

2001 Annual Report



to the
Nebraska Legislature
March, 2002



Employment and Investment
Growth Act,
Employment Expansion
and Investment Incentive Act
(Including Enterprise Zone Act),
Quality Jobs Act
Rural Economic Opportunities Act and
Invest Nebraska Act

LB 775, LB 1124, LB 829, LB 936, and LB 620

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***Employment and Investment Growth Act,
LB 775, as amended***



Neb. Rev. Stat. §77-4110 states:

77-4110. Annual report; contents. (1) The Tax Commissioner shall submit an annual report to the Legislature no later than March 15 of each year.

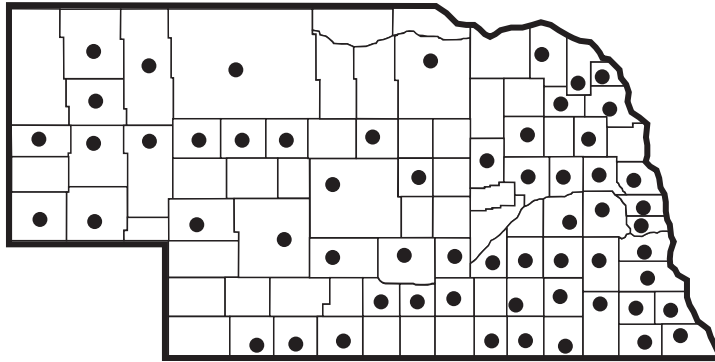
(2) The report shall list (a) the agreements which have been signed during the previous calendar year, (b) the agreements which are still in effect, (c) the identity of each taxpayer, and (d) the location of each project.

(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.

(5) By December 1, 1990, the Department of Revenue shall prepare a report with the available information required in this section for all prior years the act has been in effect. Information required in this section that is not available to the department for the report due December 1, 1990, shall be provided in the next annual report.

LB 775 Activity Through 12/31/2001



A company has to file an application with the Nebraska Department of Revenue which describes their project and which states the planned amount of investment and additional employment. The applications are reviewed, and if approved, the Nebraska Department of Revenue and the applicant enter into a formal agreement which is signed by both parties. An application or an agreement can be withdrawn. Also, an application or agreement may be deleted for failure to meet the required levels within the time allowed.

Analysis of Applications and Agreements				
	Applications Received	Active Projects	Planned Investment (billions)	Planned New Jobs
Signed Agreements				
Active	352	352	4.605	34,663
Withdrawn	45			
Deleted	57			
Completed	26			
Subtotal-total signed agreements	480			
Applications				
Pending as of 12/31/01	168	168	2.885	20,235
Withdrawn	55			
Deleted	40			
Total	743	520	7.490	54,898

To earn the credits provided by LB 775, the investment must be made and the jobs created during the “attainment period,” which includes the year of the application and the succeeding six tax years. Three hundred and twelve projects have reached the minimum required levels and qualified to receive credits and/or sales and use tax refunds. Twenty-six of these projects have received all expected benefits and are completed.

Table 1 Analysis of Active Applications by Year of Application and, if Qualified, by Year Qualification Verified

Application Year	Total Number of Active Projects	Year Verified														Total	Completed Projects	Active Qualified Projects
		1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001			
1987	90	13	30	23	11	1	6	4	1	1						90	23	67
1988	29		2	10	6	3		2	3	2		1				29	3	26
1989	28			1	4	4	9	1	6	3						28		28
1990	15					4	2		4	4	1					15		15
1991	13					2	1		2	2			1			13		13
1992	17							3	4	2	3	2		1		15		15
1993	15								5	3	2		2			12		12
1994	22								6	4	7	3			1	21		21
1995	54									6	13	6	4	5	3	37		37
1996	45										2	9	9	2	3	25		25
1997	40											9	6	7	4	17		17
1998	30												3	1	1	5		5
1999	47													1	3	4		4
2000	51													1		1		1
2001	50														1			
Total	546	13	32	34	21	14	18	13	31	27	28	23	25	17	16	312	26	286
Completed Projects	26	5	11	4	5	1										26		
Active Qualified Projects	520	8	21	30	16	14	17	13	31	27	28	23	25	17	16	286		

Agreements Signed in 2001

Company Name	Project Size	Project Location
1 Becton Dickinson and Co.	\$145M + 287 emp	Columbus, Holdrege, Broken Bow
2 Bosselman, Inc.	\$10M + 100 emp	Statewide
3 Cargill Dow LLC	\$220M + 100 emp	Blair
4 Carlson Systems Corporation	\$10.1M + 100 emp	Omaha
5 Caterpillar Logistics Services, Inc	\$8.7M + 50 emp	Bellevue
6 Dutton-Lainson Company	\$11.4M + 41 emp	Hastings, Kearney
7 HDM Corporation	\$3.4M + 269 emp	Omaha
8 Hastings Irrigation Pipe Co.	\$3M + 30 emp	Hastings
9 International Transportation Specialists	\$3.1M + 40 emp	Omaha
10 James Skinner Co.	\$10.6M + 110 emp	Omaha
11 Kawasaki Motors Mfg Corp.	\$50M + 80 emp	Lincoln
12 Lakeway International Food Group	\$3.2M + 60 emp	Omaha
13 Lincoln Machine Inc.	\$3M + 30 emp	Lincoln
14 Lincoln Plating Company	\$12.4M + 112 emp	Lincoln
15 MBA Poultry, LLC	\$15M + 922 emp	Tecumseh
16 Metal-Tech Partners	\$3.25M + 83 emp	Bruning and Geneva
17 Midlands Packaging Corp.	\$3M + 30 emp	Lincoln
18 Neapco, Inc.	\$5.85M + 30 emp	Beatrice
19 Pinnacle Data Services LLC	\$3M + 30 emp	Gretna
20 Profitstar, Inc.	\$10M + 100 emp	Omaha
21 Richman Gordman 1/2 Price Stores	\$10M + 100 emp	Omaha
22 Schering-Plough Animal Health	\$15M + 117 emp	Elkhorn and Omaha
23 Talent+	\$10 M + 100 emp	Lincoln
24 US Foods, LLC	\$15M + 120 emp	Lincoln

Agreements Signed in 1987 That are Still in Effect

Company Name	Project Size	Project Location
1 American Business Lists	\$7.5M + 215 emp	Greater Omaha Metropolitan Area
2 Applied Communications Inc.	\$10M + 100 emp	Greater Omaha Metropolitan Area
3 Central States Health & Life Co.	\$10M + 135 emp	Greater Omaha Metropolitan Area
4 ConAgra Inc.	\$10M + 100 emp	In or around metropolitan Omaha
5 Delicious Foods Co.	\$27M + 190 emp	Greater Grand Island Area
6 Dubuque Packing Co.	\$11M + 450 emp	Norfolk
7 Duncan Aviation Inc.	\$3M +30 emp	Lincoln
8 Epsen Hilmer Graphics	\$3-12M + 30 emp	Omaha
9 Foote & Davies/Lincoln	\$10M + 100 emp	Greater Lincoln Metropolitan Area
10 Goodyear Tire and Rubber Co.	\$50M + 100 emp	Lincoln
11 Greater Omaha Packing Co.	\$3M + 35 emp	Omaha
12 IBP Inc.	\$10M + 100 emp	Dakota City and West Point
13 LRC Inc. & Subs	\$3M + 30 emp	Omaha, Lincoln, York, Crete, Norfolk
14 Lancer Label Inc.	\$11M + 155 emp	Omaha
15 Lozier Corporation	\$10.4M + 110 emp	Omaha
16 M P S Inc.	\$54.9M + 320 emp	Hall, Lancaster, Douglas, and Sarpy Counties
17 Marianna Imports Inc.	\$3M + 30 emp	Greater Omaha Metropolitan Area
18 Neapco Inc.	\$6-\$10M + 30-50 emp	Beatrice
19 Nebraska/ DUPACO	\$12.5M + 130 emp	Greater Omaha Metropolitan Area
20 Northwestern Bell	\$60M + 150 emp	Omaha area

Company Name	Project Size	Project Location
21 Omaha Steaks International	\$17.5M + 179 emp	Metropolitan Omaha Area
22 Pacesetter Corporation	\$3M + 51 emp	Greater Omaha Metropolitan Area
23 Peoples Natural Gas	\$10M + 130 emp	Omaha
24 Peter Kiewit Sons Inc.	\$20M + 300 emp	Greater Omaha Metropolitan Area
25 Physicians Mutual Insurance	\$10-12M + 300 emp	Omaha
26 Square D Company	\$18M + 107 emp	Lincoln
27 United Parcel Service Inc.	\$16M + 300 emp	Douglas, Lancaster Counties, city of Kearney and other locations
28 ValCom	\$3M + 30 emp	Greater Omaha Metropolitan Area
29 Valmont Industries Inc.	\$10M + 100 emp	Valley
30 Werner Enterprises Inc.	\$11M + 190 emp	Douglas and Sarpy Counties
31 West Telemarketing Corp.	\$15M + 1,000 emp	Greater Omaha Metropolitan Area

Agreements Signed in 1988 That are Still in Effect

Company Name	Project Size	Project Location
1 Affiliated Foods Coop. Inc.	\$6.7M + 67 emp	Norfolk
2 AirLite Plastics Company	\$10M + 30 emp	Greater Omaha Metropolitan Area
3 Alpo Petfoods Inc.	\$20M + 100 emp	Crete, Lincoln
4 Automated Monitoring & Control Inc.	\$14.4M + 332 emp	Greater Omaha Metropolitan Area
5 Becton Dickinson	\$38M + 109 emp	Columbus, Broken Bow, and Holdrege
6 Cook Family Foods of NE	\$11M + 190 emp	Lincoln
7 Dana Corporation	\$5.3M + 70 emp	Hastings
8 Dutton-Lainson Co.	\$4M + 51 emp	Hastings
9 Farmers & Merchants	\$4M + 82 emp	Lincoln, Omaha, Milford, Wahoo, Columbus, Syracuse, Auburn, Beatrice, Pawnee City, Oxford, Taylor, Kearney, Rising City, and other locations
10 First National of Nebraska	\$15M + 300 emp	Greater Omaha Metropolitan Area
11 Grand Island Accessories Inc.	\$3M + 30 emp	Grand Island
12 Great Plains Packaging Group	\$4.6M + 35 emp	Hastings and Lincoln
13 Guarantee Mutual Life Co.	\$10M + 114 emp	Greater Metropolitan Omaha Area
14 HW Mangelsens Inc.	\$3.5M + 33 emp	Greater Omaha Metropolitan Area
15 Harris Technology Group Inc.	\$18M + 395 emp	Lancaster County
16 Iams Company	\$17.2M + 39 emp	Hamilton County
17 International Galleries, Ltd.	\$10M + 525 emp	Lancaster, Sarpy, Douglas Counties
18 Land and Sky Inc	\$3M + 40 emp	Lincoln, Lancaster County, and other locations in the Southeast
19 Metromail	\$14M + 140 emp	Lancaster and Seward Counties
20 Metz Baking Co.	\$17M + 100 emp	Hastings, Omaha, South Sioux City, Beatrice, and Bellevue
21 Milton G Waldbaum Company	\$17M + 106 emp	Wakefield
22 Minnesota Mining & Mfg Co.	\$14.2M + 85 emp	Valley
23 Modern Equipment Co. Inc.	\$3.5M + 110 emp	Douglas County
24 Norden Laboratories	\$30M + 100 emp	Lincoln
25 Nucor Corporation	\$3M + 30 emp	Norfolk
26 Oriental Trading Co. Inc.	\$11M + 150 emp	Greater Omaha Metropolitan Area
27 Selection Research Inc	\$10.2M + 179 emp	Lincoln
28 Sitel Corporation	\$4.95M + 100 emp	Greater Omaha Metropolitan Area
29 Streck Laboratories Inc.	\$3.7M + 61 emp	Greater Omaha Metropolitan Area
30 Swift-Eckrich Inc.	\$3M + 30 emp	Greater Omaha Metropolitan Area

Company Name	Project Size	Project Location
31 TV Transmission Inc.	\$30M + 40 emp	Lincoln, Lancaster County, Crete, Auburn, Nebraska City, Tecumseh, Table Rock, Pawnee City, Humboldt, Omaha, Fairbury, Superior, York, David City, Seward, Fremont, Dodge County, Inglewood, Douglas County, and other locations
32 TransTerra Company	\$4.4M + 48 emp	Metro Omaha
33 Universal Assurors	\$5.4M + 79 emp	Greater Omaha Metropolitan Area
34 Walker Manufacturing Co.	\$4M + 45 emp	Seward
35 Wilkinson Manufacturing Co.	\$4.4M + 35 emp	Ft. Calhoun

Agreements Signed in 1989 That are Still in Effect

Company Name	Project Size	Project Location
1 Abbott Bank	\$3.5M + 30 emp	Alliance, Merriman, Chadron, Gordon, Mullen, Thedford, Valentine, Cody, Bridgeport, Hemingford, and Hyannis
2 Appleton Electric Company	\$3M + 30 emp	Columbus
3 Coleman Powermate Inc.	\$3M + 206 emp	Hastings and Kearney
4 ConAgra Inc.	\$12.7M + 30 emp	South Sioux City
5 DESCO Corp.	\$3M + 30 emp	Hastings and Oshkosh
6 Douglas & Lomason Co.	\$4.3M + 77 emp	Platte County and other locations
7 IBP Inc.	\$77.5M + 1,200 emp	Lexington
8 Idelman Telemarketing Inc.	\$3.7M + 310 emp	Greater Omaha Metropolitan Area
9 JA Baldwin Mfg. Co.	\$10M + 100 emp	Kearney
10 Lenco Company	\$10M + 100 emp	Lincoln, and Waverly
11 Omni Holding Company	\$3.8M + 34 emp	Omaha, Douglas and Sarpy Counties
12 Pamida Inc.	\$6M + 75 emp	Omaha
13 Principal Financial Group	\$6.2M + 100 emp	Grand Island
14 Radio Engineering Ind. Inc.	\$3.5M + 56 emp	Omaha
15 Sun Husker Foods Inc.	\$10M + 100 emp	Lincoln
16 Tri-Con Industries Inc.	\$9.7M + 85 emp	Lincoln
17 Utell International	\$10M + 100 emp	Omaha
18 Waste Technical Services	\$35.8M + 40 emp	Kimball
19 Yasufuku USA Inc.	\$3.5M + 36 emp	Lincoln

Agreements Signed in 1990 That are Still in Effect

Company Name	Project Size	Project Location
1 900 Services, Inc.	\$10M + 100 emp	Greater Omaha Metropolitan Area
2 Accent Service Company Inc.	\$3.2M + 30 emp	Omaha, Lincoln, Fremont and Norfolk
3 American MicroTrace	\$3M + 30 emp	Fairbury
4 American Meter Company	\$3M + 30 emp	Nebraska City
5 Brass Buckle Inc.	\$3M + 37 emp	Kearney
6 Brunswick Corporation	\$3M + 30 emp	Lancaster County
7 Call Interactive	\$10M + 100 emp	Greater Omaha Metropolitan Area
8 ConAgra Inc.	\$10M + 100 emp	Hastings
9 Data Transmission Network	\$3M + 31 emp	Douglas County
10 Deeter Foundry Inc.	\$3.4M + 32 emp	Lincoln
11 Dorsey Laboratories, Div. of Sandoz Pharmaceuticals Corp.	\$35M + 120 emp	Lancaster County
12 Eagle Plastics Inc.	\$3M + 30 emp	Hastings
13 Excel Corp.	\$11.3M + 100 emp	Schuyler
14 Exmark Manufacturing Co. Inc.	\$3.1M + 46 emp	Beatrice
15 Farmland Foods Inc.	\$13.7M + 110 emp	Crete
16 First Commerce Bancshares	\$12.2M + 100 emp	Lincoln, Grand Island, Columbus, Kearney, North Platte, and other locations
17 Ford Motor Credit Company	\$10.4M + 300 emp	Omaha
18 Fremont Beef Company	\$10M + 100 emp	Fremont
19 Goodyear Tire & Rubber	\$3M + 30 emp	Norfolk
20 Great West Casualty Co.	\$4.9M + 59 emp	South Sioux City
21 Hyatt Hotels Corporation	\$10M + 100 emp	Omaha
22 Industrial Machine Spec. Inc.	\$3M + 30 emp	Lincoln
23 K-B Foods Inc.	\$3M + 30 emp	Douglas County
24 Kawasaki Motors Mfg. Corp.	\$14.3M + 106 emp	Lincoln
25 Lester Electric	\$3M + 30 emp	Lancaster County and adjacent counties
26 Lincoln Benefit Life	\$3M + 140 emp	Lincoln
27 Lindsay Manufacturing Co.	\$3M + 30 emp	Lindsay
28 Lyman-Richey Corp.	\$3M + 30 emp	Omaha, Grand Island, McCook, Central & Western Nebraska
29 May Telemarketing Inc.	\$4.9M + 350 emp	Omaha and other locations
30 Mid-America Computer Corp.	\$11M + 133 emp	Blair
31 Midlands Packaging Corp.	\$3M + 30 emp	Lincoln
32 Millard Refrigeration Services	\$14.7M + 210 emp	Douglas and Sarpy Counties
33 Molex Inc.	\$4.6M + 43 emp	Lincoln
34 Nebraska Cellular Telephone	\$10M + 31 emp	Grand Island, Hastings, Kearney, York, North Platte, Lexington, Brady, Paxton, Ogallala, Seward, Norfolk, Columbus, Fremont, Sidney, Scottsbluff, Beatrice, Ashland, O'Neill, Ord, and other locations
35 Nebraska Book Company	\$3M + 30 emp	Lincoln
36 Norfolk Iron & Metal Co.	\$3.7M + 35 emp	Norfolk and Scottsbluff
37 Precision Bearing Co.	\$10M + 110 emp	Omaha, Lincoln, Grand Island, Lexington, Norfolk, Columbus, and other locations
38 Rotella's Italian Bakery Inc.	\$5.5M + 30 emp	Greater Omaha Metropolitan Area
39 T-L Irrigation Co.	\$3M + 30 emp	Hastings
40 Telenational Communications	\$3.3M + 223 emp	Omaha and other locations
41 William H. Harvey Company	\$3M + 35 emp	Greater Omaha Metropolitan Area
42 Wilson Concrete Co.	\$3M + 30 emp	La Platte
43 Wright Printing Company	\$4.4M + 60 emp	Omaha

Agreements Signed in 1991 That are Still in Effect

Company Name	Project Size	Project Location
1 Bemis Company, Inc.	\$5.6M + 49 emp	Omaha
2 Chief Industries Inc.	\$10M + 100 emp	Hastings
3 Drake Williams Steel Inc.	\$3.7M + 30 emp	Omaha
4 Firstier Financial Services	\$7.5M + 30 emp	Lincoln, Omaha, Scottsbluff, and Norfolk
5 Linweld Inc.	\$3M + 30 emp	Lincoln, Hastings, Holdrege, Columbus, Omaha, Kearney, Waverly, Norfolk, Grand Island, Scottsbluff
6 Mallory USA Inc.	\$3M + 30 emp	South Sioux City
7 Minnesota Corn Processors	\$80M + 125 emp	Columbus
8 Monroe Auto Equipment	\$3M + 30 emp	Cozad
9 Shade Pasta Inc.	\$12M + 100 emp	Fremont
10 Union Pacific Railroad	\$3M + 30 emp	Various Locations
11 Western Sugar Company	\$35.7M + 30 emp	Scottsbluff

Agreements Signed in 1992 That are Still in Effect

Company Name	Project Size	Project Location
1 Bio Nebraska Inc	\$10M + 100 emp	Lincoln
2 California Energy Co. Inc.	\$3M + 30 emp	Omaha
3 Campbell Soup Company	\$10M + 100 emp	Omaha
4 Centurion International Inc.	\$3M + 30 emp	Lincoln
5 Design Plastics Inc.	\$3.15M + 30 emp	Omaha
6 Paraclipse Inc.	\$3M + 30 emp	Columbus
7 PrestoLite Wire Corporation	\$10M + 100 emp	Sidney
8 Store Kraft Manufacturing Co.	\$3.25M + 42 emp	Beatrice
9 Tekton Inc. & Subsidiaries	\$3M + 30 emp	Pender, Wayne and Omaha

Agreements Signed in 1993 That are Still in Effect

Company Name	Project Size	Project Location
1 Ag Processing Inc.	\$5M + 95 emp	Omaha
2 American Shizuki Corp.	\$3.8M + 55 emp	Ogallala
3 Cargill Inc.	\$150M + 100 emp	Washington County
4 ConAgra Inc.	\$10.2M + 100 emp	Omaha
5 Flexcon Company, Inc.	\$22M + 200 emp	Columbus
6 Henningsen Foods Inc.	\$4.5M + 30 emp	David City and other locations
7 Lincoln Plating Company	\$3.2M + 32 emp	Lincoln
8 FOFTI L.C.	\$10M + 100 emp	Greater Omaha
9 Tenaska Inc.	\$3.1M + 40 emp	Omaha
10 Transcrypt International, Ltd.	\$10M + 100 emp	Lincoln
11 Travel & Transport Inc.	\$3.9M + 170 emp	Omaha and other locations

Agreements Signed in 1994 That are Still in Effect

Company Name	Project Size	Project Location
1 Auburn Consolidated Industries	\$3M + 35 emp	Auburn
2 Beef Products Inc.	\$15-30M + 100 emp	Dakota City and future locations
3 Excel Corporation	\$13M + 150 emp	Nebraska City
4 First Data Corporation	\$10M + 100 emp	Omaha
5 First National of Nebraska	\$10M + 100 emp	Omaha
6 Fleming Companies Inc.	\$3.4M + 35 emp	Lincoln
7 Greif Bros. Corporation	\$5M + 30 emp	Omaha
8 Information Technology Inc.	\$3M + 30 emp	Lincoln
9 Lanter Company	\$4M + 34 emp	Omaha
10 Lincoln Steel Company	\$3M + 35 emp	Lincoln
11 Mutual of Omaha	\$20M	Omaha
12 Nebraska Beef Ltd.	\$10M + 100 emp	Omaha
13 Nebraska Furniture Mart	\$3M + 30 emp	Omaha
14 Nucor Corporation	\$20M	Norfolk
15 Sherwood Medical Company	\$3M + 30 emp	Norfolk

Agreements Signed in 1995 That are Still in Effect

Company Name	Project Size	Project Location
1 ACCUMA Corporation	\$10M + 45 emp	Gage County
2 AGP Corn Processing	\$40M + 100 emp	Central Nebraska
3 American Business Information	\$10M + 190 emp	Omaha
4 American Laboratories, Inc.	\$3M + 30 emp	Omaha
5 American Tool Co. Inc.	\$10M + 100 emp	DeWitt and Lincoln areas
6 Behlen Mfg. Co.	\$6M + 165 emp	Columbus and Omaha
7 Blue Cross & Blue Shield	\$10M + 100 emp	Omaha, Lincoln and other locations
8 Cabela's Inc.	\$10M + 100 emp	Sidney and Kearney
9 ConAgra Inc.	\$10M + 100 emp	Omaha
10 Food Services of America	\$3M + 30 emp	Omaha
11 Hudson Foods Inc.	\$16M + 100 emp	Columbus
12 MCI Telecommunications Corp.	\$245M + 100 emp	Omaha
13 MFS Communications Company, Inc.	\$10M + 100 emp	Omaha
14 Metromail Corporation	\$10M + 100 emp	Lancaster and Seward Counties
15 Nebraska Energy LLC	\$35M + 30 emp	Aurora
16 Oilgear Company	\$3M + 30 emp	Fremont
17 Prairie Systems	\$10M + 100 emp	Omaha
18 Werner Enterprises	\$10M + 100 emp	Douglas and Sarpy Counties

Agreements Signed in 1996 That are Still in Effect

Company Name	Project Size	Project Location
1 Acceptance Insurance	\$10M + 100 emp	Omaha
2 American Freezer	\$10M + 100 emp	Norfolk and Omaha
3 Archer Daniels Midland Company	\$20M	Lincoln
4 Automatic Equipment Manufacturing	\$3M + 30 emp	Pender
5 Burlington Northern	\$3M + 30 emp	Statewide
6 C.J. Foods	\$3M + 30 emp	Pawnee City
7 Cable Services Group, Inc.	\$14M + 105 emp	Omaha
8 Computer Cable Connection	\$3.55M + 60 emp	Bellevue
9 Consolidated Business Systems, Inc.	\$3.5M + 40 emp	Omaha
10 DAYCO Products, Inc.	\$13.6M + 71 emp	Alliance and McCook
11 Farmers & Merchants Investments Inc.	\$4.85M + 72 emp	Statewide
12 Gallup Organization	\$9M + 155 emp	Lincoln
13 Garner Industries	\$3M + 30 emp	Lincoln
14 Goodyear Tire & Rubber Company	\$20M	Lincoln
15 Greater Omaha Packing Co.	\$10M + 100 emp	Omaha
16 IBP Inc.	\$10M + 100 emp	Madison
17 Iams Company	\$20.5M + 30 emp	Aurora
18 Inacom Corp.	\$10M + 100 emp	Greater Omaha Metropolitan Area
19 Lincoln Telecommunications	\$20M	Eastern Nebraska
20 Lincoln Telecommunications	\$3M + 30 emp	Eastern Nebraska
21 Morris Press & Office Supplies, Inc.	\$3M + 30 emp	Lexington and Kearney
22 Omaha Steaks International	\$10M + 100 emp	Metropolitan Omaha Area
23 Oriental Trading Co. Inc.	\$16M + 600 emp	Omaha
24 Parker Hannifin Corp.	\$5M + 40 emp	Lincoln
25 Pennington Seed, Inc. of Nebraska	\$10M + 100 emp	Sidney
26 Peter Kiewit Sons Inc.	\$10M + 100 emp	Omaha
27 Physicians Mutual Insurance	\$14M + 150 emp	Omaha
28 Pioneer Hi-Bred Int. Inc.	\$3M + 30 emp	York
29 Regal Printing Company	\$4.1M + 51 emp	Omaha
30 Senior Technologies Inc.	\$3M + 30 emp	Lincoln
31 Square D Company	\$20M	Lincoln
32 Tender Heart Treasures Ltd.	\$10M + 100 emp	Omaha
33 Union Pacific Railroad Co.	\$3M + 30 emp	Statewide
34 Union Pacific Railroad Co.	\$3M + 30 emp	Greater Omaha Area
35 Vickers Incorporated	\$20M	Omaha
36 West Telemarketing Corp.	\$10M + 100 emp	Omaha

Agreements Signed in 1997 That are Still in Effect

Company Name	Project Size	Project Location
1 ACI Telecentrics, Inc.	\$3M + 30 emp	Chadron, Ogallala and other locations
2 Affiliated Food Stores	\$8.4M + 100 emp	Norfolk
3 Airlite Plastics Company	\$10M + 30 emp	Greater Omaha Metropolitan Area
4 Arnie's Bagelicious Bagels	\$3M + 30 emp	Nebraska City
5 Call Interactive	\$10M + 100 emp	Greater Omaha Metropolitan Area
6 Central States of Omaha Companies	\$10M + 140 emp	Omaha
7 Cincinnati Bell	\$10.5M + 110 emp	Omaha
8 Commercial Federal Bank	\$10M + 100 emp	Omaha, Lincoln Metro areas and other locations
9 Cox Communications Omaha, Inc.	\$3M + 30 emp	Omaha
10 Distefano Tool & Die Company, Inc.	\$3.2M + 35 emp	Omaha
11 Duncan Aviation	\$3M + 30 emp	Lincoln
12 Eaton Corporation	\$20M	Kearney
13 First Commerce Bancshares	\$12M + 115 emp	Lincoln, Grand Island, Columbus, Kearney, North Platte, and other locations
14 Frito Lay Inc.	\$25M + 30 emp	Central Nebraska
15 Geo A Hormel & Co.	\$20M + 100 emp	Fremont
16 High Plains Corporation	\$55.1M + 105 emp	York County
17 IBP, Inc.	\$10M + 100 emp	Dakota City, West Point
18 IBP, Inc.	\$10M + 100 emp	Gibbon
19 Information Communication Enter. Inc.	\$10M + 100 emp	Waverly
20 International Spices, LTD	\$3M + 30 emp	Elkhorn
21 J&B Wholesale Distributing Inc.	\$5M + 45 emp	Greater Omaha Metropolitan Area
22 Kellogg Company	\$84M	Omaha
23 Lozier Corporation	\$17M + 110 emp	Omaha
24 Marshall Engines Inc.	\$3.1M + 300 emp	Kearney
25 Midwest Web Inc.	\$4.7M + 30 emp	Lincoln
26 Minnesota Mining & Mfg.	\$3M + 30 emp	Valley
27 Nedelco Inc. & Subsidiaries	4.85M + 147 emp	Aurora
28 Orion Systems, LTD	\$10M + 135 emp	Omaha
29 Peed Corporation	\$5.5M + 50 emp	Lincoln and other locations
30 Premier Industries Inc.	\$3M + 30 emp	Mead
31 Quality Pork International, Inc.	\$10M + 100 emp	Omaha
32 Reliance Electric	\$3M + 30 emp	Columbus
33 Sandoz Pharmaceutical Corp.	\$10M + 100 emp	Lincoln
34 Security Mutual Life Insurance Co.	\$4.5M + 30 emp	Lincoln
35 Sprint Spectrum L.P.	\$35M + 150 emp	Statewide Service Area
36 SpyroTech Corporation	\$5M + 60 emp	Lincoln
37 Streck Laboratories	\$10M + 100 emp	Omaha
38 U.S. West Inc.	\$20M	Statewide Service Area
39 U.S. West Inc.	\$3M + 30 emp	Omaha Area
40 Valmont Industries Inc.	\$10M + 100 emp	Valley, McCook, West Point, Omaha
41 Walker Manufacturing Co.	\$3M + 30 emp	Seward

Agreements Signed in 1998 That are Still in Effect

Company Name	Project Size	Project Location
1 Ag-Bag International Limited	\$3M + 30 emp	Blair
2 Arnold Engineering Company	\$3.9M + 35 emp	Norfolk
3 Baldwin Filters, Inc.	\$10M + 100 emp	Kearney and Gothenburg
4 Ballantyne of Omaha, Inc. & Subs.	\$3M + 30 emp	Omaha
5 Caterpillar Claas America LLC	\$60 M + 502 emp	Omaha
6 Empire Fire & Marine Insurance Co	\$10M + 100 emp	Omaha and other locations
7 HDR, Inc.	\$15.3M + 110 emp	Omaha
8 Isco, Inc.	\$10M + 110 emp	Lincoln
9 Kroy Building Products, Inc.	\$3M + 30 emp	York
10 LI-COR, Inc.	\$3M + 30 emp	Lincoln
11 Nebco, Inc.	\$3M + 30 emp	Dodge, Lancaster, Douglas, Sarpy, Cass, Otoe, Buffalo, Hall, Saunders and other NE counties
12 Pegler-Sysco	\$12M + 203 emp	Omaha, Lincoln, Grand Island and other locations
13 Peoples Natural Gas	\$3M + 30 emp	Omaha
14 Platte Valley Financial Services	\$3.7M + 50 emp	Scottsbluff
15 Porter Chadburn, Inc.	\$10.5M + 110 emp	Omaha
16 Premoule America Inc.	\$10M + 100 emp	Omaha
17 Reinke Manufacturing Company, Inc.	\$10.7M + 30 emp	Deshler
18 Rosen's Diversified, Inc.	\$10.5M + 105 emp	Omaha
19 Sitel Corporation	\$10M + 150 emp	Omaha
20 Tri-V Tool & Die Company	\$5.1M + 90 emp	Omaha area
21 William H. Harvey Co.	\$3M + 30 emp	Omaha

Agreements Signed in 1999 That are Still in Effect

Company Name	Project Size	Project Location
1 American Meat Protein Corporation	\$3M + 30 emp	Fremont, Schuyler, Madison, and Grand Island
2 Ameritas Bankers Life Ins. Co.	\$10M + 100 emp	Lincoln
3 Champion Home Builders Co.	\$5M + 200 emp	York
4 Coleman Powermate, Inc.	\$10M + 200 emp	Kearney, Hastings and any future Nebraska Location
5 D&D Salads, Inc.	\$4.55M + 30 emp	Omaha
6 Data Transmission Network	\$3M + 30 emp	Douglas County
7 Eaton Corporation	\$17.5M + 68 emp	Hastings
8 Financial Dynamics, Inc.	\$7M + 100 emp	Omaha
9 First Federal Lincoln Bank	\$4.77M + 39 emp	Statewide
10 Harris Laboratories, Inc.	\$15.12M + 140 emp	Lincoln, Omaha
11 Lucent Technologies	\$191M + 110 emp	Omaha
12 Lyman-Richey Corporation	\$3M + 30 emp	Omaha and other Nebraska locations
13 Midland Systems, Inc.	\$3M + 30 emp	Omaha
14 Nebraska Aluminum Castings	\$3M + 30 emp	Hastings
15 Nonpareil - RDO, L.L.C.	\$15.8M + 100 emp	O'Neill
16 Omaha Printing Company	\$5M + 50 emp	Omaha
17 Omaha World-Herald	\$9M + 30 emp	Omaha
18 Producers America, Inc.	\$3M + 30 emp	Omaha and other locations
19 Rotella's Italian Bakery	\$3M + 30 emp	Omaha
20 Silverstone Group, Inc. & Subs	\$3M + 30 emp	Omaha
21 Strategic Marketing Innovations	\$10M + 175 emp	Omaha & other locations
22 West Interactive Corp.	\$22M + 144 emp	Omaha
23 Wilkinson Manufacturing Co.	\$10M + 100 emp	Fort Calhoun
24 Wis-Pak of Norfolk, Inc.	\$3M + 30 emp	Norfolk

Agreements Signed in 2000 That are Still in Effect

Company Name	Project Size	Project Location
1 C S Precision Manufacturing, Inc.	\$7M + 30-35 emp	Scottsbluff
2 CXT Incorporated	\$3.5M + 30 emp	Grand Island
3 Excel Corp.	\$16.5M + 100 emp	Schuyler
4 First York Ban Corp.	\$3M + 30 emp	Statewide
5 Grand Island Accessories	\$3.5M + 37 emp	Grand Island
6 Great Dane Trailers	\$3M + 184 emp	Wayne
7 Hughes Brothers, Inc.	\$5.25M + 30 emp	Seward
8 Lee Enterprises	\$35M + 50 emp	Lincoln
9 Lindsay Manufacturing Co.	\$24M + 30 emp	Lindsay
10 Longview Fibre Company	\$7M + 30 emp	Seward
11 Midwest Padding L.L.C.	\$3.3M + 32 emp	Norfolk
12 National Crane Corporation	\$9.4M + 60 emp	Waverly
13 OpticTrek.com, Inc.	\$110-144M + 1,445 emp	Omaha
14 Triangle Pacific Corp.	\$10.3M + 100 emp	Auburn

Summary of LB 775 Benefits Approved Through 12/31/2001

Table 2 summarizes the credits earned and used and the direct sales/use tax refunds approved for qualified companies through December 31, 2001. Also included are the sales and use tax refunds pending approval at year end. Detail by type of agreement is provided in Table 3.

Detail by industry group is provided in Tables 4 through 8 and 10 through 14. Table 9 breaks down sales tax refunds between city and state tax. Tables 15 through 28 regroup the companies by year of qualification.

Summary of LB 775 Benefits Approved

Table 2

The Department of Revenue has conducted field reviews of companies which filed reports with the department indicating that they had met the minimum new jobs and investment levels to qualify for incentives. Table 1 shows the number of qualifying companies verified by field review. Based on these examinations, the department has approved:

	1988-1997*	1998	1999	2000	2001	Total
Investment Credits	\$ 732,241,808	\$100,958,948	\$ 90,537,676	\$178,292,926	\$ 98,246,972	\$1,200,278,330
New Jobs Credits	282,842,639	40,089,986	43,315,779	48,196,698	38,695,285	453,140,387
Total Credits						
Earned	\$1,015,084,447	\$141,048,934	\$133,853,455	\$226,489,624	\$136,942,257	\$1,653,418,717
Credits Used						
Income Tax**	\$264,549,319	\$ 44,257,680	\$43,027,666	\$ 59,763,186	\$ 50,831,192	\$462,429,043
Sales/Use Tax Refunds	192,442,061	56,039,915	41,310,334	54,053,889	51,807,771	395,653,970
Total Credits Used	\$456,991,380	\$100,297,595	\$84,338,000	\$113,817,075	\$102,638,963	\$858,083,013
Direct Sales/Use Tax Refunds on Investment	\$285,199,949	\$49,765,826	\$38,337,566	\$38,323,129	\$54,352,225	\$465,978,695
Recapture***						
Repaid From Credits	\$4,067,416 1,728,442	\$1,284,532 274,014	\$1,401,522 197,017	\$2,903,776 393,249	\$9,204,994 256,009	\$18,862,240 2,848,731
Qualified Investment	\$9,595,372,960	\$1,218,979,775	\$1,180,386,362	\$1,990,783,299	\$1,118,849,811	\$15,104,372,207
New Jobs of Qualifying Companies	52,812	5,885	6,287	3,839	2,637	71,460
Sales/Use Tax Refunds Pending Approval at Year End	N/A	\$29,305,069	\$43,566,048	\$44,592,560	\$29,160,604	N/A

*For details by year see Annual Reports for previous year

	1988-1997*	1998	1999	2000	2001	Total
**Corporate	\$213,928,423	\$35,704,704	\$34,337,098	\$51,252,635	\$42,097,520	\$377,320,380
Individual	50,620,896	8,552,976	8,690,568	8,510,551	8,733,672	85,108,663
Total	\$264,549,319	\$44,257,680	\$43,027,666	\$59,763,186	\$50,831,192	\$462,429,043

*** 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, 2001, thirty-five companies were in recapture. \$9,250,244 in repayment due has been netted from approved refund claims, and \$9,611,996, plus interest, has been repaid in cash. Credit carryover for companies that have reached the end of the entitlement period has been reduced by \$2,848,731.

Description of Application Options

\$20M investment and no employees. Benefits include:

- Election to use “sales only” factor to apportion state taxable income, and
- Direct refund of all sales and use tax paid on purchases of qualified property at the project.

\$3M investment and 30 employees. In addition to the benefits listed above, a \$3M + 30 applicant is eligible for:

- Five percent tax credit on the amount the total compensation paid to employees who are either Nebraska employees or base-year employees exceeds the compensation attributed to base-year employees, and
- Ten percent tax credit on total investment in qualified property.

\$10M investment and 100 employees. In addition to the benefits listed above, a \$10M + 100 applicant is eligible for property tax exemption on:

- Turbine-powered aircraft or jets,
- Mainframe business computers and peripheral components used at the project, and
- Equipment used directly in processing agricultural products.

Please note that a company applying under the \$10M + 100 employee option has a two-part agreement, one at the \$3M + 30 employee level and one at the \$10M + 100 employee level. The companies listed as having applied under the \$10M + 100 employee level may only have qualified under the \$3M + 30 employee portion of their agreement. The only additional benefits available under the \$10M + 100 employee portion of an agreement are the property tax benefits.

Table 3 shows the total benefits approved for each type of agreement, as described above, through 2001.

**Table 3 Analysis of Benefits Approved by Type of Agreement
(Cumulative Through 2001)**

	\$20 Million 0 Employees	\$3 Million 30 Employees	\$10 Million 100 Employees	Total
Number of Companies	18	165	129	312
Investment Credits	N/A	\$476,190,893	\$ 724,087,437	\$1,200,278,330
New Jobs Credits	N/A	173,687,629	279,452,758	453,140,387
Total Credits Earned	N/A	<u>\$649,878,522</u>	<u>\$1,003,540,195</u>	<u>\$1,653,418,717</u>
Credits Used				
Income Tax	N/A	\$169,761,167	\$292,667,876	\$462,429,043
Sales/Use Tax Refunds	N/A	<u>127,737,028</u>	<u>267,916,942</u>	<u>395,653,970</u>
Total Credits Used	N/A	<u>\$297,498,195</u>	<u>\$560,584,818</u>	<u>\$858,083,013</u>
Direct Sales/Use Tax Refunds on Investment	\$97,137,511	\$132,593,316	\$236,247,868	\$465,978,695
Qualified Investment	\$3,101,589,156	\$4,761,908,653	\$7,240,874,398	\$15,104,372,207
New Jobs of Qualifying Companies	N/A	28,892	42,568	71,460
Sales/Use Tax Refunds Pending Approval at Year End (12-31-01)	\$1,444,935	\$8,908,184	\$18,807,485	\$29,160,604

LB 775 Companies Whose Qualifications Have Been Approved As Of 12/31/2001

Table 4 shows the types of companies that are included in each industry group. All industry groups include a minimum of three (3) companies. The options under which companies in each industrial group have qualified are shown in the last column.

The industry groupings have previously been based on Standard Industrial Classification (SIC) codes. We converted to the use of the Principal Business Activity codes currently being used by the Internal Revenue Service. We have restated the prior years information based on the new industry groupings.

Table 4 **Classification Into Industry Group by
Principal Business Activity (PBA) Codes
and Option Under Which Applied**

Division	PBA , Major Industry Group Titles	Option Under Which Applied
Construction, Utilities and Nonmetallic Mineral Products Manufacturing	22, 23, 327 Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	3M + 30 emp 10M + 100 emp
Manufacturing	311, 312 Meat and Food Products	3M + 30 emp 10M + 100 emp 20M
	322, 323, 325, 326 Printing, Paper, Chemical, Plastics, Rubber and other non-durable products	3M + 30 emp 10M + 100 emp 20M
	331, 332 Primary and Fabricated Metals	3M + 30 emp 10M + 100 emp 20M
	333, 334, 335, 336, 337, 339 Machinery, Electronic and other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	3M + 30 emp 10M + 100 emp 20M
Wholesale & Retail Trade	42 Durable and Non-Durable Goods	3M + 30 emp 10M + 100 emp
Transportation & Warehousing	48, 49 Railroads, Trucking, Air Transportation and Warehousing	3M + 30 emp 10M + 100 emp 20M
Information & Data Processing	51 Publishing, Communications, Information and Data Processing Services	3M + 30 emp 10M + 100 emp 20M
Finance, Insurance & Real Estate	52 Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	3M + 30 emp 10M + 100 emp 20M
Professional, Scientific and Technical Services	54, 56, 62, 81 Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	3M + 30 emp 10M + 100 emp

LB 775 INDUSTRY GROUP DETAIL

Analysis of Credits

Tables 5 and 6 show an analysis of credits earned and used in 2001 and cumulative through 2001 by industry group. Total credits earned consist of both investment and employment credits. Both types of credits go into a credit pool and can be used to offset corporate or individual income tax liability and to receive a refund of otherwise non-refundable sales or use tax paid on purchases at the project.

Credits distributed to either corporate or individual shareholders or partners totaled \$74,128,781 in 1988-1997, \$10,944,731 in 1998, \$14,847,628 in 1999, \$12,126,354 in 2000 and \$8,235,539 in 2001. Distributed credits may only be used to offset corporate or individual income tax liabilities.

Table 5 Analysis of Credits by Industry Group (2001)

Industry Group	Total Credits Earned	CREDITS USED		Credits Recaptured	Credit Balance
		Income Tax	Sales Tax		
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	\$ 2,854,371	\$ 1,189,970	\$ 579,961	\$ 0	\$ 1,084,440
Meat and Food Products	21,747,539	6,747,611	7,692,531	(1,753)	7,309,150
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	12,027,009	636,962	6,198,866		5,191,181
Primary and Fabricated Metals	2,923,894	942,997	1,561,173		419,724
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	10,334,988	2,028,159	4,113,104		4,193,725
Durable and Non-Durable Goods	5,128,578	3,436,918	4,549,555		(2,857,895)
Railroads, Trucking, Air Transportation and Warehousing	18,104,442	4,662,049	3,633,569		9,808,824
Publishing, Communications, Information and Data Processing Services	23,719,284	6,757,808	12,136,935	257,762	4,566,779
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	28,389,749	18,949,692	8,226,903		1,213,154
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	11,712,403	5,479,026	3,115,174		3,118,203
Total	\$136,942,257	\$50,831,192	\$51,807,771	\$256,009	\$34,047,285

LB 775 INDUSTRY GROUP DETAIL

**Table 6 Analysis of Credits by Industry Group
(Cumulative Through 2001)**

Industry Group	Total Credits Earned	CREDITS USED		Credits Recaptured	Credit Balance
		Income Tax	Sales Tax		
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	\$ 33,995,485	\$ 20,225,135	\$ 4,734,420		\$ 9,035,930
Meat and Food Products	262,136,744	64,184,504	69,394,591	759,440	127,798,209
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	197,305,269	16,412,785	49,376,370		131,516,114
Primary and Fabricated Metals	31,504,327	16,247,049	5,236,264	590,373	9,430,641
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	187,307,569	43,173,847	72,976,851	430,886	70,725,985
Durable and Non-Durable Goods	72,916,578	27,548,077	14,023,561	258,954	31,085,986
Railroads, Trucking, Air Transportation and Warehousing	252,509,634	61,378,043	33,759,361		157,372,230
Publishing, Communications, Information and Data Processing Services	191,559,562	77,085,522	22,136,649	264,312	92,073,079
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	298,699,450	89,123,402	97,921,022	544,766	111,110,260
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	125,484,099	47,050,679	26,094,881		52,338,539
Total	\$1,653,418,717	\$462,429,043	\$395,653,970	\$2,848,731	\$792,486,973

LB 775 INDUSTRY GROUP DETAIL

Sales and Use Tax Refunds

There are two types of sales and use tax refunds available under LB775, direct refunds and refunds using credits.

The direct refund is available on qualified property (see Table 10 narrative for the definition of qualified property) and on aircraft. The total direct refunds through December 31, 2001 were \$465,978,695. Refunds were \$452,714,669 on qualified property and \$13,264,026 on aircraft.

Credits earned on investment and employment increases may be used to obtain a refund of otherwise nonrefundable sales and use tax paid on purchases at the project.

Tables 7 and 8 show a summary of sales and use tax refunds by industry group in 2001 and cumulative through 2001. The last column of Table 7 shows the sales and use tax refunds pending approval on December 31, 2001.

Table 9 shows the breakdown of state and city taxes paid for the total refunds net of recapture.

**Table 7 Analysis of Sales/Use Tax Refunds by Industry Group
(2001)**

Industry Group	APPROVED REFUNDS			Refunds Pending as of 12/31/2001
	Direct Refunds	Refunds Using Credits	Total	
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	\$ 247,883	\$ 579,961	\$ 827,844	\$ 61,472
Meat and Food Products	5,652,549	7,692,531	13,345,080	6,548,232
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	6,214,992	6,198,866	12,413,858	2,496,009
Primary and Fabricated Metals	1,497,157	1,561,173	3,058,330	585,089
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	4,643,639	4,113,104	8,756,743	3,596,654
Durable and Non-Durable Goods	2,923,062	4,549,555	7,472,617	401,699
Railroads, Trucking, Air Transportation and Warehousing	3,952,485	3,633,569	7,586,054	3,012,199
Publishing, Communications, Information and Data Processing Services	15,431,172	12,136,935	27,568,107	6,520,251
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	11,092,312	8,226,903	19,319,215	4,601,275
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	2,696,974	3,115,174	5,812,148	1,337,724
Total	\$54,352,225	\$51,807,771	\$106,159,996	\$29,160,604

Table 8

LB 775 INDUSTRY GROUP DETAIL

Analysis of Sales/Use Tax Refunds by Industry Group (Cumulative through 2001)

Industry Group	APPROVED REFUNDS		
	Direct Refunds	Refunds Using Credits	Total Refunds
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	7,106,587	4,734,420	11,841,007
Meat and Food Products	59,351,131	69,394,591	128,745,722
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	50,646,344	49,376,370	100,022,714
Primary and Fabricated Metals	14,364,739	5,236,264	19,601,003
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	48,513,517	72,976,851	121,490,368
Durable and Non-Durable Goods	15,637,877	14,023,561	29,661,438
Railroads, Trucking, Air Transportation and Warehousing	57,716,465	33,759,361	91,475,826
Publishing, Communications, Information and Data Processing Services	93,141,340	22,136,649	115,277,989
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	100,184,728	97,921,022	198,105,750
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	19,315,967	26,094,881	45,410,848
Total	\$465,978,695	\$395,653,970	\$861,632,665

Table 9

Analysis of Sales/Use Tax Refunds

	APPROVED REFUNDS NET OF RECAPTURE						Refunds Pending as of 12/31/2001
	1988-1997*	1998	1999	2000	2001	Total	
Number of Claims	4,515	880	668	987	903	7,953	275
State Tax	\$399,606,857	\$ 88,541,648	\$65,864,573	\$74,872,536	\$ 86,095,486	\$714,981,100	\$24,192,382
City Tax	75,061,745	16,439,735	12,650,283	15,061,578	18,187,979	137,401,320	4,968,222
Total	\$474,668,602	\$104,981,383	\$78,514,856	\$89,934,114	\$104,283,465	\$852,382,420	\$29,160,604

*For detail by year see previous Annual Reports.

LB 775 INDUSTRY GROUP DETAIL

Table 10 details the investment in qualified property by industry group. 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 (a) aircraft, barges, motor vehicles, railroad rolling stock, or watercraft or (b) property that is rented by the taxpayer qualifying under the Employment and Investment Growth Act to another person.

Table 10 **Investment in Qualified Property
by Industry Group**

Industry Group	1988-1997*	1998	1999	2000	2001	Total
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	\$ 153,402,415	\$ 11,963,340	\$ 10,854,140	\$ (556,220)	\$ 24,637,880	\$ 200,301,555
Meat and Food Products	1,543,779,352	136,979,970	119,298,551	260,078,791	199,534,393	2,259,671,057
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	1,225,551,793	63,645,830	81,389,140	207,964,699	98,618,127	1,677,169,589
Primary and Fabricated Metals	150,346,326	217,956,763	38,424,696	13,366,700	33,422,141	453,516,626
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	1,007,421,943	129,574,859	170,381,060	141,891,330	68,207,289	1,517,476,481
Durable and Non-Durable Goods	224,296,404	63,209,720	62,127,530	49,656,060	25,862,860	425,152,574
Railroads, Trucking, Air Transportation and Warehousing	1,359,957,676	231,762,700	220,129,440	581,306,720	136,015,090	2,529,171,626
Publishing, Communications, Information and Data Processing Services	2,172,313,280	67,122,189	186,485,967	261,972,443	251,679,344	2,939,573,223
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	1,332,309,253	267,712,444	258,277,708	384,740,526	230,599,377	2,473,639,308
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	425,994,518	29,051,960	33,018,130	90,362,250	50,273,310	628,700,168
Total	\$9,595,372,960	\$1,218,979,775	\$1,180,386,362	\$1,990,783,299	\$1,118,849,811	\$15,104,372,207

* For detail by year see previous Annual Reports.

Overview of Employment by Industry Tables

Tables 11 through 14 provide information by industry group on employment for projects which have met the minimum required levels of employment and/or investment necessary to qualify for benefits. For each year of the entitlement period, the qualified \$3 million and 30 full-time equivalent employee projects report information on full-time equivalent employee growth, average salaries and total Nebraska employment. The \$20 million investment projects do not report the full-time equivalent employee growth because it is not a requirement for qualification.

The full-time equivalent employee calculation reported in Table 11 is based on the number of hours paid at the project divided by 40 times the number of weeks in the year. An employee with 60 hours worked in each week of the year would be counted as 1.5 FTE employees. This same computation is done in the current year and the tax year prior to the year of application. The increase or decrease in FTE employees is calculated by subtracting the FTE employees at the project in the tax year prior to the year of application from the number of FTE employees in the reporting tax year.

The total number of people employed at the quarter prior to date of application and at the most recent reporting period reported in Table 12 includes all employees of the taxpayer statewide on a specific date without regard to the number of hours those people have worked. In this case, the person who works 60 hours each week of the year would be reported as long as they were employed at the specific reporting date. The total number of people employed at the measuring points would also include any part-time, seasonal workers or non-project employees in Nebraska as long as they were employed in Nebraska by the taxpayer at the specific reporting date.

The numbers reported in Tables 11 and 12 are not comparable for the following reasons:

- The number of people employed for Table 12 is not measured the same as the number of full-time equivalent (FTE) employees shown in Table 11. The numbers shown in Table 12 are the number of people employed by the qualified LB 775 applicants statewide in Nebraska on a specific date, without regard to the number of hours those people worked.
- Table 11 does not include any information related to the \$20 million dollar projects while Table 12 does report change in total employment for these projects.
- Table 11 includes the full-time equivalent growth only for the project as defined while Table 12 includes total statewide employment.
- Table 11's total column reports cumulative FTE growth for all qualified projects since the enactment of LB775, including projects which are beyond the end of their entitlement period, while Table 12 only includes information for projects which are currently in their entitlement period.

LB 775 INDUSTRY GROUP DETAIL

Number of New Jobs Created

Table 11 shows the number of new full-time equivalent (FTE) employees at the projects as compared to the prior year. The amount shown in the columns for each individual year is the increase or decrease from the previous year and does not represent the total change from the base year.

The total column represents the full-time equivalent growth during the entitlement period for each project that has met the \$3 million investment and 30 full-time equivalent employees since the enactment of the Employment and Investment Growth Act, LB775.

A company is required to maintain a minimum 30 FTE employee increase to avoid recapture.

- However, a company that previously showed a FTE employee increase of 80 could fall back to a 30 FTE employee increase without going into recapture. In this situation, the decrease of 50 FTE would be included in the current year column and the net increase of 30 would remain in the total column.
- If the company that previously showed a FTE employee increase of 80 ceased operations in Nebraska during the entitlement period, they would be in recapture. The decrease of 80 FTE would be included in the current year column and there would be zero FTE's represented in the total column.

This year Table 11 has three industry groups where the change in FTE reported in 2001 as compared to the previously reported year is negative. There were companies in these industry groups which reported employment growth, however the overall industry total of all companies reporting was a negative number. The companies reporting a decline in employment would not be in recapture unless the full-time equivalent employment growth for the term of the project is below 30 FTE.

Table 11 **Number of Jobs Created by Industry Group**
Full-Time Equivalent (FTE) Employees

Industry Group	1988-96*	1997	1998	1999	2000	2001	Total
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	890	30	83	62	(35)	157	1,187
Meat and Food Products	11,235	1,564	1,193	569	765	595	15,921
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	2,856	553	384	748	276	81	4,898
Primary and Fabricated Metals	912	52	241	39	(64)	324	1,504
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	7,105	40	1,557	998	(397)	288	9,591
Durable and Non-Durable Goods	2,679	533	319	562	341	(41)	4,393
Railroads, Trucking, Air Transportation and Warehousing	3,060	638	1,003	897	412	(99)	5,911
Publishing, Communications, Information and Data Processing Services	2,052	439	494	536	180	318	4,019
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	8,037	643	604	1,383	1,774	(32)	12,409
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	8,232	1,262	7	493	587	1,046	11,627
Total	47,058	5,754	5,885	6,287	3,839	2,637	71,460

Note: 2001 FTE reported includes an increase of 358 FTE for prior year corrections.

LB 775 INDUSTRY GROUP DETAIL

Number of New Jobs Created

Table 11 shows the number of new full-time equivalent (FTE) employees at the projects as compared to the prior year. The amount shown in the columns for each individual year is the increase or decrease from the previous year and does not represent the total change from the base year.

The total column represents the full-time equivalent growth during the entitlement period for each project that has met the \$3 million investment and 30 full-time equivalent employees since the enactment of the Employment and Investment Growth Act, LB775.

A company is required to maintain a minimum 30 FTE employee increase to avoid recapture.

- However, a company that previously showed a FTE employee increase of 80 could fall back to a 30 FTE employee increase without going into recapture. In this situation, the decrease of 50 FTE would be included in the current year column and the net increase of 30 would remain in the total column.
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Total	47,058	5,754	5,885	6,287	3,839	2,637	71,460

Note: 2001 FTE reported includes an increase of 358 FTE for prior year corrections.

LB 775 INDUSTRY GROUP DETAIL

Total Number of People Employed in Nebraska by Qualified LB 775 Applicants

Table 12 shows a comparison of the total number of people employed in Nebraska by the qualified LB 775 applicants at the end of the quarter prior to the date of application with the total number of people employed in Nebraska on the most recent reporting date. No information is included for projects which are beyond the end of the seven-year entitlement period and are no longer earning new benefits. The total employment numbers for the projects which have selected and attained the \$20 million investment level are included in Table 12.

Table 12 **Total Number of People Employed
by Qualified LB 775 Applicants
by Industry Group**

Industry Group	End of Quarter Prior to Date of Application	Most Recent Reporting Date	Increase (Decrease)
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	1,277	1,687	410
Meat and Food Products	13,680	19,706	6,026
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	4,078	5,560	1,482
Primary and Fabricated Metals	2,761	3,326	565
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	12,393	14,144	1,751
Durable and Non-Durable Goods	5,477	6,934	1,457
Railroads, Trucking, Air Transportation and Warehousing	12,990	17,137	4,147
Publishing, Communications, Information and Data Processing Services	11,249	12,643	1,394
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	21,790	24,490	2,700
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	6,513	11,641	5,128
Total	92,208	117,268	25,060

Note: Table 11 and Table 12 are not comparable. See page 22 for explanation.

LB 775 INDUSTRY GROUP DETAIL

Average Salary of New Employees

Tables 13 and 14 show the estimated average salary of new FTE employees for 2001 and cumulative through 2001. The average salary for each industry group is the weighted average salary for that group.

The weighted average salary for a group is calculated by multiplying the number of new full-time equivalent (FTE) employees for a company by the estimated annual salary of new employees at that company. This product is then added to the product for the other companies in the group, and the total is divided by the total number of new FTE employees in the group. For example:

	(1)	(2)	(3)	(4)
Company	New FTE Employees	Average Salary	Product (1 x 2)	Weighted Average Salary (3 ÷ 1)
A	10	\$30,000	\$300,000	
B	100	10,000	1,000,000	
C	20	20,000	400,000	
Group Total	130		\$1,700,000	\$13,077

Table 13 Average Salary of New Employees by Industry Group (2001)

Industry Group	Total New FTE Employees	Estimated Average Salary of New Employees
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	157	\$26,250
Meat and Food Products	595	24,183
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	81	29,383
Primary and Fabricated Metals	324	24,951
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	288	33,289
Durable and Non-Durable Goods	(41)	N/A
Railroads, Trucking, Air Transportation and Warehousing	(99)	N/A
Publishing, Communications, Information and Data Processing Services	318	23,328
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	(32)	N/A
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	1,046	27,699
Total	2,637	\$27,964 *

* 128,133,148 / 4,582 (Negative FTE and Adjustments Excluded)

LB 775 INDUSTRY GROUP DETAIL

The calculation method used for Table 14 was revised this year. With the switch to the Principal Business Activity Codes referred to on page 16, the projects were reorganized into new industry groups. We had historical, cumulative industry group average wage information but were unable to recreate this calculation for each individual project all the way back to 1988. We reconstructed the cumulative average for each industry by using the most recently reported average wage and cumulative FTE reported for each project. If the cumulative FTE for the project was zero or less, the project was included as zero FTE.

**Table 14 Average Salary of New Employees by Industry Group
(Cumulative through 2001)**

Industry Group	Total New FTE Employees	Estimated Average Salary of New Employees
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	1,187	\$34,365
Meat and Food Products	15,921	21,843
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	4,898	26,848
Primary and Fabricated Metals	1,504	27,193
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	9,591	27,509
Durable and Non-Durable Goods	4,393	27,709
Railroads, Trucking, Air Transportation and Warehousing	5,911	39,677
Publishing, Communications, Information and Data Processing Services	4,019	26,395
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	12,409	31,142
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	11,627	24,439
Total	71,460	\$27,396 *

* 1,957,715,538 / 71,460

Summary of Benefits by Year Qualification Verified

Tables 15-28 separate the data for the three hundred and twelve companies that have qualified for benefits by the end of 2001 into groups based on the year the department originally verified the company had qualified for benefits. In 2001, 158 companies had previously reached the end of their entitlement period and were no longer eligible to earn credits.

When a company qualifies for benefits under LB 775, the Department of Revenue will verify its eligibility for initial credits and sales and use tax refunds as soon as the company has the necessary documentation prepared. In following years, the taxpayer files its Form 775N with its Nebraska income tax return to claim additional credits.

In some instances, a fiscal year taxpayer that qualified in one year may not have filed its income tax return for the subsequent year until after the end of the next calendar year. For example, if a taxpayer qualified at the end of its June 30, 1999 tax year, the department might have verified its qualification in 1999. However, the company's tax return, including its Form 775N, for the tax year ended June 30, 2000, might not have been filed until April 15, 2001. While the data for 2000 would show no additional credits for the company, any credits used or direct refunds of sales and use tax approved or pending would be included in the 2000 data.

For this reason only 10 of the 17 companies verified as qualifying in 2000 filed a Form 775N claiming additional credits in 2001. This pattern occurred in the prior years also.

Table 15 **Summary of Benefits by Year**
(Companies Verified as Qualifying in 1988)

	1988-1997*	1998	1999	2000	2001	Total
Number of Companies Reporting	N/A	0	0	0	0**	
Investment Credits	\$41,882,316	\$(83,443)	0	0	0	\$41,798,873
New Jobs Credits	22,938,078	0	0	0	0	22,938,078
Total Credits Earned	<u>\$64,820,394</u>	<u>\$(83,443)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$64,736,951</u>
Credits Used						
Income Tax	\$13,228,548	\$1,032,294	\$ 862,920	\$ 330,239	\$ 515,032	\$15,969,033
Sales/Use Tax Refunds	<u>34,206,362</u>	<u>7,405,635</u>	<u>3,082,497</u>	<u>1,227,615</u>	<u>485,780</u>	<u>46,407,889</u>
Total Credits Used	<u>\$47,434,910</u>	<u>\$8,437,929</u>	<u>\$3,945,417</u>	<u>\$1,557,854</u>	<u>\$1,000,812</u>	<u>\$62,376,922</u>
Direct Sales/Use Tax Refunds on Investment	\$45,232,127	\$(153,085)	0	\$(323,746)	0	\$44,755,296
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$1,101,353	\$1,937,634	\$55,316	0	N/A
Qualified Investment	\$1,462,502,799	\$(834,430)	0	0	0	\$1,461,668,369
New Jobs of Qualifying Companies	3,433	0	0	0	0	3,433

* For detail by year see previous Annual Reports.

** All projects approved in 1988 are past the end of their entitlement period.

Table 16

Summary of Benefits by Year (Companies Verified as Qualifying in 1989)

	1989-1997*	1998	1999	2000	2001	Total
Number of Companies Reporting	N/A	0	1	1	1 **	
Investment Credits	\$186,046,670	\$(119,485)	\$ 2,254	\$982,666	\$669,181	\$187,581,286
New Jobs Credits	76,532,770	(130,843)	(177,719)	0	0	76,224,208
Total Credits Earned	<u>\$262,579,440</u>	<u>\$(250,328)</u>	<u>\$(175,465)</u>	<u>\$982,666</u>	<u>\$669,181</u>	\$263,805,494
Credits Used						
Income Tax	\$110,654,408	\$ 7,133,808	\$4,483,175	\$ 8,330,475	\$ 6,019,494	\$136,621,360
Sales/Use Tax Refunds	74,104,085	8,002,748	3,702,020	5,227,985	13,178,858	104,215,696
Total Credits Used	<u>\$184,758,493</u>	<u>\$15,136,556</u>	<u>\$8,185,195</u>	<u>\$13,558,460</u>	<u>\$19,198,352</u>	\$240,837,056
Direct Sales/Use Tax Refunds on Investment	\$74,584,695	\$(298,115)	\$14,880	0	0	\$74,301,460
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$1,232,314	\$10,723,043	\$1,118,013	\$3,021,585	N/A
Qualified Investment	\$2,193,574,657	\$(1,194,850)	\$22,540	\$9,826,660	\$6,691,810	\$2,208,920,817
New Jobs of Qualifying Companies	11,258	0	0	0	(453)***	10,805

* For detail by year see previous Annual Reports.

** All projects approved in 1989 are past the end of their entitlement period. However, taxpayer amendments and audit adjustments to previous credits allowed or benefits received may still be reflected in current year credits earned.

*** Includes correction of prior year data entry error.

Table 17

Summary of Benefits by Year (Companies Verified as Qualifying in 1990)

	1990-1997*	1998	1999	2000	2001	Total
Number of Companies Reporting	N/A	1	1	0	0 **	
Investment Credits	\$ 91,066,782	\$(162,012)	\$451,099	\$(44,832)	\$(27,979)	\$ 91,283,058
New Jobs Credits	62,647,871	78,388	(255,681)	(39,598)	0	62,430,980
Total Credits Earned	<u>\$153,714,653</u>	<u>\$ (83,624)</u>	<u>\$195,418</u>	<u>\$(84,430)</u>	<u>\$(27,979)</u>	\$153,714,038
Credits Used						
Income Tax	\$44,073,790	\$ 4,764,057	\$ 5,867,047	\$1,245,002	\$ 197,956	\$ 56,147,852
Sales/Use Tax Refunds	37,097,916	6,777,780	5,214,486	4,362,172	6,214,594	59,666,948
Total Credits Used	<u>\$81,171,706</u>	<u>\$11,541,837</u>	<u>\$11,081,533</u>	<u>\$5,607,174</u>	<u>\$6,412,550</u>	\$115,814,800
Direct Sales/Use Tax Refunds on Investment	\$34,226,278	\$1,817,596	\$87,959	\$101,882	0	\$36,233,715
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$2,015,826	\$3,778,879	\$4,475,610	\$1,295,766	N/A
Qualified Investment	\$1,062,044,230	\$(1,620,120)	\$4,510,990	\$(448,320)	\$(279,790)	\$1,064,206,990
New Jobs of Qualifying Companies	9,808	6	0	0	(56)***	9,758

* For detail by year see previous Annual Reports.

** All projects approved in 1990 are past the end of their entitlement period. However, taxpayer amendments and audit adjustments to previous credits allowed or benefits received may still be reflected in current year credits earned.

*** Includes correction of prior year data entry error.

Table 18

Summary of Benefits by Year (Companies Verified as Qualifying in 1991)

	1991-1997*	1998	1999	2000	2001	Total
Number of Companies Reporting	N/A	3	0	1	0 **	
Investment Credits	\$42,072,423	\$1,694,507	0	\$(55,668)	0	\$43,711,262
New Jobs Credits	42,061,642	568,865	0	246	0	42,630,753
Total Credits Earned	<u>\$84,134,065</u>	<u>\$2,263,372</u>	<u>0</u>	<u>\$(55,422)</u>	<u>0</u>	\$86,342,015
Credits Used						
Income Tax	\$29,728,692	\$1,707,958	\$1,360,997	\$ 650,150	\$ 538,144	\$33,985,941
Sales/Use Tax Refunds	13,838,483	5,331,050	2,514,477	4,022,425	2,007,210	27,713,645
Total Credits Used	<u>\$43,567,175</u>	<u>\$7,039,008</u>	<u>\$3,875,474</u>	<u>\$4,672,575</u>	<u>\$2,545,354</u>	\$61,699,586
Direct Sales/Use Tax Refunds on Investment	\$28,206,318	\$1,708,232	\$(1,067,762)	\$26,656	0	\$28,873,444
Pending Sales/Use Tax Refunds as of 12/31	N/A	751,586	\$2,612,684	\$367,910	\$681,648	N/A
Qualified Investment	\$876,543,111	\$16,945,070	0	\$(556,680)	0	\$892,931,501
New Jobs of Qualifying Companies	7,138	9	0	0	270***	7,417

* For detail by year see previous Annual Reports.

** All projects approved in 1991 are past the end of their entitlement period.

*** Includes correction of prior year data entry error.

Table 19

Summary of Benefits by Year (Companies Verified as Qualifying in 1992)

	1992-1997*	1998	1999	2000	2001	Total
Number of Companies Reporting	N/A	10	4	2	1 **	
Investment Credits	\$28,263,453	\$3,327,715	\$227,669	\$ 543,370	\$8,476	\$32,370,683
New Jobs Credits	11,956,739	3,253,024	551,018	577,892	(527)	16,338,146
Total Credits Earned	<u>\$40,220,192</u>	<u>\$6,580,739</u>	<u>\$778,687</u>	<u>\$1,121,262</u>	<u>\$7,949</u>	\$48,708,829
Credits Used						
Income Tax	\$11,674,169	\$2,074,739	\$1,026,540	\$1,153,870	\$1,305,143	\$17,234,461
Sales/Use Tax Refunds	8,583,995	1,391,770	1,847,319	4,429,925	1,402,774	17,655,783
Total Credits Used	<u>\$20,258,164</u>	<u>\$3,466,509</u>	<u>\$2,873,859</u>	<u>\$5,583,795</u>	<u>\$2,707,917</u>	\$34,890,244
Direct Sales/Use Tax Refunds on Investment	\$12,041,872	\$503,702	\$296,890	\$293,752	0	\$13,136,216
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$1,128,883	\$2,003,559	\$493,556	\$408,227	N/A
Qualified Investment	\$282,634,560	\$33,277,150	\$2,276,690	\$5,433,700	\$84,760	\$323,706,860
New Jobs of Qualifying Companies	1,778	307	(7)	39	532***	2,649

* For detail by year see previous Annual Reports.

** All projects approved in 1992 are past the end of their entitlement period. However, taxpayer amendments and audit adjustments to previous credits allowed or benefits received may still be reflected in current year credits earned.

*** Includes correction of prior year data entry error.

Table 20

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1993)**

	1993-1997*	1998	1999	2000	2001	Total
Number of Companies Reporting	N/A	12	6	2	0 **	
Investment Credits	\$ 80,345,137	\$15,899,551	\$ 917,926	\$2,011,629	\$ (21,218)	\$ 99,153,025
New Jobs Credits	21,343,419	3,940,586	1,188,914	1,723,926	(444,997)	27,751,848
Total Credits Earned	\$101,688,556	\$19,840,137	\$2,106,840	\$3,735,555	\$(466,215)	\$126,904,873
Credits Used						
Income Tax	\$23,789,507	\$ 3,427,398	\$ 427,341	\$1,700,956	\$ 905,374	\$30,250,576
Sales/Use Tax Refunds	11,810,323	7,498,855	4,511,051	6,199,141	4,972,264	34,991,634
Total Credits Used	\$35,599,830	\$10,926,253	\$4,938,392	\$7,900,097	\$5,877,638	\$65,242,210
Direct Sales/Use Tax Refunds on Investment	\$19,562,234	\$4,267,602	\$4,752,009	\$(3,721,732)	\$268,127	\$25,128,240
Pending Sales/Use Tax Refunds as of 12/31	\$1,107,765	\$622,968	\$1,310,955	\$1,787,241	\$372,089	N/A
Qualified Investment	\$803,451,360	\$158,995,510	\$9,179,260	\$20,116,290	\$(212,180)	\$991,530,240
New Jobs of Qualifying Companies	3,955	355	211	23	0	4,544

* For detail by year see previous Annual Reports.

** All projects approved in 1993 are past the end of their entitlement period. However, taxpayer amendments and audit adjustments to previous credits allowed or benefits received may still be reflected in current year credits earned.

Table 21

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1994)**

	1994-1997*	1998	1999	2000	2001	Total
Number of Companies Reporting	N/A	10	11	9	2**	
Investment Credits	\$58,219,453	\$3,492,955	\$5,403,261	\$ 9,563,032	\$185,626	\$76,864,327
New Jobs Credits	7,364,286	3,093,684	3,881,072	4,481,672	495,023	19,315,737
Total Credits Earned	\$65,583,739	\$6,586,639	\$9,284,333	\$14,044,704	\$680,649	\$96,180,064
Credits Used						
Income Tax	\$5,393,503	\$ 856,555	\$ 175,157	\$1,436,103	\$ 865,818	\$ 8,727,136
Sales/Use Tax Refunds	4,553,054	1,325,933	1,216,677	3,664,454	3,918,990	14,679,108
Total Credits Used	\$9,946,557	\$2,182,488	\$1,391,834	\$5,100,557	\$4,784,808	\$23,406,244
Direct Sales/Use Tax Refunds on Investment	\$14,511,388	\$1,707,065	\$610,739	\$1,152,765	\$318,874	\$18,300,831
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$801,250	\$1,813,903	\$1,131,095	\$643,611	N/A
Qualified Investment	\$582,194,531	\$34,929,550	\$54,032,610	\$95,630,320	\$1,856,260	\$768,643,271
New Jobs of Qualifying Companies	1,629	662	303	617	178***	3,389

* For detail by year see previous Annual Reports.

** Ten companies had previously reached the end of their entitlement period and were no longer eligible to earn credits.

*** Includes correction of prior year data entry error.

Table 22

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1995)**

	1995-1997*	1998	1999	2000	2001	Total
Number of Companies Reporting	N/A	28	26	22	19**	
Investment Credits	\$ 99,371,300	\$22,668,574	\$20,271,412	\$32,088,053	\$17,449,126	\$191,848,465
New Jobs Credits	19,597,391	10,307,380	11,325,180	9,643,962	9,098,865	59,972,778
Total Credits Earned	<u>\$118,968,691</u>	<u>\$32,975,954</u>	<u>\$31,596,592</u>	<u>\$41,732,015</u>	<u>\$26,547,991</u>	\$251,821,243
Credits Used						
Income Tax	\$11,231,595	\$12,221,374	\$11,683,507	\$20,934,114	\$16,353,115	\$ 72,423,705
Sales/Use Tax Refunds	4,227,046	9,380,452	9,137,345	10,456,716	6,817,372	40,018,931
Total Credits Used	<u>\$15,458,641</u>	<u>\$21,601,826</u>	<u>\$20,820,852</u>	<u>\$31,390,830</u>	<u>\$23,170,487</u>	\$112,442,636
Direct Sales/Use Tax Refunds on Investment	\$41,710,622	\$10,947,550	\$5,632,984	\$10,829,608	\$13,719,071	\$82,839,835
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$6,629,152	\$10,023,409	\$15,617,491	\$4,181,213	N/A
Qualified Investment	\$1,044,420,900	\$245,871,814	\$224,568,138	\$339,870,706	\$194,836,617	\$2,049,568,175
New Jobs of Qualifying Companies	5,850	1,428	841	458	(824)***	7,753

* For detail by year see previous Annual Reports.

** Ten companies had previously reached the end of their entitlement period and were no longer eligible to earn credits.

*** Includes correction of prior year data entry error.

Table 23

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1996)**

	1996-1997*	1998	1999	2000	2001	Total
Number of Companies Reporting	N/A	22	25	23	17**	
Investment Credits	\$40,913,457	\$13,779,500	\$ 9,390,056	\$17,800,623	\$15,484,318	\$ 97,367,954
New Jobs Credits	13,370,080	9,891,161	10,979,684	13,063,543	11,595,345	58,899,813
Total Credits Earned	<u>\$54,283,537</u>	<u>\$23,670,661</u>	<u>\$20,369,740</u>	<u>\$30,864,166</u>	<u>\$27,079,663</u>	\$156,267,767
Credits Used						
Income Tax	\$7,127,004	\$ 6,196,440	\$4,217,949	\$ 6,264,722	\$5,975,754	\$29,781,869
Sales/Use Tax Refunds	2,060,592	4,088,181	3,343,731	4,400,658	3,382,497	17,275,659
Total Credits Used	<u>\$9,187,596</u>	<u>\$10,284,621</u>	<u>\$7,561,680</u>	<u>\$10,665,380</u>	<u>\$9,358,251</u>	\$47,057,528
Direct Sales/Use Tax Refunds on Investment	\$7,466,715	\$6,875,964	\$4,404,588	\$3,886,662	\$6,866,379	\$29,500,308
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$1,709,365	\$1,381,476	\$2,385,865	\$4,074,345	N/A
Qualified Investment	\$409,134,543	\$137,795,000	\$93,900,560	\$178,006,230	\$154,843,180	\$973,679,513
New Jobs of Qualifying Companies	4,960	748	1,623	1,007	896***	9,234

* For detail by year see previous Annual Reports.

** Three companies had previously reached the end of their entitlement period and were no longer eligible to earn credits.

*** Includes correction of prior year data entry error.

Table 24

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1997)**

	1997	1998	1999	2000	2001	Total
Number of Companies Reporting	28	20	27	25	25*	
Investment Credits	\$64,060,815	\$23,505,964	\$29,947,980	\$41,093,180	\$24,599,866	\$183,207,805
New Jobs Credits	5,030,363	7,095,930	10,329,587	10,906,005	9,058,173	42,420,058
Total Credits Earned	<u>\$69,091,178</u>	<u>\$30,601,894</u>	<u>\$40,277,567</u>	<u>\$51,999,185</u>	<u>\$33,658,039</u>	\$225,627,863
Credits Used						
Income Tax	\$7,648,102	\$4,843,056	\$ 8,725,256	\$ 8,503,424	\$ 5,974,334	\$35,694,172
Sales/Use Tax Refunds	1,960,195	4,534,402	6,278,769	6,478,791	6,302,214	25,554,371
Total Credits Used	<u>\$9,608,297</u>	<u>\$9,377,458</u>	<u>\$15,004,025</u>	<u>\$14,982,215</u>	<u>\$12,276,548</u>	\$61,248,543
Direct Sales/Use Tax Refunds on Investment	\$7,657,689	\$20,034,224	\$13,823,878	\$10,405,982	\$15,518,664	\$67,440,437
Pending Sales/Use Tax Refunds as of 12/31	\$12,721,543	\$6,846,380	\$1,924,610	\$8,584,021	\$9,249,533	N/A
Qualified Investment	\$878,872,269	\$204,081,069	\$422,585,895	\$526,066,321	\$351,443,614	\$2,383,049,168
New Jobs of Qualifying Companies	3,003	1,114	1,072	43	348**	5,580

* One company had previously reached the end of its entitlement period and was no longer eligible to earn credits.

** Includes correction of prior year data entry error.

Table 25

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1998)**

	1998	1999	2000	2001	Total
Number of Companies Reporting	23	14	19	17 *	
Investment Credits	\$16,955,122	\$6,361,994	\$3,219,330	\$4,145,285	\$30,681,731
New Jobs Credits	1,991,811	1,980,239	2,678,609	2,458,230	9,108,889
Total Credits Earned	<u>\$18,946,933</u>	<u>\$8,342,233</u>	<u>\$5,897,939</u>	<u>\$6,603,515</u>	\$39,790,620
Credits Used					
Income Tax	\$ 0	\$2,395,619	\$3,882,786	\$4,302,197	\$10,580,602
Sales/Use Tax Refunds	303,104	338,927	2,093,060	949,407	3,684,498
Total Credits Used	<u>\$303,104</u>	<u>\$2,734,546</u>	<u>\$5,975,846</u>	<u>\$5,251,604</u>	\$14,265,100
Direct Sales/Use Tax Refunds on Investment	\$2,355,087	\$7,022,596	\$2,251,855	\$4,779,262	\$16,408,800
Pending Sales/Use Tax Refunds as of 12/31	\$6,465,987	\$612,829	\$4,704,636	\$1,086,017	N/A
Qualified Investment	\$390,734,012	\$89,981,985	\$37,403,010	\$54,006,860	\$572,125,867
New Jobs of Qualifying Companies	1,256	336	143	170	1,905

* Two companies had previously reached the end of their entitlement period and were no longer eligible to earn credits.

Table 26

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1999)**

	1999	2000	2001	Total
Number of Companies Reporting	25	18	17	
Investment Credits	\$17,564,025	\$5,336,151	\$5,791,043	\$28,691,219
New Jobs Credits	<u>3,513,485</u>	<u>2,381,629</u>	<u>2,790,963</u>	8,686,077
Total Credits Earned	\$21,077,510	\$7,717,780	\$8,582,006	\$37,377,296
Credits Used				
Income Tax	\$1,802,158	\$4,506,493	\$4,015,692	\$10,324,343
Sales/Use Tax Refunds	<u>123,032</u>	<u>1,490,942</u>	<u>1,714,173</u>	3,328,147
Total Credits Used	\$1,925,190	\$5,997,435	\$5,729,865	\$13,652,490
Direct Sales/Use Tax Refunds on Investment	\$2,758,801	\$2,527,013	\$6,493,652	\$11,779,466
Pending Sales/Use Tax Refunds as of 12/31	\$5,443,062	\$1,533,797	\$2,673,354	N/A
Qualified Investment	\$279,327,694	\$70,977,183	\$59,611,023	\$409,915,900
New Jobs of Qualifying Companies	1,908	317	231	2,456

Table 27

**Summary of Benefits by Year
(Companies Verified as Qualifying in 2000)**

	2000	2001	Total
Number of Companies Reporting	17	10	
Investment Credits	65,755,392	12,639,552	78,394,944
New Jobs Credits	<u>2,778,812</u>	<u>1,349,424</u>	4,128,236
Total Credits Earned	68,534,204	13,988,976	82,523,180
Credits Used			
Income Tax	824,852	2,785,535	3,610,387
Sales/Use Tax Refunds	<u>0</u>	<u>358,044</u>	358,044
Total Credits Used	824,852	3,143,579	3,968,431
Direct Sales/Use Tax Refunds on Investment	10,892,426	6,266,313	17,158,739
Pending Sales/Use Tax Refunds as of 12/31	2,338,005	1,325,861	N/A
Qualified Investment	708,457,879	122,730,697	831,188,576
New Jobs of Qualifying Companies	1,192	11	1,203

Table 28

**Summary of Benefits by Year
(Companies Verified as Qualifying in 2001)**

	2001	Total
Number of Companies Reporting	16	
Investment Credits	\$17,323,696	\$17,323,696
New Jobs Credits	2,294,786	2,294,786
Total Credits Earned	<u>\$19,618,482</u>	<u>\$19,618,482</u>
Credits Used		
Income Tax	\$1,077,604	\$1,077,604
Sales/Use Tax Refunds	103,594	103,594
Total Credits Used	<u>\$1,181,198</u>	<u>\$1,181,198</u>
Direct Sales/Use Tax Refunds on Investment	\$121,883	\$121,883
Pending Sales/Use Tax Refunds as of 12/31	\$147,355	N/A
Qualified Investment	\$173,236,960	\$173,236,960
New Jobs of Qualifying Companies	1,334	1,334

Projected Revenue Gains and (Losses) of LB 775, LB 829 as amended, and LB 620 for Tax Years 1987-2015 Projects by Fiscal Years**

The estimates are based on a sample of 100 agreements and actual results of 312 qualified projects, including 26 completed projects, from 1987 through 2001. Employment and investment flows are projected at rates indicated by the corresponding companies' applications. The analysis time frame considers future agreements signed through the year 2015 with a 95 percent success rate.

All other pertinent information as provided in the applications, such as salary levels and investment composition (not all property is treated equally in regard to tax preferences), is taken into consideration.

The classification of jobs into new economic jobs or existing jobs (jobs that would have been created regardless of the existence of LB 775, LB 829 as amended, and LB 620) is based on the company provided description of the project. The model estimates that 30 percent of the jobs created are true new economic jobs.

The credit used estimate is based on the assumption of maximized use for each year either against corporate income tax, individual income tax, or sales and use tax.

The time series analysis from 1987 to 2001 indicates that the usage of credits against sales and use taxes paid averages 45 percent of credits used. This usage factor was used for the future allocation of credits used. The liability analysis of the calendar year simulation model is converted into a fiscal year cash flow model.

The estimated profitability (individual and corporate income tax liability available for credit set-off) is based on the historical profitability of the respective companies.

The following is an estimate of new projects for the years 2002 through 2015.

Year	# of Agreements Signed	AVERAGE PER PROJECT*		
		\$ Million of Investment	Number of Employees	Salary Level
2002	25	68.2	291	27,762
2003	21	42.2	299	25,468
2004	18	81.9	235	35,001
2005	18	53.4	204	26,757
2006	30	53.9	142	30,644
2007	20	50.5	126	28,111
2008	25	87.8	127	38,634
2009	41	50.1	291	29,535
2010	32	43.3	235	33,000
2011	28	39.0	135	36,439
2012	22	26.5	105	40,056
2013	20	33.6	91	39,067
2014	18	77.8	110	46,045
2015	31	53.9	184	38,200

* The investment and employment levels represent the entire investment and employment associated with the project through the entitlement period (employment levels represent the employees qualifying for credits).

** A detailed description of the model is available upon request.

(Methodology and Assumptions for LB 775 Benefit and Cost Estimate; Nebraska Department of Revenue, Finance and Research Division, August 1996.)

**PROJECTED REVENUE GAINS OR (LOSSES) OF LB 775, LB 829 AS AMENDED, AND LB 620
FOR TAX YEARS 1987-2015 BY FISCAL YEAR**

Fiscal Year		01/02	02/03	03/04	04/05	05/06	06/07	
SUMMARY	Expansion: Sales and Use	71,047,451	74,776,728	78,342,641	82,230,197	87,912,638	92,218,247	
	Corporate	7,404,883	7,850,143	8,252,405	8,650,075	9,122,991	9,705,181	
	Individual	31,380,934	33,050,748	34,638,018	36,352,109	38,814,252	40,769,371	
	Sales and Use Tax Refunds TPP	35,298,088	34,897,444	34,258,363	34,267,481	35,130,771	35,301,986	
	Sales Only Formula	0	0	0	0	0	0	
	Credits and Wage Benefit Credit Used	98,416,136	99,646,909	99,627,811	100,334,814	102,047,870	102,431,614	
	Corp. or Individ. & Wage Benefit Credit	52,160,552	52,812,862	57,784,130	58,194,192	59,187,765	59,410,336	
	Sales and Use	46,255,584	46,834,047	41,843,681	42,140,622	42,860,105	43,021,278	
	Gain or (Loss)	(23,880,956)	(18,866,734)	(12,653,110)	(7,369,914)	(1,328,760)	4,959,199	
	Cumulative	(507,485,465)	(526,352,199)	(539,005,309)	(546,375,223)	(547,703,983)	(542,744,784)	
	Sales Tax Refunds (TPP+Credits Used)	81,553,672	81,731,491	76,102,044	76,408,103	77,990,876	78,323,264	
	Fiscal Year		07/08	08/09	09/10	10/11	11/12	12/13
SUMMARY	Expansion: Sales and Use	80,387,459	84,620,308	84,100,171	81,687,918	83,568,113	82,847,656	
	Corporate	9,734,792	8,882,498	9,214,543	9,106,228	8,960,181	9,094,329	
	Individual	36,048,900	37,401,122	37,325,886	36,317,659	37,011,318	36,776,794	
	Sales and Use Tax Refunds TPP	34,521,078	34,410,197	36,058,852	38,483,193	39,122,256	38,331,216	
	Sales Only Formula	0	0	0	0	0	0	
	Credits and Wage Benefit Credit Used	102,230,671	102,949,933	104,943,870	107,676,693	109,440,753	109,969,375	
	Corp. or Individ. & Wage Benefit Credit	59,293,789	59,710,961	60,867,408	62,452,482	60,192,414	60,483,156	
	Sales and Use	42,936,882	43,238,972	44,076,399	45,224,211	49,248,339	49,486,219	
	Gain or (Loss)	(10,580,599)	(6,456,202)	(10,362,059)	(19,048,081)	(19,023,397)	(19,581,812)	
	Cumulative	(553,325,383)	(559,781,585)	(570,143,644)	(589,191,725)	(608,215,122)	(627,796,934)	
	Sales Tax Refunds (TPP+Credits Used)	77,457,960	77,649,169	80,135,251	83,707,404	88,370,595	87,817,435	
	Fiscal Year		13/14	14/15	15/16	16/17	17/18	18/19
SUMMARY	Expansion: Sales and Use	84,065,169	87,284,283	87,230,980	87,693,399	97,130,492	99,522,013	
	Corporate	9,068,594	9,261,019	9,543,581	9,568,751	9,864,027	10,698,293	
	Individual	37,253,505	38,618,121	38,709,825	38,904,860	42,797,808	44,088,123	
	Sales and Use Tax Refunds TPP	38,582,594	39,032,372	38,077,485	39,017,937	43,813,878	44,113,700	
	Sales Only Formula	0	0	0	0	0	0	
	Credits and Wage Benefit Credit Used	111,181,720	114,025,895	118,064,621	123,257,814	128,241,045	128,435,650	
	Corp. or Individ. & Wage Benefit Credit	61,149,946	66,135,019	68,477,480	71,489,532	74,379,806	74,492,677	
	Sales and Use	50,031,774	47,890,876	49,587,141	51,768,282	53,861,239	53,942,973	
	Gain or (Loss)	(19,377,046)	(17,894,844)	(20,657,720)	(26,108,741)	(22,262,596)	(18,240,921)	
	Cumulative	(647,173,980)	(665,068,824)	(685,726,544)	(711,835,285)	(734,097,881)	(752,338,802)	
	Sales Tax Refunds (TPP+Credits Used)	88,614,368	86,923,248	87,664,626	90,786,219	97,675,117	98,056,673	

NOTE: Rounding differences may cause slight variations.

Table 29 Estimate of Personal Property Valuation Exempted Under LB 775 By Class In Each County (Tax Year 2001)

The following tables show the value of personal property exempted for 2001 and cumulative for tax years 1988-2001. When a company applies for LB 775 benefits under the \$10 million investment and 100 employees option, a personal property tax exemption is available for

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

The Department of Revenue conducts field reviews to verify that the companies have met the minimum of \$10 million investment and 100 employees to qualify for property tax exemption on the following property used in connection with the project:

- Mainframe business computers plus certain peripheral components connected to such computers,
- Personal property, which is business equipment located in a single project involved directly in the manufacture or processing of agricultural products. (For applications filed before January 1, 1988, the exemption is for business equipment if the business equipment is utilized in a business which is involved directly in the manufacture or processing of agricultural products, and the business equipment had a minimum aggregate value of ten million dollars.)

County	Airplanes	Computer Equipment	Business Equipment	Total
Adams	\$ 0	\$ 0	\$ 57,235,270	\$ 57,235,270
Buffalo	0	921,454	1,719	923,173
Cheyenne	2,975,000	3,983,658	0	6,958,658
Colfax	0	0	13,563,793	13,563,793
Cuming	0	0	1,314,721	1,314,721
Dakota	0	0	32,004,991	32,004,991
Dawson	0	0	11,302,303	11,302,303
Dixon	0	0	5,805,148	5,805,148
Dodge	0	0	8,113,048	8,113,048
Douglas	33,457,113	104,342,460	81,080,787	218,880,360
Gage	0	0	61,124	61,124
Hall	58,392	423,586	12,137,737	12,619,715
Knox	0	0	690,473	690,473
Lancaster	8,157,120	2,181,754	705	10,339,579
Lincoln	0	231,694	0	231,694
Madison	0	0	19,771,191	19,771,191
Otoe	0	0	11,626,141	11,626,141
Platte	0	248,640	98,360,683	98,609,323
Red Willow	0	0	2,788	2,788
Saline	0	930,401	25,091,705	26,022,106
Sarpy	0	4,145,062	2,491,098	6,636,160
Washington	0	0	188,896,951	188,896,951
*Central	4,102,634	0	0	4,102,634
Total	\$48,750,259	\$117,408,709	\$569,552,376	\$735,711,344

* Centrally assessed property with value distributed throughout the state. These figures represent our estimates of the values exempted.

Table 30 Estimate of Personal Property Valuation Exempted Under LB 775 By Class In Each County (Cumulative for Tax Years 1988-2001)

County	Airplanes	Computer Equipment	Business Equipment	Total
Adams	\$ 0	\$ 0	\$ 178,473,796	\$ 178,473,796
Box Butte	0	102,472	0	102,472
Buffalo	0	4,333,303	65,364	4,398,667
Butler	0	41,145	0	41,145
Cheyenne	7,225,000	9,639,259	0	16,864,259
Colfax	0	0	112,076,942	112,076,942
Cuming	0	0	10,106,528	10,106,528
Custer	0	663,100	10,194	673,294
Dakota	0	0	249,831,918	249,831,918
Dawes	0	171,909	0	171,909
Dawson	0	0	215,636,423	215,636,423
Dixon	0	504,272	125,047,133	125,551,405
Dodge	0	258,633	47,303,959	47,562,592
Douglas	236,556,571	1,761,883,389	541,007,882	2,539,447,842
Gage	0	62,719	1,296,739	1,359,458
Hall	867,529	2,103,429	77,189,557	80,160,515
Knox	0	0	66,883,451	66,883,451
Lancaster	26,530,369	71,305,491	242,601	98,078,461
Lincoln	0	2,253,197	48,451	2,301,648
Madison	0	6,943	100,919,938	100,926,881
Otoe	0	0	25,862,409	25,862,409
Phelps	0	1,539,181	0	1,539,181
Platte	0	8,939,038	911,296,004	920,235,042
Red Willow	0	0	34,189	34,189
Saline	0	5,633,673	172,155,018	177,788,691
Sarpy	7,911,346	53,447,837	42,122,343	103,481,526
Scottsbluff	0	345,383	0	345,383
Seward	0	141,359	0	141,359
Washington	0	340,809	832,240,984	832,581,793
Wayne	0	117,223	0	117,223
York	0	366,371	0	366,371
*Central	73,529,457	0	0	73,529,457
Total	\$352,620,272	\$1,924,200,135	\$3,709,851,823	\$5,986,672,230

* Centrally assessed property with value distributed throughout the state. These figures represent our estimates of the values exempted.

LB 829 (as amended by LB 1368) Qualified Activity Reported in 2001

The Quality Jobs Act, LB 829, requires a separate application subject to approval by the Quality Jobs Board. The members of the board are the Governor, the State Treasurer, and the chairperson of the Nebraska Investment Council. A qualifying business must invest at least \$50 million in qualified property and hire at least 500 new employees or invest at least \$100 million in qualified property and hire at least 250 new employees. If the company reaches and maintains these levels, they are eligible for a wage benefit credit. The company is to expend at least the value of the wage benefit credit for company training programs, employee benefit programs, educational institution training programs or workplace safety programs.

There are seven agreements signed under LB 829. The agreement specifies whether the company has elected to use the credit against the company's income tax or has elected to retain a portion of the Nebraska individual income tax withholding as designated by the employees.

Wage benefit credits were allowed in 1998 through 2001, however due to confidentiality no information is reported.

No new LB829 applications may be filed after February 1, 2000 without further authorization of the Legislature.

Agreements Signed in 1996 That are Still in Effect

Company Name	Project Type	Project Location
1. Union Pacific Railroad Company	\$100M + 250 emp	Omaha

Agreements Signed in 1997 That are Still in Effect

Company Name	Project Type	Project Location
1. Cargill Incorporated	\$100M + 250 emp	Greater Blair area
2. First Data Corporation	\$60M + 2000 emp	Omaha

Agreements Signed in 1998 That are Still in Effect

Company Name	Project Type	Project Location
1. Caterpillar Claas America LLC	\$60M + 500 emp	Omaha Metro
2. Nebraska Beef, Ltd.	\$69M + 936 emp	Omaha
3. Novartis Consumer Health, Inc.	\$103M + 275 emp	Lincoln

Agreements Signed in 2000 That are Still in Effect

Company Name	Project Type	Project Location
1. Becton Dickinson and Company	\$146M + 287 emp	Columbus, Broken Bow, and Holdrege

LB 1124, LB 270, as amended Qualified Activity Reported in 2001

A separate application process is not required for this incentive program. The number of credits earned, jobs created, and investment made becomes available upon the filing of a Nebraska Employment and Investment Credit Computation, Form 3800N, with a tax return. In order to earn credits, a company must be in a qualifying business and within the taxable year have an increase of \$75,000 in qualifying investment and two new full-time equivalent employees. For five years after the initial year of qualification, the business may receive additional credits for new employees without any additional investment.

This report includes 1993 through 2000 tax returns processed during 2001. A total of 1,296 separate businesses have filed for benefits under LB 1124 through 2001.

In 2001, the department approved 327 returns from businesses, 203 of which reported new investment made and/or employees hired. These 203 returns reflected the following:

- Net new investment of \$135,902,328
- New full-time jobs of 1,839
- Credits of \$4,402,000, excluding the Enterprise Zone credits

Sixty returns processed in 2001 showed maintenance of past levels of employment and investment. If a taxpayer fails to maintain the levels of investment and employment that created the credit for at least two years after the year for which the credit was first allowed, part of the used and unused credits are subject to recapture. During the subsequent two years, the taxpayer must repay to the state one-third of the amount of the credit subject to recapture for each year that the taxpayer did not maintain the required levels. Sixty-four returns processed in 2001 reported recapture of past credits.

Credits may be carried over and used for the five immediately succeeding taxable years. Any credit carryover remaining at the end of the fifth year expires.

Business Activity Summary

	Processed In 1988-1997****	Processed In 1998	Processed In 1999	Processed In 2000	Processed In 2001	Total
Investment	\$822,361,125	\$132,087,092	\$155,921,527	\$143,364,935	\$135,902,328**	\$1,389,637,007
Employees	18718*	2043*	2,048	1,895	1839***	26,543
Credits	\$35,247,000	\$4,907,152	\$4,899,500	\$4,559,500	\$4,402,000	\$54,015,152
LB 335 Credits	256,000	0	0	0		256,000
Enterprise Zone Credits	\$ 414,500	\$ 79,000	\$ 60,000	\$ 0	\$ 36,000	\$ 589,500
Total Credits	\$35,917,500	\$4,986,152	\$4,959,500	\$4,559,500	\$4,438,000	\$54,860,652
Credits Used:						
Income Tax	\$16,979,757	\$2,028,844	\$2,064,856	\$1,964,562	\$1,736,498	\$24,774,517
Sales Tax	10,197,380	1,906,125	1,778,558	2,037,679	1,677,097	17,596,839
Credits Recaptured:						
Income Tax	\$992,837	\$216,477	\$104,071	\$192,147	\$153,592	\$1,659,124
Sales Tax	234,982	18,996	45,500	6,338	100	305,916
Unused Credit						
Carryover Recaptured	\$1,176,800	\$362,385	\$188,443	\$297,769	\$255,588	\$2,280,985
Credits Expired	\$301,328	\$364,394	\$95,018	\$48,670	\$90,430	\$899,840

* LB886 which was passed in 1997 changed the definition of a new employee from a full-time employee to a full-time equivalent employee operative for tax years beginning on or after January 1, 1998. These numbers are based on full-time employees.

** 1993 returns 449,257	*** 1993 returns 32 *
1994 returns 471,970	1994 returns 14 *
1995 returns 2,644,175	1995 returns 31 *
1996 returns 7,723,364	1996 returns 97 *
1997 returns 4,394,070	1997 returns 86 *
1998 returns 36,864,330	1998 returns 314
1999 returns 34,380,481	1999 returns 686
2000 returns 48,974,681	2000 returns 579
<u>135,902,328</u>	<u>1,839</u>

**** For detail by year see previous Annual Reports

1993–2000 Business Activity (Processed in 2001)

	Net New Investment	Jobs		Net New Investment	Jobs
1	13,796,077	26	62	525,914	20
2	9,233,372	12	63	519,324	6
3	6,482,336	49	64	515,878	3
4	5,615,672	3	65	496,006	7
5	3,842,530	7	66	491,805	6
6	3,650,470	18	67	491,235	3
7	3,395,274	8	68	488,532	3
8	3,170,609	10	69	475,006	2
9	3,045,116	35	70	473,655	5
10	2,893,179	8	71	460,160	3
11	2,691,100	68	72	448,067	10
12	2,687,175	16	73	441,574	9
13	2,112,804	10	74	431,541	2
14	1,878,208	7	75	427,558	4
15	1,798,944	16	76	426,500	2
16	1,740,117	5	77	425,546	3
17	1,661,637	19	78	423,825	25
18	1,645,885	7	79	419,582	2
19	1,594,932	11	80	418,439	10
20	1,550,281	12	81	411,877	2
21	1,496,722	2	82	411,531	2
22	1,445,118	3	83	404,492	3
23	1,424,225	4	84	401,145	3
24	1,364,663	100	85	360,182	3
25	1,346,825	2	86	355,517	27
26	1,292,380	19	87	347,532	3
27	1,266,714	2	88	343,506	4
28	1,205,120	3	89	338,965	2
29	1,195,250	17	90	335,630	2
30	1,077,769	4	91	333,310	23
31	1,036,970	11	92	320,054	6
32	1,003,662	16	93	319,624	2
33	919,102	39	94	307,199	5
34	910,606	30	95	307,190	3
35	905,008	3	96	297,537	5
36	898,911	11	97	288,631	5
37	880,110	3	98	282,399	2
38	856,730	2	99	280,646	38
39	831,146	10	100	280,194	12
40	819,520	3	101	276,783	8
41	811,158	65	102	270,549	6
42	810,183	11	103	268,587	3
43	757,696	9	104	263,975	4
44	725,284	10	105	250,300	3
45	721,778	8	106	249,512	7
46	719,654	12	107	247,546	4
47	719,365	2	108	244,342	9
48	706,084	23	109	234,546	2
49	680,660	6	110	228,443	22
50	675,770	13	111	227,092	7
51	657,631	14	112	218,458	4
52	598,181	13	113	208,023	2
53	581,202	3	114	207,671	13
54	575,507	2	115	206,528	9
55	570,386	15	116	205,788	2
56	557,807	3	117	204,523	3
57	557,619	23	118	187,892	2
58	553,339	8	119	184,256	2
59	534,953	69	120	183,930	2
60	533,242	14	121	182,715	6
61	532,886	4	122	181,221	4

1993–2000 Business Activity (Processed in 2001)

	Net New Investment	Jobs		Net New Investment	Jobs
123	179,301	5	162	83,386	11
124	172,669	6	163	82,537	5
125	170,807	2	164	81,865	2
126	162,679	8	165	81,789	9
127	158,826	6	166	80,342	2
128	158,552	2	167	79,326	3
129	158,509	2	168	76,745	2
130	157,879	2	169	75,659	6
131	154,930	21	170	0	29
132	153,525	3	171	0	17
133	150,672	6	172	0	16
134	150,563	9	173	0	14
135	145,478	5	174	0	13
136	144,802	2	175	0	12
137	144,604	5	176	0	11
138	141,407	6	177	0	11
139	139,502	3	178	0	11
140	135,570	4	179	0	9
141	132,884	2	180	0	9
142	121,032	2	181	0	8
143	116,753	2	182	0	7
144	116,553	7	183	0	6
145	115,760	2	184	0	6
146	114,016	3	185	0	5
147	113,876	5	186	0	5
148	108,835	5	187	0	5
149	108,045	7	188	0	4
150	107,622	12	189	0	4
151	107,588	13	190	0	4
152	105,679	6	191	0	3
153	101,543	11	192	0	3
154	100,653	2	193	0	3
155	98,816	2	194	0	3
156	93,740	5	195	0	3
157	93,225	2	196	0	3
158	92,760	3	197	0	3
159	92,608	10	198	0	2
160	87,207	5	199	0	2
161	87,170	3	200	0	2
			201	0	2
				-940684	-5
			201	135,400,247	1,835
			Returns	Investment	Jobs

Enterprise Zone Act, LB 1124 as amended

Incentive credits earned under the Enterprise Zone Act are based on the provisions of LB 1124 other than higher credit levels are allowed. The Enterprise Zone Act provides a higher employment credit for companies engaged in a qualifying business within the defined enterprise zones and employing residents of the zone. If at least 50 percent of the new employees reside within the enterprise zone, then the company also receives additional credits for new investment. The credits provided under this subsection shall not exceed \$75,000 in any one tax year. In addition to the requirements to maintain the employment and investment levels for two years that are required of any LB 1124 company, those earning credits under the Enterprise Zone Act for tax years starting before January 1, 2001 need to maintain the number of new employees residing in the enterprise zone.

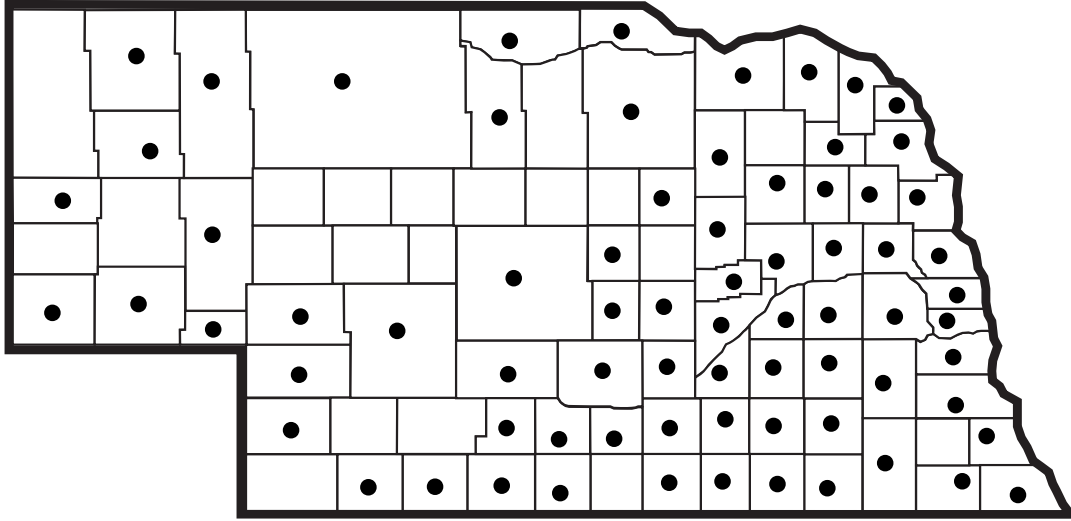
The Nebraska Employment and Investment Credit Computation, Form 3800N, filed with a tax return is the method to report credits earned, investment made, jobs created for employees in total and for residents of the zone. In 2001, businesses within the enterprise zones qualified for new credits as stated below.

Omaha and Platte Valley Enterprise Zones*

Amount of investment:	\$502,081
Number of jobs:	4
Number of jobs held by residents:	4
Average wage on an hourly basis:	\$9.82
Average annual salary:	\$20,435
Credits:	\$36,000

*The amounts are totals for all Enterprise Zones rather than for each zone in order to preserve confidentiality.

LB 1124
(as amended by LB 270, LB 335, and LB 725)
Location of Expansion



- | | | | | |
|---------------------|--------------------|---------------------|----------------------|-------------------------|
| Ainsworth | Cody | Grand Island | Madison | Royal |
| Albion | Columbus | Gresham | Madrid | St. Edward |
| Alda | Cozad | Gretna | Mead | St. Paul |
| Alma | Crete | Gurley | Milford | Sargent |
| Allen | Crofton | Hampton | Milligan | Schuyler |
| Alliance | Culbertson | Hardy | Minden | Scottsbluff |
| Ansley | Dakota City | Hartington | Morrill | Seward |
| Arapahoe | David City | Hastings | Nebraska City | Shelby |
| Arcadia | Deshler | Hebron | Neligh | Shickley |
| Ashland | Diller | Henderson | Nickerson | Sidney |
| Atkinson | Dodge | Hickman | Norfolk | Snyder |
| Auburn | Doniphan | Holbrook | North Bend | South Sioux City |
| Aurora | Dorchester | Holdrege | North Loup | Spencer |
| Bartlett | Douglas | Hoskins | North Platte | Springfield |
| Battle Creek | Eddyville | Howells | Ogallala | Springview |
| Beatrice | Edison | Humboldt | O'Neill | Stanton |
| Beemer | Elkhorn | Humphrey | Omaha | Sutton |
| Bellevue | Elm Creek | Imperial | Orchard | Syracuse |
| Bennet | Elwood | Juanita | Osceola | Tekamah |
| Blair | Emerson | Kearney | Oshkosh | Thurston |
| Bloomfield | Endicott | Kimball | Oxford | Utica |
| Broken Bow | Exeter | Laurel | Page | Valley |
| Bruning | Fairbury | LaVista | Palmer | Venango |
| Brunswick | Falls City | Leigh | Papillion | Waco |
| Cambridge | Farnam | Lexington | Pender | Wahoo |
| Cedar Rapids | Farwell | Lincoln | Peru | Waterloo |
| Central City | Fremont | Lindsay | Petersburg | Waverly |
| Chadron | Fullerton | Lisco | Pilger | Wayne |
| Chapman | Geneva | Litchfield | Plattsmouth | Weeping Water |
| Chappell | Genoa | Long Pine | Pleasanton | West Point |
| Chambers | Gering | Louisville | Plymouth | Wisner |
| Clarks | Gibbon | Lyman | Ralston | York |
| Clarkson | Gordon | Lyons | Randolph | |
| Clearwater | Gothenburg | McCook | Red Cloud | |

Rural Economic Opportunities Act, LB936



Neb. Rev. Stat. 77-5412. States:

The Tax Commissioner shall submit an annual report to the Legislature no later than June 30 of each year.

The report shall state by industry group (a) the credits earned, (b) the credits used to reduce the corporate income tax and the credits used to reduce the individual income tax, (c) the number of jobs created, (d) the total number of employees employed by taxpayers at qualifying projects on the last day of the calendar quarter prior to the application date and the total number of employees employed by the taxpayers for the projects on subsequent reporting dates, (e) the expansion of capital investment, (f) the estimated wage levels of jobs created subsequent to the application date, (g) the total number of qualified applicants, (h) the projected future state revenue gains and losses, and (i) the credits outstanding.

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

LB936

Qualified Activity Reported in 2001

The Rural Economic Opportunities Act, LB936, requires a separate application with the Nebraska Department of Revenue which states the planned employment, investment, and wages. The minimum required levels of investment, wages and employment vary by county and must meet the following requirements:

- A full-time equivalent employment increase of at least one half of one percent of the county labor force,
- Investment of \$100,000 times the number of required employees if the county labor force is more than 3,000 and \$50,000 times the number of required employees if the county labor force is 3,000 or less and
- Average annual wage equal to or greater than the average wage in the county or the region.

As of 2001, there have been no qualified applicants.

Invest Nebraska Act, LB 620, as amended



Neb. Rev. Stat. 77-5542 States:

(1) The Department of Revenue shall submit an annual report to the Legislature no later than March 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.

(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, LB620 Qualified Activity Reported in 2001

The Invest Nebraska Act requires a separate application subject to approval by the Invest Nebraska Board. The members of the board are the Governor, the State Treasurer, and the chairperson on the Nebraska Investment Council. A qualifying business selects one of the following options in their application:

1. \$10 million investment and 25 new 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.
2. \$50 million investment and 500 new employees OR \$100M and 250 new employees. The new employees annual wage must exceed 110% of the Nebraska average annual wage.
3. \$200 million investment and 500 new employees whose annual wage exceeds 125% of the Nebraska average annual wage.

If the company reaches and maintains the selected level, they are eligible for benefits. An eligible company earns a wage benefit credit equal to 0 to 5 percentage of the taxable wages paid to new employees earning more than the required wage level. A company selecting Option 3 may receive, in lieu of a wage benefit credit, an alternate investment tax credit equal to fifteen 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 alternate investment tax credit may be used for 100% of the income tax liability. The wage benefit credit may also be used to retain a portion of the Nebraska individual income tax withholding employer liability.

There were four applications approved by the Invest Nebraska Board in 2001 and one agreement signed under LB 620. No company has shown they met the required minimum levels of investment and employment to qualify for benefits. Therefore, no credits were allowed and no investment or new jobs are reported.

Agreements Signed in 2001 That are Still in Effect

Company Name	Project Type	Project Location
1. Union Pacific Railroad Company	\$200 M + 500 emp	Omaha

Other Applications Approved by Invest Nebraska Board in 2001

Company Name	Project Type	Project Location	Date Approved
1. American Meter Company, Inc.	\$33M + 80 emp	Nebraska City	December 19, 2001
2. Beef Products, Inc.	\$15M + 25 emp	South Sioux City	December 19, 2001
3. Wal-Mart Stores East, Inc.	\$10M + 25 emp	North Platte	November 26, 2001