

LCB File No. R003-08

**PROPOSED REGULATION OF THE
NEVADA TAX COMMISSION**

GREEN BUILDING (LEED) ABATEMENTS

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

AUTHORITY: §§1 and 2, NRS 360.090, 360.250 and AB 621;

Section 1. Chapter 361 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 through 5 of this regulation.

Sec. 2. *The “total net taxable value” means the total taxable value for the property less any exemptions allowed in conformance with Section 3(4)(b) of AB 621.*

Sec. 3. *Upon receipt of the certificate of eligibility from the Director of the Office of Energy, a tax receiver shall calculate the amount of the tax abatement granted by the Office of Energy as follows:*

1. For any property on which certain improvements have been designated eligible for abatement by the Office of Energy, obtain from the County Assessor or Department, as applicable, the following information:

(a) the total net taxable value of all land and improvements of the property; and
(b) the percentage of taxable value qualified for LEED. For the land and non-qualified buildings or other structures, the percentage of taxable value qualified for LEED and the LEED abatement percentage always equals zero.

2. Determine the percentage of total taxable value attributable to each qualified building or other structure; the percentage of total taxable value attributable to non-eligible improvements, and the percentage of total taxable value attributable to land. The sum of the

percentage of total net taxable value for the land, qualified buildings or other structures, and non qualified buildings or other structures must equal one hundred percent (100%).

3. For each eligible building or structure, determine its weighted percentage abatement, by first calculating the percentage of taxable value qualified for LEED multiplied by the percentage of authorized abatement certified by the Office of Energy, then multiply the result by its percentage of total net taxable value. The weighted percentage abatements for non-eligible improvements and land must equal zero (0%). The weighted average LEED abatement percentage equals the sum of the weighted percentage abatements for eligible buildings or other structures.

4. For each separate entity line item on the tax bill not associated with any taxes imposed for public education, calculate the LEED abatement and net tax due as follows:

a. The LEED abatement equals the total tax due after application of the abatements provided in NRS 361.4722 and NRS 361.4724 multiplied by the weighted average LEED abatement percentage.

b. The net tax due equals the total tax due after application of the abatements provided in NRS 361.4722 and NRS 361.4724 minus the LEED abatement.

c. The total LEED abatement equals the sum of the line item LEED abatements. The total net tax due equals the sum of the line item net taxes due entities.

5. Allocate the total LEED abatement among the qualified buildings and other structures by calculating first the weighted percentage abatement of each qualified building or other structure divided by the weighted average LEED abatement percentage; then multiply the result by the total LEED abatement. The sum of the allocated LEED abatements must equal the total LEED abatement.

6. The percentage of project cost for each qualified building or other structure equals its total LEED abatement for the current year and all prior years, divided by its net taxable value.

7. To facilitate calculations, the Assessor or Treasurer may use a LEED Abatement Worksheet provided by the Department of Taxation.

Sec. 4. A county tax receiver shall, not later than:

1. September 1 of each year, submit to the Department and each taxing entity a summary report of the total amount of property taxes billed and subject to the abatement certified by the Office of Energy on behalf of each taxing entity for the current tax year for property on the secured tax roll. The report must separately state for each taxing entity:

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

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

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

(d) The total amount of any reduction in billable property taxes as a result of the application of the abatement granted by the Office of Energy;

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

2. June 1 of each year, submit to the Department and each taxing entity a summary report of the total amount of property taxes billed and subject to the abatement certified by the Office of Energy on behalf of each taxing entity for the current tax year for property on the unsecured tax roll. The report must separately state for each taxing entity:

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

- (b) The total assessed value of the property for which the property taxes were billed;*
- (c) The total amount of the property taxes that would have been billed if not for the application of the abatement granted by the Office of Energy;*
- (d) The total amount of any reduction in billable property taxes as a result of the application of the abatement granted by the Office of Energy; and*
- (e) The total amount of property taxes actually billed.*

Sec. 5. *In order to publish the fiscal note required by AB 621, Section 3, (3)(a)(2), the application required by Section 3 of AB 621 must include the identification of the overlapping tax district in which the project resides.*