

Amendment No. 985

Senate Amendment to Senate Bill No. 385
(BDR 32-822)

Proposed by: Senate Committee on Finance

Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold underlining* is newly added transitory language.

WLK/BJE



Date: 6/3/2013

S.B. No. 385—Authorizes certain businesses to apply to the Office of Economic Development for a partial abatement from certain taxes.
(BDR 32-822)



SENATE BILL NO. 385—SENATORS ROBERSON, DENIS, ATKINSON,
HARDY, BROWER; PARKS AND SMITH (BY REQUEST)

MARCH 18, 2013

Referred to Committee on Revenue and
Economic Development

SUMMARY—Authorizes certain businesses to apply to the Office of Economic Development for a partial abatement from certain taxes. (BDR 32-822)

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 taxation; authorizing certain qualified businesses in this State that own, operate, manufacture, service or utilize aircraft or a component of an aircraft to apply to the Office of Economic Development for a partial abatement from certain property ~~and~~ ***or*** sales and use taxes; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the assessment of ad valorem taxes on certain real property and the assessment of certain taxes on the gross receipts from the sale, storage, use and other consumption of certain personal property. (Chapters 361 and 374 of NRS) **Section 1** of this bill authorizes an owner of a qualified business or a person who intends to locate or expand a qualified business in this State to apply to the Office of Economic Development for a partial abatement of ~~ad valorem taxes on~~ ***certain*** property ~~imposed pursuant to chapter 361 of NRS and on~~ ***or*** sales and use taxes. ~~Imposed pursuant to chapter 374 of NRS.~~ **Section 1** requires the Office of Economic Development to grant a partial abatement for a period of not more than 10 years to certain qualified new and existing businesses that own, operate, manufacture, service or utilize aircraft or components of aircraft.

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

Section 1. Chapter 360 of NRS is hereby amended by adding thereto a new section to read as follows:

1. An owner of a business or a person who intends to locate or expand a business in this State may apply to the Office of Economic Development for a partial abatement from one or more of the property taxes or local sales and use taxes imposed on an aircraft or a component of an aircraft. ~~Imposed to~~

~~chapters 361 and 374 of NRS.~~ An application for a partial abatement for local sales and use taxes may include a request for a partial abatement of the taxes as applied to:

- (a) Purchases made by the business;
- (b) Purchases made from the business, for which the business has agreed to pay the local sales and use taxes; or
- (c) Both purchases by and from the business.

2. Notwithstanding the provisions of any law to the contrary and except as otherwise provided in subsection 3, the Office of Economic Development shall approve an application for a partial abatement if the Office makes the following determinations:

- (a) The applicant has executed an agreement with the Office which:
 - (1) Complies with the requirements of NRS 360.755; and
 - (2) States that the business will, after the date on which a certificate of eligibility for the partial abatement is issued pursuant to subsection ~~44~~ 5, continue in operation in this State for a period specified by the Office, which must be not less than 5 years;
- (b) The business is registered pursuant to the laws of this State or the applicant commits to obtaining a valid business license and all other permits required by the county, city or town in which the business operates;
- (c) The business owns, operates, manufactures, services or utilizes aircraft or components of aircraft;
- (d) If the business is:
 - (1) A new business, that it will have five or more full-time employees on the payroll of the business not later than 1 year after receiving its certificate of eligibility for a partial abatement; or
 - (2) An existing business, that it will increase its number of full-time employees on the payroll of the business in this State by 3 percent or three employees, whichever is greater, not later than 1 year after receiving its certificate of eligibility for a partial abatement; and
- (e) The business meets at least one of the following requirements:
 - (1) The business will make a new capital investment of at least \$250,000 in this State not later than 1 year after receiving its certificate of eligibility for a partial abatement;
 - (2) The business will maintain and possess in this State tangible personal property having a value of not less than \$5,000,000 during the period of partial abatement;
 - (3) The average hourly wage that will be paid by the business to its employees in this State during the period of partial abatement is not less than 100 percent of the average statewide hourly wage as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year; or
 - (4) The business develops, refines or owns a patent or other intellectual property, or has been issued a ~~(supplemental)~~ type certificate by the Federal Aviation Administration pursuant to 14 C.F.R. Part 21.

3. The Office of Economic Development:

(a) Shall approve or deny an application submitted pursuant to this section and notify the applicant of its decision not later than 45 days after receiving the application.

(b) Shall not:

(1) Consider an application for a partial abatement unless the Office has requested a letter of acknowledgment of the request for the partial abatement

1 from any affected county, school district, city or town and has complied with the
2 requirements of NRS 360.757; or

3 (2) Approve a partial abatement for any applicant for a period of more
4 than 10 years.

5 4. The Office of Economic Development shall not approve a partial
6 abatement of property taxes for a business whose physical property is collectively
7 valued and centrally assessed pursuant to NRS 361.320 and 361.3205 unless the
8 business is regulated under 14 C.F.R. Part 125 or 135.

9 5. If the Office of Economic Development approves an application for a
10 partial abatement, the Office shall immediately forward a certificate of eligibility
11 for the partial abatement to:

12 (a) The Department;

13 (b) The Nevada Tax Commission; and

14 (c) If the partial abatement is from the property tax imposed pursuant to
15 chapter 361 of NRS, the appropriate county treasurer.

16 ~~5.4~~ 6. An applicant for a partial abatement pursuant to this section or an
17 existing business whose partial abatement is in effect shall, upon the request of
18 the Executive Director of the Office of Economic Development, furnish the
19 Executive Director with copies of all records necessary to verify that the applicant
20 meets the requirements of subsection 2.

21 ~~6.4~~ 7. If a business whose partial abatement has been approved pursuant
22 to this section and whose partial abatement is in effect ceases:

23 (a) To meet the requirements set forth in subsection 2; or

24 (b) Operation before the time specified in the agreement described in
25 paragraph (a) of subsection 2,

26 the business shall repay to the Department or, if the partial abatement was
27 from the property tax imposed pursuant to chapter 361 of NRS, to the appropriate
28 county treasurer, the amount of the partial abatement that was allowed pursuant
29 to this section before the failure of the business to comply unless the Nevada Tax
30 Commission determines that the business has substantially complied with the
31 requirements of this section. Except as otherwise provided in NRS 360.232 and
32 360.320, the business shall, in addition to the amount of the partial abatement
33 required to be repaid pursuant to this subsection, pay interest on the amount due
34 at the rate most recently established pursuant to NRS 99.040 for each month, or
35 portion thereof, from the last day of the month following the period for which the
36 payment would have been made had the partial abatement not been approved
37 until the date of payment of the tax.

38 ~~7.4~~ 8. The Office of Economic Development may adopt such regulations as
39 the Office determines to be necessary to carry out the provisions of this section.

40 ~~8.4~~ 9. The Nevada Tax Commission may adopt such regulations as the
41 Commission determines are necessary to carry out the provisions of this section.

42 ~~9.4~~ 10. An applicant for a partial abatement who is aggrieved by a final
43 decision of the Office of Economic Development may petition a court of
44 competent jurisdiction to review the decision in the manner provided in chapter
45 233B of NRS.

46 ~~10.4~~ 11. If the Office of Economic Development approves an application
47 for a partial abatement of local sales and use taxes ~~imposed pursuant to chapter~~
48 ~~374 of NRS~~ pursuant to this section:

49 (a) The Office of Economic Development shall specify whether the partial
50 abatement applies to taxes due on purchases made by the business or purchases
51 made from the business, or both. If the partial abatement applies to purchases
52 made from the business for which the business has agreed to pay the local sales

and use taxes, the business may apply the partial abatement and pay the taxes on behalf of the purchaser.

(b) The partial abatement must be equal to that portion of the combined rate of all the local sales and use taxes payable by the business each year which exceeds 0.25 percent.

~~##~~ (c) The Department shall issue to the business a document certifying the partial abatement which can be presented to retailers at the time of sale. The document must clearly state that the purchaser is only required to pay sales and use taxes imposed in this State at the rate of ~~2.25~~ 2.6 percent.

~~##~~ (d) The State Controller shall allocate, transfer and remit an amount equal to all the sales and use taxes imposed in this State and collected from the business for the period of the partial abatement in the same manner as if that amount consisted solely of the proceeds of taxes imposed by NRS 374.110 and 374.190.

~~##~~ 12. As used in this section:

(a) "Aircraft" means any fixed-wing, rotary-wing or unmanned aerial vehicle.

(b) "Component of an aircraft" means any:

(1) Component of the physical structure of an aircraft;

(2) Mechanical, electrical or other system of an aircraft, including, without limitation, any component thereof; and

(3) Part, engine, machinery, tool, chemical, gas or equipment used to manufacture, maintain, test, repair, overhaul or assemble an aircraft or component of an aircraft.

(c) "Local sales and use taxes" means any taxes imposed on the gross receipts of any retailer from the sale of tangible personal property sold at retail, or stored, used or otherwise consumed, in any political subdivision of this State, except the taxes imposed by the Sales and Use Tax Act.

(d) "Property taxes" means any taxes levied by the State or a local government pursuant to the provisions of chapter 361 of NRS.

Sec. 2. NRS 360.755 is hereby amended to read as follows:

360.755 1. If the Office of Economic Development approves an application by a business for a partial abatement pursuant to NRS 360.750 ~~or~~ or section 1 of this act, the agreement with the Office must provide that the business:

(a) Agrees to allow the Department to conduct audits of the business to determine whether the business is in compliance with the requirements for the partial abatement; and

(b) Consents to the disclosure of the audit reports in the manner set forth in this section.

2. If the Department conducts an audit of the business to determine whether the business is in compliance with the requirements for the partial abatement, the Department shall, upon request, provide the audit report to the Office of Economic Development.

3. Until the business has exhausted all appeals to the Department and the Nevada Tax Commission relating to the audit, the information contained in the audit report provided to the Office of Economic Development:

(a) Is confidential proprietary information of the business;

(b) Is not a public record; and

(c) Must not be disclosed to any person who is not an officer or employee of the Office of Economic Development unless the business consents to the disclosure.

4. After the business has exhausted all appeals to the Department and the Nevada Tax Commission relating to the audit:

(a) The audit report provided to the Office of Economic Development is a public record; and

(b) Upon request by any person, the Executive Director of the Office of Economic Development shall disclose the audit report to the person who made the request, except for any information in the audit report that is protected from disclosure pursuant to subsection 5.

5. Before the Executive Director of the Office of Economic Development discloses the audit report to the public, the business may submit a request to the Executive Director to protect from disclosure any information in the audit report which, under generally accepted business practices, would be considered a trade secret or other confidential proprietary information of the business. After consulting with the business, the Executive Director shall determine whether to protect the information from disclosure. The decision of the Executive Director is final and is not subject to judicial review. If the Executive Director determines to protect the information from disclosure, the protected information:

(a) Is confidential proprietary information of the business;

(b) Is not a public record;

(c) Must be redacted by the Executive Director from any audit report that is disclosed to the public; and

(d) Must not be disclosed to any person who is not an officer or employee of the Office of Economic Development unless the business consents to the disclosure.

Sec. 3. NRS 360.757 is hereby amended to read as follows:

360.757 1. The Office of Economic Development shall not take any action on an application for any abatement of taxes pursuant to NRS 274.310, 274.320, 274.330 or 360.750 *or section 1 of this act* or any other specific statute unless the Office:

(a) Takes that action at a public hearing conducted for that purpose; and

(b) At least 30 days before the hearing, provides notice of the application to:

(1) The governing body of the county, the board of trustees of the school district and the governing body of the city or town, if any, in which the pertinent business is or will be located;

(2) The governing body of any other political subdivision that could be affected by the abatement; and

(3) The general public.

2. The notice required by this section must set forth the date, time and location of the hearing at which the Office of Economic Development will consider the application.

3. The Office of Economic Development shall adopt regulations relating to the notice required by this section.

Sec. 3.1. NRS 374.115 is hereby amended to read as follows:

374.115 ~~That~~ *Except as otherwise provided in section 1 of this act, the* tax hereby imposed shall be collected by the retailer from the consumer insofar as it can be done.

Sec. 3.3. NRS 374.120 is hereby amended to read as follows:

374.120 1. ~~It is~~ *Except as otherwise provided in section 1 of this act, it is* unlawful for any retailer to advertise or hold out or state to the public or to any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the retailer or that it will not be added to the selling price of the property sold or that if added it or any part thereof will be refunded.

2. Any person violating any provision of this section is guilty of a misdemeanor.

Sec. 3.5. NRS 374.200 is hereby amended to read as follows:

374.200 ~~Every~~ Except as otherwise provided in section 1 of this act, every retailer maintaining a place of business in a county and making sales of tangible personal property for storage, use or other consumption in the county, not exempted under NRS 374.265 to 374.355, inclusive, shall, at the time of making the sales or, if the storage, use or other consumption of the tangible personal property is not then taxable hereunder, at the time the storage, use or other consumption becomes taxable, collect the tax from the purchaser and give to the purchaser a receipt therefor in the manner and form prescribed by the Department.

Sec. 3.7. NRS 374.210 is hereby amended to read as follows:

374.210 ~~It~~ Except as otherwise provided in section 1 of this act, it is unlawful for any retailer to advertise or hold out or state to the public or to any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the retailer or that it will not be added to the selling price of the property sold or that if added it or any part thereof will be refunded.

Sec. 3.9. NRS 374.370 is hereby amended to read as follows:

374.370 1. Except as otherwise required by the Department pursuant to NRS 360B.200 or provided in NRS 360B.281 or 360B.350 to 360B.375, inclusive:

(a) For the purposes of the sales tax:

(1) The return must show the gross receipts of the seller during the preceding reporting period.

(2) The gross receipts must be segregated and reported separately for each county to which a sale of tangible personal property pertains.

(3) A sale pertains to the county in this State in which the tangible personal property is or will be delivered to the purchaser or his or her agent or designee.

(b) For purposes of the use tax:

(1) In the case of a return filed by a retailer, the return must show the total sales price of the property purchased by him or her, the storage, use or consumption of which property became subject to the use tax during the preceding reporting period.

(2) The sales price must be segregated and reported separately for each county to which a purchase of tangible personal property pertains.

(3) If the property was:

(I) Brought into this State by the purchaser or his or her agent or designee, the sale pertains to the county in this State in which the property is or will be first used, stored or otherwise consumed.

(II) Not brought into this State by the purchaser or his or her agent or designee, the sale pertains to the county in this State in which the property was delivered to the purchaser or his or her agent or designee.

2. The Department shall provide a section on the return to allow a business to appropriately report property sold by the business for which the business has agreed to pay the local sales and use taxes pursuant to section 1 of this act.

3. In case of a return filed by a purchaser, the return must show the total sales price of the property purchased by him or her, the storage, use or consumption of which became subject to the use tax during the preceding reporting period and indicate the county in this State in which the property was first used, stored or consumed.

~~It~~ 4. The return must also show the amount of the taxes for the period covered by the return and such other information as the Department deems necessary for the proper administration of this chapter.

~~It~~ 5. Except as otherwise provided in subsection ~~5~~ 6, upon determining that a retailer has filed a return which contains one or more violations of the provisions of this section, the Department shall:

(a) For the first return of any retailer which contains one or more violations, issue a letter of warning to the retailer which provides an explanation of the violation or violations contained in the return.

(b) For the first or second return, other than a return described in paragraph (a), in any calendar year which contains one or more violations, assess a penalty equal to the amount of the tax which was not reported or was reported for the wrong county or \$1,000, whichever is less.

(c) For the third and each subsequent return in any calendar year which contains one or more violations, assess a penalty of three times the amount of the tax which was not reported or was reported for the wrong county or \$3,000, whichever is less.

~~5.4~~ 6. For the purposes of subsection ~~4.4~~ 5. if the first violation of this section by any retailer was determined by the Department through an audit which covered more than one return of the retailer, the Department shall treat all returns which were determined through the same audit to contain a violation or violations in the manner provided in paragraph (a) of subsection ~~4.4~~ 5.

Sec. 4. NRS 218D.355 is hereby amended to read as follows:

218D.355 1. ~~Any~~ *Except as otherwise provided in section 1 of this act,* any state legislation enacted on or after July 1, 2012, which authorizes or requires the Office of Economic Development to approve any abatement of taxes or increases the amount of any abatement of taxes which the Office is authorized or required to approve:

(a) Expires by limitation 10 years after the effective date of that legislation.

(b) Does not apply to:

(1) Any taxes imposed pursuant to NRS 374.110 or 374.190; or

(2) Any entity that receives:

(I) Any funding from a governmental entity, other than any private activity bonds as defined in 26 U.S.C. § 141; or

(II) Any real or personal property from a governmental entity at no cost or at a reduced cost.

(c) Requires each recipient of the abatement to submit to the Department of Taxation, on or before the last day of each even-numbered year, a report on whether the recipient is in compliance with the terms of the abatement. The Department of Taxation shall establish a form for the report and may adopt such regulations as it determines to be appropriate to carry out this paragraph. The report must include, without limitation:

(1) The date the recipient commenced operation in this State;

(2) The number of employees actually employed by the recipient and the average hourly wage of those employees;

(3) An accounting of any fees paid by the recipient to the State and to local governmental entities;

(4) An accounting of the property taxes paid by the recipient and the amount of those taxes that would have been due if not for the abatement;

(5) An accounting of the sales and use taxes paid by the recipient and the amount of those taxes that would have been due if not for the abatement;

(6) An accounting of the total capital investment made in connection with the project to which the abatement applies; and

(7) An accounting of the total investment in personal property made in connection with the project to which the abatement applies.

2. On or before January 15 of each odd-numbered year, the Department of Taxation shall:

(a) Based upon the information submitted to the Department of Taxation pursuant to paragraph (c) of subsection 1, prepare a written report of its findings

1 regarding whether the costs of the abatement exceed the benefits of the abatement;
2 and

3 (b) Submit the report to the Director for transmittal to the Legislature.

4 **Sec. 5.** NRS 231.0685 is hereby amended to read as follows:

5 231.0685 The Office shall, on or before January 15 of each odd-numbered
6 year, prepare and submit to the Director of the Legislative Counsel Bureau for
7 transmission to the Legislature a report concerning the abatements from taxation
8 that the Office approved pursuant to NRS 274.310, 274.320, 274.330 or 360.750 **H**
9 **or section 1 of this act.** The report must set forth, for each abatement from taxation
10 that the Office approved in the 2-year period immediately preceding the submission
11 of the report:

- 12 1. The dollar amount of the abatement;
- 13 2. The location of the business for which the abatement was approved;
- 14 3. If applicable, the number of employees that the business for which the
15 abatement was approved employs or will employ;
- 16 4. Whether the business for which the abatement was approved is a new
17 business or an existing business; and
- 18 5. Any other information that the Office determines to be useful.

19 **Sec. 5.5. Section 1 of this act is hereby amended to read as follows:**

20 Section 1. Chapter 360 of NRS is hereby amended by adding thereto
21 a new section to read as follows:

22 1. An owner of a business or a person who intends to locate or expand
23 a business in this State may apply to the Office of Economic Development
24 for a partial abatement from one or more of the property taxes or local sales
25 and use taxes imposed on an aircraft or a component of an aircraft. An
26 application for a partial abatement for local sales and use taxes may include
27 a request for a partial abatement of the taxes as applied to:

- 28 (a) Purchases made by the business;
- 29 (b) Purchases made from the business, for which the business has
30 agreed to pay the local sales and use taxes; or
- 31 (c) Both purchases by and from the business.

32 2. Notwithstanding the provisions of any law to the contrary and
33 except as otherwise provided in subsection 3, the Office of Economic
34 Development shall approve an application for a partial abatement if the
35 Office makes the following determinations:

- 36 (a) The applicant has executed an agreement with the Office which:
 - 37 (1) Complies with the requirements of NRS 360.755; and
 - 38 (2) States that the business will, after the date on which a
39 certificate of eligibility for the partial abatement is issued pursuant to
40 subsection 5, continue in operation in this State for a period specified by the
41 Office, which must be not less than 5 years;
- 42 (b) The business is registered pursuant to the laws of this State or the
43 applicant commits to obtaining a valid business license and all other
44 permits required by the county, city or town in which the business operates;
- 45 (c) The business owns, operates, manufactures, services or utilizes
46 aircraft or components of aircraft;
- 47 (d) If the business is:
 - 48 (1) A new business, that it will have five or more full-time
49 employees on the payroll of the business not later than 1 year after
50 receiving its certificate of eligibility for a partial abatement; or
 - 51 (2) An existing business, that it will increase its number of full-
52 time employees on the payroll of the business in this State by 3 percent or

three employees, whichever is greater, not later than 1 year after receiving its certificate of eligibility for a partial abatement; and

(e) The business meets at least one of the following requirements:

(1) The business will make a new capital investment of at least \$250,000 in this State not later than 1 year after receiving its certificate of eligibility for a partial abatement;

(2) The business will maintain and possess in this State tangible personal property having a value of not less than \$5,000,000 during the period of partial abatement;

(3) The average hourly wage that will be paid by the business to its employees in this State during the period of partial abatement is not less than 100 percent of the average statewide hourly wage as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year; or

(4) The business develops, refines or owns a patent or other intellectual property, or has been issued a type certificate by the Federal Aviation Administration pursuant to 14 C.F.R. Part 21.

3. The Office of Economic Development:

(a) Shall approve or deny an application submitted pursuant to this section and notify the applicant of its decision not later than 45 days after receiving the application.

(b) Shall not:

(1) Consider an application for a partial abatement unless the Office has requested a letter of acknowledgment of the request for the partial abatement from any affected county, school district, city or town and has complied with the requirements of NRS 360.757; or

(2) Approve a partial abatement for any applicant for a period of more than 10 years.

4. The Office of Economic Development shall not approve a partial abatement of property taxes for a business whose physical property is collectively valued and centrally assessed pursuant to NRS 361.320 and 361.3205 unless the business is regulated under 14 C.F.R. Part 125 or 135.

5. If the Office of Economic Development approves an application for a partial abatement, the Office shall immediately forward a certificate of eligibility for the partial abatement to:

(a) The Department;

(b) The Nevada Tax Commission; and

(c) If the partial abatement is from the property tax imposed pursuant to chapter 361 of NRS, the appropriate county treasurer.

6. An applicant for a partial abatement pursuant to this section or an existing business whose partial abatement is in effect shall, upon the request of the Executive Director of the Office of Economic Development, furnish the Executive Director with copies of all records necessary to verify that the applicant meets the requirements of subsection 2.

7. If a business whose partial abatement has been approved pursuant to this section and whose partial abatement is in effect ceases:

(a) To meet the requirements set forth in subsection 2; or

(b) Operation before the time specified in the agreement described in paragraph (a) of subsection 2,

the business shall repay to the Department or, if the partial abatement was from the property tax imposed pursuant to chapter 361 of NRS, to the appropriate county treasurer, the amount of the partial abatement that was allowed pursuant to this section before the failure of the business to comply

1 unless the Nevada Tax Commission determines that the business has
2 substantially complied with the requirements of this section. Except as
3 otherwise provided in NRS 360.232 and 360.320, the business shall, in
4 addition to the amount of the partial abatement required to be repaid
5 pursuant to this subsection, pay interest on the amount due at the rate most
6 recently established pursuant to NRS 99.040 for each month, or portion
7 thereof, from the last day of the month following the period for which the
8 payment would have been made had the partial abatement not been
9 approved until the date of payment of the tax.

10 8. The Office of Economic Development may adopt such regulations
11 as the Office determines to be necessary to carry out the provisions of this
12 section.

13 9. The Nevada Tax Commission may adopt such regulations as the
14 Commission determines are necessary to carry out the provisions of this
15 section.

16 10. An applicant for a partial abatement who is aggrieved by a final
17 decision of the Office of Economic Development may petition a court of
18 competent jurisdiction to review the decision in the manner provided in
19 chapter 233B of NRS.

20 11. If the Office of Economic Development approves an application
21 for a partial abatement of local sales and use taxes pursuant to this section:

22 (a) The Office of Economic Development shall specify whether the
23 partial abatement applies to taxes due on purchases made by the business or
24 purchases made from the business, or both. If the partial abatement applies
25 to purchases made from the business for which the business has agreed to
26 pay the local sales and use taxes, the business may apply the partial
27 abatement and pay the taxes on behalf of the purchaser.

28 (b) The partial abatement must be equal to that portion of the combined
29 rate of all the local sales and use taxes payable by the business each year
30 which exceeds 0.25 percent.

31 (c) The Department shall issue to the business a document certifying
32 the partial abatement which can be presented to retailers at the time of sale.
33 The document must clearly state that the purchaser is only required to pay
34 sales and use taxes imposed in this State at the rate of ~~12.6~~ 2.25 percent.

35 (d) The State Controller shall allocate, transfer and remit an amount
36 equal to all the sales and use taxes imposed in this State and collected from
37 the business for the period of the partial abatement in the same manner as if
38 that amount consisted solely of the proceeds of taxes imposed by NRS
39 374.110 and 374.190.

40 12. As used in this section:

41 (a) "Aircraft" means any fixed-wing, rotary-wing or unmanned aerial
42 vehicle.

43 (b) "Component of an aircraft" means any:

44 (1) Component of the physical structure of an aircraft;
45 (2) Mechanical, electrical or other system of an aircraft, including,
46 without limitation, any component thereof; and
47 (3) Part, engine, machinery, tool, chemical, gas or equipment used
48 to manufacture, maintain, test, repair, overhaul or assemble an aircraft or
49 component of an aircraft.

50 (c) "Local sales and use taxes" means any taxes imposed on the gross
51 receipts of any retailer from the sale of tangible personal property sold at
52 retail, or stored, used or otherwise consumed, in any political subdivision of
53 this State, except the taxes imposed by the Sales and Use Tax Act.

(d) "Property taxes" means any taxes levied by the State or a local government pursuant to the provisions of chapter 361 of NRS.

Sec. 6. 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 other consumption of tangible personal property sold at retail:

1. Will achieve a bona fide social or economic purpose and 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. 7. 1. This section, sections 1 to 5, inclusive, and 6 of this act becomes effective on July 1, 2013, and ~~expires~~ expire by limitation on June 30, 2033.

2. Section 5.5 of this act becomes effective on July 1, 2015, and expires by limitation on June 30, 2033.