



Nebraska Tax Incentives

2011 Annual Report to the Nebraska Legislature

Issued July 13, 2012

Letter from the Tax Commissioner

Nebraska Advantage Act

Nebraska Advantage Rural Development Act

Nebraska Advantage Microenterprise Tax Credit Act

Nebraska Advantage Research and Development Act

Employment and Investment Growth Act (LB 775)

Employment Expansion and Investment Incentive Act (LB 1124, as amended by LB 270)

Invest Nebraska Act (LB 620)

Quality Jobs Act (LB 829)



Dave Heineman
Governor

STATE OF NEBRASKA
DEPARTMENT OF REVENUE
Douglas A. Ewald, Tax Commissioner
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July 13, 2012

Senator Mike Flood
Speaker of the Legislature
2103 State Capitol
Lincoln, NE 68509

Dear Speaker Flood:

The Nebraska Department of Revenue (Department) is electronically submitting the 2011 Annual Report on the following programs:

- Nebraska Advantage Act;
- Nebraska Advantage Rural Development Act;
- Nebraska Advantage Microenterprise Tax Credit Act;
- Nebraska Advantage Research and Development Act;
- Employment and Investment Growth Act;
- Employment Expansion and Investment Incentive Act;
- Invest Nebraska Act; and
- Quality Jobs Act.

The 2011 Annual Report and annual reports issued since 1997 can be found on the Department's website at www.revenue.ne.gov. An email has also been sent to all members of the Unicameral with a link to the 2011 Annual Report. Archived copies of years older than 1997 may be requested from the Department.

If you have any questions, please contact Mary Hugo at 402-471-5790.

Sincerely,

A handwritten signature in blue ink that reads "Douglas A. Ewald".

Douglas A. Ewald
Tax Commissioner



Reporting Requirements, Neb. Rev. Stat. § 77-5731

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Nebraska Advantage Act Reporting Requirements

Neb Rev. Stat. § 77-5731 provides:

- (1) The Tax Commissioner shall submit an annual report to the Legislature no later than July 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 who is party to an agreement, and
 - (d) the location of each project.
- (3) The report shall also state, for taxpayers who are parties to agreements, by industry group
 - (a) the specific incentive options applied for under the Nebraska Advantage 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 credits used against withholding liability,
 - (g) the number of jobs created under the act,
 - (h) the total number of employees employed in the state on the last day of the calendar quarter prior to the application date and the total number of employees employed in the state on subsequent reporting dates,
 - (i) the expansion of capital investment,
 - (j) the estimated wage levels of jobs created under the act subsequent to the application date,
 - (k) the total number of qualified applicants,
 - (l) the projected future state revenue gains and losses,
 - (m) the sales tax refunds owed,
 - (n) the credits outstanding under the act,
 - (o) the value of personal property exempted by class in each county under the act,

(p) the value of property for which payments equal to property taxes paid were allowed in each county, and

(q) the total amount of the payments.

(4) In estimating the projected future state revenue gains and losses, the report shall detail the methodology utilized, state the economic multipliers and industry multipliers used to determine the amount of economic growth and positive tax revenue, describe the analysis used to determine the percentage of new jobs attributable to the Nebraska Advantage Act assumption, and identify limitations that are inherent in the analysis method.

(5) The report shall provide an explanation of the audit and review processes of the Department of Revenue in approving and rejecting applications or the grant of incentives and in enforcing incentive recapture. The report shall also specify the median period of time between the date of application and the date the agreement is executed for all agreements executed by December 31 of the prior year.

(6) The report shall provide information on project-specific total incentives used every two years for each approved project. The report shall disclose

(a) the identity of the taxpayer,

(b) the location of the project, and

(c) the total credits used and refunds approved during the immediately preceding two years expressed as a single, aggregated total.

The incentive information required to be reported under this subsection shall not be reported for the first year the taxpayer attains the required employment and investment thresholds. The information on first-year incentives used shall be combined with and reported as part of the second year. Thereafter, the information on incentives used for succeeding years shall be reported for each project every two years containing information on two years of credits used and refunds approved. The incentives used shall include incentives which have been approved by the department, but not necessarily received, during the previous two calendar years.

(7) The report shall include an executive summary which shows aggregate information for all projects for which the information on incentives used in subsection (6) of this section is reported as follows:

(a) The total incentives used by all taxpayers for projects detailed in subsection (6) of this section during the previous two years;

(b) the number of projects;

(c) the total number of employees of these taxpayers employed in the state on the last day of the calendar quarter prior to the application date, the new jobs at the project for which credits have been granted, and the total number of employees employed in the state by these taxpayers on subsequent reporting dates;

(d) the average compensation paid employees in the state in the year of application and for the new jobs at the project; and

(e) the total investment for which incentives were granted.

The executive summary shall summarize the number of states which grant investment tax credits, job tax credits, sales and use tax refunds for qualified investment, and personal property tax exemptions and the investment and employment requirements under which they may be granted.

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

Nebraska Advantage Act

Description of Benefits

General Information:

The Nebraska Advantage Act allows a taxpayer involved in a qualified business to earn and use benefits for investment and employment growth. For a list of qualified business activities, [click here](#). There are six Tiers that have varying requirements and benefits for investment and employment.

Application Information:

An application must be filed for each project. The application date for the project will impact the investment, employment, and the associated benefits allowed for the project. A complete application must be filed to establish an application date. For applications filed on or after October 1, 2009, taxpayers must utilize E-verify to verify that all new employees are legally able to work in the United States, as required by Neb. Rev. Stat. § 77-5722.01. For more information on filing an application under the Nebraska Advantage Act, see the [Application Guide](#) and the [Nebraska Advantage Application](#).

Requirements by Application Level:

Each of the tiers requires a stated increase in the investment and employment levels by the end of the attainment period. Refer to the table below for the minimum required levels for each tier.

The increase in investment is equal to the value of qualified property placed in service at the project after the date of application. Qualified property means 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 located and used at the project or at the residence of a teleworker working in Nebraska. Qualified property does not include aircraft, barges, motor vehicles, railroad rolling stock, watercraft, or property rented to another person.

The increase in employment is equal to the number of new full-time equivalent (FTE) employees at the project. The number of new employees is calculated using the number of hours paid in the year. One FTE employee is equal to 40 hours per week for the entire year.

Year	Required Wage Level		Required Investment and Employment Threshold					
	Tiers 1-4	Tier 6*	Tier 1 10 FTE	Tier 2 30 FTE	Tier 4 100 FTE	Tier 5 n/a	Tier 6	
							75 FTE	50 FTE
2011	\$21,986	\$54,966	\$1M	\$3M	\$11M	\$33M	\$10M	\$100M
2010	\$21,742	\$54,354	\$1M	\$3M	\$10M	\$32M	\$10M	\$100M
2009	\$21,136	\$52,841	\$1M	\$3M	\$11M	\$34M	\$10M	\$102M
2008	\$20,281	\$50,702	\$1M	\$3M	\$10M	\$31M	\$10M	\$100M
2007	\$19,452	N/A	\$1M	\$3M	\$10M	\$30M	N/A	N/A
2006	\$18,905	N/A	\$1M	\$3M	\$10M	\$30M	N/A	N/A

*The wage level varies by county. It is equal to the greater of 200% of the county average or 150% of the state average. The wage level listed in the table is 150% of the state average. Click here for [Required Annual Wages by County](#) for Tier 6.

Tier 3 has no minimum investment requirement.

Tier 5 does not require employment growth, but the average employment at the project for the entitlement period must be at least equal to the base year employment.

Description of Time Periods:

Year

Year means the federal taxable year of the taxpayer.

Base Year

The base year is the year immediately preceding the year during which the application was filed.

Attainment Period

The attainment period is the number of years, including the year of application, within which the taxpayer must meet the minimum levels of investment and employment required for benefits.

- **Tiers 1, 3, and 6.** The taxpayer must attain the minimum required levels within five years.
- **Tiers 2, 4, and 5.** The taxpayer must attain the minimum required levels within seven years.

Entitlement Period

The entitlement period is the number of years during which the project may both earn and use credits. No credits are earned in a year in which the project does not maintain the minimum required levels of investment or employment. The entitlement period begins the year the required investment and employment increases are met.

- **Tiers 1 and 3.** The entitlement period continues until the end of the ninth year following the year of application, or the sixth year after the year the required increases of investment and employment were met, whichever is earlier.
- **Tiers 2, 4, and 5.** The entitlement period continues until the end of the sixth year after the year the required increases of investment and employment were met.
- **Tier 6.** The entitlement period continues until the end of the ninth year after the year the required increases of investment and employment were met.

The entitlement period for property tax benefits may be different from the entitlement period for other benefits for Tier 4. A taxpayer applying under Tier 4 has a two-part agreement. When the project attains the minimum required levels for a Tier 2 project, the project is eligible for all benefits of a Tier 2 project. When the project attains the minimum required levels for Tier 4, the project is eligible for certain property tax exemptions.

- **Tier 6.** The entitlement period includes the year the taxpayer meets the minimum required levels of investment and employment, and the next nine years.

Carryover Period

The carryover period starts after the end of the entitlement period. No additional credits are earned during the carryover period.

- **Tiers 1 and 3.** Credits may not be carried over more than nine years after the year of application.
- **Tiers 2 and 4.** Credits may not be carried over more than 14 years after the year of application.
- **Tier 6.** Credits may not be carried over more than one year past the end of the entitlement period.

Time Periods Per Tier:

Time Period	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
Attainment	5	7	5	7	7	5
Entitlement	6 or 7*	7	6 or 7*	7	7	10
Carryover	0 to 3*	2 to 8*	0 to 3*	2 to 8*	N/A	1
Maximum Life	10	15	10	15	13	15

*Time periods are limited by the maximum life of the project.

Description of Available Benefits:

Direct Refund

A direct refund is a refund to the applicant of Nebraska and local sales and use taxes paid on the purchase or lease of qualified property for use at the project, or on the purchase or lease of an aircraft for use in connection with the project, which is placed in service during the attainment or entitlement period. For Tier 1 projects, only 50% of the sales and use taxes paid are eligible for refund.

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 this property, that will be located and used at the project or at the residence of a teleworker working in Nebraska. Qualified property does not include aircraft, barges, motor vehicles, railroad rolling stock, watercraft, or property that is rented to another person.

Investment Credit

The investment credit is a credit equal to three percent (Tier 1), ten percent (Tiers 2 and 4), or 15 percent (Tier 6) of the investment made in qualified property at the project during the attainment or entitlement periods. The credit on qualified property placed in service, from date of application through the end of the tax year in which the minimum required levels are met, is earned in the qualification year. Credits are also earned on qualified property placed in service in other years during the entitlement period.

Investment credits may be used for a sales and use tax refund, income tax refund, or for Tier 6, a real property tax credit reimbursement.

Compensation Credit

- **Tiers 1, 2, 3, and 4.** In each year of the entitlement period, the compensation credit is computed as follows:

(number of new FTEs) x (average annual wage of new employees) x (credit percentage)

The number of new equivalent employees at the project is the lesser of: (1) the equivalent employees at the project during a year in excess of the number of equivalent base year employees; or (2) the number of equivalent new employees.

A new employee is an employee hired after the base year or transferred into Nebraska after the base year who earns the required wage.

The number of equivalent employees is calculated using the number of hours paid in the year. One FTE employee is equal to 40 hours per week for the entire year.

Average annual wage means the taxable wages paid to new employees at the project divided by the number of equivalent employees that make up these wages. For projects with an application date of July 15, 2010 or later, the average annual wage means the wages subject to Medicare tax paid to new employees at the project divided by the number of equivalent employees that make up these wages.

The credit percentage ranges from three percent to six percent depending on the average annual wage paid to new employees.

- **Tier 6.** In each year of the entitlement period, the compensation credit is equal to ten percent times the taxable compensation of all non-base year employees.

The compensation credit may be used for a sales and use tax refund, an income tax refund, a withholding tax credit refund, or for Tier 6, a real property tax credit reimbursement.

Personal Property Tax Exemption

- **Tier 4.** A taxpayer may claim a personal property tax exemption on four types of property acquired after the date of application:
 1. Turbine powered aircraft;
 2. Computer systems and specific peripherals that require environmental controls;
 3. Business equipment involved directly in the processing of agricultural products; and
 4. Distribution facility equipment used to store and move product.

Turbine powered aircraft may be exempted from the first January 1 following the date of acquisition of the property through the ninth calendar year after the project attains the minimum required investment level of \$10 million in new investment and 100 new, FTE employees. The aircraft may not be used to transport an elected official, or for fundraising for an elected official.

The computer systems and specific peripherals, agricultural processing equipment, and distribution facility equipment may be exempted from the first January 1 following the end of the year during which the required levels were exceeded and the next nine calendar years.

- **Tiers 2 and 5.** The property tax exemption on computer systems and specific peripherals is only available to a taxpayer who has a project for an Internet web portal or a data center.

Computer systems and specific peripherals that require environmental controls of temperature and power may be exempted from the first January 1 following the end of the year during which the required levels were exceeded and the next nine calendar years.

- **Tier 6.** A taxpayer may claim a personal property tax exemption on any personal property at the project and on turbine powered aircraft acquired after the date of application.

Turbine powered aircraft, acquired after the date of application, may be exempted from the first January 1 following the date of acquisition of the property through the ninth year after the project attains the minimum required investment and new FTE employee levels. The aircraft may not be used to transport an elected official, or for fundraising.

All personal property at the project may be exempted from the first January 1 following the end of the year during which the required levels were exceeded and the next nine calendar years.

Sales and Use Tax Refund

This is a refund of Nebraska and local sales and use taxes paid on otherwise non-refundable purchases. For Tiers 1, 2, 3, and 4, the purchases must be used at the project. For Tier 6, the purchases may be used anywhere in Nebraska. The credits used for a sales and use tax refund must be earned in a prior tax year.

If the local refund for a single locality is more than \$25,000, the locality will be notified in advance and the payment of the local tax will be delayed.

Income Tax Refund

Credits may be used to reduce the income tax liability of the taxpayer's entire unitary group. The credits used for an income tax refund may be earned in a prior year or the current year.

Credits earned by a partnership, S corporation, limited liability company, cooperative, limited cooperative association, or an estate or trust may be distributed in the same ratio as income. The recipient of the distributed credit may use the credit to reduce their income tax liability from the year of distribution through the end of the entitlement period or carryover period, whichever is later.

Payroll Withholding Offset

- **Tiers 1, 2, 3, and 4.** Compensation credits may be used to receive a refund of, or to reduce the taxpayer's payroll withholding liability, attributable to the number of new employees at the project, excluding compensation in excess of \$1 million paid to any one employee.
- **Tier 6.** Compensation credits may be used to receive a refund of, or to reduce the taxpayer's payroll withholding liability, attributable to all employees at the project other than base-year employees, excluding compensation in excess of \$1 million paid to any one employee.

The credits used to offset a payroll withholding liability must be earned in a prior tax year.

Real Property Tax Reimbursement

- **Tier 6.** The credits may be used for a reimbursement from the State equal to real property taxes due after the year the project met the minimum required levels of investment and employment through the end of the carryover period on investment made after the date of application.

The credits used for a real property tax reimbursement must be earned in a prior tax year.

Benefits by Application Level:

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6
Benefit						
Direct Refund	50%	100%		100%	100%	100%
Investment Credit	3%	10%		10%		15%
Compensation Credit	3%-6%	3%-6%	3%-6%	3%-6%		10%
Personal Property Tax Exemption		Computer Systems ¹		4 types	Computer Systems ¹	All TPP ²
Use of Credits						
Sales and Use Tax Refund	✓	✓	✓	✓		✓
Income Tax Refund	✓	✓	✓	✓		✓
Distribution of Credit	✓	✓	✓	✓		✓
Withholding Offset ³	✓	✓	✓	✓		✓
Real Property Tax Reimbursement						✓

¹The exemption is only available for an Internet web portal or a data center project.

²TPP = Tangible Personal Property

³The withholding refund is limited to prior year compensation credit.

Audit and Review Procedures:

Application

A taxpayer submits an application with supporting documents, including an application fee, to the Nebraska Department of Revenue (Department). Each application is reviewed to ensure that the applicant is an eligible taxpayer, and that the plan relates to a qualifying business activity at interdependent locations.

Audit

When the taxpayer notifies the Department that it has reached the qualification levels, an audit is conducted to confirm the attainment of the minimum required levels of investment and employment, verification of the credits earned in the attainment period, and the accuracy of the initial direct sales and use tax refund. The Department reviews annual filings for claimed tax benefits for reasonableness. The Department conducts periodic maintenance audits of selected taxpayers and projects to ensure that projects have continued to comply with the minimum levels of investment and employment necessary for the selected Tier, and to verify the propriety of the credits reported and benefits received. The confirmation of attainment of the minimum required levels of new investment and employment required for the property tax exemption may be done as part of the original qualification audit for Tier 4, or as part of a maintenance audit of a subsequent year.

Claims for Benefits

The taxpayer files claims for sales and use tax paid during the entitlement and carryover periods. All claims are reviewed to confirm the proper payment of tax on items eligible for benefits. The review of the claim may involve testing of certain transactions based on dollar scopes or issues.

The taxpayer must file a claim for the personal property tax exemption on or before May 1 with the Tax Commissioner, on a Form 5725X, with a copy of the form filed with the county assessor in which the property is located. The Department determines whether the taxpayer is eligible for the exemption based on whether or not the required levels of investment and employment have been met, and whether or not the property falls within the classes of exempt personal property. A Tier 6 taxpayer may elect to use credits for a reimbursement of property taxes paid on real property purchased or leased after the date of application and used at the project. Prior to approving the reimbursement, the Department will confirm the required payment was made to the county.

The taxpayer files Nebraska income tax and withholding returns claiming the use of credits as an offset of all, or a portion, of the taxes due. The Department will review and approve the credit usage. The Department also reviews or audits the information to ensure that credits were only used as an offset against the withholding attributable to the appropriate employees.

Comparison of Nebraska Tax Incentive Programs to those Available in Other States

Reporting Neb. Rev. Stat. § 77-5731(7)

States offer many types of tax incentives for businesses. This table summarizes tax incentives in states that somewhat follow the Nebraska model of granting tax incentives. For example, qualification for tax incentives is not dependent upon the location of a project in an enterprise zone or other limited geographic area. Thus, states that offer jobs or investment credits to businesses, but only to those who locate in a limited area, are not counted. States that offer tax incentives, but have different qualification levels depending upon geography, are counted provided that a project could qualify, at some level, in every part of the state.

States may also limit qualification for incentives to targeted industries. Nebraska does this, and the table counts those states where incentives are limited only to targeted activities. Finally, Nebraska refunds the sales and use tax on qualified investments, but some states refund only a portion of the tax. These states are counted as having a refund. Some states have broader sales and use tax exemptions than Nebraska, but do not provide a refund of any taxes paid. Tax exemptions are outside the scope of this report, and states are not counted if they do not provide at least a partial refund of sales and use taxes paid on qualified investment.

Alabama

Job credit: Yes

- 50 new employees at HQ or data processing
- 20 new employees at all projects except utility-owned, small business additions, and projects in favored geographic regions
- 15 new employees at small business addition projects
- 5 new employees at projects in favored geographic regions. (p. 7)
- Hires are subject to base wage requirements

Investment Credit: Yes

- \$100 million for utility-owned projects producing electricity from alternative energy resources
- \$5 million for utility-owned projects producing electricity from hydropower
- \$2 million for all projects except utility-owned small business additions and projects in favored geographic regions
- \$1 million for small business addition projects
- \$500,000 for projects in favored geographic regions (p. 7)

Sales/use tax refund on qualified investment: Yes

- There is no threshold or limiting investment for a new sales tax abatement project with the exception of projects owned by utilities producing electricity, which are subject to the following thresholds:
 - \$100 million in capital costs for facilities producing electricity from alternative energy sources
 - \$5 million in capital costs for facilities producing electricity from hydropower

- The additional capital investment by an industry that is expanding their current facilities in Alabama must equal the lesser of:
 - 30% of the original cost of the currently existing industrial property
 - \$2 million (p. 3)

Personal property tax abatement: Yes, subject to the same qualifications as the sales tax abatement program.(p. 5)

Alaska

Job credit: None.

Investment Credit: None.

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: None.

Arizona

Job and investment credit: Quality Jobs Tax Credit Program

- In metro areas, at least 25 jobs must be created with a minimum capital investment of \$5 million.
- In rural areas, at least five jobs must be created with a minimum capital investment of \$1 million.
- Both programs require the jobs to pay 100% of the median county wage and 65% of health insurance costs for the employee.

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: None.

Arkansas

Job credit: Credit on state income tax depends on region of state and payroll thresholds:

- Payroll threshold of \$125,000 in Tier 1
- Payroll threshold of \$100,000 in Tier 2
- Payroll threshold of \$75,000 in Tier 3
- Payroll threshold of \$50,000 in Tier 4
- Jobs must pay a wage equal or greater than Arkansas average wage
- Must be engaged in a specific industry as listed

Investment Credit: ArkPlus is available in “highly competitive situations” that credits 10% of total investment to state income tax liability by regional tier:

- Tier 1: Minimum investment of \$5 million and minimum payroll of \$2 million
- Tier 2: Minimum investment of \$3.75 million and minimum payroll of \$1.5 million
- Tier 3: Minimum investment of \$3 million and minimum payroll of \$1.2 million
- Tier 4: Minimum investment of \$2 million and minimum payroll of \$0.8 million

Sales/use tax refund on qualified investment:

- Investment of \$100,000 qualifies for sales and use tax for building materials and taxable machinery and equipment associated with approved project (TaxBack)
- Investment of \$5 million available to Arkansas businesses established for at least two years qualify for sales and use tax refund in plant or equipment for new construction, expansion, or modernization. (InvestArk)
- Must be in specified industry as listed

Personal property tax abatement: None.

California

Job credit: None.

Investment Credit: None.

Sales/use tax refund on qualified investment: No – only for equipment purchases within specific enterprise zones (p. 8).

Personal property tax abatement: None.

Colorado

Job credit: [Aviation manufacturers](#) may earn an income tax credit of \$1,200 per employee hired.

Investment Credit: None.

Sales/use tax refund on qualified investment: Refund of sales and use tax available for purchases of qualified biotechnology research and development equipment.

Personal property tax abatement: At the discretion of the city or county government.

Connecticut

Job credit:

- A corporate business tax credit for companies who hire at least 10 new employees for a minimum of a 12-month period

Investment Credit:

- 10% credit for increased investment in machinery and equipment for companies with 250 or fewer employees, 5% credit for companies with 251 to 800 employees in CT
- 5% credit for fixed capital investment in tangible personal property

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: None.

- 100% for 5 years on newly acquired and installed machinery and equipment eligible for 5-7 year depreciation
- 100% for inventories

- 30-100% from the increase assessment for personal property for manufacturers and 20-50% for eligible real property improvements can be offered by towns for 2-7 years, depending on the investment amount
 - 100% for unbundled software, machinery & equipment that will be exempt under 12-81 (72) once installed and used
 - 100% for 5 years on new commercial motor vehicles weighing over 26,000 lbs. that are used to transport freight for hire and all new commercial vehicles weighing over 55,000 lbs.
-

Delaware

Job credit: None.

Investment Credit: None.

Sales/use tax refund on qualified investment: No sales tax.

Personal property tax abatement: None.

Florida

Job credit: Yes, see investment credit.

Investment Credit: Yes.

- The Capital Investment Tax Credit is available for specific industries that create at least 100 jobs and invest at least \$25 million in capital costs.
- The High Performance Incentive Tax Credit is targeted toward clean energy, corporate HQ, financial services, life sciences, semiconductor, and financial services sectors. Firms must create at least 50 new jobs and invest at least \$50 million in capital investment. R&D firms must create 25 new jobs and invest \$25 million.

Sales/use tax refund on qualified investment: Refund on sales tax paid on construction materials in an enterprise zone is available.

Personal property tax abatement: None.

Georgia

Job credit: Yes.

- Firms creating jobs in specific industries can earn the [Job Credit](#) based on the following criteria:
 - In tier 1, 5 jobs must be created, which can offset 100% of income tax liability
 - In tier 2, 10 jobs must be created, which can offset 100% of income tax liability
 - In tier 3, 15 jobs must be created, which can offset 50% of income tax liability
 - In tier 4, 20 jobs must be created, which can offset 50% of income tax liability
 - Each credit can be carried forward ten years
- A firm creating jobs that pay higher-than-average wages may qualify for a [Quality Jobs Tax Credit](#). The credit varies by the wage paid.

Investment Credit: Yes.

- Firms making qualified capital investments of at least \$50,000 may qualify for an [Investment Tax Credit](#). The size of credit depends on location by favored region and type of investment. Credits are applied to corporate income tax.
- The [Optional Investment Tax Credits](#) offer credits for firms in favored regions:
 - Tier 1: \$5 million investment, 10% credit
 - Tier 2: \$10 million investment, 8% credit
 - Tier 3 or 4: \$20 million investment, 6% credit
- A [Mega Project Tax Credit](#) is available to firms with a minimum payroll of \$150 million or makes a minimum investment of \$450 million, and hires at least 1,800 new employees.

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: None.

Hawaii

Job credit: None.

Investment Credit: A [High-Tech Tax Incentive](#) program is offered which appears to be determined by comfort ruling.

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: Personal property not taxed.

Idaho

Job credit:

- [Threshold Requirement](#): At least 10 jobs
- Jobs must average \$40,000 of pay annually plus benefits

Investment Credit: Yes.

- Threshold Requirement: \$500,000 investment in new facilities. (p. 2)

Sales/use tax refund on qualified investment: Yes.

- Up to a 25% rebate on sales taxes paid on construction materials for new facilities

Personal property tax abatement:

- In lieu of an investment tax credit, a two year exemption from property tax on qualified personal property is available only if a loss was incurred in the second preceding tax year in which the property was placed in service.
 - County commissioners may authorize a full or partial property tax exemption.
-

Illinois

Job credit: Yes.

- The [EDGE Program](#) allows tax credits to firms who agree to make an investment of at least \$5 million and create at least 25 jobs. For a company with 100 or fewer employees, the company must agree to make a capital investment of \$1 million or create at least 5 full-time jobs in Illinois.
- Qualification for a [High-Impact Business Tax Credit](#) requires that a business invest a minimum of \$12 million in capital investment causing the creation of 500 full-time jobs, or an investment of \$30 million causing the retention of 1500 full-time jobs.
 - Specific to coal mining and wind energy production.

Investment Credit: See above.

Sales/use tax refund on qualified investment: Yes, can be rewarded as part of the High-Impact Business Tax Credit.

Personal property tax abatement: Yes, can be rewarded as part of the High-Impact Business Tax Credit.

Indiana

Job credit: The [Headquarters Relocation Tax Credit](#) allows a credit against state income tax liability for costs incurred in relocating the headquarters. Annual worldwide revenue must be at least \$100 million, and the corporation must have at least 75 employees in Indiana.

Investment Credit: The [Hoosier Business Investment Tax Credit](#) provides a credit against income tax based on an analysis of the economic benefits of the proposed investment.

Sales/use tax refund on qualified investment: Refund of sales and use tax paid on [R&D equipment](#) only.

Personal property tax abatement: None.

Iowa

Job credit: Yes.

- The [High Quality Jobs program](#) requires businesses to meet wage threshold requirements. The size of the credit depends on the quality of the job, generosity of health insurance benefits, etc. and is determined by [this table](#).
- The New Jobs Tax Credit allows for a maximum credit of \$1,482 per employee hired.

Investment Credit:

- Refer to investment thresholds in [High Quality Jobs Program](#):
 - Thresholds are bracketed by investments less than \$100,000, to \$100,000 to \$499,999, to \$500,000+, and \$10,000,000 or more.

Sales/use tax refund on qualified investment: Yes.

- Sales tax refunds are associated with the [High Quality Jobs Program](#) with \$500,000+ level of investment.

Personal property tax abatement: Yes, at the local city/county discretion.

Kansas

Job credit: Firms can retain withholding tax by creating at least ten jobs within two years in urban areas and five new jobs elsewhere in the [Promoting Employment Across Kansas](#) program.

Investment Credit: The [High Performance Incentive Program](#) allows for a 10 percent corporate income tax credit. Firms must invest at least \$1 million in urban counties and \$50,000 elsewhere.

Sales/use tax refund on qualified investment: Remodeling costs, furnishings, machinery and equipment for qualified projects may qualify for an approved sales tax exemption.

Personal property tax abatement: None.

Kentucky

Job credit: See investment credit

Investment Credit:

- The [Kentucky Business Investment](#) program requires participants to create a minimum of 10 new jobs and invest a minimum of \$100,000. The new jobs are subject to wage and benefit requirements.
- The [Kentucky Small Business Investment Credit Program](#) provides for a tax credit to small businesses that hire at least one person and invest at least \$5,000 in qualifying equipment.
- The [Kentucky Reinvestment Act](#) provides tax credits to firms investing at least \$2,500,000.

Sales/use tax refund on qualified investment: Available to participants of the [Kentucky Enterprise Initiative Act](#).

Personal property tax abatement: None.

Louisiana

Job credit: Quality Jobs Program

- Must meet minimum payroll threshold of \$250,000 for firms with less than 50 employees
- Firms with 50 or more employees must meet payroll threshold of \$500,000
- Reward is cash rebate of 5% or 6% of annual gross payroll for up to 10 years
- Must be in favored industry, distressed region, or have 50% of sales out-of-state

Investment Credit: None.

Sales/use tax refund on qualified investment: None. Sales and use tax refunds may apply to investments in enterprise zones.

Personal property tax abatement: None. Only restoration projects apply.

Maine

Job credit: Yes.

- The [Jobs and Investment Tax Credit](#) allows employers who invest \$5 million and create 100 new jobs within two years to obtain up to \$500,000 in tax credits to offset income tax liability.

Investment Credit: Yes (see above).

Sales/use tax refund on qualified investment: No (statutory exemptions only)

Personal property tax abatement: None.

Maryland

Job credit: Yes.

- The [Job Creation Tax Credit](#) provides a \$1,000 per-job tax credit to businesses that create new jobs, and \$1,500 to businesses creating jobs in economically-distressed areas. They must create at least 60 full-time jobs within 24 months, or 25 jobs in distressed areas. The business must be in a specified industry.

Investment Credit: The [Biotechnology Tax Credit](#) is allowed to individuals or entities that invest at least \$25,000 in a qualified Maryland biotechnology company.

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: None.

Massachusetts

Job credit: Yes

- [Enhanced Expansion Project](#) requires participants to maintain at least 100 positions over five years. Credit depends on economic activity created.
- The Manufacturing Retention Project requires firms to create at least 25 manufacturing positions and/or retain at least 50 manufacturing positions for five years. Must be in a “gateway municipality” with population above 35,000 and income and education rates below state average.

Investment Credit: None.

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: None.

Michigan

Job credit: Yes

- The Michigan Economic Growth Authority Credit is based on state personal income tax attributed to new full-time employees (p. 5).

Investment Credit:

- An “[entrepreneurial credit](#)” is available for businesses with less than \$25 million in gross receipts, create 20 jobs, and invest at least \$1.25 million. (p. 1)
- An investment tax credit is available for 2.9% of the investment in depreciable real and personal property with no specified minimum threshold. (p. 4)

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: Yes. (p. 2, 4)

Minnesota

Job credit:

- [JOBZ program](#) requires participants to increase employment by at least five jobs or 20%, whichever is greater, and must pay at a level 100% of FPL of family of four. These are in enterprise zones.
- [Data Centers](#) must invest at least \$50 million and build a facility of at least 30,000 square feet.
- [R&D Centers](#) allow for a 10% tax credit for the first \$2 million in investment, and 2.5% thereafter in excess of \$2 million.

Investment Credit: See jobs credit.

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: None.

Mississippi

Job credit:

- [Jobs Tax Credit](#) provides for tax credits for firms in certain industries who create jobs in certain regions of the state:
 - In Tier 1, 20 or more jobs must be created, and credit is 2.5% of payroll
 - In Tier 2, 15 or more jobs must be created, and credit is 5% of payroll
 - In Tier 3, 10 or more jobs must be created, and credit is 10% of payroll
 - Credit can offset up to 50% of state income tax liability
- The [Incentive Jobs Incentive Program](#) provides income tax withholding rebates to firms in certain industries hiring employees that pay above the average wage level of the county and provide basic health benefit plans.

Investment Credit: The [Manufacturing Investment Tax Credit](#) requires existing participating manufacturers to invest \$1,000,000 in buildings and/or equipment who can receive an investment credit equal to 5% of the eligible investment.

Sales/use tax refund on qualified investment: Yes.

- Manufacturers and custom processors may qualify for [sales and use tax exemptions on construction or expansion](#) or [broadband technology](#) in the three tiers:
 - Tier 1: 50% exemption
 - Tier 2: 50% exemption
 - Tier 3: 100% exemption

Personal property tax abatement: Exemptions may be granted at the local level by county or municipal governments.

Missouri

Job credit: The [Qualify Missouri Jobs](#) program requires firms to create 20 new jobs within two years if in a rural area or 40 new jobs within two years in other areas. Technology businesses must create 10 new jobs, and a “high-impact business” must create 100 new jobs within one year.

Investment Credit: The [Missouri BUILD Program](#) allows a tax credit for firms in eligible industries who invest a minimum of \$15 million, or \$10 million for an office industry, and create 500 jobs or 200 new jobs if an “office industry.”

Sales/use tax refund on qualified investment: Non-manufacturing property purchased through [Chapter 100](#) bonds is tax exempt.

Personal property tax abatement: Non-manufacturing property purchased through [Chapter 100](#) bonds is exempt from personal property tax.

Montana

Job credit: Manufacturers who increase employment by 30% are eligible for a tax credit equal to 1% of the wages paid to new employees.

Investment Credit: None.

Sales/use tax refund on qualified investment: Not applicable (no sales tax).

Personal property tax abatement: Yes, [listed here](#).

Nevada

Job credit: See below.

Investment Credit: See below.

Sales/use tax refund on qualified investment: Yes, [details here](#). Depending on the population of the county, businesses in metro counties must maintain at least 75 jobs and a capital investment of \$1 million. 15 jobs and an investment of \$250,000 is required in rural counties. The [Modified Business Tax Abatement](#) program imposes the same requirements.

Personal property tax abatement: Yes, [details here](#).

New Hampshire

Job credit: None ([Coos County Job Creation Tax Credit only](#)).

Investment Credit: None.

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: None.

New Jersey

Job credit: Incentive grants are available to businesses creating at least 25 new jobs, or ten jobs in the technology or biotechnology sectors.

Investment Credit: None.

Sales/use tax refund on qualified investment: None.
Personal property tax abatement: None.

New Mexico

Job credit: Yes.

- A 10% credit is available for employers who create jobs that pay at least \$40,000 in metro areas and \$28,000 in rural areas.

Investment Credit: Yes.

- Yes - The Manufacturing Investment Tax Credit

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: Firms can abate personal property taxes through industrial revenue bonds at the discretion of the local government.

New York

Job credit: See investment credit..

Investment Credit: Yes.

- Businesses that create new jobs and make new investments in production property and equipment may qualify for tax credits of up to 10% of the original investment. There are no specified thresholds.

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: Personal property exempt from property tax.

North Carolina

Job credit: Yes.

- The [Article 3J Tax Credits](#) are offered to companies who meet a minimum threshold of full-time jobs and investment which depend on geographic area.
 - Companies that invest at least \$10 million in real property within a three year period and create 200 jobs within two years are allowed a credit equal to 30% of the eligible investment.

Investment Credit: See above.

Sales/use tax refund on qualified investment: Yes, for a myriad of purchases [listed here](#).

Personal property tax abatement: None.

North Dakota

Job credit: None.

Investment Credit: None.

Sales/use tax refund on qualified investment: Yes, (p. 14)

- Firms are refunded sales and use tax on qualifying investments in various energy-producing industries after Tax Commissioner approval.

Personal property tax abatement: No (all personal property is exempt from property tax). (p. 7)

Ohio

Job credit: The Ohio Job Creation Tax Credit is available to businesses that create at least 25 new full-time jobs at a facility in Ohio and pay 150% of the federal minimum wage. Special circumstances may allow a company to create as few as 10 new full-time jobs for positions paying at least 400% of the federal minimum wage.

Investment Credit: The Ohio Job Retention Tax Credit allows businesses that currently employ at least 1,000 full-time workers and make a capital investment of at least \$200 million. Special circumstances may allow a company to invest at least \$100 million if the retained positions will pay 400% of the federal minimum wage.

Sales/use tax refund on qualified investment: Warehouse and manufacturing machinery exempt with special permit from Department of Taxation.

Personal property tax abatement: None (enterprise zones only).

Oklahoma

Job credit: Yes

- The [Quality Jobs](#) program is open to manufacturers and some service firms with new payroll investment of \$2.5 million or more
 - A high-impact program reduces annual payroll threshold to \$1 million
 - The Small Employer Program allows small businesses with 90 or fewer employees to receive a 5% cash back incentive for seven years
- Both programs require minimum wage and health coverage requirements

Investment Credit: Yes.

- The [Quality Jobs + Investment Tax Credit](#) requires firms to invest at least \$40 million and create jobs according to the parameters in the Quality Jobs program above.

Sales/use tax refund on qualified investment: Yes.

- [Investment/New Jobs Tax Credit](#): Sales tax refunds are available for purchases of construction materials for certain manufactures and computer equipment for research firms. Firms may also qualify for a credit of \$500 per job created or 1% credit per year of investment in qualified new depreciable property.

Personal property tax abatement: None.

Oregon

Job credit: Yes.

- [Oregon Investment Advantage](#) allows firms who set up operations in an eligible county and create at least five jobs in an industry that is “first of its kind” and does not compete with another firm in the area. The credit is against income tax liability.

Investment Credit: None.

Sales/use tax refund on qualified investment: No sales tax.

Personal property tax abatement: None. Unfinished improvements to facilities may qualify for local property tax abatements.

Pennsylvania

Job credit: Yes

- The [Job Creation Tax Credit](#) allows for a \$1,000-per-job tax credit to create new jobs. Employers must create at least 25 new jobs or expand the labor force by at least 20%.

Investment Credit: None.

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: None.

Rhode Island

Job credit: The [Corporate Income Tax Reduction for Job Creation](#) provides an incremental reduction in the corporate income tax rate that creates new employment:

- 0.25% for every ten new jobs created for companies with fewer than 100 employees
- 0.25% for every 50 new jobs created for companies with more than 100 employees.

Investment Credit: Depends on the NAICS code of the business ([p. 8](#)).

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: None.

South Carolina

Job credit: [Yes](#). (p. 4)

- Unless a member of a particular NAICS industry, firms must create:
 - 250 jobs at a single location
 - 125 jobs where average compensation is 1.5 times county or state average, whichever is lower
 - 75 jobs where average compensation is 2 times county or state average, whichever is lower

- 30 jobs at a single location where average cash compensation for jobs is 2.5 times county or state average, whichever is lower.

Investment Credit: Job development credit (p. 37) requires at least a \$150 million investment and the creation of at least 125 new full-time jobs.

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: None.

South Dakota

Job credit: None.

Investment Credit: See below.

Sales/use tax refund on qualified investment: Business facility expansions may qualify for sales and use tax or contractor excise tax refunds according to the following scale:

- Project costs of \$10 (minimum) to \$40 million: 45% refund
- Project costs of \$40 to \$500 million: 55% refund
- Project costs of more than \$500 million: no refund

Personal property tax abatement: None.

Tennessee

Job credit: Yes

- The Jobs Tax Credit allows a qualified business tax credits based on the number of jobs created:
 - \$112,500 credit for 25 jobs
 - \$450,000 credit for 100 jobs
 - \$2,250,000 credit for 500 jobs
 - \$4,495,000 credit for 999 jobs
 - \$4,500,000 credit for 1,000 jobs

Investment Credit:

- The Jobs Tax Super Credit is a program for firms investing at least \$100 million:
 - \$10 million in headquarters, must create 100 HQ jobs
 - \$100 million, 250 jobs
 - \$500 million, 500 jobs
 - \$1 billion, 500 jobs
- Industrial machinery purchases can earn the following tax credits:
 - Less than \$100 million: 1%
 - \$100 million: 3%
 - \$250 million: 5%
 - \$1 billion: 10%

Sales/use tax refund on qualified investment: Available to businesses who make a minimum capital investment of \$100 million and at least 50 new jobs paying 150% of Tennessee's average occupational wage.

Personal property tax abatement: None.

Texas

Job credit: None.

Investment Credit: None.

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: None.

Utah

Job credit:

- The [Rural Fast Track](#) program must be approved by a local city or county economic development representative. The firm must have at least two employees, be in business for two years, demonstrate at least \$50,000 in economic impact, and be in a county with a population less than 30,000 individuals.
- The [Industrial Assistance Fund](#) requires firms to create at least 50 jobs in urban counties and pay 125% or urban county average wage or 100% of the rural county average wage. Approval from local economic development authorities is required.

Investment Credit: None.

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: None.

Vermont

Job credit: Vermont Employment Growth Incentive Program

- Full-time jobs created and paid 160% of Vermont minimum wage (p. 6)
- No limitations due to size, sector, or type of business (p. 7).
- Credit is a cash payment and not credit against income tax liability.

Investment Credit: None.

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: Property Tax Stabilization Program (p. 12).

- Must meet same requirements as VEGI program above
 - Credit may be cash payment or offset of property tax liability
 - Eligibility requires the project to result in an increase to the grand list value of the subject property.
-

Virginia

Job credit: Yes.

- The [Major Business Facility Job Tax Credit](#) (p. 4) allows qualified companies locating or expanding in VA to receive a \$1,000-per-job tax credit for each new full-time job created.
 - Enterprise zones must meet 25-job threshold, other areas have a 50-job threshold.

Investment Credit:

- The New Jobs Program requires firms to create a minimum of 25 jobs and make a capital investment of at least \$1 million (p. 10).
- The Small Business New Jobs Program supports businesses with less than 250 employees. Those businesses must create at least five new jobs and make at least \$100,000 in capital investment (p. 10).

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: Offered at the local level. (p. 6)

Washington

Job credit: None.

Investment Credit: No – only for favored geographic areas.

Sales/use tax refund on qualified investment: Refund available for materials used in aluminum smelters, cold storage, and construction materials for food manufacturing facilities.

Personal property tax abatement: Also available for aluminum smelters.

West Virginia

Job credit: Yes.

- The [High-Tech Manufacturing](#) credit allows firms that manufacture computers and components which create at least 20 new jobs within a year to receive a credit to offset liability in a variety of tax programs (p. 3).
- The [Economic Opportunity Credit](#) is available to qualified firms that create at least 20 new jobs within specific time limits can offset up to 80 percent of specified business taxes for 13 years (p. 2).

Investment Credit: Yes.

- The [Manufacturing Investment Credit](#) is allowed against up to 60% of corporate income tax based on qualified investment in eligible manufacturing property, with no new job creation required (p. 2).

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: None.

Wisconsin

Job credit: Yes

- The [Job Creation Deduction](#) allows firms to subtract from federal income a number based on the increase in the number of FTE employees equal to \$2,000 per eligible employee for businesses with gross receipts greater than \$5 million and \$4,000 per eligible employee with gross receipts less than \$5 million.

Investment Credit: None.

Sales/use tax refund on qualified investment: None.

Personal property tax abatement: Firms must [get state approval for M&E exemption](#) – must be classified as a manufacturing firm.

Wyoming

Job credit: None.

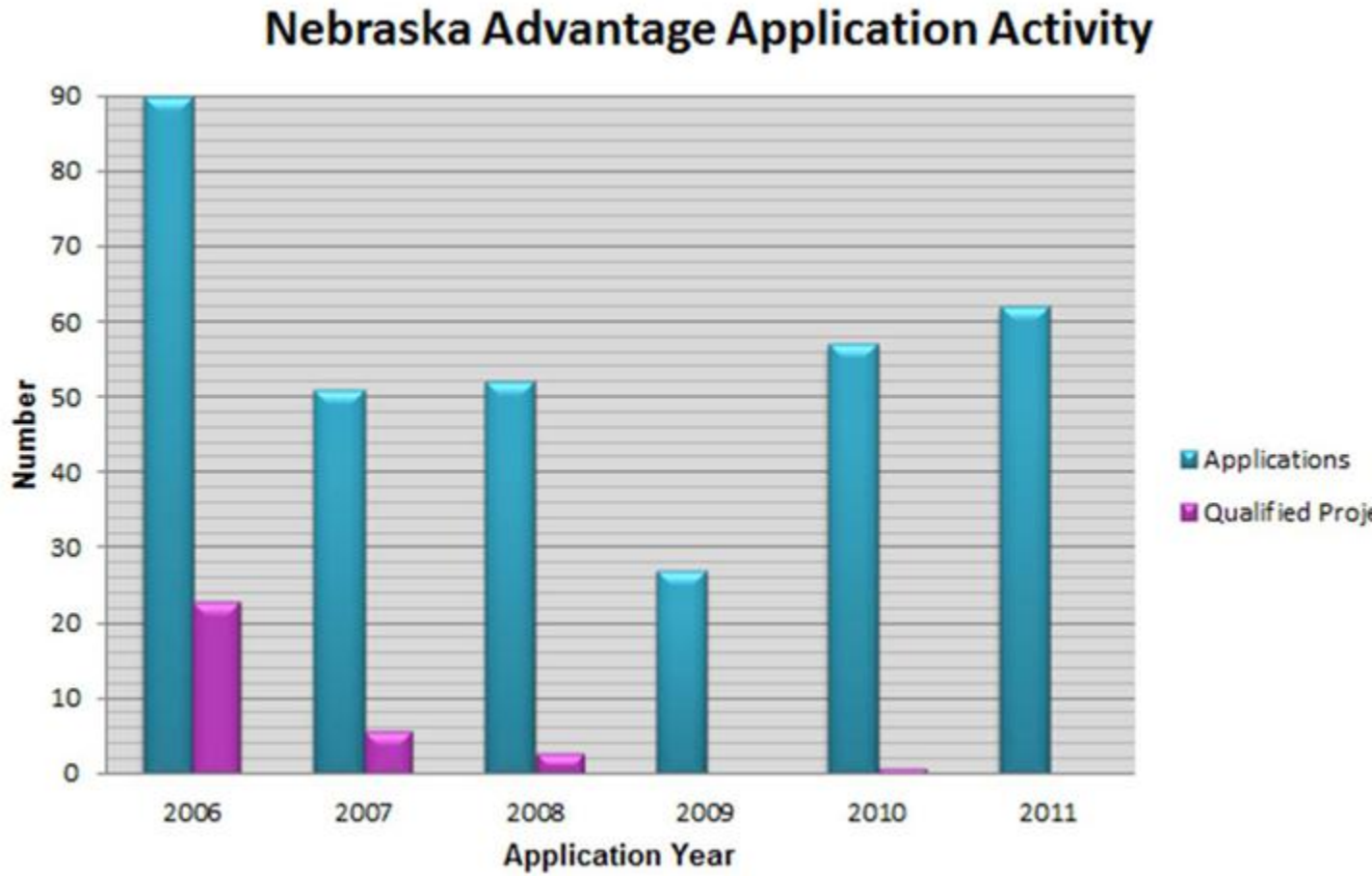
Investment Credit: None.

Sales/use tax refund on qualified investment:

- \$5 million investment required in capital infrastructure in addition to \$2 million investment in data center equipment and software purchases results in sales and use tax refunded on qualifying computer equipment.
- \$50 million investment and \$2 million in data center equipment purchases – sales tax refunds at this level include uninterruptible power supplies, backup power, specialized heating, air purifying equipment, and air conditioning.

Personal property tax abatement: None.

Nebraska Advantage Act Application Activity



Application Activity		
Application Year	No. of Applications	Qualified as of 12/31/2011
2006	90	23
2007	51	6
2008	52	3
2009	27	0
2010	57	1
2011	62	0
TOTALS	339	33

Nebraska Advantage Act Agreements Signed from 2007 – 2011

[Reporting Neb. Rev. Stat. § 77-5731\(2\)](#)

Agreements Signed in 2011

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)
C. J. Foods, Inc.	Pawnee City	\$20.00	54
GILSA Products & Services Co.	Omaha	\$10.00	40
Great Plains Hanger Co, LLC	Omaha	\$1.10	15
Malnove Holding Company, Inc.	Omaha	\$2.00	10
Mi Mama's Tortillas, LLC	Omaha	\$3.50	15
Midwest Laboratories, Inc.	Omaha	\$2.00	18
Minden Machine Shop, Inc.	Minden	\$1.00	10
Mutual of Omaha Insurance Company	Omaha	\$111.20	386
NANCO Holding, Inc. & Subsidiaries	Fremont	\$2.80	10
Nelnet, Inc. & Subsidiaries	Lincoln	\$11.00	200
Nova-Tech, Inc.	Grand Island	\$1.00	10
Travel & Transport, Inc.	Lincoln and Omaha	\$3.00	40
Verdant Environmental Services, LLC	Fremont	\$1.00	10

Verizon Wireless	Fremont, Grand Island, Kearney, Lincoln, Omaha, Plattsmouth, and Scottsbluff	\$176.00	0
Yahoo! Inc.	LaVista	\$100.00	100
TOTAL	15		

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Nebraska Advantage Act Agreements Signed in 2007 – 2011

The median period of time between the date of application and the date for all agreements signed as of December 31, 2011 is 318 days.

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
21st Century Systems, Inc.	McCook and Omaha	\$3.60	120	2009
3M Company and Subsidiaries	Valley	\$8.30	36	2010
3MV Bancorp	Omaha	\$6.00	50	2008
Advanced BioEnergy, LLC	Fairmont and Geneva	\$150.00	100	2007
ALTRA, Inc.	Carleton and Omaha	\$175.90	100	2007
American Concrete Products Co. (Enterprise Properties, Inc.)	Omaha	\$1.30	12	2007
American Marking Corporation	Omaha	\$1.00	10	2009
Apogee Retail, LLC	Columbus	\$0.00	300	2009
Applied Underwriters, Inc.	Omaha	\$3.00	30	2010
Archer Daniels Midland Company	Columbus	\$750.00	100	2007
Aspen Holdings, Inc.	Omaha	\$10.00	576	2008
Associated Side Dump Development, Inc.	South Sioux City	\$1.00	25	2008
Aurora Loan Services, LLC	Scottsbluff	\$10.00	100	2007
Automatic Equipment Manufacturing Co.	Pender	\$0.00	60	2010

Aventine Renewable Energy Holdings	Aurora	\$250.00	100	2007
BioFuel Energy, LLC d/b/a Pioneer Trail Energy, LLC	Wood River	\$145.10	100	2008
Black Hills Corporation	Bellevue, Lincoln, and Omaha	\$23.60	60	2010
BNSF Railway	Statewide	\$700.00	175	2008
Bubba Foods, LLC	Hastings	\$11.00	100	2010
C & A Industries	Omaha	\$14.00	200	2007

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Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
C. J. Foods, Inc.	Pawnee City	\$20.00	54	2011
CAMACO, LLC	Columbus	\$20.20	100	2007
Cargill Incorporated	Blair	\$320.00	100	2007
Case New Holland, Inc. & Consolidated Subsidiaries	Grand Island	\$23.60	36	2007
Central States Indemnity Co.	Bellevue and Omaha	\$5.80	60	2009
Chief Industries, Inc.	Grand Island	\$10.00	100	2007
Columbus Hydraulics Company	Columbus	\$2.80	15	2007
CoMc, LLC	Omaha	\$1.20	15	2007
ConAgra Foods, Inc. and Unitary Subsidiaries	Omaha	\$15.30	120	2010
Cook's Hams, Inc.	Lincoln	\$10.00	100	2009

CoSentry.Net, LLC	Bellevue and Omaha	\$10.00	100	2010
D & D Foods, Inc.	Omaha	\$1.10	10	2010
Distribution Management Systems, Inc.	Omaha	\$3.00	30	2009
Diversified Foods & Seasonings, Inc.	Nebraska City	\$10.00	100	2007
Drake Williams Steel, Inc.	Omaha	\$10.00	100	2007
E Energy Adams, LLC	Adams	\$90.00	32	2007
Enduro Holdings, Inc.	Omaha	\$5.40	30	2007
Farmers & Merchants Investment, Inc.	Lincoln	\$20.00	100	2009
Farmland Foods, Inc.	Crete	\$14.00	100	2007
Fidelity National Financial, Inc. and Subs.	Omaha	\$8.70	205	2009
G T E Industries, Inc. (d/b/a GT Exhaust Systems)	Lincoln	\$5.30	30	2008
GeneSeek, Inc.	Lincoln	\$5.00	10	2007
GILSA Products & Services Co.	Omaha	\$10.00	40	2011
Glass Contractors, Inc.	Omaha	\$5.10	11	2007

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Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Glazer Enterprises, Inc. dba Elliot Equipment Company	Omaha	\$1.00	25	2007

GPC, Inc.	Blair	\$30.00	30	2007
Great Plains Hanger Co, LLC	Omaha	\$1.10	15	2011
Greater Omaha Packing Co., Inc.	Omaha	\$10.00	30	2008
Hastings Irrigation Pipe Co., Inc.	Hastings	\$1.60	10	2008
Heritage Disposal & Storage, LLC	Alda	\$6.70	31	2007
Hornady Manufacturing	Grand Island	\$1.00	10	2007
Husker Ag, LLC	Plainview	\$53.50	15	2007
infoUSA Inc.	Papillion	\$4.30	250	2007
Interstate Printing Company	Omaha	\$2.60	10	2008
IPG GIS US, Inc.	Omaha	\$7.50	35	2009
Jacobson Land & Cattle Co.	Lincoln	\$9.50	30	2009
Kamterter II, LLC	Lincoln and Waverly	\$3.00	30	2007
Katana Summit, LLC	Columbus	\$14.00	139	2007
Kawasaki Motors Manufacturing Corp., U.S.A.	Lincoln	\$10.00	100	2007
Lawyers Title Insurance Corporation	Omaha	\$3.00	30	2007
Lenco, Inc. PMC	Waverly	\$2.00	15	2007
Li Cor, Inc.	Lincoln	\$5.50	35	2008
Lincoln Composites, Inc.	Lincoln	\$5.20	39	2007
Lindsay Manufacturing Co.	Lindsay and Omaha	\$11.00	100	2007

Lozier Corporation	Omaha	\$11.00	100	2010
Majors Plastics, Inc.	Omaha	\$1.50	20	2007
Back to top of page				
Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Malnove Holding Company, Inc.	Omaha	\$2.00	10	2011
Medical Solutions, Inc.	Omaha	\$3.00	221	2007
Mi Mama's Tortillas, LLC	Omaha	\$3.50	15	2011
Midlands Packaging Corp.	Lincoln	\$1.80	12	2007
Midwest Meat Packing Facility, LLC	Gibbon	\$3.00	200	2010
Midwest Web, Inc.	Lincoln	\$3.50	34	2010
Midwest Laboratories, Inc.	Omaha	\$2.00	18	2011
Milk Specialties Company & Subsidiaries	Norfolk	\$7.00	30	2010
Millard Lumber, Inc.	Omaha	\$4.00	30	2008
Minden Machine Shop, Inc.	Minden	\$1.00	10	2011
Molex Incorporated	Lincoln	\$61.00	150	2007
Monsanto Company	Gothenburg, Kearney, and Waco	\$153.00	180	2010
Mutual of Omaha Insurance Company	Omaha	\$111.20	386	2011
NANCO Holding, Inc. & Subsidiaries	Fremont	\$2.80	10	2011
Neapco Components, LLC	Beatrice	\$3.00	30	2010

Nebraska Plastics, Inc.	Cozad	\$3.00	10	2007
NEDAK Ethanol, LLC	Atkinson	\$54.00	34	2007
Nelnet, Inc. & Subsidiaries	Lincoln	\$11.00	200	2011
Netshops, Inc.	Omaha	\$9.10	440	2007
Northstar Financial Services Group, LLC	Omaha	\$5.30	95	2007
Novartis Pharmaceuticals Corp. & Affiliates	Lincoln	\$68.00	119	2007
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Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Nova-Tech, Inc.	Grand Island	\$1.00	10	2011
Omaha Financial Holdings, Inc.	Omaha	\$5.90	50	2008
Overland Products Company, Inc.	Fremont	\$1.30	10	2008
Pacific Interpreters, Inc.	Omaha	\$0.00	50	2010
Pamida Stores Operating Co, LLC	Omaha	\$3.30	70	2007
PayFlex Systems USA, Inc.	Omaha	\$10.00	100	2009
PayPal, Inc.	Bellevue and LaVista	\$42.50	1,997	2007
Pen Steel, Inc.	Omaha	\$1.30	10	2010
People Search Media, LLC	Omaha	\$3.00	30	2010
Pharmaceutical Technologies, Inc.	Omaha	\$6.40	36	2007

Phoenix Web Group, Inc.	Waverly	\$3.00	30	2007
Pinnacle Data Services, LLC	Gretna and Omaha	\$5.00	35	2007
Pramac America, LLC	Kearney	\$3.00	30	2009
Prime Therapeutics, Inc.	Omaha	\$0.00	332	2007
Professional Research Consultants, Inc.	Omaha	\$3.00	30	2007
Qualia Clinical Service, Inc.	Omaha	\$3.00	50	2007
Quality Pork International, Inc.	Omaha	\$10.00	100	2008
Rabe's Quality Meats, Inc.	Omaha	\$2.50	10	2007
Rosen's Diversified, Inc.	Bellevue, Gibbon, and Omaha	\$12.00	100	2007
Rotella's Italian Bakery	LaVista	\$10.00	30	2007
Royal Plastic Mfg., Inc.	Minden	\$6.10	49	2008

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Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Sandhills Publishing Company	Lincoln	\$12.50	100	2007
Shell Rock West, Inc.	Valley	\$7.00	40	2007
SII Acquisition, Inc. & Subsidiary	Lincoln	\$3.70	30	2008
Silverstone Holdings, Inc.	Omaha	\$5.00	30	2007
Smeal Fire Apparatus Co.	Neligh and Snyder	\$2.40	30	2007
Specialty Protein Producers, LLC	Norfolk	\$89.00	130	2007

Streck, Inc.	LaVista	\$10.00	100	2007
Swift Beef Company	Grand Island	\$10.00	100	2007
Syngenta Seeds, Inc.	Omaha and Waterloo	\$27.00	10	2008
TD Ameritrade Holding Corporation & Subs.	Bellevue and Omaha	\$10.00	200	2007
TELCOR, Inc.	Lincoln	\$2.30	30	2010
The James Skinner Co.	Omaha	\$10.00	100	2007
The Scouler Company	Big Springs, Brandon, Elsie, Fremont, Grafton, Grant, Holdrege, Jantzen, Lamar, Madrid, Omaha, Venango, and Wallace	\$3.00	30	2010
TierOne Bank	Albion, Alliance, Auburn, Beatrice, Bloomfield, Broken Bow, Burwell, Callaway, Columbus, Crete, Fairbury, Falls City, Fremont, Gering, Gothenburg, Grand Island, Hastings, Hebron, Holdrege, Humboldt, Kearney, Lexington, Lincoln, McCook, Nebraska City, Norfolk, North Platte, Omaha, O'Neill, Ord, Scottsbluff, Sidney, St Paul, Tecumseh, and Wahoo	\$17.50	210	2007
Timber Creek Homes, Inc.	Stratton	\$3.00	30	2008
Titan Medical Holdings	Omaha	\$3.00	30	2007
Trade Well Pallet, Inc.	Ashland and Gretna	\$3.10	36	2007
Transaction Systems Architects, Inc.	Omaha	\$55.00	30	2010
Travel & Transport, Inc.	Lincoln and Omaha	\$3.00	40	2011
TurnKey Solutions Corp.	LaVista and Omaha	\$3.00	30	2007
Tyson Fresh Meats, Inc.	Madison	\$1.00	10	2010

Tyson Fresh Meats, Inc.	Dakota City	\$11.00	100	2010
US BioEnergy Corporation	Ord	\$63.80	35	2008
Vantec, Inc.	Falls City	\$3.00	30	2009
Verdant Environmental Services, LLC	Fremont	\$1.00	10	2011
Verizon Wireless	Lincoln	\$27.50	750	2007
Verizon Wireless	Fremont, Grand Island, Kearney, Lincoln, Omaha, Plattsmouth, and Scottsbluff	\$176.00	0	2011
Wahoo Ethanol, LLC	Wahoo	\$173.00	45	2007
Wardcraft Homes, Inc.	Central City	\$3.00	30	2007
WebEquity Solutions, Inc.	Omaha	\$2.10	35	2010
Wimmer's Meat Products, Inc.	West Point	\$1.50	10	2007
XL Four Star Beef, Inc.	Omaha	\$7.00	59	2007
Yahoo! Inc.	LaVista	\$100.00	100	2011
Yasufuku USA, Inc.	Lincoln	\$1.00	10	2007
Your Selling Team	Chadron	\$3.10	77	2007
TOTAL	143			

**Nebraska Advantage Act
Principal Business Activity Codes and
Application Tier of Projects
with Active Signed Agreements**

Reporting Neb. Rev. Stat. § 77-5731(3)(a)

For taxpayers with signed agreements, the following table shows the incentive options selected by industry group. The industry groupings are based on the Principal Business Activity (PBA) codes currently being used by the Internal Revenue Service (IRS).

Principal Business Activity Codes and Application Tier of Signed Agreements

Category	PBA Code, Major Industry Group Titles	Tier	Number of Companies
Construction, Utilities, & Nonmetallic Mineral Products Manufacturing	22, 23, 327 — Construction, Electric and Gas, Stone, Clay, Glass, and Concrete Products	Tier 1	2
		Tier 2	3
Manufacturing	311, 312 — Meat and Food Products	Tier 1	7
		Tier 2	6
		Tier 4	10
	314, 322, 323, 325, 326 — Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-Durable Products	Tier 1	9
		Tier 2	7
Tier 4	8		
321, 331, 332 — Primary and Fabricated Metals and Wood Product Manufacturing	Tier 1	2	
	Tier 2	2	
Tier 4	1		
333, 334, 335, 336, 337, 339 — Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	Tier 1	10	
	Tier 2	14	
	Tier 3	1	
	Tier 4	5	
Wholesale & Retail Trade	42 — Durable and Non-Durable Goods	Tier 2	1
Transportation & Warehousing	48, 49 — Railroads, Trucking, Air Transportation, and Warehousing	Tier 2	4

Information & Data Processing	51 — Publishing, Communications, and Information and Data Processing Services	Tier 2 Tier 4 Tier 5	4 5 1
Finance, Insurance, & Real Estate	52 — Depository Institutions and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	Tier 2 Tier 4	6 8
Professional, Scientific, & Technical Services	54, 56, 62, 81 — Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	Tier 1 Tier 2 Tier 3 Tier 4	5 16 3 3
TOTAL			143

Nebraska Advantage Act Summary of Benefits Approved

Reporting Neb. Rev. Stat. § 77-5731(3)

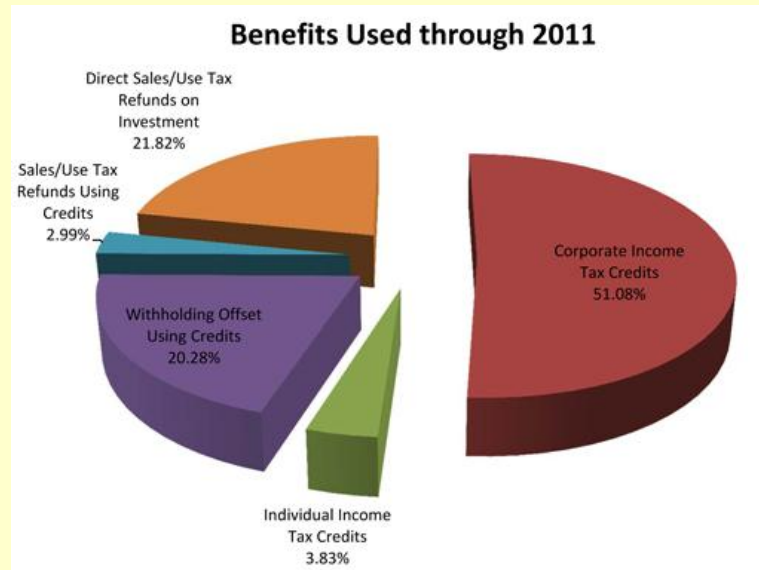
Benefit	2008	2009	2010	2011	Total
Tax Credits Earned:					
Investment Credits	3,235,696	6,836,892	80,339,969	45,880,657	136,293,214
Compensation Credits	<u>601,473</u>	<u>2,130,249</u>	<u>18,428,923</u>	<u>13,460,532</u>	<u>34,621,177</u>
Total Tax Credits Earned	\$ 3,837,169	\$ 8,967,141	\$ 98,768,892	\$ 59,341,189	\$ 170,914,391
Tax Credits Used:					
Corporate Income Tax	0	0	32,818,142	10,940,024	43,758,166
Individual Income Tax	<u>0</u>	<u>136,538</u>	<u>1,629,162</u>	<u>1,511,100</u>	<u>3,276,800</u>
Subtotal Income Tax	\$ 0	\$ 136,538	\$ 34,447,304	\$ 12,451,124	\$ 47,034,966
Payroll Withholding Offset	308,513	675,775	7,168,102 ²	9,218,917	17,371,307
Sales/Use Tax Refunds	0	0	240,566	2,324,943	2,565,509
Real Estate Tax	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Tax Credits Used	\$ 308,513	\$ 812,313	\$ 41,855,971²	\$ 23,994,984	\$ 69,971,782
Total Tax Credit Correction	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Tax Credits Outstanding¹	\$ 3,528,656	\$ 8,154,828	\$ 56,912,921²	\$ 35,346,205	\$ 103,942,610
Qualified Investment	\$ 32,356,962	\$ 69,416,159	\$ 811,893,055	\$ 465,648,243	\$1,379,314,419
Direct Sales/Use Tax Refunds on Investment	\$ 831,009	\$ 229,065	\$ 12,104,716	\$ 5,523,881	\$ 18,688,671
Sales/Use Tax Refunds Pending Approval	N/A	N/A	N/A	\$ 3,230,211	N/A
Recapture Repaid	\$ 0	\$ 0	\$ 43,936	\$ 706,877	\$ 750,813
Property Tax Benefits					
Personal Property Value Exempted	\$ 3,925,548	\$ 7,518,087	\$158,028,247	\$791,084,367	\$ 960,556,249
Real Property Value Exempted	0	0	0	0	0
New Jobs at Qualifying Projects	269	641	1,950	1,219	4,079

¹Credits Outstanding = Credits Earned less Credits Used and Credit Correction

²Correction to last Annual Report due to posting adjustments

Nebraska Advantage Act Benefits Used through 2011

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Benefits Used through 2011	
Corporate Income Tax Credits	\$ 43,758,166
Individual Income Tax Credits	3,276,800
Withholding Offset Using Credits	17,371,307
Sales/Use Tax Refunds Using Credits	2,565,509
Direct Sales/Use Tax Refunds on Investment	18,688,671

Note: Applicants with remaining tax credits from Employment and Investment Growth Act (LB 775) projects must use those credits for corporate income tax, individual income tax, and sales and use tax refunds before using tax credits earned under Nebraska Advantage.

Nebraska Advantage Act Benefits Approved by Industry (2011 and Cumulative)

Reporting Neb. Rev. Stat. § 77-5731(3)

2011

Benefit	Manufacturing	Non-manufacturing	Total
Tax Credits Earned:			
Investment Credits	32,016,068	13,864,589	45,880,657
Compensation Credits	<u>4,072,167</u>	<u>9,388,365</u>	<u>13,460,532</u>
Total Credits Earned	\$ 36,088,235	\$ 23,252,954	\$ 59,341,189
Tax Credits Used:			
Corporate Income Tax	1,620,600	9,319,424	10,940,024
Individual Income Tax	<u>1,089,568</u>	<u>421,532</u>	<u>1,511,100</u>
Subtotal Income Tax	\$ 2,710,168	\$ 9,740,956	\$ 12,451,124
Payroll Withholding Offset	4,056,577	5,162,340	9,218,917
Sales/Use Tax Refund	1,924,804	400,139	2,324,943
Real Estate Tax Reimbursement	<u>0</u>	<u>0</u>	<u>0</u>
Total Tax Credits Used	\$ 8,691,550	\$ 15,303,435	\$ 23,994,985
Tax Credit Corrections	\$ 0	\$ 0	\$ 0
Tax Credits Outstanding¹	\$ 27,396,685	\$ 7,949,519	\$ 35,346,204
Qualified Investment	\$ 325,523,391	\$ 140,124,852	\$ 465,648,243
Direct Sales/Use Tax Refunds on Investment	\$ 4,416,234	\$ 1,107,647	\$ 5,523,881
Sales/Use Tax Refunds Pending Approval	\$ 1,924,865	\$ 1,482,547	\$ 3,407,412
Recapture Repaid	\$ 675,496	\$ 31,381	\$ 706,877
Property Tax Benefits:			
Personal Property Value Exempted	\$ 668,573,986	\$ 122,510,381	\$ 791,084,367
Real Property Value Exempted	0	0	0
New Jobs at Qualifying Projects	385	834	1,219
Estimated Average Salary of New Jobs	\$ 36,803	\$ 40,960	\$ 39,541
Employees at End of Quarter Prior to Date of Application	9,090	9,686	18,776
Employees on Most Recent Reporting Date	9,812	10,678	20,490
Number of Qualified Applicants	17	16	33

¹Credits Outstanding = Credits Earned less Credits Used and Credit Correction

Cumulative (2008-2011)

***This table was corrected on November 28, 2012, due to a transposition error and omission of posting adjustments.
[Click here to view the corrected table.](#)***

Benefit	Manufacturing	Non-manufacturing	Total
Tax Credits Earned:			
Investment Credits	67,441,365	68,851,849	136,293,214
Compensation Credits	<u>10,319,322</u>	<u>24,301,855</u>	34,621,177
Total Credits Earned	\$ 77,760,687	\$ 93,153,704	\$ 170,914,391
Tax Credits Used:			
Corporate Income Tax	2,633,166	41,125,000	43,758,166
Individual Income Tax	<u>1,330,635</u>	<u>1,946,165</u>	3,276,800
Subtotal Income Tax	\$ 3,963,801	\$ 43,071,165	\$ 47,034,966
Payroll Withholding Offset	5,710,740	6,848,369	12,559,109
Sales/Use Tax Refund	2,023,499	5,304,211	7,327,710
Real Estate Tax Reimbursement	<u>0</u>	<u>0</u>	0
Total Tax Credits Used	\$ 11,698,041	\$ 55,223,745	\$ 66,921,786
Tax Credit Corrections	\$ 0	\$ 0	\$ 0
Tax Credits Outstanding¹	\$ 66,062,646	\$ 37,929,959	\$ 103,992,605
Qualified Investment	\$ 689,316,967	\$ 689,997,452	\$ 1,379,314,419
Direct Sales/Use Tax Refunds on Investment	\$ 8,776,745	\$ 9,911,925	\$ 18,688,670
Recapture Repaid	\$ 697,457	\$ 31,381	\$ 728,838
Property Tax Benefits:			
Personal Property Value Exempted	\$ 819,521,955	\$ 141,034,294	\$ 960,556,249
Real Property Value Exempted	\$ 0	\$ 0	\$ 0
New Jobs at Qualifying Projects	1,413	2,666	4,079
Estimated Average Salary of New Jobs	\$ 38,910	\$ 43,266	\$ 41,757

¹Credits Outstanding = Credits Earned less Credits Used and Credit Correction

Nebraska Advantage Act Personal Property Value Exempted by Type, by County

Reporting Neb. Rev. Stat. § 77-5731(3)(o)

Property Type	2008	2009	2010	2011	Total
Computer Systems and Peripherals					
Douglas	\$ 1,415,874	\$ 1,388,009	\$ 1,337,230	\$ 6,081,577	\$ 10,222,690
Lancaster	0	0	1,208,833	879,649	2,088,482
Sarpy	2,509,674	6,130,078	4,534,215	114,925,083	128,099,050
Washington	0	0	0	624,072	624,072
Total	\$ 3,925,548	\$ 7,518,087	\$ 7,080,278	\$ 122,510,381	\$ 141,034,294
Aircraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agricultural Product Processing Equipment					
Platte	\$ 0	\$ 0	\$ 0	\$ 536,973,570	\$ 536,973,570
Washington	0	0	150,947,969	131,600,416	282,548,385
Total	\$ 0	\$ 0	\$ 150,947,969	\$ 668,573,986	\$ 819,521,955
Distribution Facility Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 3,925,548	\$ 7,518,087	\$ 158,028,247	\$ 791,084,367	\$ 960,556,249

Nebraska Advantage Act Project-specific Benefits Summary

Reporting Neb. Rev. Stat. § 77-5731(6) and § 77-5731(7)

Project Name	Incentives Used	Locations
Advanced BioEnergy, LLC	\$ 4,370,853	Fairmont and Geneva
BNSF Railway	46,007,744	Statewide
C & A Industries	156,544	Lincoln and Omaha
CAMACO, LLC	150,188	Columbus
Central States Indemnity Co.	1,358,583	Bellevue and Omaha
Chief Industries, Inc.	449,962	Grand Island, Hastings, and Kearney
Hornady Manufacturing	1,175,431	Grand Island
Lindsay Manufacturing Co.	1,915,304	Lindsay and Omaha
Medical Solutions, Inc.	257,632	Omaha
Molex Incorporated	1,326,508	Lincoln
PayFlex Systems USA, Inc.	1,999,392	Omaha
Rotella's Italian Bakery	2,621,188	Omaha
Sandhills Publishing	1,888,810	Lincoln

Company		
TD Ameritrade Holding Co.	6,776,977	Bellevue and Omaha
TierOne Bank	91,925	Albion, Alliance, Auburn, Beatrice, Bloomfield, Broken Bow, Burwell, Callaway, Columbus, Crete, Fairbury, Falls City, Fremont, Gering, Gothenburg, Grand Island, Hastings, Hebron, Holdrege, Humboldt, Kearney, Lexington, Lincoln, McCook, Nebraska City, Norfolk, North Platte, O'Neill, Omaha, Ord, Scottsbluff, Sidney, St. Paul, Tecumseh, and Wahoo
Total Benefits	\$ 70,547,041	

Note: Any incentives recaptured have not been deducted from the stated amounts.

Project-specific Summary (2011)

Number of Companies Reporting	Growth		Average Compensation		Statewide Employees	
	Investment	FTEs*	Paid in Year of Application	Paid to New FTEs	End Of Quarter Prior to Application	Most Recently Reported
15	\$895,668,526	1,689	\$48,733	\$47,053	11,887	11,197

FTE = Full Time Equivalent

Projected Revenue Gains and (Losses) of the Nebraska Advantage Act for Tax Years 2010-2022, by Fiscal Year

[Reporting Neb. Rev. Stat. § 77-5731\(l\)](#)

Incentive tax credits (ITC) can influence the Nebraska economy positively, and those economic effects can, in turn, impact state revenue. Using a Computable General Equilibrium (CGE) model, the fiscal impacts of the program are estimated over the next ten years. This estimate is based upon completed and ongoing LB 775 projects, and ongoing Nebraska Advantage Act projects. These assumptions will be modified in the future with experience gained from Nebraska Advantage Act projects.

To analyze the fiscal impact of the tax credits, the dynamic Tax Revenue Analysis In Nebraska (TRAIN) model, a custom-built Nebraska CGE model, is used.¹ With TRAIN, the Nebraska economy is divided into 74 distinct sectors in order to explicitly trace economic flows. The TRAIN model is constructed based on Walrasian general equilibrium theory, which assumes all markets adjust through price changes, so the TRAIN analysis works well for analyzing structural changes and their consequences in the long run, but not for dealing with short-term fluctuations.

TRAIN details state government sectors in order to capture the sensitivity of state government revenue and expenditure flows. TRAIN calculates most tax impacts within the model, without requiring additional calculations outside the model to obtain final results. This allows the researcher to avoid rigid assumptions that may deliver vague results.

TRAIN mathematically expresses the Nebraska economy with over 1,300 equations and a social accounting matrix (SAM) database. It has 28 industrial sectors, two factor sectors, an investment sector, nine household sectors, 33 government sectors, and a rest-of-world sector.

The critical assumption when constructing a general equilibrium model is that the initial condition of the economy is in equilibrium. Therefore, the model is constructed so that its equilibrium replicates observed data in the base year. The date for TRAIN is the latest SAM and parameters. The estimate of tax credits used is based on the history of the LB 775 program, and the first use of credits under Nebraska Advantage.

Future revenue gains and (losses) due to Nebraska's tax incentive programs are estimated based on the analysis of historical LB 775 and Nebraska Advantage Act data, national forecasting analysis, and the TRAIN model. The possible revenue losses by tax credit claims are estimated mainly based on the analysis of LB 775 projects that includes 178 completed and 251 active projects, and nine active Nebraska Advantage Act projects. The LB 775 and Nebraska Advantage Act data contain information about the amount of earned tax credits, the amount of credit used by tax types, the amount of qualified investments, and the number of jobs. These data provide reliable indicators for future Nebraska Advantage Act tax credit claims. Because industrial investment associated with tax credit is influenced by the business cycle, US macroeconomic forecasts from IHS Global Insight are adapted for projecting business activity that generates the earning and use of incentive tax credits.

The table below provides two estimates of employment due to the Nebraska Advantage Act. The first, labeled "Estimated Number of New Jobs for Qualifying Tax Credits," is an estimate of the number of FTE jobs that will be used to qualify for tax credits by year. The second estimate, "Estimated Net New Economic Job Increases (Decreases)," is an estimate of the total number of new jobs created as a result of Nebraska Advantage Act program investment. This number is smaller than the first number, which represents more of an accounting number of employees at a project, because a number of these jobs would have occurred without the incentive tax credits under the Nebraska Advantage Act. The second number includes both direct and indirect employment in Nebraska. That is, it includes both the direct new economic jobs at the projects and the indirect new jobs throughout the Nebraska economy that are created to support the new investment and direct employment due to the Nebraska Advantage Act.

¹A more detailed description of the TRAIN model is available upon request.

Fiscal Analysis of the Nebraska Advantage Act

Summary	2010-11 ¹	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue generated by ITC	\$17,510,895	\$23,870,617	\$28,857,378	\$35,356,491	\$41,864,006	\$47,958,178
Tax Credits Used	32,900,480	23,019,695	25,243,291	31,634,498	39,899,497	49,547,371
Direct Sales and Use Tax Refunds	8,814,299	8,721,494	14,206,816	18,794,279	23,136,345	27,131,229
Revenue Gain (Loss) Cumulative	(24,203,883)	(7,870,572)	(10,592,728)	(15,072,285)	(21,171,836)	(28,720,421)
	(41,626,540)	(49,497,111)	(60,089,839)	(75,162,125)	(96,333,961)	(125,054,382)
Tax Credits Earned	79,055,041	55,416,352	60,430,610	78,964,159	96,757,686	111,630,687
Tax Credits Recaptured	0	0	0	0	93,169	198,188
Tax Credit Expired	0	0	0	0	0	0
Tax Credit Balance	74,636,021	107,032,678	142,219,997	189,549,658	246,314,678	308,199,806
Estimated Employment						
Estimated New Jobs for Qualifying Tax Credits	1,585	2,193	3,436	4,016	4,545	4,945
Estimated Net Job Increase (Decrease)	373	970	1,857	2,784	3,618	4,363

Summary	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue generated by ITC	\$53,221,193	\$57,760,094	\$61,904,385	\$65,884,453	\$69,382,657	\$73,099,483
Tax Credits Used	58,972,820	69,201,618	80,131,312	91,456,799	102,966,468	114,287,790
Direct Sales and Use Tax Refunds	31,122,833	35,041,760	38,794,133	42,566,437	46,418,586	50,261,504
Revenue Gain (Loss) Cumulative	(36,874,461) (161,928,843)	(46,483,284) (208,412,127)	(57,021,061) (265,433,188)	(68,138,783) (333,571,971)	(80,002,397) (413,574,368)	(91,449,811) (505,024,178)
Tax Credits Earned	124,816,516	138,247,834	151,476,654	163,615,758	175,016,701	185,922,577
Tax Credits Recaptured	221,598	245,443	268,930	290,481	310,722	330,085
Tax Credit Expired	0	43,094	143,800	1,209,943	1,775,676	1,244,721
Tax Credit Balance	373,821,904	442,579,583	513,512,194	584,170,728	654,134,564	724,194,545
Estimated Employment						
Estimated New Jobs for Qualifying Tax Credits	5,354	5,839	6,296	6,678	7,023	7,338
Estimated Net Job Increase (Decrease)	5,034	5,614	6,100	6,519	6,903	7,280

¹Figures for FY 2010-2011 are actual amounts.



Nebraska Advantage Rural Development Act

Reporting Requirements, Neb. Rev. Stat. § 77-27,195

Description of Benefits

Summary of Qualifying Activity

Project-specific Benefits Approved

Nebraska Advantage Rural Development Act Reporting Requirements

Neb Rev. Stat. § 77-27,195 provides:

(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 Nebraska Advantage Rural Development 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, through March 15, 2006, for all credits allowed during the previous calendar year. The report shall be issued on or before July 15 of each year beginning with July 15, 2007, for all credits allowed during the previous calendar year.

(2) Beginning with applications filed on or after January 1, 2006, except for livestock modernization or expansion projects, the report shall provide information on project-specific total incentives used every two years for each approved project and shall disclose

(a) the identity of the taxpayer,

(b) the location of the project, and

(c) the total credits used and refunds approved during the immediately preceding two years expressed as a single, aggregated total.

The incentive information required to be reported under this subsection shall not be reported for the first year the taxpayer attains the required employment and investment thresholds. The information on first-year incentives used shall be combined with and reported as part of the second year. Thereafter, the information on incentives used for succeeding years shall be reported for each project every two years containing information on two years of credits used and refunds approved. The incentives used shall include incentives which have been approved by the Department of Revenue, but not necessarily received, during the previous two calendar years.

(3) For livestock modernization or expansion projects, the report shall disclose

(a) the identity of the taxpayer,

(b) the total credits used and refunds approved during the preceding calendar year, and

(c) the location of the project.

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

Nebraska Advantage Rural Development Act Description of Benefits

General Information:

The Nebraska Advantage Rural Development Act requires a taxpayer involved in a qualifying business to file an application with the Department. For a list of qualified business activities, [click here](#). There are three different application levels under Nebraska Advantage Rural Development: Level 1, Level 2, and Livestock Modernization.

Application Information:

An application may be filed on or after the first day of the tax year. The application requests the total amount of expected credits for additional investment and employment in the year the application is filed and the following tax year. There is a statutory limit on the total benefits that may be approved for a calendar year. The requested benefits are applied to the limit in the order in which the complete applications were filed.

- [Application for Nebraska Advantage Rural Development Level 1](#)
- [Application for Nebraska Advantage Rural Development Level 2](#)
- [Application for Nebraska Advantage Livestock Modernization](#)

For applications filed on or after October 1, 2009, taxpayers must utilize [E-verify](#) to verify that all new employees are legally able to work in the United States, as required by [Neb. Rev. Stat. § 77-27,188.03](#).

Rural Development Act Available Funds and Requested Benefits:

Year Ending	Number of Applicants	Total Requested Benefits	Statutory Limit on Benefits
12/31/2011	7	\$ 2,412,750	\$ 4,000,000
12/31/2010	11	829,750	\$ 4,000,000
6/30/2010	10	1,271,854	4,000,000
6/30/2009	34	3,000,000	3,000,000
6/30/2008	34	3,000,000	3,000,000
6/30/2007	15	1,555,250	3,000,000
6/30/2006	15	2,086,000	2,500,000
6/30/2005	12	713,000	2,500,000

Requirements by Application Level:

Level 1. Project applications under Level 1 require a plan of expansion that includes a minimum of two new full-time equivalent (FTE) employees who are paid at least the minimum required wage, and \$125,000 of net, new investment. The expansion must occur in a county with a population of less than 15,000 inhabitants, in an enterprise zone, a village, or an eligible census tract. Level 1 applications were first accepted for tax years beginning on or after January 1, 2006. For more information on the required wage rate and whether a location is eligible under Level 1, [click here](#).

Level 2. Project applications under Level 2 require a plan of expansion that includes a minimum of five new FTE employees who are paid at least the minimum required wage, and \$250,000 of net, new investment. The expansion must occur in a county with a population of less than 25,000 inhabitants, in an enterprise zone, or a city of second class. Level 2 applications were first accepted for tax years beginning on or after January 1, 2004. For more information on the required wage rate and whether a location is eligible under Level 2, [click here](#).

Livestock Modernization. Livestock Modernization is defined as the construction, improvement, or acquisition of depreciable buildings, facilities, or equipment for livestock housing, confinement, feeding, production, and waste management. The project must have a net, new investment of at least \$50,000. The expansion may occur in any county in Nebraska. There is no employment increase required. Livestock Modernization project applications were first accepted as of January 1, 2007.

Benefits by Application Level:

Level 1 and Level 2. If the Level 1 or Level 2 taxpayer reaches and maintains the required levels of investment and employment, it is eligible for a \$3,000 credit for each new FTE employee, and a \$2,750 credit for each \$50,000 net gain in qualified investment. The credits may be used: to obtain a refund of state sales and use taxes paid; against the income tax liability of the taxpayer; or as a refundable credit claimed on the income tax return of the taxpayer.

Livestock Modernization. If the Livestock Modernization taxpayer reaches and maintains the required level of investment, it is eligible to earn credits at 10% of investment. Each project is limited to a maximum of \$30,000 in credits. The credits may be used: to obtain a refund of state sales and use taxes paid; against the income tax liability of the taxpayer; or as a refundable credit claimed on the income tax return of the taxpayer.

Nebraska Advantage Rural Development Act Summary of Qualifying Activity

[Reporting Neb. Rev. Stat. § 77-27,195\(1\)](#)

Rural Development Business Activity through 2011

Year	FTEs	Investment	Tax Credits Earned	Tax Credits Used, Net of Recapture ¹
2011	20	\$ 3,537,625	\$ 271,116	\$ 818,043
2010	32	39,801,633	1,855,335	\$ 1,072,976
2009	90	28,288,702	1,680,536	1,859,036
2008 & Before	132	16,754,580	1,201,047	996,547
Total	274	\$ 88,382,540	\$ 5,008,034	\$ 4,746,602

¹To maintain confidentiality, recaptured tax credits are not separately stated.

FTE = Full Time Equivalent

Rural Development Business Activity Approved in 2011

Project Number	FTEs	Investment
1	12	\$ 996,593
2	8	1,526,314
3	0	498,648
4	0	309,906
5	0	206,164
Totals	20	\$ 3,537,625

FTE=Full Time Equivalent

Nebraska Advantage Rural Development Act Project-specific Benefits Approved

[Reporting Neb. Rev. Stat. § 77-27,195](#)

Level 1 and Level 2 Project-specific Total Tax Incentives Used in 2010-2011

Project Name	Tax Credits Used and Refunds Approved	Location
GJW, LLC	\$ 484,250	Ainsworth
Lost Island, Inc.	188,500	Columbus
Oxbow Enterprises, Inc.	48,000	Murdock
Total	\$ 720,750	

Livestock Modernization Project-specific Total Tax Incentives Used in 2011

Project Name	Tax Credits Used and Refunds Approved	Location
Bradley Harms	\$ 30,000	Dodge
Brent Hilbers	27,427	Oakland
Muller Farms, Inc.	26,000	Scribner
South Central Feeders, Inc.	20,616	Bertrand
T J Livestock, Inc.	13,500	Platte Center
Total	\$ 117,543	



Nebraska Advantage Microenterprise Tax Credit Act

Reporting Requirements, Neb. Rev. Stat. § 77-5907

Description of Benefits

Analysis of Nebraska Advantage Microenterprise Tax Credit Act

Nebraska Advantage Microenterprise Tax Credit Act Reporting Requirements

Neb. Rev. Stat. § 77-5907 provides:

The Tax Commissioner shall prepare a report identifying the following aggregate amounts for the previous calendar year:

- (1) The amount of projected employment and investment anticipated by taxpayers receiving tentative tax credits and the tentative tax credits granted;
- (2) the actual amount of employment and investment made by taxpayers that were granted tentative tax credits in the previous calendar year;
- (3) the tax credits used; and
- (4) the tentative tax credits that expired.

The report shall be issued on or before July 15, 2007, and each July 15 thereafter. No information shall be provided in the report that is protected by state or federal confidentiality laws.

Nebraska Advantage Microenterprise Tax Credit Act Description of Benefits

General Information:

The Nebraska Advantage Microenterprise Tax Credit Act allows an individual actively involved in the day-to-day activities of a microbusiness, which is located in a distressed area, to apply for tax credits.

Application Process and Benefits Received:

The individual actively involved in the microbusiness must file an application, which describes their involvement, the expected investment or employment growth, and the tentative tax credits for the year of application and the following year. Each individual, and any related parties, are limited to a \$10,000 lifetime tax credit.

[Application for Nebraska Advantage Microenterprise Tax Credit Act](#)

Applications requesting up to \$2 million may be authorized for each calendar year.

The individual earns a refundable income tax credit equal to 20% of the microbusiness' new investment or employment, not to exceed the amount of tentative tax credits approved based on the application. New investment is an increase in purchases of buildings and depreciable assets, repairs and maintenance, advertising, legal, or professional services in the year of application and the following year, as compared to the year prior to application. New employment is an increase in employee compensation and the employer cost of health insurance in the year of application and the following year, as compared to the year prior to application. The individuals claim the tax credit when filing their Nebraska income tax return.

Employment Criteria

The microbusiness must have five or fewer full-time equivalent (FTE) employees at the time of application to participate in the Nebraska Advantage Microenterprise Tax Credit Act. For applications filed on or after October 1, 2009, taxpayers must utilize [E-verify](#) to verify that all new employees are legally able to work in the United States, as required by [Neb. Rev. Stat. § 77-5908](#).

Location Criteria

The microbusiness must be located at a site which meets the statutory requirements related to population decline or per capita income level. All locations in the state are eligible other than portions of Washington and Lancaster counties. For more specific information on whether a location is eligible, [click here](#).

Analysis of Nebraska Advantage Microenterprise Tax Credit Act

Reporting Neb. Rev. Stat. § 77-5907

Analysis Based on Application Estimates

Application Year	Projected Investment	Projected Compensation	Tax Credits Authorized
2011	\$ 11,620,880 ¹	\$ 12,116,287 ¹	\$ 1,909,995 ¹
2010	14,440,291	10,780,605	2,000,000
2009	12,445,038	12,383,582	2,000,000
2008	26,494,484	7,882,647	2,000,000
2007	14,352,643	3,403,376	2,000,000
2006	16,104,723	14,075,040	2,000,000
Total	\$ 95,458,059	\$ 60,641,537	\$ 11,909,995

¹As of December 31, 2011, final authorization of credits was delayed due to unresolved protests.

Business Activity through 2011

Application Year	Actual Investment	Actual Compensation	Tax Credits Used	Tax Credits Expired
2010	\$ 8,667,291	\$ 10,936,403	\$ 1,474,887	\$ 0
2009	8,518,430	9,803,399	1,087,160	0
2008	31,605,604 ²	7,201,292 ²	1,635,372 ²	0
2007	17,529,894	3,846,107	1,724,078 ²	0
2006	16,325,229	15,065,667	1,849,386 ²	47,863
Total	\$ 82,646,448	\$ 46,852,868	\$ 7,775,217	\$ 47,863

²Correction to previous Annual Report due to audit adjustments.



Nebraska Advantage Research and Development Act

Reporting Requirements, Neb. Rev. Stat. § 77-5807

Description of Benefits

Summary of Benefits Approved

Nebraska Advantage Research and Development Act Reporting Requirements

[Neb Rev. Stat. § 77-5807](#) provides:

Beginning July 15, 2007, and each July 15 thereafter the Tax Commissioner shall prepare a report stating [the total amount of credits claimed on incometax returns or as refunds of sales and use tax during the previous calendar year](#).

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

Nebraska Advantage Research and Development Act Description of Benefits

General Information:

The Nebraska Advantage Research and Development tax credit is available for tax years beginning on or after January 1, 2006. A business firm, which incurs research and development expenditures, is eligible for a Nebraska tax credit. If the firm does business within and without Nebraska, the federal tax credit must be apportioned before calculating the Nebraska tax credit.

No business firm may claim the credit for the first time in a tax year beginning after December 31, 2015.

Description of Benefits:

The research and development tax credit may be claimed by a business firm for five years.

Tax Year 2006. A business firm which incurs research and development expenditures, as defined in §174 of the Internal Revenue Code (IRC), may claim a tax credit equal to three percent of the increase in Nebraska research and development expenditures in the current year, as compared to the average of the expenditures in the two years prior to first claiming the tax credit.

Tax Years 2007 and 2008. A business firm which incurs research and development expenditures, as defined in §174 of the IRC, may claim a credit equal to 15 percent of the federal tax credit allowed.

Tax Years 2009 and Later. A business firm which incurs research and development expenditures, as defined in §174 of the IRC, may claim the enhanced research credit of 35 percent for research activity on the campus of a college or university in Nebraska, and a credit equal to 15 percent of the federal tax credit allowed for activities that are not on-campus.

For credits claimed in a tax year beginning on or after January 1, 2009, taxpayers must utilize [E-verify](#) to verify that all new employees are legally able to work in the United States, as required by [Neb. Rev. Stat. § 77-5808](#).

Nebraska Advantage Research and Development Act Summary of Benefits Approved

[Reporting Neb. Rev. Stat. § 77-5807](#)

The tax credit may be used:

- To obtain a refund of state sales and use taxes paid;
- Against the income tax liability of the taxpayer; or
- As a refundable credit claimed on the income tax return of the taxpayer.

Tax Credits Approved

Year	Income Tax Credits	Sales and Use Tax Refunds
2011	\$ 2,354,048	\$ 0
2010	4,075,519 ¹	0
2009	2,234,741 ¹	0
2008	2,103,626 ¹	0
2007	64,166	0
2006	0	0
Total	\$ 10,832,100	\$ 0

¹Correction to previous Annual Report due to audit adjustments.



Employment and Investment Growth Act (LB 775)

Reporting Requirements, Neb. Rev. Stat. § 77-4110

Description of Benefits

Active Signed Agreements

Summary of Benefits Approved

Industry Group Detail:

Principal Business Activity Codes and Application Option of Projects with Active Signed Agreements

Qualified Projects by Industry (Cumulative through 2011)

Analysis of Credits (2011 and Cumulative through 2011)

Analysis of Sales and Use Tax Refunds (2011 and Cumulative through 2011)

Analysis of Sales and Use Tax Refunds - Approved Refunds Net of Recapture, by Year and Cumulatively

Investment in Qualified Property, by Year and Cumulatively

Number of FTE Jobs Created

Total Number Employed by Qualified Applicants

Average Salary of New Employees (2011 and Cumulative through 2011)

Estimate of Personal Property Value Exempted Under the Employment and Investment Growth Act

Projected Revenue Gains or (Losses) of Employment and Investment Growth Act, Quality Jobs Act, and Invest Nebraska Act for Tax Years 2010-2022 Projects by Fiscal Year

Employment and Investment Growth Act Reporting Requirements

Neb. Rev. Stat. § 77-4110 provides:

- (1) The Tax Commissioner shall submit an annual report to the Legislature no later than July 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.

Employment and Investment Growth Act

Description of Benefits

General Information:

The Employment and Investment Growth Act (LB 775) allows a taxpayer involved in a qualified business to earn and use benefits for investment and employment growth. For a list of qualified and non-qualified business activities, [click here](#). There are three options that have varying requirements for investment and employment and for benefits.

Application Information:

No new Employment and Investment Growth Act applications could be filed after December 31, 2005.

Application Options:

Each of the options requires a stated increase in the investment and employment levels by the end of the attainment period.

The increase in investment is equal to the value of qualified property placed in service at the project after the date of application. Qualified property means any tangible property of a type subject to depreciation, amortization, or other recovery under the Internal Revenue Code of 1986, as amended, or the components of such property, that will be located and used at the project or at the residence of a teleworker working in Nebraska. Qualified property does not include aircraft, barges, motor vehicles, railroad rolling stock, or watercraft or property rented to another person.

The increase in employment is equal to the number of new full-time equivalent (FTE) employees at the project. The number of new, FTE employees is calculated using the number of hours paid in the year. One FTE employee is equal to 40 hours per week for the entire year. A taxpayer in a qualified business may file an application electing one of the following options:

- **\$20 Million in Investment**
 - **\$3 Million in Investment and 30 FTE Employees.** One FTE is equal to 40 times the number of weeks in a year.
 - **\$10 Million in Investment and 100 FTE Employees.** A taxpayer applying under this option has a two-part agreement. When the project attains the minimum required levels of \$3 million investment in qualified property and 30 FTEs, the project is eligible for all benefits of a \$3 million and 30 FTE project. When the project attains the \$10 million and 100 FTEs, the taxpayer is also eligible for certain property tax exemptions.
-

Description of Time Periods:

Year

Year means the federal taxable year of the taxpayer.

Base Year

The base year is the year immediately preceding the year during which the application was filed.

Attainment Period

The attainment period is the number of years, including the year of application, in which the taxpayer must meet the minimum levels of investment and employment required for benefits. All options must meet the minimum required levels within seven years.

Entitlement Period

The entitlement period is the time period within which the taxpayer generally can both earn and use incentives. This period includes the year the taxpayer meets the minimum chosen levels of investment and employment, and the next six years.

Carryover Period

During the carryover period, no additional credits are earned, but unused credits earned before the end of the entitlement period may be used. The carryover period begins the year after the end of the entitlement period and ends at the end of the eighth year after the entitlement period.

[Click here to view a sample time line.](#)

Description of Benefits:

Benefits by Application Level

	\$20M	\$3M & 30 FTE	\$10M & 100 FTE
Benefit			
Sales Factor Election	✓	✓	✓
Direct Refund	✓	✓	✓
Investment Credit		✓	✓
Compensation Credit		✓	✓
Personal Property Tax Exemption			✓
Use of Credits			
Sales and Use Tax Refund		✓	✓
Income Tax Refund		✓	✓
Distribution of Credits		✓	✓

Direct Refund

A direct refund is the refund of Nebraska and local sales and use taxes paid on the purchase of qualified property for use at the project, or on the purchase or lease of aircraft for use in connection with the project, which is placed in service during the attainment and entitlement periods. The aircraft may not be used to transport an elected official, or for fundraising for an elected official.

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 aircraft, barges, motor vehicles, railroad rolling stock, watercraft, or property that is rented to another person.

Investment Credit

Investment credit is a credit equal to ten percent of the investment made in qualified property at the project during the attainment or entitlement periods. The credit on qualified property placed in service, from date of application through the end of the tax year in which the minimum required levels are met, is earned in the qualification year. A credit is also earned on qualified property placed in service in other years of the entitlement period.

Investment credits may be used for a sales and use tax refund or an income tax refund.

Compensation Credit

For each year of the entitlement period, the compensation credit is equal to five percent times the increase in compensation at the project. The increase in compensation is equal to the taxable compensation of resident employees and base-year employees at the project in the current year minus the average compensation at the project in the year times the number of base-year employees.

The compensation credit may be used for a sales and use tax refund or an income tax refund.

Personal Property Tax Exemption

A taxpayer may claim a personal property tax exemption on three types of property acquired after the date of application:

1. Turbine powered aircraft;
2. Computer systems and specific peripherals that require environmental controls of temperature and power; and
3. Business equipment involved directly in the processing of agricultural products.

Turbine powered aircraft may be exempted from the first January 1 following the date of acquisition of the property through the sixteenth December 31 after the filing of the application. The aircraft may not be used to transport an elected official, or for fundraising for an elected official.

The computer systems and peripherals and agricultural processing equipment may be exempted from the first January 1 following the end of the year during which the required levels were exceeded through the sixteenth December 31 after the filing of the application.

Sales and Use Tax Refund

This is a refund of Nebraska and local sales and use taxes paid on otherwise non-refundable purchases used at the project. The credits must be earned in a prior tax year and can be used during the entitlement and carryover periods.

Income Tax Refund

Credits may be used to reduce the income tax liability of the taxpayer's entire unitary group. The credits may be used in the year earned and are available during the entitlement and carryover periods.

Credits earned by a partnership, limited liability company, a subchapter S corporation, or an estate or trust may be distributed in the same ratio as income. The recipient of the distributed credit may use the credit to reduce their income tax liability from the year of distribution through the end of the carryover period.

Employment and Investment Growth Act Active Signed Agreements

Reporting Neb. Rev. Stat. § 77-4110(2)

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
3M Company	Valley	\$3.0	30	1997
Abengoa Bioenergy Corporation	York County	\$55.1	105	1997
Abengoa Bioenergy US Holding, Inc.	Ravenna	\$10.0	100	2006
Adesta, LLC	Omaha	\$3.0	50	2007
ADT Security Services, Inc.	Omaha and Papillion	\$12.2	400	2003
Advanced Building & Components, Inc.	Mead	\$3.2	32	2004
Affiliated Foods Midwest Cooperative, Inc.	Norfolk	\$8.4	100	1997
Affiliated Foods Midwest Cooperative, Inc.	Norfolk	\$10.5	100	2006
Ag Processing, Inc.	Omaha	\$5.0	95	1993
Ag Processing, Inc.	Central Nebraska	\$40.0	100	1995
Airlite Plastics Company	Greater Omaha Metropolitan Area	\$10.0	30	1997
Airlite Plastics Company	Omaha	\$69.6	30	2006
Alliant Exchange, Inc.	Douglas County	\$3.0	30	1990
Allo Communications, LLC	Imperial and western Nebraska communities	\$16.3	105	2006

American Laboratories, Inc.	Omaha	\$3.0	30	1995
American Title, Inc.	Omaha	\$11.8	280	2005
Ameriprise Financial, Inc.	Omaha	\$7.0	100	1999
Applied Underwriters, Inc.	Omaha	\$3.3	50	2003
Archer Daniels Midland Company	Columbus	\$80.0	125	1991
Archer Daniels Midland Company	Lincoln and Fremont	\$24.9	0	2006
Assurity Life Insurance Company	Lincoln	\$4.5	30	1997
Auburn Consolidated Industries, Inc.	Auburn	\$10.5	162	2006
Auburn Consolidated Industries, Inc.	Auburn	\$3.0	35	1994
Auto Club Group	Statewide	\$12.1	250	2007
Ballantyne of Omaha, Inc. & Subs.	Omaha	\$3.0	30	1998
Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Bank of the West	Omaha	\$20.0	0	2007
Becton Dickinson & Company	Columbus, Holdrege, and Broken Bow	\$145.0	287	2001
Beef Products, Inc.	South Sioux City	\$22.5	100	1994
Beef Products, Inc.	Dakota City, Lexington, and South Sioux City	\$72.1	175	2006
Behlen Mfg. Co.	Columbus	\$12.7	100	2006
Blue Cross & Blue Shield of Nebraska	Omaha and Lincoln	\$10.0	100	1995
Blue Cross & Blue Shield of Nebraska & Subs	Omaha, Lincoln, and Grand Island	\$13.4	100	2006

BMS Management, Inc.	Lincoln	\$10.0	100	2006
Burlington Northern Santa Fe Corporation	Statewide	\$3.0	30	1996
C & A Industries, Inc.	Omaha	\$4.6	35	2003
C S Precision Manufacturing, Inc.	Scottsbluff	\$7.0	33	2000
C.J. Foods, Inc.	Pawnee City	\$3.0	30	1996
Cabela's, Inc.	Sidney, Kearney, Lincoln, North Platte, Grand Island, and Central City	\$18.8	1,100	2004
Cargill Meat Solutions Corp.	Nebraska City	\$13.0	150	1994
Cargill Meat Solutions Corp.	Schuyler	\$16.5	100	2000
Cargill, Inc.	Washington County	\$150.0	100	1993
Carneco Foods, LLC	Columbus	\$16.0	100	1995
Cintas Corporation No. 2	Omaha	\$5.6	120	2002
Claas North America Holdings, Inc.	Omaha	\$60.0	502	1998
Clarcor, Inc.	Kearney and Gothenburg	\$10.0	100	1998
Clarcor, Inc.	Kearney	\$20.1	100	2007
ConAgra Beef Company	Grand Island	\$21.0	100	2002
ConAgra Foods, Inc.	Omaha	\$10.0	100	2004
ConAgra Foods, Inc.	Hastings	\$45.0	30	2007
Consolidated Business Systems, Inc.	Omaha	\$3.5	40	1996

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Consolidated Supply Co, Inc.	Omaha	\$10.0	100	2007
Cornhusker Energy Lexington, LLC	Lexington and Omaha	\$47.0	100	2007
Coxcom, Inc.	Omaha	\$3.0	30	1997
Coxcom, Inc.	Omaha	\$309.8	100	2006
Crete Carrier Corporation	Lincoln	\$10.0	100	2007
CRWS, Inc. & Subs.	Omaha	\$3.0	30	1998
CSG Systems International, Inc.	Omaha	\$57.0	155	2007
Degussa Corporation	Blair	\$75.0	30	2004
Design Plastics, Inc.	Omaha	\$3.2	30	1992
Distefano Tool & Manufacturing Co.	Omaha	\$3.2	35	1997
Drake-Williams Steel, Inc.	Omaha	\$3.7	30	1991
Duncan Aviation, Inc.	Lincoln	\$3.0	30	1997
Duncan Aviation, Inc.	Lincoln	\$20.2	100	2007
E Energy Auburn, LLC	Auburn	\$80.8	35	2006
E Energy Broken Bow, LLC	Broken Bow	\$78.3	35	2006
Eagle Capital Group, Inc.	Hastings	\$3.6	30	2002
Eaton MDH Company, Inc.	Hastings	\$17.5	68	1999
EFJ, Inc.	Lincoln	\$10.0	100	1993

Election Systems & Software, Inc.	Omaha	\$6.7	41	2007
Elster American Meter Company	Nebraska City and Plattsmouth	\$16.5	50	2002
Empire Fire & Marine Insurance Company	Omaha	\$10.0	100	1998
Examination Management Services, Inc.	Omaha	\$11.8	30	2007
Exmark Manufacturing Company, Inc.	Beatrice and Lincoln	\$3.0	30	2006
Farmers & Merchants Investment, Inc.	Statewide	\$4.9	72	1996
Farmers & Merchants Investment, Inc.	Statewide	\$12.0	100	2003
Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Farmland Foods, Inc.	Crete	\$10.0	100	2005
Farmland Foods, Inc.	Crete	\$11.7	100	2002
Financial Brokerage Holdings, Inc.	Omaha	\$3.0	30	1999
First Data Corporation	Omaha and Lincoln	\$10.0	100	1994
First Data Corporation	Omaha and Lincoln	\$20.0	0	2006
First Gothenburg Bancshares, Inc.	Gothenburg, Omaha, and Ralston	\$10.0	100	2007
First National of Nebraska, Inc.	Omaha, Alliance, Beatrice, Bellevue, Bloomfield, Broken Bow, Chadron, Columbus, David City, Fremont, Gering, Grand Island, Gretna, Hemingford, Kearney, LaVista, Lexington, Lincoln, Norfolk, North Platte, Papillion, Scottsbluff, and Wayne	\$10.0	100	1994
First National of Nebraska, Inc.	Omaha, David City, Columbus, Norfolk, Alliance, Chadron, Gering, Scottsbluff, North Platte, Fremont, Kearney, Lincoln, Broken Bow, Grand Island, Gretna, and Papillion	\$258.6	100	2002

First York Ban Corp.	Statewide	\$3.0	30	2000
Firstar Fiber, Inc.	Fremont and Omaha	\$43.5	180	2004
Flexcon Company, Inc.	Columbus	\$22.0	200	1993
Focus Legal Solutions, LLC	Omaha	\$3.0	30	2007
Fremont Beef Company	Fremont	\$3.0	30	2006
Frito Lay, Inc.	Central Nebraska	\$25.0	30	1997
Gallup Organization	Omaha, Lincoln, and Bellevue	\$66.2	150	2006
Gallup, Inc.	Lincoln and Omaha	\$9.0	155	1996
Gibraltar Packaging Group, Inc.	Hastings	\$10.0	100	2006
Global Industries, Inc.	Grand Island	\$10.0	100	2006
Gordman's, Inc.	Omaha	\$10.0	100	2001
Grand Island Accessories, Inc.	Grand Island	\$3.5	37	2000
Great Dane Limited Partnership	Wayne	\$3.0	184	2000
Greater Omaha Packing Company	Omaha	\$10.0	100	1996
HDM Corporation	Omaha	\$3.4	269	2001
HDR, Inc.	Omaha	\$15.3	110	1998
Henningsen Foods, Inc.	David City, Norfolk, Ravenna, and Omaha	\$4.5	30	1993

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
HMN, Inc.	Fremont	\$8.6	30	2006
Hughes Brothers, Inc.	Seward	\$5.3	30	2000
Husqvarna U.S. Holding, Inc.	Beatrice	\$10.0	100	2004
IMSCORP	Lincoln	\$3.0	30	1990
Info USA, Inc.	Omaha, Papillion, and Ralston	\$10.0	190	1995
Infocrossing	Omaha	\$65.0	0	2006
Information Technology, Inc.	Lincoln	\$3.5	30	2003
Innovative Grain Technologies	Lincoln	\$15.0	120	2001
Intervet, Inc.	Elkhorn and Omaha	\$15.0	117	2001
Intervet, Inc.	Elkhorn and Omaha	\$34.3	100	2007
Irwin Industrial Tool Company	Beatrice, DeWitt, and Lincoln	\$10.0	100	1995
Jacobson Land and Cattle Company	Lincoln	\$10.0	100	2003
James Skinner Company	Omaha	\$10.6	110	2001
KAAPA Ethanol, LLC	Kearney County and Elm Creek	\$95.0	100	2005
Kawasaki Motors Mfg. Corp.	Lincoln	\$50.0	80	2001
Kellogg Company	Omaha	\$84.0	0	1997

Kellogg Company	Omaha	\$20.0	0	2006
Kerry, Inc.	Fremont	\$10.0	100	2007
Knowledge Management Systems, LLC	Lincoln	\$3.0	30	2007
Kroy Building Products, Inc.	York	\$3.0	30	1998
L. B. Foster Company	Grand Island	\$3.5	30	2000
Label Acquisition Group	Omaha	\$4.3	38	2004
Lanter Company	Omaha	\$4.0	34	1994
LCF Holdings, Inc. & Subs.	Omaha, Lincoln, Fremont, Norfolk, Bellevue, and Ainsworth	\$3.2	30	1990
Level 3 Communications, Inc.	Statewide	\$10.0	100	1996
LI-COR, Inc.	Lincoln	\$3.0	30	1998
Lincoln Industries	Lincoln	\$12.4	112	2001
Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Lincoln Poultry & Egg Co.	Lincoln	\$10.0	101	2005
Lincoln Snacks, Inc.	Lincoln	\$8.7	50	2006
Linweld, Inc.	Lincoln, Hastings, Holdrege, Columbus, Omaha, Kearney, Waverly, Norfolk, Grand Island, and Scottsbluff	\$3.0	30	1991
Lockheed Martin Corporation	Bellevue	\$11.4	100	2005
M.G. Waldbaum Company	Wakefield, Bloomfield, and Wayne	\$18.9	109	2002

Mallory USA, Inc.	South Sioux City	\$3.0	30	1991
Maplehurst Bakeries, Inc.	Nebraska City	\$3.0	30	1997
Marianna Industries, Inc.	Omaha	\$5.6	30	2004
McCain Foods USA, Inc.	Grand Island	\$20.0	100	2004
MDS (US), Inc.	Lincoln and Omaha	\$22.8	100	2007
Metal-Tech Partners	Bruning and Geneva	\$3.3	83	2001
Mid America Agri Products/Horizon, LLC	Cambridge	\$61.0	40	2007
Mid America Agri Products/Wheatland, LLC	Madrid	\$61.0	40	2007
Mid-America Computer Corporation	Blair	\$11.5	131	2006
MidAmerican Energy Holdings Co.	Omaha, Beatrice, Palmyra, South Sioux City, and Bellevue	\$10.0	200	2005
Midwest Renewable Energy, LLC	Sutherland	\$23.5	40	2006
Midwest Web, Inc.	Lincoln	\$4.7	30	1997
Millard Refrigerated Services	Douglas and Sarpy Counties	\$14.7	210	1990
MP Global Products, LLC	Norfolk	\$3.3	32	2000
MSI Systems Integrators, Inc.	Omaha	\$3.0	30	1999
Mutual of Omaha Insurance Company	Omaha	\$166.0	0	2002
National Research Corporation	Lincoln	\$3.0	30	2008

Natura Manufacturing, Inc.	Fremont	\$23.4	100	2002
NBC Acquisition Corp.	Lincoln	\$10.0	100	2003
Neapco, LLC	Beatrice	\$5.9	30	2001
Nebraska Orthopaedic Hospital, LLC	Omaha	\$34.9	30	2007
Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Nebraska Beef Ltd.	Omaha	\$10.0	100	1994
Nebraska Energy, LLC	Aurora	\$35.0	30	1995
Nebraska Furniture Mart, Inc.	Omaha	\$25.0	100	2003
Nebraska Transport Co., Inc.	Scottsbluff, Alliance, Sidney, North Platte, Norfolk, Grand Island, Lincoln, and Omaha	\$10.5	30	2006
Nedelco, Inc.	Aurora, North Platte, Grand Island, Kearney, and Columbus	\$8.5	393	2006
Nedelco, Inc. & Subsidiaries	Aurora and Columbus	\$4.9	147	1997
Nelnet, Inc.	Lincoln	\$3.5	35	2003
Nestle Holdings, Inc.	Crete	\$15.2	100	2007
Nonpareil - RDO, L.L.C.	O'Neill, Bassett, and Atkinson	\$15.8	100	1999
Norfolk Iron & Metal Company	Norfolk	\$11.0	30	2004
Novartis Consumer Health, Inc.	Lincoln	\$10.0	100	1997
Nucor Corporation	Norfolk	\$3.0	30	2007
Omaha Printing Company	Omaha	\$11.5	100	2006

Omaha Steaks International, Inc.	Metropolitan Omaha Area and Snyder	\$10.0	100	1996
Omaha Steaks International, Inc.	Omaha, Snyder, and Bellevue	\$12.8	105	2006
Omaha World Herald Company	Omaha	\$9.0	30	1999
Omni Hotels Management Corporation	Omaha	\$3.4	30	2004
ORI Great West Holdings	South Sioux City and Grand Island	\$10.7	187	2006
OTC Holdings Corporation	Omaha, LaVista, Bellevue and Lincoln	\$10.5	105	2003
Overhead Door Corporation	Grand Island	\$4.2	136	2003
Pacific Life Insurance Co.	Omaha	\$10.0	100	2005
Parker Hannifin Corporation	Alliance and McCook	\$13.6	71	1996
Parker Hannifin Corp. & Subs.	Alliance and McCook	\$13.8	100	2006
PayPal, Inc.	Omaha	\$16.0	800	2003
Pennington Seed, Inc. of Nebraska	Sidney	\$10.0	100	1996
Peter Kiewit Sons, Inc.	Omaha	\$10.0	100	2006
Pfizer, Inc.	Lincoln and Omaha	\$85.0	0	2007

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Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Pinnacle Bancorp, Inc.	Beatrice, Neligh, Schuyler, Wisner, Arnold, Lexington, Omaha, Elwood, Aurora, O'Neill, Ogallala, Verdigre, Lincoln, Madison, Central City, Palmer, Grant, Columbus, Crete, Oscola, Shelby, Gretna, Papillion, and	\$10.0	100	2005

	Elkhorn			
Pinnacle Data Services, LLC	Gretna	\$3.0	30	2001
Plastic Companies Enterprises, Inc.	Lincoln	\$4.2	32	2007
Platte Valley Financial Services Companies, Inc	Scottsbluff, Bridgeport, Gering, Minitare, and Morrill	\$3.7	50	1998
Platte Valley Fuel Ethanol, LLC	Central City	\$10.0	100	2005
Precision Castparts Corp.	Norfolk	\$3.9	35	1998
Precision Industries, Inc.	Omaha and Lincoln	\$10.1	100	2007
Premier Industries, Inc.	Mead	\$3.0	30	1997
Printco Graphics, Inc.	Omaha	\$3.0	67	2004
Professional Veterinary Products, LTD	Omaha	\$10.0	100	2002
Profitstar, Inc.	Omaha	\$10.0	100	2001
PWG Enterprises, Inc.	Omaha	\$10.0	100	1996
Quality Pork International, Inc.	Omaha	\$10.0	100	1997
Quebecor World Lincoln, Inc.	Lincoln and surrounding areas	\$10.0	100	2004
Reinhart Foodservice, LLC	Omaha	\$3.0	30	1995
Reliance Electric Industrial Company	Columbus	\$3.0	30	1997
Restful Knights, Inc.	Wayne	\$10.0	100	2003
Rotella's Italian Bakery, Inc.	Omaha	\$3.0	30	1999
Securities America Financial Corporation	Omaha and LaVista	\$14.0	30	2007
Security National Bank	Omaha	\$5.0	30	2003

Siouxland Ethanol, LLC	Jackson	\$62.3	35	2006
Southwark Metal Manufacturing Co.	Fremont	\$4.0	30	2006
Specialty Retail Holding Corp. & Subsidiaries	Omaha	\$37.5	158	2005
Sprint Spectrum L.P.	Statewide	\$35.0	150	1997
Standard Iron, Inc.	Grand Island	\$10.6	100	2007
Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Stanley Security Solutions Inc.	Lincoln	\$3.0	30	1996
State Steel of Omaha	Omaha	\$3.8	30	2004
Streck Laboratories	Omaha	\$10.0	100	1997
Sysco Corporation & Subsidiaries	Omaha, Lincoln, and Grand Island	\$12.0	203	1998
Talent Plus, Inc.	Lincoln	\$10.0	100	2001
Technical Management, Inc.	Lincoln	\$12.8	900	2004
Tecumseh Poultry, LLC	Tecumseh	\$15.0	922	2001
Tecumseh Poultry, LLC	Tecumseh and Waverly	\$10.0	100	2006
Tekton, Inc. & Subsidiaries	Pender, Wayne, and Omaha	\$3.0	30	1992
Teledyne Technologies, Incorporated	Lincoln	\$10.0	110	1998
Tenaska, Inc.	Omaha	\$5.0	30	2005
Tenaska, Inc. & Related Entities	Omaha	\$3.1	40	1993
Tenneco Automotive, Inc.	Cozad	\$12.9	155	2003

The Buckle, Inc.	Kearney	\$3.0	37	1990
The Buckle, Inc.	Kearney	\$10.1	100	2004
The Interpublic Group of Companies, Inc. and Subsidiaries	Omaha	\$3.0	30	2006
TierOne Bank	Statewide	\$4.8	39	1999
Time Warner Entertainment Advance/Newhouse Partnership	Lincoln, Lancaster County, Crete, Auburn, Nebraska City, Tecumseh, Table Rock, Pawnee City, Humboldt, Omaha, Fairbury, Superior, York, David City, Seward, Fremont, Dodge County, Inglewood, and Douglas County	\$30.0	40	1988
T-L Irrigation Company	Hastings	\$3.0	30	1990
TMCO, Inc.	Lincoln	\$4.0	34	2005
Tractor Supply Company	Waverly	\$18.5	30	2007
Trenton Agri Products, LLC	Trenton	\$39.4	31	2004
Triangle Pacific Corp.	Auburn	\$10.3	100	2000
Tyco Healthcare Group LP	Norfolk	\$10.0	100	2006
Tyson Fresh Meats, Inc.	Lexington	\$77.5	1,200	1989
Tyson Fresh Meats, Inc.	Madison	\$10.0	100	1996
Tyson Fresh Meats, Inc.	Dakota City and West Point	\$10.0	100	1997
Tyson Fresh Meats, Inc.	Norfolk	\$23.2	1,000	2004
Tyson Processing Services, Inc.	Omaha	\$19.0	105	2006

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Unifi Mutual Holding Company	Lincoln, Omaha, and Wayne	\$11.7	149	2007
Unifi Mutual Holding Company	Lincoln, Omaha, and Wayne	\$10.0	100	1999
Union Pacific Corporation	Statewide	\$3.0	30	1991
Union Pacific Corporation	Greater Omaha	\$3.0	30	1996
Union Pacific Corporation	Statewide	\$3.0	30	1996
Union Pacific Corporation	Omaha	\$281.0	30	2003
Union Pacific Corporation	Statewide	\$580.0	30	2006
Valmont Industries, Inc.	Valley, McCook, West Point, Omaha, and Waverly	\$10.0	100	1997
Valmont Industries, Inc.	Valley, Waverly, McCook, West Point, and Omaha	\$10.0	100	2006
Vertrue Incorporated	Omaha	\$24.9	481	2005
Viaero Wireless	Grand Island, Hastings, Kearney, North Platte, Alliance, Norfolk, Scottsbluff, and other Nebraska locations	\$20.0	0	2005
Waitt Media, Inc.	Omaha and Plattsmouth	\$10.0	100	2004
Walker Manufacturing Company	Seward	\$3.0	30	1997
Wal-Mart Stores, Inc.	North Platte	\$40.0	600	2002
Walsworth Publishing Company, Inc.	Bellevue	\$3.0	30	2007
Wells Fargo & Company	Lincoln, Grand Island, Columbus, Kearney, and North Platte	\$12.0	115	1997

Werner Enterprises, Inc.	Douglas and Sarpy Counties	\$10.0	100	1995
Werner Enterprises, Inc. & Sub.	Omaha	\$22.1	100	2005
West Corporation	Omaha	\$10.0	100	1996
West Corporation	Omaha	\$22.0	144	1999
West Corporation	Omaha	\$43.5	175	2007
West Gate Banshares, Inc.	Lincoln	\$13.5	100	2004
West Pharmaceutical Services, Inc.	Kearney	\$10.0	100	2006
Wild Bill's Foods, Inc.	Hampton	\$10.0	100	2006
Wilkinson Industries, Inc.	Fort Calhoun	\$10.0	100	2006
Window Technologies, LLC	Lincoln	\$3.0	30	2007
Windstream Corporation	Lincoln, southeast and eastern Nebraska	\$20.0	0	2006
Wis-Pak of Norfolk, Inc.	Norfolk	\$3.0	30	1999
Wright Printing Company	Omaha	\$5.1	33	2002
TOTAL	263			

No agreements were signed in 2011.

Employment and Investment Growth Act Summary of Benefits Approved

Reporting Neb. Rev. Stat. § 77-4110(3)

Benefit	1988 - 2007	2008	2009	2010	2011	Total
Investment:						
Investment Tax Credits	1,661,586,321	34,339,429	85,679,363	114,628,560	67,079,692	1,963,313,365
New Jobs Credits	<u>606,496,389</u>	<u>19,997,258</u>	<u>53,592,266</u>	<u>24,674,607</u>	<u>18,838,030</u>	<u>723,598,550</u>
Total Credit Earned	\$2,268,082,710	\$54,336,687	\$139,271,629	\$139,303,167	\$85,917,722	\$2,686,911,915
Tax Credits Used:						
Corporate Income Tax	550,984,121	22,461,325	64,242,920	15,110,640	15,397,184	668,196,190
Individual Income Tax	<u>131,170,275</u>	<u>7,092,625</u>	<u>9,535,285</u>	<u>3,011,425</u>	<u>6,353,895</u>	<u>157,163,506</u>
Subtotal Income Tax	\$682,154,396	\$29,553,950	\$73,778,205	\$18,122,065	\$21,751,079	\$825,359,696
Sales/Use Tax Refunds	<u>696,649,310</u>	<u>52,439,714</u>	<u>56,518,137</u>	<u>36,861,291</u>	<u>42,250,918</u>	<u>884,719,370</u>
Total Tax Credits Used	\$1,378,803,706	\$81,993,664	\$130,296,342	\$54,983,356	\$64,001,997	\$1,710,079,065
Recapture ¹ :						
Repaid	43,794,021	3,849,061	(780,275)	818,300	7,137,841	54,818,948
From Credits	27,624,079	846,965	4,766,988	6,406,921	768,979	40,413,932
Tax Credits Expired	61,811,722	6,836,475	6,062,931	8,152,793	22,367,534	105,231,455
Tax Credits Outstanding²	799,843,203	(35,340,417)	(1,854,632)	69,760,097	(1,220,788)	831,187,463
Qualified Investment	21,026,277,080	313,611,073	891,165,869	1,189,095,444	702,582,058	24,122,731,524
Direct Sales/Use Tax Refunds:						
Refunds on Investment	652,315,702	32,044,795	18,004,357	18,700,112	34,715,459	755,780,425
Refunds on Aircraft	<u>26,657,360</u>	<u>91,276</u>	<u>420,222</u>	<u>1,399,893</u>	<u>1,539,806</u>	<u>30,108,557</u>
Total Direct Refunds	\$678,973,062	\$32,136,071	\$18,424,579	\$20,100,005	\$36,255,265	\$785,888,982
New Jobs of Qualifying Companies	85,803	1,280	1,490	(53)	74	88,594
Sales/Use Tax Refunds Pending Approval at Year End	N/A	\$39,216,412	\$23,743,812	\$35,863,331	\$28,076,344	N/A

¹ 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, 2011, 91 projects were in recapture. \$24,955,028 in repayment due has been netted from approved refund claims, and \$29,863,920 plus interest has been repaid in cash. Credit carryover for companies that have reached the end of the entitlement period has been reduced by \$40,413,932.

² Credits Outstanding = Credits Earned less Credits Used, Recapture From Credits, and Credits Expired.

Employment and Investment Growth Act Principal Business Activity Codes and Application Option of Projects with Active Signed Agreements

Reporting Neb. Rev. Stat. § 77-4110(3)(a)

Category	PBA Code, Major Industry Group Titles	Application Option	Number of Companies
Manufacturing	311, 312 Meat and Food Products	\$10M + 100 FTE	27
		\$20M + 0 FTE	3
		\$3M + 30 FTE	9
	314, 322, 323, 325, 326 Printing, Paper, Chemical, Plastics, Rubber, Textile and Non-Durable products	\$10M + 100 FTE	19
		\$20M + 0 FTE	1
		\$3M + 30 FTE	24
	22, 23, 321, 327, 331, 332, 333, 334, 335, 336, 337, 339 Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing ¹	\$10M + 100 FTE	22
		\$20M + 0 FTE	0
		\$3M + 30 FTE	32
Wholesale & Retail Trade	42 Durable and Non-Durable Goods	\$10M + 100 FTE	12
		\$20M + 0 FTE	0
		\$3M + 30 FTE	8
Transportation & Warehousing	48, 49 Railroads, Trucking, Air Transportation, and Warehousing	\$10M + 100 FTE	14
		\$20M + 0 FTE	0
		\$3M + 30 FTE	10
Finance, Insurance, & Real Estate	52 Depository Institutions and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	\$10M + 100 FTE	16
		\$20M + 0 FTE	3
		\$3M + 30 FTE	9
Professional, Scientific, & Technical Services	51, 54, 56, 62, 81 Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	\$10M + 100 FTE	22
		\$20M + 0 FTE	3
		\$3M + 30 FTE	29
TOTAL	263		

¹Due to a decline in the number of projects reporting, industries 22, 23, 321, 327, 331, and 332 have been combined with industries 333, 334, 335, 336, 337, and 339.

**Employment and Investment Growth Act
Qualified Projects by Industry
(Cumulative through 2011)**

Reporting Neb. Rev. Stat. § 77-4110(3)(j)

Industry Group	Qualified Projects
Meat and Food Products	68
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	63
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing ¹	116
Durable and Non-durable Goods	32
Railroads, Trucking, Air Transportation, and Warehousing	32
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	50
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services	90
TOTAL	451
¹ Due to a decline in the number of projects reporting, Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals have been combined with Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing.	

Employment and Investment Growth Act Analysis of Credits (2011)

Reporting Neb. Rev. Stat. § 77-4110(3)(c), 77-4110(3)(d), 77-4110(3)(e), and 77-4110(3)(m)

Industry Group	Total Tax Credits Earned	TAX CREDITS USED		Tax Credits Recaptured	Tax Credits Expired	Current Year Change to Credit Balance
		Income Tax	Sales Tax			
Meat and Food Products	\$14,203,749	\$5,008,421	\$7,782,641	\$312,750	\$0	\$1,099,937
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	28,262,092	1,157,532	5,429,764	0	23,532	21,651,264
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing ¹	11,262,980	3,898,234	4,084,847	0	14,399,464	(11,119,565)
Durable and Non-durable Goods	5,056,309	1,632,213	2,455,445	(28,680)	0	997,331
Railroads, Trucking, Air Transportation, and Warehousing	16,806,860	1,379,512	8,389,318	0	0	7,038,030
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	5,169,316	3,680,254	9,834,588	0	0	(8,345,526)
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services	5,156,416	4,994,913	4,274,315	484,909	7,944,538	(12,542,259)
Total	\$ 85,917,722	\$ 21,751,079	\$ 42,250,918	\$ 768,979	\$ 22,367,534	(\$ 1,220,788)

¹Due to a decline in the number of projects reporting, Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals have been combined with Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing.

Analysis of Credits by Industry Group (Cumulative Through 2011)

Industry Group	Total Tax Credits Earned	TAX CREDITS USED		Tax Credits Recaptured	Tax Credits Expired	Current Year Change to Credit Balance
		Income Tax	Sales Tax			
Meat and Food Products	\$423,779,401	\$111,363,802	\$151,332,018	\$3,806,920	\$28,017,068	\$129,259,593
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	342,192,626	36,466,860	134,049,431	4,077,499	8,836,365	158,762,471
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing ¹	438,607,265	137,496,189	159,476,399	5,750,831	25,166,361	110,717,485
Durable and Non-durable Goods	108,272,508	47,524,863	30,065,383	4,251,610	9,086,245	17,344,407
Railroads, Trucking, Air Transportation, and Warehousing	503,353,206	178,626,643	90,230,520	7,384,418	375,508	226,736,117
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	420,063,317	120,367,756	206,847,387	4,801,549	3,530,261	84,516,364
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services	450,643,592	193,513,583	112,718,231	10,341,105	30,219,647	103,851,027
Total	\$ 2,686,911,915	\$ 825,359,696	\$ 884,719,369	\$ 40,413,932	\$ 105,231,455	\$ 831,187,464

¹Due to a decline in the number of projects reporting, Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals have been combined with Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing.

Employment and Investment Growth Act Analysis of Sales and Use Tax Refunds (2011)

[Reporting Neb. Rev. Stat. § 77-4110\(3\)\(b\), 77-4110\(3\)\(e\), and 77-4110\(3\)\(l\)](#)

Industry Group	APPROVED REFUNDS			Refunds Pending as of 12/31/2011
	Direct Refunds	Refunds Using Tax Credits	Total	
Meat and Food Products	\$9,814,488	\$7,782,641	\$17,597,129	\$9,770,214
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	1,919,506	5,429,764	7,349,271	1,705,643
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing ¹	1,963,842	4,084,847	6,048,687	2,786,982
Durable and Non-durable Goods	990,442	2,455,445	3,445,887	3,427,743
Railroads, Trucking, Air Transportation, and Warehousing	8,250,132	8,389,318	16,639,450	666,317
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	11,418,886	9,834,588	21,253,474	7,642,357
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services	1,897,970	4,274,315	6,172,285	2,077,089
Total	\$ 36,255,266	\$ 42,250,918	\$ 78,506,183	\$ 28,076,345

¹Due to a decline in the number of projects reporting, Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals have been combined with Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing.

Analysis of Sales and Use Tax Refunds by Industry Group (Cumulative Through 2011)

Industry Group	APPROVED REFUNDS		
	Direct Refunds	Refunds Using Tax Credits	Total
Meat and Food Products	\$104,872,134	\$151,332,018	\$256,204,152
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	75,332,014	134,049,431	209,381,445
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing ¹	113,190,411	159,476,399	272,666,811
Durable and Non-durable Goods	25,841,828	30,065,383	55,907,212
Railroads, Trucking, Air Transportation, and Warehousing	112,416,525	90,230,520	202,647,044
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	163,139,291	206,847,387	369,986,678
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services	191,096,780	112,718,231	303,815,010
Total	\$ 785,888,983	\$ 884,719,370	\$ 1,670,608,353

¹Due to a decline in the number of projects reporting, Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals have been combined with Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing.

**Employment and Investment Growth Act
Analysis of Sales and Use Tax Refunds -
Approved Refunds Net of Recapture,
by Year and Cumulatively**

Reporting Neb. Rev. Stat. § 77-4110(3)(b), 77-4110(3)(e), and 77-4110(3)(l)

	APPROVED REFUNDS NET OF RECAPTURE						Refunds Pending as of 12/31/2011
	1988-2007	2008	2009	2010	2011	Total	
Number of Claims	12,648	675	593	427	462	14,343	165
State Tax	\$1,141,008,920	\$69,325,351	\$67,104,947	\$47,679,301	\$61,608,203	\$1,386,726,722	\$23,367,379
Local Tax	\$212,910,441	\$11,527,607	\$8,949,854	\$8,640,718	\$11,322,649	\$253,351,269	\$4,708,965
Total	\$1,353,919,361	\$ 80,852,958	\$ 76,054,801	\$ 56,320,019	\$ 72,930,852	\$1,640,077,991	\$ 28,076,344

Employment and Investment Growth Act Investment in Qualified Property, by Year and Cumulatively

Reporting Neb. Rev. Stat. § 77-4110(3)(h)

Industry Group	1988 - 2007	2008	2009	2010	2011	Total
Meat and Food Products	\$2,881,055,919	\$90,950,954	\$142,782,689	\$252,578,131	\$118,075,610	\$ 3,485,443,303
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non Durable Products	2,297,901,145	82,082,111	234,442,290	61,236,330	261,777,050	2,937,438,926
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing ¹	3,307,995,973	85,252,514	131,460,150	75,046,210	66,567,630	3,666,322,477
Durable and Non Durable Goods	535,734,694	18,483,060	57,293,610	23,921,810	40,108,540	675,541,714
Railroads, Trucking, Air Transportation, and Warehousing	3,899,946,961	9,622,255	87,612,890	537,652,640	119,159,050	4,653,993,796
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	3,196,278,203	3,015,389	61,770,037	114,497,450	64,358,608	3,439,919,687
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	4,907,364,185	24,204,790	175,804,203	124,162,873	32,535,570	5,264,071,621
Total	\$21,026,277,080	\$313,611,073	\$891,165,869	\$1,189,095,444	\$702,582,058	\$24,122,731,524

¹Due to a decline in the number of projects reporting, Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals have been combined with Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing.

Employment and Investment Growth Act Number of FTE Jobs Created

Reporting Neb. Rev. Stat. § 77-4110(3)(f)

Industry Group	1988-2007	2008	2009	2010	2011	Total
Meat and Food Products	18,687	125	272	81	98	19,263
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non Durable Products	5,819	90	208	(58)	82	6,141
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing ¹	14,853	(48)	80	(33)	140	14,992
Durable and Non-Durable Goods	4,569	153	416	(16)	162	5,284
Railroads, Trucking, Air Transportation, and Warehousing	8,476	315	(466)	59	(132)	8,252
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	14,792	352	216	42	(128)	15,274
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	18,607	293	764	(128)	(148)	19,388
Total	85,803	1,280	1,490	(53)	74	88,594

¹Due to a decline in the number of projects reporting, Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals have been combined with Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing.

Employment and Investment Growth Act Total Number Employed by Qualified Applicants (2011)

Reporting Neb. Rev. Stat. § 77-4110(3)(g)

Industry Group	Employees at End of Quarter Prior to Date of Application	Employees on Most Recent Reporting Date	Increase or Decrease
Meat and Food Products	10,720	12,151	1,431
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non Durable Products	1,653	1,635	(18)
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing ¹	6,099	6,415	316
Durable and Non-Durable Goods	2,730	3,528	798
Railroads, Trucking, Air Transportation, and Warehousing	12,828	18,646	5,818
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	10,366	10,000	(366)
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	4,493	8,571	4,078
Total	48,889	60,946	12,057

¹Due to a decline in the number of projects reporting, Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals have been combined with Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing.

Employment and Investment Growth Act Average Salary of New Employees (2011)

Reporting Neb. Rev. Stat. § 77-4110(3)(i)

Industry Group	Total New FTE Employees	Estimated Average Salary of New Employees
Meat and Food Products	98	\$ 24,087
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non Durable Products	82	36,163
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing ¹	140	50,659
Durable and Non-Durable Goods	162	42,138
Railroads, Trucking, Air Transportation, and Warehousing	(132)	N/A
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	(128)	N/A
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	(148)	N/A
Total	74	\$ 35,835

¹Due to a decline in the number of projects reporting, Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals have been combined with Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing.

²The total weighted average salary is calculated by multiplying the number of FTEs for each project reporting positive FTE growth, times the average salary of new employees at that project.

Average Salary of New Employees, by Industry Group (Cumulative through 2011)

Industry Group	Total New FTE Employees	Estimated Average Salary of New Employees
Meat and Food Products	19,263	\$27,952
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non Durable Products	6,141	28,789
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals, Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing ¹	14,992	32,243
Durable and Non-Durable Goods	5,284	30,740
Railroads, Trucking, Air Transportation, and Warehousing	8,252	45,485
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	15,274	33,994
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	19,388	28,552
Total	88,594	\$ 31,708

¹Due to a decline in the number of projects reporting, Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals have been combined with Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing.

²The total weighted average salary is calculated by multiplying the number of FTEs for each project reporting positive FTE growth, times the average salary of new employees at that project.

Employment and Investment Growth Act Estimate of Personal Property Value Exempted

Reporting Neb. Rev. Stat. § 77-4110(3)(n)

Property Tax Benefit:

When a company applies for LB 775 benefits under the \$10 million investment and 100 FTE option, a personal property tax exemption is available on:

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

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

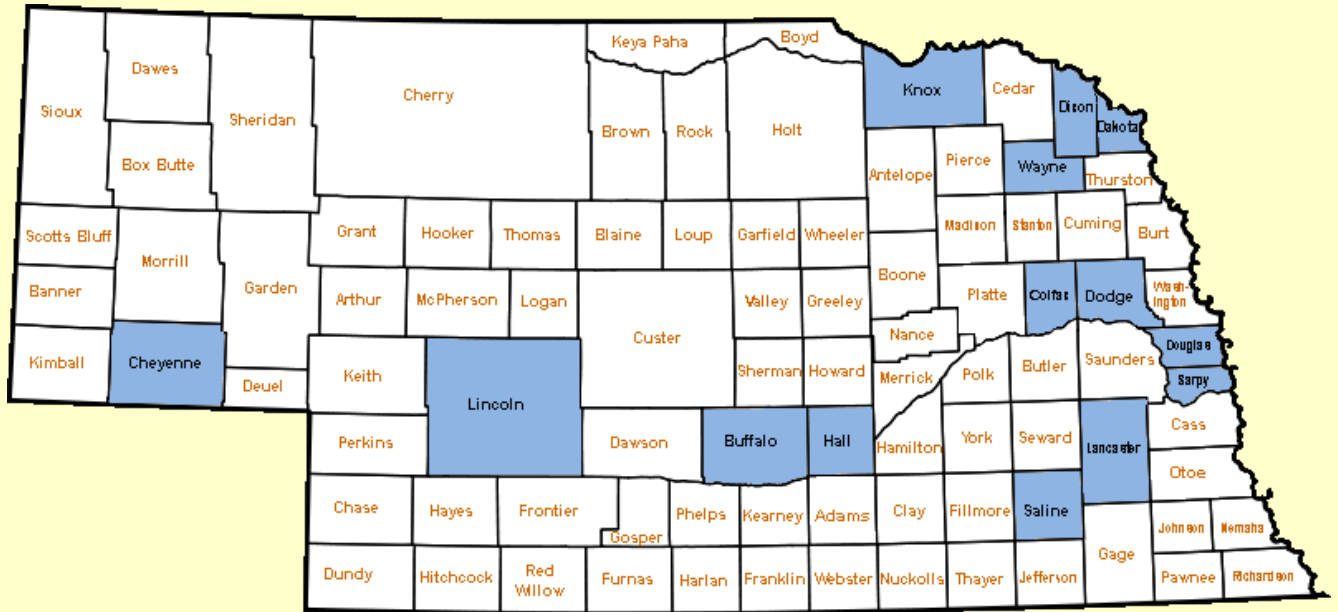
- Computer systems, plus certain peripheral components connected to such computers; and
- Personal property, which is business equipment located in a single project involved directly in the manufacture or processing of agricultural products.

The following tables show the value of personal property exempted for 2011, and cumulatively for tax years 1988-2011.

**Estimate of Personal Property Value Exempted
by Class in Each County
(Tax Year 2011)**

County	Airplanes	Computer Equipment	Ag Processing Equipment	TOTAL
Buffalo	0	\$ 22,163	\$ 0	\$ 22,163
Cheyenne	477,975	9,139,304	0	9,617,279
Colfax			31,321,597	31,321,597
Dakota			65,798,315	65,798,315
Dixon			15,062,717	15,062,717
Dodge			3,100	3,100
Douglas	969,485	23,371,580	3,996,782	28,337,847
Hall		23,529	3,070,516	3,094,045
Knox			2,776,069	2,776,069
Lancaster		367,235		367,235
Lincoln		87,507		87,507
Saline		602,139	19,023,813	19,625,952
Sarpy		2,270,991		2,270,991
Wayne			54,114	54,114
TOTAL	\$ 1,447,460	\$ 35,884,448	\$ 141,107,023	\$ 178,438,931

Personal Property Exemption by County (Tax Year 2011)



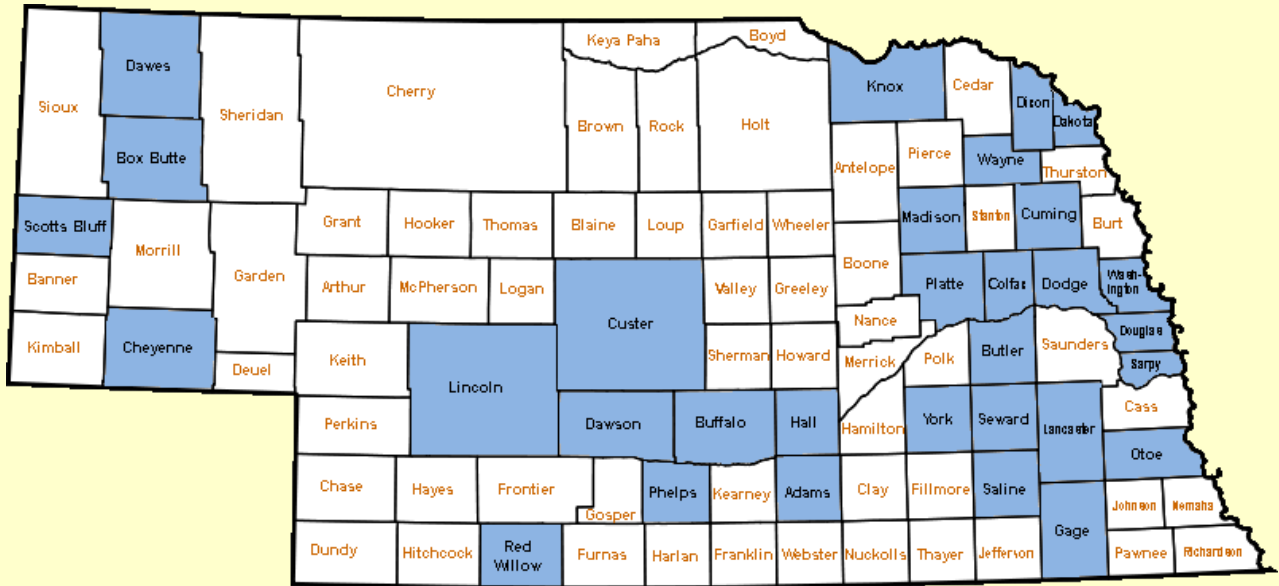
**Estimate of Personal Property Value Exempted
by Class in Each County
(Cumulative for Tax Years 1988 – 2011)**

County	Airplanes	Computer Equipment	Ag Processing Equipment	TOTAL
Adams	\$0	0	\$615,664,721	\$615,664,721
Box Butte	0	102,472	0	102,472
Buffalo	20,791,744	8,934,360	67,563	29,793,667
Butler	0	41,145	0	41,145
Cheyenne	24,353,275	107,500,082	0	131,853,357
Colfax	0	0	288,794,834	288,794,834
Cuming	0	0	16,263,139	16,263,139
Custer	0	663,100	10,194	673,294
Dakota	0	0	767,585,138	767,585,138
Dawes	0	171,909	0	171,909
Dawson	0	0	232,425,195	232,425,195
Dixon	0	504,272	211,387,296	211,891,568
Dodge	0	258,633	103,807,006	104,065,639
Douglas	506,085,658	2,234,952,406	709,644,462	3,450,682,527
Gage	0	62,719	1,344,011	1,406,730
Hall	6,266,267	4,029,080	143,490,595	153,785,942
Knox	0	0	92,002,192	92,002,192
Lancaster	34,715,020	86,340,471	242,968	121,298,459

Lincoln	0	7,454,105	48,451	7,502,556
Madison	0	6,943	216,617,686	216,624,629
Otoe	0	0	100,540,081	100,540,081
Phelps	0	1,539,181	0	1,539,181
Platte	0	9,052,197	1,194,080,190	1,203,132,387
Red Willow	0	0	37,941	37,941
Saline	0	8,376,098	322,079,793	330,455,891
Sarpy	7,911,346	95,878,352	46,793,778	150,583,476
Scotts Bluff	0	345,383	0	345,383
Seward	0	141,359	0	141,359
Washington	0	340,809	1,610,190,471	1,610,531,280
Wayne	0	117,223	316,566	433,789
York	0	366,371	0	366,371
*Central	76,497,583	0	0	76,497,583
TOTAL	\$676,620,893	\$2,567,178,671	\$6,673,434,270	\$9,917,233,834

*Additional property with value distributed throughout the state has been centrally assessed and is not reflected in the map below.

Personal Property Exemption by County (Cumulative for Tax Years 1988 – 2011)



Projected Revenue Gains or (Losses) of Employment and Investment Growth Act, Quality Jobs Act, and Invest Nebraska Act for Tax Years 1987-2022 Projects by Fiscal Year

Reporting Neb. Rev. Stat. § 77-4110(3)(k)

Incentive tax credits (ITC) can influence the Nebraska economy positively, and those economic effects can, in turn, impact state revenue. Using a Computable General Equilibrium (CGE) model, the fiscal impacts of the program are estimated over the next ten years. This estimate is based upon completed and ongoing LB 775 projects.

To analyze the fiscal impact of the tax credits, the dynamic Tax Revenue Analysis In Nebraska (TRAIN) model, a custom-built Nebraska CGE model, is used.¹ With TRAIN, the Nebraska economy is divided into 74 distinct sectors in order to explicitly trace economic flows. The TRAIN model is constructed based on Walrasian general equilibrium theory, which assumes all markets adjust through price changes, so the TRAIN analysis works well for analyzing structural changes and their consequences in the long run, but not for dealing with short-term fluctuations.

TRAIN details state government sectors in order to capture the sensitivity of state government revenue and expenditure flows. TRAIN calculates most tax impacts within the model, without requiring additional calculations outside the model to obtain final results. This allows the researcher to avoid rigid assumptions that may deliver vague results.

TRAIN mathematically expresses the Nebraska economy with over 1,300 equations and a social accounting matrix (SAM) database. It has 28 industrial sectors, two factor sectors, an investment sector, nine household sectors, 33 government sectors, and a rest-of-world sector.

The critical assumption when constructing a general equilibrium model is that the initial condition of the economy is in equilibrium. Therefore, the model is constructed so that its equilibrium replicates observed data in the base year. The data for TRAIN are the latest SAM and parameters. The estimate of tax credits used is based on the history of the LB 775 program.

Future revenue gains and (losses) due to LB 775 are estimated based on the analysis of historical LB 775 data, national forecasting analysis, and the TRAIN model. Possible revenue losses by tax credits claimed are estimated based on the analysis of LB 775 projects that includes 178 completed and 251 active projects. The LB 775 data contain information about the amount of earned tax credits, the amount of credit used by tax types, the amount of qualified investments, and the number of jobs. These data provide reliable indicators for future tax credit claims. Because industrial investment associated with tax credit is influenced by the business cycle, US macroeconomic forecasts from IHS Global Insight are adapted for projecting business activity that generates the earning and use of incentive tax credits.

The table below provides two estimates of employment due to LB 775. The first, labeled "Estimated Number of New Jobs for Qualifying Tax Credits," is an estimate of the number of FTE jobs that will be used to qualify for tax credits by year. The second estimate, "Estimated Net New Economic Job Increases (Decreases)," is an estimate of the total number of new jobs created as a result of LB 775 program investment. This number is smaller than the first number, which represents more of an accounting number of employees at a project, because a number of these jobs would have occurred without the incentive tax credits under LB 775. The second number includes both direct and indirect employment in Nebraska. That is, it includes both the direct new economic jobs at the projects and the indirect new jobs throughout the Nebraska economy that are created to support the new investment and direct employment due to LB 775.

¹A more detailed description of the TRAIN model is available upon request.

**Projected Revenue Gains or (Losses)
of Employment and Investment Growth Act,
Quality Jobs Act, and Invest Nebraska Act
for Tax Years 2010-2022 by Fiscal Year**

Summary	2010-11 ¹	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue generated by ITC	\$107,337,605	\$94,489,721	\$89,371,182	\$92,955,289	\$91,285,653	\$86,694,384
Tax Credits Used	59,492,677	77,182,725	98,913,361	101,478,665	94,061,835	87,101,644
Direct Sales and Use Tax Refunds	28,177,635	27,719,426	12,361,625	5,702,983	5,032,239	2,099,089
Revenue Gain (Loss) Cumulative	19,667,294 (443,526,646)	(10,412,430) (453,939,076)	(21,903,805) (475,842,880)	(14,226,358) (490,069,239)	(7,808,422) (497,877,660)	(2,506,349) (500,384,009)
Tax Credits Earned	112,610,445	76,079,269	56,276,938	37,192,594	18,043,696	4,007,632
Tax Credits Recaptured	3,587,950	1,768,172	2,939,404	3,337,891	3,444,074	3,015,498
Tax Credit Expired	15,260,164	16,123,626	10,269,804	11,042,232	11,960,737	12,931,312
Tax Credit Balance	831,797,857	812,802,603	756,956,973	678,290,780	586,867,829	487,827,006
Estimated Employment						
Estimated New Jobs for Qualifying Tax Credits	11	492	773	449	168	37
Estimated Net Job Increase (Decrease)	1,856	2,284	2,535	2,389	1,966	1,509

Summary	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue generated by ITC	\$80,896,914	\$74,574,323	\$67,589,613	\$60,289,998	\$52,401,908	\$42,243,805
Tax Credits Used	69,552,799	54,708,867	45,906,881	36,984,132	27,768,131	16,668,700
Direct Sales and Use Tax Refunds	0	0	0	0	0	0
Revenue Gain (Loss) Cumulative	11,344,115 (489,039,894)	19,865,456 (469,174,438)	21,682,732 (447,491,706)	23,305,867 (424,185,839)	24,633,778 (399,552,062)	25,575,105 (373,976,957)
Tax Credits Earned	0	0	0	0	0	0
Tax Credits Recaptured	2,901,008	3,127,575	3,165,209	3,130,673	3,067,993	3,078,491
Tax Credit Expired	12,465,542	11,733,925	12,026,750	12,223,653	12,276,237	12,145,221
Tax Credit Balance	402,907,657	333,337,291	272,238,451	219,899,993	176,787,633	144,895,220
Estimated Employment						
Estimated New Jobs for Qualifying Tax Credits	0	0	0	0	0	0
Estimated Net Job Increase (Decrease)	1,474	1,589	1,513	1,453	1,355	1,273

¹Figures for FY 2010-2011 are actual amounts.



Employment Expansion & Investment Incentive Act (LB 1124, as amended by LB 270)

Reporting Requirements, Neb. Rev. Stat. § 77-27,195

Description of Benefits

Business Activity Summary

Enterprise Zone Act

Employment Expansion and Investment Incentive Act Reporting Requirements

Neb. Rev. Stat. § 77-27,195 provided (prior to amendment by LB 608 in 2003):

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 July 15 of each year beginning with July 15, 2007, 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.
-

Employment Expansion and Investment Incentive Act

Description of Benefits

General Information:

The Employment Expansion and Investment Incentive Act (LB 270) allowed a qualified taxpayer to receive refunds of sales and use taxes paid, and earn credits that may be used for Nebraska income tax and other sales and use taxes. In order to earn tax credits under the Employment Expansion and Investment Incentive Act, a company must be involved in a qualifying business activity, have an increase of \$75,000 in qualifying investment, and two new full-time equivalent (FTE) employees within the taxable year. [Click here for a list of qualified business activities.](#)

Application Information:

The Employment Expansion and Investment Act was only in effect for tax years before 2004. This program did not require the filing of an application. A taxpayer was required to file a schedule with the Nebraska income tax return to claim the tax credits.

Description of Benefits:

The Employment Expansion and Investment Incentive Act provides tax credits to taxpayers who hired additional employees and invested in qualified property. A taxpayer can use the tax credits to reduce income tax liability by half, and receive refunds of Nebraska sales and use taxes paid. The taxpayer may distribute credits to the owners of the business entity in the same manner as income is distributed. The recipients can use the credits to reduce their income tax liability by half.

Initially, credits were established by increasing employment by at least two resident FTEs and making a minimum investment of \$75,000 in the same year. Credits could also have been established by additional employee increases of at least two Nebraska resident FTEs without a corresponding investment increase during the next five years. A taxpayer earned \$1,500 for each new employee and \$1,000 for each increment of \$75,000 in net, new investment.

The [Nebraska Employment and Investment Credit Computation, Form 3800N](#), filed with a tax return is the method to report credits earned, investment made, and jobs created for employees.

If a taxpayer failed to maintain the required levels of investment and employment for at least two years after the year for which the credit was first allowed, part of the used and unused credits are subject to recapture. During the subsequent two years, the taxpayer must repay 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.

Any credit carryover remaining at the end of the fifth year expires.

Activity as of December 31, 2011:

No new investment or jobs were reported and no credits were claimed.

Employment Expansion and Investment Incentive Act Business Activity Summary

Reporting Neb. Rev. Stat. § 77-27,195(1)

	Total ¹
Investment	\$ 1,714,374,492
Employees	29,685 ²
Tax Credits	63,125,496 ³
Enterprise Zone Tax Credits	<u>887,000</u>
Total Tax Credits	\$ 64,012,496
Tax Credits Used:	
Income Tax	29,687,987
Sales Tax	<u>22,523,180</u>
Total Tax Credits Used	\$ 52,211,167
Tax Credits Recaptured:	
Income Tax	2,569,240
Sales Tax	309,426
Unused Credit from Carryover	<u>2,866,329</u>
Total Tax Credits Recaptured	\$ 5,744,995
Tax Credits Expired	\$ 3,206,922

¹To maintain confidentiality, credits earned or credits used in 2010 or 2011 are not reported.

²LB 886 which was passed in 1997 changed the definition of a new employee from a full-time employee to a full-time equivalent employee operative for tax years beginning on or after January 1, 1998. This employee number includes full-time employees for 1997 and earlier tax years, and full-time equivalent employees for 1998 and later tax years.

³Credits earned are not a multiple of \$1,500 per employment credit and \$1,000 per investment credit due to a settlement.

Enterprise Zone Act

Reporting Neb. Rev. Stat. § 77-27,195(2)

Incentive credits earned under the Enterprise Zone Act were based on the provisions of the Employment Expansion and Investment Incentive Act. The Enterprise Zone Act provided 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 resided within the enterprise zone, then the taxpayer also received additional credits for new investment. [Click here for more detailed information.](#)

The credits provided under this subsection were not to exceed \$75,000 in any one tax year. In addition to the requirements to maintain the employment and investment levels for two years, taxpayers earning credits under the Enterprise Zone Act for tax years starting before January 1, 2001 must have maintained 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.

A taxpayer who earned credits in tax years before 2004 may use these credits during the five year carryover period. The taxpayer must file to show maintenance of the required investment and employment levels for two years.

If a taxpayer failed to maintain the required levels of investment and employment for at least two years after the year for which the credit was first allowed, part of the used and unused credits are subject to recapture. During the subsequent two years, the taxpayer must repay 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.

In 2011, taxpayers within the enterprise zones did not report any activity.



Invest Nebraska Act (LB 620)

Reporting Requirements, Neb. Rev. Stat. § 77-5542

Description of Benefits

Active Signed Agreements

Invest Nebraska Activity as of December 31, 2011

To maintain confidentiality, no 2011 information is reported due to the small number of companies reporting activity.

Invest Nebraska Act Reporting Requirements

[Neb. Rev. Stat. § 77-5542](#) provides:

- (1) The Department of Revenue shall submit an annual report to the Legislature no later than July 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](#)
- (2) The report shall also state by industry group
 - (a) [the amount of wage benefit credits and investment tax credits allowed under the Invest Nebraska Act](#),
 - (b) [the number of direct jobs created at the projects](#),
 - (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](#).
- (3) No information shall be provided in the report that is protected by state or federal confidentiality laws.

Invest Nebraska Act

Description of Benefits

General Information:

The Invest Nebraska Act (LB 620) allows a qualified business to receive a wage benefit credit, or an alternate investment credit. The Invest Nebraska Act required a separate application subject to approval by the Invest Nebraska Board. The members of the board were the Governor, the State Treasurer, and the chairperson on the Nebraska Investment Council.

Application Information:

No new applications could be filed after June 1, 2005.

Requirements by Application Level:

There are three levels that qualified businesses could choose from:

- \$10 million in investment in qualified property and at least 25 new full time equivalent (FTE) employees whose annual wage exceeds the Nebraska average annual wage. This option is only available for projects located outside of counties with 100,000 or more in population.
 - \$50 million in investment in qualified property and at least 500 new FTE employees, OR \$100 million in investment and at least 250 new FTE employees. The new employees' annual wage must exceed 110% of the Nebraska average annual wage.
 - \$200 million investment in qualified property and at least 500 new FTE employees, whose annual wage exceeds 120% of the Nebraska average annual wage.
-

Description of Benefits:

A company that reaches and maintains the selected levels is eligible for benefits. An eligible company earns a wage benefit credit from zero to five percent of the taxable wages paid to new employees earning more than the required wage level. A company selecting the \$200 million and 500 FTE option may receive, in lieu of a wage benefit credit, an alternate investment tax credit of 15 percent of the investment.

The company is to expend at least the value of the wage benefit credit, or alternate investment tax credit, for company training programs, employee benefit programs, educational institution training programs, or workplace safety programs.

The agreement specifies the option elected and the available benefits. The wage benefit credit and the alternative investment tax credit may be used for up to 100% of the income tax liability. The wage benefit credit may also be used to retain a portion of the taxpayer's employer payroll withholding tax liability.

Activity as of December 31, 2011:

Credits were allowed under LB 620; however, to maintain confidentiality, no information is reported.

Invest Nebraska Act Active Signed Agreements

Reporting Neb. Rev. Stat. § 77-5542(1)

Company Name	Project Location	Project Type	Year Agreement Signed
American Meter Company, Inc.	Nebraska City	\$33M + 80 FTE	2003
Beef Products, Inc.	South Sioux City	\$15M + 25 FTE	2004
E Energy Adams, LLC	Adams	\$68M + 32 FTE	2005
Natura Manufacturing, Inc.	Fremont	\$10M + 25 FTE	2003
Nordic Biofuels of Ravenna, LLC	Ravenna	\$95M + 100 FTE	2003
Platte Valley Fuel Ethanol, LLC	Central City and Columbus	\$55M + 32 FTE	2004
Siouxland Ethanol, LLC	Jackson	\$57M + 35 FTE	2006
Trenton Agri Products, LLC	Trenton	\$32M + 27 FTE	2004
Union Pacific Railroad Company	Omaha	\$200M + 500 FTE	2001
Wal-Mart Stores East, Inc.	North Platte	\$10M + 25 FTE	2003

FTE = Full Time Equivalent



Quality Jobs Act (LB 829)

Reporting Requirements, Neb. Rev. Stat. § 77-4933

Description of Benefits

Active Signed Agreements

Quality Jobs Act Reporting Requirements

Neb. Rev. Stat. § 77-4933 provides:

- (1) The Department of Revenue shall submit an annual report to the Legislature no later than July 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
 - (2) The report shall also state by industry group
 - (a) the amount of wage benefit credits and investment tax credits allowed under the Quality Jobs Act,
 - (b) the number of direct jobs created at the projects,
 - (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.
 - (3) No information shall be provided in the report that is protected by state or federal confidentiality laws.
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Quality Jobs Act

Description of Benefits

General Information:

The Quality Jobs Act (LB 829) allowed a qualified business to receive a wage benefit credit, or retain payroll withholding tax. The Quality Jobs Act required a separate application subject to approval by the Quality Jobs Board. The members of the board were the Governor, the State Treasurer, and the chairperson of the Nebraska Investment Council.

Application Information:

No new Quality Jobs Act applications could be filed after February 1, 2000.

Requirements by Application Level:

There were two levels that qualified companies could choose from:

- \$50 million investment in qualified property and at least 500 new full time equivalent (FTE) employees hired; and
 - \$100 million in investment in qualified property and at least 250 new FTE employees hired.
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Benefits:

A company that reached and maintained the selected levels was eligible for a wage benefit credit. The company was to expend at least the value of the wage benefit credit for company training programs, employee benefit programs, educational institution training programs, or workplace safety programs. The company's agreement specifies whether the the election has been made to use the credit against the company's income tax, or to retain a portion of the taxpayer's employer's payroll withholding tax liability as designated by the employees.

Activity as of December 31, 2011:

Credits were allowed under LB 829; however, to maintain confidentiality, no information is reported.

Quality Jobs Act Active Signed Agreements

Reporting Neb. Rev. Stat. § 77-4933(1)

Company Name	Project Location	Project Type	Year Agreement Signed
First Data Corporation	Omaha	\$60M + 2,000 FTE	1997
Union Pacific Railroad Company	Omaha	\$100M + 250 FTE	1996
