

**BASIC PROVISIONS AND TAX BASE OF THE
NEBRASKA EMPLOYMENT EXPANSION AND
INVESTMENT INCENTIVE ACT
(LB1124, as amended by LB270 and LB335),
AND THE EMPLOYMENT AND INVESTMENT
GROWTH ACT
(LB775, as amended by LB1234)**

**77-27,187 (Employment Expansion and Investment Incentive Act
- LB1124, as amended by LB270 and LB335)**

Tax credits are provided for qualifying businesses which increase investment of at least \$75,000 and increase net employment by an average of two full-time positions during a taxable year. Credits may be used to reduce a portion of the taxpayer's income tax liability or to obtain a refund of sales and use tax paid. Initial increase in employment and investment must occur in one taxable year, but additional credits may be obtained for increasing employment by two or more full-time employees during the next five years. An additional investment of a required amount during this time is not required. The credits are \$1,500 per net new employee and one thousand dollars per \$75,000 net new investment.

For businesses located in designated enterprise zones, with half of their new employees living in the enterprise zone, the credits are tripled, not to exceed \$75,000.

77-27,195 (Reissue 1990)

The State Tax Commissioner shall prepare a report identifying the amount of investment in this state and the number of equivalent full-time jobs created by each taxpayer claiming a credit pursuant to the Employment Expansion and Investment Incentive Act. The report shall include the amount of credits claimed in the aggregate. The report shall be issued on or before March 15 of each year, beginning with March 15, 1988, for all credits allowed during the previous calendar year.

**77-4101 (Employment and Investment Growth Act
- LB 775, as amended by LB1234)**

A taxpayer's business may qualify for tax incentives under the Employment and Investment Growth Act, if the business plans result in: (a) the investment in qualified property of at least \$3,000,000 and the hiring of at least thirty new employees, or (b) the investment in qualified property of at least \$10,000,000 and the hiring of at least one hundred new employees, or (c) the investment in qualified property of at least \$20,000,000. The taxpayer has seven years to reach the minimum required levels.

77-4110 (R.R.S., 1943) states:

The State Tax Commissioner shall submit an annual report to the Legislature no later than March 15 of each year. The report shall list: (a) the agreements which have been signed during the previous calendar year, (b) the agreements which are still in effect, (c) the identity of each taxpayer, and (d) the location of each project.

The report shall also state by industry group: (a) the specific incentive options applied for under the Employment and Investment Growth Act, (b) the refunds allowed on the investment, (c) the credits earned, (d) the credits used to reduce the corporate income tax and the credits used to reduce the individual income tax, (e) the credits used to obtain sales and use tax refunds, (f) the number of jobs created, (g) the total number of employees employed in the state by the taxpayer on the last day of the calendar quarter prior to the application date, and the total number of employees employed in the state by the taxpayer on subsequent reporting dates, (h) the expansion of capital investment, (i) the estimated wage levels of jobs created subsequent to the application date, (j) the total number of qualified applicants, (k) the projected future state revenue gains and losses, (l) the sales tax refunds owed to the applicants, (m) the credits outstanding, and (n) the value of personal property exempted by class in each county.

No information shall be provided in the report that is protected by state or federal confidentiality laws.

FOR A COMPLETE ANALYSIS OF CREDITS, REFUNDS, AND EXEMPTIONS PROVIDED UNDER THE ABOVE TWO ACTS, PLEASE REFER TO THE 1997 ANNUAL REPORT PREPARED BY THE DEPARTMENT OF REVENUE. A COPY OF THIS REPORT IS PROVIDED ANNUALLY TO ALL MEMBERS OF THE UNICAMERAL.

**EMPLOYMENT EXPANSION AND INVESTMENT
INCENTIVE ACT
(LB1124, AS AMENDED BY LB270 AND LB335), AND
EMPLOYMENT AND INVESTMENT GROWTH ACT
(LB775, AS AMENDED BY LB1234)
RECOMMENDATIONS**

The Nebraska Department of Revenue has no recommendations.