

AMENDMENTS TO LB550

Introduced by Schilz

1 1. Strike the original sections and insert the following
2 sections:

3 Section 1. Section 54-2801, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 54-2801 (1) Sections 54-2801 and 54-2802 and sections 3
6 to 5 of this act shall be known and may be cited as the Livestock
7 Growth Act.

8 (2) The Legislature finds that livestock production has
9 traditionally served a significant role in the economic vitality of
10 rural areas of the state and in the state's overall economy and
11 that the growth and vitality of the state's livestock sector are
12 critical to the continued prosperity of the state and its citizens.
13 The Legislature further finds that trends in livestock production
14 suggest a need to identify and address factors that affect the
15 viability and expansion of livestock production. These factors
16 include the impact of livestock production on the state's economy
17 and its communities, all applicable regulatory agencies, and the
18 latest technology available to enhance the livestock industry.
19 a public interest exists in assisting efforts of the livestock
20 industry and rural communities to preserve and enhance livestock
21 development as an essential element of economic development and a
22 need exists to provide aid, resources, and assistance to Nebraska
23 rural communities and counties seeking opportunities in the growth

1 of livestock production. It is the intent of the Legislature to
2 seek reasonable means to nurture and support the livestock sector
3 of this state.

4 Sec. 2. Section 54-2802, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 54-2802 (1) The Director of Agriculture shall establish a
7 process, including criteria and standards, to recognize and assist
8 efforts of counties to maintain or expand their livestock sector.

9 A county that meets the criteria may apply to the director to
10 be designated a livestock friendly county. A county may remove
11 itself from the process at any time. Such criteria and standards
12 may include, but are not limited to, the following factors:

13 Consideration of the diversity of activities currently underway or
14 being initiated by counties; a formal expression of interest by
15 a county board, by a duly enacted resolution following a public
16 hearing, in developing the livestock production and processing
17 sectors of such county's economy; an assurance that such county
18 intends to work with all other governmental jurisdictions within
19 its boundaries in implementing livestock development within the
20 county; flexible and individual treatment allowing each county to
21 design its own development program according to its own timetable;
22 and a commitment to compliance with the Livestock Waste Management
23 Act.

24 (2) The designation of any county or counties as a
25 livestock friendly county shall not be an indication nor shall
26 it suggest that any county that does not seek or obtain such a
27 designation is not friendly to livestock production.

1 (3) In order to assist any county with information
2 and technology, the Department of Agriculture shall establish a
3 resource data base to provide, upon written request of the county
4 zoning authority or county board, information sources that may be
5 useful to the county in evaluating and crafting livestock facility
6 conditional use permits that meet the objectives of the county and
7 the livestock producer applicant.

8 ~~(4) The Department of Agriculture shall adopt and~~
9 ~~promulgate rules and regulations to carry out this section.~~

10 ~~(5) (4)~~ Nothing in this section shall prohibit or prevent
11 any county board from adopting a resolution that designates the
12 county a livestock friendly county.

13 Sec. 3. (1) From funds available in the Livestock Growth
14 Cash Fund, the Director of Agriculture may administer a grant
15 program to assist counties designated by the director as livestock
16 friendly counties pursuant to 54-2802 in livestock development
17 planning and associated public infrastructure improvements. The
18 director shall receive applications submitted by county boards or
19 county planning authorities for assistance under this section and
20 award grants for any of the following eligible purposes:

21 (a) Strategic planning to accommodate and encourage
22 investment in livestock production including one or more of the
23 following activities:

24 (i) Reviewing zoning and land use regulations;

25 (ii) Evaluating workforce availability, educational,
26 institutional, public infrastructure, marketing, transportation,
27 commercial service, natural resource, and agricultural assets and

1 needs of the county and surrounding areas to support livestock
2 development;

3 (iii) Identifying livestock development goals and
4 opportunities for the county;

5 (iv) Identification and evaluation of a location
6 or locations suitable for placement of livestock production
7 facilities; and

8 (v) Developing a marketing strategy to promote and
9 attract investment in new or expanded livestock production and
10 related livestock service and marketing businesses within the
11 county; and

12 (b) Improvements to public infrastructure to accommodate
13 one or more livestock development projects, including modifications
14 to roads and bridges, drainage, and sewer and water systems. An
15 application for a grant under this subdivision shall identify
16 specific infrastructure improvements relating to a project for the
17 establishment, expansion, or relocation of livestock production to
18 which the grant funds would be applied and shall include a copy
19 of the county conditional use permit issued for the livestock
20 operation if required by county zoning regulations.

21 (2) A grant award under subdivision (1)(a) of this
22 section shall not exceed fifteen thousand dollars. A grant award
23 under subdivision (1)(b) of this section shall not exceed one-half
24 of the unobligated balance of the Livestock Growth Cash Fund or two
25 hundred thousand dollars, whichever is less.

26 Sec. 4. The Livestock Growth Act Cash Fund is created.
27 The fund may be used to carry out the Livestock Growth Act. The

1 State Treasurer shall credit to the fund any funds transferred
2 or appropriated to the fund by the Legislature, including funds
3 transferred from the Commercial Feed Act Administration Cash Fund
4 under section 54-857, and funds received as gifts or grants or
5 other private or public funds obtained for the purposes of the act.
6 Any money in the fund available for investment shall be invested
7 by the state investment officer pursuant to the Nebraska Capital
8 Expansion Act and the Nebraska State Funds Investment Act.

9 Sec. 5. The Department of Agriculture may adopt and
10 promulgate rules and regulations to carry out the Livestock Growth
11 Act.

12 Sec. 6. Section 54-857, Revised Statutes Cumulative
13 Supplement, 2012, is amended to read:

14 54-857 All money received pursuant to the Commercial Feed
15 Act shall be remitted by the director to the State Treasurer for
16 credit to the Commercial Feed Administration Cash Fund which is
17 hereby created. Such fund shall be used by the department to aid
18 in defraying the expenses of administering the act and to aid
19 in defraying the expenses related to a cooperative agreement with
20 the United States Department of Agriculture Market News reporting
21 program. Transfers may be made from the fund to the General Fund
22 at the direction of the Legislature. It is the intent of the
23 Legislature to transfer four hundred thousand dollars from the
24 Commercial Feed Administration Cash Fund to the Livestock Growth
25 Cash Fund on October 1, 2014. Any money in the Commercial Feed
26 Administration Cash Fund available for investment shall be invested
27 by the state investment officer pursuant to the Nebraska Capital

1 Expansion Act and the Nebraska State Funds Investment Act.

2 Sec. 7. Section 77-27,187.02, Revised Statutes Cumulative
3 Supplement, 2012, is amended to read:

4 77-27,187.02 (1) To earn the incentives set forth in the
5 Nebraska Advantage Rural Development Act, the taxpayer shall file
6 an application for an agreement with the Tax Commissioner.

7 (2) The application shall contain:

8 (a) A written statement describing the full expected
9 employment or type of livestock production and the investment
10 amount for a qualified business, as described in section 77-27,189,
11 in this state;

12 (b) Sufficient documents, plans, and specifications as
13 required by the Tax Commissioner to support the plan and to define
14 a project; and

15 (c) An application fee of five hundred dollars. The fee
16 shall be remitted to the State Treasurer for credit to the Nebraska
17 Incentives Fund. The application and all supporting information
18 shall be confidential except for the name of the taxpayer, the
19 location of the project, and the amounts of increased employment or
20 investment.

21 (3) (a) The Tax Commissioner shall approve the application
22 and authorize the total amount of credits expected to be earned as
23 a result of the project if he or she is satisfied that the plan in
24 the application defines a project that (i) meets the requirements
25 established in section 77-27,188 and such requirements will be
26 reached within the required time period and (ii) for projects other
27 than livestock modernization or expansion projects, is located in

1 an eligible county, city, or village.

2 (b) The Tax Commissioner shall not approve further
3 applications once the expected credits from the approved projects
4 total two million five hundred thousand dollars in each of fiscal
5 years 2004-05 and 2005-06, three million dollars in each of fiscal
6 years 2006-07 through 2008-09, and four million dollars in fiscal
7 year 2009-10. For applications filed in calendar years 2010 and
8 2011, the Tax Commissioner shall not approve further applications
9 once the expected credits from the approved projects total four
10 million dollars. For applications filed in calendar year 2012
11 and each year thereafter, year 2014, the Tax Commissioner shall
12 not approve further applications once the expected credits from
13 the approved projects total one million dollars. For applications
14 filed in calendar year 2015 and each year thereafter, the Tax
15 Commissioner shall not approve further applications from applicants
16 described in subsection (1) of section 77-27,188 once the expected
17 credits from approved projects from this category total one million
18 dollars. For applications filed in calendar year 2015 and each
19 year thereafter, the Tax Commissioner shall not approve further
20 applications from applicants described in subsection (2) of section
21 77-27,188 once the expected credits from approved projects in this
22 category total one million five hundred thousand dollars. Four
23 hundred dollars of the application fee shall be refunded to the
24 applicant if the application is not approved because the expected
25 credits from approved projects exceed such amounts. It is the
26 intent of the Legislature that all tax credits deemed unallocated
27 for this section for calendar year 2011 shall be used for purposes

1 ~~of the Angel Investment Tax Credit Act.~~

2 (c) Applications for benefits shall be considered
3 separately and in the order in which they are received for the
4 categories represented by subsections (1) and (2) of section
5 77-27,188.

6 ~~(d)(i) For applications filed in calendar year 2011,~~
7 ~~applications shall be filed by July 1 and shall be complete by~~
8 ~~August 1 of the calendar year. Any application that is filed after~~
9 ~~July 1 or that is not complete on August 1 shall be considered to~~
10 ~~be filed during the following calendar year.~~

11 ~~(ii) For applications filed in calendar year 2012 and~~
12 ~~each year thereafter, applications~~ (d) Applications shall be filed
13 by November 1 and shall be complete by December 1 of each calendar
14 year. Any application that is filed after November 1 or that is not
15 complete on December 1 shall be considered to be filed during the
16 following calendar year.

17 (4) After approval, the taxpayer and the Tax Commissioner
18 shall enter into a written agreement. The taxpayer shall agree
19 to complete the project, and the Tax Commissioner, on behalf of
20 the State of Nebraska, shall designate the approved plans of the
21 taxpayer as a project and, in consideration of the taxpayer's
22 agreement, agree to allow the taxpayer to use the incentives
23 contained in the Nebraska Advantage Rural Development Act up to
24 the total amount that were authorized by the Tax Commissioner
25 at the time of approval. The application, and all supporting
26 documentation, to the extent approved, shall be considered a part
27 of the agreement. The agreement shall state:

1 (a) The levels of employment and investment required by
2 the act for the project;

3 (b) The time period under the act in which the required
4 level must be met;

5 (c) The documentation the taxpayer will need to supply
6 when claiming an incentive under the act;

7 (d) The date the application was filed; and

8 (e) The maximum amount of credits authorized.

9 Sec. 8. Section 77-27,188, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 77-27,188 (1) A refundable credit against the taxes
12 imposed by the Nebraska Revenue Act of 1967 shall be allowed to any
13 taxpayer who has an approved application pursuant to the Nebraska
14 Advantage Rural Development Act, who is engaged in a qualifying
15 business as described in section 77-27,189, and who after January
16 1, 2006:

17 (a)(i) Increases employment by two new equivalent
18 employees and makes an increased investment of at least one hundred
19 twenty-five thousand dollars prior to the end of the first taxable
20 year after the year in which the application was submitted in

21 (A) any county in this state with a population of fewer than
22 fifteen thousand inhabitants, according to the most recent federal
23 decennial census, (B) any village in this state, or (C) any area
24 within the corporate limits of a city of the metropolitan class
25 consisting of one or more contiguous census tracts, as determined
26 by the most recent federal decennial census, which contain a
27 percentage of persons below the poverty line of greater than thirty

1 percent, and all census tracts contiguous to such tract or tracts;
2 or

3 (ii) Increases employment by five new equivalent
4 employees and makes an increased investment of at least two hundred
5 fifty thousand dollars prior to the end of the first taxable year
6 after the year in which the application was submitted in any county
7 in this state with a population of less than twenty-five thousand
8 inhabitants, according to the most recent federal decennial census,
9 or any city of the second class; and

10 (b) Pays a minimum qualifying wage of eight dollars and
11 twenty-five cents per hour to the new equivalent employees for
12 which tax credits are sought under the Nebraska Advantage Rural
13 Development Act. The Department of Revenue shall adjust the minimum
14 qualifying wages required for applications filed after January 1,
15 2004, and each January 1 thereafter, as follows: The current rural
16 Nebraska average weekly wage shall be divided by the rural Nebraska
17 average weekly wage for 2003; and the result shall be multiplied by
18 the eight dollars and twenty-five cents minimum qualifying wage for
19 2003 and rounded to the nearest one cent. The amount of increase
20 or decrease in the minimum qualifying wages for any year shall
21 be the cumulative change in the rural Nebraska average weekly
22 wage since 2003. For purposes of this subsection, rural Nebraska
23 average weekly wage means the most recent average weekly wage paid
24 by all employers in all counties with a population of less than
25 twenty-five thousand inhabitants as reported by October 1 by the
26 Department of Labor.

27 For purposes of this section, a teleworker working in

1 Nebraska from his or her residence for a taxpayer shall be
2 considered an employee of the taxpayer, and property of the
3 taxpayer provided to the teleworker working in Nebraska from his
4 or her residence shall be considered an investment. Teleworker
5 includes an individual working on a per-item basis and an
6 independent contractor working for the taxpayer so long as the
7 taxpayer withholds Nebraska income tax from wages or other payments
8 made to such teleworker. For purposes of calculating the number
9 of new equivalent employees when the teleworkers are paid on a
10 per-item basis or are independent contractors, the total wages or
11 payments made to all such new employees during the year shall be
12 divided by the qualifying wage as determined in subdivision (b) of
13 this subsection, with the result divided by two thousand eighty
14 hours.

15 (2) A refundable credit against the taxes imposed by the
16 Nebraska Revenue Act of 1967 shall be allowed to any taxpayer who
17 (a) has an approved application pursuant to the Nebraska Advantage
18 Rural Development Act, (b) is engaged in livestock production, and
19 (c) after January 1, 2007, invests at least fifty thousand dollars
20 for livestock modernization or expansion.

21 (3) The amount of the credit allowed under subsection
22 (1) of this section shall be three thousand dollars for each new
23 equivalent employee and two thousand seven hundred fifty dollars
24 for each fifty thousand dollars of increased investment. ~~The For~~
25 applications filed before January 1, 2015, the amount of the credit
26 allowed under subsection (2) of this section shall be ten percent
27 of the investment, not to exceed a credit of thirty thousand

1 dollars. For applications filed on or after January 1, 2015, the
2 amount of the credit allowed under subsection (2) of this section
3 shall be ten percent of the investment, not to exceed a credit
4 of one hundred fifty thousand dollars per application. For each
5 application, a taxpayer engaged in livestock production may qualify
6 for a credit under either subsection (1) or (2) of this section,
7 but cannot qualify for more than one credit per application.

8 (4) An employee of a qualified employee leasing company
9 shall be considered to be an employee of the client-lessee for
10 purposes of this section if the employee performs services for the
11 client-lessee. A qualified employee leasing company shall provide
12 the Department of Revenue access to the records of employees leased
13 to the client-lessee.

14 (5) The credit shall not exceed the amounts set out in
15 the application and approved by the Tax Commissioner.

16 (6)(a) If a taxpayer who receives tax credits creates
17 fewer jobs or less investment than required in the project
18 agreement, the taxpayer shall repay the tax credits as provided in
19 this subsection.

20 (b) If less than seventy-five percent of the required
21 jobs in the project agreement are created, one hundred percent
22 of the job creation tax credits shall be repaid. If seventy-five
23 percent or more of the required jobs in the project agreement are
24 created, no repayment of the job creation tax credits is necessary.

25 (c) If less than seventy-five percent of the required
26 investment in the project agreement is created, one hundred percent
27 of the investment tax credits shall be repaid. If seventy-five

1 percent or more of the required investment in the project
2 agreement is created, no repayment of the investment tax credits is
3 necessary.

4 (7) For taxpayers who submitted applications for benefits
5 under the Nebraska Advantage Rural Development Act before January
6 1, 2006, subsection (1) of this section, as such subsection existed
7 immediately prior to such date, shall continue to apply to such
8 taxpayers. The changes made by Laws 2005, LB 312, shall not
9 preclude a taxpayer from receiving the tax incentives earned prior
10 to January 1, 2006.

11 Sec. 9. Original sections 54-2801, 54-2802, and
12 77-27,188, Reissue Revised Statutes of Nebraska, and sections
13 54-857 and 77-27,187.02, Revised Statutes Cumulative Supplement,
14 2012, are repealed.