

Projected Revenue Gains and (Losses) of LB 775, LB 829 as amended, and LB 620 for Tax Years 1987-2017 Projects by Fiscal Years**

The estimates are based on a sample of 100 agreements and actual results of 360 qualified projects, including 87 completed projects, from 1987 through 2004. 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 2017 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. Over the life of the 775 program, the model estimates that, on average, 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 2004 indicates that the usage of credits against sales and use taxes paid averages 48.5 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 2005 through 2017.

Year	# of Agreements Signed	AVERAGE PER PROJECT*		
		\$ Million of Investment	Number of Employees	Salary Level
2005	18	56.1	204	32,601
2006	30	56.6	142	38,270
2007	20	53.1	126	35,985
2008	25	92.1	127	42,243
2009	41	52.6	291	39,721
2010	32	45.4	235	45,491
2011	28	41.0	135	36,439
2012	22	27.8	105	40,056
2013	20	35.3	91	39,067
2014	18	81.7	110	46,045
2015	31	56.6	184	38,200
2016	26	41.6	172	49,978
2017	15	74.1	63	68,453

* 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 1987-2017 BY FISCAL YEAR**

Fiscal Year		04/05	05/06	06/07	07/08	08/09	09/10
SUMMARY	Expansion: Sales and Use	85,394,090	90,958,231	98,306,411	87,600,259	90,721,699	88,731,069
	Corporate	8,878,119	9,464,821	10,120,290	10,429,432	9,638,826	9,839,870
	Individual	37,708,884	40,169,221	43,370,681	39,211,877	40,144,210	39,428,376
	Sales and Use Tax Refunds TPP	33,799,683	44,494,164	41,575,619	41,201,627	39,021,778	37,179,242
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	94,845,483	99,418,540	103,404,381	105,616,591	106,778,966	107,583,813
	Corp. or Individ. & Wage Benefit Credit	50,268,106	52,691,826	54,804,322	55,976,793	56,592,852	62,398,612
	Sales and Use	44,577,377	46,726,714	48,600,059	49,639,798	50,186,114	45,185,201
	Credits Expired	7,454,475	10,196,614	7,885,895	7,022,481	6,935,000	6,028,553
	Gain or (Loss)	3,335,927	(3,320,431)	6,817,381	(9,576,650)	(5,296,010)	(6,763,739)
	Cumulative	(382,872,881)	(386,193,312)	(379,375,931)	(388,952,581)	(394,248,591)	(401,012,330)
	Sales Tax Refunds (TPP+Credits Used)	78,377,060	91,220,878	90,175,678	90,841,425	89,207,892	82,364,443
Fiscal Year		10/11	11/12	12/13	13/14	14/15	15/16
SUMMARY	Expansion: Sales and Use	85,395,972	87,771,610	86,705,200	85,935,007	86,279,148	86,584,610
	Corporate	9,586,114	9,378,091	9,543,331	9,435,105	9,382,283	9,425,267
	Individual	37,992,835	38,859,880	38,499,413	38,148,045	38,264,572	38,403,951
	Sales and Use Tax Refunds TPP	36,813,584	36,607,738	34,854,060	32,552,560	31,389,621	33,221,512
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	107,838,298	107,139,020	105,109,016	101,971,754	99,096,606	99,487,750
	Corp. or Individ. & Wage Benefit Credit	62,546,213	58,926,461	57,809,959	56,084,465	57,476,031	57,702,895
	Sales and Use	45,292,085	48,212,559	47,299,057	45,887,289	41,620,574	41,784,855
	Credits Expired	6,010,664	6,478,802	6,985,644	7,130,611	6,967,926	6,747,731
	Gain or (Loss)	(11,676,961)	(7,737,177)	(5,215,132)	(1,006,157)	3,439,775	1,704,566
	Cumulative	(412,689,291)	(420,426,467)	(425,641,600)	(426,647,757)	(423,207,982)	(421,503,416)
	Sales Tax Refunds (TPP+Credits Used)	82,105,669	84,820,297	82,153,117	78,439,849	73,010,196	75,006,367
Fiscal Year		16/17	17/18	18/19	19/20	20/21	21/22
SUMMARY	Expansion: Sales and Use	92,329,628	108,159,015	112,988,954	105,060,916	100,884,718	94,804,595
	Corporate	9,625,519	10,550,451	11,994,192	12,182,968	11,420,239	10,909,526
	Individual	40,782,059	47,483,786	49,993,258	46,897,553	44,921,983	42,285,648
	Sales and Use Tax Refunds TPP	41,655,728	53,830,392	57,427,124	49,117,904	38,248,165	26,383,503
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	107,795,632	120,787,531	128,276,904	128,900,721	126,151,081	98,181,945
	Corp. or Individ. & Wage Benefit Credit	62,521,467	70,056,768	74,400,605	74,762,418	73,167,627	56,945,528
	Sales and Use	45,274,166	50,730,763	53,876,300	54,138,303	52,983,454	41,236,417
	Credits Expired	7,412,988	10,066,099	12,025,883	12,548,265	12,947,357	13,070,172
	Gain or (Loss)	(6,714,154)	(8,424,670)	(10,727,624)	(13,877,188)	(7,172,305)	23,434,322
	Cumulative	(428,217,570)	(436,642,240)	(447,369,864)	(461,247,052)	(468,419,357)	(444,985,036)
	Sales Tax Refunds (TPP+Credits Used)	86,929,894	104,561,155	111,303,424	103,256,207	91,231,619	67,619,920

NOTE: Rounding differences may cause slight variations.