

Nebraska Angel Investment Tax Credit Program Report

Nebraska Department of Economic Development

10/1/2013

(Covering August 2011 through December 2012)

Pursuant to Nebraska Revised Statute §77-6309:

By November 15 of each odd-numbered year, the Department of Economic Development shall submit a report to the Legislature and the Governor that includes:

- (1) The number and geographic location of qualified investors;
- (2) The number, geographic location, and amount of qualified investment made into each qualified small business;
- (3) A breakdown of the industry sectors in which qualified small businesses are involved;
- (4) The number of actual tax credits issued by project under the Angel Investment Tax Credit Act on an annual basis; and
- (5) The number of jobs created at each qualified small business.

The report submitted to the Legislature shall be submitted electronically.

The following pages comprise the 2013 departmental report.

Respectfully Submitted,


Catherine D. Lang, Director

October 1, 2013
Date

Qualified Investors

2011 Angel Investment Tax Credit Qualified Investors by City					
City	Investors	City	Investors	City	Investors
Allen, NE	1	Elkhorn, NE	3	Omaha, NE	63
Beatrice, NE	1	Grand Island, NE	1	Pacific Palisades, CA	1
Bellevue, NE	1	Hastings, NE	3	Pawnee City, NE	1
Bennington, NE	2	Kearney, NE	5	Raymond, NE	1
Blair, NE	1	Laurel, NE	3	Schuyler, NE	1
Coleridge, NE	2	Lincoln, NE	21	Scottsbluff, NE	1
Diller, NE	2	Litchfield, NE	1	Waterbury, NE	1

2012 Angel Investment Tax Credit Qualified Investors by City					
City	Investors	City	Investors	City	Investors
Allen, NE	1	Doniphan, NE	2	Litchfield, NE	3
Alma, NE	3	Edison, NE	1	Lodgepole, NE	1
Amherst, NE	2	Elkhorn, NE	5	Madison, NE	1
Arápahoe, NE	2	Elm Creek, NE	4	Martell, NE	1
Ashton, NE	2	Elwood, NE	2	Minden, NE	14
Axtell, NE	7	Eustis, NE	1	North Platte, NE	2
Ayr, NE	1	Farnam, NE	3	Ogallala, NE	1
Belden, NE	1	Franklin, NE	2	Omaha, NE	40
Bellevue, NE	1	Fremont, NE	1	Orleans, NE	4
Bennet, NE	1	Funk, NE	1	Pleasanton, NE	2
Bennington, NE	1	Gibbon, NE	5	Ravenna, NE	3
Bertrand, NE	1	Gothenburg, NE	2	Scottsbluff, NE	1
Bladen, NE	2	Grand Island, NE	1	Shelton, NE	4
Blair, NE	3	Gretna, NE	1	St. Paul, NE	1
Bloomington, NE	1	Hartington, NE	1	Sumner, NE	1
Blue Hill, NE	1	Hastings, NE	2	Suttton, NE	2
Boelus, NE	1	Heartwell, NE	4	Upland, NE	9
Cairo, NE	1	Hildreth, NE	5	Valley, NE	1
Callaway, NE	1	Holdrege, NE	3	Valparaison, NE	1
Cambridge, NE	2	Holstein, NE	3	Wahoo, NE	1
Campbell, NE	4	Juniata, NE	4	Wakefield, NE	1
Coleridge, NE	5	Kearney, NE	13	Walton, NE	1
Cozad, NE	3	Kenesaw, NE	9	Waterloo, NE	2
Crete, NE	1	Laurel, NE	4	Wayne, NE	1
Dannebrog, NE	2	Leigh, NE	1	Wilcox, NE	10
Dawson, NE	1	Lexington, NE	1	Wood River, NE	6
De Soto, NE	1	Lincoln, NE	20		

Businesses Receiving Qualified Investment

2011 Angel Investment Tax Credit Investment Recipients					
QSB	NAICS	NAICS Description	City	Qualified Investment	Credits Issued
11Q5B001	541511	Custom Computer Programming Services	Lincoln	\$25,000.00	\$10,000.00
11Q5B002	561110	Office Administrative Services	Omaha	\$250,000.00	\$100,000.00
11Q5B007	518210	Data Processing and Related Services	Omaha	\$400,000.00	\$160,000.00
11Q5B009	339113	Surgical Appliance and Supplies Manufacturing	Lincoln	\$100,000.00	\$40,000.00
11Q5B010	541511	Custom Computer Programming Services	Omaha	\$1,044,774.60	\$237,909.84
11Q5B011	561110	Office Administrative Services	Omaha	\$150,000.00	\$60,000.00
11Q5B014	511210	Software Publishers	Lincoln	\$150,000.00	\$60,000.00
11Q5B030	541511	Custom Computer Programming Services	Omaha	\$450,000.00	\$180,000.00
11Q5B041	511210	Software Publishers	Omaha	\$30,000.00	\$12,000.00
11Q5B042	327215	Purchased Glass Product Manufacturing	Lincoln	\$500,000.00	\$200,000.00
11Q5B046	541330	Engineering Services	Omaha	\$200,000.00	\$80,000.00
11Q5B058	325211	Plastics Material & Resin Manufacturing	Laurel	\$192,000.00	\$76,800.00
11Q5B062	512110	Motion Picture and Video Production	Omaha	\$99,986.64	\$34,995.32
11Q5B063	541511	Custom Computer Programming Services	Lincoln	\$1,000,000.00	\$153,391.32
11Q5B065	541511	Custom Computer Programming Services	Lincoln	\$850,000.00	\$130,382.62
11Q5B071	541690	Other Technical Consulting Services	Hastings	\$215,000.00	\$86,000.00
11Q5B072	312130	Wineries	Pawnee City	\$25,000.00	\$10,000.00
11Q5B114	335999	All Other Miscellaneous Electrical Equipment and Component Manufacturing	Kearney	\$487,000.00	\$194,800.00
11Q5B126	541511	Custom Computer Programming Services	Omaha	\$1,054,901.00	\$421,960.40
11Q5B235	339113	Surgical Appliance and Supplies Manufacturing	Lincoln	\$177,962.00	\$71,184.70

2012 Angel Investment Tax Credit Investment Recipients

QSB	NAICS	NAICS Description	City	Qualified Investment	Credits Issued
11QSB046	541330	Engineering Services	Omaha	\$150,000.00	\$60,000.00
11QSB041	511210	Software Publishers	Omaha	\$400,000.00	\$160,000.00
11QSB081	541360	Geophysical Surveying & Mapping Services	Omaha	\$225,000.00	\$90,000.00
12QSB331	454111	Electronic Shopping	Lincoln	\$100,000.00	\$40,000.00
12QSB347	518210	Data Processing, Hosting, and Related Services	Lincoln	\$500,000.00	\$200,000.00
11QSB071	541690	Other Technical Consulting Services	Hastings	\$75,000.00	\$30,000.00
11QSB030	541511	Custom Computer Programming Services	Omaha	\$510,200.00	\$204,080.00
11QSB060	541511	Custom Computer Programming Services	Omaha	\$275,000.00	\$110,000.00
11QSB235	339113	Surgical Appliance and Supplies Manufacturing	Lincoln	\$250,000.00	\$100,000.00
11QSB058	325211	Plastics Material & Resin Manufacturing	Laurel	\$1,180,000.00	\$472,000.00
11QSB114	335999	All Other Miscellaneous Electrical Equipment and Component Manufacturing	Kearney	\$1,260,000.00	\$504,000.00
12QSB294	511210	Software Publishers	Omaha	\$80,000.00	\$32,000.00
11QSB009	339113	Surgical Appliance and Supplies Manufacturing	Lincoln	\$400,000.00	\$160,000.00
11QSB271	511210	Software Publishers	Omaha	\$25,000.00	\$10,000.00
11QSB059	334413	Semiconductor and Related Devices	Beatrice	\$284,983.62	\$113,993.45
12QSB289	541330	Engineering Services	Omaha	\$500,000.00	\$175,000.00
12QSB015	519130	Internet Publishing and Broadcasting and Web Search Portals	Omaha	\$50,000.00	\$20,000.00
11QSB062	512110	Motion Picture and Video Production	Omaha	\$275,287.44	\$96,350.64
11QSB239	541511	Custom Computer Programming Services	Kearney	\$100,000.00	\$40,000.00
11QSB072	312130	Wineries	Pawnee City	\$25,000.00	\$10,000.00
11QSB011	561110	Office Administrative Services	Omaha	\$475,000.00	\$190,000.00
11QSB259	541511	Custom Computer Programming Services	Lincoln	\$50,000.00	\$20,000.00

Employment at Qualified Small Businesses

2011 Tax Credit Investment Recipients Employment

Twenty companies benefited from investment due to the AITC program in 2011, at which there were 55 employees (52 of which were employed in Nebraska). Twelve of the twenty companies reported no employment at all at the time of application (pre-payroll).

Of the companies that filed an annual report in July, 2012, baseline employment rose from 34 to 37 (33 to 34 in NE). Applying this 8.8% employment increase to the entire group, employment was estimated to have increased from 55 to 60 among all businesses that received investment under the AITC program. This minimal increase can be partially explained by the short period of time between the business being certified (8/29/11 to 12/13/11) at which time the baseline employment was determined and the time when annual reports were filed (July 2012).

2012 Tax Credit Investment Recipients Employment

Twenty-two companies benefited from investment due to the AITC program in 2012, but only five of them were new to the program and had to submit new baseline numbers. These companies reported baseline employment of 46 employees (all of whom worked in Nebraska). Sixteen of the twenty-two companies reported no employment at the time of application (pre-payroll).

Of the companies that filed an annual report in July, 2013, baseline employment rose from 14 to 55 (14 to 51 in NE). Applying this 264% employment increase to the entire group, employment was estimated to have increased from 46 to 167 among all businesses that received investment under the AITC program. This more drastic increase can be partially explained by the fact that the majority of companies submitted their baseline numbers in 2011 at the time of certification and annual reports were filed in July 2013, creating a longer growth period.