

DIFFERENCE: TECHNICAL ADVISORY COMMITTEE FORECAST - APRIL 24, 2019 VERSUS NOVEMBER 28, 2018

FY 2019, FY 2020 and FY 2021

EF MAY 1, 2019 MEETING - 4/23/19 - 2:30 PM

G.L. NO.	FY 2018 ACTUAL	DIFFERENCE: TAC FORECAST - APRIL 24 VERSUS NOVEMBER 28		
		FY 2019	FY 2020	FY 2021
TAXES				
MINING TAX				
3064 Net Proceeds of Minerals [2-16][3-16]	\$63,522,196	-\$12,399,000	-\$8,470,000	-\$8,574,000
3241 Net Proceeds Penalty	\$0	\$0	\$0	\$0
3245 Centrally Assessed Penalties	\$1	\$17,200	\$0	\$0
TOTAL MINING TAXES AND FEES	<u>\$63,522,196</u>	<u>-\$12,381,800</u>	<u>-\$8,470,000</u>	<u>-\$8,574,000</u>
SALES AND USE				
3001 Sales & Use Tax [1-19]	\$1,142,799,766			
3002 State Share - LSST [4-16][1-19]	\$11,091,996			
3003 State Share - BCCRT [1-19]	\$4,996,610			
3004 State Share - SCCRT [1-19]	\$17,481,048			
3005 State Share - PTT [1-19]	\$12,857,082			
TOTAL SALES AND USE	<u>\$1,189,226,502</u>			
GAMING - STATE				
3041 Percent Fees - Gross Revenue: <u>Before Tax Credits</u>	\$757,790,502			
Tax Credit Programs:				
Film Transferrable Tax Credits [TC-1]	\$0			
Economic Development Transferrable Tax Credits [TC-2]	-\$73,831,822			
Catalyst Account Transferrable Tax Credits [TC-4]	-\$355,000			
Total - Tax Credit Programs	<u>-\$74,186,822</u>			
Percent Fees - Gross Revenue: <u>After Tax Credits</u>	\$683,603,680			
3032 Pari-mutuel Tax	\$3,200	\$0	\$0	\$0
3181 Racing Fees	\$8,723	\$0	\$0	\$0
3247 Racing Fines/Forfeitures	\$0	\$0	\$0	\$0
3042 Gaming Penalties	\$415,429	\$19,750,000	\$0	\$0
3043 Flat Fees-Restricted Slots	\$8,270,489	-\$31,000	-\$27,000	-\$36,000
3044 Non-Restricted Slots	\$10,496,064	\$0	-\$16,000	-\$40,000
3045 Quarterly Fees-Games	\$6,390,520	-\$47,000	-\$87,000	-\$76,000
3046 Advance License Fees	\$1,000,375	-\$296,000	\$300,000	-\$2,949,500
3048 Slot Machine Route Operator	\$32,000	\$500	\$0	\$0
3049 Gaming Info Systems Annual	\$36,000	\$0	\$0	\$0
3028 Interactive Gaming Fee - Operator	\$500,000	\$0	\$0	\$0
3029 Interactive Gaming Fee - Service Provider	\$56,000	-\$1,000	-\$1,000	-\$1,000
3030 Interactive Gaming Fee - Manufacturer	\$100,000	\$0	\$0	\$0
3033 Equip Mfg. License	\$291,520	\$9,500	\$6,000	\$6,000
3034 Race Wire License	\$4,439	-\$800	-\$900	-\$1,000
3035 Annual Fees on Games	\$119,782	-\$4,100	-\$800	-\$200
TOTAL GAMING - STATE: BEFORE TAX CREDITS	<u>\$785,515,041</u>	<u>\$19,380,100</u>	<u>\$173,300</u>	<u>-\$3,097,700</u>
Tax Credit Programs				
	<u>-\$74,186,822</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL GAMING - STATE: AFTER TAX CREDITS	<u>\$711,328,219</u>	<u>\$19,380,100</u>	<u>\$173,300</u>	<u>-\$3,097,700</u>
LIVE ENTERTAINMENT TAX (LET)				
3031G Live Entertainment Tax-Gaming [5-16]	\$100,863,918			
3031NG Live Entertainment Tax-Nongaming [5-16]	\$24,544,887			
TOTAL LET	<u>\$125,408,805</u>			
COMMERCE TAX				
3072 Commerce Tax [6-16]	\$201,926,513			
TRANSPORTATION CONNECTION EXCISE TAX				
3073 Transportation Connection Excise Tax [7-16]	\$21,773,229	-\$379,000	\$256,000	\$338,000
CIGARETTE TAX				
3052 Cigarette Tax [8-16]	\$160,664,759	\$1,785,000	\$2,313,000	\$2,671,000

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TAXES - CONTINUED				
INSURANCE TAXES				
3061	Insurance Premium Tax: <u>Before Tax Credits</u> [1-16]	\$417,497,362		
	Tax Credit Programs:			
	Film Transferrable Tax Credits [TC-1]	\$0		
	Economic Development Transferrable Tax Credits [TC-2]	\$0		
	Catalyst Account Transferrable Tax Credits [TC-4]	\$0		
	Nevada New Markets Job Act Tax Credits [TC-3]	-\$23,234,613		
	Total - Tax Credit Programs	-\$23,234,613		
	Insurance Premium Tax: <u>After Tax Credit Programs</u>	\$394,262,749		
3062	Insurance Retaliatory Tax	\$170,507	\$111,200	\$10,000
3067	Captive Insurer Premium Tax	\$1,267,234	\$110,000	\$145,000
	TOTAL INSURANCE TAXES: <u>BEFORE TAX CREDITS</u>	\$418,935,102	\$221,200	\$155,000
	TAX CREDIT PROGRAMS	-\$23,234,613	\$0	\$0
	TOTAL INSURANCE TAXES: <u>AFTER TAX CREDITS</u>	\$395,700,489	\$221,200	\$155,000
REAL PROPERTY TRANSFER TAX (RPTT)				
3055	Real Property Transfer Tax	\$103,390,400		
GOVERNMENTAL SERVICES TAX (GST)				
3051	Governmental Services Tax [14-16][2-18]	\$20,252,358	\$518,000	\$0
OTHER TAXES				
3113	Business License Fee [15-16]	\$109,297,773	\$585,000	\$727,000
3050	Liquor Tax	\$44,194,634	\$1,274,000	\$921,000
3053	Other Tobacco Tax	\$16,496,006	\$331,000	\$580,000
4862	HECC Transfer	\$5,000,000	\$0	\$0
3065	Business License Tax	\$0	\$0	\$0
3068	Branch Bank Excise Tax	\$2,745,343	\$28,000	-\$5,000
	TOTAL TAXES: <u>BEFORE TAX CREDITS</u>	\$3,923,984,113	\$11,361,500	-\$3,349,700
	TOTAL COMMERCE TAX CREDITS [13-16]	-\$57,816,568	\$0	\$0
	TOTAL TAXES: <u>AFTER COMMERCE TAX CREDITS</u>	\$3,866,167,545	\$11,361,500	-\$3,349,700
	Tax Credit Programs:			
	Film Transferrable Tax Credits [TC-1]	\$0	\$0	\$0
	Economic Development Transferrable Tax Credits [TC-2]	-\$73,831,822	\$0	\$0
	Catalyst Account Transferrable Tax Credits [TC-4]	-\$355,000	\$247,500	-\$247,500
	Nevada New Markets Job Act Tax Credits [TC-3]	-\$23,234,613	\$0	\$0
	Education Choice Scholarship Tax Credits [TC-5]	-\$15,975,154	\$0	-\$7,320,500
	College Savings Plan Tax Credits [TC-6]	\$0	\$74,000	\$25,000
	Total - Tax Credit Programs	-\$113,396,589	\$321,500	-\$7,543,000
	TOTAL TAXES: <u>AFTER TAX CREDITS</u>	\$3,752,770,956	\$11,683,000	-\$10,892,700

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LICENSES				
3101 Insurance Licenses	\$21,002,623	\$110,000	\$113,000	\$115,000
3120 Marriage License	\$342,192	-\$5,700	-\$1,300	\$3,600
SECRETARY OF STATE				
3105 UCC	\$1,942,182	\$195,000	\$94,000	\$94,000
3129 Notary Fees	\$556,389	-\$12,300	-\$12,300	-\$12,100
3130 Commercial Recordings [16-16]	\$77,057,113	-\$717,000	-\$1,058,000	-\$951,000
3131 Video Service Franchise	\$5,050	\$0	\$700	\$700
3121 Domestic Partnership Registry Fee	\$0	\$0	\$0	\$0
3152 Securities	<u>\$29,322,672</u>	<u>\$15,000</u>	<u>\$30,000</u>	<u>\$43,000</u>
TOTAL SECRETARY OF STATE	<u>\$108,883,405</u>	<u>-\$519,300</u>	<u>-\$945,600</u>	<u>-\$825,400</u>
3172 Private School Licenses	\$214,155	-\$1,000	-\$500	\$0
3173 Private Employment Agency	\$15,500	\$2,900	\$3,500	\$4,200
REAL ESTATE				
3161 Real Estate License [17-16]	\$2,469,797	\$5,000	-\$9,000	-\$11,000
3162 Real Estate Fees	<u>\$1,670</u>	<u>-\$800</u>	<u>-\$400</u>	<u>-\$300</u>
TOTAL REAL ESTATE	<u>\$2,471,467</u>	<u>\$4,200</u>	<u>-\$9,400</u>	<u>-\$11,300</u>
3102 Athletic Commission Fees [18-16]	\$6,016,432	\$423,000	\$200	\$200
TOTAL LICENSES	\$138,945,774	\$14,100	-\$840,100	-\$713,700
FEES AND FINES				
3203 Divorce Fees	\$164,198	\$24,200	\$10,700	\$7,700
3204 Civil Action Fees	\$1,249,463	\$6,000	\$12,000	\$17,000
3242 Insurance Fines	\$676,092	-\$158,200	-\$158,200	-\$158,200
3103MD Medical Plan Discount Reg. Fees	\$0	\$0	\$0	\$0
REAL ESTATE FEES				
3107IOS IOS Application Fees	\$7,780	-\$700	-\$400	-\$600
3165 Land Co Filing Fees [19-16]	\$24,575	-\$300	\$0	-\$100
3169 Real Estate Reg Fees	\$12,275	-\$1,500	-\$500	-\$800
4741 Real Estate Exam Fees	\$601,757	-\$16,100	\$28,900	\$62,300
3178 Real Estate Accred Fees	\$109,295	\$0	\$5,000	\$6,900
3254 Real Estate Penalties	\$102,131	-\$5,100	-\$2,500	-\$3,300
3190 A.B. 165, Real Estate Inspectors	<u>\$60,150</u>	<u>\$600</u>	<u>\$900</u>	<u>\$1,200</u>
TOTAL REAL ESTATE FEES	<u>\$917,963</u>	<u>-\$23,100</u>	<u>\$31,400</u>	<u>\$65,600</u>
3066 Short Term Car Lease	\$55,601,611	\$679,000	-\$113,000	-\$527,000
3103AC Athletic Commission Licenses/Fines	\$117,035	-\$7,100	-\$1,700	-\$1,700
3150 Navigable Water Permit Fees [3-18]	\$61,185	\$6,300	\$0	\$0
3205 State Engineer Sales [4-18]	\$3,860,659	\$34,000	-\$10,000	-\$11,000
3206 Supreme Court Fees	\$229,445	\$6,000	\$7,800	\$10,300
3115 Notice of Default Fee	\$806,743	-\$75,300	-\$51,000	-\$9,500
3271 Misc Fines/Forfeitures [5-18]	<u>\$2,764,378</u>	<u>\$500,000</u>	<u>\$200,000</u>	<u>\$200,000</u>
TOTAL FEES AND FINES	\$66,448,771	\$991,800	-\$72,000	-\$406,800

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USE OF MONEY AND PROP				
OTHER REPAYMENTS				
4403 Forestry Nurseries Fund Repayment (05-M27)	\$20,670	\$0	\$0	\$0
4408 Comp/Fac Repayment	\$23,744	\$0	\$0	\$0
4408 CIP 97-C26, Capitol Complex Conduit System, Phase I	\$62,542	\$0	\$0	\$0
4408 CIP 97-S4H, Advance Planning Addition to Computer Facility	\$9,107	\$0	\$0	\$0
4408 EITS Repayment - State Microwave Comms System [1-18]	\$57,900	\$0	\$0	\$0
4408 EITS Repayment - Cyber Security Resource Enhancement [2-19]	\$0	\$0	\$0	\$0
4408 EITS Repayment - Wide-Area Network Upgrade [3-19]	\$0	\$0	\$0	\$0
4409 Motor Pool Repay - LV	\$125,000	\$0	\$0	\$0
TOTAL OTHER REPAYMENTS	<u>\$298,963</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
INTEREST INCOME				
3290 Treasurer	\$9,146,057	\$3,598,000	-\$1,111,000	-\$1,292,000
3291 Other	<u>\$115,117</u>	<u>\$73,100</u>	<u>\$70,200</u>	<u>\$65,300</u>
TOTAL INTEREST INCOME	<u>\$9,261,175</u>	<u>\$3,671,100</u>	<u>-\$1,040,800</u>	<u>-\$1,226,700</u>
TOTAL USE OF MONEY & PROP	<u>\$9,560,138</u>	<u>\$3,671,100</u>	<u>-\$1,040,800</u>	<u>-\$1,226,700</u>
OTHER REVENUE				
3059 Hoover Dam Revenue	\$300,000	\$0	\$0	\$0
MISC SALES AND REFUNDS				
4794 GST Commissions and Penalties / DMV [10-12][11-14][20-16]		\$0	\$0	\$0
3047 Expired Slot Machine Wagering Vouchers	\$9,482,546	\$194,000	\$319,000	\$334,000
3107 Misc Fees [3-18]	\$497,111	-\$57,100	-\$42,100	-\$42,100
3109 Court Admin Assessments [21-16][6-18]	\$1,551,956	\$0	\$0	\$0
3114 Court Administrative Assessment Fee	\$2,095,971	-\$25,000	-\$34,000	-\$32,000
3168 Declare of Candidacy Filing Fee	\$35,075	\$16,300	\$10,000	\$20,000
3202 Fees & Writs of Garnishments	\$1,740	\$5,900	\$2,400	\$2,400
3220 Nevada Report Sales	\$4,895	-\$10,000	-\$3,000	-\$3,500
3222 Excess Property Sales	\$3,400	-\$2,200	-\$1,200	-\$1,200
3240 Sale of Trust Property	\$864	\$500	\$300	\$300
3243 Insurance - Misc	\$397,998	-\$42,300	-\$41,600	-\$40,400
3274 Misc Refunds	\$51,085	\$1,300	\$400	\$500
3276 Cost Recovery Plan [7-18]	<u>\$9,839,249</u>	<u>\$0</u>	<u>-\$182,000</u>	<u>\$0</u>
TOTAL MISC SALES & REF	<u>\$23,961,888</u>	<u>\$81,400</u>	<u>\$28,200</u>	<u>\$238,000</u>
3255 Unclaimed Property	<u>\$26,723,929</u>	<u>-\$3,544,000</u>	<u>\$7,000</u>	<u>\$65,000</u>
TOTAL OTHER REVENUE	<u>\$50,985,818</u>	<u>-\$3,462,600</u>	<u>\$35,200</u>	<u>\$303,000</u>
TOTAL GENERAL FUND REVENUE: BEFORE TAX CREDITS	<u>\$4,189,924,613</u>	<u>\$12,575,900</u>	<u>-\$5,267,400</u>	<u>-\$7,810,900</u>
TOTAL COMMERCE TAX CREDITS [13-16]	-\$57,816,568	\$0	\$0	\$0
TOTAL GENERAL FUND REVENUE: AFTER COMMERCE TAX CREDITS	<u>\$4,132,108,045</u>	<u>\$12,575,900</u>	<u>-\$5,267,400</u>	<u>-\$7,810,900</u>
TAX CREDIT PROGRAMS:				
FILM TRANSFERRABLE TAX CREDITS [TC-1]	\$0	\$0	\$0	\$0
ECONOMIC DEVELOPMENT TRANSFERRABLE TAX CREDITS [TC-2]	-\$73,831,822	\$0	\$0	\$0
CATALYST ACCOUNT TRANSFERRABLE TAX CREDITS [TC-4]	-\$355,000	\$247,500	-\$247,500	\$0
NEVADA NEW MARKET JOBS ACT TAX CREDITS [TC-3]	-\$23,234,613	\$0	\$0	\$0
EDUCATION CHOICE SCHOLARSHIP TAX CREDITS [TC-5]	-\$15,975,154	\$0	-\$7,320,500	-\$8,052,550
COLLEGE SAVINGS PLAN TAX CREDITS [TC-6]	<u>\$0</u>	<u>\$74,000</u>	<u>\$25,000</u>	<u>\$25,000</u>
TOTAL- TAX CREDIT PROGRAMS	<u>-\$113,396,589</u>	<u>\$321,500</u>	<u>-\$7,543,000</u>	<u>-\$8,027,550</u>
TOTAL GENERAL FUND REVENUE: AFTER TAX CREDITS	<u>\$4,018,711,456</u>	<u>\$12,897,400</u>	<u>-\$12,810,400</u>	<u>-\$15,838,450</u>

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NOTES:

FY 2016: Note 1 represents legislative actions approved during the 28th Special Session in September 2014.

[1-16] Assembly Bill 3 (28th S.S.) limits the amount of the home office credit that may be taken against the Insurance Premium Tax to an annual limit of \$5 million, effective January 1, 2016. The home office credit is eliminated pursuant to this bill, effective January 1, 2021.

FY 2016: Notes 2 through 21 represent legislative actions approved during the 2015 Legislative Session.

- [2-16] S.B. 483 extends the June 30, 2015, sunset (approved in S.B. 475 (2013)) by one year to June 30, 2016, on the Net Proceeds of Minerals (NPM) tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The one-year extension of the sunset is estimated to yield \$34,642,000 in FY 2016. There is no estimated tax payment in FY 2017 with the one-year extension of the prepayment of NPM taxes.
- [3-16] S.B. 483 extends the June 30, 2015, sunset (approved in S.B. 475 (2013)) by one-year to June 30, 2016, that eliminates health and industrial insurance deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) tax liability. These deduction changes are effective for the NPM tax payments due in FY 2016. The health and industrial insurance deduction changes are estimated to generate \$4,221,000 in additional revenue in FY 2016.
- [4-16] S.B. 483 makes the 0.35% increase in the Local School Support Tax (LSST) permanent. The 0.35% increase generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county, which is estimated to generate \$1,387,300 in FY 2016 and \$1,463,400 in FY 2017.
- [5-16] S.B. 266 makes changes to the structure of the tax base and tax rate for the Live Entertainment Tax (LET) in NRS Chapter 368A that is administered by the Gaming Control Board for live entertainment at licensed gaming establishments and the Department of Taxation for live entertainment provided at non-gaming establishments. Under existing law, the tax rate is 10% of the admission charge and amounts paid for food, refreshments, and merchandise, if the live entertainment is provided at a facility with a maximum occupancy of less than 7,500 persons, and 5% of the admission charge only, if the live entertainment is provided at a facility with a maximum occupancy equal to or greater than 7,500 persons. S.B. 266 removes the occupancy threshold and establishes a single 9% tax rate on the admission charge to the facility only. The tax rate does not apply to amounts paid for food, refreshments, and merchandise unless that is the consideration required to enter the facility for the live entertainment. S.B. 266 adds the total amount of consideration paid for escorts and escort services to the LET tax base and makes these activities subject to the 9% tax rate. The bill provides that the exemption from the LET for certain nonprofit organizations applies depending on the number of tickets sold and the type of live entertainment being provided. S.B. 266 establishes an exemption for the following: 1.) the value of certain admissions provided on a complimentary basis; 2.) a charge for access to a table, seat, or lounge or for food, beverages, and merchandise that are in addition to the admission charge to the facility; and 3.) certain license and rental fees of luxury suites, boxes, or similar products at a facility with a maximum occupancy of more than 7,500 persons. The provisions of S.B. 266 also make other changes to the types of activities that are included or excluded from the tax base as live entertainment events subject to the 9% tax rate. The provisions of S.B. 266 are effective October 1, 2015. The amounts shown reflect the estimated net change from the provisions of S.B. 266 on the amount of the LET collected from the portion administered by the Gaming Control Board and the Department of Taxation separately and the combined impact. The changes to the LET are estimated to reduce LET-Gaming collections by \$19,165,000 in FY 2016 and by \$26,551,000 in FY 2017, but increase LET-Nongaming collections by \$15,483,000 in FY 2016 and \$25,313,000 in FY 2017. The combined net effect on total LET collections is estimated to be reduction of \$3,682,000 in FY 2016 and \$1,238,000 in FY 2017.
- [6-16] S.B. 483 establishes the Commerce Tax as an annual tax on each business entity engaged in business in the state whose Nevada gross revenue in a fiscal year exceeds \$4,000,000 at a tax rate based on the industry in which the business is primarily engaged. The Commerce Tax is due on or before the 45th day immediately following the fiscal year taxable period (June 30th). Although the Commerce Tax collections are received after the June 30th end of the fiscal year tax period, the proceeds from the Commerce Tax will be accrued back and accounted for in that fiscal year, since that fiscal year is not officially closed until the third Friday in September. The Commerce Tax provisions are effective July 1, 2015, for the purpose of taxing the Nevada gross revenue of a business, but the first tax payment will not be made until August 14, 2016, for the FY 2016 annual taxable business activity period.
- [7-16] A.B. 175 requires the collection of an excise tax by the Nevada Transportation Authority or the Taxicab Authority, as applicable, on the connection of a passenger to a driver affiliated with a transportation network company, a common motor carrier of passengers, or a taxicab equal to 3% of the fare charged to the passenger. The excise tax becomes effective on passage and approval (May 29, 2015) for transportation network companies and August 28, 2015, for common motor carrier and taxicab companies. The first \$5,000,000 in tax proceeds from each biennium are required to be deposited in the State Highway Fund and the estimate for FY 2016 reflects this requirement.
- [8-16] S.B. 483 increases the cigarette tax per pack of 20 by \$1.00 from 80 cents per pack (10 cents to Local Government Distribution Fund, 70 cents to State General Fund) to \$1.80 per pack (10 cents to Local Government Distribution Fund, \$1.70 to State General Fund), effective July 1, 2015. The \$1.00 per pack increase is estimated to generate \$96,872,000 in FY 2016 and \$95,391,000 in FY 2017.
- [9-16] S.B. 483 permanently changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) by exempting quarterly taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including \$50,000 per quarter and taxable wages exceeding \$50,000 per quarter are taxed at 1.475%. The taxable wages exemption threshold was \$85,000 per quarter for FY 2014 and FY 2015 with a 1.17% tax rate on quarterly taxable wages exceeding \$85,000, based on S.B. 475 (2013). These provisions in S.B. 475 were scheduled to sunset effective June 30, 2015, at which time the tax rate would have been 0.63% on all taxable wages per quarter. The provisions in S.B. 483 are effective July 1, 2015. The estimated net increase in MBT-NFI tax collections from the 1.475% tax rate on quarterly taxable wages exceeding \$50,000 compared to the Economic Forum May 1, 2015, forecast, based on the 0.63% tax rate on all quarterly taxable wages before accounting for the estimated impact of any other legislatively approved changes to the MBT-NFI is \$268,041,000 for FY 2016 and \$281,443,000 for FY 2017.
- [10-16] A.B. 389 deems the client company of an employee leasing company to be the employer of the employees it leases for the purposes of NRS Chapter 612 (unemployment compensation). Under these provisions, the wages of employees leased from employee leasing companies by client companies will no longer be reported on an aggregated basis under the employee leasing company. The wages of the employees will now be reported on a disaggregated basis under each client company. Instead of the \$50,000 quarterly exemption applying to the employee leasing company, it will now apply to each client company. These provisions are effective October 1, 2015. The wages paid to employees being reported on a disaggregated basis for each client company versus an aggregated basis for the employee leasing company is estimated to reduce MBT-NFI collections by \$2,758,000 in FY 2016 and \$3,861,000 in FY 2017.

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[11-16]	S.B. 483 requires businesses subject to the Net Proceeds of Minerals (NPM) tax in NRS Chapter 362 to pay a 2.0% tax on all quarterly taxable wages paid by the employer to the employees, which is identical to the Modified Business Tax (MBT) paid by financial institutions under NRS Chapter 363A. These provisions are effective July 1, 2015. This change is estimated to reduce MBT-NFI tax collections by \$10,884,000 in both FY 2016 and FY 2017. The mining companies paying the 2% tax rate on all taxable wages are estimated to generate \$17,353,000 in both FY 2016 and FY 2017 for the MBT-Mining. This change is estimated to yield a net increase in General Fund revenue of \$6,469,000 in both FY 2016 and FY 2017.			
[12-16]	S.B. 103 exempts from the definition of "financial institution" in NRS Chapter 363A any person who is primarily engaged in the sale, solicitation, or negotiation of insurance, which makes such a person subject to the Modified Business Tax on General Business (nonfinancial institutions) in NRS Chapter 363B at 1.475% on quarterly taxable wages exceeding \$50,000 and not the 2.0% tax on all quarterly taxable wages. These provisions are effective July 1, 2015. MBT-FI is estimated to be reduced by \$891,000 in FY 2016 and \$936,000 and the MBT-NFI is estimated to be increased by \$278,000 in FY 2016 and \$291,000 in FY 2017. The net decrease in General Fund revenue is estimated to be \$613,000 in FY 2016 and \$645,000 in FY 2017.			
[13-16]	S.B. 483 provides for a credit against a business's Modified Business Tax (MBT) due during the current fiscal year not to exceed 50% of the Commerce Tax paid by the business for the preceding fiscal year. The credit can be taken against any or all of the four quarterly MBT payments for the current fiscal year, but any amount of credit not used cannot be carried forward and used in succeeding fiscal years. The total estimated Commerce Tax credits against the MBT are estimated to be \$59,913,000 in FY 2017, but this estimated credit amount was not allocated separately to the MBT-NFI, MBT-FI, and MBT-Mining.			
[14-16]	S.B. 483 requires 100% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund in FY 2016. In FY 2017, 50% of the proceeds will be allocated to the State General Fund and 50% to the State Highway Fund. Under S.B. 483, 100% of the additional revenue generated from the GST 10% depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2018 and going forward permanently.			
[15-16]	S.B. 483 makes the \$100 increase in the Business License Fee (BLF) from \$100 to \$200 permanent for the initial and annual renewal, that was scheduled to sunset on June 30, 2015, (as approved in A.B. 475 (2013)) for all types of businesses, except for corporations. The initial and annual renewal fee for corporations, as specified in S.B. 483, is increased from \$200 to \$500 permanently. These provisions are effective July 1, 2015. The changes to the BLF are estimated to generate additional General Fund revenue of \$63,093,000 in FY 2016 and \$64,338,000 in FY 2017 in relation to the Economic Forum May 1, 2015, forecast with all business types paying a \$100 annual fee.			
[16-16]	S.B. 483 permanently increases the fee for filing the initial and annual list of directors and officers by \$25 that is required to be paid by each business entity organizing under the various chapters in Title 7 of the NRS, effective July 1, 2015. The \$25 increase in the initial and annual list filing fee is estimated to increase Commercial Recordings Fee revenue by \$2,751,000 in FY 2016 and \$2,807,000 in FY 2017.			
[17-16]	A.B. 475 changes the initial period from 24 to 12 months and the renewal period from 48 to 24 months for a license as a real estate broker, broker-salesperson, or salesperson and also changes the period for other licenses from 48 to 24 months, effective July 1, 2015. Existing licenses issued before July 1, 2015, do not need to be renewed until the expiration date required under statute prior to July 1, 2015. This change in the licensing period is estimated to reduce Real Estate License Fee revenue by \$1,693,400 in FY 2016 and \$1,404,200 in FY 2017.			
[18-16]	A.B. 476 increases the current 6% license fee on the gross receipts from admission charges to unarmed combat events, that is dedicated to the State General Fund, by 2% to 8% with 75% of the proceeds from the 8% fee deposited in the State General Fund and 25% retained by the Athletic Commission to fund the agency's operations. A.B. 476 repeals the two-tiered fee based on the revenues from the sale or lease of broadcast, television and motion picture rights that is dedicated to the State General Fund. A.B. 476 allows the promoter of an unarmed combat event a credit against the 8% license fee equal to the amount paid to the Athletic Commission or organization sanctioned by the Commission to administer a drug testing program for unarmed combatants. These provisions are effective June 9, 2015, based on the passage and approval effective date provisions of A.B. 476. These changes are estimated to reduce Athletic Commission Fee revenue by \$600,000 in both FY 2016 and FY 2017.			
[19-16]	A.B. 478 increases certain fees relating to application or renewals paid by developers for exemptions to any provisions administered by the Real Estate Division of the Department of Business and Industry, and requires that all fees collected for this purpose be kept by the Division, effective July 1, 2015. This requirement for the Division to keep these fees is estimated to reduce Real Estate Land Company filing fees by approximately \$152,600 in FY 2016 and \$153,300 in FY 2017.			
[20-16]	A.B. 491 (2013) required the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2015 only. A.B. 491 specified that the amount transferred shall not exceed \$20,813,716 from commissions and \$4,097,964 from penalties in FY 2015. A.B. 490 amended the commissions amount to \$23,724,000 and the penalties amount to \$5,037,000. This results in an estimated net increase in General Fund revenue of \$3,849,320 in FY 2015 from GST Commissions and Penalties.			
[21-16]	Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved projections and the authorized allocation for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059) for FY 2016 and FY 2017.			
FY 2018: Note 1 represents legislative actions approved during the 2015 Legislative Session.				
[1-18]	Section 51 of S.B. 514 allows the Division of Enterprise Information Technology Services of the Department of Administration to use revenues from intergovernmental transfers to the State General Fund for the repayment of special appropriations that were made to the Division for the replacement of the state's microwave communications system. The legislatively approved repayment from the Division to the State General Fund is \$57,900 per year between FY 2018 and FY 2021, with increased repayments between FY 2022 and FY 2028.			
FY 2018: Notes 2 through 5 represent legislative actions approved during the 2017 Legislative Session.				
[2-18]	A.B. 486 requires 25% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund in FY 2018 and FY 2019, with the remaining 75% deposited in the State Highway Fund. Under A.B. 486, 100% of the additional revenue generated from the GST 10% depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2020 and going forward permanently. Estimated to generate \$19,367,000 in FY 2018 and \$19,573,500 in FY 2019.			

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FY 2019, FY 2020 and FY 2021**

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		FY 2019	FY 2020	FY 2021
[3-18]	S.B. 512 removes fees for the issuance of certain permits relating to the usage of piers, docks, buoys, or other facilities on navigable bodies of water in this state from NRS 322.120, and instead requires that the State Land Registrar of the Division of State Lands of the Department of Conservation and Natural Resources establish these fees by regulation, effective July 1, 2017. The bill requires that the first \$65,000 of the proceeds from these permit fees be deposited in the State General Fund in each fiscal year, with any proceeds in excess of \$65,000 to be used by the State Land Registrar to carry out programs to preserve, protect, restore, and enhance the natural environment of the Lake Tahoe Basin.			
[4-18]	S.B. 514 requires that certain fees collected by the State Engineer of the Division of Water Resources of the Department of Conservation and Natural Resources relating to services for the adjudication and appropriation of water be deposited in the State General Fund. Estimated to generate \$3,467,000 per year in FY 2018 and FY 2019.			
[5-18]	S.B. 515 requires that certain penalties received by the Securities Division of the Secretary of State's Office be deposited in the State General Fund, instead of the Secretary of State's Office's operating budget, effective July 1, 2017. Estimated to generate \$117,256 per fiscal year in FY 2018 and FY 2019.			
[6-18]	Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved projections and the authorized allocation for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059) for FY 2018 and FY 2019. Estimated to generate \$1,328,228 in FY 2018 and \$1,080,780 in FY 2019.			
[7-18]	Adjustment to the Statewide Cost Allocation amount included in the Legislature Approves budget after the May 1, 2017, approval of the General Fund revenue forecast by the Economic Forum.			
FY 2019: Notes 1 through 3 represent legislative actions approved during the 2017 Legislative Session.				
[1-19]	Senate Bill 415 (2017) required the submission of a question on the November 2018 General Election ballot seeking approval to amend the Sales and Use Tax Act of 1955 to provide an exemption from the State 2% sales and use tax for certain feminine hygiene products. This ballot question was approved by the voters and, therefore, the sales tax exemption for these products will be effective January 1, 2019, until December 31, 2028.			
	S.B. 415 also provides that if the ballot question is approved by the voters, identical exemptions for these products from the Local School Support Tax and other state and local taxes would become effective January 1, 2019, and would also expire on December 31, 2028. These exemptions will reduce the amount of the commission that is kept by the Department of Taxation and deposited in the State General Fund for collection of these taxes.			
[2-19]	Section 39 of A.B. 518 provides General Fund appropriations of \$497,625 in FY 2018 and \$306,690 in FY 2019 to the Division of Enterprise Information Technology Services of the Department of Administration to enhance the state's cyber security resources. The legislatively approved repayment of these appropriations is 25 percent of the amounts appropriated per year, beginning in FY 2019 (for the FY 2018 appropriation) and in FY 2020 (for the FY 2019 appropriation).			
[3-19]	Section 40 of A.B. 518 provides a General Fund loan of \$1,998,895 in FY 2018 to the Division of Enterprise Information Technology Services of the Department of Administration to increase the bandwidth and connectivity of the State's wide area network. The legislatively approved repayment of this loan is 25 percent of the amount appropriated per year, beginning in FY 2019.			
TAX CREDIT PROGRAMS APPROVED BY THE LEGISLATURE				
[TC-1]	Pursuant to S.B. 165 (2013), the Governor's Office of Economic Development (GOED) could issue up to \$20 million per fiscal year for a total of \$80 million for the four-year pilot program in transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax. The provisions of the film tax credit program were amended in S.B. 1 (28th Special Session (2014)) to reduce the total amount of the tax credits that may be approved by GOED to a total of \$10 million. The amounts shown reflect estimates based on information provided by GOED during the 2017 Session on the amount of tax credits that have been or will be approved for use in FY 2017 and FY 2018.			
	Pursuant to A.B. 492 (2017), a total of \$10 million per year in film tax credits may be awarded by GOED beginning in FY 2018, in addition to any remaining amounts from S.B. 1 of the 28th Special Session (2014). Any portion of the \$10 million per fiscal year that is not approved by GOED may be carried forward and made available during the next or any future fiscal year.			
[TC-2]	Pursuant to S.B. 1 (28th Special Session (2014)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to \$12,500 for each qualified employee employed by the participants in the project, to a maximum of 6,000 employees, plus 5 percent of the first \$1 billion of new capital investment in the State made collectively by the participants in the qualifying project, plus an additional 2.8 percent of the next \$2.5 billion in new capital investment in the State made collectively by the participants in the project. The amount of credits approved by GOED may not exceed \$45 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$195 million. The forecast is \$36,475,946 for FY 2017, \$31,087,500 for FY 2018, and \$44,600,000 for FY 2019 based on information provided by GOED to the Economic Forum for consideration at their May 1, 2017, meeting.			
	Pursuant to S.B. 1 (29th Special Session (2015)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to \$9,500 for each qualified employee employed by the participants in the project, to a maximum of 4,000 employees. The amount of credits approved by GOED may not exceed \$7.6 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of \$38 million. The forecast for tax credits attributable to the Faraday Project are \$0 for FY 2018 and FY 2019 based on information provided by GOED to the Economic Forum for consideration at their May 1, 2017, meeting.			

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		FY 2019	FY 2020	FY 2021
[TC-3]	<p>Pursuant to S.B. 357 (2013), the Nevada New Markets Jobs Act allows insurance companies to receive a credit against the tax imposed on insurance premiums in exchange for making qualified equity investments in community development entities, particularly those that are local and minority-owned. A total of \$200 million in qualified equity investments may be certified by the Department of Business and Industry. In exchange for making the qualified equity investment, insurance companies are entitled to receive a credit against the Insurance Premium Tax in an amount equal to 58 percent of the total qualified equity investment that is certified by the Department. The credits may be taken in increments beginning on the second anniversary date of the original investment, as follows:</p> <p>2 years after the investment is made: 12 percent of the qualified investment 3 years after the investment is made: 12 percent of the qualified investment 4 years after the investment is made: 12 percent of the qualified investment 5 years after the investment is made: 11 percent of the qualified investment 6 years after the investment is made: 11 percent of the qualified investment</p> <p>Under the provisions of S.B. 357, the insurance companies were allowed to begin taking tax credits in the third quarter of FY 2015. The amounts shown reflect estimates of the amount of tax credits that will be taken in each fiscal year based on information provided by the Department of Business and Industry and the Department of Taxation during the 2015 Session.</p>			
[TC-4]	<p>S.B. 507 (2015) authorizes the Governor's Office of Economic Development (GOED) to approve transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax to new or expanding businesses to promote the economic development of Nevada. As approved in S.B. 507, the total amount of transferrable tax credits that may be issued is \$500,000 in FY 2016, \$2,000,000 in FY 2017, and \$5,000,000 for FY 2018 and each fiscal year thereafter. The amounts shown are the estimate based on the maximum amount that can be issued in each fiscal year.</p> <p>A.B. 1 of the 29th Special Session (2015) reduced the total amount of transferrable tax credits that may be issued by GOED to zero in FY 2016, \$1 million in FY 2017, \$2 million per year in FY 2018 and FY 2019, and \$3 million in FY 2020. For FY 2021 and future fiscal years, the amount of credits that may be issued by GOED remains at \$5 million per year.</p>			
[TC-5]	<p>A.B. 165 (2015) allows taxpayers who make donations of money to certain scholarship organizations to receive a dollar-for-dollar credit against the taxpayer's liability for the Modified Business Tax (MBT). The total amount of credits that may be approved by the Department of Taxation (Department) is \$5 million in FY 2016, \$5.5 million in FY 2017, and 110 percent of the total amount of credits authorized in the previous year, for all subsequent fiscal years. The amounts shown reflect the estimate based on the assumption that the total amount authorized for each fiscal year will be donated to a qualified scholarship organization and taken as credits against the MBT.</p> <p>S.B. 555 (2017) authorized an additional \$20 million in credits against the MBT under this program in Fiscal Year 2018 beyond those that were authorized in FY 2018 based on the provisions of A.B. 165 (2015). Any amount of the \$20 million in credits that is not approved by the Department may be issued in future fiscal years.</p>			
[TC-6]	<p>S.B. 412 (2015) provides a tax credit against the Modified Business Tax (MBT) to certain employers who match the contribution of an employee to one of the college savings plans offered through the Nevada Higher Education Prepaid Tuition Program and the Nevada College Savings Program authorized under existing law. The amount of the tax credit is equal to 25 percent of the matching contribution, not to exceed \$500 per contributing employee per year, and any unused credits may be carried forward for 5 years. The provisions relating to the Nevada College Savings Program are effective January 1, 2016, and the Higher Education Prepaid Tuition Program are effective July 1, 2016. The amounts shown are estimates based on information provided by the Treasurer's Office on enrollment and contributions for the college savings plans.</p>			