ASSEMBLY BILL NO. 14–COMMITTEE ON REVENUE

(ON BEHALF OF THE OFFICE OF ECONOMIC DEVELOPMENT IN THE OFFICE OF THE GOVERNOR)

PREFILED OCTOBER 28, 2026

Referred to Committee on Revenue

SUMMARY—Revises provisions relating to certain partial abatements of taxes for economic development. (BDR 32-140)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: May have Fiscal Impact.
Effect on the State Highway Fund: No.

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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 economic development; revising criteria governing the approval of an application for certain partial abatements of taxes for an expanding business; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a person who intends to locate or expand a business in this State to apply to the Office of Economic Development for a partial abatement of certain taxes. Under existing law, if the applicant is locating a new business in this State and satisfies certain criteria, the Office is authorized to approve a partial abatement of certain property taxes, the modified business tax and all sales and use taxes except for the taxes imposed by the Sales and Use Tax Act of 1955. However, if the applicant is expanding a business in this State and satisfies certain criteria, the Office is authorized to approve a partial abatement of the same types of taxes except that the Office is additionally prohibited from approving a partial abatement of the Local School Support Tax. In addition, existing law prohibits the Office from approving an application for such a partial abatement if the applicant intends to expand a business in a county and has already received a partial abatement for expanding that business in that county. (NRS 360.750) This bill removes this prohibition, thereby authorizing a business to obtain a partial abatement for multiple expansions of a business in a county while maintaining the existing prohibition against the approval of a partial abatement of the Local School Support Tax for an expanding business.

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

Section 1. NRS 360.750 is hereby amended to read as follows:

360.750 1. A person who intends to locate or expand a business in this State may apply to the Office of Economic Development pursuant to this section for a partial abatement of one or more of the taxes imposed on the:

(a) New business pursuant to chapter 361, 363B or 374 of NRS.

(b) Expanded business pursuant to chapter 361 or 363B of NRS or a partial abatement of the local sales and use taxes imposed on the expanded business. As used in this paragraph, "local sales and use taxes" means the 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 the political subdivision in which the business is to be located or expanded, except the taxes imposed by the Sales and Use Tax Act and the Local School Support Tax Law.

2. The Office of Economic Development shall approve an application for a partial abatement pursuant to this section if the Office makes the following determinations:

(a) The business offers primary jobs and is consistent with:

(1) The State Plan for Economic Development developed by the Executive Director of the Office of Economic Development pursuant to subsection 2 of NRS 231.053; and

(2) Any guidelines adopted by the Executive Director of the Office to implement the State Plan for Economic Development.

(b) Not later than 1 year after the date on which the application was received by the Office, the applicant has executed an agreement with the Office which must:

(1) Comply with the requirements of NRS 360.755;

(2) State the date on which the abatement becomes effective, as agreed to by the applicant and the Office, which must not be earlier than the date on which the Office received the application and not later than 1 year after the date on which the Office approves the application;

(3) State that the business will, after the date on which the abatement becomes effective, continue in operation in this State for a period specified by the Office, which must be at least 5 years, and will continue to meet the eligibility requirements set forth in this subsection;

(4) State that the business will offer primary jobs; and

(5) Bind the successors in interest of the business for the specified period.

(c) The business is registered pursuant to the laws of this State or the applicant commits to obtain a valid business license and all other permits required by the county, city or town in which the business operates.

(d) Except as otherwise provided in subsection 4, 5 or 6, the average hourly wage that will be paid by the business to its new employees in this State is at least 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.

(e) The business will, by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective, offer a health insurance plan for all employees that includes an option for health insurance coverage for dependents of the employees, and the health care benefits the business offers to its employees in this State will meet the minimum requirements for health care benefits established by the Office.

(f) Except as otherwise provided in this subsection and NRS 361.0687, if the business is a new business in a county whose population is 100,000 or more or a city whose population is 60,000 or more, the business meets at least one of the following requirements:

(1) The business will have 50 or more full-time employees on the payroll of the business by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective who will be employed at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.

(2) Establishing the business will require the business to make, not later than the date which is 2 years after the date on which the abatement becomes effective, a capital investment of at least $1,000,000 in this State in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.

(g) Except as otherwise provided in NRS 361.0687, if the business is a new business in a county whose population is less than 100,000, in an area of a county whose population is 100,000 or more that is located within the geographic boundaries of an area that is designated as rural by the United States Department of Agriculture and at least 20 miles outside of the geographic boundaries of an area designated as urban by the United States Department of Agriculture, or in a city whose population is less than 60,000, the business meets at least one of the following requirements:

(1) The business will have 10 or more full-time employees on the payroll of the business by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective who will be employed at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.

(2) Establishing the business will require the business to make, not later than the date which is 2 years after the date on which the abatement becomes effective, a capital investment of at least $250,000 in this State in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.

(h) If the business is an existing business, the business meets at least one of the following requirements:

(1) For a business in:

(I) Except as otherwise provided in sub-subparagraph (II), a county whose population is 100,000 or more or a city whose population is 60,000 or more, the business will, by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective, increase the number of employees on its payroll in that county or city by 10 percent more than it employed in the fiscal year immediately preceding the fiscal year in which the abatement becomes effective or by twenty-five employees, whichever is greater, who will be employed at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective; or

(II) A county whose population is less than 100,000, an area of a county whose population is 100,000 or more that is located within the geographic boundaries of an area that is designated as rural by the United States Department of Agriculture and at least 20 miles outside of the geographic boundaries of an area designated as urban by the United States Department of Agriculture, or a city whose population is less than 60,000, the business will, by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective, increase the number of employees on its payroll in that county or city by 10 percent more than it employed in the fiscal year immediately preceding the fiscal year in which the abatement becomes effective or by six employees, whichever is greater, who will be employed at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective.

(2) The business will expand by making a capital investment in this State, not later than the date which is 2 years after the date on

which the abatement becomes effective, in an amount equal to at least 20 percent of the value of the tangible property possessed by the business in the fiscal year immediately preceding the fiscal year in which the abatement becomes effective, and the capital investment will be in capital assets that will be retained at the location of the business in that county or city until at least the date which is 5 years after the date on which the abatement becomes effective. The determination of the value of the tangible property possessed by the business in the immediately preceding fiscal year must be made by the:

(I) County assessor of the county in which the business will expand, if the business is locally assessed; or

(II) Department, if the business is centrally assessed.

(i) The applicant has provided in the application an estimate of the total number of new employees which the business anticipates hiring in this State by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective if the Office approves the application.

(j) Except as otherwise provided in subsection 3, if the business will have at least 50 full-time employees on the payroll of the business by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective, the business, by the earlier of the eighth calendar quarter following the calendar quarter in which the abatement becomes effective or the date on which the business has at least 50 full-time employees on the payroll of the business, has a policy for paid family and medical leave and agrees that all employees who have been employed by the business for at least 1 year will be eligible for at least 12 weeks of paid family and medical leave at a rate of at least 55 percent of the regular wage of the employee. The business will agree in writing that if the Office approves the application, the business will not:

(1) Prohibit, interfere with or otherwise discourage an employee from taking paid family and medical leave:

(I) For any reason authorized pursuant to the Family and Medical Leave Act of 1993, 29 U.S.C. §§ 2601 et seq.

(II) To care for any adult child, sibling or domestic partner of the employee.

(2) Discriminate, discipline or discharge an employee for taking paid family and medical leave:

(I) For any reason authorized pursuant to the Family and Medical Leave Act of 1993, 29 U.S.C. §§ 2601 et seq.

(II) To care for any adult child, sibling or domestic partner of the employee.

(3) Prohibit, interfere with or otherwise discourage an employee or other person from bringing a proceeding or testifying

in a proceeding against the business for a violation of the policy for paid family and medical leave that is required pursuant to this paragraph.

3. For purposes of paragraph (j) of subsection 2, the Office of Economic Development shall determine that a business meets the requirements of that paragraph if the business has a policy for paid family and medical leave for employees on the payroll of the business outside of this State that meets or exceeds the requirements for a policy for paid family and medical leave pursuant to that paragraph and the business agrees in writing that its employees on the payroll in this State are eligible for paid family and medical leave under such policy.

4. Notwithstanding the provisions of subsection 2, the Office of Economic Development:

(a) Shall not consider an application for a partial abatement pursuant to this section unless the Office has requested a letter of acknowledgment of the request for the abatement from any affected county, school district, city or town.

(b) Shall consider the level of health care benefits provided by the business to its employees, the policy of paid family and medical leave provided by the business to its employees, the projected economic impact of the business and the projected tax revenue of the business after deducting projected revenue from the abated taxes.

(c) May, if the Office determines that such action is necessary:

(1) Approve an application for a partial abatement pursuant to this section by a business that does not meet the requirements set forth in paragraph (f), (g) or (h) of subsection 2;

(2) Make any of the requirements set forth in paragraphs (d) to (h), inclusive, of subsection 2 more stringent; or

(3) Add additional requirements that a business must meet to qualify for a partial abatement pursuant to this section.

5. Notwithstanding any other provision of law, the Office of Economic Development shall not approve an application for a partial abatement pursuant to this section if:

(a) The applicant intends to locate or expand in a county in which the rate of unemployment is 7 percent or more and the average hourly wage that will be paid by the applicant to its new employees in this State is less than 70 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.

(b) The applicant intends to locate or expand in a county in which the rate of unemployment is less than 7 percent and the average hourly wage that will be paid by the applicant to its new

employees in this State is less than 85 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.

~~[(c) The applicant intends to locate in a county but has already received a partial abatement pursuant to this section for locating that business in that county.~~

~~(d) The applicant intends to expand in a county but has already received a partial abatement pursuant to this section for expanding that business in that county.~~

~~(e) The applicant has changed the name or identity of the business to evade the provisions of paragraph (c). or (d).]~~

6. Notwithstanding any other provision of law, if the Office of Economic Development approves an application for a partial abatement pursuant to this section, in determining the types of taxes imposed on a new or expanded business for which the partial abatement will be approved and the amount of the partial abatement:

(a) If the new or expanded business is located in a county in which the rate of unemployment is 7 percent or more and the average hourly wage that will be paid by the business to its new employees in this State is less than 85 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, the Office shall not:

(1) Approve an abatement of the taxes imposed pursuant to chapter 361 of NRS which exceeds 25 percent of the taxes on personal property payable by the business each year.

(2) Approve an abatement of the taxes imposed pursuant to chapter 363B of NRS which exceeds 25 percent of the amount of tax otherwise due pursuant to NRS 363B.110.

(b) If the new or expanded business is located in a county in which the rate of unemployment is less than 7 percent and the average hourly wage that will be paid by the business to its new employees in this State is 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, the Office shall not:

(1) Approve an abatement of the taxes imposed pursuant to chapter 361 of NRS which exceeds 25 percent of the taxes on personal property payable by the business each year.

(2) Approve an abatement of the taxes imposed pursuant to chapter 363B of NRS which exceeds 25 percent of the amount of tax otherwise due pursuant to NRS 363B.110.

7. If the Office of Economic Development approves an application for a partial abatement pursuant to this section, the

Office shall immediately forward a certificate of eligibility for the 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 county treasurer.

8. 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.

9. If an applicant for a partial abatement pursuant to this section fails to execute the agreement described in paragraph (b) of subsection 2 within 1 year after the date on which the application was received by the Office, the applicant shall not be approved for a partial abatement pursuant to this section unless the applicant submits a new application.

10. If a business whose partial abatement has been approved pursuant to this section and 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 (b) 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 county treasurer, the amount of the partial abatement that was allowed pursuant to this section before the failure of the business to comply unless the Nevada Tax Commission determines that the business has substantially complied with the requirements of this section. Except as otherwise provided in NRS 360.232 and 360.320, the business shall, in addition to the amount of the partial abatement required to be paid pursuant to this subsection, pay interest on the amount due at the rate most recently established pursuant to NRS 99.040 for each month, or portion thereof, from the last day of the month following the period for which the payment would have been made had the partial abatement not been approved until the date of payment of the tax.

11. A county treasurer:

(a) Shall deposit any money that he or she receives pursuant to subsection 10 in one or more of the funds established by a local government of the county pursuant to NRS 354.6113 or 354.6115; and

(b) May use the money deposited pursuant to paragraph (a) only for the purposes authorized by NRS 354.6113 and 354.6115.

12. The Office of Economic Development may adopt such regulations as the Office of Economic Development determines to be necessary to carry out the provisions of this section and NRS 360.755.

13. The Nevada Tax Commission:

(a) Shall adopt regulations regarding:

(1) The capital investment that a new business must make to meet the requirement set forth in paragraph (f) or (g) of subsection 2; and

(2) Any security that a business is required to post to qualify for a partial abatement pursuant to this section.

(b) May adopt such other regulations as the Nevada Tax Commission determines to be necessary to carry out the provisions of this section and NRS 360.755.

14. An applicant for a partial abatement pursuant to this section who is aggrieved by a final decision of the Office of Economic Development may petition for judicial review in the manner provided in chapter 233B of NRS.

15. For the purposes of this section, an employee is a "full-time employee" if he or she is in a permanent position of employment and works an average of 30 hours per week during the applicable period set forth in subsection 2.

Sec. 2. This act becomes effective on July 1, 2027.

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