in FY 2026, and \$941.0 million in FY 2027. Again, this is just for the general business division of the MBT.

The next page shows year-over-year comparisons (page 20, Exhibit F). I was able to add back in the tax credits to the prior year, so we have a correct comparison. With the FY 2025 forecast of \$849.9 million this would be a 6.5% increase in the MBT general business. In FY 2026, the forecast is for a 5.3% increase, and in FY 2027, a 5.2% increase. The revisions were small at only 0.2% and 0.1%, but these were upward revisions to the forecast and based on the stronger quarter one of FY 2025.

DR. MAURICIO SOLORIO ARTEAGA (Economist, GFO):

Nothing really changed in my model for the MBT. The only thing that I realized after I presented at the previous meeting is that the tax revenues were with tax credits applied and not the gross tax revenue. That is why my numbers were \$35.0 million shy. I added those tax credits back into my forecast, and that is the revised numbers I have provided. The forecast is \$786.89 million for FY 2025, \$798.14 million for FY 2026, and \$832.7 million for FY 2027.

HAYLEY OWENS (Economist, Fiscal Analysis Division, LCB):

I am presenting the Fiscal Analysis Division's forecast for the MBT for nonfinancial institutions. The forecast begins on page 79 of the Fiscal Analysis Division Forecast Information Packet (Exhibit E). Since last month's meeting, the division took between \$4.0 million and \$5.0 million off its forecast each fiscal year, which corresponds to just about half a percent of the forecast. These changes were largely due to employment in certain sectors coming in softer in the third quarter than expected. In the model, the division forecasts selected sectors on a quarterly basis. With the release of September employment on November 15, staff was able to add the third quarter of Nevada employment into the model as actuals instead of forecast. A couple of sectors came in

softer than expected, namely leisure-hospitality, professional services, and retail trade; therefore, the division had to temper those.

On the other hand, construction, manufacturing, health care and the “all other” category were close to our expectations and changed minimally. Altogether for that quarter, statewide employment came in about 9,200 jobs, or 0.7%, lower than forecasted. As a result, staff adjusted the employment outlook for some of those sectors and also tempered the wage growth expectations for some of those sectors, which results in a slightly lower forecast.

The revised forecast is 3.9% growth in MBT collections for nonfinancial institutions in FY 2025 to reach \$828.9 million, 4.4% growth in FY 2026 to \$865.5 million, and 4.1% growth in FY 2027 to \$900.8 million.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

I will be going through the consensus forecast on the MBT for financial institutions and mining. The numbers for this consensus forecast are not on Table 8 (Exhibit H), rather they are on page 47 of the meeting packet (Exhibit A).

The Fiscal Analysis Division treated the consensus for the MBT on financial institutions and mining similar to how it would treat the consensus forecasts for the TAC. That is, the division asked the Department of Taxation and the Budget Division to do their own forecasts for these two pieces and the Fiscal Analysis Division also did its own forecasts, which appear on Table 8 (Exhibit H). Table 1 on page 47 (Exhibit A) shows all of these forecasts that were submitted for FY 2025, FY 2026, and FY 2027 as well as what we have determined to be the consensus forecast.

I will begin with MBT financial institutions. The forecast is \$42.8 million in FY 2025, \$44,673,000 in FY 2026, and \$46,802,000 in FY 2027. Those are the average of the agency and Fiscal Analysis Division forecasts based on the conversation that the division had with Ms. Scott and Dr. Solorio Arteaga. For reference, if we had done the same average for the November forecasts, it would have resulted in a decrease of approximately \$738,000 from what the average would have been for those forecasts. In November, it would have been \$43,538,000 in FY 2025, \$45,754,000 in FY 2026, and \$47,975,000 in FY 2027. The differences in FY 2026 and FY 2027 would have been about \$1.1 million to \$1.2 million lower. These are the forecasts that you have here as the consensus for your consideration for financial institutions.

For the mining portion, which is also on page 47 of the meeting packet, it is a similar story (Exhibit A). The forecast is the average of the agency, fiscal, and budget forecasts. In this instance as well, due to downward revisions to all the forecasts, the numbers that you see there: \$20,010,000 in FY 2025, \$20,228,000 in FY 2026, and \$20,279,000 in FY 2027; or \$781,000, \$1,039,000, and \$1,550,000 lower than the same average would have been at the November forecast. Again, this is due to downward revisions in the forecasts.

Lastly, for reference, Table 9 shows the growth needed to get to those forecasts (Exhibit C). We neglected to put the consensus forecast for these on the table. To reach the consensus forecast for the MBT financial institutions, the tax would have to grow by 7.4% over the last three quarters of FY 2025. For the MBT mining, it can fall by 1.0% over the last three quarters to reach that forecast.

MR. GORDON:

I may just not be looking at Table 1 correctly. In terms of the consensus forecast, is it just simply the average of the three forecasters? Is that how you arrived at the consensus?

MR. NAKAMOTO:

That is the case for the consensus forecast on the MBT mining portion, that is the average of the agency, fiscal, and budget forecasts. For the MBT financial forecast, the consensus is the average of the agency and the Fiscal Analysis Division only.

MR. LEAVITT:

In looking at the presentations for the MBT nonfinancial, the Fiscal Analysis Division indicated they saw some softness since the November meeting. Given that and my general inclination to go with a more conservative forecast, I would recommend that we use the Fiscal Analysis Division for all three years for the MBT nonfinancial and then the consensus forecast for the MBT financial and mining.

MR. LEAVITT MOVED TO APPROVE THE FISCAL ANALYSIS DIVISION'S MODIFIED BUSINESS TAX-NONFINANCIAL FORECAST OF \$828,906,000 FOR FY 2025, \$865,515,000 FOR FY 2026, AND \$900,829,000 FOR FY 2027.

TO APPROVE THE MODIFIED BUSINESS TAX-FINANCIAL CONSENSUS FORECAST OF \$42,800,000 FOR FY 2025, \$44,673,000 FOR FY 2026, AND \$46,802,000 FOR FY 2027.

TO APPROVE THE MODIFIED BUSINESS TAX-MINING CONSENSUS FORECAST OF \$20,010,000 FOR FY 2025, \$20,228,000 FOR FY 2026, AND \$20,279,000 FOR FY 2027.

MS. LEWIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

The Forum approved the Fiscal Analysis Division's forecast for the MBT nonfinancial for all three fiscal years. The amounts were as follows: \$828,906,000 in FY 2025; \$865,515,000 in FY 2026; and \$900,829,000 in FY 2027. For the MBT financial, it was the consensus forecast (page 47, Exhibit A) of \$42,800,000 in FY 2025; \$44,673,000 in

FY 2026; and \$46,802,000 in FY 2027. For MBT mining, again, it was the consensus forecast of \$20,010,000 in FY 2025; \$20,228,000 in FY 2026; and \$20,279,000 in FY 2027.

D. INSURANCE PREMIUM TAX

CHAIR ROSENTHAL:

I overlooked the Insurance Premium Tax, so we will go back to that now.

ERICA SCOTT (Economist, Department of Taxation):

The slide that I wanted to present is the time series of the Insurance Premium Tax (page 13, Exhibit F), which we looked at during the previous meeting. This is the Insurance Premium Tax just for the Department of Taxation's administered portion of the tax. The overall upward trajectory over the past eight fiscal years is shown and now the department has added in the first quarter of FY 2025. While the first quarter of FY 2025 was higher than the prior year, it still came in a little softer than what was expected against the agency's prior forecast. Quarter one of FY 2024 was \$140.8 million to the General Fund, while quarter one of FY 2025 was \$143.5 million, a 1.9% increase, which was short of the agency's November forecast. For this reason, the department revised the forecast downward, although not by a significant portion.

On the next slide, is the bar graph with the past six years of Insurance Premium Tax revenues in blue and the forecasted amounts in red (page 14, Exhibit F). The forecast is done with the credits included, so the blue bars are net credit. The department's revised forecast is \$637.3 million in FY 2025, \$674.5 million in FY 2026, and \$710.3 million in FY 2027.

On page 15, we see the year-over-year comparison and the revision change percentage. Please disregard the 9.1% growth rate from FY 2024 to FY 2025 as 2024 is net credits. The real growth before any tax credits is about 4.0% in FY 2025, 5.8% in FY 2026, and 5.3% in FY 2027.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

The Table 8 (Exhibit H) numbers do not match the information that Ms. Scott provided because of the portion that is collected by the Insurance Division of the Department of Business and Industry. The Insurance Division's forecast did not change, so the revisions of this forecast are wholly attributable to the Department of Taxation forecast.

DR. MAURICIO SOLORIO ARTEAGA (Economist, GFO):

Nothing has changed in my original forecast. The only thing that I added was an increase that is expected to happen on health insurance premiums due to the new hospital tax and state-directed payments and higher spending for managed care organizations. This is information that was provided to me two weeks ago, so I incorporated this into my model to reflect this increase in health insurance premiums.

With the new health premium increases that are expected in the upcoming biennium, my forecast is revised for \$656.49 million for FY 2025, \$688.03 million for FY 2026, and \$715.09 million for FY 2027.

MR. NAKAMOTO:

The forecast for the Insurance Premium Tax begins on page 71 of the Fiscal Analysis Division Forecast Information Packet (Exhibit E). As you will recall, the division's forecast for the Insurance Premium Tax is looking at the quarterly collections based on insurance premiums written in each quarter, which makes up around 95.0% of the tax. The division's forecast for November had the first quarter at \$153,997,000, or an 8.7% increase. You can see the year-to-date actuals were at \$135,351,304, or a 4.4% decrease. Needless to say, the mark was missed a little on those quarterly collections. However, the department was kind enough to provide some information on the taxpayers. In looking at those quickly, it looks like there were some taxpayers who did not pay on time. This is not unusual for any tax.

Looking at the taxpayers, it looks like about \$3.0 million of collections was missed, or what we anticipate should have been collected, which does not quite get us back to where we thought we were going to be. One of the things that also happened is that we received about \$9.6 million of Insurance Premium Tax collections that were attributed to prior fiscal years. Thus, it got that gap a lot closer than what we anticipated.

The net result of our forecast, as you can see on Table 8 (Exhibit H), is that we are now at \$683,008,000 in FY 2025, which is about a \$5.9 million decrease from our November forecast; \$720,903,000 in FY 2026, which is approximately a \$5.2 million decrease; and \$757,792,000 in FY 2027, which is approximately a \$6.1 million decrease from our November forecast. The division's outlook on this tax has not changed. This is a general theme for a lot of the division's revisions. It is mostly a path adjustment from that first quarter and taking that into account.

MR. LEAVITT:

Based on Mr. Nakamoto's statement, I am inclined to go with the Fiscal Analysis Division for the current year. I am not quite as optimistic as the division is for the next two years, so I would think to go with agency for FY 2026 and FY 2027, which would be slightly more conservative than the Fiscal Analysis Division.

MR. LEAVITT MOVED TO APPROVE THE FISCAL ANALYSIS DIVISION'S FORECAST FOR THE INSURANCE PREMIUM TAX OF \$683,008,000 FOR FY 2025, AND THE AGENCY'S (DEPARTMENT OF TAXATION) FORECAST OF \$699,556,000 FOR FY 2026 AND \$735,775,000 FOR FY 2027.

MS. LEWIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY BY THE MEMBERS PRESENT.

MR. NAKAMOTO:

The approved forecast for FY 2025 was the Fiscal Analysis Division's forecast of \$683,008,000. In FY 2026, the approved forecast was the agency forecast of \$699,556,000. In FY 2027, the approved forecast was the agency forecast of \$735,775,000.

F. REAL PROPERTY TRANSFER TAX

ERICA SCOTT (Economist, Department of Taxation):

For the Real Property Transfer Tax, I once again have a slide with historical values (page 22, Exhibit F). Nothing significantly changed about the department's outlook, even with the quarter one data of FY 2025. We can see the leveling out after the pandemic with the lowest interest rates for mortgages, the spike in Real Property Transfer Tax in FY 2022, and with the decline in FY 2023, the department thinks that is stabilizing.

Page 23 is the bar graph with the agency forecast (Exhibit F). When the first quarter of revenues for Real Property Transfer Tax came in, it was in line with my FY 2025 forecast. The department is sticking with the same forecast that was presented in November. Just to mention, the growth that we see in FY 2026 and FY 2027, the assumption there is that the market will move for real estate, more residential property purchases based on the stabilization of mortgage interest rates.

DR. MAURICIO SOLORIO ARTEAGA (Economist, GFO):

Nothing has changed in this forecast. My assumptions—they still hold—homeowners with historically low mortgage rates are unlikely to sell; new residential developments will slow due to high construction prices; interest rates will decrease but stabilize around 5.0% especially with tariffs coming into place and raising inflation by 1.0%; and existing housing inventory will sell at above market prices due to limited supply and strong competition. With this in mind, my forecasts remain the same. For FY 2025, I am forecasting \$120.43 million in revenue, \$124.54 million for FY 2026, and \$127.76 million for FY 2027.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

The Real Property Transfer Tax forecast for the Fiscal Analysis Division begins on page 107 (Exhibit E). As it pertains to changes in the forecast, the division had no changes in its outlook for real estate. However, the division did receive some additional information with relation to actual collections. When I presented the Fiscal Analysis Division's forecast back on November 7, there were 15 of the 17 counties reporting their first quarter collections for the Real Property Transfer Tax—only missing were Storey and Esmeralda Counties. Since then, there have been two new postings. One of them was Storey County, and the other one was additional revenue for Douglas County. Historically, those two counties combined is about \$100,000. It turns out that Storey County was considerably higher, which resulted in an increase in the forecast by \$490,000 in FY 2025. That is solely to account for that additional revenue above the forecast from

Storey County as well as the bonus revenue from Douglas County. The division has no changes to its forecasts in FY 2026 and FY 2027, resulting in a forecast of \$118,525,000 in FY 2025; \$125,982,000 in FY 2026, or a 6.3% increase; and \$132,195,000, or a 4.9% increase in FY 2027.

MR. CROME MOVED TO APPROVE THE FISCAL ANALYSIS DIVISION'S FORECAST FOR THE REAL PROPERTY TRANSFER TAX OF \$118,525,000 FOR FY 2025, \$125,982,000 FOR FY 2026, AND \$132,195,000 FOR FY 2027.

MS. LEWIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

MR. NAKAMOTO:

The forecasts that were just approved were the Fiscal Analysis Division forecasts for all three years. That is \$118,525,000 in FY 2025, \$125,982,000 in FY 2026, and \$132,195,000 in FY 2027.

G. COMMERCE TAX

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Before you are the Commerce Tax estimate scenarios for the December 2024 consensus forecast between the Fiscal Analysis Division, the Department of Taxation, and the Budget Division (page 49, Exhibit A). Between November 7 and now we did not have any new information in terms of collections, or for that matter, at the time the consensus forecast was done, we did not have any information on the Commerce Tax credits either. The only real information was a change to Moody's baseline forecast for Nevada gross state product, which decreased between the October and November meetings. At the November meeting, Moody's baseline for the Nevada gross state product was a 5.5% growth in FY 2025, a 5.6% growth in FY 2026, and a 5.4% growth in FY 2027. For Moody's November forecast, which is reflected in Table 1 on page 49 (Exhibit A), the forecast is now 5.3% in FY 2025, 5.4% in FY 2026, and 5.4% in FY 2027. Very small revisions downward.

As the Fiscal Analysis Division, Department of Taxation, and the Budget Division discussed, this did not give us any real reason to change the forecasts for the Commerce Tax. Therefore, the end result is the forecasts that you are presented with and as shown on Table 2 on page 50 (Exhibit A). The forecasts are identical to the forecasts that were presented at the November 7 meeting. That is \$353,940,000 in FY 2025, \$370,063,000 in FY 2026, and \$390,416,000 in FY 2027.

Likewise, on page 51 (Exhibit A) are the forecasts for the Commerce Tax credits against the MBT because we had no additional information on the usage of the Commerce Tax credits for the first quarter of FY 2025. Also, because we did not change the forecast for the Commerce Tax, we did not change the forecast for the Commerce Tax credits. Those

are \$67,626,000 in FY 2025, \$70,062,000 in FY 2026, and \$73,915,000 in FY 2027. Those are negative numbers; they are a reduction against the forecast.

CHAIR ROSENTHAL:

I might be missing something, because I am seeing slightly different numbers in FY 2026 and FY 2027 on Table 8.

MR. NAKAMOTO:

I believe I read you the wrong numbers. It should be \$67,626,000 in FY 2025, \$70,383,000 in FY 2026, and \$74,264,000 in FY 2027. I will have to find out why the tables on page 51 (Exhibit A) are not correct. The numbers in Table 8 are correct (Exhibit H)—those are the consensus forecast for the Commerce Tax credits.

MS. LEWIS MOVED TO APPROVE THE CONSENSUS FORECAST FOR THE COMMERCE TAX OF \$353,940,000 FOR FY 2025, \$370,063,000 FOR FY 2026, AND \$390,416,000 FOR FY 2027.

MR. LEAVITT SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

MS. LEWIS MOVED TO APPROVE THE CONSENSUS FORECAST FOR THE COMMERCE TAX CREDITS OF \$67,626,000 FOR FY 2025, \$70,383,000 FOR FY 2026, AND \$74,264,000 FOR FY 2027.

MR. GORDON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

H. INTEREST INCOME – TREASURER

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

The Interest Income forecast is again a consensus forecast that was submitted by the Treasurer's Office, and the Fiscal Analysis Division and Budget Division agreed with the forecast. The information that was submitted by the Treasurer's Office begins on page 53 of the meeting packet (Exhibit A). Steven Hale with the Treasurer's Office is available to present this item and answer questions.

STEVEN HALE (Deputy Treasurer of Investments, Office of the State Treasurer):

The forecast changed slightly from last time. For FY 2025, the Treasurer's Office increased the forecast by about \$7.0 million; for FY 2026, it declined by about \$6.0 million; and for FY 2027, it deviated the most by about \$17.0 million. The reason is twofold. First, the forecasted interest rates from futures contracts increased slightly because there has been a lot of talk about economic impact of tariffs and how that might impact inflation

going forward, as well as comments from the Federal Reserve stating that it is under no pressure to raise interest rates as fast as markets have been discussing. I often say the Federal Reserve is driving the bus and the markets are sitting in the back of the bus trying to tell people where the Federal Reserve is going. I tend to listen to the Federal Reserve. The Federal Reserve is not going to cut rates as fast as the market had believed, so rates promptly backed up in real time as well as in the futures contracts. Those two things had an impact on FY 2025.

The other thing that happened is that we received some preliminary numbers for the first quarter. They have not been published yet, but they look very consistent and possibly even favorable to what we experienced in the most recent fiscal year. That was the impact on FY 2025. Fiscal Year 2026 changed slightly because of what I described earlier. Fiscal Year 2027 had the biggest movement in rates, they actually declined, which is the reason for the \$17.0 million decline in the forecast.

CHAIR ROSENTHAL:

The drivers make sense to me; all is good. In terms of the changes from your last forecast, I do not know if it is a matter of decimals, but I am seeing a \$13.0 million increase in FY 2025, a \$2.0 million increase in FY 2026, and a \$1.7 million decrease in FY 2027, not \$17.0 million. I just want to make sure we have the right numbers.

MR. HALE:

I am still seeing \$244,289,385, \$227,770,491, and \$222,378,556. Is that what you have?

CHAIR ROSENTHAL:

Those look like the correct numbers. I just wanted to make sure because you read off some variances from the last forecasts that were significantly different.

MR. HALE:

I have done about 12 iterations of this over the past two months so I may have selected the wrong one. The overall take is that the changes are not significant. With the outlier, the furthest year, I think those are accurate.

MR. CROME:

When you say there is a 6.0% increase from your last forecast for FY 2025, that is similar to your last forecast for FY 2025. Does that sound right to you?

MR. HALE:

Yes.

MR. NAKAMOTO:

In looking at page 56 (Exhibit A), which is the table that Mr. Hale is referring to as part of his presentation, that was the information that he submitted in comparing that to the numbers in Table 8 (Exhibit H), which do match. The numbers in Table 8 and then the differences between the November and December forecasts on Table 8 are accurate.

MR. CROME MOVED TO APPROVE THE INTEREST INCOME—
TREASURER FORECAST OF \$244,289,000 FOR FY 2025, \$227,770,000
FOR FY 2026, AND \$222,379,000 FOR FY 2027.

MS. LEWIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

MR. NAKAMOTO:

As those of you who have been a part of this will recall, one of the other batch of revenues that is approved in accordance with the major revenues are the General Fund commissions. When a 2.0% sales tax number is approved, there are four other revenue sources that are the commissions that are retained based on local rates for the State General Fund.

For FY 2025, the amount is \$74,446,000; for FY 2026, it is \$77,447,000; and for FY 2027, it is \$79,947,000. These numbers do not appear on Table 8, they are what is calculated through formulas.

There was no further discussion on this agenda item.

VII. REVIEW AND APPROVAL OF FORECASTS OF MINOR GENERAL FUND REVENUES AND TAX CREDITS FOR FY 2025, FY 2026, AND FY 2027 APPROVED BY THE TECHNICAL ADVISORY COMMITTEE ON FUTURE STATE REVENUES (NRS 353.229) AT ITS NOVEMBER 21, 2024, MEETING.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Under Agenda Item VII, there are four tables that are in the packet for consideration of the non-major revenues based on the TAC approved forecast from its meeting on November 21, 2024.

The first table is Table 5 on page 57 (Exhibit A). Essentially, this is the Table 4 counterpart to the non-major revenues. There are ten non-major revenues—what we consider the major-minor revenues. The table shows the FY 2024 actuals as well as the forecasts for FY 2025, FY 2026, and FY 2027 that were approved by the TAC, as well as the agency, fiscal, and budget forecasts for each of those revenues. Table 6 on page 59 is the consensus forecast that was approved by the TAC, and that is what I will be focusing my forecast on. On page 71, is Table 6 – Difference. In keeping in mind Chair Rosenthal's comments to just discuss the changes to the forecast, the division decided to put that in so you could see the changes to the forecast. I am not going to go through the entirety

of those changes; I will just touch on the highlights. Lastly, on page 77 is Table 7, which is the summary document of what the forecast looks like in comparison.

Turning to page 59 (Exhibit A), which is the TAC's approved forecast, and therefore, your preliminary forecast for the non-major revenues. One of the things that I will note is that the process for developing the consensus forecast is the same as in the past—the Fiscal Analysis Division asks for revised forecasts from the Department of Taxation, GCB, Budget Division, as well as the Treasurer's office and the Secretary of State's office. We did not receive revised forecasts from everyone. The Fiscal Analysis Division also had a revised forecast. After the revised forecasts were submitted, staff had a meeting with Dr. Solorio Arteaga at the Budget Division to develop the consensus based on whatever assumptions we were making—whether we were going to choose a forecast or take the average of all three of the forecasts for each of the fiscal years.

At the outset, I will note that the decision rules that we used for this forecast compared to the October 30 forecast were unchanged. The only changes to the forecast were because one or more of the forecasters changed their forecast between the October and the November meetings.

I am just going to point out some of the highlights, but all the information is available on Table 6 – Difference (page 59, Exhibit A).

The Transportation Connection Excise Tax was the average of the agency and fiscal. The forecasts for this tax were decreased by \$598,000 in FY 2025, \$920,000 in FY 2026, and just over \$1.1 million in FY 2027. This was due to downward revisions to the forecast by the Fiscal Analysis Division. The division received the third month of this tax, and it was far weaker than expected; therefore, it revised the forecast downward. Taking the average, it revised the forecast downward by those amounts.

The Cigarette Tax is a similar story. The amounts that you see in Table 6 are revised downward by approximately \$540,000 in FY 2025, \$509,000 in FY 2026, and \$481,000 in FY 2027. Again, this was an instance where we received another month of collections, and the Fiscal Analysis Division revised its forecast downward. Taking the average of the agency, fiscal, and budget forecasts, it caused a negative revision to that forecast in those amounts.

There is nothing on page 60 because that is the MBT and that was already discussed under the previous agenda item. On page 61, the largest revision is to GL 3113, the Business License Fee (Exhibit A). This was an upward revision of approximately \$320,000 in FY 2025, \$319,000 in FY 2026, and \$318,000 in FY 2027. This was, again, the average of the agency, fiscal, and budget forecasts, but it was the Fiscal Analysis Division having upward revisions to this forecast based on stronger than expected collections through the first three months for this tax.

There were some minor revisions to the Liquor Tax and Other Tobacco Tax. There were upward revisions for the Liquor Tax and downward revisions for the Other Tobacco Tax

due to collections coming in higher or lower than anticipated. They are minor in the grand scheme of things.

I am going to move on to page 62 and discuss the licenses (Exhibit A). There are also very few changes worth mentioning. The most notable change is GL 3130, Commercial Recordings from the Secretary of State's Office. There was an upward revision in FY 2025 of approximately \$465,000, a \$612,000 upward revision in FY 2026, and a \$374,000 upward revision in FY 2027. Again, this was the average of the agency, fiscal, and budget. This was the Fiscal Analysis Division increasing its forecast in all three years. There were two reasons why this happened, the first of which was that collections for the first three months were a little stronger than anticipated. I will also admit that the revision in FY 2026 is slightly higher than the other two fiscal years because we had a formula error when we did our forecast and we were picking up the wrong information, and it had our October 30 forecast going negative. Therefore, we added a little more revenue into FY 2026. Taking the average, it caused the forecast to go slightly higher in that fiscal year.

The other one in Licenses that is worth noting is Real Estate Licenses—GL 3161, which had an upward revision of \$59,000 in FY 2025, and then downward revisions of \$52,000 in FY 2026 and \$193,000 in FY 2027. This was based on revisions to the forecast by the Budget Division. Taking the average of the agency, fiscal, and budget forecasts, which was the decision rule that was used the previous time, that was the end result to those forecasts.

Under Fees and Fines, the only one that is probably notable to mention is GL 3066, Short Term Car Lease. This actually has that component as well as the Peer to Peer Car Rental Tax, which is a similar tax that is imposed on companies like Turo where you can rent your own car to someone else. Based on the information that we received through the first quarter on this tax, the Fiscal Analysis Division had substantial revisions downward for this tax because the collections were not as expected. Our downward revisions were approximately \$2.5 million in FY 2025, nearly \$2.7 million in FY 2026, and about \$2.75 million in FY 2027. Taking the average of the agency, fiscal, and budget forecasts, it resulted in downward revisions of \$839,000 in FY 2025, \$890,000 in FY 2026, and \$915,000 in FY 2027.

Turning to page 63 under Use of Money and Property, there were no revisions to the forecast and no revisions worth mentioning for Other Repayments and Other Interest Income (Exhibit A).

Under Other Revenue, there are two that I will mention that were noteworthy. The Expired Slow Wagering Vouchers, GL 3047, was revised upward by \$2,000 in FY 2025, \$172,000 in FY 2026, and \$368,000 in FY 2027. Mr. Lawton had additional information and insight; we went with his forecast in the October meeting and again this time. Therefore, his revisions resulted in the forecast revisions.

Unclaimed Property, GL 3255, is where there were the most significant revisions to the forecast. The State Treasurer is required to receive money that has been abandoned by

people in bank accounts, financial institutions, etc., which is then considered unclaimed property. People can go to the State Treasurer's website to see if their name is on the list of unclaimed property and then file a claim. Thus, we can see the money that is coming in and going out. The forecasts were revised upward by the Treasurer's Office and the Fiscal Analysis Division.

In October, Fiscal Division staff was looking at collections information. The largest category from which we receive revenue is called "holder receipts," which is primarily bank accounts and things of that nature. Because the deadline for that information to be turned in is October 31, we did not have complete information and had to make estimates. It takes some time to get everything processed. When I was reviewing the information about two weeks after the deadline and compared the numbers to the original analysis, approximately \$80.0 million to \$90.0 million in revenue from holder receipts was received; far more than anticipated. The amount of revenue received into this account year-to-date through FY 2025 is higher than all of FY 2024. Consequently, we revised our forecast upward. Then it becomes a question of what will happen with those funds after they have been received. There are a number of factors that come into play, the first of which is that the Treasurer's Office is allowed to keep some of these receipts for its operations. As operations increase with wages and so on, there is a little more growth. The big question is how much of this will be paid out. You would think with all this money coming in, somebody might actually miss that money, go to the website, and make claims against the state; it is a perpetual liability upon the state. If money was turned over ten years ago and you never claimed it, your name is still on the list, and you can still claim it.

When I reviewed it historically—we have been tracking this for a number of years—the amount of money that comes in versus what goes out is in the range of 45.0% and 50.0%. For example, for every dollar received from a bank account, between 0.45 cents and 0.50 cents goes out. In FY 2024, that number was around 37.0%, which is unusually low.

The result is that I put the forecast back to the historical numbers. The Treasurer's Office had increases in its forecast of about \$3.3 million in FY 2025, approximately \$4.5 million in FY 2026; and approximately \$4.7 million in FY 2027. The Fiscal Analysis Division increased its forecast by nearly \$13.8 million in FY 2025, \$8.6 million in FY 2026, and \$9.1 million in FY 2027. This resulted in an upward revision of the forecast, keeping in mind this is the average of the agency, fiscal, and budget forecasts of approximately \$5.7 million in FY 2025, approximately \$4.5 million in FY 2026, and approximately \$4.9 million in FY 2027. The bottom line is this revenue source is the big reason why there is an upward revision to the TAC's forecasts.

The forecasts for the tax credit programs are at the bottom of page 63 ([Exhibit A](#)). The numbers that you see for all the tax credits are unchanged from the previous forecast. We have received no additional information from the agencies who administer these tax credit programs that indicate any reason why these forecasts should be changed. Nor had we received, at the time, sufficient information relating to revenue collections that would cause us to change these forecasts for tax credits. These will be reevaluated and there may be revisions to the forecast when we get to the May 2025 meeting.

CHAIR ROSENTHAL:

Regarding unclaimed property, it is such an amazing amount. Is there any insight into whether it is truly just the combination of a million tiny little accounts, or were there any significantly large items that contributed to this big, unexpected increase?

MR. NAKAMOTO:

I had some conversations with the Treasurer's Office in an effort to get a handle on the situation. I asked the same question. The information that I received related to some law changes that had occurred that perhaps required a little more revenue to be turned over in this fiscal year than had been in prior fiscal years. The Treasurer's Office anticipated this to be more of a one-time nature. Revenue that had not previously been turned over is now being caused to be turned over so that will perhaps explain why the forecast is a little higher in FY 2025 and then comes back down in FY 2026 and FY 2027.

MR. NAKAMOTO:

To summarize the TAC's forecasts, it might be easier to look at Table 7 on page 77 (Exhibit A). The table lists the selected major, non-major revenues as well as some of the gaming taxes and fees and then the "all other." As you can see in the top block titled, *General Fund Revenue Sources Forecast by the TAC (Before Tax Credits)*, that is the gross amount and then we line up the tax credits separately. For FY 2025, the forecast that is under consideration that was approved by the TAC is \$779,263,278 before tax credits. That represents a 3.4% decrease compared to the actual FY 2024 collections of \$806,932,817 before tax credits. For FY 2026, the total of \$776,695,384 is approximately three-tenths of a percent below the FY 2025 forecast amount. In FY 2027, the total of \$786,708,884 is approximately 1.3% above the FY 2026 amount, again before tax credits.

While I am on the subject of the gross revenues and why it decreases in FY 2026, the main driver for that is the \$5.0 million from the Transportation Connection Excise Tax that goes to the State Highway Fund in the first year of each biennium. In each even-numbered year, those collections go down by \$5.0 million. If that was added back, the state would have slightly positive growth in both fiscal years; however, because we take that \$5.0 million out and send it to the Highway Fund, that is what causes that negative in FY 2026.

Down below, you can see the total tax credits, which are itemized by each of the programs. The forecast of \$50,996,100 is approximately \$12.7 million higher than the tax credits used in FY 2024. The tax credit forecast for FY 2026 of \$72,310,650 is approximately 11.3% higher than the forecast for FY 2025. In FY 2027, the forecast of \$83,155,700 is approximately \$1.8 million higher than the forecast for FY 2026. That brings us then to the bottom line of the forecasts after tax credits. The FY 2025 forecast of \$728,267,178 is approximately 5.3% lower than the actual collections after tax credits of \$768,641,759. In FY 2026, the forecast of \$704,384,734 is approximately a 3.3% decrease. The forecast for FY 2027 of \$703,553,184 is about one-tenth of a percent decrease from FY 2026. The net change to both the gross and net numbers is an increase

of \$4,508,300 compared to the October 30 TAC forecast; for FY 2026, it is a net increase of \$3,051,700; and for FY 2027, it is a net increase of \$2,840,400. Again, there were not significant changes to the forecasts other than the ones mentioned, but the net results are slightly increased forecasts compared to what was presented to you at the previous meeting.

MR. LEAVITT MOVED TO APPROVE THE REVENUE FORECASTS OF MINOR GENERAL FUND REVENUES AND TAX CREDITS FOR FY 2025, FY 2026, AND FY 2027 AS APPROVED BY THE TECHNICAL ADVISORY COMMITTEE ON FUTURE STATE REVENUES.

MR. CROME SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

VIII. APPROVAL OF THE ECONOMIC FORUM'S DECEMBER 2, 2024, REVENUE FORECAST REPORT.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

Last week, all the members received the preliminary draft report that was written by Fiscal Analysis Division staff relating to this revenue item. The Forum will be taking a recess for staff to enter all the figures into the tables and ensure everything is correct as well as adding the final numbers to that report. I would ask that if there are any changes that need to be made to this report in its draft form, to please provide those to us now so they can be incorporated into the final tables and report.

Given the past process, this is the point where the Forum would go into recess. Typically, it takes staff between 60 and 90 minutes to ensure all the data is correct in both the report and the tables. We will try to expedite it, but the Forum could plan to reconvene around 1:15 p.m.

CHAIR ROSENTHAL:

I think it is better to have everyone ready to go so the earliest the Forum would reconvene is 1:00 p.m.

Chair Rosenthal called a recess at 11:51 a.m. The meeting reconvened at 1:38 p.m.

CHAIR ROSENTHAL:

The Forum members have received copies of the letter, the report to the Governor and the Legislature, that includes the forecasts for the major and minor revenue sources that were approved during our meeting today. Do any of the members have any questions or items they want to discuss regarding the information in the report?

MR. GORDON:

I am not sure if I am reading the schedule correctly. Under the Gaming Percentage Fee Tax on page 24 (Exhibit I), the draft report is indicating that the FY 2025 forecast is off 3.0% from FY 2024. On the revised schedule, it appears to be down 2.8%.

MR. NAKAMOTO:

The percentages that we use for the report reflect the gross collections before tax credits rather than the net revenue. The 3.0% corresponds with the gross collections.

This is the time that I should summarize the forecast for the members of the public who may be watching. Before tax credits, the revised FY 2025 General Fund forecast is \$6,129,663,278, which represents a 0.3% increase compared to actual gross collections for FY 2024. For reference, the revised forecast is \$140,606,500 higher than the May 1, 2023, forecast for FY 2025. For FY 2026, the total before tax credits is \$6,276,422,384, which is a 2.4% increase. For FY 2027, it is \$6,456,806,884, which is a 2.9% increase. The biennial total of \$12,733,229,268 for FY 2026 and FY 2027 is higher than the revised forecast for FY 2024 and FY 2025, the current biennium, by \$495,029,517, or approximately 4.0%. After tax credits, the forecast for FY 2025 is \$6,011,041,178, which is listed 0.02% higher than the actual collections net of tax credits for FY 2024. For FY 2026, the forecast is \$6,133,728,734 which is a 2.0% increase compared to FY 2025. For FY 2027, the total is \$6,299,387,184, which is a 2.7% increase compared to FY 2026. Net, the total of \$12,433,115,918 is 3.4%, or \$412,288,237, higher in net terms compared to the revised forecast for the current biennium—the actuals for FY 2024 and the revised forecast for FY 2025.

The members have copies of the report as well as the letter. Typically, if all five members were in the same location, we would have you sign the letters, which would accompany the report and the tables to the Governor and the Legislature; however, because three of the five members are currently in Las Vegas, with your direction, madam chair, we will obtain electronic signatures for them and append them to the report so we can expedite the documents to the members of the Legislature and the Governor.

CHAIR ROSENTHAL:

Yes, please proceed in that manner.

MR. LEAVITT MOVED TO APPROVE THE ECONOMIC FORUM'S REPORT ON FUTURE STATE REVENUES TO BE DISTRIBUTED UPON ADJOURNMENT OF THE MEETING AND PROVIDED TO THE GOVERNOR AND THE LEGISLATURE AS REQUIRED UNDER NRS 353.228.

MS. CROME SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY WITH THE MEMBERS PRESENT.

IX. INSTRUCTIONS TO THE TECHNICAL ADVISORY COMMITTEE ON FUTURE STATE REVENUES (NRS 353.229) CONCERNING THE GENERAL FUND REVENUE FORECASTS.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

The next couple agenda items are housekeeping in advance of the next meeting on or before May 1, 2025. The TAC would be required to meet to fulfill its duties at the direction of this body sometime in mid-April in advance of the meeting on or before May 1. Unless there is a desire for the members of this body to change the direction of what is forecast and when, we would proceed as we have for this meeting with Interest Income as a major revenue with the consensus on the MBT for financial institutions and mining, and essentially keeping everything as status quo for the upcoming meeting.

CHAIR ROSENTHAL:

The Forum would like to proceed in that manner.

There was no further discussion on this agenda item.

X. SCHEDULING OF FUTURE ECONOMIC FORUM MEETINGS.

MICHAEL NAKAMOTO (Chief Principal Deputy Fiscal Analyst, Fiscal Analysis Division, LCB):

The statutory requirement, as mentioned, is for this body to meet and if necessary, revise the forecasts for the current fiscal year and the upcoming biennium on or before May 1. May 1, 2025, is a Thursday. I know we are still a little way out from that date, but if everyone could keep May 1 available, we would appreciate it. Otherwise, I will work with Chair Rosenthal to determine whether that date is the best date or whether there is another date before May 1 that will work.

There was no further discussion on this agenda item.

XI. PUBLIC COMMENT.

There was no public comment.

XII. ADJOURNMENT.

Chair Rosenthal adjourned the meeting at 1:47 p.m.

Respectfully submitted,

Carla Ulrych, Secretary for the Minutes

APPROVED:

Linda Rosenthal, Chair

Date



Nevada Economic Outlook and Revenue Projections

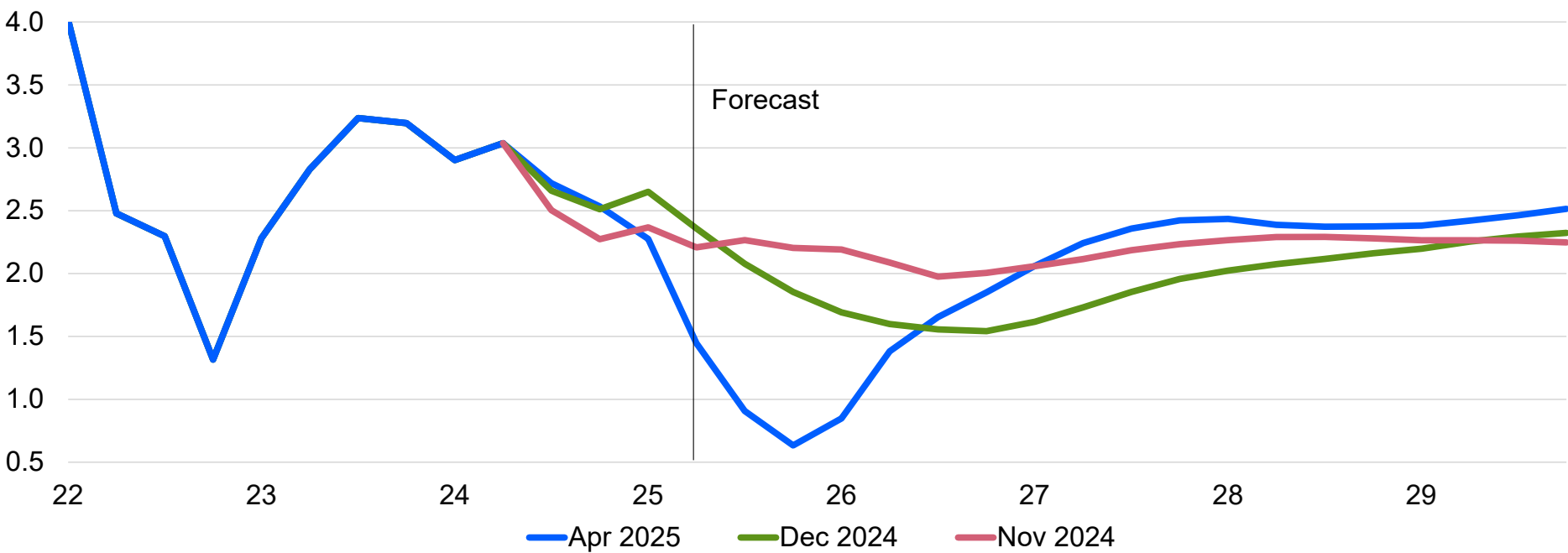
Please attribute information in this document to Moody's Analytics, which is a division within Moody's that is separate from Moody's Ratings. Accordingly, the viewpoints expressed herein do not reflect those of Moody's Ratings.

Emily Mandel, Senior Economist, Moody's Analytics

May 1, 2025

Baseline Outlook: Economy Stalls But Avoids Outright Recession

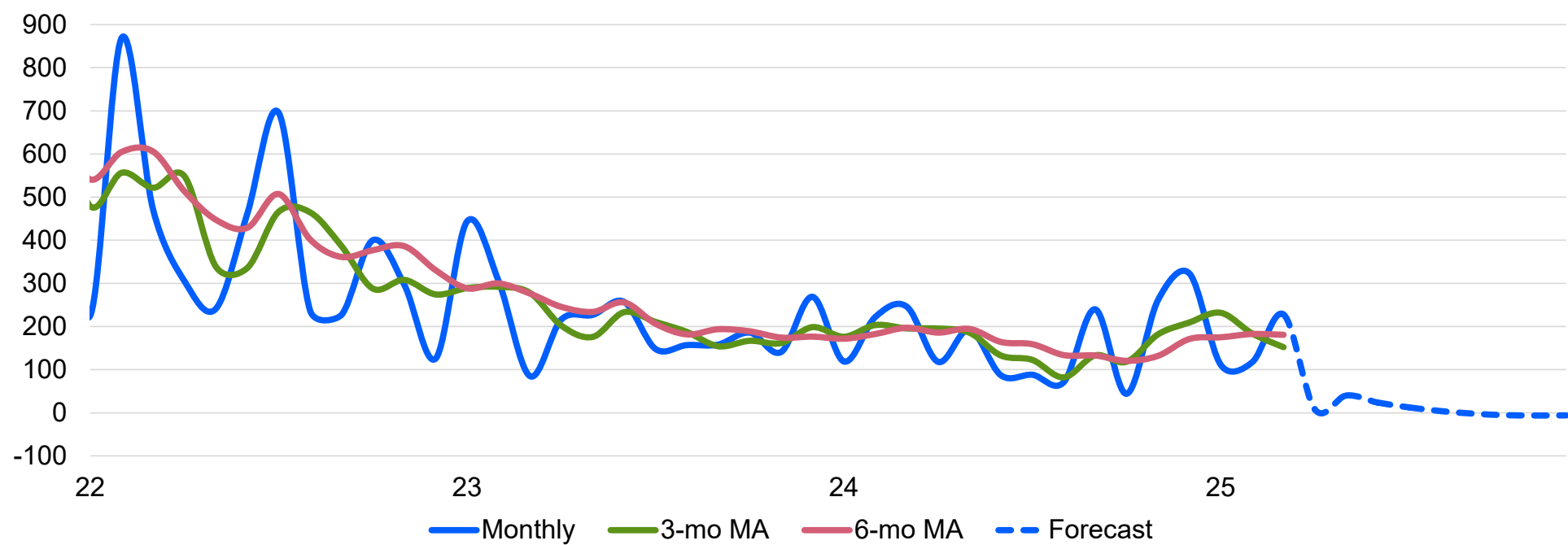
Real U.S.GDP growth, % change yr ago, baseline scenarios



Sources: BEA, Moody's Analytics

Once-Resilient Labor Market Will Downshift

Monthly change in nonfarm payroll employment, ths

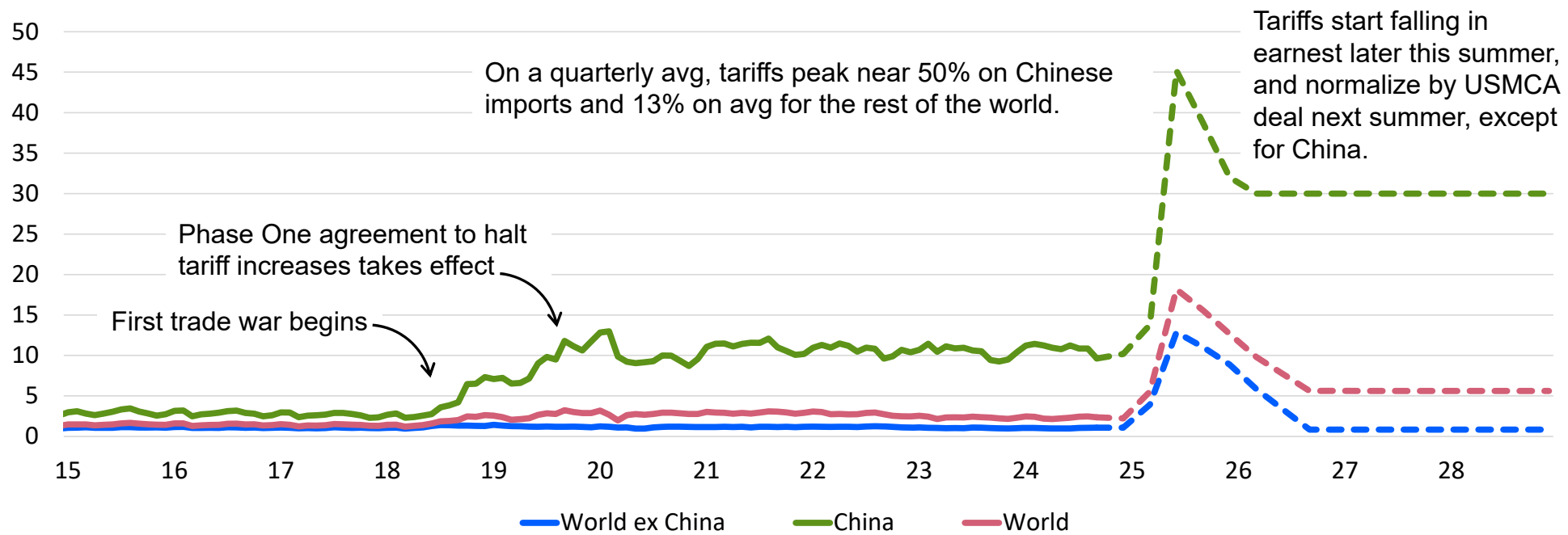


Sources: BLS, Moody's Analytics

Moody's Analytics

Outlook Hinges on an Off-Ramp in the Trade War

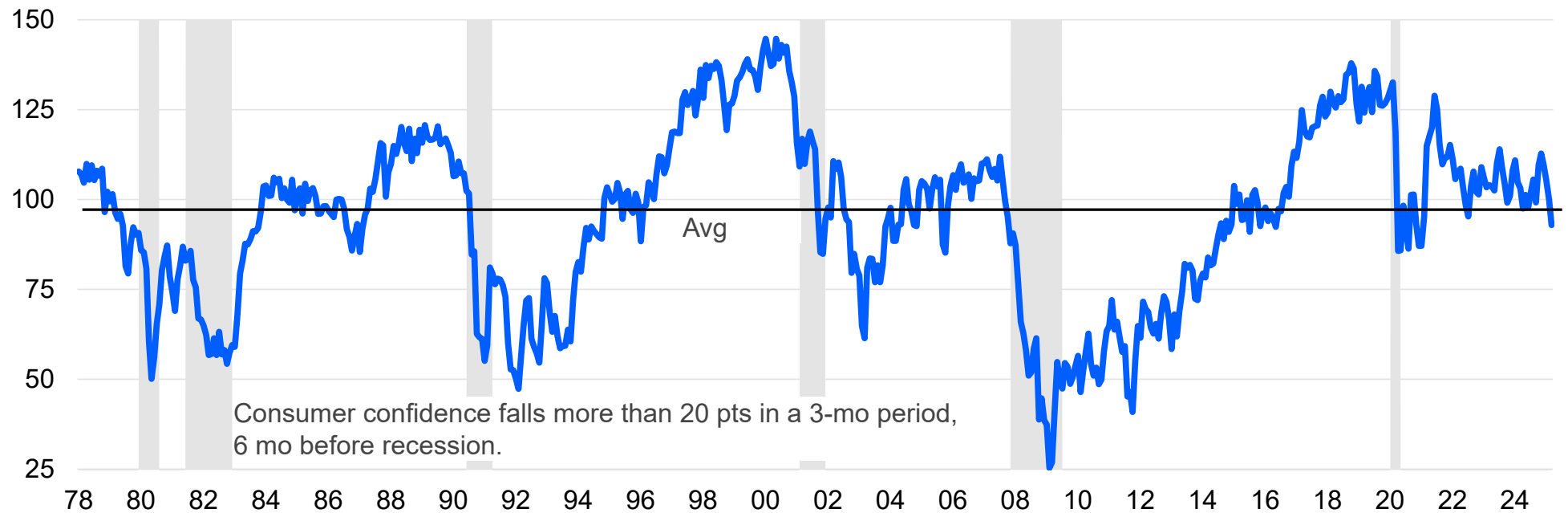
U.S. import duties as a % of U.S. imports, Apr 2025 baseline scenario



Sources: Census Bureau, Moody's Analytics

Consumer Confidence is Fragile

Conference Board consumer confidence index

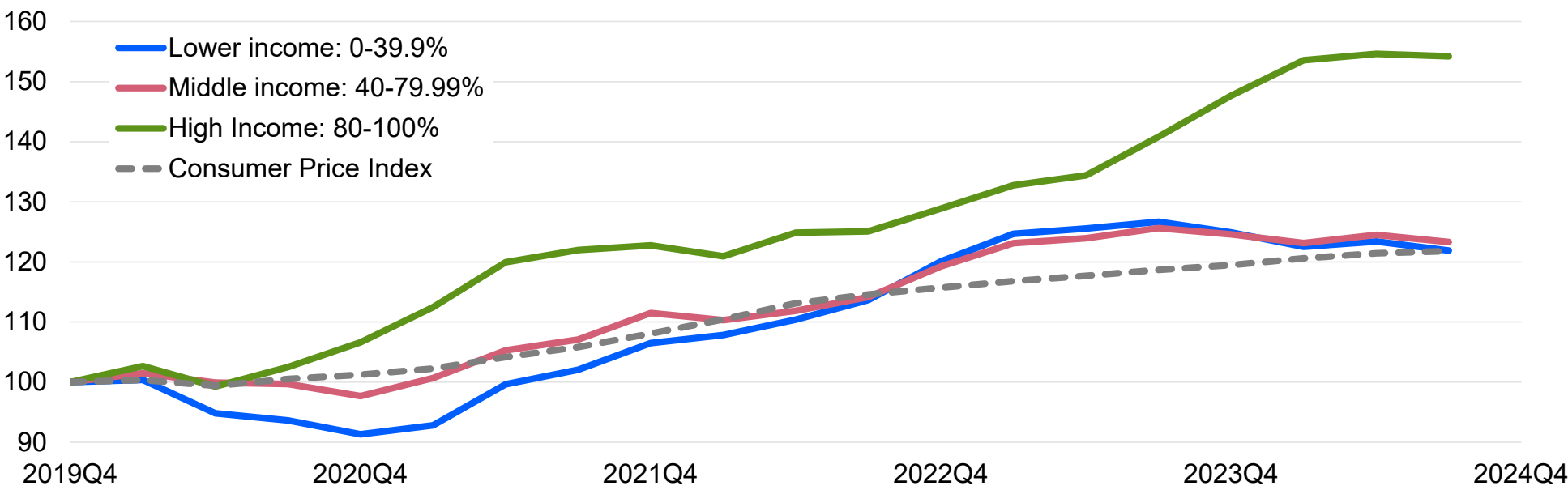


Sources: The Conference Board, Moody's Analytics

Moody's Analytics

Negative Wealth Effects Threaten to Be Large

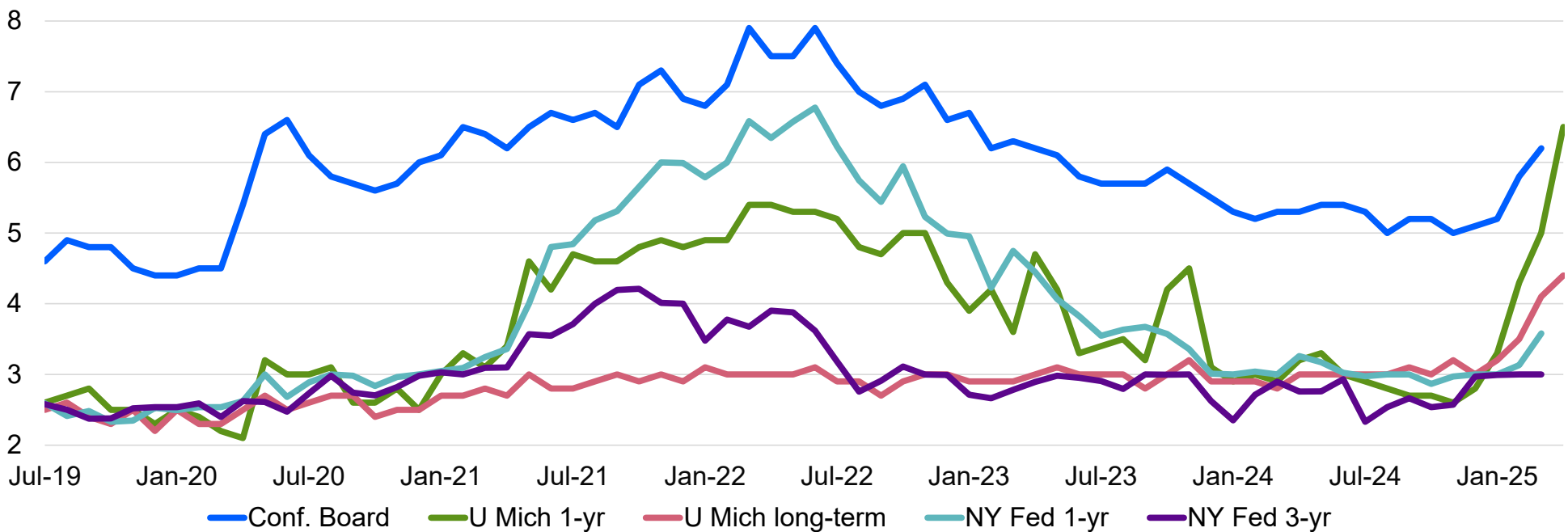
Personal outlays by income group, 2019Q4 = 100



Sources: BLS, Moody's Analytics

Tariffs Have Reignited Inflation Fears

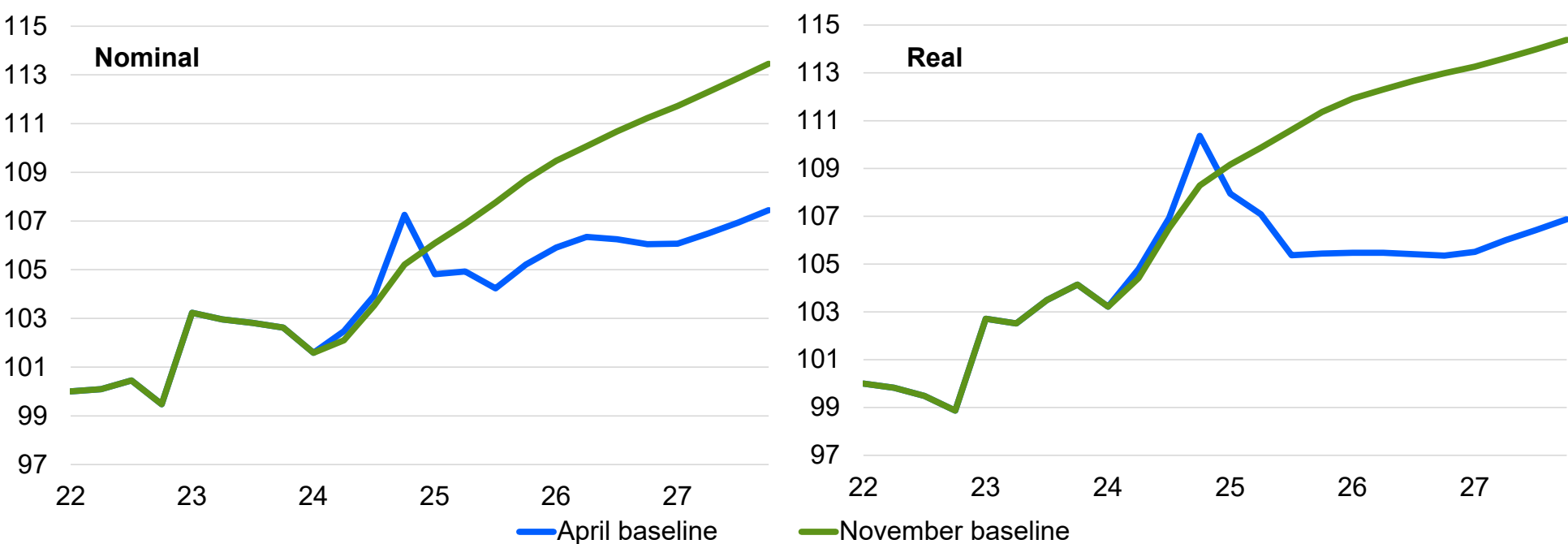
Inflation expectations, % change yr ago



Sources: The Conference Board, University of Michigan, New York Fed, Moody's Analytics

Consumers Will Pull Back on Spending

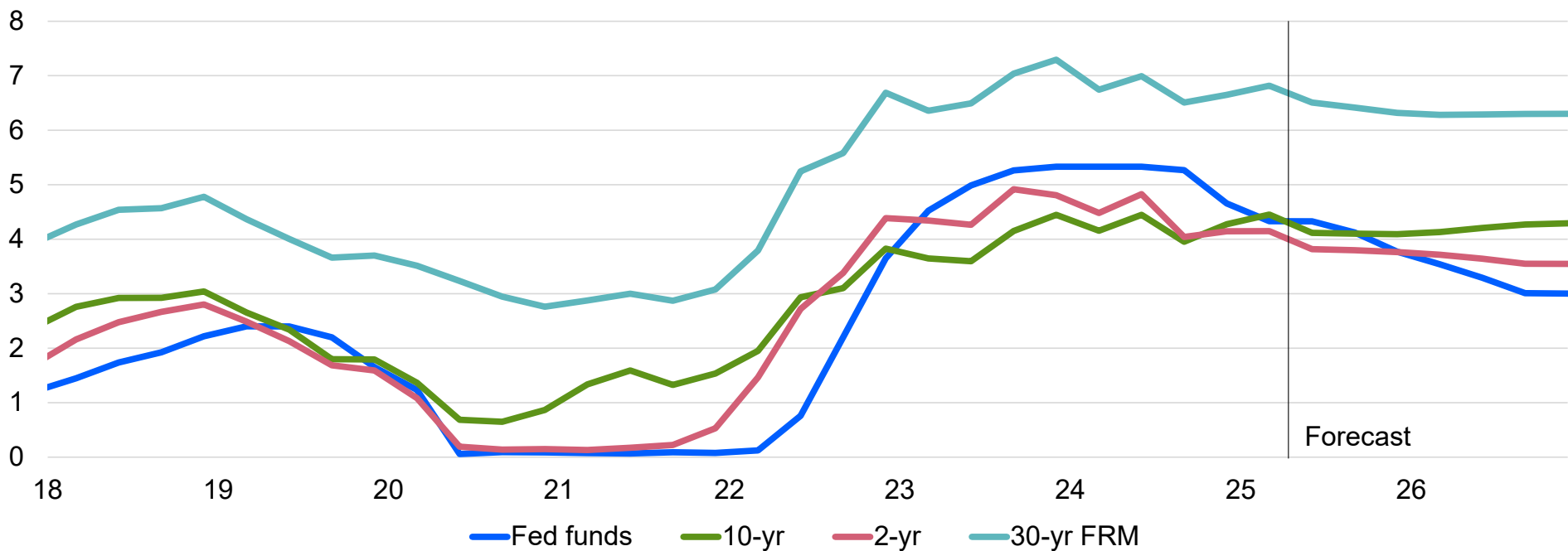
Nevada personal consumption expenditures on durable goods, 2022Q1=100



Sources: BEA, Moody's Analytics

Shifting Outlook Alters Fed's Calculus

Interest rates, %

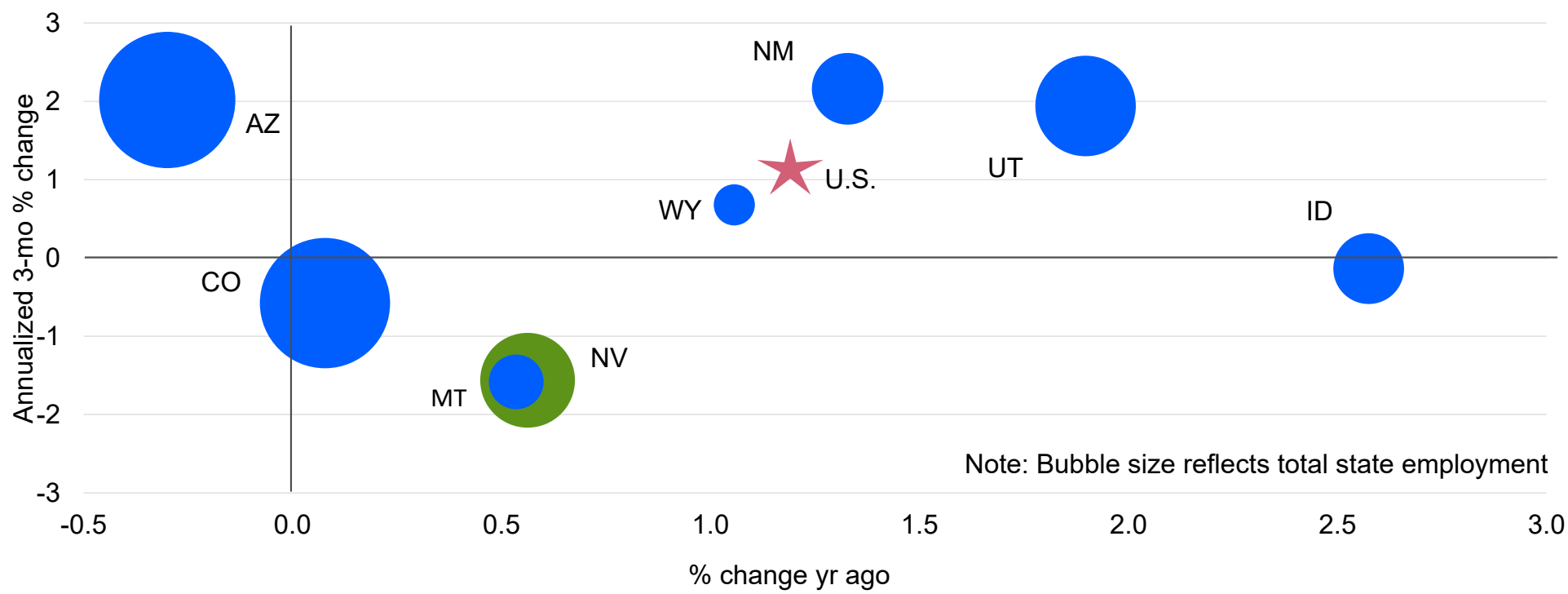


Sources: Federal Reserve, Freddie Mac, Moody's Analytics

Moody's Analytics

Nevada Employment Is Growth Is Faltering

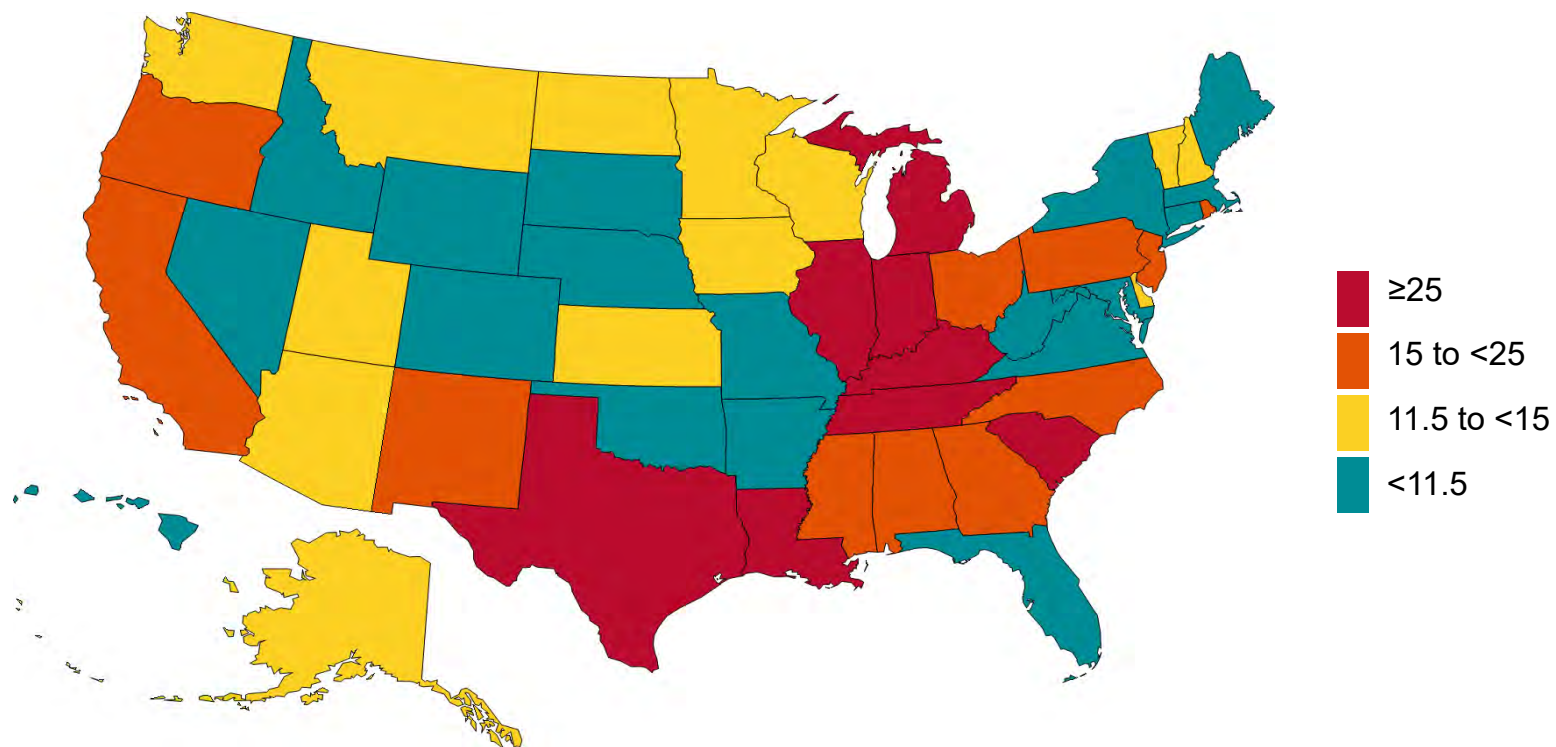
Payroll employment, 1-yr vs 3-mo performance (3-mo MA), March 2025



Sources: BLS, Moody's Analytics

Direct Exposure to Tariffs Is Limited

Total trade (imports plus exports) as a share of GDP, 2024, %

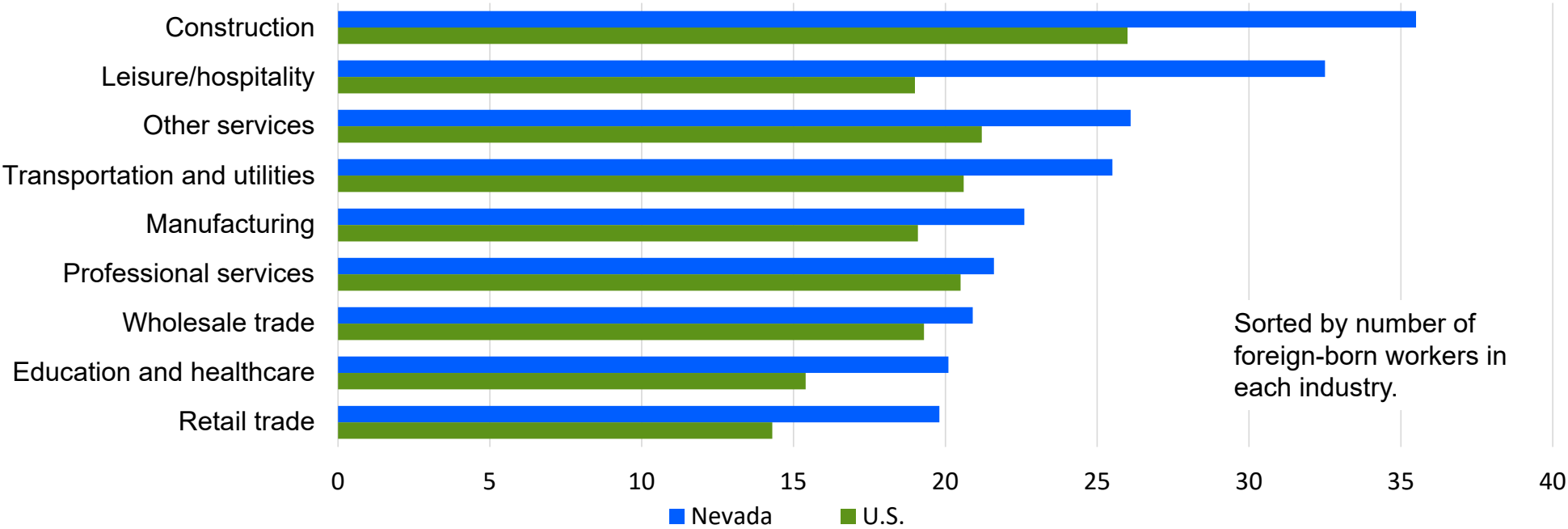


Sources: Intl. Trade Administration, Moody's Analytics

Moody's Analytics

Labor Force Is Vulnerable to Reduced Immigration

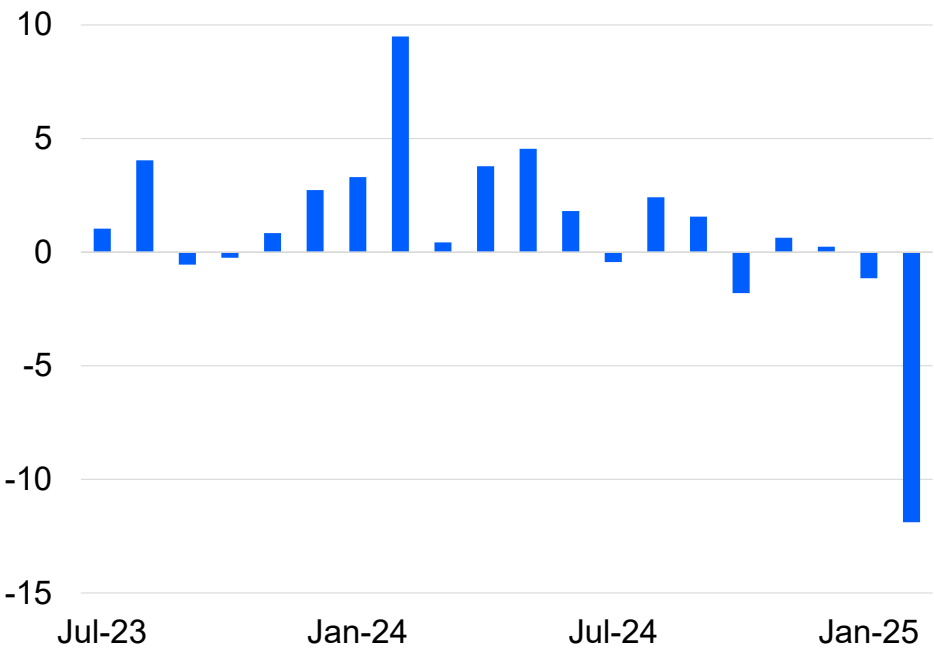
Foreign-born share of labor force by industry, 2023, %



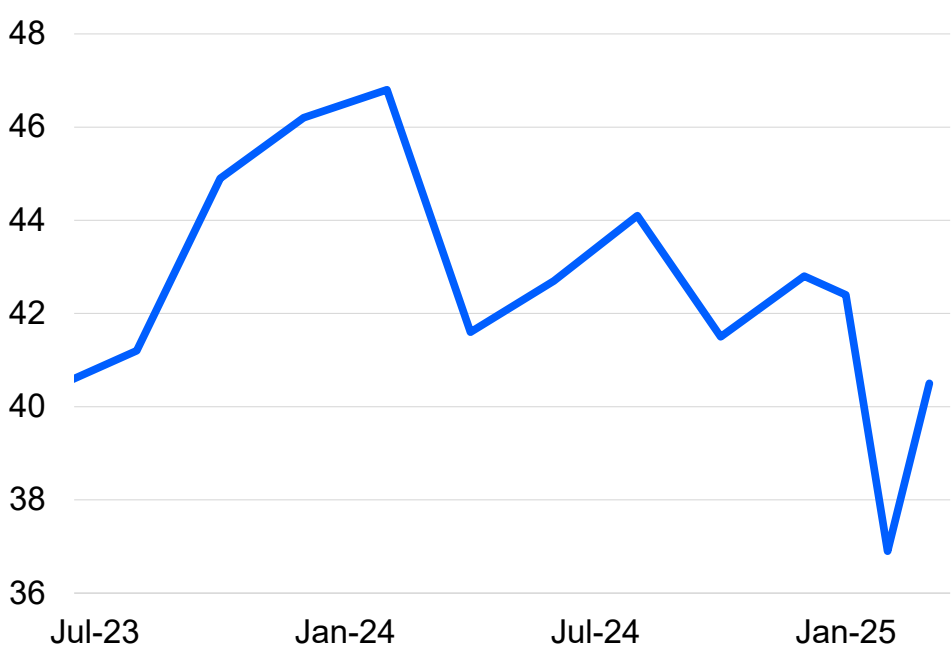
Sources: Migration Policy Institute, Moody's Analytics

Early Signs of a Pullback in Tourism

Las Vegas Visitor Volume, % change yr ago



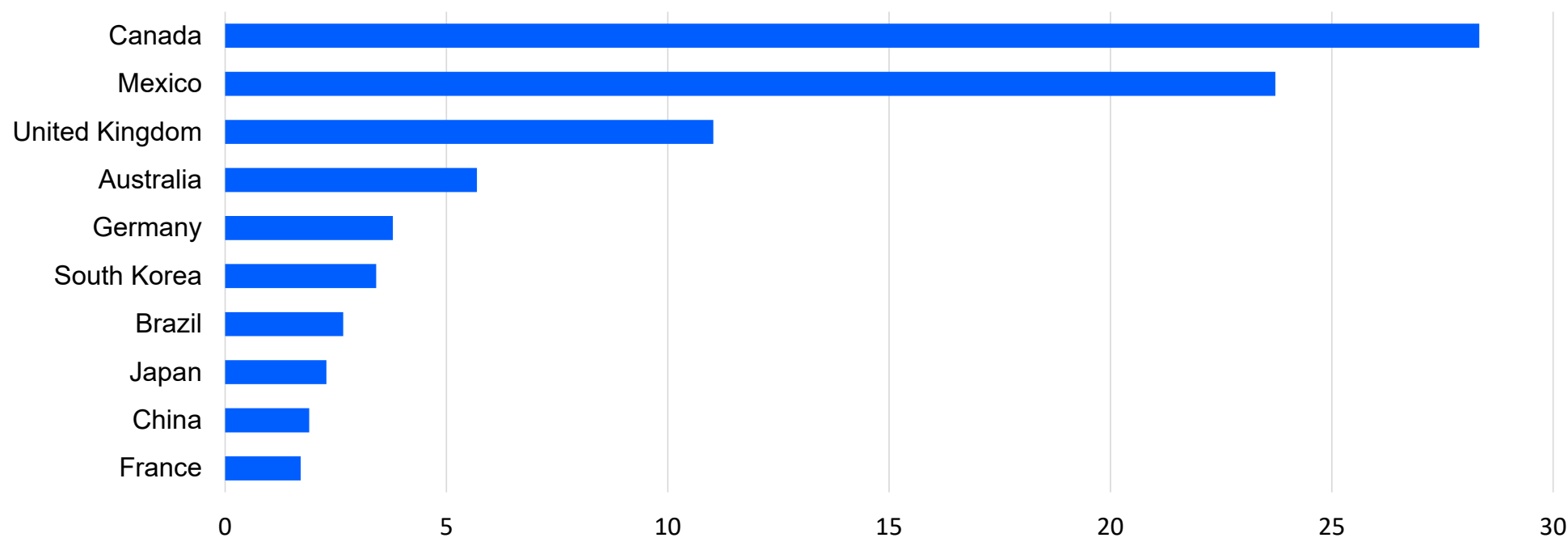
Households planning a U.S. vacation within 6 months, %



Sources: Las Vegas Convention & Visitors Authority, The Conference Board, Moody's Analytics

Reduced Canadian Visitation Will Sting

Visitation to Las Vegas by country as a % of total international visitation, 2024 preliminary data



Sources: Las Vegas Convention and Visitors Authority, Moody's Analytics

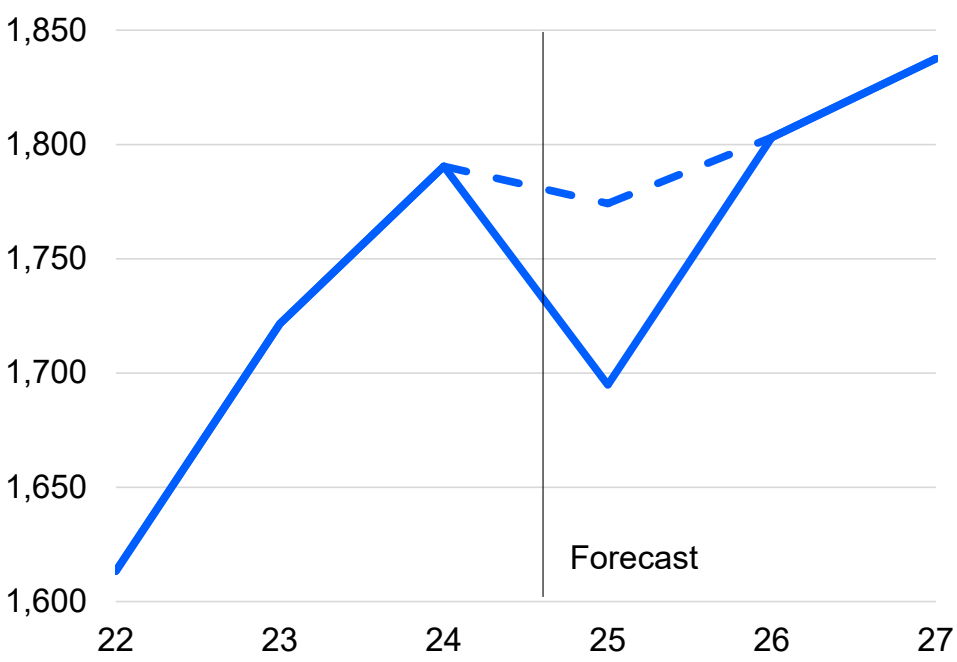
The background of the slide is a dark blue gradient. Overlaid on this are several sets of thin, light blue wavy lines that create a sense of movement and depth, resembling stylized waves or flowing fabric. These lines are most prominent on the left side and fade towards the right.

Revenue Outlook

Moody's Analytics

Sales and Use Tax Outlook

Sales and use tax revenues, fiscal year, \$ mil

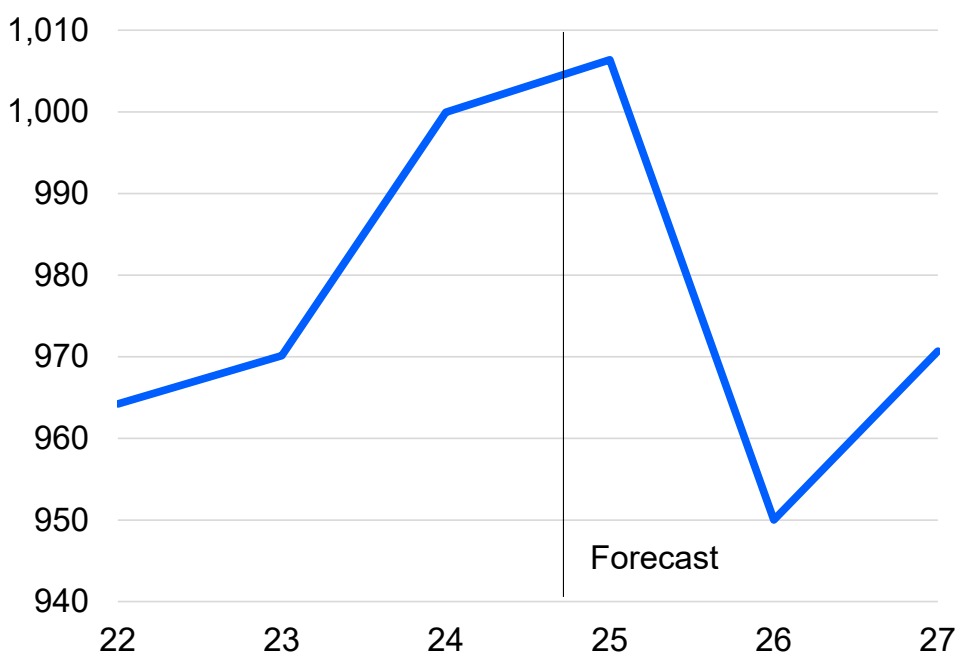


	Q1	Q2	Q3	Q4	Total
Fiscal 2022, \$ mil	385.4	412.1	386.9	428.9	1,613.3
% change yr ago	28.6	28.7	20.6	11.4	21.7
Fiscal 2023, \$ mil	419.9	448.8	412.0	440.8	1,721.5
% change yr ago	8.9	8.9	6.5	2.8	6.7
Fiscal 2024, \$ mil	443.1	461.6	434.7	451.1	1,790.4
% change yr ago	5.5	2.8	5.5	2.3	4.0
Fiscal 2025, \$ mil	440.9	373.4	431.5	449.0	1,694.8
% change yr ago	-0.5	-19.7	-0.7	-0.5	-5.3
Fiscal 2026, \$ mil	444.8	462.7	433.1	462.5	1,803.1
% change yr ago	0.9	23.9	0.4	3.0	6.4
Fiscal 2027, \$ mil	457.0	471.4	439.9	469.3	1,837.6
% change yr ago	2.7	1.9	1.6	1.5	1.9

Source: Moody's Analytics

Gaming Percentage Fee Outlook

Gaming percentage fee revenues, fiscal year, \$ mil



	Q1	Q2	Q3	Q4	Total
Fiscal 2022, \$ mil	256.5	239.5	208.7	259.5	964.2
% change yr ago	130.7	42.0	72.3	-8.7	40.7
Fiscal 2023, \$ mil	245.1	234.9	240.9	249.2	970.1
% change yr ago	-4.4	-1.9	15.4	-4.0	0.6
Fiscal 2024, \$ mil	252.3	247.0	255.4	245.3	999.9
% change yr ago	2.9	5.1	6.0	-1.6	3.1
Fiscal 2025, \$ mil	220.8	268.3	274.7	242.6	1,006.4
% change yr ago	-12.5	8.6	7.5	-1.1	0.6
Fiscal 2026, \$ mil	231.3	232.9	239.2	246.7	950.0
% change yr ago	4.8	-13.2	-12.9	1.7	-5.6
Fiscal 2027, \$ mil	234.5	237.7	244.6	253.9	970.7
% change yr ago	1.4	2.1	2.2	2.9	2.2

Source: Moody's Analytics

MOODY'S

Thank you

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Nevada Employment Outlook

Presented to Economic Forum

Survey Data through March 2025

QCEW Data through December 2024, Projections to June 30, 2027

Chris Sewell, Director

Troy Jordan & Josh Marhevka, Deputy Directors

David Schmidt, Chief Economist

Prepared by the Research & Analysis Bureau



NevadaWorkforce.com



Trend Through March

Employment

Current: **0.7%**

2025 range: 0.4 – 0.9%

Unemployment

Current: **5.7%**

2025 range: 5.7 – 5.8%

Participation Rate

Current: **62.8%**

2025 range: 62.7 – 62.8%

Hourly Wages

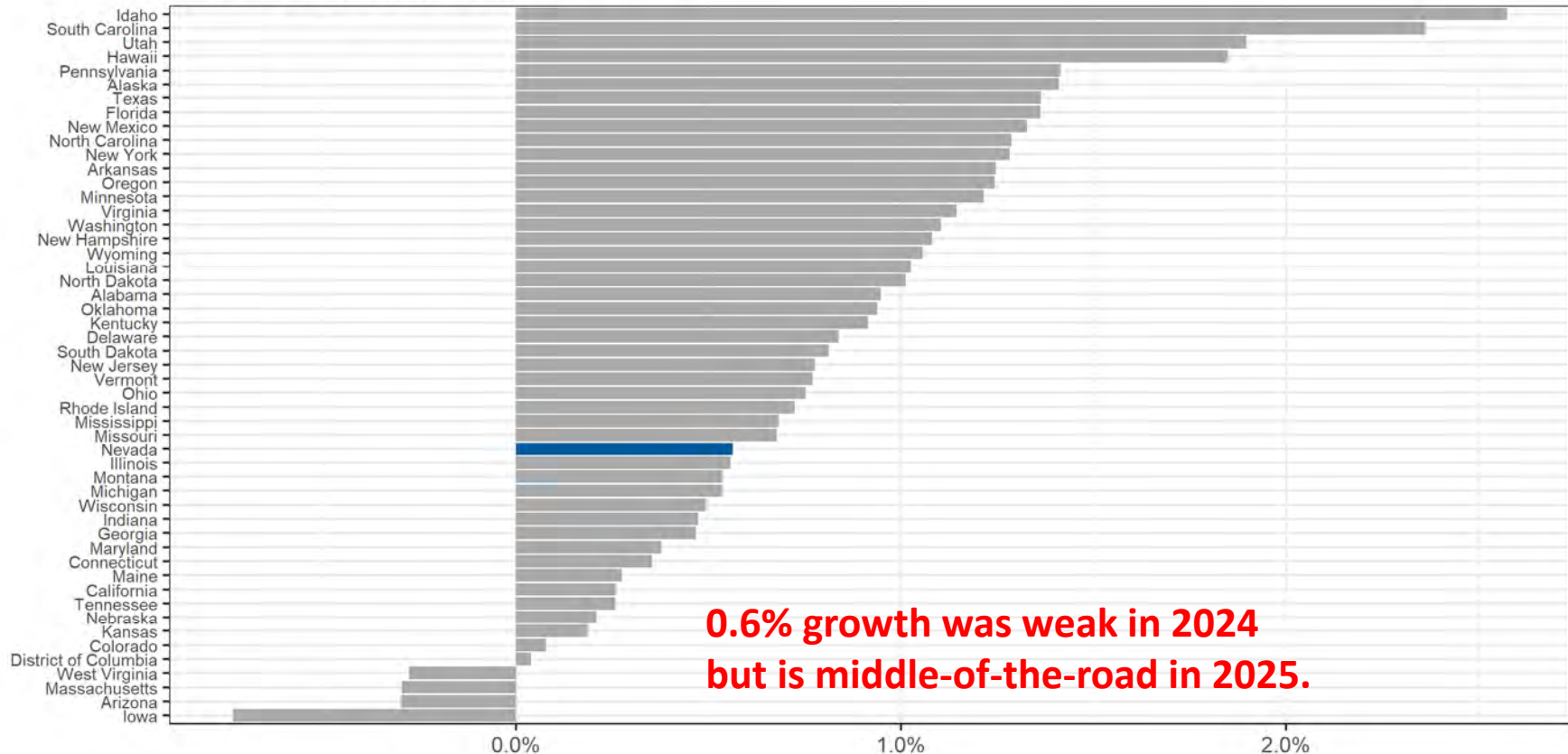
Current: **5.6%**

2025 range: 5.6 – 6.1%

National Growth – Slower than 2024

Total Nonfarm Employment Change

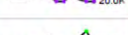
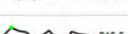
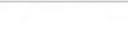
Nevada is 0.6% and ranks 32nd



CES Summary by Sector

Nevada Employment Recovery - Seasonally Adjusted

Data as of 2025-03-01

Industry Name	Current Level	Prerecession Peak	Date of Peak	Postrecession Peak	Peak-to-Peak Recovery	Peak-to-Current Change	12 Month Trend	Annual Change	Monthly Change
Total nonfarm	1,574,200	1,443,200	2020-02-01	1,580,400	109.51%	131,000		0.56%	1,000
Mining and logging	14,600	14,900	2020-03-01	15,200	102.01%	-300		-1.35%	-100
Construction	110,400	99,700	2020-01-01	113,800	114.14%	10,700		0.55%	100
Manufacturing	67,700	59,700	2019-03-01	67,700	113.40%	8,000		0.74%	300
Wholesale Trade	42,700	38,900	2020-02-01	42,900	110.28%	3,800		0.71%	100
Retail trade	149,500	148,900	2020-02-01	154,300	103.63%	600		-0.47%	600
Transportation, Warehousing, and Utilities	98,800	78,500	2020-03-01	105,500	134.39%	20,300		-4.63%	-1,600
Information	20,000	16,100	2019-04-01	20,900	129.81%	3,900		-4.31%	0
Financial activities	79,900	70,200	2020-03-01	80,900	115.24%	9,700		0.13%	-1,000
Professional and business services	216,600	202,800	2020-01-01	220,800	108.88%	13,800		-0.28%	-600
Educational services	15,600	13,300	2019-05-01	15,900	119.55%	2,300		0.00%	200
Health care and social assistance	161,400	136,000	2020-02-01	161,400	118.68%	25,400		3.99%	400
Leisure and hospitality	365,300	356,900	2020-02-01	365,300	102.35%	8,400		0.88%	2,000
Other services	46,700	43,200	2020-02-01	46,700	108.10%	3,500		4.24%	700
Government	185,000	167,600	2020-03-01	185,300	110.56%	17,400		1.76%	-100

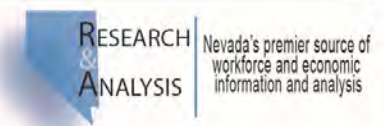
Data from Current Employment Statistics Program, Seasonally Adjusted

Peak-to-Peak colors: green for > 100%, yellow for 90-100%, red under 90% recovered

Peak-to-Current colors: green for change over 2.5%, yellow for -2.5 to 2.5%, red under -2.5% change from prerecession peak



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CES Average Hourly Wages

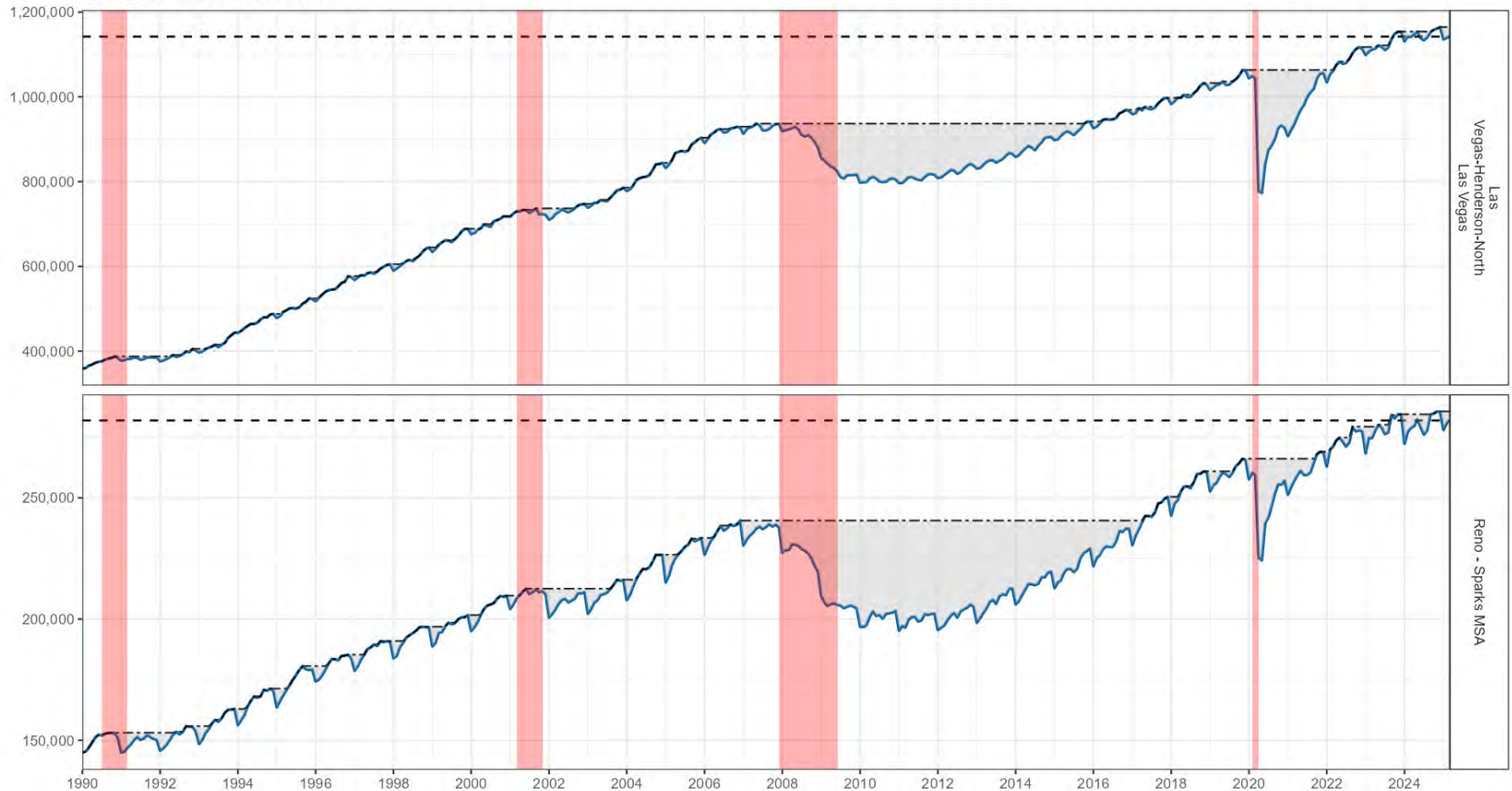
Industry Name	Current Level	Postrecession Peak	Peak-to-Current Change	12 Month Trend	Annual Change	Monthly Change
Average Hourly Wage						
Total private	\$31.59	\$31.59	\$0.00		5.56%	\$0.19
Goods-producing	\$39.67	\$39.67	\$0.00		7.58%	\$0.34
Private service-providing	\$30.17	\$30.17	\$0.00		5.28%	\$0.17
Construction	\$39.93	\$39.93	\$0.00		9.06%	\$0.49
Trade, transportation, and utilities	\$28.69	\$28.69	\$0.00		8.35%	\$0.32
Financial activities	\$36.86	\$36.86	\$0.00		12.49%	\$0.01
Professional and business services	\$35.74	\$35.94	-\$0.20		2.59%	-\$0.20
Leisure and hospitality	\$21.96	\$21.97	-\$0.01		2.25%	\$0.10

Hours worked are generally up (+1.2% overall), except in Construction where they are down 2.5%.

Selected Industry Trends: Total

Total Nonfarm Employment Compared to Series Peak

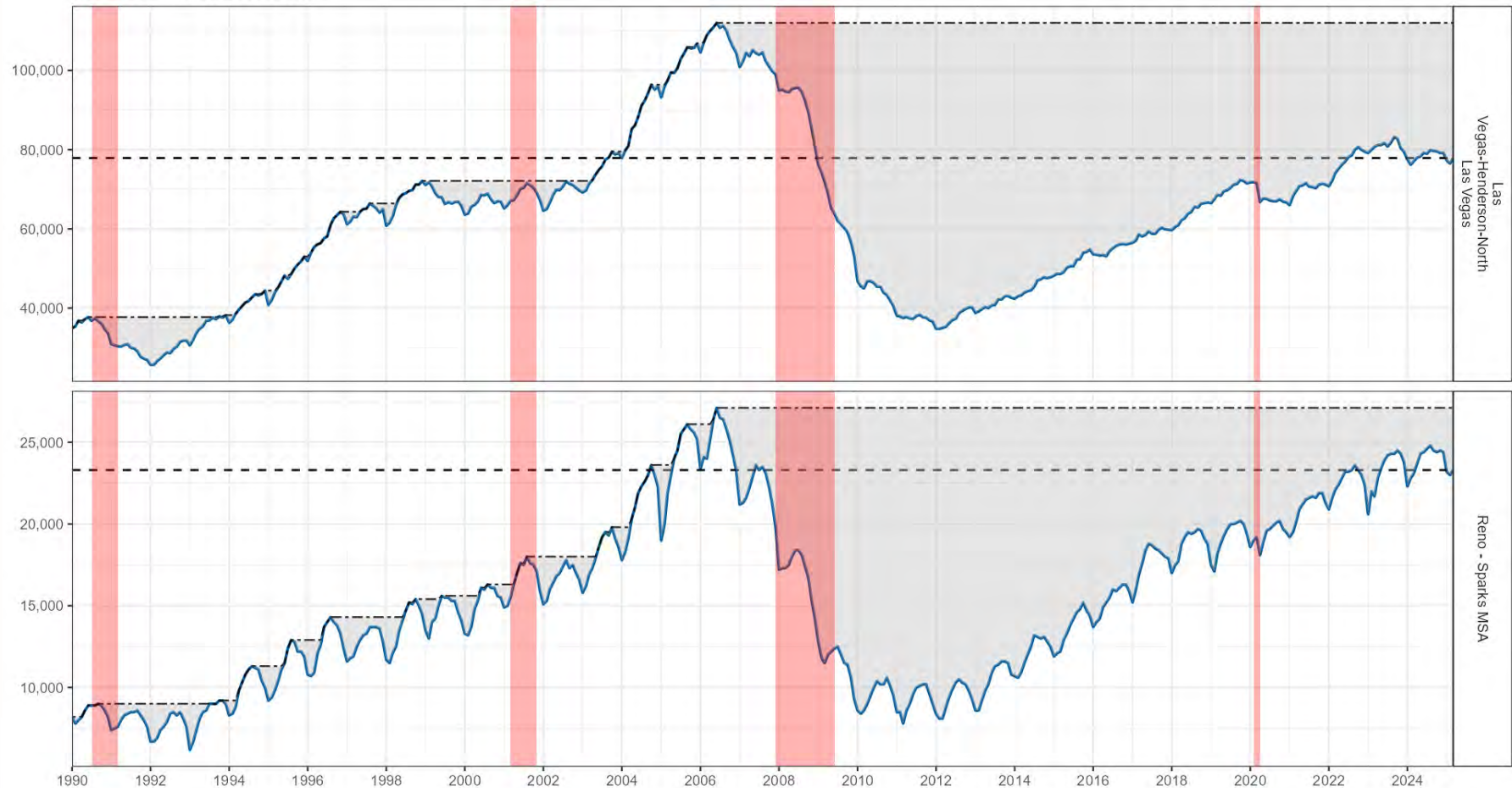
Red areas indicate recessions



Selected Industry Trends: Construction

Construction Employment Compared to Series Peak

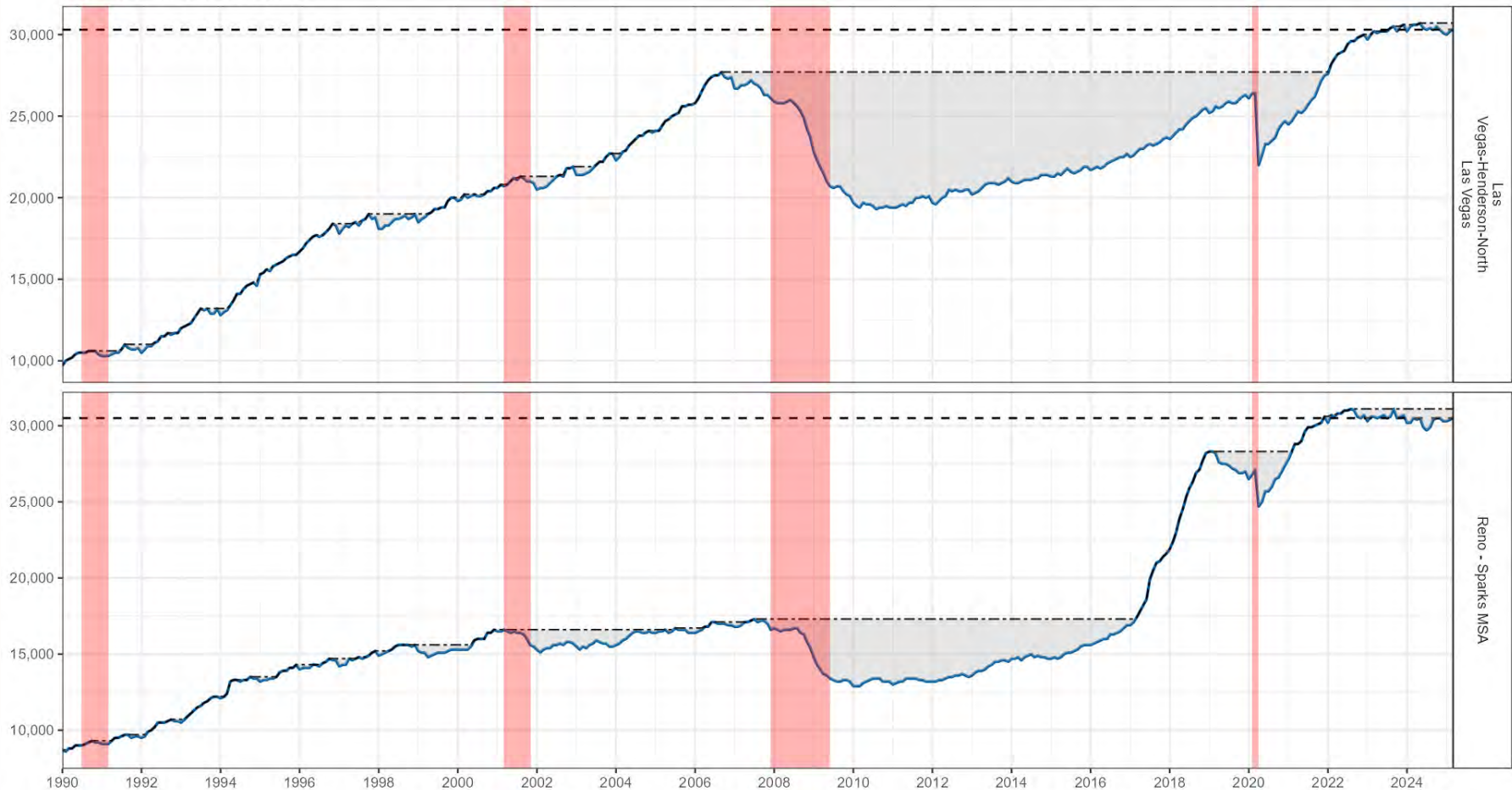
Red areas indicate recessions



Selected Industry Trends: Manufacturing

Manufacturing Employment Compared to Series Peak

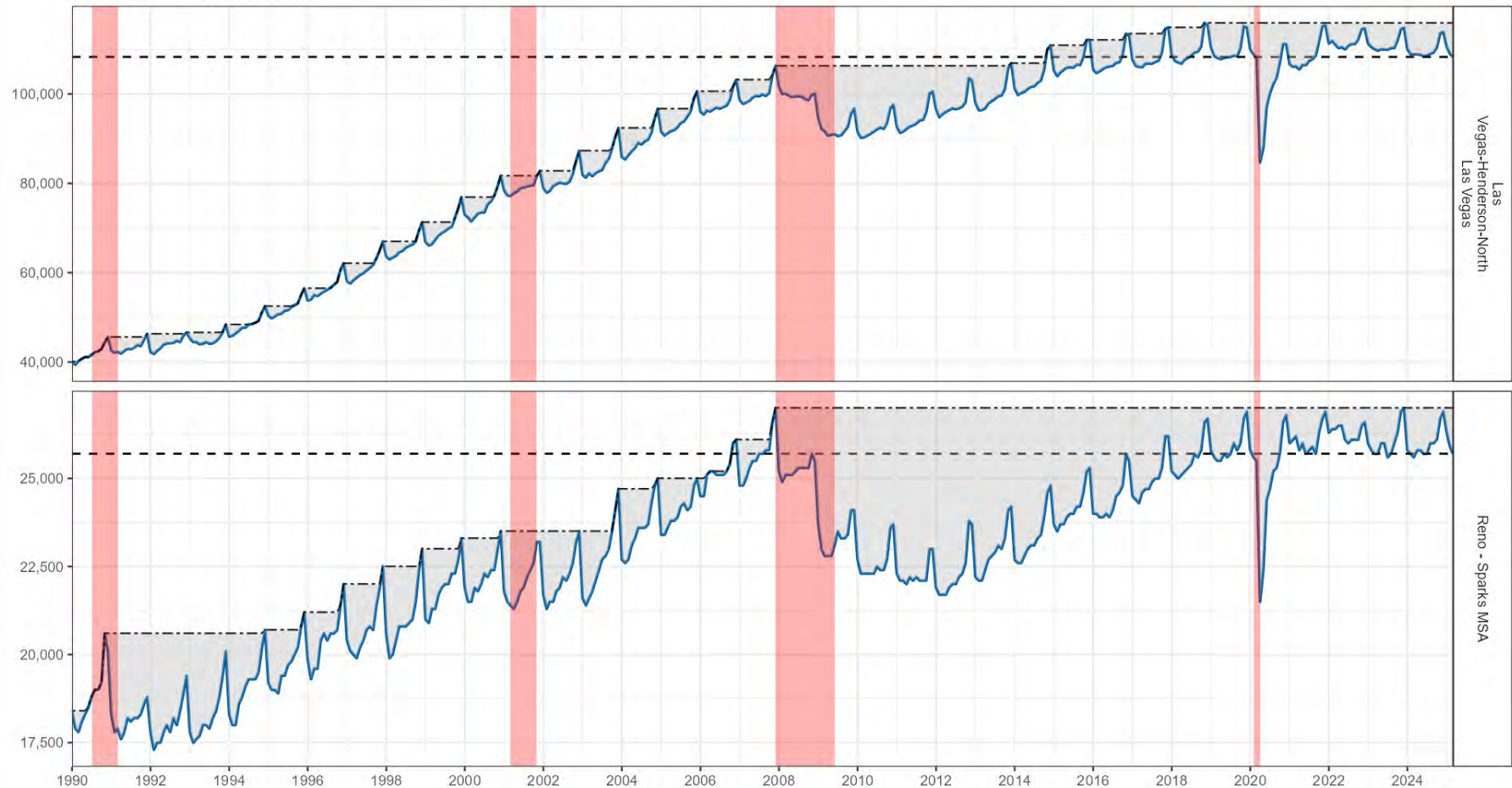
Red areas indicate recessions



Selected Industry Trends: Retail Trade

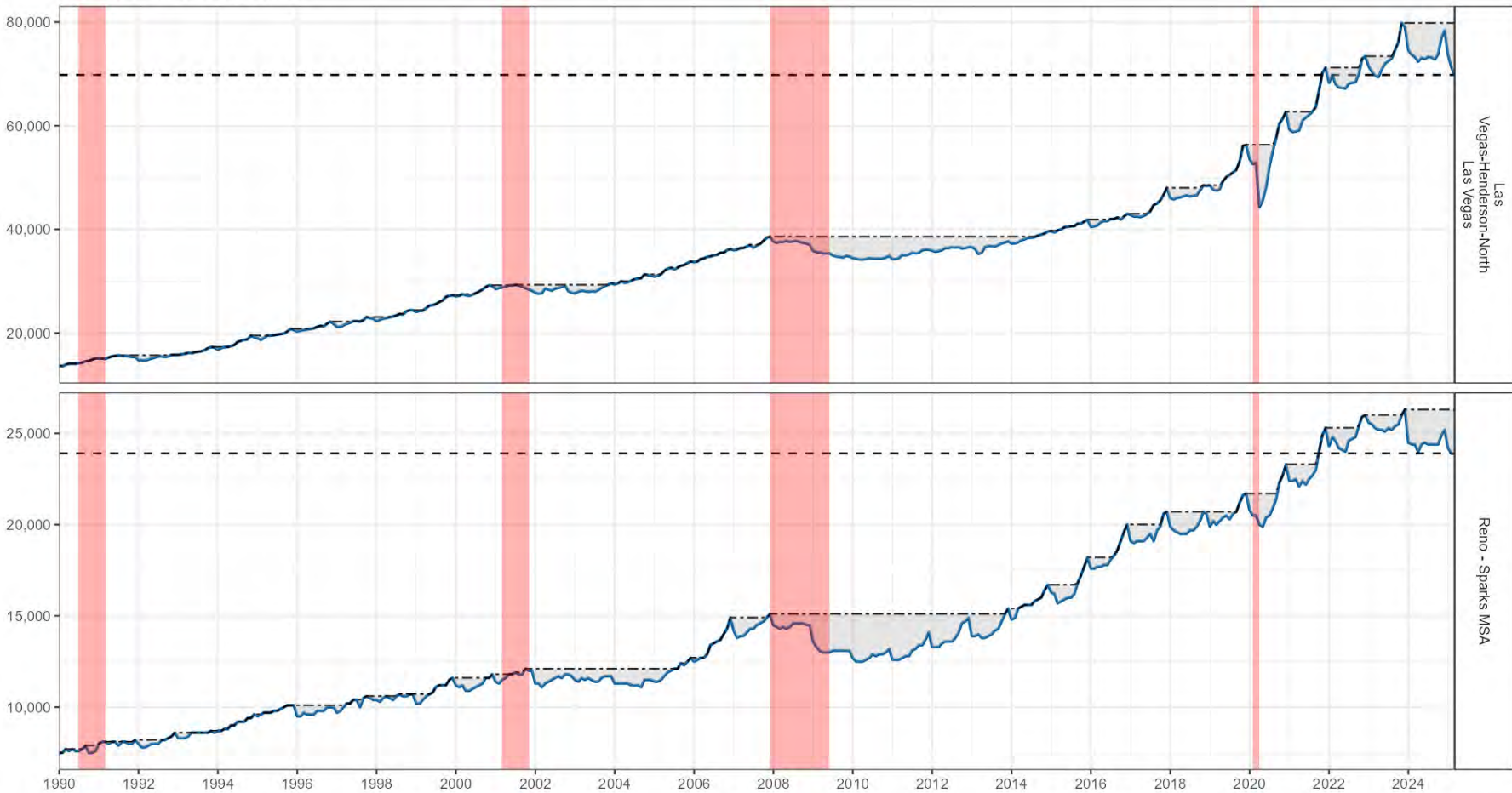
Retail Trade Employment Compared to Series Peak

Red areas indicate recessions

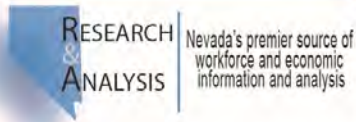


Selected Industry Trends: Logistics

Transportation, Warehousing, and Utilities Employment Compared to Series Peak
Red areas indicate recessions



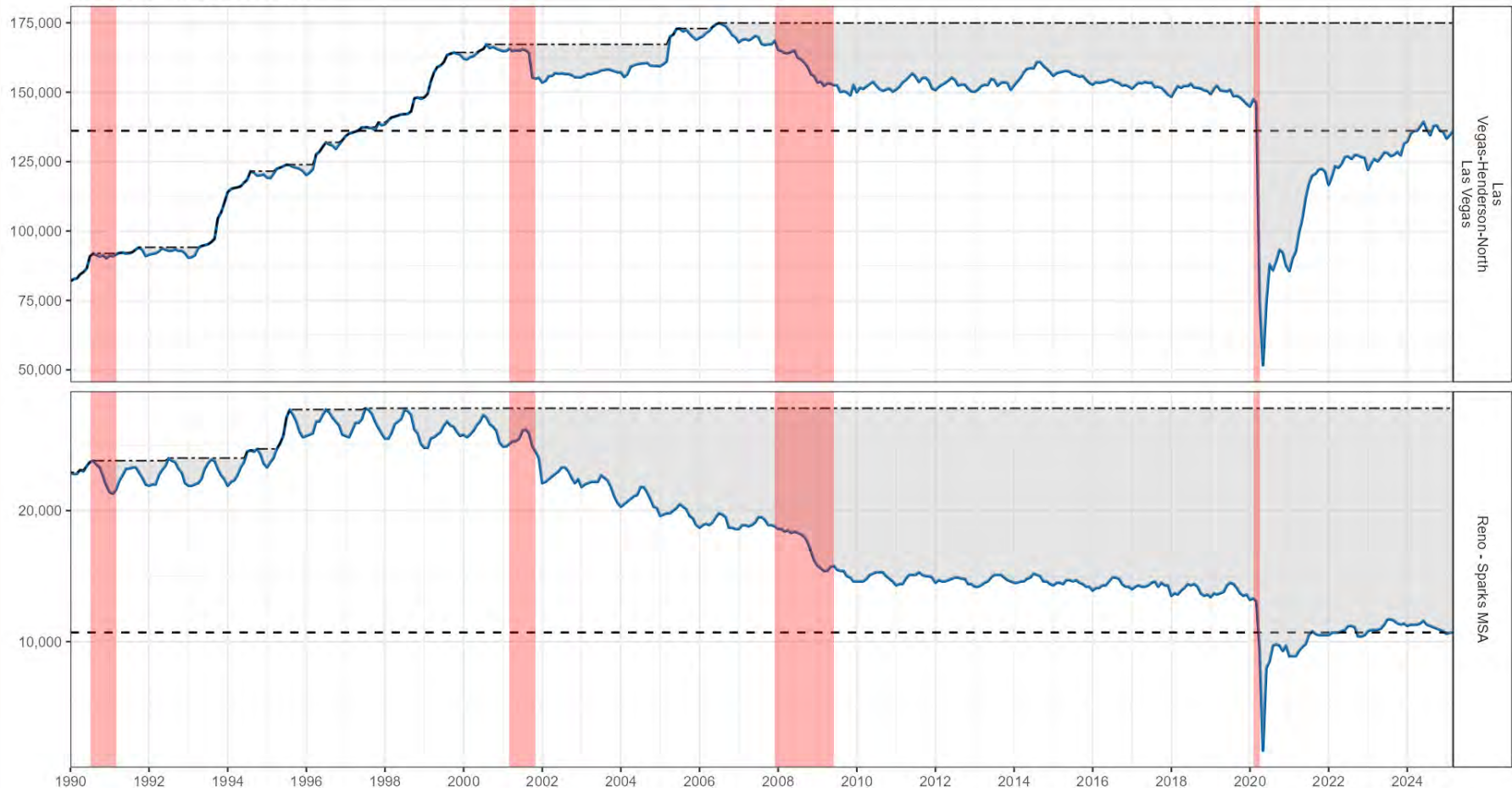
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Selected Industry Trends: Casinos

Casino Hotels Employment Compared to Series Peak

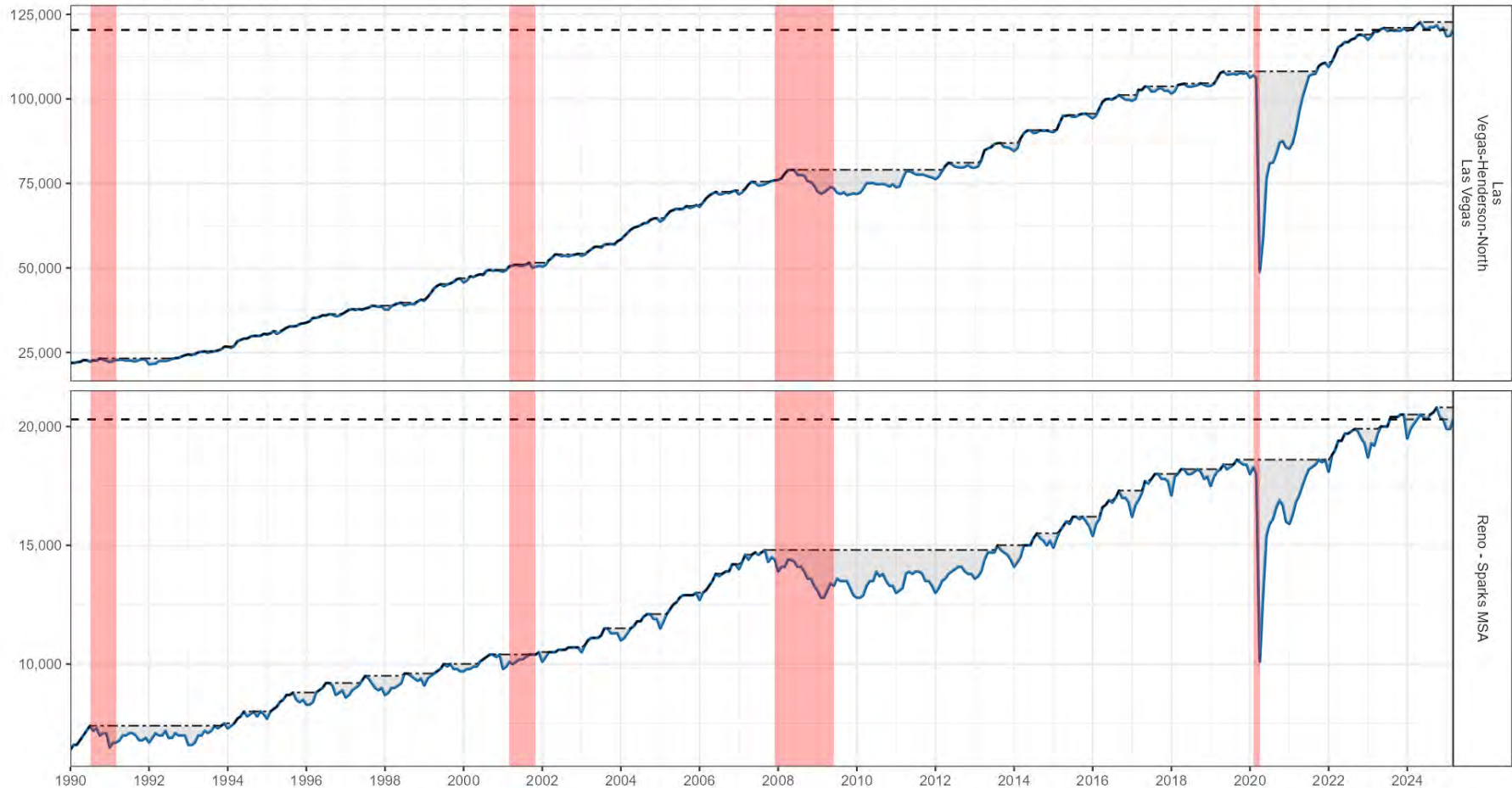
Red areas indicate recessions



Selected Industry Trends: Food Service

Food Services and Drinking Places Employment Compared to Series Peak

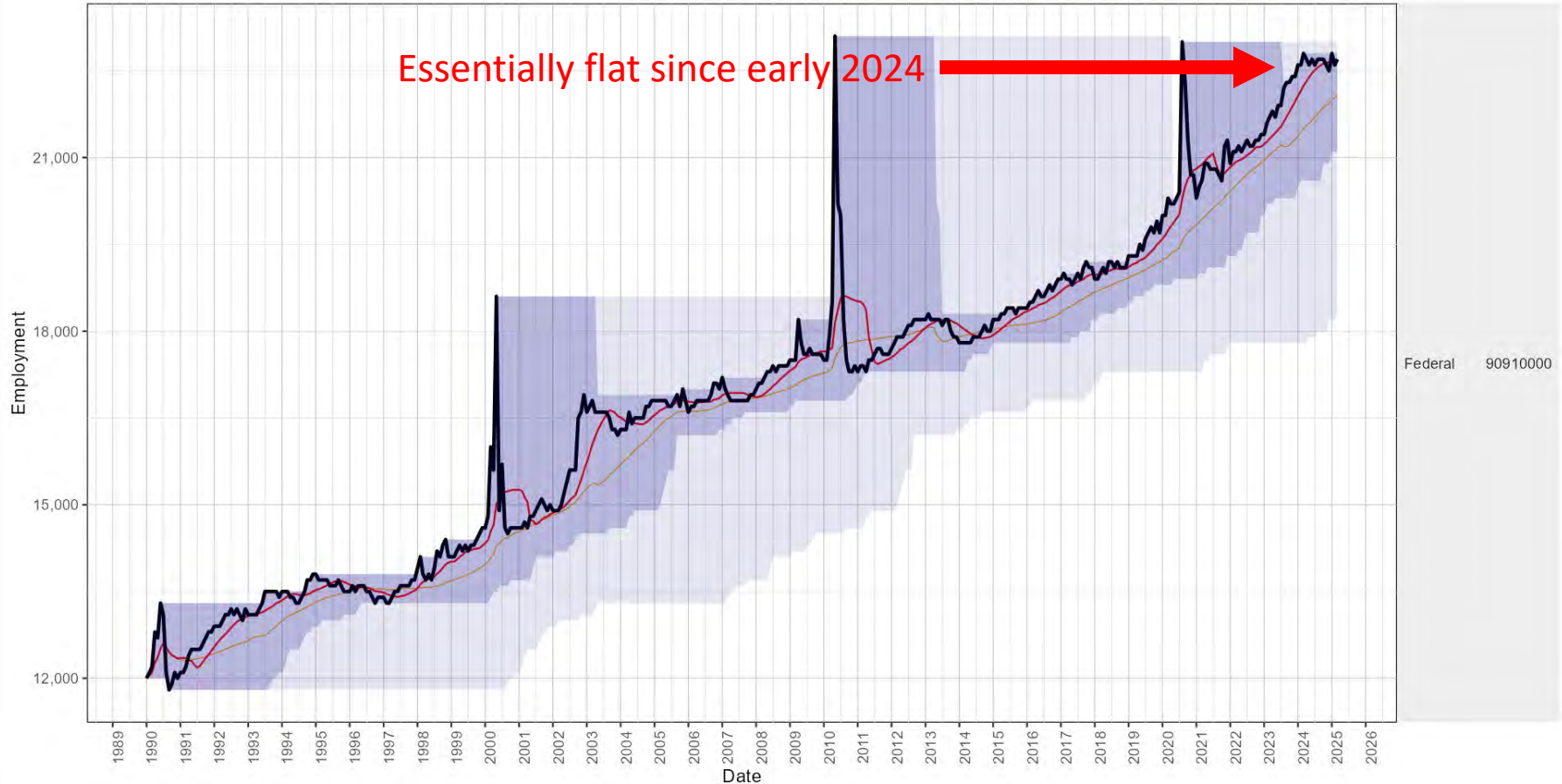
Red areas indicate recessions



Federal Employment in Nevada

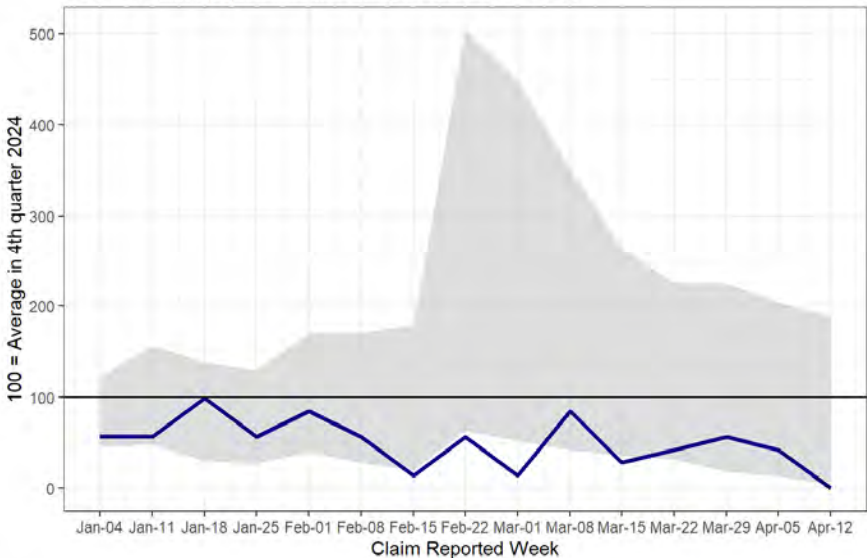
Nevada Employment Estimates from CES Program

Dark shading indicates 3-year extreme values,
Light shading indicates 10-year extreme values
Data series have been seasonally adjusted

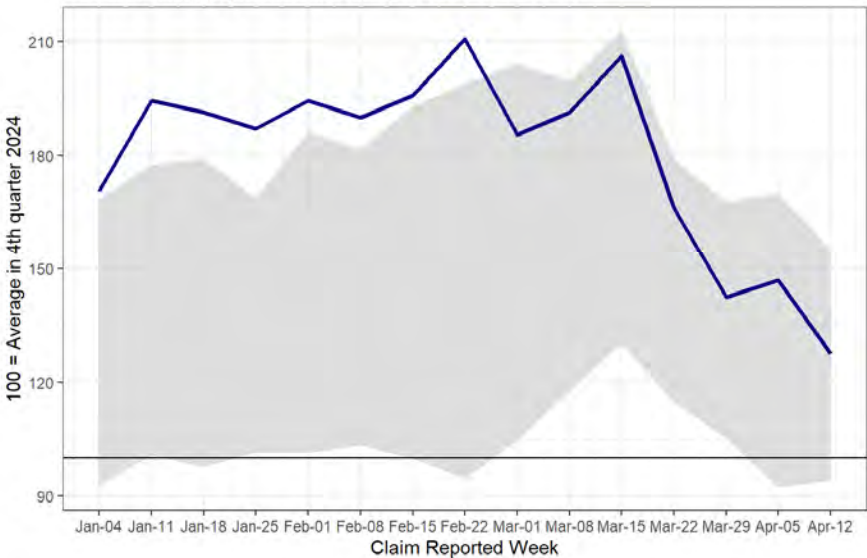


Federal Unemployment in Nevada

Initial Claims for Unemployment from Federal Workers
Nevada in blue, grey area is 20th-80th percentile for all states



Weekly Claims for Unemployment from Federal Workers
Nevada in blue, grey area is 20th-80th percentile for all states

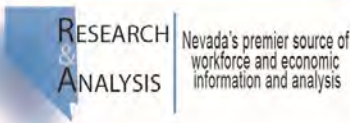


UCFE Claims in Nevada

Report Week	Jan-04	Jan-11	Jan-18	Jan-25	Feb-01	Feb-08	Feb-15	Feb-22	Mar-01	Mar-08	Mar-15	Mar-22	Mar-29	Apr-05	Apr-12
Initial	4	4	7	4	6	4	1	4	1	6	2	3	4	3	0
Weekly	115	131	129	126	131	128	132	142	125	129	139	112	96	99	86

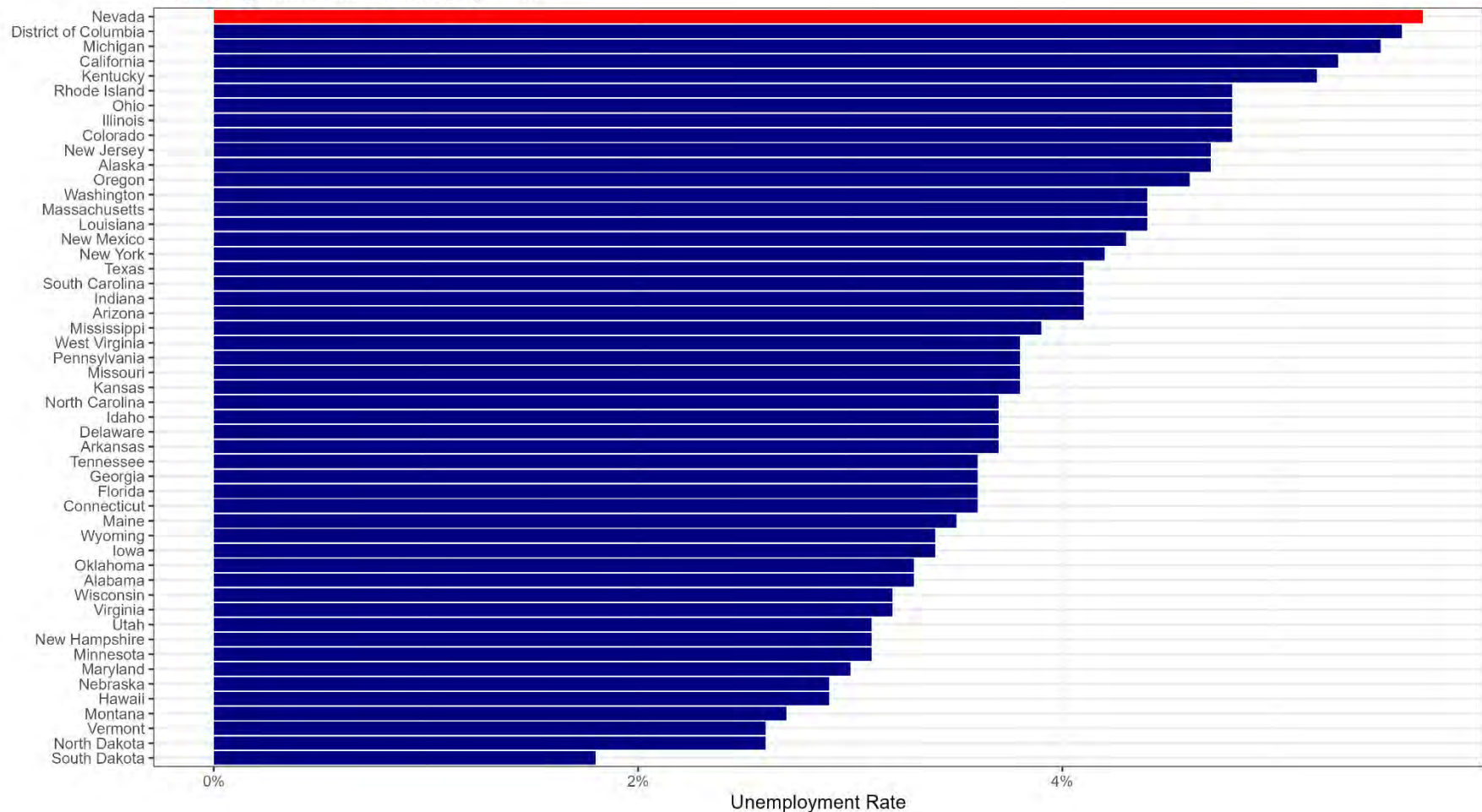


NevadaWorkforce.com



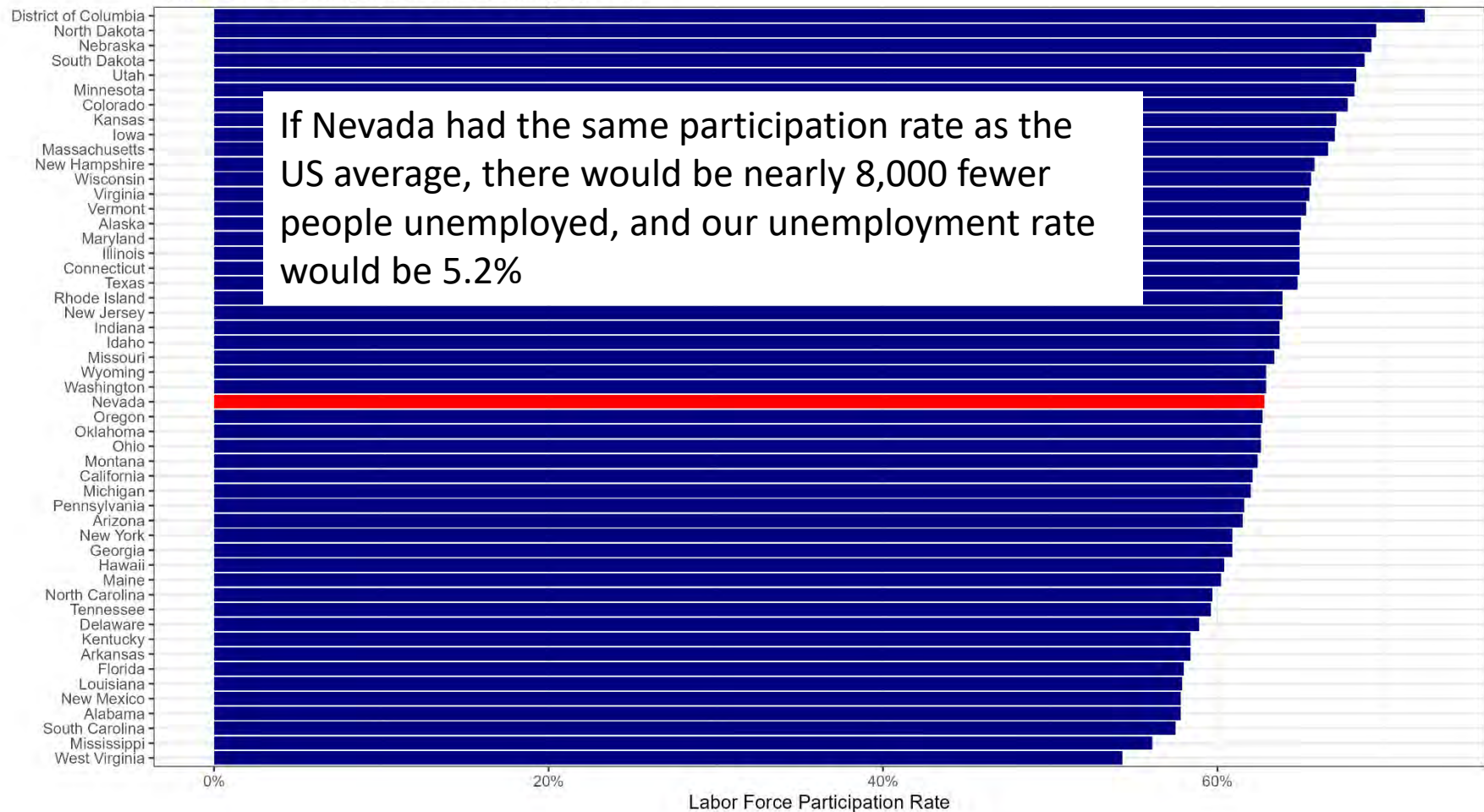
Unemployment inches down, still #1

Unemployment Rate Ranking by State



Participation slightly above US average

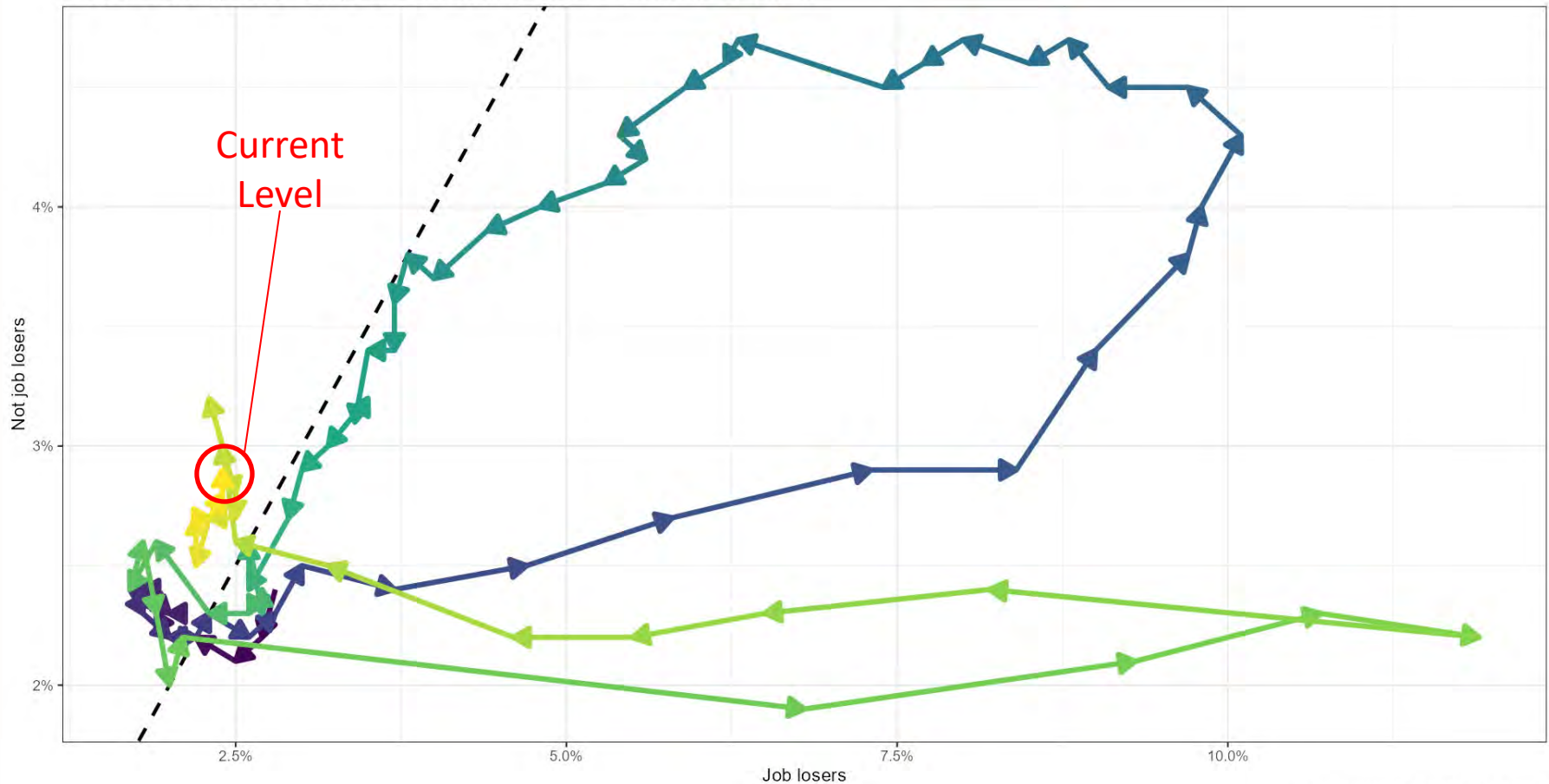
Labor Force Participation Rate Ranking by State



Unemployment Reason Still Healthy

Unemployment Rate in Nevada by Reason

Dashed line where job loss = non-job loss unemployment, arrows at one quarter increments



All data expressed as 12-month average

Duration of unemployment rising

Month/Year	less than 5 weeks	5 to 14 weeks	15 to 26 weeks	27 weeks and over	less than 5 weeks OTY change	5 to 14 weeks OTY change	15 to 26 weeks OTY change	27 weeks and over OTY change
March 2016	27,750	26,208	14,550	23,667	825	2,450	-1,750	-14,542
March 2017	22,900	24,100	14,708	17,475	-4,850	-2,108	158	-6,192
March 2018	29,542	21,483	9,450	15,367	6,642	-2,617	-5,258	-2,108
March 2019	25,467	18,192	7,925	11,408	-4,075	-3,292	-1,525	-3,958
March 2020	25,300	18,233	10,558	13,842	-167	42	2,633	2,433
March 2021	50,708	79,275	41,225	42,600	25,408	61,042	30,667	28,758
March 2022	24,058	15,567	12,425	50,617	-26,650	-63,708	-28,800	8,017
March 2023	30,208	24,400	9,867	22,450	6,150	8,833	-2,558	-28,167
March 2024	28,708	21,908	8,433	17,175	-1,500	-2,492	-1,433	-5,275
March 2025	24,667	31,083	12,333	19,083	-4,042	9,175	3,900	1,908

This increase in the duration of unemployment adds nearly 1 percentage point to our unemployment rate (if those individuals were employed instead of looking for work for a longer time).

UI duration also creeping upward

Unemployment Claims Data in Nevada

March 2025

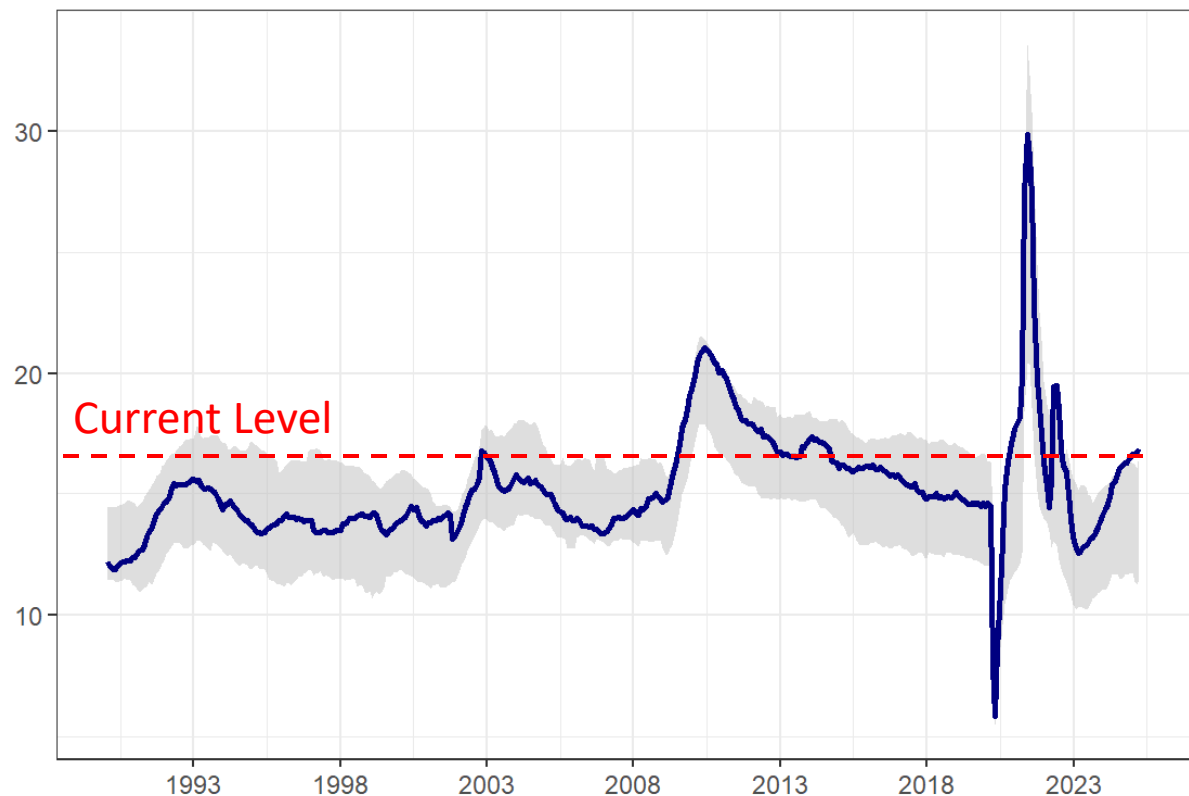
	Current Month	Annual Trend	Prior Month	Monthly Change	Prior Year	Annual Change	Annual Change, National Rank
Initial Claims	10,680	 10.7K	10,789	-1.0%	10,328	3.4%	16
Continued Claims	118,245	 118.2	104,138	13.5%	107,803	9.7%	22
Weeks Paid	104,901	 104.9	92,965	12.8%	88,902	18.0%	15
Dollars Paid	\$48,402,829	 48.4M	\$43,280,620	11.8%	\$41,664,897	16.2%	18
Average Benefit	\$485.94	 485.9	\$489.12	-0.7%	\$486.14	-0.0%	37
First Payments	5,386	 5.4K	5,579	-3.5%	5,066	6.3%	21
Final Payments	2,637	 2.6K	2,410	9.4%	1,924	37.1%	5
Average Duration	16.8	 16.8	16.7	0.9%	14.8	13.5%	2
Exhaustion Rate	42.5%	 42.5%	42.3%	0.5%	34.9%	21.7%	7

UI duration also creeping upward

While the duration of benefits is not high compared to the Great Recession and COVID Recession, it is roughly as high as its peak following the 2001 recession (relatively mild recession in Nevada).

Average Weeks of Benefits

Grey area represents 20th to 80th percentile for all states

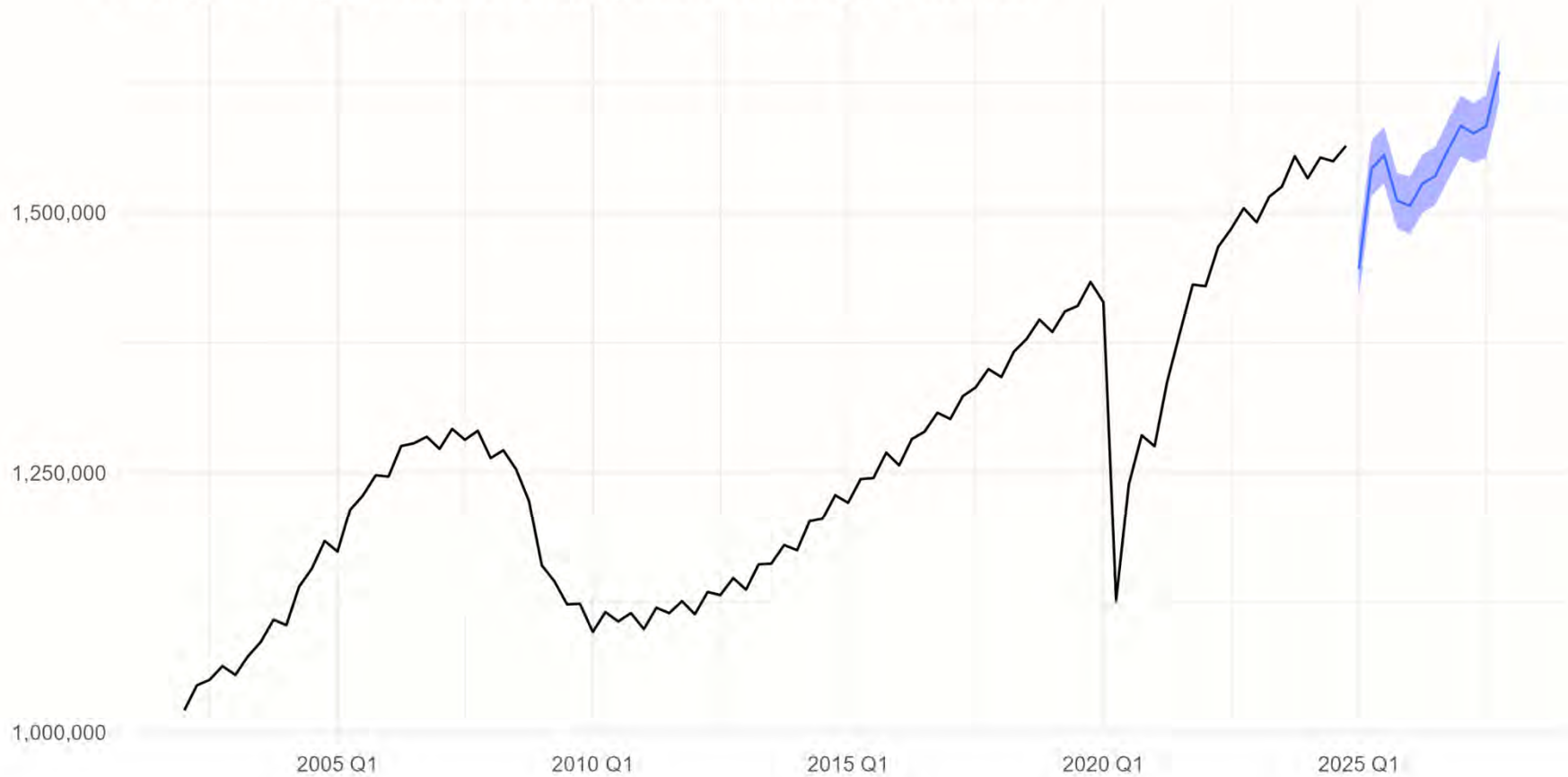


12-month average data

Selected Trend-Based Forecasts

QCEW Employment Forecast for Industry 000000

Average annual growth rate over forecast period is 1.0% using prophet model



Selected Trend-Based Forecasts

QCEW Employment Forecast for Industry 23

Average annual growth rate over forecast period is 0.0% using ets model



Selected Trend-Based Forecasts

QCEW Employment Forecast for Industry 48

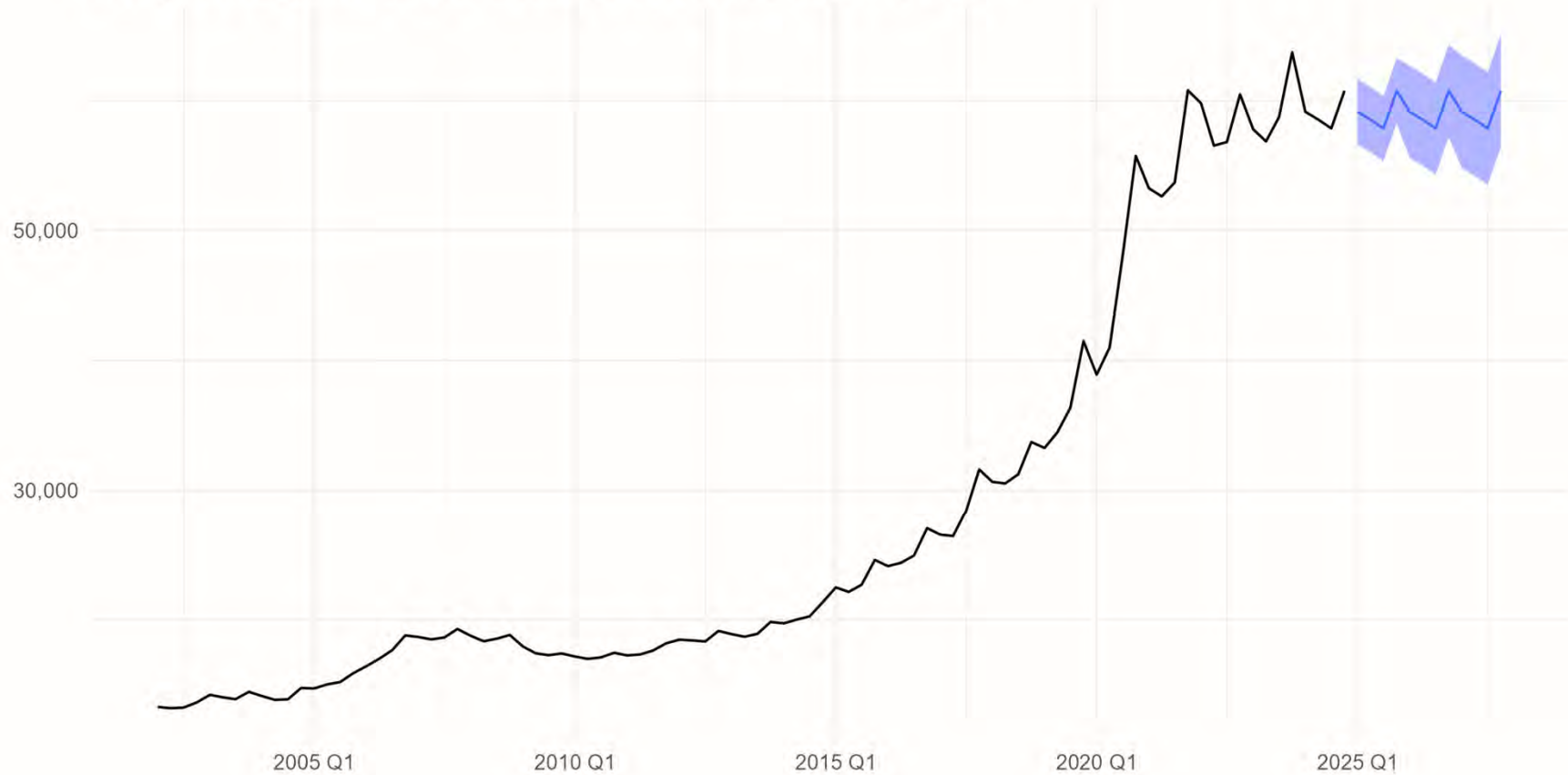
Average annual growth rate over forecast period is -0.1% using arima model



Selected Trend-Based Forecasts

QCEW Employment Forecast for Industry 49

Average annual growth rate over forecast period is 0.0% using snaiive model



Selected Trend-Based Forecasts

QCEW Employment Forecast for Industry 56

Average annual growth rate over forecast period is 0.7% using ets model



Selected Trend-Based Forecasts

QCEW Employment Forecast for Industry 721120

Average annual growth rate over forecast period is -0.5% using arima model



Economic Uncertainty

- No firm data on what long-term tariff rates will be and on which countries, and the possibility for reciprocal action against exports from US.
- Nevada has the highest U.S. share of its imports coming from China, heavily concentrated in electronics and communication equipment.
- Uncertainty harms the ability of businesses to invest and will likely slow growth more than in trend-based forecasts in short term while businesses wait for more solid details.
- Supply chain impacts will affect logistics industry.

TABLE 1
GENERAL FUND REVENUES - ACTUALS
FY 2022 THROUGH FY 2024 AND FY 2025 VERSUS FY 2024 YEAR-TO-DATE THROUGH MARCH
Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

DESCRIPTION	FY 2022 ACTUAL	%	FY 2023 ACTUAL	%	FY 2024 ACTUAL	%	YEAR-TO-DATE [a.]			
							FY 2024 MARCH	FY 2025 MARCH	\$ Difference	% 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	-100.0%				
3245 Centrally Assessed Penalties	\$423	-96.5%	\$0	-100.0%	\$0					
3074 Mining Gross Revenue Tax - Gold and Silver [3-22]	\$36,921,487		\$68,281,750		\$0					
TOTAL MINING TAXES AND FEES	\$108,188,852	-39.1%	\$69,723,135	-35.6%	\$0	-100.0%	\$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%	\$1,041,162,971	\$950,347,209	(\$90,815,762)	-8.7%
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%	\$10,023,373	\$9,142,503	(\$880,870)	-8.8%
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%	\$4,480,815	\$4,102,912	(\$377,903)	-8.4%
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%	\$15,679,452	\$14,358,254	(\$1,321,198)	-8.4%
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%	\$12,365,827	\$11,339,268	(\$1,026,559)	-8.3%
TOTAL SALES AND USE	\$1,679,871,809	21.7%	\$1,791,686,533	6.7%	\$1,863,105,429	4.0%	\$1,083,712,437	\$989,290,146	(\$94,422,292)	-8.7%
GAMING - STATE										
3041 Percent Fees - Gross Revenue: <u>Before Tax Credits</u>	\$964,214,339	40.7%	\$970,128,567	0.6%	\$999,947,106	3.1%	\$754,694,296	\$763,788,506	\$9,094,210	1.2%
Tax Credit Programs:										
Film Transferrable Tax Credits [TC-1]	(\$664,260)		(\$2,200,088)		(\$1,842,482)		(\$1,842,482)	(\$222,957)	\$1,619,525	
Economic Development Transferrable Tax Credits [TC-2]	\$0		\$0		\$0		\$0	(\$2,000,000)	(\$2,000,000)	
Catalyst Account Transferrable Tax Credits [TC-4]	\$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]										
Total - Tax Credit Programs	(\$664,260)		(\$2,200,088)		(\$1,842,482)		(\$1,842,482)	(\$2,222,957)	(\$380,475)	
Percent Fees - Gross Revenue: <u>After Tax Credits</u>	\$963,550,079	40.8%	\$967,928,479	0.5%	\$998,104,624	3.1%	\$752,851,814	\$761,565,549	\$8,713,735	1.2%
3032 Pari-mutuel Tax	\$3,162		\$3,858	22.0%	\$3,580	-7.2%	\$3,580	\$3,968	\$387	10.8%
3181 Racing Fees	\$10,102		\$5,390	-46.6%	\$10,605	96.8%	\$10,605	\$6,443	(\$4,162)	-39.2%
3247 Racing Fines/Forfeitures	\$1,500		\$3,900	160.0%	\$750	-80.8%	\$750	\$1,000	\$250	33.3%
3042 Gaming Penalties	\$361,734	-52.5%	\$329,016	-9.0%	\$10,930,133	3222.1%	\$10,869,399	\$433,734	(\$10,435,665)	-96.0%
3043 Flat Fees-Restricted Slots [2-20]	\$8,466,294	8.3%	\$8,481,030	0.2%	\$8,607,351	1.5%	\$5,474,844	\$4,659,888	(\$814,956)	-14.9%
3044 Non-Restricted Slots [2-20]	\$10,149,080	3.6%	\$10,246,840	1.0%	\$10,556,985	3.0%	\$7,182,020	\$5,843,020	(\$1,339,000)	-18.6%
3045 Quarterly Fees-Games	\$5,466,294	0.0%	\$5,437,382	-0.5%	\$5,488,322	0.9%	\$3,792,260	\$2,878,802	(\$913,459)	-24.1%
3046 Advance License Fees	\$16,467,639	382.3%	\$53,651	-99.7%	\$9,610,894	17813.9%	\$9,613,511	\$189,175	(\$9,424,336)	-98.0%
3048 Slot Machine Route Operator	\$26,000	-13.3%	\$25,000	-3.8%	\$25,000	0.0%	\$25,000	\$25,500	\$500	2.0%
3049 Gaming Info Systems Annual	\$49,000	63.3%	\$47,000	-4.1%	\$54,000	14.9%	\$54,000	\$54,000	\$0	0.0%
3028 Interactive Gaming Fee - Operator	\$250,000	-73.3%	\$500,000	100.0%	\$500,000	0.0%	\$500,000	\$500,000	\$0	0.0%
3029 Interactive Gaming Fee - Service Provider	\$14,000	27.3%	\$13,000	-7.1%	\$13,000	0.0%	\$13,000	\$12,000	(\$1,000)	-7.7%
3030 Interactive Gaming Fee - Manufacturer	\$75,000	0.0%	\$75,000	0.0%	\$75,000	0.0%	\$50,000	\$50,000	\$0	0.0%
3033 Equip Mfg. License	\$287,480	-0.2%	\$279,490	-2.8%	\$300,000	7.3%	\$299,500	\$288,500	(\$11,000)	-3.7%
3034 Race Wire License	\$4,332	92.7%	\$3,402	-21.5%	\$7,825	130.0%	\$4,877	\$1,861	(\$3,017)	-61.8%
3035 Annual Fees on Games	\$84,550	-42.2%	\$85,101	0.7%	\$94,663	11.2%	\$5,123	\$0	(\$5,123)	-100.0%
TOTAL GAMING - STATE: <u>BEFORE TAX CREDITS</u>	\$1,005,930,506	40.9%	\$995,717,627	-1.0%	\$1,046,225,214	5.1%	\$792,592,766	\$778,736,395	(\$13,856,371)	-1.7%
Tax Credit Programs	(\$664,260)		(\$2,200,088)		(\$1,842,482)		(\$1,842,482)	(\$2,222,957)	(\$380,475)	
TOTAL GAMING - STATE: <u>AFTER TAX CREDITS</u>	\$1,005,266,246	41.0%	\$993,517,539	-1.2%	\$1,044,382,732	5.1%	\$790,750,284	\$776,513,438	(\$14,236,846)	-1.8%
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%	\$86,669,098	\$74,805,099	(\$11,863,999)	-13.7%
3031NG Live Entertainment Tax-Nongaming [5-22]	\$39,802,290	946.4%	\$79,907,593	100.8%	\$129,274,874	61.8%	\$65,032,315	\$61,263,223	(\$3,769,093)	-5.8%
TOTAL LET	\$139,155,695	1155.9%	\$201,288,644	44.6%	\$256,279,162	27.3%	\$151,701,413	\$136,068,321	(\$15,633,092)	-10.3%
COMMERCE TAX										
3072 Commerce Tax	\$281,881,659	27.0%	\$302,294,190	7.2%	\$343,073,688	13.5%	\$32,975,084	\$20,572,798	(\$12,402,285)	-37.6%
TRANSPORTATION CONNECTION EXCISE TAX										
3073 Transportation Connection Excise Tax	\$28,464,128	66.1%	\$39,978,332	40.5%	\$40,157,801	0.4%	\$20,917,170	\$26,534,162	\$5,616,992	26.9%
CIGARETTE TAX										
3052 Cigarette Tax [3-20]	\$144,068,816	-5.7%	\$135,275,124	-6.1%	\$122,973,891	-9.1%	\$74,752,885	\$67,620,446	(\$7,132,439)	-9.5%

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DESCRIPTION	FY 2022 ACTUAL	%	FY 2023 ACTUAL	%	FY 2024 ACTUAL	%	YEAR-TO-DATE [a.]			
							FY 2024 MARCH	FY 2025 MARCH	\$ Difference	% Change
TAXES - CONTINUED										
MODIFIED BUSINESS TAX (MBT)										
MBT - NONFINANCIAL BUSINESSES (MBT-NFI) [4-20][6-22][3-24]										
3069 MBT - Nonfinancial: Before Tax Credits	\$747,602,083	28.9%	\$853,620,756	14.2%	\$798,137,393	-6.5%	\$382,110,675	\$390,037,468	\$7,926,793	2.1%
Commerce Tax Credits	(\$47,232,337)		(\$61,033,687)		(\$59,891,198)		(\$51,416,592)	(\$56,427,022)	(\$5,010,430)	
MBT - Nonfinancial: After Commerce Tax Credits	\$700,369,745	30.3%	\$792,587,068	13.2%	\$738,246,195	-6.9%	\$330,694,083	\$333,610,446	\$2,916,363	0.9%
Tax Credit Programs:										
Film Transferrable Tax Credits [TC-1]	(\$104,621)		(\$739,637)		(\$1,016,342)		(\$809,844)	(\$171,770)	\$638,075	
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)		(\$3,925,876)	(\$3,693,085)	\$232,791	
College Savings Plan Tax Credits [TC-6]	(\$473)		(\$392)		\$0		(\$199)	(\$389)	(\$190)	
Affordable Housing Transferrable Tax Credits [TC-7]	\$0		\$0		\$0		\$0	\$0	\$0	
Baseball Stadium Transferrable Tax Credits [TC-8]										
Total - Tax Credit Programs	(\$11,567,517)		(\$11,135,436)		(\$9,100,042)		(\$4,735,919)	(\$3,865,243)	\$870,676	
MBT - Nonfinancial: After Tax Credit Programs	\$688,802,229	29.9%	\$781,451,633	13.5%	\$729,146,153	-6.7%	\$325,958,164	\$329,745,204	\$3,787,040	1.2%
MBT - FINANCIAL BUSINESSES (MBT-FI) [4-20][6-22][3-24]										
3069 MBT - Financial: Before Tax Credits	\$46,926,269	10.8%	\$44,035,096	-6.2%	\$40,922,695	-7.1%	\$18,063,016	\$17,517,451	(\$545,564)	-3.0%
Commerce Tax Credits	(\$548,227)		(\$411,651)		(\$477,803)		(\$279,337)	(\$269,592)	\$9,744	
MBT - Financial: After Commerce Tax Credits	\$46,378,041	10.6%	\$43,623,445	-5.9%	\$40,444,892	-7.3%	\$17,783,679	\$17,247,859	(\$535,820)	-3.0%
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)		(\$92,320)	(\$138,978)	(\$46,659)	
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]										
Total - Tax Credit Programs	(\$320,277)		(\$404,890)		(\$92,320)		(\$92,320)	(\$138,978)	(\$46,659)	
MBT - Financial: After Tax Credit Programs	\$46,057,764	10.3%	\$43,218,555	-6.2%	\$40,352,573	-6.6%	\$17,691,359	\$17,108,881	(\$582,479)	-3.3%
MBT - MINING BUSINESSES (MBT-MINING) [4-20][6-22][3-24]										
3069 MBT - Mining: Before Tax Credits	\$20,878,094	9.0%	\$21,988,228	5.3%	\$19,577,939	-11.0%	\$8,869,886	\$9,378,806	\$508,920	5.7%
Commerce Tax Credits	(\$66,316)		(\$78,774)		(\$89,912)		(\$89,912)	(\$57,138)	\$32,774	
MBT - Mining: After Commerce Tax Credits	\$20,811,778	9.0%	\$21,909,454	5.3%	\$19,488,027	-11.1%	\$8,779,974	\$9,321,668	\$541,694	6.2%
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]										
Total - Tax Credit Programs	\$0		\$0		\$0		\$0	\$0	\$0	
MBT - Mining - After Tax Credit Programs	\$20,811,778	9.0%	\$21,909,454	5.3%	\$19,488,027	-11.1%	\$8,779,974	\$9,321,668	\$541,694	6.2%

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DESCRIPTION		FY 2022		FY 2023		FY 2024		YEAR-TO-DATE [a.]			
		ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2024 MARCH	FY 2025 MARCH	\$ Difference	% Change
TAXES - CONTINUED											
TOTAL MBT - NFI, FI, & MINING											
TOTAL MBT: BEFORE TAX CREDITS		\$815,406,446	27.1%	\$919,644,080	12.8%	\$858,638,027	-6.6%	\$409,043,576	\$416,933,725	\$7,890,149	1.9%
TOTAL COMMERCE TAX CREDITS		(\$47,846,881)		(\$61,524,113)		(\$60,458,912)		(\$51,785,840)	(\$56,753,752)	(\$4,967,912)	
TOTAL MBT: AFTER COMMERCE TAX CREDITS		\$767,559,565	28.3%	\$858,119,967	11.8%	\$798,179,114	-7.0%	\$357,257,736	\$360,179,974	\$2,922,237	0.8%
Tax Credit Programs:											
Film Transferrable Tax Credits [TC-1]		(\$104,621)		(\$739,637)		(\$1,016,342)		(\$809,844)	(\$171,770)	\$638,075	
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)		(\$4,018,195)	(\$3,832,063)	\$186,133	
College Savings Plan Tax Credits [TC-6]		(\$473)		(\$392)		\$0		(\$199)	(\$389)	(\$190)	
Affordable Housing Transferrable Tax Credits [TC-7]		\$0		\$0		\$0		\$0	\$0	\$0	
Baseball Stadium Transferrable Tax Credits [TC-8]											
Total - Tax Credit Programs		(\$11,887,794)		(\$11,540,325)		(\$9,192,361)		(\$4,828,239)	(\$4,004,221)	\$824,018	
TOTAL MBT: AFTER TAX CREDIT PROGRAMS		\$755,671,771	27.8%	\$846,579,642	12.0%	\$788,986,753	-6.8%	\$352,429,498	\$356,175,753	\$3,746,255	1.1%
INSURANCE TAXES											
3061	Insurance Premium Tax: Before Tax Credits [5-24]	\$541,092,065	10.1%	\$581,438,893	7.5%	\$646,678,025	11.2%	\$317,482,835	\$336,125,760	\$18,642,925	5.9%
Tax Credit Programs:											
Film Transferrable Tax Credits [TC-1]		(\$714,842)		(\$2,936,809)		(\$3,152,877)		(\$1,054,517)	(\$537,194)	\$517,324	
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)		(\$8,555,885)	(\$8,731,703)	(\$175,818)	
Affordable Housing Transferrable Tax Credits [TC-7]		\$0		(\$3,000,000)		(\$3,000,000)		(\$3,000,000)	(\$1,725,000)	\$1,275,000	
Baseball Stadium Transferrable Tax Credits [TC-8]											
Total - Tax Credit Programs		(\$24,736,755)		(\$36,217,799)		(\$27,256,215)		(\$12,610,402)	(\$10,993,897)	\$1,616,506	
Insurance Premium Tax: After Tax Credit Programs		\$516,355,310	5.8%	\$545,221,094	5.6%	\$619,421,810	13.6%	\$304,872,433	\$325,131,863	\$20,259,431	6.6%
3062	Insurance Retaliatory Tax	\$502,182	84.9%	\$408,026	-18.7%	\$370,858	-9.1%	\$81,932	\$107,971	\$26,040	31.8%
3067	Captive Insurer Premium Tax	\$1,161,859	2.7%	\$1,268,717	9.2%	\$1,143,526	-9.9%	\$1,128,526	\$1,194,083	\$65,558	5.8%
TOTAL INSURANCE TAXES: BEFORE TAX CREDITS		\$542,756,106	10.1%	\$583,115,636	7.4%	\$648,192,408	11.2%	\$318,693,293	\$337,427,815	\$18,734,522	5.9%
TAX CREDIT PROGRAMS		(\$24,736,755)		(\$36,217,799)		(\$27,256,215)		(\$12,610,402)	(\$10,993,897)	\$1,616,506	
TOTAL INSURANCE TAXES: AFTER TAX CREDITS		\$518,019,351	5.9%	\$546,897,837	5.6%	\$620,936,193	13.5%	\$306,082,890	\$326,433,918	\$20,351,028	6.6%
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%	\$52,866,635	\$63,879,183	\$11,012,548	20.8%
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	-100.0%	\$0	\$0		
OTHER TAXES											
3113	Business License Fee	\$119,544,202	5.6%	\$118,270,353	-1.1%	\$122,663,071	3.7%	\$77,413,016	\$80,606,266	\$3,193,251	4.1%
3050	Liquor Tax	\$50,392,542	15.7%	\$46,007,920	-8.7%	\$49,048,983	6.6%	\$29,209,851	\$21,697,736	(\$7,512,115)	-25.7%
3053	Other Tobacco Tax [6-20][8-24]	\$35,755,018	10.6%	\$35,158,816	-1.7%	\$32,932,665	-6.3%	\$19,318,500	\$15,669,273	(\$3,649,226)	-18.9%
4774	HECC Transfer	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$64,571	\$0	(\$64,571)	-100.0%
3068	Branch Bank Excise Tax	\$2,336,987	-9.9%	\$2,250,520	-3.7%	\$2,160,550	-4.0%	\$1,095,780	\$934,255	(\$161,525)	-14.7%
TOTAL TAXES: BEFORE TAX CREDITS		\$5,162,874,552	21.7%	\$5,383,059,077	4.3%	\$5,499,415,798	2.2%	\$3,064,356,975	\$2,955,970,522	(\$108,386,453)	-3.5%
TOTAL COMMERCE TAX CREDITS		(\$47,846,881)		(\$61,524,113)		(\$60,458,912)		(\$51,785,840)	(\$56,753,752)	(\$4,967,912)	
TOTAL TAXES: AFTER COMMERCE TAX CREDITS		\$5,115,027,671	21.8%	\$5,321,534,964	4.0%	\$5,438,956,886	2.2%	\$3,012,571,135	\$2,899,216,770	(\$113,354,365)	-3.8%
Tax Credit Programs:											
Film Transferrable Tax Credits [TC-1]		(\$1,483,723)		(\$5,876,534)		(\$6,011,701)		(\$3,706,844)	(\$931,920)	\$2,774,924	
Economic Development Transferrable Tax Credits [TC-2]		\$0		\$0		\$0		\$0	(\$2,000,000)	(\$2,000,000)	
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)		(\$8,555,885)	(\$8,731,703)	(\$175,818)	
Education Choice Scholarship Tax Credits [TC-5]		(\$11,782,700)		(\$10,800,296)		(\$8,176,019)		(\$4,018,195)	(\$3,832,063)	\$186,133	
College Savings Plan Tax Credits [TC-6]		(\$473)		(\$392)		\$0		(\$199)	(\$389)	(\$190)	
Affordable Housing Transferrable Tax Credits [TC-7]		\$0		(\$3,000,000)		(\$3,000,000)		(\$3,000,000)	(\$1,725,000)	\$1,275,000	
Baseball Stadium Transferrable Tax Credits [TC-8]											
Total - Tax Credit Programs		(\$37,288,809)		(\$49,958,212)		(\$38,291,058)		(\$19,281,123)	(\$17,221,075)	\$2,060,049	
TOTAL TAXES: AFTER TAX CREDITS		\$5,077,738,862	21.3%	\$5,271,576,751	3.8%	\$5,400,665,828	2.4%	\$2,993,290,012	\$2,881,995,696	(\$111,294,316)	-3.7%

TABLE 1
GENERAL FUND REVENUES - ACTUALS
FY 2022 THROUGH FY 2024 AND FY 2025 VERSUS FY 2024 YEAR-TO-DATE THROUGH MARCH
 Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

DESCRIPTION	FY 2022		FY 2023		FY 2024		YEAR-TO-DATE [a.]			
	ACTUAL	% Change	ACTUAL	% Change	ACTUAL	% Change	FY 2024 MARCH	FY 2025 MARCH	\$ Difference	% Change
LICENSES										
3101 Insurance Licenses	\$29,419,100	8.5%	\$28,869,901	-1.9%	\$29,972,617	3.8%	\$25,360,897	\$26,056,170	\$695,272	2.7%
3120 Marriage License	\$345,163	2.6%	\$339,664	-1.6%	\$335,411	-1.3%	\$170,881	\$177,977	\$7,096	4.2%
SECRETARY OF STATE										
3105 UCC	\$3,454,770	-9.9%	\$3,243,588	-6.1%	\$3,482,261	7.4%	\$2,540,054	\$1,795,049	(\$745,005)	-29.3%
3129 Notary Fees	\$717,235	8.8%	\$783,890	9.3%	\$788,253	0.6%	\$456,380	\$509,156	\$52,776	11.6%
3130 Commercial Recordings [9-24]	\$88,574,485	5.0%	\$85,644,772	-3.3%	\$89,170,782	4.1%	\$56,496,725	\$59,212,304	\$2,715,579	4.8%
3131 Video Service Franchise	\$300	-98.9%	\$150	-50.0%	\$250	66.7%	\$200	\$2,550	\$2,350	1175.0%
3121 Domestic Partnership Registry Fee	\$62,391	11.8%	\$59,221	-5.1%	\$59,018	-0.3%	\$0	\$0	\$0	
3152 Securities [7-22]	\$35,068,024	9.5%	\$36,480,299	4.0%	\$36,668,572	0.5%	\$32,908,726	\$33,953,973	\$1,045,247	3.2%
TOTAL SECRETARY OF STATE	\$127,877,205	5.7%	\$126,211,920	-1.3%	\$130,169,135	3.1%	\$92,402,085	\$95,473,032	\$3,070,947	3.3%
3172 Private School Licenses	\$217,461	-8.6%	\$223,463	2.8%	\$217,310	-2.8%	\$130,463	\$137,901	\$7,438	5.7%
3173 Private Employment Agency	\$20,100	18.2%	\$18,700	-7.0%	\$19,500	4.3%	\$17,600	\$19,100	\$1,500	8.5%
REAL ESTATE										
3161 Real Estate License	\$2,936,854	-1.0%	\$2,852,290	-2.9%	\$2,710,525	-5.0%	\$1,947,335	\$1,936,793	(\$10,542)	-0.5%
3162 Real Estate Fees	\$2,850	46.2%	\$3,300	15.8%	\$3,140	-4.8%	\$1,500	\$2,250	\$750	50.0%
TOTAL REAL ESTATE	\$2,939,704	-0.9%	\$2,855,590	-2.9%	\$2,713,665	-5.0%	\$1,948,835	\$1,939,043	(\$9,792)	-0.5%
3102 Athletic Commission Fees	\$5,846,931	6286.0%	\$5,280,420	-9.7%	\$7,584,245	43.6%	\$3,993,465	\$3,357,153	(\$636,311)	-15.9%
TOTAL LICENSES	\$166,665,664	9.8%	\$163,799,658	-1.7%	\$171,011,882	4.4%	\$124,024,226	\$127,160,376	\$3,136,150	2.5%
FEES AND FINES										
3203 Divorce Fees	\$152,694	-3.4%	\$139,010	-9.0%	\$138,148	-0.6%	\$89,349	\$88,289	(\$1,060)	-1.2%
3204 Civil Action Fees	\$1,259,803	-7.4%	\$1,224,759	-2.8%	\$1,337,211	9.2%	\$627,701	\$694,323	\$66,622	10.6%
3242 Insurance Fines	\$367,121	-17.9%	\$342,015	-6.8%	\$891,023	160.5%	\$696,384	\$377,841	(\$318,544)	-45.7%
3242LC Investigative Costs Recovery - Labor Commission	\$69,050	103.1%	\$28,804	-58.3%	\$6,500	-77.4%	\$6,500	\$500	(\$6,000)	-92.3%
3103MD Medical Plan Discount Reg. Fees	\$500		\$0	-100.0%	\$0		\$0	\$500	\$500	
REAL ESTATE FEES										
3107IOS IOS Application Fees	\$8,020	-3.4%	\$5,220	-34.9%	\$3,500	-33.0%	\$2,440	\$2,980	\$540	22.1%
3165 Land Co Filing Fees	\$36,175	24.1%	\$35,775	-1.1%	\$28,425	-20.5%	\$23,500	\$36,351	\$12,851	54.7%
3169 Real Estate Reg Fees	\$26,750	4.1%	\$5,150	-80.7%	\$5,175	0.5%	\$4,975	\$7,350	\$2,375	47.7%
4741 Real Estate Exam Fees	\$801,447	-7.5%	\$580,723	-27.5%	\$548,337	-5.6%	\$0	\$0	\$0	
3178 Real Estate Accred Fees	\$112,750	7.3%	\$117,925	4.6%	\$123,450	4.7%	\$87,500	\$74,850	(\$12,650)	-14.5%
3254 Real Estate Penalties	\$93,843	-16.6%	\$94,843	1.1%	\$82,660	-12.8%	\$63,355	\$65,570	\$2,215	3.5%
3190 A.B. 165, Real Estate Inspectors	\$62,320	-8.2%	\$57,695	-7.4%	\$49,460	-14.3%	\$35,120	\$40,980	\$5,860	16.7%
TOTAL REAL ESTATE FEES	\$1,141,305	-6.1%	\$897,330	-21.4%	\$841,007	-6.3%	\$216,890	\$228,081	\$11,191	5.2%
3066 Short Term Car Lease [8-22]	\$74,584,103	63.3%	\$81,417,029	9.2%	\$78,876,414	-3.1%	\$39,862,291	\$34,589,917	(\$5,272,374)	-13.2%
3103AC Athletic Commission Licenses/Fines	\$183,965	12.3%	\$171,847	-6.6%	\$206,300	20.0%	\$152,800	\$123,220	(\$29,580)	-19.4%
3150 Navigable Water Permit Fees	\$65,000	0.0%	\$65,000	0.0%	\$65,000	0.0%	\$98,200	\$314,245	\$216,045	220.0%
3205 State Engineer Sales	\$3,721,744	-3.3%	\$3,993,998	7.3%	\$3,440,211	-13.9%	\$2,863,159	\$2,909,860	\$46,701	1.6%
3206 Supreme Court Fees	\$190,495	7.1%	\$190,265	-0.1%	\$184,555	-3.0%	\$26,200	\$0	(\$26,200)	-100.0%
3115 Notice of Default Fee	\$355,350	83.4%	\$475,177	33.7%	\$394,792	-16.9%	\$267,280	\$261,350	(\$5,930)	-2.2%
3601 Professional Employer Organization Fee [9-22]	\$92,500		\$108,500	17.3%	\$106,500	-1.8%	\$105,000	\$119,500	\$14,500	13.8%
3271 Misc Fines/Forfeitures [10-24]	\$2,060,891	-27.1%	\$2,629,670	27.6%	\$3,074,722	16.9%	\$2,049,419	\$1,861,108	(\$188,311)	-9.2%
TOTAL FEES AND FINES	\$84,244,519	50.0%	\$91,683,403	8.8%	\$89,562,384	-2.3%	\$47,061,173	\$41,568,733	(\$5,492,440)	-11.7%

TABLE 1
GENERAL FUND REVENUES - ACTUALS
FY 2022 THROUGH FY 2024 AND FY 2025 VERSUS FY 2024 YEAR-TO-DATE THROUGH MARCH
Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

DESCRIPTION	FY 2022 ACTUAL	% Change	FY 2023 ACTUAL	% Change	FY 2024 ACTUAL	% Change	YEAR-TO-DATE [a.]			
							FY 2024 MARCH	FY 2025 MARCH	\$ Difference	% 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	\$0	
4408 Comp/Fac Repayment	\$13,032		\$13,032		\$13,032		\$0	\$0	\$0	
4408 OCIO Repayment - State Microwave Communications System	\$266,914		\$266,914		\$266,914		\$0	\$0	\$0	
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		\$0	\$0	\$0	
4408 OCIO Repayment - Firewall Replacement [2-22]	\$677,637		\$677,635		\$677,635		\$0	\$0	\$0	
4408 OCIO Repayment - Content Management and Portal Platform [2-24]	\$0		\$0		\$221,313		\$0	\$221,313	\$221,313	
4408 OCIO Repayment - IT Service Management Provider Replacement [1-26]										
4408 OCIO Repayment - Computer Hardware and Software Replacement [2-26]										
4408 OCIO Repayment - Firewall Replacement and Security Upgrades [3-26]										
4408 OCIO Repayment - IT Investments Tracking System [4-26]										
4102 City of North Las Vegas Repayment - Windsor Park Relocation [11-24]					\$3,000,000		\$1,750,000	\$1,750,000	\$0	
4409 Motor Pool Repay - LV	\$125,000		\$125,000		\$125,000		\$125,000	\$125,000	\$0	
TOTAL OTHER REPAYMENTS	\$1,899,676	112.3%	\$1,551,460	-18.3%	\$4,772,773	207.6%	\$1,895,670	\$2,116,983	\$221,313	
INTEREST INCOME										
3290 Treasurer	\$24,192,051	175.2%	\$142,585,710	489.4%	\$224,917,309	57.7%	\$116,593,040	\$126,187,124	\$9,594,084	8.2%
3291 Other	\$11,780	-40.2%	\$423,700	3496.8%	\$765,210	80.6%	\$603,003	\$533,916	(\$69,087)	-11.5%
TOTAL INTEREST INCOME	\$24,203,830	174.8%	\$143,009,409	490.9%	\$225,682,518	57.8%	\$117,196,043	\$126,721,040	\$9,524,996	8.1%
TOTAL USE OF MONEY & PROP	\$26,103,506	169.0%	\$144,560,870	453.8%	\$230,455,292	59.4%	\$119,091,713	\$128,838,023	\$9,746,309	8.2%
OTHER REVENUE										
3059 Hoover Dam Revenue	\$324,405	17.7%	\$300,000	-7.5%	\$300,000	0.0%	\$0	\$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%	\$13,605,525	\$13,562,773	(\$42,753)	-0.3%
3107 Misc Fees [9-22]	\$695,658	33.6%	\$732,209	5.3%	\$1,039,259	41.9%	\$806,779	\$714,522	(\$92,257)	-11.4%
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%	\$9,835,360	\$11,570,489	\$1,735,129	17.6%
3168 Declare of Candidacy Filing Fee	\$58,241	142.7%	\$55,208	-5.2%	\$82,090	48.7%	\$38,974	\$70,453	\$31,479	80.8%
3202 Fees & Writs of Garnishments	\$570	-24.5%	\$500	-12.3%	\$715	43.0%	\$440	\$340	(\$100)	-22.7%
3220 Nevada Report Sales	\$1,215	-79.9%	\$3,810	213.6%	\$14,695	285.7%	\$5,750	\$1,590	(\$4,160)	-72.3%
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%	\$289,261	\$290,885	\$1,624	0.6%
3274 Misc Refunds	\$32,662	-14.8%	\$30,224	-7.5%	\$2,919,728	9560.3%	\$558,554	\$1,060,877	\$502,322	89.9%
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%	\$6,347,793	\$5,876,503	(\$471,290)	-7.4%
TOTAL MISC SALES & REF	\$28,198,227	26.4%	\$30,537,293	8.3%	\$46,825,901	53.3%	\$31,488,436	\$33,148,431	\$1,659,995	5.3%
3255 Unclaimed Property [11-22][14-24]	\$56,059,921	17.6%	\$60,022,800	7.1%	\$70,965,216	18.2%	\$0	\$0	\$0	
TOTAL OTHER REVENUE	\$84,582,554	20.4%	\$90,860,094	7.4%	\$118,091,117	30.0%	\$31,488,436	\$33,148,431	\$1,659,995	5.3%
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%	\$3,386,022,523	\$3,286,686,085	(\$99,336,439)	-2.9%
TOTAL COMMERCE TAX CREDITS	(\$47,846,881)		(\$61,524,113)		(\$60,458,912)		(\$51,785,840)	(\$56,753,752)	(\$4,967,912)	
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%	\$3,334,236,683	\$3,229,932,333	(\$104,304,350)	-3.1%
TAX CREDIT PROGRAMS:										
FILM TRANSFERRABLE TAX CREDITS [TC-1]	(\$1,483,723)		(\$5,876,534)		(\$6,011,701)		(\$3,706,844)	(\$931,920)	\$2,774,924	
ECONOMIC DEVELOPMENT TRANSFERRABLE TAX CREDITS [TC-2]	\$0		\$0		\$0		\$0	(\$2,000,000)	(\$2,000,000)	
CATALYST ACCOUNT TRANSFERRABLE 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)		(\$8,555,885)	(\$8,731,703)	(\$175,818)	
EDUCATION CHOICE SCHOLARSHIP TAX CREDITS [TC-5]	(\$11,782,700)		(\$10,800,296)		(\$8,176,019)		(\$4,018,195)	(\$3,832,063)	\$186,133	
COLLEGE SAVINGS PLAN TAX CREDITS [TC-6]	(\$473)		(\$392)		\$0		(\$199)	(\$389)	(\$190)	
AFFORDABLE HOUSING TRANSFERRABLE TAX CREDITS [TC-7]	\$0		(\$3,000,000)		(\$3,000,000)		(\$3,000,000)	(\$1,725,000)	\$1,275,000	
BASEBALL STADIUM TRANSFERRABLE TAX CREDITS [TC-8]										
TOTAL - TAX CREDIT PROGRAMS	(\$37,288,809)		(\$49,958,212)		(\$38,291,058)		(\$19,281,123)	(\$17,221,075)	\$2,060,049	
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%	\$3,314,955,560	\$3,212,711,258	(\$102,244,302)	-3.1%

TABLE 1
GENERAL FUND REVENUES - ACTUALS
FY 2022 THROUGH FY 2024 AND FY 2025 VERSUS FY 2024 YEAR-TO-DATE THROUGH MARCH
 Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

DESCRIPTION	FY 2022 ACTUAL	%	FY 2023 ACTUAL	%	FY 2024 ACTUAL	%	YEAR-TO-DATE [a.]		
							FY 2024 MARCH	FY 2025 MARCH	\$ Difference

NOTES:

[a.] The fiscal year-to-date amounts for Sales and Use Tax, Cigarette Tax, Liquor Tax, Other Tobacco Tax, Live Entertainment Tax-Nongaming and Gaming, and all of the taxes and fees listed under Gaming-State are based on actual amounts reported by the Department of Taxation and Gaming Control Board. The fiscal year-to-date amounts for the Secretary of State License revenues are based on actual amounts reported by the Secretary of State. The fiscal-year-to-date amounts for all other General Fund revenue sources shown in the table represent the figures obtained from the Controller's system through March 31 of FY 2024 and FY 2025. The amounts for revenue sources from the Department of Taxation represent the fiscal year-to-date amount through the first seven months (for monthly tax sources) and the first two quarters (for quarterly tax sources).

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.

TABLE 1
GENERAL FUND REVENUES - ACTUALS
FY 2022 THROUGH FY 2024 AND FY 2025 VERSUS FY 2024 YEAR-TO-DATE THROUGH MARCH
Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

DESCRIPTION	FY 2022	%	FY 2023	%	FY 2024	%	YEAR-TO-DATE [a.]			
	ACTUAL	Change	ACTUAL	Change	ACTUAL	Change	FY 2024 MARCH	FY 2025 MARCH	\$ Difference	% 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.									

TABLE 1
GENERAL FUND REVENUES - ACTUALS
FY 2022 THROUGH FY 2024 AND FY 2025 VERSUS FY 2024 YEAR-TO-DATE THROUGH MARCH
Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

DESCRIPTION	FY 2022 ACTUAL	% Change	FY 2023 ACTUAL	% Change	FY 2024 ACTUAL	% Change	YEAR-TO-DATE [a.]			
							FY 2024 MARCH	FY 2025 MARCH	\$ Difference	% 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.

- [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.

- [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. 240 (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).

TABLE 3
GENERAL FUND REVENUE FORECASTS: AGENCY - FISCAL - BUDGET
MAY 1, 2025 FORECAST: FY 2025, FY 2026 and FY 2027
Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	FISCAL YEAR 2025				FISCAL YEAR 2026				FISCAL YEAR 2027			
		AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%
TAXES													
MINING TAX													
3064 Net Proceeds of Minerals [1-21][1-23][1-24]	\$0												
3245 Centrally Assessed Penalties	\$0												
3074 Mining Gross Revenue Tax - Gold and Silver [3-22]	\$0												
TOTAL MINING TAXES AND FEES	\$0	\$0		\$0		\$0		\$0		\$0		\$0	
SALES AND USE													
3001 Sales & Use Tax [1-20][4-22][1-25]	\$1,790,433,565	\$1,787,025,000	-0.2%	\$1,701,249,000	-5.0%	\$1,788,574,972	-0.1%	\$1,804,868,000	1.0%	\$1,814,039,000	6.6%	\$1,824,089,351	2.0%
3002 State Share - LSST [1-20][4-22][1-25]	\$17,108,572	\$17,423,000	1.8%	\$16,587,000	-3.0%	\$17,439,000	1.9%	\$17,597,000	1.0%	\$17,687,000	6.6%	\$17,785,000	2.0%
3003 State Share - BCCRT [1-20][4-22][1-25]	\$7,653,650	\$7,818,000	2.1%	\$7,443,000	-2.8%	\$7,825,000	2.2%	\$7,896,000	1.0%	\$7,936,000	6.6%	\$7,980,000	2.0%
3004 State Share - SC CRT [1-20][4-22][1-25]	\$26,782,538	\$27,364,000	2.2%	\$26,050,000	-2.7%	\$27,388,000	2.3%	\$27,637,000	1.0%	\$27,777,000	6.6%	\$28,000,000	4.3%
3005 State Share - PTT [1-20][4-22][1-25]	\$21,127,104	\$21,586,000	2.2%	\$20,549,000	-2.7%	\$21,605,000	2.3%	\$21,801,000	1.0%	\$21,911,000	6.6%	\$22,033,000	2.0%
TOTAL SALES AND USE	\$1,863,105,429	\$1,861,216,000	-0.1%	\$1,771,878,000	-4.9%	\$1,862,831,972	0.0%	\$1,879,799,000	1.0%	\$1,889,350,000	6.6%	\$1,899,818,351	2.0%
GAMING - STATE													
3041 Percent Fees - Gross Revenue: Before Tax Credits	\$999,947,106	\$990,622,418	-0.9%	\$995,038,000	-0.5%	\$985,757,306	-1.4%	\$981,166,116	-1.0%	\$980,401,000	-1.5%	\$981,512,951	-0.4%
Tax Credit Programs:													
Film Transferable Tax Credits [TC-1]	(\$1,842,482)												
Economic Development Transferable Tax Credits [TC-2]	\$0												
Catalyst Account Transferable Tax Credits [TC-4]	\$0												
Affordable Housing Transferable Tax Credits [TC-7]	\$0												
Baseball Stadium Transferable Tax Credits [TC-8]	\$0												
Total - Tax Credit Programs	(\$1,842,482)	\$0		\$0		\$0		\$0		\$0		\$0	
Percent Fees - Gross Revenue: After Tax Credits	\$998,104,624	\$990,622,418	-0.7%	\$995,038,000	-0.3%	\$985,757,306	-1.2%	\$981,166,116	-1.0%	\$980,401,000	-1.5%	\$981,512,951	-0.4%
3032 Pari-mutuel Tax	\$3,580	\$3,968	10.8%	\$4,000	11.7%	\$3,674	2.6%	\$4,000	0.8%	\$4,000	0.0%	\$3,642	-0.9%
3181 Racing Fees	\$10,605	\$6,443	-39.2%	\$6,400	-39.7%	\$6,443	-39.2%	\$7,500	16.4%	\$7,500	17.2%	\$7,500	16.4%
3247 Racing Fines/Forfeitures	\$750	\$1,000	33.3%	\$1,000	33.3%								
3042 Gaming Penalties	\$10,930,133	\$19,500,000	78.4%	\$19,500,000	78.4%	\$19,500,000	78.4%	\$700,000	-96.4%	\$700,000	-96.4%	\$700,000	-96.4%
3043 Flat Fees-Restricted Slots [2-20]	\$8,607,351	\$8,638,693	0.4%	\$8,639,000	0.4%	\$8,604,278	0.0%	\$8,672,675	0.4%	\$8,673,000	0.4%	\$8,607,495	0.0%
3044 Non-Restricted Slots [2-20]	\$10,556,985	\$10,430,087	-1.2%	\$10,430,000	-1.2%	\$10,463,309	-0.9%	\$10,460,061	0.3%	\$10,460,000	0.3%	\$10,458,610	0.0%
3045 Quarterly Fees-Games	\$5,488,322	\$5,247,763	-4.4%	\$5,248,000	-4.4%	\$5,521,868	0.6%	\$5,214,620	-0.6%	\$5,215,000	-0.6%	\$5,488,322	-0.6%
3046 Advance License Fees	\$9,610,894	\$250,000	-97.4%	\$250,000	-97.4%	\$550,000	-94.3%	\$250,000	0.0%	\$250,000	0.0%	\$550,000	0.0%
3048 Slot Machine Route Operator	\$25,000	\$25,500	2.0%	\$25,500	2.0%	\$25,000	0.0%	\$25,500	0.0%	\$25,500	0.0%	\$25,500	0.0%
3049 Gaming Info Systems Annual	\$54,000	\$54,000	0.0%	\$54,000	0.0%	\$54,000	0.0%	\$54,000	0.0%	\$54,000	0.0%	\$54,000	0.0%
3028 Interactive Gaming Fee - Operator	\$500,000	\$500,000	0.0%	\$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	\$13,000	\$12,000	-7.7%	\$12,000	-7.7%	\$12,000	-7.7%	\$12,000	0.0%	\$12,000	0.0%	\$12,000	0.0%
3030 Interactive Gaming Fee - Manufacturer	\$75,000	\$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	\$300,000	\$288,500	-3.8%	\$288,500	-3.8%	\$288,000	-4.0%	\$288,500	0.0%	\$288,500	0.0%	\$288,500	0.0%
3034 Race Wire License	\$7,825	\$2,500	-68.1%	\$2,500	-68.1%	\$2,500	-68.1%	\$2,600	4.0%	\$2,600	4.0%	\$2,700	3.8%
3035 Annual Fees on Games	\$94,663	\$119,645	26.4%	\$119,600	26.3%	\$119,645	26.4%	\$113,884	-4.8%	\$113,900	-4.8%	\$113,884	-4.8%
TOTAL GAMING - STATE: BEFORE TAX CREDITS	\$1,046,225,214	\$1,035,777,517	-1.0%	\$1,040,193,500	-0.6%	\$1,031,483,023	-1.4%	\$1,007,546,456	-2.7%	\$1,006,782,000	-3.2%	\$1,008,399,505	-2.2%
Tax Credit Programs	(\$1,842,482)	\$0		\$0		\$0		\$0		\$0		\$0	
TOTAL GAMING - STATE: AFTER TAX CREDITS	\$1,044,382,732	\$1,035,777,517	-0.8%	\$1,040,193,500	-0.4%	\$1,031,483,023	-1.2%	\$1,007,546,456	-2.7%	\$1,006,782,000	-3.2%	\$1,008,399,505	-2.2%
LIVE ENTERTAINMENT TAX (LET)													
3031G Live Entertainment Tax-Gaming [5-22]	\$127,004,289	\$112,364,481	-11.5%	\$114,322,000	-10.0%	\$112,932,449	-11.1%	\$112,763,926	0.4%	\$115,767,000	1.3%	\$110,762,044	-1.9%
3031NG Live Entertainment Tax-Nongaming [5-22]	\$129,274,874	\$104,290,000	-19.3%	\$108,715,000	-15.9%	\$108,306,667	-16.2%	\$106,031,000	1.7%	\$107,707,000	-0.9%	\$110,517,683	2.0%
TOTAL LET	\$256,279,162	\$216,654,481	-15.5%	\$223,037,000	-13.0%	\$221,239,116	-13.7%	\$218,794,926	1.0%	\$223,474,000	0.2%	\$221,279,727	0.0%
COMMERCE TAX													
3072 Commerce Tax	\$343,073,688	\$350,946,000	2.3%	\$350,946,000	2.3%	\$350,946,000	2.3%	\$356,501,000	1.6%	\$356,501,000	1.6%	\$356,501,000	1.6%
TRANSPORTATION CONNECTION EXCISE TAX													
3073 Transportation Connection Excise Tax	\$40,157,801	\$48,119,000	19.8%	\$45,059,000	12.2%	\$46,187,399	15.0%	\$46,761,000	-2.8%	\$41,896,000	-7.0%	\$41,787,835	-9.5%
CIGARETTE TAX													
3052 Cigarette Tax [3-20]	\$122,973,891	\$113,990,000	-7.3%	\$113,281,000	-7.9%	\$116,109,021	-5.6%	\$107,270,000	-5.9%	\$106,755,000	-5.8%	\$110,728,051	-4.6%

TABLE 3
GENERAL FUND REVENUE FORECASTS: AGENCY - FISCAL - BUDGET
MAY 1, 2025 FORECAST: FY 2025, FY 2026 and FY 2027
Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	FISCAL YEAR 2025						FISCAL YEAR 2026						FISCAL YEAR 2027						
		AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	
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>	\$798,137,393	\$819,480,000	2.7%	\$815,509,000	2.2%	\$814,658,157	2.1%	\$843,720,000	3.0%	\$840,455,000	3.1%	\$827,260,693	1.5%	\$876,570,000	3.9%	\$869,733,000	3.5%	\$861,238,192	4.1%	
Commerce Tax Credits		(\$59,891,198)																		
MBT - Nonfinancial: <u>After Commerce Tax Credits</u>		\$738,246,195	\$819,480,000	11.0%	\$815,509,000	10.5%	\$814,658,157	10.4%	\$843,720,000	3.0%	\$840,455,000	3.1%	\$827,260,693	1.5%	\$876,570,000	3.9%	\$869,733,000	3.5%	\$861,238,192	4.1%
Tax Credit Programs:																				
Film Transferrable Tax Credits [TC-1]		(\$1,016,342)																		
Economic Development Transferrable Tax Credits [TC-2]		\$0																		
Catalyst Account Transferrable Tax Credits [TC-4]		\$0																		
Education Choice Scholarship Tax Credits [TC-5]		(\$8,083,700)																		
College Savings Plan Tax Credits [TC-6]		\$0																		
Affordable Housing Transferrable Tax Credits [TC-7]		\$0																		
Baseball Stadium Transferrable Tax Credits [TC-8]		\$0																		
Total - Tax Credit Programs		(\$9,100,042)	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
MBT - Nonfinancial: <u>After Tax Credit Programs</u>		\$729,146,153	\$819,480,000	12.4%	\$815,509,000	11.8%	\$814,658,157	11.7%	\$843,720,000	3.0%	\$840,455,000	3.1%	\$827,260,693	1.5%	\$876,570,000	3.9%	\$869,733,000	3.5%	\$861,238,192	4.1%
MBT - FINANCIAL BUSINESSES (MBT-FI) [4-20][6-22][3-24]																				
3069 MBT - Financial: <u>Before Tax Credits</u>	\$40,922,695	\$42,160,000	3.0%	\$42,022,000	2.7%	\$39,632,631	-3.2%	\$43,410,000	3.0%	\$43,597,000	3.7%	\$38,782,521	-2.1%	\$45,100,000	3.9%	\$45,189,000	3.7%	\$37,175,050	-4.1%	
Commerce Tax Credits		(\$477,803)																		
MBT - Financial: <u>After Commerce Tax Credits</u>		\$40,444,892	\$42,160,000	4.2%	\$42,022,000	3.9%	\$39,632,631	-2.0%	\$43,410,000	3.0%	\$43,597,000	3.7%	\$38,782,521	-2.1%	\$45,100,000	3.9%	\$45,189,000	3.7%	\$37,175,050	-4.1%
Tax Credit Programs:																				
Film Transferrable Tax Credits [TC-1]		\$0																		
Economic Development Transferrable Tax Credits [TC-2]		\$0																		
Catalyst Account Transferrable Tax Credits [TC-4]		\$0																		
Education Choice Scholarship Tax Credits [TC-5]		(\$92,320)																		
College Savings Plan Tax Credits [TC-6]		\$0																		
Affordable Housing Transferrable Tax Credits [TC-7]		\$0																		
Baseball Stadium Transferrable Tax Credits [TC-8]		\$0																		
Total - Tax Credit Programs		(\$92,320)	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
MBT - Financial: <u>After Tax Credit Programs</u>		\$40,352,573	\$42,160,000	4.5%	\$42,022,000	4.1%	\$39,632,631	-1.8%	\$43,410,000	3.0%	\$43,597,000	3.7%	\$38,782,521	-2.1%	\$45,100,000	3.9%	\$45,189,000	3.7%	\$37,175,050	-4.1%
MBT - MINING BUSINESSES (MBT-MINING) [4-20][6-22][3-24]																				
3069 MBT - Mining: <u>Before Tax Credits</u>	\$19,577,939	\$20,000,000	2.2%	\$20,931,000	6.9%	\$20,174,703	3.0%	\$20,000,000	0.0%	\$21,178,000	1.2%	\$20,758,781	2.9%	\$20,500,000	2.5%	\$21,502,000	1.5%	\$21,284,290	2.5%	
Commerce Tax Credits		(\$89,912)																		
MBT - Mining: <u>After Commerce Tax Credits</u>		\$19,488,027	\$20,000,000	2.6%	\$20,931,000	7.4%	\$20,174,703	3.5%	\$20,000,000	0.0%	\$21,178,000	1.2%	\$20,758,781	2.9%	\$20,500,000	2.5%	\$21,502,000	1.5%	\$21,284,290	2.5%
Tax Credit Programs:																				
Film Transferrable Tax Credits [TC-1]		\$0																		
Economic Development Transferrable Tax Credits [TC-2]		\$0																		
Catalyst Account Transferrable Tax Credits [TC-4]		\$0																		
Education Choice Scholarship Tax Credits [TC-5]		\$0																		
College Savings Plan Tax Credits [TC-6]		\$0																		
Affordable Housing Transferrable Tax Credits [TC-7]		\$0																		
Baseball Stadium Transferrable Tax Credits [TC-8]		\$0																		
Total - Tax Credit Programs		\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
MBT - Mining - <u>After Tax Credit Programs</u>		\$19,488,027	\$20,000,000	2.6%	\$20,931,000	7.4%	\$20,174,703	3.5%	\$20,000,000	0.0%	\$21,178,000	1.2%	\$20,758,781	2.9%	\$20,500,000	2.5%	\$21,502,000	1.5%	\$21,284,290	2.5%
TOTAL MBT - NFI, FI, & MINING																				
TOTAL MBT: <u>BEFORE TAX CREDITS</u>		\$858,638,027	\$881,640,000	2.7%	\$878,462,000	2.3%	\$874,465,491	1.8%	\$907,130,000	2.9%	\$905,230,000	3.0%	\$886,801,995	1.4%	\$942,170,000	3.9%	\$936,424,000	3.4%	\$919,697,532	3.7%
TOTAL COMMERCE TAX CREDITS		(\$60,458,912)	(\$66,388,000)		(\$66,388,000)		(\$66,388,000)		(\$69,741,000)		(\$69,741,000)		(\$69,741,000)		(\$73,227,000)		(\$73,227,000)		(\$73,227,000)	
TOTAL MBT: <u>AFTER COMMERCE TAX CREDITS</u>		\$798,179,114	\$815,252,000	2.1%	\$812,074,000	1.7%	\$808,077,491	1.2%	\$837,389,000	2.7%	\$835,489,000	2.9%	\$817,060,995	1.1%	\$868,943,000	3.8%	\$863,197,000	3.3%	\$846,470,532	3.6%
Tax Credit Programs:																				
Film Transferrable Tax Credits [TC-1]		(\$1,016,342)																		
Economic Development Transferrable Tax Credits [TC-2]		\$0																		
Catalyst Account Transferrable Tax Credits [TC-4]		\$0																		
Education Choice Scholarship Tax Credits [TC-5]		(\$8,176,019)																		
College Savings Plan Tax Credits [TC-6]		\$0																		
Affordable Housing Transferrable Tax Credits [TC-7]		\$0																		
Baseball Stadium Transferrable Tax Credits [TC-8]		\$0																		
Total - Tax Credit Programs		(\$9,192,361)	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
TOTAL MBT: <u>AFTER TAX CREDIT PROGRAMS</u>		\$788,986,753	\$815,252,000	3.3%	\$812,074,000	2.9%	\$808,077,491	2.4%	\$837,389,000	2.7%	\$835,489,000	2.9%	\$817,060,995	1.1%	\$868,943,000	3.8%	\$863,197,000	3.3%	\$846,470,532	3.6%

TABLE 3
GENERAL FUND REVENUE FORECASTS: AGENCY - FISCAL - BUDGET
MAY 1, 2025 FORECAST: FY 2025, FY 2026 and FY 2027
Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	FISCAL YEAR 2025			FISCAL YEAR 2026			FISCAL YEAR 2027											
		AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%						
TAXES - CONTINUED																			
INSURANCE TAXES																			
3061 Insurance Premium Tax: Before Tax Credits [5-24]	\$646,678,025	\$691,767,193	7.0%	\$687,683,000	6.3%	\$685,024,504	5.9%	\$734,824,600	6.2%	\$723,150,000	5.2%	\$732,627,899	6.9%	\$790,392,895	7.6%	\$758,476,000	4.9%	\$765,802,544	4.5%
Tax Credit Programs:																			
Film Transferrable Tax Credits [TC-1]	(\$3,152,877)																		
Economic Development Transferrable Tax Credits [TC-2]	\$0																		
Catalyst Account Transferrable Tax Credits [TC-4]	\$0																		
Nevada New Markets Job Act Tax Credits [TC-3]	(\$21,103,337)																		
Affordable Housing Transferrable Tax Credits [TC-7]	(\$3,000,000)																		
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0																		
Total - Tax Credit Programs	(\$27,256,215)	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Insurance Premium Tax: After Tax Credit Programs	\$619,421,810	\$691,767,193	11.7%	\$687,683,000	11.0%	\$685,024,504	10.6%	\$734,824,600	6.2%	\$723,150,000	5.2%	\$732,627,899	6.9%	\$790,392,895	7.6%	\$758,476,000	4.9%	\$765,802,544	4.5%
3062 Insurance Retaliatory Tax	\$370,858	\$404,852	9.2%	\$400,000	7.9%	\$380,888	2.7%	\$412,188	1.8%	\$416,600	4.2%	\$379,033	-0.5%	\$418,617	1.6%	\$433,800	4.1%	\$368,764	-2.7%
3067 Captive Insurer Premium Tax	\$1,143,526	\$1,592,111	39.2%	\$1,215,000	6.3%	\$1,172,324	2.5%	\$2,216,668	39.2%	\$1,251,000	3.0%	\$1,149,327	-2.0%	\$3,086,229	39.2%	\$1,289,000	3.0%	\$1,156,109	0.6%
TOTAL INSURANCE TAXES: BEFORE TAX CREDITS	\$648,192,408	\$693,764,156	7.0%	\$689,298,000	6.3%	\$686,577,716	5.9%	\$737,453,457	6.3%	\$724,817,600	5.2%	\$734,156,259	6.9%	\$793,897,740	7.7%	\$760,198,800	4.9%	\$767,327,417	4.5%
TAX CREDIT PROGRAMS	(\$27,256,215)	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
TOTAL INSURANCE TAXES: AFTER TAX CREDITS	\$620,936,193	\$693,764,156	11.7%	\$689,298,000	11.0%	\$686,577,716	10.6%	\$737,453,457	6.3%	\$724,817,600	5.2%	\$734,156,259	6.9%	\$793,897,740	7.7%	\$760,198,800	4.9%	\$767,327,417	4.5%
REAL PROPERTY TRANSFER TAX (RPTT)																			
3055 Real Property Transfer Tax [6-24]	\$108,964,910	\$129,360,000	18.7%	\$126,040,000	15.7%	\$120,560,089	10.6%	\$133,030,000	2.8%	\$130,157,000	3.3%	\$113,939,398	-5.5%	\$138,500,000	4.1%	\$134,885,000	3.6%	\$116,005,829	1.8%
GOVERNMENTAL SERVICES TAX (GST)																			
3051 Governmental Services Tax [5-20][2-21][7-24]	\$0																		
OTHER TAXES																			
3113 Business License Fee	\$122,663,071	\$125,873,823	2.6%	\$125,274,000	2.1%	\$125,700,823	2.5%	\$129,894,250	3.2%	\$125,475,000	0.2%	\$121,242,563	-3.5%	\$134,044,394	3.2%	\$125,691,000	0.2%	\$124,669,441	2.8%
3050 Liquor Tax	\$49,048,983	\$41,692,000	-15.0%	\$46,271,000	-5.7%	\$43,163,105	-12.0%	\$43,134,000	3.5%	\$46,346,000	0.2%	\$44,181,900	2.4%	\$44,062,000	2.2%	\$46,767,000	0.9%	\$45,507,358	3.0%
3053 Other Tobacco Tax [6-20][8-24]	\$32,932,665	\$31,770,000	-3.5%	\$31,147,000	-5.4%	\$31,977,618	-2.9%	\$30,970,000	-2.5%	\$30,780,000	-1.2%	\$31,497,953	-1.5%	\$30,300,000	-2.2%	\$30,650,000	-0.4%	\$31,214,472	-0.9%
4774 HECC Transfer	\$5,000,000	\$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%	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%
3068 Branch Bank Excise Tax	\$2,160,550	\$1,951,000	-9.7%	\$2,124,000	-1.7%	\$1,816,547	-15.9%	\$1,881,000	-3.6%	\$2,072,000	-2.4%	\$1,783,796	-1.8%	\$1,846,000	-1.9%	\$2,016,000	-2.7%	\$1,764,422	-1.1%
TOTAL TAXES: BEFORE TAX CREDITS	\$5,499,415,798	\$5,537,753,977	0.7%	\$5,448,010,500	-0.9%	\$5,518,057,920	0.3%	\$5,605,165,089	1.2%	\$5,594,635,600	2.7%	\$5,577,118,334	1.1%	\$5,828,910,047	4.0%	\$5,773,982,400	3.2%	\$5,749,770,120	3.1%
TOTAL COMMERCE TAX CREDITS	(\$60,458,912)	(\$66,388,000)		(\$66,388,000)		(\$66,388,000)		(\$69,741,000)		(\$69,741,000)		(\$69,741,000)		(\$73,227,000)		(\$73,227,000)		(\$73,227,000)	
TOTAL TAXES: AFTER COMMERCE TAX CREDITS	\$5,438,956,886	\$5,471,365,977	0.6%	\$5,381,622,500	-1.1%	\$5,451,669,920	0.2%	\$5,535,424,089	1.2%	\$5,524,894,600	2.7%	\$5,507,377,334	1.0%	\$5,755,683,047	4.0%	\$5,700,755,400	3.2%	\$5,676,543,120	3.1%
Tax Credit Programs:																			
Film Transferrable Tax Credits [TC-1]	(\$6,011,701)	(\$7,483,358)		(\$7,483,358)		(\$7,483,358)		(\$8,194,647)		(\$8,194,647)		(\$8,194,647)		(\$8,000,000)		(\$8,000,000)		(\$8,000,000)	
Economic Development Transferrable Tax Credits [TC-2]	\$0	(\$2,137,500)		(\$2,137,500)		(\$2,137,500)													
Catalyst Account Transferrable Tax Credits [TC-4]	\$0																		
Nevada New Markets Job Act Tax Credits [TC-3]	(\$21,103,337)	(\$24,000,000)		(\$24,000,000)		(\$24,000,000)		(\$16,000,000)		(\$16,000,000)		(\$16,000,000)		(\$26,500,000)		(\$26,500,000)		(\$26,500,000)	
Education Choice Scholarship Tax Credits [TC-5]	(\$8,176,019)	(\$9,000,000)		(\$9,000,000)		(\$9,000,000)		(\$7,700,000)		(\$7,700,000)		(\$7,700,000)		(\$6,655,000)		(\$6,655,000)		(\$6,655,000)	
College Savings Plan Tax Credits [TC-6]	\$0	(\$600)		(\$600)		(\$600)		(\$650)		(\$650)		(\$650)		(\$700)		(\$700)		(\$700)	
Affordable Housing Transferrable Tax Credits [TC-7]	(\$3,000,000)	(\$10,725,000)		(\$10,725,000)		(\$10,725,000)		(\$10,000,000)		(\$10,000,000)		(\$10,000,000)		(\$9,275,000)		(\$9,275,000)		(\$9,275,000)	
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0							(\$36,000,000)		(\$36,000,000)		(\$36,000,000)		(\$36,000,000)		(\$36,000,000)		(\$36,000,000)	
Total - Tax Credit Programs	(\$38,291,058)	(\$53,346,458)		(\$53,346,458)		(\$53,346,458)		(\$77,895,297)		(\$77,895,297)		(\$77,895,297)		(\$86,430,700)		(\$86,430,700)		(\$86,430,700)	
TOTAL TAXES: AFTER TAX CREDITS	\$5,400,665,828	\$5,418,019,519	0.3%	\$5,328,276,042	-1.3%	\$5,398,323,462	0.0%	\$5,457,528,792	0.7%	\$5,446,999,303	2.2%	\$5,429,482,037	0.6%	\$5,669,252,347	3.9%	\$5,614,324,700	3.1%	\$5,590,112,420	3.0%

TABLE 3
GENERAL FUND REVENUE FORECASTS: AGENCY - FISCAL - BUDGET
MAY 1, 2025 FORECAST: FY 2025, FY 2026 and FY 2027
Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	FISCAL YEAR 2025						FISCAL YEAR 2026						FISCAL YEAR 2027					
		AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%
LICENSES																			
3101 Insurance Licenses	\$29,972,617	\$34,577,515	15.4%	\$30,872,000	3.0%	\$30,268,706	1.0%	\$39,889,896	15.4%	\$31,798,000	3.0%	\$30,463,352	0.6%	\$46,018,453	15.4%	\$32,752,000	3.0%	\$30,551,815	0.3%
3120 Marriage License	\$335,411	\$237,303	-29.3%	\$337,500	0.6%	\$297,688	-11.2%	\$231,548	-2.4%	\$336,200	-0.4%	\$291,933	-1.9%	\$225,792	-2.5%	\$334,500	-0.5%	\$286,178	-2.0%
SECRETARY OF STATE																			
3105 UCC	\$3,482,261	\$2,692,574	-22.7%	\$2,729,000	-21.6%	\$3,535,150	1.5%	\$2,719,499	1.0%	\$2,756,000	1.0%	\$3,546,870	0.3%	\$2,746,694	1.0%	\$2,784,000	1.0%	\$3,549,467	0.1%
3129 Notary Fees	\$788,253	\$773,858	-1.8%	\$764,300	-3.0%	\$773,858	-1.8%	\$778,501	0.6%	\$749,100	-2.0%	\$778,501	0.6%	\$783,172	0.6%	\$741,600	-1.0%	\$783,172	0.6%
3130 Commercial Recordings [9-24]	\$89,170,782	\$91,886,361	3.0%	\$92,383,000	3.6%	\$91,079,039	2.1%	\$95,194,270	3.6%	\$92,513,000	0.1%	\$91,293,849	0.2%	\$98,621,263	3.6%	\$93,191,000	0.7%	\$92,246,029	1.0%
3131 Video Service Franchise	\$250	\$2,550	920.0%	\$2,600	940.0%	\$2,600	940.0%	\$250	-90.2%	\$300	-88.5%	\$250	-90.4%	\$250	0.0%	\$300	0.0%	\$250	0.0%
3121 Domestic Partnership Registry Fee	\$59,018	\$42,525	-27.9%	\$42,500	-28.0%	\$42,525	-27.9%	\$36,970	-13.1%	\$37,000	-12.9%	\$36,970	-13.1%	\$37,541	1.5%	\$37,500	1.4%	\$37,541	1.5%
3152 Securities [7-22]	\$36,668,572	\$37,713,818	2.9%	\$37,751,000	3.0%	\$37,713,818	2.9%	\$37,902,387	0.5%	\$37,940,000	0.5%	\$37,902,387	0.5%	\$38,091,899	0.5%	\$38,130,000	0.5%	\$38,091,899	0.5%
TOTAL SECRETARY OF STATE																			
3172 Private School Licenses	\$217,310	\$219,500	1.0%	\$219,500	1.0%	\$219,500	1.0%	\$221,500	0.9%	\$221,700	1.0%	\$221,500	0.9%	\$223,500	0.9%	\$223,900	1.0%	\$223,500	0.9%
3173 Private Employment Agency	\$19,500	\$19,000	-2.6%	\$20,500	5.1%	\$19,287	-1.1%	\$19,000	0.0%	\$21,300	3.9%	\$19,329	0.2%	\$19,000	0.0%	\$22,100	3.8%	\$19,450	0.6%
REAL ESTATE																			
3161 Real Estate License	\$2,710,525	\$2,582,391	-4.7%	\$2,720,000	0.3%	\$2,629,789	-3.0%	\$2,714,975	5.1%	\$2,657,000	-2.3%	\$2,595,397	-1.3%	\$2,714,975	0.0%	\$2,719,000	2.3%	\$2,480,745	-4.4%
3162 Real Estate Fees	\$3,140	\$3,000	-4.5%	\$3,500	11.5%	\$3,217	2.4%	\$3,140	4.7%	\$3,500	0.0%	\$3,321	3.2%	\$3,140	0.0%	\$3,500	0.0%	\$3,356	1.1%
TOTAL REAL ESTATE																			
3102 Athletic Commission Fees	\$2,713,665	\$2,585,391	-4.7%	\$2,723,500	0.4%	\$2,633,006	-3.0%	\$2,718,115	5.1%	\$2,660,500	-2.3%	\$2,598,718	-1.3%	\$2,718,115	0.0%	\$2,722,500	2.3%	\$2,484,101	-4.4%
	\$7,584,245	\$5,027,500	-33.7%	\$5,250,000	-30.8%	\$5,027,500	-33.7%	\$5,027,500	0.0%	\$5,250,000	0.0%	\$5,027,500	0.0%	\$5,027,500	0.0%	\$5,250,000	0.0%	\$5,027,500	0.0%
TOTAL LICENSES																			
	\$171,011,882	\$175,777,895	2.8%	\$173,095,400	1.2%	\$171,612,678	0.4%	\$184,739,436	5.1%	\$174,283,100	0.7%	\$172,181,159	0.3%	\$194,513,181	5.3%	\$176,189,400	1.1%	\$173,300,902	0.7%
FEES AND FINES																			
3203 Divorce Fees	\$138,148	\$117,691	-14.8%	\$136,600	-1.1%	\$122,001	-11.7%	\$113,799	-3.3%	\$135,800	-0.6%	\$104,285	-14.5%	\$109,906	-3.4%	\$135,000	-0.6%	\$100,392	-3.7%
3204 Civil Action Fees	\$1,337,211	\$925,764	-30.8%	\$1,409,000	5.4%	\$1,481,014	10.8%	\$921,386	-0.5%	\$1,361,000	-3.4%	\$1,476,636	-0.3%	\$917,007	-0.5%	\$1,327,000	-2.5%	\$1,472,257	-0.3%
3242 Insurance Fines	\$891,023	\$500,137	-43.9%	\$450,000	-49.5%	\$412,727	-53.7%	\$280,731	-43.9%	\$459,000	2.0%	\$420,982	2.0%	\$157,576	-43.9%	\$468,200	2.0%	\$429,401	2.0%
3242LC Investigative Costs Recovery - Labor Commission	\$6,500	\$31,271	381.1%	\$2,500	-61.5%	\$31,271	381.1%	\$31,271	0.0%	\$2,500	0.0%	\$31,271	0.0%	\$31,271	0.0%	\$2,500	0.0%	\$31,271	0.0%
3103MD Medical Plan Discount Reg. Fees	\$0	\$2,000		\$2,000		\$500		\$500	-75.0%	\$500	-75.0%	\$500	0.0%	\$500	0.0%	\$500	0.0%	\$500	0.0%
REAL ESTATE FEES																			
3107IOS IOS Application Fees	\$3,500	\$3,973	13.5%	\$4,500	28.6%	\$6,620	89.1%	\$3,500	-11.9%	\$5,000	11.1%	\$6,620	0.0%	\$3,500	0.0%	\$5,500	10.0%	\$6,620	0.0%
3165 Land Co Filing Fees	\$28,425	\$48,468	70.5%	\$44,000	54.8%	\$26,132	-8.1%	\$28,425	-41.4%	\$34,500	-21.6%	\$25,417	-2.7%	\$28,425	0.0%	\$34,500	0.0%	\$25,194	-0.9%
3169 Real Estate Reg Fees	\$5,175	\$9,800	89.4%	\$7,500	44.9%	\$7,676	48.3%	\$5,175	-47.2%	\$8,500	13.3%	\$6,548	-14.7%	\$5,175	0.0%	\$9,000	5.9%	\$7,153	9.2%
4741 Real Estate Exam Fees	\$548,337	\$394,754	-28.0%	\$557,700	1.7%	\$479,465	-12.6%	\$394,754	0.0%	\$575,000	3.1%	\$481,191	0.4%	\$394,754	0.0%	\$600,000	4.3%	\$481,708	0.1%
3178 Real Estate Accred Fees	\$123,450	\$99,800	-19.2%	\$106,000	-14.1%	\$115,763	-6.2%	\$123,450	23.7%	\$109,000	2.8%	\$116,071	0.3%	\$123,450	0.0%	\$112,100	2.8%	\$117,319	1.1%
3254 Real Estate Penalties	\$82,660	\$87,427	5.8%	\$90,400	9.4%	\$85,456	3.4%	\$82,660	-5.5%	\$90,900	0.6%	\$83,304	-2.5%	\$82,660	0.0%	\$91,400	0.6%	\$83,781	0.6%
3190 A.B. 165, Real Estate Inspectors	\$49,460	\$54,640	10.5%	\$57,700	16.7%	\$54,300	9.8%	\$49,460	-9.5%	\$58,000	0.5%	\$51,325	-5.5%	\$49,460	0.0%	\$58,300	0.5%	\$51,193	-0.3%
TOTAL REAL ESTATE FEES																			
	\$841,007	\$698,862	-16.9%	\$867,800	3.2%	\$775,412	-7.8%	\$687,424	-1.6%	\$880,900	1.5%	\$770,474	-0.6%	\$687,424	0.0%	\$910,800	3.4%	\$772,968	0.3%
3066 Short Term Car Lease [8-22]	\$78,876,414	\$80,215,000	1.7%	\$74,150,000	-6.0%	\$79,400,591	0.7%	\$80,668,000	0.6%	\$74,193,000	0.1%	\$80,668,468	1.6%	\$80,919,000	0.3%	\$75,439,000	1.7%	\$82,012,303	1.7%
3103AC Athletic Commission Licenses/Fines	\$206,300	\$170,345	-17.4%	\$175,000	-15.2%	\$179,709	-12.9%	\$170,345	0.0%	\$180,000	2.9%	\$182,831	1.7%	\$170,345	0.0%	\$185,000	2.8%	\$187,265	2.4%
3150 Navigable Water Permit Fees	\$65,000	\$65,000	0.0%	\$65,000	0.0%	\$65,000	0.0%	\$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	\$3,440,211	\$3,747,260	8.9%	\$3,750,000	9.0%	\$3,606,561	4.8%	\$3,747,260	0.0%	\$3,750,000	0.0%	\$3,621,948	0.4%	\$3,747,260	0.0%	\$3,750,000	0.0%	\$3,570,544	-1.4%
3206 Supreme Court Fees	\$184,555	\$184,555	0.0%	\$183,200	-0.7%	\$184,555	0.0%	\$184,555	0.0%	\$181,800	-0.8%	\$185,285	0.4%	\$184,555	0.0%	\$180,400	-0.8%	\$180,474	-2.6%
3115 Notice of Default Fee	\$394,792	\$348,466	-11.7%	\$393,800	-0.3%	\$348,466	-11.7%	\$348,466	0.0%	\$409,600	4.0%	\$348,466	0.0%	\$348,466	0.0%	\$401,400	-2.0%	\$348,466	0.0%
3601 Professional Employer Organization Fee [9-22]	\$106,500	\$101,337	-4.8%	\$122,500	15.0%	\$113,414	6.5%	\$101,337	0.0%	\$125,000	2.0%	\$114,657	1.1%	\$101,337	0.0%	\$127,500	2.0%	\$115,925	1.1%
3271 Misc Fines/Forfeitures [10-24]	\$3,074,722	\$1,540,586	-49.9%	\$2,700,000	-12.2%	\$1,878,474	-38.9%	\$1,056,197	-31.4%	\$2,700,000	0.0%	\$1,862,841	-0.8%	\$1,056,197	0.0%	\$2,700,000	0.0%	\$1,881,400	1.0%
TOTAL FEES AND FINES																			
	\$89,562,384	\$88,648,275	-1.0%	\$84,407,400	-5.8%	\$88,599,696	-1.1%	\$88,376,269	-0.3%	\$84,444,100	0.0%	\$89,853,644	1.4%	\$88,495,843	0.1%	\$85,692,300	1.5%	\$91,168,167	1.5%

TABLE 3
GENERAL FUND REVENUE FORECASTS: AGENCY - FISCAL - BUDGET
MAY 1, 2025 FORECAST: FY 2025, FY 2026 and FY 2027
Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	FISCAL YEAR 2025			FISCAL YEAR 2026			FISCAL YEAR 2027						
		AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	
USE OF MONEY AND PROP														
OTHER REPAYMENTS														
4401 Higher Education Tuition Admin														
4403 Forestry Nurseries Fund Repayment (05-M27)	\$20,670	\$20,670		\$20,670		\$20,670		\$20,670		\$20,670		\$20,670		\$20,670
4408 Comp/Fac Repayment	\$13,032	\$5,239		\$5,239		\$5,239		\$5,239		\$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		\$266,914		\$266,914
4408 OCIO Repayment - Cyber Security Resource Enhancement	\$0													
4408 OCIO Repayment - Wide-Area Network Upgrade	\$0													
4408 OCIO Repayment - Enterprise Cloud Application [1-22]	\$448,209	\$448,209		\$448,209		\$448,209								
4408 OCIO Repayment - Firewall Replacement [2-22]	\$677,635	\$677,634		\$677,634		\$677,634								
4408 OCIO Repayment - Content Management and Portal Platform [2-24]	\$221,313	\$221,312		\$221,312		\$221,312								
4408 OCIO Repayment - IT Service Management Provider Replacement [1-26]	\$0						\$105,733	\$105,733	\$105,733	\$105,733	\$105,733	\$105,733	\$105,733	\$105,733
4408 OCIO Repayment - Computer Hardware and Software Replacement [2-26]	\$0						\$4,287	\$4,287	\$4,287	\$4,287	\$4,287	\$4,287	\$4,287	\$4,287
4408 OCIO Repayment - Firewall Replacement and Security Upgrades [3-26]	\$0						\$402,908	\$402,908	\$402,908	\$402,908	\$402,908	\$402,908	\$402,908	\$402,908
4408 OCIO Repayment - IT Investments Tracking System [4-26]	\$0						\$68,021	\$68,021	\$68,021	\$68,021	\$68,021	\$68,021	\$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		\$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		\$125,000		\$125,000
TOTAL OTHER REPAYMENTS	\$4,772,773	\$4,764,978	-0.2%	\$4,764,978	-0.2%	\$4,764,978	-0.2%	\$4,220,084	-11.4%	\$4,220,084	-11.4%	\$4,220,084	-11.4%	\$4,220,084
INTEREST INCOME														
3290 Treasurer	\$224,917,309	\$250,205,523	11.2%	\$250,206,000	11.2%	\$250,205,523	11.2%	\$213,730,235	-14.6%	\$213,730,000	-14.6%	\$213,730,235	-14.6%	\$211,881,075
3291 Other	\$765,210	\$711,888	-7.0%	\$688,700	-10.0%	\$467,817	-38.9%	\$774,127	8.7%	\$654,300	-5.0%	\$617,522	32.0%	\$836,367
TOTAL INTEREST INCOME	\$225,682,518	\$250,917,411	11.2%	\$250,894,700	11.2%	\$250,673,340	11.1%	\$214,504,362	-14.5%	\$214,384,300	-14.6%	\$214,347,757	-14.5%	\$212,717,442
TOTAL USE OF MONEY & PROP	\$230,455,292	\$255,682,390	10.9%	\$255,659,678	10.9%	\$255,438,319	10.8%	\$218,724,446	-14.5%	\$218,604,384	-14.5%	\$218,567,841	-14.4%	\$216,937,526
OTHER REVENUE														
3059 Hoover Dam Revenue	\$300,000	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%	\$300,000	0.0%	\$300,000
MISC SALES AND REFUNDS														
3047 Expired Slot Machine Wagering Vouchers	\$18,374,082	\$18,045,363	-1.8%	\$18,045,000	-1.8%	\$18,045,363	-1.8%	\$18,023,229	-0.1%	\$18,023,000	-0.1%	\$18,179,828	0.7%	\$18,004,452
3107 Misc Fees [9-22]	\$1,039,259	\$1,060,471	2.0%	\$1,000,000	-3.8%	\$1,060,471	2.0%	\$1,091,116	2.9%	\$1,050,000	5.0%	\$1,089,720	2.8%	\$1,121,707
3109 Court Admin Assessments [7-20][12-24]	\$0													
3114 Court Administrative Assessment Fee [12-24]	\$15,544,481	\$15,062,173	-3.1%	\$17,444,000	12.2%	\$15,544,481	0.0%	\$16,146,080	7.2%	\$17,177,000	-1.5%	\$15,414,481	-0.8%	\$17,229,987
3168 Declare of Candidacy Filing Fee	\$82,090	\$83,277	1.4%	\$75,000	-8.6%	\$83,277	1.4%	\$39,298	-52.8%	\$70,000	-6.7%	\$39,298	-52.8%	\$39,604
3202 Fees & Writs of Garnishments	\$715	\$433	-39.4%	\$600	-16.1%	\$433	-39.4%	\$305	-29.6%	\$600	0.0%	\$305	-29.6%	\$177
3220 Nevada Report Sales	\$14,695	\$3,950	-73.1%	\$4,000	-72.8%	\$3,950	-73.1%	\$15,950	303.8%	\$16,000	300.0%	\$15,950	303.8%	\$4,150
3222 Excess Property Sales	\$0													
3240 Sale of Trust Property	\$0													
3243 Insurance - Misc	\$400,685	\$386,227	-3.6%	\$400,000	-0.2%	\$386,227	-3.6%	\$372,291	-3.6%	\$400,000	0.0%	\$372,291	-3.6%	\$358,858
3274 Misc Refunds	\$2,919,728	\$1,153,693	-60.5%	\$1,280,000	-56.2%	\$2,193,050	-24.9%	\$527,760	-54.3%	\$780,000	-39.1%	\$1,808,112	-17.6%	\$277,760
3276 Cost Recovery Plan [8-20][10-22][13-24]	\$8,450,166	\$7,874,287	-6.8%	\$7,874,000	-6.8%	\$7,874,287	-6.8%	\$8,161,084	3.6%	\$8,161,000	3.6%	\$8,129,459	-0.4%	\$8,129,459
TOTAL MISC SALES & REF	\$46,825,901	\$43,669,876	-6.7%	\$46,122,600	-1.5%	\$45,191,540	-3.5%	\$44,377,113	1.6%	\$45,677,600	-1.0%	\$45,081,070	-0.2%	\$45,166,153
3255 Unclaimed Property [11-22][14-24]	\$70,965,216	\$58,474,532	-17.6%	\$93,728,000	32.1%	\$63,423,933	-10.6%	\$62,449,427	6.8%	\$70,869,000	-24.4%	\$63,991,687	0.9%	\$64,052,192
TOTAL OTHER REVENUE	\$118,091,117	\$102,444,408	-13.2%	\$140,150,600	18.7%	\$108,915,473	-7.8%	\$107,126,541	4.6%	\$116,846,600	-16.6%	\$109,372,757	0.4%	\$109,518,345
TOTAL GENERAL FUND REVENUE: BEFORE TAX CREDITS	\$6,108,536,473	\$6,160,306,944	0.8%	\$6,101,323,578	-0.1%	\$6,142,624,085	0.6%	\$6,204,131,781	0.7%	\$6,188,813,784	1.4%	\$6,167,093,734	0.4%	\$6,438,374,942
TOTAL COMMERCE TAX CREDITS	(\$60,458,912)	(\$66,388,000)		(\$66,388,000)		(\$66,388,000)		(\$69,741,000)		(\$69,741,000)		(\$69,741,000)		(\$73,227,000)
TOTAL GENERAL FUND REVENUE: AFTER COMMERCE TAX CREDITS	\$6,048,077,560	\$6,093,918,944	0.8%	\$6,034,935,578	-0.2%	\$6,076,236,085	0.5%	\$6,134,390,781	0.7%	\$6,119,072,784	1.4%	\$6,097,352,734	0.3%	\$6,365,147,942
TAX CREDIT PROGRAMS:														
FILM TRANSFERRABLE TAX CREDITS [TC-1]	(\$6,011,701)	(\$7,483,358)		(\$7,483,358)		(\$7,483,358)		(\$8,194,647)		(\$8,194,647)		(\$8,194,647)		(\$8,000,000)
ECONOMIC DEVELOPMENT TRANSFERRABLE TAX CREDITS [TC-2]	\$0	(\$2,137,500)		(\$2,137,500)		(\$2,137,500)								(\$8,000,000)
CATALYST ACCOUNT TRANSFERRABLE TAX CREDITS [TC-4]	\$0													(\$8,000,000)
NEVADA NEW MARKET JOBS ACT TAX CREDITS [TC-3]	(\$21,103,337)	(\$24,000,000)		(\$24,000,000)		(\$24,000,000)		(\$16,000,000)		(\$16,000,000)		(\$16,000,000)		(\$26,500,000)
EDUCATION CHOICE SCHOLARSHIP TAX CREDITS [TC-5]	(\$8,176,019)	(\$9,000,000)		(\$9,000,000)		(\$9,000,000)		(\$7,700,000)		(\$7,700,000)		(\$7,700,000)		(\$6,655,000)
COLLEGE SAVINGS PLAN TAX CREDITS [TC-6]	\$0	(\$600)		(\$600)		(\$600)		(\$650)		(\$650)		(\$650)		(\$700)
AFFORDABLE HOUSING TRANSFERRABLE TAX CREDITS [TC-7]	(\$3,000,000)	(\$10,725,000)		(\$10,725,000)		(\$10,725,000)		(\$10,000,000)		(\$10,000,000)		(\$10,000,000)		(\$9,275,000)
BASEBALL STADIUM TRANSFERRABLE TAX CREDITS [TC-8]								(\$36,000,000)		(\$36,000,000)		(\$36,000,000)		(\$36,000,000)
TOTAL - TAX CREDIT PROGRAMS	(\$38,291,058)	(\$53,346,458)		(\$53,346,458)		(\$53,346,458)		(\$77,895,297)		(\$77,895,297)		(\$77,895,297)		(\$86,430,700)
TOTAL GENERAL FUND REVENUE: AFTER TAX CREDITS	\$6,009,786,502	\$6,040,572,486	0.5%	\$5,981,589,120	-0.5%	\$6,022,889,627	0.2%	\$6,056,495,484	0.3%	\$6,041,177,487	1.0%	\$6,019,457,437	-0.1%	\$6,278,717,242

TABLE 3
GENERAL FUND REVENUE FORECASTS: AGENCY - FISCAL - BUDGET
MAY 1, 2025 FORECAST: FY 2025, FY 2026 and FY 2027
Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	FISCAL YEAR 2025			FISCAL YEAR 2026			FISCAL YEAR 2027			
		AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	AGENCY FORECAST	%	FISCAL FORECAST	%

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.

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.

TABLE 3
GENERAL FUND REVENUE FORECASTS: AGENCY - FISCAL - BUDGET
MAY 1, 2025 FORECAST: FY 2025, FY 2026 and FY 2027
Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	FISCAL YEAR 2025			FISCAL YEAR 2026			FISCAL YEAR 2027					
		AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%
[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.												
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.

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 Education and deposited in the State General Fund for collection of these taxes.

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

[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.

[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 transferable 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 transferable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferable 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 authorized by GOED may not exceed \$45 million per fiscal year (though any unused 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 transferable 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 transferable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferable 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 unused 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. 240 (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.

[TC-4] S.B. 507 (2015) authorizes the Governor's Office of Economic Development (GOED) to approve transferable 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 transferable 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 transferable 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.

TABLE 3
GENERAL FUND REVENUE FORECASTS: AGENCY - FISCAL - BUDGET
MAY 1, 2025 FORECAST: FY 2025, FY 2026 and FY 2027
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G.L. NO.	FY 2024 ACTUAL	FISCAL YEAR 2025			FISCAL YEAR 2026			FISCAL YEAR 2027					
		AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%

- [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.

TABLE 3 - DIFFERENCE
DIFFERENCE: AGENCY - FISCAL - BUDGET - MAY 1, 2025 VERSUS DECEMBER 2, 2024 FORECASTS
FY 2025, FY 2026 and FY 2027

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G.L. NO.	FY 2024 ACTUAL	FISCAL YEAR 2025			FISCAL YEAR 2026			FISCAL YEAR 2027						
		AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	
TAXES														
MINING TAX														
3064 Net Proceeds of Minerals [1-21][1-23][1-24]	\$0													
3245 Centrally Assessed Penalties	\$0													
3074 Mining Gross Revenue Tax - Gold and Silver [3-22]	\$0													
TOTAL MINING TAXES AND FEES	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0
SALES AND USE														
3001 Sales & Use Tax [1-20][4-22][1-25]	\$1,790,433,565	(\$6,147,000)		(\$101,645,000)		\$34,930,239		(\$60,569,000)		(\$54,975,000)		\$52,126,587		(\$43,539,000)
3002 State Share - LSST [1-20][4-22][1-25]	\$17,108,572	(\$60,000)		(\$991,000)		\$341,000		(\$591,000)		(\$536,000)		\$508,000		(\$424,000)
3003 State Share - BCCRT [1-20][4-22][1-25]	\$7,653,650	(\$27,000)		(\$445,000)		\$153,000		(\$265,000)		(\$241,000)		\$228,000		(\$191,000)
3004 State Share - SCCRT [1-20][4-22][1-25]	\$26,782,538	(\$94,000)		(\$1,557,000)		\$535,000		(\$928,000)		(\$842,000)		\$798,000		(\$667,000)
3005 State Share - PTT [1-20][4-22][1-25]	\$21,127,104	(\$74,000)		(\$1,228,000)		\$422,000		(\$732,000)		(\$664,000)		\$629,000		(\$526,000)
TOTAL SALES AND USE	\$1,863,105,429	(\$6,402,000)		(\$105,866,000)		\$36,381,239		(\$63,085,000)		(\$57,258,000)		\$54,289,587		(\$45,347,000)
GAMING - STATE														
3041 Percent Fees - Gross Revenue: Before Tax Credits	\$999,947,106	\$20,850,939		\$26,958,000		\$2,057,585		\$353,462		(\$7,523,000)		(\$5,739,716)		(\$938,409)
Tax Credit Programs:														
Film Transferrable Tax Credits [TC-1]	(\$1,842,482)													
Economic Development Transferrable Tax Credits [TC-2]	\$0													
Catalyst Account Transferrable Tax Credits [TC-4]	\$0													
Affordable Housing Transferrable Tax Credits [TC-7]	\$0													
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0													
Total - Tax Credit Programs	(\$1,842,482)	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Percent Fees - Gross Revenue: After Tax Credits	\$998,104,624	\$20,850,939		\$26,958,000		\$2,057,585		\$353,462		(\$7,523,000)		(\$5,739,716)		(\$938,409)
3032 Pari-mutuel Tax	\$3,580	\$0		\$0		\$0		\$0		\$0		\$0		\$0
3181 Racing Fees	\$10,605	\$0		\$0		\$0		\$0		\$0		\$0		\$0
3247 Racing Fines/Forfeitures	\$750	\$1,000		\$1,000		\$0		\$0		\$0		\$0		\$0
3042 Gaming Penalties	\$10,930,133	\$18,650,000		\$18,650,000		\$18,650,000		\$0		\$0		\$0		\$0
3043 Flat Fees-Restricted Slots [2-20]	\$8,607,351	\$0		\$0		\$0		(\$0)		\$0		\$0		\$0
3044 Non-Restricted Slots [2-20]	\$10,556,985	\$0		\$0		\$0		\$0		\$0		\$0		\$0
3045 Quarterly Fees-Games	\$5,488,322	(\$46,950)		(\$47,000)		\$0		(\$94,514)		(\$94,000)		\$0		(\$98,798)
3046 Advance License Fees	\$9,610,894	(\$300,000)		(\$300,000)		\$0		(\$300,000)		(\$300,000)		\$0		(\$300,000)
3048 Slot Machine Route Operator	\$25,000	\$500		\$500		\$0		\$500		\$500		\$0		\$500
3049 Gaming Info Systems Annual	\$54,000	\$6,000		\$6,000		\$6,000		\$6,000		\$6,000		\$6,000		\$6,000
3028 Interactive Gaming Fee - Operator	\$500,000	\$0		\$0		\$0		\$0		\$0		\$0		\$0
3029 Interactive Gaming Fee - Service Provider	\$13,000	(\$1,000)		(\$1,000)		(\$1,000)		(\$1,000)		(\$1,000)		(\$1,000)		(\$1,000)
3030 Interactive Gaming Fee - Manufacturer	\$75,000	\$0		\$0		\$0		\$0		\$0		\$0		\$0
3033 Equip Mfg. License	\$300,000	\$500		\$500		\$0		\$0		\$0		(\$1,500)		(\$1,500)
3034 Race Wire License	\$7,825	(\$2,700)		(\$2,700)		(\$4,717)		(\$2,700)		(\$2,700)		(\$4,701)		(\$2,700)
3035 Annual Fees on Games	\$94,663	\$10,414		\$10,400		\$17,594		\$7,481		\$7,500		\$14,092		\$6,583
TOTAL GAMING - STATE: BEFORE TAX CREDITS	\$1,046,225,214	\$39,168,704		\$45,275,700		\$20,725,461		(\$30,771)		(\$7,906,700)		(\$5,725,325)		(\$1,329,323)
Tax Credit Programs	(\$1,842,482)	\$0		\$0		\$0		\$0		\$0		\$0		\$0
TOTAL GAMING - STATE: AFTER TAX CREDITS	\$1,044,382,732	\$39,168,704		\$45,275,700		\$20,725,461		(\$30,771)		(\$7,906,700)		(\$5,725,325)		(\$1,329,323)
LIVE ENTERTAINMENT TAX (LET)														
3031G Live Entertainment Tax-Gaming [5-22]	\$127,004,289	(\$4,892,572)		(\$6,733,000)		(\$3,956,322)		(\$938,086)		(\$7,784,000)		(\$4,931,805)		(\$947,283)
3031NG Live Entertainment Tax-Nongaming [5-22]	\$129,274,874	(\$439,000)		\$439,000		\$2,557,523		(\$3,967,000)		\$1,158,000		\$3,032,192		(\$5,172,000)
TOTAL LET	\$256,279,162	(\$5,263,572)		(\$2,294,000)		(\$1,398,799)		(\$4,905,086)		(\$6,626,000)		(\$1,899,613)		(\$6,119,283)
COMMERCE TAX														
3072 Commerce Tax	\$343,073,688	(\$2,994,000)		(\$2,994,000)		(\$2,994,000)		(\$13,562,000)		(\$13,562,000)		(\$13,562,000)		(\$7,166,000)
TRANSPORTATION CONNECTION EXCISE TAX														
3073 Transportation Connection Excise Tax	\$40,157,801	(\$681,000)		(\$2,114,000)		(\$2,612,601)		(\$1,239,000)		(\$2,629,000)		(\$6,212,165)		(\$2,141,000)
CIGARETTE TAX														
3052 Cigarette Tax [3-20]	\$122,973,891	\$1,990,000		(\$714,000)		\$514,775		\$1,020,000		(\$672,000)		(\$983,220)		\$40,000

TABLE 3 - DIFFERENCE
DIFFERENCE: AGENCY - FISCAL - BUDGET - MAY 1, 2025 VERSUS DECEMBER 2, 2024 FORECASTS
FY 2025, FY 2026 and FY 2027

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G.L. NO.	FY 2024 ACTUAL	FISCAL YEAR 2025			FISCAL YEAR 2026			FISCAL YEAR 2027						
		AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	
TAXES - CONTINUED														
MODIFIED BUSINESS TAX (MBT)														
MBT - NONFINANCIAL BUSINESSES (MBT-NFI) [4-20][6-22][3-24]														
3069 MBT - Nonfinancial: Before Tax Credits	\$798,137,393	(\$30,430,000)		(\$13,397,000)		\$27,768,395		(\$50,840,000)		(\$25,060,000)		\$29,123,919		
Commerce Tax Credits	(\$59,891,198)													
MBT - Nonfinancial: After Commerce Tax Credits	\$738,246,195	(\$30,430,000)		(\$13,397,000)		\$27,768,395		(\$50,840,000)		(\$25,060,000)		\$29,123,919		
Tax Credit Programs:														
Film Transferrable Tax Credits [TC-1]	(\$1,016,342)													
Economic Development Transferrable Tax Credits [TC-2]	\$0													
Catalyst Account Transferrable Tax Credits [TC-4]	\$0													
Education Choice Scholarship Tax Credits [TC-5]	(\$8,083,700)													
College Savings Plan Tax Credits [TC-6]	\$0													
Affordable Housing Transferrable Tax Credits [TC-7]	\$0													
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0													
Total - Tax Credit Programs	(\$9,100,042)	\$0		\$0		\$0		\$0		\$0		\$0		\$0
MBT - Nonfinancial: After Tax Credit Programs	\$729,146,153	(\$30,430,000)		(\$13,397,000)		\$27,768,395		(\$50,840,000)		(\$25,060,000)		\$29,123,919		
MBT - FINANCIAL BUSINESSES (MBT-FI) [4-20][6-22][3-24]														
3069 MBT - Financial: Before Tax Credits	\$40,922,695	(\$867,000)		(\$551,000)		\$4,076,874		(\$1,509,000)		(\$830,000)		\$3,206,709		
Commerce Tax Credits	(\$477,803)													
MBT - Financial: After Commerce Tax Credits	\$40,444,892	(\$867,000)		(\$551,000)		\$4,076,874		(\$1,509,000)		(\$830,000)		\$3,206,709		
Tax Credit Programs:														
Film Transferrable Tax Credits [TC-1]	\$0													
Economic Development Transferrable Tax Credits [TC-2]	\$0													
Catalyst Account Transferrable Tax Credits [TC-4]	\$0													
Education Choice Scholarship Tax Credits [TC-5]	(\$92,320)													
College Savings Plan Tax Credits [TC-6]	\$0													
Affordable Housing Transferrable Tax Credits [TC-7]	\$0													
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0													
Total - Tax Credit Programs	(\$92,320)	\$0		\$0		\$0		\$0		\$0		\$0		\$0
MBT - Financial: After Tax Credit Programs	\$40,352,573	(\$867,000)		(\$551,000)		\$4,076,874		(\$1,509,000)		(\$830,000)		\$3,206,709		
MBT - MINING BUSINESSES (MBT-MINING) [4-20][6-22][3-24]														
3069 MBT - Mining: Before Tax Credits	\$19,577,939	\$480,000		\$263,000		\$333,465		\$178,000		\$94,000		\$981,471		
Commerce Tax Credits	(\$89,912)													
MBT - Mining: After Commerce Tax Credits	\$19,488,027	\$480,000		\$263,000		\$333,465		\$178,000		\$94,000		\$981,471		
Tax Credit Programs:														
Film Transferrable Tax Credits [TC-1]	\$0													
Economic Development Transferrable Tax Credits [TC-2]	\$0													
Catalyst Account Transferrable Tax Credits [TC-4]	\$0													
Education Choice Scholarship Tax Credits [TC-5]	\$0													
College Savings Plan Tax Credits [TC-6]	\$0													
Affordable Housing Transferrable Tax Credits [TC-7]	\$0													
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0													
Total - Tax Credit Programs	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0
MBT - Mining: After Tax Credit Programs	\$19,488,027	\$480,000		\$263,000		\$333,465		\$178,000		\$94,000		\$981,471		
TOTAL MBT - NEI, FI, & MINING														
TOTAL MBT: BEFORE TAX CREDITS	\$858,638,027	(\$30,817,000)		(\$13,685,000)		\$32,178,734		(\$52,171,000)		(\$25,796,000)		\$33,312,099		
TOTAL COMMERCE TAX CREDITS	(\$60,458,912)	\$1,238,000		\$1,238,000		\$1,238,000		\$642,000		\$642,000		\$642,000		
TOTAL MBT: AFTER COMMERCE TAX CREDITS	\$798,179,114	(\$29,579,000)		(\$12,447,000)		\$33,416,734		(\$51,529,000)		(\$25,154,000)		\$33,954,099		
Tax Credit Programs:														
Film Transferrable Tax Credits [TC-1]	(\$1,016,342)													
Economic Development Transferrable Tax Credits [TC-2]	\$0													
Catalyst Account Transferrable Tax Credits [TC-4]	\$0													
Education Choice Scholarship Tax Credits [TC-5]	(\$8,176,019)													
College Savings Plan Tax Credits [TC-6]	\$0													
Affordable Housing Transferrable Tax Credits [TC-7]	\$0													
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0													
Total - Tax Credit Programs	(\$9,192,361)	\$0		\$0		\$0		\$0		\$0		\$0		\$0
TOTAL MBT: AFTER TAX CREDIT PROGRAMS	\$788,986,753	(\$29,579,000)		(\$12,447,000)		\$33,416,734		(\$51,529,000)		(\$25,154,000)		\$33,954,099		

TABLE 3 - DIFFERENCE
DIFFERENCE: AGENCY - FISCAL - BUDGET - MAY 1, 2025 VERSUS DECEMBER 2, 2024 FORECASTS
FY 2025, FY 2026 and FY 2027

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G.L. NO.	FY 2024 ACTUAL	FISCAL YEAR 2025			FISCAL YEAR 2026			FISCAL YEAR 2027											
		AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%						
TAXES - CONTINUED																			
INSURANCE TAXES																			
3061 Insurance Premium Tax: Before Tax Credits [5-24]	\$646,678,025	\$29,904,647		\$4,675,000		\$28,536,649		\$35,268,643		\$2,247,000		\$44,593,723		\$54,617,719		\$684,000		\$50,713,141	
Tax Credit Programs:																			
Film Transferrable Tax Credits [TC-1]		(\$3,152,877)																	
Economic Development Transferrable Tax Credits [TC-2]		\$0																	
Catalyst Account Transferrable Tax Credits [TC-4]		\$0																	
Nevada New Markets Job Act Tax Credits [TC-3]		(\$21,103,337)																	
Affordable Housing Transferrable Tax Credits [TC-7]		(\$3,000,000)																	
Baseball Stadium Transferrable Tax Credits [TC-8]		\$0																	
Total - Tax Credit Programs		(\$27,256,215)	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Insurance Premium Tax: After Tax Credit Programs		\$619,421,810	\$29,904,647		\$4,675,000		\$28,536,649		\$35,268,643		\$2,247,000		\$44,593,723		\$54,617,719		\$684,000		\$50,713,141
3062 Insurance Retailatory Tax	\$370,858	\$16,609		\$13,800		\$0		\$4,625		\$14,400		\$0		(\$646)		\$15,000		\$0	
3067 Captive Insurer Premium Tax	\$1,143,526	\$279,942		(\$85,000)		\$0		\$878,256		(\$88,000)		\$0		\$1,721,048		(\$90,000)		\$0	
TOTAL INSURANCE TAXES: BEFORE TAX CREDITS		\$648,192,408	\$30,201,198		\$4,603,800		\$28,536,649		\$36,151,525		\$2,173,400		\$44,593,723		\$56,338,120		\$609,000		\$50,713,141
TAX CREDIT PROGRAMS		(\$27,256,215)	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
TOTAL INSURANCE TAXES: AFTER TAX CREDITS		\$620,936,193	\$30,201,198		\$4,603,800		\$28,536,649		\$36,151,525		\$2,173,400		\$44,593,723		\$56,338,120		\$609,000		\$50,713,141
REAL PROPERTY TRANSFER TAX (RPTT)																			
3055 Real Property Transfer Tax [6-24]	\$108,964,910	\$11,130,000		\$7,515,000		\$128,847		\$700,000		\$4,175,000		(\$10,595,634)		\$200,000		\$2,690,000		(\$11,758,960)	
GOVERNMENTAL SERVICES TAX (GST)																			
3051 Governmental Services Tax [5-20][2-21][7-24]	\$0																		
OTHER TAXES																			
3113 Business License Fee	\$122,663,071	(\$1,221,645)		(\$498,000)		\$2,062,764		(\$1,768,884)		(\$498,000)		(\$3,540,737)		(\$2,352,691)		(\$498,000)		(\$627,728)	
3050 Liquor Tax	\$49,048,983	(\$6,708,000)		(\$1,259,000)		(\$3,805,951)		(\$6,381,000)		(\$1,261,000)		(\$4,230,028)		(\$6,594,000)		(\$1,273,000)		(\$1,917,921)	
3053 Other Tobacco Tax [6-20][8-24]	\$32,932,665	(\$833,000)		(\$915,000)		\$435,392		(\$1,894,000)		(\$905,000)		\$498,323		(\$2,827,100)		(\$901,000)		\$334,871	
4774 HECC Transfer	\$5,000,000	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
3068 Branch Bank Excise Tax	\$2,160,550	(\$129,750)		\$1,000		(\$259,507)		(\$114,000)		(\$7,000)		(\$254,828)		(\$61,500)		(\$7,000)		(\$252,060)	
TOTAL TAXES: BEFORE TAX CREDITS		\$5,499,415,798	\$27,439,935		(\$72,943,500)		\$109,893,003		(\$107,279,216)		(\$110,772,300)		\$85,690,181		(\$83,125,777)		(\$141,381,100)		\$123,358,034
TOTAL COMMERCE TAX CREDITS		(\$60,458,912)	\$1,238,000		\$1,238,000		\$1,238,000		\$642,000		\$642,000		\$642,000		\$1,037,000		\$1,037,000		\$1,037,000
TOTAL TAXES: AFTER COMMERCE TAX CREDITS		\$5,438,956,886	\$28,677,935		(\$71,705,500)		\$111,131,003		(\$106,637,216)		(\$110,130,300)		\$86,332,181		(\$82,088,777)		(\$140,344,100)		\$124,395,034
Tax Credit Programs:																			
Film Transferrable Tax Credits [TC-1]		(\$6,011,701)	(\$225,358)		(\$225,358)		(\$225,358)		(\$5,084,647)		(\$5,084,647)		(\$5,084,647)		(\$2,000,000)		(\$2,000,000)		(\$2,000,000)
Economic Development Transferrable Tax Credits [TC-2]		\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Catalyst Account Transferrable Tax Credits [TC-4]		\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Nevada New Markets Job Act Tax Credits [TC-3]		(\$21,103,337)	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Education Choice Scholarship Tax Credits [TC-5]		(\$8,176,019)	(\$400,000)		(\$400,000)		(\$400,000)		(\$500,000)		(\$500,000)		(\$500,000)		\$0		\$0		\$0
College Savings Plan Tax Credits [TC-6]		\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Affordable Housing Transferrable Tax Credits [TC-7]		(\$3,000,000)	(\$1,725,000)		(\$1,725,000)		(\$1,725,000)		\$0		\$0		\$0		(\$1,275,000)		(\$1,275,000)		(\$1,275,000)
Baseball Stadium Transferrable Tax Credits [TC-8]		\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Total - Tax Credit Programs		(\$38,291,058)	(\$2,350,358)		(\$2,350,358)		(\$2,350,358)		(\$5,584,647)		(\$5,584,647)		(\$5,584,647)		(\$3,275,000)		(\$3,275,000)		(\$3,275,000)
TOTAL TAXES: AFTER TAX CREDITS		\$5,400,665,828	\$26,327,577		(\$74,055,858)		\$108,780,645		(\$112,221,863)		(\$115,714,947)		\$80,747,534		(\$85,363,777)		(\$143,619,100)		\$121,120,034

TABLE 3 - DIFFERENCE
DIFFERENCE: AGENCY - FISCAL - BUDGET - MAY 1, 2025 VERSUS DECEMBER 2, 2024 FORECASTS
FY 2025, FY 2026 and FY 2027

Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	FISCAL YEAR 2025			FISCAL YEAR 2026			FISCAL YEAR 2027					
		AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%
LICENSES													
3101 Insurance Licenses	\$29,972,617	\$5,461,763		(\$150,000)		\$0		\$10,774,144		(\$154,000)		\$0	
3120 Marriage License	\$335,411	(\$60,385)		\$900		(\$34,055)		(\$60,385)		(\$400)		(\$36,493)	
SECRETARY OF STATE													
3105 UCC	\$3,482,261	(\$855,398)		(\$825,000)		\$0		(\$895,883)		(\$833,000)		\$0	
3129 Notary Fees	\$788,253	(\$19,124)		\$28,400		(\$25,648)		(\$19,239)		\$20,500		(\$20,937)	
3130 Commercial Recordings [9-24]	\$89,170,782	\$807,322		\$264,000		\$1,191,762		\$2,202,571		\$271,000		\$0	
3131 Video Service Franchise	\$250	\$2,300		\$2,300		\$2,350		\$0		\$0		\$0	
3121 Domestic Partnership Registry Fee	\$59,018	\$64		\$0		\$64		\$670		\$700		\$670	
3152 Securities [7-22]	\$36,668,572	\$866,791		\$750,000		\$360,830		\$871,125		\$754,000		\$433,221	
TOTAL SECRETARY OF STATE	\$130,169,135	\$801,955		\$219,700		\$1,529,357		\$2,159,244		\$213,200		\$412,953	
3172 Private School Licenses	\$217,310	\$0		\$1,100		\$1,561		\$0		\$2,200		\$2,614	
3173 Private Employment Agency	\$19,500	(\$900)		\$200		(\$287)		(\$900)		\$200		(\$329)	
REAL ESTATE													
3161 Real Estate License	\$2,710,525	(\$444,351)		(\$4,000)		\$0		(\$342,035)		(\$76,000)		\$0	
3162 Real Estate Fees	\$3,140	(\$433)		\$300		(\$108)		(\$362)		\$300		(\$143)	
TOTAL REAL ESTATE	\$2,713,665	(\$444,785)		(\$3,700)		(\$108)		(\$342,397)		\$75,700		(\$143)	
3102 Athletic Commission Fees	\$7,584,245	(\$1,757,716)		(\$913,000)		(\$1,757,716)		(\$1,060,000)		(\$1,757,716)		(\$1,757,716)	
TOTAL LICENSES	\$171,011,882	\$3,999,932		(\$844,800)		(\$261,248)		\$10,771,989		(\$1,074,500)		(\$1,379,115)	
FEES AND FINES													
3203 Divorce Fees	\$138,148	\$22,919		(\$1,300)		(\$4,310)		\$22,919		(\$1,800)		\$9,513	
3204 Civil Action Fees	\$1,337,211	(\$555,250)		\$35,000		\$0		(\$555,250)		\$16,000		\$0	
3242 Insurance Fines	\$891,023	\$87,410		\$30,000		\$0		(\$140,251)		\$30,600		\$0	
3242LC Investigative Costs Recovery - Labor Commission	\$6,500	\$2,970		(\$22,500)		\$2,970		\$2,970		(\$22,500)		\$2,970	
3103MD Medical Plan Discount Reg. Fees	\$0	\$1,500		\$1,500		\$0		\$0		\$0		\$0	
REAL ESTATE FEES													
3107IOS IOS Application Fees	\$3,500	(\$2,647)		(\$1,500)		\$0		(\$3,120)		(\$800)		\$0	
3165 Land Co Filing Fees	\$28,425	\$19,473		\$15,500		\$0		(\$570)		\$5,500		\$0	
3169 Real Estate Reg Fees	\$5,175	\$2,125		(\$2,500)		\$0		(\$2,501)		(\$3,500)		(\$1,128)	
4741 Real Estate Exam Fees	\$548,337	(\$239,236)		\$0		(\$84,712)		(\$239,236)		(\$57,500)		(\$86,437)	
3178 Real Estate Accred Fees	\$123,450	(\$12,454)		(\$12,000)		\$0		\$11,196		(\$12,300)		\$0	
3254 Real Estate Penalties	\$82,660	(\$9,344)		\$0		\$1,971		(\$15,079)		\$0		(\$644)	
3190 A.B. 165, Real Estate Inspectors	\$49,460	(\$5,531)		\$3,300		\$340		(\$10,710)		\$3,300		(\$1,864)	
TOTAL REAL ESTATE FEES	\$841,007	(\$247,614)		\$2,800		(\$82,401)		(\$260,019)		\$65,300		(\$90,073)	
3066 Short Term Car Lease [8-22]	\$78,876,414	(\$1,115,500)		(\$2,648,000)		(\$1,209,146)		(\$3,232,700)		(\$3,240,000)		(\$1,228,454)	
3103AC Athletic Commission Licenses/Fines	\$206,300	(\$18,729)		(\$12,400)		(\$9,364)		(\$18,729)		(\$16,800)		(\$12,487)	
3150 Navigable Water Permit Fees	\$65,000	\$0		\$0		\$0		\$0		\$0		\$0	
3205 State Engineer Sales	\$3,440,211	\$0		\$0		\$140,699		\$0		\$0		\$125,312	
3206 Supreme Court Fees	\$184,555	\$0		\$0		\$0		\$0		\$0		\$0	
3115 Notice of Default Fee	\$394,792	(\$7,941)		\$24,400		(\$7,941)		(\$7,941)		\$58,700		(\$7,941)	
3601 Professional Employer Organization Fee [9-22]	\$106,500	(\$22,991)		\$0		\$0		(\$25,477)		\$0		(\$28,014)	
3271 Misc Fines/Forfeitures [10-24]	\$3,074,722	\$591,196		\$200,000		(\$118,631)		\$118,157		\$200,000		(\$232,391)	
TOTAL FEES AND FINES	\$89,562,384	(\$1,262,028)		(\$2,390,500)		(\$1,288,124)		(\$4,096,321)		(\$3,041,100)		(\$1,433,550)	

TABLE 3 - DIFFERENCE
DIFFERENCE: AGENCY - FISCAL - BUDGET - MAY 1, 2025 VERSUS DECEMBER 2, 2024 FORECASTS
FY 2025, FY 2026 and FY 2027

Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	FISCAL YEAR 2025			FISCAL YEAR 2026			FISCAL YEAR 2027						
		AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	AGENCY FORECAST	%	FISCAL FORECAST	%	BUDGET FORECAST	%	
USE OF MONEY AND PROP														
OTHER REPAYMENTS														
4403 Forestry Nurseries Fund Repayment (05-M27)	\$20,670	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4408 Comp/Fac Repayment	\$13,032	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4408 OCIO Repayment - State Microwave Communications System	\$266,914	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4408 OCIO Repayment - Cyber Security Resource Enhancement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4408 OCIO Repayment - Wide-Area Network Upgrade	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4408 OCIO Repayment - Enterprise Cloud Application [1-22]	\$448,209	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4408 OCIO Repayment - Firewall Replacement [2-22]	\$677,635	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4408 OCIO Repayment - Content Management and Portal Platform [2-24]	\$221,313	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4408 OCIO Repayment - IT Service Management Provider Replacement [1-26]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4408 OCIO Repayment - Computer Hardware and Software Replacement [2-26]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4408 OCIO Repayment - Firewall Replacement and Security Upgrades [3-26]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4408 OCIO Repayment - IT Investments Tracking System [4-26]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4102 City of North Las Vegas Repayment - Windsor Park Relocation [11-24]	\$3,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4409 Motor Pool Repay - LV	\$125,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER REPAYMENTS	\$4,772,773	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INTEREST INCOME														
3290 Treasurer	\$224,917,309	\$5,916,138	\$5,917,000	\$5,916,138	(\$14,040,256)	(\$14,040,000)	(\$14,040,256)	(\$10,497,481)	(\$10,498,000)	(\$10,497,481)				
3291 Other	\$765,210	\$627,680	\$0	\$0	\$627,680	\$34,500	\$0	\$627,680	\$63,700	\$0				
TOTAL INTEREST INCOME	\$225,682,518	\$6,543,818	\$5,917,000	\$5,916,138	(\$13,412,576)	(\$14,005,500)	(\$14,040,256)	(\$9,869,801)	(\$10,434,300)	(\$10,497,481)				
TOTAL USE OF MONEY & PROP	\$230,455,292	\$6,543,818	\$5,917,000	\$5,916,138	(\$13,412,576)	(\$14,005,500)	(\$14,040,256)	(\$9,869,801)	(\$10,434,300)	(\$10,497,481)				
OTHER REVENUE														
3059 Hoover Dam Revenue	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
MISC SALES AND REFUNDS														
3047 Expired Slot Machine Wagering Vouchers	\$18,374,082	(\$250,613)	(\$251,000)	(\$163,457)	(\$367,821)	(\$368,000)	\$0	(\$461,652)	(\$462,000)	(\$170,290)				
3107 Misc Fees [9-22]	\$1,039,259	(\$34,575)	\$0	(\$56,550)	(\$59,726)	\$0	(\$91,951)	(\$103,409)	\$0	(\$113,474)				
3109 Court Admin Assessments [7-20][12-24]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
3114 Court Administrative Assessment Fee [12-24]	\$15,544,481	\$15,062,173	\$1,604,000	\$0	\$16,146,080	\$1,368,000	\$0	\$17,229,987	\$1,162,000	\$0				
3168 Declare of Candidacy Filing Fee	\$82,090	\$43,674	\$40,000	\$46,277	(\$30,867)	\$0	(\$34,644)	\$0	\$10,000	\$2,604				
3202 Fees & Writs of Garnishments	\$715	\$113	\$0	\$113	\$113	\$0	\$113	\$113	\$0	\$113				
3220 Nevada Report Sales	\$14,695	\$0	\$0	(\$250)	\$0	\$0	\$700	\$0	\$0	\$150				
3222 Excess Property Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
3240 Sale of Trust Property	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
3243 Insurance - Misc	\$400,685	\$11,340	\$9,100	(\$15,824)	(\$2,597)	\$9,100	(\$23,963)	(\$16,030)	\$9,100	(\$43,047)				
3274 Misc Refunds	\$2,919,728	(\$876,789)	(\$751,000)	\$162,568	(\$502,722)	(\$751,000)	\$777,630	(\$252,722)	(\$1,000)	\$1,268,626				
3276 Cost Recovery Plan [8-20][10-22][13-24]	\$8,450,166	\$0	\$0	\$0	\$104,998	\$105,000	\$104,998	\$75,108	\$75,000	\$75,108				
TOTAL MISC SALES & REF	\$46,825,901	\$13,955,323	\$651,100	(\$27,123)	\$15,287,458	\$363,100	\$732,884	\$16,471,394	\$793,100	\$1,019,789				
3255 Unclaimed Property [11-22][14-24]	\$70,965,216	\$0	\$26,686,000	\$0	\$0	\$8,730,000	\$0	\$0	\$4,498,000	(\$4,930,160)				
TOTAL OTHER REVENUE	\$118,091,117	\$13,955,323	\$27,337,100	(\$27,123)	\$15,287,458	\$9,093,100	\$732,884	\$16,471,394	\$5,291,100	(\$3,910,371)				
TOTAL GENERAL FUND REVENUE: BEFORE TAX CREDITS	\$6,108,536,473	\$50,676,980	(\$42,924,700)	\$114,232,646	(\$98,728,666)	(\$119,800,300)	\$69,570,144	(\$64,634,454)	(\$150,290,500)	\$106,116,011				
TOTAL COMMERCE TAX CREDITS	(\$60,458,912)	\$1,238,000	\$1,238,000	\$1,238,000	\$642,000	\$642,000	\$642,000	\$1,037,000	\$1,037,000	\$1,037,000				
TOTAL GENERAL FUND REVENUE: AFTER COMMERCE TAX CREDITS	\$6,048,077,560	\$51,914,980	(\$41,686,700)	\$115,470,646	(\$98,086,666)	(\$119,158,300)	\$70,212,144	(\$63,597,454)	(\$149,253,500)	\$107,153,011				
TAX CREDIT PROGRAMS:														
FILM TRANSFERRABLE TAX CREDITS [TC-1]														
ECONOMIC DEVELOPMENT TRANSFERRABLE TAX CREDITS [TC-2]	(\$6,011,701)	(\$225,358)	(\$225,358)	(\$225,358)	(\$5,084,647)	(\$5,084,647)	(\$5,084,647)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)				
CATALYST ACCOUNT TRANSFERRABLE TAX CREDITS [TC-4]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
NEVADA NEW MARKET JOBS ACT TAX CREDITS [TC-3]	(\$21,103,337)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
EDUCATION CHOICE SCHOLARSHIP TAX CREDITS [TC-5]	(\$8,176,019)	(\$400,000)	(\$400,000)	(\$400,000)	(\$500,000)	(\$500,000)	(\$500,000)	\$0	\$0	\$0				
COLLEGE SAVINGS PLAN TAX CREDITS [TC-6]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
AFFORDABLE HOUSING TRANSFERRABLE TAX CREDITS [TC-7]	(\$3,000,000)	(\$1,725,000)	(\$1,725,000)	(\$1,725,000)	\$0	\$0	\$0	(\$1,275,000)	(\$1,275,000)	(\$1,275,000)				
BASEBALL STADIUM TRANSFERRABLE TAX CREDITS [TC-8]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
TOTAL - TAX CREDIT PROGRAMS	(\$38,291,058)	(\$2,350,358)	(\$2,350,358)	(\$2,350,358)	(\$5,584,647)	(\$5,584,647)	(\$5,584,647)	(\$3,275,000)	(\$3,275,000)	(\$3,275,000)				
TOTAL GENERAL FUND REVENUE: AFTER TAX CREDITS	\$6,009,786,502	\$49,564,622	(\$44,037,058)	\$113,120,288	(\$103,671,313)	(\$124,742,947)	\$64,627,497	(\$66,872,454)	(\$152,528,500)	\$103,878,011				

TABLE 4
Forecasts for the Major General Fund Revenues: FY 2025, FY 2026, and FY 2027
Economic Forum Forecast is the Forecast Approved at their December 2, 2024, Meeting

Actual and Forecast Revenues are in Millions of Dollars

Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

	FY 2024 ¹	FY 2025			FY 2026			FY 2027			2025-2027 Biennium		
	Actual: Millions \$'s	Forecast: Millions \$'s	\$ Change	% Change	Forecast: Millions \$'s	\$ Change	% Change	Forecast: Millions \$'s	\$ Change	% Change	Forecast: Millions \$'s	\$ Change ³	% Change
Sales and Use Tax	\$1,790.434												
Economic Forum ²		\$1,793.172	\$2.738	0.2%	\$1,865.437	\$72.265	4.0%	\$1,925.690	\$60.253	3.2%	\$3,791.127	\$207.521	5.8%
Agency		\$1,787.025	(\$3.409)	-0.2%	\$1,804.868	\$17.843	1.0%	\$1,882.151	\$77.283	4.3%	\$3,687.019	\$109.560	3.1%
Fiscal Division		\$1,701.249	(\$89.185)	-5.0%	\$1,814.039	\$112.790	6.6%	\$1,874.609	\$60.570	3.3%	\$3,688.648	\$196.965	5.6%
Budget Division		\$1,788.575	(\$1.859)	-0.1%	\$1,824.089	\$35.514	2.0%	\$1,887.816	\$63.727	3.5%	\$3,711.905	\$132.897	3.7%
Moody's Analytics		\$1,694.775	(\$95.659)	-5.3%	\$1,803.136	\$108.361	6.4%	\$1,837.580	\$34.444	1.9%	\$3,640.716	\$155.508	4.5%
Percentage Fees Tax	\$999.947												
Economic Forum ²		\$969.771	(\$30.176)	-3.0%	\$980.813	\$11.042	1.1%	\$992.863	\$12.050	1.2%	\$1,973.676	\$3.958	0.2%
Agency		\$990.622	(\$9.325)	-0.9%	\$981.166	(\$9.456)	-1.0%	\$991.924	\$10.758	1.1%	\$1,973.090	(\$17.479)	-0.9%
Fiscal Division		\$995.038	(\$4.909)	-0.5%	\$980.401	(\$14.637)	-1.5%	\$993.713	\$13.312	1.4%	\$1,974.114	(\$20.871)	-1.0%
Budget Division		\$985.757	(\$14.190)	-1.4%	\$981.513	(\$4.244)	-0.4%	\$984.513	\$3.000	0.3%	\$1,966.026	(\$19.679)	-1.0%
Moody's Analytics		\$1,006.383	\$6.436	0.6%	\$950.011	(\$56.372)	-5.6%	\$970.680	\$20.670	2.2%	\$1,920.691	(\$85.639)	-4.3%
Insurance Premium Tax	\$646.678												
Economic Forum ²		\$683.008	\$36.330	5.6%	\$699.556	\$16.548	2.4%	\$735.775	\$36.219	5.2%	\$1,435.331	\$105.645	7.9%
Agency		\$691.767	\$45.089	7.0%	\$734.825	\$43.057	6.2%	\$790.393	\$55.568	7.6%	\$1,525.217	\$186.772	14.0%
Fiscal Division		\$687.683	\$41.005	6.3%	\$723.150	\$35.467	5.2%	\$758.476	\$35.326	4.9%	\$1,481.626	\$147.265	11.0%
Budget Division		\$685.025	\$38.346	5.9%	\$732.628	\$47.603	6.9%	\$765.803	\$33.175	4.5%	\$1,498.430	\$166.728	12.5%
Real Property Transfer Tax	\$108.965												
Economic Forum ²		\$118.525	\$9.560	8.8%	\$125.982	\$7.457	6.3%	\$132.195	\$6.213	4.9%	\$258.177	\$30.687	13.5%
Agency		\$129.360	\$20.395	18.7%	\$133.030	\$3.670	2.8%	\$138.500	\$5.470	4.1%	\$271.530	\$33.205	13.9%
Fiscal Division		\$126.040	\$17.075	15.7%	\$130.157	\$4.117	3.3%	\$134.885	\$4.728	3.6%	\$265.042	\$30.037	12.8%
Budget Division		\$120.560	\$11.595	10.6%	\$113.939	(\$6.621)	-5.5%	\$116.006	\$2.066	1.8%	\$229.945	\$0.420	0.2%
Commerce Tax	\$343.074												
Economic Forum ²		\$353.940	\$10.866	3.2%	\$370.063	\$16.123	4.6%	\$390.416	\$20.353	5.5%	\$760.479	\$63.465	9.1%
Agency		\$350.946	\$7.872	2.3%	\$356.501	\$5.555	1.6%	\$383.250	\$26.749	7.5%	\$739.751	\$45.731	6.6%
Fiscal Division		\$350.946	\$7.872	2.3%	\$356.501	\$5.555	1.6%	\$383.250	\$26.749	7.5%	\$739.751	\$45.731	6.6%
Budget Division		\$350.946	\$7.872	2.3%	\$356.501	\$5.555	1.6%	\$383.250	\$26.749	7.5%	\$739.751	\$45.731	6.6%

TABLE 4
Forecasts for the Major General Fund Revenues: FY 2025, FY 2026, and FY 2027
Economic Forum Forecast is the Forecast Approved at their December 2, 2024, Meeting

Actual and Forecast Revenues are in Millions of Dollars
 Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

	FY 2024 ¹	FY 2025			FY 2026			FY 2027			2025-2027 Biennium		
	Actual:	Forecast:	\$	%	Forecast:	\$	%	Forecast:	\$	%	Forecast:	\$	%
	Millions \$'s	Millions \$'s	Change	Change	Millions \$'s	Change	Change	Millions \$'s	Change	Change	Millions \$'s	Change ³	Change
LET - Gaming	\$127.004												
Economic Forum ²		\$117.257	(\$9.747)	-7.7%	\$115.694	(\$1.563)	-1.3%	\$114.817	(\$0.877)	-0.8%	\$230.511	(\$13.750)	-5.6%
Agency		\$112.364	(\$14.640)	-11.5%	\$112.764	\$0.399	0.4%	\$113.869	\$1.106	1.0%	\$226.633	(\$12.735)	-5.3%
Fiscal Division		\$114.322	(\$12.682)	-10.0%	\$115.767	\$1.445	1.3%	\$117.360	\$1.593	1.4%	\$233.127	(\$8.199)	-3.4%
Budget Division		\$112.932	(\$14.072)	-11.1%	\$110.762	(\$2.170)	-1.9%	\$108.585	(\$2.177)	-2.0%	\$219.347	(\$20.590)	-8.6%
LET - Non-Gaming	\$129.275												
Economic Forum ²		\$104.276	(\$24.999)	-19.3%	\$106.549	\$2.273	2.2%	\$108.106	\$1.557	1.5%	\$214.655	(\$18.896)	-8.1%
Agency		\$104.290	(\$24.985)	-19.3%	\$106.031	\$1.741	1.7%	\$108.629	\$2.598	2.5%	\$214.660	(\$18.905)	-8.1%
Fiscal Division		\$108.715	(\$20.560)	-15.9%	\$107.707	(\$1.008)	-0.9%	\$109.025	\$1.318	1.2%	\$216.732	(\$21.258)	-8.9%
Budget Division		\$108.307	(\$20.968)	-16.2%	\$110.518	\$2.211	2.0%	\$114.294	\$3.777	3.4%	\$224.812	(\$12.769)	-5.4%
LET - TOTAL	\$256.279												
Economic Forum ²		\$221.533	(\$34.746)	-13.6%	\$222.243	\$0.710	0.3%	\$222.923	\$0.680	0.3%	\$445.166	(\$32.646)	-6.8%
Agency		\$216.654	(\$39.625)	-15.5%	\$218.795	\$2.140	1.0%	\$222.498	\$3.704	1.7%	\$441.293	(\$31.640)	-6.7%
Fiscal Division		\$223.037	(\$33.242)	-13.0%	\$223.474	\$0.437	0.2%	\$226.385	\$2.911	1.3%	\$449.859	(\$29.457)	-6.1%
Budget Division		\$221.239	(\$35.040)	-13.7%	\$221.280	\$0.041	0.0%	\$222.879	\$1.599	0.7%	\$444.159	(\$33.359)	-7.0%
MBT - Nonfinancial	\$798.137												
Economic Forum ²		\$828.906	\$30.769	3.9%	\$865.515	\$36.609	4.4%	\$900.829	\$35.314	4.1%	\$1,766.344	\$139.301	8.6%
Agency		\$819.480	\$21.343	2.7%	\$843.720	\$24.240	3.0%	\$876.570	\$32.850	3.9%	\$1,720.290	\$102.673	6.3%
Fiscal Division		\$815.509	\$17.372	2.2%	\$840.455	\$24.946	3.1%	\$869.733	\$29.278	3.5%	\$1,710.188	\$96.542	6.0%
Budget Division		\$814.658	\$16.521	2.1%	\$827.261	\$12.603	1.5%	\$861.238	\$33.977	4.1%	\$1,688.499	\$75.703	4.7%
MBT - Financial	\$40.923												
Economic Forum ²		\$42.800	\$1.877	4.6%	\$44.673	\$1.873	4.4%	\$46.802	\$2.129	4.8%	\$91.475	\$7.752	9.3%
Agency		\$42.160	\$1.237	3.0%	\$43.410	\$1.250	3.0%	\$45.100	\$1.690	3.9%	\$88.510	\$5.427	6.5%
Fiscal Division		\$42.022	\$1.099	2.7%	\$43.597	\$1.575	3.7%	\$45.189	\$1.592	3.7%	\$88.786	\$5.841	7.0%
Budget Division		\$39.633	(\$1.290)	-3.2%	\$38.783	(\$0.850)	-2.1%	\$37.175	(\$1.607)	-4.1%	\$75.958	(\$4.598)	-5.7%
MBT - Mining	\$19.578												
Economic Forum ²		\$20.010	\$0.432	2.2%	\$20.228	\$0.218	1.1%	\$20.279	\$0.051	0.3%	\$40.507	\$0.919	2.3%
Agency		\$20.000	\$0.422	2.2%	\$20.000	\$0.000	0.0%	\$20.500	\$0.500	2.5%	\$40.500	\$0.922	2.3%
Fiscal Division		\$20.931	\$1.353	6.9%	\$21.178	\$0.247	1.2%	\$21.502	\$0.324	1.5%	\$42.680	\$2.171	5.4%
Budget Division		\$20.175	\$0.597	3.0%	\$20.759	\$0.584	2.9%	\$21.284	\$0.526	2.5%	\$42.043	\$2.290	5.8%

TABLE 4
Forecasts for the Major General Fund Revenues: FY 2025, FY 2026, and FY 2027
Economic Forum Forecast is the Forecast Approved at their December 2, 2024, Meeting

Actual and Forecast Revenues are in Millions of Dollars
Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

	FY 2024 ¹	FY 2025			FY 2026			FY 2027			2025-2027 Biennium		
	Actual:	Forecast:	\$	%	Forecast:	\$	%	Forecast:	\$	%	Forecast:	\$	%
	Millions \$'s	Millions \$'s	Change	Change	Millions \$'s	Change	Change	Millions \$'s	Change	Change	Millions \$'s	Change ³	Change
MBT - TOTAL	\$858.638												
Economic Forum ²		\$891.716	\$33.078	3.9%	\$930.416	\$38.700	4.3%	\$967.910	\$37.494	4.0%	\$1,898.326	\$147.972	8.5%
Agency		\$881.640	\$23.002	2.7%	\$907.130	\$25.490	2.9%	\$942.170	\$35.040	3.9%	\$1,849.300	\$109.022	6.3%
Fiscal Division		\$878.462	\$19.824	2.3%	\$905.230	\$26.768	3.0%	\$936.424	\$31.194	3.4%	\$1,841.654	\$104.554	6.0%
Budget Division		\$874.465	\$15.827	1.8%	\$886.802	\$12.337	1.4%	\$919.698	\$32.896	3.7%	\$1,806.500	\$73.396	4.2%
Interest Income (Treasurer)	\$224.917												
Economic Forum ²		\$244.289	\$19.372	8.6%	\$227.770	(\$16.519)	-6.8%	\$222.379	(\$5.391)	-2.4%	\$450.149	(\$19.057)	-4.1%
Agency		\$250.206	\$25.288	11.2%	\$213.730	(\$36.475)	-14.6%	\$211.881	(\$1.849)	-0.9%	\$425.611	(\$49.512)	-10.4%
Fiscal Division		\$250.206	\$25.289	11.2%	\$213.730	(\$36.476)	-14.6%	\$211.881	(\$1.849)	-0.9%	\$425.611	(\$49.512)	-10.4%
Budget Division		\$250.206	\$25.288	11.2%	\$213.730	(\$36.475)	-14.6%	\$211.881	(\$1.849)	-0.9%	\$425.611	(\$49.512)	-10.4%
Total - Major Tax Sources	\$5,228.932												
Economic Forum ²		\$5,275.954	\$47.022	0.9%	\$5,422.280	\$146.326	2.8%	\$5,590.151	\$167.871	3.1%	\$11,012.431	\$507.545	4.8%
Agency		\$5,298.221	\$69.289	1.3%	\$5,350.045	\$51.824	1.0%	\$5,562.768	\$212.723	4.0%	\$10,912.812	\$385.660	3.7%
Fiscal Division		\$5,212.661	(\$16.271)	-0.3%	\$5,346.682	\$134.021	2.6%	\$5,519.623	\$172.941	3.2%	\$10,866.305	\$424.712	4.1%
Budget Division		\$5,276.773	\$47.841	0.9%	\$5,330.483	\$53.710	1.0%	\$5,491.845	\$161.363	3.0%	\$10,822.328	\$316.623	3.0%

¹ Actual collections for FY 2024 are before the application of any tax credits that were taken against the Percentage Fees Tax, Insurance Premium Tax, or the MBT.

² Economic Forum's December 2, 2024 Forecast.

³ Represents the difference between the total for the 2025-27 biennium (FY 2026 and FY 2027 forecasts) and the total for the 2023-25 biennium (FY 2024 actual and FY 2025 forecast).

TABLE 8
MAJOR GENERAL FUND REVENUE FORECASTS FOR FY 2025, FY 2026, AND FY 2027
Comparison of May 1, 2025, December 2, 2024, and November 7, 2024, Forecasts by Forecaster
(Forecasts and Dollar Differences are in Millions of Dollars)

TAX	FY 2024 Actual	FY 2025 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2026 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2027 Forecast	% Change	Dollar Difference:	Growth Difference:
STATE SALES	\$1,790.434												
Economic Forum¹		\$1,793.17	0.2%			\$1,865.44	4.0%			\$1,925.69	3.2%		
Agency													
November 7, 2024 Forecast		\$1,840.000	2.8%			\$1,927.600	4.8%			\$2,007.100	4.1%		
December 2, 2024 Forecast		\$1,793.172	0.2%	(\$46.828)	-2.6%	\$1,865.437	4.0%	(\$62.163)	-0.7%	\$1,925.690	3.2%	(\$81.410)	-0.9%
May 1, 2025 Forecast		\$1,787.025	-0.2%	(\$6.147)	-0.3%	\$1,804.868	1.0%	(\$60.569)	-3.0%	\$1,882.151	4.3%	(\$43.539)	1.1%
Fiscal Division													
November 7, 2024 Forecast		\$1,795.197	0.3%			\$1,861.318	3.7%			\$1,947.925	4.7%		
December 2, 2024 Forecast		\$1,802.894	0.7%	\$7.697	0.4%	\$1,869.014	3.7%	\$7.696	0.0%	\$1,955.622	4.6%	\$7.697	0.0%
May 1, 2025 Forecast		\$1,701.249	-5.0%	(\$101.645)	-5.7%	\$1,814.039	6.6%	(\$54.975)	3.0%	\$1,874.609	3.3%	(\$81.013)	-1.3%
Budget Division													
November 7, 2024 Forecast		\$1,851.543	3.4%			\$1,926.314	4.0%			\$2,000.552	3.9%		
December 2, 2024 Forecast		\$1,753.645	-2.1%	(\$97.899)	-5.5%	\$1,771.963	1.0%	(\$154.351)	-3.0%	\$1,816.757	2.5%	(\$183.795)	-1.3%
May 1, 2025 Forecast		\$1,788.575	-0.1%	\$34.930	2.0%	\$1,824.089	2.0%	\$52.127	0.9%	\$1,887.816	3.5%	\$71.059	1.0%
Moody's Analytics													
November 7, 2024 Forecast		\$1,868.400	4.4%			\$1,966.270	5.2%			\$2,046.750	4.1%		
December 2, 2024 Forecast		\$1,810.530	1.1%	(\$57.870)	-3.2%	\$1,900.255	5.0%	(\$66.015)	-0.3%	\$1,978.045	4.1%	(\$68.705)	0.0%
May 1, 2025 Forecast		\$1,694.775	-5.3%	(\$115.756)	-6.5%	\$1,803.136	6.4%	(\$97.119)	1.4%	\$1,837.580	1.9%	(\$140.465)	-2.2%
PERCENTAGE FEES²	\$999.947												
Economic Forum¹		\$969.771	-3.0%			\$980.813	1.1%			\$992.863	1.2%		
Agency													
November 7, 2024 Forecast		\$972.096	-2.8%			\$980.814	0.9%			\$992.864	1.2%		
December 2, 2024 Forecast		\$969.771	-3.0%	(\$2.325)	-0.2%	\$980.813	1.1%	(\$0.001)	0.2%	\$992.863	1.2%	(\$0.002)	0.0%
May 1, 2025 Forecast		\$990.622	-0.9%	\$20.851	2.1%	\$981.166	-1.0%	\$0.353	-2.1%	\$991.924	1.1%	(\$0.938)	-0.1%
Fiscal Division													
November 7, 2024 Forecast		\$968.080	-3.2%			\$987.924	2.0%			\$1,007.026	1.9%		
December 2, 2024 Forecast		\$968.080	-3.2%	\$0.000	0.0%	\$987.924	2.0%	\$0.000	0.0%	\$1,007.026	1.9%	\$0.000	0.0%
May 1, 2025 Forecast		\$995.038	-0.5%	\$26.958	2.7%	\$980.401	-1.5%	(\$7.523)	-3.5%	\$993.713	1.4%	(\$13.313)	-0.6%
Budget Division													
November 7, 2024 Forecast		\$1,030.083	3.0%			\$1,061.488	3.0%			\$1,084.214	2.1%		
December 2, 2024 Forecast		\$983.700	-1.6%	(\$46.383)	-4.6%	\$987.253	0.4%	(\$74.235)	-2.7%	\$986.376	-0.1%	(\$97.837)	-2.2%
May 1, 2025 Forecast		\$985.757	-1.4%	\$2.058	0.2%	\$981.513	-0.4%	(\$5.740)	-0.8%	\$984.513	0.3%	(\$1.863)	0.4%
Moody's Analytics													
November 7, 2024 Forecast		\$1,000.110	0.0%			\$1,053.000	5.3%			\$1,098.600	4.3%		
December 2, 2024 Forecast		\$973.850	-2.6%	(\$26.260)	-2.6%	\$997.716	2.5%	(\$55.284)	-2.8%	\$1,032.379	3.5%	(\$66.221)	-0.9%
May 1, 2025 Forecast		\$1,006.383	0.6%	\$32.533	3.3%	\$950.011	-5.6%	(\$47.705)	-8.1%	\$970.680	2.2%	(\$61.698)	-1.3%

TABLE 8
MAJOR GENERAL FUND REVENUE FORECASTS FOR FY 2025, FY 2026, AND FY 2027
Comparison of May 1, 2025, December 2, 2024, and November 7, 2024, Forecasts by Forecaster
(Forecasts and Dollar Differences are in Millions of Dollars)

TAX	FY 2024 Actual	FY 2025 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2026 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2027 Forecast	% Change	Dollar Difference:	Growth Difference:
INSURANCE PREMIUM²	\$646.678												
Economic Forum¹		\$683.008	5.6%			\$699.556	2.4%			\$735.775	5.2%		
Agency													
November 7, 2024 Forecast		\$671.696	3.9%			\$715.911	6.6%			\$762.611	6.5%		
December 2, 2024 Forecast		\$661.863	2.3%	(\$9.833)	-1.5%	\$699.556	5.7%	(\$16.355)	-0.9%	\$735.775	5.2%	(\$26.836)	-1.3%
May 1, 2025 Forecast		\$691.767	7.0%	\$29.905	4.6%	\$734.825	6.2%	\$35.269	0.5%	\$790.393	7.6%	\$54.618	2.4%
Fiscal Division													
November 7, 2024 Forecast		\$688.954	6.5%			\$726.096	5.4%			\$763.924	5.2%		
December 2, 2024 Forecast		\$683.008	5.6%	(\$5.946)	-0.9%	\$720.903	5.5%	(\$5.193)	0.2%	\$757.792	5.1%	(\$6.132)	-0.1%
May 1, 2025 Forecast		\$687.683	6.3%	\$4.675	0.7%	\$723.150	5.2%	\$2.247	-0.4%	\$758.476	4.9%	\$0.684	-0.2%
Budget Division													
November 7, 2024 Forecast		\$653.721	1.1%			\$679.352	3.9%			\$702.376	3.4%		
December 2, 2024 Forecast		\$656.488	1.5%	\$2.767	0.4%	\$688.034	4.8%	\$8.682	0.9%	\$715.089	3.9%	\$12.713	0.5%
May 1, 2025 Forecast		\$685.025	5.9%	\$28.537	4.4%	\$732.628	6.9%	\$44.594	2.1%	\$765.803	4.5%	\$50.713	0.6%
REAL PROPERTY TRANSFER	\$108.965												
Economic Forum¹		\$118.525	8.8%			\$125.982	6.3%			\$132.195	4.9%		
Agency													
November 7, 2024 Forecast		\$118.230	8.5%			\$132.330	11.9%			\$138.300	4.5%		
December 2, 2024 Forecast		\$118.230	8.5%	\$0.000	0.0%	\$132.330	11.9%	\$0.000	0.0%	\$138.300	4.5%	\$0.000	0.0%
May 1, 2025 Forecast		\$129.360	18.7%	\$11.130	10.2%	\$133.030	2.8%	\$0.700	-9.1%	\$138.500	4.1%	\$0.200	-0.4%
Fiscal Division													
November 7, 2024 Forecast		\$118.035	8.3%			\$125.982	6.7%			\$132.195	4.9%		
December 2, 2024 Forecast		\$118.525	8.8%	\$0.490	0.4%	\$125.982	6.3%	\$0.000	-0.4%	\$132.195	4.9%	\$0.000	0.0%
May 1, 2025 Forecast		\$126.040	15.7%	\$7.515	6.9%	\$130.157	3.3%	\$4.175	-3.0%	\$134.885	3.6%	\$2.690	-1.3%
Budget Division													
November 7, 2024 Forecast		\$120.431	10.5%			\$124.535	3.4%			\$127.765	2.6%		
December 2, 2024 Forecast		\$120.431	10.5%	\$0.000	0.0%	\$124.535	3.4%	\$0.000	0.0%	\$127.765	2.6%	\$0.000	0.0%
May 1, 2025 Forecast		\$120.560	10.6%	\$0.129	0.1%	\$113.939	-5.5%	(\$10.596)	-8.9%	\$116.006	1.8%	(\$11.759)	-0.8%
COMMERCE	\$343.074												
Economic Forum¹		\$353.940	3.2%			\$370.063	4.6%			\$390.416	5.5%		
Agency													
November 7, 2024 Forecast		\$353.940	3.2%			\$370.063	4.6%			\$390.416	5.5%		
December 2, 2024 Forecast		\$353.940	3.2%	\$0.000	0.0%	\$370.063	4.6%	\$0.000	0.0%	\$390.416	5.5%	\$0.000	0.0%
May 1, 2025 Forecast		\$350.946	2.3%	(\$2.994)	-0.9%	\$356.501	1.6%	(\$13.562)	-3.0%	\$383.250	7.5%	(\$7.166)	2.0%
Fiscal Division													
November 7, 2024 Forecast		\$353.940	3.2%			\$370.063	4.6%			\$390.416	5.5%		
December 2, 2024 Forecast		\$353.940	3.2%	\$0.000	0.0%	\$370.063	4.6%	\$0.000	0.0%	\$390.416	5.5%	\$0.000	0.0%
May 1, 2025 Forecast		\$350.946	2.3%	(\$2.994)	-0.9%	\$356.501	1.6%	(\$13.562)	-3.0%	\$383.250	7.5%	(\$7.166)	2.0%
Budget Division													
November 7, 2024 Forecast		\$353.940	3.2%			\$370.063	4.6%			\$390.416	5.5%		
December 2, 2024 Forecast		\$353.940	3.2%	\$0.000	0.0%	\$370.063	4.6%	\$0.000	0.0%	\$390.416	5.5%	\$0.000	0.0%
May 1, 2025 Forecast		\$350.946	2.3%	(\$2.994)	-0.9%	\$356.501	1.6%	(\$13.562)	-3.0%	\$383.250	7.5%	(\$7.166)	2.0%

TABLE 8
MAJOR GENERAL FUND REVENUE FORECASTS FOR FY 2025, FY 2026, AND FY 2027
Comparison of May 1, 2025, December 2, 2024, and November 7, 2024, Forecasts by Forecaster
(Forecasts and Dollar Differences are in Millions of Dollars)

TAX	FY 2024 Actual	FY 2025 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2026 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2027 Forecast	% Change	Dollar Difference:	Growth Difference:
LET - GAMING	\$127.004												
Economic Forum¹		\$117.257	-7.7%			\$115.694	-1.3%			\$114.817	-0.8%		
Agency													
November 7, 2024 Forecast		\$118.189	-6.9%			\$113.702	-3.8%			\$114.817	1.0%		
December 2, 2024 Forecast		\$117.257	-7.7%	(\$0.932)	-0.7%	\$113.702	-3.0%	\$0.000	0.8%	\$114.817	1.0%	\$0.000	0.0%
May 1, 2025 Forecast		\$112.364	-11.5%	(\$4.893)	-3.9%	\$112.764	0.4%	(\$0.938)	3.4%	\$113.869	1.0%	(\$0.947)	0.0%
Fiscal Division													
November 7, 2024 Forecast		\$121.055	-4.7%			\$123.551	2.1%			\$126.602	2.5%		
December 2, 2024 Forecast		\$121.055	-4.7%	\$0.000	0.0%	\$123.551	2.1%	\$0.000	0.0%	\$126.602	2.5%	\$0.000	0.0%
May 1, 2025 Forecast		\$114.322	-10.0%	(\$6.733)	-5.3%	\$115.767	1.3%	(\$7.784)	-0.8%	\$117.360	1.4%	(\$9.242)	-1.1%
Budget Division													
November 7, 2024 Forecast		\$110.244	-13.2%			\$106.655	-3.3%			\$104.938	-1.6%		
December 2, 2024 Forecast		\$116.889	-8.0%	\$6.644	5.2%	\$115.694	-1.0%	\$9.039	2.2%	\$114.605	-0.9%	\$9.667	0.7%
May 1, 2025 Forecast		\$112.932	-11.1%	(\$3.956)	-3.1%	\$110.762	-1.9%	(\$4.932)	-0.9%	\$108.585	-2.0%	(\$6.021)	-1.0%
LET - NONGAMING	\$129.275												
Economic Forum¹		\$104.276	-19.3%			\$106.549	2.2%			\$108.106	1.5%		
Agency													
November 7, 2024 Forecast		\$108.250	-16.3%			\$113.450	4.8%			\$120.250	6.0%		
December 2, 2024 Forecast		\$104.661	-19.0%	(\$3.589)	-2.8%	\$109.998	5.1%	(\$3.452)	0.3%	\$113.801	3.5%	(\$6.449)	-2.5%
May 1, 2025 Forecast		\$104.290	-19.3%	(\$0.371)	-0.3%	\$106.031	1.7%	(\$3.967)	-3.4%	\$108.629	2.5%	(\$5.172)	-1.0%
Fiscal Division													
November 7, 2024 Forecast		\$106.396	-17.7%			\$107.697	1.2%			\$101.080	-6.1%		
December 2, 2024 Forecast		\$104.276	-19.3%	(\$2.120)	-1.6%	\$106.549	2.2%	(\$1.148)	1.0%	\$101.270	-5.0%	\$0.190	1.2%
May 1, 2025 Forecast		\$108.715	-15.9%	\$4.439	3.4%	\$107.707	-0.9%	\$1.158	-3.1%	\$109.025	1.2%	\$7.755	6.2%
Budget Division													
November 7, 2024 Forecast		\$139.775	8.1%			\$167.669	20.0%			\$184.111	9.8%		
December 2, 2024 Forecast		\$105.749	-18.2%	(\$34.026)	-26.3%	\$107.485	1.6%	(\$60.183)	-18.3%	\$108.106	0.6%	(\$76.005)	-9.2%
May 1, 2025 Forecast		\$108.307	-16.2%	\$2.558	2.0%	\$110.518	2.0%	\$3.032	0.4%	\$114.294	3.4%	\$6.189	2.8%
LET - TOTAL	\$256.279												
Economic Forum¹		\$221.533	-13.6%			\$222.243	0.3%			\$222.923	0.3%		
Agency													
November 7, 2024 Forecast		\$226.439	-11.6%			\$227.152	0.3%			\$235.067	3.5%		
December 2, 2024 Forecast		\$221.918	-13.4%	(\$4.521)	-1.8%	\$223.700	0.8%	(\$3.452)	0.5%	\$228.618	2.2%	(\$6.449)	-1.3%
May 1, 2025 Forecast		\$216.654	-15.5%	(\$5.264)	-2.1%	\$218.795	1.0%	(\$4.905)	0.2%	\$222.498	1.7%	(\$6.119)	-0.5%
Fiscal Division													
November 7, 2024 Forecast		\$227.451	-11.2%			\$231.248	1.7%			\$227.682	-1.5%		
December 2, 2024 Forecast		\$225.331	-12.1%	(\$2.120)	-0.8%	\$230.100	2.1%	(\$1.148)	0.4%	\$227.872	-1.0%	\$0.190	0.6%
May 1, 2025 Forecast		\$223.037	-13.0%	(\$2.294)	-0.9%	\$223.474	0.2%	(\$6.626)	-1.9%	\$226.385	1.3%	(\$1.487)	2.3%
Budget Division													
November 7, 2024 Forecast		\$250.019	-2.4%			\$274.324	9.7%			\$289.049	5.4%		
December 2, 2024 Forecast		\$222.638	-13.1%	(\$27.381)	-10.7%	\$223.179	0.2%	(\$51.144)	-9.5%	\$222.711	-0.2%	(\$66.338)	-5.6%
May 1, 2025 Forecast		\$221.239	-13.7%	(\$1.399)	-0.5%	\$221.280	0.0%	(\$1.900)	-0.2%	\$222.879	0.7%	\$0.168	0.9%

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TAX	FY 2024 Actual	FY 2025 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2026 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2027 Forecast	% Change	Dollar Difference:	Growth Difference:
MBT - NONFINANCIAL²	\$798.137												
Economic Forum¹		\$828.906	3.9%			\$865.515	4.4%			\$900.829	4.1%		
Agency													
November 7, 2024 Forecast		\$847.940	6.2%			\$893.750	5.4%			\$939.760	5.1%		
December 2, 2024 Forecast		\$849.910	6.5%	\$1.970	0.2%	\$894.560	5.3%	\$0.810	-0.1%	\$940.964	5.2%	\$1.204	0.0%
May 1, 2025 Forecast		\$819.480	2.7%	(\$30.430)	-3.8%	\$843.720	3.0%	(\$50.840)	-2.3%	\$876.570	3.9%	(\$64.394)	-1.3%
Fiscal Division													
November 7, 2024 Forecast		\$834.246	4.5%			\$869.430	4.2%			\$905.815	4.2%		
December 2, 2024 Forecast		\$828.906	3.9%	(\$5.340)	-0.7%	\$865.515	4.4%	(\$3.915)	0.2%	\$900.829	4.1%	(\$4.986)	-0.1%
May 1, 2025 Forecast		\$815.509	2.2%	(\$13.397)	-1.7%	\$840.455	3.1%	(\$25.060)	-1.4%	\$869.733	3.5%	(\$31.096)	-0.6%
Budget Division													
November 7, 2024 Forecast		\$751.890	-5.8%			\$763.137	1.5%			\$797.702	4.5%		
December 2, 2024 Forecast		\$786.890	-1.4%	\$35.000	4.4%	\$798.137	1.4%	\$35.000	-0.1%	\$832.702	4.3%	\$35.000	-0.2%
May 1, 2025 Forecast		\$814.658	2.1%	\$27.768	3.5%	\$827.261	1.5%	\$29.124	0.1%	\$861.238	4.1%	\$28.536	-0.2%
MBT - FINANCIAL²	\$40.923												
Economic Forum¹		\$42.800	4.6%			\$44.673	4.4%			\$46.802	4.8%		
Agency													
November 7, 2024 Forecast		\$43.740	6.9%			\$46.100	5.4%			\$48.480	5.2%		
December 2, 2024 Forecast		\$43.027	5.1%	(\$0.713)	-1.7%	\$44.919	4.4%	(\$1.181)	-1.0%	\$47.276	5.2%	(\$1.204)	0.1%
May 1, 2025 Forecast		\$42.160	3.0%	(\$0.867)	-2.1%	\$43.410	3.0%	(\$1.509)	-1.4%	\$45.100	3.9%	(\$2.176)	-1.4%
Fiscal Division													
November 7, 2024 Forecast		\$43.335	5.9%			\$45.408	4.8%			\$47.469	4.5%		
December 2, 2024 Forecast		\$42.573	4.0%	(\$0.762)	-1.9%	\$44.427	4.4%	(\$0.981)	-0.4%	\$46.327	4.3%	(\$1.142)	-0.3%
May 1, 2025 Forecast		\$42.022	2.7%	(\$0.551)	-1.3%	\$43.597	3.7%	(\$0.830)	-0.6%	\$45.189	3.7%	(\$1.138)	-0.6%
Budget Division													
November 7, 2024 Forecast		\$38.260	-6.5%			\$36.922	-3.5%			\$40.049	8.5%		
December 2, 2024 Forecast		\$35.556	-13.1%	(\$2.704)	-6.6%	\$35.576	0.1%	(\$1.346)	3.6%	\$35.933	1.0%	(\$4.116)	-7.5%
May 1, 2025 Forecast		\$39.633	-3.2%	\$4.077	10.0%	\$38.783	-2.1%	\$3.207	-2.2%	\$37.175	-4.1%	\$1.242	-5.1%
MBT - MINING²	\$19.578												
Economic Forum¹		\$20.010	2.2%			\$20.228	1.1%			\$20.279	0.3%		
Agency													
November 7, 2024 Forecast		\$19.600	0.1%			\$20.550	4.8%			\$21.610	5.2%		
December 2, 2024 Forecast		\$19.520	-0.3%	(\$0.080)	-0.4%	\$19.822	1.5%	(\$0.728)	-3.3%	\$19.696	-0.6%	(\$1.914)	-5.8%
May 1, 2025 Forecast		\$20.000	2.2%	\$0.480	2.5%	\$20.000	0.0%	\$0.178	-1.5%	\$20.500	2.5%	\$0.804	3.1%
Fiscal Division													
November 7, 2024 Forecast		\$20.616	5.3%			\$21.147	2.6%			\$21.604	2.2%		
December 2, 2024 Forecast		\$20.668	5.6%	\$0.052	0.3%	\$21.084	2.0%	(\$0.063)	-0.6%	\$21.428	1.6%	(\$0.176)	-0.5%
May 1, 2025 Forecast		\$20.931	6.9%	\$0.263	1.3%	\$21.178	1.2%	\$0.094	-0.8%	\$21.502	1.5%	\$0.074	-0.1%
Budget Division													
November 7, 2024 Forecast		\$22.158	13.2%			\$22.103	-0.2%			\$22.273	0.8%		
December 2, 2024 Forecast		\$19.841	1.3%	(\$2.317)	-11.8%	\$19.777	-0.3%	(\$2.326)	-0.1%	\$19.712	-0.3%	(\$2.561)	-1.1%
May 1, 2025 Forecast		\$20.175	3.0%	\$0.333	1.7%	\$20.759	2.9%	\$0.981	3.2%	\$21.284	2.5%	\$1.572	2.9%

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TAX	FY 2024 Actual	FY 2025 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2026 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2027 Forecast	% Change	Dollar Difference:	Growth Difference:
MBT - TOTAL²	\$858.638												
Economic Forum¹		\$891.716	3.9%			\$930.416	4.3%			\$967.910	4.0%		
Agency													
November 7, 2024 Forecast		\$911.280	6.1%			\$960.400	5.4%			\$1,009.850	5.1%		
December 2, 2024 Forecast		\$912.457	6.3%	\$1.177	0.1%	\$959.301	5.1%	(\$1.099)	-0.3%	\$1,007.936	5.1%	(\$1.914)	-0.1%
May 1, 2025 Forecast		\$881.640	2.7%	(\$30.817)	-3.6%	\$907.130	2.9%	(\$52.171)	-2.2%	\$942.170	3.9%	(\$65.766)	-1.2%
Fiscal Division													
November 7, 2024 Forecast		\$898.197	4.6%			\$935.985	4.2%			\$974.888	4.2%		
December 2, 2024 Forecast		\$892.147	3.9%	(\$6.050)	-0.7%	\$931.026	4.4%	(\$4.959)	0.2%	\$968.584	4.0%	(\$6.304)	-0.1%
May 1, 2025 Forecast		\$878.462	2.3%	(\$13.685)	-1.6%	\$905.230	3.0%	(\$25.796)	-1.3%	\$936.424	3.4%	(\$32.160)	-0.6%
Budget Division													
November 7, 2024 Forecast		\$812.308	-5.4%			\$822.162	1.2%			\$860.024	4.6%		
December 2, 2024 Forecast		\$842.287	-1.9%	\$29.979	3.5%	\$853.490	1.3%	\$31.328	0.1%	\$888.347	4.1%	\$28.323	-0.5%
May 1, 2025 Forecast		\$874.465	1.8%	\$32.179	3.7%	\$886.802	1.4%	\$33.312	0.1%	\$919.698	3.7%	\$31.350	-0.4%
INTEREST INCOME (TREASURER)	\$224.917												
Economic Forum¹		\$244.289	8.6%			\$227.770	-6.8%			\$222.379	-2.4%		
Agency													
November 7, 2024 Forecast		\$230.486	2.5%			\$225.415	-2.2%			\$224.080	-0.6%		
December 2, 2024 Forecast		\$244.289	8.6%	\$13.803	6.1%	\$227.770	-6.8%	\$2.355	-4.6%	\$222.379	-2.4%	(\$1.702)	-1.8%
May 1, 2025 Forecast		\$250.206	11.2%	\$5.916	2.6%	\$213.730	-14.6%	(\$14.040)	-7.8%	\$211.881	-0.9%	(\$10.497)	1.5%
Fiscal Division													
November 7, 2024 Forecast		\$230.486	2.5%			\$225.415	-2.2%			\$224.080	-0.6%		
December 2, 2024 Forecast		\$244.289	8.6%	\$13.803	6.1%	\$227.770	-6.8%	\$2.355	-4.6%	\$222.379	-2.4%	(\$1.701)	-1.8%
May 1, 2025 Forecast		\$250.206	11.2%	\$5.917	2.6%	\$213.730	-14.6%	(\$14.040)	-7.8%	\$211.881	-0.9%	(\$10.498)	1.5%
Budget Division													
November 7, 2024 Forecast		\$230.486	2.5%			\$225.415	-2.2%			\$224.080	-0.6%		
December 2, 2024 Forecast		\$244.289	8.6%	\$13.803	6.1%	\$227.770	-6.8%	\$2.355	-4.6%	\$222.379	-2.4%	(\$1.702)	-1.8%
May 1, 2025 Forecast		\$250.206	11.2%	\$5.916	2.6%	\$213.730	-14.6%	(\$14.040)	-7.8%	\$211.881	-0.9%	(\$10.497)	1.5%
TOTAL - MAJOR REVENUES	\$5,228.932												
Economic Forum¹		\$5,275.954	0.9%			\$5,422.280	2.8%			\$5,590.151	3.1%		
Agency													
November 7, 2024 Forecast		\$5,324.167	1.8%			\$5,539.685	4.0%			\$5,760.288	4.0%		
December 2, 2024 Forecast		\$5,275.640	0.9%	(\$48.526)	-0.9%	\$5,458.970	3.5%	(\$80.715)	-0.6%	\$5,641.976	3.4%	(\$118.312)	-0.6%
May 1, 2025 Forecast		\$5,298.221	1.3%	\$22.580	0.4%	\$5,350.045	1.0%	(\$108.925)	-2.5%	\$5,562.768	4.0%	(\$79.208)	0.6%
Fiscal Division													
November 7, 2024 Forecast		\$5,280.340	1.0%			\$5,464.031	3.5%			\$5,668.136	3.7%		
December 2, 2024 Forecast		\$5,288.214	1.1%	\$7.874	0.2%	\$5,462.782	3.3%	(\$1.249)	-0.2%	\$5,661.886	3.6%	(\$6.250)	-0.1%
May 1, 2025 Forecast		\$5,212.661	-0.3%	(\$75.553)	-1.4%	\$5,346.682	2.6%	(\$116.100)	-0.7%	\$5,519.623	3.2%	(\$142.263)	-0.4%
Budget Division													
November 7, 2024 Forecast		\$5,302.532	1.4%			\$5,483.653	3.4%			\$5,678.476	3.6%		
December 2, 2024 Forecast		\$5,177.418	-1.0%	(\$125.114)	-2.4%	\$5,246.287	1.3%	(\$237.366)	-2.1%	\$5,369.840	2.4%	(\$308.636)	-1.2%
May 1, 2025 Forecast		\$5,276.773	0.9%	\$99.355	1.9%	\$5,330.483	1.0%	\$84.195	-0.3%	\$5,491.845	3.0%	\$122.005	0.7%

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TAX	FY 2024 Actual	FY 2025 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2026 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2027 Forecast	% Change	Dollar Difference:	Growth Difference:
TOTAL - ALL OTHER	\$879.605												
Economic Forum¹		\$853.709	-2.9%			\$854.142	0.1%			\$866.656	1.5%		
Agency													
November 7, 2024 Forecast		\$832.616	-5.3%			\$844.040	1.4%			\$864.005	2.4%		
December 2, 2024 Forecast		\$833.990	-5.2%	\$1.374	0.2%	\$843.890	1.2%	(\$0.150)	-0.2%	\$861.033	2.0%	(\$2.971)	-0.3%
May 1, 2025 Forecast		\$862.086	-2.0%	\$28.097	3.2%	\$854.087	-0.9%	\$10.197	-2.1%	\$875.607	2.5%	\$14.574	0.5%
Fiscal Division													
November 7, 2024 Forecast		\$844.817	-4.0%			\$839.830	-0.6%			\$847.842	1.0%		
December 2, 2024 Forecast		\$856.034	-2.7%	\$11.217	1.3%	\$845.832	-1.2%	\$6.002	-0.6%	\$853.364	0.9%	\$5.522	-0.1%
May 1, 2025 Forecast		\$888.663	1.0%	\$32.628	3.7%	\$842.132	-5.2%	(\$3.700)	-4.0%	\$845.336	0.4%	(\$8.028)	-0.5%
Budget Division													
November 7, 2024 Forecast		\$851.600	-3.2%			\$849.590	-0.2%			\$866.548	2.0%		
December 2, 2024 Forecast		\$850.974	-3.3%	(\$0.626)	-0.1%	\$851.236	0.0%	\$1.646	0.3%	\$865.238	1.6%	(\$1.311)	-0.4%
May 1, 2025 Forecast		\$865.851	-1.6%	\$14.877	1.7%	\$836.611	-3.4%	(\$14.625)	-3.4%	\$849.349	1.5%	(\$15.889)	-0.1%
TOTAL GF - BEFORE CREDITS	\$6,108.536												
Economic Forum¹		\$6,129.663	0.3%			\$6,276.422	2.4%			\$6,456.807	2.9%		
Agency													
November 7, 2024 Forecast		\$6,156.783	0.8%			\$6,383.725	3.7%			\$6,624.293	3.8%		
December 2, 2024 Forecast		\$6,109.630	0.0%	(\$47.153)	-0.8%	\$6,302.860	3.2%	(\$80.865)	-0.5%	\$6,503.009	3.2%	(\$121.284)	-0.6%
May 1, 2025 Forecast		\$6,160.307	0.8%	\$50.677	0.8%	\$6,204.132	0.7%	(\$98.729)	-2.5%	\$6,438.375	3.8%	(\$64.634)	0.6%
Fiscal Division													
November 7, 2024 Forecast		\$6,125.157	0.3%			\$6,303.861	2.9%			\$6,515.978	3.4%		
December 2, 2024 Forecast		\$6,144.248	0.6%	\$19.091	0.3%	\$6,308.614	2.7%	\$4.753	-0.2%	\$6,515.250	3.3%	(\$0.728)	-0.1%
May 1, 2025 Forecast		\$6,101.324	-0.1%	(\$42.925)	-0.7%	\$6,188.814	1.4%	(\$119.800)	-1.2%	\$6,364.959	2.8%	(\$150.291)	-0.4%
Budget Division													
November 7, 2024 Forecast		\$6,154.132	0.7%			\$6,333.243	2.9%			\$6,545.025	3.3%		
December 2, 2024 Forecast		\$6,028.391	-1.3%	(\$125.740)	-2.1%	\$6,097.524	1.1%	(\$235.720)	-1.8%	\$6,235.078	2.3%	(\$309.947)	-1.1%
May 1, 2025 Forecast		\$6,142.624	0.6%	\$114.233	1.9%	\$6,167.094	0.4%	\$69.570	-0.7%	\$6,341.194	2.8%	\$106.116	0.6%
COMMERCE TAX CREDITS	(\$60.459)												
Economic Forum¹		(\$67.626)	11.9%			(\$70.383)	4.1%			(\$74.264)	5.5%		
Agency													
November 7, 2024 Forecast		(\$67.626)	11.9%			(\$70.383)	4.1%			(\$74.264)	5.5%		
December 2, 2024 Forecast		(\$67.626)	11.9%	\$0.000	0.0%	(\$70.383)	4.1%	\$0.000	0.0%	(\$74.264)	5.5%	\$0.000	0.0%
May 1, 2025 Forecast		(\$66.388)	9.8%	\$1.238	-2.0%	(\$69.741)	5.1%	\$0.642	1.0%	(\$73.227)	5.0%	\$1.037	-0.5%
Fiscal Division													
November 7, 2024 Forecast		(\$67.626)	11.9%			(\$70.383)	4.1%			(\$74.264)	5.5%		
December 2, 2024 Forecast		(\$67.626)	11.9%	\$0.000	0.0%	(\$70.383)	4.1%	\$0.000	0.0%	(\$74.264)	5.5%	\$0.000	0.0%
May 1, 2025 Forecast		(\$66.388)	9.8%	\$1.238	-2.0%	(\$69.741)	5.1%	\$0.642	1.0%	(\$73.227)	5.0%	\$1.037	-0.5%
Budget Division													
November 7, 2024 Forecast		(\$67.626)	11.9%			(\$70.383)	4.1%			(\$74.264)	5.5%		
December 2, 2024 Forecast		(\$67.626)	11.9%	\$0.000	0.0%	(\$70.383)	4.1%	\$0.000	0.0%	(\$74.264)	5.5%	\$0.000	0.0%
May 1, 2025 Forecast		(\$66.388)	9.8%	\$1.238	-2.0%	(\$69.741)	5.1%	\$0.642	1.0%	(\$73.227)	5.0%	\$1.037	-0.5%

TABLE 8
MAJOR GENERAL FUND REVENUE FORECASTS FOR FY 2025, FY 2026, AND FY 2027
Comparison of May 1, 2025, December 2, 2024, and November 7, 2024, Forecasts by Forecaster
(Forecasts and Dollar Differences are in Millions of Dollars)

TAX	FY 2024 Actual	FY 2025 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2026 Forecast	% Change	Dollar Difference:	Growth Difference:	FY 2027 Forecast	% Change	Dollar Difference:	Growth Difference:
ALL OTHER TAX CREDITS³	(\$38.291)												
Economic Forum¹		(\$50.996)	33.2%			(\$72.311)	41.8%			(\$83.156)	15.0%		
Agency													
November 7, 2024 Forecast		(\$50.996)	33.2%			(\$72.311)	41.8%			(\$83.156)	15.0%		
December 2, 2024 Forecast		(\$50.996)	33.2%	\$0.000	0.0%	(\$72.311)	41.8%	\$0.000	0.0%	(\$83.156)	15.0%	\$0.000	0.0%
May 1, 2025 Forecast		(\$53.346)	39.3%	(\$2.350)	6.1%	(\$77.895)	46.0%	(\$5.585)	4.2%	(\$86.431)	11.0%	(\$3.275)	-4.0%
Fiscal Division													
November 7, 2024 Forecast		(\$50.996)	33.2%			(\$72.311)	41.8%			(\$83.156)	15.0%		
December 2, 2024 Forecast		(\$50.996)	33.2%	\$0.000	0.0%	(\$72.311)	41.8%	\$0.000	0.0%	(\$83.156)	15.0%	\$0.000	0.0%
May 1, 2025 Forecast		(\$53.346)	39.3%	(\$2.350)	6.1%	(\$77.895)	46.0%	(\$5.585)	4.2%	(\$86.431)	11.0%	(\$3.275)	-4.0%
Budget Division													
November 7, 2024 Forecast		(\$50.996)	33.2%			(\$72.311)	41.8%			(\$83.156)	15.0%		
December 2, 2024 Forecast		(\$50.996)	33.2%	\$0.000	0.0%	(\$72.311)	41.8%	\$0.000	0.0%	(\$83.156)	15.0%	\$0.000	0.0%
May 1, 2025 Forecast		(\$53.346)	39.3%	(\$2.350)	6.1%	(\$77.895)	46.0%	(\$5.585)	4.2%	(\$86.431)	11.0%	(\$3.275)	-4.0%
TOTAL GF - AFTER CREDITS	\$6,009.787												
Economic Forum¹		\$6,011.041	0.0%			\$6,133.729	2.0%			\$6,299.387	2.7%		
Agency													
November 7, 2024 Forecast		\$6,038.160	0.5%			\$6,241.032	3.4%			\$6,466.873	3.6%		
December 2, 2024 Forecast		\$5,991.008	-0.3%	(\$47.153)	-0.8%	\$6,160.167	2.8%	(\$80.865)	-0.5%	\$6,345.590	3.0%	(\$121.284)	-0.6%
May 1, 2025 Forecast		\$6,040.572	0.5%	\$49.565	0.8%	\$6,056.495	0.3%	(\$103.671)	-2.6%	\$6,278.717	3.7%	(\$66.872)	0.7%
Fiscal Division													
November 7, 2024 Forecast		\$6,006.535	-0.1%			\$6,161.168	2.6%			\$6,358.558	3.2%		
December 2, 2024 Forecast		\$6,025.626	0.3%	\$19.091	0.3%	\$6,165.920	2.3%	\$4.753	-0.2%	\$6,357.830	3.1%	(\$0.728)	-0.1%
May 1, 2025 Forecast		\$5,981.589	-0.5%	(\$44.037)	-0.7%	\$6,041.177	1.0%	(\$124.743)	-1.3%	\$6,205.302	2.7%	(\$152.528)	-0.4%
Budget Division													
November 7, 2024 Forecast		\$6,035.509	0.4%			\$6,190.550	2.6%			\$6,387.605	3.2%		
December 2, 2024 Forecast		\$5,909.769	-1.7%	(\$125.740)	-2.1%	\$5,954.830	0.8%	(\$235.720)	-1.8%	\$6,077.658	2.1%	(\$309.947)	-1.1%
May 1, 2025 Forecast		\$6,022.890	0.2%	\$113.120	1.9%	\$6,019.457	-0.1%	\$64.627	-0.8%	\$6,181.536	2.7%	\$103.878	0.6%

¹ Represents the Economic Forum's December 2, 2024, Forecast.

² Individual forecasts for the Gaming Percentage Fee Tax, Insurance Premium Tax, and Modified Business Tax do not include the effect of any tax credits that may be taken against these revenue sources.

³ All Other Tax Credits includes credits issued and taken against the Gaming Percentage Fee Tax, Insurance Premium Tax, and Modified Business Tax from any tax program approved by the Legislature other than the Commerce Tax Credit against the Modified Business Tax.

TABLE 9

COMPARISON OF AVERAGE GROWTH REQUIRED OVER THE REMAINDER OF FY 2025 TO ACHIEVE THE FY 2025 FORECAST:
MAJOR GENERAL FUND REVENUE SOURCE FORECASTS BY FORECASTER: MAY 1, 2025, FORECAST

	ACTUAL		FORECASTER					
	Fiscal Year-to-Date	% Change	% Change from Agency FY 2024	% Change from Fiscal FY 2024	% Change from Budget FY 2024	% Change from Moody's Analytics FY 2024		
STATE SALES & USE TAX								
FY 2023 (July-February)	\$1,128.0							
FY 2024 (July-February)	\$1,178.6	4.5%						
FY 2025 (July-February)	\$1,090.4	-7.5%						
FY 2023 Actual	\$1,721.5							
FY 2024 Actual	\$1,790.4	4.0%						
FY 2025 Forecast			\$1,787.0 -0.2%	\$1,701.2 -5.0%	\$1,788.6 -0.1%	\$1,694.8 -5.3%		
Growth Over Last 4 Months of FY 2024 compared to Last 4 Months of FY 2023			3.1%	3.1%	3.1%	3.1%		
Average Growth Required Over Last 4 Months of FY 2025 to Achieve Forecast			13.9%	-0.2%	14.1%	-1.2%		
GAMING PERCENTAGE FEE TAX								
FY 2023 (July-March)	\$720.9							
FY 2024 (July-March)	\$754.7	4.7%						
FY 2025 (July-March)	\$763.8	1.2%						
FY 2023 Actual	\$970.1							
FY 2024 Actual	\$999.9	3.1%						
FY 2025 Forecast			\$990.6 -0.9%	\$995.0 -0.5%	\$985.8 -1.4%	\$1,006.4 0.6%		
Growth Over Last 3 Months of FY 2024 compared to Last 3 Months of FY 2023			-1.6%	-1.6%	-1.6%	-1.6%		
Average Growth Required Over Last 3 Months of FY 2025 to Achieve Forecast			-7.5%	-5.7%	-9.5%	-1.1%		
INSURANCE PREMIUM TAX								
FY 2023 (2nd Quarter)	\$282.8							
FY 2024 (2nd Quarter)	\$317.5	12.3%						
FY 2025 (2nd Quarter)	\$336.1	5.9%						
FY 2023 Actual	\$581.4							
FY 2024 Actual	\$646.7	11.2%						
FY 2025 Forecast			\$691.8 7.0%	\$687.7 6.3%	\$685.0 5.9%			
Growth Over Last 2 Quarters of FY 2024 compared to Last 2 Quarters of FY 2023			10.2%	10.2%	10.2%			
Average Growth Required Over Last 2 Quarters of FY 2025 to Achieve Forecast			8.0%	6.8%	6.0%			
REAL PROPERTY TRANSFER TAX								
FY 2023 (2nd Quarter)	\$59.8							
FY 2024 (2nd Quarter)	\$52.9	-11.6%						
FY 2025 (2nd Quarter)	\$63.9	20.8%						
FY 2023 Actual	\$110.6							
FY 2024 Actual	\$109.0	-1.5%						
FY 2025 Forecast			\$129.4 18.7%	\$126.0 15.7%	\$120.6 10.6%			
Growth Over Last 2 Quarters of FY 2024 compared to Last 2 Quarters of FY 2023			10.5%	10.5%	10.5%			
Average Growth Required Over Last 2 Quarters of FY 2025 to Achieve Forecast			16.7%	10.8%	1.0%			

TABLE 9

**COMPARISON OF AVERAGE GROWTH REQUIRED OVER THE REMAINDER OF FY 2025 TO ACHIEVE THE FY 2025 FORECAST:
MAJOR GENERAL FUND REVENUE SOURCE FORECASTS BY FORECASTER: MAY 1, 2025, FORECAST**

	ACTUAL		FORECASTER					
	Fiscal Year-to-Date	% Change	% Change from Agency FY 2024	% Change from Fiscal FY 2024	% Change from Budget FY 2024	% Change from Moody's Analytics FY 2024		
LET - GAMING								
FY 2023 (July-February)	\$78.9							
FY 2024 (July-February)	\$86.7	9.8%						
FY 2025 (July-February)	\$74.8	-13.7%						
FY 2023 Actual	\$121.4							
FY 2024 Actual	\$127.0	4.6%						
FY 2025 Forecast			\$112.4 -11.5%	\$114.3 -10.0%	\$112.9 -11.1%			
Growth Over Last 4 Months of FY 2024 compared to Last 4 Months of FY 2023			-5.0%	-5.0%	-5.0%			
Average Growth Required Over Last 4 Months of FY 2025 to Achieve Forecast			-6.9%	-2.0%	-5.5%			
LET - NONGAMING								
FY 2023 (July-February)	\$48.8							
FY 2024 (July-February)	\$94.5	93.7%						
FY 2025 (July-February)	\$71.2	-24.7%						
FY 2023 Actual	\$79.9							
FY 2024 Actual	\$129.3	61.8%						
FY 2025 Forecast			\$104.3 -19.3%	\$108.7 -15.9%	\$108.3 -16.2%			
Growth Over Last 4 Months of FY 2024 compared to Last 4 Months of FY 2023			11.7%	11.7%	11.7%			
Average Growth Required Over Last 4 Months of FY 2025 to Achieve Forecast			-4.8%	8.0%	6.8%			
MBT - NONFINANCIAL BUSINESSES								
FY 2023 (2nd Quarter)	\$424.0							
FY 2024 (2nd Quarter)	\$382.1	-9.9%						
FY 2025 (2nd Quarter)	\$390.0	2.1%						
FY 2023 Actual	\$853.6							
FY 2024 Actual	\$798.1	-6.5%						
FY 2025 Forecast			\$819.5 2.7%	\$815.5 2.2%	\$814.7 2.1%			
Growth Over Last 2 Quarters of FY 2024 compared to Last 2 Quarters of FY 2023			-3.2%	-3.2%	-3.2%			
Average Growth Required Over Last 2 Quarters of FY 2025 to Achieve Forecast			3.2%	2.3%	2.1%			
MBT - FINANCIAL BUSINESSES								
FY 2023 (2nd Quarter)	\$20.0							
FY 2024 (2nd Quarter)	\$18.1	-9.6%						
FY 2025 (2nd Quarter)	\$17.5	-3.0%						
FY 2023 Actual	\$44.0							
FY 2024 Actual	\$40.9	-7.1%						
FY 2025 Forecast			\$42.2 3.0%	\$42.0 2.7%	\$39.6 -3.2%			
Growth Over Last 2 Quarters of FY 2024 compared to Last 2 Quarters of FY 2023			-5.0%	-5.0%	-5.0%			
Average Growth Required Over Last 2 Quarters of FY 2025 to Achieve Forecast			7.8%	7.2%	-3.3%			

TABLE 9

COMPARISON OF AVERAGE GROWTH REQUIRED OVER THE REMAINDER OF FY 2025 TO ACHIEVE THE FY 2025 FORECAST:
MAJOR GENERAL FUND REVENUE SOURCE FORECASTS BY FORECASTER: MAY 1, 2025, FORECAST

	ACTUAL		FORECASTER							
	Fiscal Year-to-Date	% Change	Agency FY 2024	% Change from FY 2024	Fiscal FY 2024	% Change from FY 2024	Budget FY 2024	% Change from FY 2024	Moody's Analytics	% Change from FY 2024
MBT - MINING										
FY 2023 (2nd Quarter)	\$10.4									
FY 2024 (2nd Quarter)	\$8.9	-14.4%								
FY 2025 (2nd Quarter)	\$9.4	5.7%								
FY 2023 Actual	\$22.0									
FY 2024 Actual	\$19.6	-11.0%								
FY 2025 Forecast			\$20.0	2.2%	\$20.9	6.9%	\$20.2	3.0%		
Growth Over Last 2 Quarters of FY 2024 compared to Last 2 Quarters of FY 2023			-7.9%		-7.9%		-7.9%			
Average Growth Required Over Last 2 Quarters of FY 2025 to Achieve Forecast			-0.8%		7.9%		0.8%			
MBT - TOTAL										
FY 2023 (2nd Quarter)	\$454.4									
FY 2024 (2nd Quarter)	\$409.0	-10.0%								
FY 2025 (2nd Quarter)	\$416.9	1.9%								
FY 2023 Actual	\$919.6									
FY 2024 Actual	\$858.6	-6.6%								
FY 2025 Forecast			\$881.6	2.7%	\$878.5	2.3%	\$874.5	1.8%		
Growth Over Last 2 Quarters of FY 2024 compared to Last 2 Quarters of FY 2023			-3.4%		-3.4%		-3.4%			
Average Growth Required Over Last 2 Quarters of FY 2025 to Achieve Forecast			3.4%		2.7%		1.8%			
INTEREST INCOME (TREASURER)										
FY 2023 (2nd Quarter)	\$41.6									
FY 2024 (2nd Quarter)	\$116.6	180.5%								
FY 2025 (2nd Quarter)	\$126.2	8.2%								
FY 2023 Actual	\$142.6									
FY 2024 Actual	\$224.9	57.7%								
FY 2025 Forecast			\$250.2	11.2%	\$250.2	11.2%	\$250.2	11.2%		
Growth Over Last 2 Quarters of FY 2024 compared to Last 2 Quarters of FY 2023			7.2%		7.2%		7.2%			
Average Growth Required Over Last 2 Quarters of FY 2025 to Achieve Forecast			14.5%		14.5%		14.5%			

TABLE 1
MBT-FINANCIAL INSTITUTIONS AND MBT-MINING - Agency, Fiscal, Budget, and Consensus Forecasts
Forecasts for the Modified Business Tax (MBT): FY 2025, FY 2026, and FY 2027

Actual and Forecast Revenues are in Millions of Dollars

Economic Forum May 1, 2025, Meeting

	FY 2024¹	FY 2025			FY 2026			FY 2027			2025-2027 Biennium		
	Actual:	Forecast:	\$	%	Forecast:	\$	%	Forecast:	\$	%	Forecast:	\$	%
	Millions \$'s	Millions \$'s	Change	Change	Millions \$'s	Change	Change	Millions \$'s	Change	Change	Millions \$'s	Change²	Change
MBT - Financial	\$40.923												
Consensus Forecast³		\$42.091	\$1.168	2.9%	\$43.503	\$1.412	3.4%	\$45.144	\$1.641	3.8%	\$88.648	\$5.634	6.8%
Agency		\$42.160	\$1.237	3.0%	\$43.410	\$1.250	3.0%	\$45.100	\$1.690	3.9%	\$88.510	\$5.427	6.5%
Fiscal Division		\$42.022	\$1.099	2.7%	\$43.597	\$1.575	3.7%	\$45.189	\$1.592	3.7%	\$88.786	\$5.841	7.0%
Budget Division		\$39.633	-\$1.290	-3.2%	\$38.783	-\$0.850	-2.1%	\$37.175	-\$1.607	-4.1%	\$75.958	-\$4.598	-5.7%
MBT - Mining	\$19.578												
Consensus Forecast³		\$20.368	\$0.791	4.0%	\$20.646	\$0.277	1.4%	\$21.095	\$0.450	2.2%	\$41.741	\$1.794	4.5%
Agency		\$20.000	\$0.422	2.2%	\$20.000	\$0.000	0.0%	\$20.500	\$0.500	2.5%	\$40.500	\$0.922	2.3%
Fiscal Division		\$20.931	\$1.353	6.9%	\$21.178	\$0.247	1.2%	\$21.502	\$0.324	1.5%	\$42.680	\$2.171	5.4%
Budget Division		\$20.175	\$0.597	3.0%	\$20.759	\$0.584	2.9%	\$21.284	\$0.526	2.5%	\$42.043	\$2.290	5.8%

¹ Actual collections for FY 2024 are before the application of any tax credits that were taken against the Modified Business Tax (MBT).

² Represents the difference between the total for the 2025-27 biennium (FY 2026 and FY 2027 forecasts) and the total for the 2023-25 biennium (FY 2024 actual and FY 2025 forecast).

³ Consensus forecast agreed to by the Department of Taxation, the Governor's Office of Finance, and the Fiscal Analysis Division for consideration and possible approval at the May 1, 2025, meeting.

**TABLE 1 - ESTIMATES BASED ON FISCAL YEAR ACTIVITY PERIOD - MAY 2025 ESTIMATES
COMMERCE TAX DUE ESTIMATES UNDER ALTERNATIVE GROWTH RATE SCENARIOS**

Actual to Date: FY 2020 - FY 2024 Estimate: FY 2025 - FY 2027 (Taxation, Budget, and Fiscal Consensus)

(Actual to date amounts for FY 2020 - FY 2023 and the FY 2024 estimate include amounts recorded in other fiscal years that belong to activity tax period for each fiscal year.)

Fiscal Year	Commerce Tax: Moody's Forecast		Commerce Tax: 5.5%, 5.0%, & 5.0% Growth		Commerce Tax: 6.0%, 5.5%, & 5.5% Growth		Commerce Tax: 6.5%, 6.0%, & 6.0% Growth		Commerce Tax: 7.0%, 6.0%, & 6.0% Growth		Commerce Tax: Consensus Estimate	
	Growth ¹	% Change	% Change	% Change	% Change	% Change	% Change	% Change	% Change	% Change	% Change	% Change
FY 2020 Actual to Date	\$216,947,017	-3.0%	\$216,947,017	-3.0%	\$216,947,017	-3.0%	\$216,947,017	-3.0%	\$216,947,017	-3.0%	\$216,947,017	-3.0%
FY 2021 Actual to Date	\$221,482,838	2.1%	\$221,482,838	2.1%	\$221,482,838	2.1%	\$221,482,838	2.1%	\$221,482,838	2.1%	\$221,482,838	2.1%
FY 2022 Actual to Date	\$284,343,601	28.4%	\$284,343,601	28.4%	\$284,343,601	28.4%	\$284,343,601	28.4%	\$284,343,601	28.4%	\$284,343,601	28.4%
FY 2023 Actual to Date	\$311,321,950	9.5%	\$311,321,950	9.5%	\$311,321,950	9.5%	\$311,321,950	9.5%	\$311,321,950	9.5%	\$311,321,950	9.5%
FY 2024 Estimate	\$332,650,000	6.9%	\$332,650,000	6.9%	\$332,650,000	6.9%	\$332,650,000	6.9%	\$332,650,000	6.9%	\$332,650,000	6.9%
FY 2025 Estimate	\$348,307,000	4.7%	\$350,946,000	5.5%	\$352,609,000	6.0%	\$354,272,000	6.5%	\$355,936,000	7.0%	\$349,283,000	5.0%
FY 2026 Estimate	\$364,760,000	4.7%	\$368,493,000	5.0%	\$372,002,000	5.5%	\$375,528,000	6.0%	\$377,292,000	6.0%	\$366,747,000	5.0%
FY 2027 Estimate	\$381,070,000	4.5%	\$386,918,000	5.0%	\$392,462,000	5.5%	\$398,060,000	6.0%	\$399,930,000	6.0%	\$385,084,000	5.0%
19-21 Biennium	\$438,429,854	2.6%	\$438,429,854	2.6%	\$438,429,854	2.6%	\$438,429,854	2.6%	\$438,429,854	2.6%	\$438,429,854	2.6%
21-23 Biennium	\$595,665,551	35.9%	\$595,665,551	35.9%	\$595,665,551	35.9%	\$595,665,551	35.9%	\$595,665,551	35.9%	\$595,665,551	35.9%
23-25 Biennium	\$680,957,000	14.3%	\$683,596,000	14.8%	\$685,259,000	15.0%	\$686,922,000	15.3%	\$688,586,000	15.6%	\$681,933,000	14.5%
25-27 Biennium	\$745,830,000	9.5%	\$755,411,000	10.5%	\$764,464,000	11.6%	\$773,588,000	12.6%	\$777,222,000	12.9%	\$751,831,000	10.2%
DIFFERENCE: BY FISCAL YEAR AND BIENNIUM												
FY 2021 - FY 2020	\$4,535,821		\$4,535,821		\$4,535,821		\$4,535,821		\$4,535,821		\$4,535,821	
FY 2022 - FY 2021	\$62,860,763		\$62,860,763		\$62,860,763		\$62,860,763		\$62,860,763		\$62,860,763	
FY 2023 - FY 2022	\$26,978,349		\$26,978,349		\$26,978,349		\$26,978,349		\$26,978,349		\$26,978,349	
FY 2024 - FY 2023	\$21,328,050		\$21,328,050		\$21,328,050		\$21,328,050		\$21,328,050		\$21,328,050	
FY 2025 - FY 2024	\$15,657,000		\$18,296,000		\$19,959,000		\$21,622,000		\$23,286,000		\$16,633,000	
FY 2026 - FY 2025	\$16,453,000		\$17,547,000		\$19,393,000		\$21,256,000		\$21,356,000		\$17,464,000	
FY 2027 - FY 2026	\$16,310,000		\$18,425,000		\$20,460,000		\$22,532,000		\$22,638,000		\$18,337,000	
21-23 Biennium - 19-21 Biennium	\$157,235,696		\$157,235,696		\$157,235,696		\$157,235,696		\$157,235,696		\$157,235,696	
23-25 Biennium - 21-23 Biennium	\$85,291,449		\$87,930,449		\$89,593,449		\$91,256,449		\$92,920,449		\$86,267,449	
25-27 Biennium - 23-25 Biennium	\$64,873,000		\$71,815,000		\$79,205,000		\$86,666,000		\$88,636,000		\$69,898,000	
DIFFERENCE: BY FISCAL YEAR AND BIENNIUM FROM THE TAXATION, BUDGET, AND FISCAL CONSENSUS ESTIMATE												
FY 2025 - FY 2024	-\$976,000		\$1,663,000		\$3,326,000		\$4,989,000		\$6,653,000			
FY 2026 - FY 2025	-\$1,987,000		\$1,746,000		\$5,255,000		\$8,781,000		\$10,545,000			
FY 2027 - FY 2026	-\$4,014,000		\$1,834,000		\$7,378,000		\$12,976,000		\$14,846,000			
23-25 Biennium	-\$976,000		\$1,663,000		\$3,326,000		\$4,989,000		\$6,653,000			
25-27 Biennium	-\$6,001,000		\$3,580,000		\$12,633,000		\$21,757,000		\$25,391,000			

Notes:

(1.) Based on Moody's Analytics April 2025 forecast, the projected growth rates for Nevada Gross Domestic Product are 4.7% for FY 2025, 4.7% for FY 2026, and 4.5% for FY 2027.

TABLE 2 - ESTIMATES BASED ON THE DEPOSIT OF COLLECTIONS FROM FISCAL YEAR ACTIVITY PERIOD - MAY 2025 ESTIMATES
COMMERCE TAX DUE ESTIMATES UNDER ALTERNATIVE GROWTH RATE SCENARIOS

Actual: FY 2020 - FY 2024 Estimate: FY 2025 - FY 2027 (Taxation, Budget, and Fiscal Consensus)

(Actual amounts for FY 2020 - FY 2024 are the amounts actually deposited in each fiscal year accounting period.)

Fiscal Year	Commerce Tax: Moody's Forecast Growth	% Change	Commerce Tax: 5.5%, 5.0%, & 5.0% Growth	% Change	Commerce Tax: 6.0%, 5.5%, & 5.5% Growth	% Change	Commerce Tax: 6.5%, 6.0%, & 6.0% Growth	% Change	Commerce Tax: 7.0%, 6.0%, & 6.0% Growth	% Change	Commerce Tax: Consensus Estimate	% Change
FY 2020 Actual	\$204,983,790	-9.6%	\$204,983,790	-9.6%	\$204,983,790	-9.6%	\$204,983,790	-9.6%	\$204,983,790	-9.6%	\$204,983,790	-9.6%
FY 2021 Actual	\$221,958,301	8.3%	\$221,958,301	8.3%	\$221,958,301	8.3%	\$221,958,301	8.3%	\$221,958,301	8.3%	\$221,958,301	8.3%
FY 2022 Actual	\$281,881,659	27.0%	\$281,881,659	27.0%	\$281,881,659	27.0%	\$281,881,659	27.0%	\$281,881,659	27.0%	\$281,881,659	27.0%
FY 2023 Actual	\$302,294,190	7.2%	\$302,294,190	7.2%	\$302,294,190	7.2%	\$302,294,190	7.2%	\$302,294,190	7.2%	\$302,294,190	7.2%
FY 2024 Actual	\$343,073,688	13.5%	\$343,073,688	13.5%	\$343,073,688	13.5%	\$343,073,688	13.5%	\$343,073,688	13.5%	\$343,073,688	13.5%
FY 2025 Estimate	\$350,068,000	2.0%	\$352,443,000	2.7%	\$353,940,000	3.2%	\$355,436,000	3.6%	\$356,934,000	4.0%	\$350,946,000	2.3%
FY 2026 Estimate	\$363,115,000	3.7%	\$366,738,000	4.1%	\$370,063,000	4.6%	\$373,402,000	5.1%	\$375,156,000	5.1%	\$356,501,000	1.6%
FY 2027 Estimate	\$379,439,000	4.5%	\$385,076,000	5.0%	\$390,416,000	5.5%	\$395,807,000	6.0%	\$397,666,000	6.0%	\$383,250,000	7.5%
19-21 Biennium	\$426,942,091	-0.4%	\$426,942,091	-0.4%	\$426,942,091	-0.4%	\$426,942,091	-0.4%	\$426,942,091	-0.4%	\$426,942,091	-0.4%
21-23 Biennium	\$584,175,848	36.8%	\$584,175,848	36.8%	\$584,175,848	36.8%	\$584,175,848	36.8%	\$584,175,848	36.8%	\$584,175,848	36.8%
23-25 Biennium	\$693,141,688	18.7%	\$695,516,688	19.1%	\$697,013,688	19.3%	\$698,509,688	19.6%	\$700,007,688	19.8%	\$694,019,688	18.8%
25-27 Biennium	\$742,554,000	7.1%	\$751,814,000	8.1%	\$760,479,000	9.1%	\$769,209,000	10.1%	\$772,822,000	10.4%	\$739,751,000	6.6%
DIFFERENCE: BY FISCAL YEAR AND BIENNIUM												
FY 2021 - FY 2020	\$16,974,511		\$16,974,511		\$16,974,511		\$16,974,511		\$16,974,511		\$16,974,511	
FY 2022 - FY 2021	\$59,923,358		\$59,923,358		\$59,923,358		\$59,923,358		\$59,923,358		\$59,923,358	
FY 2023 - FY 2022	\$20,412,531		\$20,412,531		\$20,412,531		\$20,412,531		\$20,412,531		\$20,412,531	
FY 2024 - FY 2023	\$40,779,498		\$40,779,498		\$40,779,498		\$40,779,498		\$40,779,498		\$40,779,498	
FY 2025 - FY 2024	\$6,994,312		\$9,369,312		\$10,866,312		\$12,362,312		\$13,860,312		\$7,872,312	
FY 2026 - FY 2025	\$13,047,000		\$14,295,000		\$16,123,000		\$17,966,000		\$18,222,000		\$5,555,000	
FY 2027 - FY 2026	\$16,324,000		\$18,338,000		\$20,353,000		\$22,405,000		\$22,510,000		\$26,749,000	
21-23 Biennium -												
19-21 Biennium	\$157,233,758		\$157,233,758		\$157,233,758		\$157,233,758		\$157,233,758		\$157,233,758	
23-25 Biennium -												
21-23 Biennium	\$108,965,839		\$111,340,839		\$112,837,839		\$114,333,839		\$115,831,839		\$109,843,839	
25-27 Biennium -												
23-25 Biennium	\$49,412,312		\$56,297,312		\$63,465,312		\$70,699,312		\$72,814,312		\$45,731,312	
DIFFERENCE: BY FISCAL YEAR AND BIENNIUM FROM THE TAXATION, BUDGET, AND FISCAL CONSENSUS ESTIMATE												
FY 2025 - FY 2024	-\$878,000		\$1,497,000		\$2,994,000		\$4,490,000		\$5,988,000			
FY 2026 - FY 2025	\$6,614,000		\$10,237,000		\$13,562,000		\$16,901,000		\$18,655,000			
FY 2027 - FY 2026	-\$3,811,000		\$1,826,000		\$7,166,000		\$12,557,000		\$14,416,000			
23-25 Biennium	-\$878,000		\$1,497,000		\$2,994,000		\$4,490,000		\$5,988,000			
25-27 Biennium	\$2,803,000		\$12,063,000		\$20,728,000		\$29,458,000		\$33,071,000			

TABLE 3 - SELECT ECONOMIC INDICATORS FOR THE NEVADA ECONOMY - MAY 2025 ESTIMATES

Actual: FY 2020 - FY 2024

(Actual amounts for FY 2020 - FY 2024 include amounts recorded in other fiscal years that belong to activity tax period for each fiscal year.)

Fiscal Year	Commerce Tax	% Change	Nevada Gross Domestic Product (GDP) (Millions of \$'s)	% Change	Nevada Population	% Change	Nevada Personal Income (Millions of \$'s)	% Change	Nevada Total Nonfarm Employment (1,000's)	% Change	U.S. Consumer Price Index (CPI)	% Change	Population and CPI Growth	Employment and CPI Growth
FY 2020	\$216,947,017	-3.0%	\$180,055	1.2%	3,145,184	1.0%	\$165,820	7.6%	1,359.7	-3.2%	257.3	1.6%	2.6%	-1.6%
FY 2021	\$221,482,838	2.1%	\$186,722	3.7%	3,158,539	0.4%	\$181,410	9.4%	1,302.9	-4.2%	263.1	2.3%	2.7%	-2.0%
FY 2022	\$284,343,601	28.4%	\$216,264	15.8%	3,204,105	1.4%	\$192,504	6.1%	1,444.3	10.8%	282.0	7.2%	8.7%	18.8%
FY 2023	\$311,321,950	9.5%	\$236,809	9.5%	3,241,678	1.2%	\$205,143	6.6%	1,517.6	5.1%	299.7	6.3%	7.5%	11.6%
FY 2024	\$332,650,000	6.9%	\$254,360	7.4%	3,282,911	1.3%	\$218,864	6.7%	1,559.3	2.7%	309.6	3.3%	4.6%	6.1%

Commerce Tax: Per \$1,000 of GDP, Per Capita, Per \$1,000 of Personal Income, and Per Employee

Fiscal Year	Commerce Tax per \$1,000 of GDP	% Change	Commerce Tax per Capita	% Change	Commerce Tax per \$1,000 of Personal Income	% Change	Commerce Tax per Employee	% Change
FY 2020	\$1.205	-4.2%	\$68.98	-4.0%	\$1.308	-9.9%	\$159.56	0.1%
FY 2021	\$1.186	-1.6%	\$70.12	1.7%	\$1.221	-6.7%	\$169.99	6.5%
FY 2022	\$1.315	10.8%	\$88.74	26.6%	\$1.477	21.0%	\$196.88	15.8%
FY 2023	\$1.315	0.0%	\$96.04	8.2%	\$1.518	2.7%	\$205.15	4.2%
FY 2024	\$1.308	-0.5%	\$101.33	5.5%	\$1.520	0.2%	\$213.34	4.0%

TABLES 1 and 2
COMMERCE TAX AND COMMERCE TAX CREDITS AGAINST THE MBT - ACTUAL AND FORECAST: FY 2020 - FY 2027
FISCAL YEAR BUSINESS ACTIVITY PERIOD AND FISCAL YEAR ACCOUNTING PERIOD BASIS

TABLE 1

Commerce Tax and Commerce Tax Credits Against the MBT Based on Fiscal Year Business Activity Period

Commerce Tax	FY 2020 Actual to Date	FY 2021 Actual to Date	FY 2022 Actual to Date	FY 2023 Actual to Date	FY 2024 Estimate	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast
Commerce Tax for the Current Fiscal Year Business Activity Period in the Current Fiscal Year Accounting Period	\$188,004,838	\$194,884,631	\$255,521,703	\$272,913,415	\$299,384,909	\$349,283,000	\$366,747,000	\$385,084,000
Commerce Tax for the Current Fiscal Year Business Activity Period from Future Fiscal Year Accounting Periods	\$29,051,641	\$26,886,842	\$29,277,440	\$39,509,819	\$33,265,000			
Total Commerce Tax for the Fiscal Year Business Activity Period	\$217,056,479	\$221,771,473	\$284,799,000	\$312,423,233	\$332,650,000	\$349,283,000	\$366,747,000	\$385,084,000
MBT Commerce Tax Credits	FY 2021 Actual to Date	FY 2022 Actual to Date	FY 2023 Actual to Date	FY 2024 Estimate	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast	
Commerce Tax Credits for the Current MBT Fiscal Year Business Activity Period in the Current Fiscal Year Accounting Period	\$41,563,564	\$43,393,166	\$58,579,762	\$62,599,231	\$64,201,000	\$67,412,000	\$70,782,000	
Commerce Tax Credits for the Current MBT Fiscal Year Business Activity Period from Future Fiscal Year Accounting Periods	\$4,289,912	\$1,674,109	\$1,655,828	\$2,187,000	\$2,329,000	\$2,445,000	\$2,567,000	
Total Commerce Tax Credits Against the MBT for the Fiscal Year Business Activity Period	\$45,853,477	\$45,067,275	\$60,235,590	\$64,786,193	\$66,530,000	\$69,857,000	\$73,349,000	
MBT Commerce Tax Credits as % of the Commerce Tax	21.1%	20.3%	21.2%	20.7%	20.0%	20.0%	20.0%	

TABLE 2

Commerce Tax and Commerce Tax Credits Against the MBT Based on Fiscal Year Accounting Period

Commerce Tax	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast
Commerce Tax for the Current Fiscal Year Accounting Period from the Current Fiscal Year Business Activity Period	\$188,004,838	\$194,884,631	\$255,521,703	\$272,913,415	\$299,384,909	\$314,355,000	\$330,072,000	\$346,576,000
Commerce Tax for the Current Fiscal Year Accounting Period from Prior Commerce Tax Fiscal Year Business Activity Periods	\$16,978,952	\$27,073,670	\$26,359,956	\$29,380,775	\$43,688,778	\$36,591,000	\$26,429,000	\$36,674,000
Total Commerce Tax for the Fiscal Year Accounting Period	\$204,983,790	\$221,958,301	\$281,881,659	\$302,294,190	\$343,073,688	\$350,946,000	\$356,501,000	\$383,250,000
MBT Commerce Tax Credits	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast	
Commerce Tax Credits for the Current MBT Fiscal Year Accounting Period from the Current Fiscal Year Business Activity Period	\$41,563,564	\$43,393,166	\$58,579,762	\$62,599,231	\$64,201,000	\$67,412,000	\$70,782,000	
Commerce Tax Credits for the Current Fiscal Year Accounting Period from Prior MBT Fiscal Year Business Activity Periods	\$1,543,004	\$4,453,715	\$2,944,351	-\$2,140,319	\$2,187,000	\$2,329,000	\$2,445,000	
Total Commerce Tax Credits Against the MBT for the Fiscal Year Accounting Period	\$43,106,568	\$47,846,881	\$61,524,113	\$60,458,912	\$66,388,000	\$69,741,000	\$73,227,000	
MBT Commerce Tax Credit as % of the Commerce Tax	21.0%	21.6%	21.8%	20.0%	19.4%	19.9%	20.5%	

General Fund Interest Earnings Projections

AVG. DAILY FUND BALANCE

	Total Fund Balance	% Chg	Total Investable Portfolio	Difference	General Fund	\$ Chg.	% Chg	% of Total
FY25-1	8,940,083,747	0%	8,910,083,747	30,000,000	5,947,566,260		10.8%	66.8%
FY25-2	8,735,702,299	-6%	8,705,702,299	30,000,000	5,049,027,408		-14.6%	58.0%
FY25-3	8,806,381,188	-7%	8,776,381,188	30,000,000	5,679,120,759		-1.2%	64.7%
FY25-4	9,078,280,461	-5%	9,048,280,461	30,000,000	6,319,173,748		5.9%	69.8%
FY26-1	8,658,014,111	-3%	8,628,014,111	30,000,000	5,657,786,806		-4.9%	65.6%
FY26-2	8,757,548,451	0%	8,727,548,451	30,000,000	5,479,925,936		8.5%	62.8%
FY26-3	9,012,338,860	2%	8,982,338,860	30,000,000	5,714,103,328		0.6%	63.6%
FY26-4	9,175,539,590	1%	9,145,539,590	30,000,000	6,144,354,935		-2.8%	67.2%
FY27-1	8,659,048,929	0%	8,629,048,929	30,000,000	5,802,676,533		2.6%	67.2%
FY27-2	8,606,625,375	-2%	8,576,625,375	30,000,000	5,264,476,672		-3.9%	61.4%
FY27-3	8,909,360,024	-1%	8,879,360,024	30,000,000	5,696,612,044		-0.3%	64.2%
FY27-4	9,126,910,025	-1%	9,096,910,025	30,000,000	6,231,764,341		1.4%	68.5%

NOTES:

- A1. Total Fund Balance is projected based on the average total fund balance for that quarter for the past two years, and assumes no growth (0%).
- A2. Total Investable Balance is the Total Fund Balance minus the estimated compensating balance with the State's general bank.
- A3. The General Fund's balance is projected based on the average total fund balance for that quarter.
- A4. FY25-1 and FY25-2 Total Fund Balance is "Actual".

General Fund Interest Earnings Projections

	<u>IMPLIED FORWARD YIELDS</u>				<u>STO PROJECTED FORWARD YIELDS</u>				<u>PROJECTED SPOT YIELDS</u>		
	Fed Funds Rate	6mo US Tbill	2yr US Treasury	5yr US Treasury	Fed Funds Rate	6mo US Tbill	2yr US Treasury	5yr US Treasury	Liquidity Portfolio	S-T Portfolio	Long Term Portfolio
FY25-1	4.83	4.38	3.62	3.58	4.83	4.38	3.62	3.58	4.83	4.43	3.58
FY25-2	4.34	4.28	4.24	4.38	4.83	4.38	3.62	3.58	4.83	4.43	3.58
FY25-3	4.34	4.22	4.01	3.91	4.34	4.28	4.24	4.38	4.34	4.33	4.38
FY25-4	4.28	3.95	3.71	3.92	4.34	4.22	4.01	3.91	4.34	4.27	3.91
FY26-1	3.96	3.71	3.66	3.93	4.28	3.95	3.71	3.92	4.28	4.00	3.92
FY26-2	3.60	3.63	3.66	3.97	3.96	3.71	3.66	3.93	3.96	3.76	3.93
FY26-3	3.37	3.59	3.67	4.01	3.60	3.63	3.66	3.97	3.60	3.68	3.97
FY26-4	3.23	3.58	3.73	4.06	3.37	3.59	3.67	4.01	3.37	3.64	4.01
FY27-1	3.16	3.54	3.80	4.11	3.23	3.58	3.73	4.06	3.23	3.63	4.06
FY27-2	3.16	3.63	3.87	4.16	3.16	3.54	3.80	4.11	3.16	3.59	4.11
FY27-3	3.18	3.77	3.94	4.21	3.16	3.63	3.87	4.16	3.16	3.68	4.16
FY27-4	3.26	3.77	3.98	4.27	3.18	3.77	3.94	4.21	3.18	3.82	4.21

NOTES:

- B1. Implied forward yields are based on forward yield curves and Fed Funds futures contract prices as of 4/16/2025. These rates change based on the date used for the implied forward yields.
- B2. "STO" projected forward yields are the Treasurer's Office's projections.
- B3. FY25-1, FY-25-2 and FY25-3 rates are closing market rates as of the quarter end, but Assets By Portfolio are estimated.

General Fund Interest Earnings Projections

ASSETS BY PORTFOLIO (QUARTER-END)							
	Liquidity Portfolio	S-T Portfolio	Core	Long Term Portfolio's		Total Core & LT Portfolio's	Total of all Portfolios
				External Investment Manager 1	External Investment Manager 2		
FY25-1	1,782,016,749	4,009,537,686	2,178,529,311	-	940,000,000	3,118,529,311	8,910,083,747
FY25-2	1,741,140,460	3,917,566,035	2,106,995,805	-	940,000,000	3,046,995,805	8,705,702,299
FY25-3	1,755,276,238	3,949,371,535	2,131,733,416	-	940,000,000	3,071,733,416	8,776,381,188
FY25-4	1,809,656,092	4,071,726,208	2,226,898,161	-	940,000,000	3,166,898,161	9,048,280,461
FY26-1	1,725,602,822	3,882,606,350	2,079,804,939	-	940,000,000	3,019,804,939	8,628,014,111
FY26-2	1,745,509,690	3,927,396,803	2,114,641,958	-	940,000,000	3,054,641,958	8,727,548,451
FY26-3	1,796,467,772	4,042,052,487	2,203,818,601	-	940,000,000	3,143,818,601	8,982,338,860
FY26-4	1,829,107,918	4,115,492,815	2,260,938,856	-	940,000,000	3,200,938,856	9,145,539,590
FY27-1	1,725,809,786	3,883,072,018	2,080,167,125	-	940,000,000	3,020,167,125	8,629,048,929
FY27-2	1,715,325,075	3,859,481,419	2,061,818,881	-	940,000,000	3,001,818,881	8,576,625,375
FY27-3	1,775,872,005	3,995,712,011	2,167,776,008	-	940,000,000	3,107,776,008	8,879,360,024
FY27-4	1,819,382,005	4,093,609,511	2,243,918,509	-	940,000,000	3,183,918,509	9,096,910,025

NOTES:

- C1. The Liquidity portfolio represents maturities of 30 days or less and is ~20% of the Total Portfolio
- C2. The S-T portfolio represents maturities in the range of 2 - 12 months and is ~45% of the Total Portfolio.
- C3. The Long Term Portfolios (Core and External Managers) have maturities > 12 months and is ~35% of the portfolio

General Fund Interest Earnings Projections

EARNINGS BY PORTFOLIO								GENERAL FUND		
	Liquidity Portfolio	S-T Portfolio	Long Term Portfolio's				Total of all Portfolios	Yield	Estimated Interest	FY Total
			Core	External Investment Manager 1	External Investment Manager 2	Total				
FY25-1	21,517,852	44,405,630	19,497,837	-	8,413,000	27,910,837	119,230,717	5.34%	79,341,756	
FY25-2	21,024,271	43,338,074	18,857,612	-	8,413,000	27,270,612	82,171,901	3.76%	47,464,075	
FY25-3	19,044,747	42,742,073	23,342,481	-	10,293,000	33,635,481	95,422,302	4.21%	59,787,179	
FY25-4	19,612,148	43,424,960	21,756,795	-	9,183,800	30,940,595	93,977,703	4.03%	63,612,513	250,205,523
FY26-1	18,476,892	38,807,427	20,357,443	-	9,200,861	29,558,304	86,842,623	3.90%	55,108,982	
FY26-2	17,293,637	36,903,490	20,791,477	-	9,242,221	30,033,698	84,230,825	3.74%	51,200,687	
FY26-3	16,154,736	37,196,786	21,880,448	-	9,332,720	31,213,167	84,564,690	3.65%	52,128,803	
FY26-4	15,387,370	37,400,364	22,669,190	-	9,424,863	32,094,053	84,881,788	3.60%	55,291,763	213,730,235
FY27-1	13,935,914	35,242,373	21,108,964	-	9,538,862	30,647,825	79,826,113	3.58%	51,948,503	
FY27-2	13,563,933	34,647,433	21,177,148	-	9,654,834	30,831,982	79,043,348	3.57%	46,943,837	
FY27-3	14,016,070	36,809,698	22,539,126	-	9,773,509	32,312,635	83,138,402	3.75%	53,337,991	
FY27-4	14,464,087	39,089,366	23,625,601	-	9,897,002	33,522,602	87,076,055	3.83%	59,650,744	211,881,075

NOTES:

- D1. The Yield for the General Fund is the same as the General Portfolio as a whole and is derived by dividing total earnings by investable assets. Earnings are shown above on an accrued basis. In reality, cash earnings per quarter will fluctuate due to the timing of coupon payments on our investments.
- D2. The earnings and interest rates above are based on current and implied yields as of 4/16/2025. They do not reflect actual or expected returns over the period of the projections.

TABLE 5

Technical Advisory Committee Forecasts for Selected Revenues: FY 2025, FY 2026, and FY 2027

Actual and Forecast Revenues are in Millions of Dollars

Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

	FY 2024	FY 2025			FY 2026			FY 2027			2025-2027 Biennium		
	Actual:	Forecast:	\$	%	Forecast:	\$	%	Forecast:	\$	%	Forecast:	\$	%
	Millions \$'s	Millions \$'s	Change	Change	Millions \$'s	Change	Change	Millions \$'s	Change	Change	Millions \$'s	Change ¹	Change
Transportation Connection Tax	\$40.158												
Technical Advisory Committee ²		\$46.455	\$6.297	15.7%	\$43.482	(\$2.973)	-6.4%	\$50.128	\$6.646	15.3%	\$93.610	\$6.997	8.1%
Agency		\$48.119	\$7.961	19.8%	\$46.761	(\$1.358)	-2.8%	\$53.759	\$6.998	15.0%	\$100.520	\$12.243	13.9%
Fiscal Division		\$45.059	\$4.901	12.2%	\$41.896	(\$3.163)	-7.0%	\$49.261	\$7.365	17.6%	\$91.157	\$5.940	7.0%
Budget Division		\$46.187	\$6.029	15.0%	\$41.788	(\$4.399)	-9.5%	\$47.363	\$5.575	13.3%	\$89.151	\$2.806	3.2%
SOS - Commercial Filings	\$89.171												
Technical Advisory Committee ²		\$91.783	\$2.612	2.9%	\$93.000	\$1.217	1.3%	\$94.686	\$1.686	1.8%	\$187.686	\$6.732	3.7%
Agency		\$91.886	\$2.715	3.0%	\$95.194	\$3.308	3.6%	\$98.621	\$3.427	3.6%	\$193.815	\$12.758	7.0%
Fiscal Division		\$92.383	\$3.212	3.6%	\$92.513	\$0.130	0.1%	\$93.191	\$0.678	0.7%	\$185.704	\$4.150	2.3%
Budget Division		\$91.079	\$1.908	2.1%	\$91.294	\$0.215	0.2%	\$92.246	\$0.952	1.0%	\$183.540	\$3.290	1.8%
SOS - Securities	\$36.669												
Technical Advisory Committee ²		\$37.726	\$1.057	2.9%	\$37.915	\$0.189	0.5%	\$38.105	\$0.190	0.5%	\$76.020	\$1.625	2.2%
Agency		\$37.714	\$1.045	2.9%	\$37.902	\$0.188	0.5%	\$38.092	\$0.190	0.5%	\$75.994	\$1.611	2.2%
Fiscal Division		\$37.751	\$1.082	3.0%	\$37.940	\$0.189	0.5%	\$38.130	\$0.190	0.5%	\$76.070	\$1.650	2.2%
Budget Division		\$37.714	\$1.045	2.9%	\$37.902	\$0.188	0.5%	\$38.092	\$0.190	0.5%	\$75.994	\$1.611	2.2%
Unclaimed Property	\$70.965												
Technical Advisory Committee ²		\$71.875	\$0.910	1.3%	\$65.770	(\$6.105)	-8.5%	\$65.282	(\$0.488)	-0.7%	\$131.052	(\$11.788)	-8.3%
Agency		\$58.475	(\$12.490)	-17.6%	\$62.449	\$3.974	6.8%	\$64.052	\$1.603	2.6%	\$126.501	(\$2.939)	-2.3%
Fiscal Division		\$93.728	\$22.763	32.1%	\$70.869	(\$22.859)	-24.4%	\$66.957	(\$3.912)	-5.5%	\$137.826	(\$26.867)	-16.3%
Budget Division		\$63.424	(\$7.541)	-10.6%	\$63.992	\$0.568	0.9%	\$64.835	\$0.843	1.3%	\$128.827	(\$5.562)	-4.1%
Liquor Tax	\$49.049												
Technical Advisory Committee ²		\$43.709	(\$5.340)	-10.9%	\$44.554	\$0.845	1.9%	\$45.445	\$0.891	2.0%	\$89.999	(\$2.759)	-3.0%
Agency		\$41.692	(\$7.357)	-15.0%	\$43.134	\$1.442	3.5%	\$44.062	\$0.928	2.2%	\$87.196	(\$3.545)	-3.9%
Fiscal Division		\$46.271	(\$2.778)	-5.7%	\$46.346	\$0.075	0.2%	\$46.767	\$0.421	0.9%	\$93.113	(\$2.207)	-2.3%
Budget Division		\$43.163	(\$5.886)	-12.0%	\$44.182	\$1.019	2.4%	\$45.507	\$1.325	3.0%	\$89.689	(\$2.523)	-2.7%
Short-Term Car Lease	\$78.876												
Technical Advisory Committee ²		\$77.922	(\$0.954)	-1.2%	\$78.510	\$0.588	0.8%	\$79.457	\$0.947	1.2%	\$157.967	\$1.169	0.7%
Agency		\$80.215	\$1.339	1.7%	\$80.668	\$0.453	0.6%	\$80.919	\$0.251	0.3%	\$161.587	\$2.496	1.6%
Fiscal Division		\$74.150	(\$4.726)	-6.0%	\$74.193	\$0.043	0.1%	\$75.439	\$1.246	1.7%	\$149.632	(\$3.394)	-2.2%
Budget Division		\$79.401	\$0.525	0.7%	\$80.668	\$1.267	1.6%	\$82.012	\$1.344	1.7%	\$162.680	\$4.403	2.8%

TABLE 5

Technical Advisory Committee Forecasts for Selected Revenues: FY 2025, FY 2026, and FY 2027

Actual and Forecast Revenues are in Millions of Dollars
Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

	FY 2024	FY 2025			FY 2026			FY 2027			2025-2027 Biennium		
	Actual:	Forecast:	\$	%	Forecast:	\$	%	Forecast:	\$	%	Forecast:	\$	%
	Millions \$'s	Millions \$'s	Change	Change	Millions \$'s	Change	Change	Millions \$'s	Change	Change	Millions \$'s	Change ¹	Change
Business License Fee	\$122.663												
Technical Advisory Committee ²		\$125.616	\$2.953	2.4%	\$125.537	(\$0.079)	-0.1%	\$128.135	\$2.598	2.1%	\$253.672	\$5.393	2.2%
Agency		\$125.874	\$3.211	2.6%	\$129.894	\$4.020	3.2%	\$134.044	\$4.150	3.2%	\$263.938	\$15.401	6.2%
Fiscal Division		\$125.274	\$2.611	2.1%	\$125.475	\$0.201	0.2%	\$125.691	\$0.216	0.2%	\$251.166	\$3.229	1.3%
Budget Division		\$125.701	\$3.038	2.5%	\$121.243	(\$4.458)	-3.5%	\$124.669	\$3.426	2.8%	\$245.912	(\$2.452)	-1.0%
Cigarette Tax	\$122.974												
Technical Advisory Committee ²		\$114.460	(\$8.514)	-6.9%	\$108.251	(\$6.209)	-5.4%	\$103.070	(\$5.181)	-4.8%	\$211.321	(\$26.113)	-11.0%
Agency		\$113.990	(\$8.984)	-7.3%	\$107.270	(\$6.720)	-5.9%	\$100.940	(\$6.330)	-5.9%	\$208.210	(\$28.754)	-12.1%
Fiscal Division		\$113.281	(\$9.693)	-7.9%	\$106.755	(\$6.526)	-5.8%	\$100.879	(\$5.876)	-5.5%	\$207.634	(\$28.621)	-12.1%
Budget Division		\$116.109	(\$6.865)	-5.6%	\$110.728	(\$5.381)	-4.6%	\$107.392	(\$3.336)	-3.0%	\$218.120	(\$20.963)	-8.8%
Other Tobacco Tax	\$32.933												
Technical Advisory Committee ²		\$31.632	(\$1.301)	-3.9%	\$31.083	(\$0.549)	-1.7%	\$30.721	(\$0.362)	-1.2%	\$61.804	(\$2.761)	-4.3%
Agency		\$31.770	(\$1.163)	-3.5%	\$30.970	(\$0.800)	-2.5%	\$30.300	(\$0.670)	-2.2%	\$61.270	(\$3.433)	-5.3%
Fiscal Division		\$31.147	(\$1.786)	-5.4%	\$30.780	(\$0.367)	-1.2%	\$30.650	(\$0.130)	-0.4%	\$61.430	(\$2.650)	-4.1%
Budget Division		\$31.978	(\$0.955)	-2.9%	\$31.498	(\$0.480)	-1.5%	\$31.214	(\$0.284)	-0.9%	\$62.712	(\$2.199)	-3.4%
Athletic Commission Fees	\$7.584												
Technical Advisory Committee ²		\$5.102	(\$2.482)	-32.7%	\$5.102	\$0.000	0.0%	\$5.102	\$0.000	0.0%	\$10.204	(\$2.482)	-19.6%
Agency		\$5.028	(\$2.556)	-33.7%	\$5.028	\$0.000	0.0%	\$5.028	\$0.000	0.0%	\$10.056	(\$2.556)	-20.3%
Fiscal Division		\$5.250	(\$2.334)	-30.8%	\$5.250	\$0.000	0.0%	\$5.250	\$0.000	0.0%	\$10.500	(\$2.334)	-18.2%
Budget Division		\$5.028	(\$2.556)	-33.7%	\$5.028	\$0.000	0.0%	\$5.028	\$0.000	0.0%	\$10.056	(\$2.556)	-20.3%
TOTAL - 10 Selected Revenues	\$651.042												
Technical Advisory Committee ²		\$646.280	(\$4.762)	-0.7%	\$633.204	(\$13.076)	-2.0%	\$640.131	\$6.927	1.1%	\$1,273.335	(\$23.987)	-1.8%
Agency		\$634.763	(\$16.279)	-2.5%	\$639.270	\$4.507	0.7%	\$649.817	\$10.547	1.6%	\$1,289.087	\$3.282	0.3%
Fiscal Division		\$664.294	\$13.252	2.0%	\$632.017	(\$32.277)	-4.9%	\$632.215	\$0.198	0.0%	\$1,264.232	(\$51.104)	-3.9%
Budget Division		\$639.784	(\$11.258)	-1.7%	\$628.323	(\$11.461)	-1.8%	\$638.358	\$10.035	1.6%	\$1,266.681	(\$24.145)	-1.9%

¹ Represents the difference between the total for the 2025-27 biennium (FY 2026 and FY 2027 forecasts) and the total for the 2023-25 biennium (FY 2024 actual and FY 2025 forecast).

² Technical Advisory Committee April 23, 2025 Forecast.

TABLE 6
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
TECHNICAL ADVISORY COMMITTEE FORECAST BASED ON APRIL 23, 2025 MEETING
FY 2025, FY 2026 and FY 2027

Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	ECONOMIC FORUM FORECAST - PRELIMINARY					
		FY 2025		FY 2026		FY 2027	
			%		%		%
TAXES							
MINING TAX							
3064 Net Proceeds of Minerals [1-21][1-23][1-24]	\$0						
3245 Centrally Assessed Penalties	\$0						
3074 Mining Gross Revenue Tax - Gold and Silver [3-22]	\$0						
TOTAL MINING TAXES AND FEES	\$0						
SALES AND USE							
3001 Sales & Use Tax [1-20][4-22][1-25]	\$1,790,433,565						
3002 State Share - LSST [1-20][4-22][1-25]	\$17,108,572						
3003 State Share - BCCRT [1-20][4-22][1-25]	\$7,653,650						
3004 State Share - SCCRT [1-20][4-22][1-25]	\$26,782,538						
3005 State Share - PTT [1-20][4-22][1-25]	\$21,127,104						
TOTAL SALES AND USE	\$1,863,105,429						
GAMING - STATE							
3041 Percent Fees - Gross Revenue: <u>Before Tax Credits</u>	\$999,947,106						
Tax Credit Programs:							
Film Transferrable Tax Credits [TC-1]	(\$1,842,482)						
Economic Development Transferrable Tax Credits [TC-2]	\$0						
Catalyst Account Transferrable Tax Credits [TC-4]	\$0						
Affordable Housing Transferrable Tax Credits [TC-7]	\$0						
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0						
Total - Tax Credit Programs	(\$1,842,482)						
Percent Fees - Gross Revenue: <u>After Tax Credits</u>	\$998,104,624						
3032 Pari-mutuel Tax	\$3,580	\$4,000	11.7%	\$4,000	0.0%	\$4,100	2.5%
3181 Racing Fees	\$10,605	\$6,400	-39.7%	\$7,500	17.2%	\$7,500	0.0%
3247 Racing Fines/Forfeitures	\$750	\$1,000	33.3%	\$0		\$0	
3042 Gaming Penalties	\$10,930,133	\$11,000,000	0.6%	\$700,000	-93.6%	\$700,000	0.0%
3043 Flat Fees-Restricted Slots [2-20]	\$8,607,351	\$8,639,000	0.4%	\$8,673,000	0.4%	\$8,703,000	0.3%
3044 Non-Restricted Slots [2-20]	\$10,556,985	\$10,430,000	-1.2%	\$10,460,000	0.3%	\$10,472,000	0.1%
3045 Quarterly Fees-Games	\$5,488,322	\$5,248,000	-4.4%	\$5,215,000	-0.6%	\$5,221,000	0.1%
3046 Advance License Fees	\$9,610,894	\$250,000	-97.4%	\$250,000	0.0%	\$250,000	0.0%
3048 Slot Machine Route Operator	\$25,000	\$25,500	2.0%	\$25,500	0.0%	\$25,500	0.0%
3049 Gaming Info Systems Annual	\$54,000	\$54,000	0.0%	\$54,000	0.0%	\$54,000	0.0%
3028 Interactive Gaming Fee - Operator	\$500,000	\$500,000	0.0%	\$500,000	0.0%	\$500,000	0.0%
3029 Interactive Gaming Fee - Service Provider	\$13,000	\$12,000	-7.7%	\$12,000	0.0%	\$12,000	0.0%
3030 Interactive Gaming Fee - Manufacturer	\$75,000	\$75,000	0.0%	\$75,000	0.0%	\$75,000	0.0%
3033 Equip Mfg. License	\$300,000	\$288,500	-3.8%	\$288,500	0.0%	\$288,500	0.0%
3034 Race Wire License	\$7,825	\$2,500	-68.1%	\$2,600	4.0%	\$2,700	3.8%
3035 Annual Fees on Games	\$94,663	\$119,600	26.3%	\$113,900	-4.8%	\$112,300	-1.4%
TOTAL GAMING - STATE: <u>BEFORE TAX CREDITS</u>	\$1,046,225,214	\$36,655,500	-96.5%	\$26,381,000	-28.0%	\$26,427,600	0.2%
Tax Credit Programs	(\$1,842,482)	\$0		\$0		\$0	
TOTAL GAMING - STATE: <u>AFTER TAX CREDITS</u>	\$1,044,382,732	\$36,655,500	-96.5%	\$26,381,000	-28.0%	\$26,427,600	0.2%
LIVE ENTERTAINMENT TAX (LET)							
3031G Live Entertainment Tax-Gaming [5-22]	\$127,004,289						
3031NG Live Entertainment Tax-Nongaming [5-22]	\$129,274,874						
TOTAL LET	\$256,279,162						
COMMERCE TAX							
3072 Commerce Tax	\$343,073,688						
TRANSPORTATION CONNECTION EXCISE TAX							
3073 Transportation Connection Excise Tax	\$40,157,801	\$46,455,000	15.7%	\$43,482,000	-6.4%	\$50,128,000	15.3%
CIGARETTE TAX							
3052 Cigarette Tax [3-20]	\$122,973,891	\$114,460,000	-6.9%	\$108,251,000	-5.4%	\$103,070,000	-4.8%

TABLE 6
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
TECHNICAL ADVISORY COMMITTEE FORECAST BASED ON APRIL 23, 2025 MEETING
FY 2025, FY 2026 and FY 2027

Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	ECONOMIC FORUM FORECAST - PRELIMINARY			
		FY 2025	%	FY 2026	%
TAXES - CONTINUED					
MODIFIED BUSINESS TAX (MBT)					
MBT - NONFINANCIAL BUSINESSES (MBT-NFI) [4-20][6-22][3-24]					
3069 MBT - Nonfinancial: Before Tax Credits	\$798,137,393				
Commerce Tax Credits	(\$59,891,198)				
MBT - Nonfinancial: After Commerce Tax Credits	\$738,246,195				
Tax Credit Programs:					
Film Transferrable Tax Credits [TC-1]	(\$1,016,342)				
Economic Development Transferrable Tax Credits [TC-2]	\$0				
Catalyst Account Transferrable Tax Credits [TC-4]	\$0				
Education Choice Scholarship Tax Credits [TC-5]	(\$8,083,700)				
College Savings Plan Tax Credits [TC-6]	\$0				
Affordable Housing Transferrable Tax Credits [TC-7]	\$0				
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0				
Total - Tax Credit Programs	(\$9,100,042)				
MBT - Nonfinancial: After Tax Credit Programs	\$729,146,153				
MBT - FINANCIAL BUSINESSES (MBT-FI) [4-20][6-22][3-24]					
3069 MBT - Financial: Before Tax Credits	\$40,922,695				
Commerce Tax Credits	(\$477,803)				
MBT - Financial: After Commerce Tax Credits	\$40,444,892				
Tax Credit Programs:					
Film Transferrable Tax Credits [TC-1]	\$0				
Economic Development Transferrable Tax Credits [TC-2]	\$0				
Catalyst Account Transferrable Tax Credits [TC-4]	\$0				
Education Choice Scholarship Tax Credits [TC-5]	(\$92,320)				
College Savings Plan Tax Credits [TC-6]	\$0				
Affordable Housing Transferrable Tax Credits [TC-7]	\$0				
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0				
Total - Tax Credit Programs	(\$92,320)				
MBT - Financial: After Tax Credit Programs	\$40,352,573				
MBT - MINING BUSINESSES (MBT-MINING) [4-20][6-22][3-24]					
3069 MBT - Mining: Before Tax Credits	\$19,577,939				
Commerce Tax Credits	(\$89,912)				
MBT - Mining: After Commerce Tax Credits	\$19,488,027				
Tax Credit Programs:					
Film Transferrable Tax Credits [TC-1]	\$0				
Economic Development Transferrable Tax Credits [TC-2]	\$0				
Catalyst Account Transferrable Tax Credits [TC-4]	\$0				
Education Choice Scholarship Tax Credits [TC-5]	\$0				
College Savings Plan Tax Credits [TC-6]	\$0				
Affordable Housing Transferrable Tax Credits [TC-7]	\$0				
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0				
Total - Tax Credit Programs	\$0				
MBT - Mining - After Tax Credit Programs	\$19,488,027				

TABLE 6
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
TECHNICAL ADVISORY COMMITTEE FORECAST BASED ON APRIL 23, 2025 MEETING
FY 2025, FY 2026 and FY 2027

Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	ECONOMIC FORUM FORECAST - PRELIMINARY					
		FY 2025		FY 2026		FY 2027	
			%		%		%
TAXES - CONTINUED							
<u>TOTAL MBT - NFI, FI, & MINING</u>							
TOTAL MBT: <u>BEFORE TAX CREDITS</u>	\$858,638,027						
TOTAL COMMERCE TAX CREDITS	(\$60,458,912)						
TOTAL MBT: <u>AFTER COMMERCE TAX CREDITS</u>	\$798,179,114						
Tax Credit Programs:							
Film Transferrable Tax Credits [TC-1]	(\$1,016,342)						
Economic Development Transferrable Tax Credits [TC-2]	\$0						
Catalyst Account Transferrable Tax Credits [TC-4]	\$0						
Education Choice Scholarship Tax Credits [TC-5]	(\$8,176,019)						
College Savings Plan Tax Credits [TC-6]	\$0						
Affordable Housing Transferrable Tax Credits [TC-7]	\$0						
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0						
Total - Tax Credit Programs	(\$9,192,361)						
TOTAL MBT: <u>AFTER TAX CREDIT PROGRAMS</u>	\$788,986,753						
INSURANCE TAXES							
3061 Insurance Premium Tax: Before Tax Credits [5-24]	\$646,678,025						
Tax Credit Programs:							
Film Transferrable Tax Credits [TC-1]	(\$3,152,877)						
Economic Development Transferrable Tax Credits [TC-2]	\$0						
Catalyst Account Transferrable Tax Credits [TC-4]	\$0						
Nevada New Markets Job Act Tax Credits [TC-3]	(\$21,103,337)						
Affordable Housing Transferrable Tax Credits [TC-7]	(\$3,000,000)						
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0						
Total - Tax Credit Programs	(\$27,256,215)						
Insurance Premium Tax: <u>After Tax Credit Programs</u>	\$619,421,810						
3062 Insurance Retaliatory Tax	\$370,858	\$395,200	6.6%	\$402,600	1.9%	\$407,100	1.1%
3067 Captive Insurer Premium Tax	\$1,143,526	\$1,194,000	4.4%	\$1,200,000	0.5%	\$1,223,000	1.9%
TOTAL INSURANCE TAXES: <u>BEFORE TAX CREDITS</u>	\$648,192,408	\$1,589,200	-99.8%	\$1,602,600	0.8%	\$1,630,100	1.7%
TAX CREDIT PROGRAMS	(\$27,256,215)	\$0		\$0		\$0	
TOTAL INSURANCE TAXES: <u>AFTER TAX CREDITS</u>	\$620,936,193	\$1,589,200	-99.7%	\$1,602,600	0.8%	\$1,630,100	1.7%
REAL PROPERTY TRANSFER TAX (RPTT)							
3055 Real Property Transfer Tax [6-24]	\$108,964,910						
GOVERNMENTAL SERVICES TAX (GST)							
3051 Governmental Services Tax [5-20][2-21][7-24]	\$0						
OTHER TAXES							
3113 Business License Fee	\$122,663,071	\$125,616,000	2.4%	\$125,537,000	-0.1%	\$128,135,000	2.1%
3050 Liquor Tax	\$49,048,983	\$43,709,000	-10.9%	\$44,554,000	1.9%	\$45,445,000	2.0%
3053 Other Tobacco Tax [6-20][8-24]	\$32,932,665	\$31,632,000	-3.9%	\$31,083,000	-1.7%	\$30,721,000	-1.2%
4774 HECC Transfer	\$5,000,000	\$5,000,000	0.0%	\$5,000,000	0.0%	\$5,000,000	0.0%
3068 Branch Bank Excise Tax	\$2,160,550	\$2,124,000	-1.7%	\$2,072,000	-2.4%	\$2,016,000	-2.7%
TOTAL TAXES: <u>BEFORE TAX CREDITS</u>	\$5,499,415,798	\$407,240,700	-92.6%	\$387,962,600	-4.7%	\$392,572,700	1.2%
TOTAL COMMERCE TAX CREDITS	(\$60,458,912)	\$0		\$0		\$0	
TOTAL TAXES: <u>AFTER COMMERCE TAX CREDITS</u>	\$5,438,956,886	\$407,240,700	-92.5%	\$387,962,600	-4.7%	\$392,572,700	1.2%
Tax Credit Programs:							
Film Transferrable Tax Credits [TC-1]	(\$6,011,701)	(\$7,483,358)		(\$8,194,647)		(\$8,000,000)	
Economic Development Transferrable Tax Credits [TC-2]	\$0	(\$2,137,500)		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]	\$0	\$0		\$0		\$0	
Nevada New Markets Job Act Tax Credits [TC-3]	(\$21,103,337)	(\$24,000,000)		(\$16,000,000)		(\$26,500,000)	
Education Choice Scholarship Tax Credits [TC-5]	(\$8,176,019)	(\$9,000,000)		(\$7,700,000)		(\$6,655,000)	
College Savings Plan Tax Credits [TC-6]	\$0	(\$600)		(\$650)		(\$700)	
Affordable Housing Transferrable Tax Credits [TC-7]	(\$3,000,000)	(\$10,725,000)		(\$10,000,000)		(\$9,275,000)	
Baseball Stadium Transferrable Tax Credits [TC-8]	\$0	\$0		(\$36,000,000)		(\$36,000,000)	
Total - Tax Credit Programs	(\$38,291,058)	(\$53,346,458)		(\$77,895,297)		(\$86,430,700)	
TOTAL TAXES: <u>AFTER TAX CREDITS</u>	\$5,400,665,828	\$353,894,242	-93.4%	\$310,067,303	-12.4%	\$306,142,000	-1.3%

TABLE 6
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
TECHNICAL ADVISORY COMMITTEE FORECAST BASED ON APRIL 23, 2025 MEETING
FY 2025, FY 2026 and FY 2027
 Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	ECONOMIC FORUM FORECAST - PRELIMINARY					
		FY 2025		FY 2026		FY 2027	
		%	%	%	%		
LICENSES							
3101 Insurance Licenses	\$29,972,617	\$30,570,000	2.0%	\$31,131,000	1.8%	\$31,652,000	1.7%
3120 Marriage License	\$335,411	\$337,500	0.6%	\$336,200	-0.4%	\$334,500	-0.5%
SECRETARY OF STATE							
3105 UCC	\$3,482,261	\$2,986,000	-14.3%	\$3,007,000	0.7%	\$3,027,000	0.7%
3129 Notary Fees	\$788,253	\$770,700	-2.2%	\$768,700	-0.3%	\$769,300	0.1%
3130 Commercial Recordings [9-24]	\$89,170,782	\$91,783,000	2.9%	\$93,000,000	1.3%	\$94,686,000	1.8%
3131 Video Service Franchise	\$250	\$2,600	940.0%	\$300	-88.5%	\$300	0.0%
3121 Domestic Partnership Registry Fee	\$59,018	\$42,500	-28.0%	\$37,000	-12.9%	\$37,500	1.4%
3152 Securities [7-22]	\$36,668,572	\$37,726,000	2.9%	\$37,915,000	0.5%	\$38,105,000	0.5%
TOTAL SECRETARY OF STATE	\$130,169,135	\$133,310,800	2.4%	\$134,728,000	1.1%	\$136,625,100	1.4%
3172 Private School Licenses	\$217,310	\$219,500	1.0%	\$221,600	1.0%	\$223,600	0.9%
3173 Private Employment Agency	\$19,500	\$19,600	0.5%	\$19,900	1.5%	\$20,200	1.5%
REAL ESTATE							
3161 Real Estate License	\$2,710,525	\$2,644,000	-2.5%	\$2,656,000	0.5%	\$2,638,000	-0.7%
3162 Real Estate Fees	\$3,140	\$3,200	1.9%	\$3,300	3.1%	\$3,300	0.0%
TOTAL REAL ESTATE	\$2,713,665	\$2,647,200	-2.4%	\$2,659,300	0.5%	\$2,641,300	-0.7%
3102 Athletic Commission Fees	\$7,584,245	\$5,102,000	-32.7%	\$5,102,000	0.0%	\$5,102,000	0.0%
TOTAL LICENSES	\$171,011,882	\$172,206,600	0.7%	\$174,198,000	1.2%	\$176,598,700	1.4%
FEES AND FINES							
3203 Divorce Fees	\$138,148	\$136,600	-1.1%	\$135,800	-0.6%	\$135,000	-0.6%
3204 Civil Action Fees	\$1,337,211	\$1,445,000	8.1%	\$1,419,000	-1.8%	\$1,400,000	-1.3%
3242 Insurance Fines	\$891,023	\$431,000	-51.6%	\$440,000	2.1%	\$449,000	2.0%
3242LC Investigative Costs Recovery - Labor Commission	\$6,500	\$2,500	-61.5%	\$21,700	768.0%	\$21,700	0.0%
3103MD Medical Plan Discount Reg. Fees	\$0	\$2,000		\$500	-75.0%	\$500	0.0%
REAL ESTATE FEES							
3107IOS IOS Application Fees	\$3,500	\$5,000	42.9%	\$5,000	0.0%	\$5,200	4.0%
3165 Land Co Filing Fees	\$28,425	\$39,500	39.0%	\$29,400	-25.6%	\$29,400	0.0%
3169 Real Estate Reg Fees	\$5,175	\$8,300	60.4%	\$6,700	-19.3%	\$7,100	6.0%
4741 Real Estate Exam Fees	\$548,337	\$477,300	-13.0%	\$483,600	1.3%	\$492,200	1.8%
3178 Real Estate Accred Fees	\$123,450	\$107,200	-13.2%	\$116,200	8.4%	\$117,600	1.2%
3254 Real Estate Penalties	\$82,660	\$87,800	6.2%	\$85,600	-2.5%	\$85,900	0.4%
3190 A.B. 165, Real Estate Inspectors	\$49,460	\$55,500	12.2%	\$52,900	-4.7%	\$53,000	0.2%
TOTAL REAL ESTATE FEES	\$841,007	\$780,600	-7.2%	\$779,400	-0.2%	\$790,400	1.4%
3066 Short Term Car Lease [8-22]	\$78,876,414	\$77,922,000	-1.2%	\$78,510,000	0.8%	\$79,457,000	1.2%
3103AC Athletic Commission Licenses/Fines	\$206,300	\$175,000	-15.2%	\$177,700	1.5%	\$180,900	1.8%
3150 Navigable Water Permit Fees	\$65,000	\$65,000	0.0%	\$65,000	0.0%	\$65,000	0.0%
3205 State Engineer Sales	\$3,440,211	\$3,701,000	7.6%	\$3,706,000	0.1%	\$3,689,000	-0.5%
3206 Supreme Court Fees	\$184,555	\$184,100	-0.2%	\$183,900	-0.1%	\$181,800	-1.1%
3115 Notice of Default Fee	\$394,792	\$363,600	-7.9%	\$368,800	1.4%	\$366,100	-0.7%
3601 Professional Employer Organization Fee [9-22]	\$106,500	\$112,400	5.5%	\$113,700	1.2%	\$114,900	1.1%
3271 Misc Fines/Forfeitures [10-24]	\$3,074,722	\$2,700,000	-12.2%	\$2,700,000	0.0%	\$2,700,000	0.0%
TOTAL FEES AND FINES	\$89,562,384	\$88,020,800	-1.7%	\$88,621,500	0.7%	\$89,551,300	1.0%

TABLE 6
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
TECHNICAL ADVISORY COMMITTEE FORECAST BASED ON APRIL 23, 2025 MEETING
FY 2025, FY 2026 and FY 2027

Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	ECONOMIC FORUM FORECAST - PRELIMINARY					
		FY 2025	%	FY 2026	%	FY 2027	%
USE OF MONEY AND PROP							
OTHER REPAYMENTS							
4401 Higher Education Tuition Admin							
4403 Forestry Nurseries Fund Repayment (05-M27)	\$20,670	\$20,670		\$20,670		\$20,670	
4408 Comp/Fac Repayment	\$13,032	\$5,239		\$5,239		\$5,239	
4408 OCIO Repayment - State Microwave Communications System	\$266,914	\$266,914		\$266,914		\$266,914	
4408 OCIO Repayment - Enterprise Cloud Application [1-22]	\$448,209	\$448,209		\$0		\$0	
4408 OCIO Repayment - Firewall Replacement [2-22]	\$677,635	\$677,634		\$0		\$0	
4408 OCIO Repayment - Content Management and Portal Platform [2-24]	\$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	
TOTAL OTHER REPAYMENTS	\$4,772,773	\$4,764,978	-0.2%	\$4,220,084	-11.4%	\$4,220,084	0.0%
INTEREST INCOME							
3290 Treasurer	\$224,917,309						
3291 Other	\$765,210	\$688,700	-10.0%	\$654,300	-5.0%	\$621,500	-5.0%
TOTAL INTEREST INCOME	\$225,682,518	\$688,700	-99.7%	\$654,300	-5.0%	\$621,500	-5.0%
TOTAL USE OF MONEY & PROP	\$230,455,292	\$5,453,678	-97.6%	\$4,874,384	-10.6%	\$4,841,584	-0.7%
OTHER REVENUE							
3059 Hoover Dam Revenue	\$300,000	\$300,000		\$300,000		\$300,000	
MISC SALES AND REFUNDS							
3047 Expired Slot Machine Wagering Vouchers	\$18,374,082	\$18,045,000	-1.8%	\$18,023,000	-0.1%	\$18,004,000	-0.1%
3107 Misc Fees [9-22]	\$1,039,259	\$1,040,000	0.1%	\$1,077,000	3.6%	\$1,115,000	3.5%
3109 Court Admin Assessments [7-20][12-24]	\$0	\$0		\$0		\$0	
3114 Court Administrative Assessment Fee [12-24]	\$15,544,481	\$16,017,000	3.0%	\$16,246,000	1.4%	\$16,601,000	2.2%
3168 Declare of Candidacy Filing Fee	\$82,090	\$75,000	-8.6%	\$70,000	-6.7%	\$45,000	-35.7%
3202 Fees & Writs of Garnishments	\$715	\$500	-30.1%	\$400	-20.0%	\$300	-25.0%
3220 Nevada Report Sales	\$14,695	\$4,000	-72.8%	\$16,000	300.0%	\$4,200	-73.8%
3222 Excess Property Sales	\$0	\$0		\$0		\$0	
3240 Sale of Trust Property	\$0	\$0		\$0		\$0	
3243 Insurance - Misc	\$400,685	\$390,800	-2.5%	\$381,500	-2.4%	\$372,600	-2.3%
3274 Misc Refunds	\$2,919,728	\$1,217,000	-58.3%	\$653,900	-46.3%	\$403,900	-38.2%
3276 Cost Recovery Plan [8-20][10-22][13-24]	\$8,450,166	\$7,874,000	-6.8%	\$8,161,000	3.6%	\$8,129,000	-0.4%
TOTAL MISC SALES & REF	\$46,825,901	\$44,663,300	-4.6%	\$44,628,800	-0.1%	\$44,675,000	0.1%
3255 Unclaimed Property [11-22][14-24]	\$70,965,216	\$71,875,000	1.3%	\$65,770,000	-8.5%	\$65,282,000	-0.7%
TOTAL OTHER REVENUE	\$118,091,117	\$116,838,300	-1.1%	\$110,698,800	-5.3%	\$110,257,000	-0.4%
TOTAL GENERAL FUND REVENUE: BEFORE TAX CREDITS	\$6,108,536,473	\$789,760,078	-87.1%	\$766,355,284	-3.0%	\$773,821,284	1.0%
TOTAL COMMERCE TAX CREDITS	(\$60,458,912)	\$0		\$0		\$0	
TOTAL GENERAL FUND REVENUE: AFTER COMMERCE TAX CREDITS	\$6,048,077,560	\$789,760,078	-86.9%	\$766,355,284	-3.0%	\$773,821,284	1.0%
TAX CREDIT PROGRAMS:							
FILM TRANSFERRABLE TAX CREDITS [TC-1]	(\$6,011,701)	(\$7,483,358)		(\$8,194,647)		(\$8,000,000)	
ECONOMIC DEVELOPMENT TRANSFERRABLE TAX CREDITS [TC-2]	\$0	(\$2,137,500)		\$0		\$0	
CATALYST ACCOUNT TRANSFERRABLE TAX CREDITS [TC-4]	\$0	\$0		\$0		\$0	
NEVADA NEW MARKET JOBS ACT TAX CREDITS [TC-3]	(\$21,103,337)	(\$24,000,000)		(\$16,000,000)		(\$26,500,000)	
EDUCATION CHOICE SCHOLARSHIP TAX CREDITS [TC-5]	(\$8,176,019)	(\$9,000,000)		(\$7,700,000)		(\$6,655,000)	
COLLEGE SAVINGS PLAN TAX CREDITS [TC-6]	\$0	(\$600)		(\$650)		(\$700)	
AFFORDABLE HOUSING TRANSFERRABLE TAX CREDITS [TC-7]	(\$3,000,000)	(\$10,725,000)		(\$10,000,000)		(\$9,275,000)	
BASEBALL STADIUM TRANSFERRABLE TAX CREDITS [TC-8]		\$0		(\$36,000,000)		(\$36,000,000)	
TOTAL- TAX CREDIT PROGRAMS	(\$38,291,058)	(\$53,346,458)		(\$77,895,297)		(\$86,430,700)	
TOTAL GENERAL FUND REVENUE: AFTER TAX CREDITS	\$6,009,786,502	\$736,413,620	-87.7%	\$688,459,987	-6.5%	\$687,390,584	-0.2%

TABLE 6
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
TECHNICAL ADVISORY COMMITTEE FORECAST BASED ON APRIL 23, 2025 MEETING
FY 2025, FY 2026 and FY 2027

Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	ECONOMIC FORUM FORECAST - PRELIMINARY					
		FY 2025	%	FY 2026	%	FY 2027	%

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.

TABLE 6
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
TECHNICAL ADVISORY COMMITTEE FORECAST BASED ON APRIL 23, 2025 MEETING
FY 2025, FY 2026 and FY 2027

Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	ECONOMIC FORUM FORECAST - PRELIMINARY			
		FY 2025	%	FY 2026	%

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.

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.

TABLE 6
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
TECHNICAL ADVISORY COMMITTEE FORECAST BASED ON APRIL 23, 2025 MEETING
FY 2025, FY 2026 and FY 2027

Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	ECONOMIC FORUM FORECAST - PRELIMINARY					
		FY 2025	%	FY 2026	%	FY 2027	%
[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.						
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.						

TABLE 6
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TECHNICAL ADVISORY COMMITTEE FORECAST BASED ON APRIL 23, 2025 MEETING
FY 2025, FY 2026 and FY 2027
 Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	ECONOMIC FORUM FORECAST - PRELIMINARY			
		FY 2025	%	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. 240 (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.

TABLE 6
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
TECHNICAL ADVISORY COMMITTEE FORECAST BASED ON APRIL 23, 2025 MEETING
FY 2025, FY 2026 and FY 2027

Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	ECONOMIC FORUM FORECAST - PRELIMINARY					
		FY 2025	%	FY 2026	%	FY 2027	%
[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.						

TABLE 6 - DIFFERENCE
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
DIFFERENCE: TECHNICAL ADVISORY COMMITTEE - APRIL 23, 2025 VERSUS NOVEMBER 21, 2024
FY 2025, FY 2026 and FY 2027

Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	ECONOMIC FORUM FORECAST - PRELIMINARY					
		FY 2025		FY 2026		FY 2027	
		%	%	%	%		
TAXES							
MINING TAX							
3064	Net Proceeds of Minerals [1-21][1-23][1-24]	\$0					
3245	Centrally Assessed Penalties	\$0					
3074	Mining Gross Revenue Tax - Gold and Silver [3-22]	\$0					
TOTAL MINING TAXES AND FEES		\$0	\$0	\$0	\$0		
SALES AND USE							
3001	Sales & Use Tax [1-20][4-22][1-25]	\$1,790,433,565					
3002	State Share - LSST [1-20][4-22][1-25]	\$17,108,572					
3003	State Share - BCCRT [1-20][4-22][1-25]	\$7,653,650					
3004	State Share - SCCRT [1-20][4-22][1-25]	\$26,782,538					
3005	State Share - PTT [1-20][4-22][1-25]	\$21,127,104					
TOTAL SALES AND USE		\$1,863,105,429					
GAMING - STATE							
3041	Percent Fees - Gross Revenue: <u>Before Tax Credits</u>	\$999,947,106					
Tax Credit Programs:							
Film Transferrable Tax Credits [TC-1]		(\$1,842,482)					
Economic Development Transferrable Tax Credits [TC-2]		\$0					
Catalyst Account Transferrable Tax Credits [TC-4]		\$0					
Affordable Housing Transferrable Tax Credits [TC-7]		\$0					
Baseball Stadium Transferrable Tax Credits [TC-8]		\$0					
Total - Tax Credit Programs		(\$1,842,482)					
Percent Fees - Gross Revenue: <u>After Tax Credits</u>		\$998,104,624					
3032	Pari-mutuel Tax	\$3,580	\$0	\$0	\$0		
3181	Racing Fees	\$10,605	\$0	\$0	\$0		
3247	Racing Fines/Forfeitures	\$750	\$1,000	\$0	\$0		
3042	Gaming Penalties	\$10,930,133	\$10,150,000	\$0	\$0		
3043	Flat Fees-Restricted Slots [2-20]	\$8,607,351	\$0	\$0	\$0		
3044	Non-Restricted Slots [2-20]	\$10,556,985	\$0	\$0	\$0		
3045	Quarterly Fees-Games	\$5,488,322	(\$47,000)	(\$94,000)	(\$99,000)		
3046	Advance License Fees	\$9,610,894	(\$300,000)	(\$300,000)	(\$300,000)		
3048	Slot Machine Route Operator	\$25,000	\$500	\$500	\$500		
3049	Gaming Info Systems Annual	\$54,000	\$6,000	\$6,000	\$6,000		
3028	Interactive Gaming Fee - Operator	\$500,000	\$0	\$0	\$0		
3029	Interactive Gaming Fee - Service Provider	\$13,000	(\$1,000)	(\$1,000)	(\$1,000)		
3030	Interactive Gaming Fee - Manufacturer	\$75,000	\$0	\$0	\$0		
3033	Equip Mfg. License	\$300,000	\$500	\$0	(\$1,500)		
3034	Race Wire License	\$7,825	(\$2,700)	(\$2,700)	(\$2,700)		
3035	Annual Fees on Games	\$94,663	\$10,400	\$7,500	\$6,600		
TOTAL GAMING - STATE: <u>BEFORE TAX CREDITS</u>		\$1,046,225,214	\$9,817,700	(\$383,700)	(\$391,100)		
Tax Credit Programs		(\$1,842,482)	\$0	\$0	\$0		
TOTAL GAMING - STATE: <u>AFTER TAX CREDITS</u>		\$1,044,382,732	\$9,817,700	(\$383,700)	(\$391,100)		
LIVE ENTERTAINMENT TAX (LET)							
3031G	Live Entertainment Tax-Gaming [5-22]	\$127,004,289					
3031NG	Live Entertainment Tax-Nongaming [5-22]	\$129,274,874					
TOTAL LET		\$256,279,162	\$0	\$0	\$0		
COMMERCE TAX							
3072	Commerce Tax	\$343,073,688					
TRANSPORTATION CONNECTION EXCISE TAX							
3073	Transportation Connection Excise Tax	\$40,157,801	(\$1,532,000)	(\$2,781,000)	(\$3,689,000)		
CIGARETTE TAX							
3052	Cigarette Tax [3-20]	\$122,973,891	\$597,000	(\$212,000)	(\$568,000)		

TABLE 6 - DIFFERENCE
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
DIFFERENCE: TECHNICAL ADVISORY COMMITTEE - APRIL 23, 2025 VERSUS NOVEMBER 21, 2024
FY 2025, FY 2026 and FY 2027

Economic Forum May 1, 2025, Meeting - 4/28/2025 10:00 AM

G.L. NO.	FY 2024 ACTUAL	ECONOMIC FORUM FORECAST - PRELIMINARY				
		FY 2025	%	FY 2026	%	FY 2027
TAXES - CONTINUED						
MODIFIED BUSINESS TAX (MBT)						
<u>MBT - NONFINANCIAL BUSINESSES (MBT-NFI) [4-20][6-22][3-24]</u>						
3069 MBT - Nonfinancial: <u>Before Tax Credits</u>	\$798,137,393					
Commerce Tax Credits	<u>(\$59,891,198)</u>					
MBT - Nonfinancial: <u>After Commerce Tax Credits</u>	\$738,246,195					
Tax Credit Programs:						
Film Transferrable Tax Credits [TC-1]	(\$1,016,342)					
Economic Development Transferrable Tax Credits [TC-2]	\$0					
Catalyst Account Transferrable Tax Credits [TC-4]	\$0					
Education Choice Scholarship Tax Credits [TC-5]	(\$8,083,700)					
College Savings Plan Tax Credits [TC-6]	\$0					
Affordable Housing Transferrable Tax Credits [TC-7]	\$0					
Baseball Stadium Transferrable Tax Credits [TC-8]	<u>\$0</u>					
Total - Tax Credit Programs	<u>(\$9,100,042)</u>					
MBT - Nonfinancial: <u>After Tax Credit Programs</u>	<u>\$729,146,153</u>					
<u>MBT - FINANCIAL BUSINESSES (MBT-FI) [4-20][6-22][3-24]</u>						
3069 MBT - Financial: <u>Before Tax Credits</u>	\$40,922,695					
Commerce Tax Credits	<u>(\$477,803)</u>					
MBT - Financial: <u>After Commerce Tax Credits</u>	\$40,444,892					
Tax Credit Programs:						
Film Transferrable Tax Credits [TC-1]	\$0					
Economic Development Transferrable Tax Credits [TC-2]	\$0					
Catalyst Account Transferrable Tax Credits [TC-4]	\$0					
Education Choice Scholarship Tax Credits [TC-5]	(\$92,320)					
College Savings Plan Tax Credits [TC-6]	\$0					
Affordable Housing Transferrable Tax Credits [TC-7]	\$0					
Baseball Stadium Transferrable Tax Credits [TC-8]	<u>\$0</u>					
Total - Tax Credit Programs	<u>(\$92,320)</u>					
MBT - Financial: <u>After Tax Credit Programs</u>	<u>\$40,352,573</u>					
<u>MBT - MINING BUSINESSES (MBT-MINING) [4-20][6-22][3-24]</u>						
3069 MBT - Mining: <u>Before Tax Credits</u>	\$19,577,939					
Commerce Tax Credits	<u>(\$89,912)</u>					
MBT - Mining: <u>After Commerce Tax Credits</u>	\$19,488,027					
Tax Credit Programs:						
Film Transferrable Tax Credits [TC-1]	\$0					
Economic Development Transferrable Tax Credits [TC-2]	\$0					
Catalyst Account Transferrable Tax Credits [TC-4]	\$0					
Education Choice Scholarship Tax Credits [TC-5]	\$0					
College Savings Plan Tax Credits [TC-6]	\$0					
Affordable Housing Transferrable Tax Credits [TC-7]	\$0					
Baseball Stadium Transferrable Tax Credits [TC-8]	<u>\$0</u>					
Total - Tax Credit Programs	<u>\$0</u>					
MBT - Mining - <u>After Tax Credit Programs</u>	<u>\$19,488,027</u>					

TABLE 6 - DIFFERENCE
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
DIFFERENCE: TECHNICAL ADVISORY COMMITTEE - APRIL 23, 2025 VERSUS NOVEMBER 21, 2024
FY 2025, FY 2026 and FY 2027

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G.L. NO.		FY 2024 ACTUAL	ECONOMIC FORUM FORECAST - PRELIMINARY					
			FY 2025	%	FY 2026	%	FY 2027	%
TAXES - CONTINUED								
TOTAL MBT - NFI, FI. & MINING								
TOTAL MBT: BEFORE TAX CREDITS		\$858,638,027						
TOTAL COMMERCE TAX CREDITS		(\$60,458,912)						
TOTAL MBT: AFTER COMMERCE TAX CREDITS		\$798,179,114						
Tax Credit Programs:								
Film Transferrable Tax Credits [TC-1]		(\$1,016,342)						
Economic Development Transferrable Tax Credits [TC-2]		\$0						
Catalyst Account Transferrable Tax Credits [TC-4]		\$0						
Education Choice Scholarship Tax Credits [TC-5]		(\$8,176,019)						
College Savings Plan Tax Credits [TC-6]		\$0						
Affordable Housing Transferrable Tax Credits [TC-7]		\$0						
Baseball Stadium Transferrable Tax Credits [TC-8]		\$0						
Total - Tax Credit Programs		(\$9,192,361)						
TOTAL MBT: AFTER TAX CREDIT PROGRAMS		\$788,986,753						
INSURANCE TAXES								
3061	Insurance Premium Tax: Before Tax Credits [5-24]	\$646,678,025						
Tax Credit Programs:								
Film Transferrable Tax Credits [TC-1]		(\$3,152,877)						
Economic Development Transferrable Tax Credits [TC-2]		\$0						
Catalyst Account Transferrable Tax Credits [TC-4]		\$0						
Nevada New Markets Job Act Tax Credits [TC-3]		(\$21,103,337)						
Affordable Housing Transferrable Tax Credits [TC-7]		(\$3,000,000)						
Baseball Stadium Transferrable Tax Credits [TC-8]		\$0						
Total - Tax Credit Programs		(\$27,256,215)						
Insurance Premium Tax: After Tax Credit Programs		\$619,421,810						
3062	Insurance Retaliatory Tax	\$370,858	\$10,100		\$6,300		\$4,800	
3067	Captive Insurer Premium Tax	\$1,143,526	(\$67,000)		(\$76,000)		(\$77,000)	
TOTAL INSURANCE TAXES: BEFORE TAX CREDITS		\$648,192,408	(\$56,900)		(\$69,700)		(\$72,200)	
TAX CREDIT PROGRAMS		(\$27,256,215)	\$0		\$0		\$0	
TOTAL INSURANCE TAXES: AFTER TAX CREDITS		\$620,936,193	(\$56,900)		(\$69,700)		(\$72,200)	
REAL PROPERTY TRANSFER TAX (RPTT)								
3055	Real Property Transfer Tax [6-24]	\$108,964,910						
GOVERNMENTAL SERVICES TAX (GST)								
3051	Governmental Services Tax [5-20][2-21][7-24]	\$0						
OTHER TAXES								
3113	Business License Fee	\$122,663,071	\$114,000		(\$1,936,000)		(\$1,159,000)	
3050	Liquor Tax	\$49,048,983	(\$3,924,000)		(\$3,957,000)		(\$3,262,000)	
3053	Other Tobacco Tax [6-20][8-24]	\$32,932,665	(\$170,000)		(\$259,000)		(\$494,000)	
4774	HECC Transfer	\$5,000,000	\$0		\$0		\$0	
3068	Branch Bank Excise Tax	\$2,160,550	\$31,000		\$34,000		\$34,000	
TOTAL TAXES: BEFORE TAX CREDITS		\$5,499,415,798	\$4,876,800		(\$9,564,400)		(\$9,601,300)	
TOTAL COMMERCE TAX CREDITS		(\$60,458,912)	\$0		\$0		\$0	
TOTAL TAXES: AFTER COMMERCE TAX CREDITS		\$5,438,956,886	\$4,876,800		(\$9,564,400)		(\$9,601,300)	
Tax Credit Programs:								
Film Transferrable Tax Credits [TC-1]		(\$6,011,701)	(\$225,358)		(\$5,084,647)		(\$2,000,000)	
Economic Development Transferrable Tax Credits [TC-2]		\$0	\$0		\$0		\$0	
Catalyst Account Transferrable Tax Credits [TC-4]		\$0	\$0		\$0		\$0	
Nevada New Markets Job Act Tax Credits [TC-3]		(\$21,103,337)	\$0		\$0		\$0	
Education Choice Scholarship Tax Credits [TC-5]		(\$8,176,019)	(\$400,000)		(\$500,000)		\$0	
College Savings Plan Tax Credits [TC-6]		\$0	\$0		\$0		\$0	
Affordable Housing Transferrable Tax Credits [TC-7]		(\$3,000,000)	(\$1,725,000)		\$0		(\$1,275,000)	
Baseball Stadium Transferrable Tax Credits [TC-8]		\$0	\$0		\$0		\$0	
Total - Tax Credit Programs		(\$38,291,058)	(\$2,350,358)		(\$5,584,647)		(\$3,275,000)	
TOTAL TAXES: AFTER TAX CREDITS		\$5,400,665,828	\$2,526,442		(\$15,149,047)		(\$12,876,300)	

TABLE 6 - DIFFERENCE
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
DIFFERENCE: TECHNICAL ADVISORY COMMITTEE - APRIL 23, 2025 VERSUS NOVEMBER 21, 2024
FY 2025, FY 2026 and FY 2027

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G.L. NO.	FY 2024 ACTUAL	ECONOMIC FORUM FORECAST - PRELIMINARY					
		FY 2025	%	FY 2026	%	FY 2027	%
LICENSES							
3101 Insurance Licenses	\$29,972,617	(\$75,000)		(\$77,000)		(\$79,000)	
3120 Marriage License	\$335,411	\$900		(\$400)		(\$1,200)	
SECRETARY OF STATE							
3105 UCC	\$3,482,261	(\$560,000)		(\$577,000)		(\$593,000)	
3129 Notary Fees	\$788,253	(\$5,400)		(\$6,600)		(\$5,800)	
3130 Commercial Recordings [9-24]	\$89,170,782	\$755,000		\$824,000		\$1,317,000	
3131 Video Service Franchise	\$250	\$2,300		\$0		\$0	
3121 Domestic Partnership Registry Fee	\$59,018	\$0		\$700		\$900	
3152 Securities [7-22]	<u>\$36,668,572</u>	<u>\$659,000</u>		<u>\$686,000</u>		<u>\$703,000</u>	
TOTAL SECRETARY OF STATE	<u>\$130,169,135</u>	<u>\$850,900</u>		<u>\$927,100</u>		<u>\$1,422,100</u>	
3172 Private School Licenses	\$217,310	\$500		\$1,100		\$1,500	
3173 Private Employment Agency	\$19,500	(\$300)		(\$300)		(\$400)	
REAL ESTATE							
3161 Real Estate License	\$2,710,525	(\$150,000)		(\$139,000)		(\$153,000)	
3162 Real Estate Fees	<u>\$3,140</u>	<u>(\$100)</u>		<u>(\$100)</u>		<u>(\$100)</u>	
TOTAL REAL ESTATE	<u>\$2,713,665</u>	<u>(\$150,100)</u>		<u>(\$139,100)</u>		<u>(\$153,100)</u>	
3102 Athletic Commission Fees	<u>\$7,584,245</u>	<u>(\$1,476,000)</u>		<u>(\$1,525,000)</u>		<u>(\$1,574,000)</u>	
TOTAL LICENSES	<u>\$171,011,882</u>	<u>(\$849,100)</u>		<u>(\$813,600)</u>		<u>(\$384,100)</u>	
FEES AND FINES							
3203 Divorce Fees	\$138,148	(\$1,300)		(\$1,800)		(\$1,900)	
3204 Civil Action Fees	\$1,337,211	\$0		(\$14,000)		(\$24,000)	
3242 Insurance Fines	\$891,023	\$15,800		\$16,500		\$17,100	
3242LC Investigative Costs Recovery - Labor Commission	\$6,500	(\$24,700)		(\$5,500)		(\$5,500)	
3103MD Medical Plan Discount Reg. Fees	\$0	\$1,500		\$0		\$0	
REAL ESTATE FEES							
3107IOS IOS Application Fees	\$3,500	(\$1,400)		(\$1,300)		(\$1,100)	
3165 Land Co Filing Fees	\$28,425	\$11,600		\$1,600		\$1,500	
3169 Real Estate Reg Fees	\$5,175	(\$200)		(\$2,400)		(\$2,700)	
4741 Real Estate Exam Fees	\$548,337	(\$108,000)		(\$127,800)		(\$145,600)	
3178 Real Estate Accred Fees	\$123,450	(\$8,100)		(\$300)		(\$500)	
3254 Real Estate Penalties	\$82,660	(\$2,400)		(\$5,300)		(\$5,800)	
3190 A.B. 165, Real Estate Inspectors	<u>\$49,460</u>	<u>(\$700)</u>		<u>(\$3,100)</u>		<u>(\$3,000)</u>	
TOTAL REAL ESTATE FEES	<u>\$841,007</u>	<u>(\$109,200)</u>		<u>(\$138,600)</u>		<u>(\$157,200)</u>	
3066 Short Term Car Lease [8-22]	\$78,876,414	(\$1,657,000)		(\$2,567,000)		(\$3,169,000)	
3103AC Athletic Commission Licenses/Fines	\$206,300	(\$13,500)		(\$16,000)		(\$16,700)	
3150 Navigable Water Permit Fees	\$65,000	\$0		\$0		\$0	
3205 State Engineer Sales	\$3,440,211	\$47,000		\$41,000		\$59,000	
3206 Supreme Court Fees	\$184,555	\$0		\$0		\$0	
3115 Notice of Default Fee	\$394,792	\$2,900		\$14,200		\$17,400	
3601 Professional Employer Organization Fee [9-22]	\$106,500	(\$7,700)		(\$8,500)		(\$9,400)	
3271 Misc Fines/Forfeitures [10-24]	<u>\$3,074,722</u>	<u>\$200,000</u>		<u>\$200,000</u>		<u>\$200,000</u>	
TOTAL FEES AND FINES	<u>\$89,562,384</u>	<u>(\$1,546,200)</u>		<u>(\$2,479,700)</u>		<u>(\$3,090,200)</u>	

TABLE 6 - DIFFERENCE
ECONOMIC FORUM - GENERAL FUND REVENUE FORECAST
DIFFERENCE: TECHNICAL ADVISORY COMMITTEE - APRIL 23, 2025 VERSUS NOVEMBER 21, 2024
FY 2025, FY 2026 and FY 2027

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G.L. NO.	FY 2024 ACTUAL	ECONOMIC FORUM FORECAST - PRELIMINARY				
		FY 2025	%	FY 2026	%	FY 2027
USE OF MONEY AND PROP						
OTHER REPAYMENTS						
4403 Forestry Nurseries Fund Repayment (05-M27)	\$20,670	\$0		\$0		\$0
4408 Comp/Fac Repayment	\$13,032	\$0		\$0		\$0
4408 OCIO Repayment - State Microwave Communications System	\$266,914	\$0		\$0		\$0
4408 OCIO Repayment - Enterprise Cloud Application [1-22]	\$448,209	\$0		\$0		\$0
4408 OCIO Repayment - Firewall Replacement [2-22]	\$677,635	\$0		\$0		\$0
4408 OCIO Repayment - Content Management and Portal Platform [2-24]	\$221,313	\$0		\$0		\$0
4408 OCIO Repayment - IT Service Management Provider Replacement [1-26]	\$0	\$0		\$0		\$0
4408 OCIO Repayment - Computer Hardware and Software Replacement [2-26]	\$0	\$0		\$0		\$0
4408 OCIO Repayment - Firewall Replacement and Security Upgrades [3-26]	\$0	\$0		\$0		\$0
4408 OCIO Repayment - IT Investments Tracking System [4-26]	\$0	\$0		\$0		\$0
4102 City of North Las Vegas Repayment - Windsor Park Relocation [11-24]	\$3,000,000	\$0		\$0		\$0
4409 Motor Pool Repay - LV	\$125,000	\$0		\$0		\$0
TOTAL OTHER REPAYMENTS	\$4,772,773	\$0		\$0		\$0
INTEREST INCOME						
3290 Treasurer	\$224,917,309					
3291 Other	\$765,210	\$0		\$34,500		\$63,700
TOTAL INTEREST INCOME	\$225,682,518	\$0		\$34,500		\$63,700
TOTAL USE OF MONEY & PROP	\$230,455,292	\$0		\$34,500		\$63,700
OTHER REVENUE						
3059 Hoover Dam Revenue	\$300,000	\$0		\$0		\$0
MISC SALES AND REFUNDS						
3047 Expired Slot Machine Wagering Vouchers	\$18,374,082	(\$251,000)		(\$368,000)		(\$462,000)
3107 Misc Fees [9-22]	\$1,039,259	(\$31,000)		(\$51,000)		(\$72,000)
3109 Court Admin Assessments [7-20][12-24]	\$0	\$0		\$0		\$0
3114 Court Administrative Assessment Fee [12-24]	\$15,544,481	\$177,000		\$437,000		\$863,000
3168 Declare of Candidacy Filing Fee	\$82,090	\$37,800		(\$1,400)		\$7,800
3202 Fees & Writs of Garnishments	\$715	\$100		\$100		\$100
3220 Nevada Report Sales	\$14,695	(\$100)		\$300		\$100
3222 Excess Property Sales	\$0	\$0		\$0		\$0
3240 Sale of Trust Property	\$0	\$0		\$0		\$0
3243 Insurance - Misc	\$400,685	\$1,500		(\$5,800)		(\$16,600)
3274 Misc Refunds	\$2,919,728	(\$814,000)		(\$543,100)		(\$127,100)
3276 Cost Recovery Plan [8-20][10-22][13-24]	\$8,450,166	\$0		\$105,000		\$75,000
TOTAL MISC SALES & REF	\$46,825,901	(\$879,700)		(\$426,900)		\$268,300
3255 Unclaimed Property [11-22][14-24]	\$70,965,216	\$8,895,000		\$2,910,000		(\$144,000)
TOTAL OTHER REVENUE	\$118,091,117	\$8,015,300		\$2,483,100		\$124,300
TOTAL GENERAL FUND REVENUE: BEFORE TAX CREDITS	\$6,108,536,473	\$10,496,800		(\$10,340,100)		(\$12,887,600)
TOTAL COMMERCE TAX CREDITS	(\$60,458,912)	\$0		\$0		\$0
TOTAL GENERAL FUND REVENUE: AFTER COMMERCE TAX CREDITS	\$6,048,077,560	\$10,496,800		(\$10,340,100)		(\$12,887,600)
TAX CREDIT PROGRAMS:						
FILM TRANSFERRABLE TAX CREDITS [TC-1]	(\$6,011,701)	(\$225,358)		(\$5,084,647)		(\$2,000,000)
ECONOMIC DEVELOPMENT TRANSFERRABLE TAX CREDITS [TC-2]	\$0	\$0		\$0		\$0
CATALYST ACCOUNT TRANSFERRABLE TAX CREDITS [TC-4]	\$0	\$0		\$0		\$0
NEVADA NEW MARKET JOBS ACT TAX CREDITS [TC-3]	(\$21,103,337)	\$0		\$0		\$0
EDUCATION CHOICE SCHOLARSHIP TAX CREDITS [TC-5]	(\$8,176,019)	(\$400,000)		(\$500,000)		\$0
COLLEGE SAVINGS PLAN TAX CREDITS [TC-6]	\$0	\$0		\$0		\$0
AFFORDABLE HOUSING TRANSFERRABLE TAX CREDITS [TC-7]	(\$3,000,000)	(\$1,725,000)		\$0		(\$1,275,000)
BASEBALL STADIUM TRANSFERRABLE TAX CREDITS [TC-8]	\$0	\$0		\$0		\$0
TOTAL- TAX CREDIT PROGRAMS	(\$38,291,058)	(\$2,350,358)		(\$5,584,647)		(\$3,275,000)
TOTAL GENERAL FUND REVENUE: AFTER TAX CREDITS	\$6,009,786,502	\$8,146,442		(\$15,924,747)		(\$16,162,600)

TABLE 7
SUMMARY OF THE TECHNICAL ADVISORY COMMITTEE (TAC) FORECAST FOR SELECT GENERAL FUND REVENUE SOURCES
TAC April 23, 2025, Forecast for FY 2025, FY 2026, and FY 2027 Based on Current Statute

	2023-25 Biennium		2025-27 Biennium		Biennium Comparison		
	FY 2024 Actual	FY 2025 TAC Apr 23 Forecast	FY 2026 TAC Apr 23 Forecast	FY 2027 TAC Apr 23 Forecast	2023-25 Biennium: Actual/Forecast	2025-27 Biennium: Forecast	Biennium Difference
General Fund Revenue Sources Forecast by the TAC (Before Tax Credits)							
All Other Gaming Taxes and Fees	\$46,278,108	\$36,655,500	\$26,381,000	\$26,427,600	\$82,933,608	\$52,808,600	(\$30,125,008)
Cigarette Tax	\$122,973,891	\$114,460,000	\$108,251,000	\$103,070,000	\$237,433,891	\$211,321,000	(\$26,112,891)
Transportation Connection Excise Tax	\$40,157,801	\$46,455,000	\$43,482,000	\$50,128,000	\$86,612,801	\$93,610,000	\$6,997,199
Business License Fee	\$122,663,071	\$125,616,000	\$125,537,000	\$128,135,000	\$248,279,071	\$253,672,000	\$5,392,929
Liquor Tax	\$49,048,983	\$43,709,000	\$44,554,000	\$45,445,000	\$92,757,983	\$89,999,000	(\$2,758,983)
Other Tobacco Tax	\$32,932,665	\$31,632,000	\$31,083,000	\$30,721,000	\$64,564,665	\$61,804,000	(\$2,760,665)
Total Secretary of State Revenues	\$130,169,135	\$133,310,800	\$134,728,000	\$136,625,100	\$263,479,935	\$271,353,100	\$7,873,165
Short-Term Car Rental Fee	\$78,876,414	\$77,922,000	\$78,510,000	\$79,457,000	\$156,798,414	\$157,967,000	\$1,168,586
Expired Slot Machine Wagers	\$18,374,082	\$18,045,000	\$18,023,000	\$18,004,000	\$36,419,082	\$36,027,000	(\$392,082)
Unclaimed Property	\$70,965,216	\$71,875,000	\$65,770,000	\$65,282,000	\$142,840,216	\$131,052,000	(\$11,788,216)
<u>All Others</u>	<u>\$94,493,452</u>	<u>\$90,079,778</u>	<u>\$90,036,284</u>	<u>\$90,526,584</u>	<u>\$184,573,230</u>	<u>\$180,562,868</u>	<u>(\$4,010,362)</u>
<u>Total-All Sources Forecast by the TAC (Before Credits)</u>	<u>\$806,932,817</u>	<u>\$789,760,078</u>	<u>\$766,355,284</u>	<u>\$773,821,284</u>	<u>\$1,596,692,896</u>	<u>\$1,540,176,568</u>	<u>(\$56,516,328)</u>
Tax Credits Forecast by the TAC							
Film Tax Transferrable Tax Credits	(\$6,011,701)	(\$7,483,358)	(\$8,194,647)	(\$8,000,000)	(\$13,495,059)	(\$16,194,647)	(\$2,699,588)
Economic Development Transferrable Tax Credits	\$0	(\$2,137,500)	\$0	\$0	(\$2,137,500)	\$0	\$2,137,500
Catalyst Account Transferrable Tax Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Nevada New Markets Jobs Act Tax Credits	(\$21,103,337)	(\$24,000,000)	(\$16,000,000)	(\$26,500,000)	(\$45,103,337)	(\$42,500,000)	\$2,603,337
Education Choice Scholarship Tax Credits	(\$8,176,019)	(\$9,000,000)	(\$7,700,000)	(\$6,655,000)	(\$17,176,019)	(\$14,355,000)	\$2,821,019
College Savings Plan Tax Credits	\$0	(\$600)	(\$650)	(\$700)	(\$600)	(\$1,350)	(\$750)
Affordable Housing Transferrable Tax Credits	(\$3,000,000)	(\$10,725,000)	(\$10,000,000)	(\$9,275,000)	(\$13,725,000)	(\$19,275,000)	(\$5,550,000)
<u>Baseball Stadium Transferrable Tax Credits</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$36,000,000)</u>	<u>(\$36,000,000)</u>	<u>\$0</u>	<u>(\$72,000,000)</u>	<u>(\$72,000,000)</u>
<u>Total Tax Credits Forecast by the TAC</u>	<u>(\$38,291,058)</u>	<u>(\$53,346,458)</u>	<u>(\$77,895,297)</u>	<u>(\$86,430,700)</u>	<u>(\$91,637,516)</u>	<u>(\$164,325,997)</u>	<u>(\$72,688,481)</u>
Total of All General Fund Revenue Sources Forecast by the TAC (After Tax Credits)							
Total Revenue Sources Forecast by the TAC (After Credits)	\$768,641,759	\$736,413,620	\$688,459,987	\$687,390,584	\$1,505,055,380	\$1,375,850,571	(\$129,204,809)