

TRANSFERABLE TAX CREDITS FOR FILM AND OTHER PRODUCTIONS REGULATIONS

Section 1. Chapter 360 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.

(Added to NAC by Office of Economic Dev. by R062-22, eff. 3-2-2023)

Sec. 2. “Certificate of transferable tax credits” means a certificate of transferable tax credits issued by the Office pursuant to [NRS 360.759](#) and [NAC 360.845](#).

(Added to NAC by Office of Economic Dev. by R062-22, eff. 3-2-2023)

Sec. 3. 1. If any tangible personal property is acquired by a production company as an asset, the provisions of this section apply to the calculation of the costs of the tangible personal property that constitute a qualified direct production expenditure.

2. If the tangible personal property is destroyed as part of the qualified production, the cost of the tangible personal property that constitutes a qualified direct production expenditure is the purchase price of the tangible personal property. The production company must submit to the Office satisfactory proof of the purchase price and that the tangible personal property is destroyed as part of the qualified production.

3. If, after production of the qualified production, the production company donates the tangible personal property or otherwise gives away the tangible personal property, the cost of the tangible personal property that constitutes a qualified direct production expenditure is:

(a) If the purchase price of the tangible personal property is \$10,000 or more, 50 percent of the purchase price.

(b) If the purchase price of the tangible personal property is less than \$10,000, the purchase price.

↪ The production company must submit to the Office satisfactory proof of the purchase price and that the production company donates or otherwise gives away the tangible personal property.

4. If, after production of the qualified production, the production company sells the tangible personal property, the cost of the tangible personal property that constitutes a qualified direct production expenditure is:

(a) If the purchase price of the tangible personal property is \$10,000 or more, the lesser of 50 percent of the purchase price or the purchase price less the amount for which the production company sold the tangible personal property.

(b) If the purchase price of the tangible personal property is less than \$10,000, the purchase price less the amount for which the production company sold the tangible personal property.

↪ The production company must submit to the Office satisfactory proof of the purchase price and the amount for which the production company sold the tangible personal property.

5. If, after production of the qualified production, the production company keeps the tangible personal property, the cost of the tangible personal property that constitutes a qualified direct production expenditure is:

(a) If the purchase price of the tangible personal property is \$10,000 or more, 50 percent of the purchase price.

(b) If the purchase price of the tangible personal property is less than \$10,000, the purchase price.

↪ The production company must submit to the Office satisfactory proof of the purchase price.

(Added to NAC by Office of Economic Dev. by R062-22, eff. 3-2-2023)

NAC 360.800 Definitions. ([NRS 360.759](#)) As used in [NAC 360.800](#) to [360.865](#), inclusive, unless the context otherwise requires, the words and terms defined in [NRS 360.7581](#) to [360.7586](#), inclusive, and [NAC 360.805](#) to [360.820](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NAC by Office of Economic Dev. by R120-13, eff. 12-23-2013)

NAC 360.805 “Certificate of eligibility” defined. ([NRS 360.759](#)) “Certificate of eligibility” means a certificate of eligibility for transferable tax credits.

(Added to NAC by Office of Economic Dev. by R120-13, eff. 12-23-2013)

NAC 360.810 “Executive Director” defined. ([NRS 360.759](#)) “Executive Director” means the Executive Director of the Office.

(Added to NAC by Office of Economic Dev. by R120-13, eff. 12-23-2013)

NAC 360.815 “Office” defined. ([NRS 360.759](#)) “Office” means the Office of Economic Development.

(Added to NAC by Office of Economic Dev. by R120-13, eff. 12-23-2013)

NAC 360.820 “Transferable tax credits” defined. ([NRS 360.759](#)) “Transferable tax credits” means transferable tax credits issued by the Office pursuant to [NRS 360.759](#).

(Added to NAC by Office of Economic Dev. by R120-13, eff. 12-23-2013)

NAC 360.825 “Other visible media productions” interpreted. ([NRS 360.759](#)) For the purposes of determining whether a production is a qualified production pursuant to [NRS 360.7586](#), the Office interprets the term “other visual media productions,” as used in paragraph (m) of subsection 1 of [NRS 360.7586](#), to mean video games, mobile applications and other visual media productions determined to be visual media productions by the Office.

(Added to NAC by Office of Economic Dev. by R120-13, eff. 12-23-2013)

NAC 360.830 Certificate of eligibility: Application; priorities for approval; reasons for denial. ([NRS 360.759](#))

1. Transferable tax credits may not be applied to any of the fees and taxes specified in [NRS 360.759](#) unless the Office has issued a certificate of eligibility.

2. To obtain a certificate of eligibility, a production company must:

(a) Submit to the Office, before the start of principal photography or principal development of the qualified production, whichever is applicable, an application for a certificate of eligibility. The application must be on a form prescribed by the Office and, in addition to the information required by [NRS 360.759](#), contain the following information:

(1) The name of the qualified production;

(2) A description of the qualified production;

(3) A summary budget for the entire qualified production, including, without limitation, separate in-state and out-of-state subtotals for:

(I) Wages and salaries, including fringe benefits, for above-the-line personnel;

(II) Wages and salaries, including fringe benefits, for below-the-line personnel;

(III) Qualified expenditures and costs, as determined in accordance with [NRS 360.7591](#) and [NAC 360.855](#) and [360.860](#) and section 3 of this regulation; and

(IV) Unless otherwise included in the information provided pursuant to subparagraphs (I), (II) and (III), the maximum compensation payable to any employee or independent contractor paid a wage, salary or fee as compensation for providing labor or services on the production of the qualified production and included as a basis for calculating the amount of transferable tax credit pursuant to [NRS 360.7591](#) to [360.7594](#), inclusive, and [NAC 360.855](#) and [360.860](#);

(4) A job summary for the qualified production, including, without limitation:

(I) An estimate of the number of jobs that will be created in this State by the qualified production;

(II) The total anticipated terms of employment for the estimated number of jobs that will be created in this State by the qualified production;

(III) The total anticipated wages to be paid for the estimated number of jobs that will be created in this State by the qualified production; and

(IV) The total anticipated fringe benefits to be provided for the estimated number of jobs that will be created in this State by the qualified production;

(5) The capital investment in this State proposed to be made in connection with the qualified production, if applicable;

(6) The anticipated location of real property and equipment and other tangible personal property in this State, if applicable;

(7) An acknowledgment of audit procedures on a form prescribed by the Office;

(8) An acknowledgment of the requirements of paragraph (g) of subsection 3 of [NRS 360.759](#); and

(9) Any other information required by the application form prescribed by the Office.

(b) Provide with the application for a certificate of eligibility proof satisfactory to the Office that:

(1) The qualified production is in the economic interest of this State, as determined pursuant to subsection 5 of [NAC 360.835](#);

(2) Seventy percent or more of the funding for the qualified production has been obtained in a manner approved by the Office, or that the production company has a corporate credit rating of “lower medium grade” or higher from a credit rating agency found suitable by the Office; and

(3) At least 60 percent of the total qualified expenditures and production costs for the production, including:

(I) Preproduction;

(II) Production; and

(III) If any direct production expenditures for postproduction will be incurred in this State, postproduction,

➤ will be incurred in this State.

3. In considering applications for certificates of eligibility, the Office will give priority to qualified productions that will:

(a) Be in the economic interest of this State, as determined pursuant to subsection 5 of [NAC 360.835](#).

(b) Promote tourism in this State.

4. The Office will deny an application for a certificate of eligibility if:

(a) The applicant does not commence principal photography or principal development of the

qualified production, whichever is applicable, within 90 days after submitting the application to the Office, which period may not be extended by more than 90 days.

(b) Approval of the application would cause the total amount of transferable tax credits to exceed:

(1) The amount of transferable tax credits available for approval during the current fiscal year, as determined pursuant to [NRS 360.7594](#).

(2) The portion of the amount of transferable tax credits available for approval during the current fiscal year that has been apportioned by the Office to the current period of that fiscal year pursuant to [NAC 360.850](#).

(c) The qualified production is not eligible for transferable tax credits pursuant to this section and [NRS 360.759](#).

(d) The production contains material determined by the Office to be obscene or sexually explicit.

5. As used in this section:

(a) “Principal development” means the phase of a production that constitutes a qualified production pursuant to [NAC 360.825](#) in which sound, video, images, text or animation is integrated into a digital product.

(b) “Principal photography” means the phase of a film, television, video or other qualified production in which the production is filmed, videotaped or otherwise recorded using production equipment with actors on set or location.

(Added to NAC by Office of Economic Dev. by R120-13, eff. 12-23-2013; A by R062-22, 3-2-2023)

NAC 360.835 Certificate of eligibility: Duties of Office; hearing; order approving application; factors for determining whether qualified production is in economic interest of State. ([NRS 360.759](#))

1. Upon receipt of a completed application for a certificate of eligibility submitted pursuant to paragraph (a) of subsection 2 of [NAC 360.830](#) and the information required by paragraph (b) of subsection 2 of [NAC 360.830](#), the staff of the Office shall:

(a) Evaluate the application and supporting information; and

(b) Prepare a proposed order containing a recommendation of whether to grant or deny approval of the application and an estimate of the amount of transferable tax credits available to the applicant if a certificate of eligibility is issued.

2. A hearing on an application for a certificate of eligibility must be conducted by the Executive Director or his or her designee not later than 60 days after the Office receives the application. Not later than 10 days before the date of the hearing, the Office will provide notice of the date, time and location of the hearing to:

(a) The applicant;

(b) The Department; and

(c) The Nevada Gaming Control Board.

3. Not later than 30 days after the conclusion of the hearing on the application for a certificate of eligibility, the Executive Director or his or her designee will determine whether to approve the application for a certificate of eligibility. If, after the conclusion of the hearing, the Executive Director or his or her designee finds that the applicant meets the qualifications set forth in paragraph (b) of subsection 2 of [NAC 360.830](#), the Office may issue a final order approving the application for a certificate of eligibility and determining an estimate of the

amount of transferable tax credits available if a certificate of eligibility is issued. The Office will provide notice of its determination and, if the application is approved, a copy of the final order to the applicant, the Department and the Nevada Gaming Control Board.

4. If the Office approves an application for a certificate of eligibility, the Office will execute a memorandum of understanding with the production company producing the qualified production on a form prescribed by the Office and include a copy of the memorandum of understanding with the copy of the final order approving the application which is provided to the applicant, the Department and the Nevada Gaming Control Board pursuant to subsection 3.

5. For the purpose of determining whether a qualified production is in the economic interest of this State, the Executive Director shall consider:

- (a) The economic factors set forth in subsection 2 of [NRS 231.053](#);
- (b) The number of high-quality jobs created for residents of this State, and the duration of those jobs, as a result of the qualified production;
- (c) The quality of the capital investment in this State as a result of the qualified production; and
- (d) Any other factors deemed relevant by the Executive Director.

(Added to NAC by Office of Economic Dev. by R120-13, eff. 12-23-2013; A by R062-22, 3-2-2023)

NAC 360.840 Certificate of eligibility: Executive Director may request additional records; certification of audit. ([NRS 360.759](#))

1. The Executive Director may request that a production company that produces a qualified production for which a certificate of eligibility has been issued furnish him or her with copies of any records necessary to verify that the production company is eligible for a certificate of transferable tax credits, including, without limitation, information concerning the progress of the qualified production. The Office may deny the issuance of a certificate of transferable tax credits if the production company fails to provide any records in compliance with this subsection.

2. Not later than 270 days after completion of a qualified production, unless the Office agrees to extend this period by not more than 90 days, a production company that produces a qualified production for which a certificate of eligibility has been issued shall submit to the Office:

- (a) An audit of the qualified production, in a form approved by the Office, which:
 - (1) Includes, without limitation, an itemized report of qualified expenditures and production costs;
 - (2) Shows that the qualified production incurred qualified expenditures and production costs in this State of \$500,000 or more;
 - (3) Includes a declaration of residency on a form prescribed by the Office for any above-the-line personnel and below-the-line personnel whom the production company claims to be a Nevada resident; and
 - (4) Is certified by an independent certified public accountant in this State who is approved by the Office; and
- (b) Any financial data, accountings and other information required by the Office or the Department for the purpose of determining whether the applicant satisfies the requirements for a certificate of transferable tax credits which are set forth in [NRS 360.759](#) and [NAC 360.830](#), including, without limitation, a final job summary for the qualified production that sets forth, without limitation:

- (1) The total number of jobs created in this State by the qualified production;
- (2) The total wages paid for the number of jobs created in this State by the qualified production;
- (3) The total fringe benefits provided for the jobs created in this State by the qualified production; and
- (4) The total hours of work performed in this State by:
 - (I) Above-the-line personnel who are Nevada residents;
 - (II) Below-the-line personnel who are Nevada residents;
 - (III) Extras who are Nevada residents;
 - (IV) Above-the-line personnel who are not Nevada residents;
 - (V) Below-the-line personnel who are not Nevada residents; and
 - (VI) Extras who are not Nevada residents.

3. If the Office determines that any information submitted pursuant to this section is incomplete, the Office will notify the production company of its determination and, not later than 30 days after receiving the notice, the production company must provide to the Office any additional information required by the Office. The Office may deny certification of the audit if:

- (a) The production company fails to provide any financial data, accountings or other information in compliance with this subsection; or
- (b) Production of the qualified production is not completed within 18 months after the date of the commencement of principal photography or principal development of the qualified production, whichever is applicable.

(Added to NAC by Office of Economic Dev. by R120-13, eff. 12-23-2013; A by R062-22, 3-2-2023)

NAC 360.845 Issuance of transferable tax credits; notice of transfer. ([NRS 360.759](#))

1. Within 60 business days after receipt of the audit of the qualified production required by paragraph (a) of subsection 2 of [NAC 360.840](#) and any other financial data, accountings or other information required by the Office pursuant to paragraph (b) of subsection 2 of [NAC 360.840](#), the Office will determine whether to certify the audit and will make a final determination of whether to issue a certificate of transferable tax credits. If the Office determines that it will certify the audit, the Office will notify the production company that produced the qualified production of the certification of the audit and the Office's intent to issue transferable tax credits.

2. Not later than 30 days after receipt of notice of the Office's intent to issue transferable tax credits, the production company that produced the qualified production must submit to the Office an irrevocable declaration of the amount of transferable tax credits that will be applied to each tax or fee set forth in subsection 1 of [NRS 360.759](#).

3. Upon receipt of the declaration required by subsection 2, the Office will issue a certificate of transferable tax credits in the amount approved by the Office for the fees and taxes set forth in the declaration. The Office will notify the Department and the Nevada Gaming Control Board of all transferable tax credits issued by the Office, as set forth in subsection 6 of [NRS 360.759](#).

4. Before transferring tax credits for which a certificate of transferable tax credits has been issued, the production company that produced the qualified production, or any subsequent purchaser of the transferable tax credits, must provide to the Office written notice of the proposed transfer on a form prescribed by the Office. The notice must include, without limitation:

- (a) Contact information for the current holder of the transferable tax credits represented by

the certificate of transferable tax credits and the person to whom the transferable tax credits will be transferred;

(b) The current state of residence of the current holder of the transferable tax credits represented by the certificate of transferable tax credits and the person to whom the transferable tax credits will be transferred;

(c) Whether the transfer is occurring through a broker and, if so, the name of the broker and any fees paid in connection with the transfer;

(d) The dollar amount of the transferable tax credits to be transferred;

(e) The amount of compensation received by the seller of the transferable tax credits from the purchaser of the transferable tax credits; and

(f) The proposed date of the transfer.

(Added to NAC by Office of Economic Dev. by R120-13, eff. 12-23-2013; A by R062-22, 3-2-2023)

NAC 360.847 Issuance, transfer and application of transferable tax credits: Required notices to Department. ([NRS 360.759](#))

1. If the Office certifies the audit provided by a production company pursuant to paragraph (a) of subsection 2 of [NAC 360.840](#) and determines that all other requirements for transferable tax credits have been met, at the same time that the Office notifies the production company that transferable tax credits will be issued, the Office shall notify the Department that the transferable tax credits will be issued. The notice must provide the name of the production company and the amount of transferable tax credits that will be issued.

2. Upon receipt of the irrevocable declaration filed by a production company pursuant to subsection 6 of [NRS 360.759](#) to declare the amount of transferable tax credits that will be applied to each tax or fee set forth in subsection 1 of [NRS 360.759](#), the Office shall forward to the Department a copy of the certificate of transferable tax credits which:

(a) Identifies the amount of transferable tax credits to be applied to the taxes imposed by [chapters 363A](#), [363B](#) and [680B](#) of NRS, segregated by the amount of credit to be applied to each of those taxes; and

(b) Accounts for all of the credits which will be applied to those taxes.

3. Within 5 calendar days after receiving notice from a production company of the transfer of transferable tax credits pursuant to subsection 6 of [NRS 360.759](#), the Office shall notify the Department of all transferable tax credits transferred, segregated by each credit applied to the taxes imposed by [chapter 363A](#), [363B](#) or [680B](#) of NRS. The notification must include, without limitation:

(a) Contact information for the current holder of the transferable tax credits and each person to whom the transferable tax credits will be transferred;

(b) The current state of residence of the current holder of the transferable tax credits and each person to whom the transferable tax credits will be transferred;

(c) The dollar amount of the transfer; and

(d) The proposed date of the transfer.

4. A holder of the transferable tax credits, other than the production company, who intends to transfer any credit applied to the taxes imposed by [chapter 363A](#), [363B](#) or [680B](#) of NRS must notify the Department of all such credits to be transferred, segregated by each credit applicable to the taxes set forth in [chapters 363A](#), [363B](#) and [680B](#) of NRS. The notification must include, without limitation:

- (a) Contact information for the current holder of the transferable tax credits and each person to whom the transferable tax credits will be transferred;
- (b) The current state of residence of the current holder of the transferable tax credits and each person to whom the transferable tax credits will be transferred;
- (c) The dollar amount of the transfer; and
- (d) The proposed date of the transfer.

5. A holder of transferable tax credits who is applying such a credit to an amount of taxes due pursuant to [chapter 363A](#), [363B](#) or [680B](#) of NRS shall include with the applicable return a form provided by the Department that indicates the amount of credit applied to the taxes due for that return.

6. A return in which any transferable tax credits are applied to a tax due pursuant to [chapter 363A](#), [363B](#) or [680B](#) of NRS must be mailed to the Department at the following address:

Film Tax Credit Return Processing
Nevada Department of Taxation
1550 College Parkway, Suite 115
Carson City, NV 89706

7. The amount of credit claimed in a single tax return may not exceed the amount of tax due for that return.

(Added to NAC by Tax Comm'n by R120-13, eff. 10-24-2014; A by R062-22, 3-2-2023)

NAC 360.850 Apportionment of transferable tax credits. ([NRS 360.759](#)) The Office may apportion the amount of transferable tax credits available in a fiscal year, as determined pursuant to [NRS 360.7594](#), to periods within that fiscal year as the Office deems advisable.

(Added to NAC by Office of Economic Dev. by R120-13, eff. 12-23-2013)

NAC 360.855 Calculation of amount of transferable tax credits: Qualified expenditures and production costs eligible to serve as basis for calculation. ([NRS 360.759](#))

1. For the purpose of calculating the amount of transferable tax credits available to an eligible production company pursuant to [NRS 360.7591](#) to [360.7594](#), inclusive, except as otherwise provided in subsection 3, qualified expenditures and production costs that may serve as a basis for transferable tax credits must:

- (a) Be expenditures made during the qualified production period;
- (b) Be customary and reasonable;
- (c) Relate to a category of qualified expenditures and costs listed in subsection 2; and
- (d) Be:
 - (1) Purchases or rentals of tangible personal property or services from a Nevada business.
 - (2) The payroll for Nevada residents or other personnel who provided services in this State, as calculated pursuant to [NAC 360.860](#) and included in the calculation of the amount of transferable tax credits in accordance with [NRS 360.7591](#) to [360.7594](#), inclusive.
 - (3) Fees paid to a producer, as included in the calculation of the amount of transferable tax credits in accordance with subsection 3 of [NRS 360.7594](#).

2. Except as otherwise provided in this section and [NRS 360.7591](#), expenditures or costs may serve as a basis for calculating the amount of transferable tax credits issued pursuant to [NRS 360.759](#) only if the expenditure or cost relates to:

- (a) Set construction and operation.
- (b) Wardrobe and makeup.
- (c) Photography, sound and lighting.
- (d) Filming, film processing and film editing.
- (e) The rental or leasing of facilities, equipment and vehicles.
- (f) Food and lodging expenses that are incurred in this State, including, without limitation, per diems for food, lodging and incidental expenses.
- (g) Editing, sound mixing, special effects, visual effects and other postproduction services.
- (h) The design, construction, improvement or repair of property, infrastructure, equipment or a production or postproduction facility.
- (i) State and local government taxes to the extent not included as part of another cost or expenditure included in the calculation of the amount of transferable tax credits pursuant to this section and [NRS 360.7591](#) to [360.7594](#), inclusive.
- (j) Commercial airfare if the airfare is for travel to or from the State, purchased through a Nevada travel agency or Nevada travel agent and directly attributable to the qualified production.
- (k) Insurance coverage, if purchased through a Nevada insurance agency or broker.
- (l) The design and development of art assets for interactive entertainment, including, without limitation, concept art, background art, character models and sprites.
- (m) The programming of software related to interactive entertainment, including, without limitation, codebases, netcode, development and modification of source code, development and adaptation of game engine software and game development tools.
- (n) Quality assurance for interactive entertainment, including, without limitation, testing and tracking software bugs.
- (o) Motion capture for interactive entertainment, including, without limitation, costs for motion capture software, performers and participants and motion capture facilities and costs related to incorporating motion capture data into an interactive entertainment product.
- (p) Any other direct costs of producing a qualified production, including preproduction and postproduction, in accordance with generally accepted industry practice.

3. Expenditures and costs are not qualified direct production expenditures and must not be included in the calculation of the amount of transferable tax credits pursuant to this section and [NRS 360.7591](#) to [360.7594](#), inclusive, if:

- (a) Pursuant to [NRS 360.7591](#) to [360.7594](#), inclusive, and [NAC 360.800](#) to [360.865](#), inclusive, and sections 2 and 3 of this regulation, the expenditure or cost is not eligible to serve as a basis for transferable tax credits issued pursuant to [NRS 360.759](#);
- (b) Pursuant to paragraph (d) of subsection 2 of [NRS 360.7591](#), the Office determines that the expenditure or cost provides a pass-through benefit to a person who is not a Nevada resident;
- (c) The expenditure is made or the cost is incurred more than 90 days before the date that the application for a certificate of eligibility was submitted to the Office; or
- (d) The expenditure or cost is for any of the following:
 - (1) Airline fees, including, without limitation, baggage fees, change fees or any other airline fee determined by the Office to not be a qualified direct production expenditure;
 - (2) Box or kit rental fees paid to a person who is not Nevada resident;
 - (3) Any penalty associated with an infraction of the law, including, without limitation, parking tickets, speeding tickets or legal fees;
 - (4) Publicity; or
 - (5) Bank fees and expenses.

4. As used in this section:

(a) “Box or kit rental fee” means a payment made by a production company to a person employed to work on a qualified production for the approved and authorized use of reusable equipment that is owned by the person.

(b) “Nevada travel agency” means a Nevada business whose primary business function is to offer the service of booking travel.

(c) “Nevada travel agent” means a person who is a Nevada resident who is primarily in the business of offering the service of booking travel.

(d) “Qualified production period” means the period during which the preproduction, production and postproduction occurs on a qualified production, as set forth on the application for a certificate of eligibility.

(Added to NAC by Office of Economic Dev. by R120-13, eff. 12-23-2013; A by R062-22, 3-2-2023)

NAC 360.860 Calculation of amount of transferable tax credits: Expenditures for wages and salaries. ([NRS 360.759](#))

1. For the purpose of calculating the amount of transferable tax credits available to an eligible production company pursuant to [NRS 360.7591](#) to [360.7594](#), inclusive, expenditures for wages and salaries, including fringe benefits, paid to Nevada residents or other personnel who provided services in this State may be included in the calculation:

(a) Only if the expenditures are qualified expenditures and production costs that may serve as a basis for transferable tax credits in accordance with [NRS 360.7591](#) to [360.7594](#), inclusive, and [NAC 360.855](#) and section 3 of this regulation.

(b) Only if the amount, including wages and salaries, fringe benefits, per diems and other fees, does not exceed \$750,000.

2. For the purpose of calculating the allowable compensation payable to producers pursuant to subsection 3 of [NRS 360.7594](#), a producer includes, without limitation, an executive producer, associate producer or any other person who is determined by the Office to be a producer of the qualified production.

3. As used in this section, “fringe benefits” has the meaning ascribed to it in [NRS 360.7593](#) and includes, without limitation, payments by an employer for unemployment insurance, FICA, pension and welfare benefits and health insurance premiums. The term does not include any payroll handling fee charged by a payroll company unless the payroll company is a Nevada business.

(Added to NAC by Office of Economic Dev. by R120-13, eff. 12-23-2013; A by R062-22, 3-2-2023)

NAC 360.865 Reduction or withholding of credits under certain circumstances; repayment of amount of credits under certain circumstances; circumstances under which Office will not require forfeiture of credits purchased in good faith ([NRS 360.759](#))

1. In calculating the amount of transferable tax credits available to an eligible production company pursuant to [NRS 360.7591](#) to [360.7594](#), inclusive, the Office may:

(a) Reduce the cumulative amount of transferable tax credits that are calculated pursuant to [NRS 360.7591](#) to [360.7594](#), inclusive, and [NAC 360.855](#) and [360.860](#) and section 3 of this regulation by an amount equal to any damages incurred by the State or any political subdivision of this State as a result of a qualified production that is produced in this State.

(b) Withhold transferable tax credits, in whole or in part:

(1) Until any pending legal action in this State against a production company or involving a qualified production is resolved.

(2) If a production company is found to have violated any state or local law.

(3) If a production company is found to have submitted any false statement, representation or certification in any document submitted for the purpose of obtaining transferable tax credits.

2. If the Office finds that a production company is ineligible for transferable tax credits because the production company has submitted any false statement, representation or certification in any document submitted for the purpose of obtaining transferable tax credits or if the Office finds that a production company has otherwise become ineligible for transferable tax credits after receiving a certificate of eligibility, the Office will require the production company to repay to the Department or the Nevada Gaming Control Board, as applicable, any portion of the transferable tax credits to which the production company is not entitled.

3. The Office will not require a person who purchases transferable tax credits in good faith to forfeit the transferable tax credits unless the person submitted fraudulent information in connection with the purchase.

(Added to NAC by Office of Economic Dev. by R120-13, eff. 12-23-2013; A by R062-22, 3-2-2023)