

Employment Expansion and Investment Incentive Act, LB 608 Qualifying Activity Reported in 2005

The Employment Expansion and Investment Incentive Act, as amended by LB 608, requires a qualifying business to file an application with the Nebraska Department of Revenue. The first applications under LB608 could be filed for tax years beginning on or after January 1, 2004. The application must contain a plan of expansion that includes a minimum of five (5) new full-time equivalent Nebraska employees who will be paid above the minimum required wage, and \$250,000 of net new investment. The expansion must occur in a county with a population of less than twenty-five thousand inhabitants or in an enterprise zone.

The application may be filed on or after the first day of the tax year and must request the total amount of desired benefits for additional investment and employment for the year the application is filed and the following tax year. There is a statutory limit on the total of benefits that may be approved for a year. The requested benefits are applied to the limit in the order in which the complete applications were filed.

If the company reaches and maintains the required levels of investment and employment, they are eligible for a \$3,000 credit for each new full-time equivalent Nebraska employee and a \$2,750 credit for each \$50,000 net gain in qualified investment.

Approved Application Activity

Year	Number of Applicants	Total Requested Benefits	Statutory Limit on Benefits
2004	12	\$713,000	\$2,500,000
2005	14	\$2,039,500	\$2,500,000

As of December 31, 2005, there have been no credits approved under LB608.