

ONE HUNDRED SIXTH LEGISLATURE - SECOND SESSION - 2020
COMMITTEE STATEMENT
LB879

Hearing Date: Thursday January 23, 2020
Committee On: Revenue
Introducer: Geist
One Liner: Eliminate funding for the Nebraska Advantage Microenterprise Tax Credit Act and change the termination date for applications

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye:	5	Senators Friesen, Kolterman, Lindstrom, Linehan, McCollister
Nay:	2	Senators Briese, Groene
Absent:		
Present Not Voting:	1	Senator Crawford

Oral Testimony:

Proponents:

Senator Suzanne Geist
Richard Baier

Tyler Martin
Kirk Zeller
Andrew Rush
Lee Addams
Rob Owen

Opponents:

John Hladik

Neutral:

Representing:

Introducer
Invest Nebraska, State Chamber of Commerce, Lincoln Chamber of Commerce, Omaha Chamber of Commerce, Nebraska Economic Developers Association
Adjuvance
Silicone Prairie Center, Progressive Neuro, INC
MatMaCorp
Cropmetrics, LLC
BioNebraska

Representing:

Center for Rural Affairs

Representing:

Summary of purpose and/or changes:

The bill would terminate applications under the Nebraska Advantage Microenterprise Tax Credit Act after December 31, 2020. The current sunset date is December 31, 2022. The annual adjusted limit of \$2 million plus tentative credits not granted during the preceding year is reduced to \$1.9 million plus tentative credits for calendar year 2020.

Section 3 of the bill provides two statements of legislative intent to increase the appropriation to the Department of Economic Development ("DED") for the Business Innovation Act.

The first is due to the termination of the Angel Investment Tax Credit Act under LB334 (2019). The \$4 million in funding saved from that termination was appropriated to the Military Department for the Governor's Emergency Cash fund for fiscal year 2020-2021 under LB334. This bill would re-appropriate the \$4 million in savings to DED for the Business Innovation Act for fiscal year 2020-2021.

The second statement of legislative intent is to appropriate the \$2 million in funding saved from termination of the Nebraska Advantage Microenterprise Tax Credit Act to DED for the Business Innovation Act.

Up to five percent of the funds appropriated for the Business Innovation Act may be used by DED or by a nonprofit entity with which the department contracts, for administrative expenses.

Lou Ann Linehan, Chairperson