

Economic Development Tax Incentives - Rural Economic Opportunity Act. THE REQUIRED LEVELS OF EMPLOYMENT, INVESTMENT, AND WAGES WILL BE DETERMINED IN THE FOLLOWING MANNER AND WILL BE PUBLISHED FOR EACH YEAR AND EACH COUNTY.

Advice has been requested as to which labor statistics will be used for the determination of the required levels of employment, investment, and wages for applications filed during calendar year 2000 under the Rural Economic Opportunities Act.

The Rural Economic Opportunities Act was passed during the 2000 session of the Nebraska Legislature. The act allows certain tax incentives for making the required increases in investment and employment and paying the required level of wages. The required levels are determined for each county and for each calendar year based on statistics reported by the Nebraska Department of Labor.

The Nebraska Department of Revenue is required to use the labor statistics for the most recent calendar year that was reported as of the July 1 before the start of the calendar year. The most recent calendar year reported on July 1 is the last year for which all of the statistics necessary to make the calculations have been reported, and none of these statistics are reported as preliminary statistics.

For example: The Act requires the use of the labor statistics reported as of July 1, 1999 for all applications filed during calendar year 2000. Since some of the 1998 statistics were preliminary statistics on that date, the most recent calendar year reported as of July 1, 1999, was calendar year 1997. Therefore, the statistics for the determination of the required levels for applications filed in 2000 are for calendar year 1997.

The Nebraska Department of Revenue will determine the required levels for each county and will publish them. For calendar year 2001, and for each subsequent year, the Department will publish the required levels for each county prior to the start of the calendar year. The required levels determined for a calendar year shall apply to all applications filed under the Act during that calendar year.

For projects that are located in more than one county, the Nebraska Department of Revenue will determine the required levels for that project based on the same data used to determine the required levels for other applications filed in the same calendar year.

Once the required levels for a particular project have been established, the required levels will remain the same for the life of that project. Applications filed in different calendar years for projects in the same county may have different required levels.

APPROVED:



Mary Jane Egr
State Tax Commissioner
August 7, 2000