

**RECEIVED**

March 10, 2025

STATE OF NEVADA

DEPARTMENT OF TAXATION



Form 5101SBE

**Nevada State Board of Equalization  
Taxpayer Petition for Appeal from****the Decision of the County Board of Equalization**

If you have questions about this form or the appeal process, please call: (775) 684-2160.

Email completed form to: stateboard@tax.state.nv.us or Fax (775) 684-2020 EMAIL or FAX by 5:00 p.m. March 10, 2025

Mail: State Board of Equalization, 3850 Arrowhead Dr, Carson City, NV, 89706 POSTMARK by 5:00 p.m. March 10, 2025

Please Print or Type:

**Part A. PROPERTY OWNER AND PETITIONER INFORMATION**

NAME OF PROPERTY OWNER AS IT APPEARS ON THE TAX ROLL: Empire Southwest LLC					
NAME OF PETITIONER (IF DIFFERENT THAN PROPERTY OWNER LISTED IN PART A): John Helms				TITLE Vice President and CFO	
MAILING ADDRESS OF PETITIONER (STREET ADDRESS OR P.O. BOX) 3300 Saint Rose Parkway				EMAIL ADDRESS: John.Helms@Empire-Cat.com	
CITY Henderson	STATE NV	ZIP CODE 89052	DAYTIME PHONE 480-633-4780	ALTERNATE PHONE	FAX NUMBER

**Part B. PROPERTY OWNER ENTITY DESCRIPTION**

Check organization type which best describes the Property Owner if an entity and not a natural person. Natural persons may skip Part B.

- ☐ Sole Proprietorship      ☐ Trust      ☐ Corporation  
☒ Limited Liability Company (LLC)    ☐ General or Limited Partnership    ☐ Government or Governmental Agency  
☐ Other, please describe: \_\_\_\_\_

The organization described above was formed under the laws of the State of \_\_\_\_\_.

The organization described above is a non-profit organization. ☐ Yes    ☐ No**Part C. RELATIONSHIP OF PETITIONER TO PROPERTY OWNER IN PART A**Check box which best describes the relationship of Petitioner to Property Owner: ☒ Additional information may be necessary.

- ☐ Self      ☐ Trustee of Trust      ☐ Employee of Property Owner  
☐ Co-owner, partner, managing member      ☒ Officer of Company  
☐ Employee or Officer of Management Company  
☐ Employee, Officer, or Owner of Lessee of leasehold, possessory interest, or beneficial interest in real property  
☐ Other, please describe: \_\_\_\_\_

**Part D. PROPERTY IDENTIFICATION INFORMATION****1. Enter Physical Address of Property:**

ADDRESS 3050	STREET/ROAD E Railroad Street	CITY (IF APPLICABLE) Winnemucca	COUNTY Humboldt
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**2. Enter Applicable APN or Account Number from assessment notice or tax bill:**

ASSESSOR'S PARCEL NUMBER (APN) 15-0253-04	ACCOUNT NUMBER EQ001042
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**3. Does this appeal involve multiple parcels? Yes ☐ No ☒** List multiple parcels on a separate, letter-sized sheet.

If yes, enter number of parcels: _____	Multiple parcel list is attached. <input type="checkbox"/>
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**4. Check Property Use Type: ☒**

<input type="checkbox"/> Vacant Land	<input type="checkbox"/> Mobile Home (Not on foundation)	<input type="checkbox"/> Mining Property
<input type="checkbox"/> Residential Property	<input type="checkbox"/> Commercial Property	<input type="checkbox"/> Industrial Property
<input type="checkbox"/> Multi-Family Residential Property	<input type="checkbox"/> Agricultural Property	<input checked="" type="checkbox"/> Personal Property
<input type="checkbox"/> Possessory Interest in Real or Personal property		

**5. Check Year and Roll Type of Assessment being appealed: ☒**

<input type="checkbox"/> 2025-2026 Secured Roll	<input type="checkbox"/> 2024-2025 Unsecured Roll	<input type="checkbox"/> 2024-2025 Supplemental Roll
<input type="checkbox"/> 2025-2026 Centrally-assessed Roll	<input type="checkbox"/> 2024-2025 Net Proceeds Roll	

Other years being appealed: 2023-2024

Be prepared to cite the legal authority, if any, that permits the State Board to consider appeals of taxable value from prior years.

**Part E. VALUE OF PROPERTY**

Property Type	As established by County Board of Equalization		Property Owner: What is the value you seek? Write N/A on each line for values which are not being appealed.	
	Taxable Value	Assessed Value	Taxable Value	Assessed value
Land				
Buildings				
Personal Property	\$4,640,111	\$1,624,039	\$1,177,851	\$4,12,248
Total				

For Clerk Use Only:

25-128

## Form 5101SBE

**Part F. TYPE OF APPEAL**

Check box which best describes the authority of the State Board to take jurisdiction to hear the appeal.

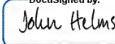
<input checked="" type="checkbox"/>	NRS 361.360(1); NRS 361.400(2): The value of real or personal property is being appealed; the Petitioner is aggrieved at the action of the County Board or the failure of the County Board to equalize resulting in overvaluation of property or undervaluation or non-assessment of other property.
<input type="checkbox"/>	NRS 361A.240(2)(b): The under-or-over valuation of open-space use property is being appealed
<input type="checkbox"/>	NRS 361A.273(1): This is an appeal of a determination that agricultural property has been converted to a higher use and for valuations for deferred tax years; the notice of conversion from the assessor was received after July 1 and before December 16 and the appeal was heard by the County Board.
<input type="checkbox"/>	NRS 361.360(1); NAC 361.747(2)(c): The property was denied an exemption that is allowed by law. If so, describe the applicable exemption:
<input type="checkbox"/>	Other reason, please describe. _____

**Part G. ATTACH A BRIEF STATEMENT OR LETTER DESCRIBING THE ISSUES AND CONTENTIONS IN THIS APPEAL.****Part H. COUNTY APPEAL INFORMATION**

County in which appeal was heard: <b>Humboldt</b>	County Case Number: <b>HCB2025-01</b>	Date Heard by County: <b>02/21/2025</b>
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**VERIFICATION**

I verify (or declare) under penalty of perjury under the laws of the State of Nevada that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief; and that I am either (1) the person who owns or controls taxable property, or possesses in its entirety taxable property, or the lessee or user of a leasehold interest, possessory interest, beneficial interest or beneficial use, pursuant to NRS 361.334; or (2) I am a person employed by the Property Owner or an affiliate of the Property Owner and I am acting within the scope of my employment. If Part I below is completed, I further certify I have authorized each agent named therein to represent the Property Owner as stated and I have the authority to appoint each agent named in Part I.

DocuSigned by:  
  
Petitioner Signature **John Helms**  
Print Name of Signatory

Vice President and CFO  
Title **03/07/2025 | 3:03 PM MST**  
Date

**Part I. AUTHORIZATION OF AGENT** Complete this section only if an agent, including an attorney, has been appointed to represent the Property Owner/Petitioner in proceedings before the State Board. List additional authorized agents on a separate sheet as needed, including printed name, contact information, signature, title and date.

I hereby authorize the agent whose name and contact information appears below to file a petition to the Nevada State Board of Equalization and to contest the value and/or exemption established for the properties named in Part D(2) of this Petition. I further authorize the agent listed below to receive all notices and decision letters related thereto; and represent the Petitioner in all related hearings and matters including stipulations and withdrawals before the Nevada State Board of Equalization. This authorization is limited to the appeal of property valuation for the tax roll and fiscal year named in Part D(5) of this Petition.

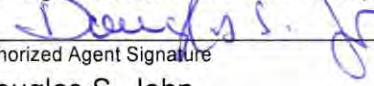
**Authorized Agent Contact Information:**

NAME OF AUTHORIZED AGENT: <b>Douglas S. John</b>		TITLE: <b>Attorney</b>			
AUTHORIZED AGENT COMPANY, IF APPLICABLE: <b>Frazer Ryan Goldberg &amp; Arnold, LLP</b>		EMAIL ADDRESS: <b>djohn@frgalaw.com</b>			
MAILING ADDRESS OF AUTHORIZED AGENT (STREET ADDRESS OR P.O. BOX) <b>1850 N. Central Avenue, Suite 1800</b>					
CITY <b>Phoenix</b>	STATE <b>AZ</b>	ZIP CODE <b>85004</b>	DAYTIME PHONE <b>602-277-2010</b>	ALTERNATE PHONE	FAX NUMBER

Authorized Agent must check each applicable statement and sign below.

☒ I hereby accept appointment as the authorized agent of the Property Owner in proceedings before the County Board.

☒ I verify (or declare) under penalty of perjury under the laws of the State of Nevada that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief; and I am the authorized agent with authority to petition the State Board subject to the requirements of NRS 361.362 and the limitations contained in the Agent Authorization Form to be separately submitted.

  
Authorized Agent Signature  
**Douglas S. John**  
Print Name of Signatory

Attorney  
Title  
**3/7/2025**  
Date

Form 5105SBE



## Nevada State Board of Equalization

### Agent Authorization Form

If you have questions about this form or the appeal process, please call: (775) 684-2160.

Email completed form to: [stateboard@tax.state.nv.us](mailto:stateboard@tax.state.nv.us) or Fax (775) 684-2020

Mail: State Board of Equalization, 3850 Arrowhead Dr, Carson City, NV, 89706

**Please Print or Type:**

#### Part A. PROPERTY OWNER AND CONTACT INFORMATION OF PERSON GRANTING AUTHORITY TO AGENT

NAME OF PROPERTY OWNER AS IT APPEARS ON THE TAX ROLL: Empire Southwest LLC/Cashman Equipment Co					
NAME OF PERSON GRANTING AUTHORITY TO AGENT (IF DIFFERENT THAN PROPERTY OWNER LISTED IN PART A): John Helms				TITLE Senior Vice-President	
MAILING ADDRESS OF PETITIONER (STREET ADDRESS OR P.O. BOX) 3300 St. Rose Parkway				EMAIL ADDRESS: John.Helms@Empire-Cat.com	
CITY Henderson	STATE NV	ZIP CODE 89052	DAYTIME PHONE 480-633-4780	ALTERNATE PHONE	FAX NUMBER

#### Part B. PROPERTY OWNER INFORMATION

Check organization type which best describes the Property Owner if not a natural person: ☒ Natural persons may skip Part B.

- ☐ Sole Proprietorship      ☐ Trust      ☐ Corporation  
☒ Limited Liability Company (LLC)   ☐ General or Limited Partnership   ☐ Government or Governmental Agency  
☐ Other, please describe: \_\_\_\_\_

The organization described above was formed under the laws of the State of Delaware.

The organization described above is a non-profit organization. ☐ Yes      ☒ No

#### Part C. RELATIONSHIP OF PERSON GRANTING AUTHORITY TO AGENT TO PROPERTY OWNER

Check box which best describes the relationship of Petitioner to Property Owner: ☒ Additional information may be necessary.

- ☐ Self      ☐ Trustee of Trust      ☐ Employee of Property Owner  
☐ Co-owner, partner, managing member      ☒ Officer of Company  
☐ Employee or Officer of Management Company  
☐ Employee, Officer, or Owner of Lessee of leasehold, possessory interest, or beneficial interest in real property  
☐ Other, please describe: \_\_\_\_\_

#### Part D. PROPERTY SUBJECT TO THIS AGENT AUTHORIZATION:

Enter Applicable Number from assessment notice or tax bill:

ASSESSOR'S PARCEL NUMBER (APN) 15-0253-04	ACCOUNT NUMBER EQ001042	PROPERTY IDENTIFICATION NUMBER (PIN)-MINES
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☐ Multiple parcel list attached. (Use letter-size paper)

#### Part E. YEAR AND ROLL TYPE OF ASSESSMENT BEING APPEALED: ☒

- ☐ 2025-2026 Secured Roll      ☐ 2024-2025 Unsecured Roll      ☐ 2024-2025 Supplemental Roll  
☐ 2025-2026 Centrally-Assessed Roll      ☐ 2024-2025 Net Proceeds Roll

Other years being appealed: 2023-2024 unsecured roll

Be prepared to cite the legal authority, if any, that permits the State Board to consider appeals of taxable value from prior years.

For clerk use only

## Form 5105SBE

## Part F. AUTHORIZATION OF AGENT

I hereby authorize the agent whose name and contact information appears below to file a petition to the Nevada State Board of Equalization and to contest the value and/or exemption established for the properties named in Part D of this Agent Authorization.

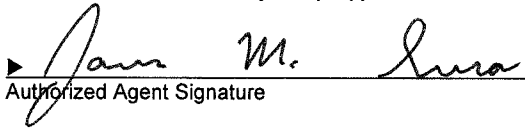
I further authorize the agent listed below to receive all notices and decision letters related thereto; and represent the Petitioner in all related hearings and matters including stipulations and withdrawals before the Nevada State Board of Equalization. This authorization is limited to the appeal of property valuation for the tax roll and fiscal year named in Part E of this document.

List additional authorized agents on a separate sheet as needed, including printed name, contact information, signature, title and date.

## Authorized Agent Contact Information:

NAME OF AUTHORIZED AGENT: James M. Susa			TITLE: Attorney		
AUTHORIZED AGENT COMPANY, IF APPLICABLE: DeConcini McDonald Yetwin & Lacy, PC			EMAIL ADDRESS: jsusa@dmyl.com		
MAILING ADDRESS OF AUTHORIZED AGENT (STREET ADDRESS OR P.O. BOX) 2525 E. Broadway Blvd., Suite 200					
CITY Tucson	STATE AZ	ZIP CODE 85716	DAYTIME PHONE 520-322-5000	ALTERNATE PHONE	FAX NUMBER

I hereby accept appointment as the authorized agent of the Property Owner in proceedings before the State Board.


 Authorized Agent Signature
 
 Attorney  
 Title
 

 5-22-2025  
 Date

## Authorized Agent Contact Information:

NAME OF AUTHORIZED AGENT:			TITLE:		
AUTHORIZED AGENT COMPANY, IF APPLICABLE:			EMAIL ADDRESS:		
MAILING ADDRESS OF AUTHORIZED AGENT (STREET ADDRESS OR P.O. BOX)					
CITY	STATE	ZIP CODE	DAYTIME PHONE	ALTERNATE PHONE	FAX NUMBER

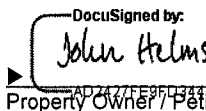
I hereby accept appointment as the authorized agent of the Property Owner in proceedings before the State Board.


 Authorized Agent Signature
 
 Title
 

 Date

## VERIFICATION

I verify ( or declare) under penalty of perjury under the laws of the State of Nevada that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief; and that I am either (1) the person who owns or controls taxable property, or possesses in its entirety taxable property, or the lessee or user of a leasehold interest, possessory interest, beneficial interest or beneficial use, pursuant to NRS 361.334; or (2) I am a person employed by the Property Owner or an affiliate of the Property Owner and I am acting within the scope of my employment. I further certify I have authorized each agent named herein to represent the Property Owner as stated and I have the authority to appoint each agent named herein.

DocuSigned by:  

 Property Owner / Petitioner Signature
 
 Senior Vice-President  
 Title
 

 05/20/2025 | 3:54 PM MST  
 Date



February 10, 2025

**VIA EMAIL**

Humboldt County Board Equalization  
50 W. 5th Street  
Winnemucca, NV 89445  
[Tami.Spero@humboldtcountynv.gov](mailto:Tami.Spero@humboldtcountynv.gov)  
[Assessor@humboldtcountynv.gov](mailto:Assessor@humboldtcountynv.gov)

1850 N. Central Avenue  
Suite 1800  
Phoenix, Arizona 85004

602.277.2010  
Fax 602.277.2595

Direct 602.200.7355  
[djohn@frgalaw.com](mailto:djohn@frgalaw.com)

Re: *Empire Southwest, LLC – Personal Property Appeal*  
*Case Number: HCB2025-01*  
*Account Number: EQ001042*  
*Tax Year 2023-24*

Dear Members:

This case involves the assessment of property tax against personal property owned by Empire Southwest, LLC (“Empire CAT”). Empire CAT owns personal property identified by the Humboldt County Assessor’s Office (“County Assessor”) as account number EQ001042 (“Subject Property”). Empire CAT’s appeal concerns the 2023-24 amended tax bill.

**Introduction**

At issue is whether Humboldt County can assess a property tax against Empire CAT’s inventory of new and used Caterpillar construction equipment. Empire CAT contends that this equipment held in inventory was primarily purchased and held for sale and, thus, is exempt from personal property taxation under NRS 361.068(1)(a) (exempting from taxation “personal property held for sale by a merchant”). (Exhibit #1 – NRS 361.068) In Nevada, personal property held by a merchant falls, for tax purposes, into one of three categories depending on the purpose for which a merchant purchased the property.

**Category 1 - Taxable:** Machinery and equipment held for rent or lease is taxable as personal property unless an exemption applies. NRS 361.068.

**Category 2 - Exempt:** Personal property held for sale by a merchant is exempt from taxation. NRS 361.068(1)(a).

**Category 3 - Primary Purpose:** Personal property that is held both for sale and for lease depends on whether the *taxpayer primarily purchased the property* to lease it or sell it.

Empire CAT's equipment falls into the third category. As the analysis below will show, Empire CAT primarily purchased its CAT equipment for the purpose of selling it and, thus, that equipment should be exempt from taxation under Nevada law.

### **Factual Background**

Empire Southwest is a third-generation family-owned Caterpillar dealer with more than 4,500 employees. (Exhibit #2 - Affidavit of John Helms, Vice President and CFO of Empire Southwest, ¶ 7, hereinafter referred to as "Helms Affidavit") It has been the exclusive Arizona Caterpillar dealer since 1959. (Exhibit #2 - Helms Affidavit, ¶8) Empire CAT services companies in the construction, mining, energy, agricultural and industrial sectors. (Exhibit #2 - Helms Affidavit, ¶9) It sells, rents, and services heavy equipment, tractors, and power generation equipment in Arizona, Nevada, and Eastern California. (Exhibit #2 - Helms Affidavit, ¶10) It has nineteen locations in Arizona, seven in Nevada, and three in California. (Exhibit #2 - Helms Affidavit, ¶11) Empire CAT acquired Cashman Equipment in December 2022. (Exhibit #2 - Helms Affidavit, ¶12) Cashman was the Cat Dealer for Nevada and Eastern California going back to the 1930s. (Exhibit #2 - Affidavit, ¶13)

In 2024, the County Assessor retained a Phoenix, Arizona based company, Tax Management Associates, Inc. ("TMA") to audit taxpayers, like Empire. TMA boasts that it is "the leader in assisting state and local governments with their revenue enhancement initiatives." *See* (Exhibit #3). TMA did not investigate whether Empire's inventory of equipment was primarily purchased for sale or lease. Instead, the audit assumed all the personal property on-site was held for lease and, thus, taxable. As a result of TMA's audit, in September 2024 the County Assessor issued its findings showing a cost variance or an additional \$3,677,865 in taxable personal property *See* (Exhibit #4 - Letter from Andy Heiser dated September 10, 2024 "Audit Finding") The County Treasurer issued an amended tax bill showing a taxable value of \$4,640,111 or a net assessed value of \$1,624,039 (Exhibit #5 - Amended Tax Bill) The amended tax bill totaled \$46,123.28. (Exhibit #5 - Amended Tax Bill) Empire timely paid the additional personal property taxes from the amended tax bill. (Exhibit #6 - Affidavit of Dale Huizingh, Controller of Empire Southwest, ¶ 7, hereinafter referred to as "Huizingh Affidavit")

### **Analysis: Empire's CAT Equipment Was Primarily Purchased to Sell**

In December 2023, the Nevada Department of Taxation ("Department") issued Advisory Opinion No. 23-005 ("Advisory Opinion"), which addressed "whether machinery or equipment held in inventory by a business primarily engaged in renting or leasing is subject to personal property taxes under Nevada law." (Exhibit #7 - Advisory Opinion, p.1). The Advisory Opinion was requested by the Assessor's Association of Nevada because United Rentals, an equipment rental company, asserted its rental inventory was exempt from personal property tax. United Rentals claimed that its rental inventory was on-site and available for sale.

The Advisory Opinion makes clear that just because United Rentals' rental inventory is available for sale is not the sole consideration of whether

the equipment is exempt. The Advisory Opinion pointed out that “[w]hen personal property is held both for sale and for lease, the taxpayer’s primary purpose for holding the personal property will determine whether it is exempt from taxation under NRS 361.068.” (Exhibit #7 - Advisory Opinion, p. 2). The Department cited the Nevada Supreme Court’s decision in *Nevada Tax Comm’s v. Nevada Cement Col*, 117 Nev. 960, 36 P.3d 418 (2001) for the proposition that “the primary purpose of the property determines whether the property is taxable or exempt from taxation.” (Exhibit #7 - Advisory Opinion, p. 2). Thus, the Advisory Opinion concluded, “the taxation of personal property that is held both for sale and for lease depends on whether the taxpayer primarily purchased the property to lease it or sell it, which is a *factual inquiry requiring investigation*.” (Exhibit #7 Advisory Opinion, p. 2) (emphasis added).

Empire’s business model is designed to sell equipment. Because of its unique position as the exclusive dealer of CAT equipment in Arizona and Nevada, Empire maximizes revenue not only through sales of equipment but also from other sources, including parts, service, and repairs.

Empire’s business can be separated into five revenue streams: sales of machinery and equipment, lease and rental of machinery and equipment, lease conversions<sup>1</sup>, sales of parts, and the service and repair of equipment. (Exhibit #2 - Helms Affidavit ¶14) Empire Cat’s revenue sources in Nevada and companywide are as follows:

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<sup>1</sup> Lease conversions conversions are comprised of new equipment that is being rented/leased by a client with the intent to purchase.



TABLE 1		
Empire Southwest - Revenue Sources - 2024		
	Nevada	Company-Wide
Equipment Sales	34%	35%
Lease & Rental	13%	12%
Lease Conversion sales	4%	5%
Parts Sales	35%	32%
Service & Repair	14%	16%
TOTAL	100%	100%

(Exhibit #2 Helms Affidavit, ¶ 15; Exhibit # 6 Huizingh, ¶8).

As the revenue breakdown above shows, because Empire CAT is an exclusive CAT dealer, it is primarily in the business of selling Caterpillar equipment. (Exhibit #2 - Helms Affidavit, ¶16 and Exhibit # 6 - Huizingh Affidavit, ¶9). The overwhelming majority of its revenues (87% of total revenue) derive from four sales-related sources: sales of equipment, lease conversion sales, parts, and the service and repair of equipment. (Exhibit #2 Helms Affidavit, ¶17 and Exhibit #6 - Huizingh Affidavit, ¶10). Rental revenues make up less than 15% of revenues. (Exhibit #2 Helms Affidavit ¶18 and Exhibit #6 - Huizingh Affidavit, ¶11). Empire CAT's position as an exclusive CAT dealer gives it a competitive advantage in selling parts and providing services and repairs for the Caterpillar equipment it sells. (Exhibit #2 - Helms Affidavit, ¶19). Thus, Empire CAT's business model is focused on sales, not equipment rentals. (Exhibit #2 - Helms Affidavit, ¶20).

Empire CAT holds two categories of equipment. The first category is an inventory of new and used equipment that is primarily held for sale or resale. This includes a "rental fleet" of equipment that is available for clients to rent. (Exhibit #2 - Helms Affidavit, ¶21). The CAT equipment is primarily purchased for the purpose of sale and if it is leased, it is *typically held for rent for one to three years*. (Exhibit #2 - Helms Affidavit, ¶22). After that period, the equipment is often sold as part of a lease conversion.

The second category of equipment is termed “Allied” or non-CAT Equipment. (e.g., Massey Ferguson farm tractors). The Allied equipment is purchased for the purpose of renting and is generally not available for sale. (Exhibit #2 – Helms Affidavit, ¶23). Empire has regularly reported the Allied equipment to the County Assessor. (Exhibit #6 – Huizingh Affidavit, ¶12). There is no dispute with the County over the tax treatment of this category of equipment. This is rental equipment and should be taxed as such.

What is in dispute is the tax treatment of the CAT Equipment. Some of the CAT Equipment is held onsite as inventory like a car dealer’s inventory and is never leased. (Exhibit #2 – Helms Affidavit, ¶24).

Some of the CAT Equipment is leased. (Exhibit #2 - Helms Affidavit, ¶24). However, even with the leased CAT Equipment, Empire’s purpose and objective in acquiring it is to sell it not to lease it. (Exhibit #2 – Helms Affidavit ¶25).

The CAT equipment in the rental fleet is used primarily as a marketing tool that serves three purposes. (Exhibit #2 – Helms Affidavit, ¶26). First, leasing fills the short-term equipment needs of existing clients and ensures they continue to purchase CAT Equipment, parts, and to use Empire’s service department. (Exhibit #2 – Helms Affidavit, ¶26).

Second, leasing enables new clients to “test drive” CAT products on their job site. (Exhibit #2 - Helms Affidavit, ¶27). In some cases, clients will rent machines with a purchase option for six to twelve months to build up equity in the machine before purchasing it and financing the purchase with a bank loan. (Exhibit #2 – Helms Affidavit, ¶27).

Third, leasing creates a low-hour used inventory of CAT Equipment that can sell at a competitive price point to compete with equipment from second-tier manufacturers. (Exhibit #2 – Helms Affidavit, ¶28). This

strategy enables Empire to compete with second-tier manufacturers by allowing clients with smaller budgets to purchase used CAT Equipment at a lower price. (Exhibit #2 – Helms Affidavit, ¶28). Thus, a primary purpose of Empire’s leasing program is to bolster sales of equipment, parts, and services. Once a machine is sold, it provides a long-term revenue stream because Empire is the exclusive source for CAT parts used to maintain the machines and the provider of maintenance and repair services. (Exhibit #2 – Helms Affidavit, ¶28). The bottom line is that Empire’s business model is designed to sell equipment, not rent it, because sales are more lucrative for the company in both the short and long term.

Historically, Empire reported equipment out on rent as of the assessment date as personal property but treated the “rental fleet” equipment in the yard as inventory. (Exhibit #6 – Huizingh Affidavit, ¶13). Unfortunately, the County Assessor determined that Empire is a rental company. Relying on TMA, the County concluded that all the CAT equipment, whether held as inventory or placed in the short-term “rental fleet,” is purchased primarily for lease or rental purposes and, thus, taxable.

Empire is not a rental company for three reasons. First, rental companies’ revenues stem primarily from the renting of equipment. For instance, United Rentals is the largest heavy equipment rental company in the United States. It was also the focus of the Department’s Advisory Opinion discussed above. United Rentals’ revenue stream is almost the inverse of Empire’s. As shown in the table below, between 2021 and 2024, United Rentals’ equipment rentals made up between 82% and 86% of its revenues (Exhibit #8 – United Rentals, Inc., 10K filings for 2021- 2024 with the U.S. Securities and Exchange Commission). During the same period, sales of rental and new equipment comprised of just 11% - 13% of United Rentals’ total revenues.

<b>TABLE 2</b>				
<b>United Rentals - Revenue Sources</b>				
	2024	2023	2022	2021
Equipment Rentals	85%	82%	86%	83%
Sales of Rental Equipment	10%	10%	9%	10%
Sales of New Equipment	2%	2%	2%	3%
Contractor Supplies Sales	1%	1%	1%	1%
Service and other Revenues	2%	2%	2%	2%
Total Revenue	100%	98%	100%	99%

In addition to United Rentals, we have reviewed the U.S. Securities and Exchange Commission 10K filings and the annual reports of the other top four heavy equipment rental and sales companies – Sunbelts Rental, Inc., H&E Equipment Services, Inc. and HERC Holdings, Inc. Their financials demonstrate that they are all primarily rental companies, like United Rentals, with rental revenues making up between 80% - 90% of total revenues.

<b>TABLE 3</b>				
<b>Sunbelt Rentals- Revenue Sources</b>				
	2024	2023	2022	2021
Equipment Rentals	89%	91%	93%	91%
Sales of Rental Equipment	8%	7%	5%	6%
Sales of New Equipment	3%	2%	2%	3%
Service and other Revenues	0%	0%	0%	0%
	100%	100%	100%	100%

(Exhibit #9 – Sunbelt Annual Report 2021 – 2024).

<b>TABLE 4</b>				
<b>Herc Holdings - Revenue Sources</b>				
	2024	2023	2022	2021
Equipment Rentals		87%	93%	92%
Sales of Rental Equipment		11%	5%	5%
Sales of New Equipment		1%	1%	2%
Service and other Revenues		1%	1%	1%
		100%	100%	100%



(Exhibit #10 – HERC, Inc., 10K filings for 2021- 2023 with the U.S. Securities and Exchange Commission).<sup>2</sup>

<b>TABLE 5</b>				
<b>H&amp;E Equipment Services - Revenue Sources</b>				
	2024	2023	2022	2021
Equipment Rentals		81%	77%	69%
Sales of Rental Equipment		11%	8%	12%
Sales of New Equipment		3%	7%	9%
Parts, Service and other Revenues		5%	8%	10%
Total Revenue		100%	100%	100%

(Exhibit #11 – H&E Equipment Services, Inc., 10K filings for 2021-2023 with the U.S. Securities and Exchange Commission).

When Empire CAT's revenues are contrasted with the revenues of rental companies, it is apparent that Empire CAT is not a rental company. It purchases equipment primarily for sale to clients with the intent of boosting revenue from parts and service.

The second reason Empire CAT is not a rental company is that traditional rental companies typically sell equipment towards the end of its useful life, which can be anywhere between three and fifteen years depending on the equipment in question. (Exhibit #2 - Helms Affidavit, ¶29). Selling equipment is only an ancillary part of a rental company's business model. As Tables 2 - 5 above show, in 2023, revenues from sales for United Rentals, Sunbelt, HERC, and H&E averaged just under 12% of their total revenues. Revenues for parts and services for these same companies averaged just over 2% of total revenues. By contrast, Empire's CAT leased equipment typically sells between one and three years. (Exhibit #2 - Helms Affidavit, ¶30). In Nevada, revenues from sales of new and used equipment total 38% of total revenues. In addition, Empire CAT's

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<sup>2</sup> We were not able to include HERC Holdings and H&E Equipment Services 2024 figures because the reports were not available at the time of filing.

sales are also designed to stimulate other revenue sources such as sales of parts (35%) and services (14%). Empire CAT's business model generates 87% of its revenue from sales and sales related sources (parts and service). Empire CAT's revenues in comparison to the rental companies' revenues demonstrate Empire CAT's manifest intention of purchasing the equipment for sale rather than lease.

Third, for federal income tax purposes rental companies generally depreciate equipment on a straight-line basis over 3 – 10 years depending on the type of equipment. (Exhibit #6 – Huizingh Affidavit, ¶14). Empire CAT does not depreciate most of its CAT Equipment in the rental fleet on a straight-line basis. (Exhibit #6 – Huizingh Affidavit, ¶15). Instead, Empire CAT applies a portion of the rental income earned from leasing equipment to write down the equipment's book value. (Exhibit #6 – Huizingh Affidavit, ¶15).

The evidence and testimony outlined above shows that Empire CAT inventory of CAT equipment is primarily purchased for the purpose of sale, not for lease. It also shows that its competitors' business models are designed to primarily generate revenues from leasing equipment. Empire CAT's business model is different from rental companies: it is designed to generate revenue through sales, which in turn generates sales of parts and services. Thus, Empire CAT's inventory of CAT equipment should be exempt from personal property tax under Nevada law.

## **Conclusion**

NRS 361.068(1) makes clear that personal property is exempt from taxation based on the owner's purpose in acquiring and holding the equipment. Whether some small percentage of that property is rented for a short time after being acquired for sale and eventually sold does not change the purpose for which Empire acquired and holds the property – which is manifestly to sell it because doing so generates more long-term

revenue for Empire and allows Empire to fully leverage its market advantage as the exclusive CAT dealer for Nevada, Arizona, and Eastern California.

Empire CAT reported an acquisition cost of \$5,570,227.65 in personal property to the auditor. (Exhibit #12 – 2023 Personal Property Inventory – Account EQ001042 (“PP Inventory”). Of that amount, \$3,273,798.32 is CAT Equipment, \$1,134,967.82 is Allied or non-CAT Equipment leased to clients, and \$1,161,461.51 is motor vehicles, such as dump trucks and water trucks that are registered with the Department of Motor Vehicles and exempt under NRS 361.067.<sup>3</sup> (Exhibit #12 – PP Inventory).

The Audit Findings show a total appraised value of \$4,250,441 for all the personal property. (Exhibit # 4 – Audit Findings). The Amended Tax Bill equates to a taxable value of \$4,640,111 or a net assessed value of \$1,624,039. (Exhibit #5 – Amended Tax Bill). Taxpayer cannot reconcile the difference between the Amended Tax Bill and the total appraised value in the Audit Findings. Thus, using the acquisition costs of \$5,570,227.65 and subtracting the acquisition cost of the CAT Equipment and the Register Vehicles yields a value of \$1,134,956.82.

Personal Property (Reported)	\$5,570,227.65
CAT Equipment - Exempt	(\$3,273,798.23)
Registered Vehicles	(\$1,161,461.51)
Allied Equipment (taxable)	<b>\$1,134,967.82</b>

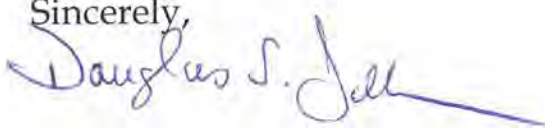
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<sup>3</sup> It is difficult to discern if TMA excluded the motor vehicles from the audit, although it appears that they may have done so.

Law Offices  
**Frazer Ryan Goldberg & Arnold LLP**

Humboldt County Board of Equalization  
February 10, 2025  
Page 12

Taxpayer believes the taxable value should be reduced from \$4,640,111 to \$1,134,968 for tax year 2023-24.

Sincerely,  
  
Douglas S. John

DSJ/pk



# Exhibit 1

West's Nevada Revised Statutes Annotated

Title 32. Revenue and Taxation (Chapters 360-377(d))

Chapter 361. Property Tax (Refs & Annos)

Assessment

Taxable and Exempt Property

N.R.S. 361.068

361.068. Business inventories and consumables, livestock, bees, certain pipe and agricultural equipment, boats, campers, fine art for public display and certain personal property of nonresidents exempted; establishment of de minimis exemption for personal property

Currentness

1. The following personal property is exempt from taxation:

- (a) Personal property held for sale by a merchant;
- (b) Personal property held for sale by a manufacturer;
- (c) Raw materials and components held by a manufacturer for manufacture into products, and supplies to be consumed in the process of manufacture;
- (d) Tangible personal property purchased by a business which will be consumed during the operation of the business;
- (e) Livestock;
- (f) Colonies of bees;
- (g) Pipe and other agricultural equipment used to convey water for the irrigation of legal crops;
- (h) All boats;
- (i) Slide-in campers and camper shells;
- (j) Except as otherwise provided in NRS 361.186, fine art for public display; and
- (k) All personal property that is:

(1) Owned by a person who is not a resident of this state; and

(2) Located in this state solely for the purposes of:

(I) An exhibit that is used in a convention or tradeshow that is located in this State; or

(II) A display, exhibition, carnival, fair or circus that is transient in nature and is located in this State for not more than 30 days.

2. 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. If such an exemption is provided, the Nevada Tax Commission shall annually determine the average cost of collecting property taxes in this state which must be used in determining the applicability of the exemption.

3. A person claiming the exemption provided for in paragraph (j) of subsection 1 shall:

(a) On or before June 15 for the next ensuing fiscal year, file with the county assessor an affidavit declaring that the fine art will, during that ensuing fiscal year, meet all the criteria set forth in paragraph (b) of subsection 4; and

(b) During any fiscal year in which the person claims the exemption, make available for educational purposes and not for resale, upon written request and without charge to any public school as defined in NRS 385.007, private school as defined in NRS 394.103 and parent of a child who receives instruction in a home pursuant to NRS 392.070, one copy of a poster depicting the fine art that the facility has on public display if such a poster is available for purchase by the public at the time of the request.

4. As used in this section:

(a) "Boat" includes any vessel or other watercraft, other than a seaplane, used or capable of being used as a means of transportation on the water.

(b) "Fine art for public display":

(1) Except as otherwise provided in subparagraph (2), means a work of art which:

(I) Is an original painting in oil, mineral, water colors, vitreous enamel, pastel or other medium, an original mosaic, drawing or sketch, an original sculpture of clay, textiles, fiber, wood, metal, plastic, glass or a similar material, an original work of mixed media or a lithograph;

(II) Was purchased in an arm's length transaction for \$25,000 or more, or has an appraised value of \$25,000 or more;

(III) Is on public display in a public or private art gallery, museum or other building or area in this state for at least 20 hours per week during at least 35 weeks of each year for which the exemption is claimed or, if the facility displaying the fine art disposes of it before the end of that year, during at least two-thirds of the full weeks during which the facility had possession of it, or if the gallery, museum or other building or area in which the fine art will be displayed will not be opened until after the beginning of the fiscal year for which the exemption is claimed, these display requirements must be met for the first full fiscal year after the date of opening, and the date of opening must not be later than 2 years after the purchase of the fine art being displayed; and

(IV) Is on display in a facility that is available for group tours by pupils or students for at least 5 hours on at least 60 days of each full year for which the exemption is claimed, during which the facility in which it is displayed is open, by prior appointment and at reasonable times, without charge; and

(2) Does not include:

(I) A work of fine art that is a fixture or an improvement to real property;

(II) A work of fine art that constitutes a copy of an original work of fine art, unless the work is a lithograph that is a limited edition and that is signed and numbered by the artist;

(III) Products of filmmaking or photography, including, without limitation, motion pictures;

(IV) Literary works;

(V) Property used in the performing arts, including, without limitation, scenery or props for a stage; or

(VI) Property that was created for a functional use other than, or in addition to, its aesthetic qualities, including, without limitation, a classic or custom-built automobile or boat, a sign that advertises a business, and custom or antique furniture, lamps, chandeliers, jewelry, mirrors, doors or windows.

(c) "Personal property held for sale by a merchant" includes property that:

(1) Meets the requirements of sub-subparagraphs (I) and (II) of subparagraph (1) of paragraph (b);

(2) Is made available for sale within 2 years after it is acquired; and

(3) Is made available for viewing by the public or prospective purchasers, or both, within 2 years after it is acquired, whether or not a fee is charged for viewing it and whether or not it is also used for purposes other than viewing.



(d) "Public display" means the display of a work of fine art where members of the public have access to the work of fine art for viewing during publicly advertised hours. The term does not include the display of a work of fine art in an area where the public does not generally have access, including, without limitation, a private office, hallway or meeting room of a business, a room of a business used for private lodging and a private residence.

(e) "Pupil" means a person who:

(1) Is enrolled for the current academic year in a public school as defined in NRS 385.007 or a private school as defined in NRS 394.103; or

(2) Receives instruction in a home and is excused from compulsory enrollment and attendance pursuant to NRS 392.070.

(f) "Student" means a person who is enrolled for the current academic year in:

(1) A community college or university; or

(2) A licensed postsecondary educational institution as defined in NRS 394.099 and a course concerning fine art.

#### **Credits**

Added by Laws 1979, p. 79. Amended by Laws 1983, p. 1191; Laws 1987, p. 854; Laws 1989, p. 169; Laws 1995, pp. 152, 2709; Laws 1997, c. 317, § 2, eff. July 1, 1997; Laws 1997, c. 446, § 8, eff. July 1, 1997; Laws 1997, c. 592, § 1, eff. July 1, 1997; Laws 1999, c. 105, § 90, eff. May 11, 1999; Laws 1999, c. 594, § 4, eff. July 1, 1999; Laws 1999, c. 594, § 5, eff. July 1, 2003; Laws 2001, c. 10, § 123, eff. April 2, 2001; Laws 2001, c. 331, § 10, eff. July 1, 2001; Laws 2001, c. 331, § 10.5, eff. July 1, 2003; Laws 2017, c. 428, § 1, eff. July 1, 2017; Laws 2023, c. 206, § 41, eff. July 1, 2023.

N. R. S. 361.068, NV ST 361.068

Current through legislation of the 82nd Regular Session (2023) Chapters 1 to 535 (End) and the 35th Special Session (2023) Chapter 1 (End) including all technical corrections received by the Legislative Counsel Bureau.

# Exhibit 2

I, John Helms, Vice President and CFO of Empire Southwest, in such capacity and not in my individual capacity, being first duly sworn upon my oath, deposes and states:

1. I make this Affidavit based on my own personal knowledge and am competent to testify to the matters stated herein.

2. I have a B.A. from the University of California, Davis and an M.B.A. from the University of Nevada, Reno.

3. I have been employed by Empire Southwest, LLC for eighteen (18) years.

4. I am the Vice President and CFO of Empire Southwest.

5. I am responsible for the accounting, credit, legal, risk, and purchasing functions at Empire. Additionally, I manage our banking relationships.

6. I have personal knowledge of Empire's business operations, the information and records supporting this appeal, and the Empire's corporate history.

7. Empire CAT is a third-generation family-owned Caterpillar dealer with over 4,500 employees.

8. Empire CAT has been the exclusive Arizona Caterpillar dealer since 1959.

9. Empire CAT services companies in the construction, mining, energy, agricultural and industrial sectors.

10. Empire CAT sells, rents, and services heavy equipment, tractors, and power generation equipment in Arizona, Nevada, and Eastern California.

11. Empire CAT has nineteen locations in Arizona, seven in Nevada, and three in California.

12. Empire CAT acquired Cashman Equipment in December 2022.
13. Cashman was the Cat Dealer for Nevada and Eastern California going back to the 1930s.
14. Empire CAT's business can be separated into five revenue streams: sales of machinery and equipment, lease and rental of machinery and equipment, lease conversions, sales of parts, and the service and repair of equipment.
15. Empire CAT's revenue sources in Nevada are as follows: equipment sales 34%; lease and rental of equipment 13%; lease conversion sales 4%; sales of parts 35%; and services and repair 14%. The figures for Empire CAT's revenue sources companywide are similar: equipment sales 35%; lease and rental of equipment 12%; lease conversion sales 5%; sales of parts 32%; and services and repair 16%.
16. Because Empire CAT is an exclusive CAT dealer, it is primarily in the business of selling Caterpillar equipment.
17. The overwhelming majority of Empire CAT's revenues (87% of total revenue) derive from four sales-related sources: sales of equipment, lease conversion sales, parts, and the service and repair of equipment.
18. Rental revenues make up less than 15% of revenues.
19. Empire CAT's position as an exclusive CAT dealer gives it a competitive advantage in selling parts and providing services and repairs for the Caterpillar equipment it sells.
20. Empire CAT's business model is focused on sales, not equipment rentals.
21. Empire has an inventory of new and used equipment that is primarily held for sale or resale as well as a "rental fleet" of equipment that is available for clients to rent.

22. The CAT equipment is primarily purchased for the purpose of sale, and if it is leased, it is typically held for rent for one to three years.

23. Allied equipment is purchased for the purpose of renting and is generally not available for sale.

24. Some of the CAT Equipment is held onsite as inventory like a car dealer's inventory and is never leased. Other CAT Equipment is leased.

25. The Empire CAT's objective is to sell all CAT equipment even the leased CAT Equipment.

26. The CAT equipment in the rental fleet is used primarily as a marketing tool. The rental fleet fills the short-term equipment needs of existing clients and ensures they continue to purchase CAT Equipment, parts, and use Empire's service department.

27. Leasing also enables our new clients to "test drive" CAT products on their job site. Some clients will rent machines with a purchase option for six to twelve months to build up equity in the machine before purchasing it and financing the purchase with a bank loan.

28. Leasing also creates a low-hour used inventory of CAT Equipment that can sell at a competitive price point to compete with equipment from second-tier manufacturers. This strategy enables Empire to compete with second-tier manufacturers by allowing clients with smaller budgets to purchase CAT Equipment. Once a machine is sold, it provides a long-term revenue stream because Empire is the exclusive source for CAT parts used to maintain the machines and the provider of maintenance and repair services.

29. Rental companies typically sell equipment towards the end of its useful life, which can be anywhere between 3 and 15 years depending on the equipment in question.




30. Empire's CAT leased equipment typically sells between one and three years.

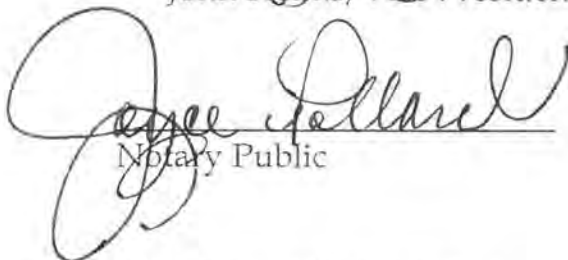
STATE OF ARIZONA                    )  
  ) ss.  
COUNTY OF MARICOPA            )

I declare, under penalty of perjury, this claim for tax exemption including any supporting statements or documents is true and complete to the best of my knowledge and belief.

CLAIMANT:

Empire Southwest, LLC  
A Delaware, limited liability company

By:  2/10/2025  
John Helms, Vice President and CFO                    Date

  
Notary Public

My Commission expires:

7-2-2025



JOYCE POLLARD  
Notary Public - State of Arizona  
MARICOPA COUNTY  
Commission # 603823  
Expires July 02, 2025

# Exhibit 3

# About us

For more than 40 years, Tax Management Associates, Inc. (TMA) has been in the business of assisting state and local taxing officials in their day to day duties of administering ad valorem taxation.

Founded in 1979, Tax Management Associates, Inc. (TMA) is the leader in assisting state and local governments with their revenue enhancement initiatives. With expert staff across multiple offices nationwide, we are dedicated to serving clients by combining industry expertise, cutting-edge technology, and deep knowledge of our practice areas.

## Audit

TMA is best known for its audit services, having started the concept of private auditing for local government when its Business Personal Property Audit Division was founded in 1987. TMA brings a wealth of experience from working with clients all over the country. Our auditors are experts in the field, having completed over 300,000 business personal property audits and discovering over \$70 billion in taxable value – translating to over \$1 billion in additional revenue for our clients.

## Beyond Audit

Over the last four decades, we have listened to our clients' growing needs and developed a line of services to address meet their requests. No longer simply an auditing firm, TMA now offers our clients an entire line of ad valorem tax solutions including:

- Administrative Support and Personal Property Listing Assessment
- Business Personal Property Tax Auditing
- Homestead Exemption Fraud Detection
- Discovery of Non-Reporting Businesses

- Customization of Ad Valorem Projects

# Exhibit 4



# Humboldt County Assessor's Office

Andy Heiser ♦ Assessor ♦ Andy.Heiser@humboldtcountynv.gov  
Office: (775) 623-6316 Fax: (775) 623-6311

---

September 10, 2024

Ms. Shelley Addie  
Empire Southwest, LLC  
3300 Saint Rose Parkway  
Henderson, NV 89052

RE: Account No. EQ1042

Dear Ms. Addie:

Our representatives have finalized their review of your personal property declarations, and we note the following:

1. Returns were filed for tax year 2023. There was no field inspection due to the nature of the business.
2. Records reviewed consisted of the trial balances and asset registers.
3. Equipment was examined for proper classification and year of acquisition.
4. Equipment was reclassified to the proper Nevada State mandated class life by year of acquisition where necessary.
5. The total "cost" of owned equipment was underreported, as summarized below:

	<u>Tax Year 2023</u>
Audited Cost	\$4,855,716
Reported/Estimated* Cost	<u>\$1,177,851</u>
Cost Variance	\$3,677,865

6. The coding of all assets is included on the enclosed "Exhibit A".

Ms. Shelley Addie  
RE: Empire Southwest, LLC  
Humboldt County, Nevada  
September 10, 2024  
page 2 of 2

Accordingly, we make the following discoveries in accordance with the Nevada Revised Statutes 361.767.

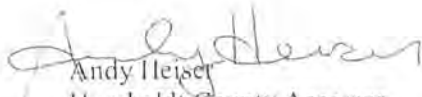
	Tax Year 2023
3 Year Life	-6,576
5 Year Life	-4,485
7 Year Life	-10,572
10 Year Life	0
15 Year Life	4,309,082
20 Year Life	-37,008
30 Year Life	0
Mobile Homes	0
Billboards	0
Adjustments	0
Total Appraised Value	4,250,441
Assessment (35%)	1,487,654

These values will be used to produce a corrected billing for the years noted unless we receive written exception within 14 days.

If you have a concern with the values provided in this discovery letter, please contact us as soon as possible. The deadline to appeal your values is May 15, 2025. A State Board of Equalization Direct Appeal form may be obtained at: <https://tax.nv.gov/Boards/Boards/>.

Should you have any questions, please contact my office at 775-623-6316 or you may also reach out to our TMA representative, Renato Berisha, at 480-729-8319.

Sincerely,

  
Andy Heiser  
Humboldt County Assessor  
Enclosures

# Humboldt County Assessor's Office

Andy Heiser ♦ Assessor ♦ Andy.Heiser@humboldtcounty.nv.gov  
Office: (775) 623-6316 Fax: (775) 623-6311

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9/25/2024

Ms. Shelley Addie  
Empire Southwest, LLC  
3300 Saint Rose Parkway  
Henderson, NV 89502

RE: Account No. EQ1042

Dear Ms. Addie:

Inside this packet, you will find a letter with the audit findings with the assistance of TMA and an amended tax bill for the above listed account for the additional assets that were on site July 1, 2023. Personal property for rent or lease that is not rented on July 1 is still taxable personal property under NRS 361.045 & NRS 361.030.

The Nevada Assessor's Offices and heavy equipment rental companies seem to be interpreting NRS 361.068 "Exempt personal property held for sale by a merchant" differently and I have also enclosed an Advisory Opinion issued by the Department of Taxation to the counties with their explanation of what qualifies under this exemption.

Since this is an amended assessment and tax bill, you do have the right to appeal these values, and that appeal process and forms can be requested from my office mid to late December. The deadline to file an appeal will be January 15, 2025.

We will be reviewing the declarations that were just filed for the 2024-25 year and will amend those accounts according to the findings of this audit.

Please do not hesitate to reach out by email or phone with questions.

Respectfully,



Andy Heiser  
Humboldt County Assessor  
50 W 5<sup>th</sup> Street  
Winnemucca, NV 89445  
(775) 623-6316

# Exhibit 5

Rhona Lecumberry  
Humboldt County Treasurer  
(775) 623-6444  
50 W Fifth Street  
Winnemucca, NV 89445

HUMBOLDT COUNTY  
PERSONAL PROPERTY TAXES FOR FISCAL YEAR  
JULY 1, 2023 THRU JUNE 30, 2024



PROPERTY LOCATION/DESCRIPTION			
ACCOUNT	DISTRICT	PARCEL NUMBER	PROPERTY LOCATION
EQ001042	1.0	15-0253-04	3050 E RAILROAD ST. WINNEMUCCA

Owner Name: EMPIRE SOUTHWEST LLC

\*\*\*\*\*Current / Amended Bill\*\*\*\*\*

MAKE REMITTANCE PAYABLE TO:  
HUMBOLDT COUNTY TREASURER  
50 W Fifth Street  
Winnemucca, NV 89445

EMPIRE SOUTHWEST LLC  
3300 ST ROSE PARKWAY  
HENDERSON, NV 89052

YOUR CHECK IS YOUR RECEIPT  
IF ADDITIONAL RECEIPT IS NEEDED, PLEASE  
ENCLOSE A SELF ADDRESSED STAMPED  
ENVELOPE WITH YOUR PAYMENT.

Office Phone: (775) 623-6444

Assessed Valuation		Distribution Tax Amount				
Description	Value	Taxing Agency	Rate	Prebatement Amount	Abatement/ Recapture Amount	Tax Amount
Account: EQ001042						
Personal Property	\$ 1,624,039	General Fund	0.3530	\$ 5,732.85	\$ 0.00	\$ 5,732.85
		Snr Citizens	0.0300	487.21	0.00	487.21
		Indigent Fund	0.0227	368.66	0.00	368.66
		St Accident	0.0150	243.61	0.00	243.61
		Bldg Reserve	0.0100	162.40	0.00	162.40
		Co Extension	0.0100	162.40	0.00	162.40
		State of NV	0.1700	2,760.87	0.00	2,760.87
		5th Judicial	0.1886	2,738.13	0.00	2,738.13
		Capital Proj	0.0100	162.40	0.00	162.40
		Library	0.0405	657.74	0.00	657.74
		School Dist	0.7500	12,180.29	0.00	12,180.29
		Bond&Interest	0.1350	2,192.45	0.00	2,192.45
		City of WMCA	0.9700	15,753.18	0.00	15,753.18
		Hospital Oper	0.3954	6,421.45	0.00	6,421.45
		Museum	0.0150	243.61	0.00	243.61
		Medical Indg	0.0200	324.81	0.00	324.81
		St Ind Medic	0.0100	162.40	0.00	162.40
		China Springs	0.0064	103.94	0.00	103.94
		WMCA Events	0.0400	649.62	0.00	649.62
		Ad Valorem Totals	3.1716	\$1,508.02	0.00	\$1,508.02
		Prior delinquencies				46,123.28
Account Type: EQUIPMENT						
Parcel #: 15-0253-04						
Net Assessed	1,624,039					
Information concerning taxing authorization, rates and uses of taxes collected can be found at <a href="http://www.tax.state.nv.us">www.tax.state.nv.us</a> or by calling (775) 623-6444		Previous Payments				5,384.74
		TOTAL TAX DUE				46,123.28

NOTE: If the First Installment or any subsequent Installment is not received within ten (10) days after the due date, the entire amount of this quarter is due with a 10% penalty. Please print your Account Number on your check.

Please see the reverse side of this tax bill for important information and address change instructions

DETACH AND MAIL THIS STUB WHEN PAYING 4th INSTALLMENT  
4th Installment MAIL TO: Humboldt County Treasurer  
50 W Fifth Street  
Winnemucca, NV 89445

ASSESSED OWNER  
EMPIRE SOUTHWEST LLC  
ACCOUNT  
EQ001042  
AMOUNT  
\$0.00

Due On or Before

IF MAILING ADDRESS HAS  
CHANGED CHECK BOX AND  
MAKE CHANGE ON REVERSE  
SIDE OF STUB



DETACH AND MAIL THIS STUB WHEN PAYING 2nd INSTALLMENT  
2nd Installment MAIL TO: Humboldt County Treasurer  
50 W Fifth Street  
Winnemucca, NV 89445

ASSESSED OWNER  
EMPIRE SOUTHWEST LLC  
ACCOUNT  
EQ001042  
AMOUNT  
\$0.00

Due On or Before

IF MAILING ADDRESS HAS  
CHANGED CHECK BOX AND  
MAKE CHANGE ON REVERSE  
SIDE OF STUB



DETACH AND MAIL THIS STUB WHEN PAYING 3rd INSTALLMENT  
3rd Installment MAIL TO: Humboldt County Treasurer  
50 W Fifth Street  
Winnemucca, NV 89445

ASSESSED OWNER  
EMPIRE SOUTHWEST LLC  
ACCOUNT  
EQ001042  
AMOUNT  
\$0.00

Due On or Before

IF MAILING ADDRESS HAS  
CHANGED CHECK BOX AND  
MAKE CHANGE ON REVERSE  
SIDE OF STUB



DETACH AND MAIL THIS STUB WHEN PAYING 1st INSTALLMENT  
1st Installment MAIL TO: Humboldt County Treasurer  
50 W Fifth Street  
Winnemucca, NV 89445

ASSESSED OWNER  
EMPIRE SOUTHWEST LLC  
ACCOUNT  
EQ001042  
AMOUNT  
\$46,123.28

Due On or Before  
October 24, 2024

IF MAILING ADDRESS HAS  
CHANGED CHECK BOX AND  
MAKE CHANGE ON REVERSE  
SIDE OF STUB





# Exhibit 6

I, Dale Huizingh, Controller for Empire Southwest, LLC in such capacity and not in my individual capacity, being first duly sworn upon my oath, deposes and states:

1. I make this Affidavit based on my own personal knowledge and am competent to testify to the matters stated herein.

2. I have a Bachelor of Science degree in accounting from Arizona State University.

3. I have been employed by Empire Southwest, LLC ("Empire CAT") since 1981, nearly 44 years.

4. I am the Controller for Empire CAT.

5. I oversee Empire CAT's accounting operations and financial reporting (including taxes). I also oversee Empire's financial systems, budgeting, and the annual financial statement audit.

6. I have personal knowledge of Empire CAT's business operations and the information and records supporting this appeal.

7. Empire CAT timely paid the additional personal property taxes from the amended tax bill in December 2024.

8. Empire CAT's revenue sources in Nevada are as follows: equipment sales 34%; lease and rental of equipment 13%; lease conversion sales 4%; sales of parts 35%; and services and repair 14%. The figures for Empire CAT's revenue sources companywide are similar: equipment sales 35%; lease and rental of equipment 12%; lease conversion sales 5%; sales of parts 32%; and services and repair 16%.

9. Because Empire CAT is an exclusive CAT dealer, it is primarily in the business of selling Caterpillar equipment.

10. The overwhelming majority of Empire CAT's revenues (87% of total revenue) derive from four sales-related sources: sales of equipment, lease conversion sales, parts, and the service and repair of equipment.

11. Rental revenues make up less than 15% of revenues.

12. Empire has regularly reported the Allied equipment to the County Assessor.

13. Historically, Empire CAT reported equipment out on rent as of the assessment date as personal property but treated the "rental fleet" equipment in the yard as inventory.

14. For federal income tax purposes rental companies generally depreciate equipment on a straight-line basis over 3 – 10 years depending on the type of equipment.

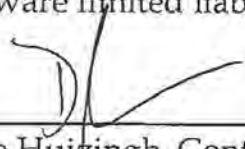
15. Empire CAT's primary practice is to apply a portion of the rental income earned from leasing the equipment to write down the equipment's book value rather than depreciate CAT Equipment on a straight-line basis.

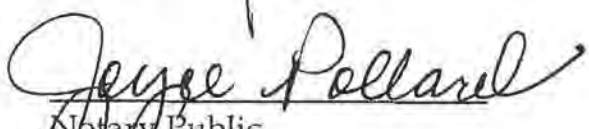
STATE OF ARIZONA        )  
  ) ss.  
COUNTY OF MARICOPA    )

I declare, under penalty of perjury, this claim for tax exemption including any supporting statements or documents is true and complete to the best of my knowledge and belief.


CLAIMANT:

Empire Southwest, LLC  
A Delaware limited liability company

By:                       2/10/25  
Dale Huizingh, Controller                      Date

  
Notary Public

My Commission expires:  
7-2-2025

 JOYCE POLLARD  
Notary Public - State of Arizona  
MARICOPA COUNTY  
Commission # 603823  
Expires July 02, 2025

# Exhibit 7





STATE OF NEVADA  
DEPARTMENT OF TAXATION

Web Site: <https://tax.nv.gov>  
Call Center: (866) 962-3707

LAS VEGAS OFFICE  
700 E. Warm Springs Rd, Suite 200  
Las Vegas, Nevada 89119  
Phone (702) 486-2300  
Fax (702) 486-2373

JOE LOMBARDO  
*Governor*  
GEORGE KELESIS  
*Chair, Nevada Tax Commission*  
SHELLIE HUGHES  
*Executive Director*

CARSON CITY OFFICE  
3850 Arrowhead Dr., 2<sup>nd</sup> Floor  
Carson City, Nevada 89706  
Phone: (775) 684-2000  
Fax: (775) 684-2020

RENO OFFICE  
4600 Kietzke Lane, Suite L235  
Reno, NV 89502  
Phone: (775) 687-9999  
Fax: (775) 688-1303

December 18, 2023

Via Certified Mail and Email

Trent A. Tholen  
President, Assessors' Association of Nevada  
Douglas County Assessor  
Douglas County Assessor's Office  
P.O. Box 218  
Minden, NV 89423  
[assessor@douglasnv.us](mailto:assessor@douglasnv.us)

Re: Advisory Opinion No. 23-005 – Assessor's Association of Nevada

Dear Mr. Tholen:

On behalf of the Assessor's Association of Nevada ("AAN"), on September 18, 2023, you requested an advisory opinion as to "[w]hether machinery and equipment held in inventory by a business primarily engaged in renting or leasing is subject to personal property taxes under Nevada law." The AAN makes this request because there are renting and leasing businesses in Nevada, particularly United Rentals, that (citing to NRS 361.068) are exempting from taxation rental inventory that has not been rented but remains on-site and available for purchase. These businesses claim that such rental inventory is exempt because it is "personal property held for sale by a merchant." See NRS 361.068(1)(a). The AAN believes that these businesses misapply NRS 361.068(1)(a).

Please be advised that the opinions expressed herein are limited to the specific questions, facts, circumstances and transactions described in the information you provided in the correspondence submitted to the Department of Taxation ("Department"). Accordingly, this response is predicated upon the facts, specific information and representations provided to the Department in your correspondence and any assumptions based thereon. In the event any of the representations, facts or assumptions are incorrect, in whole or in part, one or more of the conclusions reached in this opinion might be adversely affected and the opinion is void. No reliance should be placed on this opinion for any purpose other than that described herein. Please be further advised that subsequent statutory or administrative rule changes or judicial interpretations of the statutes or rules upon which any opinion is based may subject similar future transactions to treatment other than that expressed herein. It should be noted that the conclusions reached in this opinion are not binding on any administrative body or any court of law, but rather these findings are the Department's interpretation of the applicable statutes, regulations, and case law.

**Issue**

Whether machinery and equipment held in inventory by a business primarily engaged in renting or leasing is subject to personal property taxes or exempt from taxation under NRS 361.068(1)(a) when such machinery and equipment remains on-site and available for purchase.

### Short Answer

When personal property is held both for sale and for lease, the taxpayer's primary purpose for holding the personal property will determine whether it is exempt from taxation under NRS 361.068.

### Analysis

All real and personal property located in Nevada is subject to taxation unless an exemption applies. See NRS 361.045. Personal property includes all machines and machinery, NRS 361.030(h). Accordingly, machinery and equipment held for rent or lease is taxable as personal property unless an exemption applies.

Under NRS 361.068(1)(a), "[p]ersonal property held for sale by a merchant" is exempt from taxation. The statute is silent as to the treatment of personal property that is both for sale and for lease. However, Nevada courts have held that when personal property serves a dual purpose, the primary purpose of the property determines whether the property is taxable or exempt from taxation. See *Nevada Tax Comm'n v. Nevada Cement Co.*, 117 Nev. 960, 36 P.3d 418 (2001), *opinion reinstated on reh'g* (Dec. 12, 2001).<sup>1</sup> The primary purpose of personal property is determined by the primary purpose for which the taxpayer purchased the property. *Id.* Accordingly, the taxation of personal property that is held both for sale and for lease depends on whether the taxpayer primarily purchased the property to lease it or to sell it, which is a factual inquiry requiring investigation.

It is the taxpayer's burden to prove entitlement to an exemption. See *Campbell v. Nevada Tax Comm'n*, 109 Nev. 512, 516, 853 P.2d 717, 720 (1993). Further, under NRS 361.310, county assessors are charged with making diligent inquiry and examination to ascertain all the property within the county subject to tax. Therefore, pursuant to NRS 361.310, you may investigate whether personal property alleged to be both for sale and for lease is exempt from taxation under NRS 361.068(1)(a), and thereby require the taxpayers who are the subject of your request to meet their burden of proving entitlement to the exemption.

### Conclusion

Whether personal property held for both sale and for lease is exempt from taxation as "[p]ersonal property held for sale by a merchant" under NRS 361.068(1)(a) requires a factual inquiry into the taxpayer's primary purpose for purchasing the property.

Sincerely,

  
Shellie Hughes  
Executive Director

*Please be advised that the opinions expressed herein are limited to the specific questions, facts, circumstances and transactions described in the information you provided in the correspondence submitted to the Department. Accordingly, this response is predicated upon the facts, specific information and representations provided to the Department in your correspondence and any assumptions based thereon. In the event any of the representations,*

<sup>1</sup> Although the opinion in *Campbell v. Nevada Tax Comm'n* was in relation to the sales and use tax, we believe the same principal applies in relation to the personal property tax.

*facts or assumptions are incorrect, in whole or in part, one or more of the conclusions reached in this opinion might be adversely affected and the opinion is void. No reliance should be placed on this opinion for any purpose other than that described herein. Please be further advised that subsequent statutory or administrative rule changes or judicial interpretations of the statutes or rules upon which any opinion is based may subject similar future transactions to treatment other than that expressed herein. It should be noted that the conclusions reached in this opinion are not binding on any administrative body or any court of law, but rather these findings are the Department's interpretation of the applicable statutes, regulations, and case law.*

# Exhibit 8

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**  
**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 1-14387

**United Rentals, Inc.**

Commission File Number 1-13663

**United Rentals (North America), Inc.**

(Exact Names of Registrants as Specified in Their Charters)

Delaware Delaware	06-1522496 86-0933835
(States of Incorporation)	(I.R.S. Employer Identification Nos.)
100 First Stamford Place, Suite 700 Stamford Connecticut	06902
(Address of Principal Executive Offices)	(Zip Code)

Registrants' Telephone Number, Including Area Code: (203) 622-3131  
 Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$ 01 par value, of United Rentals, Inc.	URI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
Emerging Growth Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

	General rentals	Specialty	Total
<b>Year Ended December 31, 2024</b>			
Equipment rentals	\$ 8,945	\$ 4,084	\$ 13,029
Sales of rental equipment	1,328	193	1,521
Sales of new equipment	159	123	282
Contractor supplies sales	87	68	155
Service and other revenues	326	32	358
Total revenue	\$ 10,845	\$ 4,500	\$ 15,345
<b>Year Ended December 31, 2023</b>			
Equipment rentals	\$ 8,803	\$ 3,261	\$ 12,064
Sales of rental equipment	1,411	163	1,574
Sales of new equipment	95	123	218
Contractor supplies sales	89	57	146
Service and other revenues	299	31	330
Total revenue	\$ 10,697	\$ 3,635	\$ 14,332
<b>Year Ended December 31, 2022</b>			
Equipment rentals	\$ 7,345	\$ 2,771	\$ 10,116
Sales of rental equipment	835	130	965
Sales of new equipment	73	81	154
Contractor supplies sales	81	45	126
Service and other revenues	250	31	281
Total revenue	\$ 8,584	\$ 3,058	\$ 11,642

**Equipment rentals.** Equipment rentals represented 85 percent of total revenues in 2024. 2024 equipment rentals of \$13.0 billion increased 8.0 percent year-over-year, primarily due to a 4.1 percent increase in fleet productivity, which includes the impact of the Yak acquisition, and a 3.5 percent increase in average OEC. Fleet productivity increased 2.7 percent excluding the impact of the Yak acquisition.

On a segment basis, equipment rentals represented 82 percent and 91 percent of total revenues for general rentals and specialty, respectively. General rentals equipment rentals increased 1.6 percent as compared to 2023. Specialty rentals increased 25.2 percent as compared to 2023, primarily due to the impact of the Yak acquisition and increased average OEC. Specialty equipment rentals increased 16.9 percent year-over-year excluding the revenue from the acquired Yak locations.

**Sales of rental equipment.** For the three years in the period ended December 31, 2024, sales of rental equipment represented approximately 10 percent of our total revenues. 2024 sales of rental equipment of \$1.5 billion did not change significantly year-over-year.

**Sales of new equipment.** For the three years in the period ended December 31, 2024, sales of new equipment represented approximately 2 percent of our total revenues. 2024 sales of new equipment of \$282 increased 29.4 percent from 2023, primarily due to the impact of the Yak acquisition and supply chain normalization.

**Contractor supplies sales.** For the three years in the period ended December 31, 2024, sales of contractor supplies represented approximately 1 percent of our total revenues. 2024 sales of contractor supplies did not change significantly from 2023.

**Service and other revenues.** For the three years in the period ended December 31, 2024, service and other revenues represented approximately 2 percent of our total revenues. 2024 service and other revenues did not change significantly from 2023.

**Fourth Quarter Items.** There were no unusual or infrequently occurring items recognized in the fourth quarter of 2024 or 2023 that had a material impact on our financial statements.

#### **Segment Equipment Rentals Gross Profit**



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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023  
OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 1-14387

**United Rentals, Inc.**

Commission File Number 1-13663

**United Rentals (North America), Inc.**

(Exact Names of Registrants as Specified in Their Charters)

Delaware Delaware	06-1522496 86-0933835
(States of Incorporation)	(I.R.S. Employer Identification Nos.)
100 First Stamford Place, Suite 700 Stamford Connecticut	06902
(Address of Principal Executive Offices)	(Zip Code)

Registrants' Telephone Number, Including Area Code: (203) 622-3131  
Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$.01 par value, of United Rentals, Inc.	URI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
Emerging Growth Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

converge, we may be required to disaggregate the divisions into separate reporting segments. Any such disaggregation would have no impact on our consolidated results of operations.

These reporting segments align our external segment reporting with how management evaluates business performance and allocates resources. We evaluate segment performance primarily based on segment equipment rentals gross profit. Our revenues, operating results, and financial condition fluctuate from quarter to quarter reflecting the seasonal rental patterns of our customers, with rental activity tending to be lower in the winter.

Revenues by segment were as follows:

	General rentals	Specialty	Total
<b>Year Ended December 31, 2023</b>			
Equipment rentals	\$ 8,803	\$ 3,261	\$ 12,064
Sales of rental equipment	1,411	163	1,574
Sales of new equipment	95	123	218
Contractor supplies sales	89	57	146
Service and other revenues	299	31	330
Total revenue	\$ 10,697	\$ 3,635	\$ 14,332
<b>Year Ended December 31, 2022</b>			
Equipment rentals	\$ 7,345	\$ 2,771	\$ 10,116
Sales of rental equipment	835	130	965
Sales of new equipment	73	81	154
Contractor supplies sales	81	45	126
Service and other revenues	250	31	281
Total revenue	\$ 8,584	\$ 3,058	\$ 11,642
<b>Year Ended December 31, 2021</b>			
Equipment rentals	\$ 6,074	\$ 2,133	\$ 8,207
Sales of rental equipment	862	106	968
Sales of new equipment	142	61	203
Contractor supplies sales	71	38	109
Service and other revenues	202	27	229
Total revenue	\$ 7,351	\$ 2,365	\$ 9,716

**Equipment rentals.** 2023 equipment rentals of \$12.1 billion increased 19.3 percent, primarily due to a 21.9 percent increase in average OEC, partially offset by a 0.7 percent decrease in fleet productivity. The increase in average OEC includes the impact of the acquisition of Ahern Rentals that is discussed in note 4 to the consolidated financial statements. On a pro forma basis including the pre-acquisition results of Ahern Rentals, year-over-year, equipment rentals increased 11.3 percent, primarily reflecting an increase in average OEC of 10.4 percent and increased fleet productivity of 2.8 percent. Beginning in 2021 and continuing through December 31, 2023, we have experienced broad-based strength of demand across our end-markets.

On a segment basis, equipment rentals represented 82 percent and 90 percent of total revenues for general rentals and specialty, respectively. General rentals equipment rentals increased 19.9 percent as compared to 2022, primarily due to strong demand across our end-markets and increased average OEC, which includes the impact of the Ahern Rentals acquisition. On a pro forma basis including the pre-acquisition results of Ahern Rentals, year-over-year, equipment rentals increased 9.1 percent, primarily reflecting increases in average OEC and fleet productivity. Specialty rentals increased 17.7 percent as compared to 2022, primarily due to strong demand across our end-markets and increased average OEC. As noted above, beginning in 2021 and continuing through December 31, 2023, we have experienced broad-based strength of demand across our end-markets.

**Sales of rental equipment.** For the three years in the period ended December 31, 2023, sales of rental equipment represented approximately 10 percent of our total revenues. 2023 sales of rental equipment of \$1.6 billion increased 63.1 percent from 2022, primarily reflecting the normalization of volumes, after we intentionally held back on sales of rental equipment in 2022 to ensure sufficient rental capacity for our customers, as well as the impact of sales of rental equipment acquired in the Ahern Rentals acquisition. Pricing on sales of rental equipment remains strong.

**Sales of new equipment.** For the three years in the period ended December 31, 2023, sales of new equipment represented approximately 2 percent of our total revenues. 2023 sales of new equipment of \$218 increased 41.6 percent from 2022, primarily reflecting some individually significant sales in 2023 and normal variability.

**Contractor supplies sales.** For the three years in the period ended December 31, 2023, sales of contractor supplies represented approximately 1 percent of our total revenues. 2023 sales of contractor supplies did not change materially from 2022.

**Service and other revenues.** For the three years in the period ended December 31, 2023, service and other revenues represented approximately 2 percent of our total revenues. 2023 service and other revenues increased 17.4 percent from 2022 primarily due to growth initiatives.

**Fourth Quarter Items.** There were no unusual or infrequently occurring items recognized in the fourth quarter of 2023 that had a material impact on our financial statements. In the fourth quarter of 2022, we issued \$1.5 billion principal amount of 6 percent Senior Secured Notes due 2029. The issued debt, together with drawings on our ABL facility, was used to fund the December 2022 Ahern Rentals acquisition that is discussed in note 4 to the consolidated financial statements.

#### **Segment Equipment Rentals Gross Profit**

Segment equipment rentals gross profit and gross margin for each of the three years in the period ended December 31, 2023 were as follows:

	General rentals	Specialty	Total
2023			
Equipment Rentals Gross Profit	\$ 3,219	\$ 1,595	\$ 4,814
Equipment Rentals Gross Margin	36.6 %	48.9 %	39.9 %
2022			
Equipment Rentals Gross Profit	\$ 2,905	\$ 1,340	\$ 4,245
Equipment Rentals Gross Margin	39.6 %	48.4 %	42.0 %
2021			
Equipment Rentals Gross Profit	\$ 2,269	\$ 998	\$ 3,267
Equipment Rentals Gross Margin	37.4 %	46.8 %	39.8 %

**General rentals.** For the three years in the period ended December 31, 2023, general rentals accounted for 68 percent of our total equipment rentals gross profit. This contribution percentage is consistent with general rentals' equipment rental revenue contribution over the same period. For the year ended December 31, 2023, general rentals' equipment rentals gross profit increased by \$314, and equipment rentals gross margin decreased by 300 basis points, from 2022, primarily due to the impact of the Ahern Rentals acquisition. As a percentage of revenue, depreciation and repairs and maintenance expenses for the rental equipment acquired in the Ahern Rentals acquisition were higher than for our other rental equipment, which negatively impacted equipment rentals gross margin year-over-year.

**Specialty.** For the year ended December 31, 2023, equipment rentals gross profit increased by \$255, and equipment rentals gross margin increased by 50 basis points from 2022.

**Gross Margin.** Gross margins by revenue classification were as follows:

	Year Ended December 31,			Change	
	2023	2022	2021	2023	2022
Total gross margin	40.6%	42.9%	39.7%	(230) bps	320 bps
Equipment rentals	39.9%	42.0%	39.8%	(210) bps	220 bps
Sales of rental equipment	49.9%	58.7%	44.5%	(880) bps	1,420 bps
Sales of new equipment	17.9%	19.5%	16.7%	(160) bps	280 bps
Contractor supplies sales	32.2%	33.3%	28.4%	(110) bps	490 bps
Service and other revenues	38.5%	40.2%	39.3%	(170) bps	90 bps

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
 WASHINGTON, D.C. 20549

**FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**  
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Commission File Number 1-14387

**United Rentals, Inc.**

Commission File Number 1-13663

**United Rentals (North America), Inc.**

(Exact Names of Registrants as Specified in Their Charters)

Delaware	06-1522496
Delaware	86-0933835
(States of Incorporation)	(I.R.S. Employer Identification Nos.)
100 First Stamford Place, Suite 700	
Stamford	
Connecticut	06902
(Address of Principal Executive Offices)	(Zip Code)

Registrants' Telephone Number, Including Area Code: (203) 622-3131

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$.01 par value, of United Rentals, Inc.	URI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
Emerging Growth Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

	General rentals	Specialty	Total
<b>Year Ended December 31, 2022</b>			
Equipment rentals	\$ 7,345	\$ 2,771	\$ 10,116
Sales of rental equipment	835	130	965
Sales of new equipment	73	81	154
Contractor supplies sales	81	45	126
Service and other revenues	250	31	281
Total revenue	\$ 8,584	\$ 3,058	\$ 11,642
<b>Year Ended December 31, 2021</b>			
Equipment rentals	\$ 6,074	\$ 2,133	\$ 8,207
Sales of rental equipment	862	106	968
Sales of new equipment	142	61	203
Contractor supplies sales	71	38	109
Service and other revenues	202	27	229
Total revenue	\$ 7,351	\$ 2,365	\$ 9,716
<b>Year Ended December 31, 2020</b>			
Equipment rentals	\$ 5,472	\$ 1,668	\$ 7,140
Sales of rental equipment	785	73	858
Sales of new equipment	214	33	247
Contractor supplies sales	64	34	98
Service and other revenues	164	23	187
Total revenue	\$ 6,699	\$ 1,831	\$ 8,530

*Equipment rentals.* 2022 equipment rentals of \$10.1 billion increased 23.3 percent, primarily due to a 13.6 percent increase in average OEC, which includes the impact of the May 2021 acquisition of General Finance and the December 2022 acquisition of Ahern Rentals, and a 9.4 percent increase in fleet productivity, which reflects broad-based strength of demand across our end-markets. In March 2020, we first experienced rental volume declines, in response to shelter-in-place orders and other market restrictions, associated with COVID-19, and the COVID-19 impact was most pronounced in 2020. Beginning in 2021 and continuing through 2022, we have seen evidence of a continuing recovery of activity across our end-markets. Disciplined management of capital expenditures and fleet capacity is a component of our COVID-19 response plan, which contributed to rental capital expenditures in 2020 that were significantly below historic levels. While capital expenditures were significantly reduced in 2020 due to COVID-19, capital expenditures in 2021 and 2022 exceeded historic (pre-COVID-19) levels, which contributed to the increased average OEC. Equipment rentals represented 87 percent of total revenues in 2022.

On a segment basis, equipment rentals represented 86 percent and 91 percent of total revenues for general rentals and specialty, respectively. General rentals equipment rentals increased 20.9 percent as compared to 2021, primarily due to broad-based strength of demand across our end-markets and increased average OEC. As noted above, the impact of COVID-19 was most pronounced in 2020 and the broad recovery we saw as 2021 progressed continued through 2022. As discussed above, capital expenditures were significantly reduced in 2020 due to COVID-19 and then increased in 2021 and 2022, which contributed to the year-over-year increase in average OEC, which also includes the impact of the December 2022 acquisition of Ahern Rentals. Specialty rentals increased 29.9 percent as compared to 2021, including the impact of the General Finance acquisition. On a pro forma basis including the standalone, pre-acquisition revenues of General Finance, equipment rentals increased 25 percent. The increase in equipment rentals reflects broad-based strength of demand across our end-markets, as well as increased average OEC, both of which are discussed above.

*Sales of rental equipment.* For the three years in the period ended December 31, 2022, sales of rental equipment represented approximately 9 percent of our total revenues. Our general rentals segment accounted for most of these sales. Revenue from sales of rental equipment was largely flat year-over-year, however the number of units sold decreased approximately 17 percent year-over-year, as we held on to fleet to serve strong customer demand and to ensure greater fleet availability in the event industry supply chain challenges persist or worsen. While the volume of sales of rental equipment decreased year-over-year, gross margin from sales of rental equipment increased 14.2 percentage points primarily due to strong pricing and improved channel mix.



*Sales of new equipment.* For the three years in the period ended December 31, 2022, sales of new equipment represented approximately 2 percent of our total revenues. 2022 sales of new equipment of \$154 decreased 24.1 percent from 2021 primarily due to supply chain constraints. For a discussion of the risks associated with supply chain disruptions, see Item 1A- Risk Factors ("Operational Risks-Disruptions in our supply chain could result in adverse effects on our results of operations and financial performance").

*Sales of contractor supplies.* For the three years in the period ended December 31, 2022, sales of contractor supplies represented approximately 1 percent of our total revenues. Our general rentals segment accounted for most of these sales. 2022 sales of contractor supplies did not change materially from 2021.

*Service and other revenues.* For the three years in the period ended December 31, 2022, service and other revenues represented approximately 2 percent of our total revenues. Our general rentals segment accounted for most of these sales. 2022 service and other revenues increased 22.7 percent from 2021 primarily due to growth initiatives.

**Fourth Quarter Items.** As discussed in note 12 to the consolidated financial statements, in the fourth quarter of 2022, we issued \$1.5 billion principal amount of 6 percent Senior Secured Notes due 2029. The issued debt, together with drawings on our ABL facility, was used to fund the December 2022 Ahern Rentals acquisition that is discussed in note 4 to the consolidated financial statements. There were no unusual or infrequently occurring items recognized in the fourth quarter of 2021 that had a material impact on our financial statements.

#### **Segment Equipment Rentals Gross Profit**

Segment equipment rentals gross profit and gross margin for each of the three years in the period ended December 31, 2022 were as follows:

		General rentals		Specialty		Total
2022						
	Equipment Rentals Gross Profit	\$	2,905	\$	1,340	\$ 4,245
	Equipment Rentals Gross Margin		39.6 %		48.4 %	42.0 %
2021						
	Equipment Rentals Gross Profit	\$	2,269	\$	998	\$ 3,267
	Equipment Rentals Gross Margin		37.4 %		46.8 %	39.8 %
2020						
	Equipment Rentals Gross Profit	\$	1,954	\$	765	\$ 2,719
	Equipment Rentals Gross Margin		35.7 %		45.9 %	38.1 %

*General rentals.* For the three years in the period ended December 31, 2022, general rentals accounted for 70 percent of our total equipment rentals gross profit. This contribution percentage is consistent with general rentals' equipment rental revenue contribution over the same period. For the year ended December 31, 2022, general rentals' equipment rentals gross profit increased by \$636, and equipment rentals gross margin increased by 220 basis points, from 2021, primarily due to better fixed cost absorption on higher revenue. As discussed above, equipment rental revenue increased 20.9 percent from 2021, primarily due to increased average OEC, which included the impact of the December 2022 acquisition of Ahern Rentals, and broad-based strength of demand across our end-markets.

*Specialty.* For the year ended December 31, 2022, equipment rentals gross profit increased by \$342, and equipment rentals gross margin increased by 160 basis points from 2021. Gross margin increased primarily due to better cost performance and fixed cost absorption on higher revenue. As discussed above, equipment rental revenue increased 29.9 percent from 2021, including the impact of the May 2021 General Finance acquisition, primarily due to increased average OEC and broad-based strength of demand across our end-markets.

**Gross Margin.** Gross margins by revenue classification were as follows:



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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021  
OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 1-14387

**United Rentals, Inc.**

Commission File Number 1-13663

**United Rentals (North America), Inc.**

(Exact Names of Registrants as Specified in Their Charters)

Delaware	06-1522496
Delaware	86-0933835
(States of Incorporation)	(I.R.S. Employer Identification Nos.)
100 First Stamford Place, Suite 700	
Stamford	
Connecticut	06902
(Address of Principal Executive Offices)	(Zip Code)

Registrants' Telephone Number, Including Area Code: (203) 622-3131  
Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$.01 par value, of United Rentals, Inc.	URI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
Emerging Growth Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

	General rentals	Specialty	Total
<b>Year Ended December 31, 2021</b>			
Equipment rentals	\$ 6,074	\$ 2,133	\$ 8,207
Sales of rental equipment	862	106	968
Sales of new equipment	142	61	203
Contractor supplies sales	71	38	109
Service and other revenues	202	27	229
Total revenue	\$ 7,351	\$ 2,365	\$ 9,716
<b>Year Ended December 31, 2020</b>			
Equipment rentals	\$ 5,472	\$ 1,668	\$ 7,140
Sales of rental equipment	785	73	858
Sales of new equipment	214	33	247
Contractor supplies sales	64	34	98
Service and other revenues	164	23	187
Total revenue	\$ 6,699	\$ 1,831	\$ 8,530
<b>Year Ended December 31, 2019</b>			
Equipment rentals	\$ 6,202	\$ 1,762	\$ 7,964
Sales of rental equipment	768	63	831
Sales of new equipment	238	30	268
Contractor supplies sales	71	33	104
Service and other revenues	157	27	184
Total revenue	\$ 7,436	\$ 1,915	\$ 9,351

*Equipment rentals.* 2021 equipment rentals of \$8.2 billion increased 14.9 percent as compared to 2020, primarily due to a 10.4 percent increase in fleet productivity, which included the more pronounced impact of COVID-19, which resulted in rental volume declines in response to shelter-in-place orders and other market restrictions, in 2020. COVID-19 began to impact our operations in March 2020. In 2021, we have seen evidence of a continuing recovery of activity across our end-markets. Equipment rentals represented 84 percent of total revenues in 2021.

On a segment basis, equipment rentals represented 83 percent and 90 percent of total revenues for general rentals and specialty, respectively. General rentals equipment rentals increased 11.0 percent as compared to 2020, primarily due to increased fleet productivity, which included the more pronounced impact of COVID-19 during 2020. In 2021, we have seen evidence of a continuing recovery of activity across our end-markets. Specialty rentals increased 27.9 percent as compared to 2020, including the impact of the General Finance acquisition. On a pro forma basis including the standalone, pre-acquisition revenues of General Finance, equipment rentals increased 18 percent. The increase in equipment rentals reflects increased fleet productivity, which included the more pronounced impact of COVID-19 during 2020, as well as a slight increase in average OEC.

*Sales of rental equipment.* For the three years in the period ended December 31, 2021, sales of rental equipment represented approximately 10 percent of our total revenues. Our general rentals segment accounted for most of these sales. 2021 sales of rental equipment increased 12.8 percent from 2020 primarily due to improved pricing in a strong used equipment market and the impact of the General Finance acquisition.

*Sales of new equipment.* For the three years in the period ended December 31, 2021, sales of new equipment represented approximately 3 percent of our total revenues. Our general rentals segment accounted for most of these sales. 2021 sales of new equipment of \$203 decreased 17.8 percent from 2020 primarily due to supply chain challenges. For a discussion of the risks associated with supply chain disruptions, see Item 1A- Risk Factors ("Operational Risks-Disruptions in our supply chain could result in adverse effects on our results of operations and financial performance").

*Sales of contractor supplies.* For the three years in the period ended December 31, 2021, sales of contractor supplies represented approximately 1 percent of our total revenues. Our general rentals segment accounted for most of these sales. 2021 sales of contractor supplies did not change materially from 2020.

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*Service and other revenues.* For the three years in the period ended December 31, 2021, service and other revenues represented approximately 2 percent of our total revenues. Our general rentals segment accounted for most of these sales. 2021 service and other revenues increased 22.5 percent from 2020 primarily due to the more pronounced impact of COVID-19 in 2020.

*Fourth Quarter Items.* There were no unusual or infrequently occurring items recognized in the fourth quarter of 2021 that had a material impact on our financial statements. In the fourth quarter of 2020, we redeemed all of our 4 <sup>5</sup>/<sub>8</sub> percent Senior Notes due 2025 using borrowings available under our ABL facility. Upon redemption, we recognized a loss of \$24 in interest expense, net, reflecting the difference between the net carrying amount and the total purchase price of the redeemed notes.

#### **Segment Equipment Rentals Gross Profit**

Segment equipment rentals gross profit and gross margin for each of the three years in the period ended December 31, 2021 were as follows:

	General rentals	Specialty	Total
2021			
Equipment Rentals Gross Profit	\$ 2,269	\$ 998	\$ 3,267
Equipment Rentals Gross Margin	37.4 %	46.8 %	39.8 %
2020			
Equipment Rentals Gross Profit	\$ 1,954	\$ 765	\$ 2,719
Equipment Rentals Gross Margin	35.7 %	45.9 %	38.1 %
2019			
Equipment Rentals Gross Profit	\$ 2,407	\$ 800	\$ 3,207
Equipment Rentals Gross Margin	38.8 %	45.4 %	40.3 %

*General rentals.* For the three years in the period ended December 31, 2021, general rentals accounted for 72 percent of our total equipment rentals gross profit. This contribution percentage is consistent with general rentals' equipment rental revenue contribution over the same period. For the year ended December 31, 2021, general rentals' equipment rentals gross profit increased by \$315, and equipment rentals gross margin increased by 170 basis points, from 2020, which included a \$26 asset impairment charge that primarily reflected the discontinuation of certain equipment programs and was not related to COVID-19. Excluding the impact of asset impairment charges, equipment rentals gross margin increased 130 basis points year-over-year, primarily due to a reduction in depreciation expense as a percentage of revenue, partially offset by a higher bonus accrual, which reflects improved profitability, and increases in certain operating expenses, including delivery costs, as a percentage of revenue.

*Specialty.* For the year ended December 31, 2021, equipment rentals gross profit increased by \$233, and equipment rentals gross margin increased by 90 basis points from 2020. Gross margin increased primarily due to decreases in depreciation and labor expenses as a percentage of revenue, partially offset by a higher proportion of revenue from certain lower margin ancillary fees in 2021 and increases in certain operating expenses, including delivery costs, as a percentage of revenue.

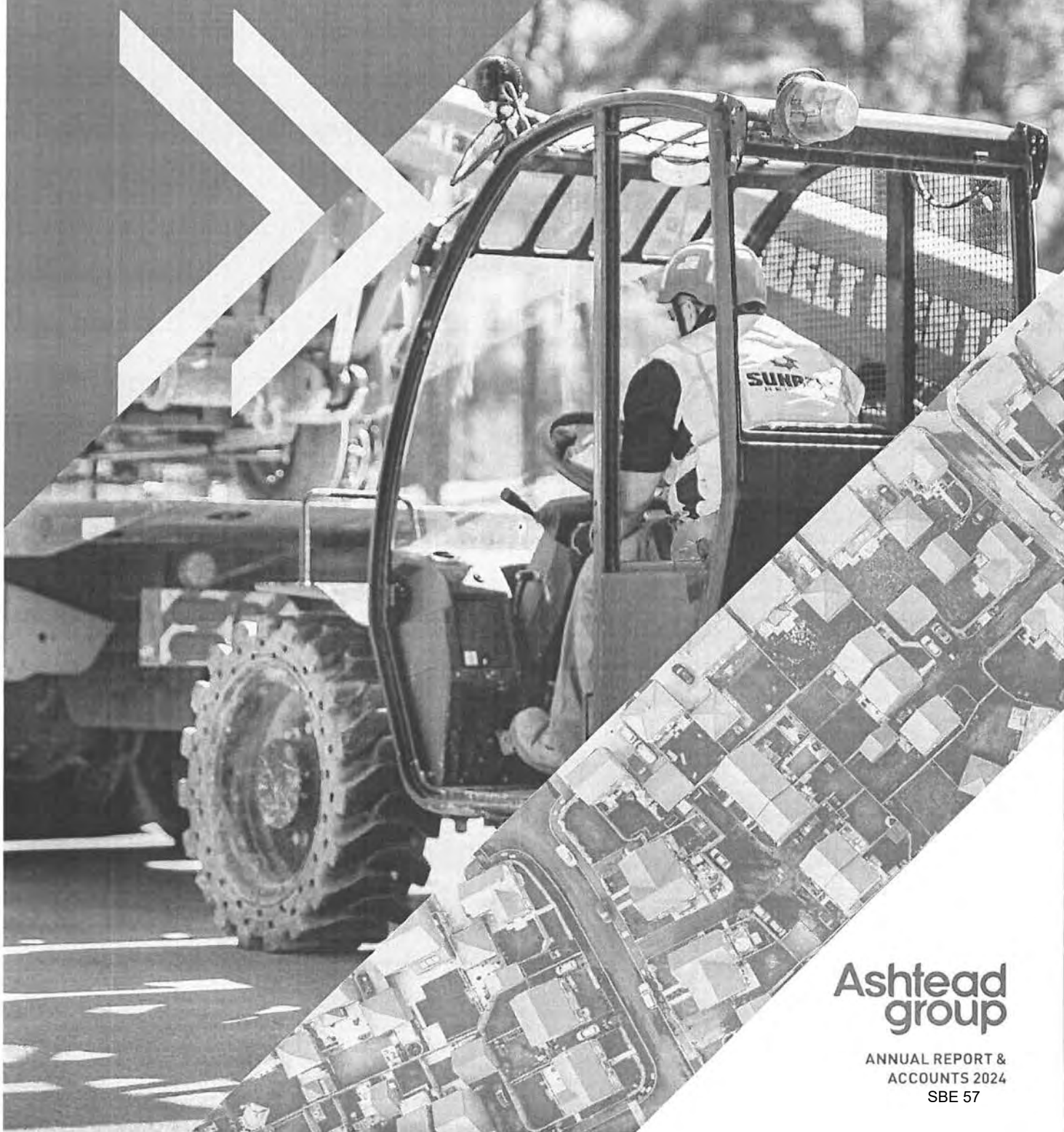
**Gross Margin.** Gross margins by revenue classification were as follows:

	Year Ended December 31,			Change	
	2021	2020	2019	2021	2020
Total gross margin	39.7%	37.3%	39.2%	240 bps	(190) bps
Equipment rentals	39.8%	38.1%	40.3%	170 bps	(220) bps
Sales of rental equipment	44.5%	38.7%	37.7%	580 bps	100 bps
Sales of new equipment	16.7%	13.4%	13.8%	330 bps	(40) bps
Contractor supplies sales	28.4%	29.6%	29.8%	(120) bps	(20) bps
Service and other revenues	39.3%	37.4%	44.6%	190 bps	(720) bps

2021 gross margin of 39.7 percent increased 240 basis points from 2020. Equipment rentals gross margin increased 170 basis points from 2020, which included a \$30 asset impairment charge that primarily reflected the discontinuation of certain equipment programs and was not related to COVID-19. Excluding the impact of asset impairment charges, equipment rentals

# Exhibit 9

# RUNWAY ④ SUCCESS



**Ashtead  
group**

ANNUAL REPORT &  
ACCOUNTS 2024  
SBE 57



# An international network of equipment solutions and services

Ashtead is an international equipment rental company, trading under the Sunbelt Rentals brand, with national networks in the US, Canada and the UK. We rent a broad range of construction, industrial, general and specialty equipment across a wide variety of applications to a diverse customer base.



The second largest equipment rental company in the US with 1,186 stores

Revenue	\$9,307m
Return on investment <sup>1</sup>	23%
Segment result	\$2,633m
Employees	19,245
Stores	1,186
Fleet size	\$15,057m

## MARKET SHARE<sup>2</sup>



1 United Rentals	15%
2 Sunbelt	11%
3 Herc Rentals	4%
4 Home Depot	2%
5 H&E	2%
6 Top 6-10	4%
7 Top 11-100	20%
8 Others	42%

## FLEET COMPOSITION<sup>3</sup>



1 Mobile elevating work platforms	29%
2 Forklifts	19%
3 Earth moving	14%
4 Power and HVAC	11%
5 Scaffold	2%
6 Other	25%

<sup>1</sup> Excluding goodwill and intangible assets.  
<sup>2</sup> Source: Management estimate based on S&P Global Market Intelligence market size analysis.  
<sup>3</sup> Source: Management information.



# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

for the year ended 30 April 2024

		2024			2023		
	Notes	Before amortisation \$m	Amortisation \$m	Total \$m	Before amortisation \$m	Amortisation \$m	Total \$m
<b>Revenue</b>							
Rental revenue	3	9,630.2	–	9,630.2	8,698.2	–	8,698.2
Sale of new equipment, merchandise and consumables	3	369.7	–	369.7	341.7	–	341.7
Sale of used rental equipment	3	858.8	–	858.8	627.4	–	627.4
		10,858.7	–	10,858.7	9,667.3	–	9,667.3
<b>Operating costs</b>							
Staff costs	4	(2,485.1)	–	(2,485.1)	(2,222.1)	–	(2,222.1)
Other operating costs	4	(2,845.2)	–	(2,845.2)	(2,591.1)	–	(2,591.1)
Used rental equipment sold	4	(635.8)	–	(635.8)	(442.3)	–	(442.3)
		(5,966.1)	–	(5,966.1)	(5,255.5)	–	(5,255.5)
<b>EBITDA<sup>1</sup></b>		4,892.6	–	4,892.6	4,411.8	–	4,411.8
Depreciation	4	(2,117.7)	–	(2,117.7)	(1,772.1)	–	(1,772.1)
Amortisation of intangibles	4, 5	–	(120.9)	(120.9)	–	(117.7)	(117.7)
<b>Operating profit</b>	3, 4	2,774.9	(120.9)	2,654.0	2,639.7	(117.7)	2,522.0
Interest income	6	1.8	–	1.8	2.6	–	2.6
Interest expense	6	(546.3)	–	(546.3)	(368.8)	–	(368.8)
<b>Profit on ordinary activities before taxation</b>		2,230.4	(120.9)	2,109.5	2,273.5	(117.7)	2,155.8
Taxation	7, 21	(541.3)	30.2	(511.1)	(567.7)	29.6	(538.1)
<b>Profit attributable to equity holders of the Company</b>		1,689.1	(90.7)	1,598.4	1,705.8	(88.1)	1,617.7
Basic earnings per share	8	386.5¢	(20.7¢)	365.8¢	388.5¢	(20.1¢)	368.4¢
Diluted earnings per share	8	384.3¢	(20.6¢)	363.7¢	386.0¢	(19.9¢)	366.1¢

<sup>1</sup> EBITDA is presented here as an alternative performance measure as it is commonly used by investors and lenders. Further details are provided in the Glossary of terms on page 181.

All revenue and profit for the year is generated from continuing operations.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 April 2024

	Note	2024 \$m	2023 \$m
Profit attributable to equity holders of the Company for the financial year		1,598.4	1,617.7
<b>Items that will not be reclassified to profit or loss:</b>			
Movements on equity instruments held at fair value		–	(36.8)
Remeasurement of the defined benefit pension plan	24	(22.6)	(2.9)
Tax on defined benefit pension plan		5.6	0.7
		(17.0)	(39.0)
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences		(17.6)	(19.2)
Loss on cash flow hedge		0.2	(3.1)
		(17.4)	(22.3)
<b>Total other comprehensive loss for the year</b>		(34.4)	(61.3)
<b>Total comprehensive income for the year</b>		1,564.0	1,556.4

# AMBITION WITH PURPOSE

ANNUAL REPORT AND ACCOUNTS 2023



## OUR GROUP AT A GLANCE

# An international network of equipment solutions and services

Ashtead is an international equipment rental company, trading under the Sunbelt Rentals brand, with national networks in the US, Canada and the UK.

We rent a broad range of construction, industrial, general and specialty equipment across a wide variety of applications to a diverse customer base.

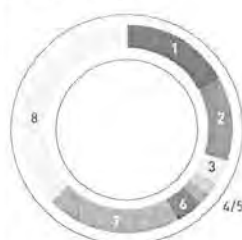
# US



The second largest equipment rental company in the US with 1,094 stores

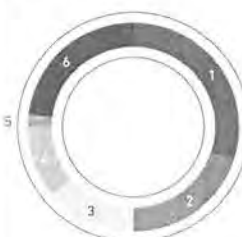
Revenue	\$8,222m
Return on investment <sup>1</sup>	27%
Segment result	\$2,465m
Employees	18,981
Stores	1,094
Fleet size	\$13,407m

### MARKET SHARE<sup>2</sup>



1 United Rentals	17%
2 Sunbelt	13%
3 Herc Rentals	6%
4 Home Depot	2%
5 H&E	2%
6 Top 6-10	4%
7 Top 11-100	21%
8 Others	37%

### FLEET COMPOSITION<sup>3</sup>



1 Mobile elevating work platforms	30%
2 Forklifts	20%
3 Earth moving	14%
4 Power and HVAC	11%
5 Scaffold	2%
6 Other	23%

<sup>1</sup> Excluding goodwill and intangible assets

<sup>2</sup> Source: Management estimate based on S&P Global Market Intelligence market estimates

<sup>3</sup> Source: Management information

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

for the year ended 30 April 2023

	Notes	2023			2022		
		Before amortisation \$m	Amortisation \$m	Total \$m	Before exceptional items and amortisation \$m	Exceptional items and amortisation \$m	Total \$m
<b>Revenue</b>							
Rental revenue		8,698.2	–	8,698.2	7,234.7	–	7,234.7
Sale of new equipment, merchandise and consumables		341.7	–	341.7	387.2	–	387.2
Sale of used rental equipment		627.4	–	627.4	340.4	–	340.4
		9,667.3	–	9,667.3	7,962.3	–	7,962.3
<b>Operating costs</b>							
Staff costs	4	(2,222.1)	–	(2,222.1)	(1,830.5)	–	(1,830.5)
Other operating costs	4	(2,591.1)	–	(2,591.1)	(2,260.9)	–	(2,260.9)
Used rental equipment sold	4	(442.3)	–	(442.3)	(261.5)	–	(261.5)
		(5,255.5)	–	(5,255.5)	(4,352.9)	–	(4,352.9)
<b>EBITDA<sup>1</sup></b>		4,411.8	–	4,411.8	3,609.4	–	3,609.4
Depreciation	4	(1,772.1)	–	(1,772.1)	(1,553.0)	–	(1,553.0)
Amortisation of intangibles	4, 5	–	(117.7)	(117.7)	–	(108.6)	(108.6)
<b>Operating profit</b>	3, 4	2,639.7	(117.7)	2,522.0	2,056.4	(108.6)	1,947.8
Interest income	6	2.6	–	2.6	0.1	–	0.1
Interest expense	5, 6	(368.8)	–	(368.8)	(232.7)	(47.1)	(279.8)
<b>Profit on ordinary activities before taxation</b>		2,273.5	(117.7)	2,155.8	1,823.8	(155.7)	1,668.1
Taxation	7, 21	(567.7)	29.6	(538.1)	(456.3)	39.3	(417.0)
<b>Profit attributable to equity holders of the Company</b>		1,705.8	(88.1)	1,617.7	1,367.5	(116.4)	1,251.1
Basic earnings per share	8	388.5¢	(20.1¢)	368.4¢	307.1¢	(26.2¢)	280.9¢
Diluted earnings per share	8	386.0¢	(19.9¢)	366.1¢	305.8¢	(26.1¢)	279.7¢

1. EBITDA is presented here as an alternative performance measure as it is commonly used by investors and lenders. Further details are provided in the Glossary of terms on page 118.

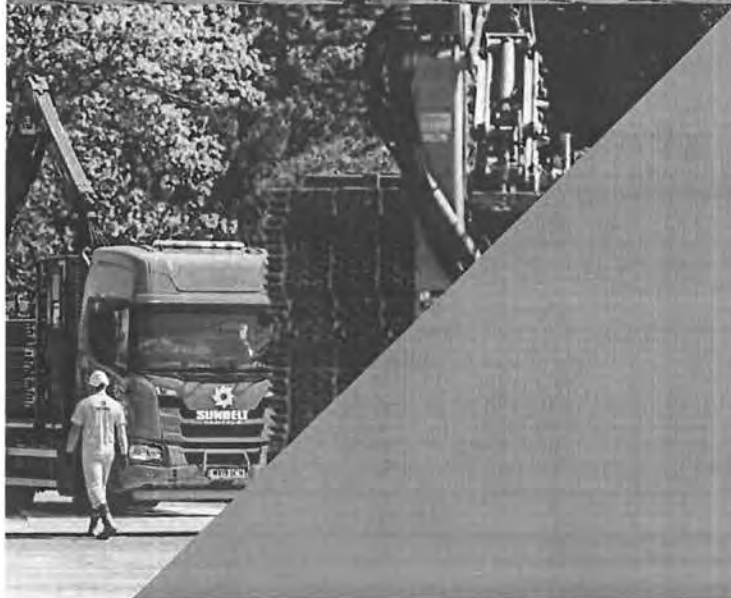
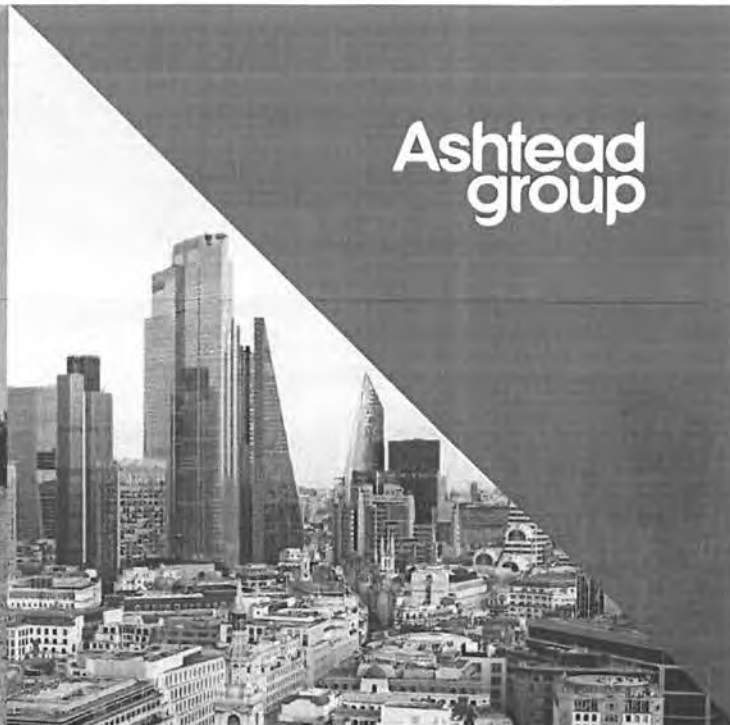
All revenue and profit for the year is generated from continuing operations.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 April 2023

	Note	2023 \$m	2022 \$m
Profit attributable to equity holders of the Company for the financial year		1,617.7	1,251.1
<b>Items that will not be reclassified to profit or loss:</b>			
Movements on financial asset investments		(36.8)	–
Remeasurement of the defined benefit pension plan	24	(2.9)	11.4
Tax on defined benefit pension plan		0.7	(2.7)
		(39.0)	8.7
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences		(19.2)	(92.7)
Loss on cash flow hedge		(3.1)	–
		(22.3)	(92.7)
<b>Total other comprehensive loss for the year</b>		(61.3)	(84.0)
<b>Total comprehensive income for the year</b>		1,556.4	1,167.1

Ashtead  
group



# AMBITION WITH PURPOSE

ANNUAL REPORT & ACCOUNTS 2022



## OUR GROUP AT A GLANCE

### An international network of equipment solutions and services.

Ashtead is an international equipment rental company, trading under the Sunbelt Rentals brand, with national networks in the US, Canada and the UK. We rent a broad range of construction, industrial, general and specialty equipment across a wide variety of applications to a diverse customer base.

#### PURPOSE

To provide a reliable alternative to ownership for our customers across a wide range of applications and markets

See more on page 16



#### ACTIONABLE COMPONENTS

Grow General Tool and advance our clusters

Amplify Specialty

Advance technology

Lead with ESG

Dynamic capital allocation

See more on page 22



#### CULTURAL ELEMENTS

Investment in our people

Foster culture of 'entrepreneurialism with scale'

Continuously delivering on our customer promise of Availability, Reliability and Ease

See more on page 56



#### US

The second largest equipment rental company in the US with 967 stores

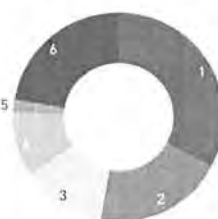
Revenue	\$6,477m
Return on investment <sup>1</sup>	25%
Segment result	\$1,852m
Employees	16,068
Stores	967
Fleet size	\$11,425m

#### MARKET SHARE<sup>2</sup>



1 United Rentals	16%
2 Sunbelt	12%
3 Herc Rentals	4%
4 Home Depot	2%
5 Ahern	1%
6 H&E	1%
7 Top 7-10	3%
8 Top 11-100	17%
9 Others	44%

#### FLEET COMPOSITION<sup>3</sup>



1 Mobile elevating work platforms	33%
2 Forklifts	20%
3 Earth moving	13%
4 Power and HVAC	10%
5 Scaffold	2%
6 Other	22%

<sup>1</sup> Excluding goodwill and intangible assets.

<sup>2</sup> Source: Management estimate based on IHS Markit market estimates.

<sup>3</sup> Source: Management information.

# CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated income statement

for the year ended 30 April 2022

		2022		2021			
	(Note)	Before exceptional items and amortisation \$m	Exceptional items and amortisation \$m	Total \$m	Before amortisation \$m (restated)	Amortisation \$m (restated)	Total \$m (restated)
<b>Revenue</b>							
Rental revenue		7,234.7	-	7,234.7	5,901.6	-	5,901.6
Sale of new equipment, merchandise and consumables		387.2	-	387.2	347.9	-	347.9
Sale of used rental equipment		340.4	-	340.4	389.3	-	389.3
		7,962.3	-	7,962.3	6,638.6	-	6,638.6
<b>Operating costs</b>							
Staff costs	4	(1,830.5)	-	(1,830.5)	(1,501.5)	-	(1,501.5)
Other operating costs	4	(2,260.9)	-	(2,260.9)	(1,735.9)	-	(1,735.9)
Used rental equipment sold	4	(261.5)	-	(261.5)	(364.4)	-	(364.4)
		(4,352.9)	-	(4,352.9)	(3,601.8)	-	(3,601.8)
<b>EBITDA<sup>1</sup></b>		3,609.4	-	3,609.4	3,036.8	-	3,036.8
Depreciation	4	(1,553.0)	-	(1,553.0)	(1,457.6)	-	(1,457.6)
Amortisation of intangibles	4, 5	-	(108.6)	(108.6)	-	(81.2)	(81.2)
<b>Operating profit</b>	3, 4	2,056.4	(108.6)	1,947.8	1,579.2	(81.2)	1,498.0
Interest income	6	0.1	-	0.1	-	-	-
Interest expense	5, 6	(232.7)	(47.1)	(279.8)	(262.9)	-	(262.9)
<b>Profit on ordinary activities before taxation</b>		1,823.8	(155.7)	1,668.1	1,316.3	(81.2)	1,235.1
Taxation	7, 21	(456.3)	39.3	(417.0)	(335.0)	20.0	(315.0)
<b>Profit attributable to equity holders of the Company</b>		1,367.5	(116.4)	1,251.1	981.3	(61.2)	920.1
<b>Basic earnings per share</b>	8	307.14	(26.24)	280.94	219.14	(13.74)	205.44
<b>Diluted earnings per share</b>	8	305.84	(26.14)	279.74	218.44	(13.64)	204.84

<sup>1</sup> EBITDA is presented here as an alternative performance measure as it is commonly used by investors and lenders. Further details are provided in the Glossary of terms on page 169.

<sup>2</sup> All comparative information has been restated for presentation in US dollars. For more information, see Note 2.

All revenue and profit for the year is generated from continuing operations.

## Consolidated statement of comprehensive income

for the year ended 30 April 2022

	Note	2022 \$m	2021 \$m (restated)
Profit attributable to equity holders of the Company for the financial year		1,251.1	920.1
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurement of the defined benefit pension plan	24	11.4	18.4
Tax on defined benefit pension plan		(2.7)	(3.7)
		8.7	14.7
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences		(92.7)	76.8
<b>Total other comprehensive income for the year</b>		(84.0)	91.5
<b>Total comprehensive income for the year</b>		1,167.1	1,011.6





Ashtead  
group



# GROWTH AND RESILIENCE

ANNUAL REPORT  
& ACCOUNTS 2021  
SBE 66

# OUR GROUP AT A GLANCE



## An international network of equipment solutions and services

Ashtead is an international equipment rental company, trading under the Sunbelt Rentals brand, with national networks in the US, Canada and the UK. We rent a full range of construction, industrial and general equipment across a wide variety of applications to a diverse customer base.

## US The second largest equipment rental company in the US with 861 stores

Revenue	\$5,418m
Segment result	\$1,445m
Return on investment <sup>1</sup>	20%
Stores	861
Employees	13,553
Fleet size	\$9,827m

### PURPOSE

To provide a reliable alternative to ownership for our customers across a wide range of applications and markets

[+ See more on page 18](#)

### STRATEGIC COMPONENTS

Grow General Tool and advance our clusters  
Amplify Specialty  
Advance technology  
Lead with ESG  
Dynamic capital allocation

[+ See more on page 24](#)

### CULTURAL ELEMENTS

Investment in our people  
Foster culture of 'entrepreneurial at scale'  
Continuously delivering on our customer promise of Availability, Reliability and Ease

[+ See more on page 54](#)

### MARKET SHARE<sup>2</sup>



1	United Rentals	14%
2	Sunbelt	11%
3	Herc Rentals	3%
4	Home Depot	2%
5	Ahern	1%
6	H&E	1%
7	Top 7-10	3%
8	Top 11-100	c. 20%
9	Others	c. 45%

### FLEET COMPOSITION<sup>3</sup>

	Mobile elevating work platforms	34%
	Forklifts	21%
	Earth moving	13%
	Pump and power	12%
	Scaffold	2%
	Other	18%

<sup>1</sup> Excluding goodwill and intangible assets.

<sup>2</sup> Source: Management estimate based on IHS Market market estimates.

<sup>3</sup> Source: Management information.

# CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated income statement

for the year ended 30 April 2021

		2021			2020		
	Notes	Before amortisation £m	Amortisation £m	Total £m	Before exceptional items and amortisation £m	Exceptional items and amortisation £m	Total £m
<b>Revenue</b>							
Rental revenue		4,472.6	-	4,472.6	4,606.5	-	4,606.5
Sale of new equipment, merchandise and consumables		263.5	-	263.5	184.0	-	184.0
Sale of used rental equipment		295.0	-	295.0	263.1	-	263.1
		5,031.1	-	5,031.1	5,053.6	-	5,053.6
<b>Operating costs</b>							
Staff costs	4	(1,137.9)	-	(1,137.9)	(1,172.3)	-	(1,172.3)
Used rental equipment sold	4	(276.2)	-	(276.2)	(229.9)	-	(229.9)
Other operating costs	4	(1,315.6)	-	(1,315.6)	(1,275.6)	-	(1,275.6)
		(2,729.7)	-	(2,729.7)	(2,677.8)	-	(2,677.8)
<b>EBITDA*</b>		2,301.4	-	2,301.4	2,375.8	-	2,375.8
Depreciation	4	(1,104.6)	-	(1,104.6)	(1,090.5)	-	(1,090.5)
Amortisation of intangibles	4, 5	-	(61.5)	(61.5)	-	(61.7)	(61.7)
<b>Operating profit</b>	3, 4	1,196.8	(61.5)	1,135.3	1,285.3	(61.7)	1,223.6
Interest expense	5, 6	(199.3)	-	(199.3)	(224.5)	(16.3)	(240.8)
<b>Profit on ordinary activities before taxation</b>		997.5	(61.5)	936.0	1,060.8	(78.0)	982.8
Taxation	7, 21	(253.8)	15.2	(238.6)	(262.3)	19.2	(243.1)
<b>Profit attributable to equity holders of the Company</b>		743.7	(46.3)	697.4	798.5	(58.8)	739.7
Basic earnings per share	8	166.0p	(10.3p)	155.7p	175.0p	(12.9p)	162.1p
Diluted earnings per share	8	165.5p	(10.3p)	155.2p	174.3p	(12.8p)	161.5p

\* EBITDA is presented here as an alternative performance measure as it is commonly used by investors and lenders. Further details are provided in the Glossary of terms on page 169.

All revenue and profit for the year is generated from continuing operations.

## Consolidated statement of comprehensive income

for the year ended 30 April 2021

	Note	2021 £m	2020 £m
Profit attributable to equity holders of the Company for the financial year		697.4	739.7
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurement of the defined benefit pension plan	24	13.9	(10.8)
Tax on defined benefit pension plan		(2.7)	2.1
		11.2	(8.7)
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences		(228.6)	71.0
<b>Total comprehensive income for the year</b>		480.0	802.0

# Exhibit 10

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
 WASHINGTON, D.C. 20549

**FORM 10-K**

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2023**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number **001-33139**

**HERC HOLDINGS INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
 (State or other jurisdiction of  
 incorporation or organization)

**20-3530539**  
 (I.R.S. Employer  
 Identification Number)

**27500 Riverview Center Blvd.**  
**Bonita Springs, Florida 34134**  
**(239) 301-1000**

(Address, including Zip Code, and telephone number,  
 including area code, of registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	HRI	New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Accelerated filer	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240 10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing price of the stock on the New York Stock Exchange on such date, was \$3.42 billion.

As of February 9, 2024, there were 28,320,161 shares of the registrant's common stock outstanding.



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**HERC HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following summarizes the applicable accounting guidance for the Company's revenues (in millions):

	Years Ended December 31,								
	2023			2022			2021		
	Topic 842	Topic 606	Total	Topic 842	Topic 606	Total	Topic 842	Topic 606	Total
<b>Revenues:</b>									
Equipment rental	\$ 2,577	\$ —	\$ 2,577	\$ 2,284	\$ —	\$ 2,284	\$ 1,729	\$ —	\$ 1,729
Other rental revenue:									
Delivery and pick-up	—	188	188	—	170	170	—	110	110
Other	105	—	105	98	—	98	71	—	71
Total other rental revenues	105	188	293	98	170	268	71	110	181
<b>Total equipment rentals</b>	<b>2,682</b>	<b>188</b>	<b>2,870</b>	<b>2,382</b>	<b>170</b>	<b>2,552</b>	<b>1,800</b>	<b>110</b>	<b>1,910</b>
Sales of rental equipment	—	346	346	—	125	125	—	113	113
Sales of new equipment, parts and supplies	—	38	38	—	36	36	—	31	31
Service and other revenues	—	28	28	—	27	27	—	19	19
<b>Total revenues</b>	<b>\$ 2,682</b>	<b>\$ 600</b>	<b>\$ 3,282</b>	<b>\$ 2,382</b>	<b>\$ 358</b>	<b>\$ 2,740</b>	<b>\$ 1,800</b>	<b>\$ 273</b>	<b>\$ 2,073</b>

Topic 842 revenues*Equipment Rental Revenue*

The Company offers a broad portfolio of equipment for rent on a daily, weekly or monthly basis, with substantially all rental agreements cancellable upon the return of the equipment. Virtually all customer contracts can be canceled by the customer with no penalty by returning the equipment within one day; therefore, the Company does not allocate the transaction price between the different contract elements.

Equipment rental revenue includes revenue generated from renting equipment to customers and is recognized on a straight-line basis over the length of the rental contract. As part of this straight-line methodology, when the equipment is returned, the Company recognizes as incremental revenue the excess, if any, between the amount the customer is contractually required to pay, which is based on the rental contract period applicable to the actual number of days the equipment was out on rent, over the cumulative amount of revenue recognized to date. In any given accounting period, the Company will have customers return equipment and be contractually required to pay more than the cumulative amount of revenue recognized to date under the straight-line methodology. Also included in equipment rental revenue is re-rent revenue in which the Company will rent specific pieces of equipment from vendors and then re-rent that equipment to its customers. Provisions for discounts, rebates to customers and other adjustments are provided for in the period the related revenue is recorded.

*Other*

Other equipment rental revenue is primarily comprised of fees for the Company's rental protection program and environmental charges. Fees paid for the rental protection program allow customers to limit the risk of financial loss in the event the Company's equipment is damaged or lost. Fees for the rental protection program and environmental recovery fees are recognized on a straight-line basis over the length of the rental contract.

Topic 606 revenues*Delivery and pick-up*

Delivery and pick-up revenue associated with renting equipment is recognized when the services are performed.



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**HERC HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

*Sales of rental equipment, New equipment, Parts and supplies*

The Company sells its used rental equipment, new equipment, parts and supplies. Revenues recorded for each category are as follows (in millions):

	Years Ended December 31,		
	2023	2022	2021
Sales of rental equipment	\$ 346	\$ 125	\$ 113
Sales of new equipment	14	8	9
Sales of parts and supplies	24	28	22
Total	<u>\$ 384</u>	<u>\$ 161</u>	<u>\$ 144</u>

The Company recognizes revenue from the sale of rental equipment, new equipment, parts and supplies when control of the asset transfers to the customer, which is typically when the asset is picked up by or delivered to the customer and when significant risks and rewards of ownership have passed to the customer. Sales and other tax amounts collected from customers and remitted to government authorities are accounted for on a net basis and, therefore, excluded from revenue.

The Company routinely sells its used rental equipment in order to manage repair and maintenance costs, as well as the composition, age and size of its fleet. The Company disposes of used equipment through a variety of channels including retail sales to customers and other third parties, sales to wholesalers, brokered sales and auctions.

The Company also sells new equipment, parts and supplies. The types of new equipment that the Company sells vary by location and include a variety of ProContractor tools and supplies, small equipment (such as work lighting, generators, pumps, compaction equipment and power trowels), safety supplies and expendables.

Under Topic 606, the accounts receivable balance, prior to allowances for doubtful accounts, for the sale of rental equipment, new equipment, parts and supplies, was approximately \$11 million and \$9 million as of December 31, 2023 and 2022, respectively.

*Service and other revenues*

Service and other revenues primarily include revenue earned from equipment management and similar services for rental customers which includes providing customer support functions such as dedicated in-plant operations, plant management services, equipment and safety training, and repair and maintenance services particularly to industrial customers who request such services.

The Company recognizes revenue for service and other revenues as the services are provided. Service and other revenues are typically invoiced together with a customer's rental amounts and, therefore, it is not practical for the Company to separate the accounts receivable amount related to services and other revenues that are accounted for under Topic 606; however, such amount is not considered material.

*Receivables and contract assets and liabilities*

Most of the Company's equipment rental revenue is accounted for under Topic 842. The customers that are responsible for the remaining equipment rental revenue that is accounted for under Topic 606 are generally the same customers that rent the Company's equipment. Concentration of credit risk with respect to the Company's accounts receivable is limited because a large number of geographically diverse customers makes up its customer base. No single customer makes up more than 3% of the Company's equipment rental revenue or more than 5% of its accounts receivable balance for the last three years. The Company manages credit risk associated with its accounts receivable at the customer level through credit approvals, credit limits and other monitoring procedures. The Company maintains allowances for doubtful accounts that reflect the Company's estimate of the amount of receivables that the Company will be unable to collect based on its historical write-off experience.

The Company does not have material contract assets or contract liabilities associated with customer contracts. The Company's contracts with customers do not generally result in material amounts billed to customers in excess of recognizable revenue. The Company did not recognize material revenue during the years ended December 31, 2023, 2022 or 2021 that was included in the contract liability balance as of the beginning of each period.

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2022**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Commission File Number 001-33139**

**HERC HOLDINGS INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**20-3530539**

(I.R.S. Employer  
Identification Number)

**27500 Riverview Center Blvd.  
Bonita Springs, Florida 34134  
(239) 301-1000**

(Address, including Zip Code, and telephone number,  
including area code, of registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	HRI	New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Accelerated filer	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2022, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing price of the stock on the New York Stock Exchange on such date, was \$2.31 billion.

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**HERC HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following table summarizes the applicable accounting guidance for the Company's revenues (in millions):

	Years Ended December 31,								
	2022			2021			2020		
	Topic 842	Topic 606	Total	Topic 842	Topic 606	Total	Topic 842	Topic 606	Total
<b>Revenues:</b>									
Equipment rental	\$ 2,284.1	\$ —	\$ 2,284.1	\$ 1,728.9	\$ —	\$ 1,728.9	\$ 1,401.1	\$ —	\$ 1,401.1
Other rental revenue:									
Delivery and pick-up	—	169.7	169.7	—	109.6	109.6	—	86.7	86.7
Other	97.7	—	97.7	71.9	—	71.9	55.9	—	55.9
Total other rental revenues	97.7	169.7	267.4	71.9	109.6	181.5	55.9	86.7	142.6
<b>Total equipment rentals</b>	<b>2,381.8</b>	<b>169.7</b>	<b>2,551.5</b>	<b>1,800.8</b>	<b>109.6</b>	<b>1,910.4</b>	<b>1,457.0</b>	<b>86.7</b>	<b>1,543.7</b>
Sales of rental equipment	—	125.7	125.7	—	113.1	113.1	—	198.5	198.5
Sales of new equipment, parts and supplies	—	35.8	35.8	—	30.1	30.1	—	28.2	28.2
Service and other revenues	—	25.8	25.8	—	19.5	19.5	—	10.9	10.9
<b>Total revenues</b>	<b>\$ 2,381.8</b>	<b>\$ 357.0</b>	<b>\$ 2,738.8</b>	<b>\$ 1,800.8</b>	<b>\$ 272.3</b>	<b>\$ 2,073.1</b>	<b>\$ 1,457.0</b>	<b>\$ 324.3</b>	<b>\$ 1,781.3</b>

Topic 842 revenuesEquipment Rental Revenue

The Company offers a broad portfolio of equipment for rent on a hourly, daily, weekly or monthly basis, with substantially all rental agreements cancellable upon the return of the equipment. Virtually all customer contracts can be canceled by the customer with no penalty by returning the equipment within one day; therefore, the Company does not allocate the transaction price between the different contract elements.

Equipment rental revenue includes revenue generated from renting equipment to customers and is recognized on a straight-line basis over the length of the rental contract. As part of this straight-line methodology, when the equipment is returned, the Company recognizes as incremental revenue the excess, if any, between the amount the customer is contractually required to pay, which is based on the rental contract period applicable to the actual number of days the equipment was out on rent, over the cumulative amount of revenue recognized to date. In any given accounting period, the Company will have customers return equipment and be contractually required to pay more than the cumulative amount of revenue recognized to date under the straight-line methodology. Also included in equipment rental revenue is re-rent revenue in which the Company will rent specific pieces of equipment from vendors and then re-rent that equipment to its customers. Provisions for discounts, rebates to customers and other adjustments are provided for in the period the related revenue is recorded.

Other

Other equipment rental revenue is primarily comprised of fees for the Company's rental protection program and environmental charges. Fees paid for the rental protection program allow customers to limit the risk of financial loss in the event the Company's equipment is damaged or lost. Fees for the rental protection program and environmental recovery fees are recognized on a straight-line basis over the length of the rental contract.

Topic 606 revenuesDelivery and pick-up

Delivery and pick-up revenue associated with renting equipment is recognized when the services are performed.

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**HERC HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

*Sales of Rental Equipment, New Equipment, Parts and Supplies*

The Company sells its used rental equipment, new equipment, parts and supplies. Revenues recorded for each category are as follows (in millions):

	Years Ended December 31,		
	2022	2021	2020
Sales of rental equipment	\$ 125.7	\$ 113.1	\$ 198.5
Sales of new equipment	8.6	7.9	11.5
Sales of parts and supplies	27.2	22.2	16.7
Total	<u>\$ 161.5</u>	<u>\$ 143.2</u>	<u>\$ 226.7</u>

The Company recognizes revenue from the sale of rental equipment, new equipment, parts and supplies when control of the asset transfers to the customer, which is typically when the asset is picked up by or delivered to the customer and when significant risks and rewards of ownership have passed to the customer. Sales and other tax amounts collected from customers and remitted to government authorities are accounted for on a net basis and, therefore, excluded from revenue.

The Company routinely sells its used rental equipment in order to manage repair and maintenance costs, as well as the composition, age and size of its fleet. The Company disposes of used equipment through a variety of channels including retail sales to customers and other third parties, sales to wholesalers, brokered sales and auctions.

The Company also sells new equipment, parts and supplies. The types of new equipment that the Company sells vary by location and include a variety of ProContractor tools and supplies, small equipment (such as work lighting, generators, pumps, compaction equipment and power trowels), safety supplies and expendables.

Under Topic 606, the accounts receivable balance, prior to allowances for doubtful accounts, for the sale of rental equipment, new equipment, parts and supplies, was approximately \$8.6 million and \$11.1 million as of December 31, 2022 and 2021, respectively.

*Service and other revenues*

Service and other revenues primarily include revenue earned from equipment management and similar services for rental customers which includes providing customer support functions such as dedicated in-plant operations, plant management services, equipment and safety training, and repair and maintenance services particularly to industrial customers who request such services.

The Company recognizes revenue for service and other revenues as the services are provided. Service and other revenues are typically invoiced together with a customer's rental amounts and, therefore, it is not practical for the Company to separate the accounts receivable amount related to services and other revenues that are accounted for under Topic 606; however, such amount is not considered material.

*Receivables and contract assets and liabilities*

Most of the Company's equipment rental revenue is accounted for under Topic 842. The customers that are responsible for the remaining equipment rental revenue that is accounted for under Topic 606 are generally the same customers that rent the Company's equipment. Concentration of credit risk with respect to the Company's accounts receivable is limited because a large number of geographically diverse customers makes up its customer base. No single customer makes up more than 3% of the Company's equipment rental revenue or more than 5% of its accounts receivable balance for the last three years. The Company manages credit risk associated with its accounts receivable at the customer level through credit approvals, credit limits and other monitoring procedures. The Company maintains allowances for doubtful accounts that reflect the Company's estimate of the amount of receivables that the Company will be unable to collect based on its historical write-off experience.

The Company does not have material contract assets or contract liabilities associated with customer contracts. The Company's contracts with customers do not generally result in material amounts billed to customers in excess of recognizable revenue. The Company did not recognize material revenue during the years ended December 31, 2022, 2021 or 2020 that was included in the contract liability balance as of the beginning of each period.



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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2021**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Commission File Number 001-33139**

**HERC HOLDINGS INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**20-3530539**  
(I.R.S. Employer  
Identification Number)

**27500 Riverview Center Blvd.  
Bonita Springs, Florida 34134  
(239) 301-1000**

(Address, including Zip Code, and telephone number,  
including area code, of registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	HRI	New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Accelerated filer	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2021, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing price of the stock on the New York Stock Exchange on such date, was \$2.39 billion.

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**HERC HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following table summarizes the applicable accounting guidance for the Company's revenues (in millions):

	Years Ended December 31,								
	2021			2020			2019		
	Topic 842	Topic 606	Total	Topic 842	Topic 606	Total	Topic 842	Topic 606	Total
<b>Revenues:</b>									
Equipment rental	\$ 1,728.9	\$ —	\$ 1,728.9	\$ 1,401.1	\$ —	\$ 1,401.1	\$ 1,549.9	\$ —	\$ 1,549.9
Other rental revenue:									
Delivery and pick-up	—	109.6	109.6	—	86.7	86.7	—	98.0	98.0
Other	71.9	—	71.9	55.9	—	55.9	53.9	—	53.9
Total other rental revenues	71.9	109.6	181.5	55.9	86.7	142.6	53.9	98.0	151.9
<b>Total equipment rentals</b>	<b>1,800.8</b>	<b>109.6</b>	<b>1,910.4</b>	<b>1,457.0</b>	<b>86.7</b>	<b>1,543.7</b>	<b>1,603.8</b>	<b>98.0</b>	<b>1,701.8</b>
Sales of rental equipment	—	113.1	113.1	—	198.5	198.5	—	242.8	242.8
Sales of new equipment, parts and supplies	—	30.1	30.1	—	28.2	28.2	—	44.0	44.0
Service and other revenues	—	19.5	19.5	—	10.9	10.9	—	10.4	10.4
<b>Total revenues</b>	<b>\$ 1,800.8</b>	<b>\$ 272.3</b>	<b>\$ 2,073.1</b>	<b>\$ 1,457.0</b>	<b>\$ 324.3</b>	<b>\$ 1,781.3</b>	<b>\$ 1,603.8</b>	<b>\$ 395.2</b>	<b>\$ 1,999.0</b>

Topic 842 revenuesEquipment Rental Revenue

The Company offers a broad portfolio of equipment for rent on an hourly, daily, weekly or monthly basis, with substantially all rental agreements cancellable upon the return of the equipment. Virtually all customer contracts can be canceled by the customer with no penalty by returning the equipment within one day; therefore, the Company does not allocate the transaction price between the different contract elements.

Equipment rental revenue includes revenue generated from renting equipment to customers and is recognized on a straight-line basis over the length of the rental contract. As part of this straight-line methodology, when the equipment is returned, the Company recognizes as incremental revenue the excess, if any, between the amount the customer is contractually required to pay, which is based on the rental contract period applicable to the actual number of days the equipment was out on rent, over the cumulative amount of revenue recognized to date. In any given accounting period, the Company will have customers return equipment and be contractually required to pay more than the cumulative amount of revenue recognized to date under the straight-line methodology. Also included in equipment rental revenue is re-rent revenue in which the Company will rent specific pieces of equipment from vendors and then re-rent that equipment to its customers. Provisions for discounts, rebates to customers and other adjustments are provided for in the period the related revenue is recorded.

Other

Other equipment rental revenue is primarily comprised of fees for the Company's rental protection program and environmental charges. Fees paid for the rental protection program allow customers to limit the risk of financial loss in the event the Company's equipment is damaged or lost. Fees for the rental protection program and environmental recovery fees are recognized on a straight-line basis over the length of the rental contract.

Topic 606 revenuesDelivery and pick-up

Delivery and pick-up revenue associated with renting equipment is recognized when the services are performed.



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**HERC HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

*Sales of Rental Equipment, New Equipment, Parts and Supplies*

The Company sells its used rental equipment, new equipment, parts and supplies. Revenues recorded for each category are as follows (in millions):

	Years Ended December 31,		
	2021	2020	2019
Sales of rental equipment	\$ 113.1	\$ 198.5	\$ 242.8
Sales of new equipment	7.9	11.5	21.0
Sales of parts and supplies	22.2	16.7	23.0
Total	<u>\$ 143.2</u>	<u>\$ 226.7</u>	<u>\$ 286.8</u>

The Company recognizes revenue from the sale of rental equipment, new equipment, parts and supplies when control of the asset transfers to the customer, which is typically when the asset is picked up by or delivered to the customer and when significant risks and rewards of ownership have passed to the customer. Sales and other tax amounts collected from customers and remitted to government authorities are accounted for on a net basis and, therefore, excluded from revenue.

The Company routinely sells its used rental equipment in order to manage repair and maintenance costs, as well as the composition, age and size of its fleet. The Company disposes of used equipment through a variety of channels including retail sales to customers and other third parties, sales to wholesalers, brokered sales and auctions.

The Company also sells new equipment, parts and supplies. The types of new equipment that the Company sells vary by location and include a variety of ProContractor tools and supplies, small equipment (such as work lighting, generators, pumps, compaction equipment and power trowels), safety supplies and expendables.

Under Topic 606, the accounts receivable balance, prior to allowances for doubtful accounts, for the sale of rental equipment, new equipment, parts and supplies, was approximately \$11.1 million and \$13.8 million as of December 31, 2021 and 2020, respectively.

*Service and other revenues*

Service and other revenues primarily include revenue earned from equipment management and similar services for rental customers which includes providing customer support functions such as dedicated in-plant operations, plant management services, equipment and safety training, and repair and maintenance services particularly to industrial customers who request such services.

The Company recognizes revenue for service and other revenues as the services are provided. Service and other revenues are typically invoiced together with a customer's rental amounts and, therefore, it is not practical for the Company to separate the accounts receivable amount related to services and other revenues that are accounted for under Topic 606; however, such amount is not considered material.

*Receivables and contract assets and liabilities*

Most of the Company's equipment rental revenue is accounted for under Topic 842. The customers that are responsible for the remaining equipment rental revenue that is accounted for under Topic 606 are generally the same customers that rent the Company's equipment. Concentration of credit risk with respect to the Company's accounts receivable is limited because a large number of geographically diverse customers makes up its customer base. No single customer makes up more than 3% of the Company's equipment rental revenue or more than 5% of its accounts receivable balance for the last three years. The Company manages credit risk associated with its accounts receivable at the customer level through credit approvals, credit limits and other monitoring procedures. The Company maintains allowances for doubtful accounts that reflect the Company's estimate of the amount of receivables that the Company will be unable to collect based on its historical write-off experience.

The Company does not have material contract assets or contract liabilities associated with customer contracts. The Company's contracts with customers do not generally result in material amounts billed to customers in excess of recognizable revenue. The Company did not recognize material revenue during the years ended December 31, 2021, 2020 or 2019 that was included in the contract liability balance as of the beginning of such period.

# Exhibit 11

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D. C. 20549

**FORM 10-K**

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-51759

**H&E EQUIPMENT SERVICES, INC.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

7500 Pecan Lane

Baton Rouge, Louisiana 70809

(Address of Principal Executive Office, including Zip Code)

81-0551291  
(202) 396-5200  
(Issuer's Telephone No.)

(225) 296-5200

(Registrant's Telephone Number, including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	HEDH	Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act: Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (17 CFR 232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files): Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

☒

Accelerated Filer

☐

Non-Accelerated Filer

☐

Smaller Reporting Company

☐

Emerging Growth Company

☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act: ☐

Indicate by check mark whether the registrant has filed a report on and attestation by its management of its effectiveness of its internal controls over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (17 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report: ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error in previously issued financial statements: ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b): ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes ☐ No ☒

valuation multiples are: (i) derived from the operating data of selected guideline companies; (ii) evaluated and adjusted based on the strengths and weaknesses of our reporting unit relative to the selected guideline companies; and (iii) applied to the operating data of our reporting unit to arrive at an indication of value. The application of the market approach results in an estimate of the price reasonably expected to be realized from the sale of the reporting unit.

**Income Taxes.** The Company files a consolidated federal income tax return with its wholly-owned subsidiaries. The Company is a U.S. corporation under the provisions of the Internal Revenue Code. We utilize the asset and liability approach to measure deferred tax assets and liabilities based on temporary differences existing at each balance sheet date using currently enacted tax rates. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rate is recognized as income or expense in the period that includes the enactment date of that tax rate.

The Company recognizes the effect of an income tax position only if it is more likely than not (a likelihood of greater than 50%) that such position will be sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company recognizes both interest and penalties related to uncertain tax positions in net other income (expense).

Our deferred tax calculation requires management to make certain estimates about future operations. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. These estimates involve judgment. There has been no change to the assumption methodology during the current or prior period.

Our U.S. federal tax returns for 2020 and subsequent years remain subject to examination by tax authorities. We are also subject to examination in various state jurisdictions for 2019 and subsequent years.

## Results of Operations

The tables included in the period-to-period comparisons below provide summaries of our revenues and gross profits for the years ended December 31, 2023 and 2022. The period-to-period comparisons of our financial results are not necessarily indicative of future results. All financial results and metrics discussed below are on a continuing operations basis.

As discussed further in Note 2 and Note 3 to our Consolidated Financial Statements, on October 1, 2021, the Company sold its crane business and during the second quarter of 2022 the Company finalized closing adjustments. The results of operations of the Crane Sale are reported in discontinued operations in the Consolidated Statements of Income for the years ended December 31, 2022 and 2021. The Consolidated Statements of Cash Flows includes cash flow related to the discontinued operations and accordingly, cash flow amounts for discontinued operations are disclosed in Note 3 "Acquisitions and Dispositions".

Our prior year discussion for the years ended December 31, 2022 and 2021 can be found here, in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2022, which is incorporated by reference herein.

## Year Ended December 31, 2023 Compared to the Year Ended December 31, 2022

### Revenues

	For the Year Ended December 31,		Total Dollar Increase (Decrease)	Total Percentage Increase (Decrease)
	2023	2022		
<b>Revenues:</b>				
Equipment rentals				
Rentals .....	\$ 1,051,632	\$ 847,555	\$ 204,077	24.1%
Rentals other .....	134,520	108,487	26,033	24.0%
Total equipment rentals .....	1,186,152	956,042	230,110	24.1%
Sales of rental equipment .....	165,074	90,685	74,389	81.6%
Sales of new equipment .....	39,099	92,326	(53,427)	(57.7)%
Parts, service and other .....	18,891	103,065	(26,174)	(24.9)%
Total revenues .....	\$ 1,469,216	\$ 1,244,518	\$ 224,698	18.1%

**Total Revenues.** Our total revenues were \$1.5 billion for the year ended December 31, 2023 compared to \$1.2 billion for the year ended December 31, 2022, an increase of \$224.7 million, or 18.1%. Revenues of our business activities are further discussed below.

**Equipment Rental Revenues.** Our total revenues from equipment rentals for the year ended December 31, 2023 increased \$230.1 million, or 24.1%, to \$1.2 billion from \$956.0 million in 2022. The increase in equipment rental revenues was primarily due to our larger fleet and increased rental rates as compared to the prior year. See Rentals and Rentals Other below for additional information.

**Rentals.** Rental revenues increased \$204.1 million, or 24.1%, to \$1.1 billion for the year ended December 31, 2023 compared to \$847.6 million for the year ended December 31, 2022. Rental revenues from material handling equipment increased \$65.4 million, aerial work platform equipment increased \$60.0 million, earthmoving equipment increased \$49.2 million and other equipment increased \$29.5 million as compared to the prior period. Our average rental rates, based on the American Rental Association's calculation methodology, for the year ended December 31, 2023 increased 5.6% compared to the year ended December 31, 2022. Rental equipment dollar utilization (annual rental revenues divided by the average original rental fleet equipment costs) for the year ended December 31, 2023 decreased 0.6% to 40.3% from 40.9% in 2022. The decrease in comparative rental equipment dollar utilization was the net result of a decrease in rental equipment time utilization and an increase in equipment rental rates. Rental equipment time utilization as a percentage of original equipment cost was approximately 68.8% for the year ended December 31, 2023 compared to 72.3% in the year ended December 31, 2022, a decrease of 3.5%.

**Rentals Other.** Our rentals other revenues consist primarily of equipment support activities that we provide to customers in connection with renting equipment, such as hauling charges, damage waiver policies, environmental and other recovery fees. Rental other revenues for the year ended December 31, 2023 were \$134.5 million compared to \$108.5 million for the year ended December 31, 2022, an increase of \$26.0 million, or 24.0%, primarily due to the increase in equipment rental revenues as described above.

**Sales of Rental Equipment Revenues.** Our sales of rental equipment for the year ended December 31, 2023 increased \$74.2 million, or 81.6%, to \$165.1 million from \$90.9 million in 2022. This increase is reflective of our fleet management strategy and our decision to capitalize on the high demand for used equipment. Sales of used earthmoving equipment, material handling equipment and aerial work platform equipment increased \$32.5 million, \$21.1 million and \$13.7 million, respectively.

**Sales of New Equipment Revenues.** Our sales of new equipment decreased \$53.4 million, or 57.7%, to \$39.1 million for the year ended December 31, 2023, from \$92.5 million for the same period in 2022. This decrease is primarily reflective of the sale of our Komatsu Earthmoving Distributorship during the fourth quarter of 2022, as a result of which sales of new earthmoving equipment decreased \$52.4 million. Additionally, sales of new material handling equipment and other equipment decreased \$3.1 million and \$1.6 million, respectively. Offsetting these decreases, sales of new aerial work platform equipment increased \$2.7 million.

**Parts, Service and Other Revenues.** Our parts, service and other revenues decreased \$26.2 million, or 24.8%, to \$78.9 million for the year ended December 31, 2023 from \$105.1 million for the same period in 2022. The decreases in parts and service sales were largely attributable to decreases related to earthmoving equipment following the sale of our Komatsu Earthmoving Distributorship during the fourth quarter of 2022.

#### Gross Profit

	For the Year Ended December 31,		Total Dollar Increase (Decrease)	Total Percentage Increase (Decrease)
	2023	2022		
	(in thousands, except percentages)			
Gross Profit:				
Equipment rentals:				
Rentals	\$ 547,792	\$ 451,310	\$ 96,482	21.4%
Rentals other	5,647	8,933	(3,286)	(36.8)%
Total equipment rentals	553,439	460,243	93,196	20.2%
Sales of rental equipment	99,891	44,316	55,575	125.4%
Sales of new equipment	5,530	13,096	(7,566)	(57.8)%
Parts, service and other	25,601	37,508	(11,907)	(31.7)%
Total gross profit	\$ 684,461	\$ 555,163	\$ 129,298	23.3%

**Total Gross Profit.** Our total gross profit was \$684.5 million for the year ended December 31, 2023 compared to \$555.2 million for the year ended December 31, 2022, an increase of \$129.3 million, or 23.3%. Total gross profit margin for the year ended December 31, 2023 was approximately 46.6%, an increase of 2.0% from the 44.6% gross profit margin for the same period in 2022. Gross profits and gross margins of our business activities are further described below.

**Equipment Rentals Gross Profit.** Our total gross profit from equipment rentals for the year ended December 31, 2023 increased \$93.2 million, or 20.2%, to approximately \$553.4 million from \$460.2 million in 2022. Total gross profit margin from equipment



**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D. C. 20549

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**FORM 10-K**

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(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2022

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-51759

## H&E EQUIPMENT SERVICES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)  
  
7509 Pecos Lane,  
Baton Rouge, Louisiana 70809  
(Address of Principal Executive Office, including Zip Code)

81-0553291  
(SEC Registry or  
Identification No.)  
  
(225) 248-5200  
(Registrant's Telephone Number, including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	HES	Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act: Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files): Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer ☐  
Non-Accelerated Filer ☐ Smaller Reporting Company ☐  
Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act: ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(a) of the Sarbanes-Oxley Act (17 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report: ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error or previously issued financial statements: ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 304.10(b)-1(b): ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes ☐ No ☒

The aggregate market value of the common stock held by non-affiliates of the registrant was approximately \$1,247,347,610 (as reported by reference to the closing sale price of the registrant's common stock on the Nasdaq Global Market on June 30, 2022, the last business day of the registrant's most recently completed second fiscal quarter).



The Company recognizes the effect of an income tax position only if it is more likely than not (a likelihood of greater than 50%) that such position will be sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company recognizes both interest and penalties related to uncertain tax positions in net other income (expense).

Our deferred tax calculation requires management to make certain estimates about future operations. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. These estimates involve judgment. There has been no change to the assumption methodology during the current or prior period.

Our U.S. federal tax returns for 2019 and subsequent years remain subject to examination by tax authorities. We are also subject to examination in various state jurisdictions for 2019 and subsequent years.

### Results of Operations

The tables included in the period-to-period comparisons below provide summaries of our revenues and gross profits for our business segments and non-segmented revenues for the years ended December 31, 2022 and 2021. The period-to-period comparisons of our financial results are not necessarily indicative of future results. All financial results and metrics discussed below are on a continuing operations basis.

As discussed further in Note 2 and Note 3 to our Consolidated Financial Statements, on October 1, 2021, the Company sold its crane business. The results of operations of the Crane Sale are reported in discontinued operations in the Consolidated Statements of Operations for all periods presented. The Consolidated Statements of Cash Flows includes cash flow related to the discontinued operations and accordingly, cash flow amounts for discontinued operations are disclosed in Note 3 "Acquisitions and Dispositions".

Our prior year discussion for the years ended December 31, 2021 and 2020 can be found here, in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2021, which is incorporated by reference herein.

### Year Ended December 31, 2022 Compared to the Year Ended December 31, 2021

#### Revenues

	For the Year Ended December 31,		Total Dollar Increase (Decrease)	Total Percentage Increase (Decrease)
	2022	2021		
Segment revenues:				
Equipment rentals:				
Rentals:	\$ 847,555	\$ 653,004	\$ 194,551	29.8%
Rentals other:	108,487	76,695	31,791	41.5%
Total equipment rentals:	956,042	729,700	226,342	31.0%
Used equipment sales:	90,885	131,245	(40,360)	(30.8%)
New equipment sales:	92,526	92,677	(151)	(0.2%)
Parts sales:	64,646	65,623	(977)	(1.5%)
Services revenues:	34,226	33,034	1,192	3.6%
Non-Segmented other revenues:	6,193	6,518	(325)	(5.0%)
Total revenues:	\$ 1,244,518	\$ 1,062,797	\$ 181,721	17.1%

**Total Revenues.** Our total revenues were \$1.2 billion for the year ended December 31, 2022 compared to \$1.1 billion for the year ended December 31, 2021, an increase of \$181.7 million, or 17.1%. Revenues of all reportable segments and non-segmented other revenues are further discussed below.

**Equipment Rental Revenues.** Our total revenues from equipment rentals for the year ended December 31, 2022 increased \$226.3 million, or 31.0%, to \$956.0 million from \$729.7 million in 2021. The increase in equipment rental revenues was primarily due to our larger fleet, increased rental rates and increased demand as compared to the prior year. See Rentals and Rentals Other below for additional information.

**Rentals.** Rental revenues increased \$194.6 million, or 29.8%, to \$847.6 million for the year ended December 31, 2022 compared to \$653.0 million for the year ended December 31, 2021. Rental revenues from earthmoving equipment increased \$62.5 million, material handling rental revenues increased \$56.4 million, aerial work platform rental revenues increased \$43.8 million and rental revenues from other equipment increased \$32.9 million as compared to the prior period. Our average rental rates, based on the

American Rental Association's calculation methodology, for the year ended December 31, 2022 increased 9.2% compared to the year ended December 31, 2021. Rental equipment dollar utilization (annual rental revenues divided by the average original rental fleet equipment costs) for the year ended December 31, 2022 increased 4.1% to 40.9% from 36.8% in 2021. The increase in comparative rental equipment dollar utilization was primarily the result of an increase in rental equipment time utilization and the increase in equipment rental rates as noted above. Rental equipment time utilization as a percentage of original equipment cost was approximately 72.3% for the year ended December 31, 2022 compared to 69.7% in the year ended December 31, 2021, an increase of 2.6%, largely attributable to the increase in demand in the current year.

**Rentals Other:** Our rentals other revenues consist primarily of equipment support activities that we provide to customers in connection with renting equipment, such as handling charges, damage waiver policies, environmental and other recovery fees. Rental other revenues for the year ended December 31, 2022 were \$108.5 million compared to \$76.7 million for the year ended December 31, 2021, an increase of \$31.8 million, or 41.5%, primarily due to the increase in equipment rental revenues as described above.

**Used Equipment Sales Revenues:** Our used equipment sales for the year ended December 31, 2022 decreased \$44.4 million, or 32.8%, to \$90.9 million from \$135.2 million in 2021. This decrease is reflective of the increased rental demand and our decision to capitalize on high equipment utilization during the year. Sales of used material handling equipment, aerial work platform equipment and earthmoving equipment decreased \$25.0 million, \$10.3 million and \$8.1 million, respectively.

**New Equipment Sales Revenues:** Our new equipment sales decreased \$0.2 million, or 0.2%, to \$92.5 million for the year ended December 31, 2022, from \$92.7 million for the same period in 2021. This decrease in new equipment sales was driven largely by the decrease in sales of new aerial work platform equipment of \$3.0 million. Partially offsetting these decreases was the increase in sales of new other equipment and new material handling equipment of \$2.5 million and \$0.7 million, respectively.

**Parts Sales Revenues:** Our parts sales revenues decreased \$1.0 million, or 1.5%, to \$64.6 million for the year ended December 31, 2022 from \$65.6 million for the same period in 2021. The decrease in parts sales was largely attributable to decreases in parts sales for our earthmoving equipment.

**Services Revenues:** Our services revenues for the year ended December 31, 2022 increased \$1.2 million, or 3.6%, to \$34.2 million from \$33.0 million in the same period last year. The increase in services revenues was largely attributable to increases in our material handling and earthmoving equipment product lines.

**Non-Segmented Other Revenues:** Our non-segmented other revenues relate to equipment support activities that we provide to customers in connection with used and new equipment sales and parts and services revenues and are generally not allocated to our reportable segments. For the year ended December 31, 2022, our other revenues were \$6.2 million, a decrease of approximately \$0.3 million, or 5.0%, from \$6.5 million in 2021.

#### Gross Profit

	For the Year Ended December 31,		Total Dollar Increase (Decrease)	Total Percentage Increase (Decrease)
	2022	2021		
	(in thousands, except percentages)			
Segment Gross Profit (Loss):				
Equipment rentals:				
Rentals:	\$ 451,310	\$ 315,367	\$ 135,943	42.9%
Rentals other:	8,933	(238)	9,171	3853.4%
Total equipment rentals:	460,243	315,129	144,614	45.8%
Used equipment sales:	44,316	48,922	(4,606)	(9.4%)
New equipment sales:	13,096	21,855	1,241	10.5%
Parts sales:	18,035	17,277	758	4.4%
Services revenues:	21,998	21,797	201	0.9%
Non-segmented revenues: gross loss:	(2,323)	(117)	(2,408)	(2038.1%)
Total gross profit:	\$ 555,163	\$ 415,363	\$ 139,800	33.7%

**Total Gross Profit:** Our total gross profit was \$555.2 million for the year ended December 31, 2022 compared to \$415.4 million for the year ended December 31, 2021, an increase of \$139.8 million, or 33.7%. Total gross profit margin for the year ended December 31, 2022 was approximately 44.6%, an increase of 5.3% from the 39.1% gross profit margin for the same period in 2021. Gross profit and gross margin for all reportable segments and non-segmented other are further described below.

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D. C. 20549

**FORM 10-K**

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-51759

**H&E EQUIPMENT SERVICES, INC.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

81-0553291  
(IRS Employer  
Identification No.)

7500 Pecue Lane,  
Baton Rouge, Louisiana 70809  
(Address of Principal Executive Offices, including Zip Code)

(225) 298-5200  
(Registrant's Telephone Number, including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	HEES	Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer ☒

Accelerated Filer ☐

Non-Accelerated Filer ☐

Smaller Reporting Company ☐

Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the common stock held by non-affiliates of the registrant was approximately \$1,201,652,813 (computed by reference to the closing sale price of the registrant's common stock on the Nasdaq Global Market on June 30, 2021, the last business day of the registrant's most recently completed second fiscal quarter).

As of February 17, 2022, there were 36,154,044 shares of common stock, par value \$0.01 per share, of the registrant outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the document listed below have been incorporated by reference into the indicated parts of this Form 10-K, as specified in the responses to the item numbers involved.

Part III The registrant's definitive proxy statement, for use in connection with the Annual Meeting of Stockholders, to be filed within 120 days after the registrant's fiscal year ended December 31, 2021.

Auditor Firm Id: 243 Auditor Name: BDO USA, LLP Auditor Location: Dallas, Texas, USA

**Income Taxes.** We recorded an income tax expense of \$21.2 million for the year ended December 31, 2021 compared to an income tax benefit of approximately \$13.4 million for the year ended December 31, 2020. Our effective income tax rate for the year ended December 31, 2021 was 25.9% compared to 22.4% for the same period last year, an increase of 3.4%. The increase in our effective tax rate is primarily due to the net change in permanent differences in relation to profit before tax. Our rate for the year ended December 31, 2020 included the impact of a \$2.6 million income tax expense related to nondeductible goodwill impairment.

On March 27, 2020, the CARES Act was signed into law. The income tax related provisions of the CARES Act did not have a material impact to our recorded income tax benefit for the year ended December 31, 2020. See Note 12 to our Consolidated Financial Statements for a discussion of the CARES Act's favorable cash impact to our liquidity.

Based on available evidence, both positive and negative, we believe it is more likely than not that our federal deferred tax assets at December 31, 2021 are fully realizable through future reversals of existing taxable temporary differences and future taxable income. For the year ended December 31, 2021, we have a \$7.6 million valuation allowance for certain state tax credits that may not be realized.

#### **Year Ended December 31, 2020 Compared to the Year Ended December 31, 2019**

##### **Revenues.**

	For the Year Ended December 31,		Total Dollar Increase (Decrease)	Total Percentage Increase (Decrease)
	2020	2019		
	(in thousands, except percentages)			
Segment revenues:				
Equipment rentals				
Rentals	\$ 581,144	\$ 671,751	\$ (90,607)	(13.5)%
Rentals Other	63,301	70,204	(6,903)	(9.8)%
Total equipment rentals	644,445	741,955	(97,510)	(13.1)%
Used equipment sales	139,769	122,591	17,178	14.0%
New equipment sales	113,708	131,798	(18,090)	(13.7)%
Parts sales	65,881	77,569	(11,688)	(15.1)%
Services revenues	35,989	41,521	(5,532)	(13.3)%
Non-Segmented other revenues	7,183	8,327	(1,144)	(13.7)%
Total revenues	\$ 1,006,975	\$ 1,123,761	\$ (116,786)	(10.4)%

**Total Revenues.** Our total revenues were \$1.0 billion for the year ended December 31, 2020 compared to \$1.1 billion for the year ended December 31, 2019, a decrease of \$116.8 million, or 10.4%. Revenues of all reportable segments and non-segmented other revenues are further discussed below.

**Equipment Rental Revenues.** Our total revenues from equipment rentals for the year ended December 31, 2020 decreased \$97.5 million, or 13.1%, to \$644.4 million from \$742.0 million in 2019. The decrease in equipment rental revenues was largely due to decreased demand from the impact of the COVID-19 economic downturn.

**Rentals:** Rental revenues decreased \$90.6 million, or 13.5%, to \$581.1 million for the year ended December 31, 2020 compared to \$671.8 million for the year ended December 31, 2019. Rental revenues from aerial work platform equipment decreased \$36.1 million, material handling rental revenues decreased \$21.7 million, and earthmoving rental revenues decreased \$14.3 million. Rental revenues from other equipment decreased \$13.9 million as compared to the prior period. The product line rental revenue fluctuations above do not include the impact of legacy WRI equipment rental revenues of \$4.7 million for February 2019 through April 2019. Our average rental rates, based on the American Rental Association's calculation methodology, for the year ended December 31, 2020 decreased 2.7% compared to the year ended December 31, 2019. Our average rental rates for the year ended December 31, 2019 do not include the impact of legacy WRI rental revenues for February 2019 through April 2019.

Rental equipment dollar utilization (annual rental revenues divided by the average original rental fleet equipment costs) for the year ended December 31, 2020 decreased 4.2% to 32.6% from 36.8% in 2019. The decrease in comparative rental equipment dollar utilization was primarily the result of the decrease in equipment rental rates as noted above and a decrease in rental equipment time utilization. Rental equipment time utilization as a percentage of original equipment cost was approximately 62.9% for the year ended December 31, 2020 compared to 70.0% in the year ended December 31, 2019, a decrease of 7.0%, largely attributable to the decrease in demand due to the economic downturn surrounding the COVID-19 pandemic.

**Rentals Other:** Our rentals other revenues consist primarily of equipment support activities that we provide to customers in connection with renting equipment, such as hauling charges, damage waiver policies, environmental and other recovery fees. Rental other revenues for the year ended December 31, 2020 were \$63.3 million compared to \$70.2 million for the year ended



December 31, 2019, a decrease of \$6.9 million, or 9.8%, primarily due to the decrease in equipment rental revenues as described above.

*Used Equipment Sales Revenues.* Our used equipment sales increased \$17.2 million, or 14.0%, to \$139.8 million for the year ended December 31, 2020, from \$122.6 million for the same period in 2019. This increase in used equipment sales reflects some downsizing of our rental fleet in response to COVID-19's impact on rental demand combined with improved customer demand for used equipment. Sales of used earthmoving equipment, used material handling equipment and other used equipment sales increased \$12.2 million, \$3.5 million and \$2.6 million, respectively. Partially offsetting these increases were decreases of used aerial work platform equipment of \$1.4 million.

*New Equipment Sales Revenues.* Our new equipment sales for the year ended December 31, 2020 decreased \$18.1 million, or 13.7%, to \$113.7 million from \$131.8 million in 2019. This decrease, as noted below, was driven primarily by decreased sales of new equipment from continuing uncertainty related to oil and gas prices, and decreases in sales of our other product lines as customers have delayed, and in some cases, canceled large capital purchases due to the uncertainty surrounding the COVID-19 pandemic. Sales of new material handling equipment, earthmoving equipment and aerial work platform equipment decreased \$14.5 million, \$5.8 million and \$2.9 million, respectively. Partially offsetting these decreases, sales of new other equipment sales increased \$4.7 million.

*Parts Sales Revenues.* Our parts sales revenues decreased \$11.7 million, or 15.1%, to \$65.9 million for the year ended December 31, 2020 from \$77.6 million for the same period in 2019. The decrease in parts sales was largely attributable to decreases in equipment parts sales across all product lines, reflecting the COVID-19 impacts on our parts business.

*Services Revenues.* Our services revenues for the year ended December 31, 2020 decreased \$5.5 million, or 13.3%, to \$36.0 million from \$41.5 million in the same period last year. The decrease in service revenues was largely attributable to decreases in earthmoving equipment, aerial work platforms and material handling equipment services.

*Non-Segmented Other Revenues.* Our non-segmented other revenues relate to equipment support activities that we provide to customers in connection with used and new equipment sales and parts and services revenues and are generally not allocated to our reportable segments. For the year ended December 31, 2020, our other revenues were \$7.2 million, a decrease of approximately \$1.1 million, or 13.7%, from \$8.3 million in 2019.

#### *Gross Profit.*

	For the Year Ended December 31,		Total Dollar Increase (Decrease)	Total Percentage Increase (Decrease)
	2020	2019		
	(in thousands, except percentages)			
Segment Gross Profit (loss):				
Equipment rentals				
Rentals	\$ 258,116	\$ 335,369	\$ (77,253)	(23.0)%
Rentals Other	(608)	1,112	(1,720)	(154.7)%
Total equipment rentals	257,508	336,481	(78,973)	(23.5)%
Used equipment sales	44,970	41,823	3,147	7.5%
New equipment sales	12,207	15,512	(3,305)	(21.3)%
Parts sales	17,750	22,331	(4,581)	(20.5)%
Services revenues	24,464	28,408	(3,944)	(13.9)%
Non-Segmented other gross profit (loss)	164	(1,737)	1,901	109.4%
Total gross profit	\$ 357,063	\$ 442,818	\$ (85,755)	(19.4)%

*Total Gross Profit.* Our total gross profit was \$357.1 million for the year ended December 31, 2020 compared to \$442.8 million for the year ended December 31, 2019, a decrease of \$85.8 million, or 19.4%. Total gross profit margin for the year ended December 31, 2020 was approximately 35.5%, a decrease of 3.9% from the 39.4% gross profit margin for the same period in 2019. Gross profit and gross margin for all reportable segments and non-segmented other revenues are further described below.

*Equipment Rentals Gross Profit.* Our total gross profit from equipment rentals for the year ended December 31, 2020 decreased \$79.0 million, or 23.5%, to approximately \$257.5 million from \$336.5 million in 2019. Total gross profit margin from equipment rentals for the year ended December 31, 2020 was approximately 40.0% compared to 45.4% for the year ended December 31, 2019, a decrease of 5.4%. See Rentals and Rentals Other below for additional information.

*Rentals:* Rental revenue gross profit decreased \$77.3 million to \$258.1 million for the year ended December 31, 2020 compared to \$335.4 million for the year ended December 31, 2019. The decrease in rentals gross profit was the result of a \$90.6 million decrease in rental revenues for the year ended December 31, 2020 compared to the prior year, which was partially offset

# Exhibit 12



ACCOUNT NUMBER: EQ0001042

EMPIRE SOUTHWEST, LLC 2023

CatGroup/ID	Cat/Group Desc	Acquisition Year	Total Acquisition Cost
CE010040	REACH FORKLIFT 12,000LB 55' LIFT, CAB	2022	151,369.00
CE010007	REACH FORKLIFT 10,000LB 55' LIFT, CAB	2022	141,841.00
CE008780	REACH FORKLIFT 12,000LB 55' LIFT	2022	137,130.78
CE010360	938 WHEEL LOADER W/FUSION & 3RD VALVE	2022	132,083.13
CE009347	REACH FORKLIFT 10,000LB 55' LIFT, CAB	2022	130,679.00
CE008607	926 WHEEL LOADER	2022	124,670.04
CE010030	REACH FORKLIFT 10,000LB 55' LIFT	2022	114,575.00
CE012574	REACH FORKLIFT 9,000LB 43' LIFT	2022	114,366.00
CE006880	450 BACKHOE LOADER	2022	107,797.34
CE012830	420 BACKHOE LOADER W/CAB	2022	103,557.22
CE011028	REACH FORKLIFT 6,000LB 42' LIFT	2022	92,048.00
CE006384	REACH FORKLIFT 10,000LB 55' LIFT	2022	87,205.21
CE007601	REACH FORKLIFT 9,000LB 43' LIFT, CAB	2022	81,334.00
CE015069	415 SKIP LOADER	2022	81,288.62
CE008914	308 MINI EX W/CAB	2022	72,352.72
CE011863	289 / 265-05 CTL	2022	72,173.41
CE007864	308 MINI EX W/CAB	2022	70,026.88
CE008586	305.5 / 306 MINI EX	2022	54,689.22
CE010852	279 CTL W/HIGH FLOW/H3	2022	54,114.53
CE040370	236 SSL W/CAB	2023	53,230.28
CE016823	236 SSL W/CAB	2023	51,122.13
CE012644	303.5 MINI EX W/CAB	2022	44,738.20
CE012976	226 SSL W/CAB	2022	36,466.93
CE040023	301.7 MINI EX	2022	27,907.90
CE011493	226 SSL W/CAB	2022	27,301.61
CE008903	301.7 MINI EX	2022	21,535.25
CE009659	DOUBLE DRUM ROLLER 35" CB14/CB1.7/CB1.8	2022	19,661.00
CE019748N	938 MP BUCKET	2022	19,445.91
CE017608Z	COLD PLANER ATTACHMENT (SSL/CTL)	2022	15,281.85
UR001101	UTV/JOB CART 2 SEAT DIESEL	2022	10,667.00

UR001142	UTV/JOB CART 2 SEAT DIESEL	2022	10,667.00
CE014840Q	311, 313, 314, 315 QUICK COUPLER	2022	6,377.00
CE008246N	924/926 BUCKETS	2022	5,965.96
CE010113E	36" 320, 321, M322, 323, 325 BUCKET	2022	5,289.17
CE014840E	36" 311, 313, 314, 315 BUCKET	2022	4,502.66
CE016061Z	A26 / A68 AUGER	2022	4,000.43
CE005720D	30" 311, 313, 314, 315 BUCKET	2022	3,732.22
CE010886E	36" 316 BUCKET	2022	3,447.18
CE008914Q	307, 308, 309 MECH QUICK COUPLER	2022	3,026.82
UR001104	UTV/JOB CART 2 SEAT DIESEL	2022	2,886.71
CE007864Q	307, 308, 309 HYD QUICK COUPLER	2022	2,834.35
CE013999Z	A19 / A41 AUGER (SSL/CTL, 303, 305)	2022	2,620.54
CE009353F	420, 430 IT LOADER FORKS	2022	2,220.02
CE017214C	24" 446, 450, 310 BUCKET	2022	1,708.66
CE012644Q	303 & 304 HYD QUICK COUPLER	2022	1,682.16
CE016422C	24" 307, 308, 309 BUCKET	2022	1,597.45
CE012978E	36" 307, 308, 309 BUCKET	2022	1,561.77
CE016705T	301 THUMB	2022	1,319.43
UR001064	UTV/JOB CART 2 SEAT DIESEL	2022	1,292.44
CE016813C	24" 415/416/420/430/440 BUCKET	2022	1,273.25
CE016206N	GP BUCKET 74" (SSL/CTL)	2022	1,183.72
CE015897A	12" 415/416/420/430/440 BUCKET	2022	1,174.78
CE013763N	GP BUCKET 80" (SSL/CTL)	2022	1,148.47
CE015807N	GP BUCKET 74" (SSL/CTL)	2022	1,119.74
CE016203N	GP BUCKET 68" (SSL/CTL)	2022	1,091.36
CE016168E	36" 303 & 304 BUCKET	2022	1,069.68
CE015903B	18" 415/416/420/430/440 BUCKET	2022	1,023.78
CE015731C	24" 305 & 306 BUCKET	2022	907.58
CE011460A	12" 415/416/420/430/440 BUCKET	2022	889.80
CE016823B	18" AUGER BITS (FITS A19/A26/A68/A41)	2022	852.00
CE017420C	24" AUGER BITS (FITS A19/A26/A68/A41)	2022	848.21
CE012015N	GP BUCKET 62" (SSL/CTL)	2022	813.07
CE012270N	GP BUCKET 62" (SSL/CTL)	2022	813.07

CE012314D	30" 303 & 304 BUCKET	2022	810.00
CE016239A	10" 302 BUCKET	2022	801.08
CE009165N	GP BUCKET 62" (SSL/CTL)	2022	792.39
CE010667N	GP BUCKET 62" (SSL/CTL)	2022	792.39
CE016845F	FORKS (SSL/CTL)	2022	768.10
CE014137Z	HAMMER GUARD FOR 305	2022	764.10
CE011898A	12" 305 & 306 BUCKET	2022	741.80
CE016163A	12" 303 & 304 BUCKET	2022	716.26
CE011201B	18" 305 & 306 BUCKET	2022	699.88
CE011732A	12" 305 & 306 BUCKET	2022	687.05
CE014230Q	301 QUICK COUPLER	2022	529.66
CE016702C	24" 301 BUCKET	2022	523.06
CE015641Q	301 QUICK COUPLER	2022	476.69
CE015862A	12" 302 BUCKET	2022	462.27
CE017804A	12" 301 BUCKET	2022	450.28
CE018658A	12" 301 BUCKET	2022	450.28
CE010687B	18" 302 BUCKET	2022	439.88
CE013202C	24" 301 BUCKET	2022	408.46
CE014079Z	A19/A41 AUGER BRACKET (303,304,305,306)	2022	317.87
CE013818A	9" AUGER BIT (FITS A19/A26/A68/A41)	2022	301.11
CE017316A	6" AUGER BIT (FITS A19/A26/A68/A41)	2022	254.46
CE019916Z	AUGER EXTENSION (FITS A19/A26/A68/A41)	2022	235.44
CE013565A	6" AUGER BIT (FITS A19/A26/A68/A41)	2022	229.02
CE013027Z	HAMMER GUARD FOR 314D-321D, *NOT 316*	2022	188.96
CE015290Z	24" 415/416/420/430/440 BUCKET	2022	-
CE011766	PM622 COLD PLANER	2022	420,629.00
CE011694	SMOOTH SINGLE DRUM ROLLER 84" CS56	2022	145,392.62
CE020120C	336/340 COMPACTION WHEEL	2022	16,702.59
CE015202D	30" 336/340 BUCKET	2022	8,386.66
CE013450	REACH FORKLIFT 10,000LB 55' LIFT	2022	124,455.00
CE012797	REACH FORKLIFT 8,800LB 24' LIFT, CAB	2022	98,364.00
CE013455	REACH FORKLIFT 12,000LB 55' LIFT	2022	95,693.00
CE014270E	36" 320, 321, M322, 323, 325 BUCKET	2022	8,228.04

CE012161B	BR172, BR118 BRUSH CUTTER (SSL/CTL)	2022	6,316.07
CE014151E	36" AUGER BIT (FITS A19/A26/A68/A41)	2022	1,972.50
CE014238Q	305 & 306 QUICK COUPLER	2022	1,654.19
CE014428N	GP BUCKET 80" (SSL/CTL)	2022	1,525.59
CE013169N	GP BUCKET 86" (SSL/CTL)	2022	38.93
			<hr/>
			3,273,798.32
<hr/>			
<b>Allied Equipment</b>			
CE012407	REACH FORKLIFT 10,000LB 55' LIFT	2022	110,772.00
CE015255	BOOM LIFT STR 60-65' (DIESEL)	2022	100,170.00
CE009634	REACH FORKLIFT 8,000LB 42' REACH	2022	88,915.00
CE009498	REACH FORKLIFT 6,000LB 42' LIFT	2022	58,893.00
CE012039	REACH FORKLIFT 5,500LB 19' LIFT	2022	55,989.00
CE004431	BOOM LIFT ARTIC 60-65' (DUAL FUEL)	2022	50,343.00
CE006002	BOOM LIFT STR 80-85' (DIESEL)	2022	48,824.91
CE012032	BOOM LIFT ARTIC 40-45' (DUAL FUEL)	2022	45,794.00
CE005333	BOOM LIFT STR 80-85' (DIESEL)	2022	44,775.00
CE006024	BOOM LIFT STR 60-65' (DIESEL)	2022	43,103.00
CE005329	BOOM LIFT STR 60-65' (DUAL FUEL)	2022	41,725.00
CE012030	BOOM LIFT ELECTRIC ARTIC 30'	2022	30,427.00
CE005527	BOOM LIFT ELECTRIC ARTIC 30'	2022	23,081.00
CE016352	AIR COMPRESSOR 185CFM-TOWABLE	2022	19,405.39
CE012090	SCISSOR LIFT ELECTRIC WIDE DECK 32'	2022	13,636.00
CE012094	SCISSOR LIFT ELECTRIC WIDE DECK 32'	2022	13,636.00
CE012095	SCISSOR LIFT ELECTRIC WIDE DECK 32'	2022	13,636.00
CE012429	AIR COMPRESSOR 185CFM-TOWABLE	2022	13,094.00
CE012370	SCISSOR LIFT ELECTRIC 26'	2022	10,779.00
CE012373	SCISSOR LIFT ELECTRIC 26'	2022	10,779.00
CE005987	SCISSOR LIFT ELECTRIC 26'	2022	9,608.20
CE012536	SCISSOR LIFT ELECTRIC MICRO 19XD	2022	9,361.00
CE012345	SCISSOR LIFT ELECTRIC 19'	2022	8,409.00
CE012351	SCISSOR LIFT ELECTRIC 19'	2022	8,409.00
CE012003	SCISSOR LIFT ELECTRIC 19'	2022	7,545.00
CE008650	SCISSOR LIFT ELECTRIC 19'	2022	7,267.00

CE013797	WATER TRAILER 500	2022	7,195.00
CE008170	SCISSOR LIFT ELECTRIC 19'	2022	6,858.00
CE017154H	EPIROC SBU220 HAMMER (SSL)	2022	6,180.36
CE017163H	EPIROC SBU220 HAMMER (SSL)	2022	6,180.36
CE013737	WATER TRAILER 500	2022	5,744.00
CE017171H	302 HAMMER (H45/SB152)	2022	5,686.17
CE012414H	305 & 306 HAMMER (H65/SBU220)	2022	5,659.63
CE012732	WATER TRAILER 500	2022	5,451.00
CE006908E	316 COMPACTION WHEEL	2022	2,734.97
CE011981	RAMMER/JUMPING JACK, MTX70, BT65	2022	1,997.00
CE013026	RAMMER/JUMPING JACK, MTX70, BT65	2022	1,748.00
CE014752	SMALL PLATE COMPACTORS, MVC88	2022	1,558.00
CE014755	SMALL PLATE COMPACTORS, MVC88	2022	1,558.00
CE014756	SMALL PLATE COMPACTORS, MVC88	2022	1,558.00
CE010443M	CAT REACH FORK TRUSS BOOM ATTACHMENT	2022	1,189.19
CE008988Z	CAT REACH FORK JIB BOOM ATTACHMENT	2022	1,106.88
CE011537	GENERATOR 6500 WATT	2022	1,096.00
CE011538	GENERATOR 6500 WATT	2022	1,096.00
CE014467Z	PNEUMATIC/AIR HAMMER 90LB	2022	796.71
CE014472Z	PNEUMATIC/AIR HAMMER 30LB	2022	786.72
CE014460Z	PNEUMATIC/AIR HAMMER 60LB	2022	754.00
CE014482Z	PNEUMATIC/AIR TAMPER	2022	694.55
CE008415	BOOM LIFT STR 135'	2022	80,018.00
CE008417	BOOM LIFT STR 80-85' (DIESEL)	2022	42,001.00
CE003570	BOOM LIFT ARTIC 40-45' (DIESEL)	2022	26,194.00
CE011575	SCISSOR LIFT ELECTRIC 32'	2022	15,596.00
CE009564	TX525 WALK BEHIND SSL	2022	13,532.00
CE012125F	GTH1544 FORKS	2022	1,621.78
			<u>1,134,967.82</u>

**Motor Vehicles**

CE006557	DUMP TRUCK 10CYD (CLASS B REQUIRED)	2022	83,891.00
CE008953	WATER TRUCK 2000	2022	83,270.00
CE011996	WATER TRUCK 2000	2022	93,775.00
CE012173	WATER TRUCK 2000	2022	94,473.00
CE012213	DUMP TRUCK 10CYD (CLASS B REQUIRED)	2022	121,446.00
CE012219	WATER TRUCK 2000	2022	92,927.00
CE012512	WATER TRUCK 2000	2022	92,844.00
CE012942	WATER TRUCK 4000	2022	96,892.00
CE012947	WATER TRUCK 4000	2022	96,940.00
CE012952	DUMP TRUCK 10CYD (CLASS B REQUIRED)	2022	121,746.00
CE013611	DUMP TRUCK 5CYD	2022	73,487.00
CE014481	TRAILER 12RBS	2022	9,492.33
CE014529	TRAILER 12TST	2022	13,022.67
CE015084	WATER TRUCK 2000	2023	87,255.51
			<hr/>
			<b>1,161,461.51</b>
			<hr/>
			<b>5,570,227.65</b>
			<hr/>



**From:** [Paige Kleinwolterink](#)  
**To:** [State Board Equalization](#)  
**Subject:** Empire Southwest, LLC; Account Number EQ001042 (Appeal to SBE)  
**Date:** Monday, March 10, 2025 7:44:10 AM  
**Attachments:** [image310285.png](#)  
[3P36307-Taxpayer Petition for Appeal to SBE - Humboldt County - FINAL.PDF](#)

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**WARNING** - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Good morning –

Attached please find the Taxpayer's Petition for Appeal from the Decision of the County Board of Equalization for parcel number 15-0253-04 and account number EQ001042.

Thank you,

Paige Kleinwolterink

**Paige Kleinwolterink**  
Frazer Ryan *Paralegal*  
Goldberg & [pkleinwolterink@frgalaw.com](mailto:pkleinwolterink@frgalaw.com) | [www.frgalaw.com](http://www.frgalaw.com)  
Arnold LLP 1850 N Central Avenue Suite 1800, Phoenix AZ 85004  
P 602.277.2010 | D 602.277.2010 | F 602.277.2595

Confidentiality Disclosure: This e-mail and any files transmitted with it are confidential and are intended solely for the use of the individual or entity to whom they are addressed. This communication may contain material protected by the attorney-client privilege. If you are not the intended recipient or the person responsible for delivering the e-mail to the intended recipient, be advised that you have received this e-mail in error and that any use, dissemination, forwarding, printing or copying of this e-mail is strictly prohibited. If you have received this e-mail in error, please immediately notify our office by telephone.

# COUNTY RECORD

Tami Rae Spero  
County Clerk  
Maria Diaz  
Deputy  
Harmony Brown  
Deputy

# Humboldt County Clerk

## Humboldt County Courthouse

Jessica Koepke  
Deputy  
Marie Jones  
Deputy  
Candice Townsend  
Deputy

May 13, 2025

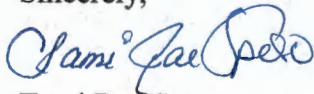
State of Nevada  
State Board of Equalization  
3850 Arrowhead Drive  
Carson City NV 89706

**Re: SBOE Appeal Case #128 Empire Southwest LLC v. Humboldt County Assessor**

To whom it may concern:

Enclosed please find the documentation related to HCBOE Appeal Case #HCB2025-01 both in hard copy and on a USB. One note related to the County Hearing, due to a technical issue, no recording was created (either video or audio) of the County Hearing held on February 21, 2025. A partial transcript was able to be obtained from the Teams program but it is not complete. The minutes are included along with said partial transcript. Should you have any questions regarding the record provided please let me know.

Sincerely,



Tami Rae Spero  
Humboldt County Clerk  
Tami.Spero@humboldtcountynv.gov





STATE OF NEVADA

JOE LOMBARDO  
Governor

STATE BOARD OF EQUALIZATION

3850 Arrowhead Drive  
Carson City, Nevada 89706

SHELLIE HUGHES  
Executive Director

RECEIVED

May 7, 2025

MAY 07 2025

HUMBOLDT COUNTY CLERK

TAMI RAE SPERO  
HUMBOLDT COUNTY CLERK  
50 W FIFTH ST #207  
WINNEMUCCA NV 89445-3199

Dear County Clerk:

The State Board of Equalization (State Board) has received certain appeals from the decisions of the HUMBOLDT COUNTY Board of Equalization listed on the enclosed attachment. Pursuant to the requirements of NAC 361.645, please send the following items no later than 15 days from the postmark date of this request:

1. The complete record of the proceedings, including each exhibit, paper, report, or other documentary evidence, audio and video recordings.
  - a.) DO NOT SEND duplicate copies of the same evidence (e.g., pages repeated in both what the taxpayer and the assessor submitted). Duplicate records will be returned to your office.
  - b.) Advise us if any documents required pursuant to NAC 361.628 were not submitted for the record (e.g., the method used to value the property; the sales prices of comparable property which supports the valuation; and a map showing the location of the subject property and all comparables). If it is missing, we will contact the assessor directly.
2. A general index identifying each exhibit, paper, report or other documentary, audio, or video evidence.
3. An electronic copy of the materials listed in items 1-2.
4. Advise us of those appeals which were not heard by the County Board. We will contact the Assessor directly for the property records of cases not heard by the County Board.

Please do not send the records of any appeals heard by the County Board which we have not requested. However, if there is something in the County Board's record which is "material deemed pertinent by the County Board" as indicated by a motion and vote, such as an equalization action affecting more than one parcel, please send those materials.

2361  
 STATE OF NEVADA  
 DEPARTMENT OF TAXATION  
 3850 Arrowhead Drive, Second Floor  
 Carson City, Nevada 89706  
 E-160R   
 Return Service Requested

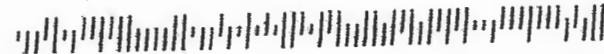
Presort  
 First Class Mail  
 ComBasPrice



US POSTAGE  PITNEY BOWES  
 ZIP 89701 \$ 000.59<sup>3</sup>  
 02 4W  
 0000390933 MAY 07 2025

TAMI RAE SPERO  
 HUMBOLDT COUNTY CLERK  
 50 W FIFTH ST #207  
 WINNEMUCCA, NV 89445-3199

DADJSAB 89445



CaseType	County Board Case No	Fiscal Year	Fiscal Year	Fiscal Year	Property Type	Parcel No	Representatives Name	Case Status	Respondent	Appellant	County Code	Case No	Year
	HC8202-01				Personal Property	APN: 15-0253-04	Douglas S. John	Not Heard	Humboldt County Assessor	Empire Southwest LLC	HU	128	25





**HUMBOLDT COUNTY  
BOARD OF EQUALIZATION  
HEARING PACKET  
02/21/2025**

Notice of Public Meeting  
Humboldt County Board of Equalization Hearings  
**Friday, February 21, 2025**  
**8:00 AM**

County Meeting Room #201 50 W 5th St. Winnemucca NV

**FOR TELECONFERENCE OR VIDEO CONFERENCE ACCESS**  
**Click here to join the meeting:**

**Join the meeting now**

Meeting ID: 277 947 710 226

Passcode: Gx2ku6yS

Or by phone: +1 702 935 0127, Conference ID: 631 271 045#

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. PUBLIC COMMENT  
General public comment is designated for discussion only. The public has the opportunity to address the Board on any matter not appearing on this agenda; however, no action may be taken on a matter raised until the matter itself has been specifically included on the agenda as an item upon which action may be taken. Additionally, public comment may be heard on any item listed on the agenda. Persons are invited to submit comments in writing and/or attend and make comments on any agenda item at the Board meeting. All public comment may be limited to three (3) minutes per person, at the discretion of the Board.
4. DISCUSSION ONLY ON REVIEW OF REGULATIONS/GUIDELINES/STATUTES RELATED TO THE COUNTY BOARD OF EQUALIZATION BY DISTRICT ATTORNEY OR DEPUTY DISTRICT ATTORNEY (Discussion only; no action item).
5. OATH ADMINISTERED BY DISTRICT ATTORNEY OR DEPUTY DISTRICT ATTORNEY TO ALL PERSONS OFFERING TESTIMONY TO THE BOARD.
6. HEARING, DISCUSSION & FOR POSSIBLE ACTION ON THE FOLLOWING PETITION FOR REVIEW OF ASSESSED VALUATION:  
HCB2025-01 - Empire Southwest, LLC - Account EQ 001042 - Assessor's Parcel Number 15-0253-04-30 - 3050 Railroad Street, Winnemucca, Nevada - Year and Roll Type of Assessment being appealed: 2023 - 24 Unsecured Roll - Personal Property - Appeal from the action of the Humboldt County Assessor (for consideration, discussion & possible action).
  - 6.a) APPEAL HEARING  
Appellant Exhibit List.pdf  
3OY0412-Ltr to Humboldt County Assessor - Empire Southwest - Account Number

Clerk at 50 W 5th St. #207, Winnemucca, Nevada 89445, (775) 623-6343, e-mail [county.clerk@humboldtcountynv.gov](mailto:county.clerk@humboldtcountynv.gov) or on the Humboldt County website at [www.humboldtcountynv.gov](http://www.humboldtcountynv.gov).

**NOTICE TO PERSONS WITH DISABILITIES:** Reasonable efforts will be made to assist and accommodate physically disabled persons desiring to attend the meeting. Please contact the County Manager's Office at (775) 623-6300 in advance so arrangements may be conveniently made.

**EQUAL OPPORTUNITY NOTICE:** Humboldt County is an Equal Opportunity Employer and will not discriminate against employees or applicants for employment or services in an unlawful manner.

CONTROL #

APPEAL CASE # HCB 025-01

**Humboldt County Board of Equalization****PETITION FOR REVIEW OF TAXABLE VALUATION**

Submit this Petition Form no later than 5 p.m. of the date due. Most types of appeals must be filed no later than January 15<sup>th</sup>. If the appeal involves valuation of property escaping taxation, or a determination that agricultural property has been converted to a higher use, a different due date applies.

Please Print or Type:

**Part A. PROPERTY OWNER/ PETITIONER INFORMATION** (Agent's Information to be completed in Part H)

NAME OF PROPERTY OWNER AS IT APPEARS ON THE TAX ROLL: Empire Southwest LLC					
NAME OF PETITIONER (IF DIFFERENT THAN PROPERTY OWNER LISTED IN PART A): John Helms				TITLE Vice President and CFO	
MAILING ADDRESS OF PETITIONER (STREET ADDRESS OR P.O. BOX) 3300 Saint Rose Parkway				EMAIL ADDRESS: John.Helms@Empire-Cat.com	
CITY Henderson	STATE NV	ZIP CODE 89052	DAYTIME PHONE 480-633-4780	ALTERNATE PHONE	FAX NUMBER

**Part B. PROPERTY OWNER ENTITY DESCRIPTION**

Check organization type which best describes the Property Owner if an entity and not a natural person. Natural persons may skip Part B.

- ☐ Sole Proprietorship      ☐ Trust      ☐ Corporation  
☒ Limited Liability Company (LLC)      ☐ General or Limited Partnership      ☐ Government or Governmental Agency  
☐ Other, please describe: \_\_\_\_\_

The organization described above was formed under the laws of the State of \_\_\_\_\_

The organization described above is a non-profit organization. ☐ Yes      ☐ No**Part C. RELATIONSHIP OF PETITIONER TO PROPERTY OWNER IN PART A**Check box which best describes the relationship of Petitioner to Property Owner: ☒ Additional information may be necessary.

- ☐ Self      ☐ Trustee of Trust      ☐ Employee of Property Owner  
☐ Co-owner, partner, managing member      ☒ Officer of Company  
☐ Employee or Officer of Management Company  
☐ Employee, Officer, or Owner of Lessee of leasehold, possessory interest, or beneficial interest in real property  
☐ Other, please describe: \_\_\_\_\_

**Part D. PROPERTY IDENTIFICATION INFORMATION****1. Enter Physical Address of Property:**

ADDRESS 3050	STREET/ROAD E Railroad St	CITY (IF APPLICABLE) Winnemucca	COUNTY Humboldt
Purchase Price:		Purchase date:	

**2. Enter Applicable Assessor Parcel Number (APN) or Personal Property Account Number from assessment notice or tax bill:**

ASSESSOR'S PARCEL NUMBER (APN) 15-0253-04	ACCOUNT NUMBER EQ001042
--	----------------------------

**3. Does this appeal involve multiple parcels? Yes ☐ No ☒**

List multiple parcels on a separate, letter-sized sheet.

If yes, enter number of parcels: _____	Multiple parcel list is attached. <input type="checkbox"/>
--	--

**4. Check Property Use Type: ☒**

<input type="checkbox"/> Vacant Land	<input type="checkbox"/> Mobile Home (Not on foundation)	<input type="checkbox"/> Mining Property
<input type="checkbox"/> Residential Property	<input type="checkbox"/> Commercial Property	<input type="checkbox"/> Industrial Property
<input type="checkbox"/> Multi-Family Residential Property	<input type="checkbox"/> Agricultural Property	<input checked="" type="checkbox"/> Personal Property
<input type="checkbox"/> Possessory Interest in Real or Personal property		

**5. Check Year and Roll Type of Assessment being appealed: ☒**

<input type="checkbox"/> 2025-2026 Secured Roll	<input checked="" type="checkbox"/> 2024-2025 Unsecured Roll	<input type="checkbox"/> 2024-2025 Supplemental Roll
---	--	--

2023-24

RECEIVED

JAN 14 2025

HUMBOLDT COUNTY CLERK



**Part E. VALUE OF PROPERTY**

Property Owner: What is the value you seek? Write N/A on each line for values which are not being appealed. See NRS 361.025 for the definition of Full Cash Value.		
Property Type	Assessor's Taxable Value	Owner's Opinion of Value
Land		
Buildings		
Personal Property	54,640.111	\$1,177,851
Possessory interest in real property		
Exempt Value		
Total		

**Part F. TYPE OF APPEAL**

Check box which best describes the authority of the County Board to take jurisdiction to hear the appeal.

- ☒ NRS 361.357: The full cash value of my property is less than the computed taxable value of the property.
- ☐ NRS 361.356: My property is assessed at a higher value than another property that has an identical use and a comparable location y / property.
- ☐ NRS 361.355: My property is overvalued because other property within the county is undervalued or not assessed, and I have attach the proof showing the owner, location, description and the taxable value of the undervalued property.
- ☐ NRS 361.155: I request a review of the Assessor's decision to deny my claim for exemption from property taxes.
- ☐ NRS 361A.280: The Assessor has determined my agricultural property has been converted to a higher use and deferred taxes are now due.
- ☐ NRS 361.769: My property has been assessed as property-escaping taxation for this year and/or prior years.

**Part G. WRITE A STATEMENT DESCRIBING THE FACTS AND/OR REASONS FOR YOUR APPEAL, REQUEST FOR REVIEW, OR COMPLAINT. (ATTACH A SEPARATE PAGE IF MORE ROOM IS NEEDED).**

Under NRS 361.088(1)(a), "personal property held for sale by a merchant" is exempt from taxation. For personal property that is for sale and for lease, the primary purpose of the property for which the taxpayer purchased the property determines whether the property is taxable or exempt from taxation. The primary purpose of the taxpayer's property was purchased for sale.

**VERIFICATION**

I verify (or declare) under penalty of perjury under the laws of the State of Nevada that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief; and that I am either (1) the person who owns or controls taxable property, or possesses in its entirety taxable property, or the lessee or user of a leasehold interest, possessory interest, beneficial interest or beneficial use, pursuant to NRS 361.334; or (2) I am a person employed by the Property Owner or an affiliate of the Property Owner and I am acting within the scope of my employment. If Part H below is completed, I further certify I have authorized each agent named therein to represent the Property Owner as stated and I have the authority to appoint each agent named in Part H.

Petitioner's Signature

John Helms

Print Name of Signatory

Vice President and CFO

Title

Date

**Part H. AUTHORIZATION OF AGENT** Complete this section only if an agent, including an attorney, has been appointed to represent the Property Owner/Petitioner in proceedings before the County Board.

I hereby authorize the agent whose name and contact information appears below to file a petition to the County Board of Equalization and to contest the value and/or exemption established for the properties named in Part D(2) of this Petition. I further authorize the agent listed below to receive all notices and decision letters related thereto; and represent the Petitioner in all related hearings and matters including stipulations and withdrawals before the County Board of Equalization. This authorization is limited to the appeal of property valuation for the tax roll and fiscal year named in Part D(5) of this Petition.

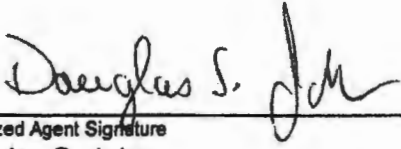
List additional authorized agents on a separate sheet as needed, including printed name, contact information, signature, title and date.

**Authorized Agent Contact Information:**

NAME OF AUTHORIZED AGENT:	Douglas S. John	TITLE:	Attorney		
AUTHORIZED AGENT COMPANY, IF APPLICABLE:	Frazier Ryan Goldberg & Arnold LLP	EMAIL ADDRESS:	djohn@frgalaw.com		
MAILING ADDRESS OF AUTHORIZED AGENT (STREET ADDRESS OR P.O. BOX)					
1850 N. Central Avenue, Suite 1800					
CITY	STATE	ZIP CODE	DAYTIME PHONE	ALTERNATE PHONE	FAX NUMBER
Phoenix	AZ	85004	602-277-2010		

Authorized Agent must check each applicable statement and sign below.

- ☒ I hereby accept appointment as the authorized agent of the Property Owner in proceedings before the County Board.
- ☒ I verify (or declare) under penalty of perjury under the laws of the State of Nevada that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief; and I am the authorized agent with authority to petition the State Board subject to the requirements of NRS 361.362 and the limitations contained in this Agent Authorization Form to be separately submitted.

  
Authorized Agent Signature  
Douglas S. John  
Print Name of Signatory  
Attorney  
Title  
11/13/2025  
Date

☐ I hereby withdraw my appeal to the County Board of Equalization.

Signature of Owner or Authorized Agent/Attorney

Date



Tami Rae Spero  
County Clerk  
Maria Diaz  
Deputy  
Harmony Brown  
Deputy

# Humboldt County Clerk

## Humboldt County Courthouse

Jessica Koepke  
Deputy  
Marie Jones  
Deputy  
Candice Townsend  
Deputy

**CERTIFIED MAIL** - 9589 0710 5270 0408 9923 48  
January 27, 2025

### NOTICE OF HEARING

**PETITIONER:**

Empire Southwest LLC  
Attn: John Helms, Vice-President/CFO  
3300 Saint Rose Parkway  
Henderson NV 89052

**RESPONDENT:**

**HUMBOLDT COUNTY ASSESSOR:**  
Andy Heiser  
50 W. 5<sup>th</sup> Street  
Winnemucca, NV 89445

**DATE:** Friday, February 21, 2025  
**TIME:** 8:00 a.m.  
**PLACE:** Humboldt County Courthouse  
County Meeting Room, # 201  
50 W. 5<sup>th</sup> Street  
Winnemucca, NV 89445

**LEGAL AUTHORITY AND JURISDICTION OF THE COUNTY BOARD OF EQUALIZATION:** NRS 361.400

**BRIEF STATEMENT OF MATTER:** Appeal from the action of the Humboldt County Assessor re: **Personal Property - Unsecured Roll 2023-2024**

**Case No: HCB2025-01**  
**Parcel No: 15-0253-04/Account No. EQ001042**

The County Board of Equalization (County Board) will hear your appeal at the time and place stated above. Please be aware that the time is approximate and although you may be assured your appeal will not be heard prior to the stated time, be prepared for possible delays as several appeals may be scheduled during the session.

If you choose to submit a brief and evidence to the County Board, the documents must be received by the County Clerk in her offices no later than 5:00 p.m. Monday, February 10, 2025. You may fax the documents to the County Board, attention County Clerk at (775) 623-6309 or e-mail them to County.Clerk@humboldtcountynev.gov. Submit a copy of the documents directly to the other party no later than 5:00 p.m. of the day indicated above. Should you be unable to meet the above noted time line please contact the County Clerk prior to hearing to make other arrangements as multiple copies of all exhibits are

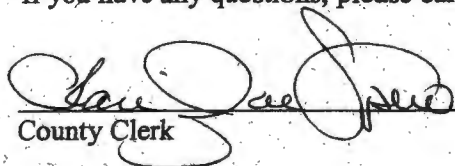
required at the time of hearing. In the event that exhibits are presented at time of hearing, the County Board may table the matter to a later time/day to fully review said exhibits.

The taxpayer may appear in person or file a letter for consideration or may be represented by any qualified individual. If an appeal is made by a taxpayer's representative, the representative on behalf of the owner of the property shall provide written authorization from the owner at the time the appeal is filed. If the taxpayer or his representative fails to appear at the scheduled hearing time, the hearing may be held in his absence and the County Board will consider the available evidence at the scheduled hearing time. If a party chooses to be represented by an attorney, the attorney shall be one who is admitted to practice and in good standing before the highest court of any state or of the United States. If a corporation, municipal corporation or an unincorporated association, the taxpayer may be represented by an officer or other duly authorized representative or regular employee of such corporation.

Procedural rules governing the County Board's hearings may be found in the Nevada Administrative Code 361.622 through 361.645. The Administrative Code may be found on the internet by selecting Chapter 361 at <http://leg.state.nv.us/NAC>.

If a transcript of any hearing held before the County Board is desired by the taxpayer, the transcript must furnish the reporter if not already furnished by the County Board. The taxpayer must obtain a copy at the party's expense from the reporter furnished by the County Board. The transcript to the County Clerk if requested to be included as a part of the administrative record, before any subsequent hearing or appeal of the matter.

If you have any questions, please call (775) 623-6343.

  
County Clerk

cc:

Agent - Douglas S. John, Esq.  
Frazer Ryan Goldberg & Arnold, LLP  
CERTIFIED MAIL - 9589 0710 5270 0408 9923 55  
1850 N Central Ave., Ste. 1800  
Phoenix, AZ 85004

Humboldt County Assessor  
50 W 5<sup>th</sup> Street  
Winnemucca NV

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Douglas S. John, Esq.  
 Frazer Ryan Goldberg & Arnold, LLP  
 1850 N Central Ave, Ste. 1800  
 Phoenix AZ 85004



9590 9402 8701 3310 2523 32

2. Article Number (Transfer from service label)

9589 0710 5270 0408 9923 55

PS Form 3811, July 2020 PSN 7530-02-000-9053

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

x *B. Romen*☐ Age☐ Add

B. Received by (Printed Name)

*B. Romen*

C. Date of D

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Priority Mail Express☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Signature Confirmation☐ Signature Confirmation Restricted Delivery☐ Restricted Delivery

Domestic Return Rec

## General Index of Exhibits

**Respondent** Humboldt County Assessor

[illegible]



**Frazer Ryan  
Goldberg &  
Arnold LLP**

February 10, 2025

**VIA EMAIL**

Humboldt County Board Equalization  
50 W. 5th Street  
Winnemucca, NV 89445  
[Tami.Spero@humboldtcountynv.gov](mailto:Tami.Spero@humboldtcountynv.gov)  
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602.277.2010  
Fax 602.277.2595

Direct 602.200.7355  
[djohn@frgalaw.com](mailto:djohn@frgalaw.com)

Re: *Empire Southwest, LLC – Personal Property Appeal*  
*Case Number: HCB2025-01*  
*Account Number: EQ001042*  
*Tax Year 2023-24*

Dear Members:

This case involves the assessment of property tax against personal property owned by Empire Southwest, LLC ("Empire CAT"). Empire CAT owns personal property identified by the Humboldt County Assessor's Office ("County Assessor") as account number EQ001042 ("Subject Property"). Empire CAT's appeal concerns the 2023-24 amended tax bill.

**Introduction**

At issue is whether Humboldt County can assess a property tax against Empire CAT's inventory of new and used Caterpillar construction equipment. Empire CAT contends that this equipment held in inventory was primarily purchased and held for sale and, thus, is exempt from personal property taxation under NRS 361.068(1)(a) (exempting from taxation "personal property held for sale by a merchant"). (Exhibit #1 – NRS 361.068) In Nevada, personal property held by a merchant falls, for tax purposes, into one of three categories depending on the purpose for which a merchant purchased the property.

**R E C E I V E D**

**FEB 10 2025**

HUMBOLDT COUNTY CLERK

**Category 1 - Taxable:** Machinery and equipment held for rent or lease is taxable as personal property unless an exemption applies. NRS 361.068.

**Category 2 - Exempt:** Personal property held for sale by a merchant is exempt from taxation. NRS 361.068(1)(a).

**Category 3 - Primary Purpose:** Personal property that is held both for sale and for lease depends on whether the *taxpayer primarily purchased the property* to lease it or sell it.

Empire CAT's equipment falls into the third category. As the analysis below will show, Empire CAT primarily purchased its CAT equipment for the purpose of selling it and, thus, that equipment should be exempt from taxation under Nevada law.

### **Factual Background**

Empire Southwest is a third-generation family-owned Caterpillar dealer with more than 4,500 employees. (Exhibit #2 - Affidavit of John Helms, Vice President and CFO of Empire Southwest, ¶ 7, hereinafter referred to as "Helms Affidavit") It has been the exclusive Arizona Caterpillar dealer since 1959. (Exhibit #2 - Helms Affidavit, ¶8) Empire CAT services companies in the construction, mining, energy, agricultural and industrial sectors. (Exhibit #2 - Helms Affidavit, ¶9) It sells, rents, and services heavy equipment, tractors, and power generation equipment in Arizona, Nevada, and Eastern California. (Exhibit #2 - Helms Affidavit, ¶10) It has nineteen locations in Arizona, seven in Nevada, and three in California. (Exhibit #2 - Helms Affidavit, ¶11) Empire CAT acquired Cashman Equipment in December 2022. (Exhibit #2 - Helms Affidavit, ¶12) Cashman was the Cat Dealer for Nevada and Eastern California going back to the 1930s. (Exhibit #2 - Affidavit, ¶13)



In 2024, the County Assessor retained a Phoenix, Arizona based company, Tax Management Associates, Inc. ("TMA") to audit taxpayers, like Empire. TMA boasts that it is "the leader in assisting state and local governments with their revenue enhancement initiatives." See (Exhibit #3). TMA did not investigate whether Empire's inventory of equipment was primarily purchased for sale or lease. Instead, the audit assumed all the personal property on-site was held for lease and, thus, taxable. As a result of TMA's audit, in September 2024 the County Assessor issued its findings showing a cost variance or an additional \$3,677,865 in taxable personal property See (Exhibit #4 - Letter from Andy Heiser dated September 10, 2024 "Audit Finding") The County Treasurer issued an amended tax bill showing a taxable value of \$4,640,111 or a net assessed value of \$1,624,039 (Exhibit #5 - Amended Tax Bill) The amended tax bill totaled \$46,123.28. (Exhibit #5 - Amended Tax Bill) Empire timely paid the additional personal property taxes from the amended tax bill. (Exhibit #6 - Affidavit of Dale Huizingh, Controller of Empire Southwest, ¶ 7, hereinafter referred to as "Huizingh Affidavit")

#### **Analysis: Empire's CAT Equipment Was Primarily Purchased to Sell**

In December 2023, the Nevada Department of Taxation ("Department") issued Advisory Opinion No. 23-005 ("Advisory Opinion"), which addressed "whether machinery or equipment held in inventory by a business primarily engaged in renting or leasing is subject to personal property taxes under Nevada law." (Exhibit #7 - Advisory Opinion, p.1). The Advisory Opinion was requested by the Assessor's Association of Nevada because United Rentals, an equipment rental company, asserted its rental inventory was exempt from personal property tax. United Rentals claimed that its rental inventory was on-site and available for sale.

The Advisory Opinion makes clear that just because United Rentals' rental inventory is available for sale is not the sole consideration of whether

the equipment is exempt. The Advisory Opinion pointed out that "[w]hen personal property is held both for sale and for lease, the taxpayer's primary purpose for holding the personal property will determine whether it is exempt from taxation under NRS 361.068." (Exhibit #7 - Advisory Opinion, p. 2). The Department cited the Nevada Supreme Court's decision in *Nevada Tax Comm's v. Nevada Cement Col*, 117 Nev. 960, 36 P.3d 418 (2001) for the proposition that "the primary purpose of the property determines whether the property is taxable or exempt from taxation." (Exhibit #7 - Advisory Opinion, p. 2). Thus, the Advisory Opinion concluded, "the taxation of personal property that is held both for sale and for lease depends on whether the taxpayer primarily purchased the property to lease it or sell it, which is a *factual inquiry requiring investigation*." (Exhibit #7 Advisory Opinion, p. 2) (emphasis added).

Empire's business model is designed to sell equipment. Because of its unique position as the exclusive dealer of CAT equipment in Arizona and Nevada, Empire maximizes revenue not only through sales of equipment but also from other sources, including parts, service, and repairs.

Empire's business can be separated into five revenue streams: sales of machinery and equipment, lease and rental of machinery and equipment, lease conversions<sup>1</sup>, sales of parts, and the service and repair of equipment. (Exhibit #2 - Helms Affidavit ¶14) Empire Cat's revenue sources in Nevada and companywide are as follows:

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<sup>1</sup> Lease conversions: conversions are comprised of new equipment that is being rented/leased by a client with the intent to purchase.

TABLE 1		
Empire Southwest - Revenue Sources - 2024		
	Nevada	Company-Wide
Equipment Sales	34%	35%
Lease & Rental	13%	12%
Lease Conversion sales	4%	5%
Parts Sales	35%	32%
Service & Repair	14%	16%
TOTAL	100%	100%

(Exhibit #2 Helms Affidavit, ¶ 15; Exhibit # 6 Huizingh, ¶8).

As the revenue breakdown above shows, because Empire CAT is an exclusive CAT dealer, it is primarily in the business of selling Caterpillar equipment. (Exhibit #2 - Helms Affidavit, ¶16 and Exhibit # 6 - Huizingh Affidavit, ¶9). The overwhelming majority of its revenues (87% of total revenue) derive from four sales-related sources: sales of equipment, lease conversion sales, parts, and the service and repair of equipment. (Exhibit #2 Helms Affidavit, ¶17 and Exhibit #6 - Huizingh Affidavit, ¶10). Rental revenues make up less than 15% of revenues. (Exhibit #2 Helms Affidavit ¶18 and Exhibit #6 - Huizingh Affidavit, ¶11). Empire CAT's position as an exclusive CAT dealer gives it a competitive advantage in selling parts and providing services and repairs for the Caterpillar equipment it sells. (Exhibit #2 - Helms Affidavit, ¶19). Thus, Empire CAT's business model is focused on sales, not equipment rentals. (Exhibit #2 - Helms Affidavit, ¶20).

Empire CAT holds two categories of equipment. The first category is an inventory of new and used equipment that is primarily held for sale or resale. This includes a "rental fleet" of equipment that is available for clients to rent. (Exhibit #2 - Helms Affidavit, ¶21). The CAT equipment is primarily purchased for the purpose of sale and if it is leased, it is *typically held for rent for one to three years*. (Exhibit #2 - Helms Affidavit, ¶22). After that period, the equipment is often sold as part of a lease conversion.

The second category of equipment is termed "Allied" or non-CAT Equipment. (e.g., Massey Ferguson farm tractors). The Allied equipment is purchased for the purpose of renting and is generally not available for sale. (Exhibit #2 - Helms Affidavit, ¶23). Empire has regularly reported the Allied equipment to the County Assessor. (Exhibit #6 - Huizingh Affidavit, ¶12). There is no dispute with the County over the tax treatment of this category of equipment. This is rental equipment and should be taxed as such.

What is in dispute is the tax treatment of the CAT Equipment. Some of the CAT Equipment is held onsite as inventory like a car dealer's inventory and is never leased. (Exhibit #2 - Helms Affidavit, ¶24).

Some of the CAT Equipment is leased. (Exhibit #2 - Helms Affidavit, ¶24). However, even with the leased CAT Equipment, Empire's purpose and objective in acquiring it is to sell it not to lease it. (Exhibit #2 - Helms Affidavit ¶25).

The CAT equipment in the rental fleet is used primarily as a marketing tool that serves three purposes. (Exhibit #2 - Helms Affidavit, ¶26). First, leasing fills the short-term equipment needs of existing clients and ensures they continue to purchase CAT Equipment, parts, and to use Empire's service department. (Exhibit #2 - Helms Affidavit, ¶26).

Second, leasing enables new clients to "test drive" CAT products on their job site. (Exhibit #2 - Helms Affidavit, ¶27). In some cases, clients will rent machines with a purchase option for six to twelve months to build up equity in the machine before purchasing it and financing the purchase with a bank loan. (Exhibit #2 - Helms Affidavit, ¶27).

Third, leasing creates a low-hour used inventory of CAT Equipment that can sell at a competitive price point to compete with equipment from second-tier manufacturers. (Exhibit #2 - Helms Affidavit, ¶28). This

strategy enables Empire to compete with second-tier manufacturers by allowing clients with smaller budgets to purchase used CAT Equipment at a lower price. (Exhibit #2 – Helms Affidavit, ¶28). Thus, a primary purpose of Empire’s leasing program is to bolster sales of equipment, parts, and services. Once a machine is sold, it provides a long-term revenue stream because Empire is the exclusive source for CAT parts used to maintain the machines and the provider of maintenance and repair services. (Exhibit #2 – Helms Affidavit, ¶28). The bottom line is that Empire’s business model is designed to sell equipment, not rent it, because sales are more lucrative for the company in both the short and long term.

Historically, Empire reported equipment out on rent as of the assessment date as personal property but treated the “rental fleet” equipment in the yard as inventory. (Exhibit #6 – Huizingh Affidavit, ¶13). Unfortunately, the County Assessor determined that Empire is a rental company. Relying on TMA, the County concluded that all the CAT equipment, whether held as inventory or placed in the short-term “rental fleet,” is purchased primarily for lease or rental purposes and, thus, taxable.

Empire is not a rental company for three reasons. First, rental companies’ revenues stem primarily from the renting of equipment. For instance, United Rentals is the largest heavy equipment rental company in the United States. It was also the focus of the Department’s Advisory Opinion discussed above. United Rentals’ revenue stream is almost the inverse of Empire’s. As shown in the table below, between 2021 and 2024, United Rentals’ equipment rentals made up between 82% and 86% of its revenues (Exhibit #8 – United Rentals, Inc., 10K filings for 2021- 2024 with the U.S. Securities and Exchange Commission). During the same period, sales of rental and new equipment comprised of just 11% - 13% of United Rentals’ total revenues.



<b>TABLE 2</b>				
<b>United Rentals - Revenue Sources</b>				
	2024	2023	2022	2021
Equipment Rentals	85%	82%	86%	83%
Sales of Rental Equipment	10%	10%	9%	10%
Sales of New Equipment	2%	2%	2%	3%
Contractor Supplies Sales	1%	1%	1%	1%
Service and other Revenues	2%	2%	2%	2%
Total Revenue	100%	98%	100%	99%

In addition to United Rentals, we have reviewed the U.S. Securities and Exchange Commission 10K filings and the annual reports of the other top four heavy equipment rental and sales companies – Sunbelts Rental, Inc., H&E Equipment Services, Inc. and HERC Holdings, Inc. Their financials demonstrate that they are all primarily rental companies, like United Rentals, with rental revenues making up between 80% - 90% of total revenues.

<b>TABLE 3</b>				
<b>Sunbelt Rentals- Revenue Sources</b>				
	2024	2023	2022	2021
Equipment Rentals	89%	91%	93%	91%
Sales of Rental Equipment	8%	7%	5%	6%
Sales of New Equipment	3%	2%	2%	3%
Service and other Revenues	0%	0%	0%	0%
	100%	100%	100%	100%

(Exhibit #9 – Sunbelt Annual Report 2021 – 2024).

<b>TABLE 4</b>				
<b>Herc Holdings - Revenue Sources</b>				
	2024	2023	2022	2021
Equipment Rentals		87%	93%	92%
Sales of Rental Equipment		11%	5%	5%
Sales of New Equipment		1%	1%	2%
Service and other Revenues		1%	1%	1%
		100%	100%	100%



(Exhibit #10 - HERC, Inc., 10K filings for 2021- 2023 with the U.S. Securities and Exchange Commission).<sup>2</sup>

<b>TABLE 5</b>				
<b>H&amp;E Equipment Services - Revenue Sources</b>				
	2024	2023	2022	2021
Equipment Rentals		81%	77%	69%
Sales of Rental Equipment		11%	8%	12%
Sales of New Equipment		3%	7%	9%
Parts, Service and other Revenues		5%	8%	10%
Total Revenue		100%	100%	100%

(Exhibit #11 - H&E Equipment Services, Inc., 10K filings for 2021-2023 with the U.S. Securities and Exchange Commission).

When Empire CAT's revenues are contrasted with the revenues of rental companies, it is apparent that Empire CAT is not a rental company. It purchases equipment primarily for sale to clients with the intent of boosting revenue from parts and service.

The second reason Empire CAT is not a rental company is that traditional rental companies typically sell equipment towards the end of its useful life, which can be anywhere between three and fifteen years depending on the equipment in question. (Exhibit #2 - Helms Affidavit, ¶29). Selling equipment is only an ancillary part of a rental company's business model. As Tables 2 - 5 above show, in 2023, revenues from sales for United Rentals, Sunbelt, HERC, and H&E averaged just under 12% of their total revenues. Revenues for parts and services for these same companies averaged just over 2% of total revenues. By contrast, Empire's CAT leased equipment typically sells between one and three years. (Exhibit #2 - Helms Affidavit, ¶30). In Nevada, revenues from sales of new and used equipment total 38% of total revenues. In addition, Empire CAT's

<sup>2</sup> We were not able to include HERC Holdings and H&E Equipment Services 2024 figures because the reports were not available at the time of filing.

sales are also designed to stimulate other revenue sources such as sales of parts (35%) and services (14%). Empire CAT's business model generates 87% of its revenue from sales and sales related sources (parts and service). Empire CAT's revenues in comparison to the rental companies' revenues demonstrate Empire CAT's manifest intention of purchasing the equipment for sale rather than lease.

Third, for federal income tax purposes rental companies generally depreciate equipment on a straight-line basis over 3 - 10 years depending on the type of equipment. (Exhibit #6 - Huizingh Affidavit, ¶14). Empire CAT does not depreciate most of its CAT Equipment in the rental fleet on a straight-line basis. (Exhibit #6 - Huizingh Affidavit, ¶15). Instead, Empire CAT applies a portion of the rental income earned from leasing equipment to write down the equipment's book value. (Exhibit #6 - Huizingh Affidavit, ¶15).

The evidence and testimony outlined above shows that Empire CAT inventory of CAT equipment is primarily purchased for the purpose of sale, not for lease. It also shows that its competitors' business models are designed to primarily generate revenues from leasing equipment. Empire CAT's business model is different from rental companies: it is designed to generate revenue through sales, which in turn generates sales of parts and services. Thus, Empire CAT's inventory of CAT equipment should be exempt from personal property tax under Nevada law.

## **Conclusion**

NRS 361.068(1) makes clear that personal property is exempt from taxation based on the owner's purpose in acquiring and holding the equipment. Whether some small percentage of that property is rented for a short time after being acquired for sale and eventually sold does not change the purpose for which Empire acquired and holds the property – which is manifestly to sell it because doing so generates more long-term

revenue for Empire and allows Empire to fully leverage its market advantage as the exclusive CAT dealer for Nevada, Arizona, and Eastern California.

Empire CAT reported an acquisition cost of \$5,570,227.65 in personal property to the auditor. (Exhibit #12 – 2023 Personal Property Inventory – Account EQ001042 (“PP Inventory”). Of that amount, \$3,273,798.32 is CAT Equipment, \$1,134,967.82 is Allied or non-CAT Equipment leased to clients, and \$1,161,461.51 is motor vehicles, such as dump trucks and water trucks that are registered with the Department of Motor Vehicles and exempt under NRS 361.067.<sup>3</sup> (Exhibit #12 – PP Inventory).

The Audit Findings show a total appraised value of \$4,250,441 for all the personal property. (Exhibit # 4 – Audit Findings). The Amended Tax Bill equates to a taxable value of \$4,640,111 or a net assessed value of \$1,624,039. (Exhibit #5 – Amended Tax Bill). Taxpayer cannot reconcile the difference between the Amended Tax Bill and the total appraised value in the Audit Findings. Thus, using the acquisition costs of \$5,570,227.65 and subtracting the acquisition cost of the CAT Equipment and the Register Vehicles yields a value of \$1,134,956.82.

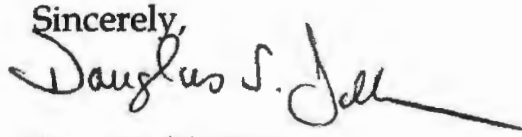
Personal Property (Reported)	\$5,570,227.65
CAT Equipment - Exempt	(\$3,273,798.23)
Registered Vehicles	(\$1,161,461.51)
Allied Equipment (taxable)	\$1,134,967.82

<sup>3</sup> It is difficult to discern if TMA excluded the motor vehicles from the audit, although it appears that they may have done so.

Law Offices  
Frazer Ryan Goldberg & Arnold LLP

Humboldt County Board of Equalization  
February 10, 2025  
Page 12

Taxpayer believes the taxable value should be reduced from  
\$4,640,111 to \$1,134,968 for tax year 2023-24.

Sincerely,  
  
Douglas S. John

DSJ/pk

# Exhibit 1

West's Nevada Revised Statutes Annotated  
Title 32. Revenue and Taxation (Chapters 360-377d)  
Chapter 361. Property Tax (Refs & Annos)  
Assessment  
Taxable and Exempt Property

**N.R.S. 361.068**

**361.068. Business inventories and consumables, livestock, bees, certain pipe and agricultural equipment, boats, campers, fine art for public display and certain personal property of nonresidents exempted; establishment of de minimis exemption for personal property**

**Currentness**

**1. The following personal property is exempt from taxation:**

- (a) Personal property held for sale by a merchant;**
- (b) Personal property held for sale by a manufacturer;**
- (c) Raw materials and components held by a manufacturer for manufacture into products, and supplies to be consumed in the process of manufacture;**
- (d) Tangible personal property purchased by a business which will be consumed during the operation of the business;**
- (e) Livestock;**
- (f) Colonies of bees;**
- (g) Pipe and other agricultural equipment used to convey water for the irrigation of legal crops;**
- (h) All boats;**
- (i) Slide-in campers and camper shells;**
- (j) Except as otherwise provided in NRS 361.186, fine art for public display; and**
- (k) All personal property that is:**



(1) Owned by a person who is not a resident of this state; and

(2) Located in this state solely for the purposes of:

(I) An exhibit that is used in a convention or tradeshow that is located in this State; or

(II) A display, exhibition, carnival, fair or circus that is transient in nature and is located in this State for not more than 30 days.

2. 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. If such an exemption is provided, the Nevada Tax Commission shall annually determine the average cost of collecting property taxes in this state which must be used in determining the applicability of the exemption.

3. A person claiming the exemption provided for in paragraph (j) of subsection 1 shall:

(a) On or before June 15 for the next ensuing fiscal year, file with the county assessor an affidavit declaring that the fine art will, during that ensuing fiscal year, meet all the criteria set forth in paragraph (b) of subsection 4; and

(b) During any fiscal year in which the person claims the exemption, make available for educational purposes and not for resale, upon written request and without charge to any public school as defined in NRS 385.007, private school as defined in NRS 394.103 and parent of a child who receives instruction in a home pursuant to NRS 392.070, one copy of a poster depicting the fine art that the facility has on public display if such a poster is available for purchase by the public at the time of the request.

4. As used in this section:

(a) "Boat" includes any vessel or other watercraft, other than a seaplane, used or capable of being used as a means of transportation on the water.

(b) "Fine art for public display":

(1) Except as otherwise provided in subparagraph (2), means a work of art which:

(I) Is an original painting in oil, mineral, water colors, vitreous enamel, pastel or other medium, an original mosaic, drawing or sketch, an original sculpture of clay, textiles, fiber, wood, metal, plastic, glass or a similar material, an original work of mixed media or a lithograph;

(II) Was purchased in an arm's length transaction for \$25,000 or more, or has an appraised value of \$25,000 or more;

(III) Is on public display in a public or private art gallery, museum or other building or area in this state for at least 20 hours per week during at least 35 weeks of each year for which the exemption is claimed or, if the facility displaying the fine art disposes of it before the end of that year, during at least two-thirds of the full weeks during which the facility had possession of it, or if the gallery, museum or other building or area in which the fine art will be displayed will not be opened until after the beginning of the fiscal year for which the exemption is claimed, these display requirements must be met for the first full fiscal year after the date of opening, and the date of opening must not be later than 2 years after the purchase of the fine art being displayed; and

(IV) Is on display in a facility that is available for group tours by pupils or students for at least 5 hours on at least 60 days of each full year for which the exemption is claimed, during which the facility in which it is displayed is open, by prior appointment and at reasonable times, without charge; and

(2) Does not include:

(I) A work of fine art that is a fixture or an improvement to real property;

(II) A work of fine art that constitutes a copy of an original work of fine art, unless the work is a lithograph that is a limited edition and that is signed and numbered by the artist;

(III) Products of filmmaking or photography, including, without limitation, motion pictures;

(IV) Literary works;

(V) Property used in the performing arts, including, without limitation, scenery or props for a stage; or

(VI) Property that was created for a functional use other than, or in addition to, its aesthetic qualities, including, without limitation, a classic or custom-built automobile or boat, a sign that advertises a business, and custom or antique furniture, lamps, chandeliers, jewelry, mirrors, doors or windows.

(c) "Personal property held for sale by a merchant" includes property that:

(1) Meets the requirements of sub-subparagraphs (I) and (II) of subparagraph (1) of paragraph (b);

(2) Is made available for sale within 2 years after it is acquired; and

(3) Is made available for viewing by the public or prospective purchasers, or both, within 2 years after it is acquired, whether or not a fee is charged for viewing it and whether or not it is also used for purposes other than viewing.

(d) "Public display" means the display of a work of fine art where members of the public have access to the work of fine art for viewing during publicly advertised hours. The term does not include the display of a work of fine art in an area where the public does not generally have access, including, without limitation, a private office, hallway or meeting room of a business, a room of a business used for private lodging and a private residence.

(e) "Pupil" means a person who:

(1) Is enrolled for the current academic year in a public school as defined in NRS 385.007 or a private school as defined in NRS 394.103; or

(2) Receives instruction in a home and is excused from compulsory enrollment and attendance pursuant to NRS 392.070.

(f) "Student" means a person who is enrolled for the current academic year in:

(1) A community college or university; or

(2) A licensed postsecondary educational institution as defined in NRS 394.099 and a course concerning fine art.

#### **Credits**

Added by Laws 1979, p. 79. Amended by Laws 1983, p. 1191; Laws 1987, p. 854; Laws 1989, p. 169; Laws 1995, pp. 152, 2709; Laws 1997, c. 317, § 2, eff. July 1, 1997; Laws 1997, c. 446, § 8, eff. July 1, 1997; Laws 1997, c. 592, § 1, eff. July 1, 1997; Laws 1999, c. 105, § 90, eff. May 11, 1999; Laws 1999, c. 594, § 4, eff. July 1, 1999; Laws 1999, c. 594, § 5, eff. July 1, 2003; Laws 2001, c. 10, § 123, eff. April 2, 2001; Laws 2001, c. 331, § 10, eff. July 1, 2001; Laws 2001, c. 331, § 10.5, eff. July 1, 2003; Laws 2017, c. 428, § 1, eff. July 1, 2017; Laws 2023, c. 206, § 41, eff. July 1, 2023.

N. R. S. 361.068, NV ST 361.068

Current through legislation of the 82nd Regular Session (2023) Chapters 1 to 535 (End) and the 35th Special Session (2023) Chapter 1 (End) including all technical corrections received by the Legislative Counsel Bureau.

# Exhibit 2

I, John Helms, Vice President and CFO of Empire Southwest, in such capacity and not in my individual capacity, being first duly sworn upon my oath, deposes and states:

1. I make this Affidavit based on my own personal knowledge and am competent to testify to the matters stated herein.

2. I have a B.A. from the University of California, Davis and an M.B.A. from the University of Nevada, Reno.

3. I have been employed by Empire Southwest, LLC for eighteen (18) years.

4. I am the Vice President and CFO of Empire Southwest.

5. I am responsible for the accounting, credit, legal, risk, and purchasing functions at Empire. Additionally, I manage our banking relationships.

6. I have personal knowledge of Empire's business operations, the information and records supporting this appeal, and the Empire's corporate history.

7. Empire CAT is a third-generation family-owned Caterpillar dealer with over 4,500 employees.

8. Empire CAT has been the exclusive Arizona Caterpillar dealer since 1959.

9. Empire CAT services companies in the construction, mining, energy, agricultural and industrial sectors.

10. Empire CAT sells, rents, and services heavy equipment, tractors, and power generation equipment in Arizona, Nevada, and Eastern California.

11. Empire CAT has nineteen locations in Arizona, seven in Nevada, and three in California.

12. Empire CAT acquired Cashman Equipment in December 2022.
13. Cashman was the Cat Dealer for Nevada and Eastern California going back to the 1930s.
14. Empire CAT's business can be separated into five revenue streams: sales of machinery and equipment, lease and rental of machinery and equipment, lease conversions, sales of parts, and the service and repair of equipment.
15. Empire CAT's revenue sources in Nevada are as follows: equipment sales 34%; lease and rental of equipment 13%; lease conversion sales 4%; sales of parts 35%; and services and repair 14%. The figures for Empire CAT's revenue sources companywide are similar: equipment sales 35%; lease and rental of equipment 12%; lease conversion sales 5%; sales of parts 32%; and services and repair 16%.
16. Because Empire CAT is an exclusive CAT dealer, it is primarily in the business of selling Caterpillar equipment.
17. The overwhelming majority of Empire CAT's revenues (87% of total revenue) derive from four sales-related sources: sales of equipment, lease conversion sales, parts, and the service and repair of equipment.
18. Rental revenues make up less than 15% of revenues.
19. Empire CAT's position as an exclusive CAT dealer gives it a competitive advantage in selling parts and providing services and repairs for the Caterpillar equipment it sells.
20. Empire CAT's business model is focused on sales, not equipment rentals.
21. Empire has an inventory of new and used equipment that is primarily held for sale or resale as well as a "rental fleet" of equipment that is available for clients to rent.



22. The CAT equipment is primarily purchased for the purpose of sale, and if it is leased, it is typically held for rent for one to three years.

23. Allied equipment is purchased for the purpose of renting and is generally not available for sale.

24. Some of the CAT Equipment is held onsite as inventory like a car dealer's inventory and is never leased. Other CAT Equipment is leased.

25. The Empire CAT's objective is to sell all CAT equipment even the leased CAT Equipment.

26. The CAT equipment in the rental fleet is used primarily as a marketing tool. The rental fleet fills the short-term equipment needs of existing clients and ensures they continue to purchase CAT Equipment, parts, and use Empire's service department.

27. Leasing also enables our new clients to "test drive" CAT products on their job site. Some clients will rent machines with a purchase option for six to twelve months to build up equity in the machine before purchasing it and financing the purchase with a bank loan.

28. Leasing also creates a low-hour used inventory of CAT Equipment that can sell at a competitive price point to compete with equipment from second-tier manufacturers. This strategy enables Empire to compete with second-tier manufacturers by allowing clients with smaller budgets to purchase CAT Equipment. Once a machine is sold, it provides a long-term revenue stream because Empire is the exclusive source for CAT parts used to maintain the machines and the provider of maintenance and repair services.

29. Rental companies typically sell equipment towards the end of its useful life, which can be anywhere between 3 and 15 years depending on the equipment in question.

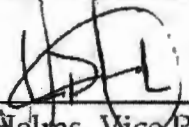
30. Empire's CAT leased equipment typically sells between one and three years.

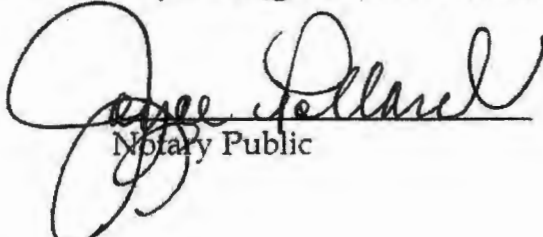
STATE OF ARIZONA                    )  
  ) ss.  
COUNTY OF MARICOPA            )

I declare, under penalty of perjury, this claim for tax exemption including any supporting statements or documents is true and complete to the best of my knowledge and belief.

CLAIMANT:

Empire Southwest, LLC  
A Delaware, limited liability company

By:  2/10/2025  
John Helms, Vice President and CFO                    Date

  
Notary Public

My Commission expires:

7-2-2025



JOYCE POLLARD  
Notary Public - State of Arizona  
MARICOPA COUNTY  
Commission # 603823  
Expires July 02, 2025

# Exhibit 3

# About us

For more than 40 years, Tax Management Associates, Inc. (TMA) has been in the business of assisting state and local taxing officials in their day to day duties of administering ad valorem taxation.

Founded in 1979, Tax Management Associates, Inc. (TMA) is the leader in assisting state and local governments with their revenue enhancement initiatives. With expert staff across multiple offices nationwide, we are dedicated to serving clients by combining industry expertise, cutting-edge technology, and deep knowledge of our practice areas.

## Audit

TMA is best known for its audit services, having started the concept of private auditing for local government when its Business Personal Property Audit Division was founded in 1987. TMA brings a wealth of experience from working with clients all over the country. Our auditors are experts in the field, having completed over 300,000 business personal property audits and discovering over \$70 billion in taxable value – translating to over \$1 billion in additional revenue for our clients.

## Beyond Audit

Over the last four decades, we have listened to our clients' growing needs and developed a line of services to address meet their requests. No longer simply an auditing firm, TMA now offers our clients an entire line of ad valorem tax solutions including:

- Administrative Support and Personal Property Listing Assessment
- Business Personal Property Tax Auditing
- Homestead Exemption Fraud Detection
- Discovery of Non-Reporting Businesses

2/6/25, 10:15 AM

Company - Tax Management Associates, Inc

- Customization of Ad Valorem Projects

# Exhibit 4



# Humboldt County Assessor's Office

Andy Heiser ♦ Assessor ♦ Andy.Heiser@humboldtcountynev.gov  
Office: (775) 623-6316 Fax: (775) 623-6311

---

September 10, 2024

Ms. Shelley Addie  
Empire Southwest, LLC  
3300 Saint Rose Parkway  
Henderson, NV 89052

RE: Account No. EQ1042

Dear Ms. Addie:

Our representatives have finalized their review of your personal property declarations, and we note the following:

1. Returns were filed for tax year 2023. There was no field inspection due to the nature of the business.
2. Records reviewed consisted of the trial balances and asset registers.
3. Equipment was examined for proper classification and year of acquisition.
4. Equipment was reclassified to the proper Nevada State mandated class life by year of acquisition where necessary.
5. The total "cost" of owned equipment was underreported, as summarized below:

	<u>Tax Year 2023</u>
Audited Cost	\$4,855,716
Reported/Estimated* Cost	<u>\$1,177,851</u>
Cost Variance	\$3,677,865

6. The coding of all assets is included on the enclosed "Exhibit A".

---

50 W 5<sup>th</sup> Street Winnemucca, NV 89445 ♦ Phone: (775) 623-6310 Fax: (775) 623-6311

Ms. Shelley Addie  
RE: Empire Southwest, LLC  
Humboldt County, Nevada  
September 10, 2024  
page 2 of 2

Accordingly, we make the following discoveries in accordance with the Nevada Revised Statutes 361.767.

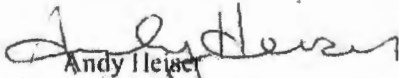
	Tax Year 2023
3 Year Life	-6,576
5 Year Life	-4,485
7 Year Life	-10,572
10 Year Life	0
15 Year Life	4,309,082
20 Year Life	-37,008
30 Year Life	0
Mobile Homes	0
Billboards	0
Adjustments	0
Total Appraised Value	4,250,441
Assessment (35%)	1,487,654

These values will be used to produce a corrected billing for the years noted unless we receive written exception within 14 days.

If you have a concern with the values provided in this discovery letter, please contact us as soon as possible. The deadline to appeal your values is May 15, 2025. A State Board of Equalization Direct Appeal form may be obtained at: <https://tax.nv.gov/Boards/Boards/>.

Should you have any questions, please contact my office at 775-623-6316 or you may also reach out to our TMA representative, Renato Berisha, at 480-729-8319.

Sincerely,

  
Andy Fleischer  
Humboldt County Assessor  
Enclosures

# Humboldt County Assessor's Office

Andy Heiser ♦ Assessor ♦ Andy.Heiser@humboldtcountynv.gov  
Office: (775) 623-6316 Fax: (775) 623-6311

---

9/25/2024

Ms. Shelley Addie  
Empire Southwest, LLC  
3300 Saint Rose Parkway  
Henderson, NV 89502

RE: Account No. EQ1042

Dear Ms. Addie:

Inside this packet, you will find a letter with the audit findings with the assistance of TMA and an amended tax bill for the above listed account for the additional assets that were on site July 1, 2023. Personal property for rent or lease that is not rented on July 1 is still taxable personal property under NRS 361.045 & NRS 361.030.


The Nevada Assessor's Offices and heavy equipment rental companies seem to be interpreting NRS 361.068 "Exempt personal property held for sale by a merchant" differently and I have also enclosed an Advisory Opinion issued by the Department of Taxation to the counties with their explanation of what qualifies under this exemption.

Since this is an amended assessment and tax bill, you do have the right to appeal these values, and that appeal process and forms can be requested from my office mid to late December. The deadline to file an appeal will be January 15, 2025.

We will be reviewing the declarations that were just filed for the 2024-25 year and will amend those accounts according to the findings of this audit.

Please do not hesitate to reach out by email or phone with questions.

Respectfully,

  
Andy Heiser  
Humboldt County Assessor  
50 W 5<sup>th</sup> Street  
Winnemucca, NV 89445  
(775) 623-6316

---

50 W 5<sup>th</sup> Street Winnemucca, NV 89445 ♦ Phone: (775) 623-6310 Fax: (775) 623-6311

# Exhibit 5

PROPERTY LOCATION/DESCRIPTION			
ACCOUNT EQ001042	DISTRICT 1.0	PARCEL NUMBER 15-0253-04	PROPERTY LOCATION 3050 E RAILROAD ST. WINNEMUCCA
Owner Name: EMPIRE SOUTHWEST LLC			MAKE REMITTANCE PAYABLE TO: HUMBOLDT COUNTY TREASURER 50 W Fifth Street Winnemucca, NV 89445
EMPIRE SOUTHWEST LLC 3300 ST ROSE PARKWAY HENDERSON, NV 89052			YOUR CHECK IS YOUR RECEIPT FURNISHING DEPOSIT SLIP

**YOUR CHECK IS YOUR RECEIPT  
IF ADDITIONAL RECEIPT IS NEEDED, PLEASE  
ENCLOSE A SELF ADDRESSED STAMPED  
ENVELOPE WITH YOUR PAYMENT.**

Assessed Valuation		Distribution Tax Amount				
Description Account: EQ001042	Value	Taxing Agency	Rate	Prebatement Amount	Abatement/ Recapture Amount	Tax Amount
Personal Property	\$ 1,624,030	General Fund	0.3530	\$ 5,732.35	\$ 0.00	\$ 5,732.35
		Sen Citizens	0.0300	487.21	0.00	487.21
		Intelligent Fund	0.0227	368.66	0.00	368.66
		St Accident	0.0150	243.61	0.00	243.61
		State Reserve	0.0100	182.40	0.00	182.40
		Ce Extension	0.0100	182.40	0.00	182.40
		State of NV	0.1700	2,760.67	0.00	2,760.67
		6th Judicial	0.1885	2,738.13	0.00	2,738.13
		Capital Proj	0.0100	182.40	0.00	182.40
		Literary	0.0600	897.74	0.00	897.74
		School Dist	0.7890	12,980.89	0.00	12,980.89
		Bondholders	0.1300	2,122.45	0.00	2,122.45
		City of WMCa	0.3790	6,176.31	0.00	6,176.31
		Hospital Oper	0.3864	6,421.43	0.00	6,421.43
		Museum	0.0100	182.40	0.00	182.40
		Medical Indg	0.0800	1,304.81	0.00	1,304.81
		St Yrd Maint	0.0100	182.40	0.00	182.40
		Chris Springs	0.0084	138.94	0.00	138.94
		WMCa Events	0.0400	649.62	0.00	649.62
		All Valuations Totals	3.1716	\$1,898.82	0.00	\$1,898.82
		Pre-delinquencies				48,123.26
<b>Net Assessed</b>	<b>1,624,030</b>	<b>Previous Payments</b>				<b>- 5,204.34</b>
<b>TOTAL TAX DUE</b>						<b>46,123.26</b>

**Please see the reverse side of this tax bill for important information and address change instructions**

☐☐

\_\_\_\_\_

# Exhibit 6



I, Dale Huizingh, Controller for Empire Southwest, LLC in such capacity and not in my individual capacity, being first duly sworn upon my oath, deposes and states:

1. I make this Affidavit based on my own personal knowledge and am competent to testify to the matters stated herein.

2. I have a Bachelor of Science degree in accounting from Arizona State University.

3. I have been employed by Empire Southwest, LLC ("Empire CAT") since 1981, nearly 44 years.

4. I am the Controller for Empire CAT.

5. I oversee Empire CAT's accounting operations and financial reporting (including taxes). I also oversee Empire's financial systems, budgeting, and the annual financial statement audit.

6. I have personal knowledge of Empire CAT's business operations and the information and records supporting this appeal.

7. Empire CAT timely paid the additional personal property taxes from the amended tax bill in December 2024.

8. Empire CAT's revenue sources in Nevada are as follows: equipment sales 34%; lease and rental of equipment 13%; lease conversion sales 4%; sales of parts 35%; and services and repair 14%. The figures for Empire CAT's revenue sources companywide are similar: equipment sales 35%; lease and rental of equipment 12%; lease conversion sales 5%; sales of parts 32%; and services and repair 16%.

9. Because Empire CAT is an exclusive CAT dealer, it is primarily in the business of selling Caterpillar equipment.

10. The overwhelming majority of Empire CAT's revenues (87% of total revenue) derive from four sales-related sources: sales of equipment, lease conversion sales, parts, and the service and repair of equipment.

11. Rental revenues make up less than 15% of revenues.

12. Empire has regularly reported the Allied equipment to the County Assessor.

13. Historically, Empire CAT reported equipment out on rent as of the assessment date as personal property but treated the "rental fleet" equipment in the yard as inventory.

14. For federal income tax purposes rental companies generally depreciate equipment on a straight-line basis over 3 - 10 years depending on the type of equipment.

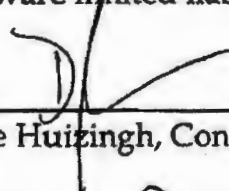
15. Empire CAT's primary practice is to apply a portion of the rental income earned from leasing the equipment to write down the equipment's book value rather than depreciate CAT Equipment on a straight-line basis.

STATE OF ARIZONA           )  
  ) ss.  
COUNTY OF MARICOPA    )

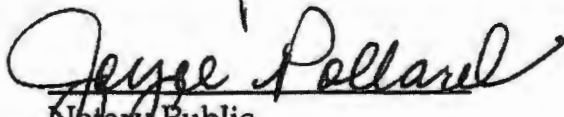
I declare, under penalty of perjury, this claim for tax exemption including any supporting statements or documents is true and complete to the best of my knowledge and belief.

CLAIMANT:

Empire Southwest, LLC  
A Delaware limited liability company

By:   
Dale Huizingh, Controller

2/10/15  
Date

  
Notary Public

My Commission expires:

7-2-2025



JOYCE POLLARD  
Notary Public - State of Arizona  
MARICOPA COUNTY  
Commission # 603823  
Expires July 02, 2025

# Exhibit 7



STATE OF NEVADA  
DEPARTMENT OF TAXATION

Web Site: <https://tax.nv.gov>  
Call Center: (866) 962-3707

LAS VEGAS OFFICE  
700 E. Warm Springs Rd, Suite 200  
Las Vegas, Nevada 89119  
Phone (702) 486-2300  
Fax (702) 486-2373

JOE LOMBARDO  
Governor  
GEORGE KELESIS  
Chair, Nevada Tax Commission  
SHELLIE HUGHES  
Executive Director

CARSON CITY OFFICE  
3850 Arrowhead Dr., 2<sup>nd</sup> Floor  
Carson City, Nevada 89706  
Phone: (775) 684-2000  
Fax: (775) 684-2020

RENO OFFICE  
4600 Kietzke Lane, Suite L235  
Reno, NV 89502  
Phone: (775) 687-9999  
Fax: (775) 688-1303

December 18, 2023

Via Certified Mail and Email

Trent A. Tholen  
President, Assessors' Association of Nevada  
Douglas County Assessor  
Douglas County Assessor's Office  
P.O. Box 218  
Minden, NV 89423  
[assessor@douglasnv.us](mailto:assessor@douglasnv.us)

Re: Advisory Opinion No. 23-005 – Assessor's Association of Nevada

Dear Mr. Tholen:

On behalf of the Assessor's Association of Nevada ("AAN"), on September 18, 2023, you requested an advisory opinion as to "[w]hether machinery and equipment held in inventory by a business primarily engaged in renting or leasing is subject to personal property taxes under Nevada law." The AAN makes this request because there are renting and leasing businesses in Nevada, particularly United Rentals, that (citing to NRS 361.068) are exempting from taxation rental inventory that has not been rented but remains on-site and available for purchase. These businesses claim that such rental inventory is exempt because it is "personal property held for sale by a merchant." See NRS 361.068(1)(a). The AAN believes that these businesses misapply NRS 361.068(1)(a).

Please be advised that the opinions expressed herein are limited to the specific questions, facts, circumstances and transactions described in the information you provided in the correspondence submitted to the Department of Taxation ("Department"). Accordingly, this response is predicated upon the facts, specific information and representations provided to the Department in your correspondence and any assumptions based thereon. In the event any of the representations, facts or assumptions are incorrect, in whole or in part, one or more of the conclusions reached in this opinion might be adversely affected and the opinion is void. No reliance should be placed on this opinion for any purpose other than that described herein. Please be further advised that subsequent statutory or administrative rule changes or judicial interpretations of the statutes or rules upon which any opinion is based may subject similar future transactions to treatment other than that expressed herein. It should be noted that the conclusions reached in this opinion are not binding on any administrative body or any court of law, but rather these findings are the Department's interpretation of the applicable statutes, regulations, and case law.

Issue

Whether machinery and equipment held in inventory by a business primarily engaged in renting or leasing is subject to personal property taxes or exempt from taxation under NRS 361.068(1)(a) when such machinery and equipment remains on-site and available for purchase.

### Short Answer

When personal property is held both for sale and for lease, the taxpayer's primary purpose for holding the personal property will determine whether it is exempt from taxation under NRS 361.068.

### Analysis

All real and personal property located in Nevada is subject to taxation unless an exemption applies. See NRS 361.045. Personal property includes all machines and machinery. NRS 361.030(h). Accordingly, machinery and equipment held for rent or lease is taxable as personal property unless an exemption applies.

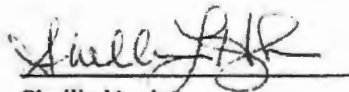
Under NRS 361.068(1)(a), "[p]ersonal property held for sale by a merchant" is exempt from taxation. The statute is silent as to the treatment of personal property that is both for sale and for lease. However, Nevada courts have held that when personal property serves a dual purpose, the primary purpose of the property determines whether the property is taxable or exempt from taxation. See *Nevada Tax Comm'n v. Nevada Cement Co.*, 117 Nev. 960, 36 P.3d 418 (2001), *opinion reinstated on reh'g* (Dec. 12, 2001).<sup>1</sup> The primary purpose of personal property is determined by the primary purpose for which the taxpayer purchased the property. *Id.* Accordingly, the taxation of personal property that is held both for sale and for lease depends on whether the taxpayer primarily purchased the property to lease it or to sell it, which is a factual inquiry requiring investigation.

It is the taxpayer's burden to prove entitlement to an exemption. See *Campbell v. Nevada Tax Com'n*, 109 Nev. 512, 516, 853 P.2d 717, 720 (1993). Further, under NRS 361.310, county assessors are charged with making diligent inquiry and examination to ascertain all the property within the county subject to tax. Therefore, pursuant to NRS 361.310, you may investigate whether personal property alleged to be both for sale and for lease is exempt from taxation under NRS 361.068(1)(a), and thereby require the taxpayers who are the subject of your request to meet their burden of proving entitlement to the exemption.

### Conclusion

Whether personal property held for both sale and for lease is exempt from taxation as "[p]ersonal property held for sale by a merchant" under NRS 361.068(1)(a) requires a factual inquiry into the taxpayer's primary purpose for purchasing the property.

Sincerely,



Shellie Hughes  
Executive Director

*Please be advised that the opinions expressed herein are limited to the specific questions, facts, circumstances and transactions described in the information you provided in the correspondence submitted to the Department. Accordingly, this response is predicated upon the facts, specific information and representations provided to the Department in your correspondence and any assumptions based thereon. In the event any of the representations,*

<sup>1</sup> Although the opinion in *Campbell v. Nevada Tax Com'n* was in relation to the sales and use tax, we believe the same principal applies in relation to the personal property tax.



Trent A. Tholen  
December 18, 2023  
Page 3

*facts or assumptions are incorrect, in whole or in part, one or more of the conclusions reached in this opinion might be adversely affected and the opinion is void. No reliance should be placed on this opinion for any purpose other than that described herein. Please be further advised that subsequent statutory or administrative rule changes or judicial interpretations of the statutes or rules upon which any opinion is based may subject similar future transactions to treatment other than that expressed herein. It should be noted that the conclusions reached in this opinion are not binding on any administrative body or any court of law, but rather these findings are the Department's interpretation of the applicable statutes, regulations, and case law.*

# Exhibit 8

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**  
**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 1-14387

**United Rentals, Inc.**

Commission File Number 1-13663

**United Rentals (North America), Inc.**

(Exact Names of Registrants as Specified in Their Charters)

Delaware Delaware (State of Incorporation) 100 First Stamford Place, Suite 700 Stamford Connecticut (Address of Principal Executive Office)	06-1522496 86-0933835 (U.S. Employer Identification No.)  06902 (Zip Code)
---	---

Registrants' Telephone Number, Including Area Code: (203) 622-3131  
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$0.01 par value, of United Rentals, Inc.	URI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
Emerging Growth Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

	General rentals	Specialty	Total
<b>Year Ended December 31, 2024</b>			
Equipment rentals	\$ 8,945	\$ 4,084	\$ 13,029
Sales of rental equipment	1,328	193	1,521
Sales of new equipment	159	123	282
Contractor supplies sales	87	68	155
Service and other revenues	326	32	358
<b>Total revenue</b>	<b>\$ 10,845</b>	<b>\$ 4,500</b>	<b>\$ 15,345</b>
<b>Year Ended December 31, 2023</b>			
Equipment rentals	\$ 8,803	\$ 3,261	\$ 12,064
Sales of rental equipment	1,411	163	1,574
Sales of new equipment	95	123	218
Contractor supplies sales	89	57	146
Service and other revenues	299	31	330
<b>Total revenue</b>	<b>\$ 10,697</b>	<b>\$ 3,635</b>	<b>\$ 14,332</b>
<b>Year Ended December 31, 2022</b>			
Equipment rentals	\$ 7,345	\$ 2,771	\$ 10,116
Sales of rental equipment	835	130	965
Sales of new equipment	73	81	154
Contractor supplies sales	81	45	126
Service and other revenues	250	31	281
<b>Total revenue</b>	<b>\$ 8,584</b>	<b>\$ 3,058</b>	<b>\$ 11,642</b>

**Equipment rentals.** Equipment rentals represented 85 percent of total revenues in 2024. 2024 equipment rentals of \$13.0 billion increased 8.0 percent year-over-year, primarily due to a 4.1 percent increase in fleet productivity, which includes the impact of the Yak acquisition, and a 3.5 percent increase in average OEC. Fleet productivity increased 2.7 percent excluding the impact of the Yak acquisition.

On a segment basis, equipment rentals represented 82 percent and 91 percent of total revenues for general rentals and specialty, respectively. General rentals equipment rentals increased 1.6 percent as compared to 2023. Specialty rentals increased 25.2 percent as compared to 2023, primarily due to the impact of the Yak acquisition and increased average OEC. Specialty equipment rentals increased 16.9 percent year-over-year excluding the revenue from the acquired Yak locations.

**Sales of rental equipment.** For the three years in the period ended December 31, 2024, sales of rental equipment represented approximately 10 percent of our total revenues. 2024 sales of rental equipment of \$1.5 billion did not change significantly year-over-year.

**Sales of new equipment.** For the three years in the period ended December 31, 2024, sales of new equipment represented approximately 2 percent of our total revenues. 2024 sales of new equipment of \$282 increased 29.4 percent from 2023, primarily due to the impact of the Yak acquisition and supply chain normalization.

**Contractor supplies sales.** For the three years in the period ended December 31, 2024, sales of contractor supplies represented approximately 1 percent of our total revenues. 2024 sales of contractor supplies did not change significantly from 2023.

**Service and other revenues.** For the three years in the period ended December 31, 2024, service and other revenues represented approximately 2 percent of our total revenues. 2024 service and other revenues did not change significantly from 2023.

**Fourth Quarter Items.** There were no unusual or infrequently occurring items recognized in the fourth quarter of 2024 or 2023 that had a material impact on our financial statements.

#### **Segment Equipment Rentals Gross Profit**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023  
OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 1-14387

**United Rentals, Inc.**

Commission File Number 1-13663

**United Rentals (North America), Inc.**

(Exact Names of Registrants as Specified in Their Charters)

Delaware Delaware (State of Incorporation) 100 First Stamford Place, Suite 700 Stamford Connecticut (Address of Principal Executive Offices)	06-1522496 86-0933835 (I.R.S. Employer Identification No.)  06902 (Zip Code)
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Registrants' Telephone Number, Including Area Code: (203) 622-3131  
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$.01 par value, of United Rentals, Inc.	URI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer <input checked="" type="checkbox"/>	Accelerated Filer <input type="checkbox"/>
Non-Accelerated Filer <input type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>
Emerging Growth Company <input type="checkbox"/>	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

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converge, we may be required to disaggregate the divisions into separate reporting segments. Any such disaggregation would have no impact on our consolidated results of operations.

These reporting segments align our external segment reporting with how management evaluates business performance and allocates resources. We evaluate segment performance primarily based on segment equipment rentals gross profit. Our revenues, operating results, and financial condition fluctuate from quarter to quarter reflecting the seasonal rental patterns of our customers, with rental activity tending to be lower in the winter.

Revenues by segment were as follows:

	General rentals	Specialty	Total
<b>Year Ended December 31, 2023</b>			
Equipment rentals	\$ 8,803	\$ 3,261	\$ 12,064
Sales of rental equipment	1,411	163	1,574
Sales of new equipment	95	123	218
Contractor supplies sales	89	57	146
Service and other revenues	299	31	330
Total revenue	\$ 10,697	\$ 3,635	\$ 14,332
<b>Year Ended December 31, 2022</b>			
Equipment rentals	\$ 7,345	\$ 2,771	\$ 10,116
Sales of rental equipment	835	130	965
Sales of new equipment	73	81	154
Contractor supplies sales	81	45	126
Service and other revenues	250	31	281
Total revenue	\$ 8,584	\$ 3,058	\$ 11,642
<b>Year Ended December 31, 2021</b>			
Equipment rentals	\$ 6,074	\$ 2,133	\$ 8,207
Sales of rental equipment	862	106	968
Sales of new equipment	142	61	203
Contractor supplies sales	71	38	109
Service and other revenues	202	27	229
Total revenue	\$ 7,351	\$ 2,365	\$ 9,716

**Equipment rentals.** 2023 equipment rentals of \$12.1 billion increased 19.3 percent, primarily due to a 21.9 percent increase in average OEC, partially offset by a 0.7 percent decrease in fleet productivity. The increase in average OEC includes the impact of the acquisition of Ahern Rentals that is discussed in note 4 to the consolidated financial statements. On a pro forma basis including the pre-acquisition results of Ahern Rentals, year-over-year, equipment rentals increased 11.3 percent, primarily reflecting an increase in average OEC of 10.4 percent and increased fleet productivity of 2.8 percent. Beginning in 2021 and continuing through December 31, 2023, we have experienced broad-based strength of demand across our end-markets.

On a segment basis, equipment rentals represented 82 percent and 90 percent of total revenues for general rentals and specialty, respectively. General rentals equipment rentals increased 19.9 percent as compared to 2022, primarily due to strong demand across our end-markets and increased average OEC, which includes the impact of the Ahern Rentals acquisition. On a pro forma basis including the pre-acquisition results of Ahern Rentals, year-over-year, equipment rentals increased 9.1 percent, primarily reflecting increases in average OEC and fleet productivity. Specialty rentals increased 17.7 percent as compared to 2022, primarily due to strong demand across our end-markets and increased average OEC. As noted above, beginning in 2021 and continuing through December 31, 2023, we have experienced broad-based strength of demand across our end-markets.

**Sales of rental equipment.** For the three years in the period ended December 31, 2023, sales of rental equipment represented approximately 10 percent of our total revenues. 2023 sales of rental equipment of \$1.6 billion increased 63.1 percent from 2022, primarily reflecting the normalization of volumes, after we intentionally held back on sales of rental equipment in 2022 to ensure sufficient rental capacity for our customers, as well as the impact of sales of rental equipment acquired in the Ahern Rentals acquisition. Pricing on sales of rental equipment remains strong.



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**Sales of new equipment.** For the three years in the period ended December 31, 2023, sales of new equipment represented approximately 2 percent of our total revenues. 2023 sales of new equipment of \$218 increased 41.6 percent from 2022, primarily reflecting some individually significant sales in 2023 and normal variability.

**Contractor supplies sales.** For the three years in the period ended December 31, 2023, sales of contractor supplies represented approximately 1 percent of our total revenues. 2023 sales of contractor supplies did not change materially from 2022.

**Service and other revenues.** For the three years in the period ended December 31, 2023, service and other revenues represented approximately 2 percent of our total revenues. 2023 service and other revenues increased 17.4 percent from 2022 primarily due to growth initiatives.

**Fourth Quarter Items.** There were no unusual or infrequently occurring items recognized in the fourth quarter of 2023 that had a material impact on our financial statements. In the fourth quarter of 2022, we issued \$1.5 billion principal amount of 6 percent Senior Secured Notes due 2029. The issued debt, together with drawings on our ABL facility, was used to fund the December 2022 Ahern Rentals acquisition that is discussed in note 4 to the consolidated financial statements.

### **Segment Equipment Rentals Gross Profit**

Segment equipment rentals gross profit and gross margin for each of the three years in the period ended December 31, 2023 were as follows:

	General rentals	Specialty	Total
2023			
Equipment Rentals Gross Profit	\$ 3,219	\$ 1,595	\$ 4,814
Equipment Rentals Gross Margin	36.6 %	48.9 %	39.9 %
2022			
Equipment Rentals Gross Profit	\$ 2,905	\$ 1,340	\$ 4,245
Equipment Rentals Gross Margin	39.6 %	48.4 %	42.0 %
2021			
Equipment Rentals Gross Profit	\$ 2,269	\$ 998	\$ 3,267
Equipment Rentals Gross Margin	37.4 %	46.8 %	39.8 %

**General rentals.** For the three years in the period ended December 31, 2023, general rentals accounted for 68 percent of our total equipment rentals gross profit. This contribution percentage is consistent with general rentals' equipment rental revenue contribution over the same period. For the year ended December 31, 2023, general rentals' equipment rentals gross profit increased by \$314, and equipment rentals gross margin decreased by 300 basis points, from 2022, primarily due to the impact of the Ahern Rentals acquisition. As a percentage of revenue, depreciation and repairs and maintenance expenses for the rental equipment acquired in the Ahern Rentals acquisition were higher than for our other rental equipment, which negatively impacted equipment rentals gross margin year-over-year.

**Specialty.** For the year ended December 31, 2023, equipment rentals gross profit increased by \$255, and equipment rentals gross margin increased by 50 basis points from 2022.

**Gross Margin.** Gross margins by revenue classification were as follows:

	Year Ended December 31,			Change	
	2023	2022	2021	2023	2022
Total gross margin	40.6%	42.9%	39.7%	(230) bps	320 bps
Equipment rentals	39.9%	42.0%	39.8%	(210) bps	220 bps
Sales of rental equipment	49.9%	58.7%	44.5%	(880) bps	1,420 bps
Sales of new equipment	17.9%	19.5%	16.7%	(160) bps	280 bps
Contractor supplies sales	32.2%	33.3%	28.4%	(110) bps	490 bps
Service and other revenues	38.5%	40.2%	39.3%	(170) bps	90 bps

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**  
**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 1-14387

**United Rentals, Inc.**

Commission File Number 1-13663

**United Rentals (North America), Inc.**

(Exact Names of Registrants as Specified in Their Charters)

Delaware Delaware (States of Incorporation)	06-1522496 56-0933835 (I.R.S. Employer Identification No.)
100 First Stamford Place, Suite 700 Stamford Connecticut (Address of Principal Executive Offices)	06902 (Zip Code)

Registrants' Telephone Number, Including Area Code: (203) 622-3131  
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$.01 par value, of United Rentals, Inc.	URI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
Emerging Growth Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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	General rentals	Specialty	Total
<b>Year Ended December 31, 2022</b>			
Equipment rentals	\$ 7,345	\$ 2,771	\$ 10,116
Sales of rental equipment	835	130	965
Sales of new equipment	73	81	154
Contractor supplies sales	81	45	126
Service and other revenues	250	31	281
Total revenue	\$ 8,584	\$ 3,058	\$ 11,642
<b>Year Ended December 31, 2021</b>			
Equipment rentals	\$ 6,074	\$ 2,133	\$ 8,207
Sales of rental equipment	862	106	968
Sales of new equipment	142	61	203
Contractor supplies sales	71	38	109
Service and other revenues	202	27	229
Total revenue	\$ 7,351	\$ 2,365	\$ 9,716
<b>Year Ended December 31, 2020</b>			
Equipment rentals	\$ 5,472	\$ 1,668	\$ 7,140
Sales of rental equipment	785	73	858
Sales of new equipment	214	33	247
Contractor supplies sales	64	34	98
Service and other revenues	164	23	187
Total revenue	\$ 6,699	\$ 1,831	\$ 8,530

*Equipment rentals.* 2022 equipment rentals of \$10.1 billion increased 23.3 percent, primarily due to a 13.6 percent increase in average OEC, which includes the impact of the May 2021 acquisition of General Finance and the December 2022 acquisition of Ahern Rentals, and a 9.4 percent increase in fleet productivity, which reflects broad-based strength of demand across our end-markets. In March 2020, we first experienced rental volume declines, in response to shelter-in-place orders and other market restrictions, associated with COVID-19, and the COVID-19 impact was most pronounced in 2020. Beginning in 2021 and continuing through 2022, we have seen evidence of a continuing recovery of activity across our end-markets. Disciplined management of capital expenditures and fleet capacity is a component of our COVID-19 response plan, which contributed to rental capital expenditures in 2020 that were significantly below historic levels. While capital expenditures were significantly reduced in 2020 due to COVID-19, capital expenditures in 2021 and 2022 exceeded historic (pre-COVID-19) levels, which contributed to the increased average OEC. Equipment rentals represented 87 percent of total revenues in 2022.

On a segment basis, equipment rentals represented 86 percent and 91 percent of total revenues for general rentals and specialty, respectively. General rentals equipment rentals increased 20.9 percent as compared to 2021, primarily due to broad-based strength of demand across our end-markets and increased average OEC. As noted above, the impact of COVID-19 was most pronounced in 2020 and the broad recovery we saw as 2021 progressed continued through 2022. As discussed above, capital expenditures were significantly reduced in 2020 due to COVID-19 and then increased in 2021 and 2022, which contributed to the year-over-year increase in average OEC, which also includes the impact of the December 2022 acquisition of Ahern Rentals. Specialty rentals increased 29.9 percent as compared to 2021, including the impact of the General Finance acquisition. On a pro forma basis including the standalone, pre-acquisition revenues of General Finance, equipment rentals increased 25 percent. The increase in equipment rentals reflects broad-based strength of demand across our end-markets, as well as increased average OEC, both of which are discussed above.

*Sales of rental equipment.* For the three years in the period ended December 31, 2022, sales of rental equipment represented approximately 9 percent of our total revenues. Our general rentals segment accounted for most of these sales. Revenue from sales of rental equipment was largely flat year-over-year, however the number of units sold decreased approximately 17 percent year-over-year, as we held on to fleet to serve strong customer demand and to ensure greater fleet availability in the event industry supply chain challenges persist or worsen. While the volume of sales of rental equipment decreased year-over-year, gross margin from sales of rental equipment increased 14.2 percentage points primarily due to strong pricing and improved channel mix.

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**Sales of new equipment.** For the three years in the period ended December 31, 2022, sales of new equipment represented approximately 2 percent of our total revenues. 2022 sales of new equipment of \$154 decreased 24.1 percent from 2021 primarily due to supply chain constraints. For a discussion of the risks associated with supply chain disruptions, see Item 1A- Risk Factors ("Operational Risks-Disruptions in our supply chain could result in adverse effects on our results of operations and financial performance").

**Sales of contractor supplies.** For the three years in the period ended December 31, 2022, sales of contractor supplies represented approximately 1 percent of our total revenues. Our general rentals segment accounted for most of these sales. 2022 sales of contractor supplies did not change materially from 2021.

**Service and other revenues.** For the three years in the period ended December 31, 2022, service and other revenues represented approximately 2 percent of our total revenues. Our general rentals segment accounted for most of these sales. 2022 service and other revenues increased 22.7 percent from 2021 primarily due to growth initiatives.

**Fourth Quarter Items.** As discussed in note 12 to the consolidated financial statements, in the fourth quarter of 2022, we issued \$1.5 billion principal amount of 6 percent Senior Secured Notes due 2029. The issued debt, together with drawings on our ABL facility, was used to fund the December 2022 Ahern Rentals acquisition that is discussed in note 4 to the consolidated financial statements. There were no unusual or infrequently occurring items recognized in the fourth quarter of 2021 that had a material impact on our financial statements.

### **Segment Equipment Rentals Gross Profit**

Segment equipment rentals gross profit and gross margin for each of the three years in the period ended December 31, 2022 were as follows:

	General rentals	Specialty	Total
2022			
Equipment Rentals Gross Profit	\$ 2,905	\$ 1,340	\$ 4,245
Equipment Rentals Gross Margin	39.6 %	48.4 %	42.0 %
2021			
Equipment Rentals Gross Profit	\$ 2,269	\$ 998	\$ 3,267
Equipment Rentals Gross Margin	37.4 %	46.8 %	39.8 %
2020			
Equipment Rentals Gross Profit	\$ 1,954	\$ 765	\$ 2,719
Equipment Rentals Gross Margin	35.7 %	45.9 %	38.1 %

**General rentals.** For the three years in the period ended December 31, 2022, general rentals accounted for 70 percent of our total equipment rentals gross profit. This contribution percentage is consistent with general rentals' equipment rental revenue contribution over the same period. For the year ended December 31, 2022, general rentals' equipment rentals gross profit increased by \$636, and equipment rentals gross margin increased by 220 basis points, from 2021, primarily due to better fixed cost absorption on higher revenue. As discussed above, equipment rental revenue increased 20.9 percent from 2021, primarily due to increased average OEC, which included the impact of the December 2022 acquisition of Ahern Rentals, and broad-based strength of demand across our end-markets.

**Specialty.** For the year ended December 31, 2022, equipment rentals gross profit increased by \$342, and equipment rentals gross margin increased by 160 basis points from 2021. Gross margin increased primarily due to better cost performance and fixed cost absorption on higher revenue. As discussed above, equipment rental revenue increased 29.9 percent from 2021, including the impact of the May 2021 General Finance acquisition, primarily due to increased average OEC and broad-based strength of demand across our end-markets.

**Gross Margin.** Gross margins by revenue classification were as follows:

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**  
**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 1-14387

**United Rentals, Inc.**

Commission File Number 1-13663

**United Rentals (North America), Inc.**

(Exact Names of Registrants as Specified in Their Charters)

Delaware Delaware (State of Incorporation) 100 First Stamford Place, Suite 700 Stamford Connecticut (Address of Principal Executive Offices)	06-1522496 86-0933835 (I.R.S. Employer Identification Nos.) 06902 (Zip Code)
--	--

Registrants' Telephone Number, Including Area Code: (203) 622-3131  
Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$.01 par value, of United Rentals, Inc.	URI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer <input checked="" type="checkbox"/>	Accelerated Filer <input type="checkbox"/>
Non-Accelerated Filer <input type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>
Emerging Growth Company <input type="checkbox"/>	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒



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	General rentals	Specialty	Total
<b>Year Ended December 31, 2021</b>			
Equipment rentals	\$ 6,074	\$ 2,133	\$ 8,207
Sales of rental equipment	862	106	968
Sales of new equipment	142	61	203
Contractor supplies sales	71	38	109
Service and other revenues	202	27	229
Total revenue	\$ 7,351	\$ 2,365	\$ 9,716
<b>Year Ended December 31, 2020</b>			
Equipment rentals	\$ 5,472	\$ 1,668	\$ 7,140
Sales of rental equipment	785	73	858
Sales of new equipment	214	33	247
Contractor supplies sales	64	34	98
Service and other revenues	164	23	187
Total revenue	\$ 6,699	\$ 1,831	\$ 8,530
<b>Year Ended December 31, 2019</b>			
Equipment rentals	\$ 6,202	\$ 1,762	\$ 7,964
Sales of rental equipment	768	63	831
Sales of new equipment	238	30	268
Contractor supplies sales	71	33	104
Service and other revenues	157	27	184
Total revenue	\$ 7,436	\$ 1,915	\$ 9,351

*Equipment rentals.* 2021 equipment rentals of \$8.2 billion increased 14.9 percent as compared to 2020, primarily due to a 10.4 percent increase in fleet productivity, which included the more pronounced impact of COVID-19, which resulted in rental volume declines in response to shelter-in-place orders and other market restrictions, in 2020. COVID-19 began to impact our operations in March 2020. In 2021, we have seen evidence of a continuing recovery of activity across our end-markets. Equipment rentals represented 84 percent of total revenues in 2021.

On a segment basis, equipment rentals represented 83 percent and 90 percent of total revenues for general rentals and specialty, respectively. General rentals equipment rentals increased 11.0 percent as compared to 2020, primarily due to increased fleet productivity, which included the more pronounced impact of COVID-19 during 2020. In 2021, we have seen evidence of a continuing recovery of activity across our end-markets. Specialty rentals increased 27.9 percent as compared to 2020, including the impact of the General Finance acquisition. On a pro forma basis including the standalone, pre-acquisition revenues of General Finance, equipment rentals increased 18 percent. The increase in equipment rentals reflects increased fleet productivity, which included the more pronounced impact of COVID-19 during 2020, as well as a slight increase in average OEC.

*Sales of rental equipment.* For the three years in the period ended December 31, 2021, sales of rental equipment represented approximately 10 percent of our total revenues. Our general rentals segment accounted for most of these sales. 2021 sales of rental equipment increased 12.8 percent from 2020 primarily due to improved pricing in a strong used equipment market and the impact of the General Finance acquisition.

*Sales of new equipment.* For the three years in the period ended December 31, 2021, sales of new equipment represented approximately 3 percent of our total revenues. Our general rentals segment accounted for most of these sales. 2021 sales of new equipment of \$203 decreased 17.8 percent from 2020 primarily due to supply chain challenges. For a discussion of the risks associated with supply chain disruptions, see Item 1A- Risk Factors ("Operational Risks-Disruptions in our supply chain could result in adverse effects on our results of operations and financial performance").

*Sales of contractor supplies.* For the three years in the period ended December 31, 2021, sales of contractor supplies represented approximately 1 percent of our total revenues. Our general rentals segment accounted for most of these sales. 2021 sales of contractor supplies did not change materially from 2020.



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*Service and other revenues.* For the three years in the period ended December 31, 2021, service and other revenues represented approximately 2 percent of our total revenues. Our general rentals segment accounted for most of these sales. 2021 service and other revenues increased 22.5 percent from 2020 primarily due to the more pronounced impact of COVID-19 in 2020.

*Fourth Quarter Items.* There were no unusual or infrequently occurring items recognized in the fourth quarter of 2021 that had a material impact on our financial statements. In the fourth quarter of 2020, we redeemed all of our 4 <sup>5</sup>/<sub>8</sub> percent Senior Notes due 2025 using borrowings available under our ABL facility. Upon redemption, we recognized a loss of \$24 in interest expense, net, reflecting the difference between the net carrying amount and the total purchase price of the redeemed notes.

### **Segment Equipment Rentals Gross Profit**

Segment equipment rentals gross profit and gross margin for each of the three years in the period ended December 31, 2021 were as follows:

	General rentals	Specialty	Total
2021			
Equipment Rentals Gross Profit	\$ 2,269	\$ 998	\$ 3,267
Equipment Rentals Gross Margin	37.4 %	46.8 %	39.8 %
2020			
Equipment Rentals Gross Profit	\$ 1,954	\$ 765	\$ 2,719
Equipment Rentals Gross Margin	35.7 %	45.9 %	38.1 %
2019			
Equipment Rentals Gross Profit	\$ 2,407	\$ 800	\$ 3,207
Equipment Rentals Gross Margin	38.8 %	45.4 %	40.3 %

*General rentals.* For the three years in the period ended December 31, 2021, general rentals accounted for 72 percent of our total equipment rentals gross profit. This contribution percentage is consistent with general rentals' equipment rental revenue contribution over the same period. For the year ended December 31, 2021, general rentals' equipment rentals gross profit increased by \$315, and equipment rentals gross margin increased by 170 basis points, from 2020, which included a \$26 asset impairment charge that primarily reflected the discontinuation of certain equipment programs and was not related to COVID-19. Excluding the impact of asset impairment charges, equipment rentals gross margin increased 130 basis points year-over-year, primarily due to a reduction in depreciation expense as a percentage of revenue, partially offset by a higher bonus accrual, which reflects improved profitability, and increases in certain operating expenses, including delivery costs, as a percentage of revenue.

*Specialty.* For the year ended December 31, 2021, equipment rentals gross profit increased by \$233, and equipment rentals gross margin increased by 90 basis points from 2020. Gross margin increased primarily due to decreases in depreciation and labor expenses as a percentage of revenue, partially offset by a higher proportion of revenue from certain lower margin ancillary fees in 2021 and increases in certain operating expenses, including delivery costs, as a percentage of revenue.

*Gross Margin.* Gross margins by revenue classification were as follows:

	Year Ended December 31,			Change	
	2021	2020	2019	2021	2020
Total gross margin	39.7%	37.3%	39.2%	240 bps	(190) bps
Equipment rentals	39.8%	38.1%	40.3%	170 bps	(220) bps
Sales of rental equipment	44.5%	38.7%	37.7%	580 bps	100 bps
Sales of new equipment	16.7%	13.4%	13.8%	330 bps	(40) bps
Contractor supplies sales	28.4%	29.6%	29.8%	(120) bps	(20) bps
Service and other revenues	39.3%	37.4%	44.6%	190 bps	(720) bps

2021 gross margin of 39.7 percent increased 240 basis points from 2020. Equipment rentals gross margin increased 170 basis points from 2020, which included a \$30 asset impairment charge that primarily reflected the discontinuation of certain equipment programs and was not related to COVID-19. Excluding the impact of asset impairment charges, equipment rentals

# Exhibit 9

# RUNWAY ④ SUCCESS

**Ashtead  
group**

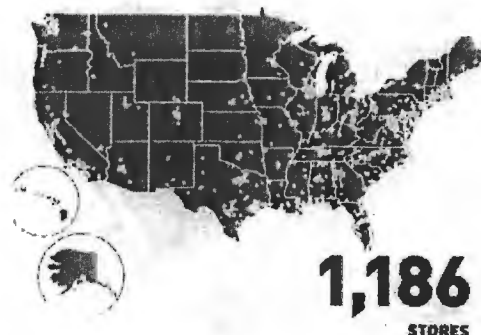
ANNUAL REPORT &  
ACCOUNTS 2024

SBE 164

# An international network of equipment solutions and services

Ashtead is an international equipment rental company, trading under the Sunbelt Rentals brand, with national networks in the US, Canada and the UK. We rent a broad range of construction, industrial, general and specialty equipment across a wide variety of applications to a diverse customer base.

US



The second largest equipment rental company in the US with 1,186 stores

Revenue	\$9,307m
Return on investment <sup>1</sup>	23%
Segment result	\$2,633m
Employees	19,245
Stores	1,186
Fleet size	\$15,057m

## MARKET SHARE<sup>2</sup>



1 United Rentals	15%
2 Sunbelt	11%
3 Herc Rentals	4%
4 Home Depot	2%
5 H&B	2%
6 Top 6-10	4%
7 Top 11-100	20%
8 Others	42%

## FLEET COMPOSITION<sup>3</sup>



1 Mobile elevating work platforms	29%
2 Forklifts	19%
3 Earth moving	14%
4 Power and HVAC	11%
5 Scaffold	2%
6 Other	25%

<sup>1</sup> Excluding goodwill and intangible assets  
<sup>2</sup> Source: Management estimate based on S&P Global Market Intelligence market size estimate  
<sup>3</sup> Source: Management information

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

for the year ended 30 April 2024

		2024			2023		
	Notes	Before amortisation \$m	Amortisation \$m	Total \$m	Before amortisation \$m	Amortisation \$m	Total \$m
<b>Revenue</b>							
Rental revenue	3	9,630.2	-	9,630.2	8,698.2	-	8,698.2
Sale of new equipment, merchandise and consumables	3	349.7	-	349.7	341.7	-	341.7
Sale of used rental equipment	3	858.8	-	858.8	627.4	-	627.4
		<b>10,838.7</b>	<b>-</b>	<b>10,838.7</b>	<b>9,667.3</b>	<b>-</b>	<b>9,667.3</b>
<b>Operating costs</b>							
Staff costs	4	(2,485.1)	-	(2,485.1)	(2,222.1)	-	(2,222.1)
Other operating costs	4	(2,845.2)	-	(2,845.2)	(2,591.1)	-	(2,591.1)
Used rental equipment sold	4	(635.8)	-	(635.8)	(442.3)	-	(442.3)
		<b>(5,966.1)</b>	<b>-</b>	<b>(5,966.1)</b>	<b>(5,255.5)</b>	<b>-</b>	<b>(5,255.5)</b>
<b>EBITDA<sup>1</sup></b>		<b>4,892.6</b>	<b>-</b>	<b>4,892.6</b>	<b>4,411.8</b>	<b>-</b>	<b>4,411.8</b>
Depreciation	4	(2,117.7)	-	(2,117.7)	(1,772.1)	-	(1,772.1)
Amortisation of intangibles	4, 5	-	(120.9)	(120.9)	-	(117.7)	(117.7)
<b>Operating profit</b>	3, 4	<b>2,774.9</b>	<b>(120.9)</b>	<b>2,654.0</b>	<b>2,639.7</b>	<b>(117.7)</b>	<b>2,522.0</b>
Interest income	6	1.8	-	1.8	2.8	-	2.8
Interest expense	6	(544.3)	-	(544.3)	(368.8)	-	(368.8)
<b>Profit on ordinary activities before taxation</b>		<b>2,232.4</b>	<b>(120.9)</b>	<b>2,111.5</b>	<b>2,273.5</b>	<b>(117.7)</b>	<b>2,155.8</b>
Taxation	7, 21	(549.5)	30.2	(519.3)	(567.7)	29.6	(538.1)
<b>Profit attributable to equity holders of the Company</b>		<b>1,682.9</b>	<b>(90.7)</b>	<b>1,592.2</b>	<b>1,705.8</b>	<b>(88.1)</b>	<b>1,617.7</b>
Basic earnings per share	8	386.54	(20.78)	365.76	388.54	(20.14)	368.40
Diluted earnings per share	8	384.34	(20.44)	363.90	386.04	(19.94)	366.10

<sup>1</sup> EBITDA is presented here as an alternative performance measure as it is commonly used by investors and lenders. Further details are provided in the Glossary of terms on page 181.

All revenue and profit for the year is generated from continuing operations.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 April 2024

	Note	2024 \$m	2023 \$m
Profit attributable to equity holders of the Company for the financial year		1,592.2	1,617.7
<b>Items that will not be reclassified to profit or loss:</b>			
Movements on equity instruments held at fair value		-	(36.8)
Remeasurement of the defined benefit pension plan	24	(22.6)	(2.9)
Tax on defined benefit pension plan		8.6	0.7
		<b>(14.0)</b>	<b>(39.0)</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences		(17.6)	(19.2)
Loss on cash flow hedge		9.2	(3.1)
		<b>(8.4)</b>	<b>(22.3)</b>
<b>Total other comprehensive loss for the year</b>		<b>(22.4)</b>	<b>(61.3)</b>
<b>Total comprehensive income for the year</b>		<b>1,569.8</b>	<b>1,556.4</b>



Ashtead  
group

# AMBITION WITH PURPOSE

ANNUAL REPORT AND ACCOUNTS 2023



SBE 167

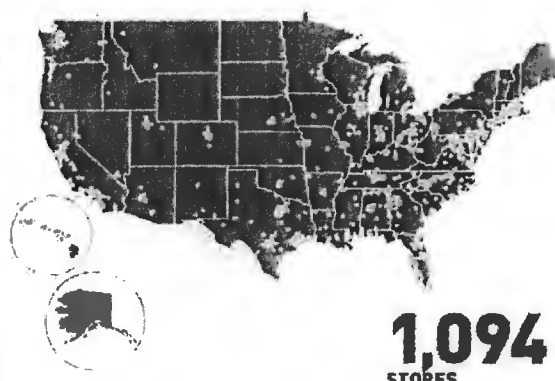


## OUR GROUP AT A GLANCE

# An international network of equipment solutions and services

Ashtead is an international equipment rental company, trading under the Sunbelt Rentals brand, with national networks in the US, Canada and the UK.

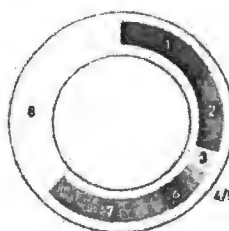
We rent a broad range of construction, industrial, general and specialty equipment across a wide variety of applications to a diverse customer base.



The second largest equipment rental company in the US with 1,094 stores

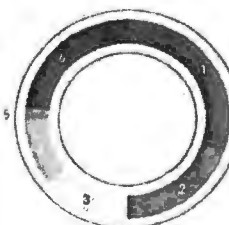
Revenue	\$8,222m
Return on investment <sup>1</sup>	27%
Segment result	\$2,465m
Employees	18,981
Stores	1,094
Fleet size	\$13,407m

### MARKET SHARE<sup>2</sup>



1	United Rentals	17%
2	Sunbelt	13%
3	Herc Rentals	8%
4	Home Depot	2%
5	H&E	2%
6	Top 6-10	4%
7	Top 11-100	21%
8	Others	37%

### FLEET COMPOSITION<sup>3</sup>



1	Mobile elevating work platforms	30%
2	Forklifts	20%
3	Earth moving	14%
4	Power and HVAC	11%
5	Scaffold	2%
6	Other	23%

<sup>1</sup> Excluding goodwill and intangible assets  
<sup>2</sup> Source: Management estimate based on S&P Global Market Intelligence market estimates  
<sup>3</sup> Source: Management information

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

for the year ended 30 April 2023

		2023			2022		
	Notes	Before amortisation \$m	Amortisation \$m	Total \$m	Before exceptional items and amortisation \$m	Exceptional items and amortisation \$m	Total \$m
<b>Revenue</b>							
Rental revenue		8,698.2	-	8,698.2	7,234.7	-	7,234.7
Sale of new equipment, merchandise and consumables		341.7	-	341.7	387.2	-	387.2
Sale of used rental equipment		627.4	-	627.4	340.4	-	340.4
		<b>9,667.3</b>	<b>-</b>	<b>9,667.3</b>	<b>7,962.3</b>	<b>-</b>	<b>7,962.3</b>
<b>Operating costs</b>							
Staff costs	4	(2,222.1)	-	(2,222.1)	(1,830.5)	-	(1,830.5)
Other operating costs	4	(2,591.1)	-	(2,591.1)	(2,260.9)	-	(2,260.9)
Used rental equipment sold	4	(442.3)	-	(442.3)	(261.5)	-	(261.5)
		<b>(5,255.5)</b>	<b>-</b>	<b>(5,255.5)</b>	<b>(4,352.9)</b>	<b>-</b>	<b>(4,352.9)</b>
<b>EBITDA<sup>1</sup></b>		<b>4,411.8</b>	<b>-</b>	<b>4,411.8</b>	<b>3,609.4</b>	<b>-</b>	<b>3,609.4</b>
Depreciation	4	(1,772.1)	-	(1,772.1)	(1,553.0)	-	(1,553.0)
Amortisation of intangibles	4, 5	-	(117.7)	(117.7)	-	(108.6)	(108.6)
<b>Operating profit</b>	3, 4	<b>2,639.7</b>	<b>(117.7)</b>	<b>2,522.0</b>	<b>2,056.4</b>	<b>(108.6)</b>	<b>1,947.8</b>
Interest income	6	2.6	-	2.6	0.1	-	0.1
Interest expense	5, 6	(368.8)	-	(368.8)	(232.7)	(47.1)	(279.8)
<b>Profit on ordinary activities before taxation</b>		<b>2,273.5</b>	<b>(117.7)</b>	<b>2,155.8</b>	<b>1,823.8</b>	<b>(155.7)</b>	<b>1,668.1</b>
Taxation	7, 21	(567.7)	29.6	(538.1)	(456.3)	39.3	(417.0)
<b>Profit attributable to equity holders of the Company</b>		<b>1,705.8</b>	<b>(88.1)</b>	<b>1,617.7</b>	<b>1,367.5</b>	<b>(116.4)</b>	<b>1,251.1</b>
Basic earnings per share	8	<b>368.54</b>	<b>(20.14)</b>	<b>368.44</b>	<b>307.14</b>	<b>(26.24)</b>	<b>280.94</b>
Diluted earnings per share	8	<b>386.04</b>	<b>(19.94)</b>	<b>366.14</b>	<b>305.84</b>	<b>(26.14)</b>	<b>279.74</b>

<sup>1</sup> EBITDA is presented here as an alternative performance measure as it is commonly used by investors and lenders. Further details are provided in the Glossary of terms on page 174.

All revenue and profit for the year is generated from continuing operations.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 April 2023

	Note	2023 \$m	2022 \$m
Profit attributable to equity holders of the Company for the financial year		<b>1,617.7</b>	<b>1,251.1</b>
<b>Items that will not be reclassified to profit or loss:</b>			
Movements on financial asset investments		<b>(36.8)</b>	-
Remeasurement of the defined benefit pension plan	24	<b>(2.9)</b>	11.4
Tax on defined benefit pension plan		<b>0.7</b>	(2.7)
		<b>(39.0)</b>	8.7
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences		<b>(19.2)</b>	(92.7)
Loss on cash flow hedge		<b>(3.1)</b>	-
		<b>(22.3)</b>	(92.7)
<b>Total other comprehensive loss for the year</b>		<b>(61.3)</b>	<b>(84.0)</b>
<b>Total comprehensive income for the year</b>		<b>1,556.4</b>	<b>1,167.1</b>



Ashtead  
group

**AMBITION  
WITH  
PURPOSE**

ANNUAL REPORT & ACCOUNTS 2022

## OUR GROUP AT A GLANCE

An international network of equipment solutions and services.

Ashtead is an international equipment rental company, trading under the Sunbelt Rentals brand, with national networks in the US, Canada and the UK. We rent a broad range of construction, industrial, general and specialty equipment across a wide variety of applications to a diverse customer base.



### PURPOSE

To provide a reliable alternative to ownership for our customers across a wide range of applications and markets.

See more on page 16

### ACTIONABLE COMPONENTS

Grow General foot and advance our clusters

Amplify Specialty

Advance technology

Lead with ESG

Dynamic capital allocation

See more on page 22

### CULTURAL ELEMENTS

Investment in our people

Foster culture of 'entrepreneurialism with scale'

Continuously delivering on our customer promise of Availability, Reliability and Ease

See more on page 56

### US

The second largest equipment rental company in the US with 967 stores

Revenue	\$6,477m
Return on investment <sup>1</sup>	25%
Segment result	\$1,852m
Employees	16,068
Stores	967
Fleet size	\$11,425m

### MARKET SHARE<sup>2</sup>



1 United Rentals	16%
2 Sunbelt	12%
3 Herc Rentals	4%
4 Home Depot	2%
5 Ahern	1%
6 H&E	1%
7 Top 7-10	3%
8 Top 11-100	17%
9 Others	41%

### FLEET COMPOSITION<sup>3</sup>



1 Mobile elevating work platforms	33%
2 Forklifts	20%
3 Earth moving	13%
4 Power and HVAC	10%
5 Scaffolding	2%
6 Other	22%

<sup>1</sup> Excluding goodwill and intangible assets

<sup>2</sup> Source: Management estimate based on Q45 Market market estimates.

<sup>3</sup> Source: Management information.

# CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated income statement

for the year ended 30 April 2022

		2022		2021			
	Note	Before exceptional items and amortisation \$m	Exceptional items and amortisation \$m	Total \$m	Before amortisation \$m (restated)	Amortisation \$m (restated)	Total \$m (restated)
<b>Revenue</b>							
Rental revenue		7,234.7	-	7,234.7	5,901.6	-	5,901.6
Sale of new equipment, merchandise and consumables		387.2	-	387.2	347.7	-	347.7
Sale of used rental equipment		340.4	-	340.4	389.3	-	389.3
		7,962.3	-	7,962.3	6,638.6	-	6,638.6
<b>Operating costs</b>							
Staff costs	4	(1,830.5)	-	(1,830.5)	(1,501.5)	-	(1,501.5)
Other operating costs	4	(2,260.9)	-	(2,260.9)	(1,735.9)	-	(1,735.9)
Used rental equipment sold	4	(261.5)	-	(261.5)	(364.4)	-	(364.4)
		(4,352.9)	-	(4,352.9)	(3,601.8)	-	(3,601.8)
<b>EBITDA<sup>1</sup></b>							
		3,609.4	-	3,609.4	3,036.8	-	3,036.8
Depreciation	4	(1,553.0)	-	(1,553.0)	(1,457.6)	-	(1,457.6)
Amortisation of intangibles	4, 5	-	(108.6)	(108.6)	-	(81.2)	(81.2)
<b>Operating profit</b>	3, 4	2,056.4	(108.6)	1,947.8	1,579.2	(81.2)	1,498.0
Interest income	6	0.1	-	0.1	-	-	-
Interest expense	5, 6	(232.7)	(47.1)	(279.8)	(262.9)	-	(262.9)
<b>Profit on ordinary activities before taxation</b>		1,823.8	(155.7)	1,668.1	1,316.3	(81.2)	1,235.1
Taxation	7, 21	(454.3)	39.3	(417.0)	(335.0)	20.0	(315.0)
<b>Profit attributable to equity holders of the Company</b>		1,367.5	(116.4)	1,251.1	981.3	(61.2)	920.1
<b>Basic earnings per share</b>							
	8	307.14	(26.24)	280.94	219.14	(13.74)	205.44
<b>Diluted earnings per share</b>							
	8	305.84	(26.14)	279.74	218.44	(13.64)	204.84

<sup>1</sup> EBITDA is presented here as an alternative performance measure as it is commonly used by investors and lenders. Further details are provided in the Glossary of Terms on page 169.

<sup>2</sup> All comparative information has been restated for presentation in US dollars. For more information, see Note 2.

All revenue and profit for the year is generated from continuing operations.

## Consolidated statement of comprehensive income

for the year ended 30 April 2022

	Note	2022 \$m	2021 \$m (restated)
Profit attributable to equity holders of the Company for the financial year		1,251.1	920.1
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurement of the defined benefit pension plan	24	11.4	18.4
Tax on defined benefit pension plan		(2.7)	(3.7)
		8.7	14.7
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences		(92.7)	76.8
<b>Total other comprehensive income for the year</b>		(84.0)	91.5
<b>Total comprehensive income for the year</b>		1,167.1	1,011.6



Ashtead  
group

# GROWTH AND RESILIENCE

ANNUAL REPORT  
& ACCOUNTS 2021

SBE 173



# OUR GROUP AT A GLANCE



## An international network of equipment solutions and services

Ashtead is an international equipment rental company, trading under the Sunbelt Rentals brand, with national networks in the US, Canada and the UK. We rent a full range of construction, industrial and general equipment across a wide variety of applications to a diverse customer base.

## US The second largest equipment rental company in the US with 861 stores

Revenue	\$5,418m
Segment result	\$1,445m
Return on investment	20%
Stores	861
Employees	13,553
Fleet size	\$9,827m

### PURPOSE

To provide a reliable alternative to ownership for our customers across a wide range of applications and markets.

[See more on page 18](#)

### STRATEGIC COMPONENTS

Grow General Tool and advance our clusters  
Amplify Specialty  
Advance technology  
Lead with ESG  
Dynamic capital allocation

[See more on page 24](#)

### CULTURAL ELEMENTS

Investment in our people | Foster culture of 'entrepreneurial at scale'  
Continuously delivering on our customer promise of Availability, Reliability and Ease

[See more on page 54](#)

### MARKET SHARE<sup>1</sup>



1	United Rentals	14%
2	Sunbelt	11%
3	Herc Rentals	3%
4	Home Depot	2%
5	Ahern	1%
6	H&E	1%
7	Top 7-10	3%
8	Top 11-100	c. 20%
9	Others	c. 45%

### FLEET COMPOSITION<sup>1</sup>

	Mobile elevating work platforms	34%
	Forklifts	21%
	Earth moving	13%
	Pump and power	12%
	Scaffold	2%
	Other	18%

<sup>1</sup> Excluding goodwill and intangible assets.

<sup>2</sup> Source: Management estimate based on IHS Market market estimates.

<sup>3</sup> Source: Management information.

# CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated income statement

for the year ended 30 April 2021

	Notes	2021			2020		
		Before amortisation £m	Amortisation £m	Total £m	Before exceptional items and amortisation £m	Exceptional items and amortisation £m	Total £m
<b>Revenue</b>							
Rental revenue		4,472.6	-	4,472.6	4,606.5	-	4,606.5
Sale of new equipment, merchandise and consumables		263.5	-	263.5	184.0	-	184.0
Sale of used rental equipment		295.0	-	295.0	263.1	-	263.1
		5,031.1	-	5,031.1	5,053.6	-	5,053.6
<b>Operating costs</b>							
Staff costs	4	(1,137.9)	-	(1,137.9)	(1,172.3)	-	(1,172.3)
Used rental equipment sold	4	(276.2)	-	(276.2)	(229.9)	-	(229.9)
Other operating costs	4	(1,315.6)	-	(1,315.6)	(1,275.6)	-	(1,275.6)
		(2,729.7)	-	(2,729.7)	(2,677.8)	-	(2,677.8)
<b>EBITDA*</b>		2,301.4	-	2,301.4	2,375.8	-	2,375.8
Depreciation	4	(1,104.6)	-	(1,104.6)	(1,090.5)	-	(1,090.5)
Amortisation of intangibles	4, 5	-	(61.5)	(61.5)	-	(61.7)	(61.7)
<b>Operating profit</b>	3, 4	1,196.8	(61.5)	1,135.3	1,285.3	(61.7)	1,223.6
Interest expense	5, 6	(199.3)	-	(199.3)	(224.5)	(16.3)	(240.8)
<b>Profit on ordinary activities before taxation</b>		997.5	(61.5)	936.0	1,060.8	(78.0)	982.8
Taxation	7, 21	(253.8)	15.2	(238.6)	(262.3)	19.2	(243.1)
<b>Profit attributable to equity holders of the Company</b>		743.7	(46.3)	697.4	798.5	(58.8)	739.7
Basic earnings per share	8	166.0p	(10.3p)	155.7p	175.0p	(12.9p)	162.1p
Diluted earnings per share	8	165.5p	(10.3p)	155.2p	174.3p	(12.8p)	161.5p

\* EBITDA is presented here as an alternative performance measure as it is commonly used by investors and lenders. Further details are provided in the Glossary of terms on page 169.

All revenue and profit for the year is generated from continuing operations.

## Consolidated statement of comprehensive income

for the year ended 30 April 2021

	Note	2021 £m	2020 £m
Profit attributable to equity holders of the Company for the financial year		697.4	739.7
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurement of the defined benefit pension plan	24	13.9	(10.8)
Tax on defined benefit pension plan		(2.7)	2.1
		11.2	(8.7)
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences		(228.6)	71.0
<b>Total comprehensive income for the year</b>		480.0	802.0

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934****For the fiscal year ended December 31, 2023****OR**☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934****Commission File Number 001-33139****HERC HOLDINGS INC.**

(Exact name of registrant as specified in its charter)

**Delaware**(State or other jurisdiction of  
incorporation or organization)**20-3530539**(I.R.S. Employer  
Identification Number)**27500 Riverview Center Blvd.  
Bonita Springs, Florida 34134  
(239) 301-1000**(Address, including Zip Code, and telephone number,  
including area code, of registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	HRI	New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act: None**Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of Securities Act. Yes ☒ No ☐Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Accelerated filer	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing price of the stock on the New York Stock Exchange on such date, was \$3.42 billion.

As of February 9, 2024, there were 28,320,161 shares of the registrant's common stock outstanding

<https://www.sec.gov/Archives/edgar/data/1364479/000136447924000006/hri-20231231.htm>

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**HERC HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following summarizes the applicable accounting guidance for the Company's revenues (in millions):

	Years Ended December 31,								
	2023			2022			2021		
	Topic 842	Topic 606	Total	Topic 842	Topic 606	Total	Topic 842	Topic 606	Total
<b>Revenues:</b>									
Equipment rental	\$ 2,577	\$ —	\$ 2,577	\$ 2,284	\$ —	\$ 2,284	\$ 1,729	\$ —	\$ 1,729
Other rental revenue:									
Delivery and pick-up	—	188	188	—	170	170	—	110	110
Other	105	—	105	98	—	98	71	—	71
Total other rental revenues	105	188	293	98	170	268	71	110	181
<b>Total equipment rentals</b>	<b>2,682</b>	<b>188</b>	<b>2,870</b>	<b>2,382</b>	<b>170</b>	<b>2,552</b>	<b>1,800</b>	<b>110</b>	<b>1,910</b>
Sales of rental equipment	—	346	346	—	125	125	—	113	113
Sales of new equipment, parts and supplies	—	38	38	—	36	36	—	31	31
Service and other revenues	—	28	28	—	27	27	—	19	19
<b>Total revenues</b>	<b>\$ 2,682</b>	<b>\$ 600</b>	<b>\$ 3,282</b>	<b>\$ 2,382</b>	<b>\$ 358</b>	<b>\$ 2,740</b>	<b>\$ 1,800</b>	<b>\$ 273</b>	<b>\$ 2,073</b>

Topic 842 revenuesEquipment Rental Revenue

The Company offers a broad portfolio of equipment for rent on a daily, weekly or monthly basis, with substantially all rental agreements cancellable upon the return of the equipment. Virtually all customer contracts can be canceled by the customer with no penalty by returning the equipment within one day; therefore, the Company does not allocate the transaction price between the different contract elements.

Equipment rental revenue includes revenue generated from renting equipment to customers and is recognized on a straight-line basis over the length of the rental contract. As part of this straight-line methodology, when the equipment is returned, the Company recognizes as incremental revenue the excess, if any, between the amount the customer is contractually required to pay, which is based on the rental contract period applicable to the actual number of days the equipment was out on rent, over the cumulative amount of revenue recognized to date. In any given accounting period, the Company will have customers return equipment and be contractually required to pay more than the cumulative amount of revenue recognized to date under the straight-line methodology. Also included in equipment rental revenue is re-rent revenue in which the Company will rent specific pieces of equipment from vendors and then re-rent that equipment to its customers. Provisions for discounts, rebates to customers and other adjustments are provided for in the period the related revenue is recorded.

Other

Other equipment rental revenue is primarily comprised of fees for the Company's rental protection program and environmental charges. Fees paid for the rental protection program allow customers to limit the risk of financial loss in the event the Company's equipment is damaged or lost. Fees for the rental protection program and environmental recovery fees are recognized on a straight-line basis over the length of the rental contract.

Topic 606 revenuesDelivery and pick-up

Delivery and pick-up revenue associated with renting equipment is recognized when the services are performed.

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**HERC HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

*Sales of rental equipment, New equipment, Parts and supplies*

The Company sells its used rental equipment, new equipment, parts and supplies. Revenues recorded for each category are as follows (in millions):

	Years Ended December 31,		
	2023	2022	2021
Sales of rental equipment	\$ 346	\$ 125	\$ 113
Sales of new equipment	14	8	9
Sales of parts and supplies	24	28	22
Total	<u>\$ 384</u>	<u>\$ 161</u>	<u>\$ 144</u>

The Company recognizes revenue from the sale of rental equipment, new equipment, parts and supplies when control of the asset transfers to the customer, which is typically when the asset is picked up by or delivered to the customer and when significant risks and rewards of ownership have passed to the customer. Sales and other tax amounts collected from customers and remitted to government authorities are accounted for on a net basis and, therefore, excluded from revenue.

The Company routinely sells its used rental equipment in order to manage repair and maintenance costs, as well as the composition, age and size of its fleet. The Company disposes of used equipment through a variety of channels including retail sales to customers and other third parties, sales to wholesalers, brokered sales and auctions.

The Company also sells new equipment, parts and supplies. The types of new equipment that the Company sells vary by location and include a variety of ProContractor tools and supplies, small equipment (such as work lighting, generators, pumps, compaction equipment and power trowels), safety supplies and expendables.

Under Topic 606, the accounts receivable balance, prior to allowances for doubtful accounts, for the sale of rental equipment, new equipment, parts and supplies, was approximately \$11 million and \$9 million as of December 31, 2023 and 2022, respectively.

*Service and other revenues*

Service and other revenues primarily include revenue earned from equipment management and similar services for rental customers which includes providing customer support functions such as dedicated in-plant operations, plant management services, equipment and safety training, and repair and maintenance services particularly to industrial customers who request such services.

The Company recognizes revenue for service and other revenues as the services are provided. Service and other revenues are typically invoiced together with a customer's rental amounts and, therefore, it is not practical for the Company to separate the accounts receivable amount related to services and other revenues that are accounted for under Topic 606; however, such amount is not considered material.

*Receivables and contract assets and liabilities*

Most of the Company's equipment rental revenue is accounted for under Topic 842. The customers that are responsible for the remaining equipment rental revenue that is accounted for under Topic 606 are generally the same customers that rent the Company's equipment. Concentration of credit risk with respect to the Company's accounts receivable is limited because a large number of geographically diverse customers makes up its customer base. No single customer makes up more than 3% of the Company's equipment rental revenue or more than 5% of its accounts receivable balance for the last three years. The Company manages credit risk associated with its accounts receivable at the customer level through credit approvals, credit limits and other monitoring procedures. The Company maintains allowances for doubtful accounts that reflect the Company's estimate of the amount of receivables that the Company will be unable to collect based on its historical write-off experience.

The Company does not have material contract assets or contract liabilities associated with customer contracts. The Company's contracts with customers do not generally result in material amounts billed to customers in excess of recognizable revenue. The Company did not recognize material revenue during the years ended December 31, 2023, 2022 or 2021 that was included in the contract liability balance as of the beginning of each period.



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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934****For the fiscal year ended December 31, 2022****OR**☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934****Commission File Number 001-33139****HERC HOLDINGS INC.****(Exact name of registrant as specified in its charter)****Delaware****(State or other jurisdiction of  
incorporation or organization)****20-3530539****(I.R.S. Employer  
Identification Number)****27500 Riverview Center Blvd.  
Bonita Springs, Florida 34134  
(239) 301-1000****(Address, including Zip Code, and telephone number,  
including area code, of registrant's principal executive offices)**

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01 per share	HRI	New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act: None**Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of Securities Act: Yes ☒ No ☐Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act: Yes ☐ No ☒Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files): Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Accelerated filer	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act: ☐Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report: ☒If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements: ☐Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b): ☐Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2022, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing price of the stock on the New York Stock Exchange on such date, was \$2.31 billion.



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**HERC HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following table summarizes the applicable accounting guidance for the Company's revenues (in millions):

	Years Ended December 31,								
	2022			2021			2020		
	Topic 842	Topic 606	Total	Topic 842	Topic 606	Total	Topic 842	Topic 606	Total
<b>Revenues:</b>									
Equipment rental	\$ 2,284.1	\$ —	\$ 2,284.1	\$ 1,728.9	\$ —	\$ 1,728.9	\$ 1,401.1	\$ —	\$ 1,401.1
Other rental revenue:									
Delivery and pick-up	—	169.7	169.7	—	109.6	109.6	—	86.7	86.7
Other	97.7	—	97.7	71.9	—	71.9	55.9	—	55.9
Total other rental revenues	97.7	169.7	267.4	71.9	109.6	181.5	55.9	86.7	142.6
<b>Total equipment rentals</b>	<b>2,381.8</b>	<b>169.7</b>	<b>2,551.5</b>	<b>1,800.8</b>	<b>109.6</b>	<b>1,910.4</b>	<b>1,457.0</b>	<b>86.7</b>	<b>1,543.7</b>
Sales of rental equipment	—	125.7	125.7	—	113.1	113.1	—	198.5	198.5
Sales of new equipment, parts and supplies	—	35.8	35.8	—	30.1	30.1	—	28.2	28.2
Service and other revenues	—	25.8	25.8	—	19.5	19.5	—	10.9	10.9
<b>Total revenues</b>	<b>\$ 2,381.8</b>	<b>\$ 357.0</b>	<b>\$ 2,738.8</b>	<b>\$ 1,800.8</b>	<b>\$ 272.3</b>	<b>\$ 2,073.1</b>	<b>\$ 1,457.0</b>	<b>\$ 324.3</b>	<b>\$ 1,781.3</b>

**Topic 842 revenues***Equipment Rental Revenue*

The Company offers a broad portfolio of equipment for rent on a hourly, daily, weekly or monthly basis, with substantially all rental agreements cancellable upon the return of the equipment. Virtually all customer contracts can be canceled by the customer with no penalty by returning the equipment within one day; therefore, the Company does not allocate the transaction price between the different contract elements.

Equipment rental revenue includes revenue generated from renting equipment to customers and is recognized on a straight-line basis over the length of the rental contract. As part of this straight-line methodology, when the equipment is returned, the Company recognizes as incremental revenue the excess, if any, between the amount the customer is contractually required to pay, which is based on the rental contract period applicable to the actual number of days the equipment was out on rent, over the cumulative amount of revenue recognized to date. In any given accounting period, the Company will have customers return equipment and be contractually required to pay more than the cumulative amount of revenue recognized to date under the straight-line methodology. Also included in equipment rental revenue is re-rent revenue in which the Company will rent specific pieces of equipment from vendors and then re-rent that equipment to its customers. Provisions for discounts, rebates to customers and other adjustments are provided for in the period the related revenue is recorded.

*Other*

Other equipment rental revenue is primarily comprised of fees for the Company's rental protection program and environmental charges. Fees paid for the rental protection program allow customers to limit the risk of financial loss in the event the Company's equipment is damaged or lost. Fees for the rental protection program and environmental recovery fees are recognized on a straight-line basis over the length of the rental contract.

**Topic 606 revenues***Delivery and pick-up*

Delivery and pick-up revenue associated with renting equipment is recognized when the services are performed.

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**HERC HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

*Sales of Rental Equipment, New Equipment, Parts and Supplies*

The Company sells its used rental equipment, new equipment, parts and supplies. Revenues recorded for each category are as follows (in millions):

	Years Ended December 31,		
	2022	2021	2020
Sales of rental equipment	\$ 125.7	\$ 113.1	\$ 198.5
Sales of new equipment	8.6	7.9	11.5
Sales of parts and supplies	27.2	22.2	16.7
Total	<u>\$ 161.5</u>	<u>\$ 143.2</u>	<u>\$ 226.7</u>

The Company recognizes revenue from the sale of rental equipment, new equipment, parts and supplies when control of the asset transfers to the customer, which is typically when the asset is picked up by or delivered to the customer and when significant risks and rewards of ownership have passed to the customer. Sales and other tax amounts collected from customers and remitted to government authorities are accounted for on a net basis and, therefore, excluded from revenue.

The Company routinely sells its used rental equipment in order to manage repair and maintenance costs, as well as the composition, age and size of its fleet. The Company disposes of used equipment through a variety of channels including retail sales to customers and other third parties, sales to wholesalers, brokered sales and auctions.

The Company also sells new equipment, parts and supplies. The types of new equipment that the Company sells vary by location and include a variety of ProContractor tools and supplies, small equipment (such as work lighting, generators, pumps, compaction equipment and power trowels), safety supplies and expendables.

Under Topic 606, the accounts receivable balance, prior to allowances for doubtful accounts, for the sale of rental equipment, new equipment, parts and supplies, was approximately \$8.6 million and \$11.1 million as of December 31, 2022 and 2021, respectively.

*Service and other revenues*

Service and other revenues primarily include revenue earned from equipment management and similar services for rental customers which includes providing customer support functions such as dedicated in-plant operations, plant management services, equipment and safety training, and repair and maintenance services particularly to industrial customers who request such services.

The Company recognizes revenue for service and other revenues as the services are provided. Service and other revenues are typically invoiced together with a customer's rental amounts and, therefore, it is not practical for the Company to separate the accounts receivable amount related to services and other revenues that are accounted for under Topic 606; however, such amount is not considered material.

*Receivables and contract assets and liabilities*

Most of the Company's equipment rental revenue is accounted for under Topic 842. The customers that are responsible for the remaining equipment rental revenue that is accounted for under Topic 606 are generally the same customers that rent the Company's equipment. Concentration of credit risk with respect to the Company's accounts receivable is limited because a large number of geographically diverse customers makes up its customer base. No single customer makes up more than 3% of the Company's equipment rental revenue or more than 5% of its accounts receivable balance for the last three years. The Company manages credit risk associated with its accounts receivable at the customer level through credit approvals, credit limits and other monitoring procedures. The Company maintains allowances for doubtful accounts that reflect the Company's estimate of the amount of receivables that the Company will be unable to collect based on its historical write-off experience.

The Company does not have material contract assets or contract liabilities associated with customer contracts. The Company's contracts with customers do not generally result in material amounts billed to customers in excess of recognizable revenue. The Company did not recognize material revenue during the years ended December 31, 2022, 2021 or 2020 that was included in the contract liability balance as of the beginning of each period.

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 001-33139

**HERC HOLDINGS INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**20-3530539**  
(I.R.S. Employer  
Identification Number)

**27500 Riverview Center Blvd.  
Bonita Springs, Florida 34134  
(239) 301-1000**

(Address, including Zip Code, and telephone number,  
including area code, of registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	HRI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of Securities Act: Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act: Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files): Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Accelerated filer	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act: ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report: ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2021, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing price of the stock on the New York Stock Exchange on such date, was \$2.39 billion.

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**HERC HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following table summarizes the applicable accounting guidance for the Company's revenues (in millions):

	Years Ended December 31,								
	2021			2020			2019		
	Topic 842	Topic 606	Total	Topic 842	Topic 606	Total	Topic 842	Topic 606	Total
<b>Revenues:</b>									
Equipment rental	\$ 1,728.9	\$ —	\$ 1,728.9	\$ 1,401.1	\$ —	\$ 1,401.1	\$ 1,549.9	\$ —	\$ 1,549.9
Other rental revenue:									
Delivery and pick-up	—	109.6	109.6	—	86.7	86.7	—	98.0	98.0
Other	71.9	—	71.9	55.9	—	55.9	53.9	—	53.9
Total other rental revenues	71.9	109.6	181.5	55.9	86.7	142.6	53.9	98.0	151.9
<b>Total equipment rentals</b>	<b>1,800.8</b>	<b>109.6</b>	<b>1,910.4</b>	<b>1,457.0</b>	<b>86.7</b>	<b>1,543.7</b>	<b>1,603.8</b>	<b>98.0</b>	<b>1,701.8</b>
Sales of rental equipment	—	113.1	113.1	—	198.5	198.5	—	242.8	242.8
Sales of new equipment, parts and supplies	—	30.1	30.1	—	28.2	28.2	—	44.0	44.0
Service and other revenues	—	19.5	19.5	—	10.9	10.9	—	10.4	10.4
<b>Total revenues</b>	<b>\$ 1,800.8</b>	<b>\$ 272.3</b>	<b>\$ 2,073.1</b>	<b>\$ 1,457.0</b>	<b>\$ 324.3</b>	<b>\$ 1,781.3</b>	<b>\$ 1,603.8</b>	<b>\$ 395.2</b>	<b>\$ 1,999.0</b>

Topic 842 revenues*Equipment Rental Revenue*

The Company offers a broad portfolio of equipment for rent on an hourly, daily, weekly or monthly basis, with substantially all rental agreements cancellable upon the return of the equipment. Virtually all customer contracts can be canceled by the customer with no penalty by returning the equipment within one day; therefore, the Company does not allocate the transaction price between the different contract elements.

Equipment rental revenue includes revenue generated from renting equipment to customers and is recognized on a straight-line basis over the length of the rental contract. As part of this straight-line methodology, when the equipment is returned, the Company recognizes as incremental revenue the excess, if any, between the amount the customer is contractually required to pay, which is based on the rental contract period applicable to the actual number of days the equipment was out on rent, over the cumulative amount of revenue recognized to date. In any given accounting period, the Company will have customers return equipment and be contractually required to pay more than the cumulative amount of revenue recognized to date under the straight-line methodology. Also included in equipment rental revenue is re-rent revenue in which the Company will rent specific pieces of equipment from vendors and then re-rent that equipment to its customers. Provisions for discounts, rebates to customers and other adjustments are provided for in the period the related revenue is recorded.

*Other*

Other equipment rental revenue is primarily comprised of fees for the Company's rental protection program and environmental charges. Fees paid for the rental protection program allow customers to limit the risk of financial loss in the event the Company's equipment is damaged or lost. Fees for the rental protection program and environmental recovery fees are recognized on a straight-line basis over the length of the rental contract.

Topic 606 revenues*Delivery and pick-up*

Delivery and pick-up revenue associated with renting equipment is recognized when the services are performed.

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**HERC HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

*Sales of Rental Equipment, New Equipment, Parts and Supplies*

The Company sells its used rental equipment, new equipment, parts and supplies. Revenues recorded for each category are as follows (in millions):

	Years Ended December 31,		
	2021	2020	2019
Sales of rental equipment	\$ 113.1	\$ 198.5	\$ 242.8
Sales of new equipment	7.9	11.5	21.0
Sales of parts and supplies	22.2	16.7	23.0
Total	<u>\$ 143.2</u>	<u>\$ 226.7</u>	<u>\$ 286.8</u>

The Company recognizes revenue from the sale of rental equipment, new equipment, parts and supplies when control of the asset transfers to the customer, which is typically when the asset is picked up by or delivered to the customer and when significant risks and rewards of ownership have passed to the customer. Sales and other tax amounts collected from customers and remitted to government authorities are accounted for on a net basis and, therefore, excluded from revenue.

The Company routinely sells its used rental equipment in order to manage repair and maintenance costs, as well as the composition, age and size of its fleet. The Company disposes of used equipment through a variety of channels including retail sales to customers and other third parties, sales to wholesalers, brokered sales and auctions.

The Company also sells new equipment, parts and supplies. The types of new equipment that the Company sells vary by location and include a variety of ProContractor tools and supplies, small equipment (such as work lighting, generators, pumps, compaction equipment and power trowels), safety supplies and expendables.

Under Topic 606, the accounts receivable balance, prior to allowances for doubtful accounts, for the sale of rental equipment, new equipment, parts and supplies, was approximately \$11.1 million and \$13.8 million as of December 31, 2021 and 2020, respectively.

*Service and other revenues*

Service and other revenues primarily include revenue earned from equipment management and similar services for rental customers which includes providing customer support functions such as dedicated in-plant operations, plant management services, equipment and safety training, and repair and maintenance services particularly to industrial customers who request such services.

The Company recognizes revenue for service and other revenues as the services are provided. Service and other revenues are typically invoiced together with a customer's rental amounts and, therefore, it is not practical for the Company to separate the accounts receivable amount related to services and other revenues that are accounted for under Topic 606; however, such amount is not considered material.

*Receivables and contract assets and liabilities*

Most of the Company's equipment rental revenue is accounted for under Topic 842. The customers that are responsible for the remaining equipment rental revenue that is accounted for under Topic 606 are generally the same customers that rent the Company's equipment. Concentration of credit risk with respect to the Company's accounts receivable is limited because a large number of geographically diverse customers makes up its customer base. No single customer makes up more than 3% of the Company's equipment rental revenue or more than 5% of its accounts receivable balance for the last three years. The Company manages credit risk associated with its accounts receivable at the customer level through credit approvals, credit limits and other monitoring procedures. The Company maintains allowances for doubtful accounts that reflect the Company's estimate of the amount of receivables that the Company will be unable to collect based on its historical write-off experience.

The Company does not have material contract assets or contract liabilities associated with customer contracts. The Company's contracts with customers do not generally result in material amounts billed to customers in excess of recognizable revenue. The Company did not recognize material revenue during the years ended December 31, 2021, 2020 or 2019 that was included in the contract liability balance as of the beginning of such period.

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D. C. 20549

**FORM 10-K**

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from

to

Commission file number 000-31799

**H&E EQUIPMENT SERVICES, INC.**

(Exact Name of Registrant as Specified in its Charter)

Delaware  
State or Other Jurisdiction of  
Incorporation or Organization

7400 Peach Lane  
Baton Rouge, Louisiana 70804  
(Address of Principal Executive Office, including Zip Code)

31-0541291  
2023 Complete  
Annual Report File

(225) 298-6300  
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act

Title of Each Class	Trading Symbol(s)	Name of Each Exchange or Market on Which Registered
Common Stock, par value \$0.01 per share	HFE5	Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act: Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act: Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (17 CFR 232.401) of this chapter during the preceding 12 months (or for such shorter period that the registrant was required to submit such files): Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐ Accelerated Filer ☐  
Non-Accelerated Filer ☐ Smaller Reporting Company ☒  
Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act: ☐

Indicate by check mark whether the registrant has filed a report on and evaluation of its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Securities Exchange Act of 1934 (17 CFR 201.21) by the registered public accounting firm that prepared or issued its audit report: ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements: ☐

Indicate by check mark whether any of those error corrections are rescissions that required a recovery analysis of institutional investors received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10C-1(h): ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes ☐ No ☒



valuation multiples are: (i) derived from the operating data of selected guideline companies; (ii) evaluated and adjusted based on the strengths and weaknesses of our reporting unit relative to the selected guideline companies; and (iii) applied to the operating data of our reporting unit to arrive at an indication of value. The application of the market approach results in an estimate of the price reasonably expected to be realized from the sale of the reporting unit.

**Income Taxes.** The Company files a consolidated federal income tax return with its wholly-owned subsidiaries. The Company is a U.S. corporation under the provisions of the Internal Revenue Code. We utilize the asset and liability approach to measure deferred tax assets and liabilities based on temporary differences existing at each balance sheet date using currently enacted tax rates. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rate is recognized as income or expense in the period that includes the enactment date of that tax rate.

The Company recognizes the effect of an income tax position only if it is more likely than not (a likelihood of greater than 50%) that such position will be sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company recognizes both interest and penalties related to uncertain tax positions in net other income (expense).

Our deferred tax calculation requires management to make certain estimates about future operations. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. These estimates involve judgment. There has been no change to the assumption methodology during the current or prior period.

Our U.S. federal tax returns for 2020 and subsequent years remain subject to examination by tax authorities. We are also subject to examination in various state jurisdictions for 2019 and subsequent years.

### Results of Operations

The tables included in the period-to-period comparisons below provide summaries of our revenues and gross profits for the years ended December 31, 2023 and 2022. The period-to-period comparisons of our financial results are not necessarily indicative of future results. All financial results and metrics discussed below are on a continuing operations basis.

As discussed further in Note 2 and Note 3 to our Consolidated Financial Statements, on October 1, 2021, the Company sold its crane business and during the second quarter of 2022 the Company finalized closing adjustments. The results of operations of the Crane Sale are reported in discontinued operations in the Consolidated Statements of Income for the years ended December 31, 2022 and 2021. The Consolidated Statements of Cash Flows includes cash flows related to the discontinued operations and accordingly, cash flow amounts for discontinued operations are disclosed in Note 3 "Acquisitions and Dispositions".

Our prior year discussion for the years ended December 31, 2023 and 2021 can be found here, in Item 7 of our Annual Report on Form 10-E for the year ended December 31, 2022, which is incorporated by reference herein.

### Year Ended December 31, 2023 Compared to the Year Ended December 31, 2022

#### Revenues

	For the Year Ended December 31,		Total Dollar Increase (Decrease)	Total Percentage Increase (Decrease)
	2023	2022		
<b>Revenues:</b>				
Equipment rentals:				
Rentals	\$ 1,031,633	\$ 847,555	\$ 204,077	24.1%
Rentals other	134,320	103,481	26,033	24.0%
Total equipment rentals	1,166,152	956,042	230,110	24.1%
Sales of rental equipment	163,074	90,885	74,189	81.6%
Sales of new equipment	39,099	92,526	(53,427)	(57.7)%
Parts, service and other	8,891	103,063	(26,174)	(24.9)%
Total revenues	\$ 1,469,216	\$ 1,244,518	\$ 224,698	18.1%

**Total Revenues.** Our total revenues were \$1.5 billion for the year ended December 31, 2023 compared to \$1.2 billion for the year ended December 31, 2022, an increase of \$224.7 million, or 18.1%. Revenues of our business activities are further discussed below.

**Equipment Rental Revenues.** Our total revenues from equipment rentals for the year ended December 31, 2023 increased \$230.1 million, or 24.1%, to \$1.2 billion from \$956.9 million in 2022. The increase in equipment rental revenues was primarily due to our larger fleet and increased rental rates as compared to the prior year. See Rentals and Rentals Other below for additional information.

**Rentals.** Rental revenues increased \$204.1 million, or 24.1%, to \$1.1 billion for the year ended December 31, 2023 compared to \$847.6 million for the year ended December 31, 2022. Rental revenues from material handling equipment increased \$65.4 million, aerial work platform equipment increased \$50.0 million, earthmoving equipment increased \$49.2 million and other equipment increased \$29.5 million as compared to the prior period. Our average rental rates, based on the American Rental Association's calculation methodology, for the year ended December 31, 2023 increased 5.6% compared to the year ended December 31, 2022. Rental equipment dollar utilization (annual rental revenue divided by the average original rental fleet equipment costs) for the year ended December 31, 2023 decreased 0.6% to 40.3% from 40.9% in 2022. The decrease in comparative rental equipment dollar utilization was the net result of a decrease in rental equipment time utilization and an increase in equipment rental rates. Rental equipment time utilization as a percentage of original equipment cost was approximately 65.8% for the year ended December 31, 2023 compared to 72.3% in the year ended December 31, 2022, a decrease of 3.5%.

**Rentals Other.** Our rentals other revenues consist primarily of equipment support activities that we provide to customers in connection with renting equipment, such as hauling charges, damage waiver policies, environmental and other recovery fees. Rental other revenues for the year ended December 31, 2023 were \$134.5 million compared to \$105.5 million for the year ended December 31, 2022, an increase of \$26.0 million, or 24.0%, primarily due to the increase in equipment rental revenues as described above.

**Sales of Rental Equipment Revenues.** Our sales of rental equipment for the year ended December 31, 2023 increased \$74.2 million, or 51.6%, to \$165.1 million from \$90.9 million in 2022. This increase is reflective of our fleet management strategy and our decision to capitalize on the high demand for used equipment. Sales of used earthmoving equipment, material handling equipment and aerial work platform equipment increased \$32.5 million, \$21.1 million and \$13.7 million, respectively.

**Sales of New Equipment Revenues.** Our sales of new equipment decreased \$53.4 million, or 57.7%, to \$39.1 million for the year ended December 31, 2023, from \$92.5 million for the same period in 2022. This decrease is primarily reflective of the sale of our Komatsu Earthmoving Distributorship during the fourth quarter of 2022, as a result of which sales of new earthmoving equipment decreased \$52.4 million. Additionally, sales of new material handling equipment and other equipment decreased \$2.1 million and \$1.6 million, respectively. Offsetting these decreases, sales of new aerial work platform equipment increased \$2.7 million.

**Parts, Service and Other Revenues.** Our parts, service and other revenues decreased \$26.2 million, or 24.9%, to \$78.9 million for the year ended December 31, 2023 from \$105.1 million for the same period in 2022. The decreases in parts and service sales were largely attributable to decreases related to earthmoving equipment following the sale of our Komatsu Earthmoving Distributorship during the fourth quarter of 2022.

#### Gross Profit

	Per the Year Ended December 31,		Total Dollar Increase (Decrease)	Total Percentage Increase (Decrease)
	2023	2022		
(in thousands, except percentages)				
Gross Profit:				
Equipment rentals:				
Rentals	\$ 547,792	\$ 452,310	\$ 95,482	21.4%
Rentals other	5,647	8,933	(3,286)	(36.8)%
Total equipment rentals	553,439	460,243	93,196	20.2%
Sales of rental equipment	99,891	44,316	55,575	125.4%
Sales of new equipment	5,530	13,096	(7,566)	(57.8)%
Parts, service and other	25,601	37,508	(11,907)	(31.7)%
Total gross profit	\$ 684,462	\$ 555,163	\$ 129,298	23.3%

**Total Gross Profit.** Our total gross profit was \$684.5 million for the year ended December 31, 2023 compared to \$555.2 million for the year ended December 31, 2022, an increase of \$129.3 million, or 23.3%. Total gross profit margin for the year ended December 31, 2023 was approximately 46.6%, an increase of 2.0% from the 44.6% gross profit margin for the same period in 2022. Gross profits and gross margins of our business activities are further described below:

**Equipment Rentals Gross Profit.** Our total gross profit from equipment rentals for the year ended December 31, 2023 increased \$93.2 million, or 20.2%, to approximately \$553.4 million from \$460.2 million in 2022. Total gross profit margin from equipment

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

## FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2022

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number 000-51729

## H&E EQUIPMENT SERVICES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Incorporated  
in (State of Incorporation or Organization)

01-46552291  
SEC Employer  
Identification No.

7500 Pacha Lane,  
Baton Rouge, Louisiana 70809  
(Address of Principal Executive Office, including Zip Code)

(225) 278-5200  
(Registrant's Telephone Number, including Area Code)

Securities registered pursuant to Section 12(b) of the Act

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.11 per share	HES	Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to each filing requirement for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T of 2012-06 of this chapter during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer ☐  
Non-Accelerated Filer ☐ Smaller Reporting Company ☐  
Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 1329 of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation of its management of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (1) YES ☐ (2) NO ☒ In the registrant's public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error or previously issued financial statements. ☐

Indicate by check mark whether any of those emergency conditions or circumstances that required a recovery analysis of the registrant's operations occurred (1) any of the registrant's executive officers during the relevant recovery period pursuant to §241.100-1(h) ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the common stock held by non-affiliates of the registrant was approximately \$1,342,341,710 (as reported by reference to the closing sale price of the registrant's common stock on the Nasdaq Global Market on June 30, 2022, the last business day of the registrant's most recently completed fiscal fiscal quarter).

The Company recognizes the effect of an income tax position only if it is more likely than not (a likelihood of greater than 50%) that such position will be sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company recognizes both interest and penalties related to uncertain tax positions in net other income (expense).

Our deferred tax calculation requires management to make certain estimates about future operations. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. These estimates involve judgment. There has been no change to the assumption methodology during the current or prior period.

Our U.S. federal tax returns for 2019 and subsequent years remain subject to examination by tax authorities. We are also subject to examination in various state jurisdictions for 2018 and subsequent years.

### Results of Operations

The tables included in the period-to-period comparisons below provide summaries of our revenues and gross profit for our business segments and non-segmented revenues for the years ended December 31, 2022 and 2021. The period-to-period comparisons of our financial results are not necessarily indicative of future results. All financial results and metrics discussed below are on a continuing operations basis.

As discussed further in Note 2 and Note 3 to our Consolidated Financial Statements, on October 1, 2021, the Company sold its crane business. The results of operations of the Crane Sale are reported in discontinued operations in the Consolidated Statements of Operations for all periods presented. The Consolidated Statements of Cash Flows include cash flows related to the discontinued operations and accordingly, cash flow amounts for discontinued operations are disclosed in Note 3 "Acquisitions and Dispositions".

Our prior year discussion for the years ended December 31, 2021 and 2020 can be found here, in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2021, which is incorporated by reference herein.

### Year Ended December 31, 2022 Compared to the Year Ended December 31, 2021

#### Revenues

	For the Year Ended December 31,		Total Dollar Increase (Decrease)	Total Percentage Increase (Decrease)
	2022	2021		
<b>Segment revenues:</b>				
<b>Equipment rentals:</b>				
Rental: .....	\$ 847,555	\$ 653,034	\$ 194,521	29.8%
Rental: other .....	108,487	76,696	31,791	41.5%
Total equipment rentals .....	956,042	729,730	226,312	31.0%
Used equipment sales .....	90,885	135,345	(44,360)	(32.8%)
New equipment sales .....	92,526	92,677	(151)	(0.2%)
Parts sales .....	64,646	63,623	(977)	(1.5%)
Services revenues .....	34,226	33,034	1,192	3.6%
Non-Segmented other revenues .....	6,193	6,518	(325)	(5.0%)
<b>Total revenues .....</b>	<b>\$ 1,244,518</b>	<b>\$ 1,062,797</b>	<b>\$ 181,721</b>	<b>17.1%</b>

**Total Revenues:** Our total revenues were \$1.2 billion for the year ended December 31, 2022 compared to \$1.1 billion for the year ended December 31, 2021, an increase of \$181.7 million, or 17.1%. Revenues of all reportable segments and non-segmented other revenues are further discussed below.

**Equipment Rental Revenues:** Our total revenues from equipment rentals for the year ended December 31, 2022 increased \$226.3 million, or 31.0%, to \$956.0 million from \$729.7 million in 2021. The increase in equipment rental revenues was primarily due to our larger fleet, increased rental rates and increased demand as compared to the prior year. See Rental and Rental: Other below for additional information.

**Rental:** Rental revenues increased \$194.6 million, or 29.8%, to \$847.6 million for the year ended December 31, 2022 compared to \$653.0 million for the year ended December 31, 2021. Rental revenues from earthmoving equipment increased \$62.5 million, material handling rental revenues increased \$35.4 million, aerial work platform rental revenues increased \$43.8 million and rental revenues from other equipment increased \$32.9 million as compared to the prior period. Our average rental rates, based on the

American Rental Association's calculation methodology, for the year ended December 31, 2022 increased 9.2%, compared to the year ended December 31, 2021. Rental equipment dollar utilization (annual rental revenues divided by the average original rental floor equipment costs) for the year ended December 31, 2022 increased 4.1%, to 40.9%, from 36.8% in 2021. The increase in comparative rental equipment dollar utilization was primarily the result of an increase in rental equipment time utilization and the increase in equipment rental rates as noted above. Rental equipment time utilization as a percentage of original equipment cost was approximately 72.3% for the year ended December 31, 2022 compared to 68.7% in the year ended December 31, 2021, an increase of 2.6%, largely attributable to the increase in demand in the current year.

**Rental's Other** Our rental's other revenues consist primarily of equipment support activities that we provide to customers in connection with renting equipment, such as handling charges, damage waiver policies, environmental and other recovery fees. Rental's other revenues for the year ended December 31, 2022 were \$108.5 million compared to \$76.7 million for the year ended December 31, 2021, an increase of \$31.8 million, or 41.5%, primarily due to the increase in equipment rental revenues as described above.

**Used Equipment Sales Revenues** Our used equipment sales for the year ended December 31, 2022 decreased \$44.4 million, or 32.8%, to \$90.9 million from \$135.2 million in 2021. This decrease is reflective of the increased rental demand and our decision to capitalize on high equipment utilization during the year. Sales of used material handling equipment, aerial work platform equipment and earthmoving equipment decreased \$25.0 million, \$10.3 million and \$8.1 million, respectively.

**New Equipment Sales Revenues** Our new equipment sales decreased \$0.2 million, or 0.2%, to \$92.5 million for the year ended December 31, 2022, from \$92.7 million for the same period in 2021. This decrease in new equipment sales was driven largely by the decrease in sales of new aerial work platform equipment of \$3.0 million. Partially offsetting these decreases was the increase in sales of new other equipment and new material handling equipment of \$2.5 million and \$0.7 million, respectively.

**Parts Sales Revenues** Our parts sales revenues decreased \$1.0 million, or 1.5%, to \$64.6 million for the year ended December 31, 2022 from \$65.6 million for the same period in 2021. The decrease in parts sales was largely attributable to decreases in parts sales for our earthmoving equipment.

**Services Revenues** Our services revenues for the year ended December 31, 2022 increased \$1.2 million, or 3.6%, to \$34.2 million from \$33.0 million in the same period last year. The increase in services revenues was largely attributable to increases in our material handling and earthmoving equipment product lines.

**Non-Segmented Other Revenues** Our non-segmented other revenues relate to equipment support activities that we provide to customers in connection with used and new equipment sales and parts and services revenues and are generally not allocated to our reportable segments. For the year ended December 31, 2022, our other revenues were \$6.2 million, a decrease of approximately \$0.3 million, or 5.0%, from \$6.5 million in 2021.

#### Gross Profit

	For the Year Ended December 31,		Total Dollar Increase (Decrease)	Total Percentage Increase (Decrease)
	2022	2021		
	(in thousands, except percentages)			
<b>Segment Gross Profit (Loss):</b>				
Equipment rental:				
Rental's	\$ 451,310	\$ 355,867	\$ 135,443	42.9%
Rental's other	8,933	(238)	9,171	3853.4%
Total equipment rental's	460,243	315,629	144,614	45.8%
Used equipment sales	44,316	48,922	(4,606)	(9.4%)
New equipment sales	13,096	11,855	1,241	10.5%
Parts sales	18,035	17,277	758	4.4%
Services revenues	21,996	21,797	201	0.9%
Non-segmented revenues gross loss	(2,525)	(117)	(2,408)	(2058.1%)
<b>Total gross profit</b>	<b>\$ 535,163</b>	<b>\$ 455,363</b>	<b>\$ 139,800</b>	<b>33.7%</b>

**Total Gross Profit** Our total gross profit was \$535.2 million for the year ended December 31, 2022 compared to \$455.4 million for the year ended December 31, 2021, an increase of \$139.8 million, or 33.7%. Total gross profit margin for the year ended December 31, 2022 was approximately 44.6%, an increase of 5.7% from the 39.1% gross profit margin for the same period in 2021. Gross profit and gross margin for all reportable segments and non-segmented other are further described below.



**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D. C. 20549

**FORM 10-K**

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-51759

**H&E EQUIPMENT SERVICES, INC.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

7500 Pecan Lane,  
Baton Rouge, Louisiana 70809  
(Address of Principal Executive Offices, including Zip Code)

81-0553291  
(IRS Employer  
Identification No.)

(225) 298-5200  
(Registrant's Telephone Number, including Area Code)

**Securities registered pursuant to Section 12(b) of the Act:**

Title of Each Class	Trading Symbols	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	HEES	Nasdaq Global Market

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer ☒

Accelerated Filer ☐

Non-Accelerated Filer ☐

Smaller Reporting Company ☐

Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the common stock held by non-affiliates of the registrant was approximately \$1,201,652,813 (computed by reference to the closing sale price of the registrant's common stock on the Nasdaq Global Market on June 30, 2021, the last business day of the registrant's most recently completed second fiscal quarter).

As of February 17, 2022, there were 36,154,044 shares of common stock, par value \$0.01 per share, of the registrant outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the document listed below have been incorporated by reference into the indicated parts of this Form 10-K, as specified in the responses to the item numbers involved.

Part III The registrant's definitive proxy statement, for use in connection with the Annual Meeting of Stockholders, to be filed within 120 days after the registrant's fiscal year ended December 31, 2021.

Auditor Firm Id. 243 Auditor Name: BDO USA, LLP Auditor Location: Dallas, Texas, USA



**Income Taxes.** We recorded an income tax expense of \$21.2 million for the year ended December 31, 2021 compared to an income tax benefit of approximately \$13.4 million for the year ended December 31, 2020. Our effective income tax rate for the year ended December 31, 2021 was 25.9% compared to 22.4% for the same period last year, an increase of 3.4%. The increase in our effective tax rate is primarily due to the net change in permanent differences in relation to profit before tax. Our rate for the year ended December 31, 2020 included the impact of a \$2.6 million income tax expense related to nondeductible goodwill impairment.

On March 27, 2020, the CARES Act was signed into law. The income tax related provisions of the CARES Act did not have a material impact to our recorded income tax benefit for the year ended December 31, 2020. See Note 12 to our Consolidated Financial Statements for a discussion of the CARES Act's favorable cash impact to our liquidity.

Based on available evidence, both positive and negative, we believe it is more likely than not that our federal deferred tax assets at December 31, 2021 are fully realizable through future reversals of existing taxable temporary differences and future taxable income. For the year ended December 31, 2021, we have a \$7.6 million valuation allowance for certain state tax credits that may not be realized.

### **Year Ended December 31, 2020 Compared to the Year Ended December 31, 2019**

#### **Revenues.**

	For the Year Ended December 31,		Total Dollar Increase (Decrease)	Total Percentage Increase (Decrease)
	2020	2019		
	(in thousands, except percentages)			
Segment revenues:				
Equipment rentals				
Rentals	\$ 581,144	\$ 671,751	\$ (90,607)	(13.5)%
Rentals Other	63,301	70,204	(6,903)	(9.8)%
Total equipment rentals	644,445	741,955	(97,510)	(13.1)%
Used equipment sales	139,769	122,591	17,178	14.0%
New equipment sales	113,708	131,798	(18,090)	(13.7)%
Parts sales	65,881	77,569	(11,688)	(15.1)%
Services revenues	35,989	41,521	(5,532)	(13.3)%
Non-Segmented other revenues	7,183	8,327	(1,144)	(13.7)%
Total revenues	\$ 1,006,975	\$ 1,123,761	\$ (116,786)	(10.4)%

**Total Revenues.** Our total revenues were \$1.0 billion for the year ended December 31, 2020 compared to \$1.1 billion for the year ended December 31, 2019, a decrease of \$116.8 million, or 10.4%. Revenues of all reportable segments and non-segmented other revenues are further discussed below.

**Equipment Rental Revenues.** Our total revenues from equipment rentals for the year ended December 31, 2020 decreased \$97.5 million, or 13.1%, to \$644.4 million from \$742.0 million in 2019. The decrease in equipment rental revenues was largely due to decreased demand from the impact of the COVID-19 economic downturn.

**Rentals:** Rental revenues decreased \$90.6 million, or 13.5%, to \$581.1 million for the year ended December 31, 2020 compared to \$671.8 million for the year ended December 31, 2019. Rental revenues from aerial work platform equipment decreased \$36.1 million, material handling rental revenues decreased \$21.7 million, and earthmoving rental revenues decreased \$14.3 million. Rental revenues from other equipment decreased \$13.9 million as compared to the prior period. The product line rental revenue fluctuations above do not include the impact of legacy WRI equipment rental revenues of \$4.7 million for February 2019 through April 2019. Our average rental rates, based on the American Rental Association's calculation methodology, for the year ended December 31, 2020 decreased 2.7% compared to the year ended December 31, 2019. Our average rental rates for the year ended December 31, 2019 do not include the impact of legacy WRI rental revenues for February 2019 through April 2019.

Rental equipment dollar utilization (annual rental revenues divided by the average original rental fleet equipment costs) for the year ended December 31, 2020 decreased 4.2% to 32.6% from 36.8% in 2019. The decrease in comparative rental equipment dollar utilization was primarily the result of the decrease in equipment rental rates as noted above and a decrease in rental equipment time utilization. Rental equipment time utilization as a percentage of original equipment cost was approximately 62.9% for the year ended December 31, 2020 compared to 70.0% in the year ended December 31, 2019, a decrease of 7.0%, largely attributable to the decrease in demand due to the economic downturn surrounding the COVID-19 pandemic.

**Rentals Other:** Our rentals other revenues consist primarily of equipment support activities that we provide to customers in connection with renting equipment, such as hauling charges, damage waiver policies, environmental and other recovery fees. Rental other revenues for the year ended December 31, 2020 were \$63.3 million compared to \$70.2 million for the year ended

December 31, 2019, a decrease of \$6.9 million, or 9.8%, primarily due to the decrease in equipment rental revenues as described above.

**Used Equipment Sales Revenues.** Our used equipment sales increased \$17.2 million, or 14.0%, to \$139.8 million for the year ended December 31, 2020, from \$122.6 million for the same period in 2019. This increase in used equipment sales reflects some downsizing of our rental fleet in response to COVID-19's impact on rental demand combined with improved customer demand for used equipment. Sales of used earthmoving equipment, used material handling equipment and other used equipment sales increased \$12.2 million, \$3.5 million and \$2.6 million, respectively. Partially offsetting these increases were decreases of used aerial work platform equipment of \$1.4 million.

**New Equipment Sales Revenues.** Our new equipment sales for the year ended December 31, 2020 decreased \$18.1 million, or 13.7%, to \$113.7 million from \$131.8 million in 2019. This decrease, as noted below, was driven primarily by decreased sales of new equipment from continuing uncertainty related to oil and gas prices, and decreases in sales of our other product lines as customers have delayed, and in some cases, canceled large capital purchases due to the uncertainty surrounding the COVID-19 pandemic. Sales of new material handling equipment, earthmoving equipment and aerial work platform equipment decreased \$14.5 million, \$5.8 million and \$2.9 million, respectively. Partially offsetting these decreases, sales of new other equipment sales increased \$4.7 million.

**Parts Sales Revenues.** Our parts sales revenues decreased \$11.7 million, or 15.1%, to \$65.9 million for the year ended December 31, 2020 from \$77.6 million for the same period in 2019. The decrease in parts sales was largely attributable to decreases in equipment parts sales across all product lines, reflecting the COVID-19 impacts on our parts business.

**Services Revenues.** Our services revenues for the year ended December 31, 2020 decreased \$5.5 million, or 13.3%, to \$36.0 million from \$41.5 million in the same period last year. The decrease in service revenues was largely attributable to decreases in earthmoving equipment, aerial work platforms and material handling equipment services.

**Non-Segmented Other Revenues.** Our non-segmented other revenues relate to equipment support activities that we provide to customers in connection with used and new equipment sales and parts and services revenues and are generally not allocated to our reportable segments. For the year ended December 31, 2020, our other revenues were \$7.2 million, a decrease of approximately \$1.1 million, or 13.7%, from \$8.3 million in 2019.

#### Gross Profit.

	For the Year Ended December 31,		Total Dollar Increase (Decrease)	Total Percentage Increase (Decrease)
	2020	2019		
	(In thousands, except percentages)			
Segment Gross Profit (loss):				
Equipment rentals				
Rentals	\$ 258,116	\$ 335,369	\$ (77,253)	(23.0)%
Rentals Other	(608)	1,112	(1,720)	(154.7)%
Total equipment rentals	257,508	336,481	(78,973)	(23.5)%
Used equipment sales	44,970	41,823	3,147	7.5%
New equipment sales	12,207	15,512	(3,305)	(21.3)%
Parts sales	17,750	22,331	(4,581)	(20.5)%
Services revenues	24,464	28,408	(3,944)	(13.9)%
Non-Segmented other gross profit (loss)	164	(1,737)	1,901	109.4%
Total gross profit	\$ 357,063	\$ 442,818	\$ (85,755)	(19.4)%

**Total Gross Profit.** Our total gross profit was \$357.1 million for the year ended December 31, 2020 compared to \$442.8 million for the year ended December 31, 2019, a decrease of \$85.8 million, or 19.4%. Total gross profit margin for the year ended December 31, 2020 was approximately 35.5%, a decrease of 3.9% from the 39.4% gross profit margin for the same period in 2019. Gross profit and gross margin for all reportable segments and non-segmented other revenues are further described below.

**Equipment Rentals Gross Profit.** Our total gross profit from equipment rentals for the year ended December 31, 2020 decreased \$79.0 million, or 23.5%, to approximately \$257.5 million from \$336.5 million in 2019. Total gross profit margin from equipment rentals for the year ended December 31, 2020 was approximately 40.0% compared to 45.4% for the year ended December 31, 2019, a decrease of 5.4%. See Rentals and Rentals Other below for additional information.

**Rentals:** Rental revenue gross profit decreased \$77.3 million to \$258.1 million for the year ended December 31, 2020 compared to \$335.4 million for the year ended December 31, 2019. The decrease in rentals gross profit was the result of a \$90.6 million decrease in rental revenues for the year ended December 31, 2020 compared to the prior year, which was partially offset

# Exhibit 12

ACCOUNT NUMBER: EQ0001042

EMPIRE SOUTHWEST, LLC 2023

CatGroup/ID	Cat/Group Desc	Acquisition Year	Total Acquisition Cost
CE010040	REACH FORKLIFT 12,000LB 55' LIFT, CAB	2022	151,369.00
CE010007	REACH FORKLIFT 10,000LB 55' LIFT, CAB	2022	141,841.00
CE008780	REACH FORKLIFT 12,000LB 55' LIFT	2022	137,130.78
CE010360	938 WHEEL LOADER W/FUSION & 3RD VALVE	2022	132,083.13
CE009347	REACH FORKLIFT 10,000LB 55' LIFT, CAB	2022	130,679.00
CE008607	926 WHEEL LOADER	2022	124,670.04
CE010030	REACH FORKLIFT 10,000LB 55' LIFT	2022	114,575.00
CE012574	REACH FORKLIFT 9,000LB 43' LIFT	2022	114,366.00
CE006880	450 BACKHOE LOADER	2022	107,797.34
CE012830	420 BACKHOE LOADER W/CAB	2022	103,557.22
CE011028	REACH FORKLIFT 6,000LB 42' LIFT	2022	92,048.00
CE006384	REACH FORKLIFT 10,000LB 55' LIFT	2022	87,205.21
CE007601	REACH FORKLIFT 9,000LB 43' LIFT, CAB	2022	81,334.00
CE015069	415 SKIP LOADER	2022	81,288.62
CE008914	308 MINI EX W/CAB	2022	72,352.72
CE011863	289 / 265-05 CTL	2022	72,173.41
CE007864	308 MINI EX W/CAB	2022	70,026.88
CE008586	305.5 / 306 MINI EX	2022	54,689.22
CE010852	279 CTL W/HIGH FLOW/H3	2022	54,114.53
CE040370	236 SSL W/CAB	2023	53,230.28
CE016823	236 SSL W/CAB	2023	51,122.13
CE012644	303.5 MINI EX W/CAB	2022	44,738.20
CE012976	226 SSL W/CAB	2022	36,466.93
CE040023	301.7 MINI EX	2022	27,907.90
CE011493	226 SSL W/CAB	2022	27,301.61
CE008903	301.7 MINI EX	2022	21,535.25
CE009659	DOUBLE DRUM ROLLER 35" CB14/CB1.7/CB1.8	2022	19,661.00
CE019748N	938 MP BUCKET	2022	19,445.91
CE017608Z	COLD PLANER ATTACHMENT (SSL/CTL)	2022	15,281.85
UR001101	UTV/JOB CART 2 SEAT DIESEL	2022	10,667.00

UR001142	UTV/JOB CART 2 SEAT DIESEL	2022	10,667.00
CE014840Q	311, 313, 314, 315 QUICK COUPLER	2022	6,377.00
CE008246N	924/926 BUCKETS	2022	5,965.96
CE010113E	36" 320, 321, M322, 323, 325 BUCKET	2022	5,289.17
CE014840E	36" 311, 313, 314, 315 BUCKET	2022	4,502.66
CE016061Z	A26 / A68 AUGER	2022	4,000.43
CE005720D	30" 311, 313, 314, 315 BUCKET	2022	3,732.22
CE010886E	36" 316 BUCKET	2022	3,447.18
CE008914Q	307, 308, 309 MECH QUICK COUPLER	2022	3,026.82
UR001104	UTV/JOB CART 2 SEAT DIESEL	2022	2,886.71
CE007864Q	307, 308, 309 HYD QUICK COUPLER	2022	2,834.35
CE013999Z	A19 / A41 AUGER (SSL/CTL, 303, 305)	2022	2,620.54
CE009353F	420, 430 IT LOADER FORKS	2022	2,220.02
CE017214C	24" 446, 450, 310 BUCKET	2022	1,708.66
CE012644Q	303 & 304 HYD QUICK COUPLER	2022	1,682.16
CE016422C	24" 307, 308, 309 BUCKET	2022	1,597.45
CE012978E	36" 307, 308, 309 BUCKET	2022	1,561.77
CE016705T	301 THUMB	2022	1,319.43
UR001064	UTV/JOB CART 2 SEAT DIESEL	2022	1,292.44
CE016813C	24" 415/416/420/430/440 BUCKET	2022	1,273.25
CE016206N	GP BUCKET 74" (SSL/CTL)	2022	1,183.72
CE015897A	12" 415/416/420/430/440 BUCKET	2022	1,174.78
CE013763N	GP BUCKET 80" (SSL/CTL)	2022	1,148.47
CE015807N	GP BUCKET 74" (SSL/CTL)	2022	1,119.74
CE016203N	GP BUCKET 68" (SSL/CTL)	2022	1,091.36
CE016168E	36" 303 & 304 BUCKET	2022	1,069.68
CE015903B	18" 415/416/420/430/440 BUCKET	2022	1,023.78
CE015731C	24" 305 & 306 BUCKET	2022	907.58
CE011460A	12" 415/416/420/430/440 BUCKET	2022	889.80
CE016823B	18" AUGER BITS (FITS A19/A26/A68/A41)	2022	852.00
CE017420C	24" AUGER BITS (FITS A19/A26/A68/A41)	2022	848.21
CE012015N	GP BUCKET 62" (SSL/CTL)	2022	813.07
CE012270N	GP BUCKET 62" (SSL/CTL)	2022	813.07

CE012314D	30" 303 & 304 BUCKET	2022	810.00
CE016239A	10" 302 BUCKET	2022	801.08
CE009165N	GP BUCKET 62" (SSL/CTL)	2022	792.39
CE010667N	GP BUCKET 62" (SSL/CTL)	2022	792.39
CE016845F	FORKS (SSL/CTL)	2022	768.10
CE014137Z	HAMMER GUARD FOR 305	2022	764.10
CE011898A	12" 305 & 306 BUCKET	2022	741.80
CE016163A	12" 303 & 304 BUCKET	2022	716.26
CE011201B	18" 305 & 306 BUCKET	2022	699.88
CE011732A	12" 305 & 306 BUCKET	2022	687.05
CE014230Q	301 QUICK COUPLER	2022	529.66
CE016702C	24" 301 BUCKET	2022	523.06
CE015641Q	301 QUICK COUPLER	2022	476.69
CE015862A	12" 302 BUCKET	2022	462.27
CE017804A	12" 301 BUCKET	2022	450.28
CE018658A	12" 301 BUCKET	2022	450.28
CE010687B	18" 302 BUCKET	2022	439.88
CE013202C	24" 301 BUCKET	2022	408.46
CE014079Z	A19/A41 AUGER BRACKET (303,304,305,306)	2022	317.87
CE013818A	9" AUGER BIT (FITS A19/A26/A68/A41)	2022	301.11
CE017316A	6" AUGER BIT (FITS A19/A26/A68/A41)	2022	254.46
CE019916Z	AUGER EXTENSION (FITS A19/A26/A68/A41)	2022	235.44
CE013565A	6" AUGER BIT (FITS A19/A26/A68/A41)	2022	229.02
CE013027Z	HAMMER GUARD FOR 314D-321D, *NOT 316*	2022	188.96
CE015290Z	24" 415/416/420/430/440 BUCKET	2022	-
CE011766	PM622 COLD PLANER	2022	420,629.00
CE011694	SMOOTH SINGLE DRUM ROLLER 84" CS56	2022	145,392.62
CE020120C	336/340 COMPACTION WHEEL	2022	16,702.59
CE015202D	30" 336/340 BUCKET	2022	8,386.66
CE013450	REACH FORKLIFT 10,000LB 55' LIFT	2022	124,455.00
CE012797	REACH FORKLIFT 8,800LB 24' LIFT, CAB	2022	98,364.00
CE013455	REACH FORKLIFT 12,000LB 55' LIFT	2022	95,693.00
CE014270E	36" 320, 321, M322, 323, 325 BUCKET	2022	8,228.04



CE012161B	BR172, BR118 BRUSH CUTTER (SSL/CTL)	2022	6,316.07
CE014151E	36" AUGER BIT (FITS A19/A26/A68/A41)	2022	1,972.50
CE014238Q	305 & 306 QUICK COUPLER	2022	1,654.19
CE014428N	GP BUCKET 80" (SSL/CTL)	2022	1,525.59
CE013169N	GP BUCKET 86" (SSL/CTL)	2022	38.93
			<hr/>
			3,273,798.32
<hr/>			
<b>Allied Equipment</b>			
CE012407	REACH FORKLIFT 10,000LB 55' LIFT	2022	110,772.00
CE015255	BOOM LIFT STR 60-65' (DIESEL)	2022	100,170.00
CE009634	REACH FORKLIFT 8,000LB 42' REACH	2022	88,915.00
CE009498	REACH FORKLIFT 6,000LB 42' LIFT	2022	58,893.00
CE012039	REACH FORKLIFT 5,500LB 19' LIFT	2022	55,989.00
CE004431	BOOM LIFT ARTIC 60-65' (DUAL FUEL)	2022	50,343.00
CE006002	BOOM LIFT STR 80-85' (DIESEL)	2022	48,824.91
CE012032	BOOM LIFT ARTIC 40-45' (DUAL FUEL)	2022	45,794.00
CE005333	BOOM LIFT STR 80-85' (DIESEL)	2022	44,775.00
CE006024	BOOM LIFT STR 60-65' (DIESEL)	2022	43,103.00
CE005329	BOOM LIFT STR 60-65' (DUAL FUEL)	2022	41,725.00
CE012030	BOOM LIFT ELECTRIC ARTIC 30'	2022	30,427.00
CE005527	BOOM LIFT ELECTRIC ARTIC 30'	2022	23,081.00
CE016352	AIR COMPRESSOR 185CFM-TOWABLE	2022	19,405.39
CE012090	SCISSOR LIFT ELECTRIC WIDE DECK 32'	2022	13,636.00
CE012094	SCISSOR LIFT ELECTRIC WIDE DECK 32'	2022	13,636.00
CE012095	SCISSOR LIFT ELECTRIC WIDE DECK 32'	2022	13,636.00
CE012429	AIR COMPRESSOR 185CFM-TOWABLE	2022	13,094.00
CE012370	SCISSOR LIFT ELECTRIC 26'	2022	10,779.00
CE012373	SCISSOR LIFT ELECTRIC 26'	2022	10,779.00
CE005987	SCISSOR LIFT ELECTRIC 26'	2022	9,608.20
CE012536	SCISSOR LIFT ELECTRIC MICRO 19XD	2022	9,361.00
CE012345	SCISSOR LIFT ELECTRIC 19'	2022	8,409.00
CE012351	SCISSOR LIFT ELECTRIC 19'	2022	8,409.00
CE012003	SCISSOR LIFT ELECTRIC 19'	2022	7,545.00
CE008650	SCISSOR LIFT ELECTRIC 19'	2022	7,267.00

CE013797	WATER TRAILER 500	2022	7,195.00
CE008170	SCISSOR LIFT ELECTRIC 19'	2022	6,858.00
CE017154H	EPIROC SBU220 HAMMER (SSL)	2022	6,180.36
CE017163H	EPIROC SBU220 HAMMER (SSL)	2022	6,180.36
CE013737	WATER TRAILER 500	2022	5,744.00
CE017171H	302 HAMMER (H45/SB152)	2022	5,686.17
CE012414H	305 & 306 HAMMER (H65/SBU220)	2022	5,659.63
CE012732	WATER TRAILER 500	2022	5,451.00
CE006908E	316 COMPACTION WHEEL	2022	2,734.97
CE011981	RAMMER/JUMPING JACK, MTX70, BT65	2022	1,997.00
CE013026	RAMMER/JUMPING JACK, MTX70, BT65	2022	1,748.00
CE014752	SMALL PLATE COMPACTORS, MVC88	2022	1,558.00
CE014755	SMALL PLATE COMPACTORS, MVC88	2022	1,558.00
CE014756	SMALL PLATE COMPACTORS, MVC88	2022	1,558.00
CE010443M	CAT REACH FORK TRUSS BOOM ATTACHMENT	2022	1,189.19
CE008988Z	CAT REACH FORK JIB BOOM ATTACHMENT	2022	1,106.88
CE011537	GENERATOR 6500 WATT	2022	1,096.00
CE011538	GENERATOR 6500 WATT	2022	1,096.00
CE014467Z	PNEUMATIC/AIR HAMMER 90LB	2022	796.71
CE014472Z	PNEUMATIC/AIR HAMMER 30LB	2022	786.72
CE014460Z	PNEUMATIC/AIR HAMMER 60LB	2022	754.00
CE014482Z	PNEUMATIC/AIR TAMPER	2022	694.55
CE008415	BOOM LIFT STR 135'	2022	80,018.00
CE008417	BOOM LIFT STR 80-85' (DIESEL)	2022	42,001.00
CE003570	BOOM LIFT ARTIC 40-45' (DIESEL)	2022	26,194.00
CE011575	SCISSOR LIFT ELECTRIC 32'	2022	15,596.00
CE009564	TX525 WALK BEHIND SSL	2022	13,532.00
CE012125F	GTH1544 FORKS	2022	1,621.78
			<u>1,134,967.82</u>

**Motor Vehicles**

CE006557	DUMP TRUCK 10CYD (CLASS B REQUIRED)	2022	83,891.00
CE008953	WATER TRUCK 2000	2022	83,270.00
CE011996	WATER TRUCK 2000	2022	93,775.00
CE012173	WATER TRUCK 2000	2022	94,473.00
CE012213	DUMP TRUCK 10CYD (CLASS B REQUIRED)	2022	121,446.00
CE012219	WATER TRUCK 2000	2022	92,927.00
CE012512	WATER TRUCK 2000	2022	92,844.00
CE012942	WATER TRUCK 4000	2022	96,892.00
CE012947	WATER TRUCK 4000	2022	96,940.00
CE012952	DUMP TRUCK 10CYD (CLASS B REQUIRED)	2022	121,746.00
CE013611	DUMP TRUCK 5CYD	2022	73,487.00
CE014481	TRAILER 12RBS	2022	9,492.33
CE014529	TRAILER 12TST	2022	13,022.67
CE015084	WATER TRUCK 2000	2023	87,255.51
			<u>1,161,461.51</u>
			<u>5,570,227.65</u>

***Humboldt County Board of Equalization***

## General Index of Exhibits

**Case Number:** HCB2025-01

**Date Heard:** 02/21/2025

**Petitioner** Empire Southwest LLC

**Respondent** Humboldt County Assessor

[illegible]

# **Humboldt County Board of Equalization**

## **Empire Southwest, LLC**

**Account: EQ 001042**

**APN: 15-0253-04**

**Appeal Number: HCB2025-01**

**3050 W Railroad St, Winnemucca, NV 89445**

**8:00 A.M.**

**Friday, February 21, 2025**

## **Humboldt County Board of Equalization**

### **General Index**

Hearing No: HCB2025-001  
APN: 15-0253-04 / Account: EQ 001042  
Hearing Date: Friday, February 21, 2025

Petitioner: Empire Southwest, LLC  
Respondent: Humboldt County Assessor  
Hearing Time: 8:00 am

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Cover Letter		Exhibit I	1 pages
<b>Petitioner's Evidence</b>			
Petitioner's Appeal Form - No evidence submitted before my submission of evidence		Exhibit II	2 pages
<b>Assessor's Evidence</b>			
Written Analysis		Exhibit 1	11 pages
Previous Year Correspondence with Appellant		Exhibit 2	10 pages
United Rentals Exemption Letter		Exhibit 3	1 page
Empire Southwest Claimed Assets		Exhibit 4	6 pages
<b>Notice of Hearing and Proof of Service</b>			
Notice of Hearing		Exhibit 5	2 pages
Proof of Service		Exhibit 6	3 pages



## Cover Letter

Humboldt County Board of Equalization  
Humboldt County Courthouse  
Winnemucca, NV

Dear Board Members,

This cover letter is intended to give you a brief history of the subject property and help you in making an informed decision on its assessment.

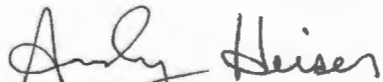
The subject property is an improved 5.00-acre parcel located at 3050 W Railroad St. This property is a short distance off the first exit in Winnemucca city limits heading eastbound on I-80. There is paved access surrounding the subject property from all directions and is in Winnemucca's industrial center.

The legal description is as follows:

Parcel "A" of that certain parcel map for Barker-Fountain Enterprises, Inc., lying within the northeast 1/4 of section 21, Township 36 North, Range 38 East, M.D.B.&M., recorded in the office of the Humboldt County Recorder on December 18, 1980, under File No. 209318, Humboldt County, NV.

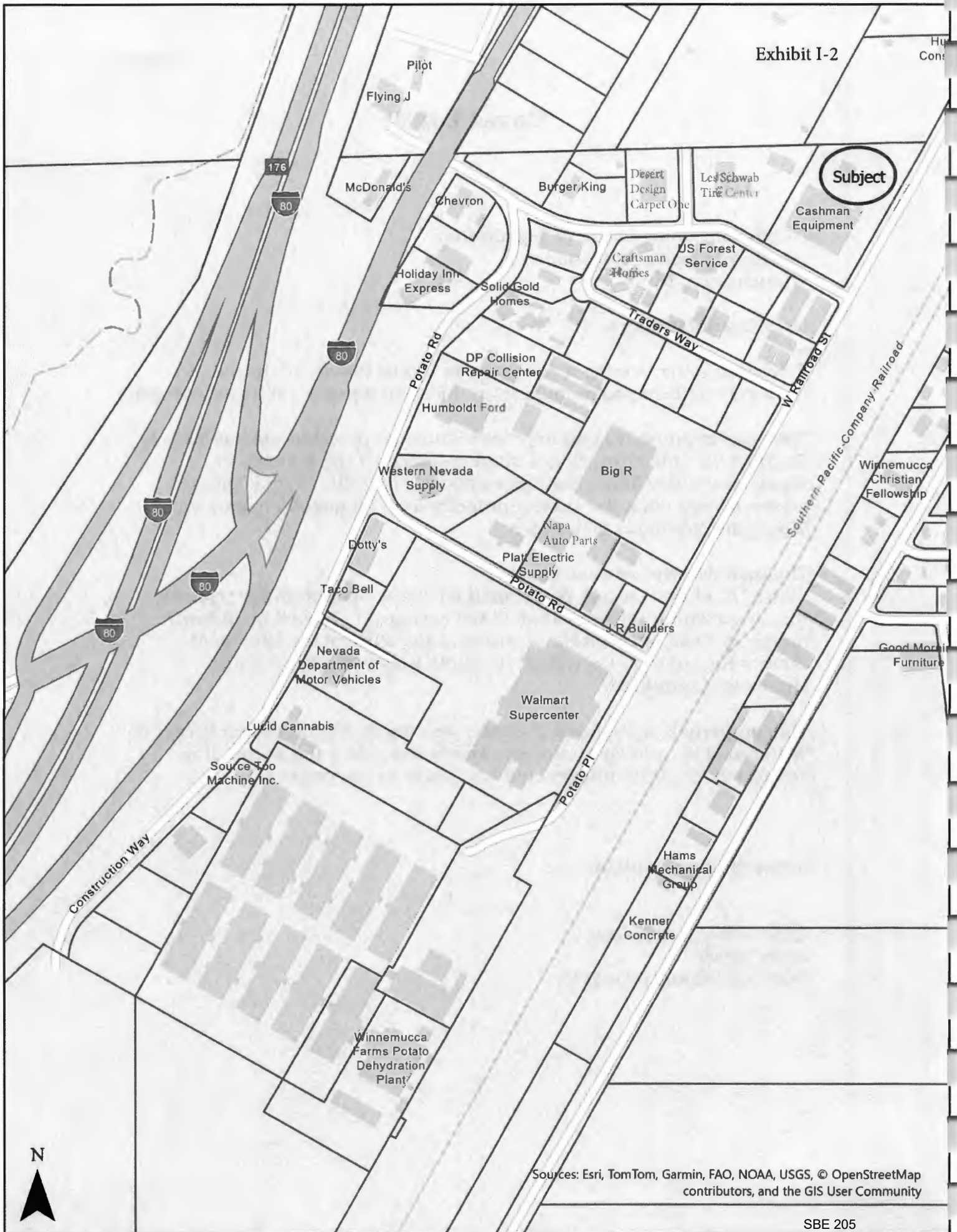
This property is a trapezoid in shape residing on the northwest corner of W Railroad St. and Fountain Way and is zoned M-1 Industrial. It is connected to all city utilities and has power to the property.

Respectfully submitted,



Andy Heiser  
Humboldt County Assessor

**Subject**



CONTROL #

APPEAL CASE #

## Humboldt County Board of Equalization

## PETITION FOR REVIEW OF TAXABLE VALUATION

Submit this Petition Form no later than 5 p.m. of the date due. Most types of appeals must be filed no later than January 15<sup>th</sup>. If the appeal involves valuation of property escaping taxation, or a determination that agricultural property has been converted to a higher use, a different due date may apply.

Please Print or Type.

## Part A. PROPERTY OWNER/ PETITIONER INFORMATION (Agent's Information to be completed in Part H)

NAME OF PROPERTY OWNER AS IT APPEARS ON THE TAX ROLL: Empire Southwest LLC					
NAME OF PETITIONER (IF DIFFERENT THAN PROPERTY OWNER LISTED IN PART A): John Helms				TITLE Vice President and CFO	
MAILING ADDRESS OF PETITIONER (STREET ADDRESS OR P.O. BOX) 3300 Saint Rose Parkway				EMAIL ADDRESS: John.Helms@Empire-Cat.com	
CITY Henderson	STATE NV	ZIP CODE 89052	DAYTIME PHONE 480-633-4780	ALTERNATE PHONE	FAX NUMBER

## Part B. PROPERTY OWNER ENTITY DESCRIPTION

Check organization type which best describes the Property Owner if an entity and not a natural person. Natural persons may skip Part B.

- ☐ Sole Proprietorship      ☐ Trust      ☐ Corporation  
☒ Limited Liability Company (LLC)    ☐ General or Limited Partnership    ☐ Government or Governmental Agency  
☐ Other, please describe: \_\_\_\_\_

The organization described above was formed under the laws of the State of \_\_\_\_\_

The organization described above is a non-profit organization. ☐ Yes ☒ No

## Part C. RELATIONSHIP OF PETITIONER TO PROPERTY OWNER IN PART A

Check box which best describes the relationship of Petitioner to Property Owner: ☒ Additional information may be necessary.

- ☐ Self      ☐ Trustee of Trust      ☐ Employee of Property Owner  
☐ Co-owner, partner, managing member      ☒ Officer of Company  
☐ Employee or Officer of Management Company  
☐ Employee, Officer, or Owner of Lessee of leasehold, possessory interest, or beneficial interest in real property  
☐ Other, please describe: \_\_\_\_\_

## Part D. PROPERTY IDENTIFICATION INFORMATION

## 1. Enter Physical Address of Property:

ADDRESS 3050	STREET/ROAD E Railroad St	CITY (IF APPLICABLE) Winnemucca	COUNTY Humboldt
Purchase Price:		Purchase date:	

## 2. Enter Applicable Assessor Parcel Number (APN) or Personal Property Account Number from assessment notice or tax bill:

ASSESSOR'S PARCEL NUMBER (APN) 15-0253-04	ACCOUNT NUMBER EQ001042
--	----------------------------

3. Does this appeal involve multiple parcels? Yes ☐ No ☒ List multiple parcels on a separate, letter-sized sheet.

If yes, enter number of parcels: \_\_\_\_\_

Multiple parcel list is attached. ☐4. Check Property Use Type: ☒

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Vacant Land                                      | <input type="checkbox"/> Mobile Home (Not on foundation) | <input type="checkbox"/> Mining Property              |
| <input type="checkbox"/> Residential Property                             | <input type="checkbox"/> Commercial Property             | <input type="checkbox"/> Industrial Property          |
| <input type="checkbox"/> Multi-Family Residential Property                | <input type="checkbox"/> Agricultural Property           | <input checked="" type="checkbox"/> Personal Property |
| <input type="checkbox"/> Possessory Interest in Real or Personal property |  |   |

5. Check Year and Roll Type of Assessment being appealed: ☒

- ☐ 2025-2026 Secured Roll      ☒ 2024-2025 Unsecured Roll      ☐ 2024-2025 Supplemental Roll

2023-24

**Part E. VALUE OF PROPERTY**

Property Owner: What is the value you seek? Write N/A on each line for values which are not being appealed. See NRS 361.025 for the definition of Full Cash Value.		
Property Type	Assessor's Taxable Value	Owner's Opinion of Value
Land		
Buildings		
Personal Property	\$4,640,111	\$1,177,851
Possessory Interest in real property		
Exempt Value		
Total		

**Part F. TYPE OF APPEAL**

Check box which best describes the authority of the County Board to take jurisdiction to hear the appeal.

- ☒ NRS 361.357: The full cash value of my property is less than the computed taxable value of the property.
- ☐ NRS 361.358: My property is assessed at a higher value than another property that has an identical use and a comparable location to my property.
- ☐ NRS 361.359: My property is overvalued because other property within the county is undervalued or not assessed, and I have attached the proof showing the owner, location, description and the taxable value of the undervalued property.
- ☐ NRS 361.155: I request a review of the Assessor's decision to deny my claim for exemption from property taxes.
- ☐ NRS 361A.280: The Assessor has determined my agricultural property has been converted to a higher use and deferred taxes are now due.
- ☐ NRS 361.799: My property has been assessed as property escaping taxation for this year and/or prior years.

**Part G. WRITE A STATEMENT DESCRIBING THE FACTS AND/OR REASONS FOR YOUR APPEAL, REQUEST FOR REVIEW, OR COMPLAINT. (ATTACH A SEPARATE PAGE IF MORE ROOM IS NEEDED).**

Under NRS 361.008(1)(a), "personal property held for sale by a merchant" is exempt from taxation. For personal property that is for sale and for lease, the primary purpose of the property

for which the taxpayer purchased the property determines whether the property is taxable or exempt from taxation. The primary purpose of the taxpayer's property was purchased for sale.

**VERIFICATION**

I verify (or declare) under penalty of perjury under the laws of the State of Nevada that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief; and that I am either (1) the person who owns or controls taxable property, or possesses in its entirety taxable property, or the lessee or user of a leasehold interest, possessory interest, beneficial interest or beneficial use, pursuant to NRS 361.334; or (2) I am a person employed by the Property Owner or an affiliate of the Property Owner and I am acting within the scope of my employment. If Part H below is completed, I further certify I have authorized each agent named therein to represent the Property Owner as stated and I have the authority to appoint each agent named in Part H.

  
 Petitioner Signature  
 John Helms

Print Name of Signatory

Vice President and CFO

Title

Date

**Part H. AUTHORIZATION OF AGENT** Complete this section only if an agent, including an attorney, has been appointed to represent the Property Owner/Petitioner in proceedings before the County Board.

I hereby authorize the agent whose name and contact information appears below to file a petition to the County Board of Equalization and to contest the value and/or exemption established for the properties named in Part D(2) of this Petition. I further authorize the agent listed below to receive all notices and decision letters related thereto; and represent the Petitioner in all related hearings and matters including stipulations and withdrawals before the County Board of Equalization. This authorization is limited to the appeal of property valuation for the tax roll and fiscal year named in Part D(5) of this Petition.

List additional authorized agents on a separate sheet as needed, including printed name, contact information, signature, title and date.

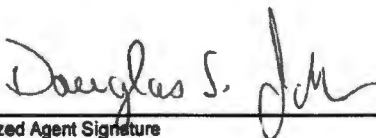
**Authorized Agent Contact Information:**

NAME OF AUTHORIZED AGENT: Douglas S. John		TITLE: Attorney			
AUTHORIZED AGENT COMPANY, IF APPLICABLE: Frazer Ryan Goldberg & Arnold LLP		EMAIL ADDRESS: djohn@frgalaw.com			
MAILING ADDRESS OF AUTHORIZED AGENT (STREET ADDRESS OR P.O. BOX) 1850 N. Central Avenue, Suite 1800					
CITY Phoenix	STATE AZ	ZIP CODE 85004	DAYTIME PHONE 602-277-2010	ALTERNATE PHONE	FAX NUMBER

Authorized Agent must check each applicable statement and sign below.

☒ I hereby accept appointment as the authorized agent of the Property Owner in proceedings before the County Board.

☒ I verify (or declare) under penalty of perjury under the laws of the State of Nevada that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief; and I am the authorized agent with authority to petition the State Board subject to the requirements of NRS 361.362 and the limitations contained in the Agent Authorization Form to be separately submitted.

	
Authorized Agent Signature	Attorney
Douglas S. John	Title
	11/13/2025
Print Name of Signatory	Date

☐ I hereby withdraw my appeal to the County Board of Equalization.

Signature of Owner or Authorized Agent/Attorney	Date
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**Written Analysis**

The subject account is being appealed on the basis that the full cash value of the property is less than the computed taxable value of the property (NRS 361.357<sup>1</sup>). The appellant filed their appeal by the appropriate deadline (NRS 361.342<sup>2</sup>) and turned in their evidence, both are included in this packet.

**ADDRESSING TAXPAYER CONCERNS**

The appellant has two personal property accounts in our county. One, EQ 1042 lists the assets at their physical branch located at 3050 E Railroad St in Winnemucca and the other, EQ 104, lists the assets that are out on rent throughout the county as of the lien date. These assets are predominantly from the branch located in Winnemucca, but they will also report assets from branches located in other counties throughout Nevada if they are in this county as of the lien date. Exhibit 2 shows the previous year's correspondence between my office and the appellant asking for clarification on what assets were being declared and discussions of our interpretation of the laws and regulations.

Empire Southwest, LLC acquired Cashman Equipment Company in December of 2022. The rental equipment included in the sale was capitalized by Empire using the fair market value of the assets at the time of the sale. The fair market value of the equipment represents a depreciated value, not the original purchase cost. For assessment purposes, the acquisition date and the acquisition cost of the assets were updated to reflect the sale. The values associated with the assets presented in this case were submitted by the appellant and not estimated by my office.

After requesting all assets be claimed by the appellant and not receiving a complete asset list but only assets that were rented as of July 1<sup>st</sup>, the assessor's office enlisted the assistance of Tax Management Associates, Inc (TMA) to complete an audit of our heavy equipment rental companies in our county, which included Empire Southwest, LLC.

The audit found that account EQ 104 was accurate according to the filing of the appellant and what was listed on the account through my office, however, there was a large discrepancy on account EQ 1042 for assets located at the physical location. The declaration submitted by the appellant listed 17 assets, while TMA discovered 156 additional assets that were not declared. These additional assets were equipment and attachments available for rent but were not out on rent as of July 1, 2023. The appellant was asked to provide financial statements to see if these assets were listed as current assets or as long-term assets. The appellant did not provide any documentation from this request, stating that they were consolidated, and the specific locations were a small part of the company overall.

The personal property in question was underassessed because it was incorrectly reported by the owner, Empire Southwest. The taxes for fiscal year 2023-24 were billed in accordance with NRS 361.767<sup>3</sup>. NRS 361.345(1)<sup>4</sup> grants authority to the county board to change the valuation of property on the unsecured tax roll which was assessed by the county assessor on or after May 1<sup>st</sup> and on or before December 15<sup>th</sup>. The complete statement of personal property was not provided by the taxpayer for fiscal year 2023-24. NRS 361.345(2)<sup>4</sup> also states "if a person complaining of the assessment of his or her property...has refused or, without good cause, has neglected to give the county assessor the person's list under oath, as required by NRS 361.265<sup>5</sup>... the county assessor shall make a reasonable estimate of the property and assess it accordingly. No reduction may be made by the county board of equalization from the assessment of the county assessor made pursuant to this subsection".

NRS Chapter 361 begins by stating "all property of every kind and nature whatever within this state shall be subject to taxation", then exempts Federal, State and local governments based on ownership. All other



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exemptions are granted based upon use. It is a well-established rule of statutory construction that effect must be given to every word in a statute, and read as a whole, in context.

NRS 361.068<sup>6</sup> defines business inventories and exemptions, 361.068 (1)(a)<sup>6</sup> personal property held for sale by a merchant. Many heavy equipment rental companies across the state have recently claimed this exemption applies to their assets not rented on the July 1<sup>st</sup> lien date. If you continue to read further down in this section of Chapter 361, NRS 361.159<sup>2</sup> specifically states that “when personal property, or a portion of personal property, which for any reason is exempt from taxation is leased, loaned or otherwise made available to and used by a natural person association or corporation in connection with a business conducted from profit...the property is subject to taxation”. There are multiple references in NRS Chapter 361 stating that exempt property becomes taxable if it is used in a business for profit. In this case, the lessor is using the equipment for profit and often the lessee (customer) is also utilizing the equipment for profit.

Several bills proposing to make rented heavy equipment exempt from taxation have failed to pass in the last three legislative sessions: AB388 in 2019, AB279 in 2021, and SB233 in 2023. The Assessors’ Association of Nevada has argued in opposition to making rented equipment exempt stating that it violates Article 10, Section 1 of the Nevada Constitution<sup>8</sup> which requires a uniform and equal rate of assessment and taxation. In the future many products and equipment may be rented or leased and not purchased. Deeming rental equipment as an inventory, exempt from taxation, will call to question the taxable nature of other property, undermining the foundation of property taxes defined in NRS Chapter 361. After SB233 failed to make it out of committee hearings, many county assessors received a letter from United Rentals citing that all equipment not rented on the lien date is inventory and is therefore exempt from taxation under NRS 361.068 (1)<sup>6</sup>. The rental heavy equipment industry has made the decision that rental equipment is exempt from taxation by informing the Nevada county assessors that the statute has been misinterpreted for decades (Exhibit 3). Nevada law does not make a distinction in the treatment of personal property that is both for sale and for lease because capitalized assets are not inventory.

The Federal tax code treats rental inventory differently from retail inventory. In retail, inventory is a current asset and is considered a business expense as “cost of goods sold”. Rental inventory is a fixed asset, and its depreciation is deducted as a business expense in the same manner as other types of businesses who own equipment. Current tax law states that inventory costs cannot be deducted until the inventory is disposed of which is why rental equipment is classified as an asset to deduct these costs.

It is unlikely that the costs described above are not deducted until the equipment is sold. Furthermore, rental equipment is classified as an asset to report and measure the profitability of the equipment. Therefore, it is the opinion of the Assessors’ Association of Nevada that rental equipment is not inventory held for sale by a merchant, but inventoried assets rented for profit.

During discussion inside of the audit period, the appellant stated that depreciation was applied to their assets to “write down a machine’s book value”. They also have non-Caterpillar (CAT) equipment as part of their rental fleet that they buy and rent out, such as Genie scissor lifts and JLG reach forklifts.

**NRS 361.227<sup>10</sup> requires the value of real property to be determined considering the uses to which it may lawfully be put. However, NRS 361.265<sup>5</sup> requires the county assessor to assess “all the personal property within the county, owned, claimed, possessed, controlled or managed by those persons, firms, corporations, associations or companies”. Therefore, use is not a consideration when assessing personal property in Nevada.**

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The Personal Property Manual: Valuation Guidelines<sup>11</sup> is annually published by the Nevada Department of Taxation and used by county assessors to establish uniform and equitable taxable value. The manual addresses rented heavy equipment in sections 23 and 53, defining rental equipment as property that “includes a wide array of tangible goods, such as automobiles, computers, consumer goods, and industrial machinery and equipment to customers in return for a periodic rental or lease payment.” There is a distinct difference between retail and rental businesses. The U.S. Census North American Industry Classification System (NAICS) categorizes the wholesale sector separate from the leasing and rental sector. The NAICS code for Merchant wholesalers with inventories for retail sale is 423. The NAICS code for rental equipment *without* an operator is 532. We currently have the appellant classified as 532 under the NAICS category for rental equipment.

In a letter dated March 3, 2014, to the Internal Revenue Service requesting an exception from net investment income tax, the American Rental Association stated the following:

“Rental businesses almost never transfer the conditions and responsibilities of ownership to their customers. Rental companies provide pick-up and delivery services, especially for large equipment. They maintain insurance and provide safety training for their customers on specific makes and models of equipment they rent. Rental companies are responsible for repair and maintenance for the equipment while it is on the job.”

In the case of *Sierra Pacific Power Co. v. Department of Taxation*, 96 Nev. 295, 297, 607 P.2d 1147 (1980), the Nevada Supreme Court stated:

“As a general rule, tax exemptions are strictly construed. There is a presumption that the state does not intend to exempt goods or transactions from taxation. Thus, the one claiming exemption must demonstrate clearly an intent to exempt. Any reasonable doubt about the applicability of an exemption must be construed against the taxpayer.”

If these assets are to be qualified as exempt, it would create an unfair tax advantage to the rental heavy equipment industry. Going back to Article 10, Section 1 of the Nevada Constitution which requires a uniform and equal rate of assessment and taxation, exempting this industry does not align with the Nevada Constitution. There are many other equipment rental companies who sit on assets while not being rented including medical equipment, electronic equipment such as printers, scanners, audio/visual equipment, and Home Depot or Lowe’s which rent equipment but do not fall under the NAICS code of rental equipment because they are a retail business, these are just a few examples. Agricultural operators in Nevada do not receive an exemption on their equipment during the winter months when they are not able to farm, construction companies that are not using their equipment during down periods, do not receive a tax exemption when it is sitting in their yards. If this industry wants to make a change to how their equipment is valued, exempted and taxed, they need to do it during the legislative session so changes can be applied to all personal property across the entire state.

### SUMMARY

The Assessor has a duty to interpret and follow property tax law defined in Chapter 361. The heavy equipment exemption issue has been presented to our offices and to legislation for the past 7 years and we have held firm in our understanding of Nevada laws and legislators have agreed since none of their bills have passed. How these assets are held within these companies do not qualify them as exempt inventory and to allow this specific industry this exemption would go against one of the fundamental beliefs of the Assessors in this state, which is equal and fair taxation taken right from the Nevada Constitution. The

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Internal Revenue Service, the Federal tax code, the U.S. Census North American Industry Classification System, the Department of Taxation Personal Property manual, the Nevada Supreme Court and the Nevada Constitution all align with the methodologies that the County Assessors are using to categorize assets for rental heavy equipment industry. If there are changes to be made, the parties will need to work together to change the laws of this State so that all personal property equipment can be treated fairly and equitably throughout all industries subject to the tax laws in Nevada.

For this board to be able to change values, NRS 361.345<sup>4</sup> states that the county board of equalization may not reduce the assessment of the county assessor unless it is established by a preponderance of the evidence that the valuation established by the county assessor exceeds the full cash value of the property or is inequitable. The values stated in this appeal came directly from the appellant during the audit with TMA. My office did not estimate any value with the assets that are associated with Empire Southwest for the 2023-24 fiscal year.

### **STATUTORY REQUIREMENTS**

It is required for informational purposes that any statutes and regulations referred to in the document be provided to help the Board with any decision made to reduce the taxable value. Therefore, applicable statutes and regulations are provided below and include comments as to the reason for their inclusion.

**1. NRS 361.357 Appeal to county board of equalization where full cash value of property is less than its taxable value.**

1. The owner of any real or personal property placed on:

(a) The secured tax roll who believes that the full cash value of his or her property is less than the taxable value computed for the property in the current assessment year may, not later than January 15 of the fiscal year in which the assessment was made, appeal to the county board of equalization. If January 15 falls on a Saturday, Sunday or legal holiday, the appeal may be filed on the next business day.

(b) The unsecured tax roll which was assessed on or after May 1 and on or before December 15 who believes that the full cash value of his or her property is less than the taxable value computed for the property in the current assessment year may, not later than the following January 15, appeal to the county board of equalization. If January 15 falls on a Saturday, Sunday or legal holiday, the appeal may be filed on the next business day.

2. Before a person may file an appeal pursuant to subsection 1, the person must complete a form provided by the county assessor to appeal the assessment to the county board of equalization. The county assessor may, before providing such a form, require the person requesting the form to provide the parcel number or other identification number of the property that is the subject of the planned appeal.

3. If the county board of equalization finds that the full cash value of the property on January 1 immediately preceding the fiscal year for which the taxes are levied is less than the taxable value computed for the property, the board shall correct the land value or fix a percentage of obsolescence to be deducted from the otherwise computed taxable value of the improvements, or both, to make the taxable value of the property correspond as closely as possible to its full cash value.

4. No appeal under this section may result in an increase in the taxable value of the property.

(Added to NRS by 1981, 787; A 1983, 1887; 1991, 2098; 1993, 94; 1997, 1577; 2001, 1551; 2003, 2766; 2005, 2658; 2009, 1220)

**2. NRS 361.342 Date of postmark deemed date of filing of appeal.**

1. Except as provided in subsection 2, any appeal to the county board of equalization filed by mail shall be deemed to be filed on the date of the postmark dated by the post office on the envelope in which the appeal was mailed.

2. If the postmarked date on an envelope in which an appeal was mailed is illegible or omitted, the appeal shall be deemed filed on the date it was received by the county board of equalization.

3. A postmark provided by a postage meter, a postage vending machine, any postage purchased through the Internet or any other form of dated postage which is not directly postmarked by the post office does not establish that an appeal is timely filed.

(Added to NRS by 2015, 1205)

**3. NRS 361.767 Assessment of personal property that was not assessed or was underassessed.**

1. If the county assessor determines that certain personal property was not assessed, the assessor may assess the property based upon its taxable value in the year in which it was not assessed.
2. If the county assessor determines that certain personal property was underassessed because it was incorrectly reported by the owner, the assessor may assess the property based upon its taxable value in the year in which it was underassessed. He or she may then send an additional tax bill for an amount which represents the difference between the reported value and the taxable value for each year.
3. The assessments provided for in subsections 1 and 2 may be made at any time within 3 years after the end of the fiscal year in which the taxes would have been due. The tax bill must specify the fiscal year for which the tax is due and the applicable rate and whether it is for property which was not assessed or for property which was underassessed.
4. If property is not assessed or is underassessed because the owner submitted an incorrect written statement or failed to submit a written statement required pursuant to subsection 1 of NRS 361.265, there must be added to the taxes due a penalty in the amount of 20 percent of the tax for each year the property was not assessed or was underassessed. The county assessor may waive this penalty if he or she finds extenuating circumstances sufficient to justify the waiver.  
(Added to NRS by 1987, 530; A 1999, 2774)

**4. NRS 361.345 Power of county board of equalization to change valuation of property; review of changes in valuation and estimation of certain property by county assessor; notice of addition to assessed valuation.**

1. Except as otherwise provided in subsection 2, the county board of equalization may:
  - (a) Determine the valuation of any real or personal property placed on:
    - (1) The secured tax roll which was assessed by the county assessor; or
    - (2) The unsecured tax roll which was assessed by the county assessor on or after May 1 and on or before December 15;and
  - (b) Change and correct any valuation found to be incorrect either by adding thereto or by deducting therefrom such sum as is necessary to make it conform to the taxable value of the property assessed, whether that valuation was fixed by the owner or the county assessor. The county board of equalization may not reduce the assessment of the county assessor unless it is established by a preponderance of the evidence that the valuation established by the county assessor exceeds the full cash value of the property or is inequitable. A change so made is effective only for the fiscal year for which the assessment was made. The county assessor shall each year review all such changes made for the previous fiscal year and maintain or remove each change as circumstances warrant.
2. If a person complaining of the assessment of his or her property:
  - (a) Has refused or, without good cause, has neglected to give the county assessor the person's list under oath, as required by NRS 361.265; or
  - (b) Has, without good cause, refused entry to the assessor for the purpose of conducting the physical examination required by NRS 361.260, the county assessor shall make a reasonable estimate of the property and assess it accordingly. No reduction may be made by the county board of equalization from the assessment of the county assessor made pursuant to this subsection.
3. If the county board of equalization finds it necessary to add to the assessed valuation of any property on the assessment roll, it shall direct the clerk to give notice to the person so interested by registered or certified letter, or by personal service, naming the day when it will act on the matter and allowing a reasonable time for the interested person to appear.  
(Part 18:344:1953; A 1954, 29)—(NRS A 1969, 95; 1981, 796; 1985, 1435; 1991, 2097; 1997, 1576; 2003, 2764; 2005, 2657; 2009, 1219)

**5. NRS 361.265 Written statement concerning personal property: Demand; contents; return of statement; valuation of unlisted property claimed by absent or unknown person; penalties.**

1. To enable the county assessor to make assessments, he or she shall demand from each natural person or firm, and from the president, cashier, treasurer or managing agent of each corporation, association or company, including all banking institutions, associations or firms within the county, a written statement, signed under penalty of perjury, on forms and in the format prescribed by the county assessor of all the personal property within the county, owned, claimed, possessed, controlled or managed by those persons, firms, corporations, associations or companies. The signature required by this subsection may include an electronic signature as defined in NRS 719.100.
2. The statement must include:
  - (a) A description of the location of any taxable personal property that is owned, claimed, possessed, controlled or managed by the natural person, firm, corporation, association or company, but stored, maintained or otherwise placed at a location other than the principal residence of the natural person or principal place of business of the firm, corporation, association or company;
  - (b) The cost of acquisition of each item of taxable personal property including the cost of any improvements of the personal property, such as additions to or renovations of the property other than routine maintenance or repairs, and the year in which each item of taxable personal property was acquired; and

(c) If the natural person, firm, corporation, association or company owns at least 25 mobile or manufactured homes that are being leased within the county for commercial purposes, and those homes have not been converted to real property pursuant to NRS 361.244, the year, make or model, size, serial number and location of each such mobile or manufactured home.

3. The statement must be returned not later than July 31, except for a statement mailed to the taxpayer after July 15, in which case it must be returned within 15 days after demand for its return is made. Upon petition of the property owner showing good cause, the county assessor may grant one or more 30-day extensions.

4. If the owners of any taxable property not listed by another person are absent or unknown, or fail to provide the written statement as described in subsection 1, the county assessor shall make an estimate of the value of the property and assess it accordingly. If the name of the absent owner is known to the county assessor, the property must be assessed in that name. If the name of the owner is unknown to the county assessor, the property must be assessed to "unknown owner," but no mistake made in the name of the owner or the supposed owner of personal property renders the assessment or any sale of the property for taxes invalid.

5. If any person, officer or agent neglects or refuses on demand of the county assessor or his or her deputy to give the statement required by this section, or gives a false name, or refuses to give his or her name or sign the statement, the person, officer or agent is guilty of a misdemeanor.

[Part 5:344:1953]—(NRS A 1967, 558; 1969, 1452; 1981, 327; 1983, 519, 1193; 1985, 748; 1987, 531; 1989, 1820; 2003, 2761; 2005, 2656)

**6. NRS 361.068 Business inventories and consumables, livestock, bees, certain pipe and agricultural equipment, boats, campers, fine art for public display and certain personal property of nonresidents exempted; establishment of de minimis exemption for personal property.**

1. The following personal property is exempt from taxation:

- (a) Personal property held for sale by a merchant;
- (b) Personal property held for sale by a manufacturer;
- (c) Raw materials and components held by a manufacturer for manufacture into products, and supplies to be consumed in the process of manufacture;
- (d) Tangible personal property purchased by a business which will be consumed during the operation of the business;
- (e) Livestock;
- (f) Colonies of bees;
- (g) Pipe and other agricultural equipment used to convey water for the irrigation of legal crops;
- (h) All boats;
- (i) Slide-in campers and camper shells;
- (j) Except as otherwise provided in NRS 361.186, fine art for public display; and
- (k) All personal property that is:
  - (1) Owned by a person who is not a resident of this state; and
  - (2) Located in this state solely for the purposes of:
    - (I) An exhibit that is used in a convention or tradeshow that is located in this State; or
    - (II) A display, exhibition, carnival, fair or circus that is transient in nature and is located in this State for not more than 30 days.

2. 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. If such an exemption is provided, the Nevada Tax Commission shall annually determine the average cost of collecting property taxes in this state which must be used in determining the applicability of the exemption.

3. A person claiming the exemption provided for in paragraph (j) of subsection 1 shall:

- (a) On or before June 15 for the next ensuing fiscal year, file with the county assessor an affidavit declaring that the fine art will, during that ensuing fiscal year, meet all the criteria set forth in paragraph (b) of subsection 4; and
- (b) During any fiscal year in which the person claims the exemption, make available for educational purposes and not for resale, upon written request and without charge to any public school as defined in NRS 385.007, private school as defined in NRS 394.103 and parent of a child who receives instruction in a home pursuant to NRS 392.070, one copy of a poster depicting the fine art that the facility has on public display if such a poster is available for purchase by the public at the time of the request.

4. As used in this section:



(a) "Boat" includes any vessel or other watercraft, other than a seaplane, used or capable of being used as a means of transportation on the water.

(b) "Fine art for public display":

(1) Except as otherwise provided in subparagraph (2), means a work of art which:

(I) Is an original painting in oil, mineral, water colors, vitreous enamel, pastel or other medium, an original mosaic, drawing or sketch, an original sculpture of clay, textiles, fiber, wood, metal, plastic, glass or a similar material, an original work of mixed media or a lithograph;

(II) Was purchased in an arm's length transaction for \$25,000 or more, or has an appraised value of \$25,000 or more;

(III) Is on public display in a public or private art gallery, museum or other building or area in this state for at least 20 hours per week during at least 35 weeks of each year for which the exemption is claimed or, if the facility displaying the fine art disposes of it before the end of that year, during at least two-thirds of the full weeks during which the facility had possession of it, or if the gallery, museum or other building or area in which the fine art will be displayed will not be opened until after the beginning of the fiscal year for which the exemption is claimed, these display requirements must be met for the first full fiscal year after the date of opening, and the date of opening must not be later than 2 years after the purchase of the fine art being displayed; and

(IV) Is on display in a facility that is available for group tours by pupils or students for at least 5 hours on at least 60 days of each full year for which the exemption is claimed, during which the facility in which it is displayed is open, by prior appointment and at reasonable times, without charge; and

(2) Does not include:

(I) A work of fine art that is a fixture or an improvement to real property;

(II) A work of fine art that constitutes a copy of an original work of fine art, unless the work is a lithograph that is a limited edition and that is signed and numbered by the artist;

(III) Products of filmmaking or photography, including, without limitation, motion pictures;

(IV) Literary works;

(V) Property used in the performing arts, including, without limitation, scenery or props for a stage; or

(VI) Property that was created for a functional use other than, or in addition to, its aesthetic qualities, including, without limitation, a classic or custom-built automobile or boat, a sign that advertises a business, and custom or antique furniture, lamps, chandeliers, jewelry, mirrors, doors or windows.

(c) "Personal property held for sale by a merchant" includes property that:

(1) Meets the requirements of sub-subparagraphs (I) and (II) of subparagraph (1) of paragraph (b);

(2) Is made available for sale within 2 years after it is acquired; and

(3) Is made available for viewing by the public or prospective purchasers, or both, within 2 years after it is acquired, whether or not a fee is charged for viewing it and whether or not it is also used for purposes other than viewing.

(d) "Public display" means the display of a work of fine art where members of the public have access to the work of fine art for viewing during publicly advertised hours. The term does not include the display of a work of fine art in an area where the public does not generally have access, including, without limitation, a private office, hallway or meeting room of a business, a room of a business used for private lodging and a private residence.

(e) "Pupil" means a person who:

(1) Is enrolled for the current academic year in a public school as defined in NRS 385.007 or a private school as defined in NRS 394.103; or

(2) Receives instruction in a home and is excused from compulsory enrollment and attendance pursuant to NRS 392.070.

(f) "Student" means a person who is enrolled for the current academic year in:

(1) A community college or university; or

(2) A licensed postsecondary educational institution as defined in NRS 394.099 and a course concerning fine art.

(Added to NRS by 1979, 79; A 1983, 1191; 1987, 854; 1989, 169; 1995, 152, 2709; 1997, 1197, 1569, 2979; 1999, 623, 624, 3198, 3201; 2001, 229, 1541, 1543; 2017, 2871; 2023, 1222)

## **7. NRS 361.159 Exempt personal property subject to taxation if used in business conducted for profit; exceptions.**

1. Except as otherwise provided in subsection 3, when personal property, or a portion of personal property, which for any reason is exempt from taxation is leased, loaned or otherwise made available to and used by a natural person, association or corporation in connection with a business conducted for profit, the leasehold interest, possessory interest, beneficial interest or beneficial use of any such lessee or user of the property is subject to taxation to the extent the:



February 21, 2025

8:00 A.M.

(a) Portion of the property leased or used; and  
 (b) Percentage of time during the fiscal year that the property is leased to the lessee or used by the user, in accordance with NRS 361.2275.

Ê can be segregated and identified. The taxable value of the interest or use must be determined in the manner provided in subsection 3 of NRS 361.227 and in accordance with NRS 361.2275.

2. Taxes must be assessed to lessees or users of exempt personal property and collected in the same manner as taxes assessed to owners of other personal property, except that taxes due under this section do not become a lien against the personal property. When due, the taxes constitute a debt due from the lessee or user to the county for which the taxes were assessed and, if unpaid, are recoverable by the county in the proper court of the county.

3. The provisions of this section do not apply to personal property:

(a) Used in vending stands operated by persons who are blind under the auspices of the Bureau of Services to Persons Who Are Blind or Visually Impaired of the Rehabilitation Division of the Department of Employment, Training and Rehabilitation.

(b) Owned by a public airport and used for the purposes of the public airport.

(Added to NRS by 1965, 1157; A 1971, 659; 1973, 1406; 1977, 1098; 1987, 293; 1993, 1575, 2311; 1995, 579, 1809; 1997, 1173; 2001, 841, 1546; 2003, 53)

#### **8. ARTICLE. 10. - Taxation.**

Sec. 1. Uniform and equal rate of assessment and taxation; valuation of property; exceptions and exemptions; inheritance and personal income taxes prohibited.

2. Total tax levy for public purposes limited.

[3]. Household goods and furniture of single household exempt from taxation.

3[A]. Food exempt from taxes on retail sales; exceptions.

3B. Durable medical equipment, oxygen delivery equipment and mobility enhancing equipment exempt from taxes on retail sales.

4. Taxation of estates taxed by United States; limitations.

5. Tax on proceeds of minerals; appropriation to counties; apportionment; assessment and taxation of mines.

6. Enactment of exemption from ad valorem tax on property or excise tax on retail sales.

#### **Section 1. Uniform and equal rate of assessment and taxation; valuation of property; exceptions and exemptions; inheritance and personal income taxes prohibited.**

1. The Legislature shall provide by law for a uniform and equal rate of assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property, real, personal and possessory, except mines and mining claims, which shall be assessed and taxed only as provided in Section 5 of this Article.

2. Shares of stock, bonds, mortgages, notes, bank deposits, book accounts and credits, and securities and choses in action of like character are deemed to represent interest in property already assessed and taxed, either in Nevada or elsewhere, and shall be exempt.

3. The Legislature may constitute agricultural and open-space real property having a greater value for another use than that for which it is being used, as a separate class for taxation purposes and may provide a separate uniform plan for appraisal and valuation of such property for assessment purposes. If such plan is provided, the Legislature shall also provide for retroactive assessment for a period of not less than 7 years when agricultural and open-space real property is converted to a higher use conforming to the use for which other nearby property is used.

4. Personal property which is moving in interstate commerce through or over the territory of the State of Nevada, or which was consigned to a warehouse, public or private, within the State of Nevada from outside the State of Nevada for storage in transit to a final destination outside the State of Nevada, whether specified when transportation begins or afterward, shall be deemed to have acquired no situs in Nevada for purposes of taxation and shall be exempt from taxation. Such property shall not be deprived of such exemption because while in the warehouse the property is assembled, bound, joined, processed, disassembled, divided, cut, broken in bulk, relabeled or repackaged.

5. The Legislature may exempt motor vehicles from the provisions of the tax required by this Section, and in lieu thereof, if such exemption is granted, shall provide for a uniform and equal rate of assessment and taxation of motor vehicles, which rate shall not exceed five cents on one dollar of assessed valuation.

6. The Legislature shall provide by law for a progressive reduction in the tax upon business inventories by 20 percent in each year following the adoption of this provision, and after the expiration of the 4th year such inventories are exempt from taxation. The Legislature may exempt any other personal property, including livestock.

7. No inheritance tax shall ever be levied.
8. The Legislature may exempt by law property used for municipal, educational, literary, scientific or other charitable purposes, or to encourage the conservation of energy or the substitution of other sources for fossil sources of energy.
9. No income tax shall be levied upon the wages or personal income of natural persons. Notwithstanding the foregoing provision, and except as otherwise provided in subsection 1 of this Section, taxes may be levied upon the income or revenue of any business in whatever form it may be conducted for profit in the State.
10. The Legislature may provide by law for an abatement of the tax upon or an exemption of part of the assessed value of a single-family residence occupied by the owner to the extent necessary to avoid severe economic hardship to the owner of the residence.

[Amended in 1902, 1906, 1942, 1960, 1962, 1974, 1978, 1982, 1986, 1989, 1990 and 2002. The first amendment was proposed and passed by the 1899 Legislature; agreed to and passed by the 1901 Legislature; and approved and ratified by the people at the 1902 General Election. See: Statutes of Nevada 1899, p. 139; Statutes of Nevada 1901, p. 136. The second amendment was proposed and passed by the 1903 Legislature; agreed to and passed by the 1905 Legislature; and approved and ratified by the people at the 1906 General Election. See: Statutes of Nevada 1903, p. 240; Statutes of Nevada 1905, p. 277. The third amendment was proposed and passed by the 1939 Legislature; agreed to and passed by the 1941 Legislature; and approved and ratified by the people at the 1942 General Election. See: Statutes of Nevada 1939, p. 360; Statutes of Nevada 1941, p. 559. The fourth amendment was proposed and passed by the 1957 Legislature; agreed to and passed by the 1959 Legislature; and approved and ratified by the people at the 1960 General Election. See: Statutes of Nevada 1957, p. 805; Statutes of Nevada 1959, p. 939. The fifth amendment was proposed and passed by the 1960 Legislature; agreed to and passed by the 1961 Legislature; and approved and ratified by the people at the 1962 General Election. See: Statutes of Nevada 1960, p. 509; Statutes of Nevada 1961, p. 825. The sixth amendment was proposed and passed by the 1971 Legislature; agreed to and passed by the 1973 Legislature; and approved and ratified by the people at the 1974 General Election. See: Statutes of Nevada 1971, p. 2299; Statutes of Nevada 1973, p. 1938. The seventh amendment was proposed and passed by the 1975 Legislature; agreed to and passed by the 1977 Legislature; and approved and ratified by the people at the 1978 General Election. See: Statutes of Nevada 1975, p. 1925; Statutes of Nevada 1977, p. 1727. The eighth amendment was proposed and passed by the 1979 Legislature; agreed to and passed by the 1981 Legislature; and approved and ratified by the people at the 1982 General Election. See: Statutes of Nevada 1979, p. 1983; Statutes of Nevada 1981, p. 2070. The ninth and tenth amendments were proposed and passed by the 1983 Legislature; agreed to and passed by the 1985 Legislature; and approved and ratified by the people at the 1986 General Election. See: Statutes of Nevada 1983, pp. 2141 and 2225; Statutes of Nevada 1985, pp. 2331 and 2401. The amendments were combined pursuant to Nev. Art. 16, § 1. The eleventh amendment was proposed and passed by the 1987 Legislature; agreed to and passed by the 1989 Legislature; and approved and ratified by the people at a special election held on May 2, 1989. See: Statutes of Nevada 1987, p. 2442; Statutes of Nevada 1989, p. 2228. The twelfth amendment was proposed by initiative petition and approved and ratified by the people at the General Elections of 1988 and 1990. The thirteenth amendment was proposed and passed by the 1999 Legislature; agreed to and passed by the 2001 Legislature; and approved and ratified by the people at the 2002 General Election. See: Statutes of Nevada 1999, p. 3968; Statutes of Nevada 2001, p. 3462. The fourteenth amendment was proposed and passed by the 2011 Legislature; agreed to and passed by the 2013 Legislature; and not approved and ratified by the people at the 2014 General Election. See: Statutes of Nevada 2011, p. 3871; Statutes of Nevada 2013, p. 3958.]

**9. NAC 360.190 Petitions: Authority; form; contents. (NRS 360.090)**

1. Any person may petition for an advisory opinion concerning matters within the jurisdiction of the Department or Commission.
2. The Board may petition for an advisory opinion concerning compliance with any of the provisions of chapters 361, 361A and 362 of NAC adopted by the Commission.
3. All petitions must be in writing, be addressed to the Director and set forth at least the following:
  - (a) A statement that an advisory opinion is requested;
  - (b) A succinct statement of all the facts and circumstances necessary to dispose of the petition;
  - (c) A clear, simple statement of the issue or question to be resolved;
  - (d) A statement of all statutes, rules, agency decisions or other authorities which the petitioner believes may be relevant in disposing of the petition; and
  - (e) A statement with supporting arguments and authorities of the petitioner's opinion of a proper disposition of the petition.

[Tax Comm'n, Practice Rule No. 53, eff. 11-15-77]—(NAC A by R039-10, 8-13-2010

February 21, 2025

8:00 A.M.

**10. NRS 361.227 Determination of taxable value.**

1. Any person determining the taxable value of real property shall appraise:

(a) The full cash value of:

(1) Vacant land by considering the uses to which it may lawfully be put, any legal or physical restrictions upon those uses, the character of the terrain, and the uses of other land in the vicinity.

(2) Improved land consistently with the use to which the improvements are being put.

(b) Any improvements made on the land by subtracting from the cost of replacement of the improvements all applicable depreciation and obsolescence. Depreciation of an improvement made on real property must be calculated at 1.5 percent of the cost of replacement for each year of adjusted actual age of the improvement, up to a maximum of 50 years.

2. The unit of appraisal must be a single parcel unless:

(a) The location of the improvements causes two or more parcels to function as a single parcel;

(b) The parcel is one of a group of contiguous parcels which qualifies for valuation as a subdivision pursuant to the regulations of the Nevada Tax Commission; or

(c) In the professional judgment of the person determining the taxable value, the parcel is one of a group of parcels which should be valued as a collective unit.

3. The taxable value of a leasehold interest, possessory interest, beneficial interest or beneficial use for the purpose of NRS 361.157 or 361.159 must be determined in the same manner as the taxable value of the property would otherwise be determined if the lessee or user of the property was the owner of the property and it was not exempt from taxation, except that the taxable value so determined must be reduced by a percentage of the taxable value that is equal to the:

(a) Percentage of the property that is not actually leased by the lessee or used by the user during the fiscal year; and

(b) Percentage of time that the property is not actually leased by the lessee or used by the user during the fiscal year, which must be determined in accordance with NRS 361.2275.

4. The taxable value of other taxable personal property, except a mobile or manufactured home, must be determined by subtracting from the cost of replacement of the property all applicable depreciation and obsolescence. Depreciation of a billboard must be calculated at 1.5 percent of the cost of replacement for each year after the year of acquisition of the billboard, up to a maximum of 50 years.

5. The computed taxable value of any property must not exceed its full cash value. Each person determining the taxable value of property shall reduce it if necessary to comply with this requirement. A person determining whether taxable value exceeds that full cash value or whether obsolescence is a factor in valuation may consider:

(a) Comparative sales, based on prices actually paid in market transactions.

(b) A summation of the estimated full cash value of the land and contributory value of the improvements.

(c) Capitalization of the fair economic income expectancy or fair economic rent, or an analysis of the discounted cash flow.

A county assessor is required to make the reduction prescribed in this subsection if the owner calls to his or her attention the facts warranting it, if the county assessor discovers those facts during physical reappraisal of the property or if the county assessor is otherwise aware of those facts.

6. The Nevada Tax Commission shall, by regulation, establish:

(a) Standards for determining the cost of replacement of improvements of various kinds.

(b) Standards for determining the cost of replacement of personal property of various kinds. The standards must include a separate index of factors for application to the acquisition cost of a billboard to determine its replacement cost.

(c) Schedules of depreciation for personal property based on its estimated life.

(d) Criteria for the valuation of two or more parcels as a subdivision.

7. In determining, for the purpose of computing taxable value, the cost of replacement of:

(a) Any personal property, the cost of all improvements of the personal property, including any additions to or renovations of the personal property, but excluding routine maintenance and repairs, must be added to the cost of acquisition of the personal property.

(b) An improvement made on land, a county assessor may use any final representations of the improvement prepared by the architect or builder of the improvement, including, without limitation, any final building plans, drawings, sketches and surveys, and any specifications included in such representations, as a basis for establishing any relevant measurements of size or quantity.

8. The county assessor shall, upon the request of the owner, furnish within 15 days to the owner a copy of the most recent appraisal of the property, including, without limitation, copies of any sales data, materials presented on appeal to the county board of equalization or State Board of Equalization and other materials used to determine or defend the taxable value of the property.

9. The provisions of this section do not apply to property which is assessed pursuant to NRS 361.320.(Added to NRS by 1965, 1445; A 1969, 1451; 1975, 65, 1656; 1977, 1318; 1979, 79; 1981, 788, 789; 1983, 1047, 1884, 1885; 1987, 2075; 1989, 668, 1818; 1993, 2312; 1997, 1111; 1999, 1029; 2001, 842; 2003, 2758; 2009, 1216; 2013, 3116)**11. Department of Taxation: Personal Property Manual – Page 37 & 21**

23 CONSTRUCTION

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

236	Construction of Buildings .....	15
237	Heavy and civil engineering construction .....	15
238	Specialty Trade construction .....	15
	Personal property used primarily in the construction of buildings, major engineering projects such as highways and dams, and specialty trades such as pouring concrete, site preparation, plumbing, painting, and electrical work. Includes fixed load and mobile equipment such as:	
	<u>Air compressors</u>	<u>Motor graders/leveling graders</u>

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REAL ESTATE, RENTAL, AND LEASING

For the purposes of this manual, the following descriptions apply only to those items which can be classified as Personal Property. The designated life does not apply to Real Property or fixtures which have been converted to Real Property.

532	Rental and Leasing Services .....	15
	Personal property includes a wide array of tangible goods, such as automobiles, computers, consumer goods, and industrial machinery and equipment, to customers in return for a periodic rental or lease payment.	
	Itemized Equipment	
	Formal wear and costume rental .....	3
	Bottled water Dispensers & Equipment .....	7
	Furniture Rental & Leasing .....	7
	Heavy equipment .....	See Construction (Code 23)
	Lawn and Garden equipment .....	7
	Linens and Uniforms .....	3
	Musical Instrument rentals .....	7
	Rent-to-Own Merchandise .....	7
	Ski Equipment Rentals .....	7
	Video Tapes .....	See Special Properties
	See also separate listings for specific types of equipment.	

238 Specialty Trade construction Cont.

<u>Air drills</u>	<u>Paving equipment</u>
<u>Asphalt plants</u>	<u>Portable shop</u>
<u>Asphalt spreaders</u>	<u>Portable storage bins</u>
<u>Backhoe/loaders</u>	<u>Portable storage tanks</u>
<u>Compacts</u>	<u>Power hoists</u>
<u>Cement mixers/spreaders</u>	<u>Power shovels</u>
<u>Crusher/crushing plant</u>	
<u>Roadrollers/sheepsfoot rollers</u>	<u>Sand classifiers and drags</u>
<u>Crawler cranes/ tractors</u>	<u>Scarifiers and rollers</u>
<u>Ditchers/diggers</u>	<u>Scrap metal balers</u>
<u>Earthmoving scrapers</u>	<u>Scrubber screens and plant feeders</u>
<u>Excavators</u>	<u>Welder</u>
<u>Fork lifts</u>	<u>Winning Equipment</u>
<u>Front end loaders / bucket loaders</u>	
<u>Mixmobiles</u>	

Other Itemized Equipment

<u>Cranes</u>	
<u>Bridge</u> .....	20
<u>Lift</u> .....	20
<u>Mobile Telescopic</u> .....	10
<u>Electric generating equipment</u> .....	20
<u>Electronic controlled infrared/laser instruments</u> .....	10
<u>Power tools (saws, drills, etc.)</u> .....	7
<u>Hand tools</u> .....	7
<u>Mobile equipment, heavy use</u> .....	7

## Andy Heiser

---

**From:** Andy Heiser  
**Sent:** Friday, March 10, 2023 4:44 PM  
**To:** Shelley Addie; Colleen Cox  
**Subject:** RE: Cashman Equipment -Humboldt

Hi Shelley,

I have reviewed your account and wanted to double check something with you. All rental equipment should be claimed on the personal property declaration, whether it is on rent or not. While reviewing years past, it appears that your company is only claiming assets that are out on rent. Hope this helps to clear what should be claimed each year and we can assist with this if need be, going forward.

Have a good weekend!

Thank You,

Andy Heiser

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Humboldt County Assessor's Office  
50 W. 5<sup>th</sup> Street  
Winnemucca, NV 89445

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Humboldt County Assessor  
Office: (775) 623-6316  
Fax: (775) 623-6311  
[Andy.Heiser@humboldtcountynv.gov](mailto:Andy.Heiser@humboldtcountynv.gov)

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**From:** Shelley Addie <[ShelleyAddie@cashmanequipment.com](mailto:ShelleyAddie@cashmanequipment.com)>  
**Sent:** Friday, March 10, 2023 1:24 PM  
**To:** Colleen Cox <[Colleen.Cox@humboldtcountynv.gov](mailto:Colleen.Cox@humboldtcountynv.gov)>  
**Cc:** Andy Heiser <[andy.heiser@humboldtcountynv.gov](mailto:andy.heiser@humboldtcountynv.gov)>  
**Subject:** RE: Cashman Equipment -Humboldt

Rental equipment is listed on EQ000104 if they are on rent at 07-01. Assets are listed on EQ001042.

If rental equipment is not on rent, it may be sitting in the yard.

Shelley Addie  
Senior Staff Accountant  
Empire Southwest

Office (702) 633-4610  
[shelleyaddie@cashmanequipment.com](mailto:shelleyaddie@cashmanequipment.com)

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**From:** Colleen Cox <[Colleen.Cox@humboldtcountynv.gov](mailto:Colleen.Cox@humboldtcountynv.gov)>  
**Sent:** Friday, March 10, 2023 12:38 PM  
**To:** Shelley Addie <[ShelleyAddie@cashmanequipment.com](mailto:ShelleyAddie@cashmanequipment.com)>  
**Cc:** Andy Heiser <[andy.heiser@humboldtcountynv.gov](mailto:andy.heiser@humboldtcountynv.gov)>  
**Subject:** Cashman Equipment -Humboldt

**CAUTION:** This email originated from outside of the Empire Southwest organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Afternoon Shelley,

I am inquiring if the equipment sitting in the yard at 3050 E Railroad St. in Winnemucca, is being listed under the rental account EQ104 or if the equipment should be listed under acct EQ 1042. The photo was taken April 2020 and the equipment may have changed since then.

Thank you for your time.

*Colleen Cox  
Personal Property Appraiser  
Humboldt County Assessor's Office  
50 W Fifth St  
Winnemucca, NV 89445*

*[Colleen.Cox@humboldtcountynv.gov](mailto:Colleen.Cox@humboldtcountynv.gov)  
(775) 623-6310 Phone  
(775) 623-6311 Fax*



**Andy Heiser**

---

**From:** Andy Heiser  
**Sent:** Thursday, August 17, 2023 12:54 PM  
**To:** Shelley.Addie@empire-cat.com  
**Cc:** Colleen Cox  
**Subject:** RE: PERSONAL PROPERTY DECLARATION-HUMBOLDT COUNTY 2023  
**Attachments:** Details for EQ001042.csv

Good afternoon, Shelley,

Thank you for sending in the declarations for Empire Southwest. I do have a few questions and I have attached examples from last years declarations.

For Account EQ 1042 which encompasses the assets that are associated with the physical office location, there seems to be a significant number of items taken off that were not replaced. Was there a policy change that makes mechanics supply their own tools? I show last year 8 welders for this account, and I do not see any being reported for this year. I see a controller for the Bortech Welder but not the welder itself. Last year 2-100-ton jacks were reported with an asset code of 7510 with an acquisition value of \$37,221. You reported them again this year, but the acquisition value changed to \$34,714.66. Are these the same jacks because of the asset code of 7510 matching between the two years? Did Empire buy out this equipment from Cashman and that is why the value is reduced? Our system does depreciate the assets every year so if the reduction in value is depreciation that you have applied, these are being depreciated twice. The laptops and phone systems are no longer being reported for this year either along with a small amount of office furniture left in comparison to the previous years reporting. Is there no longer computers and a phone system at this location?

For account EQ 104 which encompasses the rental equipment, I had emailed last year about reporting all equipment that is available to rent, not just what is on rent. I might be misreading the spreadsheet you submitted but looking at the Boomlifts that are being reported, I am seeing 5 total. Please correct me if I missed any.

CE008147	BOOMLIFT
CE011297	BOOMLIFT
CE015626	BOOMLIFT
CE012342	STRAIGHT BOOMLIFT
CE012340	STRAIGHT BOOMLIFT

When viewing this properties imagery, I am seeing a total of 13 in the yard. I would like to ask if these are being reported or not and to let you know that they need to be per Nevada law.



Let me know if you have any questions back or if you would like to set up a phone meeting to discuss my questions more at length. Do you have a list of all rental equipment in your fleet, whether it is out on rent or not so I can compare what you submitted versus what is in your total inventory?

Thank You,

**Andy Heiser**

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Humboldt County Assessor's Office  
50 W. 5<sup>th</sup> Street  
Winnemucca, NV 89445

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Humboldt County Assessor  
Office: (775) 623-6316  
Fax: (775) 623-6311  
[Andy.Heiser@humboldtcountynv.gov](mailto:Andy.Heiser@humboldtcountynv.gov)

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**From:** Colleen Cox <[Colleen.Cox@humboldtcountynv.gov](mailto:Colleen.Cox@humboldtcountynv.gov)>  
**Sent:** Thursday, August 17, 2023 10:52 AM  
**To:** Andy Heiser <[andy.heiser@humboldtcountynv.gov](mailto:andy.heiser@humboldtcountynv.gov)>  
**Subject:** FW: PERSONAL PROPERTY DECLARATION-HUMBOLDT COUNTY 2023

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**From:** Addie, Shelley <[Shelley.Addie@empire-cat.com](mailto:Shelley.Addie@empire-cat.com)>  
**Sent:** Thursday, July 27, 2023 2:34 PM

To: Colleen Cox <[Colleen.Cox@humboldtcountynv.gov](mailto:Colleen.Cox@humboldtcountynv.gov)>

Subject: PERSONAL PROPERTY DECLARATION-HUMBOLDT COUNTY 2023

Good Afternoon!

Here is our personal property declaration for EQ000104 and EQ001042.

Please let me know if you have any questions.

Best Regards,

*Shelley Addie*

Senior Staff Accountant

**Empire Southwest**

Office (702)633-4610

[shelley.addie@empire-cat.com](mailto:shelley.addie@empire-cat.com)

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If you have received this email in error, please delete this email immediately. Thank you.

**Andy Heiser**

---

**From:** Andy Heiser  
**Sent:** Thursday, August 17, 2023 3:18 PM  
**To:** Addie, Shelley  
**Subject:** RE: PERSONAL PROPERTY DECLARATION-HUMBOLDT COUNTY 2023  
**Attachments:** NRS Personal Property.pdf

Hi Shelley,

I am going to send a few statutes that apply for personal property and listing all business assets. The one I stated over the phone for the exemption of inventory held for sale is NRS 361.068. That statute is interpreted by the assessors that this inventory is held specifically for sale and does not have the ability to be rented, leased or used for profit in any other way outside of being sold.

I attached three statutes that are the bases of the assessment of property in Nevada and more specifically, personal property.

Thank you,

**Andy Heiser**

-----  
Humboldt County Assessor's Office  
50 W. 5<sup>th</sup> Street  
Winnemucca, NV 89445  
-----

Humboldt County Assessor  
Office: (775) 623-6316  
Fax: (775) 623-6311  
[Andy.Heiser@humboldtcountynv.gov](mailto:Andy.Heiser@humboldtcountynv.gov)

---

**From:** Addie, Shelley <Shelley.Addie@empire-cat.com>  
**Sent:** Thursday, August 17, 2023 1:55 PM  
**To:** Andy Heiser <andy.heiser@humboldtcountynv.gov>  
**Subject:** RE: PERSONAL PROPERTY DECLARATION-HUMBOLDT COUNTY 2023

Andy,

Will you send me the NV statue # that you are referring to?

Thanks,

***Shelley Addie***  
Senior Staff Accountant  
**Empire Southwest**

Office (702)633-4610  
[shelley.addie@empire-cat.com](mailto:shelley.addie@empire-cat.com)

**Our Corporate Values:**

Safety. Respect. Integrity. Teamwork. Excellence. Stewardship. Astonishment.

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**NRS 361.045 Taxable property.** Except as otherwise provided by law, all property of every kind and nature whatever within this state shall be subject to taxation.

[Part 1:344:1953; A 1954, 29; 1955, 340]

**NRS 361.068 Business inventories and consumables, livestock, bees, certain pipe and agricultural equipment, boats, campers, fine art for public display and certain personal property of nonresidents exempted; establishment of de minimis exemption for personal property.**

1. The following personal property is exempt from taxation:
  - (a) Personal property held for sale by a merchant;
  - (b) Personal property held for sale by a manufacturer;
  - (c) Raw materials and components held by a manufacturer for manufacture into products, and supplies to be consumed in the process of manufacture;
  - (d) Tangible personal property purchased by a business which will be consumed during the operation of the business;
  - (e) Livestock;
  - (f) Colonies of bees;
  - (g) Pipe and other agricultural equipment used to convey water for the irrigation of legal crops;
  - (h) All boats;
  - (i) Slide-in campers and camper shells;
  - (j) Except as otherwise provided in NRS 361.186, fine art for public display; and
  - (k) All personal property that is:
    - (1) Owned by a person who is not a resident of this state; and
    - (2) Located in this state solely for the purposes of:
      - (I) An exhibit that is used in a convention or tradeshow that is located in this State; or
      - (II) A display, exhibition, carnival, fair or circus that is transient in nature and is located in this State for not more than 30 days.
2. 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. If such an exemption is provided, the Nevada Tax Commission shall annually determine the average cost of collecting property taxes in this state which must be used in determining the applicability of the exemption.
3. A person claiming the exemption provided for in paragraph (j) of subsection 1 shall:
  - (a) On or before June 15 for the next ensuing fiscal year, file with the county assessor an affidavit declaring that the fine art will, during that ensuing fiscal year, meet all the criteria set forth in paragraph (b) of subsection 4; and
  - (b) During any fiscal year in which the person claims the exemption, make available for educational purposes and not for resale, upon written request and without charge to any public school as defined in NRS 385.007, private school as defined in NRS 394.103 and parent of a child who receives instruction in a home pursuant to NRS 392.070, one copy of a poster depicting the fine art that the facility has on public display if such a poster is available for purchase by the public at the time of the request.
4. As used in this section:
  - (a) "Boat" includes any vessel or other watercraft, other than a seaplane, used or capable of being used as a means of transportation on the water.
  - (b) "Fine art for public display":
    - (1) Except as otherwise provided in subparagraph (2), means a work of art which:
      - (I) Is an original painting in oil, mineral, water colors, vitreous enamel, pastel or other medium, an original mosaic, drawing or sketch, an original sculpture of clay, textiles, fiber, wood, metal, plastic, glass or a similar material, an original work of mixed media or a lithograph;
      - (II) Was purchased in an arm's length transaction for \$25,000 or more, or has an appraised value of \$25,000 or more;
      - (III) Is on public display in a public or private art gallery, museum or other building or area in this state for at least 20 hours per week during at least 35 weeks of each year for which the exemption is claimed or, if the facility displaying the fine art disposes of it before the end of that year, during at least two-thirds of the full weeks during which the facility had possession of it, or if the gallery, museum or other building or area in which the fine art will be displayed will not be opened until after the beginning of the fiscal year for which the exemption is claimed, these display requirements must be met for the first full fiscal year after the date of opening, and the date of opening must not be later than 2 years after the purchase of the fine art being displayed; and



(IV) Is on display in a facility that is available for group tours by pupils or students for at least 5 hours on at least 60 days of each full year for which the exemption is claimed, during which the facility in which it is displayed is open, by prior appointment and at reasonable times, without charge; and

(2) Does not include:

- (I) A work of fine art that is a fixture or an improvement to real property;
- (II) A work of fine art that constitutes a copy of an original work of fine art, unless the work is a lithograph that is a limited edition and that is signed and numbered by the artist;
- (III) Products of filmmaking or photography, including, without limitation, motion pictures;
- (IV) Literary works;
- (V) Property used in the performing arts, including, without limitation, scenery or props for a stage; or
- (VI) Property that was created for a functional use other than, or in addition to, its aesthetic qualities, including, without limitation, a classic or custom-built automobile or boat, a sign that advertises a business, and custom or antique furniture, lamps, chandeliers, jewelry, mirrors, doors or windows.

(c) "Personal property held for sale by a merchant" includes property that:

- (1) Meets the requirements of sub-subparagraphs (I) and (II) of subparagraph (1) of paragraph (b);
- (2) Is made available for sale within 2 years after it is acquired; and
- (3) Is made available for viewing by the public or prospective purchasers, or both, within 2 years after it is acquired, whether or not a fee is charged for viewing it and whether or not it is also used for purposes other than viewing.

(d) "Public display" means the display of a work of fine art where members of the public have access to the work of fine art for viewing during publicly advertised hours. The term does not include the display of a work of fine art in an area where the public does not generally have access, including, without limitation, a private office, hallway or meeting room of a business, a room of a business used for private lodging and a private residence.

(e) "Pupil" means a person who:

(1) Is enrolled for the current academic year in a public school as defined in NRS 385.007 or a private school as defined in NRS 394.103; or

(2) Receives instruction in a home and is excused from compulsory attendance pursuant to NRS 392.070.

(f) "Student" means a person who is enrolled for the current academic year in:

- (1) A community college or university; or
- (2) A licensed postsecondary educational institution as defined in NRS 394.099 and a course concerning fine art.

(Added to NRS by 1979, 79; A 1983, 1191; 1987, 854; 1989, 169; 1995, 152, 2709; 1997, 1197, 1569, 2979; 1999, 623, 624, 3198, 3201; 2001, 229, 1541, 1543; 2017, 2871)

**NRS 361.265 Written statement concerning personal property: Demand; contents; return of statement; valuation of unlisted property claimed by absent or unknown person; penalties.**

1. To enable the county assessor to make assessments, he or she shall demand from each natural person or firm, and from the president, cashier, treasurer or managing agent of each corporation, association or company, including all banking institutions, associations or firms within the county, a written statement, signed under penalty of perjury, on forms and in the format prescribed by the county assessor of all the personal property within the county, owned, claimed, possessed, controlled or managed by those persons, firms, corporations, associations or companies. The signature required by this subsection may include an electronic signature as defined in NRS 719.100.

2. The statement must include:

(a) A description of the location of any taxable personal property that is owned, claimed, possessed, controlled or managed by the natural person, firm, corporation, association or company, but stored, maintained or otherwise placed at a location other than the principal residence of the natural person or principal place of business of the firm, corporation, association or company;

(b) The cost of acquisition of each item of taxable personal property including the cost of any improvements of the personal property, such as additions to or renovations of the property other than routine maintenance or repairs, and the year in which each item of taxable personal property was acquired; and

(c) If the natural person, firm, corporation, association or company owns at least 25 mobile or manufactured homes that are being leased within the county for commercial purposes, and those homes have not been converted to real property pursuant to NRS 361.244, the year, make or model, size, serial number and location of each such mobile or manufactured home.

3. The statement must be returned not later than July 31, except for a statement mailed to the taxpayer after July 15, in which case it must be returned within 15 days after demand for its return is made. Upon petition of the property owner showing good cause, the county assessor may grant one or more 30-day extensions.

4. If the owners of any taxable property not listed by another person are absent or unknown, or fail to provide the written statement as described in subsection 1, the county assessor shall make an estimate of the value of the property and assess it accordingly. If the name of the absent owner is known to the county assessor, the property must be assessed in that name. If the name of the owner is unknown to the county assessor, the property must be assessed to "unknown owner," but no mistake made in the name of the owner or the supposed owner of personal property renders the assessment or any sale of the property for taxes invalid.

5. If any person, officer or agent neglects or refuses on demand of the county assessor or his or her deputy to give the statement required by this section, or gives a false name, or refuses to give his or her name or sign the statement, the person, officer or agent is guilty of a misdemeanor.

[Part 5:344:1953]—(NRS A 1967, 558; 1969, 1452; 1981, 327; 1983, 519, 1193; 1985, 748; 1987, 531; 1989, 1820; 2003, 2761; 2005, 2656)



Property Tax Department

United Rentals Inc.  
10330 David Taylor Dr.  
Charlotte, NC 28262

Exhibit 3

Tel: 813-269-6532  
Fax: 813-977-8230  
[propertytax@ur.com](mailto:propertytax@ur.com)

[unitedrentals.com](http://unitedrentals.com)

July 31, 2023

Elko County Assessor Office  
550 Court St, Courthouse Annex - Behind Courthouse  
Elko, NV 89801

RECEIVED

AUG 08 2023

BY: \_\_\_\_\_

To Whom It May Concern:

**Statement Addressing Inventory Exempt from Ad Valorem Taxes**

On its 2023 personal property declaration, United Rentals (North America) Inc. is reporting personal property inventory at its business as of the July 1, 2023 lien date. A portion of this inventory was located on-site while other portions were rented to third parties and were located off-site.

With respect to the inventory that was located on-site and not out on rental, this inventory is exempt as "personal property held for sale by a merchant" per NRS 361.068. Each such item was available for sale to the public, and the company qualifies as a "merchant" under this statute as it routinely sells these types of property to customers. The fact that the inventory also was available for rental does not remove it from the scope of this inventory exemption.

We have excluded the inventory on-site and available for sale. Please contact us if you should have any questions or need any additional detail.

Thank you for your assistance.

Regards,

A handwritten signature in black ink, appearing to read "Alexis Young", with a horizontal line extending to the right.

Alexis Young  
Property Tax Manager  
United Rentals Inc.

# Humboldt County Personal Property Record Card

Exhibit 4-1 Page 1 of 6

Acct **EQ001042** Situs **3050 E RAILROAD ST WINNEMUCCA** Printed **2/10/2025** Tax Year **2023/2024**

EMPIRE SOUTHWEST LLC

3300 ST ROSE PARKWAY  
HENDERSON NV 89052

Billing	
Method	
Bill Date	10/18/2023
Processed by	CC

APN	15-0253-04	Totals	
Tax Dist	City of Winnemucca	Aquisition	\$4,766,620
NBC	EQ-EQUIPMENT	Taxable	\$4,640,091
Land Use		Assessed	\$1,624,039
SPC		Exemptions	\$0
Cap Code		Abatements	\$0
St Use Code	Unknown or Not Applicable	Net Assessed	\$1,624,039
NAICS	532412-Construction, Mining, and Forestry M	New to Roll	\$1,624,039

\* = new to roll

Humboldt County Assessor's Office

Andy Helser • Assessor • Andy.Helser@humboldtcounty.gov  
Office: (775) 623-6386 Fax: (775) 623-6381

	Asset Code	Asset Category	Specific Description	Serial #	Ec Lf	Ex Cd	Year Acq	Aquisition or Unit Cost	Units	Factors			Taxable Value	Override Value	Assessed Value
										Index	%Good	%Mult			
*1	MAC	MACHINERY	07510-21: 2 100 TON JACKS W		15		2022	34715.00		1.12	87.00	100.00	33,826		11,839
*2	MAC	MACHINERY	07414-19: CAT HOSE PRESS C		15		2022	24254.00		1.12	87.00	100.00	23,633		8,272
*3	WLD	WELDING EQUIP	07658-23: CONTROLLER FOR		15		2023	12417.00		1.00	100.00	100.00	12,417		4,346
*4	OEF	OFFICE EQUIP-FURN & FIX	07397-18: FURNITURE FOR 2'		15		2022	5957.00		1.12	87.00	100.00	5,805		2,032
*5	MAC	MACHINERY	07366-17: HOTSY NAT GAS PF		15		2022	1809.00		1.12	87.00	100.00	1,763		617
*6	SIG	SIGNS	07355-16: SIGNAGE WMCA ST		15		2022	2090.00		1.12	87.00	100.00	2,037		713
*7	STO	STORES	07595-22: REVAMP HOSE BLD		15		2022	59688.00		1.12	87.00	100.00	58,160		20,356
*8	COM	COMPUTER/TABLET/CELL PHONE	07521-21: SHARP PRINTER M		3		2022	7978.00		1.12	33.00	100.00	2,949		1,032
*9	MAC	MACHINERY	07447-19: TOOLING FOR HOS		15		2022	6753.00		1.12	87.00	100.00	6,580		2,303
*10	STO	STORES	07595-22: TOOLING RACK & T		15		2022	8532.00		1.12	87.00	100.00	8,314		2,910
*11	MAC	MACHINERY	07596-22: TRACK PRESS		15		2022	17229.00		1.12	87.00	100.00	16,788		5,876
*12	STO	STORES	07649-22: WILL CALL COUNT		15		2022	39340.00		1.12	87.00	100.00	38,333		13,417
*13	MAC	MACHINERY	07641-22: HOSE BUILDING TO		15		2022	102420.00		1.12	87.00	100.00	99,798		34,929
*14	STO	STORES	N0627-13: REMODEL BREAKF		15		2022	17608.00		1.12	87.00	100.00	17,157		6,005
*15	MAC	MACHINERY	CE003570: BOOM LIFT ARTIC		15		2022	26194.00	1	1.12	87.00	100.00	25,523		8,933
*16	MAC	MACHINERY	CE004431: BOOM LIFT ARTIC		15		2022	50343.00	1	1.12	87.00	100.00	49,054		17,169
*17	MAC	MACHINERY	CE005329: BOOM LIFT ARTIC		15		2022	41725.00	1	1.12	87.00	100.00	40,657		14,230
*18	MAC	MACHINERY	CE005333: BOOM LIFT ARTIC		15		2022	44775.00	1	1.12	87.00	100.00	43,629		15,270
*19	MAC	MACHINERY	CE005527: BOOM LIFT ELECT		15		2022	23081.00	1	1.12	87.00	100.00	22,490		7,872
*20	MAC	MACHINERY	CE005720D: 30" 311,313,314,3		15		2022	3732.00	1	1.12	87.00	100.00	3,637		1,273
*21	MAC	MACHINERY	CE005987: SCISSOR LIFT ELE		15		2022	9608.00	1	1.12	87.00	100.00	9,362		3,277
*22	MAC	MACHINERY	CE006002: BOOM LIFT STR 80		15		2022	48825.00	1	1.12	87.00	100.00	47,575		16,651
*23	MAC	MACHINERY	CE006024: BOOM LIFT STR 60		15		2022	43103.00	1	1.12	87.00	100.00	41,999		14,700

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SPF 231

## Humboldt County Personal Property Record Card

Acct.: EQ001042 EMPIRE SOUTHWEST LLC

Situs 3050 E RAILROAD ST WINNEMUCCA

Tax Year: 2023/2024

	Asset Code	Asset Category	Specific Description	Serial #	Ec Lf	Ex Cd	Year Acq	Aquisition or Unit Cost	Units	Factors			Taxable Value	Override Value	Assessed Value
										Index	%Good	%Mult			
*24	MAC	MACHINERY	CE006384: REACH FORKLIFT		15		2022	87205.00	1	1.12	87.00	100.00	84,973		29,741
*25	MAC	MACHINERY	CE006880: 450 BACKHOE LOA		15		2022	107797.00	1	1.12	87.00	100.00	105,038		36,763
*26	MAC	MACHINERY	CE006908E: 316 COMPACTION		15		2022	2735.00	1	1.12	87.00	100.00	2,665		933
*27	MAC	MACHINERY	CE007601: REACH FORKLIFT		15		2022	81334.00	1	1.12	87.00	100.00	79,252		27,738
*28	MAC	MACHINERY	CE007864: 308 MINI EX W/CAE		15		2022	70027.00	1	1.12	87.00	100.00	68,234		23,882
*29	MAC	MACHINERY	CE007864Q: 307,308,309 HYD		15		2022	2835.00	1	1.12	87.00	100.00	2,762		967
*30	MAC	MACHINERY	CE008170: SCISSOR LIFT ELE		15		2022	6858.00	1	1.12	87.00	100.00	6,682		2,339
*31	MAC	MACHINERY	CE008246N: 924/926 BUCKET		15		2022	5966.00	1	1.12	87.00	100.00	5,813		2,035
*32	MAC	MACHINERY	CE008415: BOOM LIFT STR 13		15		2022	80018.00	1	1.12	87.00	100.00	77,969		27,289
*33	MAC	MACHINERY	CE008417: BOOM LIFT STR 80		15		2022	42001.00	1	1.12	87.00	100.00	40,926		14,324
*34	MAC	MACHINERY	CE008586: 305.5/306 MINI EX		15		2022	54689.00	1	1.12	87.00	100.00	53,289		18,651
*35	MAC	MACHINERY	CE008607: 926 WHEEL LOADE		15		2022	124670.00	1	1.12	87.00	100.00	121,478		42,517
*36	MAC	MACHINERY	CE008650: SCISSOR LIFT ELE		15		2022	7267.00	1	1.12	87.00	100.00	7,081		2,478
*37	MAC	MACHINERY	CE008780: REACH FORKLIFT		15		2022	137131.00	1	1.12	87.00	100.00	133,621		46,767
*38	MAC	MACHINERY	CE008903: 301.7 MINI EX		15		2022	21535.00	1	1.12	87.00	100.00	20,984		7,344
*39	MAC	MACHINERY	CE008914: 308 MINI EX W/CAE		15		2022	72353.00	1	1.12	87.00	100.00	70,500		24,675
*40	MAC	MACHINERY	CE008914Q: 307,308,309 MEC		15		2022	3027.00	1	1.12	87.00	100.00	2,949		1,032
*41	MAC	MACHINERY	CE008988Z: CAT REACH FORI		15		2022	1107.00	1	1.12	87.00	100.00	1,079		378
*42	MAC	MACHINERY	CE009165N: GP BUCKET 62"		15		2022	792.00	1	1.12	87.00	100.00	772		270
*43	MAC	MACHINERY	CE009347: REACH FORK LIFT		15		2022	130679.00	1	1.12	87.00	100.00	127,333		44,567
*44	MAC	MACHINERY	CE009353F: 420,430 IT LOADE		15		2022	2220.00	1	1.12	87.00	100.00	2,163		757
*45	MAC	MACHINERY	CE009498: REACH FORKLIFT		15		2022	58893.00	1	1.12	87.00	100.00	57,385		20,085
*46	MAC	MACHINERY	CE009564: TX525 WALK BEHII		15		2022	13532.00	1	1.12	87.00	100.00	13,186		4,615
*47	MAC	MACHINERY	CE009634: REACH FORKLIFT		15		2022	88915.00	1	1.12	87.00	100.00	86,639		30,324
*48	MAC	MACHINERY	CE009659: DOUBLE DRUM RC		15		2022	19661.00	1	1.12	87.00	100.00	19,157		6,705
*49	MAC	MACHINERY	CE010007: REACH FORKLIFT		15		2022	141841.00	1	1.12	87.00	100.00	138,210		48,374
*50	MAC	MACHINERY	CE010030: REACH FORKLIFT		15		2022	114575.00	1	1.12	87.00	100.00	111,642		39,075
*51	MAC	MACHINERY	CE010040: REACH FORKLIFT		15		2022	151369.00	1	1.12	87.00	100.00	147,494		51,623
*52	MAC	MACHINERY	CE010113E: 36" 320,321,M322		15		2022	5289.00	1	1.12	87.00	100.00	5,154		1,804
*53	MAC	MACHINERY	CE010360: 938 WHEEL LOADE		15		2022	132083.00	1	1.12	87.00	100.00	128,702		45,046
*54	MAC	MACHINERY	CE010443M: CAT REACH FOR		15		2022	1189.00	1	1.12	87.00	100.00	1,159		406
*55	MAC	MACHINERY	CE010667N: GP BUCKET 62"		15		2022	792.00	1	1.12	87.00	100.00	772		270

**Humboldt County Personal Property Record Card**Acct.: **EQ001042** EMPIRE SOUTHWEST LLC

Situs 3050 E RAILROAD ST WINNEMUCCA

Tax Year: 2023/2024

	Asset Code	Asset Category	Specific Description	Serial #	Ec Lf	Ex Cd	Year Acq	Aquisition or Unit Cost	Units	Factors			Taxable Value	Override Value	Assessed Value
										Index	%Good	%Mult			
*56	MAC	MACHINERY	CE010687B: 18" 302 BUCKET		15		2022	440.00	1	1.12	87.00	100.00	429		150
*57	MAC	MACHINERY	CE010852: 279 CTL W/HIGH FI		15		2022	54115.00	1	1.12	87.00	100.00	52,730		18,456
*58	MAC	MACHINERY	CE010886E: 36" 316 BUCKET		15		2022	3447.00	1	1.12	87.00	100.00	3,359		1,176
*59	MAC	MACHINERY	CE011028: REACH FORKLIFT		15		2022	92048.00	1	1.12	87.00	100.00	89,692		31,392
*60	MAC	MACHINERY	CE011201B: 18" 305 & 306 BU		15		2022	700.00	1	1.12	87.00	100.00	682		239
*61	MAC	MACHINERY	CE011460A: 12" 415/416/420/4		15		2022	890.00	1	1.12	87.00	100.00	867		303
*62	MAC	MACHINERY	CE011493: 226 SSL W/CAB		15		2022	27302.00	1	1.12	87.00	100.00	26,603		9,311
*63	MAC	MACHINERY	CE011537: GENERATOR 6500		15		2022	1096.00	1	1.12	87.00	100.00	1,068		374
*64	MAC	MACHINERY	CE011538: GENERATOR 6500		15		2022	1096.00	1	1.12	87.00	100.00	1,068		374
*65	MAC	MACHINERY	CE011575: SCISSOR LIFT ELE		15		2022	15596.00	1	1.12	87.00	100.00	15,197		5,319
*66	MAC	MACHINERY	CE011694: SMOOTH SINGLE L		15		2022	145393.00	1	1.12	87.00	100.00	141,671		49,585
*67	MAC	MACHINERY	CE011732A: 12" 305 & 306 BU		15		2022	687.00	1	1.12	87.00	100.00	669		234
*68	MAC	MACHINERY	CE011766: PM622 COLD PLAN		15		2022	420629.00	1	1.12	87.00	100.00	409,860		143,451
*69	MAC	MACHINERY	CE011863: 289/ 265-05 CTL		15		2022	72173.00	1	1.12	87.00	100.00	70,326		24,614
*70	MAC	MACHINERY	CE011898A: 12" 305 & 306 BU		15		2022	742.00	1	1.12	87.00	100.00	723		253
*71	MAC	MACHINERY	CE011981: RAMMER/JUMPING		15		2022	1997.00	1	1.12	87.00	100.00	1,946		681
*72	MAC	MACHINERY	CE012003: SCISSOR LIFT ELE		15		2022	7545.00	1	1.12	87.00	100.00	7,352		2,573
*73	MAC	MACHINERY	CE012015N: GP BUCKET 62"		15		2022	813.00	1	1.12	87.00	100.00	793		278
*74	MAC	MACHINERY	CE012030: BOOM LIFT ELECT		15		2022	30427.00	1	1.12	87.00	100.00	29,648		10,377
*75	MAC	MACHINERY	CE012032: BOOM LIFT ARTIC		15		2022	45794.00	1	1.12	87.00	100.00	44,621		15,617
*76	MAC	MACHINERY	CE012039: REACH FORKLIFT		15		2022	55989.00	1	1.12	87.00	100.00	54,556		19,095
*77	MAC	MACHINERY	CE012090: SCISSOR LIFT ELE		15		2022	13636.00	1	1.12	87.00	100.00	13,287		4,650
*78	MAC	MACHINERY	CE012094: SCISSOR LIFT ELE		15		2022	13636.00	1	1.12	87.00	100.00	13,287		4,650
*79	MAC	MACHINERY	CE012095: SCISSOR LIFT ELE		15		2022	13636.00	1	1.12	87.00	100.00	13,287		4,650
*80	MAC	MACHINERY	CE012125F: GTH1544 FORKS		15		2022	1622.00	1	1.12	87.00	100.00	1,581		553
*81	MAC	MACHINERY	CE012161B: BR172, BR118 BR		15		2022	6316.00	1	1.12	87.00	100.00	6,154		2,154
*82	MAC	MACHINERY	CE012270N: GP BUCKET 62"		15		2022	813.00	1	1.12	87.00	100.00	793		278
*83	MAC	MACHINERY	CE012314D: 30" 303 & 304 BU		15		2022	810.00	1	1.12	87.00	100.00	789		276
*84	MAC	MACHINERY	CE012345: SCISSOR LIFT ELE		15		2022	8409.00	1	1.12	87.00	100.00	8,194		2,868
*85	MAC	MACHINERY	CE012351: SCISSOR LIFT ELE		15		2022	8409.00	1	1.12	87.00	100.00	8,194		2,868
*86	MAC	MACHINERY	CE012370: SCISSOR LIFT ELE		15		2022	10779.00	1	1.12	87.00	100.00	10,503		3,676
*87	MAC	MACHINERY	CE012373: SCISSOR LIFT ELE		15		2022	10779.00	1	1.12	87.00	100.00	10,503		3,676



Acct.: EQ001042 EMPIRE SOUTHWEST LLC

Situs 3050 E RAILROAD ST WINNEMUCCA

Tax Year: 2023/2024

	Asset Code	Asset Category	Specific Description	Serial #	Ec Lf	Ex Cd	Year Acq	Aquisition or Unit Cost	Units	Factors			Taxable Value	Override Value	Assessed Value
										Index	%Good	%Mult			
*88	MAC	MACHINERY	CE012407: REACH FORKLIFT		15		2022	110772.00	1	1.12	87.00	100.00	107,937		37,778
*89	MAC	MACHINERY	CE012414H: 305 & 306 HAMME		15		2022	5660.00	1	1.12	87.00	100.00	5,515		1,930
*90	MAC	MACHINERY	CE0124929: AIR COMPRESSO		15		2022	13094.00	1	1.12	87.00	100.00	12,759		4,466
*91	MAC	MACHINERY	CE0124536: SCISSOR LIFT EL		15		2022	9361.00	1	1.12	87.00	100.00	9,121		3,192
*92	MAC	MACHINERY	CE012574: REACH FORKLIFT		15		2022	114366.00	1	1.12	87.00	100.00	111,438		39,003
*93	MAC	MACHINERY	CE012644: 303.5 MINI EX W/C		15		2022	44738.00	1	1.12	87.00	100.00	43,593		15,258
*94	MAC	MACHINERY	CE012644Q: 303 & 304 HYD C		15		2022	1682.00	1	1.12	87.00	100.00	1,639		574
*95	MAC	MACHINERY	CE012797: REACH FORKLIFT		15		2022	98364.00	1	1.12	87.00	100.00	95,846		33,546
*96	MAC	MACHINERY	CE012830: 420 BACKHOE LO,		15		2022	103557.00	1	1.12	87.00	100.00	100,906		35,317
*97	MAC	MACHINERY	CE012976: 226 SSL W /CAB		15		2022	36467.00	1	1.12	87.00	100.00	35,533		12,437
*98	MAC	MACHINERY	CE012978E: 36" 307,308,309 B		15		2022	1562.00	1	1.12	87.00	100.00	1,522		533
*99	MAC	MACHINERY	CE013026:RAMMER/JUMPING		15		2022	1748.00	1	1.12	87.00	100.00	1,703		596
*100	MAC	MACHINERY	CE013027Z: HAMMER GUARD		15		2022	189.00	1	1.12	87.00	100.00	184		64
*101	MAC	MACHINERY	CE013169N: GP BUCKET 86"		15		2022	39.00	1	1.12	87.00	100.00	38		13
*102	MAC	MACHINERY	CE013202C: 24" 301 BUCKET		15		2022	408.00	1	1.12	87.00	100.00	398		139
*103	MAC	MACHINERY	CE013450: REACH FORKLIFT		15		2022	124455.00	1	1.12	87.00	100.00	121,269		42,444
*104	MAC	MACHINERY	CE013455: REACH FORKLIFT		15		2022	95693.00	1	1.12	87.00	100.00	93,243		32,635
*105	MAC	MACHINERY	CE013565A: 6" AUGER BIT (FI		15		2022	229.00	1	1.12	87.00	100.00	223		78
*106	MAC	MACHINERY	CE013737: WATER TRAILER 5		15		2022	5744.00	1	1.12	87.00	100.00	5,597		1,959
*107	MAC	MACHINERY	CE013763N: GP BUCKET 80"		15		2022	1148.00	1	1.12	87.00	100.00	1,119		392
*108	MAC	MACHINERY	CE013797: WATER TRAILER 5		15		2022	7195.00	1	1.12	87.00	100.00	7,010		2,454
*109	MAC	MACHINERY	CE013818A: 9" AUGER BIT(FIT		15		2022	301.00	1	1.12	87.00	100.00	293		103
*110	MAC	MACHINERY	CE013999Z: A19/A41 AUGER (		15		2022	2621.00	1	1.12	87.00	100.00	2,554		894
*111	MAC	MACHINERY	CE014079Z: A19/A41 AUGER E		15		2022	318.00	1	1.12	87.00	100.00	310		109
*112	MAC	MACHINERY	CE014137Z: HAMMER GUARD		15		2022	764.00	1	1.12	87.00	100.00	745		261
*113	MAC	MACHINERY	CE014151E: 36" AUGER BIT (F		15		2022	1973.00	1	1.12	87.00	100.00	1,923		673
*114	MAC	MACHINERY	CE014230Q: 301 QUICK COUP		15		2022	530.00	1	1.12	87.00	100.00	517		181
*115	MAC	MACHINERY	CE014238Q: 305 & 306 QUICK		15		2022	1654.00	1	1.12	87.00	100.00	1,611		564
*116	MAC	MACHINERY	CE014270E: 36" 320,321,M322		15		2022	8228.00	1	1.12	87.00	100.00	8,017		2,806
*117	MAC	MACHINERY	CE014428N: GP BUCKET 80":		15		2022	1526.00	1	1.12	87.00	100.00	1,487		520
*118	MAC	MACHINERY	CE014460Z: PNUEMATIC/AIR		15		2022	754.00	1	1.12	87.00	100.00	734		257
*119	MAC	MACHINERY	CE014467Z: PNUEMATIC/AIR		15		2022	797.00	1	1.12	87.00	100.00	777		272

**Humboldt County Personal Property Record Card**Acct.: **EQ001042** EMPIRE SOUTHWEST LLC

Situs 3050 E RAILROAD ST WINNEMUCCA

Tax Year: 2023/2024

	Asset Code	Asset Category	Specific Description	Serial #	Ec Lf	Ex Cd	Year Acq	Aquisition or Unit Cost	Units	Factors			Taxable Value	Override Value	Assessed Value
										Index	%Good	%Mult			
*120	MAC	MACHINERY	CE014472Z: PNUOMATIC/AIR		15		2022	787.00	1	1.12	87.00	100.00	766		268
*121	MAC	MACHINERY	CE014481: TRAILER 12RBS		15		2022	9492.00	1	1.12	87.00	100.00	9,249		3,237
*122	MAC	MACHINERY	CE014482Z: PNUOMATIC /AIR		15		2022	695.00	1	1.12	87.00	100.00	677		237
*123	MAC	MACHINERY	CE014529: TRAILER 12TST		15		2022	13023.00	1	1.12	87.00	100.00	12,690		4,442
*124	MAC	MACHINERY	CE014752: SMALL PLATE COI		15		2022	1558.00	1	1.12	87.00	100.00	1,518		531
*125	MAC	MACHINERY	CE014755: SMALL PLATE COI		15		2022	1558.00	1	1.12	87.00	100.00	1,518		531
*126	MAC	MACHINERY	CE014756: SMALL PLATE COI		15		2022	1558.00	1	1.12	87.00	100.00	1,518		531
*127	MAC	MACHINERY	CE014840E: 36" 311,313,314,3		15		2022	4503.00	1	1.12	87.00	100.00	4,387		1,535
*128	MAC	MACHINERY	CE014840Q: 311,313,314,315		15		2022	6377.00	1	1.12	87.00	100.00	6,214		2,175
*129	MAC	MACHINERY	CE015069: 415 SKIP LOADER		15		2022	81289.00	1	1.12	87.00	100.00	79,208		27,723
*130	MAC	MACHINERY	CE015202D: 30" 336/340 BUCI		15		2022	8387.00	1	1.12	87.00	100.00	8,172		2,860
*131	MAC	MACHINERY	CE015255: BOOM LIFT STR 60		15		2022	100170.00	1	1.12	87.00	100.00	97,605		34,162
*132	MAC	MACHINERY	CE015290Z: 24" 415/416/420/4		15		2022		1	1.12	87.00	100.00			0
*133	MAC	MACHINERY	CE015641Q: 301 QUICK COU		15		2022	477.00	1	1.12	87.00	100.00	465		163
*134	MAC	MACHINERY	CE015731C: 24" 305 & 306 BU		15		2022	908.00	1	1.12	87.00	100.00	885		310
*135	MAC	MACHINERY	CE015807N: GP BUCKET 74"		15		2022	1120.00	1	1.12	87.00	100.00	1,091		382
*136	MAC	MACHINERY	CE015862A: 12" 302 BUCKET		15		2022	462.00	1	1.12	87.00	100.00	450		158
*137	MAC	MACHINERY	CE015897A: 12" 415/416/420/		15		2022	1175.00	1	1.12	87.00	100.00	1,145		401
*138	MAC	MACHINERY	CE015903B: 18" 415/416/420/		15		2022	1024.00	1	1.12	87.00	100.00	998		349
*139	MAC	MACHINERY	CE016061Z: A26/A68 AUGER		15		2022	4000.00	1	1.12	87.00	100.00	3,898		1,364
*140	MAC	MACHINERY	CE016163A: 12" 303 & 304 BU		15		2022	716.00	1	1.12	87.00	100.00	698		244
*141	MAC	MACHINERY	CE016168E: 36" 303 & 304 BU		15		2022	1070.00	1	1.12	87.00	100.00	1,042		365
*142	MAC	MACHINERY	CE016203N: GP BUCKET 68"		15		2022	1091.00	1	1.12	87.00	100.00	1,063		372
*143	MAC	MACHINERY	CE016206N: GP BUCKET 74"		15		2022	1184.00	1	1.12	87.00	100.00	1,154		404
*144	MAC	MACHINERY	CE016239A: 10" 302 BUCKET		15		2022	801.00	1	1.12	87.00	100.00	780		273
*145	MAC	MACHINERY	CE016352: AIR COMPRESSOI		15		2022	19405.00	1	1.12	87.00	100.00	18,909		6,618
*146	MAC	MACHINERY	CE016422C: 24" 307,308,309 B		15		2022	1597.00	1	1.12	87.00	100.00	1,556		545
*147	MAC	MACHINERY	CE016702C: 24" 301 BUCKET		15		2022	523.00	1	1.12	87.00	100.00	510		179
*148	MAC	MACHINERY	CE016705T: 301 THUMB		15		2022	1319.00	1	1.12	87.00	100.00	1,285		450
*149	MAC	MACHINERY	CE016813C: 24" 415/416/420/4		15		2022	1273.00	1	1.12	87.00	100.00	1,241		434
*150	MAC	MACHINERY	CE016823: 236 SSL W/CAB		15		2022	51122.00	1	1.12	87.00	100.00	49,814		17,435
*151	MAC	MACHINERY	CE016823B: 18" AUGER BITS		15		2022	852.00	1	1.12	87.00	100.00	830		291

## Humboldt County Personal Property Record Card

Acct: EQ001042

EMPIRE SOUTHWEST LLC

Situs 3050 E RAILROAD ST WINNEMUCCA

Tax Year: 2023/2024

	Asset Code	Asset Category	Specific Description	Serial #	Ec Lf	Ex Cd	Year Acq	Aquisition or Unit Cost	Units	Factors			Taxable Value	Override Value	Assessed Value
										Index	%Good	%Mult			
*152	MAC	MACHINERY	CE0168245F: FORKS (SSL/CT		15		2022	768.00	1	1.12	87.00	100.00	748		262
*153	MAC	MACHINERY	CE017154H: EPIROC SBU220		15		2022	6180.00	1	1.12	87.00	100.00	6,022		2,108
*154	MAC	MACHINERY	CE017163H: EPIROC SBU220		15		2022	6180.00	1	1.12	87.00	100.00	6,022		2,108
*155	MAC	MACHINERY	CE017171H: 302 HAMMER (H		15		2022	5686.00	1	1.12	87.00	100.00	5,540		1,939
*156	MAC	MACHINERY	CE017214C: 24" 446,450,310 E		15		2022	1709.00	1	1.12	87.00	100.00	1,665		583
*157	MAC	MACHINERY	CE017316A: 6" AUGER BIT (F		15		2022	254.00	1	1.12	87.00	100.00	247		86
*158	MAC	MACHINERY	CE017420C: 24" AUGER BIT (I		15		2022	848.00	1	1.12	87.00	100.00	827		289
*159	MAC	MACHINERY	CE017608Z: COLD PLANER AT		15		2022	15282.00	1	1.12	87.00	100.00	14,891		5,212
*160	MAC	MACHINERY	CE017804A: 12" 301 BUCKET		15		2022	450.00	1	1.12	87.00	100.00	438		153
*161	MAC	MACHINERY	CE018658A: 12" 301 BUCKET		15		2022	450.00	1	1.12	87.00	100.00	438		153
*162	MAC	MACHINERY	CE019748N: 938 MP BUCKET		15		2022	19446.00	1	1.12	87.00	100.00	18,949		6,632
*163	MAC	MACHINERY	CE019916Z: AUGER EXTENSIO		15		2022	235.00	1	1.12	87.00	100.00	229		80
*164	MAC	MACHINERY	CE020120C: 336/340 COMPAC		15		2022	16703.00	1	1.12	87.00	100.00	16,275		5,696
*165	MAC	MACHINERY	CE040023: 301.7 MINI EX		15		2022	27908.00	1	1.12	87.00	100.00	27,194		9,518
*166	MAC	MACHINERY	CE040370: 236 SSL W/CAB		15		2022	53230.00	1	1.12	87.00	100.00	51,868		18,154
*167	MAC	MACHINERY	UR001064: UTV/JOB CART 2 S		15		2022	1292.00	1	1.12	87.00	100.00	1,259		441
*168	MAC	MACHINERY	UR001101: UTV/JOB CART 2 S		15		2022	10667.00	1	1.12	87.00	100.00	10,394		3,638
*169	MAC	MACHINERY	UR001104: UTV/JOB CART 2 S		15		2022	2887.00	1	1.12	87.00	100.00	2,813		985
*170	MAC	MACHINERY	UR001142: UTV/JOB CART 2 S		15		2022	10667.00	1	1.12	87.00	100.00	10,394		3,638

Tami Rae Spero  
County Clerk  
Maria Diaz  
Deputy  
Harmony Brown  
Deputy

# Humboldt County Clerk

## Humboldt County Courthouse

Jessica Koepke  
Deputy  
Marie Jones  
Deputy  
Candice Townsend  
Deputy

**CERTIFIED MAIL** - 9589 0710 5270 0408 9923 48  
January 27, 2025

### NOTICE OF HEARING

**PETITIONER:**

Empire Southwest LLC  
Attn: John Helms, Vice-President/CFO  
3300 Saint Rose Parkway  
Henderson NV 89052

**RESPONDENT:**

**HUMBOLDT COUNTY ASSESSOR:**  
Andy Heiser  
50 W. 5<sup>th</sup> Street  
Winnemucca, NV 89445

**DATE:** Friday, February 21, 2025  
**TIME:** 8:00 a.m.  
**PLACE:** Humboldt County Courthouse  
County Meeting Room, # 201  
50 W. 5<sup>th</sup> Street  
Winnemucca, NV 89445

**LEGAL AUTHORITY AND JURISDICTION OF THE COUNTY BOARD OF EQUALIZATION:** NRS 361.400

**BRIEF STATEMENT OF MATTER:** Appeal from the action of the Humboldt County Assessor re: **Personal Property - Unsecured Roll 2023-2024**

**Case No:** HCB2025-01

**Parcel No:** 15-0253-04/Account No. EQ001042

The County Board of Equalization (County Board) will hear your appeal at the time and place stated above. Please be aware that the time is approximate and although you may be assured your appeal will not be heard prior to the stated time, be prepared for possible delays as several appeals may be scheduled during the session.

If you choose to submit a brief and evidence to the County Board, the documents must be received by the County Clerk in her offices no later than 5:00 p.m. Monday, February 10, 2025. You may fax the documents to the County Board, attention County Clerk at (775) 623-6309 or e-mail them to County.Clerk@humboldtcourtynv.gov. Submit a copy of the documents directly to the other party no later than 5:00 p.m. of the day indicated above. Should you be unable to meet the above noted time line please contact the County Clerk prior to hearing to make other arrangements as multiple copies of all exhibits are

50 W. 5th Street - Rm 207  
Winnemucca, NV 89445

Telephone: 775-623-6343  
Fax: 775-623-6309

required at the time of hearing. In the event that exhibits are presented at time of hearing, the County Board may table the matter to a later time/day to fully review said exhibits.

The taxpayer may appear in person or file a letter for consideration or may be represented by an attorney or any qualified individual. If an appeal is made by a taxpayer's representative, the person making the appeal on behalf of the owner of the property shall provide written authorization from the owner of the property at the time the appeal is filed. If the taxpayer or his representative fails to appear at the scheduled time, the hearing may be held in his absence and the County Board will consider the available evidence at the scheduled hearing time. If a party chooses to be represented by an attorney, the attorney shall be one who is admitted to practice and in good standing before the highest court of any state of the United States. If a corporation, municipal corporation or an unincorporated association, the taxpayer may be represented by an officer or other duly authorized representative or regular employee of such corporation.

Procedural rules governing the County Board's hearings may be found in the Nevada Administrative Code 361.622 through 361.645. The Administrative Code may be found on the internet by selecting Chapter 361 at <http://leg.state.nv.us/NAC>.

If a transcript of any hearing held before the County Board is desired by the taxpayer, the party desiring the transcript must furnish the reporter if not already furnished by the County Board, pay for the transcript or obtain a copy at the party's expense from the reporter furnished by the County Board, and deliver a copy of the transcript to the County Clerk if requested to be included as a part of the administrative record, before any subsequent hearing or appeal of the matter.

If you have any questions, please call (775) 623-6343.

  
County Clerk

cc:

Agent - Douglas S. John, Esq.  
Frazer Ryan Goldberg & Arnold, LLP  
CERTIFIED MAIL - 9589 0710 5270 0408 9923 55  
1850 N Central Ave., Ste. 1800  
Phoenix, AZ 85004

Humboldt County Assessor  
50 W 5<sup>th</sup> Street  
Winnemucca NV

ALERT: WILDFIRES AND EMERGENCY EVENTS IN THE LOS ANGELES METRO AREA U.S. MAY ...

**USPS Tracking®**

FAQs &gt;

Tracking Number:

Remove X

**9589071052700408992348**

Copy

Add to Informed Delivery (<https://informedelivery.usps.com/>)

Feedback

**Latest Update**

Your item was delivered to an individual at the address at 10:04 am on January 31, 2025 in HENDERSON, NV 89052.

**Get More Out of USPS Tracking:****USPS Tracking Plus®****Delivered****Delivered, Left with Individual**

HENDERSON, NV 89052

January 31, 2025, 10:04 am

**Departed USPS Regional Facility**

LAS VEGAS NV DISTRIBUTION CENTER

January 30, 2025, 8:52 am

**Arrived at USPS Regional Origin Facility**

LAS VEGAS NV DISTRIBUTION CENTER

January 29, 2025, 11:48 pm

**In Transit to Next Facility**

January 29, 2025

**Arrived at USPS Regional Origin Facility**

RENO NV DISTRIBUTION CENTER

January 28, 2025, 11:27 pm



**Departed Post Office**

WINNEMUCCA, NV 89445  
January 28, 2025, 2:57 pm

**USPS picked up item**

WINNEMUCCA, NV 89445  
January 28, 2025, 11:31 am

**Hide Tracking History**

What Do USPS Tracking Statuses Mean? (<https://faq.usps.com/s/article/Where-is-my-package>)

**Text & Email Updates****USPS Tracking Plus®****Product Information****See Less**

Track Another Package

Enter tracking or barcode numbers

## Need More Help?

Contact USPS Tracking support for further assistance.

**FAQs**

**Andy Heiser**

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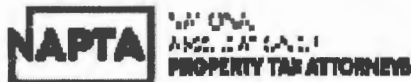
**From:** Douglas S. John <djohn@frgalaw.com>  
**Sent:** Tuesday, January 28, 2025 7:56 AM  
**To:** Tami Spero; John.Helms@Empire-Cat.com; Andy Heiser  
**Subject:** RE: Humboldt County Board of Equalization - Notice of Hearing

Tami,

Thanks for sending. Have a good week.

Doug

**Douglas S. John**  
*Senior Partner*  
djohn@frgalaw.com | www.frgalaw.com  
1850 N Central Avenue Suite 1800, Phoenix AZ 85004  
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**The Best Lawyers in America® (Tax Litigation and Controversy)**



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**From:** Tami Spero <Tami.Spero@humboldtcountynv.gov>  
**Sent:** Monday, January 27, 2025 3:49 PM  
**To:** John.Helms@Empire-Cat.com; Douglas S. John <djohn@frgalaw.com>; Andy Heiser <andy.heiser@humboldtcountynv.gov>  
**Subject:** Humboldt County Board of Equalization - Notice of Hearing

Hello. Please find attached an electronic version of the County Board of Equalization Notice of Hearing. A hard-copy is also being mailed via certified mail or hand-delivered to the parties of interest. Should you have any questions please let me know.

*Tami Rae Spero*  
*Humboldt County Clerk*  
50 W 5<sup>th</sup> St. #207  
Winnemucca, NV 89445

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**Humboldt County Board of Equalization  
February 21, 2025 at 8:00 a.m.  
Hearing Minutes**

Those present were Chairman Ron Cerri, Board Members Mike Sheppard, Rich Stone, Gary Bengochea and Jim Bidart, Chief Deputy District Attorney Anthony Gordon and Clerk of the Board Tami Rae Spero.

**CALL TO ORDER:** Chairman Cerri called the hearings of the Board to order at the regular place of meeting the Humboldt County Meeting Room, Courthouse, #201, Winnemucca, Nevada.

**PLEDGE OF ALLEGIANCE:** All present recited the Pledge of Allegiance.

**PUBLIC COMMENT:** Chairman Cerri asked for public comment; none offered.

**DISCUSSION ONLY ON REVIEW OF REGULATIONS/GUIDELINES/STATUTES RELATED TO THE COUNTY BOARD OF EQUALIZATION BY DISTRICT ATTORNEY OR DEPUTY DISTRICT ATTORNEY:** Chief Deputy District Attorney Gordon reviewed the manner in which these hearings will be conducted and the need for findings.

**OATH ADMINISTERED BY DISTRICT ATTORNEY OR DEPUTY DISTRICT ATTORNEY TO ALL PERSONS OFFERING TESTIMONY TO THE BOARD:** Chief Deputy District Attorney Gordon swore in Assessor Andy Heiser. Clerk Spero noted for the record that the Petitioners had reached out and indicated that they would be unable to attend this hearing but asked that their exhibits be read into the record. She continued stating that based on direction from Chief Deputy District Attorney Gordon, if the Board confirms that they have received and reviewed the Petitioner's exhibits as submitted that would be sufficient. All Board members confirmed that they had received and reviewed the exhibits as submitted by the Petitioner.

Member Stone stated for the record that he would be recusing himself from discussion and action on this matter as his son is employed by the Petitioner. Member Sheppard disclosed for the record that he has a commercial relationship with Petitioner, Empire Caterpillar and detailed said relationship but stated that he would not be recusing himself as he does not see that this matter has any impact on either his business or theirs; he further noted his dealings with United Rentals but stated again that he would not be recusing himself.

**HEARING, DISCUSSION & FOR POSSIBLE ACTION ON THE FOLLOWING PETITION FOR REVIEW OF ASSESSED VALUATION:** Assessor Andy Heiser appeared before the Board. The Petitioner was not present nor represented.

HCB2025-01 - Empire Southwest, LLC - Account EQ 001042 - Assessor's Parcel Number 15-0253-04-30 - 3050 Railroad Street, Winnemucca, Nevada - Year and Roll Type of Assessment being appealed: 2023 - 24 Unsecured Roll - Personal Property - Appeal from the action of the Humboldt County Assessor. Hearing packets including the Petition for Review of Taxable Valuation filed by Empire Southwest, LLC on January 14, 2025, a copy of the Notice of Hearing, Petitioner's Exhibits 1A through 12A and 02/21/2025 - Hearings

Respondent's Exhibits I/II and 1R through 6R had been provided to the Board Members, legal counsel, Petitioner and Respondent prior to the hearing and are included as part of the record of hearing. Assessor Heiser, duly sworn, read the cover letter into the record (see attached) and reviewed the Respondent's exhibits as marked and received including reading Exhibit 1-1 thru 1-4 and explaining its sections, he referred to an advisory opinion referenced by the Appellant in their exhibits and explained why his information did not address the issue as well as a Supreme Court Case they identified that dealt with sales and use tax and the associated statute which does not guide his Office. Member Sheppard referred to paragraph 6 on Exhibit 1-1 related to the statement regarding the taxpayer not providing information. Assessor Heiser responded referring to Exhibit 2-1 thru 2-2 an email from Shelley Addie and Exhibit 2-3 thru 2-4 emails from his Office to Ms. Addie. Member Sheppard offered comment on his concerns with the manner of differentiating between rental/sale as well as his knowledge that not everything in the yard is for sale and the existence of a rental counter and employees and there isn't a reason for that without having rental equipment; he noted other equipment dealers and commented on their manner of business as a comparison to what is being presented by the Appellants; he noted concern with the Appellant's inability to distinguish for the Assessor the percentage of their business and the equipment on their books as to rental and to sale; he referred to Respondent's Exhibit 3 stating that the statement at the bottom of the correspondence is not correct and explained how United Rentals rents equipment and does not distinguish themselves, as Empire does as a dealer. Assessor Heiser responded noting additional language in Respondent's Exhibit 3 which refers to their inventory also being available for rent noting that means it is not inventory, it is a fixed asset. Discussion ensued regarding the difference between dealers dedicated to sales and rental companies. Member Sheppard offered additional comment stating that he does not see where the Appellant has made their case with what has been presented. Chairman Cerri concurred with Member Sheppard noting that he had read through the Appellant's brief a couple of times; that by allowing the Appellant to consider themselves a retailer and not a renter would present an unfair advantage to other companies as well as to the State and County and explained; he commented on the sale/lease option and how that is handled noting that it was unfortunate that the Appellant chose not to be here as he would have questions about that. Member Bidart stated his agreement with Member Sheppard but noted questions as to the evaluations for their rentals and sales and whether those are companywide, noting that the location is here; he commented that he does not believe they have done everything necessary to present their case to have things lowered. Assessor Heiser offered comments related to sales and rentals. Member

Bengochea offered comment as to the duties of the Assessor which he believes has been accomplished including going a step further and bringing in the Tax Management Business who basically found the same thing; he stated that he believes the Assessor has done exactly what they needed to and if the Appellant does not like the value established they can appeal that to the State and maybe the State will do something to clarify the question. Member Sheppard offered to comment that the crux is that everything they own except for ancillary equipment is for sale thus inventory unless it is rented, which is a weird distinction; he continued commenting on his experience in doing business with these types of companies.

Chairman Cerri read the exhibit lists for the Appellant and the Respondent into the record (see attached). The following motion was made by member Sheppard, was seconded and passed with Chairman Cerri and members Bidart, Sheppard and Bengochea voting aye and member Stone abstaining:

*To accept the exhibits for the hearing today.*

Member Sheppard stated that in reference to the Petition for Review of Taxable Evaluation in our packet as submitted by Empire Southwest LLC by named petitioner John Helms including three pages of that Petition requesting that we move this from the Assessor's Taxable Value of \$4,640,111.00 to the Owner's Opinion of Value of \$1,177,651.00 and offered the following motion which passed with Chairman Cerri and members Bidart, Sheppard and Bengochea voting aye and member Stone abstaining:

*That based on the preponderance of evidence submitted in the packet that we have reviewed and acknowledged in the previous motion and the testimony of the Assessor here today and considering the submission by the Petitioner that we decline this request based on the fact that this board is not able to change the values based on NRS 361.345 that states that the County Board of Equalization may not reduce the assessment of the county assessor unless it is established by a preponderance of the evidence that the valuation established by the County Assessor exceeds the full cash value of the property or is not equitable and the Petitioner has not presented the proof to support their claim.*

DISCUSSION AND FOR POSSIBLE ACTION ON SCHEDULING ADDITIONAL BOARD OF EQUALIZATION MEETINGS AS REQUIRED FOR 2025 INCLUDING POSSIBLE CONTINUED APPEAL HEARINGS AND THE REQUIRED MINUTE APPROVAL MEETING: Discussion ensued with the Board agreeing to schedule the minute approval meeting on March 3, 2025 at 8:00 a.m. Assessor Heiser asked about including the rules and procedures discussed during the organizational meeting. The Board and Chief Deputy District

Attorney Gordon agreed an item for discussion and possible action could be included on said agenda. The following motion was made by member Stone, was seconded and passed unanimously:

*To set our next meeting for March 3<sup>rd</sup> at 8:00 a.m. and to include the rules that Andy presented to us and to finalize the minutes from this meeting*

PUBLIC COMMENT: Chairman Cerri asked for public comment; none offered.

ADJOURNMENT: Chairman Cerri adjourned the meeting at 9:32 a.m.

ATTEST:  Clerk      APPROVED:  Chairman

(Minutes approved by the Commission and signed by the Chairman on 03.03.2025)



In the Matter of  
Empire Southwest LLC  
Parcel No. 15-0253-04/EQ001042

)  
)  
)

Case No. HCB2025-01

## **NOTICE OF DECISION**

### **Appearances**

Assessor Andy Heiser appeared on behalf of the Assessor's Office.

Appellant Empire Southwest LLC – Vice-President/CFO John Helms represented by Douglas S. John, Esq. (Taxpayer) did not appear.

### **Summary**

Taxpayers appeal the decision of the Humboldt County Assessor related to the 2023-2024 Unsecured Tax Roll. The matter of the Taxpayer's Petition for Review of Taxable Valuation within Humboldt County, Nevada, came before the County Board of Equalization (County Board) for hearing in Winnemucca, Nevada, on February 21, 2025, after due notice to Taxpayer, Representative and the Assessor.

The appeal involves the assessment of a personal property against the inventory of equipment held by Appellant Empire Southwest LLC (Empire CAT). Appellant contends that equipment held in inventory is primarily purchased and held for sale and, thus, is exempt from personal property taxation under NRS 361.068 (1)(a). Respondent, Humboldt County Assessor Heiser, contends that, not only is the equipment held available for rental purposes and therefore subject to personal property taxation, but Appellant was underassessed because the personal property in question was incorrectly reported by the owner.

### **2023-2024 UNSECURED ROLL VALUE:**

	Taxable Value		Taxable Value	
Parcel Number	Established by		Owner's	
15-0253-04/EQ001042	County		Opinion	of
	Assessor		Value	
Land	\$		\$	
Improvements	\$		\$	
Personal Property	\$4,640,111		\$1,177,651	
Total	\$		\$	

The County Board, having considered all evidence, documents and testimony pertaining to the valuation of the property in accordance with NRS 361.227, hereby makes the following Findings of Fact, Conclusions of Law and Decision.

### **FINDINGS OF FACT**

- 1) The County Board of Equalization is an administrative body created pursuant to NRS 361.340.
- 2) The County Board is mandated to hear all appeals of property tax assessments pursuant to NRS 361.345.

- 3) The Taxpayer and the Assessor were given adequate, proper and legal notice of the time and place of the hearing before the State Board of Equalization, and the matter was properly noticed pursuant to the Open Meeting Law, at NRS 241.020.
- 4) The Taxpayer did not present sufficient evidence to support a value different from that established by the County Board of Equalization.
- 5) That the County Board is not able to change the values based on NRS 361.345 that states that the County Board of Equalization may not reduce the assessment of the County Assessor unless it is established by a preponderance of the evidence that the valuation established by the County Assessor exceeds the full cash value of the property or is not equitable and the Petitioner has not presented the proof to support their claim.
- 6) The assessed value as previously determined is 35% of taxable value.
- 7) Any finding of fact above construed to constitute a conclusion of law is adopted as such to the same extent as if originally so denominated.

### CONCLUSIONS OF LAW

- 1) The Taxpayer timely filed a notice of appeal, and the County Board has jurisdiction to determine this matter.
- 2) The Taxpayer and the Assessor are subject to the jurisdiction of the County Board of Equalization.
- 3) The County Board has the authority to determine the taxable values in this county.
- 4) The subject property is appraised at the proper taxable value in accordance with NRS 361.227.
- 5) Any conclusion of law above construed to constitute a finding of fact is adopted as such to the same extent as if originally so denominated.

### DECISION

The Petition of the Taxpayer is denied based on the above Findings of Fact and Conclusions of Law.

BY THE COUNTY BOARD OF EQUALIZATION THIS \_\_\_\_ 21st \_\_\_\_ DAY OF FEBRUARY, 2025.

  
Humboldt County Clerk, Clerk to the Board  
Of Equalization.



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**Attn: John Helms, Vice-President/CFO**  
**3300 Saint Rose Parkway**  
**Henderson NV 89052**

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**Empire Southwest LLC**  
**Attn: John Helms, Vice-President/CFO**  
**3300 Saint Rose Parkway**  
**Henderson NV 89052**



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2. Article Number (Transfer from service label)

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9590 9402 8701 3310 2522 57

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# County Board of Equalization - Hearings- 20250221\_074714-Meeting Transcript

February 21, 2025, 3:47PM

1h 32m 42s

0:11

Our acreage is a little smaller.

Oh yeah.

Call to order the.

Humble County Board of Equalization.

This is February twenty first twenty twenty five.

We'll begin with the Pledge of Allegiance.

Of the United States of America, and we are in public for which it stands, one nation under God, indivisible, with liberty and justice for all.

Under God, indivisible, with.

Again with here. Let's let the record show that all the board members are present.

Begin with public comment.

Begin with public.

Do we have any public comment?

Being done. OK. Then we'll move on to discussion only on review of regulations, guidelines, statues related to the county Board of Equalization by the District Attorney or a deputy District Attorney.

Tony, I'll turn that over to you.

OK.

Good morning. So.

What we're going to do on the way when it conducted on these hearings, we only got one matter, but we would so the witness would be sworn and then we'll take testimony. The assessor will go ahead first and then, if there's any representative from the taxpayer. And then you'll.

Deliberate and make findings and come to a conclusion.

I think everybody has the the regulations that we.

Stop it, OK?

Any questions for board?

Seeing none.

OK.

We'll begin.

This is item five OS, administered by District Attorney or Deputy District Attorney to all persons offering testimony to the board.

I guess that would be Andy.

It would be any.

His right hand.

Do you saw me swear or affirm that the evidence you're about to give in the matter now pending before the county Board of Equalization, shall be the truth, the whole truth, and nothing but the truth? To help you, God are under the pain and penalty of perjury? I.

Do.

OK. As was indicated earlier, the petitioner is not present.

For the record Clerks Bureau Mr. Chairman, yes, the representative for the petitioner empire did reach out and said that they were unable to attend today.

They did ask that their exhibits be read into the record, but upon.

Consultation with the District Attorney.

He has indicated that if the board verifies for the record that they have reviewed those exhibits fully, that it does not need to occur.

Is can I get that verification from our board members that you have seen and read those?

Talk about time God.

Particular.

I I read it but I think before we get started with this one, I have to recuse myself because my son works for empire.

So that is kind of a board member stone near Stone.

Any others, Mr. Chair?

I think I need to state for the record that.

I have a commercial relationship with Empire Caterpillar.

We do construction work for them, so they are my customer at times. I rent equipment from them at times.

They do service work on our equipment. At times we buy things from them.

I am not recusing myself.

I don't see that the outcome of this hearing or my participation has.

Any positive or negative effect one way or another on their business or mine? They're just one of the many companies we deal with.

In addition to that, I have dealings with United Rentals and United Rentals is referenced.

In these exhibits and once again.

I don't see it is something that I would be recusing myself for. It isn't.

Tied directly to my family.

Say, riches things.

Say riches.

So I will be participating in this hearing.

Anyone else?

And.

OK.

So think that takes us to item six, which is a hearing discussion. And for let and record show that was board member Mike Shepherd.

Who offered the last comments?

Regards to his participation today.

This is a hearing discussion and for possible action on the following petition for review of assessed valuations.

Hcb two, zero two five dash zero, one Empire Southwest LLC account.

EQ Zero, Zero, one, zero, four, two.

Assessor parcel number one, five dash zero, two, five three dash, zero four dash three zero.

Thirty fifty railroad street, Winnemucca, Nevada year and road type of assessment being appealed. Twenty twenty three twenty to twenty twenty four unsecured roll. Personal property appeal for the action of the Humboldt County.

Assessor and we, this is for consideration discussion and possible action.

So we as was stated, we only have the one appeal today and I guess we'll begin with.

The assessors.

Fortune. Yep. Thank you.



Good morning board members.

I'm just gonna first read my cover letter, introduce the property and and show you where it's located with a map.

We're at exhibit Roman numeral one one.

This cover letter is intended to give you a brief history of the subject property and help you in making an informed decision on its assessment. The subject property is improved five acre parcel located at thirty fifty West Railroad.

The property is a short distance.

Off the first exit in Winnemucca, city limits heading eastbound on I. Eighty there is paved access surrounding the subject property from all directions and is in Winnemucca's Industrial Center.

I've also included the legal description.

Which is found on humble county recorders map filed December eighteenth, nineteen eighty under file number two zero nine three one eight.

This property is trapezoid in shape, residing on the northwest corner.

Of West Railroad and Fountain Way in the Zone M one industrial it is connected to all city utilities and has power to the property and then an exhibit Roman numeral one two is the map showing the subject property with the surrounding neighborhood.

All right. So we'll move to exhibit one one, which is my written analysis.

The subject account.

So this is a personal property account. It's not a real property account.

Just want to address that. I think we all know that.

It's being appealed on the basis that full cash value of the property is less than the computed taxable value of the property, which is interest three, sixty one three fifty seven. The appellant filed their appeal by the appropriate deadline and turned in their evidence.

Both were included in the packet.

So addressing the taxpayers concern the the appellant has two personal property accounts.

One 's EQ one.

One 's EQ.

O four two that lists the assets of their physical branch located at.

Yeah. On Railroad Street, the other one 's EQ. One O four, which lists all their assets that are currently out on rent throughout our county inside of our county.

That's as of the lean date, July one.

These assets are predominantly from the branch located in Winnemucca, but they will also report assets from other branches. So if there's a rental in Humboldt County from the Elco County Branch or from the Washoe County Branch, they will report that.

As as on rent in Humble county.

Exhibit two and don't don't flip to those exhibits.

Exhibit two and don't don't flip to those.

We'll cover those later. Exhibit two shows previous years, correspondence and e-mail between me and the petitioner.

Where I'm asking for clarification on what they are claiming.

On for both accounts, and if they're claiming all of their assets that are located in their branch, or if they're only claiming assets that are on rent.

So we'll we'll cover that later.

Empire Southwest they they acquired Cashman in twenty twenty two.

The rental equipment included in sale was capitalized by Empire.

The rental equipment included in sale was capitalized by.

So all this equipment that's showing isn't new as of the purchase date. Twenty twelve, twenty fourteen twenty sixteen. You know it's not.

It's it's as it was acquired in that deal.

It's it's as it was acquired in that.

So they all have a twenty twenty two acquisition date with.

A.

With the purchase price of what they purchased them, so they're they didn't purchase these new again they purchased them at acquisition price at a lower lower price than what Cashman had bought them brand new, OK.

The values associated with the asset assets presented in this case were submitted by the appellant.

And they were not estimated by my office, so I didn't change any values on any of these assets.

And they were not estimated by my office, so I didn't change any values on any of these.

All of the values associated with this case were something that they either gave to my office or gave to a third party.

Audit company, which I'll cover here in a second.

So after requesting all the assets be claimed by the appellant and not receiving a complete asset list but only assets that were rented as of July one, my office enlisted the assistance of Tax Management Associates, also known as TMA, to complete an audit.

Of all our heavy equipment companies in Humboldt County, which include empire, so TMA was hired to do an audit. They weren't hired to explain the law to my office.

They weren't hired.

To navigate Nevada assessment law, they were hired to do an audit and audit only.

That's that's what they're known for.

So they worked independently with Empire to obtain all their assets that were.

That were on their books.

The audit found that the equipment in account EQ. One O four was accurately record accurate, according to the filing of the appellants to my office.

However, there was a large discrepancy on account EQ. One oh, four, two for assets located at the physical branch.

The declaration submitted by the appellant listed seventeen assets, while TMA discovered a hundred and fifty six additional assets that were not declared.

So the previous year Cashman had filed on that same account, and they filed.

They had sixty some odd assets and so through acquisitions, usually you tidy up lists and clean lists up. Notice things aren't there.

But they also left off computers.

Left off.

Left.

They don't have a phone system, apparently. In their office they did.

Not claiming a phone system.

They're not claiming a lot of welders and racking that were previously claimed and those, so I don't know where those assets went if they're not welding and fixing equipment anymore, if they change their business model but.

This account went from sixty assets to seventeen and then in the audit they found a hundred and fifty six additional assets.

These additional assets were equipment and attachments available for rent, but were not on rent as of July one, so they didn't find any extra equipment, office desks or anything like that every that a hundred and fifty six asset count were all heavy equipment or attachments to those heavy.

That they found.

The the appellant didn't provide any documentation from this request stating.

That all these assets were consolidated through the entire company and they weren't able to pull out just the Winnemucca branch information as far as their books go. As far as how they, how they hold these fixed assets in their company, they didn't provide any of that information.

The personal property in question was under assessed because it was incorrectly reported by the owner. Empire southwest. The taxes for the fiscal year twenty three twenty four were built in accordance with NRS. Three sixty one seven sixty seven.

So this statute states that any property that was assessed or under assessed, the assessor may add it to the roll for the year.

In.

Which it was under assessed. So by law, we're allowed to go back three years if we find out equipment.

Or personal property assets aren't being reported properly.

Or personal property assets aren't being reported.

We're allowed to go back three years and claim those assets and build them.

We did find out that this was happening when Cashman owned it.

I didn't feel it was right to go back to a company and try to reclaim tax dollars.

I didn't feel it was right to go back to a company and try to reclaim tax.

That no longer existed in Humboldt County, so we only went back to the twenty three twenty four year.

That's when Empire owned it. So you know, we're we're trying to be fair and just and not try to.

'Cause too much problems for a company who no longer exists here.

Interests three sixty one, three forty five grants authority to the county board to change the value of property on the unsecured roll, which was assessed by the county assessor on or after May first and on before December fifteenth.

The complete statement of personal property was not provided by the taxpayer.  
For fiscal year twenty three twenty four NRS three sixty one three forty five sub paragraph two also states if a person.

Complaining of the assessment of his or her property has refused or without good 'cause has neglected to give the county assessor the person 's list Under oath as required by NRS. Three sixty one two sixty five. The county assessor shall make a reasonable estimate.

Of the property and assess it accordingly.

No reduction may be made by the county Board of Equalization from the assessment of the county assessor made pursuant to this subsection.

So again, exhibit two points out I I question them, I ask them again in e-mail.

So again, exhibit two points out I I question them, I ask them again in.

Please provide all of your assets so we can reconcile your account and I never heard any correspondence back.

Did that two separate occasions.

Via e-mail. So we at least we have it in writing.

And they were unwilling to give all their assets.

Interest chapter three sixty one begins by stating all property of every kind in nature, whatever within the state shall be subject to taxation.

Then it starts exempting personal property or exempting property.

It exempts federal. Then it exempts state and exempts local government by ownership.

It doesn't say if the federal government owns something.

It doesn't say if the federal government owns.

And this, Nate, Nope. Federal government. State. Local government. If you own it, it's totally exempt.

And then after that they start exempting property by use.

And this chapter of exemptions? It's long.

And this chapter of exemptions, it's.

It's it's. It's a pill to read sometimes, but.

As we as we deal with the assessors and other other you know, clerk Sparrow deals with statutes, treasurer luckenburgh deals with statutes.

You're to read the statute in hole.

So you can't just take this one line and say, whoopsie, this is what that that law means, because a lot of times laws underneath that reconcile or or give exemptions to those laws.

You have to read it in whole and in context.

Can't just take one.

Nrs three sixty one O sixty eight defines business inventories and exemptions.

This is kind of the main nuts and bolts of the argument.

Three.

Sixty one O sixty eight, subparagraph one, sub a personal property held.

For Sale by a merchant.

So many heavy equipment rental companies across the state have recently claimed this exemption applies to their assets that are not on rent as of July, one which is our lean date. If you continue read further down in this section.

In chapter three, sixty one and arrest three sixty one one fifty nine specific specifically states that when personal property or.

Sorry or a portion of personal property which for any reason.

Is exempt from tax exempt from taxation, is lease loan or otherwise made available.

And used by a natural person, association or corporation which is connected to the business for profit, then that property is now taxable.

So even if you have an exemption, Humboldt County owns a blade.

You know we do.

You know we.

A lot of country, County Road, dirt work we own.

Own several blades, probably. I don't know.

If Commissioner Cherry knows how many, but say.

Mister Shepherd says I need a blade.

Mister Shepherd says I need a.

I need do some road road work and we say all right. Five thousand bucks. You can have it for a week.

That is now taxable.

It's no longer exempt because Mike 's gonna use it for profit for his business, in whatever nature you you would use that for.



Even if a county owns property and we lease it out, it's now exempt or it's now taxable.  
OK.

There are multiple references in NRS chapter three, sixty one stating that exempt property becomes taxable if it is used for business. For profit. In this case, the lessor is using the equipment for profit and often the leasee.

Customer is also utilizing the equipment for profit.

So empire and my understanding of NRS three sixty, one, O, sixty eight and the sub one sub eight.

We understand it the same way.

Well, there's no argument there.

In their brief.

On page two, they they gave three categories.

On page two, they they gave three.

I don't know if you guys remember reading that, but they category one was taxable.

Two was exempt.

Well, I want to make note that category one had had a statute applied to that category. Category two had a statute applied to that court category. Category Three did not have a statute applied and that's their category that they're they're trying to say they fit into. There's no statute there.

There's no statute.

So by law, that's their opinion.

So by law, that's their.

That's not a statutory law that they can.

They can hold to.

Several bills proposing to make heavy rent and heavy equipment exempt from taxation have failed to pass in the last three legislative session.

That's six, almost.

That's six.

Well, it's been seven years now, almost going on eight.

Three bills in the last seven years.

AB, three, eighty eight and twenty nineteen AB, two seventy nine and twenty twenty one and SB two thirty three and twenty twenty three.

The.

Assessors Association of Nevada, or I may refer to it as AA later on. Just so I don't have to say it all.

Has argued in opposition to making rented equipment exempt, stating that it violates Article ten, section one of the Nevada Constitution, which is fair and equitable tax assessment and taxation.

In the future, many products and equipment may be rented or leased and not purchased, deemed deeming rental equipment as inventory exempt from taxation will call the question the taxable nature of other properties, undermining the foundation of property taxes defined in interest.

Chapter three. Sixty one after SB two thirty three failed.

Many, several, several assessor 's office received a letter from United Rentals.

They're stating everything not on rent is now exempt.

So they didn't.

So they.

They weren't able to get legislation passed in their favor exempting this.

They weren't able to get legislation passed in their favor exempting.

So then they just wrote a letter to everybody saying, well, we're just exempting it now we don't.

Don't really care what legislators think.

Don't really care what legislators.

They don't care what the law thinks, they're just making it on their own to to exempt their.

Equipment.

The rental heavy equipment industry has made the decision that rental equipment is exempt, informing the Nevada County 's assessors.

Nevada law does not make this distinction in the treatment of personal property.

Nevada law does not make this distinction in the treatment of personal.

That is both for sale or for lease because capitalized assets are not inventory and they're also just basically telling us that we've been misinterpreted this law for decades.

This is how heavy equipment has been.

For for decades and decades.

For for decades and.

And now here, here we are.

And now here, here we.

What we've been misinterpreting it for all these years so.

The federal tax code treats rental inventory differently.

The federal.

From retail inventory in retail, inventory is a current asset and is considered a business expense as cost of goods.

So that hits their line. Boom right there.

Of goods and it's it's done.

Rental inventory is a fixed asset.

Rental inventory is a fixed.

It is depreciated and deducted as a business expense in the same manner as other types of businesses who own this equipment.

If you own equipment, you depreciate it.

You hold it as a fixed asset and you depreciate it year over year.

To lower that value for many different reasons.

You know, so on and so forth.

You know, so on and so.

So that's, that's the difference between retail and rental.

Current law states that inventory costs cannot be deducted until the inventory is disposed of, which is why rental equipment is classified as an asset to deduct these costs.

K everyone.

Kind of good on that K.

It's it's unlikely that the cost described above are not deducted until the equipment is sold.

It's it's unlikely that the cost described above are not deducted until the equipment is. Furthermore, rental equipment is classified as an asset to report and measure the profitability of the equipment.

Therefore, it is in the opinion of the AAM that rental equipment is not inventory held for Sale by a merchant, but inventory assets rented for profit.

During discussion inside of the audit period between TMA and empire, the appellant stated that the the depreciation was applied to their assets to write down the machine book.

They are depreciating their assets.

They are depreciating their.

They they said it in correspondence with TMA.

Yeah.

Then.

They also have stated, and I'm I'm just reiterating this, so everyone knows they they put it in their brief, which is good.

Have CAD equipment and then they have what they call allied equipment which is Genie GLG.

Cat doesn't make everything, so a lot of your scissor lifts your, you know, small, smaller little lifts. Your boom lifts, stuff like that.

Do have that equipment and they do.

Rent it.

And then they also said that that's not really their their method to sell those.

Just more of a strictly rented rented equipment.

All right. So NRS three sixty one, two, two, seven it requires.

It requires the value of real property to be determined, considering the uses to which it may be lawfully put. So on real property my office has to determine what's legal on that property.

Can be put on that property and then we have to assess it. So you have.

Vision West down here. It's a home. It it's.

But it's being used as a commercial property is being used for business. I can't value that as a residential home.

I have to value it commercial land value, commercial building, office building.

Same thing out in Rose Creek.

Same thing out in Rose.

You have a lot of industrial properties where the the owner said you know.

I need a conditional use permit.

I need a conditional use.

I don't want this to be industrial.

I don't want this to be.

I want to put a home on it.

Well, I can't take that and value it as industrial because the use of it is residential.

I have to make it a residential value.

Three sixty. One, two sixty five requires the county assessor to assess all the personal property within the county owned claim to possess controlled or managed by those person firms, corporations, associations or companies.

Therefore, in in the personal property statute, it doesn't say anything about value, valuing or assessing anything by use.

It just says all equipment doesn't say whether they bought it for X or bought it for Y or they're going to intend to use it for.

Just all equipment so it doesn't in law.

Just all equipment, so it doesn't in.

It doesn't differentiate personal property how they bought it, how they use it. It's all equipment that's owned by by a company.

All right. So the personal property manual, which is a manual put out by the Department of Taxation, it's updated every year. They hold workshops on it for the public.

This is used by the county assessors to establish uniform and equitable taxable value.

The manual addresses rental heavy equipment in sections twenty three and fifty three defining rental equipment as property that includes a wide variety of tangible goods such as automobiles, computers.

Consumer goods and industrial machinery and equipment to customers in return for a periodic rental or lease payment.

The Department of Taxation recognizes heavy equipment in their personal property manual, and they recognize it.

Under sections twenty three and fifty three.

So the US, I'm going to get to what those numbers mean here.

The US census.

North American industry classification system, otherwise known as Nexus Codes.

It used to be sick systems which was standard industrial classification.

How you classify personal property.

So Nexus categorizes the wholesale sector separate from the leasing and rental sector. The Nexus Code for merchant wholesalers with inventory for retail sale is four twenty three. The Nexus Code for rental equipment without an operator is five thirty two. We currently have the appellant classified as five thirty two under the Nexus Code for rental equipment.

So they did say in their brief that that's what we did and there was no discussion on it. That's what best fits their model.

You know they have Nexus code forty four, which is retail. They're not retail.

So there's no other way really for us to classify it and for any other assessor to classify it. But as a rental equipment without an operator.

In a letter dated March third twenty fourteen, the Internal Revenue Service requested an exemption from net investment income tax. The American Rental Association.

This is a lot of these heavy equipment. Rental companies fall under the ARA, the American Rental Association.

Kind of their who they fall under.

Rental businesses.

Almost never transfer the condition and responsibilities of ownership to their customers.

Rental companies provide pick up and delivery services, especially for large equipment.

Rental companies provide pick up and delivery services, especially for large.

They maintain insurance and provide safety training for their customers on specific makes and models of equipment they rent. Rental companies are responsible for repair and maintenance of the equipment while it's on the job, so.

I might come back to this in a in a few different manners, but you have a dealership. You have a John Deere John Deere dealership. They have all these brand new shiny pieces of equipment laid out for sale only.

They don't.

They don't mix rent and sale.

They're gonna insure those different, then they're gonna insure a piece of equipment that's out for rent.

They're gonna insure those different, then they're gonna insure a piece of equipment that's out for.

You're gonna, you know, customers. I don't know if you guys rent heavy equipment, but



you gotta sign.

I I worked for a rental equipment company.

Got to have them sign a waiver.

Any damage?

They're liable for, but the the company 's gonna insure that for a lot more than they are for a piece of equipment sitting there where, you know, maybe a truck bumps it or something like that. So.

So in.

The case of Sierra Pacific power versus the Department of Taxation, the Nevada Supreme Court stated as a general rule, tax exemptions are strictly construed, so that means interpreted in a particular way, there is a presumption that the state does not intend to exempt goods or transactions from tax.

This the one claiming the exemption must demonstrate clearly an intent to exempt any reasonable doubt about the applicability of an exemption, must be construed against the taxpayer.

If there's any doubt, then the tax the taxpayer has the burden.

To prove their exemption, if there's any doubt, then it becomes taxable.

Umm.

So another thing and I I prepared this as though they were going to show up.

So another thing and I I prepared this as though they were going to show.

So I may be diving into things that I don't really need to dive in, but I feel like it may help to have you guys have the understanding so.

In the brief.

In the petitioner 's brief, they brought up a advisory opinion.

I didn't put it in my appeal because many of the assessors feel like that advisory opinion wasn't done.

Very well. In accordance to assessment law.

Very well. In accordance to assessment.

So we did write a letter to the the AG or the department.

The A GS office.

There's anac that allows people to ask for an opinion of how a law should read.

So.

We our statement that we wanted to be resolved was weather machinery and equipment held in inventory by business primarily engaged in renting or leasing is subject to personal property taxes under the Nevada law.

That was our main issue.

So in their response and and they mentioned it that you have to look at how the how the property was purchased they you know the primary purchase was was kind of how they came came back with an answer.

Well, the the Nevada Supreme Court case that they used had to deal with sales and use tax, so.

I don't know how sales and use tax.

Chapter three. Seventy two.

Chapter three. Seventy.

Nrs three seventy two, which doesn't guide our office.

I don't.

We can't make that correlation and we don't know how that Supreme Court hearing fits our narrative.

To give you a little bit quick scenario, what happened was it was Nevada cement.

They buy these metal balls.

That they put in their crusher so as they make their aggregate or their their concrete, these metal balls crush the rocks and and stuff inside.

To make their their cement.

Well, pieces of those balls chip off at times and become part of the the concrete.

There's an exemption where if you buy, if you buy something for sale for resale.

There's an exemption where if you buy, if you buy something for sale for.

So if you buy a product that you're going to resell later, that'll be subject to.

Then that's exempt, so they don't want to double tax people, essentially.

Makes sense well.

They, they said, well, we you what did you?

They, they said, well, we you what did?

What was your primary purpose of buying those those crushing balls?

What was your primary purpose of buying those those crushing?

Were they to be in the in the cement or were they to actually produce the cement and

the ruling was that it was to produce the cement just because part of them chip off?

By nature and and wind up in it.

Wasn't their intent, so that's what.

That's what they're going off of to tell us.

That's what they're going off of to tell.

Well, now you have to apply that to personal property and we feel that that is not a, a, a reasonable comparison at all.

They reference statutes in there about. Please use this statute, which reads you have to find the primary purpose of purchase. That statute doesn't say anything about.

Nan arrest? Three sixty one anywhere. It just says all property must be taxed if it's owned impersonal property.

That's why we didn't put it in there and I just want to kind of clear that up.

All right. If these assets are to be qualified as exempt, it would create an unfair tax advantage to the rental heavy equipment industry.

I'm going to go back to article ten, section one of the Nevada Constitution, which requires a uniform and equal rate of assessment and taxation. Exempting this industry does not align with the Nevada Constitution.

Are many other equipment.

Companies who sit on assets while not being rented, including medical equipment, electronic equipment such as printers.

Humble County, we lease, I don't know how many printers we lease.

Humble County, we lease, I don't know how many printers we.

They pay taxes on those if they're held in inventory somewhere, then they have to pay taxes on those. If they're in Nevada.

Scanners, audio visual equipment and then then you have a really interesting one. Home Depot and Lowe's.

They they got into the rental industry.

They they got into the rental.

They're they don't rent heavy equipment, but they rent, you know.

Yard Yard rentals and stuff.

They're a retail store, but they also have rented equipment.

They're a retail store, but they also have rented.

Well, that rented equipment is taxable and and we're picking that up and they're claiming it.

They're not.

They're not trying to get away from that.

They're not trying to get away from.

They're saying, Yep, we we rent it, we make a.

They're saying, Yep, we we rent it, we make a profit.

But all the stuff on the shelves that are held for retail, that's inventory, that's not.

Claimed we have two in the county patriot rentals.

Claimed we have two in the county patriot.

They do EU haul rentals down there in Grass Valley.

Those trailers are exempt because they're d m V U-Haul trailers.

Those trailers are exempt because they're d m V U-Haul.

But they have a couple pieces of skid steer and a little tractor and stuff. They're claiming those.

As as assets and paying taxes on them, 'cause they're rented and CB Brown, CB Brown 's is a retail store. They they rent, you know.

Thatcher 's and yard equipment stuff. And they're paying taxes on those.

All right.

So then we also have, you know, kind of different examples, agricultural operators in Nevada, they don't receive an exemption for their equipment that sits all winter that they can't use.

They can't.

They're not cutting hay or bailing hay so, but they pay a full year 's full year of taxes on those.

And then you have construction companies, you know, when you guys are are in a down period, you're not using your equipment, you don't get an exemption for it sitting in your yard, you're paying taxes on those in the full year.

So so far for us, in our view of all this, everything 's being treated equally and it and it would be an unfair advantage for for this company because they say their business model is XY and Z, that they should be exempt because they're not on rent as.

A certain date 'cause they they will rent those later on throughout the year.

For a profit.

If this industry wants to make a change to how their equipment is valued, exempted and taxed, they need to do it during the legislative session so changes can be applied to all personal property across the state.

So now I'm just into my summary. So the assessor has a duty to interpret and follow property tax law defined in three sixty one. The heavy equipment exemption issue has been presented to our office and to legislation for the past seven years, and we have health firm in.

Our understanding.

Of Nevada laws and legislators have agreed since none of their bills have passed.

How these assets are held within the companies do not qualify them as exempt inventory and to allow this specific industry, this exemption would go against one of the fundamental beliefs of the assessors in the state, which is equal fair taxation.

The Internal Revenue Service.

Federal tax code.

Us census.

Us.

North American Nexus system.

The Department of Taxation Personal property manual.

The Department of Taxation personal property.

The Nevada Supreme Court and the Nevada Constitution all aligns with our methodology.

That the county assessors are using the categories assets for the rental heavy equipment industry. If these changes are to be made, the parties need to work together to change the laws of this state so that all personal property can be taxed equally and fairly.

For this board to be able to change values NRS three, sixty one, three forty five states that the county Board of Equalization may not reduce the assessment of the county assessor unless it is established by a preponderance of the evidence that the valuation established by the county \*\*\*.

Exceeds the full value.

Full cash value of the property or is in equitable.

The.

Value stated in this appeal came directly from the appellant during the audit with TMA.  
My office didn't estimate any of the values. I know I'm repeating myself but.

I just wanna drive home this fact that I did not estimate any of these values.

I just wanna drive home this fact that I did not estimate any of these.

These were all given to us by the appellant, by the petitioner, for the twenty three  
twenty four fiscal year.

Guys have any questions?

Dear Mike, Mike.

And your exhibit, Michael.

For the record, Mike Shepard.

On exhibit one, dash one and the second to last paragraph.

The complete statement of personal property was not provided by the taxpayer for the  
fiscal year twenty, twenty three twenty twenty four.

If the person complaining of the assessment of his or her property has refused or  
without good 'cause has neglected to give the county assessor the person 's list  
Underoath as required.

So the list you're working from, they gave you one list.

Or is it the list TMA found?

Basis. If your assessment see they didn't provide.

This information.

Yeah. So let's go to.

Exhibit.

Two, two dash one.

Now this is I guess I should have done a better job.

I.

I took two emails and just printed them off.

I took two emails and just printed them.

So they're they kinda jump around and maybe I should have cut and paste a little bit  
better, but if you just start.

Yeah.

In.

Two dash one the second e-mail down from Miss Addie, who worked for Empire



Cashman.

She said rental equipment is listed well. Now let's go.

Sorry. Let's go to page two. Dash two, OK.

So that e-mail was March tenth. Twenty twenty three from Miss Cox, who is my personal property appraiser.

She she received their declaration, she said.

Good. You know, good afternoon.

Good. You know good.

I'm inquiring about the equipment sitting in the yard.

In Winnemucca is being listed under the rental, so the equipment sitting in the yard at their facility is that being listed under EQ. One o four? Or should it be listed under EQ?

One o four two and she had attached a photo that said this was taken.

In April of twenty twenty, and we're just trying to get some correspondence.

Yes.

Their their equipment changes.

Their their equipment.

I'm not doubting I drive by.

It.

Once a week, maybe. And their equipment 's always in and out.

Get that?

So her response back on page or exhibit two dash one said rental equipment is listed on one O four if they are on rent as of seven one.

Assets are on EQ. One o four, two if rental equipment is not on rent, it may be sitting in the yard so that we were a little confused by that answer.

We're in, so I I responded to her from that March tenth, saying all rental equipment should be claimed on the personal property declaration.

Is on rent or not and then I never received a response back from that. So then.

The next set of emails were August, the twenty twenty three, and it's the similar story.

She submitted her.

Empire submitted their declaration.

I put together a pretty detailed.

E-mail saying OK, so if if EQ. One oh four has everything that's on rent, you have five

boom lifts.

You guys all know what a boom lift is.

Boom. I just.

Boom I.

I'm not just wanna make sure they have five boom lifts on the EQ. One O four out on rent.

Let's see here.

Yeah, five and I list them. One, two, three, four, five.

While on the same period it was very, very close to July one, I think it was in June. We took a aerial photo of their their yard.

You can count.

Thirteen boom lifts in their yard, so I I know they're not claiming all theirs by just saying five.

There's a discrepancy there.

There's a discrepancy.

And I said, do you have a list of all rental equipment in your fleet, whether it's out on rent or not?

I can compare what you submitted verse.

What? What is your total inventory?

What? What is your total?

And again, I'd never received a response back.

For the record, Mike Shepard. Yeah, the thing that troubled me, I understand.

That.

Empire.

And by extension, in these documents, United Rentals.

Make the claim of differentiating.

What's sitting in the yard?

Is inventory for sale.

What's out on rent?

Is tax applied the thing that doesn't make any sense to me is I don't know how.

You could logically account for that. I know from personal experience.

Of being at the store and renting things.

That.

There's a there's a ready line of equipment.

And on a given day, you could go in and say I'd like to rent that loader backhoe that's there.

So if it's sitting there, their contention is it's for sale.

I'd like to rent that loader backhoe.

Well, no. That when we're waiting for filters, you know it came back in it.

Needs to be fixed.

And so I know that in the yard.

Hard everything in the yard.

Isn't for sale.

Because.

Many different instances.

We need to rent something and.

The other example is I'd I'd like to rent that scissor lift. I need it for three days and the rental agent says, well, let me check that is committed.

No, that goes out on.

Such and such a day it's committed to somebody.

So you see the flaw in the.

Inventory characterization of what is sitting in the yard.

What is sitting in the yard?

You know, their contention is everything sitting in the yard, not out to rent is inventory not for sale.

What they're saying correct?

That's what I understand, yes.

Yeah. And everything that's out on rent.

They accept is, you know, taxable.

Taxable rented equipment.

But.

They have a rental counter and they have rental employees.

So that there isn't a reason to have those employees without having.

Rental equipment.

So in in these documents.

Empire maintains that they are a Caterpillar dealer.

And United Rentals is a rental company.

And that is true.

And they go to a lot of length to distinguish what their primary business is.

But.

Empire equipment is a cat dealer.

In Elko, there is a Komatsu dealer.

In Reno, there is a John Deere dealer and a case dealer, and these are all dealerships.

And empire equipment has.

A rental component to their business.

To the best of my knowledge.

Komatsu does not have that.

Case does not have that.

John Deere does not have that.

To the best of my knowledge.

I have accounts with.

Sun state equipment.

Sunbelt Equipment United Rentals Herc rentals.

And their mode of operation.

Is the same as.

When I go to empire and go into the rental desk with the typically two agents there, they operate the same way.

Empire goes to a lot of.

Goes through a lot of paper here.

Defining the percentage of their business.

Like fifteen percent or something, is the rental, so that they're not a rental company, but but.

Everything in the operation is the same as other companies that are a rental company.

So it it's hard to.

It's hard to determine why.

They're trying to disqualify themselves as a rental company when they're clearly in the

rental business and you can rent equipment and the invoice says that it's a rental invoice.

And.

If you purchase.

A.

New machine or a used machine?

It's a different invoice.

And everything about the way that business operates.

Is similar in mode of operation.

As.

United Rentals. If we rent something.

So.

The evidence?

They're presenting here.

To distinguish the percentage of their business.

I just simply don't see is relevant here.

And.

The fact that they apparently cannot provide you with.

How they distinguish this equipment?

Would be very unusual from an accountant 's point of view.

That you had equipment on your books that changed its characterization, characterization day in and day out, I can't imagine.

Any accountant who would have their tabulation of equipment that they're depreciating and that's changing every day based upon what the rental desk does.

It doesn't make any sense as far as I'm aware.

They haven't presented to you some complex.

Program that would allow them to demonstrate that has anything been presented like that.

No.

No.

So there is also a reference here and I don't know if it's germane to this discussion, but United Rentals is brought into this discussion.

In your evidence.

Talking exhibit three.

Yes, it is exhibit three.

So exhibit three.

Statement addressing inventory exempt from ad valorem taxes.

And this is a letter of July thirty first twenty twenty three to the Elco County Assessor 's office.

To whom it concerns it's from Alexis young, their property tax manager.

On its twenty twenty three personal property declaration United Rentals, North America Inc.

Reporting personal property inventory.

At its business as of July, first twenty twenty three.

Lean date.

A portion of this inventory was located on site while other portions were rented.

To third parties and were located off site.

With respect to the inventory that was located on site and not out on rentals, this inventory is exempt as personal property held for Sale by a merchant.

They have that in quotes.

Per NRS three sixty one point zero six eight.

Each such item was available for sale to the public.

Public and the company qualifies as a merchant under this statute.

It is, as it routinely sells these types of property to customers.

The fact that the inventory also was available for rental does not remove it from the scope of this inventory exemption.

And the last.

Paragraph is we have excluded the inventory on site.

For sale, please contact us should you have any questions related.

Or need additional detail.

So.

The name of that business is United Rentals.

Empire distinguishes their says they're a cat dealer, which they are.

But this isn't united equipment sales.



United Rentals is a business well known to anyone within the industry and most without. They purchase their equipment for rent.

The statement.

At the bottom here is not correct.

You cannot go into United Rentals and purchase one of the machines on their ready line.

Have to have it for rent.

Approximately once a year, United Rentals comes to my office.

With a list of machinery that they're disposing of.

That equipment is for sale.

And the alternative?

All the rest of it is not for sale.

Not an equipment dealer.

So you know the point of all this is.

This property tax manager is doing what?

All good property tax managers should do is working.

For a tax avoidance.

Sorry to interrupt, but I so I have highlighted that last sentence on the second paragraph. The fact that our inventory is still available for rent.

Well, then it's not inventory.

Well, then it's not.

It's a fixed asset available to rent in that and they're doing it one way.

'S doing it the other way, but it it all.

Kind of meets in the middle with.

I'm not.

I don't want to get into primary mode of business or whatever, but the Empire dealership down here, like you mentioned, I drove through Twin Falls the other day.

Coming back from Victor, Idaho.

Driving through.

Driving.

I don't know what road it is.

A Kubota dealer.

And then there's a John Deere dealer. And those units are shiny and all lined up four or five in a row.

And then like you said.

I've checked their websites.

I've checked their.

There's no rental available for those, and on the other side there's a cat dealer. It wasn't. Not empire.

Not.

It's someone else owns it, but they're a cat dealer and their equipment looks used. And whether it's for sale or for rent, they still rent those units throughout the year.

Until they can find a buyer, I've worked at H and E equipment rentals and sparks for almost four years, and we had five.

We had three rental and H and E was brought into their brief as a rental company.

Yeah, we had five salesman, three were rentals and two were sales. So we had two salesman dedicated to selling equipment.

Did they sell a lot?

Did they sell a?

No, but they, you know, we'd sell some street sweepers.

No, but they, you know, we'd sell some street.

We'd sell used inventory out of our lots, but they were mostly trying to sell used or slightly used equipment because of the higher threshold of value.

Empire says it in there.

Empire says it in.

They their their goal is to sell it, but they like to sell them at a discounted rate so they can compete.

I'm not saying I mean cat. From what I know is one of the top leaders of equipment.

Mean they're it's a very reputable brand.

But they want to sell those at a depreciated value so they can compete in other markets.

How you get that depreciated value is by renting the equipment.

So.

Well, you made the point that.

CB brown.

'S.

Or Home Depot.

Renting a garden tractor.

That's taxable and it doesn't matter if a piece of equipment is worth ten thousand dollars or seven hundred and fifty thousand dollars, or what type of equipment.

The same thing still applies. All this is personal property.

And taxable, what wouldn't be is if you were driving down Glendale Avenue in Reno and many of you have probably been on Glendale Avenue.

Where Empire CAD is.

The former Cashman.

Typically what you have out there is there will be nice new bright shiny equipment.

Or.

If you go down the street, case has the same thing.

So if a farmer comes in from Fallon.

And goes into the rental desk and says.

I need to rent that brand new nine fifty out front.

I have a silage pit to dig.

Out at my farm this next week.

They would not rent that new nine fifty to him that is there for sale, but they do have equipment that's part of their rental inventory.

It's for sale, so you know in summary.

In what they've presented, I just don't see they've made their case.

I would agree with.

Board Member Shepard that you know I had.

I've read through their brief a couple of times.

And kind of come to the same come to the same conclusion that.

By allowing.

Empire to consider themselves as a retailer and not a renter.

Would present a unfair advantage to the other companies.

And at the same time, as you read through it, they when they claim they're not.

They're only they're a merchant, a retailer. They state that.

All the equipment new or used is.

Basically, for sale or lease.

Or sale and lease with an option.

Therefore, you know that's that's a good business model.

It's needed.

Not everybody has a million dollars to to flop down on a on a new piece of equipment and to lease it is is an advantage to businesses as well.

But in the meantime.

Of leasing it.

Of leasing.

And unfortunately, they chose not to be here.

And unfortunately, they chose not to be.

But I I question when they do a lease option.

You've now taken a new piece of equipment and put it on lease.

Where is going to.

Devalue because it's going to be brought back as a used piece of equipment.

No one has paid appears to me, is paying taxes on that wall.

On a lease option.

I might be wrong. That's right.

A question if.

If when it's in, you know and they bring it back three years later.

Whether that company that had the lease option chooses to purchase at that time or they may not, well then it comes back and and and it either goes out for lease again or rent again or or sale.

But the the taxes received on that are gonna be diminished because of it's now no longer a new.

Equipment. So it it's in, it's it's unfair to the to.

The county, the state tax tax people.

It's unfair to competition.

I'd like to make just a short comment and I agree totally with Mike.

But there's been said so far a couple of the things that I have questioned too is.

Their evaluations of their rental percentages and their sales percentages and that stuff, whether those are.

Company wide, where they're talking about locations in Arizona, Eastern California, Nevada.

And.

We're talking about the taxable value of the property out on.

This location right here. We don't give a damn about what's going on with all of their other locations and the fact that they did not want to give you.

A list of the inventory that they were talking about is a mute point. I mean, you know, you've seen what's there, you get your case, but they haven't come back with saying, hey, we have this, this and this that we want to be.

Taxed or not taxed?

You know that's.

I just think that there's a couple things that they have not done to present their case, to have things lower.

And I just want to make one comment to that 'cause. I know, I know that was brought up in, I don't know their figures.

My assumption is they're correct, which is fine.

You know, and they, they presented figures of H and E her.

H U r.

Working at H and E equipment knowing.

'Cause we call United Rentals all the time. Like, hey, we got a sixty.

'Cause we call United Rentals all the time. Like, hey, we got a.

We don't have a sixty foot boom, but we have a customer. Can we rent it from you to rent it to our customer? I mean, they're doing that all the time. We want to provide service to our customers, so.

The thing with H and E and United Rentals that Sunbelt.

That I remember is they're all scissor, lift. Boom lifts. You know, we we might have had a backhoe or two, but we didn't have excavators.

Didn't have dozers.

Didn't have.

These large mining equipment when when we got a call for that we'd say you know we actually we'd say call Winnemucca usually it was a mine here that well we'll call call Cashman.

They don't have one either so.

But when you sell an excavator, I mean I we have.

A personal property account with some of these large dozers and excavators, three-point four million dollars and dozers will have two point four million or whatever.

So when you're selling equipment like that, your numbers are gonna be heavy on the sales side percentage, but H and E and united, they're selling ten year old boom lifts for sixty thousand eighty thousand dollars or something. So that's gonna change.

Percentage for me, wasn't it?

Percentage for me wasn't.

You know, it kind of surprised me.

You know, it kind of surprised.

Or, you know, it wasn't what I was expecting.

Same point I was like, well, when you start looking at what equipment they deal in? Well, yeah, you're you sell one excavator. And I went back and looked at the city business license.

Supposed to report your total sales and one year was three-point eight one years.

One point eight one year is two point four so.

You sell a big piece, you're going to have a big year. You don't.

You sell a big piece, you're going to have a big year, you.

You're going to have a good year, but you're going to rely on that rental equipment that's going to be your steady business stream.

You know, Andy as his assessor, you have the duty to interpret and you according to the rules and the regulations that are set upon you. And I think you've done that.

Went a step further.

You brought in tax management associates.

Who's been in the business for forty some years or better and they came back.

Basically telling you the same thing.

That they found more equipment that was out there within that didn't turn in. Plus the fact that they felt it was taxable and you went from there and you came up with the values that you did.

And I think now it could be interpretation, but going through I believe you did exactly what you needed to do and I think the situation is now if they don't like that value.



They can appeal that to the state.

And maybe the state will finally wake up and do something. The state right now is not allowing you or giving you any information to go by.

Until they make a decision that it's gonna be taxable or exempt, I think you've done exactly what you have to do.

And I I don't see where they have any gripe.

Anything else you want to present?

I don't.

I don't have anything at this time.

Any other comments from OK?

Mike Shepard for the record, so the.

The crux of this is.

For empire cat.

Is everything they own except the ancillary equipment, all for sale?

That's the question.

That's the.

Is it all for sale?

Thus being inventory, unless it's rented, it's weird distinction.

And.

My experience in the business would suggest that.

The these companies, empire and other rental companies.

Have.

A group of equipment I presume on their books.

That.

Is a rental fleet. If you're in the rental business, you have to have rental fee.

Can't be a rental business and you have separate from that you have your sales.

And I know in some cases it's true because.

And.

Early twenty twenty two I rented a machine from Cashman equipment.

On my project in Reno.

And they delivered Tele handler to me.

Beautiful new machine less than twenty hours on it.

I had it rented for eighteen months.

On this project and it was not hard used.

And when we demobilize from that project and it was ready to be sent back, we asked if we could purchase that machine and if there would be any benefit based upon the rents we paid.

And they declined.

And that was at the transition time of Cashman to empire.

So at the time we wanted to buy it, it was empire.

So no, that's it's part of our rental fleet that's not for sale.

And we even returned the machine.

It's back off rent.

It's back off.

We didn't have it anymore.

And they ultimately, I think in a process of.

Things they had to do came back.

Things they had to do came.

We were able later to buy that machine. I own the machine.

But I know at the point I wanted to buy it, it was part of the rental fleet.

Was not for sale.

It wasn't for sale.

Yeah.

Thing else.

Perk reminds me, reminded me that we do need a motion to admit.

All of the exhibits.

Can I get most?

And I can read those exhibits.

Get back to my.

I think you have a copy in the in the back of the back of the book exhibit.

List.

It's after first pink page.

These I think all these are included in our in our booklets.

Should I read off all these exhibits?

I need to do that or.

Aren't you talking about not the exhibit of the list of machines, but the entire package is now what we're talking about.

Residential.

The the packet provided by me not only includes the exhibits, but also the notice of hearing and that. But the all exhibits are contained within your packet, yes.

Yes. Yeah.

OK.

Let me just read them off.

Case number HCB two, zero two five dash zero one.

Date of the hearing is February twenty first twenty twenty five.

● **Tami Spero** stopped transcription

# SBE NOTICE OF HEARING



STATE OF NEVADA  
STATE BOARD OF EQUALIZATION

JOE LOMBARDO  
*Governor*

3850 Arrowhead Drive, Second Floor  
Carson City, Nevada 89706  
Telephone (775) 684-2160  
Fax (775) 684-2020

SHELLIE HUGHES  
*Secretary*

September 2, 2025

**NOTICE OF HEARING**

PETITIONER:  
EMPIRE SOUTHWEST LLC  
JOHN HELMS  
3300 SAINT ROSE PARKWAY  
HENDERSON, NV 89052

**CERTIFIED MAIL** – 9489 0090 0027 6554 2393 67  
RESPONDENT:  
MR. ANDY HEISER  
HUMBOLDT COUNTY ASSESSOR  
50 WEST FIFTH STREET  
WINNEMUCCA NV 89445

**DATE/ TIME:** September 29, 2025 at 9:30 AM  
September 30, 2025 at 9:00 AM  
October 1, 2025 at 9:00 AM

**PLACE:** Nevada Department of Taxation  
700 E Warm Springs Road, Room 150  
Las Vegas, Nevada 89119

Nevada Department of Taxation  
9850 Double R Blvd.  
Reno, Nevada 89521

**ZOOM OPTION:**  
<https://us02web.zoom.us/j/82951348384>

**Or Telephone:**  
US:+1 669 900 9128 or +1 253 215 8782 or +1 346 248 7799 or +1 646 558 8656 or +1 301 715 8592  
or +1 312 626 6799  
**Webinar ID: 829 5134 8384**

**Hearings begin on the first day. It is each taxpayer's or his representative's responsibility to be present when the case is called.**

LEGAL AUTHORITY AND JURISDICTION OF THE STATE BOARD OF EQUALIZATION: NRS 361.400

BRIEF STATEMENT OF MATTER: Appeal from the action of the Humboldt County Board of Equalization

**Case No: 25-128**

**Parcel No: 15-0253-04**

The State Board of Equalization (State Board) will hear the Petitioner's appeal at the time and place stated above. Please be aware that the time is approximate and although you may be assured the appeal will not be heard prior to the stated time, be prepared for possible delays as several appeals are scheduled at the same time. If the taxpayer or his representative is not present when his hearing is called, the State Board will invoke the requirements of NRS 361.385 and NAC 361.708(4). The State Board may (a) proceed with the hearing; (b) dismiss the proceeding with or without prejudice; or (c) recess the hearing for a period to be set by the State Board to enable the party to attend.

Please be aware the State Board will limit its consideration to the issues and contentions set forth in the petition. Other issues may be heard if the requirements of NAC 361.745 are met.

Information regarding the rules of practice and procedure before the State Board are on the attached information sheet.


In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this hearing should notify the Department at least 3 days before the hearing. In order to comply with the security procedures of the Department, you will be required to show identification and sign a visitor's log prior to entering the hearing room.

If you need an accommodation in order to communicate during the hearing, the Department will provide one at no cost to you. Arrangements for an interpreter should be made as soon as possible, but no later than 14 days before the scheduled meeting. Please contact Kari Skalsky at 775-684-2160 at least 14 days in advance to request an interpreter in your preferred language. You may also submit your request through [stateboard@tax.state.nv.us](mailto:stateboard@tax.state.nv.us).

Si necesita una ayuda para comunicarse durante la audiencia, el Departamento se lo proporcionará sin costo alguno. Los trámites para conseguir un intérprete deben hacerse lo antes posible, pero a más tardar 14 días antes de la cita programada. Por favor, póngase en contacto con Kari Skalsky al 775-684-2160 con al menos 14 días de anticipación para solicitar un intérprete en su idioma de preferencia. También puede solicitarlo a través de [stateboard@tax.state.nv.us](mailto:stateboard@tax.state.nv.us).

If you have any questions, please call (775) 684-2160.

Shellie Hughes  
Secretary to the State Board of Equalization

By:   
Kari Skalsky  
Management Analyst III, Boards and Commissions  
Department of Taxation

cc: **CERTIFIED MAIL** - 9489 0090 0027 6554 2391 83  
DECONCINI MCDONALD YETWIN & LACY, PC  
ATTN: JAMES SUSA  
2525 E BROADWAY BLVD., SUITE 200  
PHOENIX AZ 85716





STATE OF NEVADA  
STATE BOARD OF EQUALIZATION

JOE LOMBARDO  
*Governor*

3850 Arrowhead Drive, Second Floor  
Carson City, Nevada 89706  
Telephone (775) 684-2160  
Fax (775) 684-2020

SHELLIE HUGHES  
*Secretary*

July 3, 2024

**NOTICE OF HEARING**

PETITIONER:  
EMPIRE SOUTHWEST LLC  
JOHN HELMS  
3300 SAINT ROSE PARKWAY  
HENDERSON, NV 89052

**CERTIFIED MAIL** – 9489 0090 0027 6613 7917 20  
RESPONDENT:  
MR. ANDY HEISER  
HUMBOLDT COUNTY ASSESSOR  
50 WEST FIFTH STREET  
WINNEMUCCA NV 89445

**DATE:** August 4 – 5, 2025  
**TIME:** 9:30 AM  
**PLACE:** Nevada Department of Taxation  
9850 Double R Blvd.  
Reno, Nevada 89521

**ZOOM OPTION:**

<https://us02web.zoom.us/j/87027532583>

Or Telephone:

US: +1 669 900 9128 or +1 253 215 8782 or +1 346 248 7799 or +1 646 558 8656 or +1 301 715 8592 or +1 312 626 6799

Meeting ID: 870 2753 2583

**Hearings begin on the first day. It is each taxpayer's or his representative's responsibility to be present when the case is called.**

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If you have any questions, please call (775) 684-2160.

Shellie Hughes  
Secretary to the State Board of Equalization

By: *Christina Griffith*  
Christina Griffith  
Department of Taxation

cc: **CERTIFIED MAIL** - 9489 0090 0027 6613 7917 13  
DECONCINI MCDONALD YETWIN & LACY, PC  
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PHOENIX AZ 85716