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Guidance Letter 16-003

Date: July 7, 2016

To: County Assessors, County Treasurers

From: Terry E. Rubald, Deputy Executive Director, Department of Taxation *Terry E Rubald*

CC: Deonne Contine, Executive Director, Department of Taxation
George Hritz, Management Analyst, Department of Taxation

Subject: Tax Expenditures Reporting (NRS 360.137, AB 466 – 2013 session)

SUMMARY:

Upon passage of AB 466 in 2013, the Executive Director of the Department of Taxation is now required to report all tax expenditures to the Governor and the Legislature on or before November 10th of each even numbered year. The report summarizes all tax deductions, abatements, credits, deferrals, exemptions, exclusions, subtractions and preferential tax rates for all types of taxes levied in the state, including property taxes.

This Guidance Letter outlines the reporting process from the county officials to the Department, including reporting deadlines, to enable the Department to fulfill the requirements of NRS 360.137. In addition, this Guidance Letter provides guidance on which tax rolls and tax years should be included in the report. Examples of the reporting forms are also included.

AUTHORITY FOR THIS LETTER:

NRS 360.137(3): Each agency, bureau, board, commission, department, division, office and other governmental entity of the State of Nevada, each county treasurer and county assessor and each entity receiving the benefit of a tax expenditure, shall respond fully and appropriately to any request for information made by the Executive Director for use in the report required by this section not later than 30 days after such a request is made, to the extent that the requested information is not confidential, privileged or otherwise protected from disclosure by any provision of state or federal law.

STATUTORY REFERENCES:

See Appendix III for a complete list of associated exemptions and abatements.

BACKGROUND:

Pursuant to NRS 360.137 "tax expenditure" means any law of this State that exempts, in whole or in part, certain persons, income, goods, services or property from the impact of established taxes,

including, without limitation, tax abatements, tax credits, tax deductions, tax deferrals, tax exemptions, tax exclusions, tax subtractions and preferential tax rates.

The *Tax Expenditure Report* provides a review of all tax deductions, tax abatement, tax credits, tax deferrals, tax exemptions, tax exclusions, tax subtractions and preferential tax rates. The purpose of this report of tax expenditures is to provide some information that will allow the public and policy makers to identify and analyze tax expenditures and to periodically make criteria-based decisions on the efficiency and fairness of the tax expenditure and determine whether the expenditures should be continued.

The Department requests only information that is generally available. NRS 361.260(1) requires the county assessor to ascertain by diligent inquiry and examination all real and secured personal property that is in the county on July 1 *which is subject to taxation*. The county assessor takes the same action for personal property to be placed on the unsecured roll. In addition, NRS 361.265(2)(a) requires each natural person or firm to provide the county assessor a written statement of all the personal property, to include “a description of the location of any *taxable personal property*.” The statute does not require the taxpayer to report non-taxable personal property, such as properties exempt pursuant to NRS 361.050 through NRS 361.150.

Pertinent information on exempt personal property is therefore not generally available. The Tax Expenditure Report will reflect that the information on personal property exempt from property tax is not available because taxpayers are not required to report the same. Practically speaking, even if some taxpayers voluntarily reported exempt personal property, the aggregate data for the category would likely not be comprehensive and could possibly lead to inaccurate conclusions. The Report requires estimates of the fiscal impact to the State and local governments of various tax expenditures to the extent that pertinent information is available.

In time, after Statistical Analysis of the Roll (SAR) report exemptions true up to those found in the Assessors’ Tax Expenditure Reports, the Department anticipates simplifying this report so that it is comprised of only abatements which are not part of SAR reporting.

APPLICATION:

- 1. The Department requests the assessors and treasurers submit data used for the Tax Expenditure Report to the Department by September 10th of each year. Assessors are asked to report all exemptions and those abatements which they bill. Treasurers are asked to report only the abatements which they bill.*
- 2. Property tax exemptions and abatements to be reported for both the unsecured and secured rolls should be based on information from the same roll year. For example, data reported in August 2016 would be from the 2015-16 secured and unsecured rolls.*
- 3. Examples of the reporting forms for both assessors and treasurers follow in Appendix I and Appendix II. The forms have been reworked for 2015-16 reporting so that they are in numeric order by statute number. **Actual reporting forms will be sent to users in Excel format by the Department.***
- 4. When reporting the number receiving exemption, please count the number of taxpayers receiving the tax benefit based on the number of individuals, parcels, accounts, etc. (whichever is applicable for that line item) from which the assessed value and tax amounts are calculated.*

Appendix I

Form 1440LGSLA



Nevada Department of Taxation 2015-16 Property Tax Expenditures Report

For Use by County Assessors

Return this form to: wcbaily@tax.state.nv.us

In the table below, please report the number of property tax exemptions applied during State Fiscal Year 2015-16 by category. The table should include all exemptions for both the 2015-16 secured and unsecured rolls. For abatements, report only data from the unsecured roll which was billed by the Assessor's Office. Do not report abatements billed by the Treasurer's Office. Also, grayed-out exemptions fields do not need to be completed.

Exemption / Abatement Type	NRS Reference	NAC Reference	Number receiving exemption	Assessed Value	Tax Amount
United States	361.050				
State lands	361.055				
Counties, Town, Municipal Corp. conservation Distric, Irrigation Drainage, Reclamation District	361.060				
Privately owned parks used by public	361.0605				
Airport	361.061(1)				
Privately owned airports used by public	361.061(2)				
Public Function Trusts	361.062				
School districts	361.065				
Fine Art for public display	361.068; 361.186				
Cost of collection	361.068 (2)	361.065			
Drainage Ditches, Canals & Irrigation Systems	361.070				
Water Users' Nonprofit Associations	361.073				
Unpatented Mines & mining Claims	361.075	361.085			
Pollution control devices	361.077				
Radioactive fallout shelters	361.078				
Surviving Spouse	361.080				

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Exemption / Abatement Type	NRS Reference	NAC Reference	Number receiving exemption	Assessed Value	Tax Amount
Low income housing projects	361.082	361.046-361.050			
Hospital Orphan children or sick, infirm or indigent persons	361.083				
Blind Persons	361.085	361.089			
Elderly & Handicapped Housing	361.086				
Architectural barrier Removal for Disabled Persons	361.087				
Nathan Adelson Hospice	361.088				
Veterans	361.090				
Disabled Veterans	361.091				
Surviving Spouses of Disabled Veterans	361.091				
Veteran Organizations	361.095				
Charter School Leased Property	361.096				
University System: Charitable Foundation	361.098				
University System Leased Property	361.099				
University Fraternities & Sororities	361.100				
Nonprofit private schools	361.105				
Apprenticeship Programs	361.106	361.070			
Pershing County Kids, Horses, Rodeo Inc.	361.107				
American National Red Cross and Nevada Chapters and other certain organizations	361.110				
Conservancies	361.111				
Habitat for Humanity	361.115				
Churches & Chapels	361.125				
Cemeteries and Graveyards - Public	361.130				
Cemeteries and Graveyards –Private	361.132				
Charitable Organizations	361.135				
Charitable Corporations	361.140				
Noncommercial theaters	361.145				

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Exemption / Abatement Type	NRS Reference	NAC Reference	Number receiving exemption	Assessed Value	Tax Amount
Volunteer Fire Departments	361.150				
Possessory Interest – Public airport, park, market, fairground	361.157(2)(a)				
Possessory Interest – Federal Property	361.157(2)(b)	361.030 – 361.044			
Possessory interest – state-supported educational institution	361.157(2)(c)				
Possessory interest – Taylor Grazing Act, USFS, BuRec	361.157(2)(d)				
Possessory interest – Indian tribe	361.157(2)(e)				
Possessory interest – Vending stands of the blind	361.157(2)(f)				
Possessory interest – geothermal leases	361.157(2)(g)				
Possessory interest – public officer or employee	361.157(2)(h)				
Possessory interest – parsonage	361.157(2)(i)				
Possessory interest – Charitable or religious residence	361.157(2)(j)				
Possessory interest – shelter for elderly or indigent	361.157(2)(k)				
Possessory interest – rental of meeting rooms	361.157(2)(l)				
Possessory interest – daycare	361.157(2)(m)				
Possessory Interest – Public Airport	361.159				
Patented Mining Claims	362.010-362.095				
Energy Systems (fka Heating & Cooling Systems)	701A.200 (fka 361.079)				
ABATEMENTS (Billed by Assessor)					
New or expanded businesses	361.0687				
All property except qualifying residential	361.4722				
Residential property	361.4723				
Residential property	361.4724				
Property acquired by governments	361.484				
LEED property	701A.110				

Appendix I

Exemption / Abatement Type	NRS Reference	NAC Reference	Number receiving exemption	Assessed Value	Tax Amount
Recycled material businesses	701A.210				
Renewable energy facilities	701A.370				
EXEMPTIONS (Data not typically available)					
Vehicles	361.067				
Personal Property held for sale by merchant	361.068 (a)				
Personal Property held for sale by manufacturer	361.068 (b)				
Raw materials & components consumed in the process of manufacture	361.068 (c)				
Business Inventories & Consumables	361.068 (d)				
Livestock	361.068 (e)				
Bee colonies	361.068 (f)				
Pipe & Irrigation Equipment	361.068 (g)				
Boats	361.068 (h)				
Campers, slide-in & shells	361.068 (i)				
Carnival, circus, convention, display, exhibition, fair	361.068 (k)				
Household goods and furniture	361.069				
Personal property in transit	361.160-361.185				
Bank Deposits	Article 10	361.062			
Bonds	Article 10				
Book Accounts	Article 10	361.052-361.058			
Mortgages	Article 10				
Promissory Notes	Article 10				
Stocks	Article 10				

Appendix II

Form 1441 LGSLA

Nevada Department of Taxation
2015-16 Property Tax Expenditures Report
 For Use by County Treasurers



Return this form to: wcbaily@tax.state.nv.us

In the table below, please report the number of property tax abatements applied during State Fiscal Year 2015-16 by category. The table should include all abatements for both the 2015-16 secured and unsecured rolls which were billed by the Treasurer's Office.

Abatement Type	NRS Reference	NAC Reference	Number receiving exemption	Assessed Value	Tax Amount
ABATEMENTS (Billed by Treasurer)					
New or expanded businesses	361.0687				
All property except qualifying residential	361.4722				
Residential property	361.4723				
Residential property	361.4724				
Property acquired by governments	361.484				
LEED property	701A.110				
Recycled material businesses	701A.210				
Renewable energy facilities	701A.370				

APPENDIX III

Summary of Property Tax Exemptions and Abatements

- NRS 361.050;** *Property of the United States* – All lands and other property owned by the United States, not taxable because of the Constitution or laws of the United States.
- NRS 361.055;** *Property of the State* – All lands and other property owned by the state, except real property acquired by the state of Nevada and assigned to the Division of Wildlife which is or was subject to taxation at the time of acquisition.
- NRS 361.060;** *Property of Local Governments* – All lands and other property owned by the Nevada Rural Housing Authority or any county, domestic municipal corporation, irrigation drainage or reclamation district or town in this state, except certain community pastures.
- NRS 361.0605;** *Property of Privately Owned Parks* – The real property and improvements of a privately owned park that, pursuant to an agreement with a local government, are used by the public without charge, excluding areas from which income is derived.
- NRS 361.061;** *Property of Privately Owned Airports* – All property and improvements of a privately owned airport that are used by the public without charge, including areas used for taking off, landing and taxiing but excluding areas from which income is derived.
- NRS 361.062;** *Property of a Trust* – All property, both real and personal, of a trust created for the benefit and furtherance of any public function pursuant to the provisions of law, but moneys in lieu of taxes may be paid to the beneficiary pursuant to any agreement contained in the instrument creating the trust.
- NRS 361.065;** *School Property* – All lots, buildings and other school property owned by any legally created school district or charter school within the state and devoted to public school purposes.
- NRS 361.067;** *Vehicles* – All vehicles, except mobile homes, which constitute “real estate” or “real property” and, until June 30, 2007, commercial helicopters meeting certain noise requirements.
- NRS 361.068;** *Subsection 1 Various Forms of Personal Property* – The following personal property:
Fine art for public display (See NRS 361.186 and 361.187).
- NRS 361.068;** *Subsection 2 Personal Property of Minimal Value* – The Nevada Tax Commission may exempt from taxation that personal property for which the annual taxes would be less than the cost of collecting those taxes.
- NRS 361.070;** *Drainage Ditches, Canals, and Irrigation Systems* – Drainage ditches and canals, together with the lands which are included in the rights of way of the ditch or canal and each part of a permanently installed irrigation system of pipes or concrete linings of ditches and head gates to increase efficiency and conservation in the use of water, when the water is to be used for irrigation and agricultural purposes on land devoted to agricultural purposes by the owner of the pipes or concrete linings.
- NRS 361.073;** *Water Users’ Nonprofit Associations and Cooperative Corporations* – All real and personal property of a water users’ nonprofit association or of a water users’ nonprofit cooperative corporation within the state of Nevada when used for carrying out the legitimate functions of such nonprofit association or of a water users’ nonprofit cooperative corporation.

NRS 361.075; *Unpatented Mines and Mining Claims* – Unpatented mines and mining claims, but not possessory claims to the public lands of the United States or of this state, or improvements thereon, or the proceeds of the mines.

NRS 361.077; *Property Used To Control Pollution* – Real and personal property used as a facility, device or method for the control of air or water pollution, not including:

- a. Air conditioners, septic tanks or other facilities for human waste, nor any property installed, constructed or used for the moving of sewage to the collection facilities of a public or quasi-public sewage system.
- b. Any facility or device having a value of less than \$1,000 at the time of its construction, installation or first use.
- c. Any facility or device which produces a net profit to the owner or operator thereof from the recovery and sale or use of a tangible product or by-product, nor does it include a facility or device which, when installed and operating, results in a net reduction of operating costs.

NRS 361.078; *Radioactive Fallout Shelters* – Certain residential property to the extent of \$1,000 assessed valuation if the property contains a shelter for protection against radioactive fallout.

NRS 361.080; *Property of Surviving Spouses and Orphans* – The property of resident surviving spouses, not to exceed the amount of \$1,000 of assessed valuation, multiplied by the percentage change in the Consumer Price Index between July 2004 and the July preceding the fiscal year for which the adjustment is calculated. The exemption may only be claimed in one county, and may not be claimed following the remarriage of the surviving spouse.

NRS 361.082; *Low-income Housing Projects* – That portion of real property and tangible personal property which is used for housing and related facilities for persons with low incomes if the portion of property qualifies as a low-income unit and is part of a qualified low-income housing project that is funded in part by federal money appropriated pursuant to 42 U.S.C. §§ 12701 et seq. for the year in which the exemption applies.

NRS 361.083; *Property Used for Relief of Orphans or of Sick, Infirm, or Indigent Persons* – The property on which stands a hospital or other charitable asylum for the care or relief of orphan children, or of sick, infirm or indigent persons, owned by a nonprofit corporation, and the buildings, while occupied for those purposes.

NRS 361.085; *Property of Blind Persons* – The property of all blind residents, including community property (to the extent only of the blind person's interest therein), not to exceed the amount of \$3,000 of assessed valuation, multiplied by the percentage change in the Consumer Price Index between July 2004 and the July preceding the fiscal year for which the adjustment is calculated. The exemption may only be claimed in one county.

NRS 361.086; *Property for Housing Elderly or Handicapped Persons* – All real property and tangible personal property used exclusively for federally financed or nonprofit housing and related facilities for elderly or handicapped persons.

NRS 361.087; *Residential Improvements to Remove Barriers to Persons with Disabilities* – Value added to a residence occupied by a person with a disability for improvements made to an existing building for the purpose of removing barriers to the movement, safety and comfort of a person with a disability.

NRS 361.088; *Property of Nathan Adelson Hospice* – All real and personal property of the Nathan Adelson Hospice in the state of Nevada as long as it is used for carrying out the legitimate functions of a freestanding facility for hospice care.

NRS 361.090 (See also NRS 361.0905); *Veterans' Property* – The value of property of certain residents of the state who have served on active duty in the military or who are in actual military service, not to exceed the amount of \$2,000 of assessed valuation, multiplied by the percentage change in the Consumer Price Index between July 2003 and the July preceding the fiscal year for which the adjustment is calculated.

NRS 361.091; *Property of Veterans With Total Permanent Disabilities* – The value of property of a resident of the state of Nevada who has incurred a total permanent service-connected disability and has been honorably discharged from the Armed Forces of the United States, or his surviving spouse, not to exceed the amount of \$20,000 of assessed valuation, multiplied by the percentage change in the Consumer Price Index between July 2003 and the July preceding the fiscal year for which the adjustment is calculated.

NRS 361.091; *Property of Veterans With Eighty to Ninety-nine Percent Permanent Disabilities* – The value of property of a resident of the state of Nevada who has incurred a permanent service-connected disability of 80 to 99 percent and has been honorably discharged from the Armed Forces of the United States, or his surviving spouse, not to exceed the amount of \$15,000 of assessed valuation, multiplied by the percentage change in the Consumer Price Index between July 2003 and the July preceding the fiscal year for which the adjustment is calculated.

NRS 361.091; *Property of Veterans With Sixty to Seventy-nine Percent Permanent Disabilities* – The value of property of a resident of the state of Nevada who has incurred a permanent service-connected disability of 60 to 79 percent and has been honorably discharged from the Armed Forces of the United States, or his surviving spouse, not to exceed the amount of \$10,000 of assessed valuation, multiplied by the percentage change in the Consumer Price Index between July 2003 and the July preceding the fiscal year for which the adjustment is calculated.

NRS 361.091; *Property of Veterans With Multiple Permanent Disabilities* - If a veteran or the surviving spouse of a veteran submits, as proof of disability, documentation that indicates a percentage of permanent service-connected disability for more than one permanent service-connected disability, the amount of the exemption must be based on the total of those combined percentages, not to exceed 100 percent.

NRS 361.095; *Property of Veterans' Organizations* – The value of funds, furniture, paraphernalia and regalia owned and used exclusively by any post of any national organization of ex-servicemen or ex-servicewomen for the legitimate purposes and customary objects of such posts, not to exceed the amount of \$10,000 of assessed valuation, multiplied by the percentage change in the Consumer Price Index between July 2004 and the July preceding the fiscal year for which the adjustment is calculated. Real property of any such organization is totally exempt.

NRS 361.096; *Property of Charter Schools* – The portion of real and personal property leased or rented to a charter school for the use of the charter school.

NRS 361.098; *Property of Charitable Foundations of NSHE* – All real and personal property owned by a charitable foundation established by the Board of Regents of the University of Nevada when it is used to carry out the legitimate functions of the foundation.

NRS 361.099; *Property Leased or Rented to NSHE* – All real and personal property which is leased or rented to the Nevada System of Higher Education for total consideration which is less than 10 percent of the fair market rental or lease value of the property.

NRS 361.100; *Property of University Fraternities and Sororities* – All real property owned by any fraternity or sorority, or chapter thereof, which is composed of students of the University

of Nevada, Reno, or the University of Nevada, Las Vegas, and used as a home for its members.

NRS 361.105; *Property of Nonprofit Private Schools* – Nonprofit private schools, with lots appurtenant thereto and furniture and equipment.

NRS 361.106; *Property of Certain Apprenticeship Programs* – The real and personal property of an apprenticeship program if the property is:

- a. Held in a trust created pursuant to 29 U.S.C. § 186; or
- b. Owned by a local or state apprenticeship committee and the apprenticeship program is:
 - (1) Operated by an organization which is qualified pursuant to 26 U.S.C. § 501(c)(3) or (5); and
 - (2) Registered and approved by the state apprenticeship council pursuant to chapter 610 of NRS.

NRS 361.107; *Property of Pershing County Kids, Horses, Rodeo, Inc.* – All real and personal property of Pershing County Kids, Horses, Rodeo, Inc. in the state of Nevada that is used for the purpose of carrying out the legitimate functions of that organization.

NRS 361.110; *Property of Various Nonprofit Organizations* – The buildings, with their furniture and equipment, and the lots of ground on which they stand, used therewith and necessary thereto, of:

- a. The Nevada Museum of Art, Inc.;
- b. The Young Men's Christian Association (YMCA);
- c. The Young Women's Christian Association (YWCA);
- d. The American National Red Cross or any of its chapters in the state of Nevada;
- e. The Salvation Army Corps;
- f. The Girl Scouts of America;
- g. The Camp Fire Girls, Inc.;
- h. The Boy Scouts of America; and
- i. The Sierra Arts Foundation.

If a rent or other valuable consideration is received for the use of the property of one of the organizations listed above, it must be taxed, unless the rent or other valuable consideration is paid or given by an organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C. § 501(c)(3).

NRS 361.111; *Property of Nature Conservancy, American Land Conservancy, and Nevada Land Conservancy* – All real property and improvements thereon acquired by the Nature Conservancy, American Land Conservancy or Nevada Land Conservancy and held for ultimate acquisition by the state or a local governmental unit if:

- a) The state or a local governmental unit has agreed, in writing, that acquisition of the property will be given serious consideration; and
- b) For property for which the state has agreed to give serious consideration to buying, the governing body of the county in which the property is located has approved the potential acquisition of the property by the state.

NRS 361.115; *Property of Nevada Children's Foundation, Inc.* – All real and personal property of the Nevada Children's Foundation, Inc., in the state of Nevada, if it is used to carry out the legitimate functions of that organization.

NRS 361.115; *Property of Nevada Heritage Association, Inc.* – All real and personal property of the Nevada Heritage Association, Inc., within the state of Nevada, if it is used to carry out the legitimate functions of that organization.

NRS 361.115; *Property of Habitat For Humanity International* – All real and personal property of Habitat For Humanity International, within the state of Nevada, if it is used to carry out the legitimate functions of that organization.

NRS 361.125; *Property of Churches and Chapels* – Churches, chapels, other than marriage chapels, and other buildings used for religious worship, with their furniture and equipment, and the lots of ground on which they stand, used therewith and necessary thereto, owned by some recognized religious society or corporation, and parsonages so owned.

NRS 361.130; *Public Cemeteries and Graveyards* – All cemeteries and graveyards set apart and used for and open to the public for the burial of the dead, when no charge is made for burial therein.

NRS 361.132; *Nonprofit Private Cemeteries and Places of Burial* – The cemetery lands and property of any nonprofit corporation governed by the provisions of Chapter 82 of NRS formed for the purposes of procuring and holding lands to be used exclusively for a cemetery or place of burial of the dead. The proprietors of lots or plats in such cemeteries, their heirs or devisees, may hold the lots or plats exempt in the same way so long as the lots or plats remain dedicated to the purpose of a cemetery.

NRS 361.135; *Property of Lodges and Other Charitable Organizations* – The value of funds, furniture, paraphernalia and regalia owned by any lodge of the Benevolent Protective Order of Elks, Fraternal Order of Eagles, Free and Accepted Masons, Independent Order of Odd Fellows, Knights of Pythias or Knights of Columbus, or by any similar charitable organization, or by the Lahontan Audubon Society, the National Audubon Society, Inc., of New York, the Defenders of Wildlife of the District of Columbia or any similar benevolent or charitable society, so long as the same shall be used for the legitimate purposes of such lodge or society or for such charitable or benevolent purposes to the extent of \$5,000.

NRS 361.140; *Property of Certain Charitable Corporations* – All buildings belonging to a charitable corporation, together with the land actually occupied by the corporation for the purposes described and the personal property actually used in connection therewith, to the extent they are used solely for the purpose of the charitable corporation.

NRS 361.145; *Property of Noncommercial Theaters* – The buildings, furniture and equipment of noncommercial theaters owned and operated by nonprofit educational corporations organized for the exclusive purpose of conducting classes in theater practice and the production of plays on a nonprofessional basis if the articles of incorporation state that the property for which the tax exemption is requested shall revert to the county in which it is located upon the cessation of the activities of the noncommercial theater.

NRS 361.150; *Property of Volunteer Fire Departments* – The real and personal property of organized and incorporated volunteer fire departments, unless it is used for any purpose other than carrying out the legitimate functions of such volunteer fire department.

NRS 701A.200 (Formerly NRS 361.079); *Systems for Heating, Cooling, or Providing Electricity* – Unless the building is receiving another abatement or exemption in any given year, any value added by a system in a residential, commercial or industrial building to heat or cool the building or water used in the building, or to provide electricity used in the building, by using:

- a. Energy from the wind or from solar devices not thermally insulated from the area where the energy is used;
- b. Geothermal resources;
- c. Energy derived from conversion of solid wastes; or
- d. Waterpower.

NOTE: The personal property tax exemption to which a surviving spouse, orphan child, blind person, veteran or surviving spouse of a disabled veteran is entitled pursuant to NRS 361.080, 361.085, 361.090 or 361.091 is reduced to the extent that he or she is allowed an exemption from the governmental services tax pursuant to Chapter 371 of NRS.

Abatements:

NRS 361.0687; *New or Expanded Businesses* – Certain new or expanded businesses are authorized to apply to the Commission on Economic Development for a partial abatement of property taxes. The taxpayer is required to make certain capital investments in the county in which it will locate or expand and is required to pay certain hourly wages to its employees to qualify for the exemption.

NRS 361.4722; *All Other Properties* – A partial abatement is provided to owners of properties that do not qualify for the partial abatements on eligible single family owner-occupied residences or qualifying residential rental properties, such that the property taxes cannot increase by more than a certain percentage that is calculated by a two-part formula.

The first part of the formula is the lesser of:

- The average percentage change in the assessed value of all taxable property within that county over the past ten years (the fiscal year in which the levy is made and the nine fiscal years immediately preceding that year); or 8 percent.
- The second part of the formula is determined by establishing twice the percent change in the Consumer Price Index (U.S. City Average, All Items, All Urban Consumers) for the prior calendar year.

The percentage used to determine the limit of increase on property taxes under this partial abatement is the greater of the percentages calculated in the first and second parts of this formula.

NRS 361.4723; *Eligible Single Family Owner-Occupied Residences* – A partial abatement is provided to eligible owners of single-family residences that are the primary residence of the owner, such that the property taxes cannot increase by more than 3 percent over the prior year's tax levy. The primary residence of the owner is defined as being the residence designated as the primary residence of the owner, exclusive of any other residence of the owner within the state, and is not rented or leased for exclusive occupancy by any person other than the owner and members of his or her family.

NRS 361.4724; *Qualifying Residential Rental Properties* – A partial abatement is provided to eligible owners of residential rental dwellings that qualify as low income housing under the standards of the U.S. Department of Housing and Urban Development (HUD), such that the property taxes cannot increase by more than 3 percent over the prior year's tax levy. To be eligible for the partial abatement, the amount of rent collected from each tenant of the residential dwelling cannot exceed the fair market rent of the county in which the dwelling is located, as established by HUD.

NRS 361.484; *Abatement of taxes on real or personal property acquired by Federal Government, State or political subdivision* - As used in this section, "acquired" means acquired: (a) Pursuant to a purchase order or other sales agreement or by condemnation proceedings pursuant to chapter 37 of NRS, if the property acquired is personal property; (b) By purchase and deed or by condemnation proceedings pursuant to chapter 37 of NRS, if the property acquired is real property.

NRS 701A.110; *Certain Structures That Use Resources Efficiently* – The Director of the Office of Energy has adopted a Green Building Rating System for the purposes of determining the eligibility of a building or other structure for a tax abatement. The partial abatement may be used for not more than 10 years and is awarded to qualifying “green” buildings using the LEED system of classification (Leadership in Energy and Environmental Design) in varying amounts ranging from 25 to 35 percent of the portion of taxes imposed for purposes other than public education. County tax receivers administer the abatement.

NRS 701A.210; *Partial Abatements Granted by the Commission on Economic Development under Authorization Granted by Statute Businesses That Conserve Energy or Reduce Reliance on Fossil Fuels* – Certain businesses that engage in the processing of raw material or an intermediate product through a process in which at least 50 percent of the material or product is recycled on site and certain businesses that include a facility for the generation of electricity from recycled material are authorized to apply to the Commission on Economic Development for a partial abatement of property taxes. The taxpayer is required to demonstrate that a primary purpose of the business is the conservation of energy or the substitution of other sources of energy for fossil sources of energy. The taxpayer is eligible for the partial abatement for not more than ten years. The partial abatement cannot exceed 50 percent of the taxes on real property payable by the business each year.

NRS 701A.370; *Partial Abatements Granted by The Director of the Office of Energy to Certain Renewable Energy Facilities* – A partial abatement is provided to businesses which are engaged in the production of renewable energy defined as: (a) Biomass; (b) Fuel cells; (c) Geothermal energy; (d) Solar energy; (e) Waterpower; or (f) Wind. Renewable energy does not include coal, natural gas, oil, propane or any other fossil fuel or nuclear energy. Duration of the abatement must be for 20 years and be equal to 55% of the taxes on real and personal property.