

1999 Annual Report



to the
Nebraska Legislature

March 15, 2000

Employment and Investment
Growth Act,
Employment Expansion
and Investment Incentive Act
(Including Enterprise Zone Act)
and Quality Jobs Act

LB 775, LB 1124, and LB 829

Employment and Investment Growth Act, LB 775, as amended



Neb. Rev. Stat. §77-4110 states:

77-4110. Annual report; contents. (1) The Tax Commissioner shall submit an annual report to the Legislature no later than March 15 of each year.

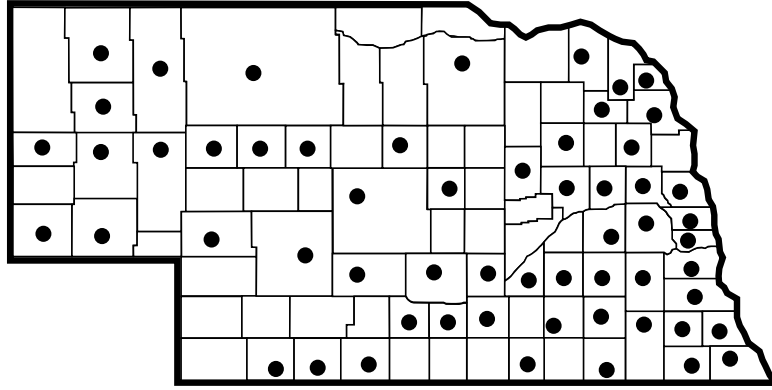
(2) The report shall list (a) the agreements which have been signed during the previous calendar year, (b) the agreements which are still in effect, (c) the identity of each taxpayer, and (d) the location of each project.

(3) 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.

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

(5) By December 1, 1990, the Department of Revenue shall prepare a report with the available information required in this section for all prior years the act has been in effect. Information required in this section that is not available to the department for the report due December 1, 1990, shall be provided in the next annual report.

LB 775 Activity Through 12/31/99



A company has to file an application with the Nebraska Department of Revenue which describes their project and which states the planned amount of investment and additional employment. The applications are reviewed, and if approved, the Nebraska Department of Revenue and the applicant enter into a formal agreement which is signed by both parties. An application or an agreement can be withdrawn. Also, an application or agreement may be deleted for failure to meet the required levels within the time allowed.

Analysis of Applications and Agreements				
	Applications Received	Active Projects	Planned Investment (billions)	Planned New Jobs
Signed Agreements				
Active	345	345	4.043	31,964
Withdrawn	32			
Deleted	43			
Completed	17			
Subtotal-total signed agreements	437			
Applications				
Pending as of 12/31/99	128	128	1.795	11,832
Withdrawn	40			
Deleted	33			
Total	638	473	5.838	43,796

To earn the credits provided by LB 775, the investment must be made and the jobs created during the “attainment period,” which includes the year of the application and the succeeding six tax years. Two hundred and eighty projects have reached the minimum required levels and qualified to receive credits and/or sales and use tax refunds. Seventeen of these projects have received all expected benefits and are completed.

Table 1 Analysis of Active Applications by Year of Application and, if Qualified, by Year Qualification Verified

Application Year	Total Number of Active Applicants	Year Verified												Total	Completed Projects	Active Projects
		1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999			
1987	90	13	30	23	11	1	6	4	1	1				90	15	75
1988	29		2	10	6	3		2	3	2			1	29	2	27
1989	29			1	4	4	9	1	6	3				28		28
1990	15					4	2		4	4	1			15		15
1991	14					2	1	3	2	2		2	1	13		13
1992	24							3	4	2	3	2		14		14
1993	19								5	3	2		2	12		12
1994	35								6	4	7	3	1	21		21
1995	56									6		6	4	29		29
1996	50										13	9	9	20		20
1997	45										2		6	6		6
1998	36												3	3		3
1999	48															
Total	490	13	32	34	21	14	18	13	31	27	28	23	26	280	17	263
Completed Projects	17	5	5	3	4									17		
Active Projects	473	8	27	31	17	14	18	13	31	27	28	23	26	263		

Agreements Signed in 1999

Company Name	Project Size	Project Location
1 American Meat Protein Corporation	\$3M + 30 emp	Fremont, Schuyler, Madison, and Grand Island
2 Ameritas Bankers Life Ins. Co.	\$10M + 100 emp	Lincoln
3 Champion Home Builders Co.	\$5M + 200 emp	York
4 Coleman Powermate, Inc.	\$10M + 200 emp	Kearney, Hastings and any future Nebraska Location
5 D&D Salads, Inc.	\$4.55M + 30 emp	Omaha
6 Data Transmission Network	\$3M + 30 emp	Douglas County
7 Eaton Corporation	\$17.5M + 68 emp	Hastings
8 Financial Dynamics, Inc.	\$7M + 100 emp	Omaha
9 First Federal Lincoln Bank	\$4.77M + 39 emp	Statewide
10 Harris Laboratories, Inc.	\$15.12M + 140 emp	Lincoln, Omaha
11 InterSystems Inc.	\$3M + 30 emp	Omaha
12 Lucent Technologies	\$191M + 110 emp	Omaha
13 Lyman-Richey Corporation	\$3M + 30 emp	Omaha and other Nebraska locations
14 Midland Systems, Inc.	\$10M + 100 emp	Omaha
15 Millard Manufacturing, Corp.	\$3M + 30 emp	Omaha
16 Nebraska Aluminum Castings	\$3M + 30 emp	Hastings
17 Nonpareil - RDO, L.L.C.	\$15.8M + 100 emp	O'Neill
18 Omaha Printing Company	\$5M + 50 emp	Omaha
19 Omaha World-Herald	\$9M + 30 emp	Omaha
20 Popco Inc. d/b/a Ideal Pure Water	\$10M + 100 emp	Omaha
21 Producers America, Inc.	\$3M + 30 emp	Omaha and other locations
22 Rotella's Italian Bakery	\$3M + 30 emp	Omaha
23 Silverstone Group, Inc. & Subs	\$3M + 30 emp	Omaha
24 Strategic Marketing Innovations	\$10M + 175 emp	Omaha & other locations
25 West Interactive Corp.	\$22M + 144 emp	Omaha
26 Wilkinson Manufacturing Co.	\$10M + 100 emp	Fort Calhoun
27 Wis-Pak of Norfolk, Inc.	\$3M + 30 emp	Norfolk

Agreements Signed in 1987 That are Still in Effect

Company Name	Project Size	Project Location
1 American Business Lists	\$7.5M + 215 emp	Greater Omaha Metropolitan Area
2 Applied Communications Inc.	\$10M + 100 emp	Greater Omaha Metropolitan Area
3 Bankers Life Ins. Co. of NE	\$13M + 250 emp	Lincoln
4 Central States Health & Life Co.	\$10M + 135 emp	Greater Omaha Metropolitan Area
5 ConAgra Inc.	\$10M + 100 emp	In or around metropolitan Omaha
6 Dale Electronics Inc.	\$18M + 244 emp	Columbus and Norfolk
7 Delicious Foods Co.	\$27M + 190 emp	Greater Grand Island Area
8 Dubuque Packing Co.	\$11M + 450 emp	Norfolk
9 Duncan Aviation Inc.	\$3M + 30 emp	Lincoln
10 Epsen Hilmer Graphics	\$3-12M + 30 emp	Omaha
11 Foote & Davies/Lincoln	\$10M + 100 emp	Greater Lincoln Metropolitan Area
12 Goodyear Tire and Rubber Co.	\$50M + 100 emp	Lincoln
13 Greater Omaha Packing Co.	\$3M + 35 emp	Omaha
14 IBP Inc.	\$20M + 150 emp	Madison
15 IBP Inc.	\$10M + 100 emp	Dakota City and West Point
16 LRC Inc. & Subs	\$3M + 30 emp	Omaha, Lincoln, York, Crete, Norfolk
17 Lancer Label Inc.	\$11M + 155 emp	Omaha
18 Lozier Corporation	\$10.4M + 110 emp	Omaha

Company Name	Project Size	Project Location
19 M P S Inc.	\$54.9M + 320 emp	Hall, Lancaster, Douglas, and Sarpy counties
20 Marianna Imports Inc.	\$3M + 30 emp	Greater Omaha Metropolitan Area
21 Neapco Inc.	\$6-\$10M + 30-50 emp	Beatrice
22 Nebraska/ DUPACO	\$12.5M + 130 emp	Greater Omaha Metropolitan Area
23 Northwestern Bell	\$60M + 150 emp	Omaha area
24 Omaha Steaks International	\$17.5M + 179 emp	Metropolitan Omaha Area
25 Pacesetter Corporation	\$3M + 51 emp	Greater Omaha Metropolitan Area
26 Pegler-Sysco	\$4M + 167 emp	Omaha, Lincoln, and Grand Island
27 Peoples Natural Gas	\$10M + 130 emp	Omaha
28 Peter Kiewit Sons Inc.	\$20M + 300 emp	Greater Omaha Metropolitan Area
29 Physicians Mutual Insurance	\$10-12M + 300 emp	Omaha
30 Square D Company	\$18M + 107 emp	Lincoln
31 United Parcel Service Inc.	\$16M + 300 emp	Douglas, Lancaster Counties, city of Kearney and other locations
32 ValCom	\$3M + 30 emp	Greater Omaha Metropolitan Area
33 Valmont Industries Inc.	\$10M + 100 emp	Valley
34 Werner Enterprises Inc.	\$11M + 190 emp	Douglas and Sarpy Counties
35 West Telemarketing Corp.	\$15M + 1000 emp	Greater Omaha Metropolitan Area

Agreements Signed in 1988 That are Still in Effect

Company Name	Project Size	Project Location
1 Affiliated Foods Coop. Inc.	\$6.7M + 67 emp	Norfolk
2 AirLite Plastics Company	\$10M + 30 emp	Greater Omaha Metropolitan Area
3 Alpo Petfoods Inc.	\$20M + 100 emp	Crete, Lincoln
4 American Freezer Services	\$5.75M + 61 emp	Norfolk
5 Automated Monitoring & Control Inc.	\$14.4M + 332 emp	Greater Omaha Metropolitan Area
6 Becton Dickinson	\$38M + 109 emp	Columbus, Broken Bow, and Holdrege
7 Cook Family Foods of NE	\$11M + 190 emp	Lincoln
8 Dana Corporation	\$5.3M + 70 emp	Hastings
9 Dutton-Lainson Co.	\$4M + 51 emp	Hastings
10 Eaton Corporation	\$20M + 30 emp	Kearney
11 Farmers & Merchants	\$4M + 82 emp	Lincoln, Omaha, Milford, Wahoo, Columbus, Syracuse, Auburn, Beatrice, Pawnee City, Oxford, Taylor, Kearney, Rising City, and other locations
12 First National of Nebraska	\$15M + 300 emp	Greater Omaha Metropolitan Area
13 Grand Island Accessories Inc.	\$3M + 30 emp	Grand Island
14 Great Plains Packaging Group	\$4.6M + 35 emp	Hastings and Lincoln
15 Guarantee Mutual Life Co.	\$10M + 114 emp	Greater Metropolitan Omaha Area
16 HW Mangelsens Inc.	\$3.5M + 33 emp	Greater Omaha Metropolitan Area
17 Harris Technology Group Inc.	\$18M + 395 emp	Lancaster County
18 Iams Company	\$17.2M + 39 emp	Hamilton County
19 International Galleries, Ltd.	\$10M + 525 emp	Lancaster, Sarpy, Douglas Counties
20 Land and Sky Inc	\$3M + 40 emp	Lincoln, Lancaster County, and other locations in the Southeast
21 Metromail	\$14M + 140 emp	Lancaster and Seward Counties
22 Metz Baking Co.	\$17M + 100 emp	Hastings, Omaha, South Sioux City, Beatrice, and Bellevue

Company Name	Project Size	Project Location
23 Milton G Waldbaum Company	\$17M + 106 emp	Wakefield
24 Minnesota Mining & Mfg Co.	\$14.2M + 85 emp	Valley
25 Modern Equipment Co. Inc.	\$3.5M + 110 emp	Douglas County
26 Nashua Corporation	\$4M + 42 emp	Douglas County
27 Norden Laboratories	\$30M + 100 emp	Lincoln
28 Nucor Corporation	\$3M + 30 emp	Norfolk
29 Oriental Trading Co. Inc.	\$11M + 150 emp	Greater Omaha Metropolitan Area
30 Selection Research Inc	\$10.2M + 179 emp	Lincoln
31 Sitel Corporation	\$4.95M + 100 emp	Greater Omaha Metropolitan Area
32 Streck Laboratories Inc.	\$3.7M + 61 emp	Greater Omaha Metropolitan Area
33 Swift-Eckrich Inc.	\$3M + 30 emp	Greater Omaha Metropolitan Area
34 TV Transmission Inc.	\$30M + 40 emp	Lincoln, Lancaster County, Crete, Auburn, Nebraska City, Tecumseh, Table Rock, Pawnee City, Humboldt, Omaha, Fairbury, Superior, York, David City, Seward, Fremont, Dodge County, Inglewood, Douglas County, and other locations
35 TransTerra Company	\$4.4M + 48 emp	Metro Omaha
36 Union Pacific Railroad	\$55M + 400 emp	Greater Omaha Metropolitan Area
37 Universal Assurors	\$5.4M + 79 emp	Greater Omaha Metropolitan Area
38 Walker Manufacturing Co.	\$4M + 45 emp	Seward
39 Wilkinson Manufacturing Co.	\$4.4M + 35 emp	Ft. Calhoun

Agreements Signed in 1989 That are Still in Effect

Company Name	Project Size	Project Location
1 Abbott Bank	\$3.5M + 30 emp	Alliance, Merriman, Chadron, Gordon, Mullen, Thedford, Valentine, Cody, Bridgeport, Hemingford, and Hyannis
2 Appleton Electric Company	\$3M + 30 emp	Columbus
3 Coleman Powermate Inc.	\$3M + 206 emp	Hastings and Kearney
4 ConAgra Inc.	\$12.7M + 30 emp	South Sioux City
5 DESCO Corp.	\$3M + 30 emp	Hastings and Oshkosh
6 Douglas & Lomason Co.	\$4.3M + 77 emp	Platte County and other locations
7 Ford New Holland Inc.	\$4.1M + 53 emp	Grand Island
8 IBP Inc.	\$77.5M + 1200 emp	Lexington
9 Idelman Telemarketing Inc.	\$3.7M + 310 emp	Greater Omaha Metropolitan Area
10 JA Baldwin Mfg. Co.	\$10M + 100 emp	Kearney
11 Lenco Company	\$10M + 100 emp	Lincoln, and Waverly
12 Omni Holding Company	\$3.8M + 34 emp	Omaha, Douglas and Sarpy Counties
13 Pamida Inc.	\$6M + 75 emp	Omaha
14 Principal Financial Group	\$6.2M + 100 emp	Grand Island
15 Radio Engineering Ind. Inc.	\$3.5M + 56 emp	Omaha
16 Sun Husker Foods Inc.	\$10M + 100 emp	Lincoln
17 Tri-Con Industries Inc.	\$9.7M + 85 emp	Lincoln
18 Utell International	\$10M + 100 emp	Omaha
19 Waste Technical Services	\$35.8M + 40 emp	Kimball
20 Yasufuku USA Inc.	\$3.5M + 36 emp	Lincoln

Agreements Signed in 1990 That are Still in Effect

Company Name	Project Size	Project Location
1 900 Services, Inc.	\$10M + 100 emp	Greater Omaha Metropolitan Area
2 Accent Service Company Inc.	\$3.2M + 30 emp	Omaha, Lincoln, Fremont and Norfolk
3 American MicroTrace	\$3M + 30 emp	Fairbury
4 American Meter Company	\$3M + 30 emp	Nebraska City
5 American Information Systems Inc.	\$3.25M + 32 emp	Greater Omaha Metropolitan Area
6 Brass Buckle Inc.	\$3M + 37 emp	Kearney
7 Brunswick Corporation	\$3M + 30 emp	Lancaster County
8 Call Interactive	\$10M + 100 emp	Greater Omaha Metropolitan Area
9 ConAgra Inc.	\$10M + 100 emp	Hastings
10 Data Transmission Network	\$3M + 31 emp	Douglas County
11 Deeter Foundry Inc.	\$3.4M + 32 emp	Lincoln
12 Dorsey Laboratories, Div. of Sandoz Pharmaceuticals Corp.	\$35M + 120 emp	Lancaster County
13 Eagle Plastics Inc.	\$3M + 30 emp	Hastings
14 Excel Corp.	\$11.3M + 100 emp	Schuyler
15 Exmark Manufacturing Co. Inc.	\$3.1M + 46 emp	Beatrice
16 Farmland Foods Inc.	\$13.7M + 110 emp	Crete
17 First Commerce Bancshares	\$12.2M + 100 emp	Lincoln, Grand Island, Columbus, Kearney, North Platte, and other locations
18 Ford Motor Credit Company	\$10.4M + 300 emp	Omaha
19 Fremont Beef Company	\$10M + 100 emp	Fremont
20 Goodyear Tire & Rubber	\$3M + 30 emp	Norfolk
21 Great West Casualty Co.	\$4.9M + 59 emp	South Sioux City
22 Hyatt Hotels Corporation	\$10M + 100 emp	Omaha
23 Industrial Machine Spec. Inc.	\$3M + 30 emp	Lincoln
24 K-B Foods Inc.	\$3M + 30 emp	Douglas County
25 Kawasaki Motors Mfg. Corp.	\$14.3M + 106 emp	Lincoln
26 Lester Electric	\$3M + 30 emp	Lancaster County and adjacent counties
27 Lincoln Benefit Life	\$3M + 140 emp	Lincoln
28 Lindsay Manufacturing Co.	\$3M + 30 emp	Lindsay
29 Lyman-Richey Corp.	\$3M + 30 emp	Omaha, Grand Island, McCook, Central & Western Nebraska
30 May Telemarketing Inc.	\$4.9M + 350 emp	Omaha and other locations
31 Mid-America Computer Corp.	\$11M + 133 emp	Blair
32 Midlands Packaging Corp.	\$3M + 30 emp	Lincoln
33 Millard Refrigeration Services	\$14.7M + 210 emp	Douglas and Sarpy Counties
34 Molex Inc.	\$4.6M + 43 emp	Lincoln
35 Nebraska Cellular Telephone	\$10M + 31 emp	Grand Island, Hastings, Kearney, York, North Platte, Lexington, Brady, Paxton, Ogallala, Seward, Norfolk, Columbus, Fremont, Sidney, Scottsbluff, Beatrice, Ashland, O'Neill, Ord, and other locations
36 Nebraska Book Company	\$3M + 30 emp	Lincoln
37 Norfolk Iron & Metal Co.	\$3.7M + 35 emp	Norfolk and Scottsbluff
38 Precision Bearing Co.	\$10M + 110 emp	Omaha, Lincoln, Grand Island, Lexington, Norfolk, Columbus, and other locations
39 Rotella's Italian Bakery Inc.	\$5.5M + 30 emp	Greater Omaha Metropolitan Area
40 T-L Irrigation Co.	\$3M + 30 emp	Hastings
41 Telenational Communications	\$3.3M + 223 emp	Omaha and other locations
42 William H. Harvey Company	\$3M + 35 emp	Greater Omaha Metropolitan Area
43 Wilson Concrete Co.	\$3M + 30 emp	La Platte
44 Wright Printing Company	\$4.4M + 60 emp	Omaha

Agreements Signed in 1991 That are Still in Effect

Company Name	Project Size	Project Location
1 Bemis Company, Inc.	\$5.6M + 49 emp	Omaha
2 Chief Industries Inc.	\$10M + 100 emp	Hastings
3 Drake Williams Steel Inc.	\$3.7M + 30 emp	Omaha
4 Firstier Financial Services	\$7.5M + 30 emp	Lincoln, Omaha, Scottsbluff, and Norfolk
5 Linweld Inc.	\$3M + 30 emp	Lincoln, Hastings, Holdrege, Columbus, Omaha, Kearney, Waverly, Norfolk, Grand Island, Scottsbluff
6 Mallory USA Inc.	\$3M + 30 emp	South Sioux City
7 Minnesota Corn Processors	\$80M + 125 emp	Columbus
8 Monroe Auto Equipment	\$3M + 30 emp	Cozad
9 Shade Pasta Inc.	\$12M + 100 emp	Fremont
10 Union Pacific Railroad	\$3M + 30 emp	Various Locations
11 Western Sugar Company	\$35.7M + 30 emp	Scottsbluff

Agreements Signed in 1992 That are Still in Effect

Company Name	Project Size	Project Location
1 Baker's Supermarket	\$3M + 30 emp	Omaha
2 Bio Nebraska Inc	\$10M + 100 emp	Lincoln
3 California Energy Co. Inc.	\$3M + 30 emp	Omaha
4 Campbell Soup Company	\$10M + 100 emp	Omaha
5 Centurion International Inc.	\$3M + 30 emp	Lincoln
6 Design Plastics Inc.	\$3.15M + 30 emp	Omaha
7 Paraclipse Inc.	\$3M + 30 emp	Columbus
8 PrestoLite Wire Corporation	\$10M + 100 emp	Sidney
9 Store Kraft Manufacturing Co.	\$3.25M + 42 emp	Beatrice
10 Tekton Inc. & Subsidiaries	\$3M + 30 emp	Pender, Wayne and Omaha

Agreements Signed in 1993 That are Still in Effect

Company Name	Project Size	Project Location
1 Ag Processing Inc.	\$5M + 95 emp	Omaha
2 American Shizuki Corp.	\$3.8M + 55 emp	Ogallala
3 Cargill Inc.	\$150M + 100 emp	Washington County
4 ConAgra Inc.	\$10.2M + 100 emp	Omaha
5 Flexcon Company, Inc.	\$22M + 200 emp	Columbus
6 Grapevine Systems Inc.	\$3M + 57 emp	Omaha
7 Henningsen Foods Inc.	\$4.5m + 30 emp	David City and other locations
8 Kelly Industries Inc.	\$3M + 30 emp	Fremont
9 Lincoln Plating Company	\$3.2M + 32 emp	Lincoln
10 Sapp Bros Truck Stops Inc.	\$5M + 30 emp	Statewide
11 FOFTI L.C.	\$10M + 100 emp	Greater Omaha
12 Tenaska Inc.	\$3.1M + 40 emp	Omaha
13 Transcript International, Ltd.	\$10M + 100 emp	Lincoln
14 Travel & Transport Inc.	\$3.9M + 170 emp	Omaha and other locations

Agreements Signed in 1994 That are Still in Effect

Company Name	Project Size	Project Location
1 Auburn Consolidated Industries	\$3M + 35 emp	Auburn
2 Beef Products Inc.	\$15-30M + 100 emp	Dakota City and future locations
3 Excel Corporation	\$13M + 150 emp	Nebraska City
4 First Data Corporation	\$10M + 100 emp	Omaha
5 First National of Nebraska	\$10M + 100 emp	Omaha
6 Fleming Companies Inc.	\$3.4M + 35 emp	Lincoln
7 Greif Bros. Corporation	\$5M + 30 emp	Omaha
8 Information Technology Inc.	\$3M + 30 emp	Lincoln
9 JDD Inc. (Engineered Lumber Sys.)	\$3.2M + 55 emp	Lincoln
10 Lanter Company	\$4M + 34 emp	Omaha
11 Lincoln Steel Company	\$3M + 35 emp	Lincoln
12 MANN'S International Meat	\$3.3M + 59 emp	Omaha
13 Mutual of Omaha	\$20M	Omaha
14 Nebraska Beef Ltd.	\$10M + 100 emp	Omaha
15 Nebraska Furniture Mart	\$3M + 30 emp	Omaha
16 Nucor Corporation	\$20M	Norfolk
17 Sherwood Medical Company	\$3M + 30 emp	Norfolk

Agreements Signed in 1995 That are Still in Effect

Company Name	Project Size	Project Location
1 ACCUMA Corporation	\$10M + 45 emp	Gage County
2 AGP Corn Processing	\$40M + 100 emp	Central Nebraska
3 American Business Information	\$10M + 190 emp	Omaha
4 American Laboratories, Inc.	\$3M + 30 emp	Omaha
5 American Tool Co. Inc.	\$10M + 100 emp	DeWitt and Lincoln areas
6 Behlen Mfg. Co.	\$6M + 165 emp	Columbus and Omaha
7 Blue Cross & Blue Shield	\$10M + 100 emp	Omaha, Lincoln and other locations
8 Cabela's Inc.	\$10M + 100 emp	Sidney and Kearney
9 ConAgra Inc.	\$10M + 100 emp	Omaha
10 Food Services of America	\$3M + 30 emp	Omaha
11 Hudson Foods Inc.	\$16M + 100 emp	Columbus
12 Lincoln Poultry and Egg Company	\$3M + 30 emp	Lincoln
13 MCI Telecommunications Corp.	\$245M + 100 emp	Omaha
14 MFS Communications Company, Inc.	\$10M + 100 emp	Omaha
15 Metromail Corporation	\$10M + 100 emp	Lancaster and Seward Counties
16 Neapco Inc.	\$5M + 50 emp	Beatrice
17 Nebraska Energy LLC	\$35M + 30 emp	Aurora
18 Oilgear Company	\$3M + 30 emp	Fremont
19 Prairie Systems	\$10M + 100 emp	Omaha
20 Scoular Company & Subsidiaries	\$10.5M + 100 emp	Omaha and other locations
21 TCG Omaha	\$20M + 30 emp	Omaha
22 Werner Enterprises	\$10M + 100 emp	Douglas and Sarpy Counties
23 Workpoint Systems Inc.	\$3.5M + 40 emp	Omaha

Agreements Signed in 1996 That are Still in Effect

Company Name	Project Size	Project Location
1 Acceptance Insurance	\$10M + 100 emp	Omaha
2 American Freezer	\$10M + 100 emp	Norfolk and Omaha
3 Archer Daniels Midland Company	\$20M	Lincoln
4 Automatic Equipment Manufacturing	\$3M + 30 emp	Pender
5 Burlington Northern	\$3M + 30 emp	Statewide
6 C.J. Foods	\$3M + 30 emp	Pawnee City
7 Cable Services Group, Inc.	\$14M + 105 emp	Omaha
8 Computer Cable Connection	\$3.55M + 60 emp	Bellevue
9 Consolidated Business Systems, Inc.	\$3.5M + 40 emp	Omaha
10 DAYCO Products, Inc.	\$13.6M + 71 emp	Alliance and McCook
11 Farmers & Merchants Investments Inc.	\$4.85M + 72 emp	Statewide
12 Gallup Organization	\$9M + 155 emp	Lincoln
13 Garner Industries	\$3M + 30 emp	Lincoln
14 Goodyear Tire & Rubber Company	\$3M + 30 emp	Lincoln
15 Greater Omaha Packing Co.	\$10M + 100 emp	Omaha
16 GreenStone Industries-Norfolk Parco	\$3M + 30 emp	Norfolk
17 IBP Inc.	\$10M + 100 emp	Madison
18 Iams Company	\$20.5M + 30 emp	Aurora
19 Inacom Corp.	\$10M + 100 emp	Greater Omaha Metropolitan Area
20 Lincoln Telecommunications	\$20M	Eastern Nebraska
21 Lincoln Telecommunications	\$3M + 30 emp	Eastern Nebraska
22 Morris Press & Office Supplies, Inc.	\$3M + 30 emp	Lexington and Kearney
23 Omaha Steaks International	\$10M + 100 emp	Metropolitan Omaha Area
24 Oriental Trading Co. Inc.	\$16M + 600 emp	Omaha
25 Parker Hannifin Corp.	\$5M + 40 emp	Lincoln
26 Pennington Seed, Inc. of Nebraska	\$10M + 100 emp	Sidney
27 Peter Kiewit Sons Inc.	\$10M + 100 emp	Omaha
28 Phillips Manufacturing Company	\$3.5M + 30 emp	Omaha Area
29 Physicians Mutual Insurance	\$14M + 150 emp	Omaha
30 Pioneer Hi-Bred Int. Inc.	\$3M + 30 emp	York
31 Regal Printing Company	\$4.1M + 51 emp	Omaha
32 Senior Technologies Inc.	\$3M + 30 emp	Lincoln
33 Square D Company	\$20M	Lincoln
34 Tender Heart Treasures Ltd.	\$10M + 100 emp	Omaha
35 Union Pacific Railroad Co.	\$3M + 30 emp	Statewide
36 Union Pacific Railroad Co.	\$3M + 30 emp	Greater Omaha Area
37 Vickers Incorporated	\$20M	Omaha
38 West Telemarketing Corp.	\$10M + 100 emp	Omaha

Agreements Signed in 1997 That are Still in Effect

Company Name	Project Size	Project Location
1 ACI Telecentrics, Inc.	\$3M + 30 emp	Chadron, Ogallala and other locations
2 Affiliated Food Stores	\$8.4M + 100 emp	Norfolk
3 Airlite Plastics Company	\$10M + 30 emp	Greater Omaha Metropolitan Area
4 Arnie's Bagelicious Bagels	\$3M + 30 emp	Nebraska City
5 Call Interactive	\$10M + 100 emp	Greater Omaha Metropolitan Area
6 Central States of Omaha Companies	\$10M + 140 emp	Omaha
7 Cincinnati Bell	\$10.5M + 110 emp	Omaha
8 Commercial Federal Bank	\$10M + 100 emp	Omaha, Lincoln Metro areas and other locations
9 Cox Communications Omaha, Inc.	\$3M + 30 emp	Omaha
10 Distefano Tool & Die Company, Inc.	\$3.2M + 35 emp	Omaha
11 Duncan Aviation	\$3M + 30 emp	Lincoln
12 Eaton Corporation	\$20M	Kearney
13 First Commerce Bancshares	\$12M + 115 emp	Lincoln, Grand Island, Columbus, Kearney, North Platte, and other locations
14 Frito Lay Inc.	\$25M + 30 emp	Central Nebraska
15 Geo A Hormel & Co.	\$20M + 100 emp	Fremont
16 High Plains Corporation	\$55.1M + 105 emp	York County
17 Hydraulic Components Inc.	\$3M + 30 emp	Hartington
18 IBP, Inc.	\$10M + 100 emp	Dakota City West Point
19 IBP, Inc.	\$10M + 100 emp	Gibbon
20 Information Communication Enter. Inc.	\$10M + 100 emp	Waverly
21 International Spices, LTD	\$3M + 30 emp	Elkhorn
22 J&B Wholesale Distributing Inc.	\$5M + 45 emp	Greater Omaha Metropolitan Area
23 Kellogg Company	\$84M + 30 emp	Omaha
24 Lozier Corporation	\$17M + 110 emp	Omaha
25 Marshall Engines Inc.	\$3.1M + 300 emp	Kearney
26 Midwest Web Inc.	\$4.7M + 30 emp	Lincoln
27 Minnesota Mining & Mfg.	\$3M + 30 emp	Valley
28 Nebraska Litho Company	\$3.3M + 31 emp	Lincoln
29 Nedelco Inc. & Subsidiaries	4.85M + 147 emp	Aurora
30 Omaha Cellular Telephone Company	\$20M	Omaha
31 Orion Systems, LTD	\$10M + 135 emp	Omaha
32 Pacesetter Corporation	\$10M + 100 emp	Omaha, Grand Island and other Nebraska locations
33 Peed Corporation	\$5.5M + 50 emp	Lincoln and other locations
34 Premier Industries Inc.	\$3M + 30 emp	Mead
35 Quality Pork International, Inc.	\$10M + 100 emp	Omaha
36 Reliance Electric	\$3M + 30 emp	Columbus
37 Sandoz Pharmaceutical Corp.	\$10M + 100 emp	Lincoln
38 Security Mutual Life Insurance Co.	\$4.5M + 30 emp	Lincoln
39 Sprint Spectrum L.P.	\$35M + 150 emp	Statewide Service Area
40 SpyroTech Corporation	\$5M + 60 emp	Lincoln
41 Streck Laboratories	\$10M + 100 emp	Omaha
42 U.S. West Inc.	\$20M	Statewide Service Area
43 U.S. West Inc.	\$3M + 30 emp	Omaha Area
44 Valmont Industries Inc.	\$10M + 100 emp	Valley, McCook, West Point, Omaha
45 Walker Manufacturing Co.	\$3M + 30 emp	Seward

Agreements Signed in 1998 That are Still in Effect

Company Name	Project Size	Project Location
1 Ag-Bag International Limited	3/30	Blair
2 Arnold Engineering Company	3/30	Norfolk
3 Baldwin Filters, Inc.	10/100	Kearney and Gothenburg
4 Ballantyne of Omaha, Inc. & Subs.	3/30	Omaha
5 Becton Dickinson	3/30	Holdrege, Columbus, Broken Bow
6 Caterpillar Claas America LLC	10/100	Omaha
7 Central States Health & Life	3/30	Greater Omaha Metropolitan Area
8 Empire Fire & Marine Insurance Co.	10/100	Omaha and other locations
9 HDR, Inc.	10/100	Omaha
10 Isco, Inc.	10/100	Lincoln
11 Kroy Building Products, Inc.	3/30	York
12 LI-COR, Inc.	3/30	Lincoln
13 Pegler-Sysco	3/30	Omaha, Lincoln, Grand Island and other locations
14 Peoples Natural Gas	3/30	Omaha
15 Platte Valley Financial Services	3/30	Scottsbluff
16 Porter Chadburn, Inc.	10/100	Omaha
17 Premoule America Inc.	10/100	Omaha
18 Reinke Manufacturing Company, Inc.	3/30	Deshler
19 Rosen's Diversified, Inc.	10/100	Omaha
20 Sitel Corporation	10/100	Omaha
21 Tri-V Tool & Die Company	3/30	Omaha area
22 William H. Harvey Co.	3/30	Omaha

Summary of LB 775 Benefits Approved Through 12/31/99

Table 2 summarizes the credits earned and used and the direct sales/use tax refunds approved for qualified companies through December 31, 1999. Also included are the sales and use tax refunds pending approval at year end. Detail by type of agreement is provided in Table 3.

Detail by industry group is provided in Tables 4 through 8 and 10 through 14. Table 9 breaks down sales tax refunds between city and state tax. Tables 15 through 26 regroup the companies by year of qualification.

Summary of LB 775 Benefits Approved

Table 2

The Department of Revenue has conducted field reviews of companies which filed reports with the department indicating that they had met the minimum new jobs and investment levels to qualify for incentives. Table 1 shows the number of qualifying companies verified by field review. Based on these examinations, the department has approved:

	1988-1995*	1996	1997	1998	1999	Total
Investment Credits	\$496,721,218	\$87,265,973	\$148,254,617	\$100,958,948	\$ 90,537,676	\$ 923,738,432
New Jobs Credits	202,725,634	40,387,977	39,729,028	40,089,986	43,315,779	366,248,404
Total Credits Earned	\$699,446,852	\$127,653,950	\$187,983,645	\$141,048,934	\$133,853,455	\$1,289,986,836
Credits Used						
Income Tax**	\$164,918,288	\$50,905,348	\$48,725,683	\$ 44,257,680	\$43,027,666	\$351,834,665
Sales/Use Tax Refunds	116,493,547	35,547,699	40,400,815	56,039,915	41,310,334	289,792,310
Total Credits Used	\$281,411,835	\$86,453,047	\$89,126,498	\$100,297,595	\$84,338,000	\$641,626,975
Direct Sales/Use Tax Refunds on Investment	\$204,338,936	\$50,768,751	\$30,092,262	\$49,765,826	\$38,337,566	\$373,303,341
Recapture***						
Repaid From Credits	\$2,586,448 564,176	\$414,659 739,988	\$1,066,309 424,278	\$1,284,532 274,014	\$1,401,522 197,017	\$6,753,470 2,199,473
Qualified Investment	\$6,845,745,615	\$976,199,731	\$1,773,427,614	\$1,218,979,775	\$1,180,386,362	\$11,994,739,097
New Jobs of Qualifying Companies	39,354	7,704	5,754	5,885	6,287	64,984
Sales/Use Tax Refunds Pending Approval at Year End		18,907,607	42,399,495	29,305,069	43,566,048	

* For details by year see 1995 Annual Report

	1988-95	1996	1997	1998	1999	Total
** Corporate	\$135,657,750	\$36,416,262	\$41,854,411	\$35,704,704	\$34,337,098	\$283,970,225
Individual	29,260,538	14,489,086	6,871,272	8,552,976	8,690,568	67,864,440
Total	\$164,918,288	\$50,905,348	\$48,725,683	\$44,257,680	\$43,027,666	\$351,834,665

*** If a company fails to maintain either the minimum employment or investment required by its agreement, one seventh of the refunds and one-seventh of the credits used are recaptured and one-seventh of the credit carryover at the end of the entitlement period is recaptured for each year the company is below the required levels. Through December 31, 1999, twenty-three companies were in recapture. \$4,930,807 in repayment due has been netted from approved refund claims, and \$1,822,662, plus interest, has been repaid in cash. Credit carryover for companies that have reached the end of the entitlement period has been reduced by \$2,199,473.

Description of Application Options

\$20M investment and no employees. Benefits include:

- Election to use “sales only” factor to apportion state taxable income, and
- Direct refund of all sales and use tax paid on purchases of qualified property at the project.

\$3M investment and 30 employees. In addition to the benefits listed above, a \$3M + 30 applicant is eligible for:

- Five percent tax credit on the amount the total compensation paid to employees who are either Nebraska employees or base-year employees exceeds the compensation attributed to base-year employees, and
- Ten percent tax credit on total investment in qualified property.

\$10M investment and 100 employees. In addition to the benefits listed above, a \$10M + 100 applicant is eligible for property tax exemption on:

- Turbine-powered aircraft or jets,
- Mainframe business computers and peripheral components used at the project, and
- Equipment used directly in processing agricultural products.

Please note that a company applying under the \$10M + 100 employee option has a two-part agreement, one at the \$3M + 30 employee level and one at the \$10M + 100 employee level. The companies listed as having applied under the \$10M + 100 employee level may only have qualified under the \$3M + 30 employee portion of their agreement. The only additional benefits available under the \$10M + 100 employee portion of an agreement are the property tax benefits.

Table 3 shows the total benefits approved for each type of agreement, as described above, through 1998.

Table 4 shows the types of companies that are included in each industry group. The industry groups are based on Standard Industrial Classification (SIC) codes. All industry groups include a minimum of three (3) companies. The options under which companies in each industrial group have qualified are shown in the last column.

**Table 3 Analysis of Benefits Approved by Type of Agreement
(Cumulative Through 1999)**

	\$20 Million 0 Employees	\$3 Million 30 Employees	\$10 Million 100 Employees	Total
Number of Companies	15	147	118	280
Investment Credits		\$348,212,337	\$575,526,095	\$ 923,738,432
New Jobs Credits		139,039,417	227,208,987	366,248,404
Total Credits Earned		<u>\$487,251,754</u>	<u>\$802,735,082</u>	\$1,289,986,836
Credits Used				
Income Tax		\$133,582,240	\$218,252,425	\$351,834,665
Sales/Use Tax Refunds		88,618,748	201,173,562	289,792,310
Total Credits Used		<u>\$222,200,988</u>	<u>\$419,425,987</u>	\$641,626,975
Direct Sales/Use Tax Refunds on Investment	81,200,372	\$99,312,205	\$192,790,764	\$373,303,341
Qualified Investment	2,711,325,994	\$3,504,677,181	\$5,778,735,922	\$11,994,739,097
New Jobs of Qualifying Companies		25,487	39,497	64,984
Sales/Use Tax Refunds Pending Approval at Year End (12-31-99)	\$1,411,978	\$15,011,285	\$27,142,785	\$43,566,048

LB 775 Companies Whose Qualifications Have Been Approved As Of 12/31/99

Table 4

Classification Into Industry Group by Standard Industrial Classification (SIC) and Option Under Which Applied

Division	SIC, Major Industry Group Titles	Option Under Which Applied
Construction & Manufacturing	15, 16, 25, 26, 27 Construction, Furniture, Fixtures, Printing and Publishing	3M + 30 emp 10M + 100 emp
	201 Meat Products	3M + 30 emp 10M + 100 emp
	202-209 Other Food Products	3M + 30 emp 10M + 100 emp 20M
	28, 30, 32 Chemicals and Allied Products, Rubber and Miscellaneous Products, Stone, Clay, Glass and Concrete Products	3M + 30 emp 10M + 100 emp
	33 Primary Metal Products	3M + 30 emp 10M + 100 emp 20M
	34, 37 Fabricated Metal Products, Transportation Equipment	3M + 30 emp 10M + 100 emp
	35 Industrial and Commercial Machinery	3M + 30 emp 10M + 100 emp 20M
	36 Electronic and Other Electric Equipment	3M + 30 emp 10M + 100 emp 20M
	38, 39 Instruments and Related Products, Miscellaneous Manufacturing	3M + 30 emp 10M + 100 emp
Transportation & Public Utilities	40, 49 Railroads, Electric and Gas, and Sanitary Services	3M + 30 emp 10M + 100 emp 20M
	42 Trucking and Warehousing	3M + 30 emp 10M + 100 emp
	48 Communications	3M + 30 emp 10M + 100 emp 20M
Wholesale & Retail Trade	50, 51 Durable Goods and Non-durable Goods	3M + 30 emp 10M + 100 emp
Finance, Insurance & Real Estate	60, 61 Depository Institutions and Non-Depository Credit Institutions	3M + 30 emp 10M + 100 emp
	62, 63, 64 Security and Commodity Brokers, Insurance Carriers, and Insurance Agents, Brokers, and Service	3M + 30 emp 10M + 100 emp 20M
Services	73, 76, 87, 89 Business Services, Miscellaneous Repair Services, Engineering and Management Services, and Miscellaneous Services	3M + 30 emp 10M + 100 emp

LB 775 INDUSTRY GROUP DETAIL

Analysis of Credits

Tables 5 and 6 show an analysis of credits earned and used in 1999 and cumulative through 1999 by industry group. Total credits earned consist of both investment and employment credits. Both types of credits go into a credit pool and can be used to offset corporate or individual income tax liability and to receive a refund of otherwise non-refundable sales or use tax paid on purchases at the project.

Credits distributed to either corporate or individual shareholders or partners totaled \$48,426,452 in 1988-1995, \$17,116,811 in 1996, \$8,585,518 in 1997, \$10,944,731 in 1998 and \$14,847,628 in 1999. Distributed credits may only be used to offset corporate or individual income tax liabilities.

Table 5 Analysis of Credits by Industry Group (1999)

Industry Group	Total Credits Earned	CREDITS USED		Credits Recaptured	Credit Balance
		Income Tax	Sales Tax		
Construction, Furniture, Fixtures, Printing and Publishing	\$ 9,510,501	\$ 4,554,111	\$ 2,025,408		\$ 2,930,982
Meat Products	5,150,766	4,722,606	3,152,655		(2,724,495)
Other Food Products	7,339,543	3,343,563	2,666,635	\$197,017	1,132,328
Chemicals and Allied Products, Rubber and Miscellaneous Products, Stone, Clay, Glass and Concrete Products	10,030,745	2,284,897	1,423,813		6,322,035
Primary Metal Products	2,071,616	1,494,932	2,102,539		(1,525,855)
Fabricated Metal Products	4,923,289	372,571	1,139,991		3,410,727
Industrial and Commercial Machinery, Transportation Equipment	2,000,697	1,027,428	463,031		510,238
Electronic and Other Electric Equipment	6,908,626	520,121	547,717		5,840,788
Instruments and Related Products, Miscellaneous Manufacturing	1,103,268	379,053	1,845,570		(1,121,355)
Railroads, Electric and Gas Services, and Sanitary Services	23,272,246	4,096,471	7,409,294		11,766,481
Trucking and Warehousing	4,340,585	621,838	938,295		2,780,452
Communications	1,665,542	2,453,355	0		(787,813)
Durable Goods and Non-durable Goods	11,743,033	3,044,631	1,503,791		7,194,611
Depository Institutions and Non-depository Credit Institutions	8,585,657	34,327	3,274,357		5,276,973
Insurance Carriers, Security, and Commodity Brokers	10,620,513	815,951	507,150		9,297,412
Business services, Misc. Repair Services, Engineering and Management Services, and Miscellaneous Services	24,586,828	13,261,811	12,310,088		(985,071)
Total	\$133,853,455	\$43,027,666	\$41,310,334	\$197,017	\$49,318,438

LB 775 INDUSTRY GROUP DETAIL

**Table 6 Analysis of Credits by Industry Group
(Cumulative Through 1999)**

Industry Group	Total Credits Earned	CREDITS USED		Credits Recaptured	Credit Balance
		Income Tax	Sales Tax		
Construction, Furniture, Fixtures, Printing and Publishing	\$ 63,831,406	\$ 25,690,074	\$ 17,113,862		\$ 21,027,470
Meat Products	110,554,905	25,936,578	29,795,396	\$ 564,176	54,258,755
Other Food Products	107,340,902	24,414,234	21,670,120	197,017	61,059,531
Chemicals and Allied Products, Rubber and Miscellaneous Products, Stone, Clay, Glass and Concrete Products	147,639,737	22,562,913	22,856,895		102,219,929
Primary Metal Products	31,378,901	13,607,410	10,511,215		7,260,276
Fabricated Metal Products	37,606,819	12,851,304	10,954,194	590,373	13,210,948
Industrial and Commercial Machinery, Transportation Equipment	32,932,470	6,351,511	15,552,070	267,464	10,761,425
Electronic and Other Electric Equipment	39,991,047	5,494,957	12,599,520		21,896,570
Instruments and Related Products, Miscellaneous Manufacturing	38,019,041	8,391,960	14,245,837		15,381,244
Railroads, Electric and Gas Services, and Sanitary Services	147,961,605	39,502,692	21,053,538		87,405,375
Trucking and Warehousing	29,039,776	12,579,401	3,009,225		13,451,150
Communications	97,551,692	46,244,616	1,463,915		49,843,161
Durable Goods and Non-durable Goods	58,888,849	21,128,026	8,830,087	258,954	28,671,782
Depository Institutions and Non-depository Credit Institutions	60,931,684	4,251,533	25,959,802		30,720,349
Insurance Carriers, Security, and Commodity Brokers	51,275,616	9,519,866	13,601,320	314,939	27,839,491
Business services, Misc. Repair Services, Engineering and Management Services, and Miscellaneous Services	235,042,386	73,307,590	60,575,314	6,550	101,152,932
Total	\$1,289,986,836	\$351,834,665	\$289,792,310	\$2,199,473	\$646,160,388

LB 775 INDUSTRY GROUP DETAIL

Sales and Use Tax Refunds

There are two types of sales and use tax refunds available under LB775, direct refunds and refunds using credits.

The direct refund is available on qualified property (see Table 10 narrative for the definition of qualified property) and on aircraft. The total direct refunds through December 31, 1999 were \$373,303,341. Refunds were \$365,099,073 on qualified property and \$8,204,268 on aircraft.

Credits earned on investment and employment increases may be used to obtain a refund of otherwise nonrefundable sales and use tax paid on purchases at the project.

Tables 7 and 8 show a summary of sales and use tax refunds by industry group in 1999 and cumulative through 1999. The last column of Table 7 shows the sales and use tax refunds pending approval on December 31, 1999.

Table 9 shows a breakdown of the total sales and use tax refunds between city and state tax.

Table 7 Analysis of Sales/Use Tax Refunds by Industry Group (1999)

Industry Group	APPROVED REFUNDS			Refunds Pending as of 12/31/99
	Direct Refunds	Refunds Using Credits	Total	
Construction, Furniture, Fixtures, Printing and Publishing	\$ 2,627,755	\$ 2,025,408	\$ 4,653,163	\$ 1,805,033
Meat Products	305,573	3,152,655	3,458,228	3,872,513
Other Food Products	2,261,660	2,666,635	4,928,295	4,475,854
Chemicals and Allied Products, Rubber and Miscellaneous Products, Stone, Clay, Glass and Concrete Products	2,003,837	1,423,813	3,427,650	5,584,616
Primary Metal Products	6,331,553	2,102,539	8,434,092	77,261
Fabricated Metal Products	598,075	1,139,991	1,738,066	1,703,989
Industrial and Commercial Machinery, Transportation Equipment	243,501	463,031	706,532	714,473
Electronic and Other Electric Equipment	962,904	547,717	1,510,621	2,280,701
Instruments and Related Products, Miscellaneous Manufacturing	46,562	1,845,570	1,892,132	1,112,442
Railroads, Electric and Gas Services, and Sanitary Services	7,143,622	7,409,294	14,552,916	148,014
Trucking and Warehousing	820,834	938,295	1,759,129	931,498
Communications	4,636,162	0	4,636,162	9,175,992
Durable Goods and Non-durable Goods	1,077,717	1,503,791	2,581,508	1,549,924
Depository Institutions and Non-depository Credit Institutions	2,915,945	3,274,357	6,190,302	1,126,171
Insurance Carriers, Security, and Commodity Brokers	1,127,621	507,150	1,634,771	4,020,148
Business services, Misc. Repair Services, Engineering and Management Services, and Miscellaneous Services	5,234,245	12,310,088	17,544,333	4,987,419
Total	\$38,337,566	\$41,310,334	\$79,647,900	\$43,566,048

Table 8 LB 775 INDUSTRY GROUP DETAIL
Analysis of Sales/Use Tax Refunds by Industry Group
(Cumulative through 1999)

Industry Group	APPROVED REFUNDS		
	Direct Refunds	Refunds Using Credits	Total Refunds
Construction, Furniture, Fixtures, Printing and Publishing	\$ 15,787,812	\$ 17,113,862	\$ 32,901,674
Meat Products	15,143,804	29,795,396	44,939,200
Other Food Products	33,510,172	21,670,120	55,180,292
Chemicals and Allied Products, Rubber and Miscellaneous Products, Stone, Clay, Glass and Concrete Products	35,754,540	22,856,895	58,611,435
Primary Metal Products	14,987,170	10,511,215	25,498,385
Fabricated Metal Products	7,484,888	10,954,194	18,439,082
Industrial and Commercial Machinery, Transportation Equipment	6,089,848	15,552,070	21,641,918
Electronic and Other Electric Equipment Instruments and Related Products, Miscellaneous Manufacturing	14,137,616	12,599,520	26,737,136
Railroads, Electric and Gas Services, and Sanitary Services	9,344,474	14,245,837	23,590,311
Trucking and Warehousing	43,036,200	21,053,538	64,089,738
Communications	4,761,377	3,009,225	7,770,602
Durable Goods and Non-durable Goods	62,683,066	1,463,915	64,146,981
Depository Institutions and Non-depository Credit Institutions	11,648,474	8,830,087	20,478,561
Insurance Carriers, Security, and Commodity Brokers	15,001,413	25,959,802	40,961,215
Business services, Misc. Repair Services, Engineering and Management Services, and Miscellaneous Services	24,594,078	13,601,320	38,195,398
Total	\$373,303,341	\$289,792,310	\$663,095,651

Table 9

Analysis of Sales/Use Tax Refunds

	APPROVED REFUNDS NET OF RECAPTURE						Refunds Pending as of 12/31/99
	1988-95*	1996	1997	1998	1999	Total	
Number of Claims	3194	687	634	880	668	6,063	352
State Tax	\$267,279,558	\$73,639,893	\$58,687,406	\$ 88,541,648	\$65,864,573	\$554,013,078	\$36,144,349
City Tax	51,668,675	12,454,369	10,938,701	16,439,735	12,650,283	104,151,763	7,421,699
Total	\$318,948,233	\$86,094,262	\$69,626,107	\$104,981,383	\$78,514,856	\$658,164,841	\$43,566,048

* For detail by year see 1995 Annual Report.

LB 775 INDUSTRY GROUP DETAIL

Table 10 details the investment in qualified property by industry group. Qualified property is any tangible property of a type subject to depreciation, amortization, or other recovery under the Internal Revenue Code of 1986, or the components of such property, that will be used at the project. Qualified property does not include (a) aircraft, barges, motor vehicles, railroad rolling stock, or watercraft or (b) property that is rented by the taxpayer qualifying under the Employment and Investment Growth Act to another person.

Table 10 **Investment in Qualified Property
by Industry Group**

Industry Group	1988-95*	1996	1997	1998	1999	Total
Construction, Furniture, Fixtures, Printing and Publishing	\$ 239,829,682	\$ 31,021,425	\$ 46,331,110	\$ 27,966,590	\$ 69,669,570	\$ 414,818,377
Meat Products	469,872,190	56,327,288	91,262,852	59,111,210	20,184,770	696,758,310
Other Food Products	726,200,481	130,206,411	69,910,130	77,868,760	103,328,051	1,107,513,833
Chemicals and Allied Products, Rubber and Miscellaneous Products, Stone, Clay, Glass and Concrete Products	669,008,882	82,237,811	375,245,930	65,641,750	67,753,100	1,259,887,473
Primary Metal Products	135,833,596	14,216,025	17,966,780	236,364,293	31,533,606	435,914,300
Fabricated Metal Products	158,324,148	21,142,457	16,409,860	13,917,010	33,958,460	243,751,935
Industrial and Commercial Machinery, Transportation Equipment	127,867,437	30,309,226	13,829,640	36,511,719	15,013,909	223,531,931
Electronic and Other Electric Equipment	234,753,035	38,133,251	61,084,130	46,427,370	116,869,501	497,267,287
Instruments and Related Products, Miscellaneous Manufacturing	215,164,894	23,568,149	13,852,600	15,741,200	6,331,210	274,658,053
Railroads, Electric and Gas Services, and Sanitary Services	832,111,847	133,157,295	333,345,360	218,237,510	194,535,530	1,711,387,542
Trucking and Warehousing	66,706,503	8,907,630	10,225,470	16,446,160	27,936,040	130,221,803
Communications	1,587,461,685	17,306,277	410,029,789	38,913,169	116,268,697	2,169,979,617
Durable Goods and Non-durable Goods	135,463,419	49,582,528	41,543,210	59,370,700	65,703,580	351,663,437
Depository Institutions and Non-depository Credit Institutions	190,244,858	70,941,758	29,461,670	87,432,420	65,372,800	443,453,506
Insurance Carriers, Security, and Commodity Brokers	322,441,248	39,978,250	26,467,918	82,229,544	91,076,388	562,193,348
Business services, Misc. Repair Services, Engineering and Management Services, and Miscellaneous Services	734,461,710	229,163,950	216,461,165	136,800,370	154,851,150	1,471,738,345
Total	\$6,845,745,615	\$976,199,731	\$1,773,427,614	\$1,218,979,775	\$1,180,386,362	\$11,994,739,097

* For detail by year see 1995 Annual Report.

LB 775 INDUSTRY GROUP DETAIL

Number of New Jobs Created

Table 11 shows the number of new full-time equivalent (FTE) employees at the projects as compared to the prior year.

A full-time equivalent employee equates to an employee with 40 hours paid in a week. An employee with 60 hours paid in a week would be counted as 1.5 FTE employees.

The increase in FTE employees is calculated by subtracting the FTE employees at the project in the tax year prior to the year of application from the number of FTE employees in the reporting tax year.

A company is required to maintain a minimum 30 FTE employee increase to avoid recapture. However, a company that previously showed a FTE employee increase of 80 could fall back to a 30 FTE employee increase without going into recapture.

Table 11 **Number of Jobs Created by Industry Group**
Full-Time Equivalent (FTE) Employees

Industry Group	1988-95	1996	1997	1998	1999	Total
Construction, Furniture, Fixtures, Printing and Publishing	2,240	12	23	283	527	3,085
Meat Products	7,503	770	1,331	910	505	11,019
Other Food Products	3,018	(56)	233	283	94	3,572
Chemicals and Allied Products, Rubber and Miscellaneous Products, Stone, Clay, Glass and Concrete Products	1,756	377	611	364	567	3,675
Primary Metal Products	1,019	138	237	175	26	1,595
Fabricated Metal Products	1,659	(78)	87	302	321	2,291
Industrial and Commercial Machinery, Transportation Equipment	1,381	281	104	341	91	2,198
Electronic and Other Electric Equipment	1,091	432	44	838	357	2,762
Instruments and Related Products, Miscellaneous Manufacturing	1,214	232	(181)	95	120	1,480
Railroads, Electric and Gas Services, and Sanitary Services	821	509	243	818	527	2,918
Trucking and Warehousing	1,473	529	342	231	350	2,925
Communications	267	88	353	11	(25)	694
Durable Goods and Non-durable Goods	2,246	435	471	321	586	4,059
Depository Institutions and Non-depository Credit Institutions	2,329	604	(72)	(84)	671	3,448
Insurance Carriers, Security, and Commodity Brokers	1,201	413	452	511	646	3,223
Business Services, Miscellaneous Repair Services, Engineering, Management Services, and Miscellaneous Services	10,136	3,018	1,476	486	924	16,040
Total	39,354	7,704	5,754	5,885	6,287	64,984

LB 775 INDUSTRY GROUP DETAIL

Average Salary of New Employees

Tables 12-13 show the estimated average salary of new employees for 1999 and cumulative through 1999. The average salary for each industry group is the weighted average salary for that group.

The weighted average salary for a group is calculated by multiplying the number of new full-time equivalent (FTE) employees for a company by the estimated annual salary of new employees at that company. This product is then added to the product for the other companies in the group, and the total is divided by the total number of new FTE employees in the group. For example:

	(1)	(2)	(3)	(4)
Company	New FTE Employees	Average Salary	Product (1 x 2)	Weighted Average Salary (3 ÷ 1)
A	10	\$30,000	\$ 300,000	
B	100	10,000	1,000,000	
C	20	20,000	400,000	
Group Total	130		\$1,700,000	\$13,077

Table 12 Average Salary of New Employees by Industry Group (1999)

Industry Group	Total New FTE Employees	Estimated Average Salary of New Employees
Construction, Furniture, Fixtures, Printing and Publishing	527	\$31,146
Meat Products	505	21,427
Other Food Products	94	26,841
Chemicals and Allied Products, Rubber and Miscellaneous Products, Stone, Clay, Glass and Concrete Products	567	25,771
Primary Metal Products	26	23,504
Fabricated Metal Products	321	23,387
Industrial and Commercial Machinery, Transportation Equipment	91	23,887
Electronic and Other Electric Equipment	357	29,963
Instruments and Related Products, Miscellaneous Manufacturing	120	26,669
Railroads, Electric and Gas Services, and Sanitary Services	527	57,690
Trucking and Warehousing	350	29,497
Communications	(25)	N/A
Durable Goods and Non-durable Goods	586	34,976
Depository Institutions and Non-depository Credit Institutions	671	27,708
Insurance Carriers, Security, and Commodity Brokers	646	28,180
Business services, Misc. Repair Services, Engineering and Management Services, and Miscellaneous Services	924	29,220
Total	6,287	\$30,668*

* \$193,577,051 / 6,312 (Negative FTE Employees Excluded)

LB 775 INDUSTRY GROUP DETAIL

**Table 13 Average Salary of New Employees by Industry Group
(Cumulative through 1999)**

Industry Group	Total New FTE Employees	Estimated Average Salary of New Employees
Construction, Furniture, Fixtures, Printing and Publishing	3,085	\$24,858
Meat Products	11,019	19,661
Other Food Products	3,572	23,403
Chemicals and Allied Products, Rubber and Miscellaneous Products, Stone, Clay, Glass and Concrete Products	3,675	26,136
Primary Metal Products	1,595	29,884
Fabricated Metal Products	2,291	24,862
Industrial and Commercial Machinery, Transportation Equipment	2,198	28,838
Electronic and Other Electric Equipment	2,762	21,559
Instruments and Related Products, Miscellaneous Manufacturing	1,480	27,910
Railroads, Electric and Gas Services, and Sanitary Services	2,918	53,487
Trucking and Warehousing	2,925	25,084
Communications	694	33,005
Durable Goods and Non-durable Goods	4,059	27,357
Depository Institutions and Non-depository Credit Institutions	3,448	23,484
Insurance Carriers, Security, and Commodity Brokers	3,223	26,340
Business services, Misc. Repair Services, Engineering and Management Services, and Miscellaneous Services	16,040	22,406
Total	64,984	\$25,091 *

* \$1,630,491,500 / 64,984

LB 775 INDUSTRY GROUP DETAIL

Total Number of People Employed in Nebraska by Qualified LB 775 Applicants

Table 14 shows a comparison of the total number of people employed in Nebraska by the qualified LB 775 applicants at the end of the quarter prior to the date of application with the total number of people employed in Nebraska on the most recent reporting date. No information is included for projects which are beyond the end of the seven-year entitlement period and are no longer earning new benefits. The increase in total number of people employed for projects in the entitlement period per Table 14 may be less than the cumulative increase in full-time equivalent employees reported in Table 13 for all projects which have had qualified employment growth.

The number of people employed is not measured the same as the number of full-time equivalent (FTE) employees shown previously in this report. The numbers shown in this table are simply the number of people employed by the qualified LB 775 applicants statewide in Nebraska on a specific date, without regard to the number of hours those people worked.

Table 14 **Total Number of People Employed
by Qualified LB 775 Applicants
by Industry Group**

Industry Group	End of Quarter Prior to Date of Application	Most Recent Reporting Date	Increase (Decrease)
Construction, Furniture, Fixtures, Printing and Publishing	5,662	6,721	1,059
Meat Products	9,307	12,574	3,267
Other Food Products	3,730	5,321	1,591
Chemicals and Allied Products, Rubber and Miscellaneous Products, Stone, Clay, Glass and Concrete Products	2,370	4,704	2,334
Primary Metal Products	3,172	4,142	970
Fabricated Metal Products	3,288	3,987	699
Industrial and Commercial Machinery, Transportation Equipment	1,564	2,061	497
Electronic and Other Electric Equipment	4,490	6,709	2,219
Instruments and Related Products, Miscellaneous Manufacturing	483	606	123
Railroads, Electric and Gas Services, and Sanitary Services	9,864	12,564	2,700
Trucking and Warehousing	3,126	4,994	1,868
Communications	1,711	1,822	111
Durable Goods and Non-durable Goods	5,111	7,834	2,723
Depository Institutions and Non-depository Credit Institutions	4,601	6,326	1,725
Insurance Carriers, Security, and Commodity Brokers	9,924	11,698	1,774
Business services, Misc. Repair Services, Engineering and Management Services, and Miscellaneous Services	14,225	20,648	6,423
Total	82,628	112,711	30,083

Summary of Benefits by Year Qualification Verified

Tables 15-26 separate the data for the 280 companies that have qualified for benefits by the end of 1999 into groups based on the year the department originally verified the company had qualified for benefits. In 1999, 125 companies had previously reached the end of their entitlement period and were no longer eligible to earn credits.

When a company qualifies for benefits under LB 775, the Department of Revenue will verify its eligibility for initial credits and sales and use tax refunds as soon as the company has the necessary documentation prepared. In following years, the taxpayer files its Form 775N with its Nebraska income tax return to claim additional credits.

In some instances, a fiscal year taxpayer that qualified in one year may not have filed its income tax return for the subsequent year until after the end of the next calendar year. For example, if a taxpayer qualified at the end of its June 30, 1995 tax year, the department might have verified its qualification in 1995. However, the company's tax return, including its Form 775N, for the tax year ended June 30, 1996, might not have been filed until April 15, 1997. While the data for 1996 would show no additional credits for the company, any credits used or direct refunds of sales and use tax approved or pending would be included in the 1996 data.

For this reason only 14 of the 23 companies verified as qualifying in 1998 filed a Form 775N claiming additional credits in 1999. This pattern occurred in the prior years also.

Table 15 **Summary of Benefits by Year**
(Companies Verified as Qualifying in 1988)

	1988-1995*	1996	1997	1998	1999	Total
Number of Companies Reporting	N/A	0	0	0	0**	
Investment Credits	\$41,888,209	\$(13,899)	\$ 8,006	\$(83,443)	0	\$41,798,873
New Jobs Credits	23,900,999	0	(962,921)	0	0	22,938,078
Total Credits Earned	<u>\$65,789,208</u>	<u>\$(13,899)</u>	<u>\$(954,915)</u>	<u>\$(83,443)</u>	0	\$64,736,951
Credits Used						
Income Tax	\$10,010,406	\$1,643,548	\$1,574,594	\$1,032,294	\$ 862,920	\$15,123,762
Sales/Use Tax Refunds	28,082,463	4,121,579	2,002,320	7,405,635	3,082,497	44,694,494
Total Credits Used	<u>\$38,092,869</u>	<u>\$5,765,127</u>	<u>\$3,576,914</u>	<u>\$8,437,929</u>	<u>\$3,945,417</u>	\$59,818,256
Direct Sales/Use Tax Refunds on Investment	\$43,213,408	\$2,018,719	0	\$(153,085)	0	\$45,079,042
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$4,271,843	\$3,613,608	\$1,101,353	\$1,937,634	N/A
Qualified Investment	\$1,462,561,731	\$(138,992)	\$80,060	\$(834,430)	0	\$1,461,668,369
New Jobs of Qualifying Companies	3,433	0	0	0	0	3,433

* For detail by year see previous Annual Reports.

** All projects approved in 1988 are past the end of their entitlement period. However, a taxpayer amendment and audit adjustments to previous credits allowed or benefits received may still be reflected in current year credits earned.

Table 16

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1989)**

	1989-1995*	1996	1997	1998	1999	Total
Number of Companies Reporting	N/A	3	0	0	1**	
Investment Credits	\$187,386,428	\$405,201	\$(1,744,959)	\$(119,485)	\$ 2,254	\$185,929,439
New Jobs Credits	76,696,085	135,304	(298,619)	(130,843)	(177,719)	76,224,208
Total Credits Earned	\$264,082,513	\$540,505	\$(2,043,578)	\$(250,328)	\$(175,465)	\$262,153,647
Credits Used						
Income Tax	\$ 82,135,207	\$10,989,161	\$17,530,040	\$ 7,133,808	\$4,483,175	\$122,271,391
Sales/Use Tax Refunds	43,925,866	12,377,658	17,800,561	8,002,748	3,702,020	85,808,853
Total Credits Used	\$126,061,073	\$23,366,819	\$35,330,601	\$15,136,556	\$8,185,195	\$208,080,244
Direct Sales/Use Tax Refunds on Investment	\$70,964,372	\$3,074,841	\$545,482	\$(298,115)	\$14,880	\$74,301,460
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$1,931,428	\$5,578,622	\$1,232,314	\$10,723,043	N/A
Qualified Investment	\$2,206,972,238	\$4,052,009	\$(17,449,590)	\$(1,194,850)	\$22,540	\$2,192,402,347
New Jobs of Qualifying Companies	11,256	2	0	0	0	11,258

* For detail by year see previous Annual Reports.

** All projects approved in 1989 are past the end of their entitlement period. However, a taxpayer amendment and audit adjustments to previous credits allowed or benefits received may still be reflected in current year credits earned.

Table 17

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1990)**

	1990-1995*	1996	1997	1998	1999	Total
Number of Companies Reporting	N/A	23	4	1	1**	
Investment Credits	\$ 82,011,165	\$ 7,031,209	\$2,024,408	\$(162,012)	\$451,099	\$ 91,355,869
New Jobs Credits	51,834,254	8,406,779	2,406,838	78,388	(255,681)	62,470,578
Total Credits Earned	\$133,845,419	\$15,437,988	\$4,431,246	\$ (83,624)	\$195,418	\$153,826,447
Credits Used						
Income Tax	\$31,503,317	\$ 7,821,671	\$ 4,748,802	\$ 4,764,057	\$ 5,867,047	\$ 54,704,894
Sales/Use Tax Refunds	23,177,950	7,125,056	6,794,910	6,777,780	5,214,486	49,090,182
Total Credits Used	\$54,681,267	\$14,946,727	\$11,543,712	\$11,541,837	\$11,081,533	\$103,795,076
Direct Sales/Use Tax Refunds on Investment	\$31,358,933	\$1,782,194	\$1,085,151	\$1,817,596	\$87,959	\$36,131,833
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$4,219,540	\$2,504,885	\$2,015,826	\$3,778,879	N/A
Qualified Investment	\$929,088,266	\$70,312,094	\$62,643,870	\$(1,620,120)	\$4,510,990	\$1,064,935,100
New Jobs of Qualifying Companies	8,774	860	174	6	0	9,814

* For detail by year see previous Annual Reports.

** All projects approved in 1990 are past the end of their entitlement period. However, a taxpayer amendment and audit adjustments to previous credits allowed or benefits received may still be reflected in current year credits earned.

Table 18

**Summary of LB 775 Benefits by Year
(Companies Verified as Qualifying in 1991)**

	1991-1995*	1996	1997	1998	1999	Total
Number of Companies Reporting	N/A	18	14	3	0 **	
Investment Credits	\$32,669,390	\$ 4,746,552	\$ 4,656,481	\$1,694,507	0	\$43,766,930
New Jobs Credits	24,128,273	10,121,179	7,812,190	568,865	0	42,630,507
Total Credits Earned	<u>\$56,797,663</u>	<u>\$14,867,731</u>	<u>\$12,468,671</u>	<u>\$2,263,372</u>	0	\$86,397,437
Credits Used						
Income Tax	\$19,381,295	\$6,774,024	\$3,573,373	\$1,707,958	\$1,360,997	\$32,797,647
Sales/Use Tax Refunds	8,597,620	3,143,760	2,097,103	5,331,050	2,514,477	21,684,010
Total Credits Used	<u>\$27,978,915</u>	<u>\$9,917,784</u>	<u>\$5,670,476</u>	<u>\$7,039,008</u>	<u>\$3,875,474</u>	\$54,481,657
Direct Sales/Use Tax Refunds on Investment	\$23,442,881	\$2,319,163	\$2,444,274	\$1,708,232	\$(1,067,762)***	\$28,846,788
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$1,158,234	\$2,775,684	\$751,586	\$2,612,684	N/A
Qualified Investment	\$688,351,088	\$141,627,213	\$46,564,810	\$16,945,070	0	\$893,488,181
New Jobs of Qualifying Companies	5,990	1,111	37	9	0	7,147

* For detail by year see previous Annual Reports.

** All projects approved in 1991 are past the end of their entitlement period. However, a taxpayer amendment and audit adjustments to previous credits be reflected in current year credits earned. allowed or benefits received may still

*** Correction of prior year data entry error.

Table 19

**Summary of LB 775 Benefits by Year
(Companies Verified as Qualifying in 1992)**

	1992-1995*	1996	1997	1998	1999	Total
Number of Companies Reporting	N/A	13	14	10	4**	
Investment Credits	\$20,731,750	\$3,582,211	\$3,949,492	\$3,327,715	\$227,669	\$31,818,837
New Jobs Credits	5,948,978	2,784,523	3,223,238	3,253,024	551,018	15,760,781
Total Credits Earned	<u>\$26,680,728</u>	<u>\$6,366,734</u>	<u>\$7,172,730</u>	<u>\$6,580,739</u>	<u>\$778,687</u>	\$47,579,618
Credits Used						
Income Tax	\$ 7,480,788	\$2,446,608	\$1,746,773	\$2,074,739	\$1,026,540	\$14,775,448
Sales/Use Tax Refunds	5,543,608	1,394,196	1,646,191	1,391,770	1,847,319	11,823,084
Total Credits Used	<u>\$13,024,396</u>	<u>\$3,840,804</u>	<u>\$3,392,964</u>	<u>\$3,466,509</u>	<u>\$2,873,859</u>	\$26,598,532
Direct Sales/Use Tax Refunds on Investment	\$8,444,832	\$1,241,773	\$2,355,267	\$503,702	\$296,890	\$12,842,464
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$695,942	\$569,235	\$1,128,883	\$2,003,559	N/A
Qualified Investment	\$207,317,530	\$35,822,110	\$39,494,920	\$33,277,150	\$2,276,690	\$318,188,400
New Jobs of Qualifying Companies	2,221	204	(647)	307	(7)	2,078

* For detail by year see previous Annual Reports.

** Ten companies had previously reached the end of their entitlement period and were no longer eligible to earn credits.

Table 20

**Summary of LB 775 Benefits by Year
(Companies Verified as Qualifying in 1993)**

	1993-1995*	1996	1997	1998	1999	Total
Number of Companies Reporting	N/A	16	14	12	6**	
Investment Credits	\$47,225,780	\$16,652,584	\$16,466,773	\$15,899,551	\$ 917,926	\$ 97,162,614
New Jobs Credits	12,764,424	3,908,697	4,670,298	3,940,586	1,188,914	26,472,919
Total Credits Earned	<u>\$59,990,204</u>	<u>\$20,561,281</u>	<u>\$21,137,071</u>	<u>\$19,840,137</u>	<u>\$2,106,840</u>	\$123,635,533
Credits Used						
Income Tax	\$11,071,903	\$ 7,619,106	\$5,098,498	\$ 3,427,398	\$ 427,341	\$27,644,246
Sales/Use Tax Refunds	5,003,028	2,990,234	3,817,061	7,498,855	4,511,051	23,820,229
Total Credits Used	<u>\$16,074,931</u>	<u>\$10,609,340</u>	<u>\$8,915,559</u>	<u>\$10,926,253</u>	<u>\$4,938,392</u>	\$51,464,475
Direct Sales/Use Tax Refunds on Investment	\$12,000,280	\$3,720,189	\$3,841,765	\$4,267,602	\$4,752,009	\$28,581,845
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$1,032,587	\$1,107,765	\$622,968	\$1,310,955	N/A
Qualified Investment	\$472,257,794	\$166,525,839	\$164,667,727	\$158,995,510	\$9,179,260	\$971,626,130
New Jobs of Qualifying Companies	3,009	805	141	355	211	4,521

* For detail by year see previous Annual Reports.

** Eleven companies had previously reached the end of their entitlement period and were no longer eligible to earn credits.

Table 21

**Summary of LB 775 Benefits by Year
(Companies Verified as Qualifying in 1994)**

	1994-1995*	1996	1997	1998	1999	Total
Number of Companies Reporting	N/A	13	13	10	11**	
Investment Credits	\$37,674,584	\$2,939,884	\$17,604,985	\$3,492,955	\$5,403,261	\$67,115,669
New Jobs Credits	2,664,492	2,027,408	2,672,386	3,093,684	3,881,072	14,339,042
Total Credits Earned	<u>\$40,339,076</u>	<u>\$4,967,292</u>	<u>\$20,277,371</u>	<u>\$6,586,639</u>	<u>\$9,284,333</u>	\$81,454,711
Credits Used						
Income Tax	\$2,799,495	\$1,632,229	\$ 961,779	\$ 856,555	\$ 175,157	\$ 6,425,215
Sales/Use Tax Refunds	1,773,909	1,744,896	1,034,249	1,325,933	1,216,677	7,095,664
Total Credits Used	<u>\$4,573,404</u>	<u>\$3,377,125</u>	<u>\$1,996,028</u>	<u>\$2,182,488</u>	<u>\$1,391,834</u>	\$13,520,879
Direct Sales/Use Tax Refunds on Investment	\$8,133,847	\$5,281,557	\$1,095,984	\$1,707,065	\$610,739	\$16,829,192
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$702,686	\$1,874,027	\$801,250	\$1,813,903	N/A
Qualified Investment	\$376,745,840	\$29,398,841	\$176,049,850	\$34,929,550	\$54,032,610	\$671,156,691
New Jobs of Qualifying Companies	1,323	280	26	662	303	2,594

* For detail by year see previous Annual Reports.

** One company had previously reached the end of its entitlement period and was no longer eligible to earn credits.

Table 22

**Summary of LB 775 Benefits by Year
(Companies Verified as Qualifying in 1995)**

	1995	1996	1997	1998	1999	Total
Number of Companies Reporting	31	25	27	28	26*	
Investment Credits	\$47,133,912	\$22,549,012	\$29,688,376	\$22,668,574	\$20,271,412	\$142,311,286
New Jobs Credits	4,788,129	6,555,288	8,253,974	10,307,380	11,325,180	41,229,951
Total Credits Earned	<u>\$51,922,041</u>	<u>\$29,104,300</u>	<u>\$37,942,350</u>	<u>\$32,975,954</u>	<u>\$31,596,592</u>	<u>\$183,541,237</u>
Credits Used						
Income Tax	\$535,877	\$7,622,605	\$3,073,113	\$12,221,374	\$11,683,507	\$35,136,476
Sales/Use Tax Refunds	389,103	2,183,562	1,654,381	9,380,452	9,137,345	22,744,843
Total Credits Used	<u>\$924,980</u>	<u>\$9,806,167</u>	<u>\$4,727,494</u>	<u>\$21,601,826</u>	<u>\$20,820,852</u>	<u>\$57,881,319</u>
Direct Sales/Use Tax Refunds on Investment	\$6,780,383	\$26,455,509	\$8,474,730	\$10,947,550	\$5,632,984	\$58,291,156
Pending Sales/Use Tax Refunds as of 12/31	\$2,524,794	\$3,940,480	9,957,760	\$6,629,152	\$10,023,409	N/A
Qualified Investment	\$502,451,128	\$234,868,474	\$307,101,298	\$245,871,814	\$224,568,138	\$1,514,860,852
New Jobs of Qualifying Companies	3,348	1,275	1,227	1,428	841	8,119

* One company had previously reached the end of its entitlement period and was no longer eligible to earn credits.

Table 23

**Summary of LB 775 Benefits by Year
(Companies Verified as Qualifying in 1996)**

	1996	1997	1998	1999	Total
Number of Companies Reporting	27	26	22	25 *	
Investment Credits	\$29,373,217	\$11,540,240	\$13,779,500	\$ 9,390,056	\$64,083,013
New Jobs Credits	6,448,799	6,921,281	9,891,161	10,979,684	34,240,925
Total Credits Earned	<u>\$35,822,016</u>	<u>\$18,461,521</u>	<u>\$23,670,661</u>	<u>\$20,369,740</u>	<u>\$98,323,938</u>
Credits Used					
Income Tax	\$4,356,395	\$2,770,609	\$ 6,196,440	\$4,217,949	\$17,541,393
Sales/Use Tax Refunds	466,753	1,593,839	4,088,181	3,343,731	9,492,504
Total Credits Used	<u>\$4,823,148</u>	<u>\$4,364,448</u>	<u>\$10,284,621</u>	<u>\$7,561,680</u>	<u>\$27,033,897</u>
Direct Sales/Use Tax Refunds on Investment	\$4,874,800	\$2,591,915	\$6,875,964	\$4,404,588	\$18,747,267
Pending Sales/Use Tax Refunds as of 12/31	\$954,863	\$1,696,360	\$1,709,365	\$1,381,476	N/A
Qualified Investment	\$293,732,143	\$115,402,400	\$137,795,000	\$93,900,560	\$640,830,103
New Jobs of Qualifying Companies	3,167	1,793	748	1,623	7,331

* One company had previously reached the end of its entitlement period and was no longer eligible to earn credits.

Table 24

**Summary of LB 775 Benefits by Year
(Companies Verified as Qualifying in 1997)**

	1997	1998	1999	Total
Number of Companies Reporting	28	20	27	
Investment Credits	\$64,060,815	\$23,505,964	\$29,947,980	\$117,514,759
New Jobs Credits	<u>5,030,363</u>	<u>7,095,930</u>	<u>10,329,587</u>	<u>22,455,880</u>
Total Credits Earned	\$69,091,178	\$30,601,894	\$40,277,567	\$139,970,639
Credits Used				
Income Tax	\$7,648,102	\$4,843,056	\$ 8,725,256	\$21,216,414
Sales/Use Tax Refunds	<u>1,960,195</u>	<u>4,534,402</u>	<u>6,278,769</u>	<u>12,773,366</u>
Total Credits Used	\$9,608,297	\$9,377,458	\$15,004,025	\$33,989,780
Direct Sales/Use Tax Refunds on Investment	\$7,657,689	\$20,034,224	\$13,823,878	\$41,515,791
Pending Sales/Use Tax Refunds as of 12/31	\$12,721,543	\$6,846,380	\$1,924,610	N/A
Qualified Investment	\$878,872,269	\$204,081,069	\$422,585,895	\$1,505,539,233
New Jobs of Qualifying Companies	3,003	1,114	1,072	5,189

Table 25

**Summary of LB 775 Benefits by Year
(Companies Verified as Qualifying in 1998)**

	1998	1999	Total
Number of Companies Reporting	23	14 *	
Investment Credits	\$16,955,122	\$6,361,994	\$23,317,116
New Jobs Credits	<u>1,991,811</u>	<u>1,980,239</u>	<u>3,972,050</u>
Total Credits Earned	\$18,946,933	\$8,342,233	\$27,289,166
Credits Used			
Income Tax	\$ 0	\$2,395,619	\$2,395,619
Sales/Use Tax Refunds	<u>303,104</u>	<u>338,927</u>	<u>642,031</u>
Total Credits Used	\$303,104	\$2,734,546	\$3,037,650
Direct Sales/Use Tax Refunds on Investment	\$2,355,087	\$7,022,596	\$9,377,683
Pending Sales/Use Tax Refunds as of 12/31	\$6,465,987	\$612,829	N/A
Qualified Investment	\$390,734,012	\$89,981,985	\$480,715,997
New Jobs of Qualifying Companies	1,256	336	1,592

* One company had previously reached the end of its entitlement period and was no longer eligible to earn credits.

Table 26

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1999)**

	1999	Total
Number of Companies Reporting	26	
Investment Credits	\$17,564,025	\$17,564,025
New Jobs Credits	<u>3,513,485</u>	<u>3,513,485</u>
Total Credits Earned	\$21,077,510	\$21,077,510
Credits Used		
Income Tax	\$1,802,158	\$1,802,158
Sales/Use Tax Refunds	<u>123,032</u>	<u>123,032</u>
Total Credits Used	\$1,925,190	\$1,925,190
Direct Sales/Use Tax Refunds on Investment	\$2,758,801	\$2,758,801
Pending Sales/Use Tax Refunds as of 12/31	\$5,443,062	N/A
Qualified Investment	\$279,327,694	\$279,327,694
New Jobs of Qualifying Companies	1,908	1,908

Table 18

**Summary of LB 775 Benefits by Year
(Companies Verified as Qualifying in 1991)**

	1991-1995*	1996	1997	1998	1999	Total
Number of Companies Reporting	N/A	18	14	3	0 **	
Investment Credits	\$32,669,390	\$ 4,746,552	\$ 4,656,481	\$1,694,507	0	\$43,766,930
New Jobs Credits	24,128,273	10,121,179	7,812,190	568,865	0	42,630,507
Total Credits Earned	<u>\$56,797,663</u>	<u>\$14,867,731</u>	<u>\$12,468,671</u>	<u>\$2,263,372</u>	0	\$86,397,437
Credits Used						
Income Tax	\$19,381,295	\$6,774,024	\$3,573,373	\$1,707,958	\$1,360,997	\$32,797,647
Sales/Use Tax Refunds	8,597,620	3,143,760	2,097,103	5,331,050	2,514,477	21,684,010
Total Credits Used	<u>\$27,978,915</u>	<u>\$9,917,784</u>	<u>\$5,670,476</u>	<u>\$7,039,008</u>	<u>\$3,875,474</u>	\$54,481,657
Direct Sales/Use Tax Refunds on Investment	\$23,442,881	\$2,319,163	\$2,444,274	\$1,708,232	\$(1,067,762)***	\$28,846,788
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$1,158,234	\$2,775,684	\$751,586	\$2,612,684	N/A
Qualified Investment	\$688,351,088	\$141,627,213	\$46,564,810	\$16,945,070	0	\$893,488,181
New Jobs of Qualifying Companies	5,990	1,111	37	9	0	7,147

* For detail by year see previous Annual Reports.

** All projects approved in 1991 are past the end of their entitlement period. However, a taxpayer amendment and audit adjustments to previous credits be reflected in current year credits earned. allowed or benefits received may still

*** Correction of prior year data entry error.

Table 19

**Summary of LB 775 Benefits by Year
(Companies Verified as Qualifying in 1992)**

	1992-1995*	1996	1997	1998	1999	Total
Number of Companies Reporting	N/A	13	14	10	4**	
Investment Credits	\$20,731,750	\$3,582,211	\$3,949,492	\$3,327,715	\$227,669	\$31,818,837
New Jobs Credits	5,948,978	2,784,523	3,223,238	3,253,024	551,018	15,760,781
Total Credits Earned	<u>\$26,680,728</u>	<u>\$6,366,734</u>	<u>\$7,172,730</u>	<u>\$6,580,739</u>	<u>\$778,687</u>	\$47,579,618
Credits Used						
Income Tax	\$ 7,480,788	\$2,446,608	\$1,746,773	\$2,074,739	\$1,026,540	\$14,775,448
Sales/Use Tax Refunds	5,543,608	1,394,196	1,646,191	1,391,770	1,847,319	11,823,084
Total Credits Used	<u>\$13,024,396</u>	<u>\$3,840,804</u>	<u>\$3,392,964</u>	<u>\$3,466,509</u>	<u>\$2,873,859</u>	\$26,598,532
Direct Sales/Use Tax Refunds on Investment	\$8,444,832	\$1,241,773	\$2,355,267	\$503,702	\$296,890	\$12,842,464
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$695,942	\$569,235	\$1,128,883	\$2,003,559	N/A
Qualified Investment	\$207,317,530	\$35,822,110	\$39,494,920	\$33,277,150	\$2,276,690	\$318,188,400
New Jobs of Qualifying Companies	2,221	204	(647)	307	(7)	2,078

* For detail by year see previous Annual Reports.

** Ten companies had previously reached the end of their entitlement period and were no longer eligible to earn credits.

Table 20

**Summary of LB 775 Benefits by Year
(Companies Verified as Qualifying in 1993)**

	1993-1995*	1996	1997	1998	1999	Total
Number of Companies Reporting	N/A	16	14	12	6**	
Investment Credits	\$47,225,780	\$16,652,584	\$16,466,773	\$15,899,551	\$ 917,926	\$ 97,162,614
New Jobs Credits	12,764,424	3,908,697	4,670,298	3,940,586	1,188,914	26,472,919
Total Credits Earned	\$59,990,204	\$20,561,281	\$21,137,071	\$19,840,137	\$2,106,840	\$123,635,533
Credits Used						
Income Tax	\$11,071,903	\$ 7,619,106	\$5,098,498	\$ 3,427,398	\$ 427,341	\$27,644,246
Sales/Use Tax Refunds	5,003,028	2,990,234	3,817,061	7,498,855	4,511,051	23,820,229
Total Credits Used	\$16,074,931	\$10,609,340	\$8,915,559	\$10,926,253	\$4,938,392	\$51,464,475
Direct Sales/Use Tax Refunds on Investment	\$12,000,280	\$3,720,189	\$3,841,765	\$4,267,602	\$4,752,009	\$28,581,845
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$1,032,587	\$1,107,765	\$622,968	\$1,310,955	N/A
Qualified Investment	\$472,257,794	\$166,525,839	\$164,667,727	\$158,995,510	\$9,179,260	\$971,626,130
New Jobs of Qualifying Companies	3,009	805	141	355	211	4,521

* For detail by year see previous Annual Reports.

** Eleven companies had previously reached the end of their entitlement period and were no longer eligible to earn credits.

Table 21

**Summary of LB 775 Benefits by Year
(Companies Verified as Qualifying in 1994)**

	1994-1995*	1996	1997	1998	1999	Total
Number of Companies Reporting	N/A	13	13	10	11**	
Investment Credits	\$37,674,584	\$2,939,884	\$17,604,985	\$3,492,955	\$5,403,261	\$67,115,669
New Jobs Credits	2,664,492	2,027,408	2,672,386	3,093,684	3,881,072	14,339,042
Total Credits Earned	\$40,339,076	\$4,967,292	\$20,277,371	\$6,586,639	\$9,284,333	\$81,454,711
Credits Used						
Income Tax	\$2,799,495	\$1,632,229	\$ 961,779	\$ 856,555	\$ 175,157	\$ 6,425,215
Sales/Use Tax Refunds	1,773,909	1,744,896	1,034,249	1,325,933	1,216,677	7,095,664
Total Credits Used	\$4,573,404	\$3,377,125	\$1,996,028	\$2,182,488	\$1,391,834	\$13,520,879
Direct Sales/Use Tax Refunds on Investment	\$8,133,847	\$5,281,557	\$1,095,984	\$1,707,065	\$610,739	\$16,829,192
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$702,686	\$1,874,027	\$801,250	\$1,813,903	N/A
Qualified Investment	\$376,745,840	\$29,398,841	\$176,049,850	\$34,929,550	\$54,032,610	\$671,156,691
New Jobs of Qualifying Companies	1,323	280	26	662	303	2,594

* For detail by year see previous Annual Reports.

** One company had previously reached the end of its entitlement period and was no longer eligible to earn credits.

Table 22

**Summary of LB 775 Benefits by Year
(Companies Verified as Qualifying in 1995)**

	1995	1996	1997	1998	1999	Total
Number of Companies Reporting	31	25	27	28	26*	
Investment Credits	\$47,133,912	\$22,549,012	\$29,688,376	\$22,668,574	\$20,271,412	\$142,311,286
New Jobs Credits	4,788,129	6,555,288	8,253,974	10,307,380	11,325,180	41,229,951
Total Credits Earned	<u>\$51,922,041</u>	<u>\$29,104,300</u>	<u>\$37,942,350</u>	<u>\$32,975,954</u>	<u>\$31,596,592</u>	<u>\$183,541,237</u>
Credits Used						
Income Tax	\$535,877	\$7,622,605	\$3,073,113	\$12,221,374	\$11,683,507	\$35,136,476
Sales/Use Tax Refunds	389,103	2,183,562	1,654,381	9,380,452	9,137,345	22,744,843
Total Credits Used	<u>\$924,980</u>	<u>\$9,806,167</u>	<u>\$4,727,494</u>	<u>\$21,601,826</u>	<u>\$20,820,852</u>	<u>\$57,881,319</u>
Direct Sales/Use Tax Refunds on Investment	\$6,780,383	\$26,455,509	\$8,474,730	\$10,947,550	\$5,632,984	\$58,291,156
Pending Sales/Use Tax Refunds as of 12/31	\$2,524,794	\$3,940,480	9,957,760	\$6,629,152	\$10,023,409	N/A
Qualified Investment	\$502,451,128	\$234,868,474	\$307,101,298	\$245,871,814	\$224,568,138	\$1,514,860,852
New Jobs of Qualifying Companies	3,348	1,275	1,227	1,428	841	8,119

* One company had previously reached the end of its entitlement period and was no longer eligible to earn credits.

Table 23

**Summary of LB 775 Benefits by Year
(Companies Verified as Qualifying in 1996)**

	1996	1997	1998	1999	Total
Number of Companies Reporting	27	26	22	25 *	
Investment Credits	\$29,373,217	\$11,540,240	\$13,779,500	\$ 9,390,056	\$64,083,013
New Jobs Credits	6,448,799	6,921,281	9,891,161	10,979,684	34,240,925
Total Credits Earned	<u>\$35,822,016</u>	<u>\$18,461,521</u>	<u>\$23,670,661</u>	<u>\$20,369,740</u>	<u>\$98,323,938</u>
Credits Used					
Income Tax	\$4,356,395	\$2,770,609	\$ 6,196,440	\$4,217,949	\$17,541,393
Sales/Use Tax Refunds	466,753	1,593,839	4,088,181	3,343,731	9,492,504
Total Credits Used	<u>\$4,823,148</u>	<u>\$4,364,448</u>	<u>\$10,284,621</u>	<u>\$7,561,680</u>	<u>\$27,033,897</u>
Direct Sales/Use Tax Refunds on Investment	\$4,874,800	\$2,591,915	\$6,875,964	\$4,404,588	\$18,747,267
Pending Sales/Use Tax Refunds as of 12/31	\$954,863	\$1,696,360	\$1,709,365	\$1,381,476	N/A
Qualified Investment	\$293,732,143	\$115,402,400	\$137,795,000	\$93,900,560	\$640,830,103
New Jobs of Qualifying Companies	3,167	1,793	748	1,623	7,331

* One company had previously reached the end of its entitlement period and was no longer eligible to earn credits.

Table 24

**Summary of LB 775 Benefits by Year
(Companies Verified as Qualifying in 1997)**

	1997	1998	1999	Total
Number of Companies Reporting	28	20	27	
Investment Credits	\$64,060,815	\$23,505,964	\$29,947,980	\$117,514,759
New Jobs Credits	<u>5,030,363</u>	<u>7,095,930</u>	<u>10,329,587</u>	<u>22,455,880</u>
Total Credits Earned	\$69,091,178	\$30,601,894	\$40,277,567	\$139,970,639
Credits Used				
Income Tax	\$7,648,102	\$4,843,056	\$ 8,725,256	\$21,216,414
Sales/Use Tax Refunds	<u>1,960,195</u>	<u>4,534,402</u>	<u>6,278,769</u>	<u>12,773,366</u>
Total Credits Used	\$9,608,297	\$9,377,458	\$15,004,025	\$33,989,780
Direct Sales/Use Tax Refunds on Investment	\$7,657,689	\$20,034,224	\$13,823,878	\$41,515,791
Pending Sales/Use Tax Refunds as of 12/31	\$12,721,543	\$6,846,380	\$1,924,610	N/A
Qualified Investment	\$878,872,269	\$204,081,069	\$422,585,895	\$1,505,539,233
New Jobs of Qualifying Companies	3,003	1,114	1,072	5,189

Table 25

**Summary of LB 775 Benefits by Year
(Companies Verified as Qualifying in 1998)**

	1998	1999	Total
Number of Companies Reporting	23	14 *	
Investment Credits	\$16,955,122	\$6,361,994	\$23,317,116
New Jobs Credits	<u>1,991,811</u>	<u>1,980,239</u>	<u>3,972,050</u>
Total Credits Earned	\$18,946,933	\$8,342,233	\$27,289,166
Credits Used			
Income Tax	\$ 0	\$2,395,619	\$2,395,619
Sales/Use Tax Refunds	<u>303,104</u>	<u>338,927</u>	<u>642,031</u>
Total Credits Used	\$303,104	\$2,734,546	\$3,037,650
Direct Sales/Use Tax Refunds on Investment	\$2,355,087	\$7,022,596	\$9,377,683
Pending Sales/Use Tax Refunds as of 12/31	\$6,465,987	\$612,829	N/A
Qualified Investment	\$390,734,012	\$89,981,985	\$480,715,997
New Jobs of Qualifying Companies	1,256	336	1,592

* One company had previously reached the end of its entitlement period and was no longer eligible to earn credits.

Table 26

**Summary of Benefits by Year
(Companies Verified as Qualifying in 1999)**

	1999	Total
Number of Companies Reporting	26	
Investment Credits	\$17,564,025	\$17,564,025
New Jobs Credits	<u>3,513,485</u>	<u>3,513,485</u>
Total Credits Earned	\$21,077,510	\$21,077,510
Credits Used		
Income Tax	\$1,802,158	\$1,802,158
Sales/Use Tax Refunds	<u>123,032</u>	<u>123,032</u>
Total Credits Used	\$1,925,190	\$1,925,190
Direct Sales/Use Tax Refunds on Investment	\$2,758,801	\$2,758,801
Pending Sales/Use Tax Refunds as of 12/31	\$5,443,062	N/A
Qualified Investment	\$279,327,694	\$279,327,694
New Jobs of Qualifying Companies	1,908	1,908

Projected Revenue Gains and (Losses) of LB 775 and LB 829 as amended for Tax Years 1987-2014 Projects by Fiscal Years**

The estimates are based on a sample of 100 agreements signed and actual results of 263 projects from 1987 through 1999. Employment and investment flows are projected at rates indicated by the corresponding companies' applications. The analysis time frame considers future agreements signed through the year 2014 with a 95 percent success rate.

All other pertinent information as provided in the applications, such as salary levels and investment composition (not all property is treated equally in regard to tax preferences), is taken into consideration.

The classification of jobs into new economic jobs or existing jobs (jobs that would have been created regardless of the existence of the Employment and Investment Growth Act) is based on the company provided description of the project. The model estimates that 30 percent of the jobs created are true new economic jobs.

Credit used estimate is based on the assumption of maximized use for each year either against corporate income tax, individual income tax, or sales and use tax.

The time series analysis from 1987 to 1999 indicates that the usage of credits against sales and use taxes paid averages 45 percent of credits used. This usage factor was used for the future allocation of credits used. The liability analysis of the calendar year simulation model is converted into a fiscal year cash flow model.

The estimated profitability (individual and corporate income tax liability available for credit set-off) is based on the historical profitability of the respective companies.

The following is an estimate of new projects for the years 1999 through 2014.

Year	# of Agreements Signed	AVERAGE PER PROJECT*		
		\$ Million of Investment	Number of Employees	Salary Level
2000	28	29.9	142	26,424
2001	25	53.9	126	24,240
2002	25	68.2	291	27,762
2003	20	28.1	299	25,468
2004	18	27.3	235	29,167
2005	17	50.9	204	26,757
2006	30	53.9	142	30,644
2007	20	49.5	126	28,111
2008	25	58.5	127	32,195
2009	40	50.1	291	29,535
2010	32	43.3	235	33,000
2011	28	37.2	135	36,439
2012	22	26.5	105	40,056
2013	20	33.6	95	39,067
2014	18	38.9	110	46,045

*The investment and employment levels represent the entire investment and employment associated with the project through the entitlement period (employment levels represent the employees qualifying for credits).

** A detailed description of the model is available upon request.

(Methodology and Assumptions for LB 775 Benefit and Cost Estimate; Nebraska Department of Revenue, Finance and Research Division, August 1996.)

**PROJECTED REVENUE GAINS OR (LOSSES) OF LB 775 AND LB 829 AS AMENDED
FOR TAX YEARS 1987-2014 BY FISCAL YEAR**

	99/00	00/01	01/02	02/03	03/04	04/05
SUMMARY Expansion: Sales and Use	57,922,033	61,825,595	65,710,553	69,159,697	72,429,954	75,170,734
Corporate	5,961,136	6,423,431	6,848,648	7,260,461	7,631,748	7,973,968
Individual	25,553,268	27,299,610	29,023,681	30,568,063	32,024,681	33,257,880
Sales and Use Tax Refunds TPP	31,676,248	31,885,606	31,565,683	31,195,737	30,252,191	28,602,589
Sales Only Formula	0	0	0	0	0	0
Credits and Wage Benefit Credit Used	78,963,032	81,402,674	83,054,130	84,054,994	83,468,302	81,978,359
Corp. or Individ. & Wage Benefit Credit	41,850,407	43,143,417	44,018,689	44,549,147	48,411,615	47,547,448
Sales and Use	37,112,625	38,259,257	39,035,441	39,505,847	35,056,687	34,430,911
Gain or (Loss)	(21,202,843)	(17,739,644)	(13,036,931)	(8,262,510)	(1,634,110)	5,821,634
Cumulative	(348,164,907)	(365,904,551)	(378,941,482)	(387,203,992)	(388,838,102)	(383,016,468)
Sales Tax Refunds (TPP+Credits Used)	68,788,873	70,144,863	70,601,124	70,701,584	65,308,878	63,033,500
	05/06	06/07	07/08	08/09	09/10	10/11
SUMMARY Expansion: Sales and Use	77,514,281	80,238,242	69,901,690	73,379,248	71,989,493	69,126,537
Corporate	8,262,048	8,528,008	8,468,988	7,718,322	7,964,879	7,773,144
Individual	34,310,531	35,506,500	31,348,271	32,439,028	31,981,749	30,759,873
Sales and Use Tax Refunds TPP	26,688,544	25,457,504	25,275,990	25,575,728	26,623,673	28,774,797
Sales Only Formula	0	0	0	0	0	0
Credits and Wage Benefit Credit Used	80,180,428	77,830,212	75,766,386	74,436,383	74,265,218	75,387,269
Corp. or Individ. & Wage Benefit Credit	46,504,648	45,141,523	43,944,504	43,173,102	43,073,827	43,724,616
Sales and Use	33,675,780	32,688,689	31,821,882	31,263,281	31,191,392	31,662,653
Gain or (Loss)	13,217,888	20,985,034	8,676,573	13,524,487	11,047,230	3,497,488
Cumulative	(369,798,580)	(348,813,546)	(340,136,973)	(326,612,486)	(315,565,256)	(312,067,768)
Sales Tax Refunds (TPP+Credits Used)	60,364,324	58,146,193	57,097,872	56,839,009	57,815,065	60,437,450
	11/12	12/13	13/14	14/15	15/16	16/17
SUMMARY Expansion: Sales and Use	71,426,337	70,589,815	71,851,470	73,209,233	67,768,526	68,231,667
Corporate	7,601,672	7,766,977	7,732,953	7,920,048	7,904,701	7,113,363
Individual	31,611,204	31,342,717	31,833,769	32,451,712	30,269,290	30,138,012
Sales and Use Tax Refunds TPP	30,585,015	31,418,296	32,121,715	30,962,128	27,439,816	28,413,385
Sales Only Formula	0	0	0	0	0	0
Credits and Wage Benefit Credit Used	76,802,098	78,450,703	80,661,309	81,351,071	80,674,274	84,323,772
Corp. or Individ. & Wage Benefit Credit	42,241,154	43,147,887	44,363,720	47,183,621	46,791,079	48,907,788
Sales and Use	34,560,944	35,302,816	36,297,589	34,167,450	33,883,195	35,415,984
Gain or (Loss)	3,252,100	(169,490)	(1,364,832)	1,267,794	(2,171,573)	(7,254,115)
Cumulative	(308,815,668)	(308,985,158)	(310,349,990)	(309,082,196)	(311,253,769)	(318,507,884)
Sales Tax Refunds (TPP+Credits Used)	65,145,959	66,721,112	68,419,304	65,129,578	61,323,011	63,829,369

NOTE: Rounding differences may cause slight variations.

Table 27 Estimate of Personal Property Valuation Exempted Under LB 775 By Class In Each County (Tax Year 1999)

The following tables show the value of personal property exempted for 1999 and cumulative for tax years 1988-1999. When a company applies for LB 775 benefits under the \$10 million investment and 100 employees option, a personal property tax exemption is available for

- Turbine-powered aircraft used in connection with the project,

The Department of Revenue conducts field reviews to verify that the companies have met the minimum of \$10 million investment and 100 employees to qualify for property tax exemption of the following property used in connection with the project:

- Mainframe business computers plus certain peripheral components connected to such computers,
- Personal property, which is business equipment located in a single project involved directly in the manufacture or processing of agricultural products. (For applications filed before January 1, 1988, the exemption is for business equipment if the business equipment is utilized in a business which is involved directly in the manufacture or processing of agricultural products, and the business equipment had a minimum aggregate value of ten million dollars.)

County	Airplanes	Computer Equipment	Business Equipment	Total
Adams	\$ 0	\$ 0	\$ 10,334,888	\$ 10,334,888
Buffalo	0	72,651	1,118	73,769
Cheyenne	0	2,611,504	0	2,611,504
Colfax	0	0	21,938,811	21,938,811
Cuming	0	0	626,596	626,596
Custer	0	22,006	0	22,006
Dakota	0	0	17,477,869	17,477,869
Dawson	0	0	10,359,700	10,359,700
Dixon	0	0	10,662,162	10,662,162
Dodge	0	1,094	7,335,338	7,336,432
Douglas	17,773,537	110,090,886	69,558,592	197,423,015
Gage	0	0	91,833	91,833
Hall	61,209	80,507	11,729,306	11,871,022
Knox	0	0	2,660,001	2,660,001
Lancaster	1,877,451	2,289,743	3,628	4,170,822
Lincoln	0	6,648	0	6,648
Madison	0	0	4,965,073	4,965,073
Otoe	0	0	4,460,934	4,460,934
Phelps	0	21,371	0	21,371
Platte	0	244,493	127,714,179	127,958,672
Red Willow	0	0	3,819	3,819
Saline	0	1,061,251	21,403,671	22,464,922
Sarpy	0	6,420,069	2,242,925	8,662,994
Washington	0	0	143,498,035	143,498,035
*Central	9,130,524	0	0	9,130,524
Total	\$28,842,721	\$122,922,223	\$467,068,478	\$618,833,422

* Centrally assessed property with value distributed throughout the state. These figures represent our estimates of the values exempted.

Table 28 Estimate of Personal Property Valuation Exempted Under LB 775 By Class In Each County (Cumulative for Tax Years 1988-99)

County	Airplanes	Computer Equipment	Business Equipment	Total
Adams	\$ 0	\$ 0	\$ 106,622,453	\$ 106,622,453
Box Butte	0	102,472	0	102,472
Buffalo	0	2,009,046	61,375	2,070,421
Butler	0	41,145	0	41,145
Cheyenne	0	2,611,504	0	2,611,504
Colfax	0	0	80,082,386	80,082,386
Cuming	0	0	7,047,045	7,047,045
Custer	0	655,329	10,194	665,523
Dakota	0	0	187,165,036	187,165,036
Dawes	0	171,909	0	171,909
Dawson	0	0	192,451,333	192,451,333
Dixon	0	504,272	111,246,728	111,751,000
Dodge	0	258,329	29,191,043	29,449,372
Douglas	165,588,668	1,533,487,377	390,381,276	2,089,457,321
Gage	0	62,719	1,150,095	1,212,814
Hall	783,660	1,170,144	54,380,096	56,333,900
Knox	0	0	64,745,438	64,745,438
Lancaster	17,059,033	66,141,563	240,499	83,441,095
Lincoln	0	1,546,512	48,451	1,594,963
Madison	0	6,943	76,914,226	76,921,169
Otoe	0	0	8,644,692	8,644,692
Phelps	0	1,534,760	0	1,534,760
Platte	0	8,539,023	706,098,566	714,637,589
Red Willow	0	0	27,654	27,654
Saline	0	3,614,258	122,953,761	126,568,019
Sarpy	7,911,346	45,987,545	36,460,778	90,359,669
Scottsbluff	0	345,383	0	345,383
Seward	0	141,359	0	141,359
Washington	0	340,809	493,739,530	494,080,339
Wayne	0	117,223	0	117,223
York	0	366,371	0	366,371
*Central	63,789,708	0	0	63,789,708
Total	\$255,132,415	\$1,669,755,995	\$2,669,662,655	\$4,594,551,065

* Centrally assessed property with value distributed throughout the state. These figures represent our estimates of the values exempted.

Quality Jobs Act LB 829 as amended (as amended by LB 1368)



Neb. Rev. Stat. §77-4933 (R.R.S.1996) states:

The Department of Revenue shall submit an annual report to the Legislature no later than March 15 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 company, and (d) the location of each project.

The report shall also state by industry group (a) the amount of wage benefit credits allowed under the Quality Jobs Act, (b) the number of direct jobs created at the project, (c) the amount of direct capital investment under the act, (d) the estimated wage levels of jobs created by the companies at the projects, (e) the estimated indirect jobs and investment created on account of the projects, and (f) the projected future state and local revenue gains and losses from all revenue sources on account of the direct and indirect jobs and investment created on account of the project.

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

LB 829 (as amended by LB 1368) Qualified Activity Reported in 1999

The Quality Jobs Act, LB 829, requires a separate application subject to approval by the Quality Jobs Board. The members of the board are the Governor, the State Treasurer, and the chairperson of the Nebraska Investment Council. A qualifying business must invest at least \$50 million in qualified property and hire at least 500 new employees or invest at least \$100 million in qualified property and hire at least 250 new employees. If the company reaches and maintains these levels, they are eligible for a wage benefit credit.

The wage benefit credit may be used to pay for company training programs, employee benefit programs, educational institution training programs or workplace safety programs. The agreement specifies whether the company has elected to use the credit against the company's income tax or to retain and use a portion of the individual income tax withholding as designated by the employee.

There are six agreements signed under LB 829. Wage benefit credits were allowed in 1998 and 1999, however due to confidentiality no information is reported.

Agreements Signed in 1996 That are Still in Effect

Company Name	Project Type	Project Location
1. Union Pacific Railroad Company	\$100M + 250 emp	Omaha

Agreements Signed in 1997 That are Still in Effect

Company Name	Project Type	Project Location
1. Cargill Incorporated	\$100M + 250 emp	Greater Blair area
2. First Data Corporation	\$60M + 2000 emp	Omaha

Agreements Signed in 1998 That are Still in Effect

Company Name	Project Type	Project Location
1. Caterpillar Claas America LLC	\$60M + 500 emp	Omaha Metro
2. Nebraska Beef, Ltd.	\$69M + 936 emp	Omaha
3. Novartis Consumer Health, Inc.	\$103M + 275 emp	Lincoln

**Employment Expansion and
Investment Incentive Act LB 1124,
LB 270, as amended**



Neb. Rev. Stat. §77-27,195 states:

Report; contents. (1) The Tax Commissioner shall prepare a report identifying the amount of investment in this state and the number of equivalent 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.

(2) In the report for any year in which a taxpayer located in an enterprise zone designated pursuant to the Enterprise Zone Act claimed a credit pursuant to subsection (3) of section 77-27,188, the Tax Commissioner shall identify (a) the amount of investment made in each enterprise zone by all taxpayers claiming credits, (b) the number of jobs created in each enterprise zone by all taxpayers claiming credits, (c) the number of jobs created in each enterprise zone by all taxpayers claiming credits held by residents of the enterprise zone, and (d) the average wage on an hourly basis or the average annual salary of new jobs created in each enterprise zone by all taxpayers claiming credits.

LB 1124, LB 270, as amended Qualified Activity Reported in 1999

A separate application process is not required for this incentive program. The number of credits earned, jobs created, and investment made becomes available upon the filing of a Nebraska Employment and Investment Credit Computation, Form 3800N, with a tax return. In order to earn credits, a company must be in a qualifying business and within the taxable year have an increase of \$75,000 in qualifying investment and two new full-time equivalent employees. For five years after the initial year of qualification, the business may receive additional credits for new employees without any additional investment.

This report includes 1990 through 1998 tax returns processed during 1999. A total of 1,197 separate businesses have filed for benefits under LB 1124 through 1999.

In 1999, the department approved 330 returns from businesses, 218 of which reported new investment made and/or employees hired. These 218 returns reflected the following:

- Net new investment of \$155,921,527
- New full-time jobs of 2,048
- Credits of \$4,889,500

Fifty-nine returns processed in 1999 showed maintenance of past levels of employment and investment. If a taxpayer fails to maintain the levels of investment and employment that created the credit for at least two years after the year for which the credit was first allowed, part of the credit used is subject to recapture. During the subsequent two years, the taxpayer must repay to the state one-third of the amount of the credit subject to recapture for each year that the taxpayer did not maintain the required levels. Fifty-three returns processed in 1999 reported recapture of past credits.

Credits may be carried over and used for the five immediately succeeding taxable years. Any credit carryover remaining at the end of the fifth year expires.

Business Activity Summary

	Processed In 1988-95****	Processed In 1996	Processed In 1997	Processed In 1998	Processed In 1999	Total
Investment	\$592,208,603	\$134,292,210	\$95,860,312	\$132,087,092	\$155,921,527**	\$1,110,369,744
Employees	13,639*	3,270*	1,809*	2,043*	2,048***	22,809
Credits	\$24,745,500	\$6,520,000	\$3,981,500	\$4,907,152	\$4,899,500	\$45,053,652
LB 335 Credits	256,000	0	0	0	0	256,000
Enterprise Zone Credits	208,500	\$ 49,000	\$ 157,000	\$ 79,000	\$ 60,000	\$ 553,500
Total Credits	\$25,210,000	\$6,569,000	\$4,138,500	\$4,986,152	\$4,959,500	\$45,863,152
Credits Used:						
Income Tax	\$11,920,140	\$3,087,901	\$1,971,716	\$2,028,844	\$2,064,856	\$21,073,457
Sales Tax	6,646,187	2,287,912	1,263,281	1,906,125	1,778,558	13,882,063
Credits Recaptured:						
Income Tax	\$635,735	\$189,871	\$167,231	\$216,477	\$104,071	\$1,313,385
Sales Tax	158,616	66,661	9,705	18,996	45,500	299,478
Unused Credit Carryover Recaptured	\$795,855	\$243,447	\$137,498	\$362,385	\$188,443	\$1,727,628
Credits Expired	\$168,808	\$97,065	\$35,455	\$364,394	\$95,018	\$760,740

* LB886 which was passed in 1997 changed the definition of a new employee from a full-time employee to a full-time equivalent operative for tax years beginning on or after January 1, 1998. These numbers are based on full-time employees.

** 1990 returns	451,341	*** 1990 returns	9 *
1991 returns	1,715,005	1991 returns	15 *
1992 returns	1,208,522	1992 returns	30 *
1993 returns	3,561,747	1993 returns	68 *
1994 returns	2,197,094	1994 returns	64 *
1995 returns	2,707,753	1995 returns	56 *
1996 returns	18,422,724	1996 returns	156 *
1997 returns	57,247,368	1997 returns	641 *
1998 returns	68,409,973	1998 returns	1,009
	<u>155,921,527</u>		<u>2,048</u>

**** For detail by year see 1995 Annual Report.

1990–1998 Business Activity (Processed in 1999)

	Net New Investment	Jobs		Net New Investment	Jobs
1	14,123,878	10	62	516,607	7
2	9,784,356	29	63	505,058	6
3	9,645,345	61	64	500,074	25
4	6,690,808	10	65	487,827	14
5	6,271,948	28	66	480,724	3
6	5,903,244	5	67	476,955	7
7	5,197,349	5	68	463,820	9
8	5,018,126	2	69	462,927	7
9	4,998,698	33	70	440,430	4
10	3,578,993	95	71	439,411	2
11	3,314,276	5	72	436,903	2
12	3,186,245	21	73	424,268	2
13	3,010,793	49	74	420,883	5
14	2,725,826	3	75	416,809	4
15	2,684,143	5	76	401,182	2
16	2,249,477	7	77	383,807	8
17	1,973,102	2	78	376,888	22
18	1,854,886	6	79	364,025	12
19	1,715,005	15	80	359,907	8
20	1,711,330	35	81	359,499	2
21	1,691,484	21	82	356,604	6
22	1,431,493	8	83	344,344	7
23	1,320,222	2	84	342,101	6
24	1,289,365	19	85	337,122	7
25	1,265,941	4	86	325,195	2
26	1,169,959	7	87	324,508	11
27	1,145,176	5	88	324,422	3
28	1,103,719	7	89	314,892	17
29	1,100,071	2	90	299,096	7
30	1,046,172	42	91	297,894	2
31	976,555	7	92	280,646	42
32	895,171	2	93	273,982	2
33	872,862	13	94	272,566	9
34	806,961	5	95	271,226	2
35	805,421	6	96	266,412	7
36	744,772	3	97	256,053	6
37	706,084	23	98	253,901	4
38	696,093	6	99	252,751	4
39	683,375	59	100	251,079	3
40	668,069	2	101	248,803	17
41	667,401	19	102	247,443	2
42	665,592	3	103	247,382	19
43	662,901	2	104	244,007	2
44	643,323	7	105	243,690	3
45	641,811	8	106	238,692	2
46	630,854	14	107	235,851	2
47	623,519	4	108	233,109	4
48	622,614	2	109	229,015	4
49	617,195	5	110	227,646	13
50	614,898	36	111	226,787	2
51	609,518	36	112	225,161	12
52	590,165	15	113	219,207	15
53	588,291	30	114	217,262	7
54	572,271	11	115	216,817	3
55	548,921	43	116	216,476	2
56	548,403	7	117	213,678	3
57	545,511	3	118	212,246	5
58	537,923	9	119	210,406	3
59	537,007	21	120	209,756	10
60	536,456	13	121	207,220	14
61	528,675	2	122	206,230	11

1990–1998 Business Activity (Processed in 1999)

	Net New Investment	Jobs		Net New Investment	Jobs
123	206,201	9	170	82,688	2
124	202,763	7	171	81,818	8
125	199,921	4	172	80,683	4
126	197,080	50	173	78,805	15
127	196,643	4	174	78,473	30
128	195,913	9	175	77,322	16
129	193,384	16	176	0	17
130	191,510	2	177	0	15
131	189,926	14	178	0	11
132	180,990	5	179	0	10
133	180,863	7	180	0	9
134	180,234	3	181	0	8
135	179,520	4	182	0	7
136	178,065	5	183	0	7
137	176,634	14	184	0	7
138	174,782	3	185	0	6
139	173,544	18	186	0	6
140	170,751	11	187	0	6
141	169,372	2	188	0	6
142	169,331	5	189	0	5
143	162,422	3	190	0	5
144	158,933	4	191	0	5
145	158,711	23	192	0	5
146	156,818	20	193	0	5
147	156,643	2	194	0	5
148	155,395	10	195	0	4
149	154,179	2	196	0	4
150	153,868	2	197	0	4
151	144,158	2	198	0	4
152	137,695	3	199	0	4
153	136,755	7	200	0	4
154	136,589	2	201	0	4
155	135,613	2	202	0	4
156	131,031	6	203	0	4
157	128,277	4	204	0	4
158	127,385	8	205	0	4
159	116,933	4	206	0	4
160	116,102	3	207	0	3
161	114,826	3	208	0	3
162	109,278	2	209	0	3
163	106,997	2	210	0	3
164	104,827	4	211	0	2
165	103,776	7	212	0	2
166	96,302	4	213	0	2
167	93,686	10	214	0	2
168	93,637	5	215	0	2
169	88,396	2	216	0	2
			217	0	2
			218	0	2
				325,355	2
Prior year amended Returns and Audit Adjustments					
			218	155,921,527	2,048
			Returns	Investments	Jobs

Enterprise Zone Act, LB 1124 as amended



Incentive credits earned under the Enterprise Zone Act are based on the provisions of LB1124 other than higher credit levels are allowed. The Enterprise Zone Act provides a higher employment credit for companies engaged in a qualifying business within the defined enterprise zones and employing residents of the zone. If at least 50 percent of the new employees reside within the enterprise zone, then the company also receives additional credits for new investment. The credits provided under this subsection shall not exceed \$75,000 in any one tax year. In addition to the requirements to maintain the employment and investment levels for two years that are required of any LB 1124 company, those earning credits under the Enterprise Zone Act need to maintain the number of new employees residing in the enterprise zone.

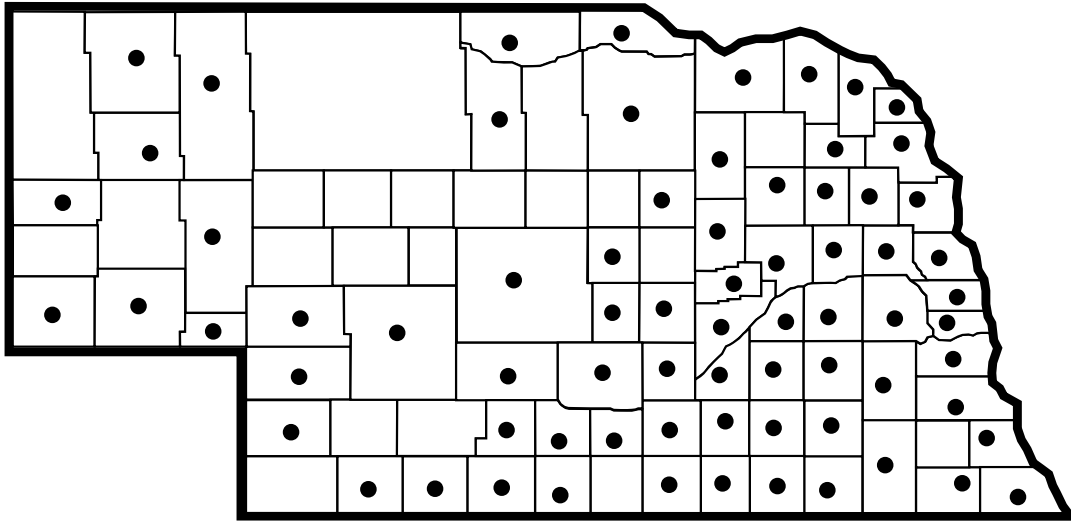
The Nebraska Employment and Investment Credit Computation, Form 3800N, filed with a tax return is the method to report credits earned, investment made, jobs created for employees in total and for residents of the zone. In 1999, businesses within the enterprise zones qualified for new credits as stated below.

Omaha and Platte Valley Enterprise Zones*

Amount of investment:	\$217,262
Number of jobs:	14
Number of jobs held by residents:	8
Average wage on an hourly basis:	\$9.03
Average annual salary:	\$18,772

*The amounts are totals for all Enterprise Zones rather than for each zone in order to preserve confidentiality.

LB 1124
(as amended by LB 270, LB 335, and LB 725)
Location of Expansion



Ainsworth	Columbus	Gretna	Madrid	St. Paul
Albion	Cozad	Gurley	Mead	Sargent
Alda	Crete	Hampton	Milford	Schuyler
Alma	Crofton	Hardy	Milligan	Scottsbluff
Allen	Culbertson	Hartington	Minden	Seward
Alliance	Dakota City	Hastings	Morrill	Shelby
Ansley	David City	Hebron	Neligh	Shickley
Arapahoe	Deshler	Henderson	Nickerson	Sidney
Arcadia	Diller	Hickman	Norfolk	Snyder
Ashland	Doniphan	Holbrook	North Bend	South Sioux City
Atkinson	Dorchester	Holdrege	North Loup	Spencer
Auburn	Douglas	Hoskins	North Platte	Springfield
Aurora	Eddyville	Howells	Ogallala	Springview
Bartlett	Edison	Humboldt	O'Neill	Stanton
Battle Creek	Elkhorn	Humphrey	Omaha	Sutton
Beatrice	Elm Creek	Imperial	Orchard	Syracuse
Beemer	Elwood	Juniata	Osceola	Tekamah
Bellevue	Emerson	Kearney	Oshkosh	Thurston
Bennet	Exeter	Kimball	Oxford	Utica
Blair	Fairbury	Laurel	Page	Valley
Bloomfield	Falls City	LaVista	Palmer	Venango
Broken Bow	Farnam	Leigh	Papillion	Waco
Bruning	Farwell	Lexington	Pender	Wahoo
Brunswick	Fremont	Lincoln	Peru	Waterloo
Cedar Rapids	Fullerton	Lindsay	Petersburg	Waverly
Central City	Geneva	Lisco	Pilger	Wayne
Chadron	Genoa	Litchfield	Plattsmouth	Weeping Water
Chapman	Gering	Long Pine	Pleasanton	West Point
Chappell	Gibbon	Louisville	Plymouth	Wisner
Chambers	Gordon	Lyman	Ralston	York
Clarks	Gothenburg	Lyons	Randolph	
Clarkson	Grand Island	McCook	Red Cloud	
Clearwater	Gresham	Madison	St. Edward	