

TRANSFERABLE TAX CREDITS FOR FILM AND OTHER PRODUCTIONS

NRS 360.758 Definitions. As used in [NRS 360.758](#) to [360.7598](#), inclusive, unless the context otherwise requires, the words and terms defined in [NRS 360.7581](#) to [360.7586](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NRS by [2013, 3090](#); A [2015, 1100, 1109](#))

NRS 360.7581 “Above-the-line personnel” defined.

1. “Above-the-line personnel” means an executive producer, co-executive producer, producer, director, writer, principal actor, any other person having creative or financial control over a qualified production or any other person associated with such a person. The term does not include below-the-line personnel.

2. As used in this section, “principal actor” means a member of the main cast of a qualified production.

(Added to NRS by [2013, 3090](#); A [2015, 1100, 1109](#))

NRS 360.7582 “Below-the-line personnel” defined. “Below-the-line personnel” means a person employed to work on a qualified production after production begins and before production is completed, including, without limitation, an extra, best boy, boom operator, camera loader, camera operator, assistant camera operator, compositor, dialogue editor, film editor, assistant film editor, focus puller, Foley operator, Foley editor, gaffer, grip, key grip, lighting crew, lighting board operator, lighting technician, music editor, sound editor, sound effects editor, sound mixer, steadicam operator, first assistant camera operator, second assistant camera operator, digital imaging technician, camera operator working with a director of photography, electric best boy, grip best boy, dolly grip, rigging grip, assistant key for makeup, assistant key for hair, assistant script supervisor, set construction foreperson, lead set dresser, assistant key for wardrobe, scenic foreperson, assistant propmaster, assistant audio mixer, assistant boom person, assistant key for special effects and other similar personnel. The term does not include above-the-line personnel.

(Added to NRS by [2013, 3090](#); A [2015, 1100, 1109](#))

NRS 360.7583 “Nevada business” defined. “Nevada business” means a proprietorship, corporation, partnership, company, association, trust, unincorporated organization or other enterprise that:

1. Has a physical location and at least one full-time equivalent employee in this State, as determined in accordance with [NRS 360.7589](#); and

2. Is registered to transact business in this State.

(Added to NRS by [2013, 3090](#); A [2015, 1100, 1109](#))

NRS 360.7584 “Nevada resident” defined. “Nevada resident” means a bona fide resident as that term is defined in [NRS 361.015](#).

(Added to NRS by [2013, 3090](#); A [2015, 1109](#))

NRS 360.7585 “Production company” defined. “Production company” means a business that finances, arranges to finance or supervises the production of a qualified production.

(Added to NRS by [2013, 3090](#); A [2015, 1100, 1109](#))

NRS 360.75855 “Qualified direct production expenditures” defined. “Qualified direct production expenditures” means expenditures for a qualified production that are identified in [NRS 360.7591](#) and may serve as a basis for transferable tax credits issued pursuant to [NRS 360.759](#).

(Added to NRS by [2015, 1099](#))

NRS 360.7586 “Qualified production” defined.

1. “Qualified production” includes preproduction, production and postproduction and means:

(a) A theatrical, direct-to-video or other media motion picture.

(b) A made-for-television motion picture.

(c) Visual effects or digital animation sequences.

(d) A television pilot program.

(e) A television, Internet or other media series, including, without limitation, a comedy, drama, miniseries, soap opera, talk show, game show or telenovela, or an episode of such a series.

(f) A reality show.

- (g) A national or regional commercial or series of commercials.
 - (h) An infomercial.
 - (i) A music video.
 - (j) A documentary film or series.
 - (k) Other visual media productions, including, without limitation, video games and mobile applications.
 - 2. The term does not include:
 - (a) A news, weather or current events program.
 - (b) A production that is primarily produced for industrial, corporate or institutional use.
 - (c) A telethon or any production that solicits money, other than a production which is produced for national distribution.
 - (d) A political advertisement.
 - (e) A sporting event, including, without limitation, a sportscast, preshow, postshow or sports newscast related to a sporting event. A qualified production described by subsection 1 shall not be deemed a sporting event for the purposes of this paragraph for the sole reason that it features athletes or relates to sports.
 - (f) A gala, pageant or awards show.
 - (g) Any other type of production that is excluded by regulations adopted by the Office of Economic Development pursuant to [NRS 360.759](#).
- (Added to NRS by [2013, 3090](#); A [2015, 1100, 1109](#); [2021, 279](#))

NRS 360.7589 Determination of whether employee is full-time equivalent employee. To determine whether an employee of an enterprise is a full-time equivalent employee for the purposes of [NRS 360.7583](#), the hours worked by all the part-time and seasonal employees of the enterprise in this State must be converted into full-time equivalent hours by dividing by 2,080 the total number of hours worked for the enterprise by those part-time and seasonal employees.

(Added to NRS by [2015, 1099](#))

NRS 360.759 Eligibility; application; taxes to which credit may be applied; powers and duties of Office of Economic Development, Nevada Tax Commission, Nevada Gaming Commission and production company; regulations.

1. A production company that produces a qualified production in this State in whole or in part may apply to the Office of Economic Development for a certificate of eligibility for transferable tax credits for any qualified direct production expenditures. The transferable tax credits may be applied to:

- (a) Any tax imposed by [chapters 363A](#) and [363B](#) of NRS;
- (b) The gaming license fees imposed by the provisions of [NRS 463.370](#);
- (c) Any tax imposed pursuant to [chapter 680B](#) of NRS; or
- (d) Any combination of the fees and taxes described in paragraphs (a), (b) and (c).

2. The Office may approve an application for a certificate of eligibility for transferable tax credits if the Office finds that the production company producing the qualified production qualifies for the transferable tax credits pursuant to subsection 3. If the Office approves the application, the Office shall calculate the estimated amount of the transferable tax credits pursuant to [NRS 360.7592](#), [360.7593](#) and [360.7594](#).

3. To be eligible for transferable tax credits pursuant to this section, a production company must:

- (a) Submit an application that meets the requirements of subsection 4;
- (b) Provide proof satisfactory to the Office that the qualified production is in the economic interest of the State;
- (c) Provide proof satisfactory to the Office that 70 percent or more of the funding for the qualified production has been obtained;

- (d) Provide proof satisfactory to the Office that at least 60 percent of the direct production expenditures for:

- (1) Preproduction;
- (2) Production; and

- (3) If any direct production expenditures for postproduction will be incurred in this State, postproduction, ➤ of the qualified production will be incurred in this State as qualified direct production expenditures;

- (e) Not later than 270 days after the completion of principal photography of the qualified production or, if any direct production expenditures for postproduction will be incurred in this State, not later than 270 days after the completion of postproduction, unless the Office agrees to extend this period by not more than 90 days, provide the Office with an audit of the qualified production that includes an itemized report of qualified direct production expenditures which:

(1) Shows that the qualified production incurred qualified direct production expenditures of \$500,000 or more; and

(2) Is certified by an independent certified public accountant in this State who is approved by the Office;

(f) Pay the cost of the audit required by paragraph (e);

(g) Enter into a written agreement with the Office that requires the production company to include:

(1) In the end screen credits of the qualified production, a logo of this State provided by the Office which indicates that the qualified production was filmed or otherwise produced in Nevada; or

(2) If the qualified production does not have end screen credits, another acknowledgement in the final version of the qualified production which indicates that the qualified production was filmed or otherwise produced in Nevada; and

(h) Meet any other requirements prescribed by regulation pursuant to this section.

4. An application submitted pursuant to subsection 3 must contain:

(a) A script, storyboard or synopsis of the qualified production;

(b) The names of the production company, producer, director and proposed cast;

(c) An estimated timeline to complete the qualified production;

(d) A summary of the budgeted expenditures for the entire production, including projected expenditures to be incurred outside of Nevada;

(e) Details regarding the financing of the project, including, without limitation, any information relating to a binding financing commitment, loan application, commitment letter or investment letter;

(f) An insurance certificate, binder or quote for general liability insurance of \$1,000,000 or more;

(g) The business address of the production company;

(h) Proof that the qualified production meets any applicable requirements relating to workers' compensation insurance;

(i) Proof that the production company has secured all licenses and registrations required to do business in each location in this State at which the qualified production will be produced; and

(j) Any other information required by regulations adopted by the Office pursuant to subsection 8.

5. If the Office approves an application for a certificate of eligibility for transferable tax credits pursuant to this section, the Office shall immediately forward a copy of the certificate of eligibility which identifies the estimated amount of the tax credits available pursuant to [NRS 360.7592](#) to:

(a) The applicant;

(b) The Department; and

(c) The Nevada Gaming Control Board.

6. Within 60 business days after receipt of an audit provided by a production company pursuant to paragraph (e) of subsection 3 and any other accountings or other information required by the Office, the Office shall determine whether to certify the audit and make a final determination of whether a certificate of transferable tax credits will be issued. If the Office certifies the audit, determines that all other requirements for the transferable tax credits have been met and determines that a certificate of transferable tax credits will be issued, the Office shall notify the production company that the transferable tax credits will be issued. Within 30 days after the receipt of the notice, the production company shall make an irrevocable declaration of the amount of transferable tax credits that will be applied to each fee or tax set forth in subsection 1, thereby accounting for all of the credits which will be issued. Upon receipt of the declaration, the Office shall issue to the production company a certificate of transferable tax credits in the amount approved by the Office for the fees or taxes included in the declaration of the production company. The production company shall notify the Office upon transferring any of the transferable tax credits. The Office shall notify the Department and the Nevada Gaming Control Board of all transferable tax credits issued, segregated by each fee or tax set forth in subsection 1, and the amount of any transferable tax credits transferred.

7. An applicant for transferable tax credits pursuant to this section shall, upon the request of the Executive Director of the Office, furnish the Executive Director with copies of all records necessary to verify that the applicant meets the requirements of subsection 3.

8. The Office:

(a) Shall adopt regulations prescribing:

(1) Any additional requirements to receive transferable tax credits;

(2) Any additional qualified expenditures or production costs that may serve as the basis for transferable tax credits pursuant to [NRS 360.7591](#);

(3) Any additional information that must be included with an application pursuant to subsection 4;

(4) The application review process;

(5) Any type of qualified production which, due to obscene or sexually explicit material, is not eligible for transferable tax credits; and

(6) The requirements for notice pursuant to [NRS 360.7595](#); and

(b) May adopt any other regulations that are necessary to carry out the provisions of [NRS 360.758](#) to [360.7598](#), inclusive.

9. The Nevada Tax Commission and the Nevada Gaming Commission:

(a) Shall adopt regulations prescribing the manner in which transferable tax credits will be administered.

(b) May adopt any other regulations that are necessary to carry out the provisions of [NRS 360.758](#) to [360.7598](#), inclusive.

(Added to NRS by [2013, 3091](#); A [2015, 1101, 1109](#); [2021, 280](#))

NRS 360.7591 Calculation of amount of credit: Expenditures and costs eligible to serve as basis for calculation; ineligible expenditures and costs; regulations.

1. Qualified direct production expenditures must be for purchases, rentals or leases of tangible personal property or services from a Nevada business during the period in which a qualified production is produced, must be customary and reasonable and must relate 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;

(g) Editing, sound mixing, special effects, visual effects and other postproduction services;

(h) The payroll for Nevada residents or other personnel who provided services in this State;

(i) Payment for goods or services provided by a Nevada business;

(j) The design, construction, improvement or repair of property, infrastructure, equipment or a production or postproduction facility;

(k) State and local government taxes to the extent not included as part of another cost reported pursuant to this section;

(l) Fees paid to a producer who is a Nevada resident; and

(m) Any other transaction, service or activity authorized in regulations adopted by the Office of Economic Development pursuant to [NRS 360.759](#).

2. Expenditures and costs:

(a) Related to:

(1) The acquisition, transfer or use of transferable tax credits;

(2) Marketing and distribution;

(3) Financing, depreciation and amortization;

(4) The payment of any profits as a result of the qualified production;

(5) The payment for the cost of the audit required by [NRS 360.759](#); and

(6) The payment for any goods or services that are not directly attributable to the qualified production;

(b) For which reimbursement is received, or for which reimbursement is reasonably expected to be received;

(c) Which are paid to a joint venturer or a parent, subsidiary or other affiliate of the production company, unless the amount paid represents the fair market value of the purchase, rental or lease of the property or services for which payment is made;

(d) Which provide a pass-through benefit to a person who is not a Nevada resident; or

(e) Which have been previously claimed as a basis for transferable tax credits,

→ are not qualified direct production expenditures and are not eligible to serve as a basis for transferable tax credits issued pursuant to [NRS 360.759](#).

3. If any tangible personal property is acquired by a Nevada business from a vendor outside this State for immediate resale, rental or lease to a production company that produces a qualified production, expenditures incurred by the production company for the purchase, rental or lease of the property are qualified direct production expenditures if:

(a) The Nevada business regularly deals in property of that kind;

(b) The expenditures are otherwise qualified direct production expenditures under the provisions of this section; and

(c) Not more than 50 percent of the property purchased, rented or leased by the production company for the qualified production is acquired and purchased, rented or leased in the manner described in this subsection. In making the calculation required by this paragraph, the cost of any property that remains an asset of the Nevada business after production of the qualified production has ended must not be included in the calculation as property purchased, rented or leased in the manner described in this subsection.

4. If any tangible personal property is acquired by the production company as an asset, the calculation of the costs of the tangible personal property that constitute a qualified direct production expenditure must be performed in the manner prescribed by the Office of Economic Development by regulation.

(Added to NRS by [2013, 3093](#); A [2015, 1104, 1109](#); [2021, 282](#))

NRS 360.7592 Calculation of amount of credit: Base amount; additional amounts for employing residents as below-the-line personnel and filming in certain counties; Office of Economic Development authorized to reduce or withhold credits under certain circumstances.

1. Except as otherwise provided in subsection 4 and [NRS 360.7593](#) and [360.7594](#), the base amount of transferable tax credits issued to an eligible production company pursuant to [NRS 360.759](#) must equal 15 percent of the qualified direct production expenditures.

2. Except as otherwise provided in subsections 3 and 4 and [NRS 360.7594](#), in addition to the base amount calculated pursuant to subsection 1, transferable tax credits issued to an eligible production company pursuant to [NRS 360.759](#) must include credits in an amount equal to:

(a) An additional 5 percent of the qualified direct production expenditures if more than 50 percent of the below-the-line personnel of the qualified production are Nevada residents; and

(b) An additional 5 percent of the qualified direct production expenditures if more than 50 percent of the filming days of the qualified production occurred in a county in this State in which, in each of the 2 years immediately preceding the date of application, qualified productions incurred less than \$10,000,000 of qualified direct production expenditures.

3. For the purposes of paragraph (a) of subsection 2:

(a) Except as otherwise provided in paragraph (b) of this subsection, the percentage of the below-the-line personnel who are Nevada residents must be determined by dividing the number of workdays worked by Nevada residents by the number of workdays worked by all below-the-line personnel.

(b) Any work performed by an extra must not be considered in determining the percentage of the below-the-line personnel who are Nevada residents.

4. The Office may:

(a) Reduce the cumulative amount of transferable tax credits that are calculated pursuant to this section by an amount equal to any damages incurred by the State or any political subdivision of the State as a result of a qualified production that is produced in this State; or

(b) Withhold the 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 violates 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.

(Added to NRS by [2013, 3094](#); A [2015, 1105, 1109](#); [2021, 283](#))

NRS 360.7593 Calculation of amount of credit: Rate of inclusion of wages and salaries paid to nonresidents when calculating base amount of credit.

1. In calculating the base amount of transferable tax credits pursuant to subsection 1 of [NRS 360.7592](#):

(a) Wages and salaries, including fringe benefits, paid to above-the-line personnel who are not Nevada residents must be included in the calculation at a rate of 12 percent.

(b) Wages and salaries, including fringe benefits, paid to below-the-line personnel who are not Nevada residents:

(1) For the period beginning January 1, 2014, and ending December 31, 2014, must be included in the calculation at a rate of 12 percent.

(2) For the period beginning January 1, 2015, and ending December 31, 2015, must be included in the calculation at a rate of 10 percent.

(3) For the period beginning January 1, 2016, and ending December 31, 2016, must be included in the calculation at a rate of 8 percent.

(4) For the period beginning January 1, 2017, must not be included in the calculation.

2. As used in this section, “fringe benefits” means employee expenses paid by an employer for the use of a person’s services, including, without limitation, payments made to a governmental entity, union dues, health insurance premiums, payments to a pension plan and payments for workers’ compensation insurance.

(Added to NRS by [2013, 3094](#); A [2015, 1105, 1109](#))

NRS 360.7594 Limitation on amount of credits; expiration of credits; amount of compensation included as qualified direct production expenditure.

1. Except as otherwise provided in this subsection, the Office of Economic Development shall not approve any application for transferable tax credits submitted pursuant to [NRS 360.759](#) if approval of the application would cause the total amount of transferable tax credits approved pursuant to [NRS 360.759](#) for each fiscal year to exceed the sum of \$10,000,000. Any portion of the \$10,000,000 per fiscal year for which transferable tax credits have not previously been approved may be carried forward and made available for approval during the next or any future fiscal year.

2. The transferable tax credits issued to any production company for any qualified production pursuant to [NRS 360.759](#):

(a) Must not exceed a total amount of \$6,000,000; and

(b) Expire 4 years after the date on which the transferable tax credits are issued to the production company.

3. For the purposes of calculating qualified direct production expenditures:

(a) The compensation payable to all producers who are Nevada residents must not exceed 10 percent of the portion of the total budget of the qualified production that was expended in or attributable to any expenses incurred in this State.

(b) The compensation payable to all producers who are not Nevada residents must not exceed 5 percent of the portion of the total budget of the qualified production that was expended in or attributable to any expenses incurred in this State.

(c) The compensation payable to any employee, independent contractor or any other person paid a wage or salary as compensation for providing labor services on the production of the qualified production must not exceed \$750,000.

(Added to NRS by [2013, 3095](#); A [2014, 28th Special Session, 23](#); [2015, 1106, 1109](#); [2017, 3107](#))

NRS 360.7595 Procedure for hearing application; commencement of principal photography; duty of production company to submit certain information and complete production within certain period; priority of certain applications.

1. If the Office of Economic Development receives an application for transferable tax credits pursuant to [NRS 360.759](#), the Office shall, not later than 10 days before a hearing on the application, provide notice of the hearing to:

(a) The applicant;

(b) The Department; and

(c) The Nevada Gaming Control Board.

2. The notice required by this section must set forth the date, time and location of the hearing on the application. The date of the hearing must be not later than 60 days after the Office receives the completed application.

3. The Office shall issue a decision on the application not later than 30 days after the conclusion of the hearing on the application.

4. Except as otherwise provided in this subsection, if the application is approved, principal photography of the qualified production must begin not more than 90 days after the date on which the decision on the application is issued. The Office of Economic Development:

(a) Shall prescribe by regulation the procedure for determining the date of commencement of qualified productions that do not include photography for the purposes of this section.

(b) May extend by not more than 90 days the period otherwise prescribed by this subsection.

5. A production company that produces a qualified production shall submit the audit required by [NRS 360.759](#) and all other required information to the Office and the Department within the time required by paragraph (e) of subsection 3 of [NRS 360.759](#). Production of the qualified production must be completed within 18 months after the date of commencement of principal photography. If the Office or the Department determines that information submitted pursuant to this subsection is incomplete, the production company shall, not later than 30 days after receiving notice that the information is incomplete, provide to the Office or the Department, as applicable, all additional information required by the Office or the Department.

6. The Office shall give priority to the approval and processing of an application relating to a qualified production that promotes tourism in the State of Nevada.

(Added to NRS by [2013, 3095](#); A [2015, 1106, 1109](#))

NRS 360.7596 Abatement of city or county permitting fee or licensing fee; reporting of such abatements to Governor and Legislature.

1. For the purpose of encouraging local economic development, the governing body of a city or county may grant to a production company that produces a qualified production for which a certificate of eligibility for transferable tax credits has been approved pursuant to [NRS 360.759](#) an abatement of all or any percentage of the amount of any permitting fee or licensing fee which the local government is authorized to impose or charge pursuant to [chapter 244](#) or [268](#) of NRS.

2. Before granting any abatement pursuant to this section, the governing body of the city or county must provide by ordinance for a pilot project for granting abatements to production companies for which a certificate of eligibility for transferable tax credits has been approved pursuant to [NRS 360.759](#).

3. A governing body of a city or county that grants an abatement pursuant to this section shall, on or before October 1 of each year in which such an abatement is granted, prepare and submit to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the Legislature an annual report which includes, for the immediately preceding fiscal year:

(a) The number of qualified productions produced within the jurisdiction of the governing body for which a certificate of eligibility for transferable tax credits was approved;

(b) The number and dollar value of the abatements granted by the governing body pursuant to this section;

(c) The number of persons within the jurisdiction of the governing body that were employed by each qualified production and the amount of wages paid to those persons; and

(d) The period during which each qualified production was produced within the jurisdiction of the governing body.

(Added to NRS by [2013, 3096](#); A [2015, 1107, 1109](#))

NRS 360.7597 Repayment of amount of credit required under certain circumstances.

1. A production company that is found to have submitted any false statement, representation or certification in any document submitted for the purpose of obtaining transferable tax credits or who otherwise becomes ineligible for transferable tax credits after receiving the transferable tax credits pursuant to [NRS 360.759](#) shall 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.

2. Transferable tax credits purchased in good faith are not subject to forfeiture or repayment by the transferee unless the transferee submitted fraudulent information in connection with the purchase.

(Added to NRS by [2013, 3097](#); A [2015, 1108, 1109](#))

NRS 360.7598 Office of Economic Development required to submit annual report to Governor and Director of Legislative Counsel Bureau. The Office of Economic Development shall, on or before October 1 of each year, prepare and submit to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the Legislature an annual report which includes, for the immediately preceding fiscal year:

1. The number of applications submitted for transferable tax credits pursuant to [NRS 360.759](#);

2. The number of qualified productions for which transferable tax credits were approved;

3. The amount of transferable tax credits approved;

4. The amount of transferable tax credits used;

5. The amount of transferable tax credits transferred;

6. The amount of transferable tax credits taken against each allowable fee or tax, including the actual amount used and outstanding, in total and for each qualified production;

7. The total amount of the qualified direct production expenditures incurred by each qualified production and the portion of those expenditures that were incurred in Nevada;

8. The number of persons in Nevada employed by each qualified production and the amount of wages paid to those persons; and

9. The period during which each qualified production was in Nevada and employed persons in Nevada.

(Added to NRS by [2013, 3097](#); A [2014, 28th Special Session, 24](#); [2015, 1108, 1109](#))