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# *Nebraska Tax Incentives*



Annual Report  
to the  
Nebraska Legislature

**July 15, 2009**

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**Dave Heineman**  
Governor

# STATE OF NEBRASKA

DEPARTMENT OF REVENUE

**Douglas A. Ewald**, Tax Commissioner  
P.O. Box 94818 • Lincoln, Nebraska 68509-4818  
Phone: (402) 471-5729 • [www.revenue.ne.gov](http://www.revenue.ne.gov)

July 15, 2009

Senator Mike Flood  
Speaker of the Legislature  
2103 State Capitol  
Lincoln, NE 68509

Dear Speaker Flood:

We are submitting the 2008 annual report on the following programs:

- Nebraska Advantage Act
- Nebraska Advantage Rural Development Act
- Nebraska Advantage Microenterprise Tax Credit Act
- Nebraska Advantage Research and Development Act
- Employment and Investment Growth Act
- Employment Expansion and Investment Incentive Act
- Invest Nebraska Act
- Quality Jobs Act

A copy of this report has been provided to all members of the Unicameral. The annual reports issued since 1997 can be found on the Department of Revenue website at [www.revenue.ne.gov](http://www.revenue.ne.gov). Archived copies of years older than 1997 may be requested from the Department.

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

Sincerely,

Douglas A. Ewald  
Tax Commissioner

Enclosure

# *Nebraska Advantage Act Reporting Requirements*

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## **Neb Rev. Stat. § 77-5731 states:**

(1) The Tax Commissioner shall submit an annual report to the Legislature no later than July 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 who is party to an agreement, and (d) the location of each project.

(3) The report shall also state, for taxpayers who are parties to agreements, by industry group (a) the specific incentive options applied for under the Nebraska Advantage 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 credits used against withholding liability, (g) the number of jobs created under the act, (h) the total number of employees employed in the state on the last day of the calendar quarter prior to the application date and the total number of employees employed in the state on subsequent reporting dates, (i) the expansion of capital investment, (j) the estimated wage levels of jobs created under the act subsequent to the application date, (k) the total number of qualified applicants, (l) the projected future state revenue gains and losses, (m) the sales tax refunds owed, (n) the credits outstanding under the act, and (o) the value of personal property exempted by class in each county under the act. (p) the value of property for which payments equal to property taxes paid were allowed in each county, and (q) the total amount of the payments.

(4) In estimating the projected future state revenue gains and losses, the report shall detail the methodology utilized, state the economic multipliers and industry multipliers used to determine the amount of economic growth and positive tax revenue, describe the analysis used to determine the percentage of new jobs attributable to the Nebraska Advantage Act assumption, and identify limitations that are inherent in the analysis method.

(5) The report shall provide an explanation of the audit and review processes of the Department of Revenue in approving and rejecting applications or the grant of incentives and in enforcing incentive recapture. The report shall also specify the median period of time between the date of application and the date the agreement is executed for all agreements executed by December 31 of the prior year.

(6) The report shall provide information on project-specific total incentives used every two years for each approved project. The report shall disclose (a) the identity of the taxpayer, (b) the location of the project, and (c) the total credits used and refunds approved during the immediately preceding two years expressed as a single, aggregated total. The incentive information required to be reported under this subsection shall not be reported for the first year the taxpayer attains the required employment and investment thresholds. The information on first-year incentives used shall be combined with and reported as part of the second year. Thereafter, the information on incentives used for succeeding years shall be reported for each project every two years containing information on two years of credits used and refunds approved. The incentives used shall include incentives which have been approved by the department, but not necessarily received, during the previous two calendar years.

(7) The report shall include an executive summary which shows aggregate information for all projects for which the information on incentives used in subsection (6) of this section is reported as follows: (a) The total incentives used by all taxpayers for projects detailed in subsection (6) of this section during the previous two years; (b) the number of projects; (c) the total number of employees of these taxpayers employed in the state on the last day of the calendar quarter prior to the application date, the new jobs at the project for which credits have been granted, and the total number of employees employed in the state by these taxpayers on subsequent reporting dates; (d) the average compensation paid employees in the state in the year of application and for the new jobs at the project; and (e) the total investment for which incentives were granted. The executive summary shall summarize the number of states which grant investment tax credits, job tax credits, sales and use tax refunds for qualified investment, and personal property tax exemptions and the investment and employment requirements under which they may be granted.

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

# Nebraska Advantage Act

The Nebraska Department of Revenue (Department) began accepting Nebraska Advantage Act (also referred to as LB 312) project applications on January 1, 2006. Tier 6 applications were allowed beginning on April 18, 2008. A taxpayer involved in a qualifying business activity may file an application, which summarizes a plan of expansion consistent with the investment and/or employment requirements of one of the six available tiers. A new employee must earn the minimum required annual wage to count toward the full-time equivalent (FTE) calculation. The benefits earned under the Nebraska Advantage Act depend on the amount of expansion and varies by tier. The minimum investment and employment growth required as of December 31, 2008, and the benefits by tier are summarized below.

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	
Minimum Investment Growth	\$1M	\$3M	n/a	\$10M	\$31M	\$10M	\$100M
Minimum Employment Growth	10 FTE	30 FTE	30 FTE	100 FTE	Maintenance	75FTE	50FTE
Direct Refund	50%	100%	n/a	100%	100%	100%	
Investment Credit	3%	10%	n/a	10%	n/a	15%	
Compensation Credit	3 to 6%	3 to 6%	3 to 6%	3 to 6%	n/a	10%	
Property Tax Exemption	n/a	n/a	n/a	Yes	Yes*	Yes	

\* Limited to mainframe business computers and specific peripheral equipment that require environmental controls of temperature and power that are used by a business operating as an Internet web portal.

The required wage rate and investment are indexed annually. The following table provides information on the required wage rate and investment thresholds for applications in each calendar year.

	Required Wage Level		Required Investment and Employment Threshold					
	Tier 1 - 4	Tier 6*	Tier 1 10 FTE	Tier 2 30 FTE	Tier 4 100 FTE	Tier 5 n/a	Tier 6 75 FTE 50 FTE	
2006	\$18,905	n/a	\$1M	\$3M	\$10M	\$30M	n/a	n/a
2007	\$19,452	n/a	\$1M	\$3M	\$10M	\$30M	n/a	n/a
2008	\$20,281	\$50,702	\$1M	\$3M	\$10M	\$31M	\$10M	\$100M

\*The Tier 6 wage requirement is equal to the greater of 200% of the county average weekly wage, or 150% of the state average weekly wage, for the year of application. The wage listed is 150% of the state average weekly wage. Wage levels for each county are available on the Department's Web site, [http://www.revenue.ne.gov/incentiv/neb\\_adv/LB895\\_wage\\_level.htm](http://www.revenue.ne.gov/incentiv/neb_adv/LB895_wage_level.htm).

## Description of Benefits:

**Direct Refunds.** Refunds of properly paid Nebraska and local option sales and use taxes paid on purchases of qualified property for use at the project, or on aircraft for use in connection with the project, which are placed in service at the project during the attainment and entitlement period.

**Investment Credit.** A credit equal to three percent (Tier 1), ten percent (Tiers 2 and 4), or 15 percent (Tier 6) of the investment in qualified property placed in service at the project during the attainment or entitlement period.

## ***Nebraska Advantage Act, continued***

### **Compensation Credit:**

**Tiers 1, 2, 3 and 4.** A credit, each year of the entitlement period, equal to three to six percent times the average annual wage of new employees at the project earning the required wage times the number of new FTE employees.

**Tier 6.** A credit, each year of the entitlement period, equal to ten percent times the taxable compensation of all non-base year employees.

### **Property Tax Exemption:**

**Tier 4.** Turbine powered aircraft, acquired after the date of application, may be exempted from the first January 1 following the date of acquisition of the property through the ninth year after the project attains the minimum required investment level of \$10 million in new investment and 100 new, full-time equivalent employees. Mainframe business computers and specific peripherals that require environmental controls of temperature and power; business equipment involved directly in the processing of agricultural products; and distribution facility equipment used to store and move product may be exempted from the first January 1 following the end of the year during which the required levels were exceeded and the next nine years.

**Tier 5.** Mainframe business computers and specific peripherals that require environmental controls of temperature and power may be exempted from the first January 1 following the end of the year during which the required levels were exceeded and the next nine years. The property tax exemption is only available to a taxpayer who has a project for an Internet web portal.

**Tier 6.** Turbine powered aircraft, acquired after the date of application, may be exempted from the first January 1 following the date of acquisition of the property through the ninth year after the project attains the minimum required investment and new, full-time equivalent employee levels. All personal property at the project may be exempted from the first January 1 following the end of the year during which the required levels were exceeded and the next nine years.

### **Credit Usage:**

**Tiers 1, 2, and 4.** The investment and compensation credits may be used against the unitary income tax liability of the applicant from the year of qualification through the end of the project and for refunds of otherwise non-refundable sales and use taxes paid on purchases at the project from the beginning of the year after the credits are earned through the end of the project.

The compensation credit may be used against the portion of the Nebraska payroll withholding attributable to the new employees. The compensation credit may be used from the beginning the year after the credits are earned through the end of the project.

**Tier 3.** The compensation credit may be used against the portion of the Nebraska payroll withholding attributable to the new employees. The compensation credit may be used from the beginning the year after the credits are earned through the end of the project.

**Tier 6.** The investment and compensation credits may be used against the unitary income tax liability of the applicant from the year of qualification through the end of the project, for refunds of otherwise non-refundable sales and use taxes paid on purchases in Nebraska from the beginning of the year after qualification through the end of the project. Compensation credits may also be used against the portion of the Nebraska payroll withholding attributable to the new non-base year employees from the year after qualification through the end of the project.

## **Audit and Review Procedures**

**Application.** A taxpayer submits an application with supporting documents, including an application fee, to the Department. Each application is reviewed for assurance that the applicant is an eligible taxpayer, and the plan relates to a qualifying business activity at interdependent locations. There are 106 active, signed agreements. Other applications are being reviewed, and the Department is in various stages of correspondence with taxpayers for additional information or clarification of their application.

**Audit.** When the taxpayer notifies the Department that it has reached the qualification levels, an audit is conducted to confirm the attainment of the minimum required levels of investment and/or employment, verification of the credits earned in the attainment period, and the accuracy of the initial direct refund. The Department reviews annual filings for tax benefits for reasonableness as compared to other tax filings. The Department also conducts periodic maintenance audits of selected taxpayers and projects to ensure that the project has continued to comply with the minimum levels of investment and employment necessary for the selected tier, and to verify the propriety of the credits reported and benefits received. The confirmation of attainment of the minimum required levels of new investment and full-time equivalent employees required for the property tax exemption may be done as part of the original qualification audit for a Tier 4, Tier 5 or Tier 6 project, or as part of a maintenance audit of a subsequent year.

### **Claims for Benefits.**

The taxpayer files claims for sales and use tax paid during the entitlement and carryover periods. All claims are reviewed to confirm the proper payment of tax on items eligible for benefits. The review of the claim may involve testing of certain transactions based on dollar scopes or issues.

The taxpayer must file a claim for the personal property tax benefits on or before May 1 with the Property Tax Administrator and the county assessor. The Department determines whether the taxpayer is eligible for the exemption based on meeting the required levels of investment and employment. The Property Tax Administrator determines whether the property falls within the classes of exempt personal property. A Tier 6 project may elect to use credits for a refund of property taxes paid on real property purchased after the date of application and used at the project.

The taxpayer files Nebraska income tax and payroll withholding returns claiming the use of credits as an offset of all, or a portion, of the taxes due. The Department will review and approve the credit usage. The Department also reviews or audits the information to ensure that credits were only used as an offset against the withholding attributable to the appropriate employees.

## **Comparison of Nebraska Tax Incentive Programs to Those Available in Other States**

States offer many types of tax incentives for businesses. The table on the following page summarizes tax incentives in states that somewhat follow the Nebraska model of granting tax incentives. For example, qualification for tax incentives is not dependent upon the location of a project in an enterprise zone or other limited geographic area. Thus, states that offer jobs or investment credits to businesses, but only to those who locate in a limited area, are not counted. States that offer tax incentives, but have different qualification levels depending upon geography, are counted provided that a project could qualify, at some level, in every part of the state.

States may also limit qualification for incentives to targeted industries. Nebraska does this, and the table counts those states where incentives are limited only to targeted activities. Finally, Nebraska refunds the sales and use tax on qualified investments, but some states refund only a portion of the tax. These states are counted as having a refund. Some states have broader sales and use tax exemptions than Nebraska, but do not provide a refund of any taxes paid. Tax exemptions are outside the scope of this report, and states are not counted if they do not provide at least a partial refund of sales and use taxes paid on qualified investment.

## Comparison to Tax Incentive Programs Available in Other States

State	Job Credit	Investment Credit for Qualified Investment	Sales/Use Tax Refund or Tax Abatement	Personal Property	Threshold Job Credit	Threshold Investment Credit
	(Yes/No)	(Yes/No)	(Yes/No)	(Yes/No)	(Number of Jobs)	(Dollars)
Alabama	Yes	Yes	Yes	Yes	5,15,20	30% of the original cost of the industrial development property, or \$2M
Alaska	No	No	No	Yes	N/A	N/A
Arizona	No	Yes	No	Yes	N/A	\$25,000
Arkansas	Yes	Yes	Yes	No	ITX credit for job creation based on payroll of the new employees hired as a result of the project.	\$5M
California	No	No	Yes	Yes	N/A	N/A
Colorado	Yes	Yes	No	Yes	5,10	Sec 46(c) IRC
Connecticut	Yes	No	No	Yes	10	N/A
Delaware	Yes	Yes	No	No	5	\$200,000
Florida	Yes	Yes	Yes	No	100 new	\$25M
Georgia	Yes	Yes	No	No	5,10,15,25	\$50,000
Hawaii	No	Yes	Yes	No	N/A	Investment in Qualified High Tech Business
Idaho	Yes	Yes	No	Yes	10	\$0.5M/employee
Illinois	Yes	Yes	No	No	\$5Million/25jobs, if <100 employees \$1M, 5 jobs	25 jobs \$5M
Indiana	Yes	Yes	Yes	Yes	< 100 emp. \$1M , 5 jobs Positive benefit analysis	Positive benefit analysis
Iowa	Yes	Yes	Yes	Yes	0-61+	<\$0.01 - \$10M
Kansas	Yes	Yes	Yes	Yes	2	\$100,000
Kentucky	Yes	Yes	Yes	Yes	15	\$100,000
Louisiana	Yes	No	Yes	Yes	<50 emp \$250,000 payroll threshold, >50/\$50,000	N/A
Maine	Yes	Yes	Yes	Yes	100	\$5M
Maryland	Yes	Yes	No	No	60	\$25,000 in biotech
Massachusetts	Yes	Yes	No	No	10	New Investment in qualified business
Michigan	Yes	Yes	No	Yes	20	None
Minnesota	No	No	No	No	N/A	N/A
Mississippi	Yes	Yes	Yes	Yes	10, 15, 20	\$1M (existing manufacturer tax credit)
Missouri	Yes	Yes	No	Yes	10,20,40,100	\$10, \$15M
Montana	No	Yes	No	Yes	N/A	Limited to small businesses
Nebraska	Yes	Yes	Yes	Yes	10, 30, 30, 0, 100, 75/50	\$1, \$3, \$0, \$10, \$31, \$10M/100M
Nevada	Yes	Yes	Yes	Yes	15, 75	\$0.25, \$1M
New Hampshire	No	No	No	No	N/A	N/A
New Jersey	Yes	Yes	Yes	No	10, 25	\$5,000
New Mexico	Yes	Yes	No	Yes	1	\$0.5M/employee
New York	Yes	Yes	Yes	Yes	101%, 102%, 103% of base employment	0, \$350M
North Carolina	Yes	Yes	Yes	Yes	5, 10, 15	\$0, \$1, \$2M
North Dakota	No	No	Yes	Yes	N/A	N/A
Ohio	Yes	Yes	No	Yes	25	Must exceed business' county average for filing year
Oklahoma	Yes	Yes	Yes	Yes	\$1, \$1.5, \$2.5M	\$50,000
Oregon	No	No	No	No	N/A	N/A
Pennsylvania	Yes	No	Yes	Yes	25 or increase employment by 20%	N/A
Rhode Island	Yes	Yes	Yes	Yes	.25% per 10 jobs/ .25% per 50 jobs 10, 250	N/A \$5M
South Carolina	Yes	Yes	No	Yes	N/A	N/A
South Dakota	No	No	Yes	Yes	N/A	N/A
Tennessee	Yes	Yes	Yes	Yes	25, 100, 500, 999, 1000	\$2,000/\$4.5 per job
Texas	No	No	No	Yes	N/A	N/A
Utah	Yes	No	No	No	2,50	N/A
Vermont	Yes	Yes	No	No	Increased wage & salaries	\$150,000
Virginia	Yes	No	No	No	50/100	N/A
Washington	Yes	Yes	No	No	0/Increased employment	Investment in qualified business
West Virginia	No	Yes	No	Yes	N/A	Investment in qualified business
Wisconsin	No	Yes	No	No	N/A	N/A
Wyoming	No	No	No	No	N/A	N/A



# Nebraska Advantage Act

## Signed Agreements as of December 31, 2008

As of December 31, 2008 there were 106 active signed agreements. Twenty-one agreements were signed in 2008. The median period of time between the date of application and the date of agreement is 271 days for agreements signed as of December 31, 2008.

### Agreements Signed in 2008

Company Name	Project Location(s)	Planned Investment (\$ Millions)	Planned Employment (FTE)
1 3MV Bancorp	Omaha	\$6.0	50
2 Aspen Holdings, Inc.	Omaha	\$10.0	576
3 Associated Side Dump Development, Inc.	South Sioux City	\$1.0	25
4 Bio Fuel Solutions, LLC	Wood River	\$145.1	100
5 BNSF Railway	Statewide	\$700.0	175
6 Elster American Meter Co.	Nebraska City	\$3.0	30
7 G T E Industries, Inc.	Lincoln	\$5.3	30
8 Greater Omaha Packing Co., Inc.	Omaha	\$10.0	30
9 Hastings Irrigation Pipe Co., Inc.	Hastings	\$1.6	10
10 IMSCORP & Subsidiaries	Lincoln	\$6.5	20
11 Interstate Printing Company	Omaha	\$2.6	10
12 Li-Cor, Inc.	Lincoln	\$5.5	35
13 Millard Lumber, Inc.	Omaha	\$4.0	30
14 Omaha Financial Holdings, Inc.	Omaha	\$5.9	50
15 Overland Products Company, Inc.	Fremont	\$1.3	10
16 Quality Pork International, Inc.	Omaha	\$10.0	100
17 Royal Plastic MFG, Inc.	Minden	\$6.1	49
18 SII Acquisition, Inc. & Subsidiary	Lincoln	\$3.7	30
19 Syngenta Seeds, Inc.	Waterloo and Omaha	\$27.0	10
20 Timber Creek Holmes, Inc.	Stratton	\$3.0	30
21 US BioEnergy Corporation	Ord	\$63.8	35

## Agreements Signed in 2007

Company Name	Project Location(s)	Planned Investment (\$ Millions)	Planned Employment (FTE)
1 Advanced BioEnergy, LLC	Geneva and Fairmont	\$150.0	100
2 ALTRA, Inc.	Carleton and Omaha	\$175.9	100
3 American Title Holding Company	Bellevue	\$7.0	30
4 Archer Daniels Midland Company	Columbus	\$750.0	100
5 Armstrong Wood Products, Inc.	Auburn	\$10.0	100
6 Aurora Loan Services, LLC	Scottsbluff	\$10.0	100
7 Aventine Renewable Energy Holdings	Aurora	\$250.0	100
8 BVA, Inc	Beatrice	\$3.5	30
9 C & A Industries	Omaha	\$14.0	200
10 C.J. Foods, Inc.	Pawnee City	\$3.1	10
11 CAMACO, LLC	Columbus	\$20.2	100
12 Cargill Incorporated	Blair	\$320.0	100
13 Case New Holland Inc. & Consolidated Subsidiaries	Grand Island	\$23.6	36
14 Chief Industries, Inc.	Grand Island	\$10.0	100
15 CoMc, LLC	Omaha	\$1.2	15
16 Columbus Hydraulics Company	Columbus	\$2.8	15
17 Diversified Foods & Seasonings, Inc.	Nebraska City	\$10.0	100
18 Drake-Williams Steel, Inc.	Omaha	\$10.0	100
19 E Energy Adams, LLC	Adams	\$90.0	32
20 Eaton MDH Company, Inc.	Hastings	\$6.5	30
21 Enduro Holdings, Inc.	Omaha	\$5.4	30
22 Enterprise Properties, Inc.	Omaha	\$1.3	12
23 Farmland Foods, Inc.	Crete	\$14.0	100
24 GeneSeek, Inc.	Lincoln	\$5.0	10
25 Glass Contractors, Inc.	Omaha	\$5.1	11
26 Glazer Enterprises, Inc.	Omaha	\$1.0	25
27 GPC, Inc.	Blair	\$30.0	30
28 Heritage Disposal & Storage, LLC	Alda	\$6.7	31
29 Hornady Manufacturing	Grand Island	\$1.0	10
30 Husker Ag, LLC	Plainview	\$53.5	15
31 infoUSA, Inc.	Papillion	\$4.3	250
32 Kamterter II, L.L.C.	Lincoln and Waverly	\$3.0	30
33 Katana Summit, LLC	Columbus	\$14.0	139
34 Kawasaki Motors Manufacturing Corp., U.S.A.	Lincoln	\$10.0	100
35 Lawyers Title Insurance Corporation	Omaha	\$3.0	30
36 Lenco, Inc. - PMC	Waverly	\$2.0	15
37 Lincoln Composites, Inc.	Lincoln	\$5.2	39
38 Lindsay Manufacturing Co	Lindsay and Omaha	\$11.0	100
39 Majors Plastics, Inc.	Omaha	\$1.5	20
40 Mann Int'l Meat Specialties	Omaha	\$1.0	10
41 Medical Solutions, Inc.	Omaha	\$3.0	221
42 Midland Packaging Corp	Omaha	\$1.8	12
43 Midwest Machine & Tool, Inc.	Columbus	\$1.0	10
44 Molex, Inc.	Lincoln	\$61.0	150
45 MSI Systems Integrators, Inc.	Omaha	\$3.0	30

## **Agreements Signed in 2007, continued**

<b>Company Name</b>	<b>Project Location(s)</b>	<b>Planned Investment (\$ Millions)</b>	<b>Planned Employment (FTE)</b>
46 Nature Technology Corp	Lincoln	\$1.0	10
47 Nebraska Plastics, Inc.	Cozad	\$3.0	10
48 NEDAK Ethanol, LLC	Atkinson	\$54.0	34
49 Netshops, Inc.	Omaha	\$9.1	440
50 Northeast Nebraska Biodiesel, LLC	Scribner	\$4.4	12
51 Northstar Financial Services Group, LLC	Omaha	\$5.3	95
52 Novartis Pharmaceuticals Corp & Affiliates	Lincoln	\$68.0	119
53 Pamida Stores Operating Co, LLC	Omaha	\$3.3	70
54 PayPal, Inc.	LaVista and Bellevue	\$42.5	1,997
55 Pharmaceutical Technologies, Inc.	Omaha	\$6.4	36
56 Phoenix Web Group, Inc.	Waverly	\$3.0	30
57 Pinnacle Data Services, LLC	Omaha and Gretna	\$5.0	35
58 Prime Therapeutics, Inc.	Omaha	\$5.0	332
59 Professional Research Consultants, Inc.	Omaha	\$3.0	30
60 Professional Veterinary Products, Ltd.	Omaha	\$10.0	100
61 Qualia Clinical Service, Inc.	Omaha	\$3.0	50
62 Rabe's Quality Meats, Inc.	Omaha	\$2.5	10
63 Rosen's Diversified, Inc.	Gibbon, Bellevue, and Omaha	\$12.0	100
64 Rotella's Italian Bakery	Omaha	\$10.0	30
65 Sandhills Publishing Company	Lincoln	\$12.5	100
66 Shell Rock West, Inc.	Valley	\$7.0	40
67 Silverstone Holdings, Inc.	Omaha	\$5.0	30
68 Smeal Fire Apparatus, Co.	Snyder and Neligh	\$2.4	30
69 Specialty Protein Producers, LLC	Norfolk	\$89.0	130
70 Streck, Inc.	LaVista	\$10.0	100
71 Swift Beef Company	Grand Island	\$10.0	100
72 TD Ameritrade Holding Corporation & Subs.	Omaha and Bellevue	\$10.0	200
73 The James Skinner Co.	Omaha	\$10.0	100
74 Thunderstone, LLC	Lincoln	\$2.5	12
75 TierOne Bank	Statewide	\$17.5	210
76 Titan Medical Group, LLC	Omaha	\$3.0	30
77 Trade Well Pallet, Inc.	Gretna and Ashland	\$3.1	36
78 TurnKey Solutions Corp	LaVista and Omaha	\$3.0	30
79 Verizon Wireless	Lincoln	\$27.5	750
80 Wahoo Ethanol, LLC	Wahoo	\$173.0	45
81 Wardcraft Homes, Inc.	Central City	\$3.0	30
82 Wimmer's Meat Products, Inc.	West Point	\$1.5	10
83 XL Four Star Beef, Inc.	Omaha	\$7.0	59
84 Yasufuku USA, Inc.	Lincoln	\$1.0	10
85 Your Selling Team	Chadron	\$3.1	77

# LB 312 Companies With Signed Agreements As Of December 31, 2008, By Industry Group

For taxpayers with signed agreements, the following table shows the incentive options selected by industry group. The industry groupings are based on the Principal Business Activity (PBA) codes currently being used by the Internal Revenue Service (IRS).

## Classification Into Industry Group by PBA Codes and Tier Applied For

Category	PBA Code, Major Industry Group Titles	Tier	Number of Companies
<b>Construction, Utilities, &amp; Nonmetallic Mineral Products Manufacturing</b>	22, 23, 327 Construction, Electric and Gas, Stone, Clay, Glass, and Concrete Products	Tier 1	2
		Tier 2	3
<b>Manufacturing</b>	311, 312 Meat and Food Products	Tier 1	5
		Tier 2	2
		Tier 4	7
	314, 322, 323, 325, 326 Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-Durable Products	Tier 1	8
	Tier 2	5	
	Tier 4	8	
	321, 331, 332 Primary and Fabricated Metals, and Wood Product Manufacturing	Tier 1	2
		Tier 2	2
		Tier 4	2
	333, 334, 335, 336, 337, 339 Machinery, Electronic and other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	Tier 1	10
		Tier 2	13
		Tier 4	3
<b>Wholesale &amp; Retail Trade</b>	42 Durable and Non-Durable Goods	N/A	N/A
<b>Transportation &amp; Warehousing</b>	48, 49 Railroads, Trucking, Air Transportation, and Warehousing	Tier 2	3
		Tier 4	1
<b>Information &amp; Data Processing</b>	51 Publishing, Communications, and Information and Data Processing Services	Tier 2	3
		Tier 4	2
<b>Finance, Insurance, &amp; Real Estate</b>	52 Depository and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	Tier 2	6
		Tier 4	5
<b>Professional, Scientific, &amp; Technical Services</b>	54, 56, 62, 81 Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	Tier 1	2
		Tier 2	11
		Tier 4	1
<b>Total</b>			<b>106</b>

# Summary of Nebraska Advantage Act Benefits Approved through December 31, 2008

The following table summarizes credits earned and benefits received as of December 31, 2008. Prior to approval of benefits, each project is audited to confirm attainment of the minimum required levels of investment and employment required for the selected tier and the associated benefits. The Department has completed the qualification audit for three companies. The qualified companies have reported a total number of employees employed in the state on the last day of the calendar quarter prior to the application date of 1,437. The total number of employees employed in the state by the qualified companies at the subsequent reporting date is 1,795. The average annual wage reported by the the qualified companies is \$37,365.

The reporting statute requires disclosure of benefits, investment, and employment by industry group. Due to the limited number of industry groups represented by the qualified companies, no industry-specific information is disclosed to maintain confidentiality.

The reporting statute also requires disclosure of project-specific information on total incentives used every two years. As of December 31, 2008, no project had received benefits for two years and thus, no project-specific information is included in this report.

## Summary of Benefits Approved in 2008

Neb. Rev. Stat. § 77-5731		
	<b>Credits Earned:</b>	
	Investment Credits	<u>\$3,235,696</u>
	New Jobs Credits	601,473
(3)(c)	<b>Total Credits Earned</b>	<b>\$3,837,169</b>
	<b>Credits Used:</b>	
(3)(d)	Corporate Income Tax	\$0
(3)(d)	Individual Income Tax	<u>0</u>
	Sub-Total Income Tax	\$0
(3)(f)	Withholding Tax	\$ 308,512
(3)(e)	Sales/Use Tax Refund	0
(3)(q)	Real Estate Tax	<u>0</u>
	<b>Total Credits Used</b>	<b>\$308,512</b>
	<b>Credit Corrections:</b>	
	Recapture	\$0
	Expired	<u>0</u>
	<b>Total Credit Correction</b>	<b>\$0</b>
(3)(n)	<b>Credits Outstanding</b>	<b>\$3,528,657</b>
(3)(b)	<b>Direct Sales/Use Tax Refunds on Investment</b>	<b>\$831,009</b>
	<b>Recapture Repaid</b>	<b>\$0</b>
(3)(q)	<b>Total Benefit Payments</b>	<b>\$1,139,521</b>
(3)(i)	<b>Qualified Investment</b>	<b>\$34,484,543</b>
(3)(o)	<b>Personal Property Valuation<sup>(1)</sup></b>	<b>\$3,925,548</b>
(3)(p)	<b>Real Property Valuation</b>	<b>\$0</b>
(3)(g)	<b>New Jobs at Qualifying Projects</b>	<b>272</b>
(3)(m)	<b>Sales/Use Tax Refunds</b>	<b>\$0</b>
	<b>Pending Approval at Year End</b>	

<sup>(1)</sup> (3)(o) Personal Property Valuation by County Douglas \$1,415,874 Mainframe Computer Equipment  
Sarpy 2,509,674 Mainframe Computer Equipment  
\$3,925,548

## **Projected Revenue Gains and (Losses) of LB 312 for Tax Years 2008-2017, by Fiscal Year**

Incentive tax credits (ITC) can influence the Nebraska economy positively, and those economic effects, can in turn, impact state revenue. Using a Computable General equilibrium (CGE) model, the fiscal impacts of the program are estimated over the next ten years. This estimate is based upon completed and ongoing Employment and Investment Growth Act (LB 775) projects. These assumptions will be modified in the future with experience gained from LB 312 projects.

To analyze the fiscal impact of the tax credits, the dynamic Tax Revenue Analysis In Nebraska (TRAIN) model, a custom built Nebraska CGE model, is used. With TRAIN, the Nebraska economy has been divided into 72 distinct sectors in order to explicitly trace economic flows. The TRAIN model is constructed based on Walrasian general equilibrium theory, which assumes all markets adjust through price changes, so the TRAIN analysis works well for analyzing structural changes and their consequences in the long run, rather than dealing with short term fluctuations.

TRAIN details state government sectors in order to capture the sensitivity of state government revenue and expenditure flows. TRAIN calculates most tax impacts within the model, without requiring additional calculations outside of the model to obtain final results. This allows the researcher to avoid rigid assumptions that may deliver vague results.

TRAIN mathematically expresses the Nebraska economy with over 1,300 equations and a social accounting matrix (SAM) database. It has 26 industrial sectors, two factor sectors, an investment sector, nine household sectors, 33 government sectors, and a rest-of-world sector.

When constructing a general equilibrium model, the critical assumption is that the initial condition of the economy is in equilibrium. Therefore, the model is constructed so that its equilibrium replicates observed data in the base year. The date for TRAIN is the latest SAM and parameters. The estimate of tax credits used is based on LB 775, and the first use of credits under LB 312.

## Fiscal Impact Analysis of LB 312

	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
Revenue Generated by ITC	\$3,232,030	\$ 6,034,590	\$15,389,902	\$21,702,183	\$24,052,940
Tax Credits	3,817,075	16,115,610	36,053,990	49,655,511	68,695,426
Revenue Loss	731,697	2,765,637	9,555,709	18,167,187	29,874,259
Credit Use	230,434	872,881	2,881,211	6,166,357	11,792,774
Direct Sales and Use					
Tax Refund	501,264	1,892,756	6,674,498	12,000,829	18,081,485
Net Revenue Gains (Loss)	2,500,333	3,268,953	5,834,193	3,534,996	(5,821,319)
Cumulative	\$2,500,333	\$ 5,769,286	\$11,603,479	\$15,138,476	\$ 9,317,157
	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Revenue Generated by ITC	\$28,130,682	\$ 30,515,439	\$ 32,812,140	\$ 34,615,087	\$ 36,485,571
Tax Credits	92,137,214	109,633,271	123,877,126	138,064,482	148,916,044
Revenue Loss	46,183,459	62,641,829	77,510,825	91,901,574	104,841,762
Credit Use	20,213,932	30,128,025	40,407,750	50,479,021	59,087,002
Direct Sales and Use					
Tax Refund	25,969,526	32,513,804	37,103,075	41,422,553	45,754,760
Net Revenue Gains (Loss)	(18,052,777)	(32,126,391)	(44,698,685)	(57,286,487)	(68,356,191)
Cumulative	\$ (8,735,620)	\$(40,862,010)	\$(85,560,695)	\$(142,847,182)	\$(211,203,373)

***Nebraska Advantage Rural Development Act  
(LB 608), as amended  
Reporting Requirements***

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**Neb. Rev. Stat. § 77-27,195 states:**

(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 Nebraska Advantage Rural Development 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, through March 15, 2006, for all credits allowed during the previous calendar year. The report shall be issued on or before July 15 of each year beginning with July 15, 2007, for all credits allowed during the previous calendar year.

(2) Beginning with applications filed on or after January 1, 2006, except for livestock modernization or expansion projects, the report shall provide information on project-specific total incentives used every two years for each approved project and shall disclose (a) the identity of the taxpayer, (b) the location of the project, and (c) the total credits used and refunds approved during the immediately preceding two years expressed as a single, aggregated total. The incentive information required to be reported under this subsection shall not be reported for the first year the taxpayer attains the required employment and investment thresholds. The information on first-year incentives used shall be combined with and reported as part of the second year. Thereafter, the information on incentives used for succeeding years shall be reported for each project every two years containing information on two years of credits used and refunds approved. The incentives used shall include incentives which have been approved by the Department of Revenue, but not necessarily received, during the previous two calendar years.

(3) For livestock modernization or expansion projects, the report shall disclose (a) the identity of the taxpayer, (b) the total credits used and refunds approved during the preceding calendar year, and (c) the location of the project.

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



# Nebraska Advantage Rural Development Act, (LB 608) as amended, Qualifying Activity Reported in 2008

The Nebraska Advantage Rural Development Act requires a qualifying business to file an application with the Department. The first applications under LB 608 were accepted for tax years beginning on or after January 1, 2004.

**Level 1** project applications require a plan of expansion that includes a minimum of two new full-time equivalent Nebraska employees who are paid at least the minimum required wage, and \$125,000 of net, new investment. The expansion must occur in a county with a population of less than 15,000 inhabitants, or in an enterprise zone. Level 1 applications were first accepted for tax years beginning on or after January 1, 2006.

**Level 2** project applications require a plan of expansion that includes a minimum of five new full-time equivalent Nebraska employees who are paid at least the minimum required wage, and \$250,000 of net, new investment. The expansion must occur in a county with a population of less than 25,000 inhabitants, or in an enterprise zone. Level 2 applications were first accepted for tax years beginning on or after January 1, 2004.

If the Level 1 or Level 2 applicant reaches and maintains the required levels of investment and employment, they are eligible for a \$3,000 credit for each new full-time equivalent Nebraska employee and a \$2,750 credit for each \$50,000 net gain in qualified investment. The credits may be used: to obtain a refund of state sales and use taxes paid; may be used against the income tax liability of the taxpayer; or may be used as a refundable credit claimed on the income tax return of the taxpayer.

**Livestock Modernization** is defined as the construction, improvement, or acquisition of depreciable buildings, facilities, or equipment for livestock housing, confinement, feeding, production, and waste management. The project must have a net investment increase of at least \$50,000. There is no employment increase required. Livestock Modernization project applications were first accepted as of January 1, 2007.

If the Livestock Modernization applicant reaches and maintains the required level of investment, they are eligible to earn credits at 10% of investment. Each project is limited to a maximum of \$30,000 in credits. The credits may be used: to obtain a refund of state sales and use taxes paid; against the income tax liability of the taxpayer; or as a refundable credit claimed on the income tax return of the taxpayer.

The application may be filed on or after the first day of the tax year. The application requests the total amount of expected credits for additional investment and employment in the year the application is filed and the following tax year. There is a statutory limit on the total benefits that may be approved for a year (see table below). The requested benefits are applied to the limit in the order in which the complete applications were filed.

**LB 608 Approved Application Activity**

Fiscal Year Ending	Number of Applicants	Total Requested Benefits	Statutory Limit on Benefits
06/30/2005	12	\$ 713,000	\$2,500,000
06/30/2006	15	2,086,000	2,500,000
06/30/2007	15	1,555,250	3,000,000
06/30/2008	34	3,000,000	3,000,000
06/30/2009	34	3,000,000	3,000,000

## ***Nebraska Advantage Rural Development Act, continued***

Prior to receiving benefits, the Department verifies the project has attained the required investment and employment thresholds. The following table is a summary of all Nebraska Advantage Rural Development business activity through 2008.

Investment	\$16,754,580
New Equivalent Jobs	132
Credits Earned	\$1,201,047
Credits Used	\$996,547

### **LB 608 Business Activity Processed in 2008 and Before**

Projects	Investment	Equivalent Jobs
1	\$3,535,048	4
2	3,146,650	38
3	1,846,349	11
4	1,750,511	6
5	1,222,820	9
6	603,145	0
7	555,232	0
8	445,521	0
9	436,496	0
10	413,922	0
11	392,297	0
12	350,772	7
13	338,681	0
14	315,500	12
15	300,000	8
16	286,467	0
17	282,124	17
18	279,834	20
19	253,211	0
<b>Totals</b>	<u>\$16,754,580</u>	<u>132</u>

## ***Nebraska Advantage Rural Development Act, continued***

As of December 31, 2008, tax credits were allowed to qualified Level 1 and Level 2 projects, as well as Livestock Modernization projects. The project-specific total tax incentives used for a two year period are to be reported for Level 1 and Level 2 projects, which require employment as well as investment, with an application date of January 1, 2006 or later. As of December 31, 2008, there is no Level 1 or Level 2 project-specific information to report; all of the approved projects with an application date on or after January 1, 2006 had completed only one year of activity. The project-specific information for a Livestock Modernization project, which require investment only, is to be reported each year and is provided below.

### **LB 608 Livestock Modernization Tax Credits in 2008**

<b>Project Name</b>	<b>Tax Credits Used</b>	<b>Location</b>
Chad C. Pieper	\$ 21,900	Dodge
Circle 4	30,000	Leigh
Homestead Pig, Inc.	28,647	Humphrey
Jeffrey Timmerman	30,000	West Point
Klitz Brothers, Inc.	30,000	West Point
Loomis Pig Company, Inc.	30,000	Loomis
Pro Pig, Inc.	30,000	Humphrey
Terry J. Rakowsky	30,000	Pierce
Timothy V. Rolf	30,000	West Point
<b>Total</b>	<b>\$260,547</b>	

***Nebraska Advantage  
Microenterprise Tax Credit Act  
Reporting Requirements***

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**Neb Rev. Stat. § 77-5907 states:**

The Tax Commissioner shall prepare a report identifying the following aggregate amounts for the previous calendar year:

- (1) The amount of projected employment and investment anticipated by taxpayers receiving tentative tax credits and the tentative tax credits granted;
- (2) the actual amount of employment and investment made by taxpayers that were granted tentative tax credits in the previous calendar year;
- (3) the tax credits used; and
- (4) the tentative tax credits that expired.

The report shall be issued on or before July 15, 2007, and each July 15 thereafter. No information shall be provided in the report that is protected by state or federal confidentiality laws.

## Nebraska Advantage Microenterprise Tax Credit Act

The Nebraska Advantage Microenterprise Tax Credit Act allows a person actively involved in the day-to-day activities of a small business, which is located in a distressed area, to apply for tax credits. The business must have five or fewer full-time equivalent employees to participate in the Nebraska Advantage Microenterprise Tax Credit Act. The business must be located at a site which meets the statutory requirements related to population decline or per capita income level. All locations in the state are eligible other than portions of Washington and Lancaster counties. More specific information on whether a location is eligible may be found at [http://www.revenue.ne.gov/incentiv/microent/micro\\_loc.htm](http://www.revenue.ne.gov/incentiv/microent/micro_loc.htm).

The person actively involved in the business must file an application, which describes their involvement, the expected investment or employment growth, and states the tentative tax credits for the year of application and the following year. Each individual, and their related parties, are limited to a \$10,000 lifetime tax credit.

The individual earns a refundable income tax credit equal to 20% of the business's new investment or employment, not to exceed the amount of tentative tax credits approved, based on the application. New investment is an increase in purchases of buildings and depreciable assets, repairs and maintenance, advertising, legal, or professional services in the year of application and the following year, as compared to the year prior to application. New employment is an increase in employee compensation and the employer cost of health insurance, in the year of application and the following year, as compared to the year prior to application. The individual shall claim the tax credit when filing their Nebraska income tax return.

Applications requesting up to the adjusted limit of \$2 million may be authorized for each calendar year. All funds available for 2006, 2007, and 2008 were authorized. Refer to the tables below for an analysis of projected and actual investment and employment, as well as actual credit usage.

Application Year	Projected Investment	Projected Compensation
2006	\$16,093,859	\$13,880,888
2007	14,351,943	3,403,376
2008	26,494,484	7,882,647

Application Year	Tax Credits Used	Actual Investment	Actual Compensation
2006	\$1,598,593	\$14,902,743	\$11,949,912
2007	1,725,078	17,529,894	3,846,107

As of December 31, 2008, no tax credits have expired.

*Nebraska Advantage  
Research and Development Act  
Reporting Requirements*

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**Neb Rev. Stat. § 77-5807 states:**

Beginning July 15, 2007, and each July 15 thereafter the Tax Commissioner shall prepare a report stating the total amount of credits claimed on income tax returns or as refunds of sales and use tax during the previous calendar year. No information shall be provided in the report that is protected by state or federal confidentiality laws.

# Nebraska Advantage Research and Development Act

The Nebraska Advantage Research and Development tax credit is available for tax years beginning on or after January 1, 2006. A business firm, which incurs research and development expenditures, is eligible for a Nebraska tax credit. If the firm does business within and without Nebraska, the federal tax credit must be apportioned before calculating the Nebraska tax credit. The method used to compute the tax credit varies by tax year and is summarized below.

**Tax Year 2006.** A business firm, which incurs research and development expenditures, as defined in § 174 of the Internal Revenue Code (IRC), may claim a tax credit equal to three percent of the increase in Nebraska research and development expenditures in the current year, as compared to the average of the expenditures in the two years prior to first claiming the tax credit.

**Tax year 2007 and later.** A business firm, which incurs research and development expenditures, as defined in § 174 of the IRC, may claim a credit equal to 15 percent of the federal tax credit allowed.

The research and development tax credit may also be claimed for the four tax years following the first year in which the tax credit was claimed. No company may claim the tax credit for the first time in a tax year beginning on or after January 1, 2011.

The tax credit may be used: to obtain a refund of state sales and use taxes paid; against the income tax liability of the taxpayer; or as a refundable credit claimed on the income tax return of the taxpayer.

Tax credits approved on income tax returns, and as refunds of state sales and use taxes, are as follows:

<b>Calender Year Ending</b>	<b>Income Tax Credits</b>	<b>Sales and Use Tax Refunds</b>
December 31, 2006	\$ 0	\$0
December 31, 2007	69,320	0
December 31, 2008	2,132,705	0

***Employment and Investment Growth Act***  
***(LB 775) as amended***  
***Reporting Requirements***

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**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 July 15 of each year.

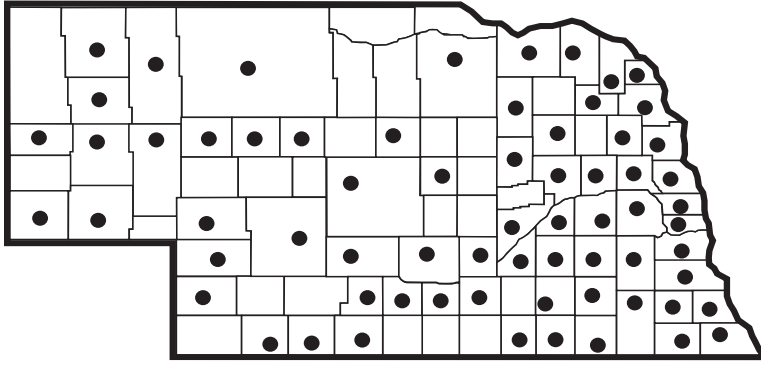
(2) The report shall list (a) the agreements which have been signed during the previous calendar year, (b) the agreements which are still in effect, (c) the identity of each taxpayer, and (d) the location of each project.

(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.



## LB 775 Activity Through December 31, 2008



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

New LB 775 applications were no longer accepted after December 31, 2005. Pending applications were still processed until an agreement was signed or the application was either withdrawn or deleted.

<b>Analysis of LB 775 Applications and Agreements</b>				
	<b>Applications Received</b>	<b>Active Projects</b>	<b>Planned Investment (Billions)</b>	<b>Planned Employment (FTE)</b>
Signed Agreements				
Active	370	370	\$7.4	35,175
Withdrawn	80			
Deleted	80			
Completed	159			
Subtotal-total signed agreements	689*			
Applications				
Pending as of 12/31/08	2	2	0.02	200
Withdrawn	121			
Deleted	130			
<b>Total</b>	<b>942</b>	<b>372</b>	<b>\$7.42</b>	<b>35,375</b>

\*Correction made since last annual report. Two withdrawn applications were improperly reported as withdrawn agreements.

To earn the tax credits provided by LB 775, the investment must have been made and jobs created during the “attainment period,” which included the year of the application and the succeeding six tax years. A total of 415 projects have reached the minimum required levels and qualified to receive tax credits and/or sales and use tax refunds. All expected benefits have been received by 159 of these projects and these projects are completed.

**Table 1. Analysis of Active Applications by Application Year and, if Qualified, by Verification Year**

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	2003	2004	2005	2006	2007				2008
1987	90	13	30	23	11	1	6	4	1	1												90	82	8	
1988	29		2	10	6	3	2	3	2		1											29	21	8	
1989	28			1	4	4	9	1	6	3												28	19	9	
1990	15					4	2		4	4	1											15	7	8	
1991	13					2	1	3	2	2	2	1										13	3	10	
1992	16							3	4	2	3	2	1		1							16	4	12	
1993	12								5	3	2	2										12	2	10	
1994	22								6	4	7	3		1						1		22	5	17	
1995	40									6	13	6	4	5	3	3						40	9	31	
1996	28										2	9	8	2	3	3	1					28	2	26	
1997	24												6	7	4	2	3					22	4	18	
1998	16												3	1	1	3	3	2	1	2		16	1	15	
1999	21														1	3	2	2	4	4	2	20		20	
2000	17															1	3	2	4	2	1	15		15	
2001	20																	2	5	2	2	14		14	
2002	41																	2	2	6	7	17		17	
2003	22																			3	3	2	8		8
2004	52																			2	3	2	7		7
2005	26																				2	1	3		3
<b>Total</b>	<b>532</b>	<b>13</b>	<b>32</b>	<b>34</b>	<b>21</b>	<b>14</b>	<b>18</b>	<b>13</b>	<b>31</b>	<b>27</b>	<b>28</b>	<b>23</b>	<b>24</b>	<b>17</b>	<b>16</b>	<b>17</b>	<b>13</b>	<b>17</b>	<b>11</b>	<b>18</b>	<b>22</b>	<b>6</b>	<b>415</b>	<b>159</b>	<b>256</b>
<b>Completed Projects</b>		<b>13</b>	<b>31</b>	<b>33</b>	<b>20</b>	<b>12</b>	<b>12</b>	<b>4</b>	<b>8</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>5</b>		<b>1</b>	<b>1</b>						<b>159</b>		
<b>Active Projects</b>		<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>9</b>	<b>23</b>	<b>22</b>	<b>22</b>	<b>19</b>	<b>20</b>	<b>12</b>	<b>16</b>	<b>16</b>	<b>12</b>	<b>17</b>	<b>11</b>	<b>18</b>	<b>22</b>	<b>6</b>	<b>256</b>		

## Agreements Signed in 2008, Still in Effect

<b>Company Name</b>	<b>Planned Investment (M)</b>	<b>Planned Employment (FTE)</b>	<b>Location</b>
1 National Research Corporation	\$3.0	30	Lincoln

### Agreements Signed in 1987, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 Crete Carrier Corporation	\$3.0	30	Omaha, Lincoln, York, Crete, and Norfolk
2 Qwest Corporation	\$60.0	150	Omaha area

### Agreements Signed in 1988, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 Acton International, Ltd.	\$10.0	525	Lancaster, Sarpy, and Douglas Counties
2 Grand Island Accessories, Inc.	\$3.0	30	Grand Island
3 Land and Sky, Inc.	\$3.0	40	Lincoln, Lancaster County, and other locations in southeast NE
4 Modern Equipment Co, Inc.	\$3.5	110	Douglas County
5 Time Warner Entertainment Advance/Newhouse Partnership	\$30.0	40	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

### Agreements Signed in 1989, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 Clean Harbors, Inc.	\$35.8	40	Kimball
2 IBP, Inc.	\$77.5	1,200	Lexington
3 Omni Holding Company	\$3.8	34	Omaha; Douglas and Sarpy Counties
4 Tri Con Industries, LTD	\$9.7	85	Lincoln
5 Yasufuku USA, Inc.	\$3.5	36	Lincoln

## Agreements Signed in 1990, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 Alliant Exchange Inc.	\$3.0	30	Douglas County
2 Deeter Foundry, Inc.	\$3.4	32	Lincoln
3 DTN Corporation	\$3.0	31	Douglas County
4 Exmark Manufacturing Company, Inc.	\$3.1	46	Beatrice
5 IMSCORP	\$3.0	30	Lincoln
6 LCF Holdings, Inc. & Subs.	\$3.2	30	Omaha, Lincoln, Fremont, Norfolk, Bellevue, and Ainsworth
7 Lincoln Benefit Life	\$3.0	140	Lincoln
8 Mid America Computer Corporation	\$11.0	133	Blair
9 Midlands Packaging Corporation	\$3.0	30	Lincoln
10 Millard Refrigerated Services	\$14.7	210	Douglas and Sarpy Counties
11 Molex Incorporated	\$4.6	43	Lincoln
12 Precision Industries, Inc.	\$10.0	110	Omaha, Lincoln, Grand Island, Lexington, Norfolk, Columbus, and other locations
13 T L Irrigation Company	\$3.0	30	Hastings
14 The Buckle, Inc.	\$3.0	37	Kearney
15 Wright Printing Company	\$4.4	60	Omaha

## Agreements Signed in 1991, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 Archer Daniels Midland Company	\$80.0	125	Columbus
2 Chief Industries, Inc.	\$10.0	100	Hastings
3 Drake Williams Steel, Inc.	\$3.7	30	Omaha
4 Linweld, Inc.	\$3.0	30	Lincoln, Hastings, Holdrege, Columbus, Omaha, Kearney, Waverly, Norfolk, Grand Island, and Scottsbluff
5 Mallory USA, Inc.	\$3.0	30	South Sioux City
6 Tenneco Automotive, Inc.	\$3.0	30	Cozad
7 The Western Sugar Cooperative	\$35.7	30	Scottsbluff
8 Union Pacific Corporation	\$3.0	30	Various Locations

## Agreements Signed in 1992, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 ADC Telecommunications, Inc.	\$10.0	100	Sidney
2 Centurion Wireless Technologies, Inc.	\$3.0	30	Lincoln
3 Design Plastics, Inc.	\$3.2	30	Omaha
4 MidAmerican Energy Holdings Company	\$3.0	30	Omaha
5 Paraclipse, Inc.	\$3.0	30	Columbus
6 Tekton, Inc. & Subsidiaries	\$3.0	30	Pender, Wayne, and Omaha

## Agreements Signed in 1993, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 Ag Processing Inc	\$5.0	95	Omaha
2 Cargill Inc.	\$150.0	100	Washington County
3 EFJ, Inc.	\$10.0	100	Lincoln
4 Flexcon Company, Inc.	\$22.0	200	Columbus
5 FOFTI, L.C.	\$10.0	100	Greater Omaha
6 Henningsen Foods, Inc.	\$4.5	30	David City and other locations
7 Tenaska Inc.	\$3.1	40	Omaha
8 Travel and Transport, Inc.	\$3.9	170	Omaha and other locations

## Agreements Signed in 1994, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 Auburn Consolidated Industries, Inc.	\$3.0	35	Auburn
2 Beef Products, Inc.	\$22.5	100	Dakota City and future locations
3 Cargill Meat Solutions Corporation	\$13.0	150	Nebraska City
4 First Data Corporation	\$10.0	100	Omaha
5 First National of Nebraska, Inc.	\$10.0	100	Omaha
6 Fleming Companies, Inc.	\$3.4	35	Lincoln
7 Information Technology, Inc.	\$3.0	30	Lincoln
8 Lanter Company	\$4.0	34	Omaha
9 Mutual of Omaha Insurance Company	\$20.0	0	Omaha
10 Nebraska Beef, Ltd.	\$10.0	100	Omaha
11 Tyco Healthcare Group L.P.	\$3.0	30	Norfolk

## Agreements Signed in 1995, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 Ag Processing, Inc	\$40.0	100	Central Nebraska
2 American Laboratories, Inc.	\$3.0	30	Omaha
3 Behlen Mfg. Company	\$6.0	165	Columbus and Omaha
4 Blue Cross & Blue Shield of Nebraska	\$10.0	100	Omaha, Lincoln, and other locations
5 Cabela's Incorporated	\$10.0	100	Sidney and Kearney
6 Carneco Foods, LLC	\$16.0	100	Columbus
7 ConAgra Foods, Inc.	\$10.0	100	Omaha
8 Experian Marketing Solutions, Inc.	\$10.0	100	Lancaster and Seward Counties
9 infoUSA, Inc.	\$10.0	190	Omaha
10 Irwin Industrial Tool Company	\$10.0	100	Beatrice, DeWitt, and Lincoln area
11 Nebraska Energy, LLC	\$35.0	30	Aurora
12 The Oilgear Company	\$3.0	30	Fremont
13 Prairie Interactive Messaging, Inc.	\$10.0	100	Omaha
14 Reinhart Foodservice, LLC	\$3.0	30	Omaha
15 Werner Enterprises, Inc.	\$10.0	100	Douglas and Sarpy Counties

## Agreements Signed in 1996, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 Burlington Northern Santa Fe Corporation	\$3.0	30	Statewide
2 C.J. Foods, Inc.	\$3.0	30	Pawnee City
3 Consolidated Business Systems, Inc.	\$3.5	40	Omaha
4 CSG Systems, Inc.	\$14.0	105	Omaha
5 Farmers & Merchants Investment, Inc.	\$4.9	72	Statewide
6 Gallup, Inc.	\$9.0	155	Lincoln
7 Garner Industries, Inc.	\$3.0	30	Lincoln
8 Goodyear Tire & Rubber Company	\$20.0	0	Lincoln
9 Greater Omaha Packing Company	\$10.0	100	Omaha
10 Iams Company	\$20.5	30	Aurora
11 IBP, Inc.	\$10.0	100	Madison
12 Level 3 Communications, Inc.	\$10.0	100	Omaha
13 Omaha Steaks International, Inc.	\$10.0	100	Metropolitan Omaha Area
14 Parker Hannifin Corporation	\$13.6	71	Alliance and McCook
15 Parker Hannifin Corporation	\$5.0	40	Lincoln
16 Pennington Seed, Inc. of Nebraska	\$10.0	100	Sidney
17 Physicians Mutual Insurance Company	\$14.0	150	Omaha
18 Pioneer Hi Bred International, Inc.	\$3.0	30	York
19 Senior Technologies, Inc.	\$3.0	30	Lincoln
20 THT Designs, Inc.	\$10.0	100	Omaha
21 Union Pacific Corporation	\$3.0	30	Greater Omaha Area
22 Union Pacific Corporation	\$3.0	30	Statewide
23 West Corporation	\$10.0	100	Omaha

## Agreements Signed in 1997, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 3M Company	\$3.0	30	Valley
2 Abengoa Bioenergy Corporation	\$55.1	105	York County
3 Affiliated Foods Midwest Cooperative, Inc.	\$8.4	100	Norfolk
4 Airlite Plastics Company	\$10.0	30	Greater Omaha Metropolitan Area
5 Assurity Life Insurance Company	\$4.5	30	Lincoln
6 Central States of Omaha Companies	\$10.0	140	Omaha
7 Coxcom, Inc.	\$3.0	30	Omaha
8 Distefano Tool & Manufacturing Co.	\$3.2	35	Omaha
9 Duncan Aviation, Inc.	\$3.0	30	Lincoln
10 Frito Lay, Inc.	\$25.0	30	Central Nebraska
11 Hormel Foods Corporation	\$20.0	100	Fremont
12 IBP, inc.	\$10.0	100	Dakota City and West Point
13 IBP, inc.	\$10.0	100	Gibbon
14 Kellogg Company	\$84.0	0	Omaha
15 Lozier Corporation	\$20.0	0	Omaha
16 Maplehurst Bakeries, Inc.	\$3.0	30	Nebraska City
17 Midwest Web, Inc.	\$4.7	30	Lincoln
18 Nedelco Inc. & Subsidiaries	\$4.9	147	Aurora
19 Novartis Consumer Health, Inc.	\$10.0	100	Lincoln
20 Premier Industries, Inc.	\$3.0	30	Mead
21 Quality Pork International, Inc.	\$10.0	100	Omaha
22 Reliance Electric Industrial Company	\$3.0	30	Columbus
23 Sprint Spectrum L.P.	\$35.0	150	Statewide Service Area
24 Streck Laboratories	\$10.0	100	Omaha
25 Valmont Industries, Inc.	\$10.0	100	Valley, McCook, West Point, Omaha, and Waverly
26 Walker Manufacturing Company	\$3.0	30	Seward
27 Wells Fargo & Company	\$12.0	115	Lincoln, Grand Island, Columbus, Kearney, North Platte, and other locations



## Agreements Signed in 1998, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 Ballantyne of Omaha, Inc. & Subs.	\$3.0	30	Omaha
2 Claas North America Holdings, Inc.	\$60.0	502	Omaha
3 Clarcor, Inc.	\$10.0	100	Kearney and Gothenburg
4 Empire Fire & Marine Insurance Company	\$10.0	100	Omaha and other locations
5 HDR, Inc.	\$15.3	110	Omaha
6 Kroy Building Products, Inc.	\$3.0	30	York
7 LI-COR, Inc.	\$3.0	30	Lincoln
8 Nebco, Inc.	\$3.0	30	Dodge, Lancaster, Douglas, Sarpy, Cass, Otoe, Buffalo, Hall, Saunders and other Nebraska counties
9 Platte Valley Financial Services Companies, Inc.	\$3.7	50	Scottsbluff
10 Precision Castparts Corp	\$3.9	35	Norfolk
11 Reinke Manufacturing Company, Inc.	\$10.7	30	Deshler
12 Sysco Corporation & Subsidiaries	\$12.0	203	Omaha, Lincoln, Grand Island, and other locations
13 Teledyne Technologies, Incorporated	\$10.0	110	Lincoln
14 William H. Harvey Co.	\$3.0	30	Omaha

## Agreements Signed in 1999, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 Ameriprise Financial, Inc.	\$7.0	100	Omaha
2 AMPC, Inc.	\$3.0	30	Fremont, Schuyler, Madison, and Grand Island
3 Ash Grove Cement Company	\$3.0	30	Omaha and other Nebraska locations
4 D & D Foods, Inc	\$4.6	30	Omaha
5 DTN Corporation	\$3.0	30	Douglas County
6 Eaton MDH Company, Inc.	\$17.5	68	Hastings
7 Financial Brokerage Holdings, Inc.	\$3.0	30	Omaha and other locations
8 MDS (US), Inc.	\$15.1	140	Lincoln and Omaha
9 MSI Systems Integrators, Inc.	\$3.0	30	Omaha
10 Nonpareil - RDO, L.L.C.	\$15.8	100	O'Neill
11 Omaha World Herald Company	\$9.0	30	Omaha
12 Rotella's Italian Bakery, Inc.	\$3.0	30	Omaha
13 Silverstone Holdings, Inc.	\$3.0	30	Omaha
14 Tier One Bank	\$4.8	39	Statewide
15 Unifi Mutual Holding Company	\$10.0	100	Lincoln
16 West Corporation	\$22.0	144	Omaha
17 Wis-Pak, Inc.	\$3.0	30	Norfolk

## Agreements Signed in 2000, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 C S Precision Manufacturing, Inc.	\$7.0	33	Scottsbluff
2 Cargill Meat Solutions Corp.	\$16.5	100	Schuyler
3 First York Ban Corp.	\$3.0	30	Statewide
4 Grand Island Accessories, Inc.	\$3.5	37	Grand Island
5 Great Dane Limited Partnership	\$3.0	184	Wayne
6 Hughes Brothers, Inc.	\$5.3	30	Seward
7 L. B. Foster Company	\$3.5	30	Grand Island
8 MP Global Products, LLC	\$3.3	32	Norfolk
9 Triangle Pacific Corp.	\$10.3	100	Auburn

## Agreements Signed in 2001, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 Becton Dickinson & Company	\$145.0	287	Columbus, Holdrege, and Broken Bow
2 Carlson Holdings, Inc.	\$10.1	100	Omaha
3 Caterpillar Logistics Services, Inc.	\$8.7	50	Bellevue
4 Gordman's, Inc.	\$10.0	100	Omaha
5 HDM Corporation	\$3.4	269	Omaha
6 Innovative Grain Technologies	\$15.0	120	Lincoln
7 James Skinner Company	\$10.6	110	Omaha
8 Kawasaki Motors Mfg. Corp.	\$50.0	80	Lincoln
9 Lincoln Industries	\$12.4	112	Lincoln
10 Metal Tech Partners	\$3.3	83	Bruning and Geneva
11 Neapco, LLC	\$5.9	30	Beatrice
12 Pinnacle Data Services, LLC	\$3.0	30	Gretna
13 Profitstar, Inc.	\$10.0	100	Omaha
14 Schering Plough Animal Health Corporation	\$15.0	117	Elkhorn and Omaha
15 Talent Plus, Inc.	\$10.0	100	Lincoln
16 Tecumseh Poultry, LLC	\$15.0	922	Tecumseh

## Agreements Signed in 2002, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 Ameritrade Holding Corporation	\$19.2	110	Omaha
2 Cintas Corporation No. 2	\$5.6	120	Omaha
3 ConAgra Beef Company	\$21.0	100	Grand Island
4 Eagle Capital Group, Inc.	\$3.6	30	Hastings
5 Elster American Meter Company	\$16.5	50	Nebraska City
6 Farmland Foods, Inc.	\$11.7	100	Crete
7 First National of Nebraska, Inc.	\$258.6	100	Omaha, David City, Columbus, Norfolk, Alliance, Chadron, Gering, Scottsbluff, North Platte, Fremont, and Kearney
8 Leprino Foods Company	\$20.0	0	Ravenna
9 M.G. Waldbaum Company	\$18.9	109	Wakefield and Bloomfield
10 Mutual of Omaha Insurance Company	\$166.0	0	Omaha
11 Nash Finch Company	\$4.5	30	Omaha
12 Natura Manufacturing, Inc.	\$23.4	100	Fremont
13 Professional Veterinary Products, LTD	\$10.0	100	Omaha
14 Wal-Mart Stores, Inc.	\$40.0	600	North Platte
15 Wright Printing Company	\$5.1	33	Omaha

## Agreements Signed in 2003, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 ADT Security Services, Inc.	\$12.2	400	Omaha and Papillion
2 Alltel Communications of NE, Inc.	\$20.0	0	Nebraska
3 Applied Underwriters, Inc.	\$3.3	50	Omaha
4 C & A Industries, Inc.	\$4.6	35	Omaha
5 Farmers & Merchants Investment, Inc.	\$12.0	100	Statewide
6 Information Technology, Inc.	\$3.5	30	Lincoln
7 Jacobson Land and Cattle Company	\$10.0	100	Lincoln
8 Malnove Holding Co, Inc.	\$10.0	30	Omaha
9 NBC Acquisition Corp.	\$10.0	100	Lincoln
10 Nebraska Furniture Mart, Inc.	\$25.0	100	Omaha
11 Nelnet, Inc.	\$3.5	35	Lincoln
12 OTC Holdings Corporation	\$10.5	105	Omaha
13 Overhead Door Corporation	\$4.2	136	Grand Island
14 PayPal, Inc.	\$16.0	800	Omaha
15 Restful Knights, Inc.	\$10.0	100	Wayne
16 Security National Bank	\$5.0	30	Omaha
17 Tenneco Automotive, Inc.	\$12.9	155	Cozad
18 Union Pacific Corporation	\$281.0	30	Omaha

## Agreements Signed in 2004, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 ADC Telecommunications, Inc.	\$14.2	130	Sidney
2 Advanced Building & Components, Inc.	\$3.2	32	Mead
3 American Family Life Assurance Company of Columbus	\$4.7	136	Omaha
4 Burlington Northern Santa Fe Corporation	\$20.0	0	Statewide
5 Cabela's, Inc.	\$18.8	1,100	Sidney and Kearney
6 ConAgra Foods, Inc.	\$10.0	100	Omaha
7 Degussa Corporation	\$75.0	30	Blair
8 Electrolux Professional Outdoor Products, Inc.	\$10.0	100	Beatrice
9 Firstar Fiber, Inc.	\$43.5	180	Fremont, Omaha, and future site
10 IBP, Inc.	\$23.2	1,000	Norfolk
11 Jones National Corporation	\$3.0	30	Seward and Milford
12 Label Acquisition Group	\$4.3	38	Omaha
13 Linweld, Inc.	\$3.0	30	Statewide
14 Marianna Industries, Inc.	\$5.6	30	Omaha
15 McCain Foods USA, Inc.	\$20.0	100	Grand Island
16 Metz Baking Company	\$15.0	100	Hastings, Bellevue, and South Sioux City
17 Norfolk Iron & Metal Company	\$11.0	30	Norfolk
18 Omaha Cold Storage Terminals, Inc.	\$10.0	100	Omaha and Crete
19 Omni Hotels Management Corporation	\$3.4	30	Omaha
20 Printco Graphics, Inc.	\$3.0	67	Omaha
21 Quebecor World Lincoln, Inc.	\$10.0	100	Lincoln and surrounding areas
22 State Steel of Omaha	\$3.8	30	Omaha
23 Technical Management, Inc.	\$12.8	900	Lincoln
24 The Buckle, Inc.	\$10.1	100	Kearney
25 THT Designs, Inc.	\$10.0	100	Omaha and LaVista
26 Trenton Agri Products, LLC	\$39.4	31	Trenton
27 Vente, Inc.	\$10.0	100	Omaha
28 Waitt Media, Inc.	\$10.0	100	Omaha and Plattsmouth
29 West Gate Banshares, Inc.	\$13.5	100	Lincoln

## Agreements Signed in 2005, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 American Title, Inc.	\$11.8	280	Omaha
2 Farmland Foods, Inc.	\$10.0	100	Crete
3 KAAPA Ethanol, LLC	\$95.0	100	Kearney County
4 Lincoln Poultry & Egg Co.	\$10.0	101	Lincoln
5 Lockheed Martin Corporation	\$11.4	100	Bellevue
6 MidAmerican Energy Holdings Co.	\$10.0	200	Omaha
7 NE Colorado Wireless Tech, Inc.	\$13.3	35	Grand Island, Hastings, Kearney, North Platte, Alliance, Norfolk, Scottsbluff, and other Nebraska locations
8 Pacific Life Insurance Co.	\$10.0	100	Omaha
9 Pinnacle Bancorp, Inc.	\$10.0	100	Beatrice, Neligh, Schuyler, Wisner, Arnold, Lexington, Omaha, Elwood, Aurora, O'Neill, Ogallala, Verdigre, Lincoln, Madison, Central City, Palmer, Grant, Columbus, Crete, Osceola, Shelby, Gretna, and Papillion
10 Platte Valley Fuel Ethanol, LLC	\$10.0	100	Central City
11 Specialty Retail Holdings Corp	\$37.5	158	Omaha
12 Tenaska Energy, Inc.	\$5.0	30	Omaha
13 TMCO, Inc.	\$4.0	34	Lincoln
14 Vertrue Incorporated	\$24.9	481	Omaha
15 Werner Enterprises, Inc. & Sub	\$22.1	100	Omaha

## Agreements Signed in 2006, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 Ace Irrigation & Manufacturing Co. Inc.	\$3.0	30	Kearney
2 Affiliated Foods Midwest Cooperative, Inc.	\$10.5	100	Norfolk
3 Airlite Plastics Company	\$69.6	30	Omaha
4 Allo Communications, LLC	\$16.3	105	Imperial
5 American HealthNet, Inc.	\$10.0	100	Omaha
6 Archer Daniels Midland Company	\$24.9	0	Lincoln and Fremont
7 Auburn Consolidated Industries, Inc.	\$10.5	162	Auburn
8 Beef Products, Inc.	\$72.1	175	South Sioux City, Dakota City, and Lexington
9 Behlen Mfg. Co.	\$12.7	100	Columbus
10 Bemis Company, Inc.	\$10.0	100	Omaha and LaVista
11 Blue Cross & Blue Shield of Nebraska	\$13.4	100	Omaha, Lincoln, and Grand Island
12 BMS Management, Inc.	\$100.0	100	Lincoln
13 Coxcom, Inc.	\$309.8	100	Omaha
14 Daitron, Inc.	\$3.3	50	Lincoln
15 Deeter Foundry, Inc.	\$3.2	31	Lincoln
16 E Energy Auburn, LLC	\$80.8	35	Auburn
17 E Energy Broken Bow, LLC	\$78.3	35	Broken Bow

**Agreements Signed in 2006, Still in Effect, continued**

<b>Company Name</b>	<b>Planned Investment (M)</b>	<b>Planned Employment (FTE)</b>	<b>Location</b>
18 Exmark Manufacturing Company, Inc.	\$3.0	30	Beatrice
19 First Data Corporation	\$20.0	0	Omaha and Lincoln
20 Five Points Bank of Hastings	\$3.0	30	Hastings
21 Fremont Beef Company	\$3.0	30	Fremont
22 Gallup Organization	\$66.2	150	Omaha and Lincoln
23 Gibraltar Packaging Group, Inc.	\$10.0	100	Hastings
24 Global Industries, Inc.	\$10.0	100	Grand Island
25 Global Industries, Inc.	\$10.0	100	Albion
26 HMA, Inc. & Subsidiaries	\$11.0	100	Omaha
27 HMN, Inc.	\$8.6	30	Fremont
28 Industrial Service Corporation	\$3.3	30	Grand Island
29 Infocrossing	\$65.0	0	Omaha
30 International Mineral Technologies, L.L.C.	\$10.0	100	Fairbury
31 Jefferson Pilot Corp. & Subs.	\$14.0	100	Omaha
32 Kellogg Company	\$20.0	0	Omaha
33 LCF Holdings, Inc. & Subs.	\$10.0	100	Omaha, Norfolk, and Bellevue
34 Lincoln Snacks, Inc.	\$8.7	50	Lincoln
35 MI Industries	\$10.6	100	Lincoln
36 Mid-America Computer Corporation	\$11.5	131	Blair
37 Midwest Renewable Energy, LLC	\$23.5	40	Sutherland
38 Nebraska Transport Co., Inc.	\$10.5	30	Scottsbluff, Alliance, Sidney, North Platte, Norfolk, Grand Island, Lincoln, and Omaha
39 Nedelco, Inc. & Subsidiaries	\$8.5	393	Aurora, North Platte, and Grand Island
40 Nordic Biofuels of Ravenna, LLC	\$10.0	100	Ravenna
41 OEI, Inc.	\$3.6	63	Lincoln
42 Omaha Printing Company	\$11.5	100	Omaha
43 Omaha Steaks International, Inc.	\$12.8	105	Omaha and Snyder
44 ORI Great West Holdings	\$10.7	187	South Sioux City and Grand Island
45 Parker Hannifin Corp. & Subs.	\$13.8	100	Alliance and McCook
46 Peter Kiewit Sons, Inc.	\$10.0	100	Omaha
47 Qwest Communications International, Inc.	\$553.0	0	Statewide
48 Siouxland Ethanol, LLC	\$62.3	35	Jackson
49 Southwark Metal Manufacturing Co	\$4.0	30	Fremont
50 Store Kraft Manufacturing Co.	\$10.0	100	Beatrice
51 Tecumseh Poultry, LLC	\$10.0	100	Tecumseh and Waverly
52 The Interpublic Group of Companies, Inc. and Subsidiaries	\$3.0	30	Omaha
53 Tyco Healthcare Group LP	\$10.0	100	Norfolk
54 Tyson Processing Services, Inc.	\$19.0	105	Omaha
55 Union Pacific Corporation	\$580.0	30	Statewide
56 Valmont Industries, Inc.	\$10.0	100	Valley, Waverly, and McCook
57 West Pharmaceutical Services, Inc.	\$10.0	100	Kearney
58 Wild Bill's Foods, Inc.	\$10.0	100	Hampton
59 Wilkinson Industries, Inc.	\$10.0	100	Fort Calhoun
60 Windstream Corporation	\$20.0	0	Lincoln, southeast, and eastern Nebraska

## Agreements Signed in 2007, Still in Effect

Company Name	Planned Investment (M)	Planned Employment (FTE)	Location
1 Adesta, LLC	\$3.0	50	Omaha
2 Ameriwest Corporation	\$6.5	45	Omaha
3 Arck Foods, Inc.	\$3.0	30	Lincoln
4 Auto Club Group	\$12.1	250	Statewide
5 Bank of the West	\$20.0	0	Omaha
6 Cassling Diagnostic Imaging, Inc.	\$10.0	100	Omaha
7 Chicory USA, LLC	\$4.2	30	Scottsbluff
8 Clarcor, Inc.	\$20.1	100	Kearney
9 ConAgra Foods, Inc.	\$45.0	30	Hastings
10 Consolidated Supply Co, Inc.	\$10.0	100	Omaha
11 Cornhusker Energy Lexington, LLC	\$47.0	100	Lexington
12 Crete Carrier Corporation	\$10.0	100	Lincoln
13 Cretex Concrete Products Midwest, Inc.	\$3.3	30	Plattsmouth
14 CSG Systems International, Inc.	\$57.0	155	Omaha
15 Duncan Aviation, Inc.	\$20.2	100	Lincoln
16 E3 Biofuels - Mead, LLC	\$20.4	100	Mead
17 Election Systems & Software, Inc.	\$6.7	41	Omaha
18 Examination Management Services, Inc.	\$11.8	30	Omaha
19 First Gothenburg Bancshares, Inc.	\$10.0	100	Gothenburg and Omaha
20 Focus Legal Solutions, LLC	\$3.0	30	Omaha
21 Kerry, Inc.	\$10.0	100	Fremont
22 Knowledge Management Systems, LLC	\$3.0	30	Lincoln
23 Level 3 Communications, Inc.	\$3.0	30	Omaha
24 MDS (US), Inc.	\$22.8	100	Lincoln and Omaha
25 Mid America Agri Products/Horizon, LLC	\$61.0	40	Cambridge
26 Mid America Agri Products/Wheatland, LLC	\$61.0	40	Madrid
27 Millard Refrigerated Services, Inc.	\$10.0	100	Omaha
28 Nebraska Beef, Ltd.	\$13.0	137	Omaha
29 Nebraska Orthopaedic Hospital, LLC	\$34.9	30	Omaha
30 Nestle Holdings, Inc.	\$15.2	100	Crete
31 Nor-Am Logistics, Inc.	\$7.0	35	Schuyler
32 Nucor Corporation	\$3.0	30	Norfolk
33 Optimus Corporation	\$10.0	100	Omaha
34 Pfizer, Inc.	\$85.0	0	Lincoln and Omaha
35 Plastic Companies Enterprises, Inc.	\$4.2	32	Lincoln
36 Powermate Holding Corporation	\$10.0	100	Kearney and Omaha
37 Precision Industries, Inc.	\$10.1	100	Various
38 R K Aerials, LLC	\$3.0	30	Fremont
39 Ready Tech-Go, Inc.	\$3.0	30	Fremont
40 S. W. Energy, LLC	\$10.0	100	McCook
41 Schering Plough Animal Health Corporation	\$34.3	100	Omaha and Elkhorn
42 Securities America Financial Corporation	\$14.0	30	Omaha
43 Signature Performance, Inc.	\$3.4	90	Omaha
44 Speedway Motors, Inc.	\$3.0	30	Lincoln
45 Standard Iron, Inc.	\$10.6	100	Grand Island
46 Tractor Supply Company	\$18.5	30	Waverly
47 Unifi Mutual Holding Company	\$11.7	149	Lincoln, Omaha, and Wayne
48 United Distillers Products Company	\$10.0	100	Omaha
49 Walsworth Publishing Company, Inc.	\$3.0	30	Bellevue
50 West Corporation	\$43.5	175	Omaha
51 Window Technologies, LLC	\$3.0	30	Lincoln

# Summary of LB 775 Benefits Approved Through December 31, 2008

Table 2 summarizes the credits earned, credits used, credits expired, and the direct sales and use tax refunds approved for qualified companies through December 31, 2008. Also included are the sales and use tax refunds pending at year end. Credits expire 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 and use tax refunds between state and city tax.

**Table 2. Summary of LB 775 Benefits Approved**

The Department has conducted field reviews of companies which filed reports indicating they had met the minimum new full-time equivalent jobs and investment levels to qualify for incentives. Table 1 on page 23 showed the number of qualifying companies verified by field review. Based on these examinations, the Department has approved:

	1988-2004 <sup>(a)</sup>	2005	2006	2007	2008	Total
Investment Tax Credits	\$1,415,193,292	\$44,035,139	\$87,248,048	\$115,109,842	\$34,339,429	<b>\$1,695,925,750</b>
New Jobs Credits	520,558,334	27,400,427	24,124,193	\$34,413,435	19,997,258	<b>626,493,647</b>
<b>Total Credit Earned</b>	<b>\$1,935,751,626</b>	<b>\$71,435,566</b>	<b>\$111,372,241</b>	<b>\$149,523,277</b>	<b>\$54,336,687</b>	<b>\$2,322,419,397</b>
Tax Credits Used <sup>(b)</sup>						
Income Tax	\$ 566,284,485	\$ 35,526,275	\$38,405,737	\$41,937,899	\$29,553,950	<b>\$ 711,708,346</b>
Sales/Uses Tax Refund	544,708,869	66,858,063	39,954,493	45,127,886	52,439,714	<b>749,089,024</b>
<b>Total Tax Credits Used</b>	<b>\$1,110,993,354</b>	<b>\$102,384,338</b>	<b>\$78,360,230</b>	<b>\$87,065,785</b>	<b>\$81,993,664</b>	<b>\$1,460,797,370</b>
Recapture <sup>(c)</sup>						
Repaid	\$28,731,921	\$4,726,346	\$4,101,631	\$6,234,123	\$3,849,061	<b>\$47,643,082</b>
From Credits	21,217,417	2,144,029	3,215,666	1,046,967	846,965	<b>28,471,044</b>
Tax Credits Expired	\$17,759,160	\$10,730,097	\$27,343,611	\$5,978,854	\$6,836,475	<b>\$68,648,197</b>
Qualified Investment	\$17,760,418,817	\$528,697,581	\$986,072,721	\$1,751,087,961	\$313,611,073	<b>\$21,339,888,153</b>
Direct Sales/Use Tax Refunds on Investment	\$558,680,934	\$9,931,172	\$39,907,680	\$70,453,276	\$32,136,071	<b>\$711,109,133</b>
New Jobs of Qualifying Companies	75,468	2,962	2,894	4,479	1,280	<b>87,083</b>
<b>Sales/Use Tax Refunds Pending Approval at Year End</b>	<b>N/A</b>	<b>\$39,663,924</b>	<b>\$32,211,153</b>	<b>\$42,600,186<sup>(d)</sup></b>	<b>\$39,216,412</b>	<b>N/A</b>

<sup>(a)</sup> For details by year, see Annual Reports for previous year.

	1988-2004 <sup>(a)</sup>	2005	2006	2007	2008	Total
<sup>(b)</sup> Corporate	\$461,366,150	\$30,007,188	\$29,956,611	\$29,654,172	\$22,461,325	\$573,445,445
Individual	104,918,335	5,519,087	8,449,126	12,283,727	7,092,625	138,262,901
<b>Total</b>	<b>\$566,284,485</b>	<b>\$35,526,275</b>	<b>\$38,405,737</b>	<b>\$41,937,899</b>	<b>\$29,553,950</b>	<b>\$711,708,346</b>

<sup>(c)</sup> 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 tax credits used are recaptured. 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, 2008, 75 projects were in recapture. A total of \$25,425,836 in repayment due has been netted from approved refund claims, and \$22,217,246, plus interest, has been repaid in cash. Credit carryover, for companies that have reached the end of the entitlement period, has been reduced by \$28,471,044.

<sup>(d)</sup> Correction to 2007 Annual Report to deduct pending refund claims unrelated to LB 775 for \$41,476.



# Description of LB 775 Application Options

1. **\$20M investment and no employees.** Benefits include:
  - Election to use the “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.
2. **\$3M investment and 30 FTE employees.** In addition to the benefits listed above, a “\$3M + 30” applicant is eligible for:
  - Five percent tax credit multiplied by 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.
3. **\$10M investment and 100 FTE employees.** In addition to the benefits listed above, a “\$10M + 100” applicant is eligible for a 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” option has a two-part agreement: one at the “\$3M + 30” level; and one at the “\$10M + 100” level. The companies listed as having applied under the “\$10M + 100” level may only have qualified under the “\$3M + 30” portion of their agreement. The only additional benefits available under the “\$10M + 100” 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 2008.

**Table 3. Analysis of Benefits Approved, by Agreement Type (Cumulative Through 2008)**

	<b>\$20 Million + 0 FTE Employees</b>	<b>\$3 Million + 30 FTE Employees</b>	<b>\$10 Million + 100 FTE Employees</b>	<b>Total</b>
Number of Projects	28	200	187	<b>415</b>
Investment Tax Credits	N/A	\$646,313,129	\$1,049,612,621	<b>\$1,695,925,750</b>
New Jobs Credits	N/A	230,920,818	395,572,829	<b>626,493,647</b>
Total Credits Earned	N/A	<u>\$877,233,947</u>	<u>\$1,445,185,450</u>	<b>\$2,322,419,397</b>
Tax Credits Used				
Income Tax	N/A	\$297,495,693	\$414,212,653	<b>\$711,708,346</b>
Sales/Use Tax Refunds	N/A	230,604,763	518,484,261	<b>749,089,024</b>
Total Tax Credits Used	N/A	<u>\$528,100,456</u>	<u>\$932,696,914</u>	<b>\$1,460,797,370</b>
Tax Credits Expired	N/A	\$22,634,189	\$ 46,014,008	<b>\$68,648,197</b>
Direct Sales/Use Tax Refunds on Investment	\$189,760,408	\$182,453,510	\$ 338,895,215	<b>\$711,109,133</b>
Qualified Investment	\$4,358,928,205	\$6,484,964,414	\$10,495,995,534	<b>\$21,339,888,153</b>
New Jobs of Qualifying Companies	N/A	31,852	55,231	<b>87,083</b>
<b>Sales/Use Tax Refunds Pending Approval at Year End</b>	<b>\$1,522,293</b>	<b>\$10,017,662</b>	<b>\$27,676,457</b>	<b>\$39,216,412</b>

## LB 775 Companies With Signed Agreements As Of December 31, 2008

Table 4 shows the types of projects that are included in each industry group. All industry groups include a minimum of three companies. The number of companies that have applied under each option, within each industry group, is shown in the last column.

The industry groupings are based on the Principal Business Activity (PBA) codes currently being used by the IRS.

**Table 4. Classification Into Industry Group by PBA Codes and Option Applied For**

Category	PBA Code, Major Industry Group Titles	Application Option	Number of Companies
<b>Construction, Utilities, &amp; Nonmetallic Mineral Products Manufacturing</b>	22, 23, 327 Construction, Electric and Gas, Stone, Clay, Glass, and Concrete Products	\$10M + 100 FTE	6
		\$3M + 30 FTE	9
<b>Manufacturing</b>	311, 312 Meat and Food Products	\$10M + 100 FTE	53
		\$20M + 0 FTE	6
		\$3M + 30 FTE	19
	314, 322, 323, 325, 326 Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-Durable Products	\$10M + 100 FTE	32
	\$20M + 0 FTE	2	
	\$3M + 30 FTE	40	
	321, 331, 332 Primary and Fabricated Metals and Wood Product Manufacturing	\$10M + 100 FTE	11
		\$20M + 0 FTE	2
		\$3M + 30 FTE	25
	333, 334, 335, 336, 337, 339 Machinery, Electronic and other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	\$10M + 100 FTE	25
		\$20M + 0 FTE	5
		\$3M + 30 FTE	50
<b>Wholesale &amp; Retail Trade</b>	42 Durable and Non-Durable Goods	\$10M + 100 FTE	20
		\$3M + 30 FTE	20
<b>Transportation &amp; Warehousing</b>	48, 49 Railroads, Trucking, Air Transportation, and Warehousing	\$10M + 100 FTE	20
		\$20M + 0 FTE	3
		\$3M + 3 FTE	17
<b>Information &amp; Data Processing</b>	51 Publishing, Communications, and Information and Data Processing Services	\$10M + 100 FTE	14
		\$20M + 0 FTE	10
		\$3M + 30 FTE	24
<b>Finance, Insurance, &amp; Real Estate</b>	52 Depository and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	\$10M + 100 FTE	30
		\$20M + 0 FTE	6
		\$3M + 30 FTE	22
<b>Professional, Scientific, &amp; Technical Services</b>	54, 56, 62, 81 Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	\$10M + 100 FTE	30
		\$20M + 0 FTE	1
		\$3M + 30 FTE	27
		<b>Total</b>	<b>529</b>

# LB 775 Industry Group Detail

## Analysis of Tax Credits

Tables 5 and 6 show an analysis, by industry group, of tax credits earned and used in 2008 and cumulative credits through 2008. Total tax credits earned consist of both investment and employment credits. Both types of tax credits go into a credit pool and can be used to either offset corporate or individual income tax liability, or to receive a refund of otherwise non-refundable sales or use tax paid on purchases at the project.

Tax credits distributed to either corporate or individual shareholders or partners totaled:

- \$141,209,479 in 1988-2004;
- \$10,958,609 in 2005;
- \$9,194,411 in 2006;
- \$14,087,870 in 2007; and
- \$7,846,223 in 2008.

Distributed credits may only be used to offset corporate or individual income tax liabilities.

**Table 5. Analysis of Tax Credits by Industry Group (2008)**

Industry Group	Total Tax Credits Earned	TAX CREDITS USED		Credits Recaptured	Credits Expired	Current Year Change to Credit Balance
		Income Tax	Sales Tax			
Construction, Electric and Gas, Stone, Clay, Glass, and Concrete Products	\$ 7,089,579	\$ 5,477,038	\$ 493,408	\$ 0	\$ 0	\$ 1,119,133
Meat and Food Products	12,253,214	4,220,229	6,995,196	0	4,179,472	(3,141,683)
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-Durable Products	9,935,855	3,131,210	9,236,809	0	324,546	(2,756,710)
Primary and Fabricated Metals and Wood Product Manufacturing	2,344,572	288,079	588,083	60,890	45,408	1,362,112
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	4,107,584	2,624,455	9,713,984	786,075	143,161	(9,160,091)
Durable and Non-Durable Goods	2,224,926	1,034,739	1,852,010	0	0	(661,823)
Railroads, Trucking, Air Transportation, and Warehousing	3,787,358	5,095,058	2,686,549	0	0	(3,994,249)
Publishing, Communications, and Information and Data Processing Services	1,524,073	813,552	3,479,801	0	0	(2,769,280)
Depository and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	6,271,676	3,117,095	14,132,955	0	2,141,423	(13,119,797)
Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	4,797,850	3,752,495	3,260,920	0	2,465	(2,218,030)
<b>Total</b>	<b>\$54,336,687</b>	<b>\$29,553,950</b>	<b>\$52,439,714</b>	<b>\$846,965</b>	<b>\$6,836,475</b>	<b>(\$35,340,417)</b>

# LB 775 Industry Group Detail

**Table 6. Analysis of Tax Credits by Industry Group (Cumulative Through 2008)**

Industry Group	Total Tax Credits Earned	TAX CREDITS USED		Credits Recaptured	Credit Expired	Credit Balance
		Income Tax	Sales Tax			
Construction, Electric and Gas, Stone, Clay, Glass, and Concrete Products	\$ 65,839,326	\$ 41,066,048	\$ 5,768,089	\$ 0	\$ 84,839	\$ 18,920,350
Meat and Food Products	356,684,674	103,295,511	124,265,126	1,827,872	27,743,971	99,552,194
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-Durable Products	281,186,145	31,989,054	109,637,934	994,683	7,601,195	130,963,279
Primary and Fabricated Metals and Wood Product Manufacturing	51,486,065	19,328,274	10,385,499	1,111,351	72,963	20,587,978
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	277,960,542	56,732,913	125,938,840	3,186,860	2,968,369	89,133,560
Durable and Non-Durable Goods	91,331,619	40,756,338	24,911,598	3,393,154	7,610,987	14,659,542
Railroads, Trucking, Air Transportation, and Warehousing	400,248,565	134,836,140	67,256,706	5,935,206	340,777	191,879,735
Publishing, Communications, and Information and Data Processing Services	223,126,212	93,563,202	46,930,918	7,543,766	1,944,091	73,144,235
Depository and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	392,517,281	112,188,596	186,378,444	4,042,391	3,530,261	86,377,589
Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	182,038,968	77,952,271	47,615,869	435,761	16,750,744	39,284,323
<b>Total</b>	<b>\$2,322,419,397</b>	<b>\$711,708,346</b>	<b>\$749,089,024</b>	<b>\$28,471,044</b>	<b>\$68,648,197</b>	<b>\$764,502,786</b>

# LB 775 Industry Group Detail

## Sales and Use Tax Refunds

There are two types of sales and use tax refunds available under LB 775: direct refunds and refunds using tax 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, 2008 were \$711,109,133. Refunds were \$684,360,497 on qualified property and \$26,748,636 on aircraft.

Tax credits earned on investment and employment increases may be used to obtain a refund of otherwise non-refundable 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 2008 and cumulative through 2008. The last column of Table 7 shows the sales and use tax refunds pending approval on December 31, 2008.

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

**Table 7. Analysis of Sales and Use Tax Refunds, by Industry Group (2008)**

Industry Group	APPROVED REFUNDS			Refunds Pending as of 12/31/2008
	Direct Refunds	Refunds Using Tax Credits	Total	
Construction, Electric and Gas, Stone, Clay, Glass, and Concrete Products	\$ 729,152	\$ 493,408	\$ 1,222,560	\$ 1,102,500
Meat and Food Products	5,706,436	6,995,196	12,701,632	2,812,608
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-Durable Products	820,946	9,236,809	10,057,755	10,643,329
Primary and Fabricated Metals and Wood Product Manufacturing	1,770,949	588,083	2,359,033	262,988
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	1,727,351	9,713,984	11,441,335	5,162,753
Durable and Non-Durable Goods	1,308,850	1,852,010	3,160,861	1,473,305
Railroads, Trucking, Air Transportation, and Warehousing	6,621,102	2,686,549	9,307,651	5,026,233
Publishing, Communications, and Information and Data Processing Services	4,589,798	3,479,801	8,069,598	2,831,130
Depository and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	7,111,958	14,132,955	21,244,913	7,910,924
Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	1,749,529	3,260,920	5,010,449	1,990,640
<b>Total</b>	<b>\$32,136,071</b>	<b>\$52,439,714</b>	<b>\$84,575,785</b>	<b>\$39,216,412</b>

## LB 775 Industry Group Detail

**Table 8. Analysis of Sales and Use Tax Refunds, by Industry Group (Cumulative through 2008)**

Industry Group	APPROVED REFUNDS		
	Direct Refunds	Refunds Using Tax Credits	Total Refunds
Construction, Electric and Gas, Stone, Clay, Glass, and Concrete Products	\$ 14,629,766	\$ 5,768,089	\$ 20,397,854
Meat and Food Products	90,700,077	124,265,126	214,965,203
Printing, Paper, Chemical, Plastics, Rubber Textile, and Non-Durable Products	66,376,623	109,637,934	176,014,558
Primary and Fabricated Metals and Wood Product Manufacturing	23,000,501	10,385,499	33,386,000
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	69,748,002	125,938,840	195,686,842
Durable and Non-Durable Goods	22,197,680	24,911,598	47,109,279
Railroads, Trucking, Air Transportation, and Warehousing	98,259,880	67,256,706	165,516,586
Publishing, Communications, and Information and Data Processing Services	149,234,465	46,930,918	196,165,383
Depository and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	145,362,883	186,378,444	331,741,327
Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	31,599,257	47,615,869	79,215,126
<b>Total</b>	<b>\$711,109,133</b>	<b>\$749,089,024</b>	<b>\$1,460,198,157</b>

**Table 9. Analysis of Sales and Use Tax Refunds**

	APPROVED REFUNDS NET OF RECAPTURE						Refunds Pending as of 12/31/2008
	1988-2004*	2005	2006	2007**	2008	Total	
Number of Claims	10,416	842	668	722	675	13,323	207
State Tax	\$916,009,236	\$65,235,974	\$65,313,971	\$94,449,740	\$69,325,351	\$1,210,334,272	\$34,412,535
City Tax	\$172,529,435	\$10,207,654	\$12,232,972	\$17,940,380	\$11,527,607	\$224,438,048	\$4,803,877
<b>Total</b>	<b>\$1,088,538,671</b>	<b>\$75,443,628</b>	<b>\$77,546,943</b>	<b>\$112,390,120</b>	<b>\$80,852,958</b>	<b>\$1,434,772,320</b>	<b>\$39,216,412</b>

\* For detail by year, see previous Annual Reports.

\*\* Figures reported previously were corrected due to posting adjustments.

## 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	1988-2004*	2005	2006	2007	2008	Total
Construction, Electric and Gas, Stone, Clay, Glass, and Concrete Products	\$ 249,430,995	\$ 18,374,830	\$ 28,056,190	\$ 116,961,020	\$ 42,474,410	<b>\$ 455,297,445</b>
Meat and Food Products	2,422,000,884	115,540,394	215,202,642	128,311,999	90,950,954	<b>2,972,006,873</b>
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-Durable Products	2,373,299,363	(269,867,268)	140,903,920	53,565,130	82,082,111	<b>2,379,983,256</b>
Primary and Fabricated Metals and Wood Product Manufacturing	563,424,132	32,087,430	25,461,849	59,911,410	9,413,610	<b>690,298,431</b>
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	1,688,063,841	326,294,836	74,263,577	125,665,863	33,364,494	<b>2,247,652,611</b>
Durable and Non-Durable Goods	492,463,594	6,837,180	13,184,900	23,249,020	18,483,060	<b>554,217,754</b>
Railroads, Trucking, Air Transportation, and Warehousing	3,079,635,486	150,876,690	100,325,720	569,109,065	9,622,255	<b>3,909,569,216</b>
Publishing, Communications, and Information and Data Processing Services	3,480,857,825	51,915,098	62,700,563	408,441,871	3,149,320	<b>4,007,064,677</b>
Depository and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	2,676,018,749	73,228,791	296,422,170	150,608,493	3,015,389	<b>3,199,293,592</b>
Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	735,223,948	23,409,600	29,551,190	115,264,090	21,055,470	<b>924,504,298</b>
<b>Total</b>	<b>\$17,760,418,817</b>	<b>\$528,697,581</b>	<b>\$986,072,721</b>	<b>\$1,751,087,961</b>	<b>\$313,611,073</b>	<b>\$21,339,888,153</b>

\* 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 FTE projects report information on FTE employee growth, average salaries, and total Nebraska employment. The \$20 million investment projects do not report the FTE employee growth, because this is not a requirement for qualification.

The FTE 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. For example, an employee with 60 hours worked in each week of the year would be counted a 1.5 FTE employee. 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 employees have worked. In the same example, 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, shown in Table 12, is not measured in the same manner as the number of FTE employees shown in Table 11. Table 12 includes 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 employees worked.
- Table 11 does not include any information related to the \$20 million dollar projects, while Table 12 reports change in total employment for these projects.
- Table 11 includes the FTE growth only for the project as defined, while Table 12 includes total statewide employment.
- The total column in Table 11 reports cumulative FTE employee growth for all qualified projects since the enactment of LB 775, including projects which are beyond the end of their entitlement period. 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 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 FTE employee growth during the entitlement period for each project that has met the \$3 million investment and 30 FTE employee requirement since the enactment of LB 775.

A company is required to maintain a 30 FTE increase to avoid recapture.

Please note:

- A company that previously showed an 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 employees 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 an FTE employee increase of 80 ceased operations in Nebraska during the entitlement period, they would be in recapture. The decrease of 80 FTE employees would be included in the current year column, and there would be zero FTE employees represented in the total column.

This year, Table 11 has two industry groups where the changes in FTE employees reported in 2008 as compared to the previous reported year are negative. There were companies within these industry groups which reported employment growth, however the overall industry totals of all companies reporting were a negative number. A company that reported a decline in employment would not have been in recapture unless the FTE employment growth for the term of the project was below 30 FTE employees.

**Table 11. Number of FTE Jobs Created, by Industry Group**

Industry Group	1988-2004*	2005	2006	2007	2008	Total
Construction, Electric and Gas, Stone, Clay, Glass, and Concrete Products	1,281	46	(46)	352	(18)	<b>1,615</b>
Meat and Food Products	17,010	376	1,026	275	125	<b>18,812</b>
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-Durable Products	5,405	84	237	93	90	<b>5,909</b>
Primary and Fabricated Metals and Wood Product Manufacturing	1,373	110	341	159	138	<b>2,121</b>
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	9,518	387	315	1,017	(168)	<b>11,069</b>
Durable and Non-Durable Goods	4,619	72	(173)	51	153	<b>4,722</b>
Railroads, Trucking, Air Transportation, and Warehousing	5,705	465	727	1,579	315	<b>8,791</b>
Publishing, Communications, and Information and Data Processing Services	4,010	505	84	(43)	(40)	<b>4,516</b>
Depository and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	13,102	1,008	274	408	352	<b>15,144</b>
Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	13,445	(91)	109	588	333	<b>14,384</b>
<b>Total</b>	<b>75,468</b>	<b>2,962</b>	<b>2,894</b>	<b>4,479</b>	<b>1,280</b>	<b>87,083</b>

\* For detail by year, see previous Annual Reports.

# LB 775 Industry Group Detail

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

Table 12 shows a comparison of (1) 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 (2) the total number of people employed by the applicants 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	Employees at End of Quarter Prior to Date of Application	Employees on Most Recent Reporting Date	Increase or Decrease
Construction, Electric and Gas, Stone, Clay, Glass, and Concrete Products	1,060	1,815	755
Meat and Food Products	19,239	16,442	(2,797)
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-Durable Products	1,402	1,813	411
Primary and Fabricated Metals and Wood Product Manufacturing	1,814	2,769	955
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	5,564	5,782	218
Durable and Non-Durable Goods	4,227	4,622	395
Railroads, Trucking, Air Transportation, and Warehousing	13,672	26,871	13,199
Publishing, Communications, and Information and Data Processing Services	1,609	2,250	641
Depository and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	11,013	10,285	(728)
Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	7,815	8,620	805
<b>Total</b>	<b>67,415</b>	<b>81,269</b>	<b>13,854</b>

# LB 775 Industry Group Detail

## Average Salary of New Employees

Tables 13 and 14 show the estimated average salary of new FTE employees for 2008, and cumulatively through 2008. 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 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:

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

**Table 13. Average Salary of New Employees, by Industry Group (2008)**

Industry Group	Total New FTE Employees	Estimated Average Salary of New Employees
Construction, Electric and Gas, Stone, Clay, Glass, and Concrete Products	(18)	N/A
Meat and Food Products	125	\$34,501
Printing, Paper, Chemical, Plastics, Rubber Textile, and Non-Durable Products	90	32,413
Primary and Fabricated Metals	138	37,336
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	(168)	N/A
Durable and Non-Durable Goods	153	36,585
Railroads, Trucking, Air Transportation, and Warehousing	315	33,384
Publishing, Communications, and Information and Data Processing Services	(40)	N/A
Depository and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	352	40,510
Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	333	37,996
<b>Total</b>	<b>1,280</b>	<b>\$36,948*</b>

\* The total weighted average salary is calculated by multiplying the number of FTE's for each project reporting positive FTE growth times the estimated salary of new employees at that project.

## LB 775 Industry Group Detail

In Table 14, the cumulative average for each industry was calculated by using the most recently reported average wage and cumulative FTE employees reported for each project. If the cumulative FTE employees for the project was zero or less, the project was included as zero FTE employees.

**Table 14. Average Salary of New Employees, by Industry Group (Cumulative through 2008)**

Industry Group	Total New FTE Employees	Estimated Average Salary of New Employees
Construction, Electric and Gas, Stone, Clay, Glass, and Concrete Products	1,615	\$41,349
Meat and Food Products	18,812	26,404
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-Durable Products	5,909	27,871
Primary and Fabricated Metals	2,121	31,122
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	11,069	29,690
Durable and Non-Durable Goods	4,722	29,195
Railroads, Trucking, Air Transportation, and Warehousing	8,791	43,659
Publishing, Communications, and Information and Data Processing Services	4,516	26,367
Depository and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	15,144	33,581
Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	14,384	28,449
<b>Total</b>	<b>87,083</b>	<b>\$30,791 **</b>

\*\* The total weighted average salary is calculated by multiplying the number of FTEs reported in the last year of each project times the final reported estimated salary of new employees at that project.

# Projected Revenue Gains and (Losses) of LB 775, LB 829 as amended, and Invest Nebraska Act, for Tax Years 1987-2008 and Projects by Fiscal Years<sup>(1)</sup>

The estimates are based on a sample of 100 agreements and actual results of 529 qualified projects, including 159 completed projects from 1987 through 2008. Employment and investment flows are projected at rates indicated by the corresponding company's agreements. There are still two pending applications as of December 31, 2008, and it is estimated that they will result in signed agreements.

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) are 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 the tax incentive programs) 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 tax credits used estimate is based on the assumption of maximized use for each year, either against corporate income tax, individual income tax, and/or sales and use tax.

The time series analysis from 1987 to 2008 indicates that the usage of credits against sales and use taxes paid varies with the business cycle. For 2008 through 2010, a usage of 52 percent is estimated. For 2011 and thereafter, the usage of tax credits against sales and use tax is estimated to return to the historical average of 45 percent. 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 tax credit off-set) is based on the historical profitability of the respective companies.

		<b>AVERAGE PER PROJECT<sup>(2)</sup></b>		
<b>Year</b>	<b># of Agreements Signed</b>	<b>\$ Million of Investment</b>	<b>Number of Employees</b>	<b>Salary Level</b>
2009	2	\$20.5	200	*

<sup>(1)</sup> The investment and employment levels represent the entire investment and employment associated with the project through the entitlement period (employment level represents the employees qualifying for credits).

<sup>(2)</sup> 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).

\* Suppressed to avoid disclosure of confidential information

**Table 15. Projected Revenue Gains or (Losses) of LB 775, LB 829 as Amended, and LB 620 For Tax Years 2008-2022, by Fiscal Year**

<b>Fiscal Year</b>		<b>FY 08/09</b>	<b>FY 09/10</b>	<b>FY 10/11</b>	<b>FY 11/12</b>	<b>FY 12/13</b>	<b>FY 13/14</b>
SUMMARY	Expansion: Sales and Use	84,726,688	78,856,481	78,918,439	75,518,712	70,825,812	67,467,103
	Corporate	9,353,461	9,080,275	8,601,809	8,514,183	8,108,149	7,632,716
	Individual	37,632,060	35,174,702	35,008,099	33,613,158	31,573,584	30,039,927
	Sales and Use Tax Refunds on Qualified Property	35,074,734	52,447,585	29,268,471	27,451,931	21,114,729	14,875,403
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	92,492,427	96,088,397	98,926,052	92,157,617	83,189,773	72,376,126
	Corp. or Individ. & Wage Benefit Credit	49,020,986	46,122,431	51,441,547	50,686,689	45,754,375	39,806,869
	Sales and Use Tax Refunds	43,471,441	49,965,966	47,484,505	41,470,928	37,435,398	32,569,257
	Tax Credits Expired	6,648,908	5,593,660	5,630,916	6,173,062	6,629,158	6,799,085
	Gain or (Loss)	4,145,048	(25,424,524)	(5,666,176)	(1,963,494)	6,203,043	17,888,217
	Cumulative	(365,630,042)	(391,054,565)	(396,720,742)	(398,684,236)	(392,481,193)	(374,592,976)
	Total Sales and Use Tax Refunds	78,546,174	102,413,552	76,752,976	68,922,858	58,550,127	47,444,660
<b>Fiscal Year</b>		<b>FY 14/15</b>	<b>FY 15/16</b>	<b>FY 16/17</b>	<b>FY 17/18</b>	<b>FY 18/19</b>	<b>FY 19/20</b>
SUMMARY	Expansion: Sales and Use	63,718,201	55,173,857	55,261,672	51,112,264	47,202,965	43,422,474
	Corporate	7,255,775	6,716,170	6,019,677	5,913,726	5,467,737	5,044,899
	Individual	28,389,590	24,756,011	24,512,540	22,810,396	21,068,281	19,386,949
	Sales and Use Tax Refunds on Qualified Property	10,198,594	6,758,539	4,051,658	2,135,725	1,061,009	580,251
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	61,405,314	51,068,501	42,059,107	34,502,905	28,201,921	23,455,829
	Corp. or Individ. & Wage Benefit Credit	35,615,082	29,619,730	24,394,282	20,011,685	16,357,114	13,604,381
	Sales and Use Tax Refunds	25,790,232	21,448,770	17,664,825	14,491,220	11,844,807	9,851,448
	Tax Credits Expired	6,653,629	6,372,728	7,001,580	9,622,598	11,539,636	12,054,026
	Gain or (Loss)	27,759,659	28,818,998	39,683,124	43,197,757	44,476,053	43,818,243
	Cumulative	(346,833,317)	(318,014,319)	(278,331,195)	(235,133,439)	(190,657,386)	(146,839,143)
	Total Sales and Use Tax Refunds	35,988,826	28,207,310	21,716,483	16,626,945	12,905,816	10,431,699
<b>Fiscal Year</b>		<b>FY 20/21</b>	<b>FY 21/22</b>				
SUMMARY	Expansion: Sales and Use	40,057,545	32,382,927				
	Corporate	4,643,927	4,159,443				
	Individual	17,880,589	14,616,948				
	Sales and Use Tax Refunds on Qualified Property	332,792	169,396				
	Sales Only Formula	0	0				
	Credits and Wage Benefit Credit Used	18,787,205	11,964,284				
	Corp. or Individ. & Wage Benefit Credit	10,896,579	6,939,285				
	Sales and Use Tax Refunds	7,890,626	5,024,999				
	Tax Credits Expired	12,454,119	12,496,008				
	Gain or (Loss)	43,462,065	39,025,637				
	Cumulative	(103,377,078)	(64,351,441)				
	Total Sales and Use Tax Refunds	8,223,418	5,194,395				

NOTE: Rounding differences may cause slight variations.

## Estimate of Personal Property Valuation Exempted Under LB 775

Tables 16 and 17 show the value of personal property exempted for 2008, and cumulatively for tax years 1988-2008. When a company applies for LB 775 benefits under the \$10 million investment and 100 FTE option, a personal property tax exemption is available:

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

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

- Mainframe business computers, plus certain peripheral components connected to such computers; and
- Personal property, which is business equipment located in a single project involved directly in the manufacture or processing of agricultural products.

**Table 16. Estimate of Personal Property Valuation Exempted Under LB 775  
By Class In Each County (Tax Year 2008)**

County	Airplanes	Computer Equipment	Business Equipment	Total
Adams	\$ 0	\$ 0	\$ 42,703,341	\$ 42,703,341
Buffalo	0	59,946	0	59,946
Cheyenne	3,594,761	11,374,517	0	14,969,278
Colfax	0	0	17,365,932	17,365,932
Dakota	0	0	74,393,722	74,393,722
Dixon	0	0	9,591,850	9,591,850
Dodge	0	0	9,271,719	9,271,719
Douglas	10,750,437	39,349,505	5,528,297	55,628,240
Hall	0	202,129	9,289,957	9,492,086
Knox	0	0	1,247,846	1,247,846
Lancaster	660,346	1,138,231	0	1,798,577
Lincoln	0	524,296	0	524,296
Madison	0	0	5,518,865	5,518,865
Otoe	0	0	9,804,477	9,804,477
Platte	0	0	4,300,188	4,300,188
Saline	0	0	9,853,083	9,853,083
Sarpy	0	5,062,637	0	5,062,637
Washington	0	0	62,728,871	62,728,871
Wayne	0	0	30,831	30,831
<b>TOTAL</b>	<b>\$15,005,544</b>	<b>\$57,711,261</b>	<b>\$261,628,979</b>	<b>\$334,345,785</b>



**Table 17. Estimate of Personal Property Valuation Exempted Under LB 775, By Class In Each County (Cumulative through 2008)**

<b>County</b>	<b>Airplanes</b>	<b>Computer Equipment</b>	<b>Business Equipment</b>	<b>Total</b>
Adams	\$ 0	\$ 0	\$ 541,076,273	\$ 541,076,273
Box Butte	0	102,472	0	102,472
Buffalo	0	6,305,218	67,563	6,372,781
Butler	0	41,145	0	41,145
Cheyenne	19,937,606	79,386,115	0	99,323,721
Colfax	0	0	237,468,341	237,468,341
Cuming	0	0	16,263,139	16,263,139
Custer	0	663,100	10,194	673,294
Dakota	0	0	507,221,754	507,221,754
Dawes	0	171,909	0	171,909
Dawson	0	0	232,425,195	232,425,195
Dixon	0	504,272	178,928,859	179,433,131
Dodge	0	258,633	103,734,484	103,993,117
Douglas	497,986,440	2,132,637,104	699,264,100	3,329,887,644
Gage	0	62,719	1,344,011	1,406,730
Hall	6,266,267	3,825,188	129,071,465	139,162,920
Knox	0	0	71,846,998	71,846,998
Lancaster	34,494,905	84,294,941	242,968	119,032,814
Lincoln	0	6,952,852	48,451	7,001,303
Madison	0	6,943	210,826,842	210,833,785
Otoe	0	0	91,848,309	91,848,309
Phelps	0	1,539,181	0	1,539,181
Platte	0	9,052,197	1,189,864,357	1,198,916,554
Red Willow	0	0	37,941	37,941
Saline	0	6,499,890	263,268,869	269,768,759
Sarpy	7,911,346	86,336,506	46,782,871	141,030,723
Scotts Bluff	0	345,383	0	345,383
Seward	0	141,359	0	141,359
Washington	0	340,809	1,610,190,471	1,610,531,280
Wayne	0	117,223	211,533	328,756
York	0	366,371	0	366,371
*Central	76,497,583	0	0	76,497,583
<b>Total</b>	<b>\$643,094,147</b>	<b>\$2,419,951,530</b>	<b>\$6,132,044,988</b>	<b>\$9,195,090,665</b>

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

***Employment Expansion and Investment Incentive Act***  
***(LB 1124 as amended LB 270)***  
***Reporting Requirements***  

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**Neb. Rev. Stat. §77-27,195 states (prior to amendment by LB 608 in 2003):**

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 July 15 of each year beginning with July 15, 2007, 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.

# Employment Expansion and Investment Incentive Act

## Qualified Activity Reported in 2008

A separate application process is not required for this incentive program. The number of tax 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 tax credits, a company must be in a qualifying business and have an increase of \$75,000 in qualifying investment and two new full-time equivalent employees within the taxable year. For five years after the initial year of qualification, the business may receive additional tax credits for new employees without any additional investment.

This report includes tax returns for 2001 through 2007, processed during 2008. A total of 1,382 separate businesses have filed for benefits under LB 1124 through 2008.

In 2008, the Department approved 23 returns from businesses, two of which reported new investment made and/or employees hired in 2003 or earlier. The Department conducts periodic audits of the investment and employment credits claimed under LB 1124. These returns, claiming new tax credits, and the audits reflected the following:

- Net new investment of (\$3,528,258)
- New full-time jobs of (2)
- Tax credits of (\$27,000)

Seventeen returns, processed in 2008, showed maintenance of past levels of employment and investment. If a taxpayer fails to maintain the required levels of investment and employment for at least two years after the year for which the tax credit was first allowed, part of the used and unused tax credits are subject to recapture. During the subsequent two years, the taxpayer must repay to the state one-third of the amount of the tax credit subject to recapture for each year that the taxpayer did not maintain the required levels. Four returns processed in 2008 reported recapture of past tax credits.

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

### **Legislative Change:**

LB 608 was passed during the 2003 legislative session. LB 608 changed the provisions of the Employment Expansion and Investment Incentive Act. The provisions of the Act, as described at the top of this page, are effective for tax years before 2004. For tax years beginning on or after January 1, 2004, the provisions of LB 608 must be met in order to earn tax credits under the Act.

A company which created tax credits in tax years before 2004 may use these tax credits during its five year carryover period. The company must file to show maintenance of the required investment and employment levels for two years.

# Employment Expansion and Investment Incentive Act Business Activity Summary

	Processed 1988-2004 <sup>(a)</sup>	Processed In 2005	Processed In 2006	Processed in 2007	Processed in 2008	Total
Investment	\$1,652,592,559	\$39,955,192	\$9,520,969	\$3,366,880	(\$3,528,258) <sup>(c)</sup>	\$1,701,907,342
Employees	28,971 <sup>(b)</sup>	553	74	39	2 <sup>(d)</sup>	29,639
Tax Credits	\$61,008,022	\$1,291,974 <sup>(e)</sup>	\$231,000	\$100,500	\$8,500	\$62,639,996
LB 335 Credits	256,000					256,000
Enterprise Zone Tax Credits	\$ 821,500	\$ 101,000	\$ 0	\$ 0	(\$35,500)	\$ 887,000
Total Tax Credits	\$62,085,522	\$1,392,974	\$231,000	\$100,500	(\$27,000)	\$63,782,996
Tax Credits Used:						
Income Tax	\$28,016,665	\$1,101,948	\$132,831	\$261,372	\$ 9,911	\$29,522,727
Sales Tax	20,721,754	995,834	471,660	213,682	38,492	22,441,422
Tax Credits Recaptured:						
Income Tax	\$2,329,446	\$122,226	\$18,733	\$26,667	\$72,577	\$2,569,649
Sales Tax	309,426	0	0	0	0	309,426
Unused Credit Carryover Recaptured	\$2,640,594	\$126,713	\$22,764	\$63,166	\$6,091	\$2,859,328
Tax Credits Expired	\$999,494	\$43,785	\$2,144,324	\$4,488	\$11,500	\$3,203,591

<sup>(a)</sup> For detail by year, see previous Annual Reports.

<sup>(b)</sup> LB886, which was passed in 1997, changed the definition of a new employee from a full-time employee to a full-time equivalent (FTE) employee operative for tax years beginning on or after January 1, 1998. This employee number includes full-time employees for 1997 and earlier tax years and FTE employees for 1998 and later tax years.

	<b>Investment</b>		<b>FTE</b>
<sup>(c)</sup> 2001 returns	(\$3,778,329)	<sup>(d)</sup> 2001 returns	(2)
2002 returns	149,596	2002 returns	(1)
2003 returns	100,475	2003 returns	5
	(\$3,528,258)		2

<sup>(e)</sup> Tax credits earned are not a multiple of \$1,500 per employment credit and \$1,000 per investment credit due to an audit which recovered remaining carryforward credits.

## Employment Expansion and Investment Incentive Act Business Activity 1998-2003 (Processed in 2008)

	Net New Investment	Jobs
1	\$332,357.00	3
2	<u>100,475.00</u>	<u>5</u>
Prior year amended Returns and Audit Adjustments	\$ 432,832.00	8
	<u>-3,961,090.00</u>	<u>-6</u>
	<u><u>\$-3,528,258.00</u></u>	<u><u>2</u></u>

## **Enterprise Zone Act (LB 1124)**

Incentive tax credits earned under the Enterprise Zone Act are based on the provisions of the Employment Expansion and Investment Incentive Act (LB 1124) 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 tax credits for new investment. The tax 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 tax 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 tax credits earned, investment made, jobs created for employees in total, and for residents of the zone. In 2008, new enterprise zone tax credits were allowed. Due to confidentiality, the enterprise zone information is reported with the other benefits under LB 1124.

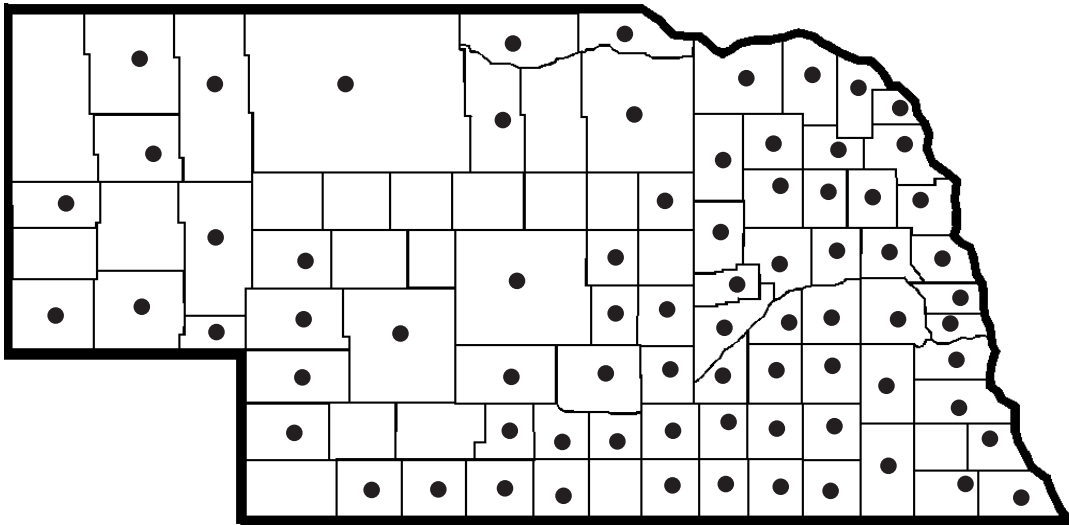
### **Legislative Change:**

LB 608 was passed during the 2003 legislative session. LB 608 changed the provisions of the Employment Expansion and Investment Incentive Act. The provisions of the Act, as described at the top of this page, are effective for tax years before 2004. For tax years beginning on or after January 1, 2004, the provisions of LB 608 must be met in order to earn tax credits under the Act.

A company, which created credits in tax years before 2004, may use these tax credits during its five-year carryover period. The company must file to show maintenance of the required investment and employment levels for two years.

# Employment Expansion and Investment Incentive Act

## Location of Expansion



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

# *Invest Nebraska Act (LB 620) as amended*

## *Reporting Requirements*

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**Neb. Rev. Stat. § 77-5542 states:**

(1) The Department of Revenue shall submit an annual report to the Legislature no later than July 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 (LB 620), Qualified Activity Reported in 2008

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

1. \$10 million investment and 25 new FTE 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 FTE employees OR \$100M and 250 new FTE employees. The new employees' annual wage must exceed 110% of the Nebraska average annual wage.
3. \$200 million investment and 500 new FTE 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 from zero to five percent 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 15 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.

Fourteen applications were approved by the Invest Nebraska Board and all LB620 agreements have been signed. No new applications could be filed after June 1, 2005, without further authorization from the Legislature.

As of December 31, 2008, qualified investment and new jobs were reported and credits were allowed. However, due to the small number of companies receiving benefits, and to maintain confidentiality, no information is reported.

### Agreements Signed in 2001, Still in Effect

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

### Agreements Signed in 2003, Still in Effect

Company Name	Project Type	Project Location
1. Natura Manufacturing, Inc.	\$10M + 25 FTE	Fremont
2. Wal-Mart Stores East, Inc.	\$10M + 25 FTE	North Platte

### Agreements Signed in 2004, Still in Effect

Company Name	Project Type	Project Location
1. Beef Products, Inc.	\$15M + 25 FTE	South Sioux City
2. Degussa Corporation	\$75M + 30 FTE	Blair
3. Platte Valley Fuel Ethanol, LLC	\$55M + 32 FTE	Central City and Columbus
4. Trenton Agri Products, LLC	\$32M + 27 FTE	Trenton

### Agreements Signed in 2005, Still in Effect

Company Name	Project Type	Project Location
1. E Energy Adams, LLC	\$68M + 32 FTE	Adams
2. NE Colorado Cellular, Inc.	\$11.5M + 32 FTE	Grand Island, Hastings, Norfolk, North Platte, Scottsbluff, and other locations in western and central Nebraska
3. S W Energy, LLC	\$55M + 44 FTE	McCook
4. Standard Iron, Inc.	\$10.6M + 31 FTE	Grand Island

### Agreements Signed in 2006, Still in Effect

Company Name	Project Type	Project Location
1. Siouxland Ethanol, LLC	\$57M + 35 FTE	Jackson

## *Quality Jobs Act (LB 829)*

### *Reporting Requirements*

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**Neb. Rev. Stat. §77-4933 states:**

(1) The Department of Revenue shall submit an annual report to the Legislature no later than July 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 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.

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

## Quality Jobs Act Qualified Activity Reported in 2008

The Quality Jobs Act (LB 829), required a separate application subject to approval by the Quality Jobs Board. The members of the board were the Governor, the State Treasurer, and the chairperson of the Nebraska Investment Council. A qualifying business had to invest at least \$50 million in qualified property and hire at least 500 new FTE employees, or invest at least \$100 million in qualified property and hire at least 250 new FTE employees. If the company reached and maintained those levels, they were 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 two active agreements 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.

No new LB 829 applications could be filed after February 1, 2000 without further authorization of the Legislature.

Wage benefit credits were allowed in 1998 through 2007, however due to confidentiality, no information is reported.

### Agreements Signed in 1996, Still in Effect

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

### Agreements Signed in 1997, Still in Effect

Company Name	Project Type	Project Location
1. First Data Corporation	\$60M + 2000 FTE	Omaha