
2004 Annual Report



Employment and Investment Growth Act

LB 775

Employment Expansion
and Investment Incentive Act
(Including Enterprise Zone Act)

LB 1124, LB 608

Quality Jobs Act

LB 829

Rural Economic Opportunities Act

LB 936

Invest Nebraska Act

LB 620

STATE OF NEBRASKA

DEPARTMENT OF REVENUE
Mary J. Egr Edson
Tax Commissioner



Dave Heineman
Governor

March 15, 2005

Senator Kermit Brashear
Speaker of the Legislature
2103 State Capitol
Lincoln, NE 68509

Dear Speaker Brashear:

We are submitting the 2004 annual report on the Employment and Investment Growth Act, the Employment Expansion and Investment Incentive Act, the Quality Jobs Act, the Rural Economic Opportunities Act, and the Invest Nebraska Act as required by law.

A copy of this report has been delivered to all members of the Unicameral. It is also one of the annual publications available on the Internet at www.revenue.ne.gov.

If you have any questions, please contact Tom Norris at (402) 471-5800 or Mary Hugo at (402) 471-5790.


Sincerely,

A handwritten signature in blue ink, appearing to be "MJE", written over a circular stamp or seal.

Mary J. Egr Edson
State Tax Commissioner

Enclosure

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Employment and Investment Growth Act, LB 775, as amended



Neb. Rev. Stat. §77-4110 states:

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

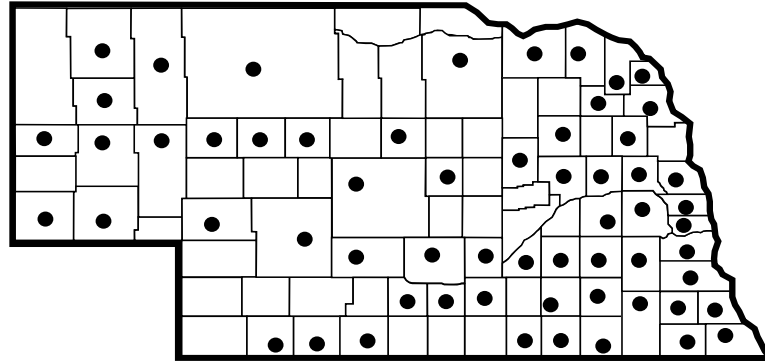
(2) The report shall list (a) the agreements which have been signed during the previous calendar year, (b) the agreements which are still in effect, (c) the identity of each taxpayer, and (d) the location of each project.

(3) The report shall also state by industry group (a) the specific incentive options applied for under the Employment and Investment Growth Act, (b) the refunds allowed on the investment, (c) the credits earned, (d) the credits used to reduce the corporate income tax and the credits used to reduce the individual income tax, (e) the credits used to obtain sales and use tax refunds, (f) the number of jobs created, (g) the total number of employees employed in the state by the taxpayer on the last day of the calendar quarter prior to the application date and the total number of employees employed in the state by the taxpayer on subsequent reporting dates, (h) the expansion of capital investment, (i) the estimated wage levels of jobs created subsequent to the application date, (j) the total number of qualified applicants, (k) the projected future state revenue gains and losses, (l) the sales tax refunds owed to the applicants, (m) the credits outstanding, and (n) the value of personal property exempted by class in each county.

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

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

LB 775 Activity Through 12/31/2004



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

Analysis of Applications and Agreements				
	Applications Received	Active Projects	Planned Investment (billions)	Planned New Jobs
Signed Agreements				
Active	341	341	5.109	34,132
Withdrawn	54			
Deleted	79			
Completed	87			
Subtotal-total signed agreements	561			
Applications				
Pending as of 12/31/04	147	147	3.21	13,399
Withdrawn	91			
Deleted	103			
Total	902	488	8.319	47,531

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

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

Table 1

Application Year	Total Number of Active Projects	Year Verified																	Total	Completed Projects	Active Qualified Projects
		1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004			
1987	90	13	30	23	11	1	6	4	1	1									90	60	30
1988	29		2	10	6	3	2	3	2		1								29	13	16
1989	28			1	4	4	9	1	6	3									28	6	22
1990	15				4	4	2	4	4	4	1								15	4	11
1991	13				2	1	3	2	2	2	2	1							13		13
1992	16						3	4	2	3	2	3							16		16
1993	12						5	3	5	3	2	2							12		12
1994	22						6	4	6	4	7	3							21	2	19
1995	40								6	13	6	4	5	3	3				40	2	38
1996	31									2	9	8	2	3	4	1			29	2	29
1997	24											6	7	4	2	3			22		22
1998	23											3	1	1	3	3			13		13
1999	28											3	1	3	2	3	2		13		13
2000	29												1	1	3	4			10		10
2001	31													1	3	2			7		7
2002	47															2	5		2		2
2003	34																				
2004	63																				
Total	575	13	32	34	21	14	18	13	31	27	28	23	24	17	16	18	14	17	360	87	273
Completed Projects	87	13	24	23	13	4	4	0	2	0	3	0	1						87		
Active Projects	488	0	8	11	8	10	14	13	29	27	25	23	23	17	16	18	14	17	273		

Agreements Signed in 2004 That are Still in Effect

Company Name	Project Size	Project Location
1 Advanced Building & Components, Inc.	\$3.2M+ 32 emp	Mead
2 American Family Life Assurance Company of Columbus	\$4.7M + 136 emp	Omaha
3 Burlington Northern Santa Fe Corporation	\$20M	Statewide
4 Cabela's, Inc.	\$18.8M + 1100 emp	Sidney and Kearney
5 ConAgra Foods, Inc.	\$10M + 100 emp	Omaha
6 Degussa Corporation	\$75M + 30 emp	Blair
7 Firstar Fiber, Inc.	\$43.5M + 180 emp	Fremont, Omaha and future site
8 GWD, Ltd.	\$3.5M + 30 emp	South Sioux City
9 IBP, inc.	\$23.2M + 1000 emp	Norfolk
10 ILC, Inc.	\$4.3M + 38 emp	Omaha
11 IMSCORP	\$5M + 42 emp	Lincoln
12 Jones National Corporation	\$3M + 30 emp	Seward and Milford
13 Krone Digital Communications, Inc.	\$14.2M + 130 emp	Sidney
14 Linweld, Inc.	\$3M + 30 emp	Statewide
15 Marianna Industries, Inc.	\$5.6M + 30 emp	Omaha
16 McCain Foods USA, Inc.	\$20M + 100 emp	Grand Island
17 Merit Transportation Company, LLC	\$10.1M + 100 emp	Omaha
18 Metz Baking Company	\$15 M + 100 emp	Hastings, Bellevue, South Sioux City
19 Norfolk Iron & Metal Company	\$11M + 30 emp	Norfolk
20 Omaha Cold Storage Terminals, Inc.	\$10M + 100 emp	Omaha and Crete
21 Omni Hotels Management Corporation	\$3.35M + 30 emp	Omaha
22 Printco Graphics, Inc.	\$3M + 67 emp	Omaha
23 Quebecor World Lincoln Inc.	\$10M + 100 emp	Lincoln and surrounding areas
24 State Steel of Omaha	\$3.75M + 30 emp	Omaha
25 Technical Management, Inc.	\$12.78M + 900 emp	Lincoln
26 The Buckle, Inc.	\$10.1M + 100 emp	Kearney
27 THT Designs, Inc.	\$10M + 100 emp	Omaha, LaVista
28 Trenton Agri Products, LLC	\$39.4M + 31 emp	Trenton
29 Vente, Inc.	\$10M + 100 emp	Omaha
30 Waitt Media, Inc.	\$10M + 100 emp	Omaha and Plattsmouth
31 WCI Outdoor Products, Inc.	\$10M + 100 emp	Beatrice
32 West Gate Banshares, Inc.	\$13.5M + 100 emp	Lincoln
33 Wimmer's Meat Products, Inc.	\$10.8M + 100 emp	West Point

Agreements Signed in 1987 That are Still in Effect

Company Name	Project Size	Project Location
1 Central States Health & Life Company of Omaha	\$10M + 135 emp	Greater Omaha Metropolitan Area
2 ConAgra Foods, Inc.	\$10M + 100 emp	In or around metropolitan Omaha
3 Crete Carrier Corporation	\$3M + 30 emp	Omaha, Lincoln, York, Crete, and Norfolk
4 Marianna Industries, Inc.	\$3M + 30 emp	Greater Omaha Metropolitan Area
5 U S West, Inc.	\$60M + 150 emp	Omaha area
6 Werner Enterprises, Inc. & Subs.	\$11M + 190 emp	Douglas and Sarpy Counties
7 West Corporation	\$15M + 1,000 emp	Greater Omaha Metropolitan Area

Agreements Signed in 1988 That are Still in Effect

Company Name	Project Size	Project Location
1 Acton International, Ltd.	\$10M + 525 emp	Lancaster, Sarpy, Douglas Counties
2 Affiliated Foods Midwest Cooperative, Inc.	\$6.7M + 67 emp	Norfolk
3 Ameritrade Holding Corporation	\$4.4M + 48 emp	Metro Omaha
4 Becton Dickinson & Company	\$38M + 109 emp	Columbus, Broken Bow, and Holdrege
5 Cook Family Foods	\$11M + 190 emp	Lincoln
6 Dana Corporation	\$5.3M + 70 emp	Hastings
7 Dutton-Lainson Co.	\$4M + 51 emp	Hastings
8 Farmers & Merchants Investment, Inc.	\$4M + 82 emp	Lincoln, Omaha, Milford, Wahoo, Columbus, Syracuse, Auburn, Beatrice, Pawnee City, Oxford, Taylor, Kearney, Rising City, and other locations
9 Gibraltar Packaging Group	\$4.6M + 35 emp	Hastings and Lincoln
10 Grand Island Accessories, Inc.	\$3M + 30 emp	Grand Island
11 HW Mangelsens, Inc.	\$3.5M + 33 emp	Greater Omaha Metropolitan Area
12 Iams Company	\$17.2M + 39 emp	Hamilton County
13 Jefferson Pilot Financial Insurance Company	\$10M + 114 emp	Greater Metropolitan Omaha Area
14 Land and Sky, Inc.	\$3M + 40 emp	Lincoln, Lancaster County, and other locations in the Southeast
15 M.G. Waldbaum Company	\$17M + 106 emp	Wakefield
16 Modern Equipment Co, Inc.	\$3.5M + 110 emp	Douglas County
17 Nestle, Inc.	\$20M + 100 emp	Crete, Lincoln
18 Sitel Corporation	\$4.95M + 100 emp	Greater Omaha Metropolitan Area
19 Streck Laboratories, Inc.	\$3.7M + 61 emp	Greater Omaha Metropolitan Area
20 Time Warner Entertainment-Advance/Newhouse Partnership	\$30M + 40 emp	Lincoln, Lancaster County, Crete, Auburn, Nebraska City, Tecumseh, Table Rock, Pawnee City, Humboldt, Omaha, Fairbury, Superior, York, David City, Seward, Fremont, Dodge County, Inglewood, Douglas County, and other locations
21 Walker Manufacturing Co.	\$4M + 45 emp	Seward
22 Wilkinson Industries, Inc.	\$4.4M + 35 emp	Fort Calhoun

Agreements Signed in 1989 That are Still in Effect

Company Name	Project Size	Project Location
1 Appleton Electric LLC	\$3M + 30 emp	Columbus
2 Clean Harbors, Inc.	\$35.8M + 40 emp	Kimball
3 Coleman Powermate, Inc.	\$3M + 206 emp	Hastings and Kearney
4 Community First National Bank	\$3.5M + 30 emp	Alliance, Merriman, Chadron, Gordon, Mullen, Thedford, Valentine, Cody, Bridgeport, Hemingford, and Hyannis
5 IBP, inc.	\$77.5M + 1200 emp	Lexington
6 ITI Marketing Services, Inc.	\$3.7M + 310 emp	Greater Omaha Metropolitan Area
7 Omni Holding Company	\$3.8M + 34 emp	Omaha, Douglas and Sarpy Counties
8 Pegasus Solutions Companies	\$10M + 100 emp	Omaha
9 Principal Financial Group Life Insurance Company	\$6.2M + 100 emp	Grand Island
10 Tri-Con Industries, LTD	\$9.7M + 85 emp	Lincoln
11 Yasufuku USA, Inc.	\$3.5M + 36 emp	Lincoln

Agreements Signed in 1990 That are Still in Effect

Company Name	Project Size	Project Location
1 Alliant Exchange, Inc.	\$3M + 30 emp	Douglas County
2 Alltel Communications Holdings of the Midwest, Inc.	\$10M + 31 emp	Grand Island, Hastings, Kearney, York, North Platte, Lexington, Brady, Paxton, Ogallala, Seward, Norfolk, Columbus, Fremont, Sidney, Scottsbluff, Beatrice, Ashland, O'Neill, Ord, and other locations
3 Brunswick Corporation	\$3M + 30 emp	Lancaster County
4 Cargill Meat Solutions Corp.	\$11.3M + 100 emp	Schuyler
5 Deeter Foundry, Inc.	\$3.4M + 32 emp	Lincoln
6 DTN Corporation	\$3M + 31 emp	Douglas County
7 Exmark Manufacturing Co., Inc.	\$3.1M + 46 emp	Beatrice
8 Farmland Foods, Inc.	\$13.7M + 110 emp	Crete
9 First Data Voice Services	\$10M + 100 emp	Greater Omaha Metropolitan Area
10 Fremont Beef Company	\$10M + 100 emp	Fremont
11 Goodyear Tire & Rubber Company	\$3M + 30 emp	Norfolk
12 Hyatt Hotels Corporation	\$10M + 100 emp	Omaha
13 IMSCORP	\$3M + 30 emp	Lincoln
14 LCF Holdings, Inc. & Subs.	\$3.2M + 30 emp	Omaha, Lincoln, Fremont and Norfolk
15 Lester Electrical of Nebraska	\$3M + 30 emp	Lancaster County and adjacent counties
16 Lincoln Benefit Life	\$3M + 140 emp	Lincoln
17 Mid-America Computer Corporation	\$11M + 133 emp	Blair
18 Millard Refrigerated Services	\$14.7M + 210 emp	Douglas and Sarpy Counties
19 Molex Incorporated	\$4.6M + 43 emp	Lincoln
20 Norfolk Iron & Metal Co.	\$3.7M + 35 emp	Norfolk and Scottsbluff
21 ORI Great West Holdings	\$4.9M + 59 emp	South Sioux City
22 Precision Industries, Inc.	\$10M + 110 emp	Omaha, Lincoln, Grand Island, Lexington, Norfolk, Columbus, and other locations
23 PW Eagle, Inc.	\$3M + 30 emp	Hastings

Company Name	Project Size	Project Location
24 T-L Irrigation Co.	\$3M + 30 emp	Hastings
25 Telenational Communications Limited Partnership	\$3.3M + 223 emp	Omaha and other locations
26 Tetra Micronutrients, Inc.	\$3M + 30 emp	Fairbury
27 The Buckle, Inc.	\$3M + 37 emp	Kearney
28 West Corporation	\$10M + 100 emp	Greater Omaha Metropolitan Area
29 William H. Harvey Company	\$3M + 35 emp	Greater Omaha Metropolitan Area
30 Wilson Concrete Co.	\$3M + 30 emp	La Platte
31 Wright Printing Co.	\$4.4M + 60 emp	Omaha

Agreements Signed in 1991 That are Still in Effect

Company Name	Project Size	Project Location
1 Archer Daniels Midland Company	\$80M + 125 emp	Columbus
2 Bemis Company, Inc.	\$5.6M + 49 emp	Omaha
3 Chief Industries, Inc.	\$10M + 100 emp	Hastings
4 Drake-Williams Steel, Inc.	\$3.7M + 30 emp	Omaha
5 Linweld, Inc.	\$3M + 30 emp	Lincoln, Hastings, Holdrege, Columbus, Omaha, Kearney, Waverly, Norfolk, Grand Island, Scottsbluff
6 Mallory USA, Inc.	\$3M + 30 emp	South Sioux City
7 SPI Foods, Inc.	\$12M + 100 emp	Fremont
8 Tenneco Automotive Operating Co., Inc.	\$3M + 30 emp	Cozad
9 The Western Sugar Co. & Affiliates	\$35.7M + 30 emp	Scottsbluff
10 U.S. Bancorp	\$7.5M + 30 emp	Lincoln, Omaha, Scottsbluff, and Norfolk
11 Union Pacific Corporation	\$3M + 30 emp	Various Locations

Agreements Signed in 1992 That are Still in Effect

Company Name	Project Size	Project Location
1 Centurion Wireless Technologies, Inc.	\$3M + 30 emp	Lincoln
2 Design Plastics, Inc.	\$3.15M + 30 emp	Omaha
3 Krone Digital Communications	\$10M + 100 emp	Sidney
4 MidAmerican Energy Holdings Company	\$3M + 30 emp	Omaha
5 Paracclipse, Inc.	\$3M + 30 emp	Columbus
6 Pinnacle Foods Corporation	\$10M + 100 emp	Omaha
7 Restoragen, Inc.	\$10M + 100 emp	Lincoln
8 Store Kraft Manufacturing Co.	\$3.25M + 42 emp	Beatrice
9 Tekton, Inc. & Subsidiaries	\$3M + 30 emp	Pender, Wayne and Omaha

Agreements Signed in 1993 That are Still in Effect

Company Name	Project Size	Project Location
1 Ag Processing, Inc. a Cooperative	\$5M + 95 emp	Omaha
2 American Shizuki Corp.	\$3.8M + 55 emp	Ogallala
3 Cargill, Inc.	\$150M + 100 emp	Washington County
4 ConAgra Foods, Inc.	\$10.2M + 100 emp	Omaha
5 Flexcon Company, Inc.	\$22M + 200 emp	Columbus
6 FOFTI, L.C.	\$10M + 100 emp	Greater Omaha
7 Henningsen Foods, Inc.	\$4.5m + 30 emp	David City and other locations
8 Lincoln Plating Company	\$3.2M + 32 emp	Lincoln
9 Tenaska, Inc.	\$3.1M + 40 emp	Omaha
10 Transcrypt International, Inc.	\$10M + 100 emp	Lincoln
11 Travel & Transport, Inc.	\$3.9M + 170 emp	Omaha and other locations

Agreements Signed in 1994 That are Still in Effect

Company Name	Project Size	Project Location
1 Auburn Consolidated Industries, Inc.	\$3M + 35 emp	Auburn
2 Beef Products, Inc.	\$15-30M + 100 emp	Dakota City and future locations
3 Cargill Meat Solutions Corp.	\$13M + 150 emp	Nebraska City
4 First Data Corporation	\$10M + 100 emp	Omaha
5 First National of Nebraska, Inc.	\$10M + 100 emp	Omaha
6 Fleming Companies, Inc.	\$3.4M + 35 emp	Lincoln
7 Information Technology, Inc.	\$3M + 30 emp	Lincoln
8 Lanter Company	\$4M + 34 emp	Omaha
9 Mutual of Omaha Insurance Company	\$20M	Omaha
10 Nebraska Beef Ltd.	\$10M + 100 emp	Omaha
11 Nebraska Furniture Mart, Inc.	\$3M + 30 emp	Omaha
12 Nucor Corporation	\$20M	Norfolk
13 Tyco Healthcare Group L.P.	\$3M + 30 emp	Norfolk

Agreements Signed in 1995 That are Still in Effect

Company Name	Project Size	Project Location
1 AGP Corn Processing	\$40M + 100 emp	Central Nebraska
2 American Laboratories, Inc.	\$3M + 30 emp	Omaha
3 Behlen Mfg. Co.	\$6M + 165 emp	Columbus and Omaha
4 Blue Cross & Blue Shield of Nebraska & Subs.	\$10M + 100 emp	Omaha, Lincoln and other locations
5 Cabela's, Inc.	\$10M + 100 emp	Sidney and Kearney
6 Carneco Foods, LLC	\$16M + 100 emp	Columbus
7 ConAgra Foods, Inc.	\$10M + 100 emp	Omaha
8 Experian Marketing Solutions, Inc.	\$10M + 100 emp	Lancaster and Seward Counties
9 Food Services of America	\$3M + 30 emp	Omaha
10 Info USA, Inc.	\$10M + 190 emp	Omaha
11 Irwin Industrial Tool Company	\$10M + 100 emp	DeWitt and Lincoln areas
12 MFS Communications Company, Inc.	\$10M + 100 emp	Omaha
13 Nebraska Energy LLC	\$35M + 30 emp	Aurora
14 Prairie Systems, Inc.	\$10M + 100 emp	Omaha
15 The Oilgear Company	\$3M + 30 emp	Fremont
16 Werner Enterprises, Inc. & Subs.	\$10M + 100 emp	Douglas and Sarpy Counties

Agreements Signed in 1996 That are Still in Effect

Company Name	Project Size	Project Location
1 Acceptance Insurance Companies, Inc.	\$10M + 100 emp	Omaha
2 Alltel Communications Holdings of the Midwest, Inc.	\$3M + 30 emp	Eastern Nebraska
3 Alltel Communications Holdings of the Midwest, Inc.	\$20M	Eastern Nebraska
4 Archer Daniels Midland Company	\$20M	Lincoln
5 Burlington Northern Santa Fe Corporation	\$3M + 30 emp	Statewide
6 C.J. Foods, Inc.	\$3M + 30 emp	Pawnee City
7 Consolidated Business Systems, Inc.	\$3.5M + 40 emp	Omaha
8 CSG Systems, Inc.	\$14M + 105 emp	Omaha
9 Eaton Corporation	\$20M	Omaha
10 Farmers & Merchants Investment, Inc.	\$4.85M + 72 emp	Statewide
11 Gallup, Inc.	\$9M + 155 emp	Lincoln
12 Garner Industries	\$3M + 30 emp	Lincoln
13 Goodyear Tire & Rubber Company	\$20M	Lincoln
14 Greater Omaha Packing Co.	\$10M + 100 emp	Omaha
15 Iams Company	\$20.5M + 30 emp	Aurora
16 IBP, inc.	\$10M + 100 emp	Madison
17 Inacom Corp.	\$10M + 100 emp	Greater Omaha Metropolitan Area
18 Level 3 Communications, Inc. & Subs.	\$10M + 100 emp	Omaha
19 Morris Printing Group, Inc.	\$3M + 30 emp	Lexington and Kearney
20 Omaha Steaks International, Inc.	\$10M + 100 emp	Metropolitan Omaha Area
21 OTC Investments, LLC	\$16M + 600 emp	Omaha
22 Parker Hannifin Corp.	\$5M + 40 emp	Lincoln
23 Parker Hannifin Corp.	\$13.6M + 71 emp	Alliance and McCook
24 Pennington Seed, Inc. of Nebraska	\$10M + 100 emp	Sidney
25 Physicians Mutual Insurance Company	\$14M + 150 emp	Omaha
26 Pioneer Hi-Bred International, Inc.	\$3M + 30 emp	York
27 Senior Technologies, Inc.	\$3M + 30 emp	Lincoln
28 Square D Company	\$20M	Lincoln
29 THT Designs, Inc.	\$10M + 100 emp	Omaha
30 Union Pacific Corporation	\$3M + 30 emp	Greater Omaha Area
31 Union Pacific Corporation	\$3M + 30 emp	Statewide
32 West Corporation	\$10M + 100 emp	Omaha

Agreements Signed in 1997 That are Still in Effect

Company Name	Project Size	Project Location
1 3M Company	\$3M + 30 emp	Valley
2 Abengoa Bioenergy Corporation	\$55.1M + 105 emp	York County
3 Affiliated Foods Midwest Cooperative, Inc.	\$8.4M + 100 emp	Norfolk
4 Airlite Plastics Company	\$10M + 30 emp	Greater Omaha Metropolitan Area
5 Coxcom, Inc.	\$3M + 30 emp	Omaha
6 Distefano Tool & Manufacturing Co.	\$3.2M + 35 emp	Omaha
7 Duncan Aviation, Inc.	\$3M + 30 emp	Lincoln
8 First Data Voice Services	\$10M + 100 emp	Greater Omaha Metropolitan Area
9 Frito Lay, Inc.	\$25M + 30 emp	Central Nebraska
10 Hormel Foods Corporation	\$20M + 100 emp	Fremont
11 IBP, inc.	\$10M + 100 emp	Dakota City West Point
12 IBP, inc.	\$10M + 100 emp	Gibbon
13 Kellogg Company	\$84M	Omaha
14 Lozier Corporation	\$20M	Omaha
15 Maplehurst Bakeries, Inc.	\$3M + 30 emp	Nebraska City
16 Midwest Web, Inc.	\$4.7M + 30 emp	Lincoln
17 Nedelco Inc. & Subsidiaries	4.85M + 147 emp	Aurora
18 Novartis Consumer Health, Inc.	\$10M + 100 emp	Lincoln
19 Premier Industries, Inc.	\$3M + 30 emp	Mead
20 Quality Pork International, Inc.	\$10M + 100 emp	Omaha
21 Reliance Electric Industrial Company	\$3M + 30 emp	Columbus
22 Security Financial Life Insurance	\$4.5M + 30 emp	Lincoln
23 Sprint Spectrum L.P.	\$35M + 150 emp	Statewide Service Area
24 Streck Laboratories	\$10M + 100 emp	Omaha
25 Valmont Industries, Inc.	\$10M + 100 emp	Valley, McCook, West Point, and Omaha
26 Walker Manufacturing Co.	\$3M + 30 emp	Seward
27 Wells Fargo & Company	\$12M + 115 emp	Lincoln, Grand Island, Columbus, Kearney, North Platte, and other locations

Agreements Signed in 1998 That are Still in Effect

Company Name	Project Size	Project Location
1 Baldwin Filters, Inc.	\$10M + 100 emp	Kearney and Gothenburg
2 Ballantyne of Omaha, Inc. & Subs.	\$3M + 30 emp	Omaha
3 Claas North American Holdings, Inc.	\$60 M + 502 emp	Omaha
4 Empire Fire & Marine Insurance Co.	\$10M + 100 emp	Omaha and other locations
5 Flexmag Industries, Inc.	\$3.9M + 35 emp	Norfolk
6 HDR, Inc.	\$15.3M + 110 emp	Omaha
7 Isco, Inc.	\$10M + 110 emp	Lincoln
8 Kroy Building Products, Inc.	\$3M + 30 emp	York
9 LI-COR, Inc.	\$3M + 30 emp	Lincoln
10 Nebco, Inc.	\$3M + 30 emp	Dodge, Lancaster, Douglas, Sarpy, Cass, Otoe, Buffalo, Hall, Saunders and other NE counties
11 Pegler-Sysco Food Service Company	\$12M + 203 emp	Omaha, Lincoln, Grand Island and other locations
12 Platte Valley Financial Services Companies, Inc.	\$3.7M + 50 emp	Scottsbluff
13 Reinke Manufacturing Company, Inc.	\$10.7M + 30 emp	Deshler
14 William H. Harvey Co.	\$3M + 30 emp	Omaha

Agreements Signed in 1999 That are Still in Effect

Company Name	Project Size	Project Location
1 Ameritas Acacia Mutual Holding Company	\$10M + 100 emp	Lincoln
2 AMPC, Inc.	\$3M + 30 emp	Fremont, Schuyler, Madison, and Grand Island
3 D&D Foods, Inc.	\$4.55M + 30 emp	Omaha
4 DTN Corporation	\$3M + 30 emp	Douglas County
5 Eaton MDH Company, Inc.	\$17.5M + 68 emp	Hastings
6 Harris Laboratories, Inc.	\$15.12M + 140 emp	Lincoln, Omaha
7 Lucent Technologies	\$191M	Omaha
8 Lyman-Richey Corporation	\$3M + 30 emp	Omaha and other Nebraska locations
9 Midland Systems, Inc.	\$3M + 30 emp	Omaha
10 Nonpareil - RDO, LLC.	\$15.8M + 100 emp	O'Neill
11 Omaha Printing Company	\$5M + 50 emp	Omaha
12 Omaha World Herald Company	\$9M + 30 emp	Omaha
13 Producers America, Inc.	\$3M + 30 emp	Omaha and other locations
14 Rotella's Italian Bakery, Inc.	\$3M + 30 emp	Omaha
15 Securities America Financial Corporation	\$7M + 100 emp	Omaha
16 Silverstone Group, Inc. & Subs	\$3M + 30 emp	Omaha
17 TierOne Bank	\$4.77M + 39 emp	Statewide
18 West Corporation	\$22M + 144 emp	Omaha
19 Wilkinson Industries, Inc.	\$10M + 100 emp	Fort Calhoun
20 Wis-Pak, Inc.	\$3M + 30 emp	Norfolk

Agreements Signed in 2000 That are Still in Effect

Company Name	Project Size	Project Location
1 C S Precision Manufacturing, Inc.	\$7M + 30-35 emp	Scottsbluff
2 Cargill Meat Solutions Corp.	\$16.5M + 100 emp	Schuyler
3 CXT Incorporated	\$3.5M + 30 emp	Grand Island
4 First York Ban Corp.	\$3M + 30 emp	Statewide
5 Grand Island Accessories	\$3.5M + 37 emp	Grand Island
6 Great Dane Limited Partnership	\$3M + 184 emp	Wayne
7 Hughes Brothers, Inc.	\$5.25M + 30 emp	Seward
8 Lee Enterprises	\$35M + 50 emp	Lincoln
9 Lindsay Manufacturing Co.	\$24M + 30 emp	Lindsay
10 Longview Fibre Company	\$7M + 30 emp	Seward
11 Midwest Padding L.L.C.	\$3.3M + 32 emp	Norfolk
12 National Crane Corporation	\$9.4M + 60 emp	Waverly
13 OpticTrek.com, Inc.	\$110-144M + 1,445 emp	Omaha
14 Triangle Pacific Corp.	\$10.3M + 100 emp	Auburn

Agreements Signed in 2001 That are Still in Effect

Company Name	Project Size	Project Location
1 Becton Dickinson & Company	\$145M + 287 emp	Columbus, Holdrege, and Broken Bow
2 Cargill Dow LLC	\$220M + 100 emp	Blair
3 Carlson Holdings, Inc.	\$10.1M + 100 emp	Omaha
4 Caterpillar Logistics Services, Inc.	\$8.7M + 50 emp	Bellevue
5 Dutton-Lainson Co.	\$11.4M + 41 emp	Hastings and Kearney
6 Gordmans, Inc.	\$10M + 100 emp	Omaha
7 Hastings Irrigation Pipe Co.	\$3M + 30 emp	Hastings
8 HDM Corporation	\$3.4M + 269 emp	Omaha
9 International Transportation Specialists	\$3.1M + 40 emp	Omaha
10 James Skinner Co.	\$10.6M + 110 emp	Omaha
11 Kawasaki Motors Mfg. Corp.	\$50M + 80 emp	Lincoln
12 Lakeway International Food Group	\$3.2M + 60 emp	Omaha
13 Lincoln Machine, Inc.	\$3M + 30 emp	Lincoln
14 Lincoln Plating Company	\$12.4M + 112 emp	Lincoln
15 Metal-Tech Partners	\$3.25M + 83 emp	Bruning and Geneva
16 Midlands Packaging Corporation	\$3M + 30 emp	Lincoln
17 Neapco, Inc.	\$5.85M + 30 emp	Beatrice
18 Pinnacle Data Services LLC	\$3M + 30 emp	Gretna
19 Profitstar, Inc.	\$10M + 100 emp	Omaha
20 Schering-Plough Animal Health Corporation	\$15M + 117 emp	Elkhorn and Omaha
21 Talent Plus, Inc.	\$10 M + 100 emp	Lincoln
22 Tecumseh Poultry, LLC	\$15M + 922 emp	Tecumseh
23 US Foods, LLC	\$15M + 120 emp	Lincoln

Agreements Signed in 2002 That are Still in Effect

Company Name	Project Size	Project Location
1 American Meter Company	\$16.5M + 50 emp	Nebraska City
2 Ameritrade Holding Corporation	\$19.2M + 110 emp	Omaha
3 Cintas Corporation No. 2	\$5.6M + 120 emp	Omaha
4 ConAgra Beef Company	\$21M + 100 emp	Grand Island
5 Eagle Capital Group Inc.	\$3.6M + 30 emp	Hastings
6 Farmland Foods, Inc.	\$11.7M + 100 emp	Crete
7 First National of Nebraska, Inc.	\$258.6M + 100 emp	Omaha, David City, Columbus, Norfolk, Alliance, Chadron, Gering, Scottsbluff, North Platte, Fremont, and Kearney
8 Coca-Cola Enterprises	\$4.6M + 42 emp	Lincoln
9 Leprino Foods Company	\$7.8M + 30 emp	Ravenna
10 Lester Electrical of Nebraska, Inc.	\$3M + 30 emp	Lincoln
11 M.G. Waldbaum Company	\$18.9M + 109 emp	Wakefield and Bloomfield
12 Molex Incorporated	\$19M + 120 emp	Lincoln
13 Mutual of Omaha Insurance Company	\$166M	Omaha
14 Nash Finch Company	\$4.5M + 30 emp	Omaha
15 Natura Manufacturing Inc.	\$23.39M + 100 emp	Fremont
16 Professional Veterinary Products, LTD	\$10M + 100 emp	Omaha
17 Quality Refrigerated Services, Inc	\$3M + 30 emp	Omaha
18 Radio Engineering Industries, Inc.	\$4M + 50 emp	Omaha
19 Wal-Mart Stores, Inc.	\$40M + 600 emp	North Platte
20 Wright Printing Co.	\$5.09M + 33 emp	Omaha

Agreements Signed in 2003 That are Still in Effect

Company Name	Project Size	Project Location
1 ADT Security Services, Inc.	\$12.2M + 400 emp	Omaha and Papillion
2 Allmand Brothers, Inc.	\$3M + 30 emp	Holdrege
3 Alltel Communications Holdings of the Midwest, Inc.	\$52M	Omaha, Grand Island, Norfolk and other future locations
4 Alltel Communications Holdings of the Midwest, Inc.	\$20M	Nebraska
5 Anderson Forest Products #1, Inc.	\$3M + 80 emp	Sidney
6 Applied Underwriters, Inc.	\$3.3M + 50 emp	Omaha
7 Artios, Inc.	\$10M + 100 emp	Omaha
8 C & A Industries, Inc.	\$4.6M + 35 emp	Omaha
9 Farmers & Merchants Investment, Inc.	\$12M + 30 emp	Statewide
10 Houchen Bindery Ltd.	\$3.2M + 30 emp	Utica
11 Information Technology, Inc.	\$3.5M + 30 emp	Lincoln
12 Malnove Holding Co, Inc.	\$10M + 30 emp	Omaha
13 NBC Acquisition Corp.	\$10M + 100 emp	Lincoln
14 Nebraska Furniture Mart, Inc.	\$25M + 100 emp	Omaha
15 Nelnet, Inc.	\$3.5M + 35 emp	Lincoln
16 OTC Investments, LLC	\$10.5M + 105 emp	Omaha
17 Overhead Door Corporation	\$4.2M + 136 emp	Grand Island
18 Paypal, Inc.	\$16M + 800 emp	Omaha
19 Phillips Manufacturing Company	\$10.3M + 100 emp	Omaha area
20 Restful Knights Inc.	\$10M + 100 emp	Wayne
21 Security National Bank	\$5M + 30 emp	Omaha
22 Tenneco Automotive, Inc.	\$12.9M + 155 emp	Cozad
23 The Oilgear Company	\$17M + 110 emp	Fremont
24 Union Pacific Corporation	\$281M + 30 emp	Omaha
25 Universal Cold Storage & Trucking LLC	\$3M + 30 emp	Lincoln
26 Yasufuku USA, Inc.	\$3M + 30 emp	Lincoln

Summary of LB 775 Benefits Approved Through 12/31/2004

Table 2 summarizes the credits earned, credits used, credits expired, and the direct sales/use tax refunds approved for qualified companies through December 31, 2004. Also included are the sales and use tax refunds pending at year end. Credits are expired after the project has reached the end of the carryover period and has received all expected benefits.

Detail by type of agreement is provided in Table 3. Detail by industry group is provided in Tables 4 through 8 and 10 through 14. Table 9 breaks down sales tax refunds between city and state tax. Tables 15 through 31 regroup the companies by year of qualification.

Summary of LB 775 Benefits Approved

Table 2

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

	1988-2000 ^(a)	2001	2002	2003	2004	Total
Investment Credits	\$1,102,031,358	\$ 98,246,972	\$ 94,627,118	\$ 73,168,444 ^(d)	\$47,119,400	\$1,415,193,292
New Jobs Credits	414,445,102	38,695,285	27,259,507	21,803,114	18,355,326	520,558,334
Total Credits Earned	\$1,516,476,460	\$136,942,257	\$121,886,625	\$94,971,558	\$65,474,726	\$1,935,751,626
Credits Used						
Income Tax ^(b)	\$411,597,851	\$ 50,831,192	\$28,608,407	\$40,352,137	\$34,894,898	\$ 566,284,485
Sales/Use Tax Refunds	343,846,199	51,807,771	43,044,802	54,788,893	51,221,202	544,708,867
Total Credits Used	\$755,444,050	\$102,638,963	\$71,653,209	\$95,141,030	\$86,116,100	1,110,993,352
Recapture ^(c)						
Repaid From Credits	\$9,657,246	\$9,204,994	\$2,660,004	\$2,858,091	\$4,351,586	\$28,731,921
Credits Expired	0	0	8,603,682	6,274,151	2,881,327	17,759,160
Qualified Investment	\$13,985,522,396	\$1,118,849,811	\$1,230,538,458	\$826,327,537 ^(d)	\$599,180,614	\$17,760,418,816
Direct Sales/Use Tax Refunds on Investment	\$411,626,470	\$54,352,225	\$31,200,400	\$36,860,025	\$24,641,813	\$558,680,933
New Jobs of Qualifying Companies	68,823	2,637	860	262	2,886	75,468
Sales/Use Tax Refunds Pending Approval at Year End	N/A	\$29,160,604	\$45,248,206	\$35,675,492	\$33,694,186	N/A

^(a) For details by year see Annual Reports for previous year

	1988-2000 ^(a)	2001	2002	2003	2004	Total
^(b) Corporate	335,222,860	42,097,520	22,437,550	33,543,986	28,064,234	461,366,150
Individual	76,374,991	8,733,672	6,170,857	6,808,151	6,830,664	104,918,335
Total	411,597,851	50,831,192	28,608,407	40,352,137	34,894,898	566,284,485

^(c) 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, 2004, fifty-nine projects were in recapture. \$14,851,121 in repayment due has been netted from approved refund claims, and \$13,880,795, plus interest, has been repaid in cash. Credit carryover for companies that have reached the end of the entitlement period has been reduced by \$21,217,417.

^(d) Corrected for prior period error.

Description of Application Options

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

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

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

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

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

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

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

Table 3 shows the total benefits approved for each type of agreement, as described above, through 2004.

Table 3

**Analysis of Benefits Approved by Type of Agreement
(Cumulative Through 2004)**

	\$20 Million 0 Employees	\$3 Million 30 Employees	\$10 Million 100 Employees	Total
Number of Companies	23	183	154	360
Investment Credits	N/A	\$571,163,552	\$ 844,029,740	\$1,415,193,292
New Jobs Credits	N/A	203,422,238	317,136,096	520,558,334
Total Credits Earned	N/A	<u>\$774,585,790</u>	<u>\$1,161,165,836</u>	<u>\$1,935,751,626</u>
Credits Used				
Income Tax	N/A	\$230,081,225	\$336,203,260	\$ 566,284,485
Sales/Use Tax Refunds	N/A	177,077,067	367,631,800	544,708,867
Total Credits Used	N/A	<u>\$407,158,292</u>	<u>\$703,835,060</u>	<u>\$1,110,993,352</u>
Credits Expired	N/A	\$1,693,543	\$16,065,617	\$17,759,160
Direct Sales/Use Tax Refunds on Investment	\$131,211,395	\$153,244,316	\$274,225,222	\$558,680,933
Qualified Investment	\$3,608,486,150	\$5,711,635,241	\$8,440,297,425	\$17,760,418,816
New Jobs of Qualifying Companies	N/A	28,952	46,516	75,468
Sales/Use Tax Refunds Pending Approval at Year End (12-31-04)	\$302,177	\$13,205,330	\$20,186,679	\$33,694,186

LB 775 Companies Whose Qualifications Have Been Approved As Of 12/31/2004

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

The industry groupings are based on the Principal Business Activity codes currently being used by the Internal Revenue Service.

Table 4 **Classification Into Industry Group by
Principal Business Activity (PBA) Codes
and Option Under Which Applied**

Category	PBA, Major Industry Group Titles	Option Under Which Applied
Construction, Utilities and Nonmetallic Mineral Products Manufacturing	22, 23, 327 Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	3M + 30 emp 10M + 100 emp
Manufacturing	311, 312 Meat and Food Products	3M + 30 emp 10M + 100 emp 20M
	314, 322, 323, 325, 326 Printing, Paper, Chemical, Plastics, Rubber, Textile and other non-durable products	3M + 30 emp 10M + 100 emp 20M
	321, 331, 332 Primary and Fabricated Metals and Wood Product Manufacturing	3M + 30 emp 10M + 100 emp 20M
	333, 334, 335, 336, 337, 339 Machinery, Electronic and other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	3M + 30 emp 10M + 100 emp 20M
Wholesale & Retail Trade	42 Durable and Non-Durable Goods	3M + 30 emp 10M + 100 emp
Transportation & Warehousing and Warehousing	48, 49 Railroads, Trucking, Air Transportation	3M + 30 emp 10M + 100 emp 20M
Information & Data Processing Data Processing Services	51 Publishing, Communications, Information and	3M + 30 emp 10M + 100 emp 20M
Finance, Insurance & Real Estate	52 Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	3M + 30 emp 10M + 100 emp 20M
Professional, Scientific and Technical Services	54, 56, 62, 81 Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	3M + 30 emp 10M + 100 emp

LB 775 INDUSTRY GROUP DETAIL

Analysis of Credits

Tables 5 and 6 show an analysis of credits earned and used in 2004 and cumulative through 2004 by industry group. Total credits earned consist of both investment and employment credits. Both types of credits go into a credit pool and can be used to offset corporate or individual income tax liability and to receive a refund of otherwise non-refundable sales or use tax paid on purchases at the project.

Credits distributed to either corporate or individual shareholders or partners totaled \$112,047,494 in 1988-2000, \$8,235,539 in 2001, \$5,783,012 in 2002, \$8,558,812 in 2003 and \$5,226,408 in 2004. Distributed credits may only be used to offset corporate or individual income tax liabilities.

Analysis of Credits by Industry Group (2004)

Table 5

Industry Group	Total Credits Earned	CREDITS USED		Credits Recaptured	Credits Expired	Current Year Change to Credit Balance
		Income Tax	Sales Tax			
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	\$ 1,427,472	\$ 1,790,401	\$ 236,199			\$ (599,128)
Meat and Food Products	6,133,897	5,223,300	7,351,634	\$ 319,224	\$2,827,835	(9,588,096)
Printing, Paper, Chemical, Plastics, Rubber, Textile and Other Non-Durable Products	9,781,161	778,862	8,503,837	325,365	142,103	30,994
Primary and Fabricated Metals and Wood						
Product Manufacturing	971,295	336,200	440,334			194,761
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	993,137	1,041,530	7,416,951	920,383	100	(8,385,827)
Durable and Non-Durable Goods	2,496,696	1,895,597	1,520,297	137,324		(1,056,522)
Railroads, Trucking, Air Transportation and Warehousing	18,111,190	11,773,227	1,651,737		(88,711)	4,774,937
Publishing, Communications, Information and Data Processing Services	7,840,479	4,268,946	3,726,762			(155,229)
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	10,669,026	3,201,214	17,247,927	3,150,539		(12,930,654)
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	7,050,373	4,585,621	3,125,524			(660,772)
Total	\$65,474,726	\$34,894,898	\$51,221,202	\$4,852,835	\$2,881,327	\$(28,375,536)

LB 775 INDUSTRY GROUP DETAIL

Table 6

Analysis of Credits by Industry Group (Cumulative Through 2004)

Industry Group	Total Credits Earned	CREDITS USED		Credits Recaptured	Credit Expired	Credit Balance
		Income Tax	Sales Tax			
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	\$ 39,772,950	\$ 29,329,586	\$ 5,053,322	\$ 0	\$ 0	\$ 5,390,042
Meat and Food Products	282,574,848	83,448,332	99,796,633	1,569,060	8,271,325	89,489,498
Printing, Paper, Chemical, Plastics, Rubber, Textile and Other Non-Durable Products	273,393,654	20,430,469	68,274,290	670,169	5,929,650	178,089,076
Primary and Fabricated Metals and Wood Product Manufacturing	36,799,516	17,099,770	7,222,216	590,373	0	11,887,157
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	211,297,343	49,420,651	95,323,783	1,351,269	1,478,974	63,722,666
Durable and Non-Durable Goods	83,279,894	32,724,439	17,976,676	3,393,154	0	29,185,625
Railroads, Trucking, Air Transportation and Warehousing	319,132,295	87,511,724	45,803,657	5,801,902	707,582	179,307,430
Publishing, Communications, Information and Data Processing Services	211,663,345	85,564,233	31,413,818	3,975,648	0	90,709,646
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	327,174,870	99,528,500	138,889,389	3,865,842	0	84,891,139
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	150,662,911	61,226,781	34,955,083	0	1,371,629	53,109,418
Total	\$1,935,751,626	\$566,284,485	\$544,708,867	\$21,217,417	\$17,759,160	\$785,781,697

LB 775 INDUSTRY GROUP DETAIL

Sales and Use Tax Refunds

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

The direct refund is available on qualified property (see Table 10 narrative for the definition of qualified property) and on aircraft. The total direct refunds through December 31, 2004 were \$558,680,933. Refunds were \$542,992,047 on qualified property and \$15,688,886 on aircraft.

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

Tables 7 and 8 show a summary of sales and use tax refunds by industry group in 2004 and cumulative through 2004. The last column of Table 7 shows the sales and use tax refunds pending approval on December 31, 2004.

Table 9 shows the breakdown of state and city taxes paid for the total refunds net of recapture.

**Table 7 Analysis of Sales/Use Tax Refunds by Industry Group
(2004)**

Industry Group	APPROVED REFUNDS			Refunds Pending as of 12/31/2004
	Direct Refunds	Refunds Using Credits	Total	
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	\$ 708,984	\$ 236,199	\$ 945,183	\$ 936,219
Meat and Food Products	3,854,507	7,351,634	11,206,141	3,057,370
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	2,135,690	8,503,837	10,639,527	2,538,102
Primary and Fabricated Metals	1,787,459	440,334	2,227,793	894,065
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	2,834,636	7,416,951	10,251,587	4,025,276
Durable and Non-Durable Goods	642,484	1,520,297	2,162,781	672,287
Railroads, Trucking, Air Transportation and Warehousing	611,494	1,651,737	2,263,231	6,288,010
Publishing, Communications, Information and Data Processing Services	6,547,570	3,726,762	10,274,332	2,503,700
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	4,855,982	17,247,927	22,103,909	11,615,996
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	663,007	3,125,524	3,788,531	1,163,161
Total	\$24,641,813	\$51,221,202	\$75,863,015	\$33,694,186

Table 8 LB 775 INDUSTRY GROUP DETAIL
Analysis of Sales/Use Tax Refunds by Industry Group
(Cumulative through 2004)

Industry Group	APPROVED REFUNDS		
	Direct Refunds	Refunds Using Credits	Total Refunds
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	\$ 9,355,469	\$ 5,053,322	\$ 14,408,791
Meat and Food Products	66,499,808	99,796,633	166,296,441
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	67,601,550	68,274,290	135,875,840
Primary and Fabricated Metals	17,689,028	7,222,216	24,911,244
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	55,835,020	95,323,783	151,158,803
Durable and Non-Durable Goods	18,224,436	17,976,676	36,201,112
Railroads, Trucking, Air Transportation and Warehousing	65,492,674	45,803,657	111,296,331
Publishing, Communications, Information and Data Processing Services	119,498,301	31,413,818	150,912,119
Depository Institutions and Non-depository			
Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	114,163,316	138,889,389	253,052,705
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	24,321,331	34,955,083	59,276,414
Total	\$558,680,933	\$544,708,867	\$1,103,389,800

Table 9 Analysis of Sales/Use Tax Refunds

	APPROVED REFUNDS NET OF RECAPTURE						Refunds Pending as of 12/31/2004
	1988-2000*	2001	2002	2003	2004	Total	
Number of Claims	7,050	903	829	811	823	10,416	254
State Tax	\$628,885,614	\$ 86,095,486	\$60,482,089	\$78,017,775	\$62,528,270	\$ 916,009,234	\$28,660,965
City Tax	119,213,341	18,187,979	11,430,399	12,401,681	11,296,035	172,529,435	5,033,221
Total	\$748,098,955	\$104,283,465	\$71,912,488	\$90,419,456	\$73,824,305	\$1,088,538,669	\$33,694,186

* For detail by year see previous annual reports

LB 775 INDUSTRY GROUP DETAIL

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

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

Industry Group	1988-2000*	2001	2002	2003	2004	Total
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	\$ 175,663,675	\$ 24,637,880	\$ 25,755,530	\$ 10,450,370	\$ 12,923,540	\$ 249,430,995
Meat and Food Products	2,060,136,664	199,534,393	68,031,187	50,000,127	44,298,513	2,422,000,884
Printing, Paper, Chemical, Plastics, Rubber, Textile and Other Non-Durable Products	1,578,551,462	98,618,127	306,889,352	312,516,863	76,723,559	2,373,299,363
Primary and Fabricated Metals and Wood Product Manufacturing	420,094,485	33,422,141	36,136,634	66,605,162	7,165,710	563,424,132
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	1,449,269,192	68,207,289	142,321,339	26,570,489	1,695,532	1,688,063,841
Durable and Non-Durable Goods	399,289,714	25,862,860	35,803,660	19,266,340	12,241,020	492,463,594
Railroads, Trucking, Air Transportation and Warehousing	2,393,156,536	136,015,090	179,644,050	201,378,640	169,441,170	3,079,635,486
Publishing, Communications, Information and Data Processing Services	2,687,893,879	251,679,344	297,770,456	74,162,337	169,351,809	3,480,857,825
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	2,243,039,931	230,599,377	67,129,640	55,306,450	79,943,350	2,676,018,748
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	578,426,858	50,273,310	71,056,610	10,070,759**	25,396,441	735,223,948
Total	\$13,985,522,396	\$1,118,849,811	\$1,230,538,458	\$826,327,537	\$599,180,614	\$17,760,418,816

* For detail by year see previous Annual Reports.

** Corrected for prior year error.

Overview of Employment by Industry Tables

Tables 11 through 14 provide information by industry group on employment for projects which have met the minimum required levels of employment and/or investment necessary to qualify for benefits. For each year of the entitlement period, the qualified \$3 million and 30 full-time equivalent employee projects report information on full-time equivalent employee growth, average salaries and total Nebraska employment. The \$20 million investment projects do not report the full-time equivalent employee growth because it is not a requirement for qualification.

The full-time equivalent employee calculation reported in Table 11 is based on the number of hours paid at the project divided by 40 times the number of weeks in the year. An employee with 60 hours worked in each week of the year would be counted as 1.5 FTE employees. This same computation is done in the current year and the tax year prior to the year of application. The increase or decrease in FTE employees is calculated by subtracting the FTE employees at the project in the tax year prior to the year of application from the number of FTE employees in the reporting tax year.

The total number of people employed at the quarter prior to date of application and at the most recent reporting period reported in Table 12 includes all employees of the taxpayer statewide on a specific date without regard to the number of hours those people have worked. In this case, the person who works 60 hours each week of the year would be reported as long as they were employed at the specific reporting date. The total number of people employed at the measuring points would also include any part-time, seasonal workers or non-project employees in Nebraska as long as they were employed in Nebraska by the taxpayer at the specific reporting date.

The numbers reported in Tables 11 and 12 are not comparable for the following reasons:

- The number of people employed for Table 12 is not measured the same as the number of full-time equivalent (FTE) employees shown in Table 11. The numbers shown in Table 12 are the number of people employed by the qualified LB 775 applicants statewide in Nebraska on a specific date, without regard to the number of hours those people worked.
- Table 11 does not include any information related to the \$20 million dollar projects while Table 12 does report change in total employment for these projects.
- Table 11 includes the full-time equivalent growth only for the project as defined while Table 12 includes total statewide employment.
- Table 11's total column reports cumulative FTE growth for all qualified projects since the enactment of LB775, including projects which are beyond the end of their entitlement period, while Table 12 only includes information for projects which are currently in their entitlement period.

LB 775 INDUSTRY GROUP DETAIL

Number of New Jobs Created

Table 11 shows the number of new full-time equivalent (FTE) employees at the projects as compared to the prior year. The amount shown in the columns for each individual year is the increase or decrease from the previous year and does not represent the total change from the base year.

The total column represents the full-time equivalent growth during the entitlement period for each project that has met the \$3 million investment and 30 full-time equivalent employees since the enactment of the Employment and Investment Growth Act, LB775.

A company is required to maintain a minimum of 30 FTE employee increase to avoid recapture. Please note:

- A company that previously showed a FTE employee increase of 80 could fall back to a 30 FTE employee increase without going into recapture. In this situation, the decrease of 50 FTE would be included in the current year column and the net increase of 30 would remain in the total column.
- If the company that previously showed a FTE employee increase of 80 ceased operations in Nebraska during the entitlement period, they would be in recapture. The decrease of 80 FTE would be included in the current year column and there would be zero FTE's represented in the total column.

This year Table 11 has two industry groups where the change in FTE reported in 2003 as compared to the previous reported year is negative. There were companies in these industry groups which reported employment growth, however the overall industry total of all companies reporting was a negative number. The companies reporting a decline in employment would not be in recapture unless the full-time equivalent employment growth for the term of the project is below 30 FTE.

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

Industry Group	1988-2000*	2001	2002	2003	2004	Total
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	1,030	157	116	0	(22)	1,281
Meat and Food Products	15,326	595	311	208	570	17,010
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	4,817	81	124	162	221	5,405
Primary and Fabricated Metals	1,180	324	(113)	10	(28)	1,373
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	9,303	288	378	(461)	10	9,518
Durable and Non-Durable Goods	4,434	(41)	(41)	(10)	277	4,619
Railroads, Trucking, Air Transportation and Warehousing	6,010	(99)	(448)	(25)	267	5,705
Publishing, Communications, Information and Data Processing Services	3,701	318	(433)	(177)	601	4,010
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	12,441	(32)	243	227	223	13,102
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	10,581	1,046	723	328	767	13,445
Total	68,823	2,637	860	262	2,886	75,468

*For detail by year, see previous annual reports.

LB 775 INDUSTRY GROUP DETAIL

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

Table 12 shows a comparison of the total number of people employed in Nebraska by the qualified LB 775 applicants at the end of the quarter prior to the date of application with the total number of people employed in Nebraska on the most recent reporting date. No information is included for projects which are beyond the end of the seven-year entitlement period and are no longer earning new benefits. The total employment numbers for the projects which have selected and attained the \$20 million investment level are included in Table 12.

Table 12 **Total Number of People Employed
by Qualified LB 775 Applicants
by Industry Group**

Industry Group	End of Quarter Prior to Date of Application	Most Recent Reporting Date	Increase (Decrease)
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	2,262	2,577	315
Meat and Food Products	13,394	16,312	2,918
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	3,938	3,919	(19)
Primary and Fabricated Metals	1,519	1,688	169
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	10,605	7,323	(3,282)
Durable and Non-Durable Goods	4,114	5,585	1,471
Railroads, Trucking, Air Transportation and Warehousing	10,762	11,923	1,161
Publishing, Communications, Information and Data Processing Services	4,605	6,093	1,488
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	11,300	11,940	640
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	1,421	3,593	2,172
Total	63,920	70,953	7,033

LB 775 INDUSTRY GROUP DETAIL

Average Salary of New Employees

Tables 13 and 14 show the estimated average salary of new FTE employees for 2004 and cumulative through 2004. The average salary for each industry group is the weighted average salary for that group.

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

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

Table 13 Average Salary of New Employees by Industry Group (2004)

Industry Group	Total New FTE Employees	Estimated Average Salary of New Employees
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	(22)	N/A
Meat and Food Products	570	30,018
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	221	21,838
Primary and Fabricated Metals	(28)	N/A
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and Miscellaneous Manufacturing	10	25,995
Durable and Non-Durable Goods	277	24,307
Railroads, Trucking, Air Transportation and Warehousing	267	26,685
Publishing, Communications, Information and Data Processing Services	601	27,406
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	223	30,737
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	767	34,799
Total	2,886	\$29,200*

*110,757,300 / 3,793 = 29,200 (Negative FTE and Adjustments excluded)

LB 775 INDUSTRY GROUP DETAIL

We calculated the cumulative average for each industry by using the most recently reported average wage and cumulative FTE reported for each project. If the cumulative FTE for the project was zero or less, the project was included as zero FTE.

**Table 14 Average Salary of New Employees by Industry Group
(Cumulative through 2004)**

Industry Group	Total New FTE Employees	Estimated Average Salary of New Employees
Construction, Electric and Gas, Stone, Clay, Glass and Concrete Products	1,281	34,579
Meat and Food Products	17,010	23,745
Printing, Paper, Chemical, Plastics, Rubber and Other Non-Durable Products	5,405	27,153
Primary and Fabricated Metals	1,373	28,320
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments and		
Miscellaneous Manufacturing	9,518	28,395
Durable and Non-Durable Goods	4,619	28,167
Railroads, Trucking, Air Transportation and Warehousing	5,705	38,766
Publishing, Communications, Information and Data Processing Services	4,010	26,636
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents and Brokers	13,102	31,638
Engineering, Business, Management, Scientific, Repair, Sanitary and Miscellaneous Services	13,445	26,971
Total	75,468	28,347**

**2,139,319,907 / 75,468 = 28,347

Summary of Benefits by Year Qualification Verified

Tables 15-31 separate the data for the three hundred and sixty projects that have qualified for benefits by the end of 2004 into groups based on the year the department originally verified the company had qualified for benefits. In 2004, 240 companies had previously reached the end of their entitlement period and were no longer eligible to earn credits.

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

In some instances, a fiscal year taxpayer that qualified in one year may not have filed its income tax return for the subsequent year until after the end of the next calendar year. For example, if a taxpayer qualified at the end of its June 30, 2002 tax year, the department might have verified its qualification in 2002. However, the company's tax return, including its Form 775N, for the tax year ended June 30, 2003, might not have been filed until April 15, 2004. While the data for 2003 would show no additional credits for the company, any credits used or direct refunds of sales and use tax approved or pending would be included in the 2003 data.

For this reason only 13 of the 14 companies verified as qualifying in 2003 filed a Form 775N claiming additional credits in 2004. This pattern occurred in the prior years also.

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

	1988-2000*	2001	2002	2003	2004	Total
Number of Companies Reporting	N/A	0	0	0	0 **	
Investment Credits	\$41,798,873	0	0	0	0	\$41,798,873
New Jobs Credits	22,938,078	0	0	0	0	22,938,078
Total Credits Earned	\$64,736,951	0	0	0	0	\$64,736,951
Credits Used						
Income Tax	\$15,454,001	\$ 515,032	\$ 0	0	0	\$15,969,033
Sales/Use Tax Refunds	45,922,109	485,780	23,968	0	0	46,431,857
Total Credits Used	\$61,376,110	\$1,000,812	23,968	0	0	\$62,400,890
Credits Expired	0	0	1,455,788	0	0	\$1,455,788
Qualified Investment	\$1,461,668,369	0	0	0	0	\$1,461,668,369
Direct Sales/Use Tax Refunds on Investment	\$44,755,296	0	0	0	\$630,007	\$45,385,303
New Jobs of Qualifying Companies	3,433	0	0	0	0	3,433
Pending Sales/Use Tax Refunds as of 12/31	N/A	0	0	0	0	N/A

* For detail by year see previous Annual Reports.

** All projects approved in 1988 are past the end of their entitlement period.

Table 16

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

	1989-2000*	2001	2002	2003	2004	Total
Number of Companies Reporting	N/A	1	0	0	0**	
Investment Credits	\$186,912,105	\$669,181	\$ (69,976)	\$(1,091,026)	0	\$186,420,284
New Jobs Credits	<u>76,224,208</u>	<u>0</u>	<u>(103,779)</u>	<u>0</u>	<u>0</u>	76,120,429
Total Credits Earned	\$263,136,313	\$669,181	\$(173,755)	\$(1,091,026)	0	\$262,540,713
Credits Used						
Income Tax	\$130,601,866	\$ 6,019,494	\$1,358,046	\$1,122,542	\$ 722,631	\$139,824,579
Sales/Use Tax Refunds	<u>91,036,838</u>	<u>13,178,858</u>	<u>4,630,080</u>	<u>292,632</u>	<u>2,302,248</u>	111,440,656
Total Credits Used	\$221,638,704	\$19,198,352	\$5,988,126	\$1,415,174	\$3,024,879	\$251,265,235
Credits Expired	0	0	\$3,244,632	\$406,961	\$136,559	\$3,788,152
Qualified Investment	\$2,202,229,007	\$6,691,810	\$(699,760)	\$(10,910,260)	0	\$2,197,310,797
Direct Sales/Use Tax Refunds on Investment	\$74,301,460	0	0	\$1,490	0	\$74,302,950
New Jobs of Qualifying Companies	11,258	(453)	0	0	0	10,805
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$3,021,585	\$2,487,610	\$3,600,838	\$1,925,371	N/A

* For detail by year see previous Annual Reports.

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

Table 17

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

	1990-2000*	2001	2002	2003	2004	Total
Number of Companies Reporting	N/A	0	1	0	0**	
Investment Credits	\$ 91,311,037	\$(27,979)	\$44,126	\$(1,053,337)	\$(62,040)	\$ 90,211,807
New Jobs Credits	<u>62,430,980</u>	<u>0</u>	<u>0</u>	<u>(7,824)</u>	<u>85,671</u>	62,508,827
Total Credits Earned	\$153,742,017	\$(27,979)	\$44,126	\$(1,061,161)	\$23,631	\$152,720,634
Credits Used						
Income Tax	\$ 55,949,896	\$ 197,956	\$1,934,463	\$ (179,464)	\$ (51,374)	\$ 57,851,477
Sales/Use Tax Refunds	<u>53,452,354</u>	<u>6,214,594</u>	<u>3,465,976</u>	<u>2,194,055</u>	<u>1,583,070</u>	66,910,049
Total Credits Used	\$109,402,250	\$6,412,550	\$5,400,439	\$2,014,591	\$1,531,696	\$124,761,526
Credits Expired	0	0	\$3,903,262	\$5,607,222	\$(83,067)	\$9,427,417
Qualified Investment	\$1,064,486,780	\$(279,790)	\$441,260	\$(10,533,370)	\$(620,400)	\$1,053,494,480
Direct Sales/Use Tax Refunds on Investment	\$36,233,715	0	\$127,743	0	\$642,882	\$37,004,340
New Jobs of Qualifying Companies	9,814	(56)	0	0	0	9,758
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$1,295,766	\$661,541	\$892,979	\$30,480	N/A

* For detail by year see previous Annual Reports.

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

Table 18

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

	1991-2000*	2001	2002	2003	2004	Total
Number of Companies Reporting	N/A	0	0	0	0 **	
Investment Credits	\$43,711,262	0	\$112,332	0	0	\$43,823,594
New Jobs Credits	42,630,753	0	(6,193)	0	0	42,624,560
Total Credits Earned	<u>\$86,342,015</u>	<u>0</u>	<u>\$106,139</u>	<u>0</u>	<u>0</u>	<u>\$86,448,154</u>
Credits Used						
Income Tax	\$33,447,797	\$ 538,144	\$ 102,083	\$1,752,733	\$ 364,581	\$36,205,338
Sales/Use Tax Refunds	25,706,435	2,007,210	1,541,068	2,020,488	877,124	32,152,325
Total Credits Used	<u>\$59,154,232</u>	<u>\$2,545,354</u>	<u>\$1,643,151</u>	<u>\$3,773,221</u>	<u>\$1,241,705</u>	<u>\$68,357,663</u>
Credits Expired	0	0	0	\$259,968	0	\$259,968
Qualified Investment	\$892,931,501	0	\$1,123,320	0	0	\$894,054,821
Direct Sales/Use Tax Refunds on Investment	\$28,873,444	0	\$54,944	\$1,470	0	\$28,929,858
New Jobs of Qualifying Companies	7,147	270	0	0	0	\$7,417
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$681,648	\$228,960	\$357,181	\$286,352	N/A

* For detail by year see previous Annual Reports.

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

Table 19

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

	1992-2000*	2001	2002	2003	2004	Total
Number of Companies Reporting	N/A	1	1	0	0 **	
Investment Credits	\$32,362,207	\$8,476	\$536,668	\$ (307,004)	\$(41,918)	\$32,558,429
New Jobs Credits	16,338,673	(527)	0	(1,718,777)	(2,483)	14,616,886
Total Credits Earned	<u>\$48,700,880</u>	<u>\$7,949</u>	<u>\$536,668</u>	<u>\$(2,025,781)</u>	<u>\$(44,401)</u>	<u>\$47,175,315</u>
Credits Used						
Income Tax	\$15,929,318	\$1,305,143	\$ 513,908	\$ 690,677	\$ 225,959	\$18,665,005
Sales/Use Tax Refunds	16,253,009	1,402,774	1,455,662	1,152,193	1,064,359	21,327,997
Total Credits Used	<u>\$32,182,327</u>	<u>\$2,707,917</u>	<u>\$1,969,570</u>	<u>\$1,842,870</u>	<u>\$1,290,318</u>	<u>\$39,993,002</u>
Credits Expired	0	0	0	0	\$2,827,835	\$2,827,835
Qualified Investment	\$323,622,100	\$84,760	\$5,366,680	\$(3,070,040)	\$(419,180)	\$325,584,320
Direct Sales/Use Tax Refunds on Investment	\$13,136,216	0	0	\$(68,457)	0	\$13,067,759
New Jobs of Qualifying Companies	2,117	532	0	0	0	2,649
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$408,227	\$333,216	\$363,175	\$288,965	N/A

* For detail by year see previous Annual Reports.

** All projects approved in 1992 are past the end of their entitlement period. However, taxpayer amendments and audit adjustments to previous credits allowed or benefits received may still be reflected in current year credits earned.

Table 20

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

	1993-2000*	2001	2002	2003	2004	Total
Number of Companies Reporting	N/A	0	0	1	0 **	
Investment Credits	\$ 99,174,243	\$ (21,218)	\$ (60,908)	\$ (3,436)	0	\$ 99,088,681
New Jobs Credits	28,196,845	(444,997)	0	(26,173)	0	27,725,675
Total Credits Earned	<u>\$127,371,088</u>	<u>\$(466,215)</u>	<u>\$(60,908)</u>	<u>\$(29,609)</u>	<u>0</u>	\$126,814,356
Credits Used						
Income Tax	\$29,345,202	\$ 905,374	\$ 438,730	\$ 9,141,224	\$8,176,339	\$48,006,869
Sales/Use Tax Refunds	30,019,370	4,972,264	2,124,181	5,837,242	1,049,698	44,002,755
Total Credits Used	<u>\$59,364,572</u>	<u>\$5,877,638</u>	<u>\$2,562,911</u>	<u>\$14,978,466</u>	<u>\$9,226,037</u>	\$92,009,624
Credits Expired	0	0	0	0	0	0
Qualified Investment	\$991,742,420	\$(212,180)	\$(609,080)	\$(34,360)	0	\$990,886,800
Direct Sales/Use Tax Refunds on Investment	\$24,860,113	\$268,127	0	0	0	\$25,128,240
New Jobs of Qualifying Companies	4,544	0	0	0	0	4,544
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$372,089	\$3,624,734	\$261,853	\$4,173,349	N/A

* For detail by year see previous Annual Reports.

** All projects approved in 1993 are past the end of their entitlement period. However, taxpayer amendments and audit adjustments to previous credits allowed or benefits received may still be reflected in current year credits earned.

Table 21

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

	1994-2000*	2001	2002	2003	2004	Total
Number of Companies Reporting	N/A	2	0	0	0 **	
Investment Credits	\$76,678,701	\$185,626	0	\$(6,443,002)	\$(2,508,745)	\$67,912,580
New Jobs Credits	18,820,714	495,023	0	(178,825)	8,316	19,145,228
Total Credits Earned	<u>\$95,499,415</u>	<u>\$680,649</u>	<u>0</u>	<u>\$(6,621,827)</u>	<u>\$(2,500,429)</u>	\$87,057,808
Credits Used						
Income Tax	\$ 7,861,318	\$ 865,818	\$ 512,416	\$1,101,312	\$ 658,040	\$10,998,904
Sales/Use Tax Refunds	10,760,118	3,918,990	2,237,106	1,047,389	6,591,438	24,555,041
Total Credits Used	<u>\$18,621,436</u>	<u>\$4,784,808</u>	<u>\$2,749,522</u>	<u>\$2,148,701</u>	<u>\$7,249,478</u>	\$35,553,945
Credits Expired	0	0	0	0	0	0
Qualified Investment	\$766,787,011	\$1,856,260	0	\$(64,430,020)	\$(25,087,450)	\$679,125,801
Direct Sales/Use Tax Refunds on Investment	\$17,981,957	\$318,874	\$163,987	0	\$1,895	\$18,466,713
New Jobs of Qualifying Companies	3,211	178	0	(61)	0	3,328
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$643,611	\$589,669	\$211,222	\$90,889	N/A

* For detail by year see previous Annual Reports.

** All projects approved in 1994 are past the end of their entitlement period. However, taxpayer amendments and audit adjustments to previous credits allowed or benefits received may still be reflected in current year credits earned.

Table 22

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

	1995-2000*	2001	2002	2003	2004	Total
Number of Companies Reporting	N/A	19	4	4	0 **	
Investment Credits	\$174,399,339	\$17,449,126	\$25,339,681	\$675,300	\$(420,665)	\$217,442,781
New Jobs Credits	50,873,913	9,098,865	2,507,395	(21,010)	(430,135)	62,029,028
Total Credits Earned	<u>\$225,273,252</u>	<u>\$26,547,991</u>	<u>\$27,847,076</u>	<u>\$654,290</u>	<u>\$(850,800)</u>	\$279,471,809
Credits Used						
Income Tax	\$56,070,590	\$16,353,115	\$ 3,659,974	\$ 5,410,201	\$ 2,986,396	\$84,480,276
Sales/Use Tax Refunds	33,201,559	6,817,372	6,453,458	13,498,008	14,193,496	74,163,893
Total Credits Used	<u>\$89,272,149</u>	<u>\$23,170,487</u>	<u>\$10,113,432</u>	<u>\$18,908,209</u>	<u>\$17,179,892</u>	\$158,644,169
Credits Expired	0	0	0	0	0	0
Qualified Investment	\$1,854,731,558	\$194,836,617	\$253,396,810	\$6,753,000	\$(4,206,650)	\$2,305,511,335
Direct Sales/Use Tax Refunds on Investment	\$69,120,764	\$13,719,071	\$5,560,911	\$4,192,267	\$3,931,197	\$96,524,210
New Jobs of Qualifying Companies	8,577	(824)	218	(14)	0	7,957
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$4,181,213	\$12,670,141	\$12,426,090	\$10,242,173	N/A

* For detail by year see previous Annual Reports.

** All projects approved in 1995 are past the end of their entitlement period. However, taxpayer amendments and audit adjustments to previous credits allowed or benefits received may still be reflected in current year credits earned.

Table 23

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

	1996-2000*	2001	2002	2003	2004	Total
Number of Companies Reporting	N/A	17	17	3	0 **	
Investment Credits	\$ 81,883,636	\$15,484,318	\$ 5,996,013	\$3,432,072	\$(298,161)	\$106,497,878
New Jobs Credits	47,304,468	11,595,345	6,409,293	2,805,394	8,472	68,122,972
Total Credits Earned	<u>\$129,188,104</u>	<u>\$27,079,663</u>	<u>\$12,405,306</u>	<u>\$6,237,466</u>	<u>\$(289,689)</u>	\$174,620,850
Credits Used						
Income Tax	\$23,806,115	\$5,975,754	\$ 3,062,881	\$ 6,324,830	\$ 4,819,897	\$43,989,477
Sales/Use Tax Refunds	13,893,162	3,382,497	11,111,035	11,683,686	6,911,153	46,981,533
Total Credits Used	<u>\$37,699,277</u>	<u>\$9,358,251</u>	<u>\$14,173,916</u>	<u>\$18,008,516</u>	<u>\$11,731,050</u>	\$90,971,010
Credits Expired	0	0	0	0	0	0
Qualified Investment	\$818,836,333	\$154,843,180	\$59,960,130	\$34,320,720	\$(2,981,610)	\$1,064,978,753
Direct Sales/Use Tax Refunds on Investment	\$22,633,929	\$6,866,379	\$2,239,137	\$978,046	\$521,701	\$33,239,192
New Jobs of Qualifying Companies	8,338	896	(22)	(51)	0	9,161
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$4,074,345	\$4,102,748	\$1,190,464	\$2,396,484	N/A

* For detail by year see previous Annual Reports.

** All projects approved in 1996 are past the end of their entitlement period. However, taxpayer amendments and audit adjustments to previous credits allowed or benefits received may still be reflected in current year credits earned.

Table 24

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

	1997-2000*	2001	2002	2003	2004	Total
Number of Companies Reporting	N/A	25	19	13	3***	
Investment Credits	\$158,607,939	\$24,599,866	\$ 5,919,075	\$ 9,785,720	\$4,165,168	\$203,077,768
New Jobs Credits	33,361,885	9,058,173	5,703,978	5,326,497	897,775	54,348,308
Total Credits Earned	<u>\$191,969,824</u>	<u>\$33,658,039</u>	<u>\$11,623,053</u>	<u>\$15,112,217</u>	<u>\$5,062,943</u>	\$257,426,076
Credits Used						
Income Tax	\$29,719,838	\$ 5,974,334	\$1,017,354	\$ 5,727,496	\$3,773,162	\$46,212,184
Sales/Use Tax Refunds	19,252,157	6,302,214	5,926,323	9,437,604	5,614,406	46,532,704
Total Credits Used	<u>\$48,971,995</u>	<u>\$12,276,548</u>	<u>\$6,943,677</u>	<u>\$15,165,100</u>	<u>\$9,387,568</u>	\$92,744,888
Credits Expired	0	0	0	0	0	0
Qualified Investment	\$2,031,605,554	\$351,443,614	\$301,851,790	\$109,857,890	\$53,928,790	\$2,848,687,638
Direct Sales/Use Tax Refunds on Investment	\$51,921,773	\$15,518,664	\$14,281,845	\$6,161,742	\$765,157	\$88,649,181
New Jobs of Qualifying Companies	5,232	348	(1,043)	(185)**	124	4,476
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$9,249,533	\$5,119,592	\$2,249,535	\$4,328,207	N/A

* For detail by year see previous Annual Reports.

** Correction made to previous Annual Report.

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

Table 25

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

	1998-2000*	2001	2002	2003	2004	Total
Number of Companies Reporting	N/A	17	16	12	12 **	
Investment Credits	\$26,536,446	\$4,145,285	\$4,755,285	\$4,303,370	\$1,246,119	\$40,986,505
New Jobs Credits	6,650,659	2,458,230	2,530,974	2,780,500	1,013,298	15,433,661
Total Credits Earned	<u>\$33,187,105</u>	<u>\$6,603,515</u>	<u>\$7,286,259</u>	<u>\$7,083,870</u>	<u>\$2,259,417</u>	\$56,420,166
Credits Used						
Income Tax	\$6,278,405	\$4,302,197	\$2,560,810	\$ 597,872	\$1,104,168	\$14,843,452
Sales/Use Tax Refunds	2,735,091	949,407	758,764	755,361	1,596,539	6,795,162
Total Credits Used	<u>\$9,013,496</u>	<u>\$5,251,604</u>	<u>\$3,319,574</u>	<u>\$1,353,233</u>	<u>\$2,700,707</u>	\$21,638,614
Credits Expired	0	0	0	0	0	0
Qualified Investment	\$518,119,007	\$54,006,860	\$73,667,784	\$82,975,862	\$12,461,190	\$741,230,703
Direct Sales/Use Tax Refunds on Investment	\$11,629,538	\$4,779,262	\$1,277,362	\$1,627,015	\$1,969,225	\$21,282,402
New Jobs of Qualifying Companies	1,735	170	(4)	(61)	(6)	1,834
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$1,086,017	\$5,524,746	\$2,160,412	\$1,217,568	N/A

* For detail by year see previous Annual Reports.

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

Table 26

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

	1999-2000*	2001	2002	2003	2004	Total
Number of Companies Reporting	N/A	17	20	20	20**	
Investment Credits	\$22,900,176	\$5,791,043	\$11,146,419	\$3,438,556	\$2,300,043	\$45,576,237
New Jobs Credits	5,895,114	2,790,963	3,464,230	3,408,249	3,554,343	19,112,899
Total Credits Earned	<u>\$28,795,290</u>	<u>\$8,582,006</u>	<u>\$14,610,649</u>	<u>\$6,846,805</u>	<u>\$5,854,386</u>	\$64,689,136
Credits Used						
Income Tax	\$6,308,651	\$4,015,692	\$2,749,371	\$3,686,724	\$4,805,847	\$21,566,285
Sales/Use Tax Refunds	1,613,974	1,714,173	899,177	2,352,962	3,280,195	9,860,481
Total Credits Used	<u>\$7,922,625</u>	<u>\$5,729,865</u>	<u>\$3,648,548</u>	<u>\$6,039,686</u>	<u>\$8,086,042</u>	\$31,426,766
Credits Expired	0	0	0	0	0	0
Qualified Investment	\$350,304,877	\$59,611,023	\$111,550,972	\$2,762,686	\$18,224,592	\$542,454,150
Direct Sales/Use Tax Refunds on Investment	\$5,285,814	\$6,493,652	\$1,980,076	\$2,476,087	\$2,055,858	\$18,291,487
New Jobs of Qualifying Companies	2,225	231	(171)	(404)	52	1,933
Pending Sales/Use Tax Refunds as of 12/31	N/A	\$2,673,354	\$1,225,309	\$2,085,628	\$1,358,670	N/A

* For detail by year see previous Annual Reports.

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

Table 27

Summary of Benefits by Year (Companies Verified as Qualifying in 2000)

	2000	2001	2002	2003	2004	Total
Number of Companies Reporting	17	10	12	13	12	
Investment Credits	\$65,755,392	\$12,639,552	\$15,807,452	\$20,842,830	\$13,770,398	\$128,815,624
New Jobs Credits	2,778,812	1,349,424	1,806,868	3,680,376	2,922,003	12,537,483
Total Credits Earned	<u>\$68,534,204</u>	<u>\$13,988,976</u>	<u>\$17,614,320</u>	<u>\$24,523,206</u>	<u>\$16,692,401</u>	\$141,353,107
Credits Used						
Income Tax	\$824,852	\$2,785,535	\$4,773,873	\$2,171,578	\$ 517,036	\$11,072,874
Sales/Use Tax Refunds	0	358,044	1,993,938	2,454,055	2,612,931	7,418,968
Total Credits Used	<u>\$824,852</u>	<u>\$3,143,579</u>	<u>\$6,767,811</u>	<u>\$4,625,633</u>	<u>\$3,129,967</u>	\$18,491,842
Credits Expired	0	0	0	0	0	0
Qualified Investment	\$708,457,879	\$122,730,697	\$173,479,042	\$207,110,623	\$146,784,342	\$1,358,562,583
Direct Sales/Use Tax Refunds on Investment	\$10,892,426	\$6,266,313	\$2,826,685	\$9,819,190	\$1,668,775	\$31,473,389
New Jobs of Qualifying Companies	1,192	11	87	214	412	1,916
Pending Sales/Use Tax Refunds as of 12/31	\$2,338,005	\$1,325,861	\$6,032,435	\$3,145,788	\$2,989,818	N/A

Table 28

**Summary of Benefits by Year
(Companies Verified as Qualifying in 2001)**

	2001	2002	2003	2004	Total
Number of Companies Reporting	16	6	12	14	
Investment Credits	\$17,323,696	\$3,100,980	\$3,781,509	\$3,328,043	\$27,534,228
New Jobs Credits	2,294,786	782,348	2,057,378	1,999,771	7,134,283
Total Credits Earned	<u>\$19,618,482</u>	<u>\$3,883,328</u>	<u>\$5,838,887</u>	<u>\$5,327,814</u>	\$34,668,511
Credits Used					
Income Tax	\$1,077,604	\$5,180,996	\$2,421,865	\$2,562,261	\$11,242,726
Sales/Use Tax Refunds	103,594	417,902	1,595,498	1,171,928	3,288,922
Total Credits Used	<u>\$1,181,198</u>	<u>\$5,598,898</u>	<u>\$4,017,363</u>	<u>\$3,734,189</u>	\$14,531,648
Credits Expired	0	0	0	0	0
Qualified Investment	\$173,236,960	\$31,009,800	\$37,815,090	\$33,280,430	\$275,342,280
Direct Sales/Use Tax Refunds on Investment	\$121,883	\$2,680,363	\$2,616,342	\$837,461	\$6,256,049
New Jobs of Qualifying Companies	1,334	200	63	86	1,683
Pending Sales/Use Tax Refunds as of 12/31	\$147,355	\$1,572,286	\$740,215	\$2,200,589	N/A

Table 29

**Summary of Benefits by Year
(Companies Verified as Qualifying in 2002)**

	2002	2003	2004	Total
Number of Companies Reporting	18	8	15*	
Investment Credits	\$21,999,971	\$2,037,994	\$2,527,465	\$26,565,430
New Jobs Credits	4,164,393	1,321,232	2,686,489	8,172,114
Total Credits Earned	<u>\$26,164,364</u>	<u>\$3,359,226</u>	<u>\$5,213,954</u>	\$34,737,544
Credits Used				
Income Tax	\$743,502	\$382,547	\$3,175,658	\$4,301,707
Sales/Use Tax Refunds	6,156	467,714	2,045,281	2,519,151
Total Credits Used	<u>\$749,658</u>	<u>\$850,261</u>	<u>\$5,220,939</u>	\$6,820,858
Credits Expired	0	0	0	0
Qualified Investment	\$219,999,710	\$20,379,940	\$25,274,650	\$265,654,300
Direct Sales/Use Tax Refunds on Investment	\$7,341	\$2,418,973	\$2,853,339	\$5,279,653
New Jobs of Qualifying Companies	1,595	37	(202)	1,430
Pending Sales/Use Tax Refunds as of 12/31	\$1,075,304	\$2,123,691	\$780,739	N/A

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

Table 30

**Summary of Benefits by Year
(Companies Verified as Qualifying in 2003)**

	2003	2004	Total
Number of Companies Reporting	14	10	
Investment Credits	\$33,768,898*	\$3,855,389	\$37,624,287
New Jobs Credits	2,376,097	1,449,899	3,825,996
Total Credits Earned	<u>\$36,144,995</u>	<u>\$5,305,288</u>	<u>\$41,450,283</u>
Credits Used			
Income Tax	0	\$ 992,437	\$ 992,437
Sales/Use Tax Refunds	0	327,327	327,327
Total Credits Used	<u>0</u>	<u>\$1,319,764</u>	<u>\$1,319,764</u>
Credits Expired	0	0	0
Qualified Investment	\$413,329,776*	\$149,958,870	\$563,288,646
Direct Sales/Use Tax Refunds on Investment	\$6,635,855	\$8,590,815	\$15,226,670
New Jobs of Qualifying Companies	724	115	839
Pending Sales/Use Tax Refunds as of 12/31	\$3,760,283	\$1,335,569	N/A

*Corrected for prior year error.

Table 31

**Summary of Benefits by Year
(Companies Verified as Qualifying in 2004)**

	2004	Total
Number of Companies Reporting	17	
Investment Credits	\$19,258,304	\$19,258,304
New Jobs Credits	4,161,907	4,161,907
Total Credits Earned	<u>\$23,420,211</u>	<u>\$23,420,211</u>
Credits Used		
Income Tax	\$61,859	\$61,859
Sales/Use Tax Refunds	0	0
Total Credits Used	<u>\$61,859</u>	<u>\$61,859</u>
Credits Expired	0	0
Qualified Investment	\$192,583,040	\$192,583,040
Direct Sales/Use Tax Refunds on Investment	\$173,497	\$173,497
New Jobs of Qualifying Companies	2,305	2,305
Pending Sales/Use Tax Refunds as of 12/31	\$48,956	\$48,956

Projected Revenue Gains and (Losses) of LB 775, LB 829 as amended, and LB 620 for Tax Years 1987-2017 Projects by Fiscal Years**

The estimates are based on a sample of 100 agreements and actual results of 360 qualified projects, including 87 completed projects, from 1987 through 2004. Employment and investment flows are projected at rates indicated by the corresponding companies' applications. The analysis time frame considers future agreements signed through the year 2017 with a 95 percent success rate.

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

The classification of jobs into new economic jobs or existing jobs (jobs that would have been created regardless of the existence of LB 775, LB 829 as amended, and LB 620) is based on the company provided description of the project. Over the life of the 775 program, the model estimates that, on average, 30 percent of the jobs created are true new economic jobs.

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

The time series analysis from 1987 to 2004 indicates that the usage of credits against sales and use taxes paid averages 48.5 percent of credits used. This usage factor was used for the future allocation of credits used. The liability analysis of the calendar year simulation model is converted into a fiscal year cash flow model.

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

The following is an estimate of new projects for the years 2005 through 2017.

Year	# of Agreements Signed	AVERAGE PER PROJECT*		
		\$ Million of Investment	Number of Employees	Salary Level
2005	18	56.1	204	32,601
2006	30	56.6	142	38,270
2007	20	53.1	126	35,985
2008	25	92.1	127	42,243
2009	41	52.6	291	39,721
2010	32	45.4	235	45,491
2011	28	41.0	135	36,439
2012	22	27.8	105	40,056
2013	20	35.3	91	39,067
2014	18	81.7	110	46,045
2015	31	56.6	184	38,200
2016	26	41.6	172	49,978
2017	15	74.1	63	68,453

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

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

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

**PROJECTED REVENUE GAINS OR (LOSSES) OF LB 775, LB 829 AS AMENDED, AND LB 620
FOR TAX YEARS 1987-2017 BY FISCAL YEAR**

Fiscal Year		04/05	05/06	06/07	07/08	08/09	09/10
SUMMARY	Expansion: Sales and Use	85,394,090	90,958,231	98,306,411	87,600,259	90,721,699	88,731,069
	Corporate	8,878,119	9,464,821	10,120,290	10,429,432	9,638,826	9,839,870
	Individual	37,708,884	40,169,221	43,370,681	39,211,877	40,144,210	39,428,376
	Sales and Use Tax Refunds TPP	33,799,683	44,494,164	41,575,619	41,201,627	39,021,778	37,179,242
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	94,845,483	99,418,540	103,404,381	105,616,591	106,778,966	107,583,813
	Corp. or Individ. & Wage Benefit Credit	50,268,106	52,691,826	54,804,322	55,976,793	56,592,852	62,398,612
	Sales and Use	44,577,377	46,726,714	48,600,059	49,639,798	50,186,114	45,185,201
	Credits Expired	7,454,475	10,196,614	7,885,895	7,022,481	6,935,000	6,028,553
	Gain or (Loss)	3,335,927	(3,320,431)	6,817,381	(9,576,650)	(5,296,010)	(6,763,739)
	Cumulative	(382,872,881)	(386,193,312)	(379,375,931)	(388,952,581)	(394,248,591)	(401,012,330)
	Sales Tax Refunds (TPP+Credits Used)	78,377,060	91,220,878	90,175,678	90,841,425	89,207,892	82,364,443
Fiscal Year		10/11	11/12	12/13	13/14	14/15	15/16
SUMMARY	Expansion: Sales and Use	85,395,972	87,771,610	86,705,200	85,935,007	86,279,148	86,584,610
	Corporate	9,586,114	9,378,091	9,543,331	9,435,105	9,382,283	9,425,267
	Individual	37,992,835	38,859,880	38,499,413	38,148,045	38,264,572	38,403,951
	Sales and Use Tax Refunds TPP	36,813,584	36,607,738	34,854,060	32,552,560	31,389,621	33,221,512
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	107,838,298	107,139,020	105,109,016	101,971,754	99,096,606	99,487,750
	Corp. or Individ. & Wage Benefit Credit	62,546,213	58,926,461	57,809,959	56,084,465	57,476,031	57,702,895
	Sales and Use	45,292,085	48,212,559	47,299,057	45,887,289	41,620,574	41,784,855
	Credits Expired	6,010,664	6,478,802	6,985,644	7,130,611	6,967,926	6,747,731
	Gain or (Loss)	(11,676,961)	(7,737,177)	(5,215,132)	(1,006,157)	3,439,775	1,704,566
	Cumulative	(412,689,291)	(420,426,467)	(425,641,600)	(426,647,757)	(423,207,982)	(421,503,416)
	Sales Tax Refunds (TPP+Credits Used)	82,105,669	84,820,297	82,153,117	78,439,849	73,010,196	75,006,367
Fiscal Year		16/17	17/18	18/19	19/20	20/21	21/22
SUMMARY	Expansion: Sales and Use	92,329,628	108,159,015	112,988,954	105,060,916	100,884,718	94,804,595
	Corporate	9,625,519	10,550,451	11,994,192	12,182,968	11,420,239	10,909,526
	Individual	40,782,059	47,483,786	49,993,258	46,897,553	44,921,983	42,285,648
	Sales and Use Tax Refunds TPP	41,655,728	53,830,392	57,427,124	49,117,904	38,248,165	26,383,503
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	107,795,632	120,787,531	128,276,904	128,900,721	126,151,081	98,181,945
	Corp. or Individ. & Wage Benefit Credit	62,521,467	70,056,768	74,400,605	74,762,418	73,167,627	56,945,528
	Sales and Use	45,274,166	50,730,763	53,876,300	54,138,303	52,983,454	41,236,417
	Credits Expired	7,412,988	10,066,099	12,025,883	12,548,265	12,947,357	13,070,172
	Gain or (Loss)	(6,714,154)	(8,424,670)	(10,727,624)	(13,877,188)	(7,172,305)	23,434,322
	Cumulative	(428,217,570)	(436,642,240)	(447,369,864)	(461,247,052)	(468,419,357)	(444,985,036)
	Sales Tax Refunds (TPP+Credits Used)	86,929,894	104,561,155	111,303,424	103,256,207	91,231,619	67,619,920

NOTE: Rounding differences may cause slight variations.

Table 32 Estimate of Personal Property Valuation Exempted Under LB 775 By Class In Each County (Tax Year 2004)

The following tables show the value of personal property exempted for 2004 and cumulative for tax years 1988-2004. When a company applies for LB 775 benefits under the \$10 million investment and 100 employees option, a personal property tax exemption is available for

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

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

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

County	Airplanes	Computer Equipment	Business Equipment	Total
Adams	\$ 0	\$ 0	\$ 52,949,832	\$ 52,949,832
Buffalo	0	267,189	0	267,189
Cheyenne	434,525	10,604,349	0	11,038,874
Colfax	0	0	16,915,184	16,915,184
Cuming	0	0	1,143,328	1,143,328
Dakota	0	0	18,230,379	18,230,379
Dixon	0	0	11,238,833	11,238,833
Dodge	0	0	7,847,824	7,847,824
Douglas	54,341,011	56,501,889	20,549,399	131,392,299
Hall	1,031,436	175,846	0	1,207,282
Knox	0	0	501,849	501,849
Lancaster	0	2,580,957	0	2,580,957
Lincoln	0	113,859	0	113,859
Madison	0	0	24,370,384	24,370,384
Otoe	0	0	8,477,425	8,477,425
Platte	0	0	46,815,704	46,815,704
Saline	0	0	9,430,011	9,430,011
Sarpy	0	2,341,266	0	2,341,266
Washington	0	0	92,278,233	92,278,233
Wayne	0	0	40,323	40,323
Total	\$55,806,972	\$72,585,355	\$310,788,708	\$439,181,035

Table 33 Estimate of Personal Property Valuation Exempted Under LB 775 By Class In Each County (Cumulative for Tax Years 1988-2004)

County	Airplanes	Computer Equipment	Business Equipment	Total
Adams	\$ 0	\$ 0	\$ 363,501,981	\$ 363,501,981
Box Butte	0	102,472	0	102,472
Buffalo	0	5,971,286	67,563	6,038,849
Butler	0	41,145	0	41,145
Cheyenne	10,991,525	34,752,296	0	45,743,821
Colfax	0	0	173,100,410	173,100,410
Cuming	0	0	13,704,716	13,704,716
Custer	0	663,100	10,194	673,294
Dakota	0	0	318,936,525	318,936,525
Dawes	0	171,909	0	171,909
Dawson	0	0	232,425,195	232,425,195
Dixon	0	504,272	142,046,036	142,550,308
Dodge	0	258,633	69,309,523	69,568,156
Douglas	402,079,797	1,976,120,438	653,384,683	3,031,584,918
Gage	0	62,719	1,344,011	1,406,730
Hall	5,490,393	2,637,248	86,283,194	94,410,835
Knox	0	0	67,851,198	67,851,198
Lancaster	32,400,365	78,968,826	242,968	111,612,159
Lincoln	0	2,524,880	48,451	2,573,331
Madison	0	6,943	164,087,469	164,094,412
Otoe	0	0	52,581,733	52,581,733
Phelps	0	1,539,181	0	1,539,181
Platte	0	9,052,197	1,094,390,825	1,103,443,022
Red Willow	0	0	37,941	37,941
Saline	0	6,499,890	232,788,970	239,288,860
Sarpy	7,911,346	64,876,064	46,706,114	119,493,524
Scottsbluff	0	345,383	0	345,383
Seward	0	141,359	0	141,359
Washington	0	340,809	1,242,667,452	1,243,008,261
Wayne	0	117,223	40,323	157,546
York	0	366,371	0	366,371
*Central	76,497,583	0	0	76,497,583
Total	\$535,371,009	\$2,186,064,644	\$4,955,557,475	\$7,676,993,128

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

Quality Jobs Act LB 829

(as amended by LB 1368)



Neb. Rev. Stat. §77-4933 states:

The Department of Revenue shall submit an annual report to the Legislature no later than March 15 each year. The report shall list (a) the agreements which have been signed during the previous calendar year, (b) the agreements which are still in effect, (c) the identity of each company, and (d) the location of each project.

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

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

LB 829 (as amended by LB 1368)

Qualified Activity Reported in 2004

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

There are five, active agreements signed under LB 829. The agreement specifies whether the company has elected to use the credit against the company's income tax or has elected to retain a portion of the Nebraska individual income tax withholding as designated by the employees.

Wage benefit credits were allowed in 1998 through 2004, however due to confidentiality no information is reported.

No new LB829 applications may be filed after February 1, 2000 without further authorization of the Legislature.

Agreements Signed in 1996 That are Still in Effect

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

Agreements Signed in 1997 That are Still in Effect

Company Name	Project Type	Project Location
1. First Data Corporation	\$60M + 2000 emp	Omaha

Agreements Signed in 1998 That are Still in Effect

Company Name	Project Type	Project Location
1. Caterpillar Claas America LLC	\$60M + 500 emp	Omaha Metro
2. Nebraska Beef, Ltd.	\$69M + 936 emp	Omaha

Agreements Signed in 2000 That are Still in Effect

Company Name	Project Type	Project Location
1. Becton Dickinson and Company	\$146M + 287 emp	Columbus, Broken Bow, and Holdrege

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

Neb. Rev. Stat. §77-27,195 states: (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 March 15 of each year, beginning with March 15, 1988, for all credits allowed during the previous calendar year.

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

LB 1124, LB 270, as amended Qualified Activity Reported in 2004

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

This report includes 1996 through 2003 tax returns processed during 2004. A total of 1,364 separate businesses have filed for benefits under LB 1124 through 2004.

In 2004, the department approved 215 returns from businesses, 81 of which reported new investment made and/or employees hired. These 81 returns reflected the following:

- Net new investment of \$93,793,170
- New full-time jobs of 559
- Credits of \$2,022,370, excluding the Enterprise Zone credits

Seventy-seven returns processed in 2004 showed maintenance of past levels of employment and investment. If a taxpayer fails 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 to the state one-third of the amount of the credit subject to recapture for each year that the taxpayer did not maintain the required levels. Fifty-seven returns processed in 2004 reported recapture of past credits.

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

Legislative Change:

LB 608 was passed during the 2003 legislative session. LB 608 changed the provisions of the Employment Expansion and Investment Incentive Act, the Act. The provisions of the Act, as described at the top of this page, are effective for tax years before 2004. For tax years beginning on or after January 1, 2004, the provisions of LB 608 must be met in order to earn credits under the Act.

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

Business Activity Summary

	Processed 1988-2000 ^(a)	Processed In 2001	Processed In 2002	Processed In 2003	Processed In 2004	Total
Investment	\$1,253,734,679	\$135,902,328	\$100,975,657	\$68,186,725	\$93,793,170 ^(c)	\$1,652,592,559
Employees	24,704 ^(b)	1,839	1,085	784	559 ^(d)	28,971
Credits	\$49,613,152	\$4,402,000	\$2,938,500	\$2,032,000	\$2,022,370 ^(e)	\$61,008,022
LB 335 Credits	256,000	0	0	0	0	256,000
Enterprise Zone Credits	\$ 553,500	\$ 36,000	\$ 101,000	\$ 56,000	\$ 75,000	\$ 821,500
Total Credits	\$50,422,652	\$4,438,000	\$3,039,500	\$2,088,000	\$2,097,370	\$62,085,522
Credits Used:						
Income Tax	\$23,038,019	\$1,736,498	\$1,452,051	\$ 968,909	\$821,188	\$28,016,665
Sales Tax	15,919,742	1,677,097	887,454	1,418,172	819,289	20,721,754
Credits Recaptured:						
Income Tax	\$1,505,532	\$153,592	\$163,340	\$152,405	\$354,577	\$2,329,446
Sales Tax	305,816	100	0	0	3,510	309,426
Unused Credit Carryover Recaptured	\$2,025,397	\$255,588	\$119,052	\$71,081	\$169,476	\$2,640,594
Credits Expired	\$809,410	\$90,430	\$45,016	\$33,404	\$21,234	\$999,494

^(a) For detail by year see previous Annual Reports

^(b) LB886 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.

^(c) 1996 returns	4,753,298	^(d) 1996 returns	47 ^(b)
1997 returns	0	1997 returns	3
1998 returns	452,040	1998 returns	48
1999 returns	2,537,741	1999 returns	75
2000 returns	(3,573,886)	2000 returns	(17)
2001 returns	5,683,041	2001 returns	33
2002 returns	19,268,517	2002 returns	101
2003 returns	64,672,419	2003 returns	269
	<u>93,793,170</u>		<u>559</u>

^(e) Credits earned are not a multiple of \$1,500 per employment credit and \$1,000 per investment credit due to an audit.

1996–2003 Business Activity (Processed in 2004)

	Net New Investment	Jobs		Net New Investment	Jobs	
1	30,330,077	27	40	244,100	31	
2	13,375,572	16	41	227,044	2	
3	6,595,768	3	42	208,276	2	
4	3,699,256	17	43	208,101	3	
5	3,522,890	7	44	205,906	7	
6	2,841,276	2	45	190,346	8	
7	2,664,527	4	46	185,477	4	
8	2,340,075	9	47	178,075	3	
9	2,261,508	3	48	177,431	2	
10	2,122,651	3	49	174,404	7	
11	1,948,694	5	50	164,118	3	
12	1,362,096	4	51	162,291	2	
13	1,186,181	4	52	135,593	6	
14	1,132,376	2	53	135,168	24	
15	1,083,994	5	54	130,869	3	
16	1,065,268	4	55	107,238	4	
17	1,023,731	7	56	105,008	4	
18	1,020,124	15	57	102,358	6	
19	989,195	9	58	96,059	4	
20	945,546	18	59	88,249	3	
21	926,060	4	60	86,169	2	
22	913,212	14	61	84,431	2	
23	822,572	5	62	76,941	5	
24	815,574	4	63	76,684	4	
25	779,151	17	64	76,584	2	
26	689,719	8	65	0	24	
27	673,217	8	66	0	15	
28	659,403	7	67	0	10	
29	654,388	2	68	0	7	
30	653,129	2	69	0	5	
31	534,674	8	70	0	5	
32	459,788	3	71	0	4	
33	431,742	2	72	0	4	
34	359,214	2	73	0	4	
35	320,383	4	74	0	3	
36	320,012	4	75	0	3	
37	286,822	5	76	0	3	
38	280,886	2	77	0	3	
39	262,742	7	78	0	2	
			79	0	2	
			80	0	2	
			81	0	2	
				95,980,413	513	
				(2,187,243)	46	
				81	93,793,170	559
				Returns	Investment	Jobs

Enterprise Zone Act, LB 1124 as amended

Incentive credits earned under the Enterprise Zone Act are based on the provisions of LB1124 other than higher credit levels are allowed. The Enterprise Zone Act provides a higher employment credit for companies engaged in a qualifying business within the defined enterprise zones and employing residents of the zone. If at least 50 percent of the new employees reside within the enterprise zone, then the company also receives additional credits for new investment. The credits provided under this subsection shall not exceed \$75,000 in any one tax year. In addition to the requirements to maintain the employment and investment levels for two years that are required of any LB 1124 company, those earning credits under the Enterprise Zone Act for tax years starting before January 1, 2001 need to maintain the number of new employees residing in the enterprise zone.

The Nebraska Employment and Investment Credit Computation, Form 3800N, filed with a tax return is the method to report credits earned, investment made, jobs created for employees in total and for residents of the zone. In 2004, businesses within the enterprise zones qualified for new credits as stated below.

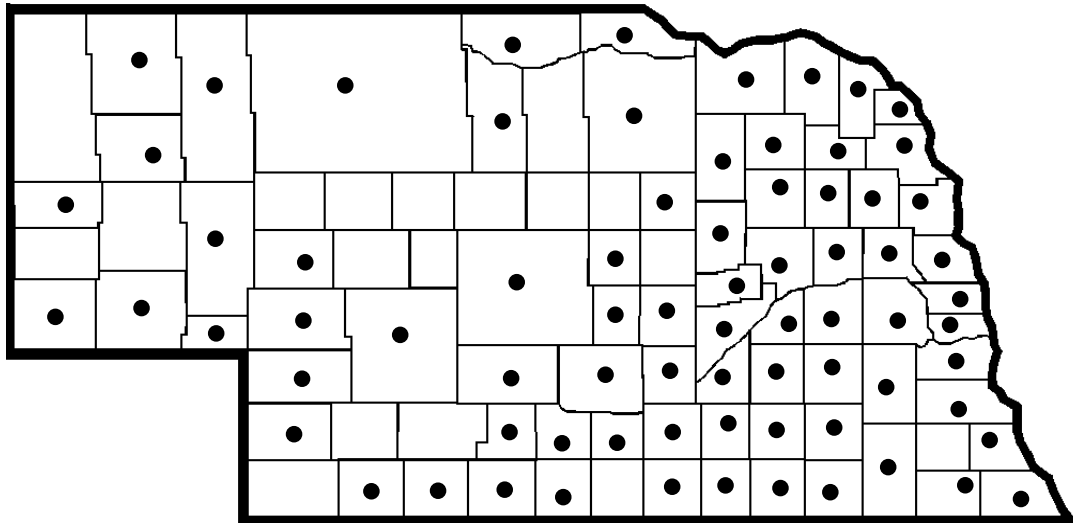
Omaha Enterprise Zone	
Amount of investment:	\$135,168
Number of jobs:	24
Number of jobs held by residents:	13
Average wage on an hourly basis:	\$10.89
Average annual salary:	\$22,651
Credits:	\$75,000

Legislative Change:

LB 608 was passed during the 2003 legislative session. LB 608 changed the provisions of the Employment Expansion and Investment Incentive Act, the Act. The provisions of the Act, as described at the top of this page, are effective for tax years before 2004. For tax years beginning on or after January 1, 2004, the provisions of LB 608 must be met in order to earn credits under the Act.

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

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



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

Rural Economic Opportunities Act, LB936



Neb. Rev. Stat. 77-5412. States:

The Tax Commissioner shall submit an annual report to the Legislature no later than June 30 of each year.

The report shall state by industry group (a) the credits earned, (b) the credits used to reduce the corporate income tax and the credits used to reduce the individual income tax, (c) the number of jobs created, (d) the total number of employees employed by taxpayers at qualifying projects on the last day of the calendar quarter prior to the application date and the total number of employees employed by the taxpayers for the projects on subsequent reporting dates, (e) the expansion of capital investment, (f) the estimated wage levels of jobs created subsequent to the application date, (g) the total number of qualified applicants, (h) the projected future state revenue gains and losses, and (i) the credits outstanding.

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

LB936

Qualified Activity Reported in 2004

The Rural Economic Opportunities Act, LB936, requires a separate application with the Nebraska Department of Revenue which states the planned employment, investment, and wages. The minimum required levels of investment, wages and employment vary by county and must meet the following requirements:

- A full-time equivalent employment increase of at least one half of one percent of the county labor force,
- Investment of \$100,000 times the number of required employees if the county labor force is more than 3,000 and \$50,000 times the number of required employees if the county labor force is 3,000 or less and
- Average annual wage equal to or greater than the average wage in the county or the region.

The Rural Economic Opportunities Act expired as of July 1, 2004 without any applications being filed.

Invest Nebraska Act, LB 620, as amended



Neb. Rev. Stat. 77-5542 States:

(1) The Department of Revenue shall submit an annual report to the Legislature no later than March 15 each year. The report shall list (a) the agreements which have been signed during the previous calendar year; (b) the agreements which are still in effect, (c) the identity of each company, and (d) the location of each project.

(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 projects.

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

Invest Nebraska Act, LB620 Qualified Activity Reported in 2004

The Invest Nebraska Act requires a separate application subject to approval by the Invest Nebraska Board. The members of the board are the Governor, the State Treasurer, and the chairperson on the Nebraska Investment Council. A qualifying business selects one of the following options in their application.

1. \$10 million investment and 25 new 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.
2. \$50 million investment and 500 new employees OR \$100M and 250 new employees. The new employees annual wage must exceed 110% of the Nebraska average annual wage.
3. \$200 million investment and 500 new employees whose annual wage exceeds 120% of the Nebraska average annual wage.

If the company reaches and maintains the selected level, they are eligible for benefits. An eligible company earns a wage benefit credit from 0 to 5 percent of the taxable wages paid to new employees earning more than the required wage level. A company selecting Option 3 may receive, in lieu of a wage benefit credit, an alternate investment tax credit equal to fifteen 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 alternate investment tax credit may be used for 100% of the income tax liability. The wage benefit credit may also be used to retain a portion of the Nebraska individual income tax withholding employer liability.

Eleven applications have been approved by the Invest Nebraska Board and nine agreements signed under LB 620. No company has shown they met the required minimum levels of investment and employment to qualify for benefits. Therefore, no credits were allowed and no investment or new jobs are reported.

Agreements Signed in 2001 That are Still in Effect

Company Name	Project Type	Project Location
1. Union Pacific Railroad Company	\$200 M + 500 emp	Omaha

Agreements Signed in 2003 That are Still in Effect

Company Name	Project Type	Project Location
1. American Meter Company, Inc.	\$33M + 80 emp	Nebraska City
2. Natura Manufacturing Inc.	\$10M + 25	Fremont
3. Nordic Biofuels of Ravenna, LLC	\$95M + 100emp	Ravenna
4. Wal-Mart Stores East, Inc.	\$10M + 25 emp	North Platte

Agreements Signed in 2004 That are Still in Effect

Company Name	Project Type	Project Location
1. Beef Products, Inc.	\$15M + 25 emp	South Sioux City
2. Degussa Corporation	\$75M + 30 emp	Blair
3. Platte Valley Fuel Ethanol, LLC	\$55M + 32 emp	Central City and Columbus
4. Trenton Agri Products, LLC	\$32M + 27 emp	Trenton

Other Applications Approved by Invest Nebraska Board in 2004

Company Name	Project Type	Project Location
1. S W Energy, LLC	\$55M + 44 emp	McCook
2. Standard Iron, Inc.	\$10.6M + 31 emp	Grand Island

Employment Expansion and Investment Incentive Act, LB 608



Neb Rev. Stat. 77-27,195 states:

The Tax Commissioner shall prepare a report identifying the amount of investment in this state and the number of equivalent jobs created by each taxpayer claiming a credit pursuant to the Employment Expansion and Investment Incentive Act. The report shall include the amount of credits claimed in the aggregate. The report shall be issued on or before March 15 of each year beginning with March 15, 1988, for all credits allowed during the previous calendar year.

Employment Expansion and Investment Incentive Act, LB 608 Qualifying Activity Reported in 2004

The Employment Expansion and Investment Incentive Act, as amended by LB 608, requires a qualifying business to file an application with the Nebraska Department of Revenue. The first applications under LB608 could be filed for tax years beginning on or after January 1, 2004. The application must contain a plan of expansion that includes a minimum of five (5) new full-time equivalent Nebraska employees who will be paid above the minimum required wage, and \$250,000 of net new investment. The expansion must occur in a county with a population of less than twenty-five thousand inhabitants or in an enterprise zone.

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

If the company reaches and maintains the required levels of investment and employment, they are eligible for a \$3,000 credit for each new full-time equivalent Nebraska employee and a \$2,750 credit for each \$50,000 net gain in qualified investment.

Approved Application Activity

Year	Number of Applicants	Total Requested Benefits	Statutory Limit on Benefits
2004	12	\$713,000	\$2,500,000

As of December 31, 2004, there have been no credits approved under LB608.