

**PROPOSED REGULATION OF THE
COMMISSION ON ECONOMIC DEVELOPMENT**

LCB File No. R017-00

February 14, 2000

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

AUTHORITY: §§1-3, NRS 360.750.

Section 1. NAC 374.105 is hereby amended to read as follows:

374.105 1. An application for an abatement must be made on a form prescribed by the commission.

2. An application may be made not more than 18 months before a business commences operations.

3. If an application is approved by the commission, the period of abatement *is 2 years, which* begins on the date the applicant takes possession of the first delivery of eligible machinery or equipment at the location designated in the certificate of eligibility issued by the commission. Upon so taking possession of such eligible machinery or equipment, the applicant shall immediately notify the commission and the Nevada tax commission.

Sec. 2. NAC 374.110 is hereby amended to read as follows:

374.110 1. An application for an abatement of taxes on the acquisition of eligible machinery or equipment outside this state from a retailer who is not registered with the Nevada tax commission must be made in advance of the acquisition or, if the eligible machinery or equipment has already been acquired, within 60 days after the date on which the tax was due.

2. An application for an abatement of taxes on the acquisition of eligible machinery or equipment from a retailer registered with the Nevada tax commission must be made within 60 days after the payment of the tax.

3. *Except as otherwise provided in subsection 5, the commission will deny or approve and certify each application for an abatement of taxes at the first regularly scheduled meeting following receipt of the application if the application is received at least 15 working days before the meeting. An application that is received within the 15 working days before a meeting will be considered at the next regularly scheduled meeting of the commission following the one before which it was received.*

4. *If an application for an exemption requires special review and consideration, the commission may consider the application at the next regularly scheduled meeting of the commission following the one before which it was received.*

5. If an application for an abatement is approved by the commission, the applicant is eligible for a refund of any taxes he paid which are subject to the abatement.

6. *If an application is approved by the commission, the commission will immediately forward to the department of taxation any materials submitted to the commission by the business which applied for the abatement. The department of taxation may determine if the machinery or equipment purchased by the business qualifies as eligible machinery or equipment pursuant to NRS 374.357.*

Sec. 3. NAC 374.125 is hereby amended to read as follows:

374.125 ~~[1.—In addition to any other requirements imposed by law or by the commission, an abatement granted by the commission is subject to the following conditions:~~

~~—(a) The business shall employ at least 10 full-time employees in Nevada by the fourth quarter that it is in operation and continue to employ at least 10 full-time employees in Nevada for at least 5 years.~~

~~—(b) If the abatement is granted to an existing business in Nevada for the expansion of its business in this state, the business shall employ at least 10 additional full-time employees in Nevada by the end of the fourth quarter after the granting of the abatement and continue to employ at least 10 additional full-time employees in Nevada for at least 5 years.~~

~~—2. An abatement is void if a business fails to comply with the relevant requirements set forth in subsection 1 concerning the minimum number of full-time employees, except that short-term vacancies in employment do not void the abatement if the business is attempting in good faith to fill such vacancies and does so within a period of time considered reasonable by the commission under the circumstances.]~~

The commission will approve an application for an abatement pursuant to NRS 374.357 if:

1. The goals of the business are consistent with the goals of the commission concerning industrial development and diversification, including, without limitation:

(a) Diversification from the industries of gaming and hospitality;

(b) The attraction of basic industries, including, without limitation, manufacturing, warehousing and distribution, and back-office operations;

(c) The attraction of business facilities and services, including, without limitation, corporate headquarters, research and development, and producer services; and

(d) The expansion of existing businesses and industries that are consistent with the goals described in paragraphs (a), (b) and (c);

2. The business complies with the requirements of NRS 360.750;

3. The exemption granted pursuant to NRS 374.357 is a significant factor in the decision of the business to locate or expand in this state;

4. The business commits to maintaining the business in this state for at least 5 years after the date that the business first pays taxes to the department of taxation;

5. The business agrees in writing to supply to the executive director of the commission, upon the request of the executive director, any record necessary for the commission to verify that the business satisfies all requirements of the partial abatement;

6. The business has obtained a statement from the local development authority which states that the local development authority is in favor of the partial abatement; and

7. The business registers with the department of taxation on a form provided by the department of taxation.