FY 2016 General Fund Revenue Status Report – September 2016 Update
Actual Collections Compared to the Economic Forum May 1, 2015 Forecast
Final Actual Collections for FY 2016

The following report summarizes total General Fund collections for FY 2016, as available in the State Controller's system from September 19, 2016, compared to the Economic Forum's May 2015 forecast for the State General Fund revenue sources for FY 2016. The Economic Forum's forecast for FY 2016 was adjusted based on legislative actions approved during the 78th Legislative Session (2015) and 29th Special Session (2015) that impacted General Fund revenue sources. Attached to this report is a table, based on **final** actual gross and net General Fund revenue collection information for the complete twelve months of FY 2016 available in the State Controller's system on September 19, 2016.

Fiscal Year 2016 Actual Collections Compared to the Economic Forum May 2015 Forecast: Based on Revenue Collection Information Available through September 2016 based on information in the Controller's System on September 19, 2016

Based on the information presented in the table, **final** actual total gross General Fund revenue collections in FY 2016 **before the application of any tax credits that were taken** were $3,749.0 million, which is **$15.5 million or 0.4 percent above** the total gross General Fund revenue forecast of $3,733.5 million based on the Economic Forum's May 1, 2015, forecast.

After the application of tax credits, final actual total net General Fund revenue collections in FY 2016 were $3,693.8 million, which is **$39.1 million or 1.1 percent above** the total net General Fund revenue forecast of $3,654.7 million based on the Economic Forum's May 1, 2015, forecast. The net revenue collections are the relevant figure in relation to the forecast used in the General Fund budget approved by the Legislature during the 2015 Session for FY 2016.

The following provides the information for the seven major General Fund revenue sources **before the application of any tax credits that were taken in FY 2016:**

State 2% Sales Tax: Actual gross collections of $1,036.5 million for FY 2016 are **$20.5 million or 1.9 percent below** the gross forecast of $1,057.0 million.

Gaming Percentage Fees Tax: Actual gross collections of $700.8 million for FY 2016 are **$2.1 million or 0.3 percent above** the gross forecast of $698.7 million.

Insurance Premium Tax: Actual gross collections of $335.1 million for FY 2016 are **$11.0 million or 3.4 percent above** the gross forecast of $324.1 million.

Modified Business Tax (Non-Financial, Financial, and Mining Combined): Actual gross collections of $566.3 million for FY 2016 are **$0.2 million or 0.05 percent below** the gross forecast of $566.5 million.

Live Entertainment Tax (Gaming): Actual gross collections of $112.0 million for FY 2016 are **$1.0 million or 0.9 percent below** the gross forecast of $113.0 million.

Real Property Transfer Tax: Actual gross collections of $75.8 million for FY 2016 are **$5.4 million or 7.7 percent above** the gross forecast of $70.4 million.

Commerce Tax: Actual gross collections of $143.5 million for FY 2016 are **$23.7 million or 19.8 percent above** the gross forecast of $119.8 million.

The actual gross collections for FY 2016 for these seven major General Fund revenue sources of $2,970.0 million, **before the application of any tax credits that were taken,** are **$20.5 million or 0.7 percent above** the gross forecast for these seven revenue sources of $2,949.5 million.

Actual collections for FY 2016 for the ten selected non-major General Fund revenues, as shown in the attached table, of $561.9 million are **$29.8 million or 5.0 percent below** the forecast for these ten revenue sources of $591.7 million.

Actual collections for FY 2016 for All Other General Fund revenue sources, as shown in attached table, of $217.1 million are **$24.8 million or 12.9 percent above** the forecast of $192.3 million.

Unclaimed Property: Actual collections of $38.9 million are **$24.5 million above** the forecast of $14.4 million.

The Economic Forum's May 1, 2015, forecast estimated that approximately $78.9 million in tax credits from various programs approved by the Legislature would be used against the Gaming Percentage Fees Tax, the Modified Business Tax, or the Insurance Premium Tax in FY 2016. Actual tax credits used in FY 2016 were $55.2 million, or approximately $23.6 million below the forecast.

Because the amount of tax credits that were used was $23.6 million below the forecast, actual total net General Fund revenue collections in FY 2016 **after the application of any tax credits that were taken** were $3,693.8 million, which is **$39.1 million or 1.1 percent above** the net total General Fund revenue forecast of $3,654.7 million based on the Economic Forum's May 1, 2015, forecast.

The tax credit programs approved by the Legislature consist of two different types: credits that can be used only against a specific revenue source (either the Modified

Business Tax or the Insurance Premium Tax), or transferable tax credits that can be declared against one of three different taxes (the Gaming Percentage Fees Tax, the Modified Business Tax, or the Insurance Premium Tax) by the entity who was awarded the credit.

The following provides the information for the three major General Fund revenue sources to which tax credits can be applied **after the application of tax credits that were actually taken in FY 2016:**

> Gaming Percentage Fees Tax: Actual net collections of $676.0 million for FY 2016 are **$22.7 million or 3.2 percent below** the net forecast of $698.7 million. Actual tax credits used against this tax source were $24.7 million, compared with a forecast of zero.
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> Insurance Premium Tax: Actual net collections of $309.1 million for FY 2016 are **$9.0 million or 3.0 percent above** the net forecast of $300.1 million. Actual tax credits used against this tax source were $26.0 million, compared with a forecast of $24.0 million.
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> Modified Business Tax (Non-Financial, Financial, and Mining Combined): Actual net collections of $561.8 million for FY 2016 are **$0.3 million or 0.1 percent above** the net forecast of $561.5 million. Actual tax credits used against this tax source were $4.5 million, compared with a forecast of $5.0 million.

State General Fund Revenues: FY 2016 Actual Compared to Forecast - GROSS (Before Tax Credits) and NET (After Tax Credits)

FY 2016 Forecast is the Economic Forum (EF) May 1, 2015, Forecast Adjusted Based on Legislative Actions Approved During the 78th Legislative Session (2015) and 29th Special Session (2015)

	GROSS (Before Tax Credits)				TAX CREDITS		NET (After Tax Credits)			
Revenue Source	FY 2016 Actual Fiscal Year Actual	FY 2016 Forecast Fiscal Year Forecast	Difference	Percent Difference Relative to Forecast	Actual Tax Credits	Forecast Tax Credits	FY 2016 Actual Fiscal Year Actual	FY 2016 Forecast Fiscal Year Forecast	Difference	Percent Difference Relative to Forecast
Major General Fund Revenues										
Sales and Use Tax	$1,036,549,227	$1,057,000,000	-$20,450,773	-1.9%			$1,036,549,227	$1,057,000,000	-$20,450,773	-1.9%
Percentage Fees Tax	$700,773,974	$698,701,000	$2,072,974	0.3%	-$24,749,748	$0	$676,024,226	$698,701,000	-$22,676,774	-3.2%
Insurance Premium Tax	$335,118,754	$324,063,000	$11,055,754	3.4%	-$26,005,450	-$24,000,000	$309,113,304	$300,063,000	$9,050,304	3.0%
Total Modified Business Tax (MBT) [1.]	$566,262,513	$566,528,000	-$265,487	-0.05%	-$4,484,161	-$5,069,000	$561,778,352	$561,459,000	$319,352	0.1%
Live Entertainment Tax (Gaming) [2.]	$111,994,620	$112,960,000	-$965,380	-0.9%			$111,994,620	$112,960,000	-$965,380	-0.9%
Real Property Transfer Tax	$75,794,844	$70,402,000	$5,392,844	7.7%			$75,794,844	$70,402,000	$5,392,844	7.7%
Commerce Tax [3.]	$143,507,593	$119,826,000	$23,681,593	19.8%			$143,507,593	$119,826,000	$23,681,593	19.8%
Total: Major General Fund Revenues	**$2,970,001,525**	**$2,949,480,000**	**$20,521,525**	**0.7%**			**$2,914,762,166**	**$2,920,411,000**	**-$5,648,834**	**-0.2%**
Select Non-Major General Fund Revenues										
Passenger Carrier Excise Tax [4.]	$11,898,532	$13,685,000	-$1,786,468	-13.1%			$11,898,532.25	$13,685,000	-$1,786,468	-13.1%
Live Entertainment Tax (Non-Gaming) [2.]	$16,536,346	$31,308,000	-$14,771,654	-47.2%			$16,536,346	$31,308,000	-$14,771,654	-47.2%
Cigarette Tax [5.]	$153,033,176	$175,356,000	-$22,322,824	-12.7%			$153,033,176	$175,356,000	-$22,322,824	-12.7%
Governmental Services Tax [6.]	$66,731,895	$63,463,000	$3,268,895	5.2%			$66,731,895	$63,463,000	$3,268,895	5.2%
Business License Fee [7.]	$103,045,619	$103,040,000	$5,619	0.01%			$103,045,619	$103,040,000	$5,619	0.01%
Liquor Tax	$43,944,413	$44,411,000	-$466,587	-1.1%			$43,944,413	$44,411,000	-$466,587	-1.1%
Other Tobacco Tax	$13,131,919	$12,455,000	$676,919	5.4%			$13,131,919	$12,455,000	$676,919	5.4%
SOS Commercial Filings [8.]	$73,701,665	$71,429,000	$2,272,665	3.2%			$73,701,665	$71,429,000	$2,272,665	3.2%
SOS Securities	$27,978,707	$27,707,000	$271,707	1.0%			$27,978,707	$27,707,000	$271,707	1.0%
Short-Term Car Rental Tax	$51,914,285	$48,868,400	$3,045,885	6.2%			$51,914,285	$48,868,400	$3,045,885	6.2%
Total: Select Non-Major General Fund Revenues	**$561,916,557**	**$591,722,400**	**-$29,805,843**	**-5.0%**			**$561,916,557**	**$591,722,400**	**-$29,805,843**	**-5.0%**
Total: All Other General Fund Revenues [9.]	**$217,164,065**	**$192,340,315**	**$24,823,750**	**12.9%**			**$217,164,065**	**$192,340,315**	**$24,823,750**	**12.9%**
Total: General Fund Revenues - Before Tax Credits	**$3,749,082,146**	**$3,733,542,715**	**$15,539,431**	**0.4%**			**$3,693,842,787**	**$3,704,473,715**	**-$10,630,928**	**-0.3%**
Total: Tax Credit Programs	**-$55,239,359**	**-$78,869,000**	**$23,629,641**	**-30.0%**				**-$49,800,000**	**$49,800,000**	
Film Transferrable Tax Credits [TC-1]	-$4,370,815	-$4,800,000	$429,185	-8.9%				-$4,800,000	$4,800,000	
Economic Development Transferrable Tax Credits [TC-2]	-$20,461,554	-$45,000,000	$24,538,446	-54.5%				-$45,000,000	$45,000,000	
Catalyst Account Transferrable Tax Credits [TC-4]	$0	$0	$0							
Nevada New Markets Jobs Act Tax Credits [TC-3]	-$26,005,450	-$24,000,000	-$2,005,450	8.4%						
Education Choice Scholarship Tax Credits [TC-5]	-$4,401,540	-$5,000,000	$598,460	-12.0%						
College Savings Plan Tax Credits [TC-6]	$0	-$69,000	$69,000	-100.0%						
Total: General Fund Revenues - After Tax Credits	**$3,693,842,787**	**$3,654,673,715**	**$39,169,072**	**1.1%**			**$3,693,842,787**	**$3,654,673,715**	**$39,169,072**	**1.1%**

Summary of Actual FY 2016 Transferable Tax Credits Applied to Specific Revenues

Revenue Source	Total Actual Tax Credits	Film	Economic Development	Catalyst Account	Nevada New Markets Jobs Act	Education Choice Scholarship	College Savings Plan
Percentage Fees Tax	**-$24,749,748**	-$4,288,194	-$20,461,554	$0	$0	$0	$0
Insurance Premium Tax	**-$26,005,450**	$0	$0	$0	-$26,005,450	$0	$0
Total Modified Business Tax (MBT) [1.]	**-$4,484,161**	-$82,621	$0	$0	$0	-$4,401,540	$0
Total	**-$55,239,359**	**-$4,370,815**	**-$20,461,554**	**$0**	**-$26,005,450**	**-$4,401,540**	**$0**

Notes:

The Economic Forum's forecast for FY2016 reflects the forecast approved at the May 1, 2015, meeting adjusted based on the following legislative actions approved during the 78th Legislative Session (2015) and the 29th Special Session (2015):

[1.] Modified Business Tax: S.B. 483 permanently changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) by exempting quarterly taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including $50,000 per quarter and taxable wages exceeding $50,000 per quarter are taxed at 1.475%. The taxable wages exemption threshold was $85,000 per quarter for FY 2014 and FY 2015 with a 1.17% tax rate on quarterly taxable wages exceeding $85,000, based on S.B. 475 (2013). These provisions in S.B. 475 were scheduled to sunset effective June 30, 2015, at which time the tax rate would have been 0.63% on all taxable wages per quarter. The provisions in S.B. 483 are effective July 1, 2015. The estimated net increase in MBT-NFI tax collections from the 1.475% tax rate on quarterly taxable wages exceeding $50,000 compared to the Economic Forum May 1, 2015, forecast, based on the 0.63% tax rate on all quarterly taxable wages before accounting for the estimated impact of any other legislatively approved changes to the MBT-NFI is $268,041,000 for FY 2016 and $281,443,000 for FY 2017.

A.B. 389 deems the client company of an employee leasing company to be the employer of the employees it leases for the purposes of NRS Chapter 612 (unemployment compensation). Under these provisions, the wages of employees leased from employee leasing companies by client companies will no longer be reported on an aggregated basis under the employee leasing company. The wages of the employees will now be reported on a disaggregated basis under each client company. Instead of the $50,000 quarterly exemption applying to the employee leasing company, it will now apply to each client company. These provisions are effective October 1, 2015. The wages paid to employees being reported on a disaggregated basis for each client company versus an aggregated basis for the employee leasing company is estimated to reduce MBT-NFI collections by $2,758,000 in FY 2016 and $3,861,000 in FY 2017.

S.B. 483 requires businesses subject to the net proceeds of minerals (NPM) tax in NRS Chapter 362 to pay a 2.0% tax on all quarterly taxable wages paid by the employer to the employees, which is identical to the Modified Business Tax (MBT) paid by financial institutions under NRS Chapter 363A. These provisions are effective July 1, 2015. This change is estimated to reduce MBT-NFI tax collections by $10,884,000 in both FY 2016 and FY 2017. The mining companies paying the 2% tax rate on all taxable wages are estimated to generate $17,353,000 in both FY 2016 and FY 2017 for the MBT-Mining. This change is estimated to yield a net increase in General Fund revenue of $6,469,000 in both FY 2016 and FY 2017.

S.B. 103 exempts from the definition of "financial institution" in NRS Chapter 363A any person who is primarily engaged in the sale, solicitation, or negotiation of insurance, which makes such a person subject to the Modified Business Tax on General Business (nonfinancial institutions) in NRS Chapter 363B at 1.475% on quarterly taxable wages exceeding $50,000 and not the 2.0% tax on all quarterly taxable wages. These provisions are effective July 1, 2015. MBT-FI is estimated to be reduced by $891,000 in FY 2016 and $936,000 and the MBT-NFI is estimated to be increased by $278,000 in FY 2016 and $291,000 in FY 2017. The net decrease in General Fund revenue is estimated to be $613,000 in FY 2016 and $645,000 in FY 2017.

S.B. 483 provides for a credit against a business's Modified Business Tax (MBT) due during the current fiscal year not to exceed 50% of the Commerce Tax paid by the business for the preceding fiscal year. The credit can be taken against any or all of the four quarterly MBT payments for the current fiscal year, but any amount of credit not used cannot be carried forward and used in succeeding fiscal years. The total estimated Commerce Tax credits against the MBT are estimated to be $59,913,000 in FY 2017, but this estimated credit amount was not allocated separately to the MBT-NFI, MBT-FI, and MBT-Mining.

[2.] Live Entertainment Tax (LET): S.B. 266 makes changes to the structure of the tax base and tax rate for the Live Entertainment Tax (LET) in NRS Chapter 368A that is administered by the Gaming Control Board for live entertainment at licensed gaming establishments and the Department of Taxation for live entertainment provided at non-gaming establishments. Under existing law, the tax rate is 10% of the admission charge and amounts paid for food, refreshments, and merchandise, if the live entertainment is provided at a facility with a maximum occupancy of less than 7,500 persons, and 5% of the admission charge only, if the live entertainment is provided at a facility with a maximum occupancy equal to or greater than 7,500 persons. S.B. 266 removes the occupancy threshold and establishes a single 9% tax rate on the admission charge to the facility only. The tax rate does not apply to amounts paid for food, refreshments, and merchandise unless that is the consideration required to enter the facility for the live entertainment. S.B. 266 adds the total amount of consideration paid for escorts and escort services to the LET tax base and makes these activities subject to the 9% tax rate. The bill provides that the exemption from the LET for certain nonprofit organizations applies depending on the number of tickets sold and the type of live entertainment being provided. S.B. 266 establishes an exemption for the following: 1.) the value of certain admissions provided on a complimentary basis; 2.) a charge for access to a table, seat, or lounge or for food, beverages, and merchandise that are in addition to the admission charge to the facility; and 3.) certain license and rental fees of luxury suites, boxes, or similar products at a facility with a maximum occupancy of more than 7,500 persons. The provisions of S.B. 266 also make other changes to the types of activities that are included or excluded from the tax base as live entertainment events subject to the 9% tax rate. The provisions of S.B. 266 are effective October 1, 2015. The amounts shown reflect the estimated net change from the provisions of S.B. 266 on the amount of the LET collected from the portion administered by the Gaming Control Board and the Department of Taxation separately and the combined impact. The changes to the LET are estimated to reduce LET-Gaming collections by $19,165,000 in FY 2016 and by $26,551,000 in FY 2017, but increase LET-Nongaming collections by $15,483,000 in FY 2016 and $25,313,000 in FY 2017. The combined net effect on total LET collections is estimated to be reduction of $3,682,000 in FY 2016 and $1,238,000 in FY 2017.

[3.] Commerce Tax: S.B. 483 establishes the Commerce Tax as an annual tax on each business entity engaged in business in the state whose Nevada gross revenue in a fiscal year exceeds $4,000,000 at a tax rate based on the industry in which the business is primarily engaged. The Commerce Tax is due on or before the 45th day immediately following the fiscal year taxable period (June 30th). Although the Commerce Tax collections are received after the June 30th end of the fiscal year tax period, the proceeds from the Commerce Tax will be accrued back and accounted for in that fiscal year, since that fiscal year is not officially closed until the third Friday in September. The Commerce Tax provisions are effective July 1, 2015, for the purpose of taxing the Nevada gross revenue of a business, but the first tax payment will not be made until August 14, 2016, for the FY 2016 annual taxable business activity period.

[4.] Passenger Carrier Excise Tax: A.B. 175 requires the collection of an excise tax by the Nevada Transportation Authority or the Taxicab Authority, as applicable, on the connection of a passenger to a driver affiliated with a transportation network company, a common motor carrier of passengers, or a taxicab equal to 3% of the fare charged to the passenger. The excise tax becomes effective on passage and approval (May 29, 2015) for transportation network companies and August 28, 2015, for common motor carrier and taxicab companies. The first $5,000,000 in tax proceeds from each biennium are required to be deposited in the State Highway Fund and the estimate for FY 2016 reflects this requirement.

[5.] Cigarette Tax: S.B. 483 increases the cigarette tax per pack of 20 by $1.00 from 80 cents per pack (10 cents to Local Government Distribution Fund, 70 cents to State General Fund) to $1.80 per pack (10 cents to Local Government Distribution Fund, $1.70 to State General Fund), effective July 1, 2015. The $1.00 per pack increase is estimated to generate $96,872,000 in FY 2016 and $95,391,000 in FY 2017.

Notes:

[6.] Governmental Services Tax: S.B. 483 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 2016. In FY 2017, 50% of the proceeds will be allocated to the State General Fund and 50% to the State Highway Fund. Under S.B. 483, 100% of the additional revenue generated from the GST 10% depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2018 and going forward permanently.

[7.] Business License Fee: S.B. 483 makes the $100 increase in the Business License Fee (BLF) from $100 to $200 permanent for the initial and annual renewal, that was scheduled to sunset on June 30, 2015, (as approved in A.B. 475 (2013)) for all types of businesses, except for corporations. The initial and annual renewal fee for corporations, as specified in S.B. 483, is increased from $200 to $500 permanently. These provisions are effective July 1, 2015. The changes to the BLF are estimated to generate additional General Fund revenue of $63,093,000 in FY 2016 and $64,338,000 in FY 2017 in relation ot the Economic Forum May 1, 2015, forecast with all business types paying a $100 annual fee.

[8] SOS Commercial Filings: S.B. 483 permanently increases the fee for filing the initial and annual list of directors and officers by $25 that is required to be paid by each business entity organizing under the various chapters in Title 7 of the NRS, effective July 1, 2015. The $25 increase in the initial and annual list filing fee is estimated to increase Commercial Recordings Fee revenue by $2,751,000 in FY 2016 and $2,807,000 in FY 2017.

[9.] Total All Other General Fund Revenues: Includes all General Fund revenue sources not specifically listed under Major General Fund Revenues and Select Non-Major General Fund Revenues that were authorized in statute to be collected in FY 2016 or FY 2017.

[9.1] S.B. 483 extends the June 30, 2015, sunset (approved in S.B. 475 (2013)) by one year to June 30, 2016, on the Net Proceeds of Minerals Tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The one-year extension of the sunset is estimated to yield $34,642,000 in FY 2016. There is no estimated tax payment in FY2017 with the one-year extension of the prepayment of NPM taxes.

[9.2] S.B. 483 extends the June 30, 2015, sunset (approved in S.B. 475 (2013)) by one-year to June 30, 2016, that eliminates health and industrial insurance deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) tax liability. These deduction changes are effective for the NPM tax payments due in FY 2016. The health and industrial insurance deduction changes are estimated to generate $4,221,000 in addtional revenue in FY 2016.

[9.3] S.B. 483 makes the 0.35% increase in the Local School Support Tax (LSST) permanent. The 0.35% increase generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county, which is estimated to generate $1,387,300 in FY 2016 and $1,463,400 in FY 2017.

[9.4] A.B. 475 changes the initial period from 24 to 12 months and the renewal period from 48 to 24 months for a license as a real estate broker, broker-salesperson, or salesperson and also changes the period for other licenses from 48 to 24 months, effective July 1, 2015. Existing licenses issued before July 1, 2015, do not need to be renewed until the expiration date required under statute prior to July 1, 2015. This change in the licensing period is estimated to reduce Real Estate License Fee revenue by $1,693,400 in FY 2016 and $1,404,200 in FY 2017.

[9.5] A.B. 476 increases the current 6% license fee on the gross receipts from admission charges to unarmed combat events, that is dedicated to the State General Fund, by 2% to 8% with 75% of the proceeds from the 8% fee deposited in the State General Fund and 25% retained by the Athletic Commission to fund the agency's operations. A.B. 476 repeals the two-tiered fee based on the revenues from the sale or lease of broadcast, television and motion picture rights that is dedicated to the State General Fund. A.B. 476 allows the promoter of an unarmed combat event a credit against the 8% license fee equal to the amount paid to the Athletic Commission or organization sanctioned by the Commission to administer a drug testing program for unarmed combatants. These provisions are effective June 9, 2015, based on the passage and approval effective date provisions of A.B. 476. These changes are estimated to reduce Athletic Commission Fee revenue by $600,000 in both FY 2016 and FY 2017.

[9.6] A.B. 478 increases certain fees relating to application or renewals paid by developers for exemptions to any provisions administered by the Real Estate Division of the Department of Business and Industry, and requires that all fees collected for this purpose be kept by the Division, effective July 1, 2015. This requirement for the Division to keep these fees is estimated to reduce Real Estate Land Company filing fees by $152,600 in FY 2016 and $153,300 in FY 2017.

[9.7] 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 2016 and FY 2017.

TAX CREDIT PROGRAMS APPROVED BY THE LEGISLATURE IN THE 2013 AND 2015 REGULAR SESSIONS, 28TH SPECIAL SESSION IN SEPTEMBER 2014, AND 29TH SPECIAL SESSION IN DECEMBER 2015

[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. The amounts shown reflect estimates based on information provided by GOED during the 2015 Session on the amount of tax credits that have been or will be approved for use in FY 2015 and FY 2016.

[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 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 amounts shown reflect the maximum amount of credits that will be approved in each fiscal year for the Tesla project based on information provided by GOED during the 2015 Session.

Notes:

[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 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 percent of the qualified investment
3 years after the investment is made: 12 percent of the qualified investment
4 years after the investment is made: 12 percent of the qualified investment
5 years after the investment is made: 11 percent of the qualified investment
6 years after the investment is made: 11 percent of the qualified investment

Under the provisions of S.B. 357, the insurance companies were allowed to begin taking tax credits in the third quarter of FY 2015. The amounts shown reflect estimates of the amount of tax credits that will be taken in each fiscal year based on information provided by the Department of Business and Industry and the Department of Taxation during the 2015 Session.

[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. 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. The amounts shown are the estimate based on the maximum amount that can be issued in each fiscal year. Pursuant to A.B. 1 (29th Special Session (2015)), the amount of transferrable tax credits that may be issued is $0 in FY 2016, $1,000,000 in FY 2017, $2,000,000 in each FY 2018 and FY 2019, $3,000,000 in FY 2020, and $5,000,000 in each fiscal year thereafter.

[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 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. The amounts shown reflect the estimate based on the assumption that the total amount authorized for each fiscal year will be donated to a qualified scholarship organization and taken as credits against the MBT.

[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 amounts shown are estimates based on information provided by the Treasurer's Office on enrollment and contributions for the college savings plans.