

## Nebraska Tax Incentives

# 2012 Annual Report to the Nebraska Legislature



**Issued July 15, 2013**

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An interactive version of this report is available on the Nebraska Department of Revenue website:  
[www.revenue.ne.gov](http://www.revenue.ne.gov)  
Click on "Tax Incentives" on the left-hand side, then on "Annual Reports."

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### **Letter from the Tax Commissioner**

### **Nebraska Advantage Act**

### **Nebraska Advantage Rural Development Act**

### **Nebraska Advantage Microenterprise Tax Credit Act**

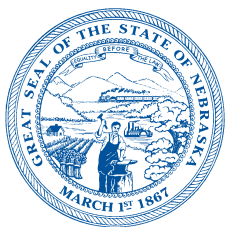
### **Nebraska Advantage Research and Development Act**

### **Employment and Investment Growth Act (LB 775)**

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

### **Quality Jobs Act (LB 829)**

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**Dave Heineman**  
Governor

**STATE OF NEBRASKA**  
**DEPARTMENT OF REVENUE**  
**Douglas A. Ewald, Tax Commissioner**  
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July 15, 2013

Senator Greg Adams  
Speaker of the Legislature  
2103 State Capitol  
Lincoln, NE 68509

Dear Speaker Adams:

The Nebraska Department of Revenue (Department) is electronically submitting the 2012 Nebraska Tax Incentives 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;
- Invest Nebraska Act; and
- Quality Jobs Act.

The 2012 report and annual reports issued since 1997 can be found on the Department's website at [www.revenue.ne.gov](http://www.revenue.ne.gov). An email has also been sent to all senators with a link to the 2012 report. Archived copies of reports prior to 1997 may be requested from the Department.

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

Sincerely,

A handwritten signature in blue ink that reads "Douglas A. Ewald".

Douglas A. Ewald  
Tax Commissioner

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# Nebraska Advantage Act



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## **Reporting Requirements**

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# Nebraska Advantage Act Reporting Requirements

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**Neb. Rev. Stat. § 77-5731 (in effect for 2012, prior to amendment by LB 34 in 2013) provides:**

(1) The Tax Commissioner shall submit electronically an annual report to the Legislature no later than July 15 of each year. The Department of Revenue shall, on or before September 1 of each year, appear at a joint hearing of the Appropriations Committee of the Legislature and the Revenue Committee of the Legislature and present the report. Any supplemental information requested by three or more committee members shall be presented within thirty days after the request. [As amended by LB 612 in 2013.]

(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,
- (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 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 Summary Description

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## General Information

The Nebraska Advantage Act allows a taxpayer involved in a qualified business to earn and use tax benefits based on investment and employment growth. See the Department's website for a list of qualified business activities. There are six tiers that have varying requirements and benefits for investment and employment.

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## Application Information

An application must be filed with the Nebraska Department of Revenue (Department) for each project. The application date for the project will impact the investment and required wage level for the project. A complete application must be filed to establish an application date. For applications filed on or after October 1, 2009, taxpayers must utilize E-verify to confirm that all newly-hired employees employed in Nebraska are legally able to work in the U.S., as required by Neb. Rev. Stat. § 77-5722.01. Each application is reviewed to ensure that the applicant is an eligible taxpayer, and that the plan relates to a qualifying business activity at interdependent locations.

For more information on filing an application under the Nebraska Advantage Act, see the Application Guide and the Nebraska Advantage Application.

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## Requirements by Application Level

Each of the tiers requires different investment and/or employment levels to be reached by the end of the attainment period. Refer to the table below for the minimum required levels for each tier. Within Tier 2 and Tier 5, there are different combinations of requirements and benefits for data center or web portal projects. Except where specifically stated, references to Tier 2 include Tier 2, Tier 2 Web Portal and Data Center (Tier 2WP/DC), and Tier 2 Large Data Center (Tier 2LDC); and references to Tier 5 include Tier 5, Tier 5 Web Portal and Data Center (Tier 5WP/DC), and Tier 5 Large Data Center (Tier 5LDC).

The increase in investment is the value of qualified property placed in service at the project after the date of application. Qualified property means 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 located and used at the project or at the residence of a teleworker working in Nebraska. Qualified property does not include aircraft, barges, motor vehicles, railroad rolling stock, watercraft, or property rented to another person.

The increase in employment is the number of new full-time equivalent (FTE) employees at the project. The number of new employees is calculated using the number of hours for which the employee was paid in the year. One FTE employee is equal to 40 hours per week for the entire year.

Year	Required Wage Level		Required Investment and Employment Threshold										
	Tiers 1-4	Tier 6*	Tier 1 10 FTE	Tier 2 30 FTE	Tier 2WP/DC 30 FTE	Tier 2LDC 30 FTE	Tier 3 30 FTE	Tier 4 100 FTE	Tier 5 N/A	Tier 5WP/DC N/A	Tier 5LDC N/A	Tier 6	
												75 FTE	50 FTE
2012	\$22,394	\$55,986	\$1M	\$3M	\$3M	\$200M	N/A	\$12M	\$36M	\$36M	\$36M	\$10M	\$106M
2011	\$21,986	\$54,966	\$1M	\$3M	\$3M	N/A	N/A	\$11M	\$33M	\$33M	N/A	\$10M	\$100M
2010	\$21,742	\$54,354	\$1M	\$3M	\$3M	N/A	N/A	\$10M	\$32M	\$32M	N/A	\$10M	\$100M
2009	\$21,136	\$52,841	\$1M	\$3M	N/A	N/A	N/A	\$11M	\$34M	N/A	N/A	\$10M	\$102M
2008	\$20,281	\$50,702	\$1M	\$3M	N/A	N/A	N/A	\$10M	\$31M	N/A	N/A	\$10M	\$100M
2007	\$19,452	N/A	\$1M	\$3M	N/A	N/A	N/A	\$10M	\$30M	N/A	N/A	N/A	N/A
2006	\$18,905	N/A	\$1M	\$3M	N/A	N/A	N/A	\$10M	\$30M	N/A	N/A	N/A	N/A

\*The wage level varies by county. It is equal to the greater of 200% of the county average or 150% of the state average. The wage level listed in the table is 150% of the state average. See Required Annual Wages by County for Tier 6.

Tier 5 does not require new employment growth, but does require that there is no reduction in FTEs.

## Description of Time Periods

### Year

Year means the federal taxable year of the taxpayer.

### Base Year

The base year is the year immediately preceding the year during which the application was filed.

### Attainment Period

The attainment period is the number of years, including the year of application, within which the taxpayer must meet the minimum required levels of investment and employment.

- **Tiers 1, 3, and 6.** The taxpayer must attain the minimum required levels within five years.
- **Tiers 2, 4, and 5.** The taxpayer must attain the minimum required levels within seven years.
- **Tier 5LDC.** The taxpayer must attain the minimum required levels within four years after the end of the entitlement period for direct refunds for the Tier 2LDC project.

## Entitlement Period

The entitlement period is the number of years during which the project may both earn and use credits. No credits are earned in a year when the project does not maintain the minimum required levels of investment or employment. The entitlement period begins the year the required investment and employment increases are met.

- **Tiers 1 and 3.** The entitlement period continues until the end of the ninth year following the year of application, or the sixth year after the year the required increases of investment and employment were met, whichever is earlier.
- **Tiers 2, 4, and 5.** The entitlement period continues until the end of the sixth year after the year the required increases of investment and/or employment were met.
- **Tier 6.** The entitlement period continues until the end of the ninth year after the year the required increases of investment and employment were met.

The entitlement period for property tax benefits may be different from the entitlement period for other benefits. A taxpayer applying under a tier with property tax benefits has a two-part agreement, one for a tier of lesser benefits, or subtier, and one for the selected tier. When the project attains the minimum required levels for the subtier, the project is eligible for all benefits of the subtier. When the project attains the minimum levels for the tier, the project is eligible for certain property tax benefits. For example, a taxpayer with a Tier 4 agreement may begin receiving benefits, other than a personal property tax exemption, once it has been verified the minimum levels of investment and employment for a Tier 2 (subtier) project have been met.

## Carryover Period

The carryover period starts after the end of the entitlement period. No additional credits are earned during the carryover period.

- **Tiers 1 and 3.** Credits may not be carried over more than nine years after the year of application.
- **Tiers 2 and 4.** Credits may not be carried over more than 14 years after the year of application.
- **Tier 6.** Credits may not be carried over more than one year past the end of the entitlement period.

### Time Periods Per Tier

Time Period	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5 & Tier 5WP/DC	Tier 5LDC	Tier 6
Attainment	5 years	7 years	5 years	7 years	7 years	4 years	5 years
Entitlement	6 or 7 years*	7 years	6 or 7 years*	7 years	7 years	7 years	10 years
Carryover	0 to 3 years*	2 to 8 years*	0 to 3 years*	2 to 8 years*	N/A	N/A	1 year
Maximum Life	10 years	15 years	10 years	15 years	13 years	10 years	15 years

\*Time periods are limited by the maximum life of the project.

## Description of Available Tax Benefits

### Direct Refund of Sales and Use Taxes

A direct refund is a refund to the project applicant of Nebraska and local sales and use taxes paid on the purchase or lease of qualified property for use at the project, or on the purchase or lease of an aircraft for use in connection with the project, which is placed in service during the attainment or entitlement period. For Tier 1 projects, only 50% of the sales and use taxes paid are eligible for refund.

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 this property, that will be located and used at the project or at the residence of a teleworker working in Nebraska. Qualified property does not include aircraft, barges, motor vehicles, railroad rolling stock, watercraft, or property that is rented to another person.

## Investment Credit

The investment credit is a credit equal to 3% (Tier 1), 10% (Tiers 2 and 4), or 15% (Tier 6) of the investment made in qualified property at the project during the attainment or entitlement periods. The credit on qualified property placed in service, from date of application through the end of the tax year in which the minimum required levels are met, is earned in the qualification year. Credits are also earned on qualified property placed in service in other years during the entitlement period.

## Compensation Credit

**Tiers 1, 2, 3, and 4.** In each year of the entitlement period, the compensation credit is computed as follows:

$(\text{number of new FTEs}) \times (\text{average annual wage of new employees}) \times (\text{credit percentage}) = \text{compensation credit}$

The number of new FTE employees at the project is calculated using two different methods and is the lesser of: (1) the FTEs at the project during a year in excess of the number of base-year FTEs; or (2) the number of new FTEs.

A new employee is an employee hired after the base year or transferred into Nebraska after the base year who earns the required wage.

The number of FTE employees is calculated using the number of hours paid in the year. One FTE employee is equal to 40 hours per week for the entire year.

Average annual wage means the taxable wages paid to new employees at the project divided by the number of FTE employees that make up these wages. For projects with an application date of July 15, 2010 or later, the average annual wage means the wages subject to Medicare tax paid to new employees at the project divided by the number of FTE employees that make up these wages.

The credit percentage varies by tier and the average annual wage paid to new employees.

- **Tiers 1, 2, 3, and 4.** In each year of the entitlement period, the compensation credit ranges from three percent to six percent of the taxable compensation attributable to new full-time equivalent employees, depending on the average annual wage of the new full-time equivalent employees.
- **Tier 6.** In each year of the entitlement period, the compensation credit is equal to ten percent times the taxable compensation of all non-base year employees.

## Personal Property Tax Exemption

**Tier 4.** A taxpayer may claim a personal property tax exemption on the following types of property acquired after the date of application:

- Turbine powered aircraft<sup>1</sup>;
- Computer systems and specific peripherals that require environmental controls of temperature and power;
- Business equipment involved directly in the manufacturing or processing of agricultural products; and
- Distribution facility equipment used to store and move product.

Turbine powered aircraft may be exempted from the first January 1 following the date of acquisition through the ninth December 31 after the first year the other types of property qualify for the exemption.

The other types of property may be exempted from the first January 1 following the end of the year during which the required levels were exceeded through the ninth December 31 after the first year any property, other than the aircraft, qualifies for the exemption.

**Tiers 2LDC and 5LDC.** A taxpayer may claim a personal property tax exemption on the following types of property acquired after the date of application:

- Turbine powered aircraft<sup>1</sup>;
- Computer systems and specific peripherals that require environmental controls of temperature and power;
- Business equipment involved directly in the manufacturing or processing of agricultural products;
- Distribution facility equipment used to store and move product; and
- Any other personal property at the project.

Turbine powered aircraft and all other personal property at the project may be exempted from the first January 1 following the date of acquisition through the ninth December 31 after the first year the exemption is approved.

**Tiers 2WP/DC and 5WP/DC.** A taxpayer may claim a personal property tax exemption on the following types of property acquired after the date of application:

- Computer systems and specific peripherals, that require environmental controls of temperature and power.

The property may be exempted from the first January 1 following the end of the year during which the required levels were exceeded through the ninth December 31st after the first year any property, other than the aircraft, qualifies for the exemption.

**Tier 6.** A taxpayer may claim a personal property tax exemption on the following types of property acquired after the date of application:

- Turbine powered aircraft<sup>1</sup>;
- Computer systems and specific peripherals that require environmental controls of temperature and power;
- Business equipment involved directly in the manufacturing or processing of agricultural products;
- Distribution facility equipment used to store and move product; and
- Any other personal property at the project.

Turbine powered aircraft may be exempted from the first January 1 following the date of acquisition through the ninth December 31 after the first year the other personal property qualifies for the exemption.

All other types of 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 through the ninth December 31st after the first year any property, other than the aircraft, qualifies for the exemption.

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<sup>1</sup>The aircraft may not be used to transport an elected official, or for fundraising for an elected official.

## Sales and Use Tax Refund Using Investment and Compensation Credits

This is a refund of Nebraska and local sales and use taxes paid on otherwise non-refundable purchases. For Tiers 1, 2, 3, and 4, the purchases must be used at the project. For Tier 6, the purchases may be used anywhere in Nebraska. The credits used for a sales and use tax refund must be earned in a prior tax year.

If the local refund for a single locality is more than \$25,000, the locality will be notified in advance and the payment of the local tax will be delayed.

## Income Tax Offset or Refund Using Investment and Compensation Credits

Credits may be used to reduce the income tax liability of the taxpayer's entire unitary group. The credits used for an income tax offset or refund may be earned in a prior year or the current year.

Credits earned by a partnership, S corporation, limited liability company, cooperative, limited cooperative association, or an estate or trust may be distributed in the same ratio as ordinary income. The recipient of the distributed credit may use the credit to reduce their income tax liability from the year of distribution through the end of the entitlement period or carryover period, whichever is later.

## Payroll Withholding Offset or Refund Using Compensation Credits

- **Tiers 1, 2, 3, and 4.** Compensation credits may be used to receive a refund of, or to reduce the taxpayer's payroll withholding liability, attributable to the number of new FTEs at the project, excluding compensation in excess of \$1 million paid to any one employee.
- **Tier 6.** Compensation credits may be used to receive a refund of, or to reduce the taxpayer's payroll withholding liability, attributable to all employees at the project other than base-year employees, excluding compensation in excess of \$1 million paid to any one employee.

The compensation credits used to offset or refund a payroll withholding liability must be earned in a prior tax year.

## Real Property Tax Reimbursement Using Investment and Compensation Credits

**Tiers 2LDC and 6.** Credits may be used for a reimbursement from the State equal to real property taxes paid after the year the project met the minimum required levels of investment and employment through the end of the carryover period on investment made after the date of application.

The credits used for a real property tax reimbursement must be earned in a prior tax year.

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## Tax Benefits and Use of Credits by Application Level

	Tier 1	Tier 2	Tier 2WP/LDC	Tier 2LDC	Tier 3	Tier 4	Tier 5	Tier 5WP/LDC	Tier 5LDC	Tier 6
<b>Tax Benefit</b>										
Direct Refund of Sales and Use Taxes	50%	100%	100%	100%		100%	100%	100%	100%	100%
Investment Credit	3%	10%	10%	10%		10%				15%
Compensation Credit	3%-6%	3%-6%	3%-6%	3%-6%	3%-6%	3%-6%				10%
Personal Property Tax Exemption			Computer Systems	Aircraft, All Tangible Personal Property at the Project		Aircraft, Computer Systems, Agricultural Processing Equipment, Distribution Facility Equipment		Computer Systems	Aircraft, All Tangible Personal Property at the Project	Aircraft, All Tangible Personal Property at the Project
<b>Use of Credits</b>										
Sales and Use Tax Refund	✓	✓	✓	✓	✓	✓				✓
Income Tax Offset or Refund	✓	✓	✓	✓	✓	✓				✓
Distribution of Credit	✓	✓	✓	✓	✓	✓				✓
Withholding Offset or Refund	✓	✓	✓	✓	✓	✓				✓
Real Property Tax Reimbursement				✓						✓

## Audit and Review Procedures

### 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 sales and use tax refund. The Department reviews annual filings for claimed tax benefits for reasonableness. The Department conducts periodic maintenance audits of taxpayers and projects to ensure that projects have continued to comply with the minimum levels of investment and/or 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 employment required for the property tax exemption may be done as part of the original qualification audit for Tier 4, or as part of a maintenance audit of a subsequent year.

### Review of Claims for Benefits

The taxpayer files claims with the Department 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 by reviewing the original invoice or the accrual and payment of use tax. 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 exemption on or before May 1 with the Tax Commissioner, on Nebraska Advantage Act Claim for Nebraska Personal Property Exemption, Form 312P, with a copy of the form filed with the county assessor in which the property is located. The Department determines whether the taxpayer is eligible for the exemption based on whether or not the required levels of investment and employment have been met, and whether or not the property falls within the classes of exempt personal property.



A Tier 2LDC or Tier 6 taxpayer may elect to use credits for a reimbursement of property taxes paid on real property purchased or leased after the date of application and used at the project. Prior to approving the reimbursement, the Department will confirm the required payment was made to the county.

The taxpayer files Nebraska income tax and withholding returns claiming the use of credits as an offset of all, or a portion, of the taxes due. The taxpayer may also file amended returns to receive a refund of income taxes or payroll withholding previously paid. 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

Reporting Required by Neb. Rev. Stat. § 77-5731(7)

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States offer many types of tax incentives for businesses. This report summarizes tax incentives in states that somewhat follow the Nebraska model of granting tax incentives. For example, the Nebraska Advantage Act 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 listed. States that offer tax incentives, but have different qualification levels depending upon geography, are listed 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 report lists those states where incentives are limited 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 listed 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 comparison, and states are not listed if they do not provide at least a partial refund of sales and use taxes paid on qualified investment.

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## Alabama

**Job credit:** Yes, the Income Tax Capital Credit

- 50 new employees at headquarters (HQ)
- 20 new employees at industrial, warehousing, or research activity projects, data processing centers, R & D facilities, renewable energy projects, utility-owned projects, and tourism destination projects in favored geographic areas
- 15 new employees at small business addition projects
- 5 new employees at projects in favored geographic regions, except HQ facilities, warehousing, and tourism destination projects
- Employee hires are subject to base wage requirements

**Investment credit:** Yes, the Income Tax Capital Credit

- \$100 million for utility-owned projects producing electricity from alternative energy resources
- \$5 million for utility-owned projects producing electricity from hydropower
- \$2 million for all projects except utility-owned small business additions and projects in favored geographic regions
- \$1 million for small business addition projects
- \$500,000 for projects in favored geographic regions except HQ facilities, warehousing, and tourism destination projects

**Sales/use tax refund on qualified investment:** Yes, property tax and sales tax abatements

- There is no threshold or limiting investment for a new sales tax abatement project with the exception of warehousing projects and projects owned by utilities producing electricity, which are subject to the following thresholds:
  - \$100 million in capital costs for facilities producing electricity from alternative energy sources

- \$5 million in capital costs for facilities producing electricity from hydropower
- \$1 million for warehousing projects in favored geographic areas, \$5 million elsewhere
- The additional capital investment by an industry that is expanding their current facilities in Alabama must be equal to the lesser of:
  - 30% of the original cost of the currently existing industrial property
  - \$2 million

**Personal property tax abatement:** Yes, subject to the same qualifications as the sales tax abatement program

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## Alaska

**Job credit:** None

**Investment credit:** None

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** None

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## Arizona

**Job and investment credit:** Yes, the Quality Jobs Tax Credit Program

- In metro areas, at least 25 jobs must be created with a minimum capital investment of \$5 million
- In rural areas, at least five jobs must be created with a minimum capital investment of \$1 million
- Both programs require the jobs to pay 100% of the median county wage and 65% of health insurance costs for the employee

### Qualified Facility

- Firm must make capital investment to establish or expand facility that devotes at least 80% of its space and payroll to manufacturing, R&D, or headquarters functions totaling at least \$250,000
- Must create net new jobs of which at least 51% are paid 125% of the state's median wage
- Offers to pay at least 80% of health insurance premiums for all new net full-time employment

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** None

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## Arkansas

**Job credit:** Yes, the Advantage Arkansas Income Tax Credit

Credit on state income tax depends on region of state and payroll thresholds:

- Payroll threshold of \$125,000 in Tier 1
- Payroll threshold of \$100,000 in Tier 2
- Payroll threshold of \$75,000 in Tier 3

- Payroll threshold of \$50,000 in Tier 4
- Jobs must pay a wage equal or greater than Arkansas average wage
- Must be engaged in a specific industry as listed

**Investment credit:** Yes, ArkPlus is available in “highly competitive situations” that credits 10% of total investment to state income tax liability by regional tier:

- Tier 1: Minimum investment of \$5 million and minimum payroll of \$2 million
- Tier 2: Minimum investment of \$3.75 million and minimum payroll of \$1.5 million
- Tier 3: Minimum investment of \$3 million and minimum payroll of \$1.2 million
- Tier 4: Minimum investment of \$2 million and minimum payroll of \$0.8 million

**Sales/use tax refund on qualified investment:** Yes, the Tax Back Sales and Use Tax Refund

- Investment of \$100,000 qualifies for sales and use tax for building materials and taxable machinery and equipment associated with approved project (Tax Back)
- Investment of \$5 million available to Arkansas businesses established for at least two years qualify for sales and use tax refund in plant or equipment for new construction, expansion, or modernization. (Invest Ark)
- Must be in specified industry as listed

**Personal property tax abatement:** None

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## California

**Job credit:** Yes, the New Jobs Credit

- A tax credit of \$3,000 for each additional full-time employee hired is available to small businesses with 20 or fewer employees

**Investment credit:** None

**Sales/use tax refund on qualified investment:** No, only for equipment purchases within specific enterprise zone

**Personal property tax abatement:** None

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## Colorado

**Job credit:** Yes, aviation manufacturers may earn an income tax credit of \$1,200 per employee hired

**Investment credit:** None

**Sales/use tax refund on qualified investment:** Yes, refund of sales and use tax available for purchases of qualified biotechnology research and development equipment

**Personal property tax abatement:** At the discretion of the city or county government

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## Connecticut

**Job credit:** Yes, a corporate business tax credit for companies who hire at least 10 new employees for a minimum of a 12-month period

**Investment credit:**

- 10% credit for increased investment in machinery and equipment for companies with 250 or fewer employees, 5% credit for companies with 251 to 800 employees in CT
- 5% credit for fixed capital investment in tangible personal property

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:**

- 30-100% from the increase assessment for personal property for manufacturers and 20-50% for eligible real property improvements can be offered by towns for 2-7 years, depending on the investment amount at the discretion of municipalities

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## Delaware

**Job credit:** Yes

- New Economy Jobs Program - Employers can obtain up to 65% rebate on withholding taxes when adding at least 50 net new jobs with each having a minimum annual salary of \$100,000
- The Job Creation Tax Credit - Eligible businesses that (1) are engaged in a qualified activity; (2) hire five or more qualified employees; (3) make an investment of at least \$200,000 (\$40,000 per qualified employee) in a qualified facility; and (4) apply within 3 years after a qualified facility is placed in service, receive tax credits against corporate or personal income taxes, gross receipts tax, and public utility tax

**Investment credit:** See above

**Sales/use tax refund on qualified investment:** No sales tax

**Personal property tax abatement:** At the discretion of cities and counties

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## Florida

**Job credit:** Yes, see investment credit

**Investment credit:** Yes

- The qualified Target Industry Tax Refund allows for tax refunds from \$2,000 to \$6,000 per job created depending on the industry and salary provided for each job created
- The Capital Investment Tax Credit is available for specific industries that create at least 100 jobs and invest at least \$25 million in capital costs
- The High Performance Incentive Tax Credit is targeted toward clean energy, corporate HQ, financial services, life sciences, semiconductor, and financial services sectors. Firms must create at least 50 new

jobs and invest at least \$50 million in capital investment. R&D firms must create 25 new jobs and invest \$25 million

**Sales/use tax refund on qualified investment:** Refund on sales tax paid on construction materials in an enterprise zone is available

**Personal property tax abatement:** None

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## Georgia

**Job credit:** Yes

- Firms creating jobs in specific industries can earn the Job Credit based on the following criteria:
  - In tier 1, 2 jobs must be created, which can offset 100% of income tax liability
  - In tier 2, 10 jobs must be created, which can offset 100% of income tax liability
  - In tier 3, 15 jobs must be created, which can offset 50% of income tax liability
  - In tier 4, 20 jobs must be created, which can offset 50% of income tax liability
  - Each credit can be carried forward ten years
- A firm creating jobs that pay higher-than-average wages may qualify for a Quality Jobs Tax Credit. The credit varies by the wage paid

**Investment credit:** Yes

- Firms making qualified capital investments of at least \$50,000 may qualify for an Investment Tax Credit. The size of credit depends on location by favored region and type of investment. Credits are applied to corporate income tax.
- The Optional Investment Tax Credits offer credits for firms in favored regions:
  - Tier 1: \$5 million investment, 10% credit;
  - Tier 2: \$10 million investment, 8% credit; and
  - Tier 3 or 4: \$20 million investment, 6% credit
- A Mega Project Tax Credit is available to firms with a minimum payroll of \$150 million or makes a minimum investment of \$450 million, and hires at least 1,800 new employees. Companies meeting both requirements may claim a tax credit of \$5,250 per job per year for the first five years of each net new position.

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** None

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## Hawaii

**Job credit:** None

**Investment credit:** Yes, High-Tech Tax Incentive program is offered which appears to be determined by comfort ruling

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** Personal property not taxed

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## Idaho

**Job credit:** Yes, businesses that hire new employees to fill newly-created positions can receive a refundable income tax credit of up to 6% for the gross wages paid during the first 12 months of employment

**Investment credit:** Yes

- Threshold Requirement: \$500,000 investment in new facilities and create at least 10 new jobs averaging \$40,000 annually
- Firms that make qualifying new investments may earn an income tax credit offsetting up to 50 percent of their income tax liability

**Sales/use tax refund on qualified investment:** Yes, up to a 25% rebate on sales taxes paid on construction materials for new facilities

**Personal property tax abatement:** Yes

- In lieu of an investment tax credit, a two year exemption from property tax on qualified personal property is available only if a loss was incurred in the second preceding tax year in which the property was placed in service
- County commissioners may authorize a full or partial property tax exemption when qualifying firms invest at least \$3 million
- Businesses that invest at least \$1 billion in capital improvements will receive a property tax exemption on all property in excess of \$400 million in value per year
- Businesses that employ at least 1,500 people within an Idaho county may receive a property tax exemption on property values in excess of \$800 million

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## Illinois

**Job credit:** Yes

- The EDGE Program allows tax credits to firms who agree to make an investment of at least \$5 million and create at least 25 jobs. For a company with 100 or fewer employees, the company must agree to make a capital investment of \$1 million or create at least 5 full-time jobs in Illinois
- Qualification for a High-Impact Business Tax Credit requires that a business invest a minimum of \$12 million in capital investment causing the creation of 500 full-time jobs, or an investment of \$30 million causing the retention of 1500 full-time jobs
  - Specific to coal mining, electrical generation, pollution control facilities, and wind energy production

**Investment credit:** See above

**Sales/use tax refund on qualified investment:** Yes, can be rewarded as part of the High-Impact Business Tax Credit

**Personal property tax abatement:** Yes, can be rewarded as part of the High-Impact Business Tax Credit

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## Indiana

**Job credit:** Yes, the Headquarters Relocation Tax Credit allows a credit against state income tax liability for costs incurred in relocating the headquarters. Annual worldwide revenue must be at least \$100 million, and the corporation must have at least 75 employees in Indiana.

**Investment credit:** Yes, the Hoosier Business Investment Tax Credit provides a credit against income tax based on an analysis of the economic benefits of the proposed investment. The Economic Development for a Growing Economy Tax Credit provides tax credits for hires performing tasks not previously performed by the applicant in Indiana using similar criteria to judge eligibility.

**Sales/use tax refund on qualified investment:** Yes, refund of sales and use tax paid on R&D equipment only

**Personal property tax abatement:** None

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## Iowa

**Job credit:** Yes

- The High Quality Jobs program requires businesses to meet wage threshold requirements. The size of the credit depends on the quality of the job, generosity of health insurance benefits, etc. and is determined by this table
- The New Jobs Tax Credit allows for a maximum credit of \$1,482 per employee hired

**Investment credit:** Refer to investment thresholds in High Quality Jobs Program. Thresholds are bracketed by investments less than \$100,000; \$100,000 to \$499,999; and \$500,000 and over. There is an additional threshold of \$10,000,000 or more

**Sales/use tax refund on qualified investment:** Yes, sales tax refunds are associated with the High Quality Jobs Program with \$500,000+ level of investment

**Personal property tax abatement:** Yes, at the local city/county discretion

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## Kansas

**Job credit:** Yes, firms can retain withholding tax by creating at least ten jobs within two years in urban areas and five new jobs elsewhere in the Promoting Employment Across Kansas program. High impact projects that create at least 100 new jobs can retain a higher share of withholding tax

**Investment credit:** Yes, the High Performance Incentive Program allows for a 10 percent corporate income tax credit. Firms must invest at least \$1 million in urban counties and \$50,000 elsewhere

**Sales/use tax refund on qualified investment:** Remodeling costs, furnishings, machinery and equipment for qualified projects may qualify for an approved sales tax exemption

**Personal property tax abatement:** At the discretion of cities and counties

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## Kentucky

**Job credit:** See investment credit

**Investment credit:**

- The Kentucky Business Investment program requires participants to create a minimum of 10 new jobs and invest a minimum of \$100,000. The new jobs are subject to wage and benefit requirements
- The Kentucky Small Business Investment Credit Program provides for a tax credit to small businesses that hire at least one person and invest at least \$5,000 in qualifying equipment
- The Kentucky Reinvestment Act provides tax credits to firms investing at least \$2,500,000 and maintaining 85% of the full-time employment level at the facility

**Sales/use tax refund on qualified investment:** Yes, available to participants of the Kentucky Enterprise Initiative Act and the Incentives for Energy Independence Act for energy production facilities. Credits allowed depend on the energy source

**Personal property tax abatement:** None

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## Louisiana

**Job credit:** Yes, the Quality Jobs Program

- Must meet minimum payroll threshold of \$250,000 for firms with less than 50 employees. Otherwise, employer must create minimum of five net new jobs within 24 months of project start date
- Firms with 50 or more employees must meet payroll threshold of \$500,000
- Reward is cash rebate of 5% or 6% of annual gross payroll for up to 10 years
- Must be in favored industry, distressed region, or have 50% of sales out-of-state

**Investment credit:** The Ports of Louisiana Investor Tax Credit Program allows an income tax credit to investors who invest at least \$5 million in a port project

**Sales/use tax refund on qualified investment:** None. Sales and use tax refunds may apply to investments in enterprise zones

**Personal property tax abatement:** None. Only restoration projects apply

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## Maine

**Job credit:** Yes, the Jobs and Investment Tax Credit allows employers who invest \$5 million and create 100 new jobs within two years to obtain up to \$500,000 in tax credits to offset income tax liability

**Investment credit:** Yes (see above)

**Sales/use tax refund on qualified investment:** No (statutory exemptions only)

**Personal property tax abatement:** None

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## Maryland

**Job credit:** Yes, the Job Creation Tax Credit provides a \$1,000 per-job tax credit to businesses that create new jobs, and \$1,500 to businesses creating jobs in economically-distressed areas. They must create at least 60 full-time jobs within 24 months, or 25 jobs in distressed areas. The business must be in a specified industry

**Investment credit:** Yes, the Biotechnology Tax Credit is allowed to individuals or entities that invest at least \$25,000 in a qualified Maryland biotechnology company

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** None

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## Massachusetts

**Job credit:** Yes

- Enhanced Expansion Project requires participants to maintain at least 100 positions over five years. Credit depends on economic activity created
- The Manufacturing Retention Project requires firms to create at least 25 manufacturing positions and/or retain at least 50 manufacturing positions for five years. Must be in a “gateway municipality” with population above 35,000 and income and education rates below state average

**Investment credit:** None

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** None

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## Michigan

**Job credit:** Yes, the Michigan Economic Growth Authority Credit is based on state personal income tax attributed to new full-time employees

**Investment credit:** Yes

- An “entrepreneurial credit” is available for businesses with less than \$25 million in gross receipts, create 20 jobs, and invest at least \$1.25 million
- An investment tax credit is available for 2.9% of the investment in depreciable real and personal property with no specified minimum threshold

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** Yes, Industrial Personal Property Tax Credit and Personal Property Tax Reductions

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## Minnesota

**Job credit:** Yes

- JOBZ program requires participants to increase employment by at least five jobs or 20%, whichever is greater, and must pay at a level 100% of FPL of family of four. These are in enterprise zones
- Data Centers must invest at least \$50 million and build a facility of at least 30,000 square feet
- R&D Centers allow for a 10% tax credit for the first \$2 million in investment, and 2.5% thereafter in excess of \$2 million

**Investment credit:** See jobs credit

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** None

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## Mississippi

**Job credit:** Yes

- Jobs Tax Credit provides for tax credits for firms in certain industries who create jobs in certain regions of the state:
  - In Tier 1, 20 or more jobs must be created, and credit is 2.5% of payroll
  - In Tier 2, 15 or more jobs must be created, and credit is 5% of payroll
  - In Tier 3, 10 or more jobs must be created, and credit is 10% of payroll
  - Credit can offset up to 50% of state income tax liability
- The Incentive Jobs Incentive Program provides income tax withholding rebates to firms in certain industries hiring employees that pay above the average wage level of the county and provide basic health benefit plans. Minimum job creation requirements are based on the level of development of the county

**Investment credit:** Yes, the Manufacturing Investment Tax Credit requires existing participating manufacturers to invest \$1,000,000 in buildings and/or equipment who can receive an investment credit equal to 5% of the eligible investment

**Sales/use tax refund on qualified investment:** Yes, manufacturers and custom processors may qualify for sales and use tax exemptions on construction or expansion or broadband technology in the three tiers:

- Tier 1: 50% exemption
- Tier 2: 50% exemption
- Tier 3: 100% exemption

**Personal property tax abatement:** Yes, exemptions may be granted at the local level by county or municipal governments

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## Missouri

**Job credit:** Yes, the Quality Missouri Jobs program requires firms to create 20 new jobs within two years if in a rural area or 40 new jobs within two years in other areas. Technology businesses must create 10 new jobs, and a “high-impact business” must create 100 new jobs within one year

**Investment credit:** Yes, the Missouri BUILD Program allows a tax credit for firms in eligible industries who invest a minimum of \$15 million, or \$10 million for an office industry, and create 500 jobs or 200 new jobs if an “office industry”

**Sales/use tax refund on qualified investment:** Yes, non-manufacturing property purchased through Chapter 100 bonds is tax exempt

**Personal property tax abatement:** Yes, non-manufacturing property purchased through Chapter 100 bonds is exempt from personal property tax.

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## Montana

**Job credit:** Yes, manufacturers who increase employment by 30% are eligible for a tax credit equal to 1% of the wages paid to new employees

**Investment credit:** None

**Sales/use tax refund on qualified investment:** Not applicable (no sales tax)

**Personal property tax abatement:** Yes, listed here

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## Nevada

**Job credit:** See below

**Investment credit:** See below

**Sales/use tax refund on qualified investment:** Yes, details here. Depending on the population of the county, businesses in metro counties must maintain at least 75 jobs and a capital investment of \$1 million. 15 jobs and an investment of \$250,000 is required in rural counties. The Modified Business Tax Abatement program imposes the same requirements

**Personal property tax abatement:** Yes, details here

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## New Hampshire

**Job credit:** None (Coos County Job Creation Tax Credit only)

**Investment credit:** None

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** None

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## New Jersey

**Job credit:** Yes, incentive grants are available to businesses creating at least 25 new jobs, or ten jobs in the technology or biotechnology sectors

**Investment credit:** None

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** None

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## New Mexico

**Job credit:** Yes, the High Wage Jobs Tax Credit: A 10% credit is available for employers who create jobs that pay at least \$40,000 in metro areas and \$28,000 in rural areas

**Investment credit:** Yes, the Manufacturing Investment Tax Credit; no minimum investment threshold specified

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** Yes, firms can abate personal property taxes through industrial revenue bonds at the discretion of the local government

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## New York

**Job credit:** See investment credit

**Investment credit:** Yes, businesses that create new jobs and make new investments in production property and equipment may qualify for tax credits of up to 10% of the original investment. There are no specified thresholds

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** Yes, personal property exempt from property tax

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## North Carolina

**Job credit:** Yes

- The Article 3J Tax Credits are offered to companies who meet a minimum threshold of full-time jobs and investment which depend on geographic area, ranging from 5 to 15 jobs
  - Companies that invest at least \$10 million in real property within a three year period and create 200 jobs within two years are allowed a credit equal to 30% of the eligible investment
- The Job Development Investment Grants are also available for firms creating opportunities and net increases in employment with no specified minimum threshold for investment or employment

**Investment credit:** See above

**Sales/use tax refund on qualified investment:** Yes, for a myriad of purchases listed here

**Personal property tax abatement:** None

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## North Dakota

**Job credit:** None

**Investment credit:** The Agricultural Commodity Processing Facility Investment Credit allows for a 30% credit on investment in equipment, property, etc.

**Sales/use tax refund on qualified investment:** Yes, firms are refunded sales and use tax on qualifying investments in various energy-producing industries after Tax Commissioner approval

**Personal property tax abatement:** No (all personal property is exempt from property tax)

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## Ohio

**Job credit:** Yes, the Ohio Job Creation Tax Credit is available to businesses that create at least 10 new full-time jobs at a facility in Ohio and pay 150% of the federal minimum wage

**Investment credit:** Yes, the Ohio Job Retention Tax Credit

- Retention of at least 500 full-time jobs and minimum annual retained payroll of at least \$20 million, OR minimum annual retained payroll of \$35 million with no required job retention threshold; and
- Fixed asset investment of at least \$5 million

**Sales/use tax refund on qualified investment:** Yes, warehouse and manufacturing machinery exempt with special permit from Department of Taxation

**Personal property tax abatement:** None (enterprise zones only)

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## Oklahoma

**Job credit:** Yes

- The Quality Jobs program is open to manufacturers and some service firms with new payroll of \$2.5 million or more
  - A high-impact program reduces annual payroll threshold to \$1.5 million
  - The Small Employer Program allows small businesses with 90 or fewer employees to receive a 5% cash back incentive for seven years
- 21st Century Quality Jobs requires the hire of 10 jobs that pay 300% the county average or \$102,000, whichever is less
- Both programs require minimum wage and health coverage requirements

**Investment credit:** Yes, the Quality Jobs + Investment Tax Credit requires firms to invest at least \$40 million and create jobs according to the parameters in the Quality Jobs program above

**Sales/use tax refund on qualified investment:** No

**Personal property tax abatement:** None

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## Oregon

**Job credit:** Yes, the Oregon Investment Advantage allows firms who set up operations in an eligible county and create at least five jobs in an industry that is “first of its kind” and does not compete with another firm in the area. The credit is against income tax liability

**Investment credit:** None

**Sales/use tax refund on qualified investment:** No sales tax

**Personal property tax abatement:** None. Unfinished improvements to facilities may qualify for local property tax abatements

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## Pennsylvania

**Job credit:** Yes, the Job Creation Tax Credit allows for a \$1,000-per-job tax credit to create new jobs. Employers must create at least 25 new jobs or expand the labor force by at least 20%

**Investment credit:** None

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** None

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## Rhode Island

**Job credit:** Yes, the Corporate Income Tax Reduction for Job Creation provides an incremental reduction in the corporate income tax rate that creates new employment:

- 0.25% for every ten new jobs created for companies with fewer than 100 employees;
- 0.25% for every 50 new jobs created for companies with more than 100 employees

**Investment credit:** Depends on the NAICS code of the business; no minimum threshold specified (High Performance Manufacturing Investment Tax Credit)

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** None

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## South Carolina

**Job credit:** Yes, unless a member of a particular NAICS industry, firms must create:

- 175 jobs at a single location;
- 100 jobs where average compensation is 1.5 times county or state average, whichever is lower;
- 50 jobs where average compensation is 2 times county or state average, whichever is lower; or
- 25 jobs at a single location where average cash compensation for jobs is 2.5 times county or state average, whichever is lower

**Investment credit:** Job development credit requires at least a \$100 million investment and the creation of at least 200 new full-time jobs, or an investment of \$150 million and the creation of at least 125 jobs. These requirements can be waived if the project is in a favored geographic region or county

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** None

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## South Dakota

**Job credit:** None

**Investment credit:** See below

**Sales/use tax refund on qualified investment:** Yes, business facility expansions may qualify for sales and use tax or contractor excise tax refunds according to the following scale:

- Project costs of \$10 (minimum) to \$40 million: 45% refund
- Project costs of \$40 to \$500 million: 55% refund
- Project costs of more than \$500 million: no refund

**Personal property tax abatement:** Yes, at the discretion of county commissioners

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## Tennessee

**Job credit:** Yes, the Jobs Tax Credit allows a qualified business tax credits based on the number of jobs created:

- \$112,500 credit for 25 jobs
- \$450,000 credit for 100 jobs
- \$2,250,000 credit for 500 jobs
- \$4,495,000 credit for 999 jobs
- \$4,500,000 credit for 1,000 jobs

**Investment credit:** Yes

- The Jobs Tax Super Credit is a program for firms investing at least \$100 million:
  - \$10 million in headquarters, must create 100 HQ jobs
  - \$100 million, 100 jobs
  - \$250 million, 250 jobs



- \$500 million, 500 jobs
- \$1 billion, 500 jobs, with longer credit period
- Industrial machinery purchases can earn the following tax credits:
  - Less than \$100 million: 1%
  - \$100 million: 3%
  - \$250 million: 5%
  - \$500 million: 7%
  - \$1 billion: 10%

**Sales/use tax refund on qualified investment:** Yes, available to businesses who make a minimum capital investment of \$100 million and at least 50 new jobs paying 150% of Tennessee’s average occupational wage

**Personal property tax abatement:** None

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## Texas

**Job credit:** None

**Investment credit:** None

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** None

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## Utah

**Job credit:** Yes

- The Rural Fast Track program must be approved by a local city or county economic development representative. The firm must have at least two employees, be in business for two years, demonstrate at least \$50,000 in economic impact, and be in a county with a population less than 30,000 individuals
- The Industrial Assistance Fund requires firms to create at least 50 jobs in urban counties and pay 125% or urban county average wage or 100% of the rural county average wage. Approval from local economic development authorities is required

**Investment credit:** None

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** None

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## Vermont

**Job credit:** Yes, the Vermont Employment Growth Incentive Program

- Full-time jobs created and paid 160% of Vermont minimum wage
- No limitations due to size, sector, or type of business

- Credit is a cash payment and not credit against income tax liability

**Investment credit:** None

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** None

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## Virginia

**Job credit:** Yes, the Major Business Facility Job Tax Credit allows qualified companies locating or expanding in VA to receive a \$1,000-per-job tax credit for each new full-time job created. Enterprise zones must meet 25-job threshold, other areas have a 50-job threshold

**Investment credit:** Yes

- The Virginia New Jobs Program requires firms to create a minimum of 25 jobs and make a capital investment of at least \$1 million
- The Small Business New Jobs Program supports businesses that create at least five new jobs and make at least \$100,000 in capital investment

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** Yes, offered at the local level

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## Washington

**Job credit:** Yes, firms in specific industries can receive a credit against B&O tax when increasing in-state employment by 15%

**Investment credit:** No, only for favored geographic areas

**Sales/use tax refund on qualified investment:** Yes, refund available for materials used in aluminum smelters, cold storage, and construction materials for food manufacturing facilities

**Personal property tax abatement:** Yes, also available for aluminum smelters

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## West Virginia

**Job credit:** Yes

- The High-Tech Manufacturing credit allows firms that manufacture computers and components which create at least 20 new jobs within a year to receive a credit to offset liability in a variety of tax programs
- The Economic Opportunity Credit is available to qualified firms that create at least 20 new jobs within specific time limits can offset up to 80 percent of specified business taxes for 13 years

- The Corporate Headquarters Credit allows tax credits to a firm that relocates the HQ to that state and creates 15 new jobs including the relocated employees
- The Economic Opportunity Credit allows a credit for firms creating at least 20 new jobs within specified time limits, or 10 new jobs for smaller businesses

**Investment credit:** Yes, the Manufacturing Investment Credit is allowed against up to 60% of corporate income tax based on qualified investment in eligible manufacturing property, with no new job creation required

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** None

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## Wisconsin

**Job credit:** Yes, the Job Creation Deduction allows firms to subtract from federal income a number based on the increase in the number of FTE employees equal to \$2,000 per eligible employee for businesses with gross receipts greater than \$5 million and \$4,000 per eligible employee with gross receipts less than \$5 million

**Investment credit:** None

**Sales/use tax refund on qualified investment:** None

**Personal property tax abatement:** Yes, firms must get state approval for M&E exemption - must be classified as a manufacturing firm

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## Wyoming

**Job credit:** None

**Investment credit:** None

**Sales/use tax refund on qualified investment:** Yes

- \$5 million investment required in capital infrastructure in addition to \$2 million investment in data center equipment and software purchases results in sales and use tax refunded on qualifying computer equipment
- \$50 million investment and \$2 million in data center equipment purchases - sales tax refunds at this level include uninterruptible power supplies, backup power, specialized heating, air purifying equipment, and air conditioning

**Personal property tax abatement:** None

# Nebraska Advantage Act Agreements Signed in 2012 and Cumulative between 2007 and 2012

Reporting Required by Neb. Rev. Stat. § 77-5731(2)

## Agreements Signed in 2012

In the application, each company provides an estimate of investment that will be made and full-time equivalent (FTE) employees that will be employed at the project. At the time of application, some companies may have just stated the minimum planned investment and employment required for the tier. Actual investment and employment may be different than the estimate. The project may far exceed the minimum or it may only meet the required levels of the subtier.

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)
Airlanco, Inc.	Falls City	\$1.3	12
Allmand Bros, Inc.	Holdrege	\$5.0	39
Alter Trading Corporation	Lincoln	\$1.0	10
Amber Enterprises, Inc.	Omaha	\$4.0	30
Assurity Life Insurance Co.	Lincoln	\$55.5	100
Centennial Plastics, Inc.	Hastings	\$3.0	30
Champion Home Builders, Inc.	York	\$0.0	30
Distefano Tool & Mfg. Co.	Omaha	\$2.3	10
Elemental Scientific, Inc.	Omaha	\$1.5	19
Farmers Mutual Insurance Company of Nebraska	Columbus, Gering, Grand Island, Kearney, Lincoln, Norfolk, North Platte, and Omaha	\$17.7	30

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)
First York Bank Corp.	Albion, Aurora, Bartlett, Bradshaw, Central City, Clay Center, Columbus, Davenport, Geneva, Grand Island, Hampton, Harvard, Henderson, McCool Junction, Monroe, Polk, Rising City, Shelton, St. Edward, Stromsburg, Sutton, Waco, and York	\$3.0	30
Frontier Holdings, LLC	Lincoln, Madison, Norfolk, and Omaha	\$3.8	35
Gallup, Inc.	Bellevue, Lincoln, and Omaha	\$4.6	30
Gerkin Windows & Doors	South Sioux City	\$1.0	10
Gordmans, Inc.	Omaha	\$16.0	100
Graepel North America, Inc.	Omaha	\$3.0	30
Great Dane Limited Partnership	Wayne	\$1.0	10
Grede Omaha, LLC	Omaha	\$1.0	10
Hormel Foods Corporation	Falls City, Fremont, and Wausa	\$11.0	100
House of Brick Technologies, LLC	Omaha	\$0.0	30
Hughes Brothers, Inc.	Seward	\$3.0	30
Interpublic Group, Inc.	Omaha	\$3.5	100
JN Medical Corporation	Omaha	\$2.6	10
KYS Foods, Inc.	Scottsbluff	\$3.7	30
LALA Branded Products, Inc.	Omaha	\$12.0	15
Laurel BioComposite, LLC	Laurel	\$10.0	15
Lester Electrical of Nebraska, Inc.	Lincoln	\$3.0	40
Lincoln Industries, Inc.	Lincoln	\$11.0	100
Link Snacks, Inc.	Bellevue	\$1.0	10

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)
Linkedin Corp.	Omaha	\$10.0	100
M.G. Waldbaum Company	Wakefield	\$4.8	18
MacPractice, Inc.	Lincoln	\$15.0	66
Marathon Ventures, Inc.	Bellevue and Omaha	\$4.0	37
Natura Pet Products, Inc.	Fremont	\$3.0	30
NatureWorks, LLC	Blair, La Vista, and Omaha	\$33.0	0
Nebraska Global Investment Company, LLC	Lincoln	\$0.0	50
Nebraska Machine Products, Inc.	Omaha	\$1.0	20
OFFWIRE, Inc.	Omaha	\$3.2	40
ORI Great West Holdings, Inc.	Grand Island and South Sioux City	\$4.0	30
Pen-Link, Ltd.	Ashland and Lincoln	\$1.0	10
Precision Components Midwest, LLC	Norfolk	\$1.6	10
Senior Market Sales, Inc.	Omaha	\$3.0	30
Signature Performance, Inc.	Omaha	\$0.0	45
Sympateco, Inc.	Omaha	\$3.0	30
Table Rock Stone Company, LLC	Ralston	\$1.1	10
Tecumseh Poultry, LLC	Tecumseh and Waverly	\$5.0	40
Tenneco, Inc.	Seward	\$10.0	100
Thurston Manufacturing Company	Thurston	\$4.4	37
TMCO, Inc.	Lincoln	\$3.0	30
Tyson Fresh Meats, Inc.	Lexington	\$3.0	30
Tyson Processing Services, Inc.	Omaha	\$1.0	10

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)
U.S. Property Logistics, LLC	Lincoln	\$3.0	30
Veyance Technologies, Inc.	Lincoln	\$3.0	30
Veyance Technologies, Inc.	Norfolk	\$3.0	30
Werner Enterprises, Inc.	Omaha	\$11.0	100
West Gate Banshares, Inc.	Lincoln	\$11.0	100
Williams Form Engineering Corp.	Wayne	\$1.0	10
Yasufuku U.S.A, Inc.	Lincoln	\$1.0	10
<b>TOTAL</b>	<b>58</b>		

## Agreements Signed between 2007 and 2012

The median period of time between the date of application and the date for all agreements signed as of December 31, 2012 is 355 days.

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
21st Century Systems, Inc.	McCook and Omaha	\$3.6	120	2009
3M Company and Subsidiaries	Valley	\$8.3	36	2010
3MV Bancorp	Omaha	\$6.0	50	2008
ACI Worldwide, Inc. & Subs.	Elkhorn and Omaha	\$55.0	30	2010
Advanced BioEnergy, LLC	Fairmont and Geneva	\$150.0	100	2007
Airlanco, Inc.	Falls City	\$1.3	12	2012
Allmand Bros, Inc.	Holdrege	\$5.0	39	2012
Alter Trading Corporation	Lincoln	\$1.0	10	2012
ALTRA, Inc.	Carleton and Omaha	\$175.9	100	2007

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Amber Enterprises, Inc.	Omaha	\$4.0	30	2012
American Marking Corporation	Omaha	\$1.0	10	2009
Apogee Retail, LLC	Columbus	\$0.0	300	2009
Applied Underwriters, Inc.	Omaha	\$3.0	30	2010
Archer Daniels Midland Company	Columbus	\$750.0	100	2007
Aspen Holdings, Inc.	Omaha	\$10.0	576	2008
Associated Side Dump Development, Inc.	South Sioux City	\$1.0	25	2008
Assurity Life Insurance Co.	Lincoln	\$55.5	100	2012
Automatic Equipment Manufacturing Co.	Pender	\$0.0	60	2010
Aventine Renewable Energy Holdings	Aurora	\$250.0	100	2007
Black Hills Corporation	Bellevue, Lincoln, and Omaha	\$23.6	60	2010
BNSF Railway	Statewide	\$700.0	175	2008
Bubba Foods, LLC	Hastings	\$11.0	100	2010
C & A Industries	Lincoln and Omaha	\$14.0	200	2007
C.J. Foods, Inc.	Humbolt and Pawnee City	\$20.0	54	2011
CAMACO, LLC	Columbus	\$20.2	100	2007
Cargill Incorporated	Blair	\$320.0	100	2007
Case New Holland, Inc. & Consolidated Subsidiaries	Grand Island	\$23.6	36	2007
Cellco Partnership d/b/a Verizon Wireless	Lincoln	\$27.5	750	2007
Cellco Partnership d/b/a Verizon Wireless	Statewide	\$176.0	0	2011
Centennial Plastics, Inc.	Hastings	\$3.0	30	2012
Central States Indemnity Co.	Bellevue and Omaha	\$5.8	60	2009



Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Champion Home Builders, Inc.	York	\$0.0	30	2012
Chief Industries, Inc.	Grand Island, Hastings, and Kearney	\$10.0	100	2007
Columbus Hydraulics Company	Columbus	\$2.8	15	2007
CoMc, LLC	Omaha	\$1.2	15	2007
ConAgra Foods, Inc. and Subsidiaries	Omaha	\$15.3	120	2010
Cook's Hams, Inc.	Lincoln	\$10.0	100	2009
CoSentry.Net, LLC	Bellevue, Omaha, and Papillion	\$10.0	100	2010
D & D Foods, Inc.	Omaha	\$1.1	10	2010
Distefano Tool & Mfg. Co.	Omaha	\$2.3	10	2012
Distribution Management Systems, Inc.	Omaha	\$3.0	30	2009
Diversified Foods & Seasonings, Inc.	Nebraska City	\$10.0	100	2007
Drake-Williams Steel, Inc.	Omaha	\$10.0	100	2007
E Energy Adams, LLC	Adams	\$90.0	32	2007
Elemental Scientific, Inc.	Omaha	\$1.5	19	2012
Elliot Equipment Company	Omaha	\$1.0	25	2007
Enduro Holdings, Inc.	Omaha	\$5.4	30	2007
Enterprise Properties, Inc.	Omaha	\$1.3	12	2007
Farmers & Merchants Investment, Inc.	Ainsworth, Auburn, Beatrice, Columbus, Crete, David City, Fairbury, Grand Island, Hastings, Kearney, Lincoln, McCook, Norfolk, Omaha, Pawnee City, Seward, Syracuse, Taylor, Valentine, Wahoo, and York	\$20.0	100	2009

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Farmers Mutual Insurance Company of Nebraska	Columbus, Gering, Grand Island, Kearney, Lincoln, Norfolk, North Platte, and Omaha	\$17.7	30	2012
Farmland Foods, Inc.	Crete	\$14.0	100	2007
Fidelity National Financial, Inc. and Subs.	Omaha	\$8.7	205	2009
First York Ban Corp.	Albion, Aurora, Bartlett, Bradshaw, Central City, Clay Center, Columbus, Davenport, Geneva, Grand Island, Hampton, Harvard, Henderson, McCool Junction, Monroe, Polk, Rising City, Shelton, St. Edward, Stromsburg, Sutton, Waco, and York	\$3.0	30	2012
Frontier Holdings, LLC	Lincoln, Madison, Norfolk, and Omaha	\$3.8	35	2012
Gallup, Inc.	Bellevue, Lincoln, and Omaha	\$4.6	30	2012
Gerkin Windows & Doors	South Sioux City	\$1.0	10	2012
Glass Contractors, Inc.	Omaha	\$5.1	11	2007
Gordmans, Inc.	Omaha	\$16.0	100	2012
GPC, Inc.	Statewide	\$30.0	30	2007
Graepel North America, Inc.	Omaha	\$3.0	30	2012
Great Dane Limited Partnership	Wayne	\$1.0	10	2012
Great Plains Hanger Co, LLC	Omaha	\$1.1	15	2011
Greater Omaha Packing Co., Inc.	Omaha	\$10.0	30	2008
Grede Omaha, LLC	Omaha	\$1.0	10	2012

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Green Plains Renewable Energy, Inc.	Ord	\$63.8	35	2008
GT Exhaust Systems	Lincoln	\$5.3	30	2008
Hastings Irrigation Pipe Co., Inc.	Hastings	\$1.6	10	2008
Heritage Disposal & Storage, LLC	Alda	\$6.7	31	2007
Hormel Foods Corporation	Falls City, Fremont, and Wausa	\$11.0	100	2012
Hornady Manufacturing	Grand Island	\$1.0	10	2007
House of Brick Technologies, LLC	Omaha	\$0.0	30	2012
Hughes Brothers, Inc.	Seward	\$3.0	30	2012
Husker Ag, LLC	Plainview	\$53.5	15	2007
infoUSA Inc.	Papillion	\$4.3	250	2007
Interpublic Group, Inc.	Omaha	\$3.5	100	2012
Interstate Printing Company	Omaha	\$2.6	10	2008
IPG GIS US, Inc.	Omaha	\$7.5	35	2009
Jacobson Land & Cattle Co.	Lincoln	\$9.5	30	2009
JN Medical Corporation	Omaha	\$2.6	10	2012
Kamterter II, LLC	Lincoln and Waverly	\$3.0	30	2007
Katana Summit, LLC	Columbus	\$14.0	139	2007
Kawasaki Motors Manufacturing Corp., U.S.A.	Lincoln	\$10.0	100	2007
KYS Foods, Inc.	Scottsbluff	\$3.7	30	2012
LALA Branded Products, Inc.	Omaha	\$12.0	15	2012
Laurel BioComposite, LLC	Laurel	\$10.0	15	2012
Lawyers Title Insurance Corporation	Omaha	\$3.0	30	2007
Lenco, Inc. - PMC	Waverly	\$2.0	15	2007
Lester Electrical of Nebraska, Inc.	Lincoln	\$3.0	40	2012

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Li-Cor, Inc.	Lincoln	\$5.5	35	2008
Lincoln Composites, Inc.	Lincoln	\$5.2	39	2007
Lincoln Industries, Inc.	Lincoln	\$11.0	100	2012
Lindsay Manufacturing Co.	Lindsay and Omaha	\$11.0	100	2007
Link Snacks, Inc.	Bellevue	\$1.0	10	2012
LinkedIn Corp.	Omaha	\$10.0	100	2012
Lozier Corporation	Omaha	\$11.0	100	2010
M.G. Waldbaum Company	Wakefield	\$4.8	18	2012
MacPractice, Inc.	Lincoln	\$15.0	66	2012
Majors Plastics, Inc.	Omaha	\$1.5	20	2007
Malnove Holding Company, Inc.	Omaha	\$2.0	10	2011
Marathon Ventures, Inc.	Bellevue and Omaha	\$4.0	37	2012
Medical Solutions, Inc.	Omaha	\$3.0	221	2007
Mi Mama's Tortillas, LLC	Omaha	\$3.5	15	2011
Midlands Packaging Corp.	Lincoln	\$1.8	12	2007
Midwest Laboratories, Inc.	Omaha	\$2.0	18	2011
Midwest Meat Packing Facility, LLC	Gibbon	\$3.0	200	2010
Midwest Web, Inc.	Lincoln	\$3.5	34	2010
Milk Specialties Company & Subsidiaries	Norfolk	\$7.0	30	2010
Millard Lumber, Inc.	Omaha and Waverly	\$4.0	30	2008
Minden Machine Shop, Inc.	Minden	\$1.0	10	2011
Molex Incorporated	Lincoln	\$61.0	150	2007
Monsanto Company	Gothenburg, Kearney, Stromsburg, and Waco	\$153.0	180	2010
Mutual of Omaha Insurance Company	Blair and Omaha	\$111.2	386	2011

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
NANCO Holding, Inc. & Subsidiaries	Fremont	\$2.8	10	2011
Natura Pet Products, Inc.	Fremont	\$3.0	30	2012
NatureWorks, LLC	Blair, La Vista, and Omaha	\$33.0	0	2012
Neapco Components, LLC	Beatrice	\$3.0	30	2010
Nebraska Global Investment Company, LLC	Lincoln	\$0.0	50	2012
Nebraska Machine Products, Inc.	Omaha	\$1.0	20	2012
NEDAK Ethanol, LLC	Atkinson	\$54.0	34	2007
Nelnet, Inc. & Subsidiaries	Bellevue and Lincoln	\$11.0	200	2011
Neogen Corp. & Subsidiaries	Lincoln	\$5.0	10	2007
Netshops, Inc.	Omaha	\$9.1	440	2007
Northstar Financial Services Group, LLC	Fremont and Omaha	\$5.3	95	2007
Novartis Pharmaceuticals Corp. & Affiliates	Lincoln	\$68.0	119	2007
Nova-Tech, Inc.	Grand Island	\$1.0	10	2011
Novozymes Blair, Inc.	Blair	\$110.0	100	2008
OFFWIRE, Inc.	Omaha	\$3.2	40	2012
Omaha Financial Holdings, Inc.	La Vista, Lincoln, and Omaha	\$5.9	50	2008
ORI Great West Holdings, Inc.	Grand Island and South Sioux City	\$4.0	30	2012
Overland Products Company, Inc.	Fremont	\$1.3	10	2008
Pacific Interpreters, Inc.	Omaha	\$0.0	50	2010
Pamida Stores Operating Co, LLC	Omaha	\$3.3	70	2007
PayFlex Systems USA, Inc.	Omaha	\$10.0	100	2009

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
PayPal, Inc.	Bellevue and La Vista	\$42.5	1,997	2007
Pen Steel, Inc.	Omaha	\$1.3	10	2010
Pen-Link, Ltd.	Ashland and Lincoln	\$1.0	10	2012
People Search Media, LLC	Omaha	\$3.0	30	2010
Pharmaceutical Technologies, Inc.	Omaha	\$6.4	36	2007
Phoenix Web Group, Inc.	Waverly	\$3.0	30	2007
Pinnacle Data Services, LLC	Gretna and Omaha	\$5.0	35	2007
Pramac America, LLC	Kearney	\$3.0	30	2009
Precision Components Midwest, LLC	Norfolk	\$1.6	10	2012
Prime Therapeutics, Inc.	Omaha	\$0.0	332	2007
Professional Research Consultants, Inc.	Omaha	\$3.0	30	2007
Quality Pork International, Inc.	Omaha	\$10.0	100	2008
Rabe's Quality Meats, Inc.	Omaha	\$2.5	10	2007
Rosen's Diversified, Inc.	Bellevue, Gibbon, and Omaha	\$12.0	100	2007
Rotella's Italian Bakery	La Vista	\$10.0	30	2007
Royal Engineered Composites, Inc.	Minden	\$6.1	49	2008
Sandhills Publishing Company	Lincoln	\$12.5	100	2007
Senior Market Sales, Inc.	Omaha	\$3.0	30	2012
Shell Rock West, Inc.	Valley	\$7.0	40	2007
Signature Performance, Inc.	Omaha	\$0.0	45	2012
SII Acquisition, Inc. & Subsidiary	Lincoln	\$3.7	30	2008
Silverstone Holdings, Inc.	Omaha	\$5.0	30	2007
Smeal Fire Apparatus Co.	Neligh and Snyder	\$2.4	30	2007

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Specialty Protein Producers, LLC	Norfolk	\$89.0	130	2007
Streck, Inc.	La Vista	\$10.0	100	2007
Swift Beef Company	Grand Island	\$10.0	100	2007
Sympateco, Inc.	Omaha	\$3.0	30	2012
Syngenta Seeds, Inc.	Omaha and Waterloo	\$27.0	10	2008
Table Rock Stone Company, LLC	Ralston	\$1.1	10	2012
TD Ameritrade Holding Corporation & Subs.	Bellevue and Omaha	\$10.0	200	2007
Tecumseh Poultry, LLC	Tecumseh and Waverly	\$5.0	40	2012
TELCOR, Inc.	Lincoln	\$2.3	30	2010
Tenneco, Inc.	Seward	\$10.0	100	2012
The James Skinner Co.	Omaha	\$10.0	100	2007
The Scoular Company	Big Springs, Brandon, Elsie, Fremont, Grafton, Grant, Holdrege, Lamar, Madrid, Omaha, Venango, and Wallace	\$3.0	30	2010
Thurston Manufacturing Company	Thurston	\$4.4	37	2012

*Continued on next page...*

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
TierOne Bank	Albion, Alliance, Auburn, Beatrice, Bloomfield, Broken Bow, Burwell, Callaway, Columbus, Crete, Fairbury, Falls City, Fremont, Gering, Gothenburg, Grand Island, Hastings, Hebron, Holdrege, Humboldt, Kearney, Lexington, Lincoln, McCook, Nebraska City, Norfolk, North Platte, O'Neill, Omaha, Ord, Scottsbluff, Sidney, St. Paul, Tecumseh, and Wahoo	\$17.5	210	2007
Timber Creek Homes, Inc.	Stratton	\$3.0	30	2008
TMCO, Inc.	Lincoln	\$3.0	30	2012
Trade Well Pallet, Inc.	Ashland and Gretna	\$3.1	36	2007
Travel & Transport, Inc.	Lincoln and Omaha	\$3.0	40	2011
TurnKey Solutions Corp.	La Vista and Omaha	\$3.0	30	2007
Tyson Fresh Meats, Inc.	Madison	\$1.0	10	2010
Tyson Fresh Meats, Inc.	Dakota City	\$11.0	100	2010
Tyson Fresh Meats, Inc.	Lexington	\$3.0	30	2012
Tyson Processing Services, Inc.	Omaha	\$1.0	10	2012
U.S. Property Logistics, LLC	Lincoln	\$3.0	30	2012
Vantec, Inc.	Falls City	\$3.0	30	2009
Verdant Environmental Services, LLC	Fremont	\$1.0	10	2011
Veyance Technologies, Inc.	Lincoln	\$3.0	30	2012
Veyance Technologies, Inc.	Norfolk	\$3.0	30	2012
Wahoo Ethanol, LLC	Wahoo	\$173.0	45	2007



Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Wardcraft Homes, Inc.	Central City	\$3.0	30	2007
WebEquity Solutions, Inc.	Omaha	\$2.1	35	2010
Werner Enterprises, Inc.	Omaha	\$11.0	100	2012
West Gate Banshares, Inc.	Lincoln	\$11.0	100	2012
Williams Form Engineering Corp.	Wayne	\$1.0	10	2012
Wimmer's Meat Products, Inc.	West Point	\$1.5	10	2007
XL Four Star Beef, Inc.	Omaha	\$7.0	59	2007
Yahoo! Inc.	La Vista and Omaha	\$100.0	100	2011
Yasufuku U.S.A, Inc.	Lincoln	\$1.0	10	2012
Your Selling Team	Chadron	\$3.1	77	2007
<b>TOTAL</b>	<b>195</b>			

# Nebraska Advantage Act

## Summary of Qualified Project Activity

### Reporting Required by Neb. Rev. Stat. § 77-5731(3)

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This table below summarizes the activity for projects that have completed a qualification audit, which confirms the attainment of required levels of investment or employment. The data reported in this table is a subset of the information reported in Summary of Investment and Employment by Applicants with Active Signed Agreements, by Industry table. The data is reported based on the year that the Department processes the filing or claim for benefits.

Each yearly column states the activity for companies that have completed a qualification audit as of the end of that year. For example, the compensation credits reported in 2011 include compensation credits approved in 2011 for all 33 companies with a completed qualification audit as of the end of 2011 (including those companies that had a qualification audit between 2006 and 2010). If a qualification audit is issued in 2012, the amounts from that audit are reported in 2012 even though the audit may include compensation credits earned by the applicant for wages paid in 2011.

The Number of Qualifying Projects (Cumulative) is an addition to this year's report. It reflects a running total of the number of projects for each year according to when qualification audits were completed and minimum levels were confirmed. For example, from 2006-2008, after audits were completed, three projects were confirmed as having met minimum levels and approved as eligible to receive benefits. An additional six projects were audited and approved in 2009 for a total of nine projects. The 45 projects reflected in 2012 are the cumulative total from 2006 through 2012.

The Value of Real Property Reimbursed reflects the value of real property for which investment or compensation credits were used to obtain a reimbursement from the State equal to real property taxes paid. To date, no projects have received a reimbursement of real estate property tax paid.

The Increase in New Jobs at Qualifying Projects (FTE) is not a running total, but the actual number of new jobs reported by the projects in each year. For example, from 2006-2008, the three projects added 269 new employees. In 2009, the nine projects (three from 2006-2008 and six from 2009) added 641 additional new employees. The number of new jobs reported for the year is the net number for all projects reporting. The decline in number of new jobs reported by one project is netted against the increase in the number of new employees. Generally, the largest increase in FTEs will occur at the beginning of a project as new employees are hired so that the project will attain at least the minimum required levels. Throughout the entitlement period, the increase in new FTEs may slow, stop, or reverse, but the project must continue to maintain the minimum required level of FTEs to avoid recapture.

Category	2006-2008	2009	2010	2011	2012	Total
Number of Qualifying Projects (Cumulative)	3	9	21	33	45	N/A
<b>Tax Credits Earned:</b>						
Investment Credits	3,235,696	6,836,892	80,339,969	45,880,657	208,748,289	345,041,503
Compensation Credits	<u>601,473</u>	<u>2,130,249</u>	<u>18,428,923</u>	<u>13,460,532</u>	<u>32,721,421</u>	<u>67,342,598</u>
<b>Total Tax Credits Earned</b>	<b>\$3,837,169</b>	<b>\$8,967,141</b>	<b>\$98,768,892</b>	<b>\$59,341,189</b>	<b>\$241,469,710</b>	<b>\$412,384,101</b>
<b>Tax Credits Used:</b>						
Corporation Income Tax	0	0	32,818,142	10,940,024	15,105,310	58,863,476
Individual Income Tax	<u>0</u>	<u>136,538</u>	<u>1,629,162</u>	<u>1,511,100</u>	<u>3,729,655</u>	<u>7,006,455</u>
<b>Subtotal Income Tax</b>	<b>\$0</b>	<b>\$136,538</b>	<b>\$34,447,304</b>	<b>\$12,451,124</b>	<b>\$18,834,965</b>	<b>\$65,869,931</b>
Sales/Use Tax Refunds	0	0	240,566	2,324,943	2,413,204	4,978,713
Payroll Withholding	308,513	675,775	7,168,102	9,218,917	10,664,483	28,035,790
Real Estate Property Tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Tax Credits Used</b>	<b>\$308,513</b>	<b>\$812,313</b>	<b>\$41,855,971</b>	<b>\$23,994,984</b>	<b>\$31,912,652</b>	<b>\$98,884,433</b>
<b>Tax Credits Outstanding<sup>1</sup></b>	<b>\$3,528,656</b>	<b>\$8,154,828</b>	<b>\$56,912,921</b>	<b>\$35,346,205</b>	<b>\$209,557,058</b>	<b>\$313,499,668</b>
Qualified Investment	\$32,356,962	\$69,416,159	\$811,893,055	\$465,648,243	\$2,102,025,793	\$3,481,340,212
Direct Sales/Use Tax Refunds on Investment	\$831,009	\$229,065	\$12,104,716	\$5,523,881	\$12,665,722	\$31,354,393
Sales/Use Tax Refunds Pending Approval	N/A	N/A	N/A	N/A	\$8,729,777	\$8,729,777
Recapture Repaid	\$0	\$0	\$43,936	\$706,877	\$516,735	\$1,267,548
<b>Property Tax Benefits:</b>						
Personal Property Value Exempted	\$3,925,548	\$7,518,087	\$158,028,247	\$791,084,367	\$775,311,302	\$1,735,867,551
Value of Real Property Reimbursed	0	0	0	0	0	0
Increase in New Jobs at Qualifying Projects (FTE)	269	641	1,950	1,219	3,024	7,103

<sup>1</sup>The Tax Credits Outstanding value equals the value of tax credits that have been earned by participants less tax credits used; and is an indication of tax credits which could potentially be used. Historically, however, not all credits earned have been used, see Employment and Investment Growth Act Summary of Qualified Project Activity.

## Nebraska Advantage Act Principal Business Activity (PBA) Codes and Application Tier of Projects with Active Signed Agreements

Reporting Required by Neb. Rev. Stat. § 77-5731(3)(a)

Each project with a signed agreement is categorized by the principal business activity based on the North American Industry Classification System (NAICS), grouped by industry, and grouped by tier selected. The table does not include agreements which are no longer in effect because the agreement has been withdrawn or discontinued by the taxpayer.

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	4
		Tier 2	3
<b>Manufacturing</b>	311, 312 – Meat and Food Products	Tier 1	12
		Tier 2	9
		Tier 4	11
	314, 322, 323, 325, 326 – Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	Tier 1	10
		Tier 2	10
321, 331, 332 – Primary and Fabricated Metals and Wood Product Manufacturing	Tier 4	8	
	Tier 5	1	
333, 334, 335, 336, 337, 339 – Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	Tier 1	5	
	Tier 2	4	
	Tier 4	1	
	Tier 5	2	
333, 334, 335, 336, 337, 339 – Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	Tier 1	14	
	Tier 2	18	
	Tier 3	1	
	Tier 4	6	
<b>Wholesale &amp; Retail Trade</b>	42 – Durable and Non-durable Goods	Tier 1	2
		Tier 2	4
<b>Transportation &amp; Warehousing</b>	48, 49 – Railroads, Trucking, Air Transportation, and Warehousing	Tier 2	5
		Tier 4	2
<b>Information &amp; Data Processing</b>	51 – Publishing, Communications, and Information and Data Processing Services	Tier 2	4
		Tier 4	6
		Tier 5	1

Category	PBA Code, Major Industry Group Titles	Tier	Number of Companies
Finance, Insurance, & Real Estate	52 – Depository Institutions and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	Tier 2	11
		Tier 4	9
Professional, Scientific, & Technical Services	54, 56, 62, 81 – Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	Tier 1	6
		Tier 2	17
		Tier 3	6
		Tier 4	3
<b>TOTAL</b>			<b>195</b>

# Nebraska Advantage Act

## Summary of Investment and Employment by Applicants with Active Signed Agreements, by Industry

Reporting Required by Neb. Rev. Stat. § 77-5731(3)(g) through (3)(j)

Each applicant with a signed agreement has agreed to report the project’s total investment, employment, and estimated wages paid to new employees. This table includes the data reported for both (1) projects that have completed an audit that confirmed the attainment of levels and (2) projects that have not completed an audit, regardless of whether the project may have attained the minimum levels. **Until the Department has completed a qualification audit that confirms the required levels of investment and employment have been met, the project is not eligible for benefits and it is not included in the Summary of Qualified Project Activity or Benefits Approved, by Industry tables.**

Some projects with signed agreements did not submit a Nebraska Advantage Act Incentive Computation, Form 312N, in 2012. Most of these projects have not completed a qualification audit and are not receiving any benefits. A qualified project will not receive additional benefits unless it has submitted a Form 312N for all prior tax years. The year is considered to be in recapture and repayment of prior benefits is due if the proper filings are not provided to the Department.

Each project is categorized by the principal business activity based on the North American Industry Classification System (NAICS), grouped by industry, and the information is reported by industry group. Industry groups containing information from less than three projects are combined with at least one other industry group to prevent disclosure of confidential information. In the following tables, the industry groups are combined as footnoted.

Category	Machinery & Miscellaneous Manufacturing <sup>1</sup>	Other Manufacturing <sup>2</sup>	Total Manufacturing	Non-manufacturing <sup>3</sup>	Total
Number of Applicants Reporting	27	51	78	63	141
Qualified Investment	\$625,107,097	\$2,418,094,999	\$3,043,202,096	\$1,917,271,904	<b>\$4,960,474,000</b>
Increase in New Jobs (FTE) <sup>4</sup>	2,454	2,311	4,765	5,802	<b>10,567</b>
Estimated Average Wage of New Jobs <sup>5</sup>	\$38,502	\$36,683	\$37,620	\$46,433	<b>\$42,459</b>
Number of People Employed on: <sup>6</sup>					
Last Day of Quarter Prior to Application	9,150	32,574	41,724	28,971	<b>70,695</b>
Date Most Recently Reported	10,743	35,587	46,330	34,676	<b>81,006</b>

<sup>1</sup>The full title of this industry group is **333, 334, 335, 336, 337, 339** – Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing.

<sup>2</sup>To maintain confidentiality, the following industry groups are combined in Other Manufacturing:

**22, 23, 327** – Construction, Electric and Gas, Stone, Clay, Glass, and Concrete Products;

**311, 312** – Meat and Food Products;

**314, 322, 323, 325, 326** – Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-Durable Products;

and

**321, 331, 332** – Primary and Fabricated Metals and Wood Product Manufacturing.

<sup>3</sup>To maintain confidentiality, the following industry groups are combined in Non-manufacturing:

42 – Durable and Non-Durable Goods;

48, 49 – Railroads, Trucking, Air Transportation, and Warehousing;

51 – Publishing, Communications, and Information and Data Processing Services;

52 – Depository Institutions and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers; and

54, 56, 62, 81 – Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services.

<sup>4</sup>FTE = Full-time equivalent.

<sup>5</sup>The estimated average wage of new jobs is calculated by multiplying positive FTE growth by the average wage to determine the estimated compensation for each project. The sum of estimated compensation for all projects in the industry group is divided by the total positive FTE growth of the industry group.

<sup>6</sup>The number of people employed relates to the taxpayer's unitary, statewide activity, even if the project is limited to only a portion of the taxpayer's statewide activities. Each employee counts as one regardless of how many hours the individual worked.

# Nebraska Advantage Act Benefits Approved, by Industry, in 2012 and Cumulatively

Reporting Required by Neb. Rev. Stat. § 77-5731(3)

These tables include the data reported for projects that have completed a qualification audit that confirms the attainment of minimum required levels of investment and/or employment. Each project is categorized by the principal business activity based on the North American Industry Classification System (NAICS), grouped by industry, and the information is reported by industry group. Industry groups containing information from less than three projects are combined with at least one other industry group to prevent disclosure of confidential information. In the following tables, the industry groups are combined as footnoted.

## 2012

Category	Machinery & Miscellaneous Manufacturing <sup>1</sup>	Other Manufacturing <sup>2</sup>	Total Manufacturing	Non-manufacturing <sup>3</sup>	Total
Number of Qualified Applicants	10	12	22	23	45
Tax Credits Earned:					
Investment Credits	\$23,863,766	\$139,674,551	\$163,538,317	\$45,209,972	\$208,748,289
Compensation Credits	4,092,084	4,203,352	8,295,436	24,425,985	32,721,421
<b>Total Credits Earned</b>	<b>\$27,955,850</b>	<b>\$143,877,903</b>	<b>\$171,833,753</b>	<b>\$69,635,957</b>	<b>\$241,469,710</b>
Tax Credits Used:					
Corporation Income Tax	\$12,506,081	\$1,926,269	\$14,432,350	\$672,960	\$15,105,310
Individual Income Tax	245,382	1,255,026	1,500,408	2,229,247	3,729,655
<b>Subtotal Income Tax</b>	<b>\$12,751,463</b>	<b>\$3,181,295</b>	<b>\$15,932,758</b>	<b>\$2,902,207</b>	<b>\$18,834,965</b>
Sales/Use Tax Refund	\$593,021	\$1,369,830	\$1,962,851	\$450,354	\$2,413,205
Payroll Withholding	1,415,751	527,063	1,942,814	8,721,669	10,664,483
Real Estate Tax	0	0	0	0	0
<b>Total Tax Credits Used</b>	<b>\$14,760,235</b>	<b>\$5,078,188</b>	<b>\$19,838,423</b>	<b>\$12,074,230</b>	<b>\$31,912,653</b>
<b>Tax Credits Outstanding<sup>4</sup></b>	<b>\$13,195,615</b>	<b>\$138,799,715</b>	<b>\$151,995,330</b>	<b>\$57,561,727</b>	<b>\$209,557,057</b>
Qualified Investment	\$244,311,084	\$1,401,604,785	\$1,645,915,869	\$456,109,924	\$2,102,025,793
Direct Sales/Use Tax Refunds on Investment	\$2,643,762	\$1,038,680	\$3,682,442	\$8,983,281	\$12,665,723
Sales/Use Tax Refunds Pending Approval	\$612,088	\$4,776,890	\$5,388,978	\$3,340,799	\$8,729,777
Recapture Repaid	\$92,795	\$29,880	\$122,675	\$394,060	\$516,735
Property Tax Benefits:					
Personal Property Value Exempted	\$0	\$613,943,553	\$613,943,553	\$161,367,749	\$775,311,302
Value of Real Property Reimbursed	0	0	0	0	0
Increase in New Jobs at Qualifying Projects (FTE) <sup>5</sup>	617	364	981	2,043	3,024
Estimated Average Wage of New Jobs <sup>6</sup>	\$44,440	\$39,714	\$42,448	\$46,625	\$45,291
Number of People Employed <sup>7</sup> on:					
Last Day of Quarter Prior to Application	3,703	6,321	10,024	15,217	25,241
Date Most Recently Reported	4,864	6,476	11,340	19,313	30,653

<sup>1</sup>The full title of this industry group is **333, 334, 335, 336, 337, 339** – Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing.

<sup>2</sup>To maintain confidentiality, the following industry groups are combined in Other Manufacturing: **22, 23, 327** – Construction, Electric and Gas, Stone, Clay, Glass, and Concrete Products;



311, 312 – Meat and Food Products;  
 314, 322, 323, 325, 326 – Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-Durable Products; and  
 321, 331, 332 – Primary and Fabricated Metals and Wood Product Manufacturing.

<sup>3</sup>To maintain confidentiality, the following industry groups are combined in Non-manufacturing:

42 – Durable and Non-Durable Goods;

48, 49 – Railroads, Trucking, Air Transportation, and Warehousing;

51 – Publishing, Communications, and Information and Data Processing Services;

52 – Depository Institutions and Non-Depository Credit Institutions, Security and Commodity Brokers,

Insurance Carriers, Insurance Agents, and Brokers; and

54, 56, 62, 81 – Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services.

<sup>4</sup>The Tax Credits Outstanding value equals the value of tax credits that have been earned by participants less tax credits used; and is an indication of tax credits which could potentially be used. Historically, however, not all credits earned have been used, see Employment and Investment Growth Act Summary of Qualified Project Activity.

<sup>5</sup>FTE = Full-time equivalent.

<sup>6</sup>The estimated average wage of new jobs is calculated by multiplying positive FTE growth by the average wage to determine the estimated compensation for each project. The sum of estimated compensation for all projects in the industry group is divided by the total positive FTE growth of the industry group.

<sup>7</sup>The number of people employed relates to the taxpayer's unitary, statewide employment, even if the project is limited to only a portion of the taxpayer's statewide activities. Each employee counts as one regardless of how many hours the individual worked.

## Cumulative 2006-2012

Category	Machinery & Miscellaneous Manufacturing <sup>1</sup>	Other Manufacturing <sup>2</sup>	Total Manufacturing	Non-manufacturing <sup>3</sup>	Total
Tax Credits Earned:					
Investment Credits	\$46,495,253	\$184,484,429	\$230,979,682	\$114,061,821	\$345,041,503
Compensation Credits	11,046,887	7,567,871	18,614,758	48,727,840	67,342,598
<b>Total Credits Earned</b>	<b>\$57,542,140</b>	<b>\$192,052,300</b>	<b>\$249,594,440</b>	<b>\$162,789,661</b>	<b>\$412,384,101</b>
Tax Credits Used:					
Corporation Income Tax	\$14,144,759	\$2,920,757	\$17,065,516	\$41,797,960	\$58,863,476
Individual Income Tax	667,446	2,163,597	2,831,043	4,175,412	7,006,455
<b>Subtotal Income Tax</b>	<b>\$14,812,205</b>	<b>\$5,084,354</b>	<b>\$19,896,559</b>	<b>\$45,973,372</b>	<b>\$65,869,931</b>
Sales/Use Tax Refund	\$1,240,828	\$2,745,522	\$3,986,350	\$992,364	\$4,978,714
Payroll Withholding	5,641,178	2,012,376	7,653,554	20,382,236	28,035,790
Real Estate Tax	0	0	0	0	0
<b>Total Tax Credits Used</b>	<b>\$21,694,211</b>	<b>\$9,842,251</b>	<b>\$31,536,462</b>	<b>\$67,347,972</b>	<b>\$98,884,434</b>
<b>Tax Credits Outstanding<sup>4</sup></b>	<b>\$35,847,929</b>	<b>\$182,210,049</b>	<b>\$218,057,978</b>	<b>\$95,391,692</b>	<b>\$313,449,670</b>
Qualified Investment	\$482,050,142	\$1,853,182,694	\$2,335,232,836	\$1,146,107,376	\$3,481,340,212
Direct Sales/Use Tax Refunds on Investment	\$3,868,395	\$8,590,792	\$12,459,187	\$18,895,206	\$31,354,393
Recapture Repaid	\$505,111	\$336,996	\$842,107	\$425,441	\$1,267,548
Property Tax Benefits:					
Personal Property Value Exempted	\$0	\$1,433,465,508	\$1,433,465,508	\$302,402,043	\$1,735,867,551
Value of Real Property Reimbursed	0	0	0	0	0
Increase in New Jobs at Qualifying Projects (FTE) <sup>5</sup>	1,482	912	2,394	4,709	7,103
Estimated Average Wage of New Jobs <sup>6</sup>	\$42,413	\$40,658	\$41,711	\$45,712	\$44,375

<sup>1</sup>The full title of this industry group is **333, 334, 335, 336, 337, 339** – Machinery, Electronic and Other Electrical Equipment,

Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing.

<sup>2</sup>To maintain confidentiality, the following industry groups are combined in Other Manufacturing:

**22, 23, 327** – Construction, Electric and Gas, Stone, Clay, Glass, and Concrete Products;

**311, 312** – Meat and Food Products;

**314, 322, 323, 325, 326** – Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-Durable Products; and

**321, 331, 332** – Primary and Fabricated Metals and Wood Product Manufacturing.

<sup>3</sup>To maintain confidentiality, the following industry groups are combined in Non-manufacturing:

**42** – Durable and Non-Durable Goods;

**48, 49** – Railroads, Trucking, Air Transportation, and Warehousing;

**51** – Publishing, Communications, and Information and Data Processing Services;

**52** – Depository Institutions and Non-Depository Credit Institutions, Security and Commodity Brokers,

Insurance Carriers, Insurance Agents, and Brokers; and

**54, 56, 62, 81** – Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services.

<sup>4</sup>The Tax Credits Outstanding value equals the value of tax credits that have been earned by participants less tax credits used; and is an indication of tax credits which could potentially be used. Historically, however, not all credits earned have been used, see Employment and Investment Growth Act Summary of Qualified Project Activity.

<sup>5</sup>FTE = Full-time equivalent.

<sup>6</sup>The estimated average wage of new jobs is calculated by multiplying positive FTE growth by the average wage to determine the estimated compensation for each project. The sum of estimated compensation for all projects in the industry group is divided by the total positive FTE growth of the industry group.

# Nebraska Advantage Act Personal Property Value Exempted by Type, by County

Reporting Required by Neb. Rev. Stat. § 77-5731(3)(o)

The amounts stated are the value of the personal property exempted, not the tax amount levied. To estimate the tax amount, the average tax rate by county can be found on the Department's website.

Property Type	2008	2009	2010	2011	2012	Total
Agricultural Product Processing Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,880,251	\$ 4,880,251
Douglas	0	0	0	536,973,570	486,295,492	1,023,269,062
Platte	0	0	0	0	7,375,461	7,375,461
Saline	0	0	150,947,969	131,600,416	115,092,821	397,641,206
Washington	\$ 0	\$ 0	\$ 150,947,969	\$ 668,573,986	\$ 613,644,025	\$ 1,433,165,980
<b>Total</b>						
Aircraft						
Douglas	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,833,874	\$ 1,833,874
Computer Systems and Peripherals						
Douglas	\$ 1,415,874	\$ 1,388,009	\$ 1,337,230	\$ 6,081,577	\$ 8,186,290	\$ 18,408,980
Lancaster	0	0	1,208,833	879,649	0	2,088,482
Sarpy	2,509,674	6,130,078	4,534,215	114,925,083	149,841,025	277,940,075
Washington	0	0	0	624,072	1,531,480	2,155,552
<b>Total</b>	<b>\$ 3,925,548</b>	<b>\$ 7,518,087</b>	<b>\$ 7,080,278</b>	<b>\$ 122,510,381</b>	<b>\$ 159,558,795</b>	<b>\$ 300,593,089</b>
Distribution Facility Equipment						
Douglas	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,694	\$ 32,694
Saline	0	0	0	0	241,914	241,914
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 274,608</b>	<b>\$ 274,608</b>
<b>Total</b>	<b>\$ 3,925,548</b>	<b>\$ 7,518,087</b>	<b>\$ 158,028,247</b>	<b>\$ 791,084,367</b>	<b>\$ 775,311,302</b>	<b>\$ 1,735,867,551</b>

# Nebraska Advantage Act Project-specific Tax Incentives Summary

Reporting Required by Neb. Rev. Stat. § 77-5731(6) and § 77-5731(7)

## Tax Credits Used and Refunds Approved in 2011 and 2012

In 2012, the report contains specific company information for 18 companies. The name of the taxpayer, the project location, and the total credits used and refunds received, as one aggregate total, are reported after the project has completed a qualification audit which confirms the minimum required levels of investment and/or employment has occurred and the project had two years of activity. The project's two-year, aggregate of credits used and refunds received are reported in alternating years based on the first year reported. The number reported includes direct sales and use tax refunds on qualified property and the total credits used. The credits used include credits used for the taxpayer's corporation income tax, a distribution of credits to the owners of an applicant that is a flow-through entity, a sales and use tax refund, payroll withholding offset or refund, or a real property tax reimbursement. The personal property tax exemption is not included in the report because there is no refund or use of credits for this benefit.

The distribution of credits is reported in total when the distribution is made, even if the owners have not used all of the credits received, and the recapture payments are not reported.

Project Name	Tax Credits Used and Refunds Approved	Locations
Apogee Retail, LLC	\$ 411,139	Columbus
Aspen Holdings, Inc.	847,880	Omaha
Cargill Incorporated	589,544	Blair
Case New Holland, Inc. & Consolidated Subsidiaries	3,312,966	Grand Island
Cellco Partnership d/b/a Verizon Wireless	5,374,560	Lincoln
Drake-Williams Steel, Inc.	202,636	Omaha
E Energy Adams, LLC	4,132,243	Adams
Green Plains Renewable Energy	1,710,563	Ord
Katana Summit, LLC	1,129,498	Columbus

Project Name	Tax Credits Used and Refunds Approved	Locations
Majors Plastics, Inc.	14,299	Omaha
Nelnet, Inc. & Subsidiaries	1,710,775	Bellevue and Lincoln
Northstar Financial Services Group, LLC	1,202,305	Fremont and Omaha
Novartis Pharmaceuticals Corp. & Affiliates	1,069,366	Lincoln
Omaha Financial Holdings, Inc.	1,281,163	La Vista, Lincoln, and Omaha
Prime Therapeutics, Inc.	717,359	Omaha
Royal Engineered Composites, Inc.	471,096	Minden
Smeal Fire Apparatus Co.	143,778	Neligh and Snyder
WebEquity Solutions, Inc.	359,969	Omaha
<b>Total Tax Credits Used and Refunds Approved</b>	<b>\$ 24,681,139</b>	

## Project-specific Summary (2012)

The projects for which information is reported is the same for this table and the project-specific incentives table above, however the time periods are different. The Tax Credits Used and Refunds Approved column above reports total credits used and refunds approved in the previous two years, while the Project-specific Summary table below reports cumulative information from the beginning of the project through the most recent reporting period. For example, the investment reported in the table below includes the investment in qualified property since the date of application, not merely the qualified property associated with the a direct refund approved in the previous two years and included in the table above.

Number of Companies Reporting	Growth		Average Compensation		Number of People Employed <sup>1</sup> on:	
	Investment	FTEs <sup>2</sup>	Paid in Year of Application	Paid to New FTEs	Last Day of Quarter Prior to Application	Date Most Recently Reported
18	\$769,691,622	2,987	\$35,886	\$38,654	6,889	10,457

<sup>1</sup>The number of people employed relates to the taxpayer's unitary, statewide employment, even if the project is limited to only a portion of the taxpayer's statewide activities. Each employee counts as one regardless of how many hours the individual worked.

<sup>2</sup>FTE = Full-Time Equivalent

# Nebraska Advantage Act Projected Revenue Gains and (Losses) for Tax Years 2013-2023

Reporting Required by Neb. Rev. Stat. § 77-5731(3)(l) and (5)

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The Nebraska Department of Revenue (Department), Research Section, presents in this report on the Nebraska Advantage Act<sup>1</sup> the projected future amount of:

- tax credits earned;
- tax credits used;
- tax credits recaptured;
- tax credits that will expire; and
- direct refunds of sales and use tax (refunds).

The report also measures the potential revenue gains (losses) under the Nebraska Advantage Act, as well as associated investment and economic job growth.

Section I outlines the process of estimating the parameters for tax credits and refunds, which are the building blocks for projecting future tax expenditures. Section I also briefly describes the estimation process for tax credits earned and the usage of the tax credits.

Section II discusses the model used by the Department to estimate the fiscal and employment impacts of the Nebraska Advantage Act and these estimates are presented in the table below.

## **I. Estimation of parameters for the projection of tax credits and refunds.**

The Nebraska Advantage Act is a relatively new tax incentive program and the Department does not have enough historical data from the program to produce reliable parameters to describe the pattern of how companies both earned and used tax credits; so, the Department has utilized data from the Employment and Investment Growth Act (LB 775) and assumed similar patterns of how companies earned and used tax credits over the lifetime of the projects. These parameters estimate the distribution of tax credits earned and used over the entitlement and carryover periods. Withholding is a new benefit in the Nebraska Advantage Act, thus we do not have historical data to analyze the pattern for the compensation credit.

The parameters the Department estimated are the:

- annual rate of attainment;
- annual rate of tax credits earned;
- annual rate of refunds;
- annual rate of tax credit usage on income tax; and
- annual rate of tax credit usage on sales and use tax.

Most of the parameters were estimated using LB 775 data from 1995 to 2005—a period in which the program had progressively matured and the economy was, overall, in a stable condition. The selection of this time period allows the Department to avoid any possible bias caused by extreme values.

As stated above, the Department uses this historical data and currently available data from the Nebraska Advantage Act to forecast the total amount of tax credits earned, used, recaptured and the total amount of

refunds over the next ten years. The regression model used to estimate the total amount of tax credits earned and refunds granted, utilized U.S. macroeconomic forecasts from Global Insight. The yearly estimates of the total amount of tax credits earned and refunds granted are then split out over six periods, using LB 775 parameters.

It is important to note that the entitlement period for projects under LB 775 is a fixed number of years, while the entitlement period for projects under the Nebraska Advantage Act is not, and is dependent upon the tier<sup>2</sup> under which the project qualified. For simplicity, the Department assumes the rates of credits earned and used and refunds granted over the entitlement and carryover periods are similar to those in LB 775. Over the long-run, this assumption will not alter the long-run result.

The Department then estimated an annual amount of total tax credits used based on projected tax credit balances. Due to the lack of actual data from the Nebraska Advantage Act, the Department could not project the usage patterns of tax credits between income tax liabilities, sales tax liabilities, employee withholdings, and reimbursement of real estate taxes. Rather, the Department provided the forecast for the aggregate amount of tax credits used over the next ten years.

The Department then estimated the amount of tax credits that would be recaptured annually from 2013 to 2023 using the total amount of estimated tax credit balances for each year and the estimated annual rate of recaptured credits. The estimation of expired credits was done using the same method as for the recaptured credits.

## **II. Projecting revenue gains (losses) and associated economic job growth.**

Tax incentive programs in Nebraska are designed to attract business investments—both domestically and abroad—with the goal of creating domestic jobs and increasing economic growth in Nebraska. Tax incentive programs impact Nebraska’s tax revenue in two ways. First, tax revenue is positively affected when businesses hire new employees and increase levels of investment, which enhance economic growth. Second, tax revenue is negatively affected when Nebraska directly foregoes part of the tax revenue from the businesses that are in the tax incentive programs. Thus, the overall fiscal impact of tax incentive programs can be positive or negative.

A computable general equilibrium (CGE) model uses actual economic data to estimate how an economy might react to changes in policy, technology, or other external factors. Using a CGE model, the fiscal impact of the program is estimated over the next ten years. These estimates are based on the forecasted value of the amount of total credits earned and total credits used, along with refunds, for the Nebraska Advantage Act. The forecasted values for credits earned and credits used are listed in the table below.

To analyze the fiscal impact of tax incentive programs, the dynamic Tax Revenue Analysis in Nebraska<sup>3</sup> (TRAIN) model—a custom-built Nebraska CGE model—is used. The TRAIN model mathematically expresses the Nebraska economy with over 1,300 equations and a Social Accounting Matrix (SAM) database. It has 28 industrial sectors, two factor sectors, an investment sector, nine household sectors, 33 government sectors, and a rest-of-the-world sector.

The TRAIN model distinguishes between state government sectors to capture the sensitivity of state government revenue and expenditure flows. It also calculates most tax impacts within the model, making additional, outside calculations unnecessary. This reduces the number of restrictions on the model and allows the Department’s economists to deliver more informative results.

The critical assumption when constructing a CGE model is that the economy is in equilibrium at the beginning of the period. Therefore, the model is constructed so that its equilibrium replicates observed data in the base year. The data for TRAIN comes from the latest SAM values and parameters. The impact inputs for the model are the projected tax credits earned and used by companies in the tax incentive program.

The table below shows estimated revenue gains generated by new investment and the net revenue gain (loss). The table provides two estimates of employment due to the Nebraska Advantage Act. The first, labeled “Estimated New Jobs for Qualifying Tax Credits,” is a yearly estimate of the number of full-time equivalent employees (FTE) that will be used to qualify for the Nebraska Advantage Act. This number can be thought of as an accounting number. It is the number of jobs that businesses use to justify the hiring of employees to qualify for the tax credits in the Nebraska Advantage Act. It is important to note that some of these new jobs would be created regardless of the Nebraska Advantage Act tax credits due to growth in the company. Thus, the exact number of jobs that would be created without the existence of the Nebraska Advantage Act, tax credits is unknown.

The second estimate, labeled “Estimated Net Economic Job Increase (Decrease),” is an estimate of the total number of new jobs created as a result of the Nebraska Advantage Act program investment. The estimate of net economic jobs includes both direct and indirect employment in Nebraska. That is, it includes the jobs created as a direct result of the Nebraska Advantage Act as well as the new jobs indirectly created throughout the Nebraska economy to support the new investment and direct employment due to the Nebraska Advantage Act.

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<sup>1</sup>This report does not include the newly passed legislation in 2013, LB 104 for renewable energy projects.

<sup>2</sup>Attainment period is the same as LB 775 for tiers 2, 4, and 5, but there is a shorter attainment period for tiers 1, 3, and 6.

<sup>3</sup>A more detailed description of the TRAIN model is available on the Department’s website.

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## Fiscal Analysis of the Nebraska Advantage Act

Summary	2012 <sup>1</sup>	2013	2014	2015	2016	2017
Revenue Generated by Increase in Economic Activities Due to the Nebraska Advantage Act		\$21,275,694	\$21,652,723	\$22,641,701	\$25,319,531	\$30,340,655
Tax Credits Used	\$31,912,653	\$52,783,650	\$69,829,701	\$82,419,201	\$90,888,226	\$107,098,631
Direct Sales and Use Tax Refunds	\$12,665,723	\$27,146,901	\$34,184,748	\$41,072,676	\$48,001,826	\$54,076,675
Revenue Gain (Loss)		(58,654,858)	(82,361,726)	(100,850,177)	(113,570,522)	(130,834,651)
Tax Credits Earned	\$241,469,710	\$88,585,694	\$112,722,723	\$141,541,701	\$156,469,531	\$178,910,655
Tax Credits Recapture Repaid	0	0	0	249,227	275,512	315,026
Tax Credits Expired	0	0	0	0	0	0
Tax Credits Balance	\$209,557,057	\$245,359,101	\$288,252,123	\$347,125,395	\$412,431,188	\$483,928,185
Estimated Employment						
Estimated New Jobs for Qualifying Tax Credits	3,024	3,313	4,216	5,294	5,852	6,691
Estimated Net Economic Job Increase (Decrease)	0	1,908	2,543	2,413	2,599	2,984
Estimated Qualifying Investment		\$1,377,947,193	\$1,945,332,882	\$2,139,904,467	\$2,217,234,997	\$2,279,948,051
Summary	2018	2019	2020	2021	2022	2023
Revenue Generated by Increase in Economic Activities Due to the Nebraska Advantage Act	\$32,095,418	\$35,366,819	\$36,399,291	\$39,166,734	\$42,496,931	\$44,629,134
Tax Credits Used	\$113,589,202	\$124,476,156	\$138,218,512	\$151,892,479	\$166,124,692	\$178,972,529
Direct Sales and Use Tax Refunds	\$59,706,230	\$64,301,126	\$68,611,105	\$72,567,265	\$76,177,440	\$84,611,267
Revenue Gain (Loss)	(141,200,014)	(153,410,464)	(170,430,326)	(185,293,010)	(199,805,201)	(218,954,662)
Tax Credits Earned	\$183,945,418	\$204,526,819	\$222,939,291	\$237,326,734	\$248,636,931	\$259,019,134
Tax Credits Recapture Repaid	323,891	360,131	392,552	417,885	437,800	456,081
Tax Credits Expired	458,922	1,072,462	11,812,674	7,097,155	28,879,569	10,594,772
Tax Credits Balance	\$553,501,587	\$632,119,656	\$704,635,209	\$782,554,424	\$835,749,294	\$904,745,046
Estimated Employment						
Estimated New Jobs for Qualifying Tax Credits	6,880	7,649	8,338	8,876	9,299	9,688
Estimated Net Economic Job Increase (Decrease)	3,289	3,598	3,769	4,127	4,454	4,747
Estimated Qualifying Investment	\$2,341,562,450	\$2,362,259,288	\$2,401,969,564	\$2,507,987,710	\$2,666,289,193	\$2,846,951,737

<sup>1</sup>Figures for 2012 are actual amounts.

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# Nebraska Advantage Rural Development Act



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**Reporting Requirements**

**Summary Description**

**Summary of Qualified Activity**

**Project-specific Benefits Approved**

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# Nebraska Advantage Rural Development Act Reporting Requirements

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

(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 July 15 of each year for all credits allowed during the previous calendar year. The Department of Revenue shall, on or before September 1 of each year, appear at a joint hearing of the Appropriations Committee of the Legislature and the Revenue Committee of the Legislature and present the report. Any supplemental information requested by three or more committee members shall be presented within thirty days after the request.

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 Summary Description

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## General Information

The Nebraska Advantage Rural Development Act requires a taxpayer involved in a qualifying business to file an application with the Department. See the Department’s website for a list of qualified business activities. There are three different application levels under Nebraska Advantage Rural Development: Level 1, Level 2, and Livestock Modernization.

## Application Information

An 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 calendar year. The requested benefits are applied to the limit in the order in which the complete applications were filed.

- Application for Nebraska Advantage Rural Development Level 1
- Application for Nebraska Advantage Rural Development Level 2
- Application for Nebraska Advantage Livestock Modernization

For applications filed on or after October 1, 2009, taxpayers must utilize E-verify to confirm that all new employees are legally able to work in the United States, as required by Neb. Rev. Stat. § 77-27,188.03.

## Rural Development Act Available Funds and Requested Benefits

Year Ending	Number of Applicants	Total Requested Benefits	Statutory Limit on Benefits
12/31/2012	6	\$1,000,000	\$ 1,000,000
12/31/2011	7	2,412,750	4,000,000
12/31/2010	11	829,750	4,000,000
6/30/2010	10	1,271,854	4,000,000
6/30/2009	34	3,000,000	3,000,000
6/30/2008	34	3,000,000	3,000,000
6/30/2007	15	1,555,250	3,000,000
6/30/2006	15	2,086,000	2,500,000
6/30/2005	12	713,000	2,500,000

## Requirements by Application Level

**Level 1.** Project applications under Level 1 require a plan of expansion that includes a minimum of two new full-time equivalent (FTE) 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, a village, or an eligible census tract. Level 1 applications were first accepted for tax years beginning on or after January 1, 2006. For more information on the required wage rate and whether a location is eligible under Level 1, see the Department's website.

**Level 2.** Project applications under Level 2 require a plan of expansion that includes a minimum of five new FTE 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 a city of second class. Level 2 applications were first accepted for tax years beginning on or after January 1, 2004. For more information on the required wage rate and whether a location is eligible under Level 2, see the Department's website.

**Livestock Modernization.** 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, new investment of at least \$50,000. The expansion may occur in any county in Nebraska. There is no employment increase required. Livestock Modernization project applications were first accepted as of January 1, 2007.

## Benefits by Application Level

**Level 1 and Level 2.** If the Level 1 or Level 2 taxpayer reaches and maintains the required levels of investment and employment, it is eligible for a \$3,000 credit for each new FTE 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; against the income tax liability of the taxpayer; or as a refundable credit claimed on the income tax return of the taxpayer.

**Livestock Modernization.** If the Livestock Modernization taxpayer reaches and maintains the required level of investment, it is 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.

# Nebraska Advantage Rural Development Act Summary of Qualified Activity

Reporting Required by Neb. Rev. Stat. § 77-27,195

## Rural Development Business Activity Approved in 2012

Project Number	FTEs	Investment
1	5	\$159,500
2	0	655,358
3	0	447,621
4	0	340,248
5	0	263,145
6	0	198,651
<b>Totals</b>	<b>5</b>	<b>\$2,064,523</b>

FTE=Full Time Equivalent

## Rural Development Qualifying Activity through 2012

Year	FTEs	Investment	Tax Credits Earned	Tax Credits Used
2012	5	\$2,064,523	\$185,025	\$223,800
2011	20	3,537,625	271,116	818,043
2010	32	39,801,633	1,855,335	1,072,976
2009	90	28,288,702	1,680,536	1,859,036
2008 & Before	132	16,754,580	1,201,047	996,547
<b>Total</b>	<b>279</b>	<b>\$90,447,063</b>	<b>\$5,193,059</b>	<b>\$4,970,402</b>

FTE = Full Time Equivalent



# Nebraska Advantage Rural Development Act Project-specific Benefits Approved

Reporting Required by Neb. Rev. Stat. § 77-27,195

## Level 1 and Level 2 Project-specific Total Tax Incentives Used in 2011-2012

Project Name	Tax Credits Used and Refunds Approved	Location
Covenant Doors & Millwork, Inc.	\$ 118,500	Central City
Long Lines	510,000	South Sioux City
Metalquest Unlimited, Inc.	72,000	Hebron
NPP, LLC	76,276	Edison
<b>Total</b>	<b>\$ 776,776</b>	

## Livestock Modernization Project-specific Total Tax Incentives Used in 2012

Project Name	Tax Credits Used and Refunds Approved	Location
Exidon, Inc.	\$ 30,000	Ohiowa
Herz, Zachary	30,000	Lawrence
Hillcrest Pig, Inc.	22,229	Lindsay
Knuppel, Jeffrey	19,865	West Point
Leif, Guy	26,315	Stromsburg
Noble Land & Cattle, Inc.	30,000	Albion
<b>Total</b>	<b>\$ 158,409</b>	

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# Nebraska Advantage Microenterprise Tax Credit Act



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**Reporting Requirements**

**Summary Description**

**Analysis**

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# Nebraska Advantage Microenterprise Tax Credit Act Reporting Requirements

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**Neb. Rev. Stat. § 77-5907 provides:**

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. The Department of Revenue shall, on or before September 1 of each year, appear at a joint hearing of the Appropriations Committee of the Legislature and the Revenue Committee of the Legislature and present the report. Any supplemental information requested by three or more committee members shall be presented within thirty days after the request. No information shall be provided in the report that is protected by state or federal confidentiality laws.

# Nebraska Advantage Microenterprise Tax Credit Act Summary Description

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## General Information

The Nebraska Advantage Microenterprise Tax Credit Act allows an individual actively involved in the day-to-day activities of a microbusiness, which is located in a distressed area, to apply for tax credits.

## Application Process and Benefits Received

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

Application for Nebraska Advantage Microenterprise Tax Credit Act

Applications requesting up to \$2 million may be authorized for each calendar year.

The individual earns a refundable income tax credit equal to 20% of the microbusiness' 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 individuals claim the tax credit when filing their Nebraska income tax return.

## Employment Criteria

The microbusiness must have five or fewer full-time equivalent (FTE) employees at the time of application to participate in the Nebraska Advantage Microenterprise Tax Credit Act. For applications filed on or after October 1, 2009, taxpayers must utilize E-verify to confirm that all new employees are legally able to work in the United States, as required by Neb. Rev. Stat. § 77-5908.

## Location Criteria

The microbusiness must be located at a site which meets the statutory requirements related to population decline or per capita income level. For more specific information on whether a location is eligible for a new application, see the Department's website.

# Nebraska Advantage Microenterprise Tax Credit Act Analysis

Reporting Required by Neb. Rev. Stat. § 77-5907

## Analysis Based on Application Estimates

Application Year	Projected Investment	Projected Compensation	Tax Credits Authorized
2012	\$9,109,578	\$14,582,501	\$2,000,000
2011 <sup>1</sup>	13,027,218	12,202,287	1,999,995
2010	14,440,291	10,780,605	2,000,000
2009	12,445,038	12,383,582	2,000,000
2008	26,494,484	7,882,647	2,000,000
2007	14,352,643	3,403,376	2,000,000
2006	16,104,723	14,075,040	2,000,000
<b>Total</b>	<b>\$105,973,975</b>	<b>\$75,310,038</b>	<b>\$13,999,995</b>

<sup>1</sup>Correction to previous annual report due to settlement of protests.

## Business Activity Processed through 2012

The refundable credit earned by an applicant who is actively involved in a microbusiness is claimed on the individual's Nebraska income tax return. Since individual income tax returns are filed after the calendar year is completed, there are no credits approved in 2012 for applications filed in 2012.

Application Year	Actual Investment	Actual Compensation	Tax Credits Used	Tax Credits Expired
2011	\$7,650,337	\$8,190,057	\$1,080,410	\$0
2010	8,667,291	10,936,403	1,474,887	18,170
2009	8,518,430	9,803,399	1,087,160	15,786
2008	31,605,604	7,201,292	1,635,372	11,416
2007	17,529,894	3,846,107	1,724,078	0
2006	16,325,229	15,065,667	1,849,386	127,579
<b>Total</b>	<b>\$90,296,785</b>	<b>\$55,042,925</b>	<b>\$8,851,293</b>	<b>\$172,951</b>

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# Nebraska Advantage Research and Development Act



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**Reporting Requirements**

**Summary Description**

**Summary of Benefits Approved**

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## **Nebraska Advantage Research and Development Act Reporting Requirements**

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**Neb Rev. Stat. § 77-5807 provides:**

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.

The Department of Revenue shall, on or before September 1 of each year, appear at a joint hearing of the Appropriations Committee of the Legislature and the Revenue Committee of the Legislature and present the report. Any supplemental information requested by three or more committee members shall be presented within thirty days after the request.

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

# Nebraska Advantage Research and Development Act Summary Description

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## General Information

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.

No business firm may claim the credit for the first time in a tax year beginning after December 31, 2015.

## Description of Benefits

When the research and development credit started in 2006, the credit was available to a business firm for four years after the first year it was claimed. For tax years beginning on or after January 1, 2012, a business firm can claim the research and development credit for 20 tax years immediately following the first tax year since 2006 that the research and development credit was claimed. For certain business firms, there may be one or more tax years between the end of the first five years and the tax year beginning on or after January 1, 2012 for which the business firm will not be able to earn research and development credit.

**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 3% 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 Years 2007 and 2008.** 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.

**Tax Years 2009 and Later.** A business firm which incurs research and development expenditures, as defined in § 174 of the IRC, may claim the enhanced research credit of 35 percent for research activity on the campus of a college or university in Nebraska, and a credit equal to 15 percent of the federal tax credit allowed for activities that are not on-campus.

For credits claimed in a tax year beginning on or after January 1, 2009, taxpayers must utilize E-verify to confirm that all new employees are legally able to work in the United States, as required by Neb. Rev. Stat. § 77-5808.

# Nebraska Advantage Research and Development Act Summary of Benefits Approved

Reporting Required by Neb. Rev. Stat. § 77-5807

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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

Year	Income Tax Credits	Sales and Use Tax Refunds
2012	\$2,710,883	\$0
2011	2,363,525 <sup>1</sup>	0
2010	4,075,519	0
2009	2,235,956 <sup>1</sup>	0
2008	2,106,028 <sup>1</sup>	0
2007	64,166	0
2006	0	0
<b>Total</b>	<b>\$13,556,077</b>	<b>\$0</b>

<sup>1</sup>Correction to previous annual report due to audits.

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# Employment and Investment Growth Act (LB 775)



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## Reporting Requirements

### Summary Description

### Active Signed Agreements

### Summary of Qualified Project Activity

### Industry Group Detail:

**Principal Business Activity Codes and Application Option of Projects with Active Signed Agreements**

**Qualified Projects by Industry (Cumulative through 2012)**

**Analysis of Tax Credits (2012 and Cumulative through 2012)**

**Analysis of Sales and Use Tax Refunds (2012 and Cumulative through 2012)**

**Analysis of Sales and Use Tax Refunds - Approved Refunds Net of Recapture, by Year and Cumulatively**

**Investment in Qualified Property, by Year and Cumulatively**

**Number of FTE Jobs Created**

**Total Number Employed by Qualified Taxpayers**

**Average Wage of New Employees (2012 and Cumulative through 2012)**

**Estimate of Personal Property Value Exempted Under the Employment and Investment Growth Act**

**Projected Revenue Gains and (Losses) for Tax Years 2013-2023**

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# Employment and Investment Growth Act

## Reporting Requirements

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### **Neb. Rev. Stat. § 77-4110 provides:**

(1) The Tax Commissioner shall submit electronically an annual report to the Legislature no later than July 15 of each year. The Department of Revenue shall, on or before September 1 of each year, appear at a joint hearing of the Appropriations Committee of the Legislature and the Revenue Committee of the Legislature and present the report. Any supplemental information requested by three or more committee members shall be presented within thirty days after the request.

(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.

# Employment and Investment Growth Act Summary Description

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## General Information

The Employment and Investment Growth Act (LB 775) allows a taxpayer involved in a qualified business to earn and use benefits for investment and employment growth. See the Department's website for a list of qualified and non-qualified business activities. There are three options that have varying requirements for investment and employment and for benefits.

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## Application Information

No new Employment and Investment Growth Act applications could be filed after December 31, 2005.

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## Application Options

Each of the options requires a stated increase in the investment and employment levels by the end of the attainment period.

The increase in investment is equal to the value of qualified property placed in service at the project after the date of application. Qualified property means any tangible property of a type subject to depreciation, amortization, or other recovery under the Internal Revenue Code of 1986, as amended, or the components of such property. Qualified property does not include aircraft, barges, motor vehicles, railroad rolling stock, or watercraft or property rented to another person.

The increase in employment is equal to the number of new full-time equivalent (FTE) employees at the project. The number of new, FTE employees is calculated using the number of hours paid in the year. One FTE employee is equal to 40 hours per week for the entire year. A taxpayer in a qualified business may file an application electing one of the following options:

- **\$20 Million in Investment**
- **\$3 Million in Investment and 30 FTE Employees.**
- **\$10 Million in Investment and 100 FTE Employees.** A taxpayer applying under this option has a two-part agreement. When the project attains the minimum required levels of \$3 million investment in qualified property and 30 FTEs, the project is eligible for all benefits of a \$3 million and 30 FTE project. When the project attains the \$10 million and 100 FTEs, the taxpayer is also eligible for certain property tax exemptions.

## Description of Time Periods

### Year

Year means the federal taxable year of the taxpayer.

### Base Year

The base year is the year immediately preceding the year during which the application was filed.

### Attainment Period

The attainment period is the number of years, including the year of application, in which the taxpayer must meet the minimum levels of investment and employment required for benefits. All options must meet the minimum required levels within seven years.

### Entitlement Period

The entitlement period is the time period within which the taxpayer generally can both earn and use incentives. This period includes the year the taxpayer meets the minimum chosen levels of investment and employment, and the next six years.

### Carryover Period

During the carryover period, no additional credits are earned, but unused credits earned before the end of the entitlement period may be used. The carryover period begins the year after the end of the entitlement period and ends at the end of the eighth year after the entitlement period.

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## Description of Benefits

### Benefits by Application Level

	\$20M	\$3M & 30 FTE	\$10M & 100 FTE
<b>Benefit</b>			
Sales Factor Election	✓	✓	✓
Direct Refund	✓	✓	✓
Investment Credit		✓	✓
Compensation Credit		✓	✓
Personal Property Tax Exemption			✓
<b>Use of Credits</b>			
Sales and Use Tax Refund		✓	✓
Income Tax Refund		✓	✓
Distribution of Credits		✓	✓

## **Direct Refund**

A direct refund is the refund of Nebraska and local sales and use taxes paid on the purchase of qualified property for use at the project, or on the purchase or lease of aircraft for use in connection with the project, which is placed in service during the attainment and entitlement periods. The aircraft may not be used to transport an elected official, or for fundraising for an elected official.

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 aircraft, barges, motor vehicles, railroad rolling stock, watercraft, or property that is rented to another person.

## **Investment Credit**

Investment credit is a credit equal to ten percent of the investment made in qualified property at the project during the attainment or entitlement periods. The credit on qualified property placed in service, from date of application through the end of the tax year in which the minimum required levels are met, is earned in the qualification year. A credit is also earned on qualified property placed in service in other years of the entitlement period.

Investment credits may be used for a sales and use tax refund or an income tax refund.

## **Compensation Credit**

For each year of the entitlement period, the compensation credit is equal to five percent times the increase in compensation at the project. The increase in compensation is equal to the taxable compensation of resident employees and base-year employees at the project in the current year minus the average compensation at the project in the year times the number of base-year employees.

The compensation credit may be used for a sales and use tax refund or an income tax refund.

## **Personal Property Tax Exemption**

A taxpayer may claim a personal property tax exemption on three types of property acquired after the date of application:

1. Turbine powered aircraft;
2. Computer systems and specific peripherals that require environmental controls of temperature and power; and
3. Business equipment involved directly in the processing of agricultural products.

Turbine powered aircraft may be exempted from the first January 1 following the date of acquisition of the property through the sixteenth December 31 after the filing of the application. The aircraft may not be used to transport an elected official, or for fundraising for an elected official.

The computer systems and peripherals and agricultural processing equipment may be exempted from the first January 1 following the end of the year during which the required levels were exceeded through the sixteenth December 31 after the filing of the application.

## **Sales and Use Tax Refund**

This is a refund of Nebraska and local sales and use taxes paid on otherwise non-refundable purchases used at the project. The credits must be earned in a prior tax year and can be used during the entitlement and carryover periods.

## **Income Tax Refund**

Credits may be used to reduce the income tax liability of the taxpayer's entire unitary group. The credits may be used in the year earned and are available during the entitlement and carryover periods.

Credits earned by a partnership, limited liability company, a subchapter S corporation, or an estate or trust may be distributed in the same ratio as income. The recipient of the distributed credit may use the credit to reduce their income tax liability from the year of distribution through the end of the carryover period.

## Employment and Investment Growth Act Agreements Still in Effect

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
3M Company	Valley	\$3.0	30	1997
Abengoa Bioenergy US Holding, Inc.	York County	\$55.1	105	1997
Abengoa Bioenergy US Holding, Inc.	Ravenna	\$10.0	100	2006
Adesta, LLC	Omaha	\$3.0	50	2007
ADT Security Services, Inc.	Omaha and Papillion	\$12.2	400	2003
Advanced Building & Components, Inc.	Mead	\$3.2	32	2004
Affiliated Foods Midwest Cooperative, Inc.	Norfolk	\$8.4	100	1997
Affiliated Foods Midwest Cooperative, Inc.	Norfolk	\$10.5	100	2006
Ag Processing, Inc.	Central Nebraska	\$40.0	100	1995
Airlite Plastics Company	Greater Omaha Metropolitan Area	\$10.0	30	1997
Airlite Plastics Company	Omaha	\$69.6	30	2006
Allo Communications, LLC	Imperial and western Nebraska communities	\$16.3	105	2006
American Laboratories, Inc.	Omaha	\$3.0	30	1995
American Title, Inc.	Omaha and Bellevue	\$11.8	280	2005
Ameriprise Financial, Inc.	Omaha and La Vista	\$7.0	100	1999
Applied Underwriters, Inc.	Omaha	\$3.3	50	2003
Archer Daniels Midland Company	Columbus	\$80.0	125	1991
Archer Daniels Midland Company	Lincoln and Fremont	\$24.9	0	2006
Assurity Life Insurance Company	Lincoln	\$4.5	30	1997
Auburn Consolidated Industries, Inc.	Auburn	\$3.0	35	1994
Auburn Consolidated Industries, Inc.	Auburn	\$10.5	162	2006

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Ballantyne of Omaha, Inc. & Subs.	Omaha	\$3.0	30	1998
Bank of the West	Omaha	\$20.0	0	2007
Becton Dickinson & Company	Columbus, Holdrege, and Broken Bow	\$145.0	287	2001
Beef Products, Inc.	South Sioux City and Dakota City	\$22.5	100	1994
Beef Products, Inc.	South Sioux City and Dakota City	\$72.1	175	2006
Behlen Mfg. Co.	Columbus	\$12.7	100	2006
Blue Cross & Blue Shield of Nebraska	Omaha and Lincoln	\$10.0	100	1995
Blue Cross & Blue Shield of Nebraska & Subs.	Omaha, Lincoln, and Grand Island	\$13.4	100	2006
BMS Management, Inc.	Lincoln	\$10.0	100	2006
Burlington Northern Santa Fe Corporation	Statewide	\$3.0	30	1996
C & A Industries, Inc.	Omaha	\$4.6	35	2003
C S Precision Manufacturing, Inc.	Scottsbluff	\$7.0	33	2000
C.J. Foods, Inc.	Pawnee City	\$3.0	30	1996
Cabela's, Inc.	Sidney, Kearney, Lincoln, North Platte, Grand Island, Central City, Bellevue, La Vista, and Papillion	\$18.8	1,100	2004
Cargill Meat Solutions Corp.	Schuyler	\$16.5	100	2000
Carneco Foods, LLC	Columbus	\$16.0	100	1995
Cintas Corporation No. 2	Omaha	\$5.6	120	2002
Claas North America Holdings, Inc.	Omaha	\$60.0	502	1998
Clarcor, Inc.	Kearney and Gothenburg	\$10.0	100	1998
Clarcor, Inc.	Kearney	\$20.1	100	2007
ConAgra Foods, Inc.	Omaha	\$10.0	100	2004
ConAgra Foods, Inc.	Hastings	\$45.0	30	2007
Consolidated Business Systems, Inc.	Omaha	\$3.5	40	1996
Consolidated Supply Co, Inc.	Omaha	\$10.0	100	2007
Cornhusker Energy Lexington, LLC	Lexington and Omaha	\$47.0	100	2007

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Coxcom, Inc.	Omaha	\$3.0	30	1997
Coxcom, Inc.	Omaha	\$309.8	100	2006
Crete Carrier Corporation	Lincoln	\$10.0	100	2007
CRWS, Inc. & Subs.	Omaha	\$3.0	30	1998
CSG Systems International, Inc.	Omaha	\$57.0	155	2007
Degussa Corporation	Blair	\$75.0	30	2004
Design Plastics, Inc.	Omaha	\$3.2	30	1992
Distefano Tool & Manufacturing Co.	Omaha	\$3.2	35	1997
Drake-Williams Steel, Inc.	Omaha	\$3.7	30	1991
Duncan Aviation, Inc.	Lincoln	\$3.0	30	1997
Duncan Aviation, Inc.	Lincoln	\$20.2	100	2007
E Energy Auburn, LLC	Auburn	\$80.8	35	2006
E Energy Broken Bow, LLC	Broken Bow	\$78.3	35	2006
Eagle Capital Group, Inc.	Hastings	\$3.6	30	2002
Eaton MDH Company, Inc.	Hastings	\$17.5	68	1999
EFJ, Inc.	Lincoln	\$10.0	100	1993
Election Systems & Software, Inc.	Omaha	\$6.7	41	2007
Elster American Meter Company	Nebraska City and Plattsmouth	\$16.5	50	2002
Empire Fire & Marine Insurance Company	Omaha	\$10.0	100	1998
Examination Management Services, Inc.	Omaha	\$11.8	30	2007
Exmark Manufacturing Company, Inc.	Beatrice and Lincoln	\$3.0	30	2006
Farmers & Merchants Investment, Inc.	Statewide	\$4.9	72	1996
Farmers & Merchants Investment, Inc.	Statewide	\$12.0	100	2003
Farmland Foods Inc.	Crete	\$10.0	100	2005
Farmland Foods, Inc.	Crete	\$11.7	100	2002
Financial Brokerage Holdings, Inc.	Omaha	\$3.0	30	1999
First Data Corporation	Omaha and Lincoln	\$10.0	100	1994



Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
First Data Corporation	Omaha and Lincoln	\$20.0	0	2006
First Gothenburg Bancshares, Inc.	Gothenburg, Omaha, and Ralston	\$10.0	100	2007
First National of Nebraska, Inc.	Omaha, David City, Columbus, Norfolk, Alliance, Chadron, Gering, Scottsbluff, North Platte, Fremont, Kearney, Lincoln, Broken Bow, Grand Island, Gretna, Papillion, Beatrice, Bellevue, Bloomfield, Hemingford, Lexington, and Wayne	\$258.6	100	2002
First York Ban Corp.	Albion, Aurora, Bartlett, Benedict, Bradshaw, Central City, Clay Center, Columbus, Geneva, Grand Island, Hampton, Harvard, Henderson, McCool Junction, Monroe, Polk, Rising City, St. Edward, Stromsburg, Sutton, Waco, and York	\$3.0	30	2000
Firstar Fiber, Inc.	Fremont and Omaha	\$43.5	180	2004
Focus Legal Solutions, LLC	Omaha	\$3.0	30	2007
Fremont Beef Company	Fremont	\$3.0	30	2006
Frito Lay, Inc.	Central Nebraska	\$25.0	30	1997
Gallup Organization	Omaha, Lincoln, and Bellevue	\$66.2	150	2006
Gallup, Inc.	Lincoln and Omaha	\$9.0	155	1996
Gibraltar Packaging Group, Inc.	Hastings	\$10.0	100	2006
Global Industries, Inc.	Grand Island	\$10.0	100	2006
Gordman's, Inc.	Omaha	\$10.0	100	2001
Grand Island Accessories, Inc.	Grand Island	\$3.5	37	2000
Great Dane Limited Partnership	Wayne	\$3.0	184	2000
Greater Omaha Packing Company	Omaha	\$10.0	100	1996
Green Plains Renewable Energy, Inc.	Central City	\$10.0	100	2005
HDM Corporation	Omaha	\$3.4	269	2001
HDR, Inc.	Omaha	\$15.3	110	1998
Henningsen Foods, Inc.	David City, Norfolk, Ravenna, and Omaha	\$4.5	30	1993
HMN, Inc.	Fremont	\$8.6	30	2006

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Hughes Brothers, Inc.	Seward	\$5.3	30	2000
Husqvarna U.S. Holding, Inc.	Beatrice	\$10.0	100	2004
IMSCORP	Lincoln	\$3.0	30	1990
Info USA, Inc.	Omaha, Papillion, and Ralston	\$10.0	190	1995
Infocrossing	Omaha	\$65.0	0	2006
Information Technology, Inc.	Lincoln	\$3.5	30	2003
Innovative Grain Technologies	Lincoln	\$15.0	120	2001
Irwin Industrial Tool Company	Beatrice, DeWitt, and Lincoln	\$10.0	100	1995
Jack Henry & Associates, Inc.	Omaha	\$10.0	100	2001
Jacobson Land and Cattle Company	Lincoln	\$10.0	100	2003
James Skinner Company	Omaha	\$10.6	110	2001
JBS USA, Inc. & Subsidiaries	Grand Island	\$21.0	100	2002
KAAPA Ethanol, LLC	Kearney County and Elm Creek	\$95.0	100	2005
Kawasaki Motors Mfg. Corp.	Lincoln	\$50.0	80	2001
Kellogg Company	Omaha	\$84.0	0	1997
Kellogg Company	Omaha	\$20.0	0	2006
Kerry, Inc.	Fremont	\$10.0	100	2007
Knowledge Management Systems, LLC	Lincoln	\$3.0	30	2007
Kroy Building Products, Inc.	York	\$3.0	30	1998
L. B. Foster Company	Grand Island	\$3.5	30	2000
Label Acquisition Group	Omaha	\$4.3	38	2004
Level 3 Communications, Inc.	Statewide	\$10.0	100	1996
LI-COR, Inc.	Lincoln	\$3.0	30	1998
Lincoln Industries	Lincoln	\$12.4	112	2001
Lincoln Poultry & Egg Co.	Lincoln	\$10.0	101	2005
Lincoln Snacks, Inc.	Lincoln	\$8.7	50	2006
Linweld, Inc.	Lincoln, Hastings, Holdrege, Columbus, Omaha, Kearney, Waverly, Norfolk, Grand Island, and Scottsbluff	\$3.0	30	1991

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Lockheed Martin Corporation	Bellevue	\$11.4	100	2005
M.G. Waldbaum Company	Wakefield, Bloomfield, and Wayne	\$18.9	109	2002
Mallory USA, Inc.	South Sioux City	\$3.0	30	1991
Marianna Industries, Inc.	Omaha	\$5.6	30	2004
McCain Foods USA, Inc.	Grand Island	\$20.0	100	2004
MDS (US), Inc.	Lincoln and Omaha	\$22.8	100	2007
Merck Sharp & Dohme Corp.	Elkhorn and Omaha	\$15.0	117	2001
Merck Sharp & Dohme Corp.	Elkhorn and Omaha	\$34.3	100	2007
Metal-Tech Partners	Bruning and Geneva	\$3.3	83	2001
Mid America Agri Products/Horizon, LLC	Cambridge	\$61.0	40	2007
Mid America Agri Products/Wheatland, LLC	Madrid	\$61.0	40	2007
Mid-America Computer Corporation	Blair	\$11.5	131	2006
MidAmerican Energy Holdings Co.	Omaha, Beatrice, Palmyra, South Sioux City, and Bellevue	\$10.0	200	2005
Midwest Renewable Energy, LLC	Sutherland	\$23.5	40	2006
Midwest Web, Inc.	Lincoln	\$4.7	30	1997
Millard Refrigerated Services	Douglas and Sarpy Counties	\$14.7	210	1990
MP Global Products, LLC	Norfolk	\$3.3	32	2000
MSI Systems Integrators, Inc.	Omaha	\$3.0	30	1999
National Research Corporation	Lincoln	\$3.0	30	2008
Natura Manufacturing, Inc.	Fremont	\$23.4	100	2002
NBC Acquisition Corp.	Lincoln	\$10.0	100	2003
NE Colorado Wireless Tech, Inc.	Statewide	\$20.0	0	2005
Neapco, LLC	Beatrice	\$5.9	30	2001
Nebraska Beef Ltd.	Omaha	\$10.0	100	1994
Nebraska Energy, LLC	Aurora	\$35.0	30	1995

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Nebraska Furniture Mart, Inc.	Omaha	\$25.0	100	2003
Nebraska Orthopaedic Hospital, LLC	Omaha	\$34.9	30	2007
Nebraska Transport Co., Inc.	Scottsbluff, Alliance, Sidney, North Platte, Norfolk, Grand Island, Lincoln, and Omaha	\$10.5	30	2006
Nedelco, Inc.	Aurora, North Platte, Grand Island, Kearney, and Columbus	\$8.5	393	2006
Nelnet, Inc.	Lincoln	\$3.5	35	2003
Nestle Holdings, Inc.	Crete	\$15.2	100	2007
Nonpareil - RDO, L.L.C.	O'Neill, Bassett, and Atkinson	\$15.8	100	1999
Norfolk Iron & Metal Company	Norfolk	\$11.0	30	2004
Novartis Consumer Health, Inc.	Lincoln	\$10.0	100	1997
Nucor Corporation	Norfolk	\$3.0	30	2007
Omaha Printing Company	Omaha	\$11.5	100	2006
Omaha Steaks International, Inc.	Omaha, Snyder, and Bellevue	\$12.8	105	2006
Omaha World Herald Company	Omaha	\$9.0	30	1999
Omni Hotels Management Corporation	Omaha	\$3.4	30	2004
ORI Great West Holdings	South Sioux City and Grand Island	\$10.7	187	2006
OTC Holdings Corporation	Omaha, La Vista, Bellevue, Fremont, and Lincoln	\$10.5	105	2003
Overhead Door Corporation	Grand Island	\$4.2	136	2003
Pacific Life Insurance Co.	Omaha	\$10.0	100	2005
Parker Hannifin Corporation	Alliance and McCook	\$13.6	71	1996
Parker Hannifin Corporation	Alliance and McCook	\$13.8	100	2006
PayPal, Inc.	Omaha, La Vista, and Bellevue	\$16.0	800	2003
Pennington Seed, Inc. of Nebraska	Sidney	\$10.0	100	1996
Peter Kiewit Sons, Inc.	Omaha	\$10.0	100	2006

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Pfizer, Inc.	Lincoln and Omaha	\$85.0	0	2007
Pinnacle Bancorp, Inc.	Beatrice, Neligh, Schuyler, Wisner, Arnold, Lexington, Omaha, Elwood, Aurora, O'Neill, Ogallala, Verdigre, Lincoln, Madison, Central City, Palmer, Grant, Columbus, Crete, Osceola, Shelby, Gretna, Papillion, Elkhorn, Imperial, Fremont, Hampton, La Vista, Page, and Waverly	\$10.0	100	2005
Pinnacle Data Services, LLC	Gretna	\$3.0	30	2001
Plastic Companies Enterprises, Inc.	Lincoln	\$4.2	32	2007
Platte Valley Financial Services Companies, Inc.	Scottsbluff, Bridgeport, Gering, Minitare, and Morrill	\$3.7	50	1998
Precision Castparts Corp.	Norfolk	\$3.9	35	1998
Precision Industries, Inc.	Omaha and Lincoln	\$10.1	100	2007
Premier Industries, Inc.	Mead	\$3.0	30	1997
Printco Graphics, Inc.	Omaha	\$3.0	67	2004
Professional Veterinary Products, LTD	Omaha	\$10.0	100	2002
PWG Enterprises, Inc.	Omaha	\$10.0	100	1996
Quality Pork International, Inc.	Omaha	\$10.0	100	1997
Quebecor World Lincoln, Inc.	Lincoln and surrounding areas	\$10.0	100	2004
Reliance Electric Industrial Company	Columbus	\$3.0	30	1997
Restful Knights, Inc.	Wayne	\$10.0	100	2003
Rotella's Italian Bakery, Inc.	La Vista	\$3.0	30	1999
Securities America Financial Corporation	Omaha and La Vista	\$14.0	30	2007
Security National Bank	Omaha	\$5.0	30	2003
Siouxland Ethanol, LLC	Jackson	\$62.3	35	2006
Southwark Metal Manufacturing Co.	Fremont	\$4.0	30	2006
Specialty Retail Holding Corp. & Subsidiaries	Omaha	\$37.5	158	2005

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Sprint Spectrum L.P.	Statewide	\$35.0	150	1997
Standard Iron, Inc.	Grand Island	\$10.6	100	2007
Stanley Security Solutions Inc.	Lincoln	\$3.0	30	1996
State Steel of Omaha	Omaha	\$3.8	30	2004
Streck Laboratories, Inc.	Omaha	\$10.0	100	1997
Sysco Corporation & Subsidiaries	Omaha, Lincoln, and Grand Island	\$12.0	203	1998
Talent Plus, Inc.	Lincoln	\$10.0	100	2001
Technical Management, Inc.	Lincoln and Omaha	\$12.8	900	2004
Tecumseh Poultry, LLC	Tecumseh	\$15.0	922	2001
Tecumseh Poultry, LLC	Tecumseh and Waverly	\$10.0	100	2006
Tekton, Inc. & Subsidiaries	Pender, Wayne, and Omaha	\$3.0	30	1992
Teledyne Technologies, Incorporated	Lincoln	\$10.0	110	1998
Tenaska, Inc.	Omaha	\$5.0	30	2005
Tenneco Automotive, Inc.	Cozad	\$12.9	155	2003
The Auto Club Group & Subsidiaries	Omaha	\$12.1	250	2007
The Buckle, Inc.	Kearney	\$10.1	100	2004
The Interpublic Group of Companies, Inc. And Subsidiaries	Omaha	\$3.0	30	2006
TierOne Bank	Statewide	\$4.8	39	1999
Time Warner Entertainment-Advance/Newhouse Partnership	Lincoln, Lancaster County, Crete, Auburn, Nebraska City, Tecumseh, Table Rock, Pawnee City, Humboldt, Omaha, Fairbury, Superior, York, David City, Seward, Fremont, Dodge County, Inglewood, and Douglas County	\$30.0	40	1988
T-L Irrigation Company	Hastings	\$3.0	30	1990
TMCO, Inc.	Lincoln	\$4.0	34	2005
Tractor Supply Company	Waverly	\$18.5	30	2007
Trenton Agri Products, LLC	Trenton	\$39.4	31	2004
Triangle Pacific Corp.	Auburn	\$10.3	100	2000

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Tyco Healthcare Group LP	Norfolk	\$10.0	100	2006
Tyson Fresh Meats, Inc.	Lexington	\$77.5	1,200	1989
Tyson Fresh Meats, Inc.	Dakota City and West Point	\$10.0	100	1997
Tyson Fresh Meats, Inc.	Norfolk	\$23.2	1,000	2004
Tyson Processing Services, Inc.	Omaha	\$19.0	105	2006
Unifi Mutual Holding Company	Lincoln, Omaha, and Wayne	\$11.7	149	2007
Union Pacific Corporation	Statewide	\$3.0	30	1991
Union Pacific Corporation	Greater Omaha	\$3.0	30	1996
Union Pacific Corporation	Statewide	\$3.0	30	1996
Union Pacific Corporation	Omaha	\$281.0	30	2003
Union Pacific Corporation	Statewide	\$580.0	30	2006
Valmont Industries, Inc.	Valley, Waverly, McCook, West Point, and Omaha	\$10.0	100	1997
Valmont Industries, Inc.	Valley, Waverly, McCook, West Point, and Omaha	\$10.0	100	2006
Vertrue Incorporated	Omaha	\$24.9	481	2005
Waitt Media, Inc.	Omaha and Plattsmouth	\$10.0	100	2004
Walker Manufacturing Company	Seward	\$3.0	30	1997
Wal-Mart Stores, Inc.	North Platte	\$40.0	600	2002
Walsworth Publishing Company, Inc.	Bellevue	\$3.0	30	2007
Wells Fargo & Company	Lincoln, Grand Island, Columbus, Kearney, Alliance, Bridgeport, McCook, Omaha, and North Platte	\$12.0	115	1997
Werner Enterprises, Inc. & Subs.	Douglas and Sarpy Counties	\$10.0	100	1995
Werner Enterprises, Inc. & Subs.	Omaha	\$22.1	100	2005
West Corporation	Omaha	\$22.0	144	1999
West Corporation	Omaha	\$43.5	175	2007
West Gate Banshares, Inc.	Lincoln	\$13.5	100	2004
West Pharmaceutical Services, Inc.	Kearney	\$10.0	100	2006

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Wild Bill's Foods, Inc.	Hampton	\$10.0	100	2006
Wilkinson Industries, Inc.	Fort Calhoun	\$10.0	100	2006
Window Technologies, LLC	Lincoln	\$3.0	30	2007
Windstream Corporation	Statewide	\$20.0	0	2006
Wis-Pak of Norfolk, Inc.	Norfolk	\$3.0	30	1999
Wright Printing Company	Omaha	\$5.1	33	2002
<b>TOTAL</b>	<b>245</b>			



# Employment and Investment Growth Act Summary of Qualified Project Activity

Reporting Required by Neb. Rev. Stat. § 77-4110(3)

Category	1988-2008	2009	2010	2011	2012	Total
<b>Tax Credits Earned:</b>						
Investment Tax Credits	1,695,925,750	85,679,363	114,628,560	67,079,692	68,041,935	2,031,355,300
Compensation Credits	626,493,647	53,592,266	24,674,607	18,838,030	20,426,084	744,024,634
<b>Total Credit Earned</b>	<b>\$2,322,419,397</b>	<b>\$139,271,629</b>	<b>\$139,303,167</b>	<b>\$85,917,722</b>	<b>\$ 88,468,019</b>	<b>\$ 2,775,379,934</b>
<b>Tax Credits Used:</b>						
Corporation Income Tax	573,445,446	64,242,920	15,110,640	15,397,184	18,966,709	687,162,899
Individual Income Tax	138,262,901	9,535,285	3,011,425	6,353,895	5,954,215	163,117,721
<b>Subtotal Income Tax</b>	<b>\$ 711,708,347</b>	<b>\$73,778,205</b>	<b>\$18,122,065</b>	<b>\$21,751,079</b>	<b>\$24,920,924</b>	<b>\$ 850,280,620</b>
Sales/Use Tax Refunds	749,089,024	56,518,137	36,861,291	42,250,918	62,462,151	947,181,521
<b>Total Tax Credits Used</b>	<b>\$1,460,797,370</b>	<b>\$130,296,342</b>	<b>\$54,983,356</b>	<b>\$64,001,997</b>	<b>\$87,383,075</b>	<b>\$1,797,462,140</b>
<b>Recapture<sup>1</sup>:</b>						
Repaid	47,643,082	(780,275)	818,300	7,137,841	2,855,629	57,674,577
From Credits	28,471,044	4,766,988	6,406,921	768,979	13,648,786	54,062,718
<b>Tax Credits Expired</b>	<b>68,648,197</b>	<b>6,062,931</b>	<b>8,152,793</b>	<b>22,367,534</b>	<b>23,009,408</b>	<b>128,240,863</b>
<b>Tax Credits Outstanding<sup>2</sup></b>	<b>764,502,786</b>	<b>(1,854,632)</b>	<b>69,760,097</b>	<b>(1,220,788)</b>	<b>(35,573,250)</b>	<b>795,614,213</b>
<b>Qualified Investment</b>	<b>21,339,888,153</b>	<b>891,165,869</b>	<b>1,189,095,444</b>	<b>702,582,058</b>	<b>723,376,457</b>	<b>24,846,107,981</b>
<b>Direct Sales/Use Tax Refunds:</b>						
Refunds on Investment	684,360,497	18,004,357	18,700,112	34,715,459	29,991,642	785,772,067
Refunds on Aircraft	26,748,636	420,222	1,399,893	1,539,806	320,309	30,428,866
<b>Total Direct Refunds</b>	<b>\$711,109,133</b>	<b>\$18,424,579</b>	<b>\$20,100,005</b>	<b>\$36,255,265</b>	<b>\$ 30,311,951</b>	<b>\$ 816,200,933</b>
<b>Increase in New Jobs at Qualifying Projects</b>	<b>87,083</b>	<b>1,490</b>	<b>(53)</b>	<b>74</b>	<b>1,625</b>	<b>90,219</b>
<b>Sales/Use Tax Refunds Pending Approval at Year End</b>	<b>N/A</b>	<b>\$23,743,812</b>	<b>\$ 35,863,331</b>	<b>\$ 28,076,344</b>	<b>\$ 20,963,352</b>	<b>N/A</b>

<sup>1</sup> If a company fails to maintain either the minimum investment or employment required by its agreement, one-seventh of the refunds and one-seventh of the credits used are recaptured, and one-seventh of the credit carryover at the end of the entitlement period is recaptured for each year the company is below the required levels. Through December 31, 2012, 92 projects were in recapture.

\$32,013,989 in repayment due has been netted from approved refund claims, and \$25,660,588 plus interest has been repaid in cash. Credit carryover for companies that have reached the end of the entitlement period has been reduced by \$54,062,718.

<sup>2</sup>Tax Credits Outstanding = Tax Credits Earned less Tax Credits Used, Recapture from Credits, and Tax Credits Expired

# Employment and Investment Growth Act Principal Business Activity Codes and Application Option of Projects with Active Signed Agreements

Reporting Required by Neb. Rev. Stat. § 77-4110(3)(a)

Category	PBA Code, Major Industry Group Titles	Application Option	Number of Companies
Manufacturing	311, 312 Meat and Food Products	\$10M + 100 FTE	25
		\$20M + 0 FTE	3
		\$3M + 30 FTE	7
	314, 322, 323, 325, 326 Printing, Paper, Chemical, Plastics, Rubber, Textile and Non-Durable products	\$10M + 100 FTE	17
		\$20M + 0 FTE	1
		\$3M + 30 FTE	24
	22, 23, 321, 327, 331, 332, 333, 334, 335, 336, 337, 339 Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	\$10M + 100 FTE	22
		\$20M + 0 FTE	0
		\$3M + 30 FTE	32
	Wholesaling, Retail Trade, Transportation, & Warehousing	42, 48, 49 Durable and Non-Durable Goods, Railroads, Trucking, Air Transportation, and Warehousing <sup>1</sup>	\$10M + 100 FTE
\$20M + 0 FTE			0
\$3M + 30 FTE			14
Professional, Financial, Insurance, Scientific, & Technical Services	51, 52, 54, 56, 62, 81 Publishing, Communications, and Information and Data Processing Services, Depository Institutions and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services <sup>2</sup>	\$10M + 100 FTE	35
		\$20M + 0 FTE	5
		\$3M + 30 FTE	35
<b>TOTAL</b>			<b>245</b>

<sup>1</sup> Due to a decline in the number of projects reporting, code 42 (Durable and Non-durable Goods) has been combined with codes 48 and 49 (Railroads, Trucking, Air Transportation, and Warehousing).

<sup>2</sup>Due to a decline in the number of projects reporting, code 52 (Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers) has been combined with codes 51, 54, 56, 62, and 81 (Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services).

# Employment and Investment Growth Act Qualified Projects by Industry (Cumulative through 2012)

Reporting Required by Neb. Rev. Stat. § 77-4110(3)(j)

Industry Group	Qualified Projects
311, 312 - Meat and Food Products	69
314, 322, 323, 325, 326 - Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	63
22, 23, 321, 327, 331, 332, 333, 334, 335, 336, 337, 339 - Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	117
42, 48, 49 - Durable and Non-durable Goods, Railroads, Trucking, Air Transportation, and Warehousing <sup>1</sup>	65
51, 54, 56, 62, 81 - Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, Brokers, Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services <sup>2</sup>	141
<b>TOTAL</b>	<b>455</b>

<sup>1</sup> Due to a decline in the number of projects reporting, code 42 (Durable and Non-durable Goods) has been combined with codes 48 and 49 (Railroads, Trucking, Air Transportation, and Warehousing).

<sup>2</sup> Due to a decline in the number of projects reporting, code 52 (Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers) has been combined with codes 51, 54, 56, 62, and 81 (Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services).

# Employment and Investment Growth Act Analysis of Tax Credits (2012)

Reporting Required by Neb. Rev. Stat. §§ 77-4110(3)(c), 77-4110(3)(d), 77-4110(3)(e), and 77-4110(3)(m)

## 2012

Industry Group	Total Tax Credits Earned	TAX CREDITS USED		Tax Credits Recaptured	Tax Credits Expired	Current Year Change to Credit Balance
		Income Tax	Sales Tax			
311, 312 - Meat and Food Products	\$10,095,867	\$5,508,740	\$18,769,978	\$834,819	\$3,758,245	(\$18,775,915)
314, 322, 323, 325, 326 - Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	11,513,796	1,830,836	3,662,945	0	15,657,543	(9,637,528)
22, 23, 321, 327, 331, 332, 333, 334, 335, 336, 337, 339 - Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	14,031,067	4,792,498	10,706,140	0	0	(1,467,571)
42, 48, 49 - Durable and Non-durable Goods, Railroads, Trucking, Air Transportation, and Warehousing <sup>1</sup>	18,636,852	3,155,033	11,892,382	0	1,870,425	1,719,012
51, 54, 56, 62, 81 - Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, Brokers, Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services <sup>2</sup>	34,190,437	9,633,817	17,430,707	12,813,967	1,723,195	(7,411,249)
<b>Total</b>	<b>\$88,468,019</b>	<b>\$24,920,924</b>	<b>\$62,462,151</b>	<b>\$13,648,786</b>	<b>\$23,009,408</b>	<b>(\$35,573,250)</b>

<sup>1</sup> Due to a decline in the number of projects reporting, code 42 (Durable and Non-durable Goods) has been combined with codes 48 and 49 (Railroads, Trucking, Air Transportation, and Warehousing).

<sup>2</sup> Due to a decline in the number of projects reporting, code 52 (Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers) has been combined with codes 51, 54, 56, 62, and 81 (Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services).

## Analysis of Tax Credits by Industry Group (Cumulative through 2012)

Industry Group	Total Tax Credits Earned	TAX CREDITS USED		Tax Credits Recaptured	Tax Credits Expired	Credit Balance
		Income Tax	Sales Tax			
311, 312 - Meat and Food Products	\$433,875,268	\$116,872,542	\$170,101,996	\$4,641,739	\$31,775,313	\$110,483,678
314, 322, 323, 325, 326 - Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	353,706,422	38,297,696	137,712,376	4,077,499	24,493,908	149,124,943
22, 23, 321, 327, 331, 332, 333, 334, 335, 336, 337, 339 - Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	452,638,332	142,288,687	170,182,539	5,750,831	25,166,361	109,249,914
42, 48, 49 - Durable and Non-durable Goods, Railroads, Trucking, Air Transportation, and Warehousing <sup>1</sup>	630,262,566	229,306,539	132,188,284	11,636,028	11,332,178	245,799,536
51, 54, 56, 62, 81 - Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, Brokers, Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services <sup>2</sup>	904,897,346	323,515,156	336,996,324	27,956,621	35,473,103	180,956,143
<b>Total</b>	<b>\$2,775,379,934</b>	<b>\$850,280,620</b>	<b>\$947,181,519</b>	<b>\$54,062,718</b>	<b>\$128,240,863</b>	<b>\$795,614,214</b>

<sup>1</sup> Due to a decline in the number of projects reporting, code 42 (Durable and Non-durable Goods) has been combined with codes 48 and 49 (Railroads, Trucking, Air Transportation, and Warehousing).

<sup>2</sup> Due to a decline in the number of projects reporting, code 52 (Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers) has been combined with codes 51, 54, 56, 62, and 81 (Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services).

# Employment and Investment Growth Act Analysis of Sales and Use Tax Refunds (2012)

Reporting Required by Neb. Rev. Stat. §§ 77-4110(3)(b), 77-4110(3)(e), and 77-4110(3)(l)

## 2012

Industry Group	APPROVED REFUNDS			Refunds Pending as of 12/31/2012
	Direct Refunds	Refunds Using Tax Credits	Total	
311, 312 - Meat and Food Products	\$7,919,877	\$18,769,977	\$26,689,854	\$7,663,449
314, 322, 323, 325, 326 - Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	2,124,997	3,662,945	5,787,942	2,005,741
22, 23, 321, 327, 331, 332, 333, 334, 335, 336, 337, 339 - Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	1,602,174	10,706,140	12,308,314	2,572,648
42, 48, 49 - Durable and Non-durable Goods, Railroads, Trucking, Air Transportation, and Warehousing <sup>1</sup>	6,505,654	11,892,382	18,398,036	3,876,795
51, 54, 56, 62, 81 - Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, Brokers, Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services <sup>2</sup>	12,159,249	17,430,707	29,589,956	4,844,719
<b>Total</b>	<b>\$30,311,951</b>	<b>\$62,462,151</b>	<b>\$92,774,102</b>	<b>\$20,963,352</b>

<sup>1</sup> Due to a decline in the number of projects reporting, code 42 (Durable and Non-durable Goods) has been combined with codes 48 and 49 (Railroads, Trucking, Air Transportation, and Warehousing).

<sup>2</sup>Due to a decline in the number of projects reporting, code 52 (Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers) has been combined with codes 51, 54, 56, 62, and 81 (Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services).

## Analysis of Sales and Use Tax Refunds by Industry Group (Cumulative through 2012)

Industry Group	APPROVED REFUNDS		
	Direct Refunds	Refunds Using Tax Credits	Total
311, 312 - Meat and Food Products	\$112,792,011	\$170,101,996	\$282,894,007
314, 322, 323, 325, 326 - Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	77,457,011	137,712,376	215,169,387
22, 23, 321, 327, 331, 332, 333, 334, 335, 336, 337, 339 - Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	114,792,586	170,182,539	284,975,125
42, 48, 49 - Durable and Non-durable Goods, Railroads, Trucking, Air Transportation, and Warehousing <sup>1</sup>	144,764,006	132,188,286	276,952,292
51, 54, 56, 62, 81 - Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, Brokers, Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services <sup>2</sup>	366,395,319	336,996,324	703,391,643
<b>Total</b>	<b>\$816,200,933</b>	<b>\$947,181,521</b>	<b>\$1,763,382,454</b>

<sup>1</sup> Due to a decline in the number of projects reporting, code 42 (Durable and Non-durable Goods) has been combined with codes 48 and 49 (Railroads, Trucking, Air Transportation, and Warehousing).

<sup>2</sup>Due to a decline in the number of projects reporting, code 52 (Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers) has been combined with codes 51, 54, 56, 62, and 81 (Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services).

## Employment and Investment Growth Act Analysis of Sales and Use Tax Refunds – Approved Refunds Net of Recapture, by Year and Cumulatively

Reporting Required by Neb. Rev. Stat. §§ 77-4110(3)(b), 77-4110(3)(e), and 77-4110(3)(l)

	APPROVED REFUNDS NET OF RECAPTURE						Refunds Pending as of 12/31/2012
	1988-2008	2009	2010	2011	2012	Total	
Number of Claims	13,323	593	427	462	467	15,272	126
State Tax	\$1,210,334,271	\$67,104,947	\$47,679,301	\$61,608,203	\$76,956,823	\$1,463,683,545	\$17,150,597
Local Tax	\$224,438,048	\$8,949,854	\$8,640,718	\$11,322,649	\$14,333,649	\$267,684,918	\$3,812,754
<b>Total</b>	<b>\$1,434,772,319</b>	<b>\$ 76,054,801</b>	<b>\$ 56,320,019</b>	<b>\$ 72,930,852</b>	<b>\$91,290,472</b>	<b>\$1,731,368,463</b>	<b>\$20,963,352</b>



# Employment and Investment Growth Act Investment in Qualified Property

Reporting Required by Neb. Rev. Stat. § 77-4110(3)(h)

Industry Group	1988-2008	2009	2010	2011	2012	Total
311, 312 - Meat and Food Products	\$2,972,006,873	\$142,782,689	\$252,578,131	\$118,075,610	\$139,687,977	\$3,625,131,280
314, 322, 323, 325, 326 - Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	2,379,983,256	234,442,290	61,236,330	261,777,050	88,759,700	3,026,198,626
22, 23, 321, 327, 331, 332, 333, 334, 335, 336, 337, 339 - Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	3,393,248,487	131,460,150	75,046,210	66,567,630	94,813,930	3,761,136,407
42, 48, 49 - Durable and Non-durable Goods, Railroads, Trucking, Air Transportation, and Warehousing <sup>1</sup>	4,463,786,970	144,906,500	561,574,450	159,267,590	127,530,950	5,457,066,460
51, 54, 56, 62, 81 - Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, Brokers, Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services <sup>2</sup>	8,130,862,567	237,574,240	238,660,323	96,894,178	272,583,900	8,976,575,208
<b>TOTAL</b>	<b>\$21,339,888,153</b>	<b>\$891,165,869</b>	<b>\$1,189,095,444</b>	<b>\$702,582,058</b>	<b>\$723,376,457</b>	<b>\$24,846,107,981</b>

<sup>1</sup> Due to a decline in the number of projects reporting, code 42 (Durable and Non-durable Goods) has been combined with codes 48 and 49 (Railroads, Trucking, Air Transportation, and Warehousing).

<sup>2</sup> Due to a decline in the number of projects reporting, code 52 (Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers) has been combined with codes 51, 54, 56, 62, and 81 (Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services).

## Employment and Investment Growth Act Number of FTE Jobs Created

Reporting Required by Neb. Rev. Stat. § 77-4110(3)(f)

Industry Group	1988-2008	2009	2010	2011	2012	Total
311, 312 - Meat and Food Products	18,812	272	81	98	(75)	19,188
314, 322, 323, 325, 326 - Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	5,909	208	(58)	82	(24)	6,117
22, 23, 321, 327, 331, 332, 333, 334, 335, 336, 337, 339 - Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	14,805	80	(33)	140	670	15,662
42, 48, 49 - Durable and Non-durable Goods, Railroads, Trucking, Air Transportation, and Warehousing <sup>1</sup>	13,513	(50)	43	30	373	13,909
51, 54, 56, 62, 81 - Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, Brokers, Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services <sup>2</sup>	34,044	980	(86)	(276)	681	35,343
<b>TOTAL</b>	<b>87,083</b>	<b>1,490</b>	<b>(53)</b>	<b>74</b>	<b>1,625</b>	<b>90,219</b>

<sup>1</sup> Due to a decline in the number of projects reporting, code 42 (Durable and Non-durable Goods) has been combined with codes 48 and 49 (Railroads, Trucking, Air Transportation, and Warehousing).

<sup>2</sup> Due to a decline in the number of projects reporting, code 52 (Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers) has been combined with codes 51, 54, 56, 62, and 81 (Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services).

# Employment and Investment Growth Act

## Total Number Employed by Qualified Taxpayers (2012)

Reporting Required by Neb. Rev. Stat. § 77-4110(3)(f)

The number of people employed relates to the taxpayer's unitary, statewide activity, even if the project is limited to only a portion of the taxpayer's statewide activities. Each employee counts as one regardless of how many hours the individual worked.

Industry Group	Number of People Employed on Last Date of Quarter Prior to Date of Application	Number of People Employed on Most Recent Reporting Date	Increase or Decrease
311, 312 - Meat and Food Products	2,295	2,853	558
314, 322, 323, 325, 326 - Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	988	1,404	416
22, 23, 321, 327, 331, 332, 333, 334, 335, 336, 337, 339 - Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	6,322	7,283	961
42, 48, 49 - Durable and Non-durable Goods, Railroads, Trucking, Air Transportation, and Warehousing <sup>1</sup>	9,290	12,149	2,859
51, 54, 56, 62, 81 - Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, Brokers, Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services <sup>2</sup>	11,400	14,722	3,322
<b>TOTAL</b>	<b>30,295</b>	<b>38,411</b>	<b>8,116</b>

<sup>1</sup> Due to a decline in the number of projects reporting, code 42 (Durable and Non-durable Goods) has been combined with codes 48 and 49 (Railroads, Trucking, Air Transportation, and Warehousing).

<sup>2</sup> Due to a decline in the number of projects reporting, code 52 (Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers) has been combined with codes 51, 54, 56, 62, and 81 (Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services).

# Employment and Investment Growth Act Average Wage of New Employees (2012)

Reporting Required by Neb. Rev. Stat. § 77-4110(3)(i)

## 2012

Industry Group	Total New FTE Employees	Estimated Average Wage of New Employees
311, 312 - Meat and Food Products	(75)	N/A
314, 322, 323, 325, 326 - Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	(24)	N/A
22, 23, 321, 327, 331, 332, 333, 334, 335, 336, 337, 339 - Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	670	\$ 48,022
42, 48, 49 - Durable and Non-durable Goods, Railroads, Trucking, Air Transportation, and Warehousing <sup>1</sup>	373	79,689
51, 54, 56, 62, 81 - Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, Brokers, Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services <sup>2</sup>	681	45,540
<b>TOTAL<sup>3</sup></b>	<b>1,625</b>	<b>\$ 53,813</b>

<sup>1</sup> Due to a decline in the number of projects reporting, code 42 (Durable and Non-durable Goods) has been combined with codes 48 and 49 (Railroads, Trucking, Air Transportation, and Warehousing).

<sup>2</sup> Due to a decline in the number of projects reporting, code 52 (Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers) has been combined with codes 51, 54, 56, 62, and 81 (Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services).

<sup>3</sup> The estimated average wage is calculated by multiplying positive FTE growth by the average wage to determine the estimated compensation for each project. The sum of estimated compensation for all projects in the industry group is divided by the total positive FTE growth of the industry group.

## Average Wage of New Employees, by Industry Group (Cumulative through 2012)

Industry Group	Total New FTE Employees	Estimated Average Wage of New Employees
311, 312 - Meat and Food Products	19,188	\$ 27,949
314, 322, 323, 325, 326 - Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	6,117	29,224
22, 23, 321, 327, 331, 332, 333, 334, 335, 336, 337, 339 - Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	15,662	33,057
42, 48, 49 - Durable and Non-durable Goods, Railroads, Trucking, Air Transportation, and Warehousing <sup>1</sup>	13,909	40,895
51, 54, 56, 62, 81 - Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, Brokers, Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services <sup>2</sup>	35,343	31,279
<b>TOTAL<sup>3</sup></b>	<b>90,219</b>	<b>\$ 32,223</b>

<sup>1</sup> Due to a decline in the number of projects reporting, code 42 (Durable and Non-durable Goods) has been combined with codes 48 and 49 (Railroads, Trucking, Air Transportation, and Warehousing).

<sup>2</sup> Due to a decline in the number of projects reporting, code 52 (Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers) has been combined with codes 51, 54, 56, 62, and 81 (Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services).

<sup>3</sup> The estimated average wage is calculated by multiplying positive FTE growth by the average wage to determine the estimated compensation for each project. The sum of estimated compensation for all projects in the industry group is divided by the total positive FTE growth of the industry group.

# Employment and Investment Growth Act Estimate of Personal Property Value Exempted

Reporting Required by Neb. Rev. Stat. § 77-4110(3)(n)

## Property Tax Benefit

When a company applies for LB 775 benefits under the \$10 million investment and 100 FTE option, a personal property tax exemption is available on:

- 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:

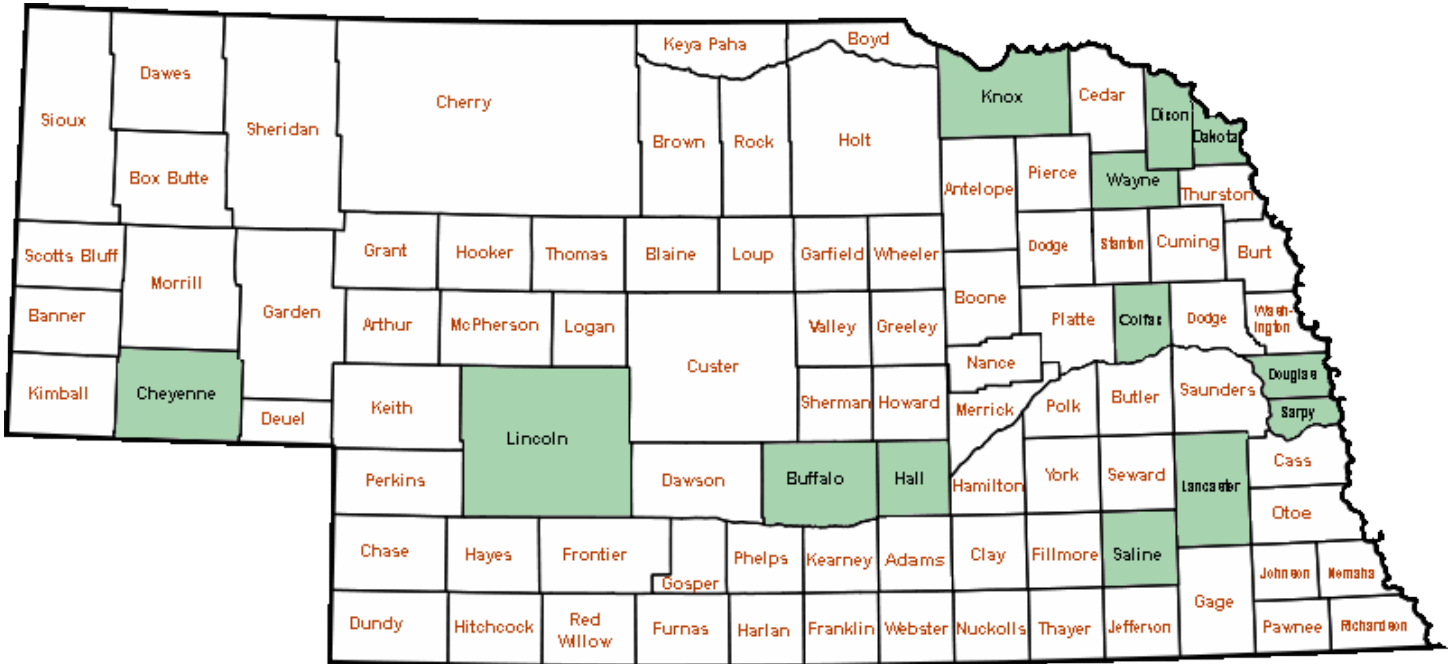
- Computer systems, plus certain peripheral components connected to such computers; and
- Personal property, which is business equipment located in a single project involved directly in the manufacture or processing of agricultural products.

The following tables show the value of personal property exempted for 2012, and cumulatively for tax years 1988-2012.

## Estimate of Personal Property Value Exempted by Class in Each County (Tax Year 2012)

County	Airplanes	Computer Equipment	Ag Processing Equipment
Buffalo	\$ 3,595,749	\$ 1,296,894	\$ 0
Cheyenne	0	14,030,185	0
Colfax	0	0	29,148,412
Dakota	0	0	61,766,354
Dixon	0	0	13,083,923
Douglas	383,162	15,987,106	3,283,282
Hall	0	28,568	1,809,434
Knox	0	0	2,385,974
Lancaster	0	347,143	0
Lincoln	0	52,340	0
Saline	0	749,093	18,911,027
Sarpy	0	938,357	0
Wayne	0	0	39,305
<b>Total</b>	<b>\$3,978,911</b>	<b>\$33,429,686</b>	<b>\$130,427,711</b>

## Personal Property Exemption by County (Tax Year 2012)



## Estimate of Personal Property Value Exempted by Class in Each County (Cumulative for Tax Years 1988-2012)

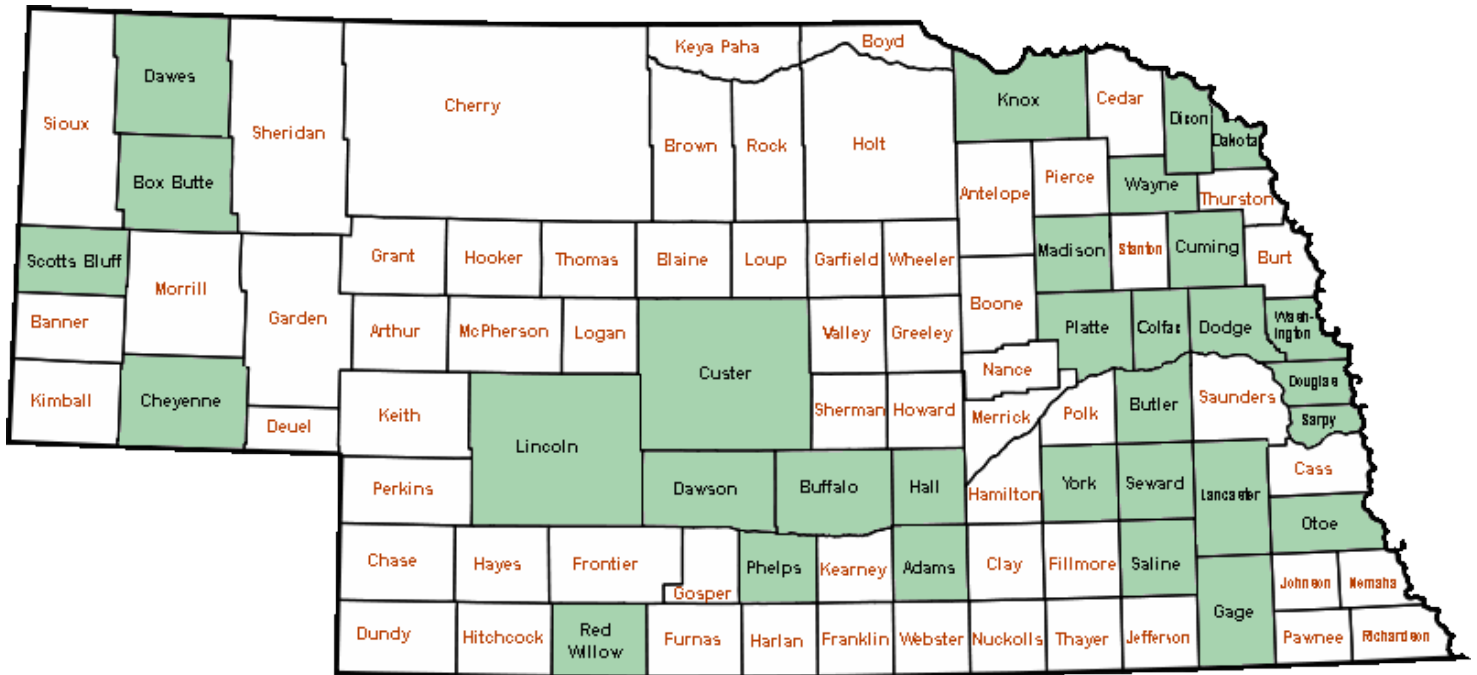
County	Airplanes	Computer Equipment	Ag Processing Equipment	Total
Adams	\$ 0	\$ 0	\$ 615,664,721	\$ 615,664,721
Box Butte	0	102,472	0	102,472
Buffalo	24,387,493	10,231,254	67,563	34,686,310
Butler	0	41,145	0	41,145
Cheyenne	24,353,275	121,530,267	0	145,883,542
Colfax	0	0	317,943,246	317,943,246
Cuming	0	0	16,263,139	16,263,139
Custer	0	663,100	10,194	673,294
Dakota	0	0	829,351,492	829,351,492
Dawes	0	171,909	0	171,909
Dawson	0	0	232,425,195	232,425,195
Dixon	0	504,272	224,471,219	224,975,491

County	Airplanes	Computer Equipment	Ag Processing Equipment	Total
Dodge	0	258,633	103,807,006	104,065,639
Douglas	506,468,820	2,250,939,512	712,927,744	3,470,336,076
Gage	0	62,719	1,344,011	1,406,730
Hall	6,266,267	4,057,648	145,300,029	155,623,944
Knox	0	0	94,388,166	94,388,166
Lancaster	34,715,020	86,687,614	242,968	121,645,602
Lincoln	0	7,506,445	48,451	7,554,896
Madison	0	6,943	216,617,686	216,624,629
Otoe	0	0	100,540,081	100,540,081
Phelps	0	1,539,181	0	1,539,181
Platte	0	9,052,197	1,194,080,190	1,203,132,387
Red Willow	0	0	37,941	37,941
Saline	0	9,125,191	340,990,820	350,116,011
Sarpy	7,911,346	96,816,709	46,793,778	151,521,833
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	355,871	473,094
York	0	366,371	0	366,371
*Central	76,497,583	0	0	76,497,583
<b>TOTAL</b>	<b>\$680,599,804</b>	<b>\$2,600,608,357</b>	<b>\$6,803,861,981</b>	<b>\$10,085,070,142</b>

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



## Personal Property Exemption by County (Cumulative for Tax Years 1988-2012)



# Employment and Investment Growth Act, Quality Jobs Act, and Invest Nebraska Act Projected Revenue Gains and (Losses) for Tax Years 2013-2023

## Reporting Required by Neb. Rev. Stat. § 77-4110(3)(k)

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In this report, the Nebraska Department of Revenue (Department) presents the projected future amount of:

- tax credits earned;
- tax credits used;
- tax credits recaptured;
- tax credits expired; and
- direct refund of sales and used taxes.

The report also measures the potential revenue gains (losses) under the Employment and Investment Growth Act (LB 775), as well as associated investment and economic job growth.

Section I outlines the process of estimating the parameters for tax credits and refunds, which are the building blocks for projecting future tax expenditures. Section I also briefly describes the estimation process for tax credits earned and the usage of the tax credits.

Section II discusses the model used to estimate the fiscal and employment impacts of LB 775 and the estimates are present in the table below.

### **I. Estimation of parameters for the projection of the tax credit.**

Using historical LB 775 data, the Department analyzed patterns of how companies earned and used tax credits over the years. Parameters were then specified on earning and using tax credits. Those parameters are the building blocks of projecting future tax expenditure on tax credits.

The parameters the Department measured are:

- annual rate of attainment;
- annual rate of tax credits earned;
- annual rate of direct sales and use tax refund;
- annual rate of tax credit usage on income tax; and
- annual rate of tax credit usage on sales and use tax.

The parameters were estimated using data from 1995 to 2005—a period in which the program had progressively matured and the economy was, overall, in stable condition. The selection of the time period allowed the Department to avoid possible bias caused by extreme values.

Due to the fact that LB 775 is no longer accepting new projects and no longer allows the earning of tax credits after 2017, the amount of tax credits earned over the period will be limited. Using the parameters discussed above and actual data from the LB 775 program, the Department projects the amount of tax credits earned and the direct refund of sales and use tax through 2017 in the table below.

For tax credit usage, the Department estimates an annual amount based on projected tax credit balances

then separates the total amount into two tax credit usage components: (1) tax credit usage on income tax; and (2) tax credit usage on sales and use taxes. The ratio of spending between income tax and sales and use taxes was derived from historical LB 775 data.

Similarly, using the total amount of estimated tax credit balances for each year and the estimated annual rate of recaptured credits, we estimate the amount of tax credits that would be recaptured for each year from 20 to 2023. The estimation of expired credits was done using the same method as the recaptured credits.

## **II. Projecting revenue gains (losses) and associated economic job growth.**

Tax incentive programs in Nebraska are designed to attract business investments—both domestically and abroad—with the goal of creating domestic jobs and increasing economic growth in Nebraska. Tax incentive programs impact Nebraska’s tax revenue in two ways. First, tax revenue is positively affected when businesses hire new employees and increase levels of investment which enhance economic growth. Second, tax revenue is negatively affected when Nebraska directly foregoes part of the tax revenue from the businesses that are in the tax incentive programs. Thus, the overall fiscal impact of tax incentive programs can be positive or negative.

A computable general equilibrium (CGE) model uses actual economic data to estimate how an economy might react to changes in policy, technology, or other external factors. Using a CGE model, the fiscal impact of the program is estimated over the next ten years. These estimates are based on completed and ongoing LB 775 projects.

To analyze the fiscal impact of the tax incentive programs, the dynamic Tax Revenue Analysis in Nebraska<sup>1</sup> (TRAIN) model—a custom-built Nebraska CGE model—is used. The TRAIN model mathematically expresses the Nebraska economy with over 1,300 equations and a Social Accounting Matrix (SAM) database. It has 28 industrial sectors, two factor sectors, an investment sector, nine household sectors, 33 government sectors, and a rest-of-the-world sector.

The TRAIN model distinguishes between state governments sectors in order to capture the sensitivity of state government revenue and expenditure flows. It also calculates most tax impacts within the model, making additional, outside calculations unnecessary. This reduces the number of restrictions on the model and allows the Department’s economists to deliver more informative results.

The critical assumption when constructing a CGE model is that the economy is in equilibrium at the beginning of the period. Therefore, the model is constructed so that its equilibrium replicates observed data in the base year. The data for TRAIN come from the latest SAM values and parameters. The inputs for the model are the projected tax credits earned and used by companies in the tax incentive program.

The table below shows estimated revenue gains generated by new investment and the net revenue gain (loss). The table provides two estimates of employment due to LB 775. The first, labeled “Estimated New Jobs for Qualifying Tax Credits,” is a yearly estimate of the number of full-time equivalent employees (FTE) that will be used to qualify for LB 775. This number can be thought of as an accounting number. It is the number of jobs that businesses use to justify the hiring of employees to qualify for the tax credit in LB 775. It is important to note that some of these new jobs would be created regardless of the LB 775 due to growth in the company. Thus, the exact number of jobs that would be created without the existence of LB 775 tax credits is unknown.

The second estimate, labeled “Estimated Net Economic Job Increase (Decrease),” is an estimate of the total number of new jobs created as a result of the LB 775 program investment. The estimate of net economic jobs includes both direct and indirect employment in Nebraska. That is, it includes the jobs created as a direct result of the programs as well as the new jobs indirectly created throughout the Nebraska economy to support the new investment and direct employment due to LB 775.

<sup>1</sup>A more detailed description of the TRAIN model is available on the Department’s website.

## Fiscal Analysis of the Employment and Investment Growth Act, Quality Jobs Act, and Invest Nebraska Act

Summary	2012 <sup>1</sup>	2013	2014	2015	2016	2017
Revenue Generated by Increase in Economic Activities Due to LB 775	–	\$51,520,758	\$55,083,392	\$55,464,430	\$42,485,766	\$31,105,917
Tax Credits Used:						
Income Tax	\$24,920,924	\$52,780,449	\$39,544,878	\$46,710,447	\$41,694,827	\$40,494,496
Sales and Use Tax	<u>62,462,151</u>	<u>58,795,343</u>	<u>44,051,437</u>	<u>52,033,600</u>	<u>46,446,396</u>	<u>45,109,274</u>
Total Tax Credits Used	\$87,383,075	\$111,575,792	\$83,596,315	\$98,744,047	\$88,141,223	\$85,603,770
Direct Sales and Use Tax Refunds	\$30,311,951	\$31,529,656	\$27,937,707	\$19,490,186	\$13,659,095	\$5,419,303
Revenue Gain (Loss)		(\$91,584,691)	(\$56,450,631)	(\$62,769,803)	(\$59,314,552)	(\$59,917,156)
Tax Credits Earned	\$88,468,019	\$81,440,758	\$66,843,392	\$50,174,430	\$30,405,766	\$14,075,917
Tax Credits Recapture Repaid	13,648,786	5,287,728	6,175,880	6,457,659	6,467,806	7,607,572
Tax Credit Expired	23,009,408	16,546,312	27,662,653	16,916,968	15,110,293	11,880,485
Tax Credit Balance	\$795,614,214	\$743,645,140	\$693,053,683	\$621,109,439	\$541,795,884	\$450,779,975
Estimated Employment:						
Estimated New Jobs for Qualifying Tax Credits	1,625	3,046	2,500	1,877	1,137	526
Estimated Net Economic Job Increase (Decrease)	–	1,802	1,818	1,949	1,834	1,392

Summary	2018	2019	2020	2021	2022	2023
Revenue Generated by Increase in Economic Activities Due to LB 775	\$23,120,000	\$17,360,000	\$14,000,000	\$10,380,000	\$8,330,000	\$6,090,000
Tax Credits Used:						
Income Tax	\$35,861,578	\$25,787,030	\$23,421,066	\$18,410,196	\$15,943,022	\$10,686,382
Sales and Use Tax	<u>39,948,387</u>	<u>28,725,736</u>	<u>26,090,145</u>	<u>20,508,234</u>	<u>17,759,899</u>	<u>11,904,209</u>
Total Tax Credits Used	\$75,809,965	\$54,512,766	\$49,511,211	\$38,918,430	\$33,702,921	\$22,590,591
Direct Sales and Use Tax Refunds	–	–	–	–	–	–
Revenue Gain (Loss)	(\$52,689,965)	(\$37,152,766)	(\$35,511,211)	(\$28,538,430)	(\$25,372,921)	(\$16,500,591)
Tax Credits Earned	–	–	–	–	–	–
Tax Credits Recapture Repaid	\$6,399,329	\$6,621,649	\$6,710,803	\$6,761,432	\$6,820,157	\$6,662,674
Tax Credit Expired	8,340,865	9,056,166	13,848,567	18,426,691	7,004,300	17,196,493
Tax Credit Balance	\$360,229,815	\$290,039,235	\$219,968,654	\$155,862,101	\$108,334,723	\$61,884,965
Estimated Employment:						
Estimated New Jobs for Qualifying Tax Credits	–	–	–	–	–	–
Estimated Net Economic Job Increase (Decrease)	956	631	419	294	202	167

<sup>1</sup>Figures for 2012 are actual amounts.



# Invest Nebraska Act (LB 620)



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## Reporting Requirements

## Summary Description

## Active Signed Agreements

## Invest Nebraska Activity as of December 31, 2012

To maintain confidentiality, no 2012 information is reported due to the small number of companies reporting activity.

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# Invest Nebraska Act Reporting Requirements

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## **Neb. Rev. Stat. § 77-5542 provides:**

(1) The Department of Revenue shall submit electronically 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

The Department of Revenue shall, on or before September 1 of each year, appear at a joint hearing of the Appropriations Committee of the Legislature and the Revenue Committee of the Legislature and present the report. Any supplemental information requested by three or more committee members shall be presented within thirty days after the request.

(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 project.

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

# Invest Nebraska Act Summary Description

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## General Information

The Invest Nebraska Act (LB 620) allows a qualified business to receive a wage benefit credit, or an alternate investment credit. The Invest Nebraska Act required 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.

## Application Information

No new applications could be filed after June 1, 2005.

## Requirements by Application Level

There were three levels that qualified businesses could choose from:

- \$10 million in investment in qualified property and at least 25 new full time equivalent (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.
- \$50 million in investment in qualified property and at least 500 new FTE employees, OR \$100 million in investment and at least 250 new FTE employees. The new employees' annual wage must exceed 110% of the Nebraska average annual wage.
- \$200 million investment in qualified property and at least 500 new FTE employees, whose annual wage exceeds 120% of the Nebraska average annual wage.

## Description of Benefits

A company that reaches and maintains the selected levels is 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 the \$200 million and 500 FTE option may receive, in lieu of a wage benefit credit, an alternate investment tax credit of 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 alternative investment tax credit may be used for up to 100% of the income tax liability. The wage benefit credit may also be used to retain a portion of the taxpayer's employer payroll withholding tax liability.

## Activity as of December 31, 2012

Credits were allowed under LB 620; however, to maintain confidentiality, no information is reported.



## Invest Nebraska Act Active Signed Agreements

Reporting Required by Neb. Rev. Stat. § 77-5542(1)

Company Name	Project Location	Project Type	Year Agreement Signed
American Meter Company, Inc.	Nebraska City	\$33M + 80 FTE	2003
Beef Products, Inc.	South Sioux City	\$15M + 25 FTE	2004
E Energy Adams, LLC	Adams	\$68M + 32 FTE	2005
Natura Manufacturing, Inc.	Fremont	\$10M + 25 FTE	2003
Nordic Biofuels of Ravenna, LLC	Ravenna	\$95M + 100 FTE	2003
Platte Valley Fuel Ethanol, LLC	Central City and Columbus	\$55M + 32 FTE	2004
Siouxland Ethanol, LLC	Jackson	\$57M + 35 FTE	2006
Union Pacific Railroad Company	Omaha	\$200M + 500 FTE	2001
Wal-Mart Stores East, Inc.	North Platte	\$10M + 25 FTE	2003

FTE = Full Time Equivalent

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# Quality Jobs Act (LB 829)



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- Reporting Requirements**
  - Summary Description**
  - Active Signed Agreements**

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# Quality Jobs Act Reporting Requirements

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## **Neb. Rev. Stat. § 77-4933 provides:**

(1) The Department of Revenue shall submit electronically 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

The department shall, on or before September 1 of each year, appear at a joint hearing of the Appropriations Committee of the Legislature and the Revenue Committee of the Legislature and present the report. Any supplemental information requested by three or more committee members shall be presented within thirty days after the request.

(2) The report shall also state by industry group

- (a) the amount of wage benefit credits and investment tax credits allowed under the Quality Jobs 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 project.

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

# Quality Jobs Act Summary Description

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## General Information

The Quality Jobs Act (LB 829) allowed a qualified business to receive a wage benefit credit, or retain payroll withholding tax. The Quality Jobs Act 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.

## Application Information

No new Quality Jobs Act applications could be filed after February 1, 2000.

## Requirements by Application Level

There were two levels that qualified companies could choose from:

- \$50 million investment in qualified property and at least 500 new full time equivalent (FTE) employees hired; and
- \$100 million in investment in qualified property and at least 250 new FTE employees hired.

## Description of Benefits

A company that reached and maintained the selected levels was eligible for a wage benefit credit. The company was 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. The company's agreement specifies whether the election has been made to use the credit against the company's income tax, or to retain a portion of the taxpayer's employer's payroll withholding tax liability as designated by the employees.

## Activity as of December 31, 2012

Credits were allowed under LB 829; however, to maintain confidentiality, no information is reported.

# Quality Jobs Act Active Signed Agreements

Reporting Required by Neb. Rev. Stat. § 77-5542(1)

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Company Name	Project Location	Project Type	Year Agreement Signed
First Data Corporation	Omaha	\$60M + 2,000 FTE	1997
Union Pacific Railroad Company	Omaha	\$100M + 250 FTE	1996

FTE = Full Time Equivalent

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