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DEPARTMENT OF REVENUE

Jim Pillen, Governor

STATE OF NEBRASKA
NEBRASKA DEPARTMENT OF REVENUE

NEBRASKA ADVANTAGE RURAL DEVELOPMENT ACT AGREEMENT

«Company_Name»
«Address_Line_1»
«City», «State» «ZIP_Code»

Nebraska Identification Number 25-«SID»

This Agreement is entered into pursuant to the Nebraska Advantage Rural Development Act, as defined in Neb. Rev. Stat. §77-27,187 (Act), between «Company_Name», referred to as Applicant, and the State of Nebraska, by and through the Tax Commissioner.

It is agreed between Applicant and the State that:

The Plan

1. The application submitted by Applicant on «Date_filed»; supplemental pages dated «Supplemental_Date»; and addendum dated «Addendum_Date»; collectively referred to as the Application, satisfy the requirements of an application as contained in the Act, and the Application and all supporting documentation are made a part of this Agreement. For purposes of this Agreement, the date of application is «Application_Date», the date the Application was complete.

2. The Tax Commissioner is reasonably satisfied that the plan in the Application defines a Livestock Modernization project consistent with the purposes stated in the Act.

   (a) This plan will result in Applicant's investment in qualified property of $«Plan_Investment». This level of investment is the required level for the purposes of this agreement.

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(b) The plan requests a livestock modernization investment credit of $«Investment_CR».

(c) This level will be met prior to tax year end «App_yr__1_Yr».

(d) The Applicant includes the entities identified in the Application as being part of the taxpayer, as defined in the Act. Entities may be added to the plan in the future only if they were:

(i) Not in existence between the date of application and the signing of the Agreement;

(ii) Not qualified to be included as part of the taxpayer at the time the Agreement was signed; or

(iii) Not performing a qualified activity at the project at the time the Agreement was signed.

(e) The plan includes only the locations identified in the Application. Locations may be added to the plan in the future only if they were:

(i) Not used by the Applicant between the date of application and the signing of the Agreement; or

(ii) Not used for qualified activities at the time the Agreement was signed.

The Commitments

3. Applicant agrees to complete the project before the above referenced time limit, and further agrees to comply with the following requirements:

(a) Applicant agrees to substantiate any claimed credits by providing the supporting documentation required in paragraph 6 of this Agreement, to the Nebraska Department of Revenue hereinafter referred to as the DOR.

(b) Applicant agrees to use credits under the Act only after receiving a letter of approval from the DOR.

4. The Tax Commissioner, on behalf of the State, designates the approved plan of Applicant as a project and, in consideration of Applicant's agreement and commitments contained in paragraph 3 of this Agreement, the State agrees to allow Applicant to earn the credits set forth in paragraph 10 of this Agreement, under the conditions specified.

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(a) The Tax Commissioner authorizes credits as computed in paragraph 8 of this Agreement not to exceed $«Credit_limit».

5. For purposes of this Agreement, the minimum level of investment shall be the investment in qualified property in Nebraska of at least $50,000.

Required Documentation

6. Prior to using the credits allowed under paragraph 8 of this Agreement, Applicant shall present documentation, at the DOR's offices or within Nebraska, sufficient to establish its attainment or maintenance of the level of investment.

(a) For purposes of paragraph 8 of this Agreement, the required documentation shall include but not be limited to: tax depreciation schedule, copies of construction contracts accompanied by proof of payment, statements of tax paid by contractors, copies of qualified property purchase contracts or invoices accompanied by proof of payment, copies of lease/rental contracts accompanied by proof of payment.

(b) When, based upon the DOR's review of the documentation required under paragraph 6(a) of this Agreement, the DOR is satisfied that Applicant has met the minimum investment level required in the Act, the DOR will issue a letter to Applicant, acknowledging its attainment of the minimum level. A copy of this letter must accompany each claim for credits allowed under paragraphs 9 or 10 of this Agreement.

(c) If Applicant acquires a business after the beginning of the year prior to the year the application was filed, Applicant agrees to provide documentation regarding the level of investment for the acquired business for the year prior to the acquisition, or the year before the application was filed, whichever is earlier, through the date of acquisition.

(d) If Applicant reorganizes its business, Applicant agrees that all documentation will be submitted on a consistent basis from the year prior to the Application through the end of the year after the Application was filed and will resubmit any documentation required to show all calculations of investment on a consistent basis for the entire period.

(e) The DOR reserves the right to make inspections of the physical project and the normal books and records of Applicant to determine the project's compliance and the accuracy of all amounts claimed.

Determination of Investment

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7. The amount of increased investment in this state is the increase in the value of the property used or available for use at the project over the value of all property used or available for use on the last day of the taxable year prior to the date the Application was filed.

    (a) The basis upon which the investment credit is calculated shall be the total cost required to be capitalized under relevant provisions of the Internal Revenue Code (IRC).

    (b) Rented or leased property shall be valued at the average net annual rent times the number of years of the lease for which the taxpayer was originally bound, not to exceed ten years.

    (c) Only investment in improvements to real property and tangible personal property that are depreciated under relevant provisions of the IRC, or expensed under IRC § 179, shall be considered. Property not eligible for this credit includes:

        (i) Aircraft, motor vehicles, railroad rolling stock, or any property that is rented or leased by Applicant to another person; or

        (ii) 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 such acts, or any order of the Department of Water, Energy, and Environment undertaken within five years after a complaint issued from the Director of Water, Energy, and Environment under section 81-1507.

The Credits

8. Upon meeting the minimum level of investment specified in paragraph 5 of this Agreement, Applicant's compliance with the project verification steps contained in paragraph 6 of this Agreement, and receipt of the DOR's approval letter; Applicant shall be entitled to a credit equal to ten percent of net new investment in qualified property, or the components of such property, that will be located and used at the project.

Credit Usage

9. The credits specified in paragraph 8 of this Agreement may be used as a refundable credit to reduce Applicant's tax liability imposed by Neb. Rev. Stat. §§ 77-2714 to 77-27,135 or to obtain a refund. The tax return need not reflect any income tax liability owed by the taxpayer.

Paragraph 9 (a) to be included in agreement to clarify that a flow-through entity such as

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an S Corporation, cooperative, or Partnership can request the refundable credit.

(a) An income tax return may be filed by Applicant, a {pick One} < S Corporation / cooperative / Partnership > , to claim the credit. {paragraph only if flow-through entity applies}

10. The credits specified in paragraph 8 of this Agreement may also be used to obtain a refund of Nebraska state sales or use taxes paid on any purchase or lease for use at the project during the year the Application was filed or the following year. Any applicable local option sales or use taxes paid are not refundable.

    (a) A claim for refund of the state sales and use taxes paid may be filed quarterly after the filing of the income tax return for the taxable year in which the credit was first allowed.

        (i) The credit may be used to obtain a refund of state sales and use taxes paid before the end of the taxable year for which the credit was allowed, except that the amount refunded under this paragraph shall not exceed the amount of the state sales and use taxes paid, either directly or indirectly, by the taxpayer on the qualifying investment.

11. The credits must be used in either the year of the Application or the following year. Unused credits may not be carried to and used in any other year.

Transfers of Credits

12. Any credits allowed under the Act shall be transferable only as allowed under the Act, when the project is transferred by sale or lease, or in a sale of assets under IRC § 381.

    (a) The transferring person must notify the Tax Commissioner of the transfer of a project. The transferee must accept the transfer of the project.

    (b) The transferor cannot claim any benefits or use any credits after the date of the notification of the transfer. Only credits used on a tax return or refund claim filed before the date of the notification of the transfer may be used by the transferor.

    (c) Only future benefits and unused credits can be transferred. Benefits or refunds that could have been claimed by the transferor prior to the transfer of the project cannot be transferred.

    (d) The transferee is liable for all recapture that becomes due after the date of transfer.

13. Credits may be distributed as allowed under Neb. Rev. Stat. § 77-27,194. A credit allowed to

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a partnership, a limited liability company, an S corporation, cooperative, or an estate or trust may be distributed to the partners, limited liability company members, shareholders, patrons, or beneficiaries. The credits must be distributed in the same ratio as the income is divided.

(a) The credits may only be distributed with the income tax return for the year the credits were earned.

(b) The credits distributed may be used by the recipient as a nonrefundable credit up to the income tax liability of the recipient for the year of distribution and may not be carried over to and used in any other year.

(c) Any credits distributed are considered credits used by the entity making the distribution. For the purposes of recapture, distributed credits must be repaid by the entity in the same manner as all other credits used, whether or not fully used by the recipient.

(d) Any credits that have been distributed cannot be returned to the entity.

Recapture

14. If Applicant fails to meet the minimum level of investment for the applicable project by the end of the year after the year the Application was submitted for the project, all of the credits set forth in the Act, and any interest and penalties applicable, shall be recaptured or disallowed as set forth in the Act.

    (a) If the project is disposed of but the project is not transferred as provided under paragraph 12 of this Agreement, Applicant remains liable for any recapture but can use the maintenance of the minimum level of investment by the transferee to prevent recapture.

15. If the Applicant meets the minimum level of investment as specified in paragraph 5 of this Agreement, but fails to reach an investment increase of at least $«M_75_Investment», by «App_Yr__1_Yr», the entire credit allowed for any investment increase will be recaptured or disallowed.

Changes In Taxpayer Or Business

16. If there are changes from the information contained in the Application, the Applicant may no longer be eligible to receive benefits under the Act, or the benefits may be limited to those parts of the plan that continue to qualify.

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(a) Some of the changes that could affect the qualification for benefits are:

(i) A change in the structure of Applicant, the type of entities included in the plan, or the ownership of the entities, whether or not as part of a tax-free reorganization, such that some or all of the entities can no longer be a part of the taxpayer.

(ii) A change in the nature of the business or portions of the business so that some activities are no longer in a qualified business.

17. If the Applicant acquires an existing business, the increases in investment will be computed as though Applicant had owned the business for the entire taxable year before the date of application.

18. If the Applicant is reorganized, the investment levels will be calculated on a consistent basis for all periods.

19. If the Applicant moves from one location to another location and the business was operated in this state the year before the year of application, then the investment levels will be calculated as though the business was operated at the new location for the entire taxable year preceding the date of application.

Limitations

20. If the Applicant enters into any of the following transactions, the transaction will not be allowed in the computation of any tax benefit or the meeting of any required levels of investment except as specifically provided as follows:

(a) The purchase or lease of property which was previously owned by Applicant or a related taxpayer unless the first purchase by either was first placed in service in the state after the beginning of the taxable year the Application was filed.

(b) The renegotiation of any lease in existence during the taxable year the Application was filed which does not materially change any of the terms of the lease other than the expiration date.

(c) The purchase or lease of any property from a related taxpayer, except that the taxpayer which filed the application will be allowed any benefits under the Act to which the related taxpayer would have been entitled on the purchase or lease of the property if the related taxpayer was considered the taxpayer.

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(d) Any transaction entered into primarily for the purpose of receiving benefits under the Act which is without a business purpose and does not result in increased economic activity in the state.

(e) Any activity that results in benefits under the Ethanol Development Act, (Neb. Rev. Stat. §§ 66-1330 to 66-1351).

(f) A foreign adversarial company, as defined under Neb. Rev. Stat. § 77-3,114, is ineligible to receive any benefits under the Act. Any company that is not a foreign adversarial company shall only use benefits against income taxes of the members of the same group of companies that are not foreign adversarial companies. The tax liability attributable to members of the unitary group that are foreign adversarial companies shall be determined using the apportionment formula used to determine the amount of tax due.

General Provisions

21. As used in this Agreement, "year" shall mean Applicant's taxable year for federal income tax purposes. Based upon the «Tax_Return» federal income tax return filed by the Applicant, its federal taxable year end is «Mo_Day». Any change in this federal taxable year shall result in a corresponding change to dates referenced in this Agreement.

22. Interest shall not be paid or otherwise allowed to Applicant on any credits available under the Act.

23. The parties intend that Applicant shall be entitled to all the credits for which it qualifies as set forth in the Act. To the extent that the language contained in this Agreement is incomplete or directly conflicts with the Act, the language of the Act shall control and is incorporated by this reference.

24. This Agreement contains all binding agreements between the parties. It shall be governed by the laws of the state of Nebraska. To the extent that the language contained in this Agreement is incomplete or directly conflicts with the laws of the state of Nebraska, the laws of the state of Nebraska shall control and is incorporated by this reference. No oral or other statements, proposals, or agreements, unless set out in writing and signed by all parties, shall be binding on either party.

[SIGNATURE PAGE TO FOLLOW]

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The undersigned parties accept and bind themselves to the provisions of this Agreement.

Signed this _____ day of _____, 2026.

By _____

Title _____
«Company_Name»

Signed this _____ day of _____, 2026.

By_____
James R. Kamm
Tax Commissioner
State of Nebraska

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