



# Nebraska Job Creation and Mainstreet Revitalization Act

Joint Report to the  
Revenue Committee  
December 29, 2017

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Director and CEO  
and  
Tony Fulton, Tax Commissioner



## Reporting Requirements

Nebraska Revised Statute § 77-2910(2) provides:

The Nebraska State Historical Society and the department shall issue a joint report electronically to the Revenue Committee of the Legislature no later than December 31, 2017. The report shall include, but not be limited to,

- (a) the total number of applications submitted under the Nebraska Job Creation and Mainstreet Revitalization Act,
- (b) the number of applications approved or conditionally approved,
- (c) the number of applications outstanding, if any,
- (d) the number of applications denied and the basis for denial,
- (e) the total amount of eligible expenditures approved,
- (f) the total amount of credits issued, claimed, and still available for use,
- (g) the total amount of fees collected,
- (h) the name and address location of each historically significant real property identified in each application, whether approved or denied,
- (i) the total amount of credits transferred, sold, and assigned and a certification of the ownership of the credits,
- (j) the total amount of credits claimed against each tax type by category, and
- (k) the total amount of credits recaptured, if any.

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

## Summary Description

The Nebraska Job Creation and Mainstreet Revitalization Act (Act) ([Neb. Rev. Stat. §§ 77-2901 to 77-2912](#)) is jointly administered by the Nebraska State Historical Society (NSHS) and the Nebraska Department of Revenue (NDOR). The Act provides that no more than \$15 million in Nebraska Historic Tax Credits (NHTCs) may be allocated annually, beginning January 1, 2015 and ending December 31, 2022. The allocation of NHTCs was \$14,960,178 in 2015; \$10,853,773 in 2016; and \$5,942,703 in 2017 (through September 30, 2017). NHTCs are equal to 20% of eligible expenditures incurred for improvements to qualifying historically significant real property, limited to a \$1 million tax credit per project. NHTCs may be used against income tax, the premium tax imposed on insurance companies, or the franchise tax imposed on financial institutions.

The NHTC online application consists of a 5-part process. The NSHS reviews Parts 1-3 and the NDOR reviews Parts 4 and 5. Part 1: Historic Structure Certification certifies the historic significance of the property. Part 2: Qualified Rehabilitation Certification approves the proposed rehabilitation and allocates the NHTC. Within 12 months after completing the rehabilitation and placing the property in service, the applicant then submits the Part 3: Completed Rehabilitation Certification. If the NSHS certifies the completed rehabilitation project, the applicant submits its eligible expenditures to the NDOR for review and approval, Part 4: Request for Certification of Credits. The NDOR then notifies the applicant of the approved eligible expenditures, the certified credit amount, and the amount of the required fee to be paid to the NDOR before any tax credit certificates are issued. NHTC Certificates may be used to offset a tax liability as noted above, or the credits may be transferred, sold, assigned, or distributed to others by submitting the Part 5: Request for Transfer, Sale, Assignment, or Distribution of Credits. When an applicant or recipient of NHTCs claims credits on a tax return, the NDOR or the Nebraska Department of Insurance if the credit is claimed on a premium tax return, will verify the ownership of the credits and the NDOR will approve or deny the claimed credits in the web application.

The figures in this report represent activity from the beginning of the program through September 30, 2017. The end date was selected to allow necessary time for data collection and review. This joint report is divided into two sections to reflect the information collected and reported by each agency.

## Nebraska State Historical Society

<b>Nebraska Job Creation and Mainstreet Revitalization Act</b> Application Activity January 1, 2015 through September 30, 2017			
	<b>Part 1</b>	<b>Part 2</b>	<b>Part 3</b>
Applications Received	119	100	29
Applications Approved/ Conditionally Approved	106	81	27
Applications Denied	3	5	0
Applications Outstanding	3	4	2
Applications Withdrawn	7	10	0

The total number of applications submitted under the Act includes all Part 1 applications received. Applicants with an approved Part 1 application must submit a Part 2 application prior to commencing work. According to [Neb. Rev. Stat. § 77-2905\(1\)](#), the NSHS has 21 days after receiving a Part 2 application to determine if the information is complete. Once the Part 2 application is deemed complete, the NSHS has 30 days to make a final determination. Within 12 months after placing the building in service, a Part 3 application must be submitted.

When the NSHS determines certain aspects of the proposed rehabilitation must be modified or deleted before the approval of final work, the application is conditionally approved.

The number of applications denied includes applications that were determined incomplete, applications where the property was not historically significant real property, or applications where the applicant was unable to provide some requested information. If an application is incomplete, no further action may be taken on the application by the applicant, the NSHS, or the NDOR.

If any part of the application does not have the proper materials or sufficient information to allow for a thorough review, the project is considered outstanding until the applicant provides requested materials or information. Once the materials and information are provided, the application process can continue. The "Applications Outstanding" includes applications submitted without a final decision or applications under review.

Applications may be withdrawn by the applicant at any time in the process.

**The Total Amount of Fees Collected Under the  
Nebraska Job Creation and Mainstreet Revitalization Act**

January 1, 2015 through September 30, 2017

Part 2 Application Fees Collected (NSHS)	\$ 152,062.74
Part 3 Application Fees Collected (NSHS)	\$ 12,948.63
Part 4 Fees Collected (NDOR)	\$ 16,979.57
<b>Total Fees Collected</b>	<b>\$ 181,990.94</b>

The total amount of fees collected under the Act includes all Part 2, Part 3, and Part 4 fees paid in full to either the NSHS or the NDOR. The Part 2 and Part 3 application fees established and collected by the NSHS for 2015 and 2016 were 0.4% and 0.1%, and increased to 0.8% and 0.2%, respectively for 2017 applications. These fees are collected on the basis of the total credits requested. Part 2 and Part 3 fees are collected by the NSHS, by either credit card or check, through the Administration Office. Applications are considered incomplete until the appropriate fee is collected. [Neb. Rev. Stat. § 77-2907](#) requires the NSHS to set fees in amounts sufficient to offset the costs of processing and monitoring the applications filed under the Nebraska Job Creation and Mainstreet Revitalization Act. Collected fees will be remitted by the officer to the State Treasurer for credit to the Nebraska Job Creation and Mainstreet Revitalization Fund. Part 4 fees, equal to 0.25% of the amount of credits approved, are collected by the NDOR before NHTC certificates are issued. The NDOR remits the collected Part 4 fees for credit to the Civic and Community Center Financing Fund.

Each Part 1 application is listed or shown in the table below. Multiple applications may have been received for the same location or address.

**The Name and Address of Each Historically Significant Real Property Identified in Each Application  
Whether Approved or Denied Under the  
Nebraska Job Creation and Mainstreet Revitalization Act**  
January 1, 2015 through September 30, 2017

<b>Historic Name</b>	<b>Address</b>	<b>City</b>
(None given)	112-116 Sixth Street	Beatrice
Spiegel Motors	620 Court Street	Beatrice
Ackerhurst-Eipperhurst Dairy Barn	15220 Military Road	Bennington
Dining Hall	13747 Flanagan Blvd	Boys Town
Dormitories	13955, 13963, 13971, 14015 Flanagan Blvd	Boys Town
Dowd Chapel	13943 Dowd Drive	Boys Town
Dowd Memorial Chapel	13943 Dowd Drive	Boys Town
Dowd Memorial Chapel	13943 Dowd Drive	Boys Town
Gatehouse	13602 Flanagan Blvd	Boys Town
High School	13727 Flanagan Blvd	Boys Town
New Post Office	13603 Flanagan Blvd	Boys Town

Palrang Memorial Field House	122 Heroes Blvd	Boys Town
Power Plant & Steam Distribution System	373 McBreen Circle	Boys Town
Residence <sup>1</sup>	13625 Kuhn Drive	Boys Town
Residence <sup>1</sup>	13630 Kuhn Drive	Boys Town
Residence <sup>1</sup>	13651 Kuhn Drive	Boys Town
Residence <sup>1</sup>	102 Maher Drive	Boys Town
Residence <sup>1</sup>	105 Maher Drive	Boys Town
Residence <sup>1</sup>	111 Maher Drive	Boys Town
Residence <sup>1</sup>	113 Maher Drive	Boys Town
Residence <sup>1</sup>	120 Maher Drive	Boys Town
Residence <sup>1</sup>	129 Maher Drive	Boys Town
Residence <sup>1</sup>	136 Maher Drive	Boys Town
Residence <sup>1</sup>	141 Maher Drive	Boys Town
Residence <sup>1</sup>	153 Maher Drive	Boys Town
Residence <sup>1</sup>	162 Maher Drive	Boys Town
Residence <sup>1</sup>	169 Maher Drive	Boys Town
Residence <sup>1</sup>	169 Maher Drive	Boys Town
Residence <sup>1</sup>	183 Maher Drive	Boys Town
Residence <sup>1</sup>	208 Maher Drive	Boys Town
Residence <sup>1</sup>	213 Maher Drive	Boys Town
Residence <sup>1</sup>	216 Maher Drive	Boys Town
Residence <sup>1</sup>	221 Maher Drive	Boys Town
Residence <sup>1</sup>	201 Sudyka Drive	Boys Town
Residence <sup>1</sup>	219 Sudyka Drive	Boys Town
Residence <sup>1</sup>	302 Sudyka Drive	Boys Town
Residence <sup>1</sup>	305 Sudyka Drive	Boys Town
Residence <sup>1</sup>	308 Sudyka Drive	Boys Town
Residence <sup>1</sup>	314 Sudyka Drive	Boys Town
Town Hall	13940 Gutawski Road	Boys Town
Chadron Furniture Co./Reitz & Lexington	214 Main Street	Chadron
Weber Bros. Building	225 Main Street	Chadron
(None given)	4025 E. 23rd Street	Columbus
Phillips Friedhof Building	1270 27th Avenue	Columbus
Platte County Agricultural Society	822 15th Street	Columbus
Crete Mercantile	1316 Main Avenue	Crete
Bonham Theatre	519 E Street	Fairbury

Jefferson County Court House	411 4th Street	Fairbury
Franklin County Courthouse	405 15th Avenue	Franklin
J D McDonald House	310 E. Military Avenue	Fremont
Osterman and Tremaine Building	445 N. Broad Street	Fremont
Schweser's / Quinn Building	114 E. 6th Street	Fremont
Friend Historical Society	511 2nd Street	Friend
Hall County Courthouse	111 W. First Street	Grand Island
Hall County Courthouse	111 W. First Street	Grand Island
Hedde Building	201-203 W. Third Street	Grand Island
Hedde Building	201-203 W. Third Street	Grand island
Hastings Brewery Building	219 W. 2nd Street	Hastings
Lowe and Fair Commercial Block	2001 & 2003 Central, 10 & 12 E. Railroad	Kearney
(None given)	210 N. 7th Street	Lincoln
Bennett Hotel	700 P Street	Lincoln
Lincoln YWCA	1432 N Street	Lincoln
Nebraska Wesleyan Hospital	2742 N. 48th Street	Lincoln
Sigma Alpha Epsilon Fraternity	635 N. 16th Street	Lincoln
Sherman County Courthouse	630 O Street	Loup City
First Presbyterian Church CIRCA 1913	104 S 4th Street	Madison
Keystone Hotel	402 Norris Avenue	McCook
U. S. Post Office and Courthouse	125 S. 4th Street	Norfolk
(None given)	2235 Howard Street	Omaha
10th & Pierce Streetcar Barn	1100 Pierce St.	Omaha
3814 Farnam Street	3814 Farnam Street	Omaha
Ainsworth and Beverly Apartments	2230-2236 Jones Street	Omaha
Burlington Mail Terminal	950 S. 10th Street	Omaha
Colonial Apartments	144 S. 38th Street	Omaha
Dewey Avenue Rowhouses	2301-2321 Dewey Avenue	Omaha
Douglas County Courthouse	1700 Farnam Street	Omaha
Duchesne Academy of the Sacred Heart	3601 Burt Street	Omaha
Duplex	2316 Howard Street	Omaha
Flatiron Building	1722 St. Mary's Avenue	Omaha
Forrest Apartments	2211 Howard Street	Omaha
Georgia Row Apartments	1040 -1044 South 29th Street	Omaha
H. Thiessen Pickle Company	3101 S. 24th Street	Omaha
Hanscom Apartments	1029 Park Avenue	Omaha



Hay Exchange Building	1015 N. 14th Street	Omaha
Hinky Dinky Grocery Store	4949 Underwood Avenue	Omaha
Hupmobile Building	2523 Farnam Street	Omaha
J A Gross Store Building	4801 - 4811 NW Radial Highway	Omaha
Longfellow Apartments	2215 Howard Street	Omaha
National Indemnity Company Headquarters	3024 Harney Street	Omaha
Northwestern Bell Telephone Company	100 S. 19th Street	Omaha
Omaha Quartermaster Depot	2101 Woolworth Avenue	Omaha
Saunders-Kennedy Building	203 S. 18th Street	Omaha
Scott-Omaha Tent and Awning Co.	1501 Howard Street	Omaha
St. John's Collegiate Church	2500 California Plaza	Omaha
St. John's Collegiate Church	2500 California Street	Omaha
St. John's Collegiate Church	2500 California Street	Omaha
The Allas Apartments (Atlas Apartments)	1609 Binney Street	Omaha
The Bartlett	2227 Howard Street	Omaha
The Bosworth	2217 Howard Street	Omaha
The Burlington Station	1001 S. 10th Street	Omaha
The Florentine	907 S. 25th Street	Omaha
The Florentine	907 S. 25th Street	Omaha
The Florentine	907 S. 25th Street	Omaha
The J.A. Gross Store Building	4801 - 4811 NW Radial Highway	Omaha
The Mayfair Apartments	2222 Howard Street	Omaha
The Polish Home	4701 S. 25th Street	Omaha
Traver Brothers Duplexes	2601-07 Jones Street and 651-72 S. 26th Ave	Omaha
Turner Court Apartments	3102-3106 Dodge Street	Omaha
Webster Telephone Exchange Bldg	2213 Lake Street	Omaha
West Farnam Apartments	3817 Dewey Avenue	Omaha
White Rose Service Station	302 S. 38th Street	Omaha
Woolworth Building	1114-24 Howard Street	Omaha
First Thurston County Courthouse	400-412 Main Street	Pender
Palace Hotel	400-412 Main Street	Pender
Drew/Weckbach Building	317 Main Street	Plattsmouth
Peter E. Ruffner House	501 N. 8th Street	Plattsmouth
The Moon Block (Ntl. Willa Cather Center)	429-437 N. Webster Street	Red Cloud
Schuyler Brick Paved Street	Lincoln Highway Route Downtown Schuyler	Schuyler
Superior City Hall	450 North Commercial	Superior

<sup>1</sup>These buildings are referred to as Residence at Boys Town. A traditional single family does not own or rent these properties.

## Nebraska Department of Revenue

<b>Nebraska Job Creation and Mainstreet Revitalization Act</b> Tax Credit Activity January 1, 2015 through September 30, 2017	
Eligible expenditures approved	\$ 35,308,439
Tax credits issued	\$ 6,691,912
Tax credits claimed <sup>1</sup>	\$ 1,386,767
Tax credits recaptured	\$ 0
Total tax credits outstanding	\$ 5,305,145
Tax credits transferred, sold, or assigned (Type A)	\$ 1,223,279
Tax credits distributed by pass-through entities (Types A & B)	\$ 2,729,018

<sup>1</sup>To maintain confidentiality, tax credits claimed are not reported separately by tax type or category.

The NDOR reviews the expenditures that are submitted on a Part 4: Request for Certification of Credits, and calculates the NHTCs issued based on approved eligible expenditures. The NDOR then issues two types of NHTC certificates, Type A (may be used, transferred, sold, assigned, or distributed) and Type B (may only be used or distributed). Applicants other than political subdivisions and entities exempt from income tax under IRC § 501(c)(3) receive both Type A and Type B certificates divided equally (50%). Both types may be used by the applicant, or distributed through the ownership structure of a pass-through entity. Political subdivisions and entities exempt from income tax under IRC § 501(c)(3) are issued only Type A certificates. Type A NHTCs may be transferred, sold, assigned, or distributed one or more times. The dollar amount of tax credits transferred, sold, assigned, or distributed reflects the value of the credit only, not the number of times the same credits may have been transferred, sold, assigned, or distributed.

NHTC certificates are initially issued to the applicant. A Part 5: Request for Transfer, Sale, Assignment, or Distribution of Credits must be submitted to the NDOR through the online web application within 15 days after the transfer or distribution of NHTCs. Once the recipient of transferred credits confirms the transfer request or the NDOR reviews and confirms the distribution, new NHTC certificates are issued to the recipient credit owners, and the transferred or distributed amount is deducted from the transferor's credit balance.

Credit owners may use both types of NHTCs to offset income tax, the franchise tax imposed on financial institutions, or the premium tax imposed on insurance companies. NHTCs are not refundable, and usage is limited to the amount of the taxpayer's tax liability. In the table above, NHTCs claimed include only the amount of credit usage approved by the NDOR as of September 30, 2017.

<b>Nebraska Job Creation and Mainstreet Revitalization Act Certified Owners of Tax Credits as of September 30, 2017</b>	
<b>Owner</b>	<b>Tax Credits Owned</b>
Block 22 Managing Member, LLC	\$ 928,136
Block 22, LLC	1,505,740
Brozek, Nancy	49,477
Connolly, Timothy	47,124
Elkhorn Valley Bank & Trust	300,000
Faltys, Jared	49,477
Farmers & Merchants Bank	200,000
Father Flanagan's Boys' Home	184,872
Friend Historical Society	7,973
Gross, Richard	51,223
Hall County	41,030
Hearst Properties, Inc.	1,000,000
Idelman, Steven	149,658
Igel, Kort	74,829
Keen, Eric	106,543
Maple State Tax Credit Planners LLC	19,970
Midwest Bank, NA	254,735
Mullen, Sean	149,624
Murphy, Chris	340,000
Royal, Jeffrey	127,446
Sommer, Leonard	74,830
Twain NE HTC Fund I, LLC	482,869
U.S. Bank National Association	468,912
Ulferts, David	77,444
<b>Total tax credits issued</b>	<b>\$6,691,912</b>

In the table above, NHTCs owned include the amount of credits used or owned as of September 30, 2017. Credit holders may have used, transferred, sold, assigned, or distributed NHTCs since that date, and so may not be the entity or individual that ultimately uses the NHTCs. To maintain confidentiality, the NDOR will not report if an owner used the NHTCs against a tax liability.