
2002 Annual Report

to the
Nebraska Legislature
March 14, 2003



Employment and Investment
Growth Act,
Employment Expansion
and Investment Incentive Act
(Including Enterprise Zone Act),
Quality Jobs Act
Rural Economic Opportunities Act and
Invest Nebraska Act

LB 775, LB 1124, LB 829, LB 936, and LB 620

STATE OF NEBRASKA

DEPARTMENT OF REVENUE

Mary Jane Egr
Tax Commissioner



Mike Johanns
Governor

March 14, 2003

Senator Curt Bromm
Speaker of the Legislature
2103 State Capitol
Lincoln, NE 68509

Dear Speaker Bromm:

We are submitting our 2002 annual report on the Employment and Investment Growth Act, the Employment Expansion and Investment Incentive Act, the Quality Jobs Act, the Rural Economic Opportunities Act, and the Invest Nebraska Act as required by law.

A copy of this report has been delivered to all members of the Unicameral. It is also one of the annual publications available on the Internet at www.revenue.state.ne.us.

If you have any questions, please contact Tom Norris at (402) 471-5800 or Mary Hugo at (402) 471-5790.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mary Jane Egr".

Mary Jane Egr
State Tax Commissioner

Enclosure

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Employment and Investment Growth Act, LB 775, as amended



Neb. Rev. Stat. §77-4110 states:

77-4110. Annual report; contents. (1) The Tax Commissioner shall submit an annual report to the Legislature no later than March 15 of each year.

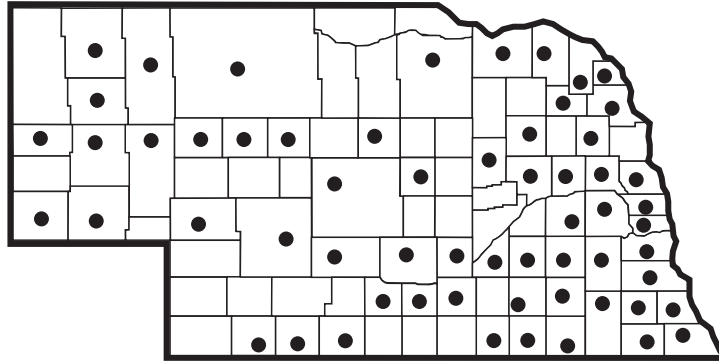
(2) The report shall list (a) the agreements which have been signed during the previous calendar year, (b) the agreements which are still in effect, (c) the identity of each taxpayer, and (d) the location of each project.

(3) The report shall also state by industry group (a) the specific incentive options applied for under the Employment and Investment Growth Act, (b) the refunds allowed on the investment, (c) the credits earned, (d) the credits used to reduce the corporate income tax and the credits used to reduce the individual income tax, (e) the credits used to obtain sales and use tax refunds, (f) the number of jobs created, (g) the total number of employees employed in the state by the taxpayer on the last day of the calendar quarter prior to the application date and the total number of employees employed in the state by the taxpayer on subsequent reporting dates, (h) the expansion of capital investment, (i) the estimated wage levels of jobs created subsequent to the application date, (j) the total number of qualified applicants, (k) the projected future state revenue gains and losses, (l) the sales tax refunds owed to the applicants, (m) the credits outstanding, and (n) the value of personal property exempted by class in each county.

(4) No information shall be provided in the report that is protected by state or federal confidentiality laws.

(5) By December 1, 1990, the Department of Revenue shall prepare a report with the available information required in this section for all prior years the act has been in effect. Information required in this section that is not available to the department for the report due December 1, 1990, shall be provided in the next annual report.

LB 775 Activity Through 12/31/2002



A company has to file an application with the Nebraska Department of Revenue describing their project and stating the planned amount of investment and additional employment. The applications are reviewed, and if approved, the Nebraska Department of Revenue and the applicant enter into a written agreement. An application or an agreement can be withdrawn. Also, an application or agreement may be deleted for failure to meet the required levels within the time allowed.

Analysis of Applications and Agreements				
	Applications Received	Active Projects	Planned Investment (billions)	Planned New Jobs
Signed Agreements				
Active	340	340	\$4.930	32,647
Withdrawn	49			
Deleted	69			
Completed	43			
Subtotal-total signed agreements	501			
Applications				
Pending as of 12/31/02	191	191	3.259	23,767
Withdrawn	66			
Deleted	42			
Total	800	531	\$8.189	56,414

To earn the credits provided by LB 775, the investment must be made and the jobs created during the “attainment period,” which includes the year of the application and the succeeding six tax years. Three hundred and thirty projects have reached the minimum required levels and qualified to receive credits and/or sales and use tax refunds. Forty-three of these projects have received all expected benefits and are completed.

Analysis of Active Applications by Year of Application and, if Qualified, by Year Qualification Verified

Table 1

Application Year	Total Number of Active Projects	Year Verified															Total	Completed Projects	Active Qualified Projects
		1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002			
1987	90	13	30	23	11	1	6	4	1	1							90	34	56
1988	29		2	10	6	3		2	3	2						1	29	6	23
1989	28			1	4	4	9	1	6	3							28	1	27
1990	15				4	2		4	4	4	1						15	2	13
1991	13					2	1	3	2	2		2					13		13
1992	16							3	4	2	3					1	16		16
1993	13								5	3	2					2	12		12
1994	22								6	4	7	3					21		21
1995	41									6	13	6	4	5	3	3	40		40
1996	41										2	9	9	2	3	4	29		29
1997	39												6	7	4	2	19		19
1998	28													3	1	3	8		8
1999	47														3	2	6		6
2000	48													1			4		4
2001	48														1	3			
2002	56																		
Total	574	13	32	34	21	14	18	13	31	27	28	23	25	17	16	18	330	43	287
Completed Projects	43	9	15	10	6	1	1		1								43		
Active Qualified Projects	531	4	17	24	15	13	17	13	30	27	28	23	25	17	16	18	287		

Agreements Signed in 2002 That are Still in Effect

Company Name	Project Size	Project Location
1 American Meter Company	\$16.5M + 50 emp	Nebraska City
2 Ameritrade Holding Corporation	\$19.2M + 110 emp	Omaha
3 Cintas Corporation No. 2	\$5.6M + 120 emp	Omaha
4 ConAgra Beef Company	\$21M + 100 emp	Grand Island
5 Eagle Capital Group Inc.	\$3.6M + 30 emp	Hastings
6 Farmland Foods, Inc	\$11.7M + 100 emp	Crete
7 First National of Nebraska, Inc.	\$258.6M + 100 emp	Omaha, David City, Columbus, Norfolk, Alliance, Chadron, Gering, Scottsbluff, North Platte, Fremont, Kearney
8 Coca-Cola Enterprises	\$4.6M + 42 emp	Lincoln
9 Leprino Foods Company	\$7.8M + 30 emp	Ravenna
10 Lester Electrical of Nebraska, Inc.	\$3M + 30 emp	Lincoln
11 M.G. Waldbaum Company	\$18.9M + 109 emp	Wakefield, Bloomfield
12 Molex Incorporated	\$19M + 120 emp	Lincoln
13 Mutual of Omaha Insurance Company	\$166M	Omaha
14 Nash Finch Company	\$4.5M + 30 emp	Omaha
15 Natura Manufacturing Inc.	\$23.39M + 100 emp	Fremont
16 Professional Veterinary Products, LTD	\$10M + 100 emp	Omaha
17 Quality Refrigerated Services, Inc	\$3M + 30 emp	Omaha
18 Radio Engineering Industries, Inc.	\$4M + 50 emp	Omaha
19 Wal-Mart Stores, Inc.	\$40M + 600 emp	North Platte
20 Wright Printing Co.	\$5.09M + 33 emp	Omaha

Agreements Signed in 1987 That are Still in Effect

Company Name	Project Size	Project Location
1 American Business Lists	\$7.5M + 215 emp	Greater Omaha Metropolitan Area
2 Central States Health & Life Co.	\$10M + 135 emp	Greater Omaha Metropolitan Area
3 ConAgra Inc.	\$10M + 100 emp	In or around metropolitan Omaha
4 Delicious Foods Co.	\$27M + 190 emp	Greater Grand Island Area
5 Epsen Hilmer Graphics	\$3-12M + 30 emp	Omaha
6 IBP Inc.	\$10M + 100 emp	Dakota City and West Point
7 LRC Inc. & Subs	\$3M + 30 emp	Omaha, Lincoln, York, Crete, Norfolk
8 Lancer Label Inc.	\$11M + 155 emp	Omaha
9 Lozier Corporation	\$10.4M + 110 emp	Omaha
10 M P S Inc.	\$54.9M + 320 emp	Hall, Lancaster, Douglas, and Sarpy counties
11 Marianna Imports Inc.	\$3M + 30 emp	Greater Omaha Metropolitan Area
12 Neapco Inc.	\$6-\$10M + 30-50 emp	Beatrice
13 Northwestern Bell	\$60M + 150 emp	Omaha area
14 Omaha Steaks International	\$17.5M + 179 emp	Metropolitan Omaha Area
15 Pacesetter Corporation	\$3M + 51 emp	Greater Omaha Metropolitan Area
16 Peoples Natural Gas	\$10M + 130 emp	Omaha
17 Peter Kiewit Sons Inc.	\$20M + 300 emp	Greater Omaha Metropolitan Area
18 Physicians Mutual Insurance	\$10-12M + 300 emp	Omaha
19 Square D Company	\$18M + 107 emp	Lincoln
20 United Parcel Service Inc.	\$16M + 300 emp	Douglas, Lancaster Counties, city of Kearney and other locations
21 Valmont Industries Inc.	\$10M + 100 emp	Valley
22 Werner Enterprises Inc.	\$11M + 190 emp	Douglas and Sarpy Counties
23 West Telemarketing Corp.	\$15M + 1,000 emp	Greater Omaha Metropolitan Area

Agreements Signed in 1988 That are Still in Effect

Company Name	Project Size	Project Location
1 Affiliated Foods Coop. Inc.	\$6.7M + 67 emp	Norfolk
2 AirLite Plastics Company	\$10M + 30 emp	Greater Omaha Metropolitan Area
3 Alpo Petfoods Inc.	\$20M + 100 emp	Crete, Lincoln
4 Automated Monitoring & Control Inc.	\$14.4M + 332 emp	Greater Omaha Metropolitan Area
5 Becton Dickinson	\$38M + 109 emp	Columbus, Broken Bow, and Holdrege
6 Cook Family Foods of NE	\$11M + 190 emp	Lincoln
7 Dana Corporation	\$5.3M + 70 emp	Hastings
8 Dutton-Lainson Co.	\$4M + 51 emp	Hastings
9 Farmers & Merchants	\$4M + 82 emp	Lincoln, Omaha, Milford, Wahoo, Columbus, Syracuse, Auburn, Beatrice, Pawnee City, Oxford, Taylor, Kearney, Rising City, and other locations
10 First National of Nebraska	\$15M + 300 emp	Greater Omaha Metropolitan Area
11 Grand Island Accessories Inc.	\$3M + 30 emp	Grand Island
12 Great Plains Packaging Group	\$4.6M + 35 emp	Hastings and Lincoln
13 Guarantee Mutual Life Co.	\$10M + 114 emp	Greater Metropolitan Omaha Area
14 HW Mangelsens Inc.	\$3.5M + 33 emp	Greater Omaha Metropolitan Area
15 Harris Technology Group Inc.	\$18M + 395 emp	Lancaster County
16 Iams Company	\$17.2M + 39 emp	Hamilton County
17 International Galleries, Ltd.	\$10M + 525 emp	Lancaster, Sarpy, Douglas Counties
18 Land and Sky Inc	\$3M + 40 emp	Lincoln, Lancaster County, and other locations in the Southeast

Company Name	Project Size	Project Location
19 Metz Baking Co.	\$17M + 100 emp	Hastings, Omaha, South Sioux City, Beatrice, and Bellevue
20 Milton G Waldbaum Company	\$17M + 106 emp	Wakefield
21 Minnesota Mining & Mfg Co.	\$14.2M + 85 emp	Valley
22 Modern Equipment Co. Inc.	\$3.5M + 110 emp	Douglas County
23 Norden Laboratories	\$30M + 100 emp	Lincoln
24 Sitel Corporation	\$4.95M + 100 emp	Greater Omaha Metropolitan Area
25 Streck Laboratories Inc.	\$3.7M + 61 emp	Greater Omaha Metropolitan Area
26 Swift-Eckrich Inc.	\$3M + 30 emp	Greater Omaha Metropolitan Area
27 TV Transmission Inc.	\$30M + 40 emp	Lincoln, Lancaster County, Crete, Auburn, Nebraska City, Tecumseh, Table Rock, Pawnee City, Humboldt, Omaha, Fairbury, Superior, York, David City, Seward, Fremont, Dodge County, Inglewood, Douglas County, and other locations
28 TransTerra Company	\$4.4M + 48 emp	Metro Omaha
29 Universal Assurors	\$5.4M + 79 emp	Greater Omaha Metropolitan Area
30 Walker Manufacturing Co.	\$4M + 45 emp	Seward
31 Wilkinson Manufacturing Co.	\$4.4M + 35 emp	Ft. Calhoun

Agreements Signed in 1989 That are Still in Effect

Company Name	Project Size	Project Location
1 Abbott Bank	\$3.5M + 30 emp	Alliance, Merriman, Chadron, Gordon, Mullen, Thedford, Valentine, Cody, Bridgeport, Hemingford, and Hyannis
2 Appleton Electric Company	\$3M + 30 emp	Columbus
3 Coleman Powermate Inc.	\$3M + 206 emp	Hastings and Kearney
4 ConAgra Inc.	\$12.7M + 30 emp	South Sioux City
5 DESCO Corp.	\$3M + 30 emp	Hastings and Oshkosh
6 Douglas & Lomason Co.	\$4.3M + 77 emp	Platte County and other locations
7 IBP Inc.	\$77.5M + 1200 emp	Lexington
8 Idelman Telemarketing Inc.	\$3.7M + 310 emp	Greater Omaha Metropolitan Area
9 JA Baldwin Mfg. Co.	\$10M + 100 emp	Kearney
10 Omni Holding Company	\$3.8M + 34 emp	Omaha, Douglas and Sarpy Counties
11 Pamida Inc.	\$6M + 75 emp	Omaha
12 Principal Financial Group	\$6.2M + 100 emp	Grand Island
13 Radio Engineering Ind. Inc.	\$3.5M + 56 emp	Omaha
14 Sun Husker Foods Inc.	\$10M + 100 emp	Lincoln
15 Tri-Con Industries Inc.	\$9.7M + 85 emp	Lincoln
16 Utell International	\$10M + 100 emp	Omaha
17 Waste Technical Services	\$35.8M + 40 emp	Kimball
18 Yasufuku USA Inc.	\$3.5M + 36 emp	Lincoln

Agreements Signed in 1990 That are Still in Effect

Company Name	Project Size	Project Location
1 900 Services, Inc.	\$10M + 100 emp	Greater Omaha Metropolitan Area
2 Accent Service Company Inc.	\$3.2M + 30 emp	Omaha, Lincoln, Fremont and Norfolk
3 American MicroTrace	\$3M + 30 emp	Fairbury
4 American Meter Company	\$3M + 30 emp	Nebraska City
5 Brass Buckle Inc.	\$3M + 37 emp	Kearney
6 Brunswick Corporation	\$3M + 30 emp	Lancaster County
7 Call Interactive	\$10M + 100 emp	Greater Omaha Metropolitan Area
8 ConAgra Inc.	\$10M + 100 emp	Hastings
9 Data Transmission Network	\$3M + 31 emp	Douglas County
10 Deeter Foundry Inc.	\$3.4M + 32 emp	Lincoln
11 Eagle Plastics Inc.	\$3M + 30 emp	Hastings
12 Excel Corp.	\$11.3M + 100 emp	Schuyler
13 Exmark Manufacturing Co. Inc.	\$3.1M + 46 emp	Beatrice
14 Farmland Foods Inc.	\$13.7M + 110 emp	Crete
15 First Commerce Bancshares	\$12.2M + 100 emp	Lincoln, Grand Island, Columbus, Kearney, North Platte, and other locations
16 Fremont Beef Company	\$10M + 100 emp	Fremont
17 Goodyear Tire & Rubber	\$3M + 30 emp	Norfolk
18 Great West Casualty Co.	\$4.9M + 59 emp	South Sioux City
19 Hyatt Hotels Corporation	\$10M + 100 emp	Omaha
20 Industrial Machine Spec. Inc.	\$3M + 30 emp	Lincoln
21 K-B Foods Inc.	\$3M + 30 emp	Douglas County
22 Kawasaki Motors Mfg. Corp.	\$14.3M + 106 emp	Lincoln
23 Lester Electric	\$3M + 30 emp	Lancaster County and adjacent counties
24 Lincoln Benefit Life	\$3M + 140 emp	Lincoln
25 Lindsay Manufacturing Co.	\$3M + 30 emp	Lindsay
26 Mid-America Computer Corp.	\$11M + 133 emp	Blair
27 Midlands Packaging Corp.	\$3M + 30 emp	Lincoln
28 Millard Refrigeration Services	\$14.7M + 210 emp	Douglas and Sarpy Counties
29 Molex Inc.	\$4.6M + 43 emp	Lincoln
30 Nebraska Cellular Telephone	\$10M + 31 emp	Grand Island, Hastings, Kearney, York, North Platte, Lexington, Brady, Paxton, Ogallala, Seward, Norfolk, Columbus, Fremont, Sidney, Scottbluff, Beatrice, Ashland, O'Neill, Ord, and other locations
31 Nebraska Book Company	\$3M + 30 emp	Lincoln
32 Norfolk Iron & Metal Co.	\$3.7M + 35 emp	Norfolk and Scottsbluff
33 Precision Bearing Co.	\$10M + 110 emp	Omaha, Lincoln, Grand Island, Lexington, Norfolk, Columbus, and other locations
34 Rotella's Italian Bakery Inc.	\$5.5M + 30 emp	Greater Omaha Metropolitan Area
35 T-L Irrigation Co.	\$3M + 30 emp	Hastings
36 Telenational Communications	\$3.3M + 223 emp	Omaha and other locations
37 William H. Harvey Company	\$3M + 35 emp	Greater Omaha Metropolitan Area
38 Wilson Concrete Co.	\$3M + 30 emp	La Platte
39 Wright Printing Company	\$4.4M + 60 emp	Omaha

Agreements Signed in 1991 That are Still in Effect

Company Name	Project Size	Project Location
1 Bemis Company, Inc.	\$5.6M + 49 emp	Omaha
2 Chief Industries Inc.	\$10M + 100 emp	Hastings
3 Drake Williams Steel Inc.	\$3.7M + 30 emp	Omaha
4 Firstier Financial Services	\$7.5M + 30 emp	Lincoln, Omaha, Scottsbluff, and Norfolk
5 Linweld Inc.	\$3M + 30 emp	Lincoln, Hastings, Holdrege, Columbus, Omaha, Kearney, Waverly, Norfolk, Grand Island, Scottsbluff
6 Mallory USA Inc.	\$3M + 30 emp	South Sioux City
7 Minnesota Corn Processors	\$80M + 125 emp	Columbus
8 Monroe Auto Equipment	\$3M + 30 emp	Cozad
9 Shade Pasta Inc.	\$12M + 100 emp	Fremont
10 Union Pacific Railroad	\$3M + 30 emp	Various Locations
11 Western Sugar Company	\$35.7M + 30 emp	Scottsbluff

Agreements Signed in 1992 That are Still in Effect

Company Name	Project Size	Project Location
1 Bio Nebraska Inc	\$10M + 100 emp	Lincoln
2 California Energy Co. Inc.	\$3M + 30 emp	Omaha
3 Campbell Soup Company	\$10M + 100 emp	Omaha
4 Centurion International Inc.	\$3M + 30 emp	Lincoln
5 Design Plastics Inc.	\$3.15M + 30 emp	Omaha
6 Paraclipse Inc.	\$3M + 30 emp	Columbus
7 PrestoLite Wire Corporation	\$10M + 100 emp	Sidney
8 Store Kraft Manufacturing Co.	\$3.25M + 42 emp	Beatrice
9 Tekton Inc. & Subsidiaries	\$3M + 30 emp	Pender, Wayne and Omaha

Agreements Signed in 1993 That are Still in Effect

Company Name	Project Size	Project Location
1 Ag Processing Inc.	\$5M + 95 emp	Omaha
2 American Shizuki Corp.	\$3.8M + 55 emp	Ogallala
3 Cargill Inc.	\$150M + 100 emp	Washington County
4 ConAgra Inc.	\$10.2M + 100 emp	Omaha
5 Flexcon Company, Inc.	\$22M + 200 emp	Columbus
6 Henningsen Foods Inc.	\$4.5m + 30 emp	David City and other locations
7 Lincoln Plating Company	\$3.2M + 32 emp	Lincoln
8 FOFTI L.C.	\$10M + 100 emp	Greater Omaha
9 Tenaska Inc.	\$3.1M + 40 emp	Omaha
10 Transcript International, Ltd.	\$10M + 100 emp	Lincoln
11 Travel & Transport Inc.	\$3.9M + 170 emp	Omaha and other locations

Agreements Signed in 1994 That are Still in Effect

Company Name	Project Size	Project Location
1 Auburn Consolidated Industries	\$3M + 35 emp	Auburn
2 Beef Products Inc.	\$15-30M + 100 emp	Dakota City and future locations
3 Excel Corporation	\$13M + 150 emp	Nebraska City
4 First Data Corporation	\$10M + 100 emp	Omaha
5 First National of Nebraska	\$10M + 100 emp	Omaha
6 Fleming Companies Inc.	\$3.4M + 35 emp	Lincoln
7 Information Technology Inc.	\$3M + 30 emp	Lincoln
8 Lanter Company	\$4M + 34 emp	Omaha
9 Mutual of Omaha	\$20M	Omaha
10 Nebraska Beef Ltd.	\$10M + 100 emp	Omaha
11 Nebraska Furniture Mart	\$3M + 30 emp	Omaha
12 Nucor Corporation	\$20M	Norfolk
13 Sherwood Medical Company	\$3M + 30 emp	Norfolk

Agreements Signed in 1995 That are Still in Effect

Company Name	Project Size	Project Location
1 AGP Corn Processing	\$40M + 100 emp	Central Nebraska
2 American Business Information	\$10M + 190 emp	Omaha
3 American Laboratories, Inc.	\$3M + 30 emp	Omaha
4 American Tool Co. Inc.	\$10M + 100 emp	DeWitt and Lincoln areas
5 Behlen Mfg. Co.	\$6M + 165 emp	Columbus and Omaha
6 Blue Cross & Blue Shield	\$10M + 100 emp	Omaha, Lincoln and other locations
7 Cabela's Inc.	\$10M + 100 emp	Sidney and Kearney
8 ConAgra Inc.	\$10M + 100 emp	Omaha
9 Food Services of America	\$3M + 30 emp	Omaha
10 Hudson Foods Inc.	\$16M + 100 emp	Columbus
11 MCI Telecommunications Corp.	\$245M	Omaha
12 MFS Communications Company, Inc.	\$10M + 100 emp	Omaha
13 Metromail Corporation	\$10M + 100 emp	Lancaster and Seward Counties
14 Nebraska Energy LLC	\$35M + 30 emp	Aurora
15 Oilgear Company	\$3M + 30 emp	Fremont
16 Prairie Systems	\$10M + 100 emp	Omaha
17 Werner Enterprises	\$10M + 100 emp	Douglas and Sarpy Counties

Agreements Signed in 1996 That are Still in Effect

Company Name	Project Size	Project Location
1 Acceptance Insurance	\$10M + 100 emp	Omaha
2 Archer Daniels Midland Company	\$20M	Lincoln
3 Burlington Northern	\$3M + 30 emp	Statewide
4 C.J. Foods	\$3M + 30 emp	Pawnee City
5 Cable Services Group, Inc.	\$14M + 105 emp	Omaha
6 Computer Cable Connection	\$3.55M + 60 emp	Bellevue
7 Consolidated Business Systems, Inc.	\$3.5M + 40 emp	Omaha
8 DAYCO Products, Inc.	\$13.6M + 71 emp	Alliance and McCook
9 Farmers & Merchants Investments Inc.	\$4.85M + 72 emp	Statewide
10 Gallup Organization	\$9M + 155 emp	Lincoln
11 Garner Industries	\$3M + 30 emp	Lincoln
12 Goodyear Tire & Rubber Company	\$20M	Lincoln
13 Greater Omaha Packing Co.	\$10M + 100 emp	Omaha
14 IBP Inc.	\$10M + 100 emp	Madison
15 Iams Company	\$20.5M + 30 emp	Aurora
16 Inacom Corp.	\$10M + 100 emp	Greater Omaha Metropolitan Area
17 Lincoln Telecommunications	\$20M	Eastern Nebraska
18 Lincoln Telecommunications	\$3M + 30 emp	Eastern Nebraska
19 Morris Press & Office Supplies, Inc.	\$3M + 30 emp	Lexington and Kearney
20 Omaha Steaks International	\$10M + 100 emp	Metropolitan Omaha Area
21 Oriental Trading Co. Inc.	\$16M + 600 emp	Omaha
22 Parker Hannifin Corp.	\$5M + 40 emp	Lincoln
23 Pennington Seed, Inc. of Nebraska	\$10M + 100 emp	Sidney
24 Peter Kiewit Sons Inc.	\$10M + 100 emp	Omaha
25 Physicians Mutual Insurance	\$14M + 150 emp	Omaha
26 Pioneer Hi-Bred Int. Inc.	\$3M + 30 emp	York
27 Senior Technologies Inc.	\$3M + 30 emp	Lincoln
28 Square D Company	\$20M	Lincoln
29 Tender Heart Treasures Ltd.	\$10M + 100 emp	Omaha
30 Union Pacific Railroad Co.	\$3M + 30 emp	Statewide
31 Union Pacific Railroad Co.	\$3M + 30 emp	Greater Omaha Area
32 Vickers Incorporated	\$20M	Omaha
33 West Telemarketing Corp.	\$10M + 100 emp	Omaha

Agreements Signed in 1997 That are Still in Effect

Company Name	Project Size	Project Location
1 ACI Telecentrics, Inc.	\$3M + 30 emp	Chadron, Ogallala and other locations
2 Affiliated Food Stores	\$8.4M + 100 emp	Norfolk
3 Airlite Plastics Company	\$10M + 30 emp	Greater Omaha Metropolitan Area
4 Arnie's Bagelicious Bagels	\$3M + 30 emp	Nebraska City
5 Call Interactive	\$10M + 100 emp	Greater Omaha Metropolitan Area
6 Central States of Omaha Companies	\$10M + 140 emp	Omaha
7 Cincinnati Bell	\$10.5M + 110 emp	Omaha
8 Cox Communications Omaha, Inc.	\$3M + 30 emp	Omaha
9 Distefano Tool & Die Company, Inc.	\$3.2M + 35 emp	Omaha
10 Duncan Aviation	\$3M + 30 emp	Lincoln
11 First Commerce Bancshares	\$12M + 115 emp	Lincoln, Grand Island, Columbus, Kearney, North Platte, and other locations
12 Frito Lay Inc.	\$25M + 30 emp	Central Nebraska
13 Geo A Hormel & Co.	\$20M + 100 emp	Fremont
14 High Plains Corporation	\$55.1M + 105 emp	York County
15 IBP, Inc.	\$10M + 100 emp	Dakota City West Point
16 IBP, Inc.	\$10M + 100 emp	Gibbon
17 International Spices, LTD	\$3M + 30 emp	Elkhorn
18 Kellogg Company	\$84M	Omaha
19 Lozier Corporation	\$17M + 110 emp	Omaha
20 Midwest Web Inc.	\$4.7M + 30 emp	Lincoln
21 Minnesota Mining & Mfg.	\$3M + 30 emp	Valley
22 Nedelco Inc. & Subsidiaries	4.85M + 147 emp	Aurora
23 Orion Systems, LTD	\$10M + 135 emp	Omaha
24 Peed Corporation	\$5.5M + 50 emp	Lincoln and other locations
25 Premier Industries Inc.	\$3M + 30 emp	Mead
26 Quality Pork International, Inc.	\$10M + 100 emp	Omaha
27 Reliance Electric	\$3M + 30 emp	Columbus
28 Sandoz Pharmaceutical Corp.	\$10M + 100 emp	Lincoln
29 Security Mutual Life Insurance Co.	\$4.5M + 30 emp	Lincoln
30 Sprint Spectrum L.P.	\$35M + 150 emp	Statewide Service Area
31 Streck Laboratories	\$10M + 100 emp	Omaha
32 U.S. West Inc.	\$20M	Statewide Service Area
33 U.S. West Inc.	\$3M + 30 emp	Omaha Area
34 Valmont Industries Inc.	\$10M + 100 emp	Valley, McCook, West Point, Omaha
35 Walker Manufacturing Co.	\$3M + 30 emp	Seward

Agreements Signed in 1998 That are Still in Effect

Company Name	Project Size	Project Location
1 Ag-Bag International Limited	\$3M + 30 emp	Blair
2 Arnold Engineering Company	\$3.9M + 35 emp	Norfolk
3 Baldwin Filters, Inc.	\$10M + 100 emp	Kearney and Gothenburg
4 Ballantyne of Omaha, Inc. & Subs.	\$3M + 30 emp	Omaha
5 Caterpillar Claas America LLC	\$60M + 502 emp	Omaha
6 Empire Fire & Marine Insurance Co	\$10M + 100 emp	Omaha and other locations
7 HDR, Inc.	\$15.3M + 110 emp	Omaha
8 Isco, Inc.	\$10M + 110 emp	Lincoln
9 Kroy Building Products, Inc.	\$3M + 30 emp	York
10 LI-COR, Inc.	\$3M + 30 emp	Lincoln
11 Nebco, Inc.	\$3M + 30 emp	Dodge, Lancaster, Douglas, Sarpy, Cass, Otoe, Buffalo, Hall, Saunders and other NE counties
12 Pegler-Sysco	\$12M + 203 emp	Omaha, Lincoln, Grand Island and other locations
13 Platte Valley Financial Services	\$3.7M + 50 emp	Scottsbluff
14 Porter Chadburn, Inc.	\$10.5M + 110 emp	Omaha
15 Premoule America Inc.	\$10M + 100 emp	Omaha
16 Reinke Manufacturing Company, Inc.	\$10.7M + 30 emp	Deshler
17 Rosen's Diversified, Inc.	\$10.5M + 105 emp	Omaha
18 Sitel Corporation	\$10M + 150 emp	Omaha
19 Tri-V Tool & Die Company	\$5.1M + 90 emp	Omaha area
20 William H. Harvey Co.	\$3M + 30 emp	Omaha

Agreements Signed in 1999 That are Still in Effect

Company Name	Project Size	Project Location
1 American Meat Protein Corporation	\$3M + 30 emp	Fremont, Schuyler, Madison, and Grand Island
2 Ameritas Bankers Life Ins. Co.	\$10M + 100 emp	Lincoln
3 D&D Salads, Inc.	\$4.55M + 30 emp	Omaha
4 Data Transmission Network	\$3M + 30 emp	Douglas County
5 Eaton Corporation	\$17.5M + 68 emp	Hastings
6 Financial Dynamics, Inc.	\$7M + 100 emp	Omaha
7 First Federal Lincoln Bank	\$4.77M + 39 emp	Statewide
8 Harris Laboratories, Inc.	\$15.12M + 140 emp	Lincoln, Omaha
9 Lucent Technologies	\$191M + 110 emp	Omaha
10 Lyman-Richey Corporation	\$3M + 30 emp	Omaha and other Nebraska locations
11 Midland Systems, Inc.	\$3M + 30 emp	Omaha
12 Nebraska Aluminum Castings	\$3M + 30 emp	Hastings
13 Nonpareil - RDO, L.L.C.	\$15.8M + 100 emp	O'Neill
14 Omaha Printing Company	\$5M + 50 emp	Omaha
15 Omaha World-Herald	\$9M + 30 emp	Omaha
16 Producers America, Inc.	\$3M + 30 emp	Omaha and other locations
17 Rotella's Italian Bakery	\$3M + 30 emp	Omaha
18 Silverstone Group, Inc. & Subs	\$3M + 30 emp	Omaha
19 Strategic Marketing Innovations	\$10M + 175 emp	Omaha & other locations
20 West Interactive Corp.	\$22M + 144 emp	Omaha
21 Wilkinson Manufacturing Co.	\$10M + 100 emp	Fort Calhoun
22 Wis-Pak of Norfolk, Inc.	\$3M + 30 emp	Norfolk

Agreements Signed in 2000 That are Still in Effect

Company Name	Project Size	Project Location
1 C S Precision Manufacturing, Inc.	\$7M + 30-35 emp	Scottsbluff
2 CXT Incorporated	\$3.5M + 30 emp	Grand Island
3 Excel Corp.	\$16.5M + 100 emp	Schuyler
4 First York Ban Corp.	\$3M + 30 emp	Statewide
5 Grand Island Accessories	\$3.5M + 37 emp	Grand Island
6 Great Dane Trailers	\$3M + 184 emp	Wayne
7 Hughes Brothers, Inc.	\$5.25M + 30 emp	Seward
8 Lee Enterprises	\$35M + 50 emp	Lincoln
9 Lindsay Manufacturing Co.	\$24M + 30 emp	Lindsay
10 Longview Fibre Company	\$7M + 30 emp	Seward
11 Midwest Padding L.L.C.	\$3.3M + 32 emp	Norfolk
12 National Crane Corporation	\$9.4M + 60 emp	Waverly
13 OpticTrek.com, Inc.	\$110-144M + 1,445 emp	Omaha
14 Triangle Pacific Corp.	\$10.3M + 100 emp	Auburn

Agreements Signed in 2001 That are Still in Effect

Company Name	Project Size	Project Location
1 Becton Dickinson and Co.	\$145M + 287 emp	Columbus, Holdrege, Broken Bow
2 Cargill Dow LLC	\$220M + 100 emp	Blair
3 Carlson Systems Corporation	\$10.1M + 100 emp	Omaha
4 Caterpillar Logistics Services, Inc	\$8.7M + 50 emp	Bellevue
5 Dutton-Lainson Company	\$11.4M + 41 emp	Hastings, Kearney
6 HDM Corporation	\$3.4M + 269 emp	Omaha
7 Hastings Irrigation Pipe Co.	\$3M + 30 emp	Hastings
8 International Transportation Specialists	\$3.1M + 40 emp	Omaha
9 James Skinner Co.	\$10.6M + 110 emp	Omaha
10 Kawasaki Motors Mfg Corp.	\$50M + 80 emp	Lincoln
11 Lakeway International Food Group	\$3.2M + 60 emp	Omaha
12 Lincoln Machine Inc.	\$3M + 30 emp	Lincoln
13 Lincoln Plating Company	\$12.4M + 112 emp	Lincoln
14 MBA Poultry, LLC	\$15M + 922 emp	Tecumseh
15 Metal-Tech Partners	\$3.25M + 83 emp	Bruning and Geneva
16 Midlands Packaging Corp.	\$3M + 30 emp	Lincoln
17 Neapco, Inc.	\$5.85M + 30 emp	Beatrice
18 Pinnacle Data Services LLC	\$3M + 30 emp	Gretna
19 Profitstar, Inc.	\$10M + 100 emp	Omaha
20 Richman Gordman 1/2 Price Stores	\$10M + 100 emp	Omaha
21 Schering-Plough Animal Health	\$15M + 117 emp	Elkhorn and Omaha
22 Talent+	\$10 M + 100 emp	Lincoln
23 US Foods, LLC	\$15M + 120 emp	Lincoln

Summary of LB 775 Benefits Approved Through 12/31/2002

Table 2 summarizes the credits earned, credits used, credits expired, and the direct sales/use tax refunds approved for qualified companies through December 31, 2002. Also included are the sales and use tax refunds pending at year end. Credits are expired after the project has reached the end of the carryover period and has received all expected benefits.

Detail by type of agreement is provided in Table 3. Detail by industry group is provided in Tables 4 through 8 and 10 through 14. Table 9 breaks down sales tax refunds between city and state tax. Tables 15 through 29 regroup the companies by year of qualification.

Summary of LB 775 Benefits Approved

Table 2

The Department of Revenue has conducted field reviews of companies which filed reports with the department indicating they had met the minimum new jobs and investment levels to qualify for incentives. Table 1 shows the number of qualifying companies verified by field review. Based on these examinations, the department has approved:

	1988-1998*	1999	2000	2001	2002	Total
Investment Credits	\$ 833,200,756	\$ 90,537,676	\$178,292,926	\$ 98,246,972	\$ 94,627,118	\$1,294,905,448
New Jobs Credits	322,932,625	43,315,779	48,196,698	38,695,285	27,259,507	480,399,894
Total Credits Earned	\$1,156,133,381	\$133,853,455	\$226,489,624	\$136,942,257	\$121,886,625	\$1,775,305,342
Credits Used						
Income Tax**	\$308,806,999	\$43,027,666	\$ 59,763,186	\$ 50,831,192	\$28,608,407	\$491,037,450
Sales/Use Tax Refunds	248,481,976	41,310,334	54,053,889	51,807,771	43,044,802	438,698,772
Total Credits Used	\$557,288,975	\$84,338,000	\$113,817,075	\$102,638,963	\$71,653,209	\$929,736,222
Recapture***						
Repaid From Credits	\$5,351,948 2,002,456	\$1,401,522 197,017	\$2,903,776 393,249	\$9,204,994 256,009	\$2,660,004 6,350,303	\$21,522,243 9,199,034
Credits Expired	0	0	0	0	\$8,603,682	\$8,603,682
Qualified Investment	\$10,814,352,735	\$1,180,386,362	\$1,990,783,299	\$1,118,849,811	\$1,230,538,458	\$16,334,910,665
Direct Sales/Use Tax Refunds on Investment	\$334,965,775	\$38,337,566	\$38,323,129	\$54,352,225	\$31,200,400	\$497,179,095
New Jobs of Qualifying Companies	58,697	6,287	3,839	2,637	860	72,320
Sales/Use Tax Refunds Pending Approval at Year End	N/A	\$43,566,048	\$44,592,560	\$29,160,604	\$45,248,206	N/A

*For details by year see Annual Reports for previous years

	1988-1998*	1999	2000	2001	2002	Total
**Corporate	\$249,633,127	\$34,337,098	\$51,252,635	\$42,097,520	\$22,437,550	\$399,757,930
Individual	59,173,872	8,690,568	8,510,551	8,733,672	6,170,857	91,279,520
Total	\$308,806,999	\$43,027,666	\$59,763,186	\$50,831,192	\$28,608,407	\$491,037,450

*** If a company fails to maintain either the minimum employment or investment required by its agreement, one seventh of the refunds and one-seventh of the credits used are recaptured and one-seventh of the credit carryover at the end of the entitlement period is recaptured for each year the company is below the required levels. Through December 31, 2002, forty-seven projects were in recapture. \$11,582,957 in repayment due has been netted from approved refund claims, and \$9,939,286, plus interest, has been repaid in cash. Credit carryover for companies that have reached the end of the entitlement period has been reduced by \$9,199,034.

Description of Application Options

\$20M investment and no employees. Benefits include:

- Election to use “sales only” factor to apportion state taxable income, and
- Direct refund of all sales and use tax paid on purchases of qualified property at the project.

\$3M investment and 30 employees. In addition to the benefits listed above, a \$3M + 30 applicant is eligible for:

- Five percent tax credit on the amount the total compensation paid to employees who are either Nebraska employees or base-year employees exceeds the compensation attributed to base-year employees, and
- Ten percent tax credit on total investment in qualified property.

\$10M investment and 100 employees. In addition to the benefits listed above, a \$10M + 100 applicant is eligible for property tax exemption on:

- Turbine-powered aircraft or jets,
- Mainframe business computers and peripheral components used at the project, and
- Equipment used directly in processing agricultural products.

Please note that a company applying under the \$10M + 100 employee option has a two-part agreement, one at the \$3M + 30 employee level and one at the \$10M + 100 employee level. The companies listed as having applied under the \$10M + 100 employee level may only have qualified under the \$3M + 30 employee portion of their agreement. The only additional benefits available under the \$10M + 100 employee portion of an agreement are the property tax benefits.

Table 3 shows the total benefits approved for each type of agreement, as described above, through 2002.

Table 3

**Analysis of Benefits Approved by Type of Agreement
(Cumulative Through 2002)**

	\$20 Million 0 Employees	\$3 Million 30 Employees	\$10 Million 100 Employees	Total
Number of Companies	19	173	138	330
Investment Credits	N/A	\$529,029,345	\$ 765,876,103	\$1,294,905,448
New Jobs Credits	N/A	185,585,439	294,814,455	480,399,894
Total Credits Earned	N/A	<u>\$714,614,784</u>	<u>\$1,060,690,558</u>	<u>\$1,775,305,342</u>
Credits Used				
Income Tax	N/A	\$183,838,513	\$307,198,937	\$491,037,450
Sales/Use Tax Refunds	N/A	140,967,202	297,731,570	438,698,772
Total Credits Used	N/A	<u>\$324,805,715</u>	<u>\$604,930,507</u>	<u>\$929,736,222</u>
Credits Expired	N/A	\$407,097	\$8,196,585	\$8,603,682
Qualified Investment	\$3,382,772,885	\$5,290,293,173	\$7,661,844,607	\$16,334,910,665
Direct Sales/Use Tax Refunds on Investment	\$113,838,733	\$138,402,435	\$244,937,927	\$497,179,095
New Jobs of Qualifying Companies	N/A	28,875	43,445	72,320
Sales/Use Tax Refunds Pending Approval at Year End (12-31-02)	\$4,401,628	\$16,028,926	\$24,817,652	\$45,248,206

LB 775 Companies Whose Qualifications Have Been Approved As Of 12/31/2002

Table 4 shows the types of companies that are included in each industry group. All industry groups include a minimum of three (3) companies. The options under which companies in each industrial group have qualified are shown in the last column.

The industry groupings are based on the Principal Business Activity codes currently being used by the Internal Revenue Service.

Table 4 **Classification Into Industry Group by
Principal Business Activity (PBA) Codes
and Option Under Which Applied**

Category	PBA, Major Industry Group Titles	Option Under Which Applied
Construction, Utilities and Nonmetallic Mineral Products Manufacturing	22, 23, 327 Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	3M + 30 emp 10M + 100 emp
Manufacturing	311, 312 Meat and Food Products	3M + 30 emp 10M + 100 emp 20M
	322, 323, 325, 326 Printing, Paper, Chemical, Plastics, Rubber and other non-durable products	3M + 30 emp 10M + 100 emp 20M
	331, 332 Primary and Fabricated Metals	3M + 30 emp 10M + 100 emp 20M
	333, 334, 335, 336, 337, 339 Machinery, Electronic and other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	3M + 30 emp 10M + 100 emp 20M
Wholesale & Retail Trade	42 Durable and Non-Durable Goods	3M + 30 emp 10M + 100 emp
Transportation & Warehousing	48, 49 Railroads, Trucking, Air Transportation and Warehousing	3M + 30 emp 10M + 100 emp 20M
Information & Data Processing	51 Publishing, Communications, Information and Data Processing Services	3M + 30 emp 10M + 100 emp 20M
Finance, Insurance & Real Estate	52 Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	3M + 30 emp 10M + 100 emp 20M
Professional, Scientific and Technical Services	54, 56, 62, 81 Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Service	3M + 30 emp 10M + 100 emp

LB 775 INDUSTRY GROUP DETAIL

Analysis of Credits

Tables 5 and 6 show an analysis of credits earned and used in 2002 and cumulative through 2002 by industry group. Total credits earned consist of both investment and employment credits. Both types of credits go into a credit pool and can be used to offset corporate or individual income tax liability and to receive a refund of otherwise non-refundable sales or use tax paid on purchases at the project.

Credits distributed to either corporate or individual shareholders or partners totaled \$85,073,512 in 1988-1998, \$14,847,628 in 1999, \$12,126,354 in 2000, \$8,235,539 in 2001 and \$5,783,012 in 2002. Distributed credits may only be used to offset corporate or individual income tax liabilities.

Table 5 **Analysis of Credits by Industry Group
(2002)**

Industry Group	Total Credits Earned	CREDITS USED		Credits Recaptured	Credit Expired	Credit Balance
		Income Tax	Sales Tax			
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	\$ 3,152,563	\$ 5,209,996	\$ 61,363	\$ 0	\$ 0	\$ (2,118,796)
Meat and Food Products	10,528,348	6,815,369	9,305,841	0	4,951,953	(10,544,815)
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	31,670,725	737,294	4,301,958	344,804	1,960,529	24,326,140
Primary and Fabricated Metals	1,222,267	358,451	960,207	0	0	(96,391)
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	15,666,499	2,551,554	9,091,717	0	329,087	3,694,141
Durable and Non-Durable Goods	4,705,757	1,721,235	731,777	2,779,115	0	(526,370)
Railroads, Trucking, Air Transportation and Warehousing	21,884,361	296,934	3,768,684	0	0	17,818,743
Publishing, Communications, Information and Data Processing Services	9,870,357	2,377,684	855,766	3,055,847	0	3,581,060
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	9,825,843	3,220,687	11,342,344	170,537	0	(4,907,725)
Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	13,359,905	5,319,203	2,625,145	0	1,362,113	4,053,444
Total	\$121,886,625	\$28,608,407	\$43,044,802	\$6,350,303	\$8,603,682	\$35,279,431

LB 775 INDUSTRY GROUP DETAIL

Table 6

Analysis of Credits by Industry Group (Cumulative Through 2002)

Industry Group	Total Credits Earned	CREDITS USED		Credits Recaptured	Credit Expired	Credit Balance
		Income Tax	Sales Tax			
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	\$ 37,148,048	\$ 25,435,131	\$ 4,795,783	\$ 0	\$ 0	\$ 6,917,134
Meat and Food Products	272,665,092	70,999,873	78,700,432	759,440	4,951,953	117,253,394
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	228,975,994	17,150,079	53,678,328	344,804	1,960,529	155,842,254
Primary and Fabricated Metals	32,726,594	16,605,500	6,196,471	590,373	0	9,334,250
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	202,974,068	45,725,401	82,068,568	430,886	329,087	74,420,126
Durable and Non-Durable Goods	77,622,335	29,269,312	14,755,338	3,038,069	0	30,559,616
Railroads, Trucking, Air Transportation and Warehousing	274,393,995	61,674,977	37,528,045	0	0	175,190,973
Publishing, Communications, Information and Data Processing Services	201,429,919	79,463,206	22,992,415	3,320,159	0	95,654,139
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	308,525,293	92,344,089	109,263,366	715,303	0	106,202,535
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	138,844,004	52,369,882	28,720,026	0	1,362,113	56,391,983
Total	\$1,775,305,342	\$491,037,450	\$438,698,772	\$9,199,034	\$8,603,682	\$827,766,404

LB 775 INDUSTRY GROUP DETAIL

Sales and Use Tax Refunds

There are two types of sales and use tax refunds available under LB775, direct refunds and refunds using credits.

The direct refund is available on qualified property (see Table 10 narrative for the definition of qualified property) and on aircraft. The total direct refunds through December 31, 2002 were \$497,179,095.00. Refunds were \$483,294,057.00 on qualified property and \$13,885,038.00 on aircraft.

Credits earned on investment and employment increases may be used to obtain a refund of otherwise nonrefundable sales and use tax paid on purchases at the project.

Tables 7 and 8 show a summary of sales and use tax refunds by industry group in 2002 and cumulative through 2002. The last column of Table 7 shows the sales and use tax refunds pending approval on December 31, 2002.

Table 9 shows the breakdown of state and city taxes paid for the total refunds net of recapture.

Table 7 Analysis of Sales/Use Tax Refunds by Industry Group (2002)

Industry Group	APPROVED REFUNDS			Refunds Pending as of 12/31/2002
	Direct Refunds	Refunds Using Credits	Total	
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	\$ 1,129,332	\$ 61,363	\$ 1,190,695	\$ 167,043
Meat and Food Products	1,304,322	9,305,841	10,610,163	6,116,779
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	3,981,435	4,301,958	8,283,393	5,066,927
Primary and Fabricated Metals	669,852	960,207	1,630,059	996,872
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	2,501,825	9,091,717	11,593,542	3,255,569
Durable and Non-Durable Goods	1,130,215	731,777	1,861,992	908,811
Railroads, Trucking, Air Transportation and Warehousing	982,100	3,768,684	4,750,784	7,209,504
Publishing, Communications, Information and Data Processing Services	13,691,003	855,766	14,546,769	7,746,304
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	4,265,190	11,342,344	15,607,534	12,166,647
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	1,545,126	2,625,145	4,170,271	1,613,750
Total	\$31,200,400	\$43,044,802	\$74,245,202	\$45,248,206

Table 8

LB 775 INDUSTRY GROUP DETAIL

Analysis of Sales/Use Tax Refunds by Industry Group (Cumulative through 2002)

Industry Group	APPROVED REFUNDS		
	Direct Refunds	Refunds Using Credits	Total Refunds
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	\$ 8,235,919	\$ 4,795,783	\$ 13,031,702
Meat and Food Products	60,655,453	78,700,432	139,355,885
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	54,627,779	53,678,328	108,306,107
Primary and Fabricated Metals	15,034,591	6,196,471	21,231,062
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	51,015,342	82,068,568	133,083,910
Durable and Non-Durable Goods	16,768,092	14,755,338	31,523,430
Railroads, Trucking, Air Transportation and Warehousing	58,698,565	37,528,045	96,226,610
Publishing, Communications, Information and Data Processing Services	106,832,343	22,992,415	129,824,758
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	104,449,918	109,263,366	213,713,284
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	20,861,093	28,720,026	49,581,119
Total	\$497,179,095	\$438,698,772	\$935,877,867

Table 9

Analysis of Sales/Use Tax Refunds

	APPROVED REFUNDS NET OF RECAPTURE						Refunds Pending as of 12/31/2002
	1988-1998*	1999	2000	2001	2002	Total	
Number of Claims	5,395	668	987	903	829	8,782	267
State Tax	\$488,148,505	\$65,864,573	\$74,872,536	\$ 86,095,486	\$60,482,091	\$775,463,191	\$29,644,137
City Tax	91,501,480	12,650,283	15,061,578	18,187,979	11,430,399	148,831,719	15,604,069
Total	\$579,649,985	\$78,514,856	\$89,934,114	\$104,283,465	\$71,912,490	\$924,294,910	\$45,248,206

LB 775 INDUSTRY GROUP DETAIL

Table 10 details the investment in qualified property by industry group. Qualified property is any tangible property of a type subject to depreciation, amortization, or other recovery under the Internal Revenue Code of 1986, or the components of such property, that will be used at the project. Qualified property does not include (a) aircraft, barges, motor vehicles, railroad rolling stock, or watercraft or (b) property that is rented by the taxpayer qualifying under the Employment and Investment Growth Act to another person.

Table 10 **Investment in Qualified Property
by Industry Group**

Industry Group	1988-1998*	1999	2000	2001	2002	Total
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	\$ 165,365,755	\$ 10,854,140	\$ (556,220)	\$ 24,637,880	\$ 25,755,530	\$ 226,057,085
Meat and Food Products	1,680,759,322	119,298,551	260,078,791	199,534,393	68,031,187	2,327,702,244
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	1,289,197,623	81,389,140	207,964,699	98,618,127	306,889,352	1,984,058,941
Primary and Fabricated Metals	368,303,089	38,424,696	13,366,700	33,422,141	36,136,634	489,653,260
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	1,136,996,802	170,381,060	141,891,330	68,207,289	142,321,339	1,659,797,820
Durable and Non-Durable Goods	287,506,124	62,127,530	49,656,060	25,862,860	35,803,660	460,956,234
Railroads, Trucking, Air Transportation and Warehousing	1,591,720,376	220,129,440	581,306,720	136,015,090	179,644,050	2,708,815,676
Publishing, Communications, Information and Data Processing Services	2,239,435,469	186,485,967	261,972,443	251,679,344	297,770,456	3,237,343,679
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	1,600,021,697	258,277,708	384,740,526	230,599,377	67,129,640	2,540,768,948
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	455,046,478	33,018,130	90,362,250	50,273,310	71,056,610	699,756,778
Total	\$10,814,352,735	\$1,180,386,362	\$1,990,783,299	\$1,118,849,811	\$1,230,538,458	\$16,334,910,665

* For detail by year see previous Annual Reports.

Overview of Employment by Industry Tables

Tables 11 through 14 provide information by industry group on employment for projects which have met the minimum required levels of employment and/or investment necessary to qualify for benefits. For each year of the entitlement period, the qualified \$3 million and 30 full-time equivalent employee projects report information on full-time equivalent employee growth, average salaries and total Nebraska employment. The \$20 million investment projects do not report the full-time equivalent employee growth because it is not a requirement for qualification.

The full-time equivalent employee calculation reported in Table 11 is based on the number of hours paid at the project divided by 40 times the number of weeks in the year. An employee with 60 hours worked in each week of the year would be counted as 1.5 FTE employees. This same computation is done in the current year and the tax year prior to the year of application. The increase or decrease in FTE employees is calculated by subtracting the FTE employees at the project in the tax year prior to the year of application from the number of FTE employees in the reporting tax year.

The total number of people employed at the quarter prior to date of application and at the most recent reporting period reported in Table 12 includes all employees of the taxpayer statewide on a specific date without regard to the number of hours those people have worked. In this case, the person who works 60 hours each week of the year would be reported as long as they were employed at the specific reporting date. The total number of people employed at the measuring points would also include any part-time, seasonal workers or non-project employees in Nebraska as long as they were employed in Nebraska by the taxpayer at the specific reporting date.

The numbers reported in Tables 11 and 12 are not comparable for the following reasons:

- The number of people employed for Table 12 is not measured the same as the number of full-time equivalent (FTE) employees shown in Table 11. The numbers shown in Table 12 are the number of people employed by the qualified LB 775 applicants statewide in Nebraska on a specific date, without regard to the number of hours those people worked.
- Table 11 does not include any information related to the \$20 million dollar projects while Table 12 does report change in total employment for these projects.
- Table 11 includes the full-time equivalent growth only for the project as defined while Table 12 includes total statewide employment.
- Table 11's total column reports cumulative FTE growth for all qualified projects since the enactment of LB775, including projects which are beyond the end of their entitlement period, while Table 12 only includes information for projects which are currently in their entitlement period.

LB 775 INDUSTRY GROUP DETAIL

Number of New Jobs Created

Table 11 shows the number of new full-time equivalent (FTE) employees at the projects as compared to the prior year. The amount shown in the columns for each individual year is the increase or decrease from the previous year and does not represent the total change from the base year.

The total column represents the full-time equivalent growth during the entitlement period for each project that has met the \$3 million investment and 30 full-time equivalent employees since the enactment of the Employment and Investment Growth Act, LB775.

A company is required to maintain a minimum of 30 FTE employee increase to avoid recapture. Please note:

- A company that previously showed a FTE employee increase of 80 could fall back to a 30 FTE employee increase without going into recapture. In this situation, the decrease of 50 FTE would be included in the current year column and the net increase of 30 would remain in the total column.
- If the company that previously showed a FTE employee increase of 80 ceased operations in Nebraska during the entitlement period, they would be in recapture. The decrease of 80 FTE would be included in the current year column and there would be zero FTE's represented in the total column.

This year Table 11 has four industry groups where the change in FTE reported in 2002 as compared to the previously reported year is negative. There were some companies in these industry groups which reported employment growth, however the overall industry total of all companies reporting was a negative number. The companies reporting a decline in employment would not be in recapture unless the full-time equivalent employment growth for the term of the project is below 30 FTE.

Table 11 **Number of Jobs Created by Industry Group**
Full-Time Equivalent (FTE) Employees

Industry Group	1998 & Before	1999	2000	2001	2002	Total
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	1,003	62	(35)	157	116	1,303
Meat and Food Products	13,992	569	765	595	311	16,232
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	3,793	748	276	81	124	5,022
Primary and Fabricated Metals	1,205	39	(64)	324	(113)	1,391
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	8,702	998	(397)	288	378	9,969
Durable and Non-Durable Goods	3,531	562	341	(41)	(41)	4,352
Railroads, Trucking, Air Transportation and Warehousing	4,701	897	412	(99)	(448)	5,463
Publishing, Communications, Information and Data Processing Services	2,985	536	180	318	(433)	3,586
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	9,284	1,383	1,774	(32)	243	12,652
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	9,501	493	587	1,046	723	12,350
Total	58,697	6,287	3,839	2,637	860	72,320

LB 775 INDUSTRY GROUP DETAIL

Total Number of People Employed in Nebraska by Qualified LB 775 Applicants

Table 12 shows a comparison of the total number of people employed in Nebraska by the qualified LB 775 applicants at the end of the quarter prior to the date of application with the total number of people employed in Nebraska on the most recent reporting date. No information is included for projects which are beyond the end of the seven-year entitlement period and are no longer earning new benefits. The total employment numbers for the projects which have selected and attained the \$20 million investment level are included in Table 12.

Table 12 **Total Number of People Employed
by Qualified LB 775 Applicants
by Industry Group**

Industry Group	End of Quarter Prior to Date of Application	Most Recent Reporting Date	Increase (Decrease)
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	2,336	2,715	379
Meat and Food Products	14,807	18,116	3,309
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	4,143	5,324	1,181
Primary and Fabricated Metals	2,573	2,708	135
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	12,954	13,988	1,034
Durable and Non-Durable Goods	2,975	3,770	795
Railroads, Trucking, Air Transportation and Warehousing	12,280	15,299	3,019
Publishing, Communications, Information and Data Processing Services	5,049	7,306	2,257
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	7,797	8,650	853
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	5,002	7,252	2,250
Total	69,916	85,128	15,212

LB 775 INDUSTRY GROUP DETAIL

Average Salary of New Employees

Tables 13 and 14 show the estimated average salary of new FTE employees for 2002 and cumulative through 2002. The average salary for each industry group is the weighted average salary for that group.

The weighted average salary for a group is calculated by multiplying the number of new full-time equivalent (FTE) employees for a company by the estimated annual salary of new employees at that company. This product is then added to the product for the other companies in the group, and the total is divided by the total number of new FTE employees in the group. For example:

	(1)	(2)	(3)	(4)
Company	New FTE Employees	Average Salary	Product (1 x 2)	Weighted Average Salary (3 ÷ 1)
A	10	\$30,000	\$300,000	
B	100	10,000	1,000,000	
C	20	20,000	400,000	
Group Total	130		\$1,700,000	\$13,077

Table 13 Average Salary of New Employees by Industry Group (2002)

Industry Group	Total New FTE Employees	Estimated Average Salary of New Employees
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	116	\$27,682
Meat and Food Products	311	31,463
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	124	27,768
Primary and Fabricated Metals	(113)	N/A
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	378	36,849
Durable and Non-Durable Goods	(41)	N/A
Railroads, Trucking, Air Transportation and Warehousing	(448)	N/A
Publishing, Communications, Information and Data Processing Services	(433)	N/A
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	243	40,098
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	723	41,595
Total	860	\$35,371 *

* \$111,913,411 / 3,164 (Negative FTE and Adjustments Excluded)

LB 775 INDUSTRY GROUP DETAIL

We calculated the cumulative average for each industry by using the most recently reported average wage and cumulative FTE reported for each project. If the cumulative FTE for the project was zero or less, the project was included as zero FTE.

**Table 14 Average Salary of New Employees by Industry Group
(Cumulative through 2002)**

Industry Group	Total New FTE Employees	Estimated Average Salary of New Employees
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	1,303	\$34,389
Meat and Food Products	16,232	23,309
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	5,022	27,181
Primary and Fabricated Metals	1,391	26,678
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	9,969	28,253
Durable and Non-Durable Goods	4,352	27,843
Railroads, Trucking, Air Transportation and Warehousing	5,463	38,464
Publishing, Communications, Information and Data Processing Services	3,586	26,424
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	12,652	31,671
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	12,350	26,073
Total	72,320	\$28,031 **

**\$2,027,196,683 / 72,320

Summary of Benefits by Year Qualification Verified

Tables 15-29 separate the data for the three hundred and thirty projects that have qualified for benefits by the end of 2002 into groups based on the year the department originally verified the company had qualified for benefits. In 2002, 185 companies had previously reached the end of their entitlement period and were no longer eligible to earn credits.

When a company qualifies for benefits under LB 775, the Department of Revenue will verify its eligibility for initial credits and sales and use tax refunds as soon as the company has the necessary documentation prepared. In following years, the taxpayer files its Form 775N with its Nebraska income tax return to claim additional credits.

In some instances, a fiscal year taxpayer that qualified in one year may not have filed its income tax return for the subsequent year until after the end of the next calendar year. For example, if a taxpayer qualified at the end of its June 30, 2000 tax year, the department might have verified its qualification in 2000. However, the company's tax return, including its Form 775N, for the tax year ended June 30, 2001, might not have been filed until April 15, 2002. While the data for 2001 would show no additional credits for the company, any credits used or direct refunds of sales and use tax approved or pending would be included in the 2001 data.

For this reason only 6 of the 16 companies verified as qualifying in 2001 filed a Form 775N claiming additional credits in 2002. This pattern occurred in the prior years also.

Table 15 **Summary of Benefits by Year**
(Companies Verified as Qualifying in 1988)

	1988-1998*	1999	2000	2001	2002	Total
Number of Companies Reporting	N/A	0	0	0	0 **	
Investment Credits	\$41,798,873	0	0	0	0	\$41,798,873
New Jobs Credits	22,938,078	0	0	0	0	22,938,078
Total Credits Earned	<u>\$64,736,951</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	\$64,736,951
Credits Used						
Income Tax	\$14,260,842	\$ 862,920	\$ 330,239	\$ 515,032	0	\$15,969,033
Sales/Use Tax Refunds	41,611,997	3,082,497	1,227,615	485,780	\$ 23,968	46,431,857
Total Credits Used	<u>\$55,872,839</u>	<u>\$3,945,417</u>	<u>\$1,557,854</u>	<u>\$1,000,812</u>	<u>23,968</u>	\$62,400,890
Credits Expired	0	0	0	0	\$1,455,788	\$1,455,788
Direct Sales/Use Tax Refunds on Investment	\$45,079,042	0	\$(323,746)	0	0	\$44,755,296
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$1,937,634	\$55,316	0	0	N/A
Qualified Investment	\$1,461,668,369	0	0	0	0	\$1,461,668,369
New Jobs of Qualifying Companies	3,433	0	0	0	0	3,433

* For detail by year see previous Annual Reports.

** All projects approved in 1988 are past the end of their entitlement period.

Table 16

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1989)**

	1989-1998*	1999	2000	2001	2002	Total
Number of Companies Reporting	N/A	1	1	1	0**	
Investment Credits	\$185,927,185	\$ 2,254	\$982,666	\$669,181	\$ (69,976)	\$187,511,310
New Jobs Credits	76,401,927	(177,719)	0	0	(103,779)	76,120,429
Total Credits Earned	\$262,329,112	\$(175,465)	\$982,666	\$669,181	\$(173,755)	\$263,631,739
Credits Used						
Income Tax	\$117,788,216	\$4,483,175	\$ 8,330,475	\$ 6,019,494	\$1,358,046	\$137,979,406
Sales/Use Tax Refunds	82,106,833	3,702,020	5,227,985	13,178,858	4,630,080	108,845,776
Total Credits Used	\$199,895,049	\$8,185,195	\$13,558,460	\$19,198,352	\$5,988,126	\$246,825,182
Credits Expired	0	0	0	0	\$3,244,632	\$3,244,632
Direct Sales/Use Tax Refunds on Investment	\$74,286,580	\$14,880	0	0	0	\$74,301,460
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$10,723,043	\$1,118,013	\$3,021,585	\$2,487,610	N/A
Qualified Investment	\$2,192,379,807	\$22,540	\$9,826,660	\$6,691,810	\$(699,760)	\$2,208,221,057
New Jobs of Qualifying Companies	11,258	0	0	(453)	0	10,805

* For detail by year see previous Annual Reports.

** All projects approved in 1989 are past the end of their entitlement period. However, taxpayer amendments and audit adjustments to previous credits allowed or benefits received may still be reflected in current year credits earned.

Table 17

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1990)**

	1990-1998*	1999	2000	2001	2002	Total
Number of Companies Reporting	N/A	1	0	0	1**	
Investment Credits	\$ 90,904,770	\$451,099	\$(44,832)	\$(27,979)	\$44,126	\$ 91,327,184
New Jobs Credits	62,726,259	(255,681)	(39,598)	0	0	62,430,980
Total Credits Earned	\$153,631,029	\$195,418	\$(84,430)	\$(27,979)	\$44,126	\$153,758,164
Credits Used						
Income Tax	\$48,837,847	\$ 5,867,047	\$1,245,002	\$ 197,956	\$1,934,463	\$ 58,082,315
Sales/Use Tax Refunds	43,875,696	5,214,486	4,362,172	6,214,594	3,465,976	63,132,924
Total Credits Used	\$92,713,543	\$11,081,533	\$5,607,174	\$6,412,550	\$5,400,439	\$121,215,239
Credits Expired	0	0	0	0	\$3,903,262	\$3,903,262
Direct Sales/Use Tax Refunds on Investment	\$36,043,874	\$87,959	\$101,882	0	\$127,743	\$36,361,458
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$3,778,879	\$4,475,610	\$1,295,766	\$661,541	N/A
Qualified Investment	\$1,060,424,110	\$4,510,990	\$(448,320)	\$(279,790)	\$441,260	\$1,064,648,250
New Jobs of Qualifying Companies	9,814	0	0	(56)	0	9,758

* For detail by year see previous Annual Reports.

** All projects approved in 1990 are past the end of their entitlement period. However, taxpayer amendments and audit adjustments to previous credits allowed or benefits received may still be reflected in current year credits earned.

Table 18

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1991)**

	1991-1998*	1999	2000	2001	2002	Total
Number of Companies Reporting	N/A	0	1	0	0**	
Investment Credits	\$43,766,930	0	\$(55,668)	0	\$112,332	\$43,823,594
New Jobs Credits	42,630,507	0	246	0	(6,193)	42,624,560
Total Credits Earned	<u>\$86,397,437</u>	<u>0</u>	<u>\$(55,422)</u>	<u>0</u>	<u>\$106,139</u>	\$86,448,154
Credits Used						
Income Tax	\$31,436,650	\$1,360,997	\$ 650,150	\$ 538,144	\$ 102,083	\$34,088,024
Sales/Use Tax Refunds	19,169,533	2,514,477	4,022,425	2,007,210	1,541,068	29,254,713
Total Credits Used	<u>\$50,606,183</u>	<u>\$3,875,474</u>	<u>\$4,672,575</u>	<u>\$2,545,354</u>	<u>\$1,643,151</u>	\$63,342,737
Credits Expired	0	0	0	0	0	0
Direct Sales/Use Tax Refunds on Investment	\$29,914,550	\$(1,067,762)	\$26,656	0	\$54,944	\$28,928,388
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$2,612,684	\$367,910	\$681,648	\$228,960	N/A
Qualified Investment	\$893,488,181	0	\$(556,680)	0	\$1,123,320	\$894,054,821
New Jobs of Qualifying Companies	7,147	0	0	270	0	7,417

* For detail by year see previous Annual Reports.

** All projects approved in 1991 are past the end of their entitlement period. However, taxpayer amendments and audit adjustments to previous credits allowed or benefits received may still be reflected in current year credits earned.

Table 19

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1992)**

	1992-1998*	1999	2000	2001	2002	Total
Number of Companies Reporting	N/A	4	2	1	1**	
Investment Credits	\$31,591,168	\$227,669	\$ 543,370	\$8,476	\$536,668	\$32,907,351
New Jobs Credits	15,209,763	551,018	577,892	(527)	0	16,338,146
Total Credits Earned	<u>\$46,800,931</u>	<u>\$778,687</u>	<u>\$1,121,262</u>	<u>\$7,949</u>	<u>\$536,668</u>	\$49,245,497
Credits Used						
Income Tax	\$13,748,908	\$1,026,540	\$1,153,870	\$1,305,143	\$ 513,908	\$17,748,369
Sales/Use Tax Refunds	9,975,765	1,847,319	4,429,925	1,402,774	1,455,662	19,111,445
Total Credits Used	<u>\$23,724,673</u>	<u>\$2,873,859</u>	<u>\$5,583,795</u>	<u>\$2,707,917</u>	<u>\$1,969,570</u>	\$36,859,814
Credits Expired	0	0	0	0	0	0
Direct Sales/Use Tax Refunds on Investment	\$12,545,574	\$296,890	\$293,752	0	0	\$13,136,216
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$2,003,559	\$493,556	\$408,227	\$333,216	N/A
Qualified Investment	\$315,911,710	\$2,276,690	\$5,433,700	\$84,760	\$5,366,680	\$329,073,540
New Jobs of Qualifying Companies	2,085	(7)	39	532	0	2,649

* For detail by year see previous Annual Reports.

** All projects approved in 1992 are past the end of their entitlement period. However, taxpayer amendments and audit adjustments to previous credits allowed or benefits received may still be reflected in current year credits earned.

Table 20

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1993)**

	1993-1998*	1999	2000	2001	2002	Total
Number of Companies Reporting	N/A	6	2	0	0**	
Investment Credits	\$ 96,244,688	\$ 917,926	\$2,011,629	\$ (21,218)	\$ (60,908)	\$ 99,092,117
New Jobs Credits	25,284,005	1,188,914	1,723,926	(444,997)	0	27,751,848
Total Credits Earned	<u>\$121,528,693</u>	<u>\$2,106,840</u>	<u>\$3,735,555</u>	<u>\$(466,215)</u>	<u>\$(60,908)</u>	\$126,843,965
Credits Used						
Income Tax	\$27,216,905	\$ 427,341	\$1,700,956	\$ 905,374	\$ 438,730	\$30,689,306
Sales/Use Tax Refunds	19,309,178	4,511,051	6,199,141	4,972,264	2,124,181	37,115,815
Total Credits Used	<u>\$46,526,083</u>	<u>\$4,938,392</u>	<u>\$7,900,097</u>	<u>\$5,877,638</u>	<u>\$2,562,911</u>	\$67,805,121
Credits Expired	0	0	0	0	0	0
Direct Sales/Use Tax Refunds on Investment	\$23,829,836	\$4,752,009	\$(3,721,732)	\$268,127	0	\$25,128,240
Pending Sales/Use Tax Refunds as of 12/31	\$1,730,733	\$1,310,955	\$1,787,241	\$372,089	3,624,734	N/A
Qualified Investment	\$962,446,870	\$9,179,260	\$20,116,290	\$(212,180)	(609,080)	\$990,921,160
New Jobs of Qualifying Companies	4,310	211	23	0	0	4,544

* For detail by year see previous Annual Reports.

** All projects approved in 1993 are past the end of their entitlement period. However, taxpayer amendments and audit adjustments to previous credits allowed or benefits received may still be reflected in current year credits earned.

Table 21

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1994)**

	1994-1998*	1999	2000	2001	2002	Total
Number of Companies Reporting	N/A	11	9	2	0**	
Investment Credits	\$61,712,408	\$5,403,261	\$ 9,563,032	\$185,626	0	\$76,864,327
New Jobs Credits	10,457,970	3,881,072	4,481,672	495,023	0	19,315,737
Total Credits Earned	<u>\$72,170,378</u>	<u>\$9,284,333</u>	<u>\$14,044,704</u>	<u>\$680,649</u>	<u>0</u>	\$96,180,064
Credits Used						
Income Tax	\$ 6,250,058	\$ 175,157	\$1,436,103	\$ 865,818	\$ 512,416	\$ 9,239,552
Sales/Use Tax Refunds	5,878,987	1,216,677	3,664,454	3,918,990	2,237,106	16,916,214
Total Credits Used	<u>\$12,129,045</u>	<u>\$1,391,834</u>	<u>\$5,100,557</u>	<u>\$4,784,808</u>	<u>\$2,749,522</u>	\$26,155,766
Credits Expired	0	0	0	0	0	0
Direct Sales/Use Tax Refunds on Investment	\$16,218,453	\$610,739	\$1,152,765	\$318,874	\$163,987	\$18,464,818
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$1,813,903	\$1,131,095	\$643,611	\$589,669	N/A
Qualified Investment	\$617,124,081	\$54,032,610	\$95,630,320	\$1,856,260	0	\$768,643,271
New Jobs of Qualifying Companies	2,291	303	617	178	0	3,389

* For detail by year see previous Annual Reports.

** Twelve companies had previously reached the end of their entitlement period and were no longer eligible to earn credits.

Table 22

Summary of Benefits by Year (Companies Verified as Qualifying in 1995)

	1995-1998*	1999	2000	2001	2002	Total
Number of Companies Reporting	N/A	26	22	19	4**	
Investment Credits	\$122,039,874	\$20,271,412	\$32,088,053	\$17,449,126	\$25,339,681	\$217,188,146
New Jobs Credits	29,904,771	11,325,180	9,643,962	9,098,865	2,507,395	62,480,173
Total Credits Earned	<u>\$151,944,645</u>	<u>\$31,596,592</u>	<u>\$41,732,015</u>	<u>\$26,547,991</u>	<u>\$27,847,076</u>	\$279,668,319
Credits Used						
Income Tax	\$23,452,969	\$11,683,507	\$20,934,114	\$16,353,115	\$ 3,659,974	\$ 76,083,679
Sales/Use Tax Refunds	13,607,498	9,137,345	10,456,716	6,817,372	6,453,458	46,472,389
Total Credits Used	<u>\$37,060,467</u>	<u>\$20,820,852</u>	<u>\$31,390,830</u>	<u>\$23,170,487</u>	<u>\$10,113,432</u>	\$122,556,068
Credits Expired	0	0	0	0	0	0
Direct Sales/Use Tax Refunds on Investment	\$52,658,172	\$5,632,984	\$10,829,608	\$13,719,071	\$5,560,911	\$88,400,746
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$10,023,409	\$15,617,491	\$4,181,213	\$12,670,141	N/A
Qualified Investment	\$1,290,292,714	\$224,568,138	\$339,870,706	\$194,836,617	\$253,396,810	\$2,302,964,985
New Jobs of Qualifying Companies	7,278	841	458	(824)	218	7,971

* For detail by year see previous Annual Reports.

** 24 companies had previously reached the end of their entitlement period and were no longer eligible to earn credits.

Table 23

Summary of Benefits by Year (Companies Verified as Qualifying in 1996)

	1996-1998*	1999	2000	2001	2002	Total
Number of Companies Reporting	N/A	25	23	17	17**	
Investment Credits	\$54,692,957	\$ 9,390,056	\$17,800,623	\$15,484,318	\$ 5,996,013	\$103,363,967
New Jobs Credits	23,261,241	10,979,684	13,063,543	11,595,345	6,409,293	65,309,106
Total Credits Earned	<u>\$77,954,198</u>	<u>\$20,369,740</u>	<u>\$30,864,166</u>	<u>\$27,079,663</u>	<u>\$12,405,306</u>	\$168,673,073
Credits Used						
Income Tax	\$13,323,444	\$4,217,949	\$ 6,264,722	\$5,975,754	\$ 3,062,881	\$32,844,750
Sales/Use Tax Refunds	6,148,773	3,343,731	4,400,658	3,382,497	11,111,035	28,386,694
Total Credits Used	<u>\$19,472,217</u>	<u>\$7,561,680</u>	<u>\$10,665,380</u>	<u>\$9,358,251</u>	<u>\$14,173,916</u>	\$61,231,444
Credits Expired	0	0	0	0	0	0
Direct Sales/Use Tax Refunds on Investment	\$14,342,679	\$4,404,588	\$3,886,662	\$6,866,379	\$2,239,137	\$31,739,445
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$1,381,476	\$2,385,865	\$4,074,345	\$4,102,748	N/A
Qualified Investment	\$546,929,543	\$93,900,560	\$178,006,230	\$154,843,180	\$59,960,130	\$1,033,639,643
New Jobs of Qualifying Companies	5,708	1,623	1,007	896	(22)	9,212

* For detail by year see previous Annual Reports.

** Ten companies had previously reached the end of their entitlement period and were no longer eligible to earn credits.

Table 24

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1997)**

	1997-1998*	1999	2000	2001	2002	Total
Number of Companies Reporting	N/A	27	25	25	19*	
Investment Credits	\$87,566,779	\$29,947,980	\$41,093,180	\$24,599,866	\$ 5,919,075	\$189,126,880
New Jobs Credits	12,126,293	10,329,587	10,906,005	9,058,173	5,703,978	48,124,036
Total Credits Earned	<u>\$99,693,072</u>	<u>\$40,277,567</u>	<u>\$51,999,185</u>	<u>\$33,658,039</u>	<u>\$11,623,053</u>	\$237,250,916
Credits Used						
Income Tax	\$12,491,158	\$ 8,725,256	\$ 8,503,424	\$ 5,974,334	\$1,017,354	\$36,711,526
Sales/Use Tax Refunds	6,494,597	6,278,769	6,478,791	6,302,214	5,926,323	31,480,694
Total Credits Used	<u>\$18,985,755</u>	<u>\$15,004,025</u>	<u>\$14,982,215</u>	<u>\$12,276,548</u>	<u>\$6,943,677</u>	\$68,192,220
Credits Expired	0	0	0	0	0	0
Direct Sales/Use Tax Refunds on Investment	\$27,691,913	\$13,823,878	\$10,405,982	\$15,518,664	\$14,281,845	\$81,722,282
Pending Sales/Use Tax Refunds as of 12/31	\$19,567,923	\$1,924,610	\$8,584,021	\$9,249,533	\$5,119,592	N/A
Qualified Investment	\$1,082,953,338	\$422,585,895	\$526,066,321	\$351,443,614	\$301,851,790	\$2,684,900,958
New Jobs of Qualifying Companies	4,117	1,072	43	348	(1,043)	4,537

* For detail by year see previous Annual Reports.

** Five companies had previously reached the end of their entitlement period and were no longer eligible to earn credits.

Table 25

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1998)**

	1998	1999	2000	2001	2002	Total
Number of Companies Reporting	23	14	19	17	16*	
Investment Credits	\$16,955,122	\$6,361,994	\$3,219,330	\$4,145,285	\$4,755,285	\$35,437,016
New Jobs Credits	1,991,811	1,980,239	2,678,609	2,458,230	2,530,974	11,639,863
Total Credits Earned	<u>\$18,946,933</u>	<u>\$8,342,233</u>	<u>\$5,897,939</u>	<u>\$6,603,515</u>	<u>\$7,286,259</u>	\$47,076,879
Credits Used						
Income Tax	\$ 0	\$2,395,619	\$3,882,786	\$4,302,197	\$2,560,810	\$13,141,412
Sales/Use Tax Refunds	303,104	338,927	2,093,060	949,407	758,764	4,443,262
Total Credits Used	<u>\$303,104</u>	<u>\$2,734,546</u>	<u>\$5,975,846</u>	<u>\$5,251,604</u>	<u>\$3,319,574</u>	\$17,584,674
Credits Expired	0	0	0	0	0	0
Direct Sales/Use Tax Refunds on Investment	\$2,355,087	\$7,022,596	\$2,251,855	\$4,779,262	\$1,277,362	\$17,686,162
Pending Sales/Use Tax Refunds as of 12/31	\$6,465,987	\$612,829	\$4,704,636	\$1,086,017	\$5,524,746	N/A
Qualified Investment	\$390,734,012	\$89,981,985	\$37,403,010	\$54,006,860	\$73,667,784	\$645,793,651
New Jobs of Qualifying Companies	1,256	336	143	170	(4)	1,901

* Two companies had previously reached the end of their entitlement period and were no longer eligible to earn credits.

Table 26

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1999)**

	1999	2000	2001	2002	Total
Number of Companies Reporting	25	18	17	20	
Investment Credits	\$17,564,025	\$5,336,151	\$5,791,043	\$11,146,419	\$39,837,638
New Jobs Credits	<u>3,513,485</u>	<u>2,381,629</u>	<u>2,790,963</u>	<u>3,464,230</u>	12,150,307
Total Credits Earned	<u>\$21,077,510</u>	<u>\$7,717,780</u>	<u>\$8,582,006</u>	<u>\$14,610,649</u>	\$51,987,945
Credits Used					
Income Tax	\$1,802,158	\$4,506,493	\$4,015,692	\$2,749,371	\$13,073,714
Sales/Use Tax Refunds	<u>123,032</u>	<u>1,490,942</u>	<u>1,714,173</u>	<u>899,177</u>	4,227,324
Total Credits Used	<u>\$1,925,190</u>	<u>\$5,997,435</u>	<u>\$5,729,865</u>	<u>\$3,648,548</u>	\$17,301,038
Credits Expired	0	0	0	0	0
Direct Sales/Use Tax Refunds on Investment	\$2,758,801	\$2,527,013	\$6,493,652	\$1,980,076	\$13,759,542
Pending Sales/Use Tax Refunds as of 12/31	\$5,443,062	\$1,533,797	\$2,673,354	\$1,225,309	N/A
Qualified Investment	\$279,327,694	\$70,977,183	\$59,611,023	\$111,550,972	\$521,466,872
New Jobs of Qualifying Companies	1,908	317	231	(171)	2,285

Table 27

**Summary of Benefits by Year
(Companies Verified as Qualifying in 2000)**

	2000	2001	2002	Total
Number of Companies Reporting	17	10	12	
Investment Credits	\$65,755,392	\$12,639,552	\$15,807,452	\$ 94,202,396
New Jobs Credits	<u>2,778,812</u>	<u>1,349,424</u>	<u>1,806,868</u>	5,935,104
Total Credits Earned	<u>\$68,534,204</u>	<u>\$13,988,976</u>	<u>\$17,614,320</u>	\$100,137,500
Credits Used				
Income Tax	\$824,852	\$2,785,535	\$4,773,873	\$ 8,384,260
Sales/Use Tax Refunds	<u>0</u>	<u>358,044</u>	<u>1,993,938</u>	2,351,982
Total Credits Used	<u>\$824,852</u>	<u>\$3,143,579</u>	<u>\$6,767,811</u>	\$10,736,242
Credits Expired	0	0	0	0
Direct Sales/Use Tax Refunds on Investment	\$10,892,426	\$6,266,313	\$2,826,685	\$19,985,424
Pending Sales/Use Tax Refunds as of 12/31	\$2,338,005	\$1,325,861	\$6,032,435	N/A
Qualified Investment	\$708,457,879	\$122,730,697	\$173,479,042	\$1,004,667,618
New Jobs of Qualifying Companies	1,192	11	87	1,290

Table 28

**Summary of Benefits by Year
(Companies Verified as Qualifying in 2001)**

	2001	2002	Total
Number of Companies Reporting	16	6	
Investment Credits	\$17,323,696	\$3,100,980	\$20,424,676
New Jobs Credits	<u>2,294,786</u>	<u>782,348</u>	<u>3,077,134</u>
Total Credits Earned	\$19,618,482	\$3,883,328	\$23,501,810
Credits Used			
Income Tax	\$1,077,604	\$5,180,996	\$6,258,600
Sales/Use Tax Refunds	<u>103,594</u>	<u>417,902</u>	<u>521,496</u>
Total Credits Used	\$1,181,198	\$5,598,898	\$6,780,096
Credits Expired	0	0	0
Direct Sales/Use Tax Refunds on Investment	\$121,883	\$2,680,363	\$2,802,246
Pending Sales/Use Tax Refunds as of 12/31	\$147,355	\$1,572,286	N/A
Qualified Investment	\$173,236,960	\$31,009,800	\$204,246,760
New Jobs of Qualifying Companies	1,334	200	1,534

Table 29

**Summary of Benefits by Year
(Companies Verified as Qualifying in 2002)**

	2002	Total
Number of Companies Reporting	18	
Investment Credits	\$21,999,971	\$21,999,971
New Jobs Credits	<u>4,164,393</u>	<u>4,164,393</u>
Total Credits Earned	\$26,164,364	\$26,164,364
Credits Used		
Income Tax	\$743,502	\$743,502
Sales/Use Tax Refunds	<u>6,156</u>	<u>6,156</u>
Total Credits Used	\$749,658	\$749,658
Credits Expired	0	0
Direct Sales/Use Tax Refunds on Investment	\$7,341	\$7,341
Pending Sales/Use Tax Refunds as of 12/31	\$1,075,304	N/A
Qualified Investment	\$219,999,710	\$219,999,710
New Jobs of Qualifying Companies	1,595	1,595

Projected Revenue Gains and (Losses) of LB 775, LB 829 as amended, and LB 620 for Tax Years 1987-2016 Projects by Fiscal Years**

The estimates are based on a sample of 100 agreements and actual results of 330 qualified projects, including 43 completed projects, from 1987 through 2002. Employment and investment flows are projected at rates indicated by the corresponding companies' applications. The analysis time frame considers future agreements signed through the year 2016 with a 95 percent success rate.

All other pertinent information as provided in the applications, such as salary levels and investment composition (not all property is treated equally in regard to tax preferences), is taken into consideration.

The classification of jobs into new economic jobs or existing jobs (jobs that would have been created regardless of the existence of LB 775, LB 829 as amended, and LB 620) is based on the company provided description of the project. The model estimates that 30 percent of the jobs created are true new economic jobs.

The credit used estimate is based on the assumption of maximized use for each year either against corporate income tax, individual income tax, or sales and use tax.

The time series analysis from 1987 to 2002 indicates that the usage of credits against sales and use taxes paid averages 47 percent of credits used. This usage factor was used for the future allocation of credits used. The liability analysis of the calendar year simulation model is converted into a fiscal year cash flow model.

The estimated profitability (individual and corporate income tax liability available for credit set-off) is based on the historical profitability of the respective companies.

The following is an estimate of new projects for the years 2003 through 2016.

Year	# of Agreements Signed	AVERAGE PER PROJECT*		
		\$ Million of Investment	Number of Employees	Salary Level
2003	21	44.3	299	29,535
2004	18	86.0	235	34,671
2005	18	56.1	204	32,601
2006	30	56.6	142	38,270
2007	20	53.1	126	35,985
2008	25	92.1	127	42,243
2009	41	52.6	291	39,721
2010	32	45.4	235	45,491
2011	28	41.0	135	36,439
2012	22	27.8	105	40,056
2013	20	35.3	91	39,067
2014	18	81.7	110	46,045
2015	31	56.6	184	38,200
2016	15	41.6	172	49,978

* The investment and employment levels represent the entire investment and employment associated with the project through the entitlement period (employment levels represent the employees qualifying for credits).

** A detailed description of the model is available upon request.

(Methodology and Assumptions for LB 775 Benefit and Cost Estimate; Nebraska Department of Revenue, Finance and Research Division, August 1996.)

**PROJECTED REVENUE GAINS OR (LOSSES) OF LB 775, LB 829 AS AMENDED, AND LB 620
FOR TAX YEARS 1987-2016 BY FISCAL YEAR**

Fiscal Year		02/03	03/04	04/05	05/06	06/07	07/08
SUMMARY	Expansion: Sales and Use	75,543,669	79,146,155	83,346,818	90,113,085	94,854,328	82,650,613
	Corporate	7,930,657	8,337,045	8,746,243	9,274,321	9,957,040	10,012,116
	Individual	33,389,731	34,993,280	36,837,225	39,754,962	41,924,547	37,065,092
	Sales and Use Tax Refunds TPP	34,897,444	34,375,768	34,959,233	36,764,308	37,391,569	36,344,174
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	96,753,934	96,880,579	98,203,477	100,881,636	102,041,632	102,312,958
	Corp. or Individ. & Wage Benefit Credit	51,279,585	51,346,707	52,047,843	53,467,267	54,082,065	54,225,868
	Sales and Use	45,474,349	45,533,872	46,155,634	47,414,369	47,959,567	48,087,090
	Credits Expired	10,038,784	8,407,729	7,779,413	10,641,082	8,229,639	7,328,589
	Gain or (Loss)	(14,787,321)	(8,779,867)	(4,232,424)	1,496,424	7,302,714	(8,929,311)
	Cumulative	(485,805,968)	(494,585,835)	(498,818,259)	(497,321,835)	(490,019,121)	(498,948,432)
	Sales Tax Refunds (TPP+Credits Used)	80,371,793	79,909,640	81,114,867	84,178,677	85,351,136	84,431,264
Fiscal Year		08/09	09/10	10/11	11/12	12/13	13/14
SUMMARY	Expansion: Sales and Use	86,983,821	86,307,837	83,934,638	85,731,356	85,008,546	83,964,795
	Corporate	9,132,054	9,468,060	9,348,062	9,202,933	9,330,189	9,242,608
	Individual	38,446,350	38,310,359	37,313,080	37,973,716	37,735,494	37,282,961
	Sales and Use Tax Refunds TPP	35,847,402	37,254,193	39,499,537	39,807,029	38,122,691	36,492,342
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	103,339,530	105,452,928	108,149,054	109,637,024	109,004,231	107,532,920
	Corp. or Individ. & Wage Benefit Credit	54,769,951	61,162,698	62,726,451	60,300,363	59,952,327	59,143,106
	Sales and Use	48,569,579	44,290,230	45,422,603	49,336,661	49,051,904	48,389,814
	Credits Expired	7,237,295	6,291,336	6,272,667	6,761,212	7,290,147	7,441,432
	Gain or (Loss)	(4,624,707)	(8,620,865)	(17,052,811)	(16,536,048)	(15,052,693)	(13,534,898)
	Cumulative	(503,573,139)	(512,194,004)	(529,246,815)	(545,782,863)	(560,835,556)	(574,370,454)
	Sales Tax Refunds (TPP+Credits Used)	84,416,981	81,544,423	84,922,140	89,143,690	87,174,595	84,882,156
Fiscal Year		14/15	15/16	16/17	17/18	18/19	19/20
SUMMARY	Expansion: Sales and Use	84,380,365	84,522,957	90,302,914	105,269,261	106,934,135	97,627,621
	Corporate	9,169,393	9,214,062	9,402,757	10,307,209	11,589,225	11,471,453
	Individual	37,419,903	37,494,808	39,882,268	46,230,588	47,409,344	43,639,630
	Sales and Use Tax Refunds TPP	35,522,449	37,005,551	44,790,187	55,046,632	55,561,170	45,381,789
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	106,387,688	107,878,228	116,014,304	127,008,333	131,913,645	130,564,553
	Corp. or Individ. & Wage Benefit Credit	61,704,859	62,569,372	67,288,296	73,664,833	76,509,914	75,727,441
	Sales and Use	44,682,829	45,308,856	48,726,008	53,343,500	55,403,731	54,837,112
	Credits Expired	7,271,656	7,041,863	6,646,972	6,404,097	6,319,081	6,268,085
	Gain or (Loss)	(10,940,476)	(13,651,952)	(21,216,552)	(20,247,907)	(21,542,111)	(23,207,638)
	Cumulative	(585,310,930)	(598,962,882)	(620,179,434)	(640,427,341)	(661,969,452)	(685,177,090)
	Sales Tax Refunds (TPP+Credits Used)	80,205,278	82,314,407	93,516,195	108,390,132	110,964,901	100,218,901

NOTE: Rounding differences may cause slight variations.

Table 30 Estimate of Personal Property Valuation Exempted Under LB 775 By Class In Each County (Tax Year 2002)

The following tables show the value of personal property exempted for 2002 and cumulative for tax years 1988-2002. When a company applies for LB 775 benefits under the \$10 million investment and 100 employees option, a personal property tax exemption is available for

- Turbine-powered aircraft used in connection with the project.

The Department of Revenue conducts field reviews to verify that the companies have met the minimum of \$10 million investment and 100 employees to qualify for property tax exemption on the following property used in connection with the project:

- Mainframe business computers plus certain peripheral components connected to such computers,
- Personal property, which is business equipment located in a single project involved directly in the manufacture or processing of agricultural products. (For applications filed before January 1, 1988, the exemption is for business equipment if the business equipment is utilized in a business which is involved directly in the manufacture or processing of agricultural products, and the business equipment had a minimum aggregate value of ten million dollars.)

County	Airplanes	Computer Equipment	Business Equipment	Total
Adams	\$ 0	\$ 0	\$ 70,919,315	\$ 70,919,315
Buffalo	0	645,377	1,355	646,732
Cheyenne	2,082,500	8,886,989	0	10,969,489
Colfax	0	0	23,258,985	23,258,985
Cuming	0	0	1,063,708	1,063,708
Dakota	0	0	27,177,416	27,177,416
Dawson	0	0	9,600,842	9,600,842
Dixon	0	0	3,780,820	3,780,820
Dodge	0	0	7,003,571	7,003,571
Douglas	63,950,414	80,390,456	71,754,154	216,095,024
Gage	0	0	42,240	42,240
Hall	2,113,253	271,155	9,092,812	11,477,220
Knox	0	0	282,297	282,297
Lancaster	5,869,996	1,663,405	275	7,533,676
Lincoln	0	150,080	0	150,080
Madison	0	0	19,271,310	19,271,310
Otoe	0	0	10,030,106	10,030,106
Platte	0	113,159	78,729,328	78,842,487
Red Willow	0	0	2,232	2,232
Saline	0	576,105	27,672,420	28,248,525
Sarpy	0	4,613,544	2,494,074	7,107,618
Washington	0	0	178,145,496	178,145,496
*Central	2,968,126	0	0	2,968,126
Total	\$76,984,289	\$97,310,270	\$540,322,756	\$714,617,315

* Centrally assessed property with value distributed throughout the state. These figures represent our estimates of the values exempted.

Table 30 Estimate of Personal Property Valuation Exempted Under LB 775 By Class In Each County (Cumulative for Tax Years 1988-2002)

County	Airplanes	Computer Equipment	Business Equipment	Total
Adams	\$ 0	\$ 0	\$ 249,393,111	\$ 249,393,111
Box Butte	0	102,472	0	102,472
Buffalo	0	4,978,680	66,719	5,045,399
Butler	0	41,145	0	41,145
Cheyenne	9,307,500	18,526,248	0	27,833,748
Colfax	0	0	135,335,927	135,335,927
Cuming	0	0	11,170,236	11,170,236
Custer	0	663,100	10,194	673,294
Dakota	0	0	277,009,334	277,009,334
Dawes	0	171,909	0	171,909
Dawson	0	0	225,237,265	225,237,265
Dixon	0	504,272	128,827,953	129,332,225
Dodge	0	258,633	54,307,530	54,566,163
Douglas	300,506,985	1,842,273,845	612,762,036	2,755,542,866
Gage	0	62,719	1,338,979	1,401,698
Hall	2,980,782	2,374,584	86,282,369	91,637,735
Knox	0	0	67,165,748	67,165,748
Lancaster	32,400,365	72,968,896	242,876	105,612,137
Lincoln	0	2,403,277	48,451	2,451,728
Madison	0	6,943	120,191,248	120,198,191
Otoe	0	0	35,892,515	35,892,515
Phelps	0	1,539,181	0	1,539,181
Platte	0	9,052,197	990,025,332	999,077,529
Red Willow	0	0	36,421	36,421
Saline	0	6,209,778	199,827,438	206,037,216
Sarpy	7,911,346	58,061,381	44,616,417	110,589,144
Scottsbluff	0	345,383	0	345,383
Seward	0	141,359	0	141,359
Washington	0	340,809	1,010,386,480	1,010,727,289
Wayne	0	117,223	0	117,223
York	0	366,371	0	366,371
*Central	76,497,583	0	0	76,497,583
Total	\$429,604,561	\$2,021,510,405	\$4,250,174,579	\$6,701,289,545

* Centrally assessed property with value distributed throughout the state. These figures represent our estimates of the values exempted.

Quality Jobs Act LB 829
(as amended by LB 1368)



Neb. Rev. Stat. §77-4933 states:

The Department of Revenue shall submit an annual report to the Legislature no later than March 15 each year. The report shall list (a) the agreements which have been signed during the previous calendar year, (b) the agreements which are still in effect, (c) the identity of each company, and (d) the location of each project.

The report shall also state by industry group (a) the amount of wage benefit credits allowed under the Quality Jobs Act, (b) the number of direct jobs created at the project, (c) the amount of direct capital investment under the act, (d) the estimated wage levels of jobs created by the companies at the projects, (e) the estimated indirect jobs and investment created on account of the projects, and (f) the projected future state and local revenue gains and losses from all revenue sources on account of the direct and indirect jobs and investment created on account of the project.

No information shall be provided in the report that is protected by state or federal confidentiality laws.

LB 829 (as amended by LB 1368) Qualified Activity Reported in 2002

The Quality Jobs Act, LB 829, requires a separate application subject to approval by the Quality Jobs Board. The members of the board are the Governor, the State Treasurer, and the chairperson of the Nebraska Investment Council. A qualifying business must invest at least \$50 million in qualified property and hire at least 500 new employees or invest at least \$100 million in qualified property and hire at least 250 new employees. If the company reaches and maintains these levels, they are eligible for a wage benefit credit. The company is to expend at least the value of the wage benefit credit for company training programs, employee benefit programs, educational institution training programs or workplace safety programs.

There are seven agreements signed under LB 829. The agreement specifies whether the company has elected to use the credit against the company's income tax or has elected to retain a portion of the Nebraska individual income tax withholding as designated by the employees.

Wage benefit credits were allowed in 1998 through 2002, however due to confidentiality no information is reported.

No new LB829 applications may be filed after February 1, 2000 without further authorization of the Legislature.

Agreements Signed in 1996 That are Still in Effect

Company Name	Project Type	Project Location
1. Union Pacific Railroad Company	\$100M + 250 emp	Omaha

Agreements Signed in 1997 That are Still in Effect

Company Name	Project Type	Project Location
1. Cargill Incorporated	\$100M + 250 emp	Greater Blair area
2. First Data Corporation	\$60M + 2000 emp	Omaha

Agreements Signed in 1998 That are Still in Effect

Company Name	Project Type	Project Location
1. Caterpillar Claas America LLC	\$60M + 500 emp	Omaha Metro
2. Nebraska Beef, Ltd.	\$69M + 936 emp	Omaha
3. Novartis Consumer Health, Inc.	\$103M + 275 emp	Lincoln

Agreements Signed in 2000 That are Still in Effect

Company Name	Project Type	Project Location
1. Becton Dickinson and Company	\$146M + 287 emp	Columbus, Broken Bow, and Holdrege

**Employment Expansion and
Investment Incentive Act LB 1124,
LB 270, as amended**



Neb. Rev. Stat. §77-27,195 states:

Report; contents. (1) The Tax Commissioner shall prepare a report identifying the amount of investment in this state and the number of equivalent jobs created by each taxpayer claiming a credit pursuant to the Employment Expansion and Investment Incentive Act. The report shall include the amount of credits claimed in the aggregate. The report shall be issued on or before March 15 of each year, beginning with March 15, 1988, for all credits allowed during the previous calendar year.

(2) In the report for any year in which a taxpayer located in an enterprise zone designated pursuant to the Enterprise Zone Act claimed a credit pursuant to subsection (3) of section 77-27,188, the Tax Commissioner shall identify (a) the amount of investment made in each enterprise zone by all taxpayers claiming credits, (b) the number of jobs created in each enterprise zone by all taxpayers claiming credits, (c) the number of jobs created in each enterprise zone by all taxpayers claiming credits held by residents of the enterprise zone, and (d) the average wage on an hourly basis or the average annual salary of new jobs created in each enterprise zone by all taxpayers claiming credits.

LB 1124, LB 270, as amended

Qualified Activity Reported in 2002

A separate application process is not required for this incentive program. The number of credits earned, jobs created, and investment made is reported by the filing a Nebraska Employment and Investment Credit Computation, Form 3800N, with a tax return. In order to earn credits, a company must be in a qualifying business and within the taxable year have an increase of \$75,000 in qualifying investment and two new full-time equivalent employees. For five years after the initial year of qualification, the business may receive additional credits for new employees without any additional investment.

This report includes 1993 through 2001 tax returns processed during 2002. A total of 1,328 separate businesses have filed for benefits under LB 1124 through 2002.

In 2002, the department approved 217 returns from businesses, 152 of which reported new investment made and/or employees hired. These 152 returns reflected the following:

- Net new investment of \$100,975,657
- New full-time jobs of 1,085
- Credits of \$2,938,500, excluding the Enterprise Zone credits

Twenty-nine returns processed in 2002 showed maintenance of past levels of employment and investment. If a taxpayer fails to maintain the levels of investment and employment that created the credit for at least two years after the year for which the credit was first allowed, part of the used and unused credits are subject to recapture. During the subsequent two years, the taxpayer must repay to the state one-third of the amount of the credit subject to recapture for each year that the taxpayer did not maintain the required levels. Thirty-six returns processed in 2002 reported recapture of past credits.

Credits may be carried over and used for the five immediately succeeding taxable years. Any credit carryover remaining at the end of the fifth year expires.

Business Activity Summary

	Processed In 1988-1998****	Processed In 1999	Processed In 2000	Processed In 2001	Processed In 2002	Total
Investment	\$954,448,217	\$155,921,527	\$143,364,935	\$135,902,328	\$100,975,657**	\$1,490,612,664
Employees	20,761*	2,048	1,895	1,839	1,085***	27,628
Credits	\$40,154,152	\$4,899,500	\$4,559,500	\$4,402,000	\$2,938,500	\$56,953,652
LB 335 Credits	256,000	0	0	0	0	256,000
Enterprise Zone Credits	\$ 493,500	\$ 60,000	\$ 0	\$ 36,000	\$ 101,000	\$ 690,500
Total Credits	\$40,903,652	\$4,959,500	\$4,559,500	\$4,438,000	3,039,500	\$57,900,152
Credits Used:						
Income Tax	\$19,008,601	\$2,064,856	\$1,964,562	\$1,736,498	\$1,452,051	\$26,226,568
Sales Tax	12,103,505	1,778,558	2,037,679	1,677,097	887,454	18,484,293
Credits Recaptured:						
Income Tax	\$1,209,314	\$104,071	\$192,147	\$153,592	\$163,340	\$1,822,464
Sales Tax	253,978	45,500	6,338	100	0	305,916
Unused Credit Carryover Recapture	\$1,539,185	\$188,443	\$297,769	\$255,588	\$119,052	\$2,400,037
Credits Expired	\$665,722	\$95,018	\$48,670	\$90,430	\$45,016	\$944,856

* LB886 which was passed in 1997 changed the definition of a new employee from a full-time employee to a full-time equivalent employee operative for tax years beginning on or after January 1, 1998. These numbers are based on full-time employees.

** 1993 returns	429,625	*** 1993 returns	10 *
1994 returns	1,872,745	1994 returns	29 *
1995 returns	1,558,574	1995 returns	23 *
1996 returns	1,366,560	1996 returns	19 *
1997 returns	-4,526,588 (1)	1997 returns	-12 *(1)
1998 returns	13,149,555	1998 returns	19
1999 returns	8,186,118	1999 returns	69
2000 returns	34,308,160	2000 returns	378
2001 returns	44,630,908	2001 returns	550
	<u>100,975,657</u>		<u>1,085</u>

**** For detail by year see previous Annual Reports

(1) Negative due to adjustment of prior year reporting.

1993–2001 Business Activity (Processed in 2002)

	Net New Investment	Jobs		Net New Investment	Jobs
1	9,654,847	13	56	429,541	3
2	5,904,756	10	57	421,895	4
3	4,978,329	4	58	411,177	12
4	4,430,075	5	59	409,386	11
5	3,736,822	6	60	389,556	13
6	3,716,432	10	61	387,303	13
7	3,507,554	7	62	380,839	8
8	3,384,243	47	63	375,376	9
9	3,041,538	4	64	375,000	15
10	2,918,965	2	65	370,132	4
11	2,848,607	8	66	360,783	2
12	2,451,402	9	67	352,652	3
13	2,429,867	10	68	343,532	10
14	2,365,283	2	69	336,577	22
15	1,833,709	84	70	334,526	3
16	1,825,908	11	71	330,771	6
17	1,609,776	8	72	330,162	6
18	1,421,896	46	73	329,543	8
19	1,410,671	4	74	316,323	6
20	1,400,162	5	75	309,682	2
21	1,278,794	3	76	302,494	40
22	1,273,280	5	77	299,516	4
23	1,267,957	4	78	298,658	4
24	1,117,869	9	79	297,798	4
25	1,024,664	2	80	294,494	21
26	955,333	5	81	290,668	7
27	928,813	8	82	282,385	2
28	911,339	15	83	273,374	3
29	876,751	15	84	265,803	11
30	869,634	4	85	262,473	4
31	855,941	13	86	256,566	7
32	839,086	6	87	256,047	4
33	783,960	3	88	247,474	4
34	761,601	9	89	238,522	6
35	747,511	3	90	234,713	7
36	711,099	4	91	226,810	4
37	705,850	2	92	225,933	2
38	620,364	9	93	224,104	6
39	602,505	2	94	222,803	2
40	579,813	8	95	221,726	2
41	577,619	2	96	206,780	2
42	561,354	5	97	187,338	8
43	539,548	30	98	187,265	2
44	535,598	6	99	183,886	2
45	516,948	10	100	172,960	3
46	514,285	7	101	172,214	3
47	506,751	11	102	169,663	7
48	474,424	4	103	166,572	4
49	460,611	14	104	163,317	5
50	454,058	17	105	154,412	11
51	446,594	7	106	151,829	12
52	441,155	12	107	151,493	4
53	440,522	7	108	151,186	2
54	433,154	11	109	146,716	5
55	431,691	6	110	138,210	3

1993–2001 Business Activity (Processed in 2002)

	Net New Investment	Jobs		Net New Investment	Jobs
111	134,208	2	131	0	3
112	130,958	7	132	0	6
113	130,539	2	133	0	6
114	128,265	6	134	0	6
115	128,211	3	135	0	2
116	126,884	6	136	0	6
117	123,878	3	137	0	11
118	119,350	11	138	0	4
119	116,361	19	139	0	2
120	113,593	5	140	0	2
121	113,302	4	141	0	11
122	108,620	2	142	0	2
123	105,899	2	143	0	2
124	102,832	2	144	0	4
125	94,386	5	145	0	4
126	90,307	2	146	0	63
127	90,005	4	147	0	2
128	89,682	2	148	0	4
129	83,828	11	149	0	4
130	79,318	6	150	0	6
			151	0	2
			152	0	5
				(6,173,045)	-126
Prior year amended Returns and Audit Adjustments			152	100,975,657	1,085
			Returns	Investment	Jobs

Enterprise Zone Act, LB 1124 as amended

Incentive credits earned under the Enterprise Zone Act are based on the provisions of LB1124 other than higher credit levels are allowed. The Enterprise Zone Act provides a higher employment credit for companies engaged in a qualifying business within the defined enterprise zones and employing residents of the zone. If at least 50 percent of the new employees reside within the enterprise zone, then the company also receives additional credits for new investment. The credits provided under this subsection shall not exceed \$75,000 in any one tax year. In addition to the requirements to maintain the employment and investment levels for two years that are required of any LB 1124 company, those earning credits under the Enterprise Zone Act for tax years starting before January 1, 2001 need to maintain the number of new employees residing in the enterprise zone.

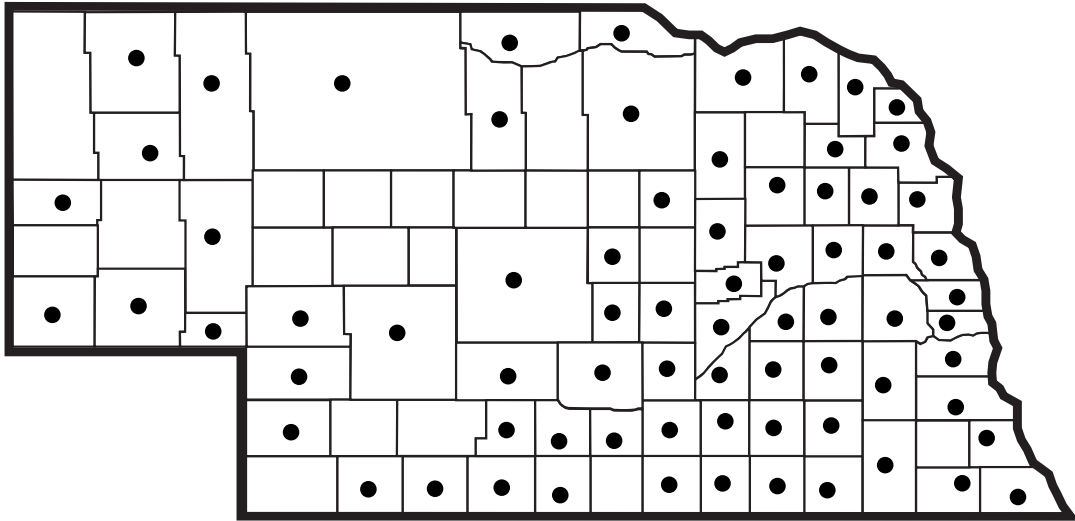
The Nebraska Employment and Investment Credit Computation, Form 3800N, filed with a tax return is the method to report credits earned, investment made, jobs created for employees in total and for residents of the zone. In 2002, businesses within the enterprise zones qualified for new credits as stated below.

Omaha and Platte Valley Enterprise Zones*

Amount of investment:	\$5,389,506
Number of jobs:	16
Number of jobs held by residents:	3
Average wage on an hourly basis:	\$13.25
Average annual salary:	\$27,561
Credits:	\$101,000

*The amounts are totals for all Enterprise Zones rather than for each zone in order to preserve confidentiality.

LB 1124
(as amended by LB 270, LB 335, and LB 725)
Location of Expansion



Ainsworth	Columbus	Gresham	Madrid	St. Edward
Albion	Cozad	Gretna	Mead	St. Paul
Alda	Crete	Gurley	Milford	Sargent
Alma	Crofton	Hampton	Milligan	Schuyler
Allen	Culbertson	Hardy	Minden	Scottsbluff
Alliance	Dakota City	Hartington	Morrill	Seward
Ansley	David City	Hastings	Nebraska City	Shelby
Arapahoe	Deshler	Heartwell	Neligh	Shickley
Arcadia	Diller	Hebron	Nickerson	Sidney
Ashland	Dodge	Henderson	Norfolk	Snyder
Atkinson	Doniphan	Hickman	North Bend	South Sioux City
Auburn	Dorchester	Holbrook	North Loup	Spencer
Aurora	Douglas	Holdrege	North Platte	Springfield
Bartlett	Eddyville	Hoskins	Ogallala	Springview
Battle Creek	Edison	Howells	O'Neill	Stanton
Beatrice	Elkhorn	Humboldt	Omaha	Sutton
Beemer	Elm Creek	Humphrey	Orchard	Syracuse
Bellevue	Elwood	Imperial	Osceola	Tekamah
Bennet	Emerson	Juanita	Oshkosh	Thurston
Blair	Endicott	Kearney	Oxford	Utica
Bloomfield	Exeter	Kimball	Page	Valley
Broken Bow	Fairbury	Laurel	Palmer	Venango
Bruning	Fairmont	LaVista	Papillion	Waco
Brunswick	Falls City	Leigh	Pender	Wahoo
Cambridge	Farnam	Lexington	Peru	Waterloo
Cedar Rapids	Farwell	Lincoln	Petersburg	Waverly
Central City	Fremont	Lindsay	Pilger	Wayne
Chadron	Fullerton	Lisco	Plattsmouth	Weeping Water
Chapman	Geneva	Litchfield	Pleasanton	West Point
Chappell	Genoa	Long Pine	Plymouth	Wisner
Chambers	Gering	Louisville	Primrose	York
Clarks	Gibbon	Lyman	Ralston	
Clarkson	Gordon	Lyons	Randolph	
Clearwater	Gothenburg	McCook	Red Cloud	
Cody	Grand Island	Madison	Royal	

Rural Economic Opportunities Act, LB936



Neb. Rev. Stat. 77-5412. States:

The Tax Commissioner shall submit an annual report to the Legislature no later than June 30 of each year.

The report shall state by industry group (a) the credits earned, (b) the credits used to reduce the corporate income tax and the credits used to reduce the individual income tax, (c) the number of jobs created, (d) the total number of employees employed by taxpayers at qualifying projects on the last day of the calendar quarter prior to the application date and the total number of employees employed by the taxpayers for the projects on subsequent reporting dates, (e) the expansion of capital investment, (f) the estimated wage levels of jobs created subsequent to the application date, (g) the total number of qualified applicants, (h) the projected future state revenue gains and losses, and (i) the credits outstanding.

No information shall be provided in the report that is protected by state or federal confidentiality laws.

LB936

Qualified Activity Reported in 2002

The Rural Economic Opportunities Act, LB936, requires a separate application with the Nebraska Department of Revenue which states the planned employment, investment, and wages. The minimum required levels of investment, wages and employment vary by county and must meet the following requirements:

- A full-time equivalent employment increase of at least one half of one percent of the county labor force,
- Investment of \$100,000 times the number of required employees if the county labor force is more than 3,000 and \$50,000 times the number of required employees if the county labor force is 3,000 or less and
- Average annual wage equal to or greater than the average wage in the county or the region.

As of 2002, there have been no qualified applicants.

Invest Nebraska Act, LB 620, as amended



Neb. Rev. Stat. 77-5542 States:

(1) The Department of Revenue shall submit an annual report to the Legislature no later than March 15 each year. The report shall list (a) the agreements which have been signed during the previous calendar year, (b) the agreements which are still in effect, (c) the identity of each company, and (d) the location of each project.

(2) The report shall also state by industry group (a) the amount of wage benefit credits and investment tax credits allowed under the Invest Nebraska Act, (b) the number of direct jobs created at the projects, (c) the amount of direct capital investment under the act, (d) the estimated wage levels of jobs created by the companies at the projects, (e) the estimated indirect jobs and investment created on account of the projects, and (f) the projected future state and local revenue gains and losses from all revenue sources on account of the direct and indirect jobs and investment created on account of the projects.

(3) No information shall be provided in the report that is protected by state or federal confidentiality laws.

Invest Nebraska Act, LB620 Qualified Activity Reported in 2002

The Invest Nebraska Act requires a separate application subject to approval by the Invest Nebraska Board. The members of the board are the Governor, the State Treasurer, and the chairperson on the Nebraska Investment Council. A qualifying business selects one of the following options in their application.

1. \$10 million investment and 25 new employees whose annual wage exceeds the Nebraska average annual wage. This option is only available for projects located outside of counties with 100,000 or more in population.
2. \$50 million investment and 500 new employees OR \$100M and 250 new employees. The new employees annual wage must exceed 110% of the Nebraska average annual wage.
3. \$200 million investment and 500 new employees whose annual wage exceeds 120% of the Nebraska average annual wage.

If the company reaches and maintains the selected level, they are eligible for benefits. An eligible company earns a wage benefit credit equal to 0 to 5 percentage of the taxable wages paid to new employees earning more than the required wage level. A company selecting Option 3 may receive, in lieu of a wage benefit credit, an alternate investment tax credit equal to fifteen percent of the investment. The company is to expend at least the value of the wage benefit credit or alternate investment tax credit for company training programs, employee benefit programs, educational institution training programs or workplace safety programs.

The agreement specifies the option elected and the available benefits. The wage benefit credit and the alternate investment tax credit may be used for 100% of the income tax liability. The wage benefit credit may also be used to retain a portion of the Nebraska individual income tax withholding employer liability.

Five applications have been approved by the Invest Nebraska Board and one agreement signed under LB 620. No company has shown they met the required minimum levels of investment and employment to qualify for benefits. Therefore, no credits were allowed and no investment or new jobs are reported.

Agreements Signed in 2001 That are Still in Effect

Company Name	Project Type	Project Location
1. Union Pacific Railroad Company	\$200 M + 500 emp	Omaha

Other Applications Approved by Invest Nebraska Board in 2001

Company Name	Project Type	Project Location	Date Approved
1. American Meter Company, Inc.	\$33M + 80 emp	Nebraska City	December 19, 2001
2. Beef Products, Inc.	\$15M + 25 emp	South Sioux City	December 19, 2001
3. Wal-Mart Stores East, Inc.	\$10M + 25 emp	North Platte	November 26, 2001

Applications Approved by Invest Nebraska Board in 2002

Company Name	Project Type	Project Location	Date Approved
1. Natura Manufacturing Inc.	\$10M + 25	Fremont	April 30, 2002