

SCHEDULE A — Nebraska Advantage Employment

Name on Return		Project Number	Date of Application	Nebraska ID Number	Tax Year End
Salaried: Payroll Frequency and Number Pay Periods		Hourly: Payroll Frequency and Number of Pay Periods	Weeks Paid in the Base Year	Weeks Paid in the Current Year	

SECTION A — Base-Year Employees		Hours Paid	FTE [Hours/ (40xwks pd in yr)]
1	Enter the adjusted number of base-year employee hours from prior year's Form 312N, Schedule A, line 5 (for calculation in year of application, see instructions)	1	
Current year addition to base-year hours.			
2	Transferred employees: Hours paid in Nebraska in the base year to employees who were transferred to the project	2	
3	Moved a Nebraska business to the project: Hours paid to the employees of the moved business in the 366 days prior to the date of application	3	
4	Acquired a Nebraska business and added it to the project: Hours paid at the acquired business in the 366 days prior to the date of acquisition	4	
5	Adjusted number of base-year employee hours (In the Hours Paid column, add lines 1, 2, 3, and 4. In the FTE column, divide the number of Hours Paid by the product of 40 multiplied by the number of weeks paid in the year.)	5	

SECTION B — Current Year at the Project TYE ___/___/___		Compensation	Hours Paid	FTE [Hours/ (40xwks pd in yr)]
6	Current year compensation and hours paid to base-year employees. Employees included in Section A calculation with current year hours	6		
Current year compensation and hours paid to new employees.				
7	New (non-base year) employees	7		
8	New employee compensation in excess of \$1 million (included in line 7)	8		
9	Total (In the Compensation column, subtract line 8 from line 7. In the Hours column, enter the amount from line 7. In the FTE column, divide the number in the Hours Paid column by the product of 40 multiplied by the number of weeks paid in the year.)	9		
10	Project total of compensation, hours paid, and FTE (In the Compensation and Hours Paid columns, add lines 6 and 9. In the FTE column, divide the number in the Hours column by 40 multiplied by the number of weeks paid in the year.)	10		

SECTION C — Number of Full-Time Equivalents (FTE) and Average Compensation			FTE
11	FTE growth (line 10 FTE column minus line 5 FTE column). Enter here and on Form 312N, page 2, line 7.	11	
12	Average compensation (line 9 Compensation col. divided by line 9 FTE col.). Enter here and on Form 312N, page, 2 line 5	12	

SECTION D — Recapture Analysis		A Tax Year End Date	B Current Year FTEs Section B, line 10	C Adjusted Base Year Section A, line 5
FTEs				
13	Year 1 of entitlement period (qualification year)	13		
14	Year 2 of entitlement period	14		
15	Year 3 of entitlement period	15		
16	Year 4 of entitlement period	16		
17	Year 5 of entitlement period	17		
18	Year 6 of entitlement period	18		
19	Year 7 of entitlement period	19		
20	Total (lines 13 through 19).	20		
21	Number of years in the entitlement period	21	7	7
22	Average number of FTEs (divide line 20 by line 21)	22		
23	Change in average FTEs (line 22: column B minus line 22 column C)	23		
24	Recapture Ratio: If line 23 is negative, divide line 23 by line 22, column C. If line 23 is positive, enter -0-	24		

INSTRUCTIONS FOR SCHEDULE A (TIER 5)

Schedule A must be completed and filed as part of the Form 312N for each year of the project.

- Sections A, B, and C are required for each year of the attainment and entitlement periods.
- Section D is required for the last year of the entitlement period.

Instructions for Boxes in the Heading

PROJECT NUMBER. Enter the project number stated in the heading of the project agreement.

DATE OF APPLICATION. Enter the date of the application shown in paragraph 1(a) of the project agreement.

NEBRASKA ID NUMBER. Enter the Nebraska ID number assigned by the Department or the individual's Social Security number.

TAX YEAR END. Enter the last day of the year reported on this Form 312N.

SALARIED AND HOURLY. Payroll Frequency and Number of Pay Periods.

1. Enter the payroll frequency, such as weekly, biweekly, semimonthly, or monthly.
2. Enter the total number of pay **dates** in the year being reported. Count every pay date even if a payment was not issued on that date.

The following factors may affect the number of pay dates:

- If employees are paid on the same day of the week, it may result in an extra pay date in the year;
- If the business was in existence prior to hiring the first employee; or
- If the taxpayer had a short tax year.

WEEKS PAID IN THE BASE YEAR. Enter the number of weeks paid in the base year.

WEEKS PAID IN THE CURRENT YEAR. Enter the number of weeks paid in the year reported.

General Instructions Schedule A

Schedule A is used to calculate the base-year full-time equivalent (FTE) employees, entitlement period FTE employees, and average compensation. Schedule A also provides a recapture analysis that is completed in the final year of the entitlement period to determine the percentage of benefits subject to recapture if the taxpayer failed to maintain the average number of equivalent employees at the project.

- Hours included in the FTE employee calculation are hours paid in the year for time worked and for leave time used instead of work (for example, hours recorded for regular, overtime at straight time, vacation, holiday, jury, funeral, and sick leave).
- Hours recorded in the payroll system to generate additional compensation cannot be included in the FTE employee calculation (for example, vacation pay upon termination, hours recorded to generate a bonus or severance payment, or to generate overtime pay differential, and short term disability reimbursed by a third party).
- Hours included in the calculation of Schedule A are limited to hours paid to employees of an entity within the project. All independent contractors and leased employees are excluded, unless the employment situation meets the requirements of a qualified employee leasing company.
- If an employee other than a teleworker is paid solely on commission and is eligible for all employee benefits, include hours for this employee as if the employee is a salaried employee. If a teleworker is paid solely on commission or on a per-item basis, exclude all hours for this employee.

Section A – Base-Year Employees

General Instructions

Section A calculates the number of equivalent base-year employees.

Base-year employees include individuals who were employed in Nebraska and subject to the Nebraska income tax on compensation received from:

- The taxpayer or its predecessors during the base year;
- An acquired business during the 366 days preceding the date of acquisition, if the acquisition occurred after the date of application; and
- The taxpayer or predecessor during the 366 days prior to the date of application for a move of business activities to the project from another Nebraska location.

The number of base-year employees will not decrease. However, employees will not be considered base-year employees for more than one project of the taxpayer with the same base year. In this situation, these employees should be counted in the base year of the taxpayer's project at which they were last employed.

Section A must be updated each year during the attainment and entitlement periods for adjustments to the previously calculated base-year employees.

The FTE column is calculated by: 1) multiplying 40 times the number of weeks paid in the current year; and 2) dividing the Hours Paid column amount by this number. Count every pay date even if a payment was not issued on that date. The number of weeks paid in a year may vary due to the pay date and payroll frequency of the applicant, or if the taxpayer has a short tax year.

EXAMPLES:

- If there is a short tax year with three pay dates for biweekly pay periods, the number of weeks paid in the year is six.
- If the payroll frequency is weekly and there are 53 pay dates in the year, the number of weeks paid in the year is 53, even though some of the hours were worked in the prior year.
- If the payroll frequency is monthly and the year has 365 days, the number of weeks paid in the tax year is 52.14 (365 days divided by 7 days in a week).

If the number of weeks paid is not the same for the time periods used to compute lines 1, 2, 3, and 4, calculate the FTE column for each line and add the resulting FTE employee numbers.

If the salaried and the hourly employees are not paid on the same payroll frequency, calculate Section A for the salaried employees and the hourly employees separately, and add the resulting FTE employee numbers.

Compute the FTE employees to 3 decimals and round to 2 decimals. For example, 687.565 rounds to 687.57 and 687.564 rounds to 687.56.

Specific Line Instructions

LINE 1. Enter the adjusted base-year employee hours reported on Schedule A, line 5, of the prior tax year.

FOR THE APPLICATION YEAR. Enter the total hours paid in the base year to employees who worked at the project at some time during the base year. If some employees only worked at the project for a portion of the base year, include ALL hours paid to those employees for work in Nebraska.

LINE 2. If any employees worked for the taxpayer at a non-project location in Nebraska in the base year and then worked at the project at any time after the base year, enter the hours paid to those employees in the base year. These hours remain in the base year calculation for all years, even if the employees' employment at the project ended. ([See Line 2 Example](#))

LINE 3. If the taxpayer operated a business in Nebraska in the 366 days prior to the application date and the business was moved to the project during the current year, enter the hours paid at the original business location in the 366 days prior to the date of application. Include hours paid to all individuals employed at the original business location during this time period even though some individuals did not move to the project. Form 312N, Schedule III, lines 12 and 13, must be completed and filed as a part of the Form 312N for the year the business was moved.

LINE 4. If the taxpayer acquired a Nebraska business whose business activity was added to the project, and the business operated in Nebraska in the 366 days prior to the acquisition date, there is an addition to the previously calculated base-year hours. Form 312N, Schedule III, lines 3 through 5, or lines 6 through 8, must also be completed and filed as a part of the Form 312N for the year the business was acquired. ([See Line 4 Example](#))

- If the date of acquisition is after the application date, enter the hours paid to all employees of the newly-added business in the 366 days prior to the date of acquisition.
- If the date of acquisition occurred prior to the application date, but after the base year, include all hours paid at the acquired business during the base year.
- If the acquisition occurred during the base year, include all hours paid at the acquired business during the entire base year by the taxpayer and the predecessor.

LINE 5. In the Hours Paid column, add lines 1, 2, 3, and 4 to compute the adjusted number of base-year employee hours.

In the FTE column, calculate the adjusted number of base-year employees: 1) multiply 40 times the number of weeks paid in the base year; and 2) divide the Hours Paid column amount by this number.

Section B – Current Year at the Project

General Instructions

Section B categorizes the compensation and hours paid at the project as defined in the agreement. The compensation and hours paid during the current year, to employees who were verified with E-Verify, are segregated based on whether the employees were base-year employees or new employees. For applications dated before July 15, 2010, compensation is defined as wages subject to withholding.

Base-year employees are those individuals with hours included in the calculation of Section A in any year of the project. There is no adjustment for an individual who was terminated. New employees are those individuals who are not base-year employees.

The FTE column is calculated by: 1) multiplying 40 times the number of weeks paid in the current year; and 2) dividing the Hours Paid column amount by this number. Count every pay date even if a payment was not issued on that date. The number of weeks paid in a year may vary due to the pay date and payroll frequency of the applicant, or if the taxpayer has a short tax year.

EXAMPLES:

- If there is a short tax year with three pay dates for biweekly pay periods, the number of weeks paid in the year is six.
- If the payroll frequency is weekly and there are 53 pay dates in the year, the number of weeks paid in the year is 53.
- If the payroll frequency is monthly and the year has 365 days, the number of weeks paid in the tax year is 52.14 (365 days divided by 7 days in a week).

If salaried and hourly employees were not paid on the same payroll frequency, calculate Section B for the salaried employees and the hourly employees separately, and add the resulting FTE numbers.

Projects with application dates on or after October 1, 2009, must use E-Verify, the federal electronic verification program or a successor program, to evaluate the work eligibility of all newly-hired employees hired on or after the date of application. The hours worked and compensation paid to an employee who was not eligible to work in Nebraska according to E-Verify, or an employee who was not evaluated by E-Verify at the time of hiring, must be excluded from line 7 for the life of the project. See [Revenue Ruling 29-11-1](#).

Compute the FTE employees to 3 decimals and round to 2 decimals. For example, 687.565 becomes 687.57 and 687.564 becomes 687.56.

Specific Line Instructions

LINE 6. Enter the compensation and the number of hours paid in the current year to individuals who have hours included in any year of the project in Section A, Base-Year Employees. Include hours of employees at the project in the current year who worked for the taxpayer at a non-project site in Nebraska in the base year, employees who worked for a business which moved to the project, and employees added to the project due to acquisition of a business. Refer to Section A, General Instructions, for a more detailed description of base-year employees. ([See Line 6 Example](#))

LINE 7. For all employees confirmed with E-Verify, who were not base-year employees, enter the current year compensation and number of hours paid. ([See Line 7 Example](#))

LINE 8. Enter the compensation for each new employee included in line 7 that is in excess of \$1 million.

LINE 9. In the Compensation column, subtract line 8 from 7. In the Hours Paid column, enter the amount from line 7.

LINE 10. Add lines 6 and 9 of the Compensation column and the Hours Paid column. For applications dated before July 15, 2010, the Compensation column total should equal the wages subject to withholding for all employees at the project as reported on Forms W-2, Box 1 minus the amount on line 8.

In the FTE column, calculate the current year FTE by: 1) multiplying 40 times the number of weeks paid in the current year; and 2) dividing the Hours Paid column amount by this number.

Section C – Number of Full-Time Equivalents (FTE) and Average Compensation

LINE 11. Enter the change in FTEs, line 10 FTE column minus line 5 FTE column. Enter this number here and on on Form 312N, page 2, line 7.

LINE 12. Compute the average compensation of new employees by dividing the line 9 Compensation column by the line 9 FTE column. Enter here and on Form 312N, page 2, line 5.

Section D – Recapture Analysis

A Tier 5 project is subject to recapture for either not maintaining the minimum level of investment, not maintaining the base-year employment level, or both. Section D is used to calculate the recapture ratio for not maintaining the applicant's base-year employment level.

LINES 13 through 19. Enter the appropriate information from the Schedule A filed for each year of the entitlement period.

LINE 22. Compute the average number of FTEs. Divide line 20 by line 21.

LINE 23. Subtract the average base-year employment from the average current year employment (line 22, column B, minus column C).

LINE 24. If the number computed on line 23 is negative, the project is in recapture and the recapture percentage must be computed on line 24. Divide line 23 by line 22, column C. Calculate this number to 5 decimal places and round to 4 decimal places. For example, .11237 would be .1124. If the number is positive, the project is not in recapture.