

Incentives for Livestock activities:

Nebraska Advantage Microenterprise

Application –

- The applicant must be actively involved in the day-to-day activities of a microbusiness in a distressed area. Persons actively engaged in the operation of a farm or livestock operation with a net worth of more than \$500,000 are not eligible.
- There is no application fee.
- Applications are accepted in the order filed. There is \$2 million, plus any unused credits from the prior year, available for the calendar year.
- The applicant must include an estimate of its planned investment and increased compensation, which determines the amount of tax credits reserved for the applicant.
- Applications filed after November 1 through the first business day of the following calendar year are considered to be filed on the first day of the next calendar year.
- The attainment period is two years. Growth is determined by comparing the year of application and the following year, to the year prior to application.

Requirements –

Size: Business with five or fewer full-time equivalent employees (FTEs) at the time of application.

Location: A microbusiness may be located in any [eligible area](#).

Even though growth in investment or compensation is needed to earn benefits, there is no stated minimum required level.

Benefits –

- Limited to a \$10,000 lifetime tax credit for any single taxpayer, including any related persons.
- The refundable tax credit is equal to 20% of the increase in new investment of depreciable tangible personal property (excluding licensed motor vehicles) and employee compensation.

Nebraska Advantage Rural Development Act

Application –

- Filed by a business conducting the livestock activities.
- Application fee of \$500.
- Applications are accepted in the order filed.
 - A total of \$1 million is available for livestock production project applications for the calendar year.
 - For livestock modernization projects, the amount of funds available depends on the year of application:

\$ 500,000	Calendar year 2016
\$ 750,000	Calendar year 2017 and 2018
\$1,000,000	Calendar year 2019
- The applicant must include an estimate of its planned investment and increased employment, which determines the amount of tax credits reserved for the applicant. The applicant must reach at least 75% of the amount estimated in order to avoid recapture.
- Applications filed after November 1 through the first business day of the next calendar year are considered to be filed on the first day of the next calendar year.
- The attainment period is two years. Growth is determined by comparing the year of application and the following year, to the year prior to application.

Livestock Production

Livestock production means the active use, management, and operation of real and personal property: (a) for commercial production of livestock; (b) for commercial breeding, training, showing, or racing of horses or for using horses in a recreational or tourism enterprise; and/or (c) for commercial production of dairy and eggs. The project must meet the Level 1 or Level 2 requirements for investment and employment growth at a location in one county meeting the population requirement. Investment may include any improvements to real property and tangible personal property that are depreciable under the Internal Revenue Code, except for vehicles, planes, or railroad rolling stock.

Level 1

Requirements –

Location: A Level 1 project must be located -

1. In a county with a population of less than 15,000 inhabitants;
2. Within the boundaries of a village in any county; or
3. In certain census tracts in the Omaha metropolitan area.

Growth: Minimum increase of \$125,000 in net investment and two new FTEs compared to the year before application. FTEs must meet or exceed the wage requirement.

Benefits –

The refundable tax credit is equal to \$2,750 for each \$50,000 in net, new investment and \$3,000 for each new FTE.

Level 2

Requirements –

Location: A Level 2 project must be located -

1. In a county with a population of less than 25,000 inhabitants; or
2. Within the boundaries of a city of the second class in any county.

Growth: Minimum of \$250,000 in net, new investment and five new FTEs compared to the year before application. FTEs must meet or exceed the wage requirement.

Benefits –

The refundable tax credit is equal to \$2,750 for each \$50,000 in net, new investment and \$3,000 for each new FTE.

Livestock Modernization

Livestock modernization is defined as the construction, improvement, or acquisition of, depreciable buildings, facilities, or equipment for livestock housing, confinement, feeding, production, and waste management. The project must have a net investment increase of at least \$50,000. There is no employment increase required. Equipment does not include breeding stock, vehicles, planes, or railroad rolling stock. Livestock modernization or expansion does not include any improvements made to correct a violation of the Environmental Protection Act, the Integrated Solid Waste Management Act, the Livestock Waste Management Act, a rule or regulation adopted and promulgated pursuant to these acts, or any order of the Nebraska Department of Environmental Quality (NDEQ) undertaken within five years after a complaint issued from the NDEQ Director.

Requirements –

Location: May be located in any county.

Growth: Minimum of \$50,000 in net, new investment.

Benefits –

The refundable tax credit is equal to 10% of net, new investment, not to exceed \$150,000.