

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.