

# Nebraska Advantage Microenterprise Tax Credit Act Application

The taxpayer filing this application must be actively engaged in the operation of a microbusiness. An eligible microbusiness is a business with five or fewer full-time equivalent employees at the time of application. A farmer or livestock operator may not have a net worth that exceeds \$500,000. Refer to the [Nebraska Advantage Microenterprise Tax Credit Act Guide](#) for instructions to complete the application.

## Part 1

Complete the following information about the applicant and the microbusiness.

Applicant – Taxpayer Name and Mailing Address		Microbusiness – Name and Location Address	
(Print Clearly)	Legal Name	Microbusiness Name	
	Mailing Address	Street Address (Do not use PO Box)	
	City State ZIP Code	City State ZIP Code	
Applicant's Social Security Number		County	
Spouse's Legal Name (For a Farm or Livestock Microbusiness)		Email Address	
Spouse's Social Security Number (For a Farm or Livestock Microbusiness)		Federal ID Number	Nebraska Income Tax ID Number

## Employees

- How many individuals does the microbusiness currently employ? \_\_\_\_\_
- How many full-time equivalent employees does the microbusiness currently employ? \_\_\_\_\_
- Does the microbusiness have employees or plan to hire employees? ..... ☐ Yes ☐ No
  - Is the taxpayer registered for E-Verify, the federal electronic verification program used to confirm whether new employees are authorized to work in the United States? ..... ☐ Yes ☐ No  
If Yes, enter E-Verify ID # \_\_\_\_\_
  - Does the taxpayer agree to timely use E-Verify for new employees hired in Nebraska after the date of application? ..... ☐ Yes ☐ No

**The microbusiness does not have to hire new employees to participate in this program. However, if the microbusiness has employees or plans to hire employees, the microbusiness must be registered with E-Verify at the time of application and timely use E-Verify for newly-hired employees.**

## Business Activity and Structure

- Describe the microbusiness and its current business activity, including products sold and markets served.
- Describe the current entity type, organizational structure, and/or ownership of the microbusiness in the current year and check the entity type under which the applicant plans to file the microbusiness' income tax return.  
☐ Corporation    ☐ S Corporation    ☐ Partnership    ☐ Sole Proprietorship    ☐ Other \_\_\_\_\_
- What is the microbusiness tax year end? \_\_\_\_\_ If this does not agree with the tax return, provide an explanation.

Applicant Name \_\_\_\_\_

- 7 Was the microbusiness operating under a different organizational structure or ownership at any time during the year prior to application? ..... ☐ Yes ☐ No

**If Yes, complete items 7a and 7b. If No, continue to item 8.**

**a** Describe the prior organizational structure or ownership including the date that structure or ownership changed.

- b** Was the applicant or any of the other owners involved in any way (including as an employee) with the microbusiness under the prior ownership or organizational structure? ..... ☐ Yes ☐ No

**If Yes, describe the involvement.**

#### Expansion

- 8 Explain the plans to expand the microbusiness and how this expansion will address current market needs. Be specific about when the expansion will take place, what purchases will be made and/or how employee compensation will increase. If more space is required include an attachment.

- 9 Will the planned expansion of the microbusiness create new income or jobs in the surrounding area? ..... ☐ Yes ☐ No

**If yes, describe how the new income or jobs will be created.**

#### Personal Involvement

- 10 Explain how the applicant is involved in the day-to-day activities of the microbusiness and the significance of the applicant's involvement in the microbusiness.

- 11 Describe the frequency of the applicant's involvement with the microbusiness including the number of hours worked in a week.

#### Estimated Credit

- 12 The Nebraska Advantage Microenterprise Tax Credit Act has a \$20,000 lifetime limit for the applicant and any related person. List yourself or any person who is related to you or the microbusiness who previously submitted a Nebraska Advantage Microenterprise Tax Credit Act Application including the application year, the amount of tentative tax credits reserved, and the amount claimed on any income tax returns. If not applicable proceed to question 13.

Applicant or Related to Applicant

Name \_\_\_\_\_ Year \_\_\_\_\_ Tax Credits Reserved \_\_\_\_\_ Claim Amount \_\_\_\_\_

Related to Microbusiness

Name \_\_\_\_\_ Year \_\_\_\_\_ Tax Credits Reserved \_\_\_\_\_ Claim Amount \_\_\_\_\_

Applicant Name \_\_\_\_\_

- 13 Estimated Expenditures and Microenterprise Tax Credits Computation Table.** If a related person (see item 12 response above) has applied for the same microbusiness, the base year and the estimated growth figures of the microbusiness must be shared (see [Microenterprise Tax Guide](#)) and reflected in the table below. Column A must include all compensation and investment expenses made by the microbusiness during the tax year prior to the year of application (base year), even if they were made under a different ownership or organizational structure. On line g, do not include compensation to an employee that is in excess of 150% of the Nebraska average weekly wage. If any calculation results in negative amount, enter zero. (NOTE: The gray boxes of this table cannot be filled in.)

	Column A	Column B	Column C	Column D	Column E	Column F	Column G
	Base Year	Year 1	Year 1	Year 2	Year 2	Total Increase	Estimated Credit
	Tax Year Prior to Application	Tax Year of Application	Increase (Col. B - Col. A)	Tax Year After Application	Increase (Col. D - Col. A)	(Col. C + Col. E)	Col. F * 20%
<b>Tax Year Ending Date</b>							
<b>a</b> Depreciable Asset Purchases							
<b>b</b> Repairs and Maintenance							
<b>c</b> Advertising							
<b>d</b> Legal and Professional Fees							
<b>e</b> Net Lease Increase							
<b>f Total Investment</b> (a + b + c + d + e)							
<b>g</b> Compensation							
<b>h</b> Employer Health Insurance Contribution							
<b>i Total Compensation</b> (g + h)							
<b>j Estimated Credit.</b> (Column G, line f + line i) This amount cannot exceed \$20,000 .....							<b>j</b>
<b>k Prior Authorized Credit.</b> Enter the amount of microenterprise tax credit reserved or claimed by prior approved applications for the applicant or related parties on line 12 .....							<b>k</b>
<b>l Available Credit.</b> Enter the possible remaining microenterprise tax credit (\$20,000 - line k).....							<b>l</b>
<b>m Requested Credit.</b> Enter the lesser of line j and line l.....							<b>m</b>

**The following documentation MUST be included when submitting this application.**

- 14** If not previously provided, enclose a copy of the most recent federal income tax return filed for the microbusiness. See item 14 in the [Microenterprise Tax Credit Guide](#) for a list of required federal income tax return documents, for the microbusiness, to be attached when submitting this application. If the microbusiness is new in the year of application and organized as a flow-through entity, attach a list of the owners, their ownership percentages, and their Social Security numbers.
- 15** **a** Indicate payroll frequency ☐ weekly ☐ biweekly ☐ semi-monthly ☐ monthly ☐ other \_\_\_\_\_  
**b** Provide a copy of the most recent payroll registers showing total hours paid to all employees for the pay period.  
**c** If there are currently no employees, please indicate the date payroll is expected to begin \_\_\_\_\_.
- 16** Each microbusiness must be fully licensed according to the Nebraska licensing requirements listed on the [Nebraska Tax Application, Form 20](#). If the microbusiness is not yet licensed, attach a copy of the completed Form 20, and proof of the date it was submitted, or [submit form online](#). The microbusiness must be licensed for either sales or use tax.  
 Sales/Use Tax ID number \_\_\_\_\_ Income Tax Withholding ID number \_\_\_\_\_
- 17** If the applicant is a farmer or livestock operator, provide a current net worth statement signed by the applicant and a lawyer, banker, loan officer, financial counselor, or accountant, who gives his/her title and states in writing that the information provided on the statement appears to be accurate.

**The Nebraska Department of Revenue (DOR) reserves the right to request additional documents and information as part of the review of this application.**

Applicant Name

**Email Address.** I acknowledge that if an email address is listed and I did not check the “Opt-Out” box, I am allowing DOR to contact me by email. DOR will send all confidential information by secure email or State of Nebraska secure file sharing system. If you do not wish to exchange confidential information by email, check the box labeled “Opt-Out” on the line labeled “email address.”

**Authorized Signature.** This application must be signed by the applicant, or an individual authorized to sign for the applicant by a power of attorney on file with DOR. Attach a copy of a completed [Power of Attorney, Form 33](#).

Under penalties of law, I declare that I have examined this application, and to the best of my knowledge and belief, it is correct and complete.

sign  
here

Authorized Signature

Date

Print Authorized Person's Name

Title

Phone Number

Authorized Person's Email Address

☐ Opt-Out

Street or Other Mailing Address

City, State, ZIP Code

Contact Person (If different than Authorized Person)

Phone Number

Contact Person's Email Address

☐ Opt-Out

Contact Person's Street or Other Mailing Address

Contact Person's City, State, ZIP Code

Submit this application via DOR's secure file sharing system [here](#).

**Part 2 — For DOR Use Only**

Total Credits Reserved

Application Number

DOR Authorized Signature

Date