S.B. 331

SENATE BILL NO. 331–COMMITTEE ON COMMERCE AND LABOR

MARCH 19, 2009

Referred to Committee on Taxation

SUMMARY—Provides a partial abatement of property taxes and certain sales and use taxes imposed on facilities that use solar energy to generate electricity or process heat. (BDR 58-289)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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

AN ACT relating to energy; providing a partial abatement of property taxes and certain sales and use taxes imposed on facilities that use solar energy to generate electricity or process heat; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This bill partially abates the property taxes imposed on a facility that uses solar energy to generate electricity or process heat by 75 percent for 25 years, and abates the local school support taxes imposed on property used in the construction or operation of such a facility by 75 percent for 10 years. These abatements will cease to be effective in 30 years.

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

Section 1. The Legislature hereby finds that each exemption provided by this act from any ad valorem tax on property or excise tax on the sale, storage, use or consumption of tangible personal property sold at retail:

1. Will achieve a bona fide social or economic purpose and that the benefits of the exemption are expected to exceed any adverse effect of the exemption on the provision of services to the public by the State or a local government that would otherwise receive

revenue from the tax from which the exemption would be granted; and

2. Will not impair adversely the ability of the State or a local government to pay, when due, all interest and principal on any outstanding bonds or any other obligations for which revenue from the tax from which the exemption would be granted was pledged.

Sec. 2. Chapter 701A of NRS is hereby amended by adding thereto a new section to read as follows:

1. The owner of a facility for the generation of electricity or process heat from solar energy is entitled to a partial abatement of the taxes imposed on that facility pursuant to chapter 361 of NRS in the annual amount of 75 percent of those taxes. The partial abatement applies for the first 25 fiscal years that begin after an application for a permit to construct the facility is filed with the governmental entity having jurisdiction to issue that permit.

2. A person who locates or maintains a facility for the generation of electricity or process heat from solar energy in this State is entitled to a partial abatement of the taxes imposed by NRS 374.110 and 374.190 on the sale, storage, use or other consumption of property used in the construction or operation of that facility, in the amount of 75 percent of those taxes. The partial abatement applies for the period of 10 years beginning on the date an application for a permit to construct the facility is filed with the governmental entity having jurisdiction to issue that permit.

3. The Department of Taxation shall adopt such regulations as it determines to be necessary for the administration of this section.

4. As used in this section, "facility for the generation of electricity or process heat from solar energy" means a facility that:

(a) Uses solar energy as its primary source of energy; and

(b) Generates:

(1) Electricity that is sold to another person for resale; or

(2) Process heat.

➥ The term includes all the machinery and equipment that is used in the facility to collect and store the solar energy and to convert the solar energy into electricity or process heat.

Sec. 3. Notwithstanding the provisions of section 2 of this act, a person is not entitled to any partial abatement of taxes pursuant to that section after June 30, 2039.

Sec. 4. This act becomes effective on July 1, 2009, and expires by limitation on June 30, 2039.