



BDR 32-805 SB 179

EXECUTIVE AGENCY FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 1, 2017

Agency Submitting: Department of Taxation

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
State (Revenue)		(\$302,399)	(\$302,399)	(\$604,798)
Schools (Revenue)		(\$1,334,112)	(\$1,334,112)	(\$2,668,224)
Local Government (Revenue)		(\$3,860,517)	(\$3,860,517)	(\$7,721,034)
Total	0	(\$5,497,028)	(\$5,497,028)	(\$10,994,056)

Explanation

(Use Additional Sheets of Attachments, if required)

Please see attached.

Name Deonne Contine

Title Executive Director

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Wednesday, March 01, 2017

The agency's response appears reasonable.

Name Laura E. Freed

Title Exec. Branch Budget Officer

DESCRIPTION OF FISCAL EFFECT

BDR/Bill/Amendment Number: BDR 32-805Name of Agency: Department of Taxation

Division/Department: _____

Date: February 13, 2017

BDR 32-805 proposes to expand the eligibility for tax abatements for certain businesses related to airplanes.

The fiscal impact to the Sales and Use Tax cannot be determined.

The fiscal impact to personal property taxes is as follows:

There will be a fiscal impact on both State and Local Government entities. From our records and information provided by the Clark County and Washoe County assessors, the high end of the annual fiscal impact to entities is estimated to be:

State	\$302,399
Schools	\$1,334,112
Other Local Government Entities	\$3,860,517
Total	\$5,497,027

A brief explanation of the methodology used to develop the fiscal impact follows:

- 1) The number of assessments and assessed values for aircraft potentially eligible were identified for the 2015-16 year, which was the last year complete data has been reported in the Statistical Analysis of the Roll.
- 2) Non-aircraft personal property has not been considered because reliable data was not readily available and the relative amount was considered to be negligible.
- 3) Property tax estimates were computed based on the average statewide tax rate of \$.0315 for the 2016-17 year, which can be found in the latest Property Tax Rates for Nevada Local Governments publication; allocations of the total were calculated for the State at a rate of \$.0017, for the Schools at a rate of \$.0075, and for the Other Local Governments from the remaining portion of the statewide rate.
- 4) A percentage estimate was then applied to the property tax estimates.¹ These percentages represent all aircraft qualified under the new language, including businesses which may qualify for abatements under existing criteria.

An Excel spreadsheet detailing the calculation described is shown below.

¹ The actual amount of abated taxes is dependent upon the number of qualifying companies as well as the value of each aircraft. The related percentage estimates described under item 4) are largely unknown and difficult to estimate with a high degree of accuracy.

Assessing Officials	2015-16 Tax Year		Property Tax Estimates					Abatement Estimates				
	Number of Assessments	Assessed Value	Average Statewide Tax Rate 2016-17	Total Estimated Taxes (.0315)	Total Taxes due to State (.0017)	Total Taxes due to School District (.0075)	Other Local Governments (.0223)	Abate %	Estimated Taxes eligible for abatement, Total	Estimated Abated Taxes, State Portion	Estimated Abated Taxes, School portion	Estimated Abated Taxes, Other Local Governments portion
Total Locally Assessed Aircraft	2,128	\$ 360,336,588	0.0315	\$ 11,350,603	\$ 612,572	\$ 2,702,524	\$ 8,035,507	43.7%	\$ 4,960,214	\$ 267,694	\$ 1,181,003	\$ 3,511,517
Centrally-Assessed Aircraft	18	\$ 46,715,046	0.0263	\$ 1,228,405	\$ 79,416	\$ 350,363	\$ 798,626	98.7%	\$ 536,813	\$ 34,705	\$ 153,109	\$ 349,000
Total All Aircraft	2,146	\$ 407,051,634		\$ 12,579,008	\$ 691,988	\$ 3,052,887	\$ 8,834,133		\$ 5,497,027	\$ 302,399	\$ 1,334,112	\$ 3,860,517