

SENATE BILL NO. 357—SENATOR ROBERSON

MARCH 18, 2013

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Provides for tax credits for certain business entities.
(BDR 57-478)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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

AN ACT relating to economic development; enacting the Nevada New Markets Jobs Act which provides for tax credits for certain business entities; authorizing the Executive Director of the Office of Economic Development to adopt regulations; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Sections 2-27** of this bill enact the Nevada New Markets Jobs Act. Specifically,
2 **section 14** allows certain business entities to receive a credit against the premium
3 tax imposed on insurance companies in exchange for investing in a qualified
4 community development entity.

5 **Section 16** sets forth the application procedures, which include the payment of
6 certain fees, that a qualified community development entity that seeks to have an
7 equity investment or long-term debt security designated as a qualified equity
8 investment and eligible for tax credits must follow. **Section 16** also sets forth
9 certain requirements that the Office of Economic Development must follow when
10 determining whether to approve or disapprove such an application.

11 **Section 17** provides for the recapture of tax credits allowed pursuant to the
12 provisions of this bill if three conditions are met, namely: (1) any amount of the
13 federal tax credit available with respect to a qualified equity investment is
14 recaptured; (2) the issuer redeems or makes repayment with respect to a qualified
15 equity investment before the seventh anniversary of the issuance of the qualified
16 equity investment; and (3) the issuer fails to invest an amount equal to 85 percent of
17 the purchase price of the qualified equity investment in qualified low-income
18 community investments in this State within 12 months after the issuance of the
19 qualified equity investment and maintain that level of investment for a specified
20 period. **Section 17** also includes an exception from recapture for an investment that
21 has been sold or repaid if the issuer reinvests an amount equal to the capital
22 returned to or recovered by the issuer from the original investment, exclusive of



23 any profits realized, in another qualified low-income community investment within
24 12 months after the receipt of such capital.

25 **Section 18** provides that the recapture provisions of **section 17** are subject to a
26 6-month cure period. **Section 18** also prohibits any recapture until the qualified
27 community development entity has been given notice of noncompliance and
28 afforded 6 months after the date of notice to cure the noncompliance.

29 **Section 19** sets forth: (1) the amount of the performance fee that a qualified
30 community development entity must include with an application made to the Office
31 pursuant to **section 16**; and (2) the procedure for obtaining a refund of such a fee.

32 **Section 20** requires the Office to issue letter rulings regarding the tax credit
33 program authorized by this bill and sets forth the procedures for issuing those letter
34 rulings.

35 **Section 22** sets forth the requirements for decertifying a qualified equity
36 investment.

37 **Section 24** authorizes the Executive Director of the Office to adopt regulations
38 to carry out the provisions of this bill.

39 **Sections 25-27** set forth certain further requirements for a long-term debt
40 security, a qualified active low-income community business and a qualified
41 community development entity.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Title 57 of NRS is hereby amended by adding
2 thereto a new chapter to consist of the provisions set forth as
3 sections 2 to 27, inclusive, of this act.

4 **Sec. 2.** *The provisions of this chapter may be cited as the*
5 *Nevada New Markets Jobs Act.*

6 **Sec. 3.** *As used in this chapter, unless the context otherwise*
7 *requires, the words and terms defined in sections 4 to 13,*
8 *inclusive, of this act have the meanings ascribed to them in those*
9 *sections.*

10 **Sec. 4.** *“Applicable percentage” means 0 percent for the first*
11 *two credit allowance dates, 12 percent for the next three credit*
12 *allowance dates and 11 percent for the next two credit allowance*
13 *dates.*

14 **Sec. 5.** *“Credit allowance date” means, with respect to any*
15 *qualified equity investment:*

- 16 1. *The date on which the investment is initially made; and*
- 17 2. *Each of the six anniversary dates immediately following*
18 *the date on which the investment is initially made.*

19 **Sec. 6.** *“Liability for insurance premium tax” means any*
20 *liability incurred by any entity under NRS 680B.025 to 680B.039,*
21 *inclusive, or, if the tax liability under NRS 680B.025 to 680B.039,*
22 *inclusive, is eliminated or reduced, any tax liability to the*
23 *Department of Taxation that is imposed on an insurance company*
24 *or other person who had that tax liability under the laws of this*
25 *State before the elimination or reduction of that tax liability.*



1 **Sec. 7.** *“Long-term debt security” means any debt instrument*
2 *which qualifies as such pursuant to section 25 of this act.*

3 **Sec. 8.** *“Office” means the Office of Economic Development.*

4 **Sec. 9.** *“Purchase price” means the amount paid to the*
5 *issuer of a qualified equity investment for the qualified equity*
6 *investment.*

7 **Sec. 10.** *“Qualified active low-income community business”*
8 *has the meaning ascribed to it in section 45D of the Internal*
9 *Revenue Code of 1986, 26 U.S.C. § 45D, and 26 C.F.R. § 1.45D-1,*
10 *but is limited to those businesses specified in section 26 of this act.*

11 **Sec. 11.** *“Qualified community development entity” has the*
12 *meaning ascribed to it in section 45D of the Internal Revenue*
13 *Code of 1986, 26 U.S.C. § 45D, but is limited to such an entity*
14 *specified in section 27 of this act.*

15 **Sec. 12.** *“Qualified equity investment” means any equity*
16 *investment in, or long-term debt security issued by, a qualified*
17 *community development entity that:*

18 1. *Except as otherwise provided in this section, is acquired*
19 *after the effective date of this act solely in exchange for cash at the*
20 *original issuance of the equity investment;*

21 2. *Has at least 85 percent of the cash purchase price of the*
22 *equity investment used by the issuer to make qualified low-income*
23 *community investments in qualified active low-income community*
24 *businesses located in this State by the first anniversary of the*
25 *initial credit allowance date; and*

26 3. *Is designated by the issuer as a qualified equity investment*
27 *under this section and is certified by the Office as not exceeding*
28 *the limitation contained in subsection 5 of section 16 of this act.*

29 ↪ *The term includes an investment that does not meet the*
30 *requirements of subsection 1 if the investment was a qualified*
31 *equity investment in the possession or control of a prior holder.*

32 **Sec. 13.** *“Qualified low-income community investment”*
33 *means any capital or equity investment in, or loan to, any*
34 *qualified active low-income community business.*

35 **Sec. 14.** *An entity that makes a qualified equity investment*
36 *earns a vested right to credit against the entity’s liability for*
37 *insurance premium tax on a premium tax report filed pursuant to*
38 *NRS 680B.030 that may be used as follows:*

39 1. *On each credit allowance date of the qualified equity*
40 *investment, the entity, or the subsequent holder of the qualified*
41 *equity investment, is entitled to use a portion of the credit during*
42 *the taxable year that includes the credit allowance date.*

43 2. *The credit amount is equal to the applicable percentage for*
44 *the credit allowance date multiplied by the purchase price paid to*
45 *the issuer of the qualified equity investment.*



1 3. *Except as otherwise provided in subsection 4, the amount*
2 *of the credit claimed by an entity must not exceed the amount of*
3 *the entity's liability for insurance premium tax for the tax year for*
4 *which the credit is claimed.*

5 4. *If the insurance premium tax is eliminated or reduced*
6 *below the level that was in effect on the first credit allowance date,*
7 *the entity is entitled to a credit against any other taxes paid to the*
8 *Department of Taxation in an amount equal to the difference*
9 *between the amount the entity would have been able to claim*
10 *against its insurance premium tax liability had the tax not been*
11 *eliminated or reduced and the amount the entity was actually able*
12 *to claim, if any.*

13 ↪ *Any amount of tax credit that the entity is prohibited from*
14 *claiming in a taxable year as a result of subsection 3 or 4 may be*
15 *carried forward for use in any subsequent taxable year.*

16 **Sec. 15.** *No tax credit claimed under this chapter may be*
17 *refunded or sold on the open market. Tax credits earned by a*
18 *partnership, limited-liability company, S corporation or other*
19 *similar pass-through entity may be allocated to the partners,*
20 *members or shareholders of such an entity for their direct use in*
21 *accordance with the provisions of any agreement among such*
22 *partners, members or shareholders. Such an allocation is not*
23 *considered a sale for the purpose of this chapter.*

24 **Sec. 16.** 1. *A qualified community development entity that*
25 *seeks to have an equity investment or long-term debt security*
26 *designated as a qualified equity investment and eligible for tax*
27 *credits under this chapter must apply to the Office for that*
28 *designation. An application submitted by a qualified community*
29 *development entity must include the following:*

30 (a) *Evidence of the applicant's certification as a qualified*
31 *community development entity, including evidence that the service*
32 *area of the entity includes this State.*

33 (b) *A copy of an allocation agreement executed by the*
34 *applicant, or its controlling entity, and the Community*
35 *Development Financial Institutions Fund of the United States*
36 *Department of the Treasury.*

37 (c) *A certificate executed by an executive officer of the*
38 *applicant:*

39 (1) *Attesting that the allocation agreement remains in effect*
40 *and has not been revoked or cancelled by the Community*
41 *Development Financial Institutions Fund; and*

42 (2) *Setting forth the cumulative amount of allocations*
43 *awarded to the applicant by the Community Development*
44 *Financial Institutions Fund.*



1 (d) A description of the proposed amount, structure and
2 purchaser of the qualified equity investment.

3 (e) If known at the time of application, identifying information
4 for any entity that will use the tax credits earned as a result of the
5 issuance of the qualified equity investment.

6 (f) Examples of the types of qualified active low-income
7 businesses in which the applicant, its controlling entity or the
8 affiliates of its controlling entity have invested under the federal
9 New Markets Tax Credit Program. An applicant is not required to
10 identify the qualified active low-income community businesses in
11 which it will invest when submitting an application.

12 (g) A nonrefundable application fee of \$5,000. This fee must
13 be paid to the Office and is required for each application
14 submitted.

15 (h) The refundable performance fee required by subsection 1
16 of section 19 of this act.

17 2. Within 30 days after receipt of a completed application
18 containing the information set forth in subsection 1, including the
19 payment of the application fee and the refundable performance
20 fee, the Office shall grant or deny the application in full or in part.
21 If the Office denies any part of the application, it shall inform the
22 qualified community development entity of the grounds for the
23 denial. If the qualified community development entity provides any
24 additional information required by the Office or otherwise
25 completes its application within 15 days after the date of the notice
26 of denial, the application must be considered complete as of the
27 original date of submission. If the qualified community
28 development entity fails to provide the information or complete its
29 application within the 15-day period, the application remains
30 denied and must be resubmitted in full with a new date of
31 submission.

32 3. If the application is complete, the Office shall certify the
33 proposed equity investment or long-term debt security as a
34 qualified equity investment that is eligible for tax credits under
35 this chapter, subject to the limitations contained in subsection 5.
36 The Office shall provide written notice of the certification to the
37 qualified community development entity. The notice must include
38 the names of those entities who earned the credits and their
39 respective credit amounts. If the names of the entities that are
40 eligible to use the credits change as the result of a transfer of a
41 qualified equity investment or an allocation pursuant to section 15
42 of this act, the qualified community development entity shall notify
43 the Office of the change.

44 4. The Office shall certify qualified equity investments in the
45 order applications are received by the Office. Applications received



1 on the same day shall be deemed to have been received
2 simultaneously. For applications that are complete and received
3 on the same day, the Office shall certify, consistent with remaining
4 qualified equity investment capacity, the qualified equity
5 investments in proportionate percentages based upon the ratio that
6 the amount of qualified equity investment requested in an
7 application bears to the total amount of qualified equity
8 investments requested in all applications received on the same day.

9 5. The Office shall certify \$250,000,000 in qualified equity
10 investments. If a pending request cannot be fully certified because
11 of this limit, the Office shall certify the portion that may be
12 certified unless the qualified community development entity elects
13 to withdraw its request rather than receive partial certification.

14 6. An approved applicant may transfer all or a portion of its
15 certified qualified equity investment authority to its controlling
16 entity or any subsidiary qualified community development entity of
17 the controlling entity, if the applicant provided the information
18 required in the application with respect to the transferee and the
19 applicant notifies the Office of the transfer within 30 days after
20 the transfer.

21 7. Within 30 days after the applicant receives notice of
22 certification, the qualified community development entity or any
23 transferee pursuant to subsection 6 shall issue the qualified equity
24 investment and receive cash in the amount certified by the Office.
25 The qualified community development entity or transferee under
26 subsection 6 must provide the Office with evidence of the receipt
27 of the cash investment within 10 business days after receipt. If the
28 qualified community development entity or any transferee under
29 subsection 6 does not receive the cash investment and issue the
30 qualified equity investment within 30 days after receipt of the
31 notice of certification, the certification lapses and the entity may
32 not issue the qualified equity investment without reapplying to the
33 Office for certification. Lapsed certifications revert back to the
34 Office and must be reissued, first, pro rata to other applicants
35 whose qualified equity investment allocations were reduced
36 pursuant to subsection 4 and, thereafter, in accordance with
37 requirements for submitting the application.

38 **Sec. 17.** Except as otherwise provided in section 18 of this
39 act, the Office shall recapture, from the entity that claimed the
40 credit on a return, the tax credit allowed under this chapter if:

41 1. Any amount of a federal tax credit available with respect to
42 a qualified equity investment that is eligible for a credit under this
43 chapter is recaptured under section 45D of the Internal Revenue
44 Code of 1986, 26 U.S.C. § 45D. In such a case, the Office's



1 *recapture must be proportionate to the federal recapture with*
2 *respect to the qualified equity investment.*

3 2. *The issuer redeems or makes principal repayment with*
4 *respect to a qualified equity investment before the seventh*
5 *anniversary of the issuance of the qualified equity investment. In*
6 *such a case, the Office's recapture must be proportionate to the*
7 *amount of the redemption or repayment with respect to the*
8 *qualified equity investment.*

9 3. *The issuer fails to invest an amount equal to 85 percent of*
10 *the purchase price of the qualified equity investment in qualified*
11 *low-income community investments in this State within 12 months*
12 *after the issuance of the qualified equity investment and maintain*
13 *at least an 85-percent level of investment in qualified low-income*
14 *community investments in the State until the last credit allowance*
15 *date for the qualified equity investment. For the purposes of this*
16 *chapter, an investment shall be deemed held by an issuer even if*
17 *the investment has been sold or repaid if the issuer reinvests an*
18 *amount equal to the capital returned to or recovered by the issuer*
19 *from the original investment, exclusive of any profits realized, in*
20 *another qualified low-income community investment within 12*
21 *months after the receipt of such capital. An issuer is not required*
22 *to reinvest capital returned from qualified low-income community*
23 *investments after the earlier of:*

24 (a) *The sixth anniversary of the issuance of the qualified*
25 *equity investment, the proceeds of which were used to make the*
26 *qualified low-income community investment; or*

27 (b) *The date by which a qualified community development*
28 *entity has made qualified low-income community investments with*
29 *the proceeds of the qualified equity investment on a cumulative*
30 *basis equal to at least 150 percent of those proceeds, in which case*
31 *the qualified low-income community investment must be*
32 *considered held by the issuer through the seventh anniversary of*
33 *the qualified equity investment's issuance.*

34 4. *At any time before the final credit allowance date of a*
35 *qualified equity investment, the issuer uses the cash proceeds of*
36 *the qualified equity investment to make qualified low-income*
37 *community investments in any one qualified active low-income*
38 *community business, including affiliated qualified active low-*
39 *income community businesses, exclusive of reinvestments of*
40 *capital returned or repaid with respect to earlier investments in the*
41 *qualified active low-income community business and its affiliates,*
42 *in excess of 25 percent of those cash proceeds.*

43 **Sec. 18.** *Enforcement of each of the recapture provisions set*
44 *forth in section 17 of this act is subject to a 6-month cure period.*
45 *No recapture may occur until the qualified community*



1 *development entity has been given notice of noncompliance and*
2 *afforded 6 months after the date of the notice to cure the*
3 *noncompliance.*

4 **Sec. 19.** 1. *A qualified community development entity that*
5 *seeks to have an equity investment or long-term debt security*
6 *designated as a qualified equity investment and eligible for tax*
7 *credits under this chapter must pay a fee in the amount of 0.5*
8 *percent of the amount of the equity investment or long-term debt*
9 *security requested to be designated as a qualified equity*
10 *investment to the Office. The fee must be deposited in the New*
11 *Markets Performance Guarantee Account, which is hereby*
12 *created in the State General Fund. The entity forfeits the fee in its*
13 *entirety if:*

14 (a) *The qualified community development entity and its*
15 *subsidiary qualified community development entities fail to issue*
16 *the total amount of qualified equity investments certified by the*
17 *Office and receive cash in the total amount certified pursuant to*
18 *subsection 3 of section 16 of this act; or*

19 (b) *The qualified community development entity or any*
20 *subsidiary qualified community development entity that issues a*
21 *qualified equity investment certified under this chapter fails to*
22 *meet the investment requirement specified in subsection 3 of*
23 *section 17 of this act by the second credit allowance date of the*
24 *qualified equity investment. Forfeiture of the fee under this*
25 *paragraph is subject to the 6-month cure period established*
26 *pursuant to section 18 of this act.*

27 2. *The fee required pursuant to subsection 1 must be paid to*
28 *the Office and held in the New Markets Performance Guarantee*
29 *Account until such time as compliance with the provisions of*
30 *subsection 1 has been established. The qualified community*
31 *development entity may request a refund of the fee from the Office*
32 *no sooner than 30 days after having met all the requirements of*
33 *subsection 1. The Office shall refund the fee within 30 days after*
34 *such a request or being given notice of noncompliance.*

35 **Sec. 20.** 1. *The Office shall issue letter rulings regarding*
36 *the tax credit program authorized under this chapter, subject to*
37 *the terms and conditions set forth in this section.*

38 2. *The Office shall respond to a request for a letter ruling*
39 *within 60 days after receipt of the request. The applicant may*
40 *provide a draft letter ruling for the Office's consideration. The*
41 *applicant may withdraw the request for a letter ruling, in writing,*
42 *before the issuance of the letter ruling. The Office may refuse to*
43 *issue a letter ruling for good cause, but must list the specific*
44 *reasons for refusing to issue the letter ruling. Good cause*
45 *includes, but is not limited to:*



1 (a) *The applicant requests the Office to determine whether a*
2 *statute is constitutional or a regulation is lawful;*

3 (b) *The request involves a hypothetical situation or alternative*
4 *plans;*

5 (c) *The facts or issues presented in the request are unclear,*
6 *overbroad, insufficient or otherwise inappropriate as a basis upon*
7 *which to issue a letter ruling; and*

8 (d) *The issue is currently being considered in a rulemaking*
9 *procedure, contested case, or other agency or judicial proceeding*
10 *that may definitively resolve the issue.*

11 3. *Letter rulings bind the Office and the Office's agents and*
12 *their successors until such time as the entity or its shareholders,*
13 *members or partners, as applicable, claim all the covered tax*
14 *credits on a tax return or report, subject to the terms and*
15 *conditions set forth in any regulations adopted by the Executive*
16 *Director of the Office pursuant to section 24 of this act. A letter*
17 *ruling applies only to the applicant.*

18 4. *In rendering letter rulings and making other*
19 *determinations under this chapter, to the extent applicable, the*
20 *Office and the Department of Taxation shall look for guidance to*
21 *section 45D of the Internal Revenue Code of 1986, 26 U.S.C. §*
22 *45D, and the rules and regulations issued thereunder.*

23 5. *For the purposes of this section, "letter ruling" means a*
24 *written interpretation of law to a specific set of facts provided by*
25 *the applicant requesting the ruling.*

26 **Sec. 21.** 1. *An entity claiming a credit under this chapter is*
27 *not required to pay any additional retaliatory tax levied pursuant*
28 *to NRS 680A.330 as a result of claiming that credit.*

29 2. *In addition to the exclusion in subsection 1, an entity*
30 *claiming a credit under this chapter is not required to pay any*
31 *other additional tax as a result of claiming that credit.*

32 **Sec. 22.** 1. *Once certified under subsection 3 of section 16*
33 *of this act, a qualified equity investment may not be decertified*
34 *unless all the requirements of subsection 2 have been met. Until*
35 *all qualified equity investments issued by a qualified community*
36 *development entity are decertified under this section, the qualified*
37 *community development entity is not entitled to distribute to its*
38 *equity holders or make cash payments on long-term debt securities*
39 *that have been designated as qualified equity investments in an*
40 *amount that exceeds the sum of:*

41 (a) *The cumulative operating income, as defined by*
42 *regulations adopted under section 45D of the Internal Revenue*
43 *Code of 1986, 26 U.S.C. § 45D, earned by the qualified community*
44 *development entity since issuance of the qualified equity*
45 *investment, before giving effect to any expense from the payment*



1 of interest on long-term debt securities designated as qualified
2 equity investments; and

3 (b) Fifty percent of the purchase price of the qualified equity
4 investments issued by the qualified community development entity.

5 2. To be decertified, a qualified equity investment must:

6 (a) Be beyond its seventh credit allowance date;

7 (b) Have been in compliance with section 17 of this act
8 through its seventh credit allowance date, including coming into
9 compliance during any cure period allowed pursuant to section 18
10 of this act; and

11 (c) Have had its proceeds invested in qualified active low-
12 income community investments such that the total qualified active
13 low-income community investments made, cumulatively including
14 reinvestments, exceeds 150 percent of its qualified equity
15 investment.

16 3. A qualified community development entity that seeks to
17 have a qualified equity investment decertified pursuant to this
18 section must send notice to the Office of its request for
19 decertification together with evidence supporting the request. The
20 provisions of paragraph (b) of subsection 2 shall be deemed to be
21 met if no recapture action has been commenced by the Office as of
22 the seventh credit allowance date. The Office shall respond to
23 such a request within 30 days after receiving the request. Such a
24 request must not be unreasonably denied. If the request is denied
25 for any reason, the burden of proof is on the Office in any
26 subsequent administrative or legal proceeding.

27 **Sec. 23.** A qualified community development entity is not
28 entitled to pay to any affiliate of the qualified community
29 development entity any fees in connection with any activity under
30 this chapter before decertification pursuant to section 22 of this
31 act of all qualified equity investments issued by the qualified
32 community development entity. This section does not prohibit a
33 qualified community development entity from allocating or
34 distributing income earned by it to such affiliates or paying
35 reasonable interest on amounts loaned to the qualified community
36 development entity by those affiliates.

37 **Sec. 24.** The Executive Director of the Office may adopt
38 regulations to carry out the provisions of this chapter.

39 **Sec. 25.** To qualify as long-term debt security, a debt
40 instrument must be issued by a qualified community development
41 entity, at par value or a premium, with an original maturity date of
42 at least 7 years after the date of its issuance, with no acceleration
43 of repayment, amortization or prepayment features before its
44 original maturity date. The qualified community development
45 entity that issues the debt instrument must not make interest



1 *payments in the form of cash on the debt instrument during the*
2 *period beginning on the date of issuance and ending on the final*
3 *credit allowance date in an amount that exceeds the cumulative*
4 *operating income, as defined by regulations adopted under section*
5 *45D of the Internal Revenue Code of 1986, 26 U.S.C. § 45D, of the*
6 *qualified community development entity for that period before*
7 *giving effect to the expense of those cash interest payments. This*
8 *section does not limit the holder's ability to accelerate payments*
9 *on the debt instrument in situations in which the issuer has*
10 *defaulted on covenants designed to ensure compliance with this*
11 *chapter or section 45D of the Internal Revenue Code of 1986, 26*
12 *U.S.C. § 45D.*

13 **Sec. 26.** *For the purpose of section 10 of this act, a qualified*
14 *active low-income community business is limited to those*
15 *businesses meeting the Small Business Administration size*
16 *eligibility standards established in 13 C.F.R. §§ 121.101 to 201,*
17 *inclusive, at the time the qualified low-income community*
18 *investment is made. A business must be considered a qualified*
19 *active low-income community business for the duration of the*
20 *qualified community development entity's investment in, or loan*
21 *to, the business if the entity reasonably expects, at the time it*
22 *makes the investment or loan, that the business will continue to*
23 *satisfy the requirements for being a qualified active low-income*
24 *community business, other than the Small Business*
25 *Administration size standards, throughout the entire period of the*
26 *investment or loan. Except as otherwise provided in this section,*
27 *the businesses limited by this section do not include any business*
28 *that derives or projects to derive 15 percent or more of its annual*
29 *revenue from the rental or sale of real estate. This exclusion does*
30 *not apply to a business that is controlled by, or under common*
31 *control with, another business if the second business:*

32 *1. Does not derive or project to derive 15 percent or more of*
33 *its annual revenue from the rental or sale of real estate; and*

34 *2. Is the primary tenant of the real estate leased from the first*
35 *business.*

36 **Sec. 27.** *For the purpose of section 11 of this act, a qualified*
37 *community development entity is limited to an entity that has*
38 *entered into, for the current year or any prior year, an allocation*
39 *agreement with the Community Development Financial*
40 *Institutions Fund of the United States Department of the Treasury*
41 *with respect to credits authorized by section 45D of the Internal*
42 *Revenue Code of 1986, 26 U.S.C. § 45D, which includes the State*
43 *of Nevada within the service area set forth in the allocation*
44 *agreement. Such an entity also includes any subsidiary community*



1 *development entities of any such qualified community*
2 *development entity.*

3 **Sec. 28.** Notwithstanding the provisions of section 16 of this
4 act, the Office of Economic Development shall begin accepting
5 applications for certification of qualified equity investments not
6 later than October 1, 2013.

7 **Sec. 29.** This act applies only to a return or premium tax report
8 filed under this title originally due on or after the effective date of
9 this act.

10 **Sec. 30.** This act becomes effective upon passage and
11 approval.

