



## Nebraska Tax Incentives

# 2018 Annual Report to the Nebraska Legislature

Issued July 15, 2019

Letter from the Tax Commissioner

Note about Confidentiality

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)

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# NEBRASKA

Good Life. Great Service.

DEPARTMENT OF REVENUE



Pete Ricketts, Governor

July 15, 2019

Senator Jim Scheer  
Speaker of the Legislature  
2103 State Capitol  
Lincoln, NE, 68509

Dear Speaker Scheer:

The Nebraska Department of Revenue (DOR) is electronically submitting the 2018 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; and
- Invest Nebraska Act.

The 2018 Annual Report and annual reports issued since 1997 can be found on the DOR website at [revenue.nebraska.gov](http://revenue.nebraska.gov). An email has also been sent to all members of the Legislature with a link to the 2018 Annual Report. Archived copies of years older than 1997 may be requested from DOR.

If you have any questions, please contact Liz Gau at 402-471-5930.

Sincerely,

A handwritten signature in cursive script that reads "Tony Fulton".

Tony Fulton  
Tax Commissioner

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## Note about Confidentiality

In several instances throughout this report the Department has withheld statistical tabulations where disclosure would lead to the identification of particular taxpayers or other information that is confidential pursuant to I.R.C. § 6103, Neb. Rev. Stat. § 77-2711 (Sales and Use Tax) or § 77-27,119 (Income Tax). The Department has adopted IRS statistical standards as the minimum standards for compliance with Nebraska confidentiality requirements. IRS Publication 1075, Tax Information Security Guidelines for Federal, State and Local Agencies. The statistical tabulations in this report comply with the following standards:

- a) No statistical tabulation may be released with singular entries containing data from fewer than three taxpayers;
- b) Statistical tabulations prepared for geographic areas less than the entire state may not be released with cells containing data from fewer than ten taxpayers; and
- c) Tabulations that pertain to specifically identified taxpayers, or would tend to identify a particular taxpayer either directly or indirectly, may not be reported, unless otherwise reportable under Neb. Rev. Stat. § 77-5731 or § 77-27,195.

Several programs included in this report no longer accept new applications. As the existing projects in those programs are completed, a smaller number of active projects remain to be included in the report. As the number of active projects decreases in any one program, it is increasingly likely that statistical tabulations will be withheld to preserve confidentiality.

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# Nebraska Advantage Act Reporting Requirements

Neb. Rev. Stat. § 77-5731 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 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 expansion of capital investment,
- (i) the estimated wage levels of jobs created under the act 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,
- (m) the credits outstanding under the act,
- (n) the value of personal property exempted by class in each county under the act,
- (o) the value of property for which payments equal to property taxes paid were allowed in each county, and
- (p) 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 new jobs at the project for which credits have been granted;

(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

## 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. For a list of qualified business activities, [click here](#). There are six tiers that have varying requirements and benefits for investment and employment.

## Application Information

An application must be filed with the Nebraska Department of Revenue (DOR) for each project. The application date for the project will establish the base year and impact the investment and required wage level for the project, as well as the applicability of certain statutory provisions. 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](#).

## Requirements by Application Level

Each of the tiers requires different investment and 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, there are different combinations of requirements and benefits for data center or web portal projects. Within Tier 5, there are different combinations of requirements and benefits for data center, web portal, or renewable energy projects. Except where specifically stated, references to Tier 2 include Tier 2, Tier 2 Web Portal or Data Center (Tier 2WP/DC), and Tier 2 Large Data Center (Tier 2LDC); and references to Tier 5 include Tier 5, Tier 5 Renewable Energy (Tier 5RE), Tier 5 Web Portal or 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 which is still in service at the end of the reporting year. 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 who meet the required wage level and work at the project, or on tasks interdependent with the project from the residence of the teleworker in Nebraska or a military installation in Nebraska. 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 Annual Wage Level		Required Investment and Employment Threshold											
	Tiers 1-4	Tier 6 <sup>1</sup>	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 <sup>2</sup>	Tier 5WP/DC N/A <sup>2</sup>	Tier 5LDC N/A <sup>2</sup>	Tier 5RE N/A <sup>2</sup>	Tier 6	
													75 FTE	50 FTE
2018	\$26,146	\$65,364	\$1M	\$3M	\$3M	\$200M	N/A	\$11M	\$35M	\$35M	\$35M	\$20M	\$10M	\$103M
2017	\$25,709	\$64,272	\$1M	\$3M	\$3M	\$200M	N/A	\$11M	\$34M	\$34M	\$34M	\$20M	\$10M	\$100M
2016	\$24,711	\$61,776	\$1M	\$3M	\$3M	\$200M	N/A	\$12M	\$36M	\$36M	\$36M	\$20M	\$10M	\$106M
2015	\$23,979	\$59,948	\$1M	\$3M	\$3M	\$203M	N/A	\$12M	\$37M	\$37M	\$37M	\$20M	\$11M	\$111M
2014	\$23,561	\$58,902	\$1M	\$3M	\$3M	\$201M	N/A	\$12M	\$37M	\$37M	\$37M	\$20M	\$11M	\$110M
2013	\$22,961	\$57,404	\$1M	\$3M	\$3M	\$200M	N/A	\$12M	\$37M	\$37M	\$37M	\$20M	\$10M	\$109M
2012	\$22,394	\$55,986	\$1M	\$3M	\$3M	\$200M	N/A	\$12M	\$36M	\$36M	\$36M	N/A	\$10M	\$106M

2011	\$21,986	\$54,966	\$1M	\$3M	\$3M	N/A	N/A	\$11M	\$33M	\$33M	N/A	N/A	\$10M	\$100M
2010	\$21,742	\$54,354	\$1M	\$3M	\$3M	N/A	N/A	\$10M	\$32M	\$32M	N/A	N/A	\$10M	\$100M
2009	\$21,136	\$52,841	\$1M	\$3M	N/A	N/A	N/A	\$11M	\$34M	N/A	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	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	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	N/A

<sup>1</sup>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. Click here for [Required Annual Wages by County](#) for Tier 6.

<sup>2</sup>Tier 5 projects do not require new employment growth, but a reduction in FTEs will result in recapture of benefits.

## Description of Time Periods

### Year ([Neb. Rev. Stat. § 77-5720](#))

For projects with an application date prior to September 6, 2013, year means the federal taxable year of the taxpayer.

For projects with an application date on or after September 6, 2013, year means calendar year.

### Base Year ([Neb. Rev. Stat. § 77-5705](#))

Except for a Tier 5LDC, the base year is the year immediately preceding the year during which the application was filed. For a Tier 5LDC project, the base year is the last year of the entitlement period for direct refunds for the Tier 2LDC project.

### Attainment Period ([Neb. Rev. Stat. § 77-5727\(l\)\(a\)](#))

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 (other than Tier 5LDC).** 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 ([Neb. Rev. Stat. § 77-5708](#))

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 sixth year after the year the required increases of investment and employment were met, or the ninth year following the year of application, 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 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 ([Neb. Rev. Stat. § 77-5726\(l\)\(e\)](#))

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 16 years past the end of the entitlement period.<sup>3</sup>

### Time Periods Per Tier

Time Period	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5 (other than Tier 5LDC)	Tier 5LDC	Tier 6
Attainment	5 years	7 years	5 years	7 years	7 years	4 years	5 years
Entitlement	6 or 7 years <sup>4</sup>	7 years	6 or 7 years <sup>4</sup>	7 years	7 years	7 years	10 years
Carryover	0 to 3 years <sup>4</sup>	2 to 8 years <sup>4</sup>	0 to 3 years <sup>4</sup>	2 to 8 years <sup>4</sup>	N/A	N/A	16 years <sup>3</sup>
Maximum Life	10 years	15 years	10 years	15 years	13 years	10 years	30 years <sup>3</sup>

<sup>3</sup>As amended by LB 161, effective August 24, 2017.

<sup>4</sup>Time periods are limited by the maximum life of the project.

## Description of Available Tax Benefits

### Direct Refund of Sales and Use Taxes ([Neb. Rev. Stat. § 77-5725\(2\)](#))

A direct refund is a refund 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 (the aircraft may not be used to transport an elected official, or for fundraising for an elected official). 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 ([Neb. Rev. Stat. § 77-5725\(5\)-\(7\)](#))

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 and entitlement periods. The credit on qualified property placed in service, from date of application through the end of the 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 ([Neb. Rev. Stat. § 77-5725\(3\)-\(4\)](#))

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

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

The number of new 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 new FTEs 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.

For projects with an application dated prior to July 15, 2010, average annual wage of new employees means the compensation subject to income tax withholding paid to new employees at the project divided by the number of FTEs that earned the compensation. For projects with an application date on or after July 15, 2010, the average annual wage of new employees means the compensation subject to Medicare tax paid to new employees at the project divided by the number of FTEs that earned the compensation.

The credit percentage varies by tier and the average annual wage of 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 compensation attributable to new FTEs, excluding any compensation in excess of \$1 million paid to any one employee during the year, depending on the average annual wage of the new FTEs.
- **Tier 6.** In each year of the entitlement period, the compensation credit is equal to ten percent times the compensation of all non-base year employees, excluding any compensation in excess of \$1 million paid to any one employee during the year.

### Personal Property Tax Exemption ([Neb. Rev. Stat. § 77-5725\(8\)](#))

**Tiers 4 and 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 (the aircraft may not be used to transport an elected official, or for fundraising for an elected official);
- 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.

A Tier 6 taxpayer may also claim a personal property tax exemption on 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 types of property qualify for the exemption.

The other types of personal 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 (the aircraft may not be used to transport an elected official, or for fundraising for an elected official);
- 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.

A Tier 2LDC taxpayer may also claim a personal property tax exemption on 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 end of the exemption period for the other types of property which qualify for the exemption.

The other types of personal property at the project may be exempted for the earlier of:

- The January 1 preceding the first claim for exemption through the ninth December 31 after the first claim for exemption is approved; or
- The first January 1 following the end of the year 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 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 the property qualifies for the exemption.

### Sales and Use Tax Refund Using Investment and Compensation Credits ([Neb. Rev. Stat. § 77-5726\(1\)\(c\)](#))

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

### Income Tax Offset or Refund Using Investment and Compensation Credits ([Neb. Rev. Stat. §§ 77-5726\(1\)\(a\) and 77-5728\(1\)\(a\)](#))

Tax credits may be used to reduce the income tax liability of the taxpayer's entire unitary group. The tax credits used for an income tax offset or refund may be earned in a prior year or the current year. For projects with an application date on or after September 6, 2013, tax credits may be used beginning with the taxable year which includes December 31 of the year the required minimum levels were reached.

Tax 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 tax credit to reduce their income tax liability from the year of distribution through the end of the carryover period. For projects with an application date on or after September 6, 2013, the last year for which tax credits may be used is the taxable year which includes December 31 of the last year of the carryover period. Any decision on how part of the tax credit is applied will not limit how the remaining tax credit could be applied.

### Income Tax Withholding Offset or Refund Using Compensation Credits ([Neb. Rev. Stat. § 77-5726\(1\)\(b\)](#))

- **Tiers 1, 2, 3, and 4.** Compensation credits may be used to receive a refund of, or to reduce, the taxpayer's income tax 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 income tax 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 an income tax withholding liability must be earned in a prior year.

### Real Property Tax Reimbursement Using Investment and Compensation Credits ([Neb. Rev. Stat. § 77-5726\(1\)\(d\)](#))

**Tier 2LDC.** Tax credits may be used for a reimbursement from the state equal to real property taxes paid, after the year the application was filed through the end of the carryover period, on investment made after the date of application.

**Tier 6.** Tax credits may be used for a reimbursement from the state, per Neb. Rev. Stat. § 77-5725(1)(d), 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.

## 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 5RE	Tier 5WP/DC	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, Computer Systems, Agricultural Processing Equipment, & Distribution Facility Equipment	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	✓	✓	✓	✓	✓	✓				✓
Income Tax Withholding Offset or Refund	✓	✓	✓	✓	✓	✓				✓
Real Property Tax Reimbursement				✓						✓

## Audit and Review Procedures

### Audit ([Neb. Rev. Stat. § 5725\(2\)](#))

When the taxpayer notifies DOR that it has reached the qualification levels, an audit is conducted to confirm the attainment of the minimum levels of investment and employment, verification of the credits earned in the attainment period, and the accuracy of the initial direct sales and use tax refund. After the audit is completed, DOR issues a letter informing the taxpayer of the outcome of the audit. DOR reviews annual filings for claimed tax benefits for reasonableness. DOR conducts periodic maintenance audits to ensure that projects have continued to maintain at least the minimum levels of investment and employment necessary for the selected tier, and to verify the propriety of the credits reported and benefits received. The confirmation of attainment of the minimum required levels of new investment and employment required for the property tax exemption may be done as part of the original qualification audit for the subtier, or as part of a maintenance audit of a subsequent year.

### Review of Claims for Benefits ([Neb. Rev. Stat. § 77-5726](#))

During the entitlement and carryover periods, the taxpayer may file claims with DOR for refunds of sales and use taxes paid during the attainment, entitlement, and carryover periods. The sales and use taxes paid during the attainment period may only be requested after DOR has confirmed that the project has attained the minimum required levels, and the refund is limited to sales and use taxes paid on qualified property used at the project and aircraft used in connection with the project. The review of the claims may involve testing 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. DOR 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 personal property eligible for exemption.

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

The taxpayer or the recipient of a distributed credit may file Nebraska income tax returns claiming the use of tax credits as an offset of all, or a portion, of the taxes due. The taxpayer or the recipient of a distributed credit may also file amended returns to receive a refund of income taxes previously paid. DOR will review and approve the tax credit usage.

The taxpayer files Nebraska income tax withholding returns claiming the use of compensation 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 tax withholding previously paid. DOR will review and approve the compensation credit usage. DOR also reviews or audits the information to ensure that compensation credits were only used as an offset against the income tax withholding attributable to the appropriate employees.

## Recapture of Benefits ([Neb. Rev. Stat. § 77-5727](#))

Recapture is a reduction in benefits when the minimum levels of investment or employment are not maintained for all years during the entitlement period. For each year the levels are not maintained, the taxpayer cannot earn new tax credits or claim direct refunds of sales and use tax for investment made during the year. The Department also assesses a portion of benefits already received and retains a portion of subsequent tax offsets or refunds to recapture the unearned benefits.

If a project in a tier eligible for property tax exemptions does not maintain the minimum investment and employment levels, the taxpayer owes a portion of property tax exemptions already received (referred to as "recapture"), and loses one year at the end of the exemption period for each year the project did not maintain the required levels. If the project does not meet the minimum investment and employment levels, the taxpayer owes recapture of any property tax exemptions received in the attainment period.

DOR may also recapture any refunds or reductions in tax to which the taxpayer was not entitled.

# Nebraska Advantage Act Agreements Signed in 2018 and Total Agreements in Effect

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

In the application, each company provides an estimate of investment that will be made and the new 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; it may only meet the required levels of the subtier; or it may fail to meet the minimum required levels of the tier or subtier. A list of all Nebraska Advantage Act (Act) applications which have been filed is included on the [DOR's website](#) and updated quarterly.

Beginning with applications filed on or after September 6, 2013, the Tax Commissioner must approve or deny an application within 180 days after the date of the application. The 180-day period is tolled from the time the Tax Commissioner makes a request for additional information or clarification to the time the requested information or clarification is received from the taxpayer. The taxpayer and the Tax Commissioner may also agree to extend the 180-day period. If the Tax Commissioner fails to make a determination within the 180-day period, the application is deemed to be approved. See [Neb. Rev. Stat. § 77-5723\(5\)](#).

[Neb. Rev. Stat. § 77-5723\(6\)](#) requires that the Tax Commissioner prepare and mail a written agreement to the taxpayer for the taxpayer's signature within 180 days after the application is approved. The application, and all supporting documentation, to the extent it has been approved, is considered a part of the agreement. The agreement must state:

1. The levels of employment and investment required by the Act for the project;
2. The time period under the Act in which the required levels must be met;
3. The documentation the taxpayer will need to supply when claiming benefits under the Act;
4. The date the application was filed; and
5. A requirement that the company annually update DOR on any changes in plans or circumstances which affect the timetable of sales tax refunds as set out in the application. If the company fails to comply with this requirement, the Tax Commissioner may defer any pending sales tax refunds until the company does comply.

[Sample agreements](#) for each tier are available on DOR's website.

Under [Neb. Rev. Stat. § 77-5731\(2\)](#), the reporting requirements for agreements include: the agreements which have been signed during the previous year; the agreements which are still in effect; the identity of each taxpayer who is party to an agreement, and the location of each project. The planned investment and employment reflected in the table was included on the applications and is subject to disclosure under [Neb. Rev. Stat. § 77-5723\(2\)\(e\)](#).



### Agreements Signed in 2018

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)
Agri-Plastics USA, LLC	Sidney	3	30
Allo Communications, LLC	Alliance, Bellevue, Bridgeport, Gering, Hastings, Imperial, Lincoln, North Platte, Ogallala, and Scottsbluff	90	100
American Laboratories, Inc.	Omaha	3	30
ASP MSG Acquisition Co., Inc.	Norfolk	8	15
Big Ox Energy - Siouxland, LLC	Dakota City	30	30
BNSF Railway Company	Statewide	350	50
Chief Industries, Inc.	Grand Island, Kearney, Lexington, and Lincoln	3	30
Community Pharmacy Services, Inc.	Gretna	3	40
ContiTech USA, Inc.	Norfolk	3	30
CoreLeap, LLC	Omaha	3	30
Direct Vet Marketing, Inc.	Omaha	3	30
EF Johnson Technologies, Inc. & Subsidiary	Lincoln	1	10
Exchange Company	Gibbon, Grand Island, Kearney, Lincoln, and Omaha	3	30
Flanders Provision Company, LLC	Hastings	3	30
Food Safety Net Services - Nebraska LLC	Omaha	3.1	15
Glenn Valley Foods, LLC	Omaha	6.2	10
Graepel North America, Inc.	Omaha	6.6	20
Green Plains Inc. & Subsidiaries	York	1.5	10
GWD, Ltd.	South Sioux City	1	10
Hastings Irrigation Pipe Co.	Hastings	1	10
Huvepharma, Inc.	Lincoln	4.2	10
i2c, Inc.	Omaha	3	300
Ingredient Incorporated	South Sioux City	84	37
Innovative Exhaust Solutions, Inc.	Lincoln	1	10
Jet Linx Aviation, LLC	Omaha	3.1	34
Kirsch Transportation Services, Inc.	Omaha	3.3	45
Lawrence Recruiting Specialists, Inc.	Omaha	3	30
Legacy Post & Beam, Inc.	Fremont	1	10
Lindsay Corporation & Subsidiaries	Lindsay, Newman Grove, and Omaha	35	100
LOTSolutions, Inc.	Omaha	0	30
Lozier Corporation	Omaha	11	100
Metropolitan Life Insurance Company	Omaha	14.4	30
MidAmerica Equipment, Inc.	Omaha	3	16
Midwest Web, Inc.	Lincoln	1.4	17
Nelnet, Inc. & Subsidiaries	Lincoln	11	100
NexGen Outfitters, LLC	Sidney	3	30
North End Teleservices, LLC	Omaha	3	30
OCI Insurance & Financial Services, Inc.	Omaha	3	30
Parker-Hannifin Corporation	Alliance and McCook	3	30
Pen-Link Ltd.	Lincoln	1	10
PKMP Co., LLC	Hastings	0	125
Prince Agri Products, Inc.	Omaha	1	10
Quality Refrigerated Services, Inc.	Omaha	15.8	115
RD America, LLC	La Vista	10	50
Realm Five, Inc.	Lincoln	2.6	26
Sharp Medical Solutions, LLC	Omaha	3	30
SilverStone Group, Inc.	Omaha and Papillion	4.9	30
Teledyne Technologies Inc. & Subsidiaries	Lincoln and Omaha	3	30
Toast, Inc.	Omaha	0	500
TPG TeleManagement, Inc.	Omaha	3	30
Triage Staffing Inc.	Omaha	3	30
TwilightLiving.com, Inc.	Omaha	1	32
Upstream Wind Energy LLC	Clearwater, Neligh, Oakdale, and Tilden	300	0
Valmont Industries Inc.	Columbus, McCook, Omaha, Valley, Waverly, and West Point	12	100
Verizon Communications, Inc. & Affiliated Companies	Omaha	37	0
Wipro Data Center and Cloud Services, Inc.	Omaha	36	0
Xpanxion, LLC	Kearney and Lincoln	3	30
Zeeland Farm Services, Inc. & Affiliate	Cambridge	9.2	10
<b>Total</b>	<b>58</b>		

## Total Agreements in Effect

The median period of time between the date of application and the date for all agreements signed as of December 31, 2018, is 300 days.

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
3M Company and Subsidiaries	Valley	8.3	36	2010
3MV Bancorp	Bellevue, La Vista, Omaha, and Papillion	6	50	2008
AAA Life Insurance Company	Omaha	3	30	2014
ACASS-Systems, LLC	Omaha	1	10	2016
ACI Worldwide, Inc. & Subsidiaries	Elkhorn	36	30	2017
ACI Worldwide, Inc. & Subsidiaries	Elkhorn and Omaha	55	0	2010
ADC Telecommunications, Inc.	Sidney	3	30	2013
Aetna Life Insurance Company	Omaha	0	51	2015
Ag Processing Inc	Hastings	137.8	13	2014
AGCO Corporation	Omaha	5.4	30	2007
Agile Sports Technologies, Inc.	Lincoln and Omaha	12	300	2016
Agile Sports Technologies, Inc.	Lincoln and Omaha	0	35	2013
Agri-Plastics USA, LLC	Sidney	3	30	2018
Air Methods Corporation	Omaha	3	30	2014
Airlanco, Inc.	Falls City	1.3	12	2012
Airlite Plastics Co.	Omaha	107.8	117	2014
Allo Communications, LLC	Alliance, Bellevue, Bridgeport, Gering, Hastings, Imperial, Lincoln, North Platte, Ogallala, and Scottsbluff	90	100	2018
Allstate Insurance Company & Subsidiaries	Lincoln	3	30	2016
AltEn, LLC	Mead	51.5	64	2015
American Concrete Products Co.	Omaha and Valley	3.2	10	2016
American Laboratories, Inc.	Omaha	3	30	2018
American Marksman, LLC	Omaha and Wahoo	3	30	2017
American National Corporation	Bellevue, Elk Creek, Elkhorn, Fairbury, Falls City, Gretna, Humboldt, La Vista, Lincoln, Nebraska City, Omaha, Papillion, Plattsmouth, Ralston, and Tecumseh	3	30	2013
American Title Holding Company	Omaha	0	30	2013
Amerifirst Home Improvement Finance LLC	Omaha	3.2	58	2017
Ameritas Life Insurance Corp.	Lincoln, Omaha, and Wayne	12.9	194	2015
Apogee Retail, LLC	Columbus	0	300	2008
Applied Underwriters, Inc.	Omaha	3	30	2010
Archer Daniels Midland Company	Columbus	750	100	2007
Archon Woodworks, Inc.	Omaha	3	30	2015
Ariens Company	Auburn	3	30	2015
Ash Grove Cement Company & Subsidiaries	Bellevue, Columbus, Cozad, Elkhorn, Fremont, Grand Island, Gretna, Laurel, Louisville, McCook, Norfolk, Omaha, Plattsmouth, Seward, Waterloo, Wayne, and West Point	36	30	2016
ASP MSG Acquisition Co., Inc.	Norfolk	8	15	2018
ASP MSG Acquisition Co., Inc.	Norfolk	7	30	2010
Assurity Life Insurance Co.	Lincoln	55.5	0	2012
Automatic Equipment Manufacturing Co.	Pender and Lincoln	3	30	2016
Aventine Renewable Energy, Inc.	Aurora	12	100	2017
Aviture, Inc.	Omaha	3	30	2015
Baldwin Filters, Inc.	Gothenburg and Kearney	12	100	2013
Baldwin Hackett & Meeks, Inc.	Omaha	1.1	11	2017
Bank of the West	Omaha	15	40	2015
BastLab, LLC	Omaha	3	10	2013
Bayer CropScience LP	Chester, Goehner, Hemingford, Lincoln, and McCook	1	10	2015
Beef Products, Inc.	South Sioux City	12	100	2015
Bell Lumber & Pole Company	Sidney	25	31	2013
Big Ox Energy - Siouxland, LLC	Dakota City	30	30	2018
Black Hills Corporation	Bellevue, Lincoln, and Omaha	23.6	60	2010
Blue Buffalo Company, Ltd	Bellevue	7	30	2017
BNSF Railway Company	Statewide	350	50	2016
BNSF Railway Company	Statewide	350	50	2018
Borgata Brewing and Distilling, LLC	Omaha	2.2	12	2015
Brehmer Manufacturing, Inc.	Lyons	1.3	13	2015
Broken Bow II Wind Energy, LLC	Broken Bow	140	0	2014
BuilderTREND Solutions, Inc.	Omaha	0	30	2015
Busy Bones Butcher, LLC	Cozad	1	10	2015
C & A Industries, Inc.	Lincoln and Omaha	14	200	2007
C & A Industries, Inc.	Lincoln and Omaha	3.1	90	2015
C.J. Foods, Inc.	Pawnee City	20	54	2011

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Cabela's Incorporated & Subsidiaries	Bellevue, Grand Island, Kearney, La Vista, Lincoln, North Platte, Papillion, and Sidney	17.7	300	2015
CAMACO, LLC	Columbus	3	30	2013
CAMACO, LLC	Columbus	20.2	100	2007
Cargill, Inc. & Subsidiaries	Fremont	2.8	10	2011
Cargill, Inc. & Subsidiaries	Blair	320	100	2007
Carson Group, Inc.	Omaha	12.6	100	2017
Celerion Holdings, Inc. & Subsidiaries	Lincoln and Omaha	3	30	2014
Cellco Partnership	Lincoln	27.5	750	2007
Cellco Partnership	Statewide	176	0	2011
Central Valley Ag Cooperative, Nonstock	Elgin, O'Neill, Petersburg, Randolph, Royal, Thurston, Tilden, and Wakefield	36	0	2016
Champion Home Builders, Inc.	York	0	30	2012
Chief Industries, Inc.	Grand Island, Kearney, Lexington, and Lincoln	3	30	2018
Chief Industries, Inc.	Grand Island, Hastings, Kearney, and Lincoln	3	30	2014
Christensen Lumber, Inc.	Elkhorn, Fremont, Gretna, Lincoln, and Omaha	3	30	2016
CHS, Inc.	South Sioux City	3	30	2014
CLAAS of Omaha, Inc. & Affiliated Entities	Omaha	11	100	2014
Cleaver-Brooks, Inc.	Lincoln	1	10	2014
Client Resources, Inc.	Omaha	3	50	2017
CNH Industrial America, LLC	Grand Island	23.6	36	2007
Columbus Hydraulics Company	Columbus	2.8	15	2007
Columbus Hydraulics Holdings, LLC	Columbus	3	30	2016
CoMc, LLC	Omaha	1	10	2017
CoMc, LLC	Omaha	1.2	15	2007
Community Pharmacy Services, Inc.	Gretna	3	40	2018
ConAgra Foods, Inc. and Subsidiaries	Omaha	15	110	2015
Consolidated Supply Co., Inc.	Omaha	1	10	2017
ContiTech USA, Inc.	Norfolk	3	30	2018
Cook's Hams, Inc.	Lincoln	10	100	2009
COR Securities Holdings, Inc.	Omaha	3	30	2014
Core Bank	Omaha	26.6	30	2017
CoreLeap, LLC	Omaha	3	30	2018
Coreslab Structures (Omaha) Inc.	Bellevue	1	10	2014
Cornhusker Growth Corporation and Subsidiaries	Lincoln	10	30	2015
CoSentry Holdings, Inc. & Subsidiaries	Bellevue, Omaha, and Papillion	10	100	2010
CoxCom, LLC	Bellevue, Bennington, Gretna, Omaha, Valley, and Waterloo	10	100	2014
CoxCom, LLC	Bellevue, Bennington, Gretna, Omaha, Papillion, Valley, and Waterloo	12	100	2017
CSG Systems International, Inc. & Subsidiaries	Omaha	53.5	0	2013
Cyclonaire Corporation	York	1	10	2013
D & D Foods, Inc.	Omaha	1.1	10	2010
D I Manufacturing, LLC	Omaha	1	10	2017
D3 Technology, Inc.	Omaha	0	30	2015
Darling Ingredients, Inc.	Ravenna	1	10	2015
Dempsters LLC	Beatrice	1	10	2015
Design Plastics, Inc.	Omaha	2	10	2017
Dex One Service, Inc.	Omaha	0	30	2013
Direct Vet Marketing, Inc.	Omaha	3	30	2018
Distribution Management Systems, Inc.	Omaha	3	38	2015
Diversified Foods & Seasonings, Inc.	Nebraska City	10	100	2007
Douglas Holdings, LLC	Columbus and Plainview	3	10	2014
Drake-Williams Steel, Inc.	Omaha	10	100	2007
Duncan Aviation, Inc.	Lincoln	12	100	2017
Duonix Beatrice, LP	Beatrice	3	30	2016
Dutton-Lainson Company	Hastings	1	10	2017
E Energy Adams, LLC	Adams	3	30	2015
E Energy Adams, LLC	Adams	90	32	2007
EF Johnson Technologies, Inc. & Subsidiary	Lincoln	1	10	2018
Elemental Scientific, Inc.	Omaha	1.5	19	2012
Ellie Mae, Inc.	Omaha	0	34	2014
Elliott Equipment Company	Omaha	1	50	2017
Elster Holdings US, Inc. & Subsidiaries	Nebraska City and Plattsmouth	3	30	2016
Endicott Clay Products Company	Endicott	3	30	2017
ePAR, LLC	Omaha	3	30	2017
Evonik Corporation	Blair	82.5	10	2013
Exchange Company	Gibbon, Grand Island, Kearney, Lincoln, and Omaha	3	30	2018

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Farmers & Merchants Investment, Inc.	Ainsworth, Auburn, Beatrice, Columbus, Crete, David City, Fairbury, Grand Island, Hastings, Kearney, Lincoln, Norfolk, Omaha, Pawnee City, Seward, Syracuse, Taylor, Valentine, Wahoo, and York	14	40	2015
Farmers Mutual Insurance Company of Nebraska	Columbus, Gering, Grand Island, Kearney, Lincoln, Norfolk, North Platte, and Omaha	17.7	30	2012
Fat Brain Toys, LLC	Elkhorn and Omaha	3	30	2016
Fidelity National Financial, Inc. and Subsidiaries	Omaha	8.7	205	2009
Firespring, Inc.	Lincoln	3	30	2014
First Data Corporation & Subsidiaries	Omaha	40	0	2015
First Data Corporation & Subsidiaries	Omaha	50	0	2013
First National of Nebraska, Inc.	Alliance, Alma, Beatrice, Bellevue, Bloomfield, Chadron, Columbus, David City, Elkhorn, Fremont, Gering, Grand Island, Gretna, Kearney, La Vista, Lincoln, Mullen, Norfolk, North Platte, Omaha, Papillion, Scottsbluff, Shelby, and Wayne	12	100	2013
First York Ban Corp.	Albion, Aurora, Bartlett, Bradshaw, Central City, Clay Center, Columbus, Davenport, Edgar, Franklin, Geneva, Glenvil, Grand Island, Guide Rock, Hampton, Harvard, Henderson, Hildreth, Marquette, McCool Junction, Monroe, Murray, North Loup, Polk, Rising City, Shelton, St. Edward, Stromsburg, Sutton, Waco, Wilcox, and York	3	30	2012
Flanders Provision Company, LLC	Hastings	3	30	2018
Flint Hills Resources Fairmont, LLC	Fairmont and Geneva	150	100	2007
Flint Hills Resources Fairmont, LLC	Fairmont	60	30	2017
FMR LLC	Papillion	390	30	2013
FMR LLC	Papillion	150	0	2013
Food Safety Net Services - Nebraska LLC	Omaha	3.1	15	2018
Foundation Supportworks, Inc.	La Vista and Papillion	3	30	2016
Frontier Holdings, LLC	Falls City, Lincoln, Madison, Norfolk, Omaha, Pender, Plainview, and Stella	3	30	2017
Fusion Medical Staffing, LLC	Omaha	3	104	2016
Gallup, Inc.	Omaha	4	30	2017
Garner Industries	Lincoln	2	10	2016
Gavilon Holdings, LLC	Bellevue, Benkelman, Imperial, and Omaha	18.7	66	2014
GIX Logistics, Inc.	Grand Island	3	30	2016
Glass Contractors, Inc.	Omaha	5.1	11	2007
Glenn Valley Foods, LLC	Omaha	6.2	10	2018
Gordmans, Inc.	Omaha	16	100	2012
Government Systems, Software & Services, Inc.	Omaha	22	31	2017
GPC, Inc.	Statewide	3	30	2017
GPC, Inc.	Statewide	30	0	2007
Graepel North America, Inc.	Omaha	6.6	20	2018
Grande Prairie Wind, LLC	O'Neill	594	0	2016
Great Dane Limited Partnership	Wayne	1	10	2012
Greater Omaha Packing Co., Inc.	Omaha	10	30	2008
Greater Omaha Packing Co., Inc.	Omaha	12	100	2016
Green Plains Inc. & Subsidiaries	York	1.5	10	2018
Green Plains Renewable Energy, Inc.	Ord	63.8	35	2008
Green Plains Renewable Energy, Inc.	Archer, Central City, Omaha, and St. Edward	3	30	2014
GWD, Ltd.	South Sioux City	1	10	2018
GWD, Ltd.	South Sioux City	1	10	2012
H3C, LLC	Omaha	3	30	2017
Harvest Roasting, LLC	Omaha	3	30	2015
Hastings Irrigation Pipe Co.	Hastings	1	10	2018
HDR, Inc. & Subsidiaries	Lincoln and Omaha	111	100	2017
Hexagon Lincoln, Inc.	Lincoln	5.2	39	2007
Hockenbergs Equipment and Supply Co., Inc.	Lincoln, Omaha, and Papillion	3	30	2017
Home Instead, Inc.	Omaha	5	30	2013
Hormel Foods Corporation	Falls City, Fremont, and Wausa	11	100	2012
Hornady Manufacturing Company	Alda and Grand Island	12	100	2014
Huvepharma, Inc.	Lincoln	4.2	10	2018
Hy-Vee, Inc.	Omaha	4	30	2012
i2c, Inc.	Omaha	3	300	2018
Idea5, Inc.	Omaha	3.6	50	2014
infoUSA Inc.	Papillion	4.3	250	2007
Ingredion Incorporated	South Sioux City	84	37	2018

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Innovative Exhaust Solutions, Inc.	Lincoln	1	10	2018
Interpublic Group, Inc.	Omaha	3.5	100	2012
IPG GIS US, Inc.	Omaha	7.5	35	2009
J. D. Heiskell Holdings, LLC	Elkhorn	3	30	2013
Jet Linx Aviation, LLC	Omaha	3.1	34	2018
Kansas City Series of Lockton Companies, LLC	Omaha	3	30	2013
Katana Summit, LLC	Columbus	14	139	2007
Kawasaki Motors Manufacturing Corp., U.S.A.	Lincoln	12	100	2016
Kawasaki Motors Manufacturing Corp., U.S.A.	Lincoln	10	100	2007
Kellogg USA, Inc.	Omaha	36	30	2017
Kinney Manufacturing, LLC	Lincoln	3.7	15	2017
Kirsch Transportation Services, Inc.	Omaha	3.3	45	2018
Klute, Inc.	York	8.6	15	2013
KYS Foods, Inc.	Scottsbluff	3.7	30	2012
LALA Branded Products, Inc.	Omaha	12	15	2012
Land Mark Snacks, LLC	Beatrice	5.5	30	2016
Laurel BioComposite, LLC	Laurel	10	15	2012
Lawrence Recruiting Specialists, Inc.	Omaha	3	30	2018
LeaseTeam, Inc.	Omaha and Papillion	1	10	2016
Legacy Post & Beam, Inc.	Fremont	1	10	2018
LI-COR, Inc.	Lincoln	6	35	2016
LI-COR, Inc.	Lincoln	5.5	35	2008
Lincoln Industries, Inc.	Lincoln	11	100	2012
Lindsay Corporation & Subsidiaries	Lindsay, Newman Grove, and Omaha	35	100	2018
Link Snacks, Inc.	Bellevue	1	10	2012
LinkedIn Corp.	Omaha	10	100	2012
Linoma Group, Inc.	Ashland	1.3	10	2014
LOTSolutions, Inc.	Omaha	0	30	2018
Lozier Corporation	Omaha	11	100	2018
Lozier Corporation	Omaha	11	100	2010
Lukjan Great Plains, LLC	Sidney	3	30	2017
M.G. Waldbaum Company	Wakefield	1	10	2017
MacPractice, Inc.	Lincoln	0	66	2012
Majors Plastics, Inc.	Omaha	3	30	2014
Malco Products, SBC, Inc.	DeWitt	3.2	31	2017
Malnove Holding Company, Inc.	Omaha	2	10	2011
Marathon Ventures, Inc.	Bellevue and Omaha	4	37	2012
Markel Aspen, Inc.	Omaha	10	576	2008
Marshall Engines, Inc. & Subsidiary	Kearney	11.1	39	2015
Martin Marietta Materials, Inc	Fort Calhoun	88	0	2017
Materials and Machines Corporation of America	Lincoln	3	30	2015
Matheson Tri-Gas, Inc.	Norfolk	40	30	2017
May Trucking Company	Greenwood	4.8	50	2017
McCain Foods USA, Inc.	Grand Island	7.8	30	2015
Medical Solutions, LLC	Omaha	5.9	68	2014
Medical Solutions, LLC	Omaha	3	221	2007
Menard, Inc.	Valley	20.9	136	2013
Meridian Rail Acquisition Corp.	Hershey	11	35	2014
Metalworks, Inc.	Lincoln	1	10	2016
Metropolitan Life Insurance Company	Omaha	14.4	30	2018
MI Industries, Inc.	Lincoln	1	10	2014
Mi Mama's Tortillas, LLC	Omaha	3.5	15	2011
MidAmerica Equipment, Inc.	Omaha	3	16	2018
Midlands Packaging Corporation	Lincoln	1.8	12	2007
Midwest Hop Producers, LLC	Plattsmouth	2.5	10	2016
Midwest Laboratories, Inc.	Omaha	2	18	2011
Midwest Laboratories, Inc.	Omaha	2	10	2016
Midwest Renewable Energy, LLC	Omaha and Sutherland	7	35	2015
Midwest Web, Inc.	Lincoln	1.4	17	2018
Minden Machine Shop, Inc.	Minden	1	10	2011
MLB Advanced Media, LP	Omaha	51.6	0	2014
Molex LLC	Lincoln	61	150	2007
Molex LLC	Lincoln	3	30	2015
Monolith Materials, Inc.	Lincoln	210	100	2015
Monsanto Company	Gothenburg, Kearney, Stromsburg, and Waco	153	180	2010
Moody's Analytics, Inc.	Omaha	3	30	2016
Mutual of Omaha Insurance Company	Blair, La Vista, Lincoln, and Omaha	289.3	361	2016
Mutual of Omaha Insurance Company	Blair and Omaha	111.2	386	2011
N.P. Dodge Company	Omaha	3.5	40	2014
National Research Corporation	Lincoln and Papillion	3	30	2014

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
NatureWorks, LLC	Blair, La Vista, and Omaha	33	0	2012
Neapco Components, LLC	Beatrice	3	30	2010
NEBCO, Inc. & Subsidiaries	Ashland, Auburn, Aurora, Central City, Falls City, Fremont, Geneva, Grand Island, Hebron, Kearney, Lincoln, Nebraska City, Omaha, Silver Creek, Springfield, St. Paul, Strang, Stromsburg, Syracuse, Tecumseh, Waco, and York	25	45	2013
Nebraska Aluminum Castings, Inc.	Hastings	1.5	20	2014
Nebraska Beef, Ltd.	Omaha	5.5	40	2013
Nebraska Brewing Company, Inc.	La Vista	1	10	2015
Nebraska Furniture Mart, Inc.	Omaha	10	100	2015
Nebraska Machine Products, Inc.	Omaha	1	20	2012
Nebraska Plastics, Inc.	Cozad	1	10	2013
NebraskaLink Holdings, LLC	Statewide	20.4	39	2014
NEDAK Ethanol, LLC	Atkinson and O'Neill	54	34	2007
Nedelco, Inc. & Subsidiaries	Aurora, Doniphan, Giltner, Grand Island, Hampton, Hordville, Marquette, Phillips, Stockham, and Trumbull	3	30	2016
Nelnet, Inc. & Subsidiaries	Omaha	3	300	2014
Nelnet, Inc. & Subsidiaries	Bellevue and Lincoln	11	200	2011
Nelnet, Inc. & Subsidiaries	Lincoln	11	100	2018
Neogen Corporation	Lincoln	5	10	2007
Neogen Corporation & Subsidiaries	Lincoln	3	30	2014
Nestle Purina PetCare Company	Crete	63	100	2016
New Age Manufacturing, Inc.	Omaha and Plattsmouth	2.5	12	2017
NewStar Sourcing and Service, LLC	Omaha	3	30	2017
NexGen Outfitters, LLC	Sidney	3	30	2018
No Coast Brewing, LLC	Hastings	1	10	2016
Norfolk Iron & Metal Co.	Norfolk	10	30	2013
Norland International, Inc.	Lincoln	0	30	2016
North End Teleservices, LLC	Omaha	3	30	2018
Northstar Financial Services Group, LLC	Fremont, Omaha, and Papillion	12	100	2014
Northstar Financial Services Group, LLC	Fremont, Omaha, and Papillion	5.3	95	2007
Nova-Tech, Inc.	Grand Island	1	10	2011
Novartis Pharmaceuticals Corp. & Affiliates	Lincoln	68	119	2007
Novozymes Blair, Inc.	Blair	110	100	2008
Nucor Corporation	Norfolk	12	100	2014
OCI Insurance & Financial Services, Inc.	Omaha	3	30	2018
OCT Pipe, LLC	Norfolk	111	100	2016
Omaha Financial Holdings, Inc.	Blair, La Vista, Lincoln, and Omaha	5.9	50	2008
Omaha National Group, LLC	Omaha	3.5	57	2017
Omaha Steaks International, Inc.	Bellevue, Omaha, and Snyder	13.9	100	2015
OneStaff Medical LLC	Omaha	3	30	2017
Open Range Beef, LLC	Gordon	12	100	2014
ORI Great West Holdings, Inc.	Grand Island and South Sioux City	4	30	2012
Oriental Trading Company, Inc. & Affiliated Entities	Bellevue, Fremont, La Vista, and Omaha	12	100	2015
Orthman Manufacturing, Inc.	Lexington	0	100	2014
OTTR, Inc.	Omaha	1	10	2017
Oxbow Enterprises, Inc.	Ashland, Murdock, Papillion, Syracuse, and West Point	3	30	2014
Pacha Soap Co.	Hastings	1	10	2016
Pacific Life Insurance Company	Omaha	12	100	2016
Parker-Hannifin Corporation	Alliance and McCook	3	30	2018
PayPal, Inc.	Bellevue and La Vista	42.5	1997	2007
PCE, Inc.	Lincoln	12	100	2016
Pellet Technology USA, LLC	York	20.1	100	2016
Pen-Link Ltd.	Lincoln	1	10	2018
Pen-Link, Ltd.	Ashland and Lincoln	1	10	2012
Peter Kiewit Sons', Inc. & Subsidiaries	Lincoln, Omaha, and Papillion	106	100	2014
Pharmaceutical Technologies, Inc.	Bellevue and Omaha	6.4	36	2007
Phillips Manufacturing Company	Omaha	1	10	2014
Pioneer Hi-Bred International, Inc.	Doniphan, Grand Island, Hastings, Seward, Stromsburg, and York	11	100	2015
PKMP Co., LLC	Hastings	0	125	2018
Prairie Breeze Wind Energy II LLC	Albion and Elgin	120	0	2017
Prairie Breeze Wind Energy III LLC	Elgin	58	0	2017
Prairie Breeze Wind Energy LLC	Elgin, Meadow Grove, and Petersburg	390	0	2015
Prairie Catalytic, LLC	Columbus	1	10	2017
Precision Components Midwest, LLC	Norfolk	1.6	10	2012
Preferred Popcorn, LLC	Chapman and Grand Island	1	10	2017

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Preferred Sands of Genoa, LLC	Genoa	10	30	2013
Premier Senior Marketing, Inc.	Norfolk	3	30	2013
Prime Time Healthcare, LLC	La Vista and Omaha	3	30	2017
Prince Agri Products, Inc.	Omaha	1	10	2018
Printco Graphics, Inc.	Omaha	3	10	2013
Product Support Solution, Inc.	Omaha	1	14	2017
Professional Research Consultants, Inc.	Omaha	3	30	2007
Proxibid, Inc.	Bellevue, Omaha, and South Sioux City	3	30	2013
Q2 Software, Inc.	Lincoln	4.5	30	2017
Quality Pork International, Inc.	Omaha	8	30	2017
Quality Pork International, Inc.	Omaha	10	100	2008
Quality Refrigerated Services, Inc.	Omaha	15.8	115	2018
Qwest Corporation	Omaha	0	30	2015
Rae Valley Financials, Inc.	Columbus and Petersburg	3	30	2016
Raven Northbrook, LLC	Papillion	200	30	2017
Raven Northbrook, LLC	Papillion	34	0	2017
RD America, LLC	La Vista	10	50	2018
RD Industries, Inc.	Omaha	1	10	2015
Readytech-Go, Inc.	Fremont	0	30	2017
Realm Five, Inc.	Lincoln	2.6	26	2018
Reinke Management Company & Subsidiaries	Deshler	3	30	2013
Resonance Innovations, LLC	Omaha	1	10	2013
ReSource Pro Services, LLC	Lincoln	3.6	73	2015
Richardson Milling, Inc.	South Sioux City	12	10	2017
RKBWLG, LLC	Bennington	1	10	2017
Rotella's Italian Bakery, Inc.	La Vista	10	30	2007
Rotella's Italian Bakery, Inc.	La Vista	12	100	2015
Royal Engineered Composites, Inc.	Minden	6.1	49	2008
Safe Haven Security Services Inc.	Omaha	0	50	2017
SalonCentric, Inc.	La Vista	8.3	30	2014
Sandhills Publishing Company	Lincoln	12.5	100	2007
Sandhills Publishing Company	Lincoln and Sidney	12	100	2015
Score Vision, LLC	Omaha	3	30	2017
Securities America Financial Corporation	La Vista and Omaha	12	100	2014
Security National Corporation	Omaha	4.9	30	2013
Senior Market Sales, Inc.	Omaha	3	30	2012
SensoryEffects Cereal Systems, Inc.	Lincoln	2	10	2015
Sergeant's Pet Care Products, Inc.	Omaha	12.4	123	2013
Sharp Medical Solutions, LLC	Omaha	3	30	2018
Signature Performance, Inc.	Omaha	0	45	2012
SilverStone Group, Inc.	Omaha and Papillion	4.9	30	2018
Silverstone Holdings, Inc.	Omaha	5	30	2007
Silverstone, Inc.	Omaha	1	10	2015
Siouxland Ethanol, LLC	Jackson	41.5	0	2017
Smeal Fire Apparatus Co.	Neligh, Omaha, and Snyder	4.9	113	2015
Smeal Fire Apparatus Co.	Neligh and Snyder	2.4	30	2007
Smithfield Farmland Corp.	Crete	11	100	2017
Smithfield Farmland Corp.	Crete	14	100	2007
Snyder Industries, Inc.	Lincoln	1	10	2014
Southwest Business Corporation	Scottsbluff	0	500	2017
Speedway Motors, Inc.	Lincoln	11	100	2013
State Steel of Omaha, Inc.	Omaha	4.5	10	2016
Steele Flats Wind Project, LLC	Diller and Odell	138	0	2014
Streck, Inc.	La Vista	10	100	2007
Structural Components Systems, Inc.	Fremont and Lincoln	0	30	2014
Superior Industries, Inc.	Columbus	12	100	2015
Swift Beef Company	Grand Island	10	100	2007
Sympateco, Inc.	Omaha	3	30	2012
Syngenta Seeds, Inc.	Omaha and Waterloo	27	10	2008
Syngenta Seeds, Inc.	Aurora, Grand Island, and Phillips	59.9	10	2016
Table Rock Stone Company, LLC	Ralston	1.1	10	2012
TD Ameritrade Holding Corporation & Subsidiaries	Lincoln and Omaha	12	100	2017
TD Ameritrade Holding Corporation & Subsidiaries	Bellevue and Omaha	10	200	2007
TEAM Financial Management Systems, Inc.	Bellevue, Omaha, and Papillion	2.4	88	2015
Tecumseh Poultry, LLC	Tecumseh and Waverly	5	40	2012
TELCOR, Inc.	Lincoln	2.3	30	2010
TELCOR, Inc.	Bellevue and Lincoln	1	10	2017
Teledyne Technologies Inc. & Subsidiaries	Lincoln and Omaha	3	30	2018
Tenaska Energy, Inc.	Omaha	23	30	2014

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Tenneco, Inc.	Seward	10	100	2012
Tetrad Corporation	Geneva and Omaha	150	100	2017
The Buckle, Inc.	Kearney	12	100	2013
The James Skinner Co.	Omaha	0	100	2016
The James Skinner Co.	Omaha	10	100	2007
The Lincoln National Life Insurance Company	Omaha	0	30	2013
The Scoular Company	Big Springs, Brandon, Elsie, Fremont, Grinton, Grant, Holdrege, Lamar, Madrid, Omaha, Venango, and Wallace	3	30	2010
The Toro Company & Subsidiaries	Beatrice	3	30	2014
The Travelers Indemnity Company	Papillion	215	30	2013
The Western Sugar Cooperative	Scottsbluff	30	10	2016
Thermo King Corporation	Hastings	4.1	96	2014
Think Aksarben, LLP	Omaha	3.4	43	2014
Thrasher Basement Systems, Inc.	La Vista and Papillion	3	30	2016
Titan Medical Holdings, Inc.	Omaha	3	30	2013
TMCO, Inc.	Lincoln	3	30	2012
Toast, Inc.	Omaha	0	500	2018
Toms Live Market, LLC	Omaha	1.3	10	2017
TPG TeleManagement, Inc.	Omaha	3	30	2018
Tractor Supply Company	Waverly	12	100	2017
TrailManor Manufacturing Company, LLC	Hartington	0	30	2016
Travel & Transport, Inc.	Lincoln and Omaha	3	30	2014
Tri-Con Industries, Ltd.	Lincoln	1	10	2017
Tri-V Tool & Mfg. Co.	Omaha	4.9	59	2015
Triage Staffing Inc.	Omaha	3	30	2018
TwilightLiving.com, Inc.	Omaha	1	32	2018
Tyco Healthcare Group LP	Norfolk	3	30	2013
Tyson Fresh Meats, Inc.	Dakota City	11	100	2010
Tyson Fresh Meats, Inc.	Lexington	3	30	2012
Tyson Processing Services, Inc.	Omaha	1	10	2012
Ubiquity Global Services, Inc.	Omaha	3	30	2014
Unified Pet Products, LLC	West Point	3.1	60	2017
Union Pacific Corporation & Subsidiaries	Statewide	1000	0	2015
Universal GP Holdings, L.P.	Lincoln	9.5	30	2009
Upstream Wind Energy LLC	Clearwater, Neligh, Oakdale, and Tilden	300	0	2018
Valmont Industries Inc.	Columbus, McCook, Omaha, Valley, Waverly, and West Point	12	100	2018
Verizon Communications, Inc. & Affiliated Companies	Omaha	37	0	2018
Veyance Technologies, Inc.	Norfolk	3	30	2012
VKGS, LLC	Omaha	0	37	2013
VM Innovations, Inc.	Lincoln	12	100	2016
Wal-Mart Stores, Inc. & Subsidiaries	Omaha	3	30	2015
Wal-Mart Stores, Inc. & Subsidiaries	Omaha	9.1	440	2007
Warrior Mfg., LLC	Omaha	1	10	2016
Weiland, Inc.	Madison and Norfolk	5	13	2017
Werner Enterprises, Inc.	Omaha	11	100	2012
West Corporation & Subsidiaries	Omaha	140	125	2013
West Corporation and Subsidiaries	Omaha	12	100	2017
West Gate Banshares, Inc.	Lincoln	11	100	2012
West Point Dairy Products, LLC	West Point	5	15	2015
WEX, Inc.	Omaha	3	30	2013
Williams Form Engineering Corp.	Wayne	1	10	2012
Wipro Data Center and Cloud Services, Inc.	Omaha	36	0	2018
Worldlawn Power Equipment, Inc.	Beatrice	3	30	2016
Wright Printing Company	Omaha	3	30	2016
Xpanxion, LLC	Kearney and Lincoln	3	30	2018
Xpanxion, LLC	Kearney, Lincoln, and Loup City	0	30	2015
Xylemer BioProducts, Inc.	Kearney	1	10	2015
Yahoo! Inc.	La Vista and Omaha	100	100	2011
Zeeland Farm Services, Inc. & Affiliate	Cambridge	9.2	10	2018
Zermatt Tool, Inc.	Adams and Bennet	1	10	2013
Zoetis, LLC	Lincoln	67.9	100	2014
<b>Total</b>	<b>436</b>			



## Nebraska Advantage Act Summary of Qualified Project Activity Reporting Required by Neb. Rev. Stat. § 77-5731(3)

The table below summarizes the activity for projects that have completed a qualification audit, which confirms the attainment of required levels of investment or employment, and certain property tax benefits. The table also includes the personal property value exempted prior to attainment of required levels for property at Tier 2 LDC projects and aircraft. **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 DOR processes the filing or claim for benefits.

Each yearly column represents the activity of companies that have completed a qualification audit as of the end of that year. For example, the category below, "Tax Credits Earned: Compensation Credits," reported in 2017 include compensation credits approved in 2017 for all 131 companies with a completed qualification audit as of the end of 2017 (including those companies that had a qualification audit between 2006 and 2016). If a qualification audit was issued in 2018, the amounts from that audit are reported in 2018 even though the audit may include compensation credits earned by the applicant for wages paid in 2017 or earlier.

The category, "Number of Qualifying Projects (Cumulative)," 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 2006-2014, after audits were completed, 73 projects were confirmed as having met minimum levels and approved as eligible to receive benefits. An additional 21 projects were audited and approved in 2015 for a total of 94. The 154 projects reflected in 2018 are the cumulative total from 2006 through 2018. Completed projects, which have exhausted or expired all tax benefits, are included in the cumulative total; however, projects expiring credits in a year with no other project activity in that year are not included in the previous table, Total Agreements in Effect.

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

The category, "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 2006-2014, the 73 projects added 10,523 new employees. In 2015, the 94 projects (three approved from 2006-2008, six approved in 2009, 12 approved in 2010, 12 approved in 2011, 12 approved in 2012, 12 approved in 2013, 16 approved in 2014, and 21 approved in 2015) added 1,375 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	2006-2014	2015	2016	2017	2018	Total
Number of Qualifying Projects (Cumulative)	73	94	114	131 <sup>1</sup>	154	N/A
<b>Tax Credits Earned:</b>						
Investment Credits	\$474,970,855	\$66,468,444	\$132,368,044	\$35,908,487	\$49,855,843	\$759,571,673
Compensation Credits	116,897,742	18,338,492	33,346,778	27,137,726	28,072,672	223,793,410
<b>Total Tax Credits Earned</b>	<b>\$591,868,597</b>	<b>\$84,806,936</b>	<b>\$165,714,822</b>	<b>\$63,046,213</b>	<b>\$77,928,515</b>	<b>\$983,365,083</b>
<b>Tax Credits Used:</b>						
Corporation Income Tax	\$114,258,864	\$14,515,008	\$20,684,661	\$12,565,864 <sup>2</sup>	\$15,894,220 <sup>2</sup>	\$177,918,617 <sup>2</sup>
Individual Income Tax	13,078,739	6,070,375	5,139,481	3,001,295 <sup>3</sup>	3,518,485 <sup>3</sup>	30,808,375
<b>Subtotal Income Tax</b>	<b>\$127,337,603</b>	<b>\$20,585,383</b>	<b>\$25,824,142</b>	<b>\$15,567,159</b>	<b>\$19,412,705</b>	<b>\$208,726,992 <sup>2</sup></b>
Sales/Use Tax Refunds	\$28,301,482	\$14,626,402	\$38,321,232	\$17,396,165	\$31,680,384	\$130,325,665
Income Tax Withholding	67,185,565	18,511,813	21,913,316	19,596,566	27,948,476	155,155,736
Real Property Tax	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Tax Credits Used</b>	<b>\$222,824,650</b>	<b>\$53,723,598</b>	<b>\$86,058,690</b>	<b>\$52,559,890 <sup>2,3</sup></b>	<b>\$79,041,565 <sup>2,3</sup></b>	<b>\$494,208,393 <sup>2</sup></b>
Tax Credits Recaptured from Credit Balance and Tax Credits Expired	\$1,596,453	\$1,143,663	\$3,260,492	\$0	\$3,525,122	\$9,525,730
<b>Tax Credits Outstanding<sup>4</sup></b>	<b>\$367,447,494</b>	<b>\$29,939,675</b>	<b>\$76,395,640</b>	<b>\$10,486,323 <sup>2,3</sup></b>	<b>(\$4,638,172) <sup>2,3</sup></b>	<b>\$479,630,961 <sup>2</sup></b>
Qualified Capital Investment	\$5,119,279,713	\$833,166,050	\$1,442,809,131	\$728,655,488	\$2,617,285,127	\$10,741,195,509
Direct Sales/Use Tax Refunds on Investment	\$86,563,913	\$32,588,731	\$39,816,436	\$28,278,301	\$77,456,609	\$264,703,990
Sales/Use Tax Refunds Pending Approval	N/A	N/A	N/A	N/A	\$73,402,293	\$73,402,293
Recapture Repaid	\$4,286,015	\$424,630	\$1,586,558	\$462,038 <sup>5</sup>	\$4,692,972 <sup>5</sup>	\$11,452,213
<b>Property Tax Benefits:</b>						
Value of Personal Property Exempted	\$3,271,580,179	\$928,862,420	\$960,401,201	\$896,514,131	\$726,548,755	\$6,783,906,686
Value of Real Property Reimbursed	\$0	\$0	\$0	\$0	\$0	\$0
Increase in New Jobs at Qualifying Projects (FTE) <sup>6</sup>	10,523	1,375	2,095	2,344	2,489	18,826

<sup>1</sup>Correction to prior annual report.

<sup>2</sup>To maintain confidentiality, credits used in 2017 or 2018 for Corporation Income Tax by companies in industry group 52-Finance & Insurance Services is not reported and not included in the total or other dependent figures.

<sup>3</sup>To maintain confidentiality, Individual Income Tax credits used, but not reported in 2017 by Other Manufacturing are added to 2018 and included in the total and other dependent figures.

<sup>4</sup>The Tax Credits Outstanding value equals the value of tax credits that have been earned by taxpayers that have completed a qualification audit less tax credits used, recaptured, and expired; and is an indication of tax credits which could potentially be used. This amount does not include other potential tax credits to be earned by applicants that have not completed a qualification audit. Historically, not all credits earned have been used. See Employment and Investment Growth Act Summary of Qualified Project Activity.

<sup>5</sup>To maintain confidentiality, Recapture Repaid, but not reported, in 2017 by companies included in Non-Manufacturing industry groups is added to 2018 and included in the 2018 total.

<sup>6</sup>FTE = Full-time Equivalent

# Nebraska Advantage Act

## Value of Personal Property Exempted by Class, by County

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

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 DOR's website. The actual amount of taxes levied is determined by applying the levy rate for the tax district in which the property is located against the value of that property. If personal property had not been exempted, however, the levy rate may have differed.

Property Class	2006-2014	2015	2016	2017	2018	Total
<b>Agricultural Product Processing Equipment:</b>						
Dakota	\$0	\$33,233,885	\$47,217,091	\$58,052,043	\$75,208,254	\$213,711,273
Douglas	13,314,405	6,020,334	5,610,703	6,111,200	12,615,257	43,671,899
Hall	0	18,828,753	0	18,004,805	0	36,833,558
Platte	1,865,315,586	342,770,743	292,525,711	231,949,159	183,456,694	2,916,017,893
Saline	21,391,659	8,035,225	11,332,433	15,583,988	11,967,446	68,310,751
Washington	<u>725,949,794</u>	<u>178,686,758</u>	<u>138,072,001</u>	<u>105,103,133</u>	<u>91,007,595</u>	<u>1,238,819,281</u>
<b>Total</b>	<b>\$2,625,971,444</b>	<b>\$587,575,698</b>	<b>\$494,757,939</b>	<b>\$434,804,328</b>	<b>\$374,255,246</b>	<b>\$4,517,364,655</b>
<b>Aircraft:</b>						
Buffalo	\$4,551,114	\$0	\$0	\$0	\$0	\$4,551,114
Douglas	27,038,892	45,011,387	31,702,666	24,642,019	24,092,814	152,487,778
Lancaster	<u>3,219,898</u>	<u>2,253,928</u>	<u>1,577,750</u>	<u>946,650</u>	<u>315,550</u>	<u>8,313,776</u>
<b>Total</b>	<b>\$34,809,904</b>	<b>\$47,265,315</b>	<b>\$33,280,416</b>	<b>\$25,588,669</b>	<b>\$24,408,364</b>	<b>\$165,352,668</b>
<b>Computer Systems and Peripherals:</b>						
Douglas	\$54,968,994	\$27,228,261	\$63,717,444	\$64,937,369	\$92,396,189	\$303,248,257
Hall	0	20,078	0	238,436	0	258,514
Lancaster	4,389,031	1,040,196	1,429,287	946,334	945,813	8,750,661
Sarpy	538,862,571	220,423,227	248,834,841	270,056,052	208,724,372	1,486,901,063
Washington	<u>6,903,267</u>	<u>2,284,008</u>	<u>3,114,441</u>	<u>3,398,618</u>	<u>2,968,231</u>	<u>18,668,565</u>
<b>Total</b>	<b>\$605,123,863</b>	<b>\$250,995,770</b>	<b>\$317,096,013</b>	<b>\$339,576,809</b>	<b>\$305,034,605</b>	<b>\$1,817,827,060</b>
<b>Distribution Facility Equipment:</b>						
Douglas	\$1,250,153	\$956,045	\$1,632,445	\$665,585	\$1,596,388	\$6,100,616
Saline	<u>241,914</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>241,914</u>
<b>Total</b>	<b>\$1,492,067</b>	<b>\$956,045</b>	<b>\$1,632,445</b>	<b>\$665,585</b>	<b>\$1,596,388</b>	<b>\$6,342,530</b>
<b>Other Personal Property:</b>						
Douglas	\$4,182,901	\$7,721,452	\$12,139,410	\$10,340,888	\$10,902,896	\$45,287,547
Sarpy	0	<u>34,348,140</u>	<u>101,494,978</u>	<u>85,537,852</u>	<u>10,351,256</u>	<u>231,732,226</u>
<b>Total</b>	<b>\$4,182,901</b>	<b>\$42,069,592</b>	<b>\$113,634,388</b>	<b>\$95,878,740</b>	<b>\$21,254,152</b>	<b>\$277,019,773</b>
<b>Total</b>	<b>\$3,271,580,179</b>	<b>\$928,862,420</b>	<b>\$960,401,201</b>	<b>\$896,514,131</b>	<b>\$726,548,755</b>	<b>\$6,783,906,686</b>

# Nebraska Advantage Act Industry Sector 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 primary business activity based on the [North American Industry Classification System \(NAICS\)](#), grouped by industry, and also grouped by tier selected. The table does not include agreements that are no longer in effect because the agreement has been withdrawn or discontinued by the taxpayer, or the project has been completed.

Industry Sector Code, Major Industry Group Titles	Tier	Number of Companies
<b>22, 23, 327</b> – Utilities; Construction; and Nonmetallic Mineral Product Manufacturing	Tier 1	7
	Tier 2	4
	Tier 5	1
	Tier 5RE	7
	Tier 6	1
<b>311, 312</b> – Food and Beverage Manufacturing	Tier 1	26
	Tier 2	17
	Tier 2WP/DC	1
	Tier 3	2
	Tier 4	17
<b>314, 322, 323, 325, 326</b> – Textile Product Mills; Paper Manufacturing; Printing and Related Support Activities; Chemical Manufacturing; Plastics and Rubber Product Manufacturing	Tier 1	18
	Tier 2	21
	Tier 2WP/DC	2
	Tier 4	9
	Tier 5	2
	Tier 6	1
<b>321, 331, 332</b> – Wood Product, Primary Metal, and Fabricated Metal Product Manufacturing	Tier 1	14
	Tier 2	6
	Tier 2WP/DC	1
	Tier 3	2
	Tier 4	5
	Tier 6	1
<b>333, 334, 335, 336, 337, 339</b> – Machinery; Computer and Electronic; Electrical Equipment, Appliance, and Component; Transportation Equipment; Furniture, and Related Product; and Miscellaneous Manufacturing	Tier 1	26
	Tier 2	25
	Tier 2WP/DC	5
	Tier 3	4
	Tier 4	13
<b>42, 44-45</b> – Wholesale Trade; Retail Trade	Tier 1	1
	Tier 2	12
	Tier 2WP/DC	4
	Tier 4	3
<b>48, 49</b> – Transportation and Warehousing Services	Tier 2	7
	Tier 4	7
	Tier 5	2
<b>51</b> – Information Services	Tier 1	1
	Tier 2	5
	Tier 2LDC	1
	Tier 2WP/DC	1
	Tier 3	2
	Tier 4	9
	Tier 5	3
	Tier 5LDC	1
Tier 5WP/DC	3	

52 – Finance and Insurance Services	Tier 2	23
	Tier 2LDC	1
	Tier 2WP/DC	8
	Tier 3	3
	Tier 4	13
	Tier 5	3
	Tier 5LDC	1
54, 56, 62, 81 – Professional, Scientific, and Technical; Administrative, Support, Waste Management, and Remediation; Health Care; and Other Services	Tier 1	16
	Tier 2	32
	Tier 2WP/DC	13
	Tier 3	13
	Tier 4	8
	Tier 5	1
	Tier 6	1
<b>TOTAL</b>		<b>436</b>

# Nebraska Advantage Act Benefits Approved, by Industry 2018

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 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 taxpayers are combined with at least one other industry group to prevent disclosure of confidential information. The first table summarizes the 2018 activity by Manufacturing and Non-Manufacturing. Each of the next tables provides detailed activity by industry group. The industry groups are combined as footnoted.

Category	Manufacturing <sup>1</sup>	Non-Manufacturing <sup>2</sup>	Total
Number of Qualifying Projects	86	68	154
<b>Tax Credits Earned:</b>			
Investment Credits	\$21,590,515	\$28,265,328	\$49,855,843
Compensation Credits	9,574,130	18,498,542	28,072,672
<b>Total Tax Credits Earned</b>	<b>\$31,164,645</b>	<b>\$46,763,870</b>	<b>\$77,928,515</b>
<b>Tax Credits Used:</b>			
Corporation Income Tax	\$8,624,136	\$7,270,084 <sup>3</sup>	\$15,894,220 <sup>3</sup>
Individual Income Tax	2,689,213 <sup>4</sup>	829,272	3,518,485 <sup>4</sup>
<b>Subtotal Income Tax</b>	<b>\$11,313,349<sup>4</sup></b>	<b>\$8,099,356<sup>3</sup></b>	<b>\$19,412,705<sup>3,4</sup></b>
Sales/Use Tax Refunds	\$15,986,946	\$15,693,439	\$31,680,384
Income Tax Withholding	10,817,156	17,131,320	27,948,476
Real Property Tax	0	0	0
<b>Total Tax Credits Used</b>	<b>\$38,117,451<sup>4</sup></b>	<b>\$40,924,115<sup>3</sup></b>	<b>\$79,041,565<sup>3,4</sup></b>
Tax Credits Recaptured from Credit Balance and Tax Credits Expired	\$-- <sup>5</sup>	\$-- <sup>5</sup>	\$3,525,122
Tax Credits Outstanding	\$-- <sup>5</sup>	\$-- <sup>5</sup>	(\$4,638,172) <sup>3,4</sup>
Qualified Capital Investment	\$809,425,837	\$1,807,859,290	\$2,617,285,127
Direct Sales/Use Tax Refunds on Investment	\$25,611,770	\$51,844,840	\$77,456,609
Sales/Use Tax Refunds Pending Approval	\$26,454,685	\$46,947,608	\$73,402,293
Recapture Repaid	\$1,147,836	\$3,545,136 <sup>6</sup>	\$4,692,972 <sup>6</sup>
<b>Property Tax Benefits:</b>			
Value of Personal Property Exempted	\$413,692,868	\$312,855,887	\$726,548,755
Value of Real Property Reimbursed	\$0	\$0	\$0
Increase in New Jobs at Qualifying Projects (FTE) <sup>7</sup>	930	1,559	2,489
Estimated Average Wage of New Jobs <sup>8</sup>	\$38,086	\$53,706	\$46,874

<sup>1</sup>The industry groups included in Manufacturing are:

**22, 23, 327** — Utilities, Construction, and Nonmetallic Mineral Product Manufacturing;

**311, 312** — Food and Beverage Manufacturing;

**314, 322, 323, 325, 326** — Textile Product Mills, Paper Manufacturing, Printing and Related Support Activities, Chemical Manufacturing, and Plastics and Rubber Products Manufacturing;

**321, 331, 332** — Wood Product, Primary Metal, and Fabricated Metal Product Manufacturing; and

**333, 334, 335, 336, 337, 339** — Machinery; Computer and Electronic; Electrical Equipment, Appliance, and Component; Transportation Equipment; Furniture and Related Product; and Miscellaneous Product Manufacturing.

<sup>2</sup>The industry groups included in Non-Manufacturing are:

**42, 44-45** — Wholesale Trade, and Retail Trade;

**48, 49** — Transportation and Warehousing Services;

**51** — Finance & Insurance Services;

**54, 56, 62, 81** — Professional, Scientific, and Technical; Administrative, Support, Waste Management, and Remediation; Health Care; and Other Services.

<sup>3</sup>To maintain confidentiality, tax credits used in 2018 for Corporation Income Tax by Finance & Insurance Services are not reported and not included in the total or other dependent figures.

<sup>4</sup>To maintain confidentiality, Individual Income Tax credits used, but not reported in 2017 by Other Manufacturing are added to 2018 and included in the total and other dependent figures.

<sup>5</sup>To maintain confidentiality, the Tax Credits Recaptured from Credit Balances, Tax Credits Expired, and Tax Credits Outstanding are reported in total, not by industry group.

<sup>6</sup>To maintain confidentiality, Recapture Repaid, but not reported, in 2017 by companies in Non-Manufacturing is added to 2018 and included in the total.

<sup>7</sup>FTE = Full-time equivalent.

<sup>8</sup>The estimated average wage of new jobs is calculated by multiplying positive FTE growth by the average wage of each project to determine the estimated compensation. The sum of estimated compensation for all projects in the industry group is divided by the total positive FTE growth of the industry group.

## Benefits Approved, Manufacturing Industries, 2018

Category	311, 312 - Food and Beverage Manufacturing	Non-Durable Product Manufacturing <sup>1</sup>	Machinery & Miscellaneous Manufacturing <sup>2</sup>	Other Manufacturing <sup>3</sup>	Manufacturing Total
Number of Qualifying Projects	18	20	29	19	<b>86</b>
<b>Tax Credits Earned:</b>					
Investment Credits	\$4,432,773	\$3,975,924	\$7,815,714	\$5,366,104	<b>\$21,590,515</b>
Compensation Credits	<u>2,214,088</u>	<u>1,196,660</u>	<u>4,542,344</u>	<u>1,621,038</u>	<b>9,574,130</b>
<b>Total Tax Credits Earned</b>	<b>\$6,646,861</b>	<b>\$5,172,584</b>	<b>\$12,358,058</b>	<b>\$6,987,142</b>	<b>\$31,164,645</b>
<b>Tax Credits Used:</b>					
Corporation Income Tax	\$2,558,728	\$2,226,564	\$2,415,815	\$1,423,029	<b>\$8,624,136</b>
Individual Income Tax	<u>600,144</u>	<u>169,322</u>	<u>1,840,832</u>	<u>78,915</u> <sup>4</sup>	<b>2,689,213</b> <sup>4</sup>
<b>Subtotal Income Tax</b>	<b>\$3,158,872</b>	<b>\$2,395,886</b>	<b>\$4,256,647</b>	<b>\$1,501,944</b> <sup>4</sup>	<b>\$11,313,349</b> <sup>4</sup>
Sales/Use Tax Refunds	\$8,520,722	\$5,246,236	\$1,778,344	\$441,644	<b>\$15,986,946</b>
Income Tax Withholding	1,166,714	802,551	6,016,780	2,831,111	<b>10,817,156</b>
Real Property Tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<b>0</b>
<b>Total Tax Credits Used</b>	<b>\$12,846,308</b>	<b>\$8,444,673</b>	<b>\$12,051,771</b>	<b>\$4,774,699</b> <sup>4</sup>	<b>\$38,117,451</b> <sup>4</sup>
Tax Credits Recaptured from Credit Balance and Tax Credits Expired	\$-- <sup>5</sup>	\$-- <sup>5</sup>	\$-- <sup>5</sup>	\$-- <sup>5</sup>	\$-- <sup>5</sup>
Tax Credits Outstanding	\$-- <sup>5</sup>	\$-- <sup>5</sup>	\$-- <sup>5</sup>	\$-- <sup>5</sup>	\$-- <sup>5</sup>
Qualified Capital Investment	\$49,746,453	\$86,173,947	\$78,981,694	\$594,523,743	<b>\$809,425,837</b>
Direct Sales/Use Tax Refunds on Investment	\$977,714	\$180,953	\$1,001,479	\$23,451,624	<b>\$25,611,770</b>
Sales/Use Tax Refunds Pending Approval	\$1,976,973	\$4,370,126	\$568,070	\$19,539,516	<b>\$26,454,685</b>
Recapture Repaid	\$-- <sup>6</sup>	\$-- <sup>6</sup>	\$-- <sup>6</sup>	\$-- <sup>6</sup>	<b>\$1,147,836</b> <sup>6</sup>
<b>Property Tax Benefits:</b>					
Value of Personal Property Exempted	\$101,169,650	\$274,474,384	\$1,015,450	\$37,033,384	<b>\$413,692,868</b>
Value of Real Property Reimbursed	\$0	\$0	\$0	\$0	<b>\$0</b>
Increase in New Jobs at Qualifying Projects (FTE) <sup>7</sup>	278	(55)	595	112	<b>930</b>
Estimated Average Wage of New Jobs <sup>8</sup>	\$34,873	N/A	\$38,132	\$41,904	<b>\$38,086</b>

<sup>1</sup>The full title of this industry group is **314, 322, 323, 325, 326** – Textile Product Mills, Paper Manufacturing, Printing and Related Support Activities, Chemical Manufacturing, and Plastics and Rubber Products Manufacturing.

<sup>2</sup>The full title of this industry group is **333, 334, 335, 336, 337, 339** – Machinery; Computer and Electronic; Electrical Equipment, Appliance, and Component; Transportation Equipment; Furniture and Related Product; and Miscellaneous Product Manufacturing.

<sup>3</sup>To maintain confidentiality, the following industry groups are combined in Other Manufacturing:

**22, 23, 327** – Utilities, Constructions, and Nonmetallic Mineral Product Manufacturing; and

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

<sup>4</sup>To maintain confidentiality, Individual Income Tax credits used, but not reported in 2017 by Other Manufacturing are added to 2018 and included in the total and other dependent figures.

<sup>5</sup>To maintain confidentiality, the Tax Credits Recaptured from Credit Balances, Tax Credits Expired, and Tax Credits Outstanding are reported in total, not by industry group.

<sup>6</sup>To maintain confidentiality, Recapture Repaid is not reported by individual industry group.

<sup>7</sup>FTE = Full-time equivalent.

<sup>8</sup>The estimated average wage of new jobs is calculated by multiplying positive FTE growth by the average wage of each project to determine the estimated compensation. The sum of estimated compensation for all projects in the industry group is divided by the total positive FTE growth of the industry group.

## Benefits Approved, Non-Manufacturing Industries, 2018

Category	52-Finance & Insurance Services	Professional & Miscellaneous Services <sup>1</sup>	Other Non-Manufacturing <sup>2</sup>	Non-Manufacturing Total
Number of Qualifying Projects	19	28	21	68
<b>Tax Credits Earned:</b>				
Investment Credits	\$19,417,381	\$1,432,197	\$7,415,750	<b>\$28,265,328</b>
Compensation Credits	<u>10,109,561</u>	<u>5,119,476</u>	<u>3,269,505</u>	<b><u>18,498,542</u></b>
<b>Total Tax Credits Earned</b>	<b>\$29,526,942</b>	<b>\$6,551,673</b>	<b>\$10,685,255</b>	<b>\$46,763,870</b>
<b>Tax Credits Used:</b>				
Corporation Income Tax	\$-- <sup>3</sup>	\$526,414	\$6,743,670	<b>\$7,270,084<sup>3</sup></b>
Individual Income Tax	<u>294,254</u>	<u>361,561</u>	<u>173,457</u>	<b><u>829,272</u></b>
<b>Subtotal Income Tax</b>	<b>\$294,254<sup>3</sup></b>	<b>\$887,975</b>	<b>\$6,917,127</b>	<b>\$8,099,356<sup>3</sup></b>
Sales/Use Tax Refunds	\$9,745,782	\$1,231,581	\$4,716,076	<b>\$15,693,439</b>
Income Tax Withholding	10,694,126	3,027,374	3,409,820	<b>17,131,320</b>
Real Property Tax	0	0	0	<b>0</b>
<b>Total Tax Credits Used</b>	<b>\$20,734,162<sup>3</sup></b>	<b>\$5,146,930</b>	<b>\$15,043,023</b>	<b>\$40,924,115<sup>3</sup></b>
Tax Credits Recaptured from Credit Balance and Tax Credits Expired	\$-- <sup>4</sup>	\$-- <sup>4</sup>	\$-- <sup>4</sup>	<b>\$--<sup>4</sup></b>
Tax Credits Outstanding	\$-- <sup>4</sup>	\$-- <sup>4</sup>	\$-- <sup>4</sup>	<b>\$--<sup>4</sup></b>
Qualified Capital Investment	\$989,511,136	\$15,540,982	\$802,807,172	<b>\$1,807,859,290</b>
Direct Sales/Use Tax Refunds on Investment	\$25,677,123	\$644,512	\$25,523,205	<b>\$51,844,840</b>
Sales/Use Tax Refunds Pending Approval	\$43,312,359	\$206,049	\$3,429,200	<b>\$46,947,608</b>
Recapture Repaid	\$-- <sup>5</sup>	\$-- <sup>5</sup>	\$-- <sup>5</sup>	<b>\$3,545,136<sup>5</sup></b>
<b>Property Tax Benefits:</b>				
Value of Personal Property Exempted	\$92,929,531	\$6,553,738	\$213,372,618	<b>\$312,855,887</b>
Value of Real Property Reimbursed	\$0	\$0	\$0	<b>\$0</b>
Increase in New Jobs at Qualifying Projects (FTE) <sup>6</sup>	711	512	336	<b>1,559</b>
Estimated Average Wage of New Jobs <sup>7</sup>	\$57,227	\$52,987	\$47,031	<b>\$53,706</b>

<sup>1</sup>The full title of this industry group is **54, 56, 62, 81** – Professional, Scientific, and Technical; Administrative, Support, Waste Management, and Remediation; Health Care; and Other Services.

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

**42, 44-45** – Wholesale Trade, and Retail Trade;

**48, 49** – Transportation and Warehousing Services; and

**51** – Information Services.

<sup>3</sup>To maintain confidentiality, tax credits used in 2018 for Corporation Income Tax by Finance & Insurance Services are not reported and not included in the total or other dependent figures.

<sup>4</sup>To maintain confidentiality, the Tax Credits Recaptured from Credit Balances, Tax Credits Expired, Tax Credits Outstanding, and Recapture Repaid are reported in total, not by industry group.

<sup>5</sup>To maintain confidentiality, Recapture Repaid is not reported by individual industry group. Recapture Repaid, but not reported, in 2017 by companies in Non-Manufacturing is added to 2018 and included in the total.

<sup>6</sup>FTE = Full-time equivalent.

<sup>7</sup>The estimated average wage of new jobs is calculated by multiplying positive FTE growth by the average wage of each project to determine the estimated compensation. 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 Benefits Approved, by Industry Cumulative 2006-2018

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

In the following tables, the first table summarizes the cumulative activity by Manufacturing and Non-Manufacturing. Each of the next tables provides detailed activity by industry group. The industry groups are titled and combined as footnoted.

## Benefits Approved, All Industries, 2006 - 2018

Category	Manufacturing <sup>1</sup>	Non-Manufacturing <sup>2</sup>	Total
Number of Qualifying Projects	86	68	154
<b>Tax Credits Earned:</b>			
Investment Credits	\$479,041,342	\$280,530,331	<b>\$759,571,673</b>
Compensation Credits	<u>84,311,844</u>	<u>139,481,566</u>	<b>223,793,410</b>
<b>Total Tax Credits Earned</b>	<b>\$563,353,186</b>	<b>\$420,011,897</b>	<b>\$983,365,083</b>
<b>Tax Credits Used:</b>			
Corporation Income Tax	\$86,436,589	\$91,482,028 <sup>3</sup>	<b>\$177,918,617<sup>3</sup></b>
Individual Income Tax	<u>15,971,165</u>	<u>14,837,210</u>	<b>30,808,375</b>
<b>Subtotal Income Tax</b>	<b>\$102,407,754</b>	<b>\$106,319,238</b>	<b>\$208,726,992</b>
Sales/Use Tax Refunds	\$65,275,693	\$65,049,973	<b>\$130,325,665</b>
Income Tax Withholding	53,315,214	101,840,521	<b>155,155,736</b>
Real Property Tax	<u>0</u>	<u>0</u>	<b>0</b>
<b>Total Tax Credits Used</b>	<b>\$220,998,661</b>	<b>\$273,209,732</b>	<b>\$494,208,392</b>
Tax Credits Recaptured from Credit Balance and Tax Credits Expired	\$-- <sup>4</sup>	\$-- <sup>4</sup>	<b>\$9,525,730</b>
Tax Credits Outstanding	\$-- <sup>4</sup>	\$-- <sup>4</sup>	<b>\$479,630,961<sup>3,4</sup></b>
Qualified Capital Investment	\$5,932,072,787	\$4,809,122,722	<b>\$10,741,195,509</b>
Direct Sales/Use Tax Refunds on Investment	\$99,691,506	\$165,012,484	<b>\$264,703,990</b>
Recapture Repaid	\$6,302,640	\$5,149,574	<b>\$11,452,213</b>
<b>Property Tax Benefits:</b>			
Value of Personal Property Exempted	\$4,745,993,640	\$2,037,913,046	<b>\$6,783,906,686</b>
Value of Real Property Reimbursed	\$0	\$0	<b>\$0</b>
Increase in New Jobs at Qualifying Projects (FTE) <sup>5</sup>	8,410	10,416	<b>18,826</b>
Estimated Average Wage of New Jobs <sup>6</sup>	\$42,082	\$54,137	<b>\$48,752</b>
<p><sup>1</sup>The industry groups included in Manufacturing are:  <b>22, 23, 327</b> – Utilities, Construction, and Nonmetallic Mineral Product Manufacturing;  <b>311, 312</b> – Food and Beverage Manufacturing;  <b>314, 322, 323, 325, 326</b> – Textile Product Mills, Paper Manufacturing, Printing and Related Support Activities, Chemical Manufacturing, and Plastics and Rubber Products Manufacturing;  <b>321, 331, 332</b> – Wood Product, Primary Metal, and Fabricated Metal Product Manufacturing; and  <b>333, 334, 335, 336, 337, 339</b> – Machinery; Computer and Electronic; Electrical Equipment, Appliance, and Component; Transportation Equipment; Furniture and Related Product; and Miscellaneous Product Manufacturing.</p> <p><sup>2</sup>The industry groups included in Non-Manufacturing are:  <b>42, 44-45</b> – Wholesale Trade, and Retail Trade;  <b>48, 49</b> – Transportation and Warehousing Services;  <b>51</b> – Finance &amp; Insurance Services;  <b>54, 56, 62, 81</b> – Professional, Scientific, and Technical; Administrative, Support, Waste Management, and Remediation; Health Care; and Other Services.</p> <p><sup>3</sup>To maintain confidentiality, tax credits used in 2017 &amp; 2018 for Corporation Income Tax by Finance &amp; Insurance Services are not reported and not included in the total or other dependent figures.</p> <p><sup>4</sup>To maintain confidentiality, the Tax Credits Recaptured from Credit Balances, Tax Credits Expired, and Tax Credits Outstanding are reported in total, not by industry group.</p> <p><sup>5</sup>FTE = Full-time equivalent.</p> <p><sup>6</sup>The estimated average wage of new jobs is calculated by multiplying positive FTE growth by the average wage of each project to determine the estimated compensation. The sum of estimated compensation for all projects in the industry group is divided by the total positive FTE growth of the industry group.</p>			



## Benefits Approved, Manufacturing Industries, 2006 - 2018

Category	311, 312 - Food and Beverage Manufacturing	Non-Durable Product Manufacturing <sup>1</sup>	Machinery & Miscellaneous Manufacturing <sup>2</sup>	Other Manufacturing <sup>3</sup>	Manufacturing Total
Number of Qualifying Projects	18	20	29	19	86
<b>Tax Credits Earned:</b>					
Investment Credits	\$54,503,447	\$235,582,543	\$100,571,227	\$88,384,125	\$479,041,342
Compensation Credits	11,929,959	15,355,741	39,441,378	17,584,766	84,311,844
<b>Total Tax Credits Earned</b>	<b>\$66,433,406</b>	<b>\$250,938,284</b>	<b>\$140,012,605</b>	<b>\$105,968,891</b>	<b>\$563,353,186</b>
<b>Tax Credits Used:</b>					
Corporation Income Tax	\$6,632,594	\$22,178,187	\$51,343,509	\$6,282,299	\$86,436,589
Individual Income Tax	6,144,890	1,985,818	6,907,287	933,170	15,971,165
<b>Subtotal Income Tax</b>	<b>\$12,777,484</b>	<b>\$24,164,005</b>	<b>\$58,250,796</b>	<b>\$7,215,469</b>	<b>\$102,407,754</b>
Sales/Use Tax Refunds	\$10,942,925	\$45,380,418	\$8,282,201	\$670,149	\$65,275,693
Income Tax Withholding	6,476,599	10,486,571	28,255,831	8,096,213	53,315,214
Real Property Tax	0	0	0	0	0
<b>Total Tax Credits Used</b>	<b>\$30,197,008</b>	<b>\$80,030,994</b>	<b>\$94,788,829</b>	<b>\$15,981,831</b>	<b>\$220,998,661</b>
Tax Credits Recaptured from Credit Balance and Tax Credits Expired	\$-- <sup>4</sup>	\$-- <sup>4</sup>	\$-- <sup>4</sup>	\$-- <sup>4</sup>	\$-- <sup>4</sup>
Tax Credits Outstanding	\$-- <sup>4</sup>	\$-- <sup>4</sup>	\$-- <sup>4</sup>	\$-- <sup>4</sup>	\$-- <sup>4</sup>
Qualified Capital Investment	\$585,170,477	\$2,513,907,451	\$1,042,865,221	\$1,790,129,638	\$5,932,072,787
Direct Sales/Use Tax Refunds on Investment	\$4,033,187	\$23,810,253	\$8,259,180	\$63,588,886	\$99,691,506
Recapture Repaid	\$1,013,154	\$1,970,123	\$2,295,133	\$1,024,231	\$6,302,640
<b>Property Tax Benefits:</b>					
Value of Personal Property Exempted	\$368,469,033	\$4,154,990,402	\$1,015,450	\$221,518,755	\$4,745,993,640
Value of Real Property Reimbursed	\$0	\$0	\$0	\$0	\$0
Increase in New Jobs at Qualifying Projects (FTE) <sup>5</sup>	2,090	1,258	4,062	1,000	8,410
Estimated Average Wage of New Jobs <sup>6</sup>	\$33,782	\$44,276	\$42,122	\$56,508	\$42,082
<p><sup>1</sup>The full title of this industry group is <b>314, 322, 323, 325, 326</b> – Textile Product Mills, Paper Manufacturing, Printing and Related Support Activities, Chemical Manufacturing, and Plastics and Rubber Products Manufacturing.</p> <p><sup>2</sup>The full title of this industry group is <b>333, 334, 335, 336, 337, 339</b> – Machinery; Computer and Electronic; Electrical Equipment, Appliance, and Component; Transportation Equipment; Furniture and Related Product; and Miscellaneous Product Manufacturing.</p> <p><sup>3</sup>To maintain confidentiality, the following industry groups are combined in Other Manufacturing:  <b>22, 23, 327</b> – Utilities, Constructions, and Nonmetallic Mineral Product Manufacturing; and  <b>321, 331, 332</b> – Wood Product, Primary Metal, and Fabricated Metal Product Manufacturing.</p> <p><sup>4</sup>To maintain confidentiality, the Tax Credits Recaptured from Credit Balances, Tax Credits Expired, and Tax Credits Outstanding are reported in total, not by industry group.</p> <p><sup>5</sup>FTE = Full-time equivalent.</p> <p><sup>6</sup>The estimated average wage of new jobs is calculated by multiplying positive FTE growth by the average wage of each project to determine the estimated compensation. The sum of estimated compensation for all projects in the industry group is divided by the total positive FTE growth of the industry group.</p>					

## Benefits Approved, Non-Manufacturing Industries, 2006 - 2018

Category	52-Finance & Insurance Services	Professional & Miscellaneous Services <sup>1</sup>	Other Non-Manufacturing <sup>2</sup>	Non-Manufacturing Total
Number of Qualifying Projects	19	28	21	<b>68</b>
<b>Tax Credits Earned:</b>				
Investment Credits	\$125,382,023	\$19,187,866	\$135,960,442	<b>\$280,530,331</b>
Compensation Credits	<u>70,506,948</u>	<u>24,354,286</u>	<u>44,620,332</u>	<b>139,481,566</b>
<b>Total Tax Credits Earned</b>	<b>\$195,888,971</b>	<b>\$43,542,152</b>	<b>\$180,580,774</b>	<b>\$420,011,897</b>
<b>Tax Credits Used:</b>				
Corporation Income Tax	\$10,266,186 <sup>3</sup>	\$2,639,656	\$78,576,186	<b>\$91,482,028 <sup>3</sup></b>
Individual Income Tax	<u>4,459,310</u>	<u>4,201,610</u>	<u>6,176,290</u>	<b>14,837,210</b>
<b>Subtotal Income Tax</b>	<b>\$14,725,496 <sup>3</sup></b>	<b>\$6,841,266</b>	<b>\$84,752,476</b>	<b>\$106,319,238 <sup>3</sup></b>
Sales/Use Tax Refunds	\$46,830,349	\$7,278,178	\$10,941,447	<b>\$65,049,973</b>
Income Tax Withholding	54,199,537	15,566,593	32,074,392	<b>101,840,521</b>
Real Property Tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Tax Credits Used</b>	<b>\$115,755,381 <sup>3</sup></b>	<b>\$29,686,037</b>	<b>\$127,768,315</b>	<b>\$273,209,732 <sup>3</sup></b>
Tax Credits Recaptured from Credit Balance and Tax Credits Expired	\$-- <sup>4</sup>	\$-- <sup>4</sup>	\$-- <sup>4</sup>	\$-- <sup>4</sup>
Tax Credits Outstanding	\$-- <sup>4</sup>	\$-- <sup>4</sup>	\$-- <sup>4</sup>	\$-- <sup>4</sup>
Qualified Capital Investment	\$2,049,157,556	\$330,991,327	\$2,428,973,839	<b>\$4,809,122,722</b>
Direct Sales/Use Tax Refunds on Investment	\$78,473,009	\$10,670,241	\$75,869,234	<b>\$165,012,484</b>
Recapture Repaid	\$-- <sup>5</sup>	\$-- <sup>5</sup>	\$-- <sup>5</sup>	<b>\$5,149,574</b>
<b>Property Tax Benefits:</b>				
Value of Personal Property Exempted	\$958,927,090	\$6,553,738	\$1,072,432,218	<b>\$2,037,913,046</b>
Value of Real Property Reimbursed	\$0	\$0	\$0	<b>\$0</b>
Increase in New Jobs at Qualifying Projects (FTE) <sup>6</sup>	5,190	2,195	3,031	<b>10,416</b>
Estimated Average Wage of New Jobs <sup>7</sup>	\$52,815	\$53,438	\$56,906	\$54,137
<p><sup>1</sup>The full title of this industry group is <b>54, 56, 62, 81</b> – Professional, Scientific, and Technical; Administrative, Support, Waste Management, and Remediation; Health Care; and Other Services.</p> <p><sup>2</sup>To maintain confidentiality, the following industry groups are combined in Other Non-Manufacturing:  <b>42, 44-45</b> – Wholesale Trade, and Retail Trade;  <b>48, 49</b> – Transportation and Warehousing Services; and  <b>51</b> – Information Services.</p> <p><sup>3</sup>To maintain confidentiality, tax credits used in 2017 &amp; 2018 for Corporation Income Tax by Finance &amp; Insurance Services are not reported and not included in the total or other dependent figures.</p> <p><sup>4</sup>To maintain confidentiality, the Tax Credits Recaptured from Credit Balances, Tax Credits Expired, and Tax Credits Outstanding are reported in total, not by industry group.</p> <p><sup>5</sup>To maintain confidentiality, Recapture Repaid is not reported by individual industry group.</p> <p><sup>6</sup>FTE = Full-time equivalent.</p> <p><sup>7</sup>The estimated average wage of new jobs is calculated by multiplying positive FTE growth by the average wage of each project to determine the estimated compensation. The sum of estimated compensation for all projects in the industry group is divided by the total positive FTE growth of the industry group.</p>				

# Nebraska Advantage Act Summary of Investment & Employment by Applicants with Active Signed Agreements, by Industry

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

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 a qualification audit that confirmed the attainment of levels; and (2) projects that have not completed a qualification audit, regardless of whether the project may have attained the minimum levels. **Until DOR has completed a qualification audit that confirms the required levels of investment and employment have been met, the project is not eligible for benefits, other than certain property tax exemptions, and it is not included in the Summary of Qualified Project Activity or Benefits Approved, by Industry tables.**

Some applicants with signed agreements did not submit a Nebraska Advantage Act Incentive Computation, Form 312N, in 2018. Most of these applicants have not completed a qualification audit and are not receiving any benefits. A qualified project will not receive additional benefits until it has submitted a Form 312N for all prior tax years. The year is considered to be in recapture and partial repayment of prior benefits is due if the proper filings are not provided to DOR.

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 taxpayers are combined with at least one other industry group to prevent disclosure of confidential information. In the following table, the industry groups are combined as footnoted.

## Cumulative through 2018

Category	Number of Applicants Reporting <sup>1</sup>	Expansion of Capital Investment	Increase in New Jobs (FTE) <sup>2</sup>	Estimated Average Wage of New Jobs <sup>3</sup>
<b>MANUFACTURING</b>				
311, 312 – Food and Beverage Manufacturing	48	\$1,221,056,777	4,275	\$35,253
314, 322, 323, 325, 326 – Textile Product Mills, Paper Manufacturing, Printing and Related Support Activities, Chemical Manufacturing, and Plastics and Rubber Products Manufacturing	39	\$2,893,999,252	1,901	\$51,461
333, 334, 335, 336, 337, 339 – Machinery; Computer and Electronic; Electrical Equipment, Appliance, and Component; Transportation Equipment; Furniture and Related Product; and Miscellaneous Product Manufacturing	55	\$1,177,283,190	3,844	\$48,479
Other Manufacturing <sup>4</sup> : 22, 23, 327 – Utilities, Construction, and Nonmetallic Mineral Product Manufacturing; and 321, 331, 332 – Wood Product, Primary Metal, and Fabricated Metal Product Manufacturing	35	\$1,795,737,043	1,459	\$50,622
<b>Total Manufacturing</b>	<b>177</b>	<b>\$7,088,076,262</b>	<b>11,479</b>	<b>\$44,320</b>
<b>NON-MANUFACTURING</b>				
52 – Finance & Insurance Services	41	\$2,501,729,768	6,304	\$53,634
54, 56, 62, 81 – Professional, Scientific, and Technical; Administrative, Support, Waste Management, and Remediation; Health Care; and Other Services	70	\$460,034,487	3,900	\$56,119
Other Non-manufacturing <sup>4</sup> : 42, 44, 45 – Wholesale Trade; Retail Trade 48, 49 – Transportation and Warehousing Services; and 51 – Information Services	43	\$2,631,695,804	3,783	\$51,635
<b>Total Non-Manufacturing</b>	<b>154</b>	<b>\$5,593,460,059</b>	<b>13,987</b>	<b>\$53,786</b>
<b>TOTAL</b>	<b>331</b>	<b>\$12,681,536,321</b>	<b>25,466</b>	<b>\$49,519</b>

<sup>1</sup>Applicants who sign an agreement in the year of application do not have project activity to report until the following year. Even if all required Forms 312N are submitted, this total will not equal the number of active signed agreements.

<sup>2</sup>FTE = Full-time equivalent.

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

<sup>4</sup>To maintain confidentiality, the listed industry groups are reported combined.

# Nebraska Advantage Act

## Executive Summary of Project-specific Tax Incentives Information

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

The Executive Summary for the 2018 Nebraska Advantage Act Annual Report includes project-specific information for 58 projects.

The table below reports information on investment growth and new jobs on a cumulative basis for these 58 projects. This means that information is accumulated in the table from the beginning of the project through the end of 2018. These 58 projects have, over the past two years in 2017 and 2018 used tax credits or have had refunds approved in the amount of approximately \$84 million.

The details for each of these 58 projects are included in the next table that gives project-specific tax information.

Number of Projects	Growth		Average Compensation		Total Tax Credits Used and Refunds Approved (2017-2018)
	Investment	New Jobs (FTE <sup>1</sup> )	Paid in Year of Application	Paid to New FTEs	
58	\$3,038,074,833	7,646	\$33,279	\$44,526	\$84,379,019

<sup>1</sup>FTE = Full-Time Equivalent

# Nebraska Advantage Act Project-specific Tax Incentives Information

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

Project-specific information is reported after a qualification audit and two years of activity have been completed. Fifty-eight projects met these requirements in 2018. The specific information reported, in alternating years, is the name of the taxpayer, the project location, and the two-year aggregate of total credits used and refunds approved. The number reported includes direct sales and use tax refunds on qualified property and the total credits used. These credits include credits used to offset or refund a 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, income tax withholding offset or refund, or a real property tax reimbursement. The personal property tax exemption is not included in the report.

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. Recapture payments are not subtracted from the total.

Completed projects, which did not receive benefits in the reporting period and have used or expired all carryover credits, are not included in the report.

## Tax Credits Used and Refunds Approved in 2017 and 2018

Project Name	Tax Credits Used and Refunds Approved	Locations
3M Company and Subsidiaries	\$1,057,614	Valley
AGCO Corporation	\$186,108	Omaha
American National Corporation	\$1,593,826	Bellevue, Elk Creek, Elkhorn, Fairbury, Falls City, Gretna, Humboldt, La Vista, Lincoln, Nebraska City, Omaha, Papillion, Plattsmouth, Ralston, and Tecumseh
Apogee Retail, LLC	\$0	Columbus
ASP MSG Acquisition Co., Inc.	\$147,017	Norfolk
C.J. Foods, Inc.	\$407,454	Pawnee City
CAMACO, LLC	\$342,681	Columbus
Cargill, Inc. & Subsidiaries	\$5,669,044	Blair
Cellco Partnership	\$518,426	Lincoln
Champion Home Builders, Inc.	\$162,570	York
CHS, Inc.	\$901,935	South Sioux City
CLAAS of Omaha, Inc. & Affiliated Entities	\$2,263,939	Omaha
CNH Industrial America, LLC	\$462,219	Grand Island
CoMc, LLC	\$81,462	Omaha
Diversified Foods & Seasonings, Inc.	\$177,052	Nebraska City
E Energy Adams, LLC	\$2,470,077	Adams
Evonik Corporation	\$505,668	Blair
Great Dane Limited Partnership	\$823,439	Wayne
Greater Omaha Packing Co., Inc.	\$100,000	Omaha
Green Plains Renewable Energy, Inc.	\$687,903	Ord
GWD, Ltd.	\$517,217	South Sioux City
Hexagon Lincoln, Inc.	\$2,281,498	Lincoln
Klute, Inc.	\$163,329	York
Lincoln Industries, Inc.	\$1,115,168	Lincoln
Lozier Corporation	\$2,741,273	Omaha
Markel Aspen, Inc.	\$605,923	Omaha
Mi Mama's Tortillas, LLC	\$218,197	Omaha
Midlands Packaging Corporation	\$0	Lincoln
Midwest Laboratories, Inc.	\$506,248	Omaha
NatureWorks, LLC	\$430,054	Blair, La Vista, and Omaha
Neapco Components, LLC	\$739,448	Beatrice

Project Name	Tax Credits Used and Refunds Approved	Locations
NEBCO, Inc. & Subsidiaries	\$1,955,597	Ashland, Auburn, Aurora, Central City, Falls City, Fremont, Geneva, Grand Island, Hebron, Kearney, Lincoln, Nebraska City, Omaha, Silver Creek, Springfield, St. Paul, Strang, Stromsburg, Syracuse, Tecumseh, Waco, and York
Nelnet, Inc. & Subsidiaries	\$8,846,318	Bellevue and Lincoln
Neogen Corporation & Subsidiaries	\$816,453	Lincoln
Nova-Tech, Inc.	\$392,296	Grand Island
Novartis Pharmaceuticals Corp. & Affiliates	\$0	Lincoln
Novozymes Blair, Inc.	\$895,622	Blair
Omaha Financial Holdings, Inc.	\$950,756	Blair, La Vista, Lincoln, and Omaha
Oxbow Enterprises, Inc.	\$318,317	Ashland, Murdock, Papillion, Syracuse, and West Point
Pen-Link, Ltd.	\$272,341	Ashland and Lincoln
Prairie Breeze Wind Energy LLC	\$15,541,526	Elgin, Meadow Grove, and Petersburg
Quality Pork International, Inc.	\$67,794	Omaha
Reinke Management Company & Subsidiaries	\$1,278,053	Deshler
Royal Engineered Composites, Inc.	\$386,702	Minden
SalonCentric, Inc.	\$1,494,832	La Vista
Signature Performance, Inc.	\$228,034	Omaha
Smithfield Farmland Corp.	\$763,209	Crete
Steele Flats Wind Project, LLC	\$0	Diller and Odell
Streck, Inc.	\$201,219	La Vista
Tenneco, Inc.	\$1,955,794	Seward
The James Skinner Co.	\$735,694	Omaha
The Lincoln National Life Insurance Company	\$5,233,820	Omaha
TMCO, Inc.	\$113,589	Lincoln
Tyson Fresh Meats, Inc.	\$1,270,536	Lexington
Universal GP Holdings, L.P.	\$509,706	Lincoln
Werner Enterprises, Inc.	\$2,499,451	Omaha
Williams Form Engineering Corp.	\$59,808	Wayne
Yahoo! Inc.	\$9,714,764	La Vista and Omaha
<b>Total Tax Credits Used and Refunds Approved</b>	<b>\$84,379,019</b>	

# Nebraska Advantage Act Projected Revenue Gains and (Losses) for Tax Years 2019-2028

## Reporting Required by Neb. Rev. Stat. § 77-5731(3)(k) and (4)

For the Nebraska Advantage Act (Act) the Nebraska Department of Revenue (DOR) Research Section, reports on the projected future amounts of:

- Direct refunds of sales and use tax (refunds);
- Investment tax credits earned;
- Compensation credits earned;
- Tax credits used for individual income tax;
- Tax credits used for corporation income tax;
- Tax credit used for sales and use tax;
- Tax credits used for income tax withholding;
- Tax credits recaptured; and
- Tax credits that will expire.

The report also estimates the potential revenue gains (losses) under the 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 DOR to estimate the fiscal and employment impacts of the Act, and these estimates are presented in the table below.

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

DOR utilized historical data from the Act to analyze the patterns of how companies earned and used tax credits over the years. DOR also has comprehensive data from the Employment and Investment Growth Act (LB 775), which was utilized in determining the projections. Consequently, DOR estimated the annual amount of earned and used tax credits using historical data from the Act, coupled with historical data from LB 775.

To project the total amount of earned tax credits and direct sales and use tax refunds, DOR applied historical patterns of tax credits earned by companies participating in the Act. The historic data of both programs show the erratic nature of credit earned from year to year but illustrates a stable long-term trend. After projecting the total amount of earned tax credits, DOR allocated the projected total tax credits earned into investment tax credits and compensation credits based on the analysis of historical data from the Act.

Examining the allocation of tax credits used between income tax liabilities, income tax withholding, and sales and use tax liabilities, DOR analyzed the patterns of how companies spent their credits. Using the analyzed data, DOR projected the amounts of tax credits allocated among corporation income tax liability, individual income tax liability, and sales and use tax liability over the next ten years.

DOR, however, does not have enough historical information from the Act to produce reliable parameters to estimate the amount of recaptured and expired tax credits. Consequently, DOR utilized information from LB 775. However, unlike LB775, the Act limits the maximum life of each project, effectively reducing the carryover period. As a result the Act will have a higher percent of expired credits compared to LB 775.

Also, based on the projected amount of earned and used tax credits, the table presents the tax credit balance and cumulative tax credit balance. DOR also forecasted the amount of investment based on the estimated earned tax 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 jobs and generating 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 the Nebraska 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 projected value of the amount of total credits earned and total credits used, along with refunds claimed under the Act. The projected 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>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 government sectors to capture the sensitivity of state 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 DOR’s economists to deliver more informative results.

The primary assumption when constructing a CGE model is that the economy is in equilibrium at the beginning of the period, and 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.

After setting up an initial economic condition, the new investment induced by tax credits stimulates economic activity, and then the economy reaches a new high level. During internal processing, the model generates hundreds of multipliers, which determine the level of economic activity such as economic growth, additional tax revenue and new employment. It also accounts for dynamic impacts generated over years. Note that unlike a partial equilibrium model, the TRAIN model does not depend on a few exogenous multipliers to determine economic activities; rather, the multipliers are determined within the model.

The table below shows the estimated revenue gains generated by new investment and employment over ten years. Since TRAIN simulated dynamic scoring of investment, the revenue gains presented is reflecting an accumulating impact of the Act. The table also shows the net revenue gain (loss) and the cumulative revenue gain (loss) over ten years.

The table provides two estimates of employment due to the Act. The first, labeled “Estimated New Jobs for Qualifying Tax Credits,” is a yearly estimate of the number of full-time equivalent employees (FTE). This number can be thought of as an accounting number. It is the measure of employment growth used to establish eligibility for tax benefits under the Act. It is important to note that some of these new jobs would be created regardless of the Act’s tax credits due to growth in the company. Thus, the exact number of jobs that would be created without the existence of the Act is unknown.

The second estimate, labeled “Estimated Net Economic Job Increase (Decrease),” is estimated by TRAIN, and is an estimate of the dynamic scoring of new jobs created as the result of the investment made by participating taxpayers pursuant to the Act. 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 Act as well as the new jobs indirectly created throughout the Nebraska economy to support the new investment and direct employment due to the Act.

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<sup>1</sup>A more detailed description of the TRAIN model is available [here](#).



## Fiscal Analysis of the Nebraska Advantage Act

Summary	2018 <sup>1</sup>	2019	2020	2021	2022	2023
Revenue Generated by Increase in Economic Activities Due to the Act	----	\$62,747,446	\$72,366,035	\$76,721,365	\$76,135,198	\$72,499,304
<b>Tax Credits Used:</b>						
Individual Income Tax	\$3,518,485	\$12,153,100	\$15,271,657	\$16,750,913	\$17,830,169	\$11,566,558
Corporation Income Tax	<u>15,894,220</u>	<u>71,170,463</u>	<u>89,433,225</u>	<u>98,095,980</u>	<u>104,416,275</u>	<u>67,735,581</u>
<b>Subtotal Income Tax</b>	<b>\$19,412,705</b>	<b>\$83,323,563</b>	<b>\$104,704,882</b>	<b>\$114,846,893</b>	<b>\$122,246,444</b>	<b>\$79,302,139</b>
Sales and Use Tax	31,680,384	44,135,197	55,460,551	60,832,616	64,752,043	42,005,112
Income Tax Withholding	<u>27,948,476</u>	<u>19,494,307</u>	<u>23,197,276</u>	<u>23,744,606</u>	<u>21,782,270</u>	<u>19,136,082</u>
<b>Total Tax Credit Used</b>	<b>\$79,041,565</b>	<b>\$146,953,067</b>	<b>\$183,362,709</b>	<b>\$199,424,115</b>	<b>\$208,780,757</b>	<b>\$140,443,333</b>
Direct Sales and Use Tax Refunds	\$77,456,609	\$58,047,129	\$59,671,909	\$54,445,361	\$47,102,684	\$41,508,692
Revenue Gain (Loss)	----	(\$142,252,751)	(\$170,668,583)	(\$177,148,111)	(\$179,748,243)	(\$109,452,720)
Cumulative Revenue Gain (Loss)	----	(\$520,774,935)	(\$691,443,518)	(\$868,591,629)	(\$1,048,339,872)	(\$1,157,792,592)
<b>Tax Credits Earned:</b>						
Investment Credits	\$49,855,843	\$108,355,493	\$126,701,246	\$132,394,323	\$127,135,855	\$115,519,747
Compensation Credits	<u>28,072,672</u>	<u>36,843,824</u>	<u>43,081,880</u>	<u>45,017,682</u>	<u>43,229,659</u>	<u>39,279,866</u>
<b>Total Tax Credit Earned</b>	<b>\$77,928,515</b>	<b>\$145,199,317</b>	<b>\$169,783,126</b>	<b>\$177,412,005</b>	<b>\$170,365,514</b>	<b>\$154,799,613</b>
Tax Credits Recaptured	3,525,122	6,696,332	7,384,696	8,264,437	9,064,415	8,962,357
Tax Credits Expired	0	27,690,896	30,537,443	34,175,377	37,483,473	37,061,440
Tax Credits Balance	<u>(4,638,172)</u>	<u>(36,140,978)</u>	<u>(51,501,722)</u>	<u>(64,451,924)</u>	<u>(84,963,132)</u>	<u>(31,667,518)</u>
<b>Cumulative Tax Credit Balance</b>	<b>\$479,630,961</b>	<b>\$443,489,982</b>	<b>\$391,988,259</b>	<b>\$327,536,335</b>	<b>\$242,573,204</b>	<b>\$210,905,686</b>
Estimated Employment						
Estimated New Jobs for Qualifying Tax Credits	2,489	3,099	3,624	3,787	3,637	3,304
Estimated Net Job Increase (Decrease)	----	1,169	1,402	1,597	1,659	1,592
Estimated Qualifying Investment	\$2,617,285,127	\$1,532,268,218	\$1,791,697,740	\$1,872,204,239	\$1,797,843,599	\$1,633,578,807
Summary	2024	2025	2026	2027	2028	
Revenue Generated by Increase in Economic Activities Due to the Act	\$67,381,917	\$61,913,507	\$56,998,845	\$52,673,942	\$47,857,441	
<b>Tax Credits Used:</b>						
Individual Income Tax	\$8,706,792	\$13,141,333	\$8,119,188	\$6,397,252	\$4,612,879	
Corporation Income Tax	<u>50,988,344</u>	<u>76,957,712</u>	<u>47,547,244</u>	<u>37,463,316</u>	<u>27,013,747</u>	
<b>Subtotal Income Tax</b>	<b>\$59,695,136</b>	<b>\$90,099,045</b>	<b>\$55,666,432</b>	<b>\$43,860,569</b>	<b>\$31,626,626</b>	
Sales and Use Tax	31,619,587	47,724,065	29,485,645	23,232,262	16,752,133	
Income Tax Withholding	<u>15,435,345</u>	<u>12,211,773</u>	<u>10,111,070</u>	<u>8,726,304</u>	<u>6,927,536</u>	
<b>Total Tax Credit Used</b>	<b>\$106,750,068</b>	<b>\$150,034,883</b>	<b>\$95,263,146</b>	<b>\$75,819,135</b>	<b>\$55,306,295</b>	
Direct Sales and Use Tax Refunds	\$36,611,790	\$32,710,412	\$30,272,698	\$28,208,782	\$26,495,997	
Revenue Gain (Loss)	(\$75,979,941)	(\$120,831,788)	(\$68,536,998)	(\$51,353,974)	(\$33,944,851)	
Cumulative Revenue Gain (Loss)	(\$1,233,772,532)	(\$1,354,604,320)	(\$1,423,141,319)	(\$1,474,495,293)	(\$1,508,440,144)	
<b>Tax Credits Earned:</b>						
Investment Credits	\$102,483,083	\$90,354,948	\$80,086,540	\$71,565,080	\$60,481,936	
Compensation Credits	<u>34,847,044</u>	<u>30,723,147</u>	<u>27,231,608</u>	<u>24,334,080</u>	<u>20,565,508</u>	
<b>Total Tax Credit Earned</b>	<b>\$137,330,128</b>	<b>\$121,078,095</b>	<b>\$107,318,148</b>	<b>\$95,899,160</b>	<b>\$81,047,444</b>	
Tax Credits Recaptured	9,656,917	10,060,368	9,706,177	9,015,357	8,114,342	
Tax Credits Expired	39,933,605	41,601,971	40,137,307	37,280,605	33,554,699	
Tax Credits Balance	<u>(19,010,463)</u>	<u>(80,619,127)</u>	<u>(37,788,482)</u>	<u>(26,215,937)</u>	<u>(15,927,892)</u>	
<b>Cumulative Tax Credit Balance</b>	<b>\$191,895,223</b>	<b>\$111,276,096</b>	<b>\$73,487,615</b>	<b>\$47,271,678</b>	<b>\$31,343,786</b>	
Estimated Employment						
Estimated New Jobs for Qualifying Tax Credits	2,931	2,584	2,291	2,047	1,730	
Estimated Net Job Increase (Decrease)	1,441	1,256	1,073	911	760	
Estimated Qualifying Investment	\$1,449,225,759	\$1,277,720,316	\$1,132,513,507	\$1,012,010,516	\$855,282,417	

<sup>1</sup>Figures for 2018 are actual amounts.

# Summary of Tax Incentive Programs in Other States

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

States offer many types of tax incentives for businesses. This report summarizes other states' tax incentives that are similar to the Nebraska model of granting tax incentives. For example, qualifying for tax incentives under the Nebraska Advantage Act is not dependent upon the location of a project in an enterprise zone or other limited geographic area. Thus, tax incentives that provide 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 tax incentives 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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The review of the tax incentive programs in other states is as of June 1, 2019. DOR makes every effort to review the current incentive information from other states; however, DOR is not the authority for any of the information in this section used for private or public purposes.

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## Number of states which grant tax credits and exemptions

- **Job credit:** 43 states
  - **Investment credit:** 34 states
  - **Sales/use tax refund on qualified investment:** 19 states
  - **Personal property tax abatement:** 19 states
- 

## Alabama

**Job credit:** The existing Alabama Jobs Act allows a 3% refund or credit of prior year wages paid to eligible employees with an additional 0.5% percent credit if 12% or more of the project workforce are veterans who received either an honorable or a general discharge. A project must create at least 50 new jobs; or 25 new jobs in a targeted county; or create new jobs but are not subject to the minimum job creation requirements in some industries.

**Investment credit:** same number of the job required as Job credit. The investment incentive is a credit up to 1.5% of the qualified capital investment expenses.

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

- There is no threshold or limiting investment for a new sales tax abatement project with the exception of 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
- 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:** Qualifying industries can receive an abatement on the state and local non-educational portion of the property tax on the real and personal property for up to a 20 years, data centers can be abated up to 30 years

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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:**

## Quality Jobs

- In metro areas, at least 25 jobs must be created with a minimum capital investment of \$5 million.
- In rural areas, at least 5 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.

## Qualified Facility

- Firms must:
  - Make capital investment of at least \$250,000 to establish or expand facility that devotes at least 80% of its space and payroll to manufacturing, R&D, or headquarters functions;
  - Create net new jobs of which at least 51% are paid 125% of the state's median wage if located in an urban area or 100% of the state's annual median wage if located in a rural area; and
  - Offer to pay at least 65% of health insurance premiums for all new net full-time employment.

**Sales/use tax refund on qualified investment:** Firms investing in data centers may be eligible for the [Computer Data Center Credit](#). They can get an exemption from the Transaction Business Privilege Tax and Use Tax when investing between at least \$25 million or \$50 million or \$250 million in a data center, depending on location.

**Personal property tax abatement:** None

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# Arkansas

**Job credit:** Advantage Arkansas Income Tax Credit offers credit for job creation based on payroll of new, full-time, permanent employees.

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 the lowest county average wage
- Must be engaged in a specific industry as listed

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

- 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:**

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.

**Personal property tax abatement:** None

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## California

**Job credit:**

- The [California Competes Tax Credit](#) is based on the number of jobs created, opportunity for future growth, and a number of other factors.
- [New Employment Credit](#) require employer hire a qualified full-time employee and pay qualified wages.

**Investment credit:** None

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

**Personal property tax abatement:** None

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## Colorado

**Job credit:**

- [Job Growth Incentive Tax Credit](#) available for businesses creating at least 20 new jobs with wages 100% of county average.
- [Job Growth Incentive Tax Credit-Higher Education Partnership](#) available for businesses partnering with State Higher Education Institutions and creating at least 5 new jobs with wages 100% of state average.

**Investment credit:** None

**Sales/use tax refund on qualified investment:** A refund of sales and use tax for purchases of qualified products in specific industry.

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

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## Connecticut

**Job credit:** [New Jobs Creation Tax Credit](#) is available to taxpayers that create at least ten new jobs.

**Investment credit:**

- [Machinery and Equipment Expenditure Tax Credit](#) allows for 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 Connecticut.
- 5% credit for [fixed capital investment](#) in tangible personal property.

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

**Personal property tax abatement:** [Electronic Data Processing Equipment Property Tax Credit](#) is available for 100% of the personal property tax owed and paid on electronic data processing equipment.

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## Delaware

**Job and investment credit:**

- The [Blue Collar Job Act](#) – Eligible businesses that (1) are engaged in a qualified activity; (2) hire five or more qualified employees; and (3) make an investment of at least \$200,000 (\$40,000 per qualified employee) in a qualified facility. For qualified investments of at least \$1 million in manufacturing, wholesaling, or aviation service, an alternative investment tax credit is available. For telecommunications services and banking, they are required to hire 50 employees and make investment of \$15,000.

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

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

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## Florida

**Job and investment credit:**

- [The Qualified Target Industry Tax Refund](#) allows for tax refunds from \$3,000 to \$6,000 per job created depending on the industry, location, 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.

**Sales/use tax refund on qualified investment:** Included in Qualified Target Industry incentive.

**Personal property tax abatement:** Included in Qualified Target Industry incentive.

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## Georgia

**Job credit:**

- Firms creating jobs in specific industries can earn the [Job Tax 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, 25 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. Firms must create at least 50 jobs to qualify.

**Investment credit:**

- 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.
- A [Mega Project Tax Credit](#) is available to firms with a minimum payroll of \$150 million or that make a minimum investment of \$450 million, and hires at least 1,800 net 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:** None

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

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

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## Idaho

**Job credit:**

- The [Idaho Tax Reimbursement Incentive](#) is available for a broad range of industries, to be qualified, 20 jobs must be created for rural areas and 50 jobs for urban centers.

**Investment credit:**

- [Idaho Business Advantage](#) – a \$500,000 investment in new facilities and create at least 10 new jobs paying an average of \$40,000 annually.
- [3% Investment Tax Credit](#) – Firms that make qualifying new investments may earn an income tax credit offsetting up to 50% of their income tax liability.

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

**Personal property tax abatement:**

- 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 and 80% of investment must be made at one location.

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# Illinois

## Job credit:

- The [Illinois Small Business Jobs Creation Tax Credit Program](#) provides a \$2,500 per job tax credit for eligible small businesses that create at least one new full-time position.
- The EDGE Agreements and High-Impact Business Tax Credit also allow for job creation credits.

## Investment credit:

- The [EDGE Agreements](#) allows tax credits to firms with more than 100 employees must invest at least \$2.5 million in capital improvements, and create the lesser of 10% of world-wide employment or at least 50 jobs.
- For a company with 100 or fewer employees, the company must agree to create the lesser of at least 50 full-time jobs or 5% of the employment 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 1,500 full-time jobs or qualified new electric generating facility, production operations at a new coal mine or, a new or upgraded transmission facility that supports the creation of 150 Illinois coal-mining jobs, or a newly constructed gasification facility, or certain wind energy facilities.

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

**Personal property tax abatement:** None

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# Indiana

## Job credit:

- The [Headquarters Relocation Tax Credit](#) allows a credit against the corporation's state tax liability for costs incurred in relocating the headquarters.
- Annual worldwide revenue must be at least \$50 million, and the corporation must have at least 75 employees in Indiana.

## Investment credit:

- The [Hoosier Business Investment Tax Credit](#) provides a credit against corporate income tax based on an analysis of the economic benefits of the proposed investment and applicant must demonstrate net new jobs added.
- The [Economic Development for a Growing Economy Tax Credit](#) provides tax credits for hires of net new jobs performing tasks not previously performed by the applicant in Indiana using similar criteria to judge eligibility.

**Sales/use tax refund on qualified investment:** Refund of sales and use tax paid on [R&D equipment](#) only.

**Personal property tax abatement:** None

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# Iowa

## Job credit:

- 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.
- The [New Jobs Tax Credit](#) is a credit available to companies that expand their Iowa employment by 10% or more.
- This one-time tax credit is dependent on the wages a company pays and the year the credit is first claimed. The maximum credit will be \$1,836 per new employee.

**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 million or more.

**Sales/use tax refund on qualified investment:** Sales tax refunds are associated with the [High Quality Jobs Program](#) with \$100,000+ level of investment.

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

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## Kansas

**Job credit:**

- Firms can retain income tax withholding 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 income tax withholding.

**Investment credit:**

- The [High Performance Incentive Program](#) allows for a 10% 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:** None

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

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## Kentucky

**Job and investment credit:**

- The [Kentucky Business Investment](#) program requires participants to create a minimum of 10 new jobs subject to wage and benefit requirements and invest a minimum of \$100,000.
- The [Kentucky Small Business Tax 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 /technology.
- The [Kentucky Reinvestment Act](#) provides tax credits to firms that are engaged in manufacturing and related functions investing at least \$2.5 million and maintaining 85% of the full-time employment level at the facility.

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

- Available to participants of the [Kentucky Enterprise Initiative Act](#) who invest at least \$500,000.

**Personal property tax abatement:** None

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## Louisiana

**Job credit:** The [Quality Jobs Program](#)

- Must meet a minimum annual payroll threshold for new direct jobs of \$225,000 for firms with 50 or less employees or \$675,000 for firms with more than 50 employees.



- The employer must create a minimum of 5 net new jobs for firms with 50 or less employees or 15 new jobs for firms with more than 50 employees.
- Reward is a cash rebate up to a 6% of annual gross payroll for up to 10 years.
- Must be in favored industry, or distressed region, or have 50% of sales out-of-state.

**Investment credit:** None

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

- Sales and use tax rebate is associated with [Quality Jobs Program](#) on capital expenses or a 1.5% investment tax credit for qualifying expenses.

**Personal property tax abatement:**

- The [Industrial Tax Exemption](#) allows a property tax abatement for industries in certain NAICS codes who engage in new capital investments in the state.
  - The [Restoration Tax Abatement](#) allows an up to ten-year abatement of property taxes on the renovations and improvements of existing commercial structures and owner-occupied residences.
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## Maine

**Job and investment Tax credit:**

- The [Jobs and Investment Tax Credit](#) allows employers who invest \$5 million and create at least 100 new jobs within two years to obtain up to \$500,000 in tax credits to offset income tax liability.
- [Pine Tree Development Zone Tax Credit](#) is available for certain business that hire at least one employee.
- [Employment Tax Increment financing](#) program allows businesses that hire 5 or more new employees by refunding from 30-80% of the withholding taxes.

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

**Personal property tax abatement:** None

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## Maryland

**Job credit:**

- The [Job Creation Tax Credit](#) provides a per-job tax credit of up to \$3,000 to businesses that create new jobs, and up to \$5,000 to businesses creating jobs in revitalization areas.
- They must create at least 60 full-time jobs within 24 months, or 10 new jobs in some counties, or 25 jobs in Priority Funding Areas.
- Qualified positions are full-time and pay at least 120% of state minimum wage.
- The business must be engaged in an eligible activity.

**Investment credit:**

- The [Biotechnology Investment Incentive Tax Credit](#) is allowed to individuals or entities that invest at least \$25,000 in a qualified Maryland biotechnology company.
- The [Cybersecurity Investment Incentive Tax Credit](#) is allowed to firms that invest at least \$25,000 and have fewer than 50 employees.

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

**Personal property tax abatement:** None

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# Massachusetts

## Job credit:

- The [Economic Development Incentive Program](#) offers tax credits under the following programs –
  - Enhanced Expansion Projects require at least 100 new full time jobs and award up to a 10% investment tax credit with substantial capital investment.
  - The Job Creation Incentive Program is available for qualifying biotechnology and medical device manufacturing firms that creates at least 10 new full time jobs.
  - The Manufacturing Retention Project requires at least 25 new manufacturing jobs and/or retain at least 50 full-time jobs.

**Investment credit:** See above

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

**Personal property tax abatement:** None

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# Michigan

## Job and Investment credit:

- [Michigan Business Development Program](#) is available to eligible businesses that create at least 50 qualified new jobs, or create at least 25 qualified new jobs if a project is in a rural county, qualifies as a high-technology activity, or provide investment.
- [Good Jobs for Michigan Program](#) is available to eligible businesses that create at least 3000 new jobs, or create at least 500 new jobs, or create 250 new jobs depends on the average annual wage paid.

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

## Personal property tax abatement:

- [Personal Property Tax Relief in Distressed Communities](#) allows distress communities, county seats and certain border county communities to abate personal property taxes on new investments made by eligible businesses.
  - [Industrial Property Tax Abatement](#) provide incentives for eligible businesses to make new investments.
- 

# Minnesota

**Job credit:** None

## Investment credit:

- [Research and Development Tax Credit](#) allows for a 10% tax credit for the first \$2 million in investment, and 2.5% thereafter in excess of \$2 million.
- [SEED Capital Investment Credit Program](#) allows for a 45 percent tax credit on their investment in the Minnesota border cities.

**Sales/use tax refund on qualified investment:** [Greater MN Job Expansion Program](#) allows sales tax refunds on the purchase of qualified equipment if employment is increased 10% or at least 2 full time equivalent employees, compensation requirements are met, and participate in a traded sector.

Firms that build data or network operation centers of at least 25,000 square feet and invest \$30 million in the first four years of a [Data Center Sales Tax Incentives](#) may qualify for a sales tax exemption.

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

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## Mississippi

### Job credit:

- [Jobs Tax Credit](#) provides for tax credits with ranges from 2.5% to 10% of payroll for firms in certain industries who create jobs in certain regions of the state.
- The [Advantage Jobs Rebate 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.
  - Qualified businesses that provide an average wage of 110% of the average county or state wage that creates 25 new fulltime jobs, or data and information processing firms that pay 100% of the average state or county wage and create 200 new jobs may qualify.

**Investment credit:** The [Manufacturing Investment Tax Credit](#) requires existing participating manufacturers to invest \$1 million in buildings and/or equipment and receive an investment tax credit equal to 5% of the eligible investment.

**Sales/use tax refund on qualified investment:** The following industries may qualify for sales tax exemptions when given qualifications are met –

- [Mississippi Aerospace Initiative Incentives Program](#) that create at least 100 full time jobs and invest at least \$30 million.
- [Data centers](#) involving at least 50 new jobs, \$50 million in investment, with jobs paying 150% the average state wage.
- [New headquarters](#) that create 20 new HQ jobs.
- [Clean Energy](#) businesses that create 250 new full time jobs and invest \$50 million.

**Personal property tax abatement:** A number of property tax exemptions may be granted at the local level by county or municipal governments.

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## Missouri

### Job credit:

- The [Missouri Works Program](#) allows income tax withholding credits for new job creation – 2 jobs and invest \$100,000 at 80% of county average wage, 10 jobs at 90% county average wage, 100 jobs at 120% average county wage, and 100 jobs at 140% average county wage.
- [Missouri Quality Jobs Program](#) provides benefits for companies creating at least 20 new jobs in rural counties or 40 new jobs in non-rural counties within 2 year. Technology business projects must create at least 10 jobs. High impact projects must create at least 100 jobs.
- [The Business Facility Tax Credit Program](#) provides tax credits to facilitate the expansion of their headquarters in the state. The facility must create at least 25 new jobs and make \$1 million investment for headquarters of certain employee-owned business.

**Investment credit:** 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 at least 100 jobs, 500 jobs if the project is an office industry, or 200 new jobs for an “office industry” in a distressed location.

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

**Personal property tax abatement:** None

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## Montana

**Job credit:** Through the [New/Expanded Industry Credit](#), 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:** No sales tax

**Personal property tax abatement:** [Property tax abatements](#) result in a reduction in the taxable value of the property. There are varieties of incentives available to reduce taxable values or apply a reduced rate.

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## Nevada

**Job credit:** See below

**Investment credit:** See below

**Sales/use tax refund on qualified investment:** [Sales and Use Tax abatement](#) is available for approved businesses that complete two of the three requirements: A capital investment of \$1 million in urban areas or \$250,000 in rural areas; 50 urban jobs created or 10 in rural areas, and certain wage requirements must be met. [Data Center Abatement and Aviation Parts Abatement](#) available with jobs, investment and wage requirements.

**Personal property tax abatement:** See [details here](#). To qualify, a firm must complete two of the three requirements: \$5 million investment for industrial or manufacturing facilities or \$1 million investment for any other facility; 50 jobs created in urban areas or 10 in rural areas; and certain wage requirements must be met. [Data Center Abatement](#) and [Aviation Parts Abatement](#) available with jobs, investment and wage requirements.

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## New Hampshire

**Job credit:** [Coos County Job Creation Tax Credit](#) is awarded to businesses hiring at least one employee for new, full-time positions that pay wages 200% higher than the minimum wage.

**Investment credit:** None

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

**Personal property tax abatement:** None

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## New Jersey

**Job credit:** [Grow NJ Assistance Program](#) provides businesses that are creating jobs for tax credits ranging from \$500 to \$5,000 per job, per year if businesses meet some certain job and capital investment requirements.

**Investment credit:** [Angel Investor Tax Credit Program](#) allows business 10% of the qualified investment made in a NJ emerging technology business up to \$500,000 for each qualified investment.

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

**Personal property tax abatement:** None

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## New Mexico

**Job credit:**

- **High Wage Jobs Tax Credit** is available to employers who create jobs that pay at least \$60,000 in metro areas and \$40,000 in rural areas.

**Investment credit:** New Mexico **Investment Tax Credit for manufacturers** has no minimum investment threshold specified but need to meet the applicable **employment requirements**.

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

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

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## New York

**Job and investment credit:** Firms in the **Excelsior Jobs Program** may qualify for below refundable tax credits.

- **Excelsior Jobs Tax Credit:** A credit of 6.85% of wages per net new job.
- **Excelsior Investment Tax Credit:** Valued at 2% of qualified investments.
- To qualify above credit, some certain specific type of the firms need to create 5-100 jobs or create at least 150 new jobs and investing at least \$3 million for other firms.

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

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

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## North Carolina

**Job credit:**

- The **Job Development Investment Grants** are available for firms creating opportunities and net increases in employment with no specified minimum threshold for investment or employment.
- JDIG also has a High-Yield Project provision for any firms that creates 1,750 jobs and invests \$500 million. Additionally, JDIG has a Transformative Project provision for any firms that creates 3,000 jobs and invests \$1 billion.

**One North Carolina Fund** is a grant program that awards cash to qualified companies based on a minimum set of requirements, which varies based on the county tier designation.

**Investment credit:**

- The **Job Maintenance and Capital Development** fund allows grants for businesses that have at least 2,000 employees, invest \$200 million in capital improvements, or 320 employees, and invest \$65 million for large manufacturing employers.

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

**Personal property tax abatement:** None

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# North Dakota

**Job credit:** None

**Investment credit:**

- The [Agricultural Commodity Processing Facility Investment Tax Credit](#) allows for a 30% credit on investment in equipment, property, etc.
- [Seed Capital Investment Tax Credit](#) Program provides an income tax credit for making an investment in a qualified business. The credit is equal to 45% of the investment.

**Sales/use tax refund on qualified investment:** A sales and use tax exemption and refund may be granted for machinery or equipment used to produce [coal](#).

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

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# Ohio

**Job credit:** 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:** None

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

**Personal property tax abatement:** None

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# Oklahoma

**Job credit:**

- The [Quality](#) Jobs Program is open to manufacturers and some service firms with new payroll of \$2.5 million or more. A lower payroll threshold to \$1.5 million is available for food processors and R&D projects.
- The Small Employer Quality Jobs Program allows small businesses with 90 or fewer employees and creating between 5 and 15 new jobs to receive a 5% cash back incentive for seven years.
- [21st Century Quality Jobs](#) requires the creation of 10 jobs with some annual wage requirements, depending on the county.
- Both programs require minimum wage and health coverage requirements.

**Investment credit:**

The [Investment](#)/New Jobs Tax Credit package allows qualifying firms to choose the tax credit based on level of investment or new employees, minimum investment is \$50,000.

- [Business Expansion Incentive Program](#) assists Oklahoma firms making major qualified capital investments by giving annual cash payment awards, the program requires qualifying firms invest at least 5 million.

**Sales/use tax refund on qualified investment:** Sales tax refunds available for qualified activities:

- The purchase of computers, data processing equipment.
- Construction materials for certain new or expanding manufacturing facilities if
  - construction costs exceed \$5 million and create 100 jobs, or
  - combined total costs exceed \$50 million and create 75 jobs, or

- facilities with construction cost exceed \$300 million and maintain employment level of at least 1,750, or
- construction cost at least \$5 million and create 250 jobs for qualified new or expanding aircraft maintenance and overhaul facilities.

**Personal property tax abatement:** None

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## Oregon

**Job credit:**

- The [Oregon Investment Advantage](#) allows firms who set up operations in an eligible county and create at least 5 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.
- [Business Expansion Program](#) is available for firms that create at least 50 jobs and already has at least 150 employees with some annual pay requirements.

**Investment credit:** None

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

**Personal property tax abatement:** None

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## Pennsylvania

**Job credit:** The [Job Creation Tax Credit](#) allows a \$1,000-per-job tax credit to create new jobs. Firms must create at least 25 new jobs or expand their workforces at least 20%.

**Investment credit:**

- [Qualified Manufacturing Innovation & Reinvestment Deduction](#) allows qualified manufacturing firms to deduct 5% of their private capital investment from their corporate net income tax liability if they invest at least 100 million in the creation of new or refurbished manufacturing capacity.
- [Rural Jobs and Investment Tax Credit Program](#) is available if firms invest at least \$100 million in rural areas of the commonwealth or other states.

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

**Personal property tax abatement:** None

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## Rhode Island

**Job credit:** [Qualified Jobs Incentive Tax Credit](#) allows firms to receive tax credits for up to 10 years. The minimum number of new jobs needed to qualify varies by industry and company size, can be 10 or 20 jobs.

**Investment credit:** Provides for a 10% [investment tax credit](#) depends on the NAICS code of the business and need to meet some certain wage level or invest amount.

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

**Personal property tax abatement:** None

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# South Carolina

## Job credit:

- **Job Tax Credit** is available if qualified firms create jobs as below:
  - 175 jobs; or
  - 100 jobs where average compensation is 1.5 times county or state average, whichever is lower; or
  - 50 jobs where average compensation is 2 times county or state average, whichever is lower; or
  - 25 jobs with an average cash compensation for jobs is 2.5 times county or state average, whichever is lower; or
  - 150 jobs in a building that has been vacant for at least 12 months; or
  - 10 jobs in a Tier IV County.
  - For some certain industry create 2 jobs could qualify for the [Small Business Job Tax Credit](#)
- To qualify for the [Corporate Headquarters Tax Credit](#), a firm must hire 40 employees that are engaged in corporate headquarters or research and development. At least 20 of these jobs must be classified as staff employees.

**Investment credit:** Manufacturers locating or expanding in South Carolina may take a one-time credit of up to 2.5% when production equipment is purchased.

**Sales/use tax refund on qualified investment:** Construction materials will be exempt from sales tax if invest at least \$100 million. Technology intensive materials may qualify for exemptions in specified industries if \$300 million is invested and at least 100 new jobs are created. Data centers may earn a sales tax exemption if \$50 million is invested and 25 new jobs are created.

**Personal property tax abatement:** None

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# South Dakota

**Job credit:** None

**Investment credit:** None

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

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

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# Tennessee

**Job credit:** The Job Tax Credit requires 25 new jobs and investment of at least \$500,000 in a qualified business enterprise or 10 jobs paying the state's average occupational wage in certain area. [Enhanced Job Tax Credit](#) allows an additional annual credit if create jobs 10-25 based on Tier level.

**Investment credit:** Industrial machinery purchases can earn 1% to 10% tax credits.

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

- HQs receive a non-expiring sales tax credit of 6.5% for qualified personal property.
- Warehouse/Distribution receives sales tax exemption if investing \$10M.
- Call Centers receive a tax exemption if at least 250 jobs created.
- Data Centers can get sales tax exemption if investing \$100M and 15 new jobs paying at least 150% of the state'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:** The [sales tax exemption for qualified data centers](#) is available for operators who agree to create at least 20 new jobs and invest \$200 million in the data center over five years.

**Personal property tax abatement:** None

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# Utah

**Job credit:**

- The [Industrial Assistance Fund](#) requires firms to create at least 50 jobs in urban counties and pay 110% of urban county average wage or 110% of the rural county average wage. Approval from local economic development authorities is required.
- [EDTIF Tax Credit](#) provides up to 30% tax credit if firms creating at least 50 jobs in urban counties and pay 110% of urban county average wage or 110% of rural county average wage.

**Investment credit:** [Life Science and Technology Tax Credits](#) allows 35% of the investment if invest at least \$25,000 and not have more than a 30% ownership interest in the business entity at the time of investment. [New Market Tax Credit program](#) is an effective tool used to attract private capital investment.

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

**Personal property tax abatement:** None

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# Vermont

**Job credit:** [Vermont Employment Growth Incentive Program](#)

- Full-time jobs created and paid 160% or 140% of Vermont minimum wage.
- 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:**

- 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.
- [Green Job Creation Tax Credit](#) allows a credit against the Virginia personal or corporate income tax for each new green job created.

- [Part of Virginia Economic & Infrastructure Development Grant](#) allows a cash grant if the entity creates at least 25 new jobs. The cash grant range is \$1,000 to \$3,000.
- [Virginia New Jobs Program](#) requires firms that have more than 25- employees to create at least 25 new jobs and invest at least \$1 million.
- [Small Business New Jobs](#) Program requires the companies that have 250 or fewer employees to create at least 5 new jobs and invest \$100,000.
- [Major Eligible Employer Grant](#) allows a grant if employers make a capital investment of at least \$100 million and create at least 1,000 new jobs or 400 jobs if the average pay is at least twice the locality's prevailing average wage.

**Investment credit:**

- The [Commonwealth's Opportunity Fund](#) can be made available in highly competitive situations and requires minimum capital investment, job creation, and wage requirements with matching commitment from municipality.
- [Virginia Investment Performance Grant](#) is available for firms making at least \$25 million in investment and maintaining stable employment levels.
- [Major Eligible Employer Grant](#) available for firms investing at least \$100 million and create at least 1,000 new jobs or 400 jobs.
- [Virginia Economic Development Incentive Grant](#) available for firms who create 400 jobs paying at least 150% greater than local wage, or 300 jobs at double the local wage, in small metro areas, or 200 jobs elsewhere and paying 150% greater than the local wage, or make a capital investment of at least \$5 million, or \$6,500 per job.

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

**Personal property tax abatement:** Offered at the local level for certain industries and types of equipment ([p. 23](#)).

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## Washington

**Job credit:** [Employer Program](#) allows firms in specific industries can receive a credit when increasing in-state employment by 15%.

**Investment credit:** None

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

**Personal property tax abatement:** Available for aluminum smelting industry.

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## West Virginia

**Job credit:**

- The [High-Tech Manufacturing credit](#) allows firms that manufacture computers and components that create at least 20 new jobs within a year to receive a credit to offset liability in a variety of tax programs.
- [The Corporate Headquarters Credit](#) allows tax credits to a firm that relocates the headquarters 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:** 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:** Special real and personal property tax valuations are available to firms in specified NAICS industries.

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# Wisconsin

## Job credit:

- The [business development credit](#) is available for those who are or intend to operate a business in Wisconsin, which is capped at 10% of wages and an additional 5% of wages if the eligible employee is employed in a distressed area.

**Investment credit:** None

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

**Personal property tax abatement:** None

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# Wyoming

**Job credit:** [Workforce Development Training Fund](#) is available for business to create new jobs.

**Investment credit:** None

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

- \$5 million investment required in capital infrastructure in addition to \$2 million investment in data center equipment and software purchases results in a sales and use tax exemption on qualifying computer equipment.
- \$50 million capital infrastructure investment in data center.

**Personal property tax abatement:** None

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# Nebraska Advantage Rural Development Act Reporting Requirements

## **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.

(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

## General Information

The Nebraska Advantage Rural Development Act requires a taxpayer involved in a qualifying business to file an application with the Nebraska Department of Revenue (DOR). For a list of qualified business activities, [click here](#). 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 increase in 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.

Beginning in 2016, the pool of credits for Nebraska Advantage Rural Development projects was increased. The total credits available for all Level 1 and Level 2 projects was limited to \$1 million and the total for all Livestock Modernization projects was limited to \$500,000 in calendar year 2016; \$750,000 in calendar years 2017 and 2018; and \$1 million in calendar year 2019 and later.

## Rural Development Act Available Funds and Requested Benefits

Year Ending	Number of Applicants	Total Requested Benefits	
		L1/L2	LM
12/31/2018	10	\$1,000,000	\$750,000
12/31/2017	10	1,000,000	750,000
12/31/2016	8	1,000,000	500,000
12/31/2015	8	935,500	
12/31/2014	7	1,000,000	
12/31/2013	2	1,000,000	
12/31/2012	6	1,000,000	
12/31/2011	7	2,412,750	
12/31/2010	11	829,750	
6/30/2010	10	1,271,854	
6/30/2009	34	3,000,000	
6/30/2008	34	3,000,000	
6/30/2007	15	1,555,250	
6/30/2006	15	2,086,000	
6/30/2005	12	713,000	

## 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, [click here](#).

**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 the 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, [click here](#).

**Livestock Modernization.** Livestock Modernization is defined as the construction, improvement, or acquisition of 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. The credits may also be distributed to shareholders, in the same ratio as ordinary income, for use to the extent of their income tax liability for the year. Distributed credits are not refundable to the recipient.

**Livestock Modernization.** If the Livestock Modernization taxpayer reaches the required level of investment, it is eligible to earn credits equal to 10% of investment. For applications filed on or after January 1, 2016, each project is limited to a maximum of \$150,000 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(1)

No Rural Development business activity was approved for credit usage during the 2018 processing period. This does not mean that credits will not be granted in the future for business activity that occurred during this period when credits are claimed and the necessary audits are completed.

Rural Development Qualifying Activity through 2018				
Year	FTEs <sup>1</sup>	Investment	Tax Credits Earned	Tax Credits Used, Net of Recapture <sup>2</sup>
2018	0	0	0	---- <sup>3</sup>
2017	3	\$3,046,316	\$183,159	\$512,409
2016	22	70,820,146	1,814,214	1,484,964
2015	14	34,826,234	1,748,246 <sup>4</sup>	381,082 <sup>4</sup>
2014	0	117,681	---- <sup>4</sup>	---- <sup>4</sup>
2013	4	18,834,640	---- <sup>4</sup>	1,005,040
2012	6	4,835,301	185,025	223,800
2011	20	3,537,625	271,116	818,043
2010	33	39,801,633	1,855,335	1,072,976
2009	94	32,060,000	1,680,536	1,859,036
2008 & Before	132	16,754,580	1,201,047	996,547
<b>Total</b>	<b>328</b>	<b>\$224,634,156</b>	<b>\$8,938,678<sup>5</sup></b>	<b>\$8,353,897</b>

<sup>1</sup>FTE = Full Time Equivalent

<sup>2</sup>To maintain confidentiality, recaptured tax credits are not separately stated.

<sup>3</sup>Tax credits were used and recapture payments were received in 2018; however, to maintain confidentiality, they are not reported.

<sup>4</sup>Tax credits were earned and used; however, to maintain confidentiality they are reported combined with 2015.

<sup>5</sup>Correction to prior annual report.

# Nebraska Advantage Rural Development Act Project-specific Benefits Approved

Reporting Required by Neb. Rev. Stat. § 77-27,195(2)-(3)

Level 1 and Level 2 Project-specific Total Tax Incentives Used in 2017-2018		
Project Name	Tax Credits Used and Refunds Approved	Location
Agrex, Inc.	\$329,250	Laurel
Mackey BanCo, Inc.	135,750	Omaha
<b>Total</b>	<b>\$465,000</b>	

Section 77-27,195(3) requires specific information to be reported for Livestock Modernization projects that used credits or received refunds during the preceding calendar year. No Livestock Modernization projects met these requirements during 2018. This does not mean that credits will not be granted in the future for business activity that occurred during this period when credits are claimed and the necessary audits are completed.



# Nebraska Advantage Microenterprise Tax Credit Act Reporting Requirements

## **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

## General Information

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

## Application Process and Benefits Received

The individual actively involved in the microbusiness must file an application, which includes:

- A description of the microbusiness;
- The market to be served by the microbusiness and the way the expansion addresses the market;
- The amount of projected investment or employment increase that would generate the tax credit;
- The projected improvement in income or creation of new self-employment or other jobs;
- The nature of the applicant's engagement in the microbusiness; and
- Other documents required by the Department of Revenue.

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, plus the unclaimed credits carried forward from the prior year, may be authorized in 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 tax credit is claimed by individuals 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

For applications filed prior to August 24, 2017, the microbusiness must be located at a site which meets the statutory requirements related to population decline or per capita income level. As amended by [LB 217](#), for applications filed on or after August 24, 2017, there are no restrictions on where a microbusiness may be located.

# 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
2018	\$6,643,959	\$6,527,301	\$813,449
2017	5,355,207	5,985,778	842,078
2016	6,953,847	7,346,408	1,028,832
2015	8,841,958	8,040,903	1,289,038
2014	11,420,439	12,952,599	1,563,529
2013	17,536,580	16,465,850	2,000,000
2012	9,109,578	14,582,501	2,000,000
2011	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>\$162,725,965</b>	<b>\$132,628,877</b>	<b>\$21,536,921</b>

## Business Activity through 2018

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 2018 for applications filed in 2018.

Application Year	Actual Investment	Actual Compensation	Tax Credits Authorized	Tax Credits Expired
2017	\$2,492,396	\$2,307,789	\$399,371	\$0
2016 <sup>1</sup>	3,792,879	5,063,476	640,818	16,106
2015 <sup>1</sup>	5,902,363	8,387,577	914,987	20,568
2014 <sup>1</sup>	9,771,050	8,241,385	1,114,512	430,516
2013	6,926,450	10,950,429	1,243,870	708,336
2012	6,866,214	11,473,303	1,391,893	598,107
2011	9,307,971	11,736,900	1,395,937	609,667
2010	9,418,200	10,004,320	1,399,562	600,438
2009	7,058,971	14,397,372	1,294,163	705,837
2008 <sup>1</sup>	33,150,393	8,157,856	1,698,590	291,030
2007	21,596,507	5,592,077	1,778,424	221,576
2006	20,603,197	15,806,784	1,853,698	156,302
<b>Total</b>	<b>\$136,886,591</b>	<b>\$112,119,268</b>	<b>\$15,125,825</b>	<b>\$4,358,483</b>

<sup>1</sup>Reporting updated from prior annual report due to amended returns, audits, and posting corrections.

# Nebraska Advantage Research and Development Act Reporting Requirements

## **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.

## 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 Internal Revenue Code (IRC) § 174, 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 IRC § 174, may claim a credit equal to 15% of the federal tax credit allowed.

**Tax Years 2009 and Later.** A business firm which incurs research and development expenditures, as defined in IRC § 174, may claim the enhanced research credit of 35% for research activity on the campus of a college or university in Nebraska, and a credit equal to 15% 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 newly hired 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

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
2018	\$7,565,316	\$0
2017	6,390,492 <sup>1</sup>	0
2016	5,622,683 <sup>1</sup>	0
2015	3,639,692 <sup>1</sup>	0
2014	4,259,318 <sup>1</sup>	0
2013	2,814,397 <sup>1</sup>	0
2012	2,337,952 <sup>1</sup>	0
2011	2,279,546 <sup>1</sup>	0
2010	4,083,298 <sup>1</sup>	0
2009	2,235,956	0
2008	2,124,668 <sup>1</sup>	0
2007	43,124 <sup>1</sup>	0
2006	0	0
<b>Total</b>	<b>\$43,396,442</b>	<b>\$0</b>
<sup>1</sup> Correction to previous annual report due to posting corrections.		

# Employment & Investment Growth Act Reporting Requirements

## 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. For a list of qualified and non-qualified business activities, [click here](#). 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, net of retired assets or discontinued leases. The \$3 million and \$10 million in investment calculations are net of retired assets or discontinued leases placed in service at the project after the date of application. The \$20M in investment option is net of all retired assets and discontinued leases at the project.

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 the number of FTE employees at the project during a year, less the FTE employees during the base 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 Net Gain;**
  - **\$3 Million in Investment and 30 FTE Employees;** or
  - **\$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.
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## 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.

[Click here to view a sample time line.](#)

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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 10% of the investment made in qualified property at the project during the attainment and 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 5% times the increase in compensation at the project. The increase in compensation is equal to the taxable compensation of new 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

Reporting Required by Neb. Rev. Stat. § 77-4110(2)

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Airlite Plastics Company	Omaha	69.6	30	2006
American Title, Inc.	Omaha and Bellevue	11.8	280	2005
Bank Of The West	Omaha	20	0	2007
Beef Products, Inc.	South Sioux City and Dakota City	72.1	175	2006
Blue Cross & Blue Shield of Nebraska & Subs.	Omaha, Lincoln, and Grand Island	13.4	100	2006
BMS Management, Inc.	Lincoln	10	100	2006
C S Precision Manufacturing, Inc.	Gering	7	33	2000
Cintas Corporation No. 2	Omaha	5.6	120	2002
ConAgra Foods, Inc.	Omaha	10	100	2004
Chief Industries Inc.	Lexington and Omaha	47	100	2007
Coxcom, Inc.	Omaha	3	30	1997
Crete Carrier Corporation	Lincoln, Omaha, Bellevue, North Platte, and York	10	100	2007
CRWS, Inc. & Subs.	Omaha	3	30	1998
D & W Fine Pack Holdings, LLC	Fort Calhoun	10	100	2006
Dell Marketing Corp. & Affiliates	Lincoln and Omaha	12.8	900	2004
Duncan Aviation, Inc.	Lincoln	20.2	100	2007
Eagle Capital Group, Inc.	Hastings	3.6	30	2002
EFJ, Inc.	Lincoln	10	100	1993
Election Systems & Software, Inc.	Omaha	6.7	41	2007
Exmark Manufacturing Company, Inc.	Beatrice and Lincoln	3	30	2006
Farmland Foods, Inc.	Crete	11.7	100	2002
Farmland Foods, Inc.	Crete	10	100	2005
First Data Corporation	Omaha and Lincoln	10	100	1994
First Data Corporation	Omaha and Lincoln	20	0	2006
First York Ban Corp.	Albion, Aurora, Bartlett, Benedict, Bradshaw, Central City, Clay Center, Columbus, Davenport, Geneva, Glenvil, Grand Island, Hampton, Harvard, Henderson, McCool Junction, Monroe, Polk, Rising City, Shelton, St. Edward, Stromsburg, Sutton, Waco, and York	3	30	2000
Firstar Fiber, Inc.	Fremont and Omaha	43.5	180	2004
Fremont Beef Company	Fremont	3	30	2006
Gallup Organization	Omaha, Lincoln, and Bellevue	66.2	150	2006
Global Industries, Inc.	Grand Island	10	100	2006
Gordman's, Inc.	Omaha	10	100	2001
Grand Island Accessories, Inc.	Grand Island	3.5	37	2000
Green Plains Renewable Energy, Inc.	Central City	10	100	2005
HMN, Inc.	Fremont	8.6	30	2006
Innovative Grain Technologies	Lincoln	15	120	2001
Jack Henry & Associates, Inc.	Omaha	10	100	2001
Jacobson Land and Cattle Company	Lincoln	10	100	2003
JBS USA, Inc. & Subsidiaries	Grand Island	21	100	2002
KAAPA Ethanol Ravenna, LLC	Ravenna	10	100	2006
KAAPA Ethanol, LLC	Kearney, Minden, and Elm Creek	95	100	2005
Kawasaki Motors Mfg. Corp.	Lincoln	50	80	2001
Kellogg Company	Omaha	20	0	2006
Lincoln Industries	Lincoln	12.4	112	2001
Lincoln Poultry & Egg Co.	Lincoln	10	101	2005
Lincoln Snacks, Inc.	Lincoln	8.7	50	2006
LL Interests, Inc.	Omaha	3.4	269	2001
Lockheed Martin Corporation	Bellevue	11.4	100	2005
Marianna Industries, Inc.	Omaha	5.6	30	2004
McCain Foods USA, Inc.	Grand Island	20	100	2004
Merck Sharp & Dohme Corp.	Elkhorn and Omaha	34.3	100	2007
Mid America Agri Products/Wheatland, LLC	Madrid	61	40	2007

MidAmerican Energy Holdings Co.	Omaha, Beatrice, Palmyra, South Sioux City, and Bellevue	10	200	2005
Midwest Renewable Energy, LLC	Sutherland	23.5	40	2006
Millard Refrigerated Services	Douglas and Sarpy Counties	14.7	210	1990
MP Global Products, LLC	Norfolk	3.3	32	2000
Natura Pet Products, Inc.	Fremont	23.4	100	2002
NBC Acquisition Corp.	Lincoln	10	100	2003
Nebraska Corn Processing, LLC	Cambridge	61	40	2007
Nebraska Furniture Mart, Inc.	Omaha	25	100	2003
Nebraska Orthopaedic Hospital, LLC	Omaha	34.9	30	2007
Nelnet, Inc.	Lincoln and Bellevue	3.5	35	2003
Nestle Holdings, Inc.	Crete	15.2	100	2007
Norfolk Iron & Metal Company	Norfolk	11	30	2004
Nucor Corporation	Norfolk	3	30	2007
Omaha Steaks International, Inc.	Omaha, Snyder, and Bellevue	12.8	105	2006
Omni Hotels Management Corporation	Omaha	3.4	30	2004
ORI Great West Holdings	South Sioux City and Grand Island	10.7	187	2006
Pacific Life Insurance Co.	Omaha	10	100	2005
Parker Hannifin Corporation	Kearney	20.1	100	2007
PCE, Inc.	Lincoln	4.2	32	2007
Peter Kiewit Sons, Inc.	Omaha	10	100	2006
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, Waverly, Grand Island, Valentine, Hastings, Roseland, Fairfield, Bellevue, Humphrey, and Norfolk	10	100	2005
Pitney Bowes Presort Services, Inc.	Omaha and Lincoln	10.5	100	2014
Printco Graphics, Inc.	Omaha	3	67	2004
Quebecor World Lincoln, Inc.	Lincoln and surrounding areas	10	100	2004
Securities America Financial Corporation	Omaha and La Vista	14	30	2007
Security National Bank	Omaha	5	30	2003
Siouxland Ethanol, LLC	Jackson	62.3	35	2006
Southwark Metal Manufacturing Co.	Fremont	4	30	2006
Standard Iron, Inc.	Grand Island	10.6	100	2007
State Steel of Omaha	Omaha	3.8	30	2004
Streck Laboratories, Inc.	La Vista	10	100	1997
Sysco Corporation & Subsidiaries	Omaha, Lincoln, and Grand Island	12	203	1998
Talent Plus, Inc.	Lincoln	10	100	2001
Tenaska, Inc.	Omaha	5	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
TMCO, Inc.	Lincoln	4	34	2005
Tractor Supply Company	Waverly	18.5	30	2007
Tyco Healthcare Group LP	Norfolk	10	100	2006
Unifi Mutual Holding Company	Lincoln, Omaha, and Wayne	11.7	149	2007
Union Pacific Corporation	Greater Omaha	3	30	1996
Union Pacific Corporation	Statewide	3	30	1996
Union Pacific Corporation	Omaha	281	30	2003
Union Pacific Corporation	Statewide	580	30	2006
Valmont Industries, Inc.	Valley, Waverly, McCook, West Point, Omaha, and Columbus	10	100	2006
West Corporation	Omaha	22	144	1999
West Corporation	Omaha	43.5	175	2007
West Gate Banshares, Inc.	Lincoln	13.5	100	2004
West Pharmaceutical Services, Inc.	Kearney	10	100	2006
WIPRO, Inc.	Omaha	65	0	2006
Wright Printing Company	Omaha	5.1	33	2002
<b>Total</b>	<b>102</b>			

# Employment and Investment Growth Act Summary of Qualified Project Activity

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

Category	1988-2014	2015	2016	2017	2018	Total
<b>Tax Credits Earned:</b>						
Investment Credits	\$2,055,791,940	\$2,577,292	\$2,208,093	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Compensation Credits	<u>757,810,939</u>	<u>2,114,628</u>	<u>1,420,327</u>	<u>- <sup>1</sup></u>	<u>- <sup>1</sup></u>	<u>- <sup>1</sup></u>
<b>Total Credit Earned</b>	<b>\$2,813,602,879</b>	<b>\$4,691,920</b>	<b>\$3,628,420</b>	<b>\$2,954,760</b>	<b>(\$4,935,406) <sup>2</sup></b>	<b>\$2,819,942,573</b>
<b>Tax Credits Used:</b>						
Corporation Income Tax	\$772,298,688	\$14,454,006	\$94,700,444	\$34,595,031	\$3,455,231	\$919,503,400
Individual Income Tax	<u>175,730,570</u>	<u>3,959,733</u>	<u>5,213,989</u>	<u>2,864,537</u>	<u>4,839,536</u>	<u>192,608,365</u>
<b>Subtotal Income Tax</b>	<b>\$948,029,257</b>	<b>\$18,413,739</b>	<b>\$99,914,433</b>	<b>\$37,459,568</b>	<b>\$8,294,767</b>	<b>\$1,112,111,765</b>
Sales/Use Tax Refunds	<u>\$1,038,510,365</u>	<u>\$25,304,371</u>	<u>\$20,609,417</u>	<u>\$21,838,250</u>	<u>\$16,518,749</u>	<u>\$1,122,781,152</u>
<b>Total Tax Credits Used</b>	<b>\$1,986,539,622</b>	<b>\$43,718,110</b>	<b>\$120,523,850</b>	<b>\$59,297,818</b>	<b>\$24,813,516</b>	<b>\$2,234,892,916</b>
<b>Recapture<sup>3</sup>:</b>						
Repaid	\$59,321,188	\$1,052,754	\$651,539	\$184,810	\$272,589	\$61,482,881
From Credit Carryover	\$59,150,244	- <sup>4</sup>	\$5,037,221	0	- <sup>4</sup>	\$64,187,465
<b>Tax Credits Expired<sup>5</sup></b>	<b>\$202,731,836</b>	<b>\$21,205,598 <sup>4</sup></b>	<b>\$18,478,818</b>	<b>\$18,827,695</b>	<b>\$26,680,211 <sup>4</sup></b>	<b>\$287,924,158</b>
<b>Tax Credits Outstanding<sup>6</sup></b>	<b>\$565,181,177</b>	<b>(\$60,231,788)</b>	<b>(\$140,411,469)</b>	<b>(\$75,170,753)</b>	<b>(\$56,429,133)</b>	<b>\$232,938,034</b>
<b>Qualified Investment</b>	<b>\$25,318,864,077</b>	<b>\$25,772,920</b>	<b>\$22,080,930</b>	<b>\$17,975,400</b>	<b>\$113,636,627</b>	<b>\$25,498,329,954</b>
<b>Direct Sales/Use Tax Refunds<sup>7</sup></b>	<b>\$836,722,814</b>	<b>\$3,394,836</b>	<b>\$977,584</b>	<b>\$4,104,132</b>	<b>\$21,688,935</b>	<b>\$866,888,300</b>
<b>Increase in New Jobs at Qualifying Projects</b>	<b>90,802</b>	<b>165</b>	<b>(16)</b>	<b>- <sup>8</sup></b>	<b>0</b>	<b>90,951</b>
<b>Sales/Use Tax Refunds Pending Approval at Year End</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$13,568,023</b>	<b>N/A</b>
<p><sup>1</sup>To maintain confidentiality, Investment Credits and Compensation Credits are not separately stated.</p> <p><sup>2</sup>Total Credit Earned in 2018 is negative due to audits and amended returns.</p> <p><sup>3</sup>If a company fails to maintain either the minimum employment or investment required by its agreement, one-seventh of the refunds and one-seventh of the 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, 2018, 96 projects were in recapture.</p> <p><sup>4</sup>To maintain confidentiality, tax credits recaptured are reported combined with tax credits expired.</p> <p><sup>5</sup>Projects expiring credits in a year with no other project activity in that year and are not included in the previous table, Agreements in Effect.</p> <p><sup>6</sup>Tax Credits Outstanding = Tax Credits Earned less Tax Credits Used, Recapture from Credits, and Tax Credits Expired.</p> <p><sup>7</sup>To maintain confidentiality, direct sales/use tax refunds on aircraft are not separately stated.</p> <p><sup>8</sup>To maintain confidentiality, Increase in New Jobs at Qualifying Projects in 2017 is not reported or included in the total.</p>						

# Employment and Investment Growth Act Industry Sector Codes, Application Option of Projects with Active Signed Agreements, and Qualified Projects by Industry

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

Each project with a signed agreement is categorized by the primary business activity based on the North American Industry Classification System (NAICS), grouped by industry, and grouped by application option selected. The number of companies with remaining signed agreements does not include agreements which are no longer in effect, because the agreement has been withdrawn or discontinued by the taxpayer, or the project has been completed. The number of qualified companies includes all companies which have qualified under the program, even if the agreement is no longer in effect.

To maintain confidentiality, industry groups have been combined into Manufacturing and Non-manufacturing.

Industry Sector Codes, Major Industry Group Titles	Application Option	Number of Companies with Remaining Signed Agreements	Number of Qualified Companies 1988-2018
<b>MANUFACTURING</b>			
<b>22, 23, 327</b> - Utilities; Construction; and Nonmetallic Mineral Product Manufacturing; <b>311, 312</b> - Food and Beverage Manufacturing; <b>314, 322, 323, 325, 326</b> - Textile Product Mills; Paper Manufacturing; Printing and Related Support Activities; Chemical Manufacturing; and Plastics and Rubber Products Manufacturing; <b>321, 331, 332</b> - Wood Product, Primary Metal, and Fabricated Metal Product Manufacturing; and <b>333, 334, 335, 336, 337, 339</b> - Machinery; Computer and Electronic; Electrical Equipment, Appliance, and Component; Transportation Equipment; Furniture and Related Product; and Miscellaneous Product Manufacturing	\$10M + 100 FTE	29	
	\$20M + 0 FTE	1	
	\$3M + 30 FTE	20	
<b>Total Manufacturing</b>		<b>50</b>	<b>253</b>
<b>NON-MANUFACTURING</b>			
<b>42</b> - Wholesale Trade; <b>48, 49</b> - Transportation and Warehousing Services; <b>51</b> - Information Services; <b>52</b> - Finance and Insurance Services; and <b>54, 56, 62, 81</b> - Professional, Scientific, and Technical; Administrative, Support, Waste Management, and Remediation; Health Care; and Other Services	\$10M + 100 FTE	29	
	\$20M + 0 FTE	3	
	\$3M + 30 FTE	20	
<b>Total Non-Manufacturing</b>		<b>52</b>	<b>209</b>
<b>TOTAL</b>		<b>102</b>	<b>462</b>

# Employment and Investment Growth Act Qualified Project Activity by Industry 2018

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

In the following tables that report activity by industry group, the industries are combined into Manufacturing and Non-manufacturing groupings to maintain confidentiality.

Manufacturing includes:

- 22, 23, 327** - Utilities, Construction, and Nonmetallic Mineral Product Manufacturing;
- 311, 312** - Food and Beverage Manufacturing;
- 314, 322, 323, 325, 326** - Textile Product Mills, Paper Manufacturing, Printing and Related Support Activities, Chemical Manufacturing, and Plastics and Rubber Products Manufacturing;
- 321, 331, 332** - Wood Product, Primary Metal, and Fabricated Metal Product Manufacturing; and
- 333, 334, 335, 336, 337, 339** - Machinery; Computer and Electronic; Electrical Equipment, Appliance, and Component; Transportation Equipment; Furniture and Related Products; and Miscellaneous Product Manufacturing.

Non-manufacturing includes:

- 42** - Wholesale Trade;
- 48, 49** - Transportation and Warehousing Services;
- 51** - Information Services;
- 52** - Finance and Insurance Services; and
- 54, 56, 62, 81** - Professional, Scientific, and Technical; Administrative Support, Waste Management, and Remediation; Health Care; and Other Services.

## 2018

To maintain confidentiality, the following categories are not stated by industry:

- Investment Credits Earned;
- Compensation Credits Earned;
- Tax Credits Outstanding;
- Recapture Repaid;
- Direct sales and use tax refunds;

Totals are reported in the 2018 column of Summary of Qualified Project Activity table.

Category	Manufacturing	Non-Manufacturing	Total
Tax Credits Earned	\$0	(\$4,935,406) <sup>1</sup>	(\$4,935,406)
Tax Credits Used:			
Corporation Income Tax	\$2,168,590	\$1,286,641	\$3,455,231
Individual Income Tax	<u>\$3,814,288</u>	<u>\$1,025,248</u>	<u>\$4,839,536</u>
<b>Subtotal Income Tax</b>	<b>\$5,982,878</b>	<b>\$2,311,889</b>	<b>\$8,294,767</b>
Sales/Use Tax Refunds	<u>\$7,468,432</u>	<u>\$9,050,317</u>	<u>\$16,518,749</u>
<b>Total Tax Credits Used</b>	<b>\$13,451,310</b>	<b>\$11,362,206</b>	<b>\$24,813,516</b>
Tax Credits Recaptured and Tax Credits Expired	\$14,442,586	\$12,237,625	\$26,680,211
Qualified Investment	\$0	\$104,066,415	\$104,066,415
Increase in New Jobs at Qualifying Projects	0	0	0
Average Wage of New Employees	N/A	N/A	N/A
Number of People Employed on:			
Last Day of Quarter	— <sup>2</sup>	— <sup>2</sup>	2,273
Most Recently Reported	— <sup>2</sup>	— <sup>2</sup>	2,351
<b>Increase (Decrease)</b>	— <sup>2</sup>	— <sup>2</sup>	78
Sales/Use Tax Refunds Pending Approval at Year End	\$3,971,873	\$9,596,150	\$13,568,023
<sup>1</sup> Total Credit Earned is negative due to audits and amended returns.			
<sup>2</sup> To maintain confidentiality, the Number of People Employed is not reported by industry.			

## Cumulative through 2018

To maintain confidentiality, the following categories are not stated by industry\*:

- Investment Credits Earned;
- Compensation Credits Earned;
- Qualified Investment;
- Direct Sales and Use Tax Refunds;
- Recapture Repaid; and
- Increase in New Jobs at Qualifying Projects.

Totals are reported in the last column of Summary of Qualified Project Activity table.

Category	Manufacturing	Non-Manufacturing	Total
Tax Credits Earned	\$1,275,962,590	\$1,543,979,983	<b>\$2,819,942,573</b>
Tax Credits Used:			
Corporate Income Tax	\$262,359,980	\$657,143,420	<b>\$919,503,400</b>
Individual Income Tax	<u>82,310,377</u>	<u>110,297,988</u>	<u>192,608,365</u>
<b>Subtotal Income Tax</b>	<b>\$344,670,357</b>	<b>\$767,441,408</b>	<b>\$1,112,111,765</b>
Sales/Use Tax Refunds	<u>\$574,837,899</u>	<b>\$547,943,253</b>	<b>\$1,122,781,153</b>
<b>Total Tax Credits Used</b>	<b>\$919,508,256</b>	<b>\$1,315,384,660</b>	<b>\$2,234,892,918</b>
Tax Credits Recaptured and Tax Credits Expired <sup>1</sup>	\$213,235,722	\$138,875,901	<b>\$352,111,623</b>
Tax Credits Outstanding <sup>2</sup>	\$143,218,612	\$89,719,422	<b>\$232,938,033</b>
Average Wage of New Employees <sup>3</sup>	\$30,313	\$34,119	\$32,378
<p><sup>1</sup>To maintain confidentiality, Tax Credits Recaptured and Tax Credits Expired are reported combined.</p> <p><sup>2</sup>Tax Credits Outstanding = Tax Credits Earned less Tax Credits Used, Recapture from Credits, and Tax Credits Expired.</p> <p><sup>3</sup>The estimated average wage of new jobs is calculated by multiplying FTE growth by the most recent average wage to determine the estimated compensation for each project. The sum of estimated compensation for all projects in the combined industry group is divided by the total FTE growth of the combined industry group.</p>			

\*For the last available statement by industry group for Investment Credits Earned, Compensation Credits Earned, Qualified Investment, and Recapture Repaid, see the 2015 Tax Incentives Annual Report, page 106. Qualified Investment and Increase in New Jobs at Qualifying Projects were last stated by industry on page 111 of the 2016 report. Direct Sales and Use Tax Refunds were last stated by industry on page 112 of the 2017 report.



# 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 12/31/2018
	1988-2014	2015	2016	2017	2018	Total	
Number of Claims	15,886	244	183	128	107	16,548	43
State Tax	\$1,555,104,847	\$22,784,969	\$17,501,036	\$21,055,763	\$30,636,795	\$1,647,083,410	\$10,719,662
City Tax	\$287,521,679	\$4,915,083	\$4,005,461	\$4,822,251	\$7,498,613	\$308,763,086	\$2,848,361
<b>Total</b>	<b>\$1,842,626,526</b>	<b>\$27,700,052</b>	<b>\$21,506,496</b>	<b>\$25,878,014</b>	<b>\$38,135,407</b>	<b>\$1,955,846,496</b>	<b>\$13,568,023</b>

# 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 for:

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

DOR conducts qualification audits 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 2018, and cumulatively for tax years 1988-2018:

### Estimate of Personal Property Value Exempted by Class in Each County (Tax Year 2018)

County	Airplanes	Computer Equipment	Ag Processing Equipment
Dakota	0	0	\$3,045,541
Douglas	\$60,559	0	0
<b>Total</b>	<b>\$60,559</b>	<b>\$0</b>	<b>\$3,045,541</b>

Estimate of the Value of Personal Property Exempted  
by Class in Each County  
(Cumulative for Tax Years 1988-2018)

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	31,315,561	15,412,852	67,563	\$46,795,976
Butler	0	41,145	0	\$41,145
Cheyenne	38,561,037	176,172,052	0	\$214,733,089
Colfax	0	0	343,019,198	\$343,019,198
Cuming	0	0	16,263,139	\$16,263,139
Custer	0	663,100	10,194	\$673,294
Dakota	0	0	960,791,242	\$960,791,242
Dawes	0	171,909	0	\$171,909
Dawson	0	0	232,425,195	\$232,425,195
Dixon	0	504,272	236,679,941	\$237,184,213
Dodge	0	258,633	103,807,006	\$104,065,639
Douglas	507,854,291	2,286,307,016	744,774,124	\$3,538,935,432
Gage	0	62,719	1,344,011	\$1,406,730
Hall	6,266,267	4,088,925	146,029,315	\$156,384,507
Knox	0	0	96,442,989	\$96,442,989
Lancaster	34,715,020	88,561,368	242,968	\$123,519,356
Lincoln	0	7,583,035	48,451	\$7,631,486
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	13,818,058	391,734,068	\$405,552,126
Sarpy	7,911,346	106,053,803	46,793,778	\$160,758,927
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	384,902	\$502,125
York	0	366,371	0	\$366,371
*Central	76,497,583	0	0	\$76,497,583
<b>TOTAL</b>	<b>\$703,121,105</b>	<b>\$2,711,710,826</b>	<b>\$7,057,989,173</b>	<b>\$10,472,821,104</b>
*Centrally assessed property with value distributed throughout the state. These figures represent estimates of the values exempted.				

# Employment and Investment Growth Act and Invest Nebraska Act Projected Revenue Gains and (Losses) for Tax Years 2019-2025

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

The Nebraska Department of Revenue (DOR) Research Section presents in this report on the Employment and Investment Growth Act and Invest Nebraska Act the projected future amount of:

- Tax credits used;
- Tax credits recaptured;
- Tax credits that will expire; and
- Potential revenue gains (losses) under the acts

Note that 2017 was the last year for qualified projects under the Employment and Investment Growth Act (LB 775) to earn tax credit and to refund sales and use tax.

Using historical LB 775 data, DOR analyzed patterns of how companies used tax credits over the years and estimated the parameters using the pattern of how companies used tax credits. The parameters that DOR measured are annual rates of tax credit usage on income tax, and annual rates of tax credit usage on sales and use tax. These parameters are the building blocks of projecting future tax expenditures on tax credits.

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 a stable condition. The selection of the time period allowed DOR to avoid any possible bias caused by extreme values.

Since the program will completely terminate in 2025, the tax credit balance in 2025 will be 0. DOR estimated an annual amount of total tax credits used during the effective period (2019 – 2025) based on projected tax credit balances and 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 tax. The ratio of spending between income tax and sales and use tax was derived from historical LB 775 data. Then, DOR estimated the amount of tax credits that would be recaptured and expired annually from 2018 to 2025.

Tax incentive programs in Nebraska are designed to attract business investments—both domestically and abroad—with the goal of creating jobs and generating 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.

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 table below shows the estimated revenue gains generated by new investment and employment over ten years. Since TRAIN simulated dynamic scoring of investment, the revenue gains presented is reflecting an accumulating impact of the Act. The table also shows the net revenue gain (loss) and the cumulative revenue gain (loss) over ten years. Note that using comprehensive historic data and the TRAIN model, DOR re-estimates cumulative revenue gain (loss).

The TRAIN model distinguishes between state government sectors to capture the sensitivity of state revenue and expenditure flows. It also calculates most tax impacts within the model, making additional outside calculations unnecessary. The TRAIN model estimated future revenue gains generated by investment from qualified projects. It reflect indirect economic impact of LB 775 program.

<sup>1</sup>A more detailed description of the TRAIN model is available [here](#).

Fiscal Analysis of the Employment and Investment Growth Act  
and the Invest Nebraska Act

Summary	2018 <sup>1</sup>	2019	2020	2021
Revenue Generated by Increase in Economic Activities Due to LB 775 <sup>2</sup>	---	\$1,582,000	\$1,206,000	\$991,000
Tax Credits Used:				
Income Tax	\$8,294,767	\$15,581,025	\$11,749,301	\$10,849,438
Sales and Use Tax	<u>16,518,749</u>	<u>15,062,825</u>	<u>11,358,539</u>	<u>10,488,603</u>
<b>Total Tax Credits Used</b>	<b>\$24,813,516</b>	<b>\$30,643,850</b>	<b>\$23,107,840</b>	<b>\$21,338,041</b>
Direct Sales and Use Tax Refunds	\$21,688,935	\$0	\$0	\$0
Revenue Gain (Loss)	(\$44,211,451)	(\$29,061,850)	(\$21,901,840)	(\$20,347,041)
Cumulative Revenue Gain (Loss) <sup>3</sup>	(\$1,913,693,488)	(\$1,942,755,338)	(\$1,964,657,178)	(\$1,985,004,219)
Tax Credits Earned	(\$4,935,406)	\$0	\$0	\$0
Tax Credits Recapture Repaid	0	1,556,889	1,318,822	1,582,586
Tax Credit Expired	<u>26,680,211</u>	<u>9,264,201</u>	<u>14,056,602</u>	<u>18,634,726</u>
Tax Credit Balance	<b>\$232,938,034</b>	<b>\$191,473,094</b>	<b>\$152,989,830</b>	<b>\$111,434,477</b>
Estimated Employment:				
Estimated New Jobs for Qualifying Tax Credits	0	---	---	---
Estimated Net Job Increase (Decrease)	---	---	---	---
Summary	2022	2023	2024	2025
Revenue Generated by Increase in Economic Activities Due to LB 775 <sup>2</sup>	\$856,000	\$761,000	\$688,000	\$628,000
Tax Credits Used:				
Income Tax	\$8,943,619	\$8,005,261	\$6,005,967	\$4,467,255
Sales and Use Tax	<u>8,646,169</u>	<u>7,739,019</u>	<u>5,806,218</u>	<u>4,318,682</u>
<b>Total Tax Credits Used</b>	<b>\$17,589,788</b>	<b>\$15,744,281</b>	<b>\$11,812,185</b>	<b>\$8,785,937</b>
Direct Sales and Use Tax Refunds	\$0	\$0	\$0	\$0
Revenue Gain (Loss)	(\$16,733,788)	(\$14,983,281)	(\$11,124,185)	(\$8,157,937)
Cumulative Revenue Gain (Loss) <sup>3</sup>	(\$2,001,738,006)	(\$2,016,721,287)	(\$2,027,845,472)	(\$2,036,003,409)
Tax Credits Earned	\$0	\$0	\$0	\$0
Tax Credits Recapture Repaid	891,659	1,069,991	1,283,990	1,229,410
Tax Credit Expired	<u>7,212,335</u>	<u>17,404,528</u>	<u>17,408,313</u>	<u>11,002,059</u>
Tax Credit Balance	<b>\$85,740,694</b>	<b>\$51,521,894</b>	<b>\$21,017,406</b>	<b>\$0</b>
Estimated Employment:				
Estimated New Jobs for Qualifying Tax Credits	---	---	---	---
Estimated Net Job Increase (Decrease)	---	---	---	---

<sup>1</sup>Figures for 2018 are actual amounts.

<sup>2</sup>Since there is no new investment, the estimates are the same as the prior annual report. All effects are the result of carryover from previously earned investment credits.

<sup>3</sup>Using comprehensive historical data and the TRAIN model, the DOR re-estimates cumulative revenue gain (loss).

# Invest Nebraska Act Reporting Requirements

## **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 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 projects.

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

# Invest Nebraska Act Summary Description

## 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 of 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; or
- \$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 income tax withholding liability.

## Activity as of December 31, 2018

Credits were allowed under LB 620; however, to maintain confidentiality, information is reported in aggregate for 2010-2013, and 2014-2016. Due to the small number of companies reporting, no information is reported for 2017 or 2018.

# Invest Nebraska Act Active Signed Agreements

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

Company Name	Project Location	Project Type	Year Agreement Signed
Abengoa Bioenergy Holdco, Inc. and Subs.	Ravenna	\$95M + 100 FTE	2003
Beef Products, Inc.	South Sioux City	\$15M + 25 FTE	2004
Natura Manufacturing, Inc.	Fremont	\$10M + 25 FTE	2003
Platte Valley Fuel Ethanol, LLC	Central City and Columbus	\$55M + 32 FTE	2004
Union Pacific Railroad Company	Omaha	\$200M + 500 FTE	2001
Wal-Mart Stores East, Inc.	North Platte	\$10M + 25 FTE	2003

FTE = Full Time Equivalent



# Invest Nebraska Act Activity as of December 31, 2018

Reporting Required by Neb. Rev. Stat. § 77-5542(2)(a)-(d)

To maintain confidentiality, Invest Nebraska activity is reported cumulatively for 2010-2013 and 2014-2016. No 2014-2018 investment or employment information or 2017-2018 credit usage information is included due to the small number of companies reporting

## Invest Nebraska Act Activity as of December 31, 2018

Year	Cumulative Investment	FTEs <sup>1</sup>	Estimated Wage Level	Wage Benefit & Investment Credits Used
2017-2018	... <sup>2</sup>	... <sup>2</sup>	... <sup>2</sup>	... <sup>2</sup>
2014-2016	... <sup>2</sup>	... <sup>2</sup>	... <sup>2</sup>	\$42,551,871
2010-2013	\$605,658,880	1,482	\$61,957	\$6,613,366
<sup>1</sup> FTE=Full Time Equivalent <sup>2</sup> To maintain confidentiality, no information is disclosed due to a decline in the number of companies reporting activity.				