

AMENDMENTS TO LB1051

Introduced by Revenue.

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

3 Section 1. Section 77-5715, Revised Statutes Cumulative Supplement,
4 2014, is amended to read:

5 77-5715 (1) For a tier 2, tier 3, tier 4, or tier 5 project,
6 qualified business means any business engaged in:

7 (a) The conducting of research, development, or testing for
8 scientific, agricultural, animal husbandry, food product, or industrial
9 purposes;

10 (b) The performance of data processing, data analysis, or
11 telecommunication, insurance, or financial services. For purposes of this
12 subdivision, financial services includes only financial services provided
13 by any financial institution subject to tax under Chapter 77, article 38,
14 or any person or entity licensed by the Department of Banking and Finance
15 or the federal Securities and Exchange Commission and telecommunication
16 services includes community antenna television service, Internet access,
17 satellite ground station, call center, or telemarketing. For purposes of
18 this subdivision, data analysis means the process of extracting,
19 compiling, and modeling raw data for purposes of obtaining constructive
20 information that can be applied to formulating conclusions, predicting
21 outcomes, or supporting decisions in business, scientific, and social
22 science settings;

23 (c) The assembly, fabrication, manufacture, or processing of
24 tangible personal property;

25 (d) The administrative management of the taxpayer's activities,
26 including headquarter facilities relating to such activities or the
27 administrative management of any of the activities of any business entity

1 or entities in which the taxpayer or a group of its shareholders holds
2 any direct or indirect ownership interest of at least ten percent,
3 including headquarter facilities relating to such activities;

4 (e) The storage, warehousing, distribution, transportation, or sale
5 of tangible personal property;

6 (f) The sale of tangible personal property if the taxpayer derives
7 at least seventy-five percent or more of the sales or revenue
8 attributable to such activities relating to the project from sales to
9 consumers who are not related persons and are located outside the state;

10 (g) The sale of software development services, computer systems
11 design, product testing services, or guidance or surveillance systems
12 design services or the licensing of technology if the taxpayer derives at
13 least seventy-five percent of the sales or revenue attributable to such
14 activities relating to the project from sales or licensing either to
15 customers who are not related persons and located outside the state or to
16 the United States Government, including sales of such services, systems,
17 or products delivered by providing the customer with software or access
18 to software over the Internet or by other electronic means, regardless of
19 whether the software or data accessed by customers is stored on a
20 computer owned by the applicant, the customer, or a third party and
21 regardless of whether the computer storing the software or data is
22 located at the project;

23 (h) The research, development, and maintenance of an Internet web
24 portal. For purposes of this subdivision, Internet web portal means an
25 Internet site that allows users to access, search, and navigate the
26 Internet;

27 (i) The research, development, and maintenance of a data center;

28 (j) The production of electricity by using one or more sources of
29 renewable energy to produce electricity for sale. For purposes of this
30 subdivision, sources of renewable energy includes, but is not limited to,
31 wind, solar, geothermal, hydroelectric, biomass, and transmutation of

1 elements; or

2 (k) Any combination of the activities listed in this subsection.

3 (2) For a tier 1 project, qualified business means any business
4 engaged in:

5 (a) The conducting of research, development, or testing for
6 scientific, agricultural, animal husbandry, food product, or industrial
7 purposes;

8 (b) The assembly, fabrication, manufacture, or processing of
9 tangible personal property;

10 (c) The sale of software development services, computer systems
11 design, product testing services, or guidance or surveillance systems
12 design services or the licensing of technology if the taxpayer derives at
13 least seventy-five percent of the sales or revenue attributable to such
14 activities relating to the project from sales or licensing either to
15 customers who are not related persons and are located outside the state
16 or to the United States Government, including sales of such services,
17 systems, or products delivered by providing the customer with software or
18 access to software over the Internet or by other electronic means,
19 regardless of whether the software or data accessed by customers is
20 stored on a computer owned by the applicant, the customer, or a third
21 party and regardless of whether the computer storing the software or data
22 is located at the project; or

23 (d) Any combination of activities listed in this subsection.

24 (3) For a tier 6 project, qualified business means any business
25 except a business excluded by subsection (4) of this section.

26 (4) Except for business activity described in subdivision (1)(f) of
27 this section, qualified business does not include any business activity
28 in which eighty percent or more of the total sales are sales to the
29 ultimate consumer of (a) food prepared for immediate consumption or (b)
30 tangible personal property which is not assembled, fabricated,
31 manufactured, or processed by the taxpayer or used by the purchaser in

- 1 any of the activities listed in subsection (1) or (2) of this section.
- 2 Sec. 2. Original section 77-5715, Revised Statutes Cumulative
- 3 Supplement, 2014, is repealed.