

# Nebraska Tax Incentives 2009 Annual Report to the Nebraska Legislature

Issued July 15, 2010

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[Letter from the Tax Commissioner](#)

[Nebraska Advantage Act](#)

[Nebraska Advantage Rural Development Act](#)

[Nebraska Advantage Microenterprise Tax Credit Act](#)

[Nebraska Advantage Research and Development Act](#)

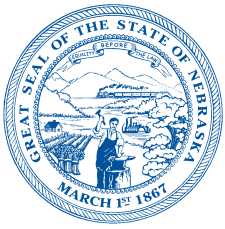
[Employment and Investment Growth Act \(LB 775\)](#)

[Employment Expansion and Investment Incentive Act \(LB 1124, as amended by LB 270\)](#)

[Invest Nebraska Act \(LB 620\)](#)

[Quality Jobs Act \(LB 829\)](#)

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**Dave Heineman**  
Governor

**STATE OF NEBRASKA**  
**DEPARTMENT OF REVENUE**  
**Douglas A. Ewald, Tax Commissioner**  
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July 15, 2010

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

Dear Speaker Flood:

The Nebraska Department of Revenue (Department) is electronically submitting the 2009 Annual Report on the following programs:

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

The 2009 Annual Report and annual reports issued since 1997 can be found on the Department's website at [www.revenue.ne.gov](http://www.revenue.ne.gov). An e-mail has also been sent to all members of the Unicameral with a link to the 2009 Annual Report. Archived copies of years older than 1997 may be requested from the Department.

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

Sincerely,

Douglas A. Ewald  
Tax Commissioner



# Nebraska Advantage Act

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

**Description of Benefits**

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

**Application Activity**

**Agreements Signed in 2009 and Cumulatively**

**Principal Business Activity Codes and Application Tier of Signed Agreements**

**Summary of Benefits Approved**

**Benefits Approved by Industry (2009)**

**Personal Property Value Exempted, by Type, by County**

**Project-specific Benefits Summary**

**Projected Revenue Gains and (Losses) for Tax Years 2009-2020, by Fiscal Year**

## Nebraska Advantage Act Reporting Requirements

**Neb Rev. Stat. § 77-5731 provides:**

- (1) The Tax Commissioner shall submit an annual report to the Legislature no later than July 15 of each year.
- (2) The report shall list
  - (a) the agreements which have been signed during the previous calendar year,
  - (b) the agreements which are still in effect,
  - (c) the identity of each taxpayer who is party to an agreement, and
  - (d) the location of each project.
- (3) The report shall also state, for taxpayers who are parties to agreements, by industry group
  - (a) the specific incentive options applied for under the Nebraska Advantage Act,
  - (b) the refunds allowed on the investment,
  - (c) the credits earned,

- (d) the credits used to reduce the corporate income tax and the credits used to reduce the individual income tax,
- (e) the credits used to obtain sales and use tax refunds,
- (f) the credits used against withholding liability,
- (g) the number of jobs created under the act,
- (h) the total number of employees employed in the state on the last day of the calendar quarter prior to the application date and the total number of employees employed in the state on subsequent reporting dates,
- (i) the expansion of capital investment,
- (j) the estimated wage levels of jobs created under the act subsequent to the application date,
- (k) the total number of qualified applicants,
- (l) the projected future state revenue gains and losses,
- (m) the sales tax refunds owed,
- (n) the credits outstanding under the act,
- (o) the value of personal property exempted by class in each county under the act,
- (p) the value of property for which payments equal to property taxes paid were allowed in each county, and
- (q) the total amount of the payments.

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

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

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

- (a) the identity of the taxpayer,
- (b) the location of the project, and
- (c) the total credits used and refunds approved during the immediately preceding two years expressed as a single, aggregated total.

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

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

- (a) The total incentives used by all taxpayers for projects detailed in subsection (6) of this section during the previous two years;
- (b) the number of projects;
- (c) the total number of employees of these taxpayers employed in the state on the last day of the calendar quarter prior to the application date, the new jobs at the project for which credits have been granted, and the total number of employees employed in the state by these taxpayers on subsequent reporting dates;
- (d) the average compensation paid employees in the state in the year of application and for the new jobs at the project; and
- (e) the total investment for which incentives were granted.

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

# Nebraska Advantage Act Description of Benefits

## General Information:

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

## Application Information:

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

## Requirements by Application Level:

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

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

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

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

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

Tier 3 has no minimum investment requirement.  
Tier 5 has no wage level requirement.

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## Description of Time Periods:

### Year

Year means the federal taxable year of the taxpayer.

### Base Year

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

### Attainment Period

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

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

### Entitlement Period

Generally during the entitlement period, the taxpayer can both earn and use benefits.

- **Tiers 1 and 3.** The entitlement period begins with the year the taxpayer meets the minimum required levels of investment and employment growth, and continues until the end of the ninth year following the year of application, or the sixth year after the year the required increases were met or exceeded, whichever is sooner.
- **Tiers 2, 4 and 5.** The entitlement period begins with the year the taxpayer meets the minimum required levels of investment and employment growth, and continues until the end of the sixth year after the year the required increases were met or exceeded.

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

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

### Carryover Period

During the carryover period, no additional credits are earned, but unused credits earned before the end of the entitlement period may be used.

- **Tiers 1 and 3.** The carryover period begins the year after the end of the entitlement period, and ends the end of the ninth year following the year of application.
- **Tiers 2 and 4.** The carryover period begins the year after the end of the entitlement period, and ends the end of the fourteenth year following the year of application.
- **Tier 6.** The carryover period is one year after the end of the entitlement period.

### Time Periods Per Tier:

| Time Period | Tier 1 | Tier 2 | Tier 3 | Tier 4 | Tier 5 | Tier 6 |
|-------------|--------|--------|--------|--------|--------|--------|
| Attainment  | 5      | 7      | 5      | 7      | 7      | 5      |

|              |         |         |         |         |     |    |
|--------------|---------|---------|---------|---------|-----|----|
| Entitlement  | 6 or 7* | 7       | 6 or 7* | 7       | 7   | 10 |
| Carryover    | 0 to 3* | 2 to 8* | 0 to 3* | 2 to 8* | N/A | 1  |
| Maximum Life | 10      | 15      | 10      | 15      | 13  | 15 |

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

## Description of Available Benefits:

### Direct Refund

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

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

### Investment Credit

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

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

### Compensation Credit

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

$$(\text{number of new FTEs}) \times (\text{average annual wage of new employees}) \times (\text{credit percentage})$$

The number of new FTE employees at the project is the lesser of: (1) the equivalent employees at the project during a year in excess of the number of base year employees; or (2) the number of equivalent new employees. The number of new FTE employees is calculated using the number of hours paid in the year. One FTE employee is equal to 40 hours per week for the entire year. A new employee is an employee hired after the base year or transferred into Nebraska after the base year who earns the required wage.

Average annual wage means the taxable wages paid to new employees at the project divided by the number of equivalent employees that make up these wages.

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

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

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

### Personal Property Tax Exemption

- **Tier 4.** A taxpayer may claim a personal property tax exemption on four types of property acquired after the date of application:



1. Turbine powered aircraft;
2. Computer systems and specific peripherals that require environmental controls;
3. Business equipment involved directly in the processing of agricultural products; and
4. Distribution facility equipment used to store and move product.

The aircraft may not be used to transport an elected official, or for fundraising.

Turbine powered aircraft may be exempted from the first January 1 following the date of acquisition of the property through the ninth year after the project attains the minimum required investment level of \$10 million in new investment and 100 new, FTE employees. The required investment level is indexed each year and is adjusted for inflation.

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

- **Tier 5.** The property tax exemption is only available to a taxpayer who has a project for an Internet web portal.

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

- **Tier 6.** Turbine powered aircraft, acquired after the date of application, may be exempted from the first January 1 following the date of acquisition of the property through the ninth year after the project attains the minimum required investment and new, FTE employee levels. The aircraft may not be used to transport an elected official, or for fundraising.

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

#### **Sales and Use Tax Refund**

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

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

#### **Income Tax Refund**

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

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

#### **Withholding Tax Refund**

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

#### **Real Property Tax Reimbursement**

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

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

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## Benefits by Application Level:

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

<sup>1</sup>The exemption is only available for an Internet web portal project.

<sup>2</sup>TPP = Tangible Personal Property

<sup>3</sup>The withholding refund is limited to prior year compensation credit.

## Audit and Review Procedures:

### Application

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

### Audit

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

### Claims for Benefits

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

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

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

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

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

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

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

| State<br>(click on state name to view website) | Job Credit<br>(yes/no) | Investment Credit for Qualified Investment<br>(yes/no) | Sales/Use Tax Refund or Tax Abatement<br>(yes/no) | Personal Property Exempt<br>(yes/no) | Job Credit Requirements                                | Investment Credit Requirements<br>(\$ Millions)                                     |
|--|------------------------|--|---|--------------------------------------|--|---|
| <a href="#">Alabama</a>                        | yes                    | yes  | yes   | yes                                  | 5, 15, 20, 50 (by favored industry / geographic area)  | \$100 (utilities), \$5 (hydropower), \$2 (facility expansion), \$1 (small business) |
| <a href="#">Alaska</a>                         | no                     | no   | no  | yes                                  | N/A  | N/A   |
| <a href="#">Arizona</a>                        | no                     | no   | yes   | yes                                  | N/A  | N/A   |
| <a href="#">Arkansas</a>                       | yes                    | yes  | yes   | yes <sup>1</sup>                     | Based on payroll of the new employees hired.           | \$2 / 3 / 3.75 / 5  |
| <a href="#">California</a>                     | yes                    | no   | yes   | no                                   | \$3,000 per hire for firms with less than 20 employees | N/A   |
| <a href="#">Colorado</a>                       | yes                    | no <sup>2</sup>  | yes <sup>3</sup>                                  | yes                                  | 5 (zone), 10 (non-zone)                                | N/A   |
| <a href="#">Connecticut</a>                    | yes                    | no   | no  | yes                                  | Depends on jobs created in IT industry                 | N/A   |
| <a href="#">Delaware</a>                       | yes                    | yes  | no  | no                                   | 5  | \$0.20  |
| <a href="#">Florida</a>                        | yes                    | yes  | no  | no                                   | 100, 75 if Research & Development                      | \$25 <sup>4</sup> , \$75 <sup>5</sup> , \$100 <sup>5</sup>                          |

|   |                               |   |  |                                      |  |  |
|---|-------------------------------|---|--|--------------------------------------|--|--|
| <b>Georgia</b>  | yes                           | yes   | no   | yes <sup>1</sup>                     | 5,10,15,25   | \$0  |
| <b>Hawaii</b>   | no                            | yes   | yes  | no                                   | N/A  | Investment in Qualified High Tech Business   |
| <b>Idaho</b>  | yes                           | yes   | yes <sup>6</sup>   | yes                                  | 10   | \$0.05   |
| <b>Illinois</b>                                       | yes                           | yes   | no   | no                                   | 500 / 1,500, or 150 (coal / wind industry)                                 | \$12 / \$30 (high impact business)   |
| <b>Indiana</b>  | yes                           | yes   | no   | no                                   | Positive benefit analysis  | Positive benefit analysis  |
| <b>Iowa</b>   | yes                           | yes   | yes  | yes                                  | 0-101+   | <\$0.01 - \$10 + million   |
| <b>Kansas</b>   | yes                           | yes   | no <sup>7</sup>  | yes                                  | 2 (manufacturing) 5 (nonmanufacturing) 10 (Headquarters) 100 (high-impact) | \$0.05 (high-impact)   |
| <b>Kentucky</b>                                       | yes                           | yes   | yes  | no                                   | 10   | \$0.01, 2.5 <sup>8</sup>   |
| <b>Louisiana</b>                                      | yes                           | no  | yes <sup>9</sup>   | yes <sup>10</sup>                    | 1  | N/A  |
| <b>Maine</b>  | yes                           | yes   | no   | no                                   | 100  | \$5  |
| <b>Maryland</b>                                       | yes                           | yes <sup>11</sup>   | no   | yes <sup>12</sup>                    | 60, 25 in priority areas   | \$0.025 <sup>12</sup>  |
| <b>Massachusetts</b>                                  | yes                           | yes   | no   | no                                   | 10   | New Investment in manufacturing, research & development, agriculture or commercial fishing |
| <b>Michigan</b>                                       | yes                           | yes   | no   | yes                                  | 20 (entrepreneurial credit)  | \$1.25 (entrepreneurial credit)  |
| <b>Minnesota</b>                                      | no                            | no <sup>13</sup>  | no   | no                                   | N/A  | N/A <sup>13</sup>  |
| <b>Mississippi</b>                                    | yes                           | yes   | yes  | yes                                  | 20 / 10 / 5  | \$10 (tourism), \$2 (Headquarters), 3:1 private/public match <sup>14</sup>                 |
| <b>Missouri</b>                                       | yes                           | yes   | yes <sup>15</sup>  | yes <sup>16</sup>                    | 10, 20, 40, 100 (Quality MO Jobs)  | \$10, \$15 (BUILD program)   |
| <b>State</b><br>(click on state name to view website) | <b>Job Credit</b><br>(yes/no) | <b>Investment Credit for Qualified Investment</b><br>(yes/no) | <b>Sales/Use Tax Refund or Tax Abatement</b><br>(yes/no) | <b>Personal Property</b><br>(yes/no) | <b>Job Credit Requirements</b>   | <b>Investment Credit Requirements</b><br>(\$ Millions)                                     |
| <b>Montana</b>  | yes                           | yes   | no <sup>17</sup>   | yes                                  | Increase employment by 30%   | Must be a manufacturer   |
| <b>Nevada</b>   | yes                           | yes   | yes  | yes                                  | 15 rural, 75 urban   | \$0.25 rural, \$1 urban  |
| <b>New Hampshire</b>                                  | no <sup>18</sup>              | no  | no   | no                                   | N/A  | N/A  |
| <b>New Jersey</b>                                     | yes                           | yes   | no   | yes                                  | 10, 25   | \$0.5, \$1   |
| <b>New Mexico</b>                                     | yes                           | yes   | no   | no                                   | 1  | \$0.5, \$1   |
| <b>New York</b>                                       | yes                           | yes   | yes  | yes                                  | 1  | 0, \$350   |
| <b>North Carolina</b>                                 | yes                           | yes   | no   | no                                   | 200 <sup>19</sup>  | \$10 <sup>19</sup>   |

|                       |                   |                   |                   |                   |   |  |
|-----------------------|-------------------|-------------------|-------------------|-------------------|---|--|
| <b>North Dakota</b>   | no                | no                | yes               | yes               | N/A   | N/A  |
| <b>Ohio</b>           | yes               | yes               | yes <sup>20</sup> | yes <sup>21</sup> | 25  | Must exceed business' county average for filing year                   |
| <b>Oklahoma</b>       | yes               | yes               | yes               | yes               | New payroll of \$2.5 million within 3 years / 10 FT at lesser of 94K or 300% county average | \$0.05   |
| <b>Oregon</b>         | no                | no                | no                | yes               | N/A   | N/A  |
| <b>Pennsylvania</b>   | yes               | no                | no                | no                | 25 or increase by 20% within 3 years  | N/A  |
| <b>Rhode Island</b>   | no                | yes <sup>22</sup> | yes               | yes               | N/A   | Maintain 125% wage level, 2% investment in worker training             |
| <b>South Carolina</b> | yes               | yes               | no <sup>23</sup>  | yes               | 1+ (corporate tax credit) 75 (property tax abatement & Headquarters)                        | \$0.05 (property tax abatement & Headquarters)                         |
| <b>South Dakota</b>   | no                | yes               | yes               | yes               | N/A   | \$10   |
| <b>Tennessee</b>      | yes               | yes               | yes <sup>24</sup> | no                | 25 / 100 / 250 / 500 (Job Tax Credit), 25 (Data Center) 100 / 250 / 500 <sup>25</sup>       | \$0.5 (Job Tax Credit) \$250 (Data Center) \$100-\$1,000 <sup>25</sup> |
| <b>Texas</b>          | no                | no                | no                | yes               | N/A   | N/A  |
| <b>Utah</b>           | yes               | no                | no                | no                | Create new jobs (at least 50 in urban areas) 125% wage urban 100% wage rural                | N/A  |
| <b>Vermont</b>        | yes <sup>26</sup> | yes <sup>26</sup> | no                | yes <sup>27</sup> | Increased wage & salaries   | Increased economic impact  |
| <b>Virginia</b>       | yes               | no                | no                | yes               | 50 in zone, 100 otherwise   | N/A  |
| <b>Washington</b>     | no                | yes               | no                | yes               | N/A   | Specific industries  |
| <b>West Virginia</b>  | yes               | yes               | no                | no                | 20  | Must be a manufacturer   |
| <b>Wisconsin</b>      | yes               | yes               | no                | no                | Pay more than \$10.88/hr  | None listed  |
| <b>Wyoming</b>        | no                | no                | no                | no                | N/A   | N/A  |

[Back to top of page](#)

<sup>1</sup>Warehouse inventories are exempt when being shipped out of state.

<sup>2</sup>Available in designated Enterprise and sub-zones only.

<sup>3</sup>Biotechnology research and development property only.

<sup>4</sup>Capital Investment Tax Credit

<sup>5</sup>High Impact Performance Incentive Grant

<sup>6</sup>Tied to jobs/investment credits.

<sup>7</sup>Provides for exemption for facility remodels (equipment and labor only).

<sup>8</sup>House Bill 3 provides a program for existing manufacturers.

<sup>9</sup>Tied to quality jobs.

<sup>10</sup>Restoration project

<sup>15</sup>Chapter 100 sales tax exemption

<sup>16</sup>Chapter 353

<sup>17</sup>No sales tax

<sup>18</sup>Job training credit only.

<sup>19</sup>Article 3J Tax Credits

<sup>20</sup>For approved Research & Development projects.

<sup>21</sup>Warehouse inventory

<sup>22</sup>Manufacturing and non-manufacturing investment credit

<sup>23</sup>Statutory exemptions only

<sup>24</sup>Data Center

<sup>11</sup>Biotechnology Investment Tax Credit

<sup>12</sup>Brownfields Revitalization Incentive Program

<sup>13</sup>Small business investment tax credit bill currently in MN House.

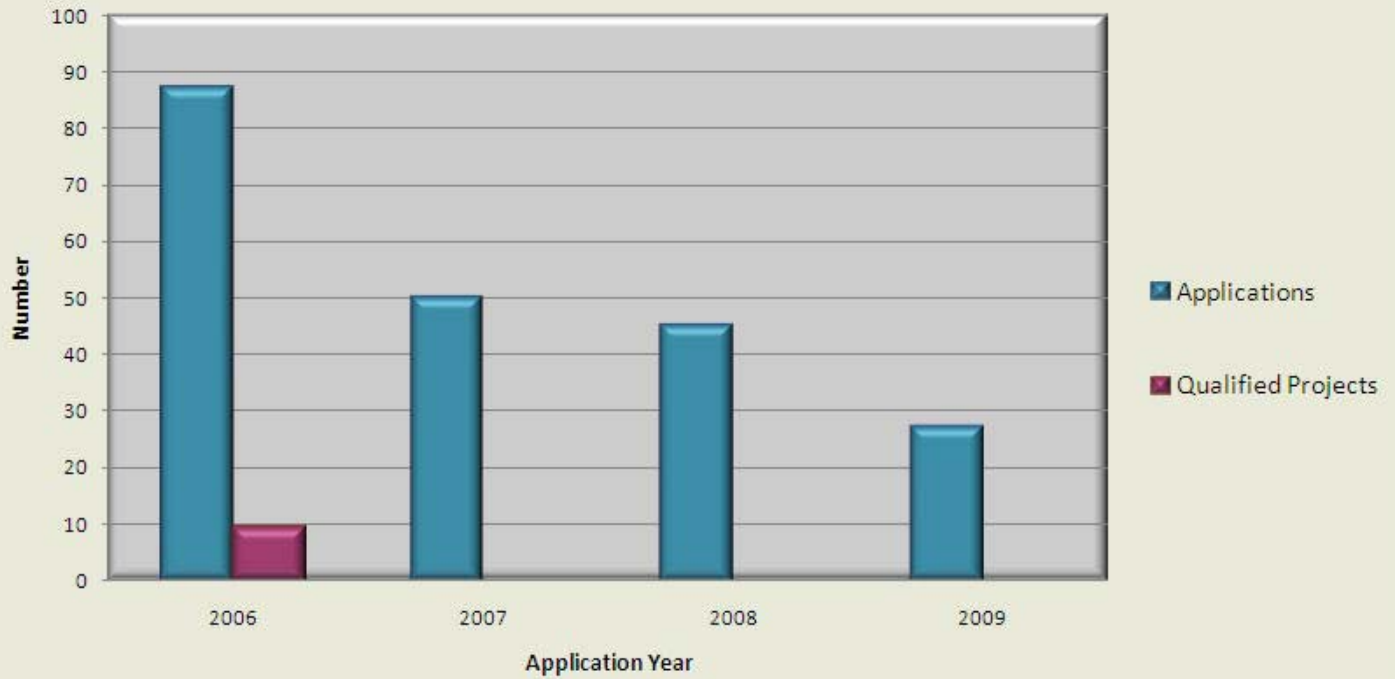
<sup>14</sup>Mississippi Business Investment Act

<sup>25</sup>Super Jobs Tax Credit

<sup>26</sup>Vermont Employment Growth Incentive

<sup>27</sup>Stabilization agreement

## Nebraska Advantage Act Application Activity



| Application Activity |                     |           |                  |                            |
|----------------------|---------------------|-----------|------------------|----------------------------|
| Application Year     | No. of Applications | Withdrawn | Net Applications | Qualified as of 12/31/2009 |
| 2006                 | 90                  | 3         | 87               | 9                          |
| 2007                 | 51                  | 1         | 50               | 0                          |
| 2008                 | 52                  | 7         | 45               | 0                          |
| 2009                 | 27                  | 0         | 27               | 0                          |
| <b>TOTALS</b>        | <b>220</b>          | <b>11</b> | <b>209</b>       | <b>9</b>                   |

## Nebraska Advantage Act Agreements Signed from 2007 – 2009

Reporting Neb. Rev. Stat. § 77-5731(2)

## Agreements Signed in 2009

| Company Name                                       | Project Location   | Planned Investment (\$ Millions) | Planned Employment (FTE) | Year Agreement Signed |
|--|--------------------|----------------------------------|--------------------------|-----------------------|
| 21st Century Systems, Inc.                         | Omaha and McCook   | \$ 3.6                           | 120                      | 2009                  |
| American Marking Corporation                       | Omaha              | \$ 1.0                           | 10                       | 2009                  |
| Apogee Retail, LLC                                 | Columbus           | \$ 3.6                           | 300                      | 2009                  |
| Central States Indemnity Co.                       | Omaha and Bellevue | \$ 5.8                           | 60                       | 2009                  |
| Cook's Hams, Inc.                                  | Lincoln            | \$ 10.0                          | 100                      | 2009                  |
| Distribution Management Systems, Inc.              | Omaha              | \$ 3.0                           | 30                       | 2009                  |
| Farmers & Merchants Investment, Inc.               | Lincoln            | \$ 20.0                          | 100                      | 2009                  |
| Fidelity National Financial, Inc. and Subsidiaries | Omaha              | \$ 8.7                           | 205                      | 2009                  |
| IPG GIS US, Inc.                                   | Omaha              | \$ 7.5                           | 35                       | 2009                  |
| Jacobson Land & Cattle Co.                         | Lincoln            | \$ 9.5                           | 30                       | 2009                  |
| PayFlex Systems USA, Inc.                          | Omaha              | \$ 10.0                          | 100                      | 2009                  |
| Pramac America, LLC                                | Kearney            | \$ 3.0                           | 30                       | 2009                  |
| Vantec, Inc.                                       | Falls City         | \$ 3.0                           | 30                       | 2009                  |
| <b>TOTAL</b>                                       |                    |                                  |                          | <b>13</b>             |

## Nebraska Advantage Act Agreements Signed in 2009 and Cumulative 2007 – 2009

The median period of time between the date of application and the date for all agreements signed as of December 31, 2009 is 271 days.

| Company Name               | Project Location    | Planned Investment (\$ Millions) | Planned Employment (FTE) | Year Agreement Signed |
|----------------------------|---------------------|----------------------------------|--------------------------|-----------------------|
| 21st Century Systems, Inc. | Omaha and McCook    | \$ 3.6                           | 120                      | 2009                  |
| 3MV Bancorp                | Omaha               | \$ 6.0                           | 50                       | 2008                  |
| Advanced BioEnergy, LLC    | Geneva and Fairmont | \$ 150.0                         | 100                      | 2007                  |

|   |                    |          |     |      |
|---|--------------------|----------|-----|------|
| ALTRA, Inc.                                       | Carleton and Omaha | \$ 175.9 | 100 | 2007 |
| American Marking Corporation                      | Omaha              | \$ 1.0   | 10  | 2009 |
| American Title Holding Company                    | Bellevue           | \$ 7.0   | 30  | 2007 |
| Apogee Retail, LLC                                | Columbus           | \$ 3.6   | 300 | 2009 |
| Archer Daniels Midland Company                    | Columbus           | \$ 750.0 | 100 | 2007 |
| Aspen Holdings, Inc.                              | Omaha              | \$ 10.0  | 576 | 2008 |
| Associated Side Dump Development Inc.             | South Sioux City   | \$ 1.0   | 25  | 2008 |
| Aurora Loan Services, LLC                         | Scottsbluff        | \$ 10.0  | 100 | 2007 |
| Aventine Renewable Energy Holdings                | Aurora             | \$ 250.0 | 100 | 2007 |
| Bio Fuel Solutions, LLC                           | Wood River         | \$ 145.1 | 100 | 2008 |
| BNSF Railway                                      | Statewide          | \$ 700.0 | 175 | 2008 |
| BVA, Inc  | Beatrice           | \$ 3.5   | 30  | 2007 |
| C & A Industries                                  | Omaha              | \$ 14.0  | 200 | 2007 |
| C.J. Foods, Inc.                                  | Pawnee City        | \$ 3.1   | 10  | 2007 |
| CAMACO, LLC                                       | Columbus           | \$ 20.2  | 100 | 2007 |
| Cargill Incorporated                              | Blair              | \$ 320.0 | 100 | 2007 |
| Case New Holland Inc. & Consolidated Subsidiaries | Grand Island       | \$ 23.6  | 36  | 2007 |
| Central States Indemnity Co.                      | Omaha and Bellevue | \$ 5.8   | 60  | 2009 |
| Chief Industries, Inc.                            | Grand Island       | \$ 10.0  | 100 | 2007 |
| Columbus Hydraulics Company                       | Columbus           | \$ 2.8   | 15  | 2007 |
| CoMc, LLC   | Omaha              | \$ 1.2   | 15  | 2007 |
| Cook's Hams, Inc.                                 | Lincoln            | \$ 10.0  | 100 | 2009 |



|  |                     |         |     |      |
|--|---------------------|---------|-----|------|
| Distribution Management Systems, Inc.              | Omaha               | \$ 3.0  | 30  | 2009 |
| Diversified Foods & Seasonings, Inc.               | Nebraska City       | \$ 10.0 | 100 | 2007 |
| Drake Williams Steel, Inc.                         | Omaha               | \$ 10.0 | 100 | 2007 |
| E Energy Adams, LLC                                | Adams               | \$ 90.0 | 32  | 2007 |
| Eaton MDH Company, Inc.                            | Hastings            | \$ 6.5  | 30  | 2007 |
| Elster American Meter Co.                          | Nebraska City       | \$ 3.0  | 30  | 2008 |
| Enduro Holdings, Inc.                              | Omaha               | \$ 5.4  | 30  | 2007 |
| Enterprise Properties, Inc                         | Omaha               | \$ 1.3  | 12  | 2007 |
| Farmers & Merchants Investment, Inc.               | Lincoln             | \$ 20.0 | 100 | 2009 |
| Farmland Foods, Inc.                               | Crete               | \$ 14.0 | 100 | 2007 |
| Fidelity National Financial, Inc. and Subsidiaries | Omaha               | \$ 8.7  | 205 | 2009 |
| G T E Industries, Inc.                             | Lincoln             | \$ 5.3  | 30  | 2008 |
| GeneSeek, Inc.                                     | Lincoln             | \$ 5.0  | 10  | 2007 |
| Glass Contractors, Inc.                            | Omaha               | \$ 5.1  | 11  | 2007 |
| Glazer Enterprises, Inc.                           | Omaha               | \$ 1.0  | 25  | 2007 |
| GPC, Inc.  | Blair               | \$ 30.0 | 30  | 2007 |
| Greater Omaha Packing Co., Inc.                    | Omaha               | \$ 10.0 | 30  | 2008 |
| Hastings Irrigation Pipe Co., Inc.                 | Hastings            | \$ 1.6  | 10  | 2008 |
| Heritage Disposal & Storage, LLC                   | Alda                | \$ 6.7  | 31  | 2007 |
| Hornady Manufacturing                              | Grand Island        | \$ 1.0  | 10  | 2007 |
| Husker Ag, LLC                                     | Plainview           | \$ 53.5 | 15  | 2007 |
| IMSCORP & Subsidiaries                             | Lincoln             | \$ 6.5  | 20  | 2008 |
| infoUSA Inc.                                       | Papillion           | \$ 4.3  | 250 | 2007 |
| Interstate Printing Company                        | Omaha               | \$ 2.6  | 10  | 2008 |
| IPG GIS US, Inc.                                   | Omaha               | \$ 7.5  | 35  | 2009 |
| Jacobson Land & Cattle Co.                         | Lincoln             | \$ 9.5  | 30  | 2009 |
| Kamterter II, L.L.C.                               | Lincoln and Waverly | \$ 3.0  | 30  | 2007 |
| Katana Summit, LLC                                 | Columbus            | \$ 14.0 | 139 | 2007 |

|   |                      |         |       |      |
|---|----------------------|---------|-------|------|
| Kawasaki Motors Manufacturing Corp., U.S.A. | Lincoln              | \$ 10.0 | 100   | 2007 |
| Lawyers Title Insurance Corporation         | Omaha                | \$ 3.0  | 30    | 2007 |
| Lenco, Inc. - PMC                           | Waverly              | \$ 2.0  | 15    | 2007 |
| Li-Cor, Inc.                                | Lincoln              | \$ 5.5  | 35    | 2008 |
| Lincoln Composites, Inc.                    | Lincoln              | \$ 5.2  | 39    | 2007 |
| Lindsay Manufacturing Co.                   | Lindsay and Omaha    | \$ 11.0 | 100   | 2007 |
| Majors Plastics, Inc.                       | Omaha                | \$ 1.5  | 20    | 2007 |
| Mann Int'l Meat Specialties                 | Omaha                | \$ 1.0  | 10    | 2007 |
| Medical Solutions, Inc.                     | Omaha                | \$ 3.0  | 221   | 2007 |
| Midland Packaging Corp.                     | Omaha                | \$ 1.8  | 12    | 2007 |
| Midwest Machine & Tool, Inc.                | Columbus             | \$ 1.0  | 10    | 2007 |
| Millard Lumber, Inc.                        | Omaha                | \$ 4.0  | 30    | 2008 |
| Molex Inc.                                  | Lincoln              | \$ 61.0 | 150   | 2007 |
| Nature Technology Corp.                     | Lincoln              | \$ 1.0  | 10    | 2007 |
| Nebraska Plastics, Inc.                     | Cozad                | \$ 3.0  | 10    | 2007 |
| NEDAK Ethanol, LLC                          | Atkinson             | \$ 54.0 | 34    | 2007 |
| Netshops, Inc.                              | Omaha                | \$ 9.1  | 440   | 2007 |
| Northeast Nebraska Biodiesel, LLC           | Scribner             | \$ 4.4  | 12    | 2007 |
| Northstar Financial Services Group, LLC     | Omaha                | \$ 5.3  | 95    | 2007 |
| Novartis Pharmaceuticals Corp. & Affiliates | Lincoln              | \$ 68.0 | 119   | 2007 |
| Omaha Financial Holdings, Inc.              | Omaha                | \$ 5.9  | 50    | 2008 |
| Overland Products Company, Inc.             | Fremont              | \$ 1.3  | 10    | 2008 |
| Pamida Stores Operating Co, LLC             | Omaha                | \$ 3.3  | 70    | 2007 |
| PayFlex Systems USA, Inc.                   | Omaha                | \$ 10.0 | 100   | 2009 |
| PayPal, Inc.                                | LaVista and Bellevue | \$ 42.5 | 1,997 | 2007 |
| Pharmaceutical Technologies, Inc.           | Omaha                | \$ 6.4  | 36    | 2007 |
| Phoenix Web Group, Inc.                     | Waverly              | \$ 3.0  | 30    | 2007 |

|  |  |         |     |      |
|--|--|---------|-----|------|
| Pinnacle Data Services, LLC                  | Omaha and Gretna   | \$ 5.0  | 35  | 2007 |
| Pramac America, LLC                          | Kearney  | \$ 3.0  | 30  | 2009 |
| Prime Therapeutics, Inc.                     | Omaha  | \$ 5.0  | 332 | 2007 |
| Professional Research Consultants, Inc.      | Omaha  | \$ 3.0  | 30  | 2007 |
| Professional Research Consultants, Inc. Ltd. | Omaha  | \$ 10.0 | 100 | 2007 |
| Qualia Clinical Service, Inc.                | Omaha  | \$ 3.0  | 50  | 2007 |
| Quality Pork International, Inc.             | Omaha  | \$ 10.0 | 100 | 2008 |
| Rabe's Quality Meats, Inc.                   | Omaha  | \$ 2.5  | 10  | 2007 |
| Rosen's Diversified, Inc.                    | Gibbon, Bellevue, and Omaha  | \$ 12.0 | 100 | 2007 |
| Rotella's Italian Bakery                     | Omaha  | \$ 10.0 | 30  | 2007 |
| Royal Plastic Mfg., Inc.                     | Minden   | \$ 6.1  | 49  | 2008 |
| Sandhills Publishing Company                 | Lincoln  | \$ 12.5 | 100 | 2007 |
| Shell Rock West, Inc.                        | Valley   | \$ 7.0  | 40  | 2007 |
| SII Acquisition, Inc. & Subsidiary           | Lincoln  | \$ 3.7  | 30  | 2008 |
| Silverstone Holdings, Inc.                   | Omaha  | \$ 5.0  | 30  | 2007 |
| Smeal Fire Apparatus, Co.                    | Snyder and Neligh  | \$ 2.4  | 30  | 2007 |
| Specialty Protein Producers, LLC             | Norfolk  | \$ 89.0 | 130 | 2007 |
| Streck, Inc.                                 | LaVista  | \$ 10.0 | 100 | 2007 |
| Swift Beef Company                           | Grand Island   | \$ 10.0 | 100 | 2007 |
| Syngenta Seeds, Inc.                         | Waterloo and Omaha   | \$ 27.0 | 10  | 2008 |
| TDAMERITRADE Holding Corporation & Subs.     | Omaha and Bellevue   | \$ 10.0 | 200 | 2007 |
| The James Skinner Co.                        | Omaha  | \$ 10.0 | 100 | 2007 |
| Thunderstone, LLC                            | Lincoln  | \$ 2.5  | 12  | 2007 |
| TierOne Bank                                 | Albion, Alliance, Auburn, Beatrice, Bloomfield, Broken Bow, Burwell, Callaway, Columbus, Crete, Fairbury, Falls City, Fremont, Gering, Gothenburg, Grand Island, Hastings, Hebron, Holdrege, Humboldt, Kearney, Lexington, Lincoln, McCook, Nebraska City, Norfolk, North Platte, Omaha, O'Neill, Ord, | \$ 17.5 | 210 | 2007 |

|                              |  |          |     |            |
|------------------------------|--|----------|-----|------------|
|                              | Scottsbluff, Sidney, St. Paul, Tecumseh, and Wahoo |          |     |            |
| Timber Creek Homes, Inc.     | Stratton   | \$ 3.0   | 30  | 2008       |
| Titan Medical Group, LLC     | Omaha  | \$ 3.0   | 30  | 2007       |
| Trade Well Pallet, Inc.      | Gretna and Ashland                                 | \$ 3.1   | 36  | 2007       |
| TurnKey Solutions Corp.      | LaVista and Omaha                                  | \$ 3.0   | 30  | 2007       |
| US BioEnergy Corporation     | Ord  | \$ 63.8  | 35  | 2008       |
| Vantec, Inc.                 | Falls City   | \$ 3.0   | 30  | 2009       |
| Verizon Wireless             | Lincoln  | \$ 27.5  | 750 | 2007       |
| Wahoo Ethanol, LLC           | Wahoo  | \$ 173.0 | 45  | 2007       |
| Wardcraft Homes, Inc.        | Central City                                       | \$ 3.0   | 30  | 2007       |
| Wimmer's Meat Products, Inc. | West Point   | \$ 1.5   | 10  | 2007       |
| XL Four Star Beef, Inc.      | Omaha  | \$ 7.0   | 59  | 2007       |
| Yasufuku USA, Inc.           | Lincoln  | \$ 1.0   | 10  | 2007       |
| Your Selling Team            | Chadron  | \$ 3.1   | 77  | 2007       |
| <b>TOTAL</b>                 |  |          |     | <b>117</b> |

## Nebraska Advantage Act Principal Business Activity Codes and Application Tier of Signed Agreements

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

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

### Principal Business Activity Codes and Application Tier of Signed Agreements

| Category   | PBA Code, Major Industry Group Titles  | Tier   | Number of Companies |
|--|--|--------|---------------------|
| <b>Construction, Utilities, &amp; Nonmetallic Mineral Products Manufacturing</b> | 22, 23, 327 — Construction, Electric and Gas, Stone, Clay, Glass, and Concrete Products                  | Tier 1 | 2                   |
|  |  | Tier 2 | 3                   |
| <b>Manufacturing</b>   | 311, 312 — Meat and Food Products  | Tier 1 | 5                   |
|  |  | Tier 2 | 2                   |
|  |  | Tier 4 | 8                   |
|  | 314, 322, 323, 325, 326 — Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-Durable Products | Tier 1 | 8                   |
|  |  | Tier 2 | 6                   |
|  |  | Tier 4 | 8                   |
| 321, 331, 332 — Primary and Fabricated Metals and Wood Product Manufacturing     | Tier 1   | 2      |                     |
|  | Tier 2   | 2      |                     |
|  | Tier 4   | 1      |                     |

|  |  |                                      |                   |
|--|--|--------------------------------------|-------------------|
|  | 333, 334, 335, 336, 337, 339 — Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing | Tier 1<br>Tier 2<br>Tier 4           | 11<br>14<br>3     |
| Wholesale & Retail Trade                       | 42 — Durable and Non-Durable Goods   | N/A                                  | N/A               |
| Transportation & Warehousing                   | 48, 49 — Railroads, Trucking, Air Transportation, and Warehousing  | Tier 2<br>Tier 4                     | 4<br>1            |
| Information & Data Processing                  | 51 — Publishing, Communications, and Information and Data Processing Services  | Tier 2<br>Tier 4                     | 3<br>4            |
| Finance, Insurance, & Real Estate              | 52 — Depository Institutions and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers                           | Tier 2<br>Tier 4                     | 7<br>6            |
| Professional, Scientific, & Technical Services | 54, 56, 62, 81 — Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services   | Tier 1<br>Tier 2<br>Tier 3<br>Tier 4 | 2<br>13<br>1<br>1 |
| <b>TOTAL</b>                                   |  |                                      | <b>117</b>        |

## Nebraska Advantage Act Summary of Benefits Approved

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

| Benefit                                    | 2008                       | 2009                | Total                |
|--|----------------------------|---------------------|----------------------|
| Qualified Applicants                       | 3                          | 6                   | 9                    |
| Tax Credits Earned:                        |                            |                     |                      |
| Investment Credits                         | 3,235,696                  | 6,836,892           | 10,072,588           |
| Compensation Credits                       | 601,473                    | 2,130,249           | 2,731,722            |
| <b>Total Tax Credits Earned</b>            | <b>\$ 3,837,169</b>        | <b>\$ 8,967,141</b> | <b>\$ 12,804,310</b> |
| Tax Credits Used:                          |                            |                     |                      |
| Corporate Income Tax                       | 0                          | 0                   | 0                    |
| Individual Income Tax                      | 0                          | 136,538             | 136,538              |
| <b>Subtotal Income Tax</b>                 | <b>\$ 0</b>                | <b>\$ 136,538</b>   | <b>\$ 136,538</b>    |
| Withholding Tax                            | 308,513                    | 675,775             | 984,288              |
| Sales/Use Tax Refunds                      | 0                          | 0                   | 0                    |
| Real Estate Tax                            | 0                          | 0                   | 0                    |
| <b>Total Tax Credits Used</b>              | <b>\$ 308,513</b>          | <b>\$ 812,313</b>   | <b>\$ 1,120,826</b>  |
| Tax Credit Corrections:                    |                            |                     |                      |
| Recapture                                  | 0                          | 0                   | 0                    |
| Expired                                    | 0                          | 0                   | 0                    |
| <b>Total Tax Credit Correction</b>         | <b>\$ 0</b>                | <b>\$ 0</b>         | <b>\$ 0</b>          |
| <b>Tax Credits Outstanding<sup>1</sup></b> | <b>\$ 3,528,656</b>        | <b>\$ 8,154,828</b> | <b>\$ 11,683,484</b> |
| Qualified Investment                       | \$ 32,356,962 <sup>2</sup> | \$ 69,416,159       | \$ 101,773,121       |
| New Jobs at Qualifying Projects            | 269 <sup>2</sup>           | 641                 | 910                  |
| Direct Sales/Use Tax Refunds on Investment | \$ 831,009                 | \$ 229,065          | \$ 1,060,074         |
| Sales/Use Tax Refunds Pending Approval     | \$ 0                       | \$ 413,205          | N/A                  |
| Recapture Repaid                           | \$ 0                       | \$ 0                | \$ 0                 |

|                                  |              |              |               |
|----------------------------------|--------------|--------------|---------------|
| Property Tax Benefits            |              |              |               |
| Personal Property Value Exempted | \$ 3,925,548 | \$ 7,518,087 | \$ 11,443,635 |
| Real Property Value Exempted     | 0            | 0            | 0             |

<sup>1</sup>Credits Outstanding = Credits Earned less Credits Used and Credit Correction

<sup>2</sup>Correction to last Annual Report due to posting adjustments

## Nebraska Advantage Act Benefits Approved by Industry (2009)

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

| Benefit  | Manufacturing       | Non-manufacturing   | Total                |
|--|---------------------|---------------------|----------------------|
| Tax Credits Earned:                                      |                     |                     |                      |
| Investment Credits                                       | 3,154,684           | 3,682,208           | <b>6,836,892</b>     |
| Compensation Credits                                     | 780,475             | 1,349,774           | <b>2,130,249</b>     |
| <b>Total Credits Earned</b>                              | <b>\$ 3,935,159</b> | <b>\$ 5,031,982</b> | <b>\$ 8,967,141</b>  |
| Tax Credits Used:  |                     |                     |                      |
| Corporate Income Tax                                     | 0                   | 0                   | <b>0</b>             |
| Individual Income Tax                                    | 136,538             | 0                   | <b>136,538</b>       |
| Sales/Use Tax Refund                                     | 0                   | 0                   | <b>0</b>             |
| Withholding Tax  | 129,737             | 546,038             | <b>675,775</b>       |
| Real Estate Tax  | 0                   | 0                   | <b>0</b>             |
| <b>Total Tax Credits Used</b>                            | <b>\$ 266,275</b>   | <b>\$ 546,038</b>   | <b>\$ 812,313</b>    |
| Tax Credit Corrections:                                  |                     |                     |                      |
| Recapture  | 0                   | 0                   | <b>0</b>             |
| Expired  | 0                   | 0                   | <b>0</b>             |
| <b>Total Credit Correction</b>                           | <b>\$ 0</b>         | <b>\$ 0</b>         | <b>\$ 0</b>          |
| <b>Tax Credits Outstanding<sup>1</sup></b>               | <b>\$ 3,668,884</b> | <b>\$ 4,485,944</b> | <b>\$ 8,154,828</b>  |
| Qualified Investment                                     | \$ 32,594,079       | \$ 36,822,080       | <b>\$ 69,416,159</b> |
| Direct Sales/Use Tax Refunds on Investment               | 59,993              | 169,072             | <b>229,065</b>       |
| Sales/Use Tax Refunds                                    |                     |                     |                      |
| Pending Approval at Year End                             | 413,205             | 0                   | <b>413,205</b>       |
| Recapture Repaid   | \$ 0                | \$ 0                | <b>\$ 0</b>          |
| Property Tax Benefits:                                   |                     |                     |                      |
| Personal Property Value Exempted                         | \$ 0                | \$ 7,518,087        | <b>\$ 7,518,087</b>  |
| Real Property Value Exempted                             | 0                   | 0                   | <b>0</b>             |
| New Jobs at Qualifying Projects                          | 269                 | 372                 | <b>641</b>           |
| Estimated Average Salary of New Jobs                     | \$ 33,883           | \$ 41,840           | <b>\$ 38,815</b>     |
| Employees at End of Quarter Prior to Date of Application | 1,752               | 1,379               | <b>3,131</b>         |
| Employees on Most Recent Reporting Date                  | 1,919               | 2,092               | <b>4,011</b>         |

<sup>1</sup>Credits Outstanding = Credits Earned less Credits Used and Credit Correction

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

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

| Property Type  | 2008   | 2009   | Total   |
|--|--|--|---|
| Computer Systems and Peripherals<br>Douglas<br>Sarpy<br><b>Total</b> | \$ 1,415,874<br><u>\$ 2,509,674</u><br><b>\$ 3,925,548</b> | \$ 1,388,009<br><u>\$ 6,130,078</u><br><b>\$ 7,518,087</b> | \$ 2,803,883<br><u>\$ 8,639,752</u><br><b>\$ 11,443,635</b> |
| Aircraft   | \$ 0   | \$ 0   | \$ 0  |
| Agricultural Product Processing<br>Equipment                         | \$ 0   | \$ 0   | \$ 0  |
| Distribution Facility Equipment                                      | \$ 0   | \$ 0   | \$ 0  |
| <b>Total</b>   | <b>\$ 3,925,548</b>  | <b>\$ 7,518,087</b>  | <b>\$ 11,443,635</b>  |

## Nebraska Advantage Act Project-specific Benefits Summary

Reporting Neb. Rev. Stat. § 77-573(6) and § 77-5731(7)

| Project Name          | Incentives Used    | Locations   |
|-----------------------|--------------------|---|
| C & A Industries      | \$ 741,248         | Omaha   |
| CAMACO, LLC           | \$ 25,031          | Columbus  |
| TierOne Bank          | \$ 540,502         | Albion, Alliance, Auburn, Beatrice, Bloomfield, Broken Bow, Burwell, Callaway, Columbus, Crete, Fairbury, Falls City, Fremont, Gering, Gothenburg, Grand Island, Hastings, Hebron, Holdrege, Kearney, Lexington, Lincoln, McCook, Nebraska City, Norfolk, North Platte, Omaha, O'Neill, Ord, Scottsbluff, Sidney, St. Paul, Tecumseh, and Wahoo |
| <b>Total Benefits</b> | <b>\$1,306,781</b> |   |

## Project-specific Summary (2009)

| Number of Companies Reporting | Growth        |       | Average Compensation        |                  | Statewide Employees                 |                        |
|-------------------------------|---------------|-------|-----------------------------|------------------|-------------------------------------|------------------------|
|                               | Investment    | FTEs* | Paid in Year of Application | Paid to New FTEs | End Of Quarter Prior to Application | Most Recently Reported |
| 3                             | \$ 34,407,482 | 244   | \$ 42,146                   | \$ 40,870        | 1,555                               | 1,619                  |

\*FTE = Full Time Equivalent



# Projected Revenue Gains and (Losses) of the Nebraska Advantage Act for Tax Years 2009-2020, by Fiscal Year

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

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

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

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

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

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

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

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

<sup>1</sup>A more detailed description of the TRAIN model is available upon request.

## Fiscal Analysis of the Nebraska Advantage Act

| Summary  | 2009-10                  | 2010-11                   | 2011-12                   | 2012-13                     | 2013-14                     | 2014-15                        |
|--|--------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|--------------------------------|
| Revenue Generated by ITC                             | \$8,109,304              | \$13,663,569              | \$16,668,452              | \$21,483,832                | \$26,985,705                | \$32,210,873                   |
| Tax Credits Used                                     | \$1,340,514              | \$2,890,439               | \$5,876,148               | \$11,306,126                | \$19,916,014                | \$31,222,648                   |
| Direct Sales and Use Tax Refund                      | \$516,395                | \$1,478,146               | \$5,188,934               | \$14,707,974                | \$26,501,570                | \$34,482,733                   |
| Revenue Gain (Loss)<br>Cumulative                    | 6,252,395<br>\$8,196,469 | 9,294,985<br>\$17,491,454 | 5,603,370<br>\$23,094,824 | (4,530,268)<br>\$18,564,556 | (19,431,879)<br>(\$867,323) | (33,494,508)<br>(\$34,361,831) |
| Tax Credits Earned                                   | 19,615,615               | 36,598,569                | 57,953,452                | 89,323,832                  | 121,555,705                 | 143,540,873                    |
| Tax Credits Recaptured                               | 0                        | 0                         | 0                         | 0                           | 0                           | 0                              |
| Tax Credits Expired                                  | 0                        | 0                         | 0                         | 0                           | 0                           | 0                              |
| Tax Credit Balance                                   | \$25,881,171             | \$59,589,302              | \$111,666,606             | \$189,684,312               | \$291,324,003               | \$403,509,390                  |
| Estimated Employment<br>Estimated Number of New Jobs |                          |                           |                           |                             |                             |                                |

|  |                                |                                 |                                 |                                 |                                 |                                  |
|--|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------------|
| for Qualifying Tax Credits                                 | 1,375                          | 2,616                           | 2,567                           | 3,957                           | 5,385                           | 6,359                            |
| Estimated Net New Economic<br>Job Increases (Decreases)    | 179                            | 365                             | 717                             | 1,239                           | 1,848                           | 2,491                            |
| <b>Summary</b>   |                                |                                 |                                 |                                 |                                 |                                  |
| <b>Summary</b>   | <b>2015-16</b>                 | <b>2016-17</b>                  | <b>2017-18</b>                  | <b>2018-19</b>                  | <b>2019-20</b>                  | <b>2020-21</b>                   |
| Revenue Generated by ITC                                   | \$37,206,751                   | \$41,338,303                    | \$44,708,343                    | \$48,027,449                    | \$50,873,159                    | \$53,340,620                     |
| Tax Credits Used   | \$44,222,784                   | \$57,886,096                    | \$71,228,239                    | \$83,758,781                    | \$95,087,342                    | \$105,235,900                    |
| Direct Sales and Use Tax Refund                            | \$38,555,174                   | \$41,010,137                    | \$43,223,275                    | \$45,692,802                    | \$48,241,533                    | \$50,099,628                     |
| Revenue Gain (Loss)<br>Cumulative                          | (45,571,207)<br>(\$79,933,039) | (57,557,930)<br>(\$137,490,968) | (69,743,171)<br>(\$207,234,140) | (81,424,135)<br>(\$288,658,274) | (92,455,716)<br>(\$381,113,990) | (101,994,908)<br>(\$483,108,898) |
| Tax Credits Earned   | 157,766,751                    | 168,183,303                     | 173,598,343                     | 180,767,449                     | 188,198,159                     | 193,975,620                      |
| Tax Credits Recaptured                                     | 280,097                        | 298,591                         | 308,204                         | 320,932                         | 334,125                         | 344,382                          |
| Tax Credits Expired  |                                |                                 |                                 | 143,800                         | 440,591                         | 822,050                          |
| Tax Credit Balance   | \$516,773,259                  | \$626,771,876                   | \$728,790,681                   | \$825,334,617                   | \$917,670,718                   | \$1,005,244,007                  |
| Estimated Employment                                       |                                |                                 |                                 |                                 |                                 |                                  |
| Estimated Number of New Jobs<br>for Qualifying Tax Credits | 6,989                          | 7,451                           | 7,691                           | 8,008                           | 8,337                           | 8,593                            |
| Estimated Net New Economic<br>Job Increases (Decreases)    | 3,120                          | 3,692                           | 4,145                           | 4,554                           | 4,902                           | 5,193                            |



# Nebraska Advantage Rural Development Act

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

**Description of Benefits**

**Summary of Qualifying Activity**

**Project-specific Benefits Approved**

## Nebraska Advantage Rural Development Act Reporting Requirements

**Neb Rev. Stat. § 77-27,195 provides:**

(1) The Tax Commissioner shall prepare a report identifying the amount of investment in this state and the number of equivalent jobs created by each taxpayer claiming a credit pursuant to the Nebraska Advantage Rural Development Act.

The report shall include the amount of credits claimed in the aggregate.

The report shall be issued on or before March 15 of each year beginning with March 15, 1988, through March 15, 2006, for all credits allowed during the previous calendar year. The report shall be issued on or before July 15 of each year beginning with July 15, 2007, for all credits allowed during the previous calendar year.

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

(a) the identity of the taxpayer,

(b) the location of the project, and

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

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

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

- (a) the identity of the taxpayer,
  - (b) the total credits used and refunds approved during the preceding calendar year, and
  - (c) the location of the project.
- (4) No information shall be provided in the report that is protected by state or federal confidentiality laws.

## Nebraska Advantage Rural Development Act Description of Benefits

[Back to 2009 Annual Report Main Page](#) | [Back to Nebraska Advantage Rural Development Act](#) | [Tax Incentives Home](#)

### General Information:

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

### Application Information:

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

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

For applications filed on or after October 1, 2009, taxpayers must utilize [E-verify](#) to verify that new employees are legally able to work in the United States.

### Rural Development Act Available Funds and Requested Benefits:

| Fiscal Year Ending | Number of Applicants | Total Requested Benefits | Statutory Limit on Benefits |
|--------------------|----------------------|--------------------------|-----------------------------|
| 6/30/2010          | 10                   | \$1,271,854              | \$4,000,000                 |
| 6/30/2009          | 34                   | 3,000,000                | 3,000,000                   |
| 6/30/2008          | 34                   | 3,000,000                | 3,000,000                   |
| 6/30/2007          | 15                   | 1,555,250                | 3,000,000                   |

|           |    |           |           |
|-----------|----|-----------|-----------|
| 6/30/2006 | 15 | 2,086,000 | 2,500,000 |
| 6/30/2005 | 12 | 713,000   | 2,500,000 |

### Requirements by Application Level:

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

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

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

### Benefits by Application Level:

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

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

## Nebraska Advantage Rural Development Act Summary of Qualifying Activity

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

### Rural Development Business Activity through 2009

| Year | FTEs* | Investment   | Tax Credits Earned | Tax Credits Used |
|------|-------|--------------|--------------------|------------------|
| 2009 | 90    | \$28,288,702 | \$1,680,536        | \$1,859,036      |

|               |            |                     |                    |                    |
|---------------|------------|---------------------|--------------------|--------------------|
| 2008 & Before | 132        | 16,754,580          | 1,201,047          | 996,547            |
| <b>Total</b>  | <b>222</b> | <b>\$45,043,282</b> | <b>\$2,881,583</b> | <b>\$2,855,583</b> |

\*FTE = Full Time Equivalent

### Rural Development Business Activity Approved in 2009

| Project Number | FTEs* | Investment  |
|----------------|-------|-------------|
| 1              | 10    | \$9,568,107 |
| 2              | 17    | 3,629,227   |
| 3              | 7     | 3,225,603   |
| 4              | 3     | 3,048,578   |
| 5              | 0     | 2,152,735   |
| 6              | 5     | 1,931,976   |
| 7              | 0     | 1,091,605   |
| 8              | 5     | 495,999     |
| 9              | 0     | 467,182     |
| 10             | 0     | 380,928     |
| 11             | 0     | 327,310     |
| 12             | 2     | 303,319     |
| 13             | 0     | 293,040     |
| 14             | 6     | 261,757     |

|               |           |                     |
|---------------|-----------|---------------------|
| 15            | 0         | 260,000             |
| 16            | 20        | 231,334             |
| 17            | 0         | 226,439             |
| 18            | 0         | 198,618             |
| 19            | 0         | 181,195             |
| 20            | 15        | 13,750              |
| <b>Totals</b> | <b>90</b> | <b>\$28,288,702</b> |

\*FTE = Full Time Equivalent

## Nebraska Advantage Rural Development Act Project-specific Benefits Approved

Reporting Neb. Rev. Stat. § 77-27,195

### Level 1 and Level 2 Project-specific Total Tax Incentives Used in 2008-2009

| Project Name                         | Tax Credits Used and Refunds Approved | Location   |
|--------------------------------------|---------------------------------------|------------|
| Feeney Manufacturing, Inc.           | \$204,500                             | Tekamah    |
| Osborne Steel & Supply Company, Inc. | 203,000                               | Atkinson   |
| Giant A & M, Inc.                    | 90,250                                | Laurel     |
| Airlanco                             | 46,500                                | Falls City |
| <b>Total</b>                         | <b>\$544,250</b>                      |            |



**Livestock Modernization Project-specific Total Tax Incentives Used in 2009**

| Project Name      | Tax Credits Used and Refunds Approved | Location     |
|-------------------|---------------------------------------|--------------|
| Brett Wiedenfeld  | \$30,000                              | Hartington   |
| Diamond Farms LLC | 30,000                                | Scribner     |
| Gerald Smith      | 30,000                                | Pender       |
| Scott D. Nelson   | 30,000                                | Newman Grove |
| James Klug        | 29,500                                | Columbus     |
| Craig Lundstrom   | 29,304                                | Osceola      |
| Dean Preister LLC | 22,000                                | Humphrey     |
| Magnus Stover     | 19,862                                | Oakland      |
| Harry Kurtenbach  | 18,120                                | Lindsay      |
| <b>Total</b>      | <b>\$238,786</b>                      |              |



# Nebraska Advantage Microenterprise Tax Credit Act

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[Reporting Requirements, Neb. Rev. Stat. § 77-5907](#)

[Description of Benefits](#)

[Analysis of Nebraska Advantage Microenterprise Tax Credit Act](#)

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## Nebraska Advantage Microenterprise Tax Credit Act Reporting Requirements

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**Neb. Rev. Stat. § 77-5907 provides:**

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

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

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

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## Nebraska Advantage Microenterprise Tax Credit Act Description of Benefits

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### **General Information:**

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

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## Application Process and Benefits Received:

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

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

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

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

### Employment Criteria

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

### Location Criteria

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

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# Analysis of Nebraska Advantage Microenterprise Tax Credit Act

Reporting Neb. Rev. Stat. § 77-5907

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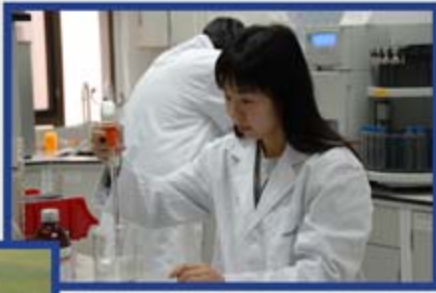
## Analysis Based on Application Estimates

| Application Year | Projected Investment | Projected Compensation | Tax Credits Authorized |
|------------------|----------------------|------------------------|------------------------|
| 2009             | \$ 12,445,038        | \$ 12,383,582          | \$ 2,000,000           |
| 2008             | 26,494,484           | 7,882,647              | 2,000,000              |
| 2007             | 14,352,643           | 3,403,376              | 2,000,000              |
| 2006             | 16,104,723           | 14,075,040             | 2,000,000              |

## Business Activity through 2009

| Application Year | Actual Investment | Actual Compensation | Tax Credits Used | Tax Credits Expired |
|------------------|-------------------|---------------------|------------------|---------------------|
| 2008             | \$ 31,594,472     | \$ 7,175,352        | \$ 1,633,353     | \$ 0                |
| 2007             | 17,529,894        | 3,846,107           | 1,725,078        | 0                   |
| 2006             | 16,325,229        | 15,065,667          | 1,852,720        | 0                   |

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# Nebraska Advantage Research and Development Act

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

[Description of Benefits](#)

[Summary of Benefits Approved](#)

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## Nebraska Advantage Research and Development Act Reporting Requirements

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**Neb Rev. Stat. § 77-5807 provides:**

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

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

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## Nebraska Advantage Research and Development Act Description of Benefits

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### **General Information:**

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

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

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### **Description of Benefits:**

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

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

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

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

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## Nebraska Advantage Research and Development Act Summary of Benefits Approved

Reporting Neb. Rev. Stat. § 77-5807

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The tax credit may be used: to obtain a refund of state sales and use taxes paid; against the income tax liability of the taxpayer; or as a refundable credit claimed on the income tax return of the taxpayer.

### Tax Credits Approved

| Year         | Income Tax Credits* | Sales and Use Tax Refunds |
|--------------|---------------------|---------------------------|
| 2009         | \$2,317,564         | \$ 0                      |
| 2008         | 2,132,705           | 0                         |
| 2007         | 69,320              | 0                         |
| 2006         | 0                   | 0                         |
| <b>Total</b> | <b>\$4,523,125</b>  | <b>\$ 0</b>               |

\*Please note: Income Tax Credits reported are the total approved for the program and may not be been used by the taxpayer as of December 31.

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# Employment and Investment Growth Act (LB 775)

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

**Description of Benefits**

**Active Signed Agreements**

**Summary of Benefits Approved**

**Industry Group Detail:**

**Principal Business Activity Codes and Application Option**

**Analysis of Credits (2009 and Cumulative through 2009)**

**Analysis of Sales and Use Tax Refunds (2009 and Cumulative through 2009)**

**Analysis of Sales and Use Tax Refunds - Approved Refunds Net of Recapture**

**Investment in Qualified Property**

**Number of FTE Jobs Created**

**Total Number Employed by Qualified Applicants**

**Average Salary of New Employees (2009 and Cumulative through 2009)**

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

**Projected Revenue Gains or (Losses) of Employment and Investment Growth Act, Quality Jobs Act, and Invest Nebraska Act for Tax Years 1987-2009 Projects by Fiscal Year**

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## Employment and Investment Growth Act Reporting Requirements

**Neb Rev. Stat. § 77-4110 provides:**

- (1) The Tax Commissioner shall submit an annual report to the Legislature no later than July 15 of each year.
- (2) The report shall list

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

(3) The report shall also state by industry group

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

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

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## Employment and Investment Growth Act Description of Benefits

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### General Information:

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

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### Application Information:

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

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### Application Options:

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

The increase in investment is equal to the value of qualified property placed in service at the project after the date of application. Qualified property means any tangible property of a type subject to depreciation, amortization, or other recovery under the Internal Revenue Code of 1986, as amended, or the components of such property, that will be located and used at the project or at the residence of a teleworker working in Nebraska. Qualified



property does not include aircraft, barges, motor vehicles, railroad rolling stock, or watercraft or property rented to another person.

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

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

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## Description of Time Periods:

### Year

Year means the federal taxable year of the taxpayer.

### Base Year

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

### Attainment Period

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

### Entitlement Period

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

### Carryover Period

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

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

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## Description of Benefits:

### Benefits by Application Level

|                       | \$20M | \$3M<br>& 30 FTE | \$10M<br>& 100 FTE |
|-----------------------|-------|------------------|--------------------|
| Benefit               |       |                  |                    |
| Sales Factor Election | ✓     | ✓                | ✓                  |
| Direct Refund         | ✓     | ✓                | ✓                  |

|                                 |  |   |   |
|---------------------------------|--|---|---|
| Investment Credit               |  | ✓ | ✓ |
| Compensation Credit             |  | ✓ | ✓ |
| Personal Property Tax Exemption |  |   | ✓ |
| <b>Use of Credits</b>           |  |   |   |
| Sales and Use Tax Refund        |  | ✓ | ✓ |
| Income Tax Refund               |  | ✓ | ✓ |
| Distribution of Credits         |  | ✓ | ✓ |

### Direct Refund

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

Qualified property is any tangible property of a type subject to depreciation, amortization, or other recovery under the Internal Revenue Code of 1986, or the components of such property, that will be used at the project. Qualified property does not include aircraft, barges, motor vehicles, railroad rolling stock, watercraft, or property that is rented to another person.

### Investment Credit

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

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

### Compensation Credit

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

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

### Personal Property Tax Exemption

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

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

The aircraft may not be used to transport an elected official, or for fundraising.

Turbine powered aircraft may be exempted from the first January 1 following the date of acquisition of the property through the sixteenth December 31 after the filing of the application.

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

#### Sales and Use Tax Refund

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

#### Income Tax Refund

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

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

## Employment and Investment Growth Act Active Signed Agreements

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

| Company Name                               | Project Location    | Planned Investment (\$ Millions) | Planned Employment (FTE) | Year Agreement Signed |
|--|---------------------|----------------------------------|--------------------------|-----------------------|
| 3M Company                                 | Valley              | \$ 3.0                           | 30                       | 1997                  |
| Abengoa Bioenergy Corporation              | York County         | \$ 55.1                          | 105                      | 1997                  |
| Ace Irrigation & Manufacturing Co., Inc.   | Kearney             | \$ 3.0                           | 30                       | 2006                  |
| ADC Telecommunications, Inc.               | Sidney              | \$ 14.2                          | 130                      | 2004                  |
| Adesta, LLC                                | Omaha               | \$ 3.0                           | 50                       | 2007                  |
| ADT Security Services, Inc.                | Omaha and Papillion | \$ 12.2                          | 400                      | 2003                  |
| Advanced Building & Components, Inc.       | Mead                | \$ 3.2                           | 32                       | 2004                  |
| Affiliated Foods Midwest Cooperative, Inc. | Norfolk             | \$ 10.5                          | 100                      | 2006                  |
| Affiliated Foods Midwest Cooperative, Inc. | Norfolk             | \$ 8.4                           | 100                      | 1997                  |
| Ag Processing, Inc.                        | Central Nebraska    | \$ 40.0                          | 100                      | 1995                  |
| Ag Processing, Inc.                        | Omaha               | \$ 5.0                           | 95                       | 1993                  |

|                                      |   |          |     |      |
|--------------------------------------|---|----------|-----|------|
| Airlite Plastics Company             | Omaha   | \$ 69.6  | 30  | 2006 |
| Airlite Plastics Company             | Greater Omaha   | \$ 10.0  | 30  | 1997 |
| Alliant Exchange, Inc.               | Douglas County  | \$ 3.0   | 30  | 1990 |
| Allo Communications, LLC             | Imperial and western Nebraska communities   | \$ 16.3  | 105 | 2006 |
| Alltel Communications of NE, Inc.    | Statewide   | \$ 20.0  | 0   | 2003 |
| American HealthNet, Inc.             | Omaha   | \$ 10.0  | 100 | 2006 |
| American Laboratories, Inc.          | Omaha   | \$ 3.0   | 30  | 1995 |
| American Title, Inc.                 | Omaha   | \$ 11.8  | 280 | 2005 |
| Ameriwest Corporation                | Omaha   | \$ 6.5   | 45  | 2007 |
| AMPC, Inc.                           | Fremont, Schuyler, Madison, and Grand Island  | \$ 3.0   | 30  | 1999 |
| Applied Underwriters, Inc.           | Omaha   | \$ 3.3   | 50  | 2003 |
| Archer Daniels Midland Company       | Lincoln and Fremont   | \$ 24.9  | 0   | 2006 |
| Archer Daniels Midland Company       | Columbus  | \$ 80.0  | 125 | 1991 |
| Arck Foods, Inc.                     | Lincoln   | \$ 3.0   | 30  | 2007 |
| Ash Grove Cement Company             | Omaha, Plattsmouth, Valley, Waterloo, Fremont, Bellevue, Columbus, Fullerton, Genoa, Norfolk, Grand Island, Ashland, McCook, West Point, Seward, Wayne, South Sioux City, Gretna, and Elkhorn | \$ 3.0   | 30  | 1999 |
| Assurity Life Insurance Company      | Lincoln   | \$ 4.5   | 30  | 1997 |
| Auburn Consolidated Industries, Inc. | Auburn  | \$ 10.5  | 162 | 2006 |
| Auburn Consolidated Industries, Inc. | Auburn  | \$ 3.0   | 35  | 1994 |
| Auto Club Group                      | Statewide   | \$ 12.1  | 250 | 2007 |
| Ballantyne of Omaha, Inc. & Subs.    | Omaha   | \$ 3.0   | 30  | 1998 |
| Becton Dickinson & Company           | Columbus, Holdrege, and Broken Bow  | \$ 145.0 | 287 | 2001 |
| Beef Products, Inc.                  | South Sioux City, Dakota City, and Lexington  | \$ 72.1  | 175 | 2006 |
| Beef Products, Inc.                  | Dakota City   | \$ 22.5  | 100 | 1994 |

|  |  |          |       |      |
|--|--|----------|-------|------|
| Behlen Mfg. Company                      | Columbus   | \$ 12.7  | 100   | 2006 |
| Behlen Mfg. Company                      | Columbus and Omaha   | \$ 6.0   | 165   | 1995 |
| Bemis Company, Inc.                      | Omaha and LaVista  | \$ 10.0  | 100   | 2006 |
| Blue Cross & Blue Shield of Nebraska     | Omaha and Lincoln  | \$ 10.0  | 100   | 1995 |
| Blue Cross & Blue Shield of Nebraska     | Omaha, Lincoln, and Grand Island                                       | \$ 13.4  | 100   | 2006 |
| BMS Management, Inc.                     | Lincoln  | \$ 100.0 | 100   | 2006 |
| Bozell Jacobs                            | Omaha  | \$ 3.0   | 30    | 2006 |
| Burlington Northern Santa Fe Corporation | Statewide  | \$ 20.0  | 0     | 2004 |
| Burlington Northern Santa Fe Corporation | Statewide  | \$ 3.0   | 30    | 1996 |
| C & A Industries, Inc.                   | Omaha  | \$ 4.6   | 35    | 2003 |
| C S Precision Manufacturing, Inc.        | Scottsbluff  | \$ 7.0   | 33    | 2000 |
| C.J. Foods, Inc.                         | Pawnee City  | \$ 3.0   | 30    | 1996 |
| Cabela's Incorporated                    | Sidney, Kearney, Lincoln, North Platte, Grand Island, and Bellevue     | \$ 18.8  | 1,100 | 2004 |
| Cabela's Incorporated                    | Sidney, Kearney, Lincoln, North Platte, Grand Island, and Central City | \$ 10.0  | 100   | 1995 |
| Cargill Meat Solutions Corporation       | Schuyler   | \$ 16.5  | 100   | 2000 |
| Cargill Meat Solutions Corporation       | Nebraska City  | \$ 13.0  | 150   | 1994 |
| Cargill, Inc.                            | Washington County  | \$ 150.0 | 100   | 1993 |
| Carlson Holdings, Inc.                   | Omaha  | \$ 10.1  | 100   | 2001 |
| Carneco Foods, LLC                       | Columbus   | \$ 16.0  | 100   | 1995 |
| Cassling Diagnostic Imaging, Inc.        | Omaha  | \$ 10.0  | 100   | 2007 |
| Central States of Omaha Companies        | Omaha  | \$ 10.0  | 140   | 1997 |
| Chicory USA, LLC                         | Scottsbluff  | \$ 4.2   | 30    | 2007 |
| Chief Industries, Inc.                   | Hastings, Grand Island, Kearney, Aurora, and Omaha                     | \$ 10.0  | 100   | 1991 |
| Cintas Corporation No. 2                 | Omaha  | \$ 5.6   | 120   | 2002 |
| Claas North America Holdings, Inc.       | Omaha  | \$ 60.0  | 502   | 1998 |
| Clarcor, Inc.                            | Kearney  | \$ 20.1  | 100   | 2007 |
| Clarcor, Inc.                            | Kearney and Gothenburg   | \$ 10.0  | 100   | 1998 |

|                                     |                |          |     |      |
|-------------------------------------|----------------|----------|-----|------|
| Commercial Federal Bank             | Omaha          | \$ 20.0  | 0   | 2007 |
| ConAgra Beef Company                | Grand Island   | \$ 21.0  | 100 | 2002 |
| ConAgra Foods, Inc.                 | Hastings       | \$ 45.0  | 30  | 2007 |
| ConAgra Foods, Inc.                 | Omaha          | \$ 10.0  | 100 | 2004 |
| ConAgra Foods, Inc.                 | Omaha          | \$ 10.0  | 100 | 1995 |
| Consolidated Business Systems, Inc. | Omaha          | \$ 3.5   | 40  | 1996 |
| Consolidated Supply Co, Inc.        | Omaha          | \$ 10.0  | 100 | 2007 |
| Cornhusker Energy Lexington, LLC    | Lexington      | \$ 47.0  | 100 | 2007 |
| Coxcom, Inc.                        | Omaha          | \$ 309.8 | 100 | 2006 |
| Coxcom, Inc.                        | Omaha          | \$ 3.0   | 30  | 1997 |
| Crete Carrier Corporation           | Lincoln        | \$ 10.0  | 100 | 2007 |
| CSG Systems International, Inc.     | Omaha          | \$ 57.0  | 155 | 2007 |
| CSG Systems International, Inc.     | Omaha          | \$ 14.0  | 105 | 1996 |
| CSG Systems International, Inc.     | Omaha          | \$ 10.0  | 100 | 1995 |
| D & D Foods, Inc                    | Omaha          | \$ 4.6   | 30  | 1999 |
| Daitron, Inc.                       | Lincoln        | \$ 3.3   | 50  | 2006 |
| Deeter Foundry, Inc.                | Lincoln        | \$ 3.2   | 31  | 2006 |
| Degussa Corporation                 | Blair          | \$ 75.0  | 30  | 2004 |
| Design Plastics, Inc.               | Omaha          | \$ 3.2   | 30  | 1992 |
| Distefano Tool & Manufacturing Co.  | Omaha          | \$ 3.2   | 35  | 1997 |
| Drake Williams Steel, Inc.          | Omaha          | \$ 3.7   | 30  | 1991 |
| DTN Corporation                     | Douglas County | \$ 3.0   | 30  | 1999 |
| DTN Corporation                     | Douglas County | \$ 3.0   | 31  | 1990 |
| Duncan Aviation, Inc.               | Lincoln        | \$ 20.2  | 100 | 2007 |
| Duncan Aviation, Inc.               | Lincoln        | \$ 3.0   | 30  | 1997 |
| E Energy Auburn, LLC                | Auburn         | \$ 80.8  | 35  | 2006 |
| E Energy Broken Bow, LLC            | Broken Bow     | \$ 78.3  | 35  | 2006 |
| E3 Biofuels - Mead, LLC             | Mead           | \$ 20.4  | 100 | 2007 |
| Eagle Capital Group LLC             | Hastings       | \$ 3.6   | 30  | 2002 |

|  |   |          |     |      |
|--|---|----------|-----|------|
| Eaton MDH Company, Inc.                      | Hastings  | \$ 17.5  | 68  | 1999 |
| EF Johnson Technologies, Inc. & Subsidiaries | Lincoln   | \$ 10.0  | 100 | 1993 |
| Election Systems & Software, Inc.            | Omaha   | \$ 6.7   | 41  | 2007 |
| Elster American Meter Company                | Nebraska City and Plattsmouth   | \$ 16.5  | 50  | 2002 |
| Empire Fire & Marine Insurance Company       | Omaha   | \$ 10.0  | 100 | 1998 |
| Examination Management Services, Inc.        | Omaha   | \$ 11.8  | 30  | 2007 |
| Exmark Manufacturing Co. Inc.                | Beatrice and Lincoln  | \$ 3.0   | 30  | 2006 |
| Exmark Manufacturing Company, Inc.           | Beatrice and Lincoln  | \$ 3.1   | 46  | 1990 |
| Experian Marketing Solutions, Inc.           | Lancaster and Seward Counties   | \$ 10.0  | 100 | 1995 |
| Farmers & Merchants Investment, Inc.         | Statewide   | \$ 12.0  | 100 | 2003 |
| Farmers & Merchants Investment, Inc.         | Statewide   | \$ 4.9   | 72  | 1996 |
| Farmland Foods, Inc.                         | Crete   | \$ 10.0  | 100 | 2005 |
| Farmland Foods, Inc.                         | Crete   | \$ 11.7  | 100 | 2002 |
| Financial Brokerage Holdings, Inc.           | Omaha   | \$ 3.0   | 30  | 1999 |
| First Data Corporation                       | Omaha and Lincoln   | \$ 20.0  | 0   | 2006 |
| First Data Corporation                       | Omaha and Lincoln   | \$ 10.0  | 100 | 1994 |
| First Gothenburg Bancshares, Inc.            | Gothenburg, Omaha, and Ralston  | \$ 10.0  | 100 | 2007 |
| First National of Nebraska, Inc.             | Omaha, Alliance, Beatrice, Bellevue, Bloomfield, Broken Bow, Chadron, Columbus, David City, Fremont, Gering, Grand Island, Gretna, Hemingford, Kearney, LaVista, Lexington, Lincoln, Norfolk, North Platte, Papillion, Scottsbluff, Wayne | \$ 258.6 | 100 | 2002 |
| First National of Nebraska, Inc.             | Omaha, Alliance, Beatrice, Bellevue, Bloomfield, Broken Bow, Chadron, Columbus, David City, Fremont, Gering, Grand Island, Gretna, Hemingford, Kearney, LaVista, Lexington, Lincoln, Norfolk, North Platte,                               | \$ 10.0  | 100 | 1994 |

|                                 |   |         |     |      |
|---------------------------------|---|---------|-----|------|
|                                 | Papillion, Scottsbluff, Wayne           |         |     |      |
| First York Ban Corp.            | Statewide                               | \$ 3.0  | 30  | 2000 |
| Firstar Fiber, Inc.             | Fremont and Omaha                       | \$ 43.5 | 180 | 2004 |
| Fiserv, Inc. & Subsidiaries     | Lincoln                                 | \$ 3.5  | 30  | 2003 |
| Fiserv, Inc. & Subsidiaries     | Lincoln                                 | \$ 3.0  | 30  | 1994 |
| Five Points Bank of Hastings    | Hastings                                | \$ 3.0  | 30  | 2006 |
| Fleming Companies, Inc.         | Lincoln                                 | \$ 3.4  | 35  | 1994 |
| Flexcon Company, Inc.           | Columbus                                | \$ 22.0 | 200 | 1993 |
| Focus Legal Solutions, LLC      | Omaha                                   | \$ 3.0  | 30  | 2007 |
| FOFTI, L.C.                     | Greater Omaha                           | \$ 10.0 | 100 | 1993 |
| Fremont Beef Company            | Fremont                                 | \$ 3.0  | 30  | 2006 |
| Frito Lay, Inc.                 | Central Nebraska                        | \$ 25.0 | 30  | 1997 |
| Gallup Organization             | Omaha, Lincoln, and Bellevue            | \$ 66.2 | 150 | 2006 |
| Gallup, Inc.                    | Lincoln and Omaha                       | \$ 9.0  | 155 | 1996 |
| Garner Industries, Inc.         | Lincoln                                 | \$ 3.0  | 30  | 1996 |
| Gibraltar Packaging Group, Inc. | Hastings                                | \$ 10.0 | 100 | 2006 |
| Global Industries, Inc.         | Grand Island                            | \$ 10.0 | 100 | 2006 |
| Global Industries, Inc.         | Albion                                  | \$ 10.0 | 100 | 2006 |
| Gordman's, Inc.                 | Omaha                                   | \$ 10.0 | 100 | 2001 |
| Grand Island Accessories, Inc.  | Grand Island                            | \$ 3.5  | 37  | 2000 |
| Grand Island Accessories, Inc.  | Grand Island                            | \$ 3.0  | 30  | 1988 |
| Great Dane Limited Partnership  | Wayne                                   | \$ 3.0  | 184 | 2000 |
| Greater Omaha Packing Company   | Omaha                                   | \$ 10.0 | 100 | 1996 |
| HDM Corporation                 | Omaha                                   | \$ 3.4  | 269 | 2001 |
| HDR, Inc.                       | Omaha                                   | \$ 15.3 | 110 | 1998 |
| Henningsen Foods, Inc.          | David City, Norfolk, Ravenna, and Omaha | \$ 4.5  | 30  | 1993 |
| HMA, Inc. & Subsidiaries        | Omaha                                   | \$ 11.0 | 100 | 2006 |
| HMN, Inc.                       | Fremont                                 | \$ 8.6  | 30  | 2006 |
| Hughes Brothers, Inc.           | Seward                                  | \$ 5.3  | 30  | 2000 |



|                                   |  |         |     |      |
|-----------------------------------|--|---------|-----|------|
| Husqvarna U. S. Holding, Inc.     | Beatrice   | \$ 10.0 | 100 | 2004 |
| Iams Company                      | Aurora   | \$ 20.5 | 30  | 1996 |
| IBP inc.                          | Gibbon   | \$ 10.0 | 100 | 1997 |
| IMSCORP                           | Lincoln  | \$ 3.0  | 30  | 1990 |
| Info USA, Inc.                    | Omaha, Papillion, and Ralston  | \$ 10.0 | 190 | 1995 |
| Infocrossing LLC                  | Omaha  | \$ 65.0 | 0   | 2006 |
| Innovative Grain Technologies     | Lincoln  | \$ 15.0 | 120 | 2001 |
| Intervet, Inc.                    | Omaha and Elkhorn  | \$ 34.3 | 100 | 2007 |
| Intervet, Inc.                    | Omaha and Elkhorn  | \$ 15.0 | 117 | 2001 |
| Irwin Industrial Tool Company     | Beatrice, DeWitt, and Lincoln  | \$ 10.0 | 100 | 1995 |
| Jacobson Land and Cattle Company  | Lincoln  | \$ 10.0 | 100 | 2003 |
| James Skinner Company             | Omaha  | \$ 10.6 | 110 | 2001 |
| Jefferson Pilot Corp. & Subs.     | Omaha  | \$ 14.0 | 100 | 2006 |
| KAAPA Ethanol, LLC                | Kearney County and Elm Creek   | \$ 95.0 | 100 | 2005 |
| Kawasaki Motors Mfg. Corp.        | Lincoln  | \$ 50.0 | 80  | 2001 |
| Kellogg Company                   | Omaha  | \$ 20.0 | 0   | 2006 |
| Kellogg Company                   | Omaha  | \$ 84.0 | 0   | 1997 |
| Kerry, Inc.                       | Fremont  | \$ 10.0 | 100 | 2007 |
| Knowledge Management Systems, LLC | Lincoln  | \$ 3.0  | 30  | 2007 |
| Kroy Building Products, Inc.      | York   | \$ 3.0  | 30  | 1998 |
| L. B. Foster Company              | Grand Island   | \$ 3.5  | 30  | 2000 |
| Label Acquisition Group           | Omaha  | \$ 4.3  | 38  | 2004 |
| Land and Sky, Inc.                | Lincoln, Lancaster County, and other locations in southeast Nebraska | \$ 3.0  | 40  | 1988 |
| Lanter Company                    | Omaha  | \$ 4.0  | 34  | 1994 |
| LCF Holdings, Inc. & Subs.        | Omaha, Norfolk, and Bellevue   | \$ 10.0 | 100 | 2006 |
| LCF Holdings, Inc. & Subs.        | Omaha, Lincoln, Fremont, Norfolk, Bellevue, and Ainsworth            | \$ 3.2  | 30  | 1990 |
| Leprino Foods Company             | Ravenna  | \$ 20.0 | 0   | 2002 |

|  |  |         |     |      |
|--|--|---------|-----|------|
| Level 3 Communications, Inc.             | Statewide  | \$ 10.0 | 100 | 1996 |
| LI-COR, Inc.                             | Lincoln  | \$ 3.0  | 30  | 1998 |
| Lincoln Industries                       | Lincoln  | \$ 12.4 | 112 | 2001 |
| Lincoln Poultry & Egg Co.                | Lincoln  | \$ 10.0 | 101 | 2005 |
| Lincoln Snacks, Inc.                     | Lincoln  | \$ 8.7  | 50  | 2006 |
| Linweld, Inc.                            | Statewide  | \$ 3.0  | 30  | 2004 |
| Linweld, Inc.                            | Lincoln, Hastings, Holdrege, Columbus, Omaha, Kearney, Waverly, Norfolk, Grand Island, and Scottsbluff | \$ 3.0  | 30  | 1991 |
| Lockheed Martin Corporation              | Bellevue   | \$ 11.4 | 100 | 2005 |
| Lozier Corporation                       | Omaha  | \$ 20.0 | 0   | 1997 |
| M.G. Waldbaum Company                    | Wakefield, Bloomfield, and Wayne   | \$ 18.9 | 109 | 2002 |
| Mallory USA, Inc.                        | South Sioux City   | \$ 3.0  | 30  | 1991 |
| Maplehurst Bakeries, Inc.                | Nebraska City  | \$ 3.0  | 30  | 1997 |
| Marianna Industries, Inc.                | Omaha  | \$ 5.6  | 30  | 2004 |
| McCain Foods USA, Inc.                   | Grand Island   | \$ 20.0 | 100 | 2004 |
| MDS US, Inc. & Affiliates                | Lincoln and Omaha  | \$ 15.1 | 140 | 1999 |
| MDS US, Inc. & Affiliates                | Lincoln and Omaha  | \$ 22.8 | 100 | 2007 |
| Metal-Tech Partners                      | Bruning and Geneva   | \$ 3.3  | 83  | 2001 |
| Metz Baking Company                      | Hastings, Bellevue, and South Sioux City   | \$ 15.0 | 100 | 2004 |
| MI Industries                            | Lincoln  | \$ 10.6 | 100 | 2006 |
| Mid America Agri Products/Horizon, LLC   | Cambridge  | \$ 61.0 | 40  | 2007 |
| Mid America Agri Products/Wheatland, LLC | Madrid   | \$ 61.0 | 40  | 2007 |
| Mid America Computer Corporation         | Blair  | \$ 11.5 | 131 | 2006 |
| Mid America Computer Corporation         | Blair  | \$ 11.0 | 133 | 1990 |
| MidAmerican Energy Holdings Company      | Omaha  | \$ 10.0 | 200 | 2005 |
| MidAmerican Energy Holdings Company      | Omaha  | \$ 3.0  | 30  | 1992 |

|                                    |  |          |     |      |
|------------------------------------|--|----------|-----|------|
| Midwest Renewable Energy, LLC      | Sutherland   | \$ 23.5  | 40  | 2006 |
| Midwest Web, Inc.                  | Lincoln  | \$ 4.7   | 30  | 1997 |
| Millard Refrigerated Services      | Douglas and Sarpy Counties   | \$ 14.7  | 210 | 1990 |
| Modern Equipment Co, Inc.          | Douglas County   | \$ 3.5   | 110 | 1988 |
| Molex Incorporated                 | Lincoln  | \$ 4.6   | 43  | 1990 |
| MP Global Products, LLC            | Norfolk  | \$ 3.3   | 32  | 2000 |
| MSI Systems Integrators, Inc.      | Omaha  | \$ 3.0   | 30  | 1999 |
| Mutual of Omaha Insurance Company  | Omaha  | \$ 166.0 | 0   | 2002 |
| National Research Corporation      | Lincoln  | \$ 3.0   | 30  | 2008 |
| Natura Manufacturing, Inc.         | Fremont  | \$ 23.4  | 100 | 2002 |
| NBC Acquisition Corp.              | Lincoln  | \$ 10.0  | 100 | 2003 |
| Neapco, LLC                        | Beatrice   | \$ 5.9   | 30  | 2001 |
| Nebraska Beef, Ltd.                | Omaha  | \$ 10.0  | 100 | 1994 |
| Nebraska Energy, LLC               | Aurora   | \$ 35.0  | 30  | 1995 |
| Nebraska Furniture Mart, Inc.      | Omaha  | \$ 25.0  | 100 | 2003 |
| Nebraska Orthopaedic Hospital, LLC | Omaha  | \$ 34.9  | 30  | 2007 |
| Nebraska Transport Co., Inc.       | Scottsbluff, Alliance, Sidney, North Platte, Norfolk, Grand Island, Lincoln, and Omaha | \$ 10.5  | 30  | 2006 |
| Nedelco, Inc. & Subsidiaries       | Aurora, North Platte, Grand Island, Kearney, and Columbus                              | \$ 8.5   | 393 | 2006 |
| Nedelco, Inc. & Subsidiaries       | Aurora and Columbus  | \$ 4.9   | 147 | 1997 |
| Nelnet, Inc.                       | Lincoln  | \$ 3.5   | 35  | 2003 |
| Nestle Holdings, Inc.              | Crete  | \$ 15.2  | 100 | 2007 |
| Nonpareil - RDO, L.L.C.            | O'Neill, Bassett, and Atkinson   | \$ 15.8  | 100 | 1999 |
| Nordic Biofuels of Ravenna, LLC    | Ravenna  | \$ 10.0  | 100 | 2006 |
| Norfolk Iron & Metal Company       | Norfolk  | \$ 11.0  | 30  | 2004 |
| Novartis Consumer Health, Inc.     | Lincoln  | \$ 10.0  | 100 | 1997 |
| Nucor Corporation                  | Norfolk  | \$ 3.0   | 30  | 2007 |

|  |  |         |     |      |
|--|--|---------|-----|------|
| Omaha Printing Company                     | Omaha  | \$ 11.5 | 100 | 2006 |
| Omaha Steaks International, Inc.           | Omaha, Snyder, and Bellevue  | \$ 12.8 | 105 | 2006 |
| Omaha Steaks International, Inc.           | Metropolitan Omaha Area and Snyder   | \$ 10.0 | 100 | 1996 |
| Omaha World Herald Company                 | Omaha  | \$ 9.0  | 30  | 1999 |
| Omni Holding Company                       | Omaha; Douglas and Sarpy Counties  | \$ 3.8  | 34  | 1989 |
| Omni Hotels Management Corporation         | Omaha  | \$ 3.4  | 30  | 2004 |
| Optimus Corporation                        | Omaha  | \$ 10.0 | 100 | 2007 |
| ORI Great West Holdings                    | South Sioux City and Grand Island  | \$ 10.7 | 187 | 2006 |
| OTC Holdings Corporation                   | Omaha, Lincoln, LaVista, and Fremont   | \$ 10.5 | 105 | 2003 |
| Overhead Door Corporation                  | Grand Island   | \$ 4.2  | 136 | 2003 |
| Pacific Life Insurance Co.                 | Omaha  | \$ 10.0 | 100 | 2005 |
| Parker Hannifin Corporation & Subsidiaries | Alliance and McCook  | \$ 13.8 | 100 | 2006 |
| Parker Hannifin Corporation & Subsidiaries | Alliance and McCook  | \$ 13.6 | 71  | 1996 |
| Parker Hannifin Corporation & Subsidiaries | Lincoln  | \$ 5.0  | 40  | 1996 |
| PayPal, Inc.                               | Omaha  | \$ 16.0 | 800 | 2003 |
| Pennington Seed, Inc. of Nebraska          | Sidney   | \$ 10.0 | 100 | 1996 |
| Perot Systems, Inc.                        | Lincoln  | \$ 12.8 | 900 | 2004 |
| Peter Kiewit Sons, Inc.                    | Omaha  | \$ 10.0 | 100 | 2006 |
| Pfizer, Inc.                               | Lincoln and Omaha  | \$ 85.0 | 0   | 2007 |
| Physicians Mutual Insurance Company        | Omaha  | \$ 14.0 | 150 | 1996 |
| Pinnacle Bancorp, Inc.                     | Beatrice, Neligh, Schuyler, Wisner, Arnold, Lexington, Omaha, Elwood, Aurora, O'Neill, Ogallala, Verdigre, Lincoln, Madison, Central City, Palmer, Grant, Columbus, Crete, Osceola, Shelby, Gretna, Papillion, and Elkhorn | \$ 10.0 | 100 | 2005 |
| Pinnacle Data Services, LLC                | Gretna   | \$ 3.0  | 30  | 2001 |

|  |  |         |     |      |
|--|--|---------|-----|------|
| Plastic Companies Enterprises, Inc.              | Lincoln  | \$ 4.2  | 32  | 2007 |
| Platte Valley Financial Services Companies, Inc. | Scottsbluff, Bridgeport, Gering, Minitare, and Morrill | \$ 3.7  | 50  | 1998 |
| Platte Valley Fuel Ethanol, LLC                  | Central City   | \$ 10.0 | 100 | 2005 |
| Powermate Holding Corporation                    | Kearney and Omaha                                      | \$ 10.0 | 100 | 2007 |
| Precision Castparts Corp.                        | Norfolk  | \$ 3.9  | 35  | 1998 |
| Precision Industries, Inc.                       | Omaha and Lincoln                                      | \$ 10.1 | 100 | 2007 |
| Premier Industries, Inc.                         | Mead   | \$ 3.0  | 30  | 1997 |
| Printco Graphics, Inc.                           | Omaha  | \$ 3.0  | 67  | 2004 |
| Professional Veterinary Products, LTD            | Omaha  | \$ 10.0 | 100 | 2002 |
| Profitstar, Inc.                                 | Omaha  | \$ 10.0 | 100 | 2001 |
| Quality Pork International, Inc.                 | Omaha  | \$ 10.0 | 100 | 1997 |
| Quebecor World Lincoln, Inc.                     | Lincoln and surrounding areas                          | \$ 10.0 | 100 | 2004 |
| Qwest Corporation                                | Omaha area   | \$ 60.0 | 150 | 1987 |
| R K Aerials, LLC                                 | Fremont  | \$ 3.0  | 30  | 2007 |
| Ready Tech-Go, Inc.                              | Fremont  | \$ 3.0  | 30  | 2007 |
| Reinhart Foodservice, LLC                        | Omaha  | \$ 3.0  | 30  | 1995 |
| Reinke Manufacturing Company, Inc.               | Deshler  | \$ 10.7 | 30  | 1998 |
| Reliance Electric Industrial Company             | Columbus   | \$ 3.0  | 30  | 1997 |
| Restful Knights, Inc.                            | Wayne  | \$ 10.0 | 100 | 2003 |
| Rotella's Italian Bakery, Inc.                   | Omaha  | \$ 3.0  | 30  | 1999 |
| Securities America Financial Corporation         | Omaha and LaVista                                      | \$ 7.0  | 100 | 1999 |
| Securities America Financial Corporation         | Omaha  | \$ 14.0 | 30  | 2007 |
| Security National Bank                           | Omaha  | \$ 5.0  | 30  | 2003 |
| Signature Performance, Inc.                      | Omaha  | \$ 3.4  | 90  | 2007 |
| Silverstone Holdings, Inc.                       | Omaha  | \$ 3.0  | 30  | 1999 |
| Siouxland Ethanol, LLC                           | Jackson  | \$ 62.3 | 35  | 2006 |
| Southwark Metal Manufacturing Co.                | Fremont  | \$ 4.0  | 30  | 2006 |

|  |   |         |     |      |
|--|---|---------|-----|------|
| Specialty Retail Holding Corp.                         | Omaha   | \$ 37.5 | 158 | 2005 |
| Speedway Motors, Inc.                                  | Lincoln   | \$ 3.0  | 30  | 2007 |
| Sprint Spectrum L.P.                                   | Statewide   | \$ 35.0 | 150 | 1997 |
| Standard Iron, Inc.                                    | Grand Island  | \$ 10.6 | 100 | 2007 |
| Stanley Security Solutions, Inc.                       | Lincoln   | \$ 3.0  | 30  | 1996 |
| State Steel of Omaha, Inc.                             | Omaha   | \$ 3.8  | 30  | 2004 |
| Store Kraft Manufacturing Co.                          | Beatrice  | \$ 10.0 | 100 | 2006 |
| Streck Laboratories                                    | Omaha   | \$ 10.0 | 100 | 1997 |
| Sysco Corporation & Subsidiaries                       | Omaha, Lincoln, and Grand Island  | \$ 12.0 | 203 | 1998 |
| T & L Irrigation Company                               | Hastings  | \$ 3.0  | 30  | 1990 |
| Talent Plus, Inc.                                      | Lincoln   | \$ 10.0 | 100 | 2001 |
| TD Ameritrade Holding Corporation & Subsidiaries       | Omaha   | \$ 19.2 | 110 | 2002 |
| Tecumseh Poultry, LLC                                  | Tecumseh and Waverly  | \$ 10.0 | 100 | 2006 |
| Tecumseh Poultry, LLC                                  | Tecumseh  | \$ 15.0 | 922 | 2001 |
| Tekton, Inc. & Subsidiaries                            | Pender, Wayne, and Omaha  | \$ 3.0  | 30  | 1992 |
| Teledyne Technologies, Incorporated                    | Lincoln   | \$ 10.0 | 110 | 1998 |
| Tenaska, Inc.  | Omaha   | \$ 5.0  | 30  | 2005 |
| Tenaska, Inc.  | Omaha   | \$ 3.1  | 40  | 1993 |
| Tenneco Automotive, Inc.                               | Cozad   | \$ 12.9 | 155 | 2003 |
| Tenneco Automotive, Inc.                               | Cozad   | \$ 3.0  | 30  | 1991 |
| The Buckle, Inc.                                       | Kearney   | \$ 10.1 | 100 | 2004 |
| The Buckle, Inc.                                       | Kearney   | \$ 3.0  | 37  | 1990 |
| The Oilgear Company                                    | Fremont   | \$ 3.0  | 30  | 1995 |
| THT Designs, Inc.                                      | Omaha and LaVista   | \$ 10.0 | 100 | 2004 |
| THT Designs, Inc.                                      | Omaha   | \$ 10.0 | 100 | 1996 |
| Tier One Bank  | Statewide   | \$ 4.8  | 39  | 1999 |
| Time Warner Entertainment Advance/Newhouse Partnership | Lincoln, Lancaster County, Crete, Auburn, Nebraska City, Tecumseh, Table Rock, Pawnee City, Humboldt, Omaha, Fairbury, Superior, York, David City, Seward, Fremont, Dodge County, | \$ 30.0 | 40  | 1988 |

|                                    |  |          |       |      |
|------------------------------------|--|----------|-------|------|
|                                    | Inglewood, and Douglas County                  |          |       |      |
| TMCO, Inc.                         | Lincoln  | \$ 4.0   | 34    | 2005 |
| Tractor Supply Company             | Waverly  | \$ 18.5  | 30    | 2007 |
| Travel and Transport, Inc.         | Omaha  | \$ 3.9   | 170   | 1993 |
| Trenton Agri Products, LLC         | Trenton  | \$ 39.4  | 31    | 2004 |
| Triangle Pacific Corp.             | Auburn   | \$ 10.3  | 100   | 2000 |
| Tri-Con Industries, LTD            | Lincoln  | \$ 9.7   | 85    | 1989 |
| Tyco Healthcare Group LP           | Norfolk  | \$ 3.0   | 30    | 1994 |
| Tyco Healthcare Group LP           | Norfolk  | \$ 10.0  | 100   | 2006 |
| Tyson Fresh Meats, Inc.            | Norfolk  | \$ 23.2  | 1,000 | 2004 |
| Tyson Fresh Meats, Inc.            | Dakota City and West Point                     | \$ 10.0  | 100   | 1997 |
| Tyson Fresh Meats, Inc.            | Madison  | \$ 10.0  | 100   | 1996 |
| Tyson Fresh Meats, Inc.            | Lexington                                      | \$ 77.5  | 1,200 | 1989 |
| Tyson Processing Services, Inc.    | Omaha  | \$ 19.0  | 105   | 2006 |
| Unifi Mutual Holding Company       | Lincoln, Omaha, and Wayne                      | \$ 11.7  | 149   | 2007 |
| Unifi Mutual Holding Company       | Lincoln, Omaha, and Wayne                      | \$ 10.0  | 100   | 1999 |
| Union Pacific Corporation          | Statewide                                      | \$ 580.0 | 30    | 2006 |
| Union Pacific Corporation          | Omaha  | \$ 281.0 | 30    | 2003 |
| Union Pacific Corporation          | Greater Omaha                                  | \$ 3.0   | 30    | 1996 |
| Union Pacific Corporation          | Statewide                                      | \$ 3.0   | 30    | 1996 |
| Union Pacific Corporation          | Statewide                                      | \$ 3.0   | 30    | 1991 |
| United Distillers Products Company | Omaha  | \$ 10.0  | 100   | 2007 |
| Valmont Industries, Inc.           | Valley, McCook, West Point, Omaha, and Waverly | \$ 10.0  | 100   | 2006 |
| Valmont Industries, Inc.           | Valley, McCook, West Point, Omaha, and Waverly | \$ 10.0  | 100   | 1997 |
| Vertrue Incorporated               | Omaha  | \$ 24.9  | 481   | 2005 |

|   |  |         |     |            |
|---|--|---------|-----|------------|
| Viaero Wireless, LLC                    | Grand Island, Hastings, Kearney, North Platte, Alliance, Norfolk, Scottsbluff and other Nebraska locations | \$ 13.3 | 35  | 2005       |
| Waitt Media, Inc.                       | Omaha and Plattsmouth  | \$ 10.0 | 100 | 2004       |
| Walker Manufacturing Company            | Seward   | \$ 3.0  | 30  | 1997       |
| Wal-Mart Stores, Inc.                   | North Platte   | \$ 40.0 | 600 | 2002       |
| Walsworth Publishing Company, Inc.      | Bellevue   | \$ 3.0  | 30  | 2007       |
| Wells Fargo & Company                   | Lincoln, Grand Island, Columbus, Kearney, and North Platte   | \$ 12.0 | 115 | 1997       |
| Werner Enterprises, Inc. & Subsidiaries | Omaha  | \$ 22.1 | 100 | 2005       |
| Werner Enterprises, Inc. & Subsidiaries | Douglas and Sarpy Counties   | \$ 10.0 | 100 | 1995       |
| West Corporation                        | Omaha  | \$ 43.5 | 175 | 2007       |
| West Corporation                        | Omaha  | \$ 22.0 | 144 | 1999       |
| West Corporation                        | Omaha  | \$ 10.0 | 100 | 1996       |
| West Gate Banshares, Inc.               | Lincoln  | \$ 13.5 | 100 | 2004       |
| West Pharmaceutical Services, Inc.      | Kearney  | \$ 10.0 | 100 | 2006       |
| Wild Bill's Foods, Inc.                 | Hampton  | \$ 10.0 | 100 | 2006       |
| Wilkinson Industries, Inc.              | Fort Calhoun   | \$ 10.0 | 100 | 2006       |
| William H. Harvey Co.                   | Omaha  | \$ 3.0  | 30  | 1998       |
| Window Technologies, LLC                | Lincoln  | \$ 3.0  | 30  | 2007       |
| Windstream Corporation                  | Lincoln, southeast, and eastern Nebraska   | \$ 20.0 | 0   | 2006       |
| Wis Pak, Inc.                           | Norfolk  | \$ 3.0  | 30  | 1999       |
| Wright Printing Company                 | Omaha  | \$ 5.1  | 33  | 2002       |
| Wright Printing Company                 | Omaha  | \$ 4.4  | 60  | 1990       |
| <b>TOTAL</b>                            |  |         |     | <b>336</b> |

## Employment and Investment Growth Act Summary of Benefits Approved

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

| Benefit | 1988 - 2005 | 2006 | 2007 | 2008 | 2009 | Total |
|---------|-------------|------|------|------|------|-------|
|---------|-------------|------|------|------|------|-------|



|   |                         |                       |                       |                      |                       |                    |
|---|-------------------------|-----------------------|-----------------------|----------------------|-----------------------|--------------------|
| Qualified Applicants                                      | 369                     | 18                    | 22                    | 6                    | 14                    |                    |
| Investment:   |                         |                       |                       |                      |                       |                    |
| Investment Tax Credits                                    | 1,459,228,431           | 87,248,048            | 115,109,842           | 34,339,429           | 85,679,363            | 1,781,60           |
| New Jobs Credits  | 547,958,761             | 24,124,193            | 34,413,435            | 19,997,258           | 53,592,266            | 680,08             |
| <b>Total Credit Earned</b>                                | <b>\$ 2,007,187,192</b> | <b>\$ 111,372,241</b> | <b>\$ 149,523,277</b> | <b>\$ 54,336,687</b> | <b>\$ 139,271,629</b> | <b>\$ 2,461,69</b> |
| Tax Credits Used:   |                         |                       |                       |                      |                       |                    |
| Corporate Income Tax                                      | 491,373,338             | 29,956,611            | 29,654,172            | 22,461,325           | 64,242,920            | 637,68             |
| Individual Income Tax                                     | 110,437,423             | 8,449,126             | 12,283,727            | 7,092,625            | 9,535,285             | 147,79             |
| <b>Subtotal Income Tax</b>                                | <b>\$ 601,810,761</b>   | <b>\$ 38,405,737</b>  | <b>\$ 41,937,899</b>  | <b>\$ 29,553,950</b> | <b>\$ 73,778,205</b>  | <b>\$ 785,48</b>   |
| Sales/Use Tax Refunds                                     | 611,566,931             | 39,954,493            | 45,127,886            | 52,439,714           | 56,518,1371           | 805,60             |
| <b>Total Tax Credits Used</b>                             | <b>\$ 1,213,377,692</b> | <b>\$ 78,360,230</b>  | <b>\$ 87,065,785</b>  | <b>\$ 81,993,664</b> | <b>\$ 130,296,342</b> | <b>\$ 1,591,09</b> |
| Recapture <sup>1</sup>                                    |                         |                       |                       |                      |                       |                    |
| Repaid  | 33,458,268              | 4,101,631             | 6,234,123             | 3,849,061            | (780,275)             | 46,86              |
| From Credits  | 23,361,446              | 3,215,666             | 1,046,967             | 846,965              | 4,766,988             | 33,23              |
| <b>Tax Credits Expired</b>                                | <b>28,489,257</b>       | <b>27,343,611</b>     | <b>5,978,854</b>      | <b>6,836,475</b>     | <b>6,062,931</b>      | <b>74,71</b>       |
| <b>Qualified Investment</b>                               | <b>18,289,116,398</b>   | <b>986,072,721</b>    | <b>1,751,087,961</b>  | <b>313,611,073</b>   | <b>891,165,869</b>    | <b>22,231,05</b>   |
| Direct Sales/Use Tax Refunds:                             |                         |                       |                       |                      |                       |                    |
| Refunds on Investment                                     | 552,853,979             | 33,302,688            | 66,159,034            | 32,044,795           | 18,004,357            | 702,36             |
| Refunds on Aircraft                                       | 15,758,127              | 6,604,992             | 4,294,242             | 91,276               | 420,222               | 27,16              |
| <b>Total Direct Refunds</b>                               | <b>\$ 568,612,106</b>   | <b>\$ 39,907,680</b>  | <b>\$ 70,453,276</b>  | <b>\$ 32,136,071</b> | <b>\$ 18,424,579</b>  | <b>\$ 729,53</b>   |
| <b>New Jobs of Qualifying Companies</b>                   | <b>78,430</b>           | <b>2,894</b>          | <b>4,479</b>          | <b>1,280</b>         | <b>1,490</b>          | <b>8</b>           |
| <b>Sales/Use Tax Refunds Pending Approval at Year End</b> | <b>N/A</b>              | <b>\$ 32,211,153</b>  | <b>\$ 42,600,186</b>  | <b>\$ 39,216,412</b> | <b>\$ 23,744,227</b>  |                    |

<sup>1</sup>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, 2009, 79 projects were in recapture. \$25,790,166 in repayment due has been netted from approved refund claims, and \$21,072,641 plus interest has been repaid in cash. Credit carryover for companies that have reached the end of the entitlement period has been reduced by \$33,238,032.

## Employment and Investment Growth Act Principal Business Activity Codes and Application Option

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

| Category      | PBA Code, Major Industry Group Titles  | Application Option | Number of Companies |
|---------------|--|--------------------|---------------------|
| Manufacturing | 311, 312 Meat and Food Products  | \$10M + 100 FTE    | 32                  |
|               |  | \$20M + 0 FTE      | 4                   |
|               |  | \$3M + 30 FTE      | 12                  |
|               | 314, 322, 323, 325, 326 Printing, Paper, Chemical, Plastics, Rubber, Textile and Non-Durable products  | \$10M + 100 FTE    | 22                  |
|               |  | \$20M + 0 FTE      | 1                   |
|               |  | \$3M + 30 FTE      | 26                  |
|               | 22, 23, 321, 327, 331, 332 Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals <sup>1</sup> | \$10M + 100 FTE    | 9                   |
|               |  | \$20M + 0 FTE      | 1                   |
|               |  | \$3M + 30 FTE      | 23                  |

|  |   |                 |            |
|--|---|-----------------|------------|
|  | 333, 334, 335, 336, 337, 339 Machinery, Electronic and other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing                        | \$10M + 100 FTE | 16         |
|  |   | \$20M + 0 FTE   | 1          |
|  |   | \$3M + 30 FTE   | 28         |
| Wholesale & Retail Trade                       | 42 Durable and Non-Durable Goods  | \$10M + 100 FTE | 15         |
|  |   | \$20M + 0 FTE   | 0          |
|  |   | \$3M + 30 FTE   | 12         |
| Transportation & Warehousing                   | 48, 49 Railroads, Trucking, Air Transportation, and Warehousing   | \$10M + 100 FTE | 15         |
|  |   | \$20M + 0 FTE   | 1          |
|  |   | \$3M + 30 FTE   | 11         |
| Finance, Insurance, & Real Estate              | 52 Depository Institutions and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers  | \$10M + 100 FTE | 22         |
|  |   | \$20M + 0 FTE   | 3          |
|  |   | \$3M + 30 FTE   | 12         |
| Professional, Scientific, & Technical Services | 51, 54, 56, 62, 81 Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services <sup>2</sup> | \$10M + 100 FTE | 32         |
|  |   | \$20M + 0 FTE   | 3          |
|  |   | \$3M + 30 FTE   | 35         |
| <b>TOTAL</b>                                   |   |                 | <b>336</b> |

<sup>1</sup>Due to a decline in the number of projects, industries 22, 23, and 327 have been combined with industries 321, 331, and 332.

<sup>2</sup>Due to a decline in the number of projects, industry 51 has been combined with industries 54, 56, 62, and 81.

## Employment and Investment Growth Act Analysis of Credits (2009)

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

| Industry Group  | Total Tax Credits Earned | TAX CREDITS USED |               | Tax Credits Recaptured | Tax Credits Expired | Current Year Change to Credit Balance |
|---|--------------------------|------------------|---------------|------------------------|---------------------|---------------------------------------|
|   |                          | Income Tax       | Sales Tax     |                        |                     |                                       |
| Meat and Food Products  | \$ 27,164,893            | \$ 4,550,362     | \$ 12,494,198 | \$ 0                   | \$ 287,790          | \$ 9,832,543                          |
| Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products  | 25,105,117               | 2,620,024        | 13,461,033    | 0                      | 1,211,638           | 7,812,422                             |
| Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals <sup>1</sup> | 15,252,846               | 9,540,701        | 2,499,740     | 0                      | 380,448             | 2,831,957                             |
| Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing | 6,191,580                | 2,452,967        | 5,162,150     | 17,147                 | 2,554,027           | (3,994,711)                           |
| Durable and Non-durable Goods   | 7,492,994                | 3,753,976        | 1,871,305     | 884,560                | 14,305              | 968,848                               |

|   |                       |                      |                      |                     |                     |                       |
|---|-----------------------|----------------------|----------------------|---------------------|---------------------|-----------------------|
| Railroads, Trucking, Air Transportation, and Warehousing  | 23,754,917            | 35,098,501           | 5,545,862            | 1,229,454           | 34,731              | (18,153,631)          |
| Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers                                 | 8,467,903             | 2,774,656            | 6,825,694            | 759,158             | 0                   | (1,891,605)           |
| Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services <sup>2</sup> | 25,841,379            | 12,987,018           | 8,658,154            | 1,876,669           | 1,579,992           | 739,546               |
| <b>Total</b>  | <b>\$ 139,271,629</b> | <b>\$ 73,778,205</b> | <b>\$ 56,518,136</b> | <b>\$ 4,766,988</b> | <b>\$ 6,062,931</b> | <b>(\$ 1,854,631)</b> |

<sup>1</sup>Due to a decline in the number of projects, Electric and Gas, Construction, Stone, Clay, Glass, and Concrete Products have been combined with Wood Product manufacturing, Primary and Fabricated Metals.

<sup>2</sup>Due to a decline in the number of projects, Publishing, Communications, and Information and Data Processing Services have been combined with Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services.

## Analysis of Credits by Industry Group (Cumulative Through 2009)

| Industry Group  | Total Tax Credits Earned | TAX CREDITS USED |                | Tax Credits Recaptured | Tax Credits Expired | Current Year Change to Credit Balance |
|---|--------------------------|------------------|----------------|------------------------|---------------------|---------------------------------------|
|   |                          | Income Tax       | Sales Tax      |                        |                     |                                       |
| Meat and Food Products  | \$ 383,849,567           | \$ 107,845,873   | \$ 136,759,324 | \$ 1,827,872           | \$ 28,031,761       | \$ 109,384,737                        |
| Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products  | 306,291,262              | 34,609,078       | 123,098,968    | 994,683                | 8,812,833           | 138,775,700                           |
| Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals <sup>1</sup> | 132,578,237              | 69,935,023       | 18,653,327     | 1,111,351              | 538,250             | 42,340,286                            |
| Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing | 284,152,122              | 59,185,880       | 131,100,990    | 3,204,007              | 5,522,396           | 85,138,849                            |
| Durable and Non-durable Goods   | 98,824,613               | 44,510,314       | 26,782,904     | 4,277,714              | 7,625,292           | 15,628,389                            |
| Railroads, Trucking, Air Transportation, and Warehousing  | 424,003,482              | 169,934,641      | 72,802,569     | 7,164,660              | 375,508             | 173,726,104                           |

|   |                         |                       |                       |                      |                      |                       |
|---|-------------------------|-----------------------|-----------------------|----------------------|----------------------|-----------------------|
| Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers                                 | 400,985,184             | 114,963,252           | 193,204,138           | 4,801,549            | 3,530,261            | 84,485,984            |
| Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services <sup>2</sup> | 431,006,559             | 184,502,491           | 103,204,941           | 9,856,196            | 20,274,827           | 113,168,104           |
| <b>Total</b>  | <b>\$ 2,461,691,026</b> | <b>\$ 785,486,552</b> | <b>\$ 805,607,161</b> | <b>\$ 33,238,032</b> | <b>\$ 74,711,128</b> | <b>\$ 762,648,153</b> |

<sup>1</sup>Due to a decline in the number of projects, Electric and Gas, Construction, Stone, Clay, Glass, and Concrete Products have been combined with Wood Product manufacturing, Primary and Fabricated Metals.

<sup>2</sup>Due to a decline in the number of projects, Publishing, Communications, and Information and Data Processing Services have been combined with Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services.

## Employment and Investment Growth Act Analysis of Sales and Use Tax Refunds, (2009)

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

| Industry Group  | APPROVED REFUNDS |                           |               | Refunds Pending as of 12/31/2009 |
|---|------------------|---------------------------|---------------|----------------------------------|
|   | Direct Refunds   | Refunds Using Tax Credits | Total         |                                  |
| Meat and Food Products  | \$ 1,738,273     | \$ 12,494,198             | \$ 14,232,470 | \$ 1,737,503                     |
| Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products  | 1,251,859        | 13,461,033                | 14,712,892    | 4,298,004                        |
| Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals <sup>1</sup> | 1,695,014        | 2,499,740                 | 4,194,754     | 1,915,907                        |
| Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing | 644,949          | 5,162,150                 | 5,807,099     | 2,772,072                        |
| Durable and Non-durable Goods   | 378,039          | 1,871,305                 | 2,249,344     | 551,305                          |
| Railroads, Trucking, Air Transportation, and Warehousing  | 2,770,252        | 5,545,862                 | 8,316,114     | 2,232,970                        |
| Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers | 4,555,297        | 6,825,694                 | 11,380,991    | 3,690,388                        |
| Publishing, Communications, and Information and Data Processing Services, Engineering, Business,  | 5,390,896        | 8,658,154                 | 14,049,050    | 6,546,077                        |

|  |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|
| Management, Scientific Repair, Sanitary, and Miscellaneous Services <sup>2</sup> |                      |                      |                      |                      |
| <b>Total</b>   | <b>\$ 18,424,579</b> | <b>\$ 56,518,136</b> | <b>\$ 74,942,714</b> | <b>\$ 23,744,226</b> |

<sup>1</sup>Due to a decline in the number of projects, Electric and Gas, Construction, Stone, Clay, Glass, and Concrete Products have been combined with Wood Product manufacturing, Primary and Fabricated Metals.

<sup>2</sup>Due to a decline in the number of projects, Publishing, Communications, and Information and Data Processing Services have been combined with Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services.

## Analysis of Sales and Use Tax Refunds, by Industry Group (Cumulative through 2009)

| Industry Group  | APPROVED REFUNDS      |                           |                         |
|---|-----------------------|---------------------------|-------------------------|
|   | Direct Refunds        | Refunds Using Tax Credits | Total                   |
| Meat and Food Products  | \$ 92,438,350         | \$ 136,759,324            | \$ 229,197,674          |
| Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products  | 67,628,483            | 123,098,968               | 190,727,451             |
| Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals <sup>1</sup>                                 | 39,325,281            | 18,653,327                | 57,978,608              |
| Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing                                 | 70,392,951            | 131,100,990               | 201,493,941             |
| Durable and Non-durable Goods   | 22,575,719            | 26,782,904                | 49,358,623              |
| Railroads, Trucking, Air Transportation, and Warehousing  | 101,030,132           | 72,802,569                | 173,832,701             |
| Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers                                 | 149,918,179           | 193,204,138               | 343,122,317             |
| Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services <sup>2</sup> | 186,224,618           | 103,204,941               | 289,429,559             |
| <b>Total</b>  | <b>\$ 729,533,713</b> | <b>\$ 805,607,161</b>     | <b>\$ 1,535,140,874</b> |

<sup>1</sup>Due to a decline in the number of projects, Electric and Gas, Construction, Stone, Clay, Glass, and Concrete Products have been combined with Wood Product manufacturing, Primary and Fabricated Metals.

<sup>2</sup>Due to a decline in the number of projects, Publishing, Communications, and Information and Data Processing Services have been combined with Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services.

## Employment and Investment Growth Act Analysis of Sales and Use Tax Refunds - Approved Refunds Net of Recapture

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

|                  | 1988-2005               | 2006                 | 2007                  | 2008                 | 2009                 | Total                   | Refunds Pending as of 12/31/2009 |
|------------------|-------------------------|----------------------|-----------------------|----------------------|----------------------|-------------------------|----------------------------------|
| Number of Claims | 11,258                  | 668                  | 722                   | 675                  | 593                  | 13,916                  | 173                              |
| State Tax        | \$ 981,245,209          | \$ 65,313,971        | \$ 94,449,740         | \$ 69,325,351        | \$ 67,104,947        | \$1,277,439,218         | \$ 19,512,283                    |
| Local Tax        | \$ 182,737,089          | \$ 12,232,972        | \$ 17,940,380         | \$ 11,527,607        | \$ 8,949,854         | \$ 233,387,902          | \$ 4,231,944                     |
| <b>Total</b>     | <b>\$ 1,163,982,298</b> | <b>\$ 77,546,943</b> | <b>\$ 112,390,120</b> | <b>\$ 80,852,958</b> | <b>\$ 76,054,801</b> | <b>\$ 1,510,827,120</b> | <b>\$ 23,744,227</b>             |

## Employment and Investment Growth Act Investment in Qualified Property

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

| Industry Group  | 1988 - 2005      | 2006           | 2007           | 2008          | 2009           | Total            |
|---|------------------|----------------|----------------|---------------|----------------|------------------|
| Meat and Food Products  | \$ 2,537,541,278 | \$ 215,202,642 | \$ 128,311,999 | \$ 90,950,954 | \$ 142,782,689 | \$ 3,114,789,562 |
| Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non Durable Products  | 2,103,432,095    | 140,903,920    | 53,565,130     | 82,082,111    | 234,442,290    | \$ 2,614,425,546 |
| Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals <sup>1</sup> | 863,317,387      | 53,518,039     | 176,872,430    | 51,888,020    | 82,298,250     | \$ 1,227,894,126 |
| Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing | 2,014,358,677    | 74,263,577     | 125,665,863    | 33,364,494    | 49,161,900     | \$ 2,296,814,511 |
| Durable and Non Durable Goods   | 499,300,774      | 13,184,900     | 23,249,020     | 18,483,060    | 57,293,610     | \$ 611,511,364   |
| Railroads, Trucking, Air Transportation, and Warehousing  | 3,230,512,176    | 100,325,720    | 569,109,065    | 9,622,255     | 87,612,890     | \$ 3,997,182,106 |
| Depository Institutions and Non-Depository  | 2,749,247,540    | 296,422,170    | 150,608,493    | 3,015,389     | 61,770,037     | \$ 3,261,063,629 |

|  |                          |                       |                         |                       |                       |                          |  |
|--|--------------------------|-----------------------|-------------------------|-----------------------|-----------------------|--------------------------|--|
| Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers   |                          |                       |                         |                       |                       |                          |  |
| Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services <sup>2</sup> | 4,291,406,471            | 92,251,753            | 523,705,961             | 24,204,790            | 175,804,203           | <b>\$ 5,107,373,178</b>  |  |
| <b>Total</b>   | <b>\$ 18,289,116,398</b> | <b>\$ 986,072,721</b> | <b>\$ 1,751,087,961</b> | <b>\$ 313,611,073</b> | <b>\$ 891,165,869</b> | <b>\$ 22,231,054,022</b> |  |

<sup>1</sup>Due to a decline in the number of projects, Electric and Gas, Construction, Stone, Clay, Glass, and Concrete Products have been combined with Wood Product manufacturing, Primary and Fabricated Metals.

<sup>2</sup>Due to a decline in the number of projects, Publishing, Communications, and Information and Data Processing Services have been combined with Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services.

## Employment and Investment Growth Act Number of FTE Jobs Created

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

| Industry Group  | 1988 - 2005 | 2006  | 2007  | 2008  | 2009  | Total         |
|---|-------------|-------|-------|-------|-------|---------------|
| Meat and Food Products  | 17,386      | 1,026 | 275   | 125   | 272   | <b>19,084</b> |
| Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non Durable Products  | 5,489       | 237   | 93    | 90    | 208   | <b>6,117</b>  |
| Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals <sup>1</sup> | 2,810       | 295   | 511   | 120   | 173   | <b>3,909</b>  |
| Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing | 9,905       | 315   | 1,017 | (168) | (93)  | <b>10,976</b> |
| Durable and Non Durable Goods   | 4,691       | (173) | 51    | 153   | 416   | <b>5,138</b>  |
| Railroads, Trucking, Air Transportation, and Warehousing  | 6,170       | 727   | 1,579 | 315   | (466) | <b>8,325</b>  |
| Depository Institutions and Non Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers | 14,110      | 274   | 408   | 352   | 216   | <b>15,360</b> |



|  |               |              |              |              |              |               |
|--|---------------|--------------|--------------|--------------|--------------|---------------|
| Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services <sup>2</sup> | 17,869        | 193          | 545          | 293          | 764          | 19,664        |
| <b>Total</b>   | <b>78,430</b> | <b>2,894</b> | <b>4,479</b> | <b>1,280</b> | <b>1,490</b> | <b>88,573</b> |

<sup>1</sup>Due to a decline in the number of projects, Electric and Gas, Construction, Stone, Clay, Glass, and Concrete Products have been combined with Wood Product manufacturing, Primary and Fabricated Metals.

<sup>2</sup>Due to a decline in the number of projects, Publishing, Communications, and Information and Data Processing Services have been combined with Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services.

## Employment and Investment Growth Act Total Number Employed by Qualified Applications

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

| Industry Group   | Employees at End of Quarter Prior to Date of Application | Employees on Most Recent Reporting Date | Increase or Decrease |
|--|--|---|----------------------|
| Meat and Food Products   | 10,428   | 7,902                                   | (2,526)              |
| Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non Durable Products   | 1,515  | 2,040                                   | 525                  |
| Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals <sup>1</sup>                                  | 2,416  | 4,243                                   | 1827                 |
| Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing                                  | 5,118  | 4,897                                   | (221)                |
| Durable and Non Durable Goods  | 4,854  | 5,555                                   | 701                  |
| Railroads, Trucking, Air Transportation, and Warehousing   | 21,627   | 28,063                                  | 6,436                |
| Depository Institutions and Non Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers                                  | 11,352   | 10,855                                  | (497)                |
| Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services <sup>2</sup> | 9,401  | 12,509                                  | 3,108                |
| <b>Total</b>   | <b>66,711</b>  | <b>76,064</b>                           | <b>9,353</b>         |

<sup>1</sup>Due to a decline in the number of projects, Electric and Gas, Construction, Stone, Clay, Glass, and Concrete Products have been combined with Wood Product manufacturing, Primary and Fabricated Metals.

<sup>2</sup>Due to a decline in the number of projects, Publishing, Communications, and Information



## Employment and Investment Growth Act Average Salary of New Employees (2009)

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

| Industry Group   | Total New FTE Employees | Estimated Average Salary of New Employees |
|--|-------------------------|---|
| Meat and Food Products   | 272                     | \$ 82,200                                 |
| Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non Durable Products   | 208                     | 34,567                                    |
| Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals <sup>1</sup>                                  | 173                     | 48,759                                    |
| Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing                                  | (93)                    | N/A                                       |
| Durable and Non Durable Goods  | 416                     | 42,292                                    |
| Railroads, Trucking, Air Transportation, and Warehousing   | (466)                   | N/A                                       |
| Depository Institutions and Non Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers                                  | 216                     | 42,111                                    |
| Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services <sup>2</sup> | 764                     | 35,495                                    |
| <b>Total</b>   | <b>1,490</b>            | <b>\$ 46,038<sup>3</sup></b>              |

<sup>1</sup>Due to a decline in the number of projects, Electric and Gas, Construction, Stone, Clay, Glass, and Concrete Products have been combined with Wood Product manufacturing, Primary and Fabricated Metals.

<sup>2</sup>Due to a decline in the number of projects, Publishing, Communications, and Information and Data Processing Services have been combined with Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services.

<sup>3</sup>The total weighted average salary is calculated by multiplying the number of FTEs for each project reporting positive FTE growth, times the average salary of new employees at that project.

## Average Salary of New Employees, by Industry Group (Cumulative through 2009)

| Industry Group   | Total New FTE Employees | Estimated Average Salary of New Employees |
|--|-------------------------|---|
| Meat and Food Products   | 19,084                  | \$ 28,225                                 |
| Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non Durable Products | 6,117                   | 28,076                                    |

|  |               |                             |
|--|---------------|-----------------------------|
| Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals <sup>1</sup>                                  | 3,909         | 36,299                      |
| Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing                                  | 10,976        | 30,229                      |
| Durable and Non Durable Goods  | 5,138         | 30,135                      |
| Railroads, Trucking, Air Transportation, and Warehousing   | 8,325         | 44,782                      |
| Depository Institutions and Non Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers                                  | 15,360        | 33,721                      |
| Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services <sup>2</sup> | 19,664        | 28,402                      |
| <b>Total</b>   | <b>88,573</b> | <b>\$31,479<sup>3</sup></b> |

<sup>1</sup>Due to a decline in the number of projects, Electric and Gas, Construction, Stone, Clay, Glass, and Concrete Products have been combined with Wood Product manufacturing, Primary and Fabricated Metals.

<sup>2</sup>Due to a decline in the number of projects, Publishing, Communications, and Information and Data Processing Services have been combined with Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services.

<sup>3</sup>The total weighted average salary is calculated by multiplying the number of FTEs for each project reporting positive FTE growth, times the average salary of new employees at that project.

## Employment and Investment Growth Act Estimate of Personal Property Value Exempted

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

### Property Tax Benefit:

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

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

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

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

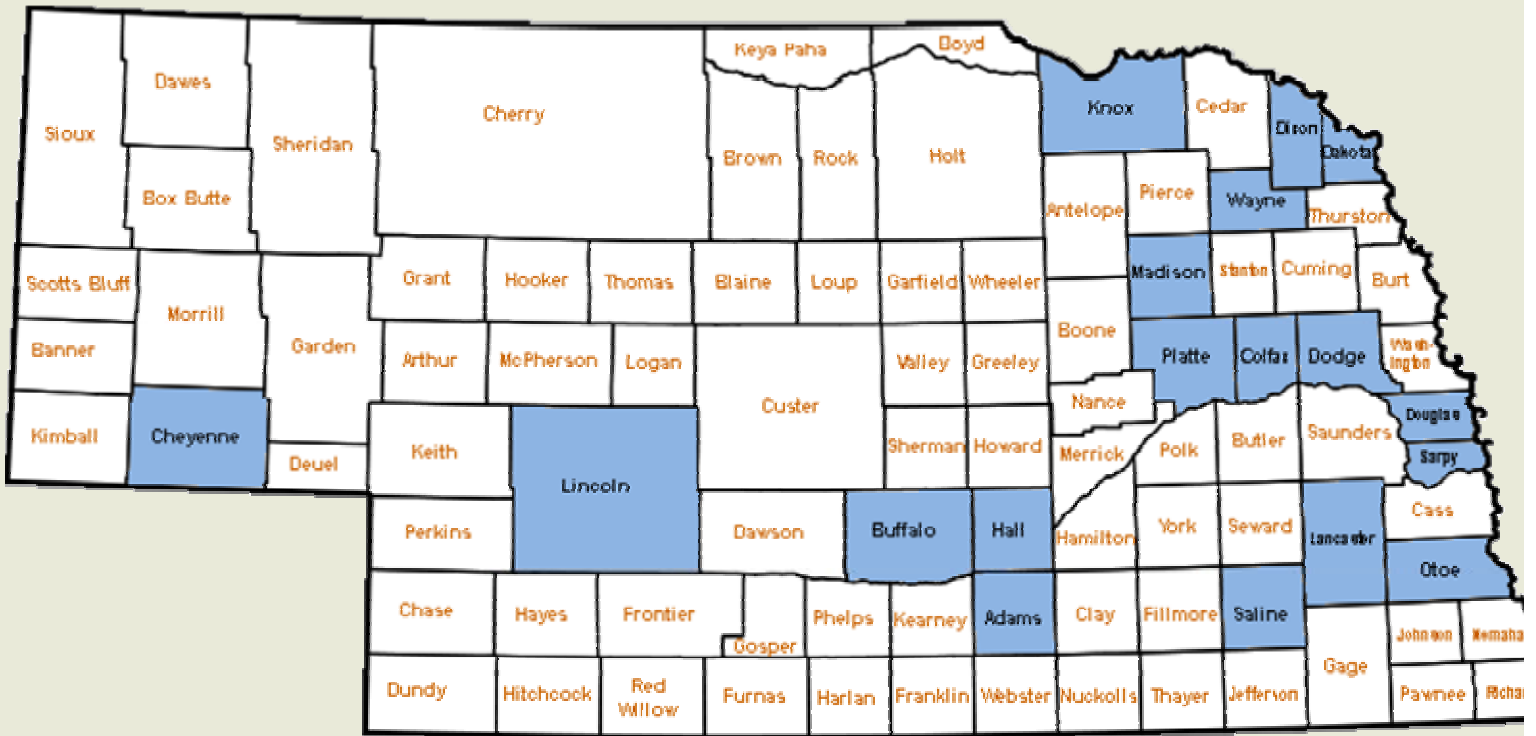
The following tables show the value of personal property exempted for 2009, and cumulatively for tax years 1988-2009.

### Estimate of Personal Property Value Exempted by Class in Each County (Tax Year 2009)

| County | Airplanes | Computer Equipment | Ag Processing Equipment | TOTAL |
|--------|-----------|--------------------|-------------------------|-------|
|--------|-----------|--------------------|-------------------------|-------|

|              |                     |                     |                      |                      |
|--------------|---------------------|---------------------|----------------------|----------------------|
| Adams        | \$ 0                | \$ 0                | \$ 74,588,448        | \$ 74,588,448        |
| Buffalo      | 12,230,438          | 1,022,992           | 0                    | 13,253,430           |
| Cheyenne     | 2,503,768           | 10,490,752          | 0                    | 12,994,520           |
| Colfax       | 0                   | 0                   | 20,004,896           | 20,004,896           |
| Dakota       | 0                   | 0                   | 100,714,892          | 100,714,892          |
| Dixon        | 0                   | 0                   | 16,423,261           | 16,423,261           |
| Dodge        | 0                   | 0                   | 50,894               | 50,894               |
| Douglas      | 4,610,800           | 45,772,124          | 3,931,621            | 54,314,545           |
| Hall         | 0                   | 127,969             | 6,692,604            | 6,820,573            |
| Knox         | 0                   | 0                   | 1,067,188            | 1,067,188            |
| Lancaster    | 220,115             | 1,061,439           | 0                    | 1,281,554            |
| Lincoln      | 0                   | 238,870             | 0                    | 238,870              |
| Madison      | 0                   | 0                   | 5,790,844            | 5,790,844            |
| Otoe         | 0                   | 0                   | 8,691,772            | 8,691,772            |
| Platte       | 0                   | 0                   | 4,215,833            | 4,215,833            |
| Saline       | 0                   | 751,755             | 22,639,227           | 23,390,982           |
| Sarpy        | 0                   | 3,971,642           | 10,907               | 3,982,549            |
| Wayne        | 0                   | 0                   | 22,208               | 22,208               |
| <b>TOTAL</b> | <b>\$19,565,121</b> | <b>\$63,437,543</b> | <b>\$264,844,595</b> | <b>\$347,847,259</b> |

**Personal Property Exemption by County  
(Tax Year 2009)**



**Estimate of Personal Property Value Exempted  
by Class in Each County  
(Cumulative for Tax Years 1988 – 2009)**

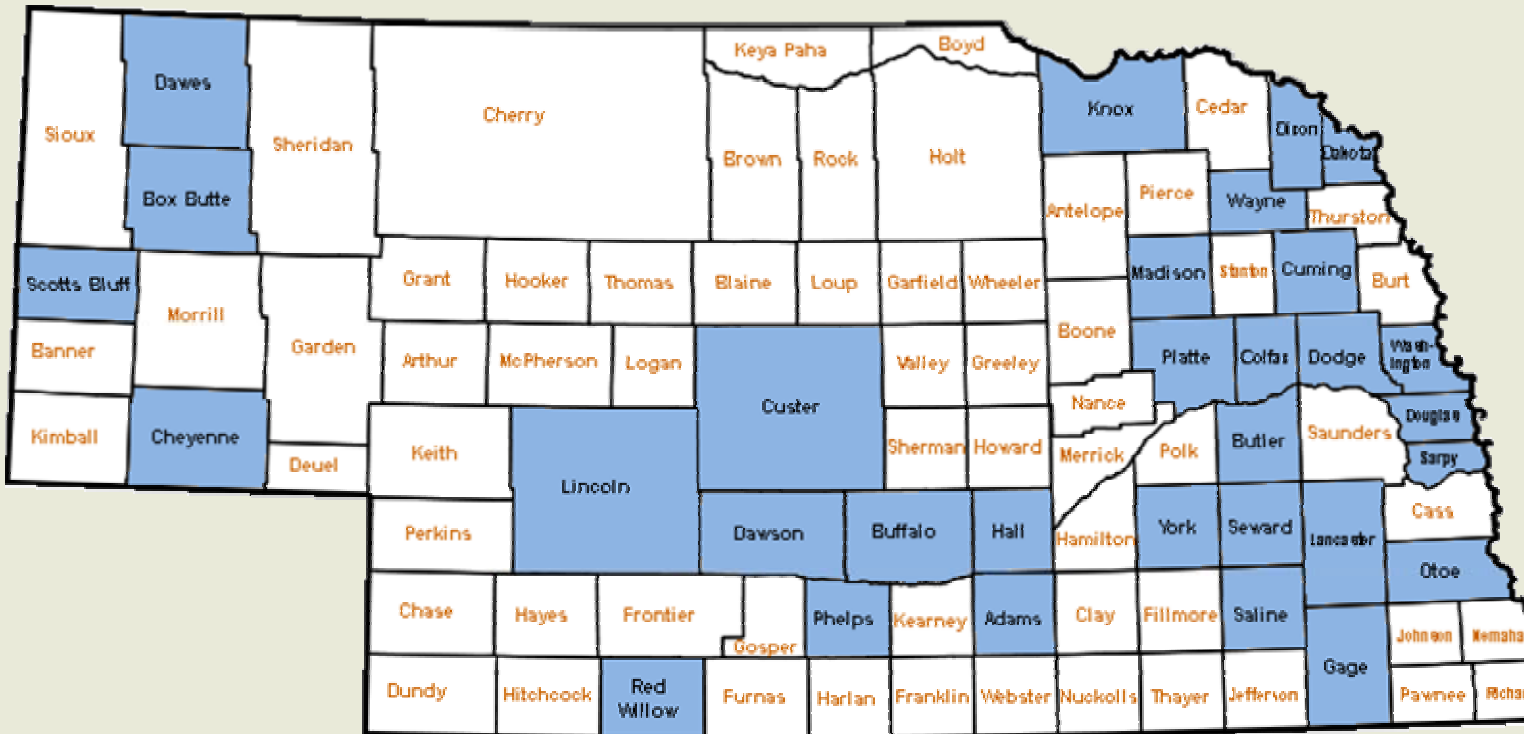
| County    | Airplanes  | Computer Equipment | Ag Processing Equipment | TOTAL          |
|-----------|------------|--------------------|-------------------------|----------------|
| Adams     | \$ 0       | \$ 0               | \$ 615,664,721          | \$ 615,664,721 |
| Box Butte | 0          | 102,472            | 0                       | 102,472        |
| Buffalo   | 12,230,438 | 7,328,210          | 67,563                  | 19,626,211     |
| Butler    | 0          | 41,145             | 0                       | 41,145         |
| Cheyenne  | 22,441,374 | 89,876,867         | 0                       | 112,318,241    |
| Colfax    | 0          | 0                  | 257,473,237             | 257,473,237    |
| Cuming    | 0          | 0                  | 16,263,139              | 16,263,139     |
| Custer    | 0          | 663,100            | 10,194                  | 673,294        |
| Dakota    | 0          | 0                  | 607,936,646             | 607,936,646    |

|              |             |               |               |               |
|--------------|-------------|---------------|---------------|---------------|
| Dawes        | 0           | 171,909       | 0             | 171,909       |
| Dawson       | 0           | 0             | 232,425,195   | 232,425,195   |
| Dixon        | 0           | 504,272       | 195,352,120   | 195,856,392   |
| Dodge        | 0           | 258,633       | 103,785,378   | 104,044,011   |
| Douglas      | 502,597,240 | 2,178,409,228 | 703,195,721   | 3,384,202,189 |
| Gage         | 0           | 62,719        | 1,344,011     | 1,406,730     |
| Hall         | 6,266,267   | 3,953,157     | 135,764,069   | 145,983,493   |
| Knox         | 0           | 0             | 72,914,186    | 72,914,186    |
| Lancaster    | 34,715,020  | 85,356,380    | 242,968       | 120,314,368   |
| Lincoln      | 0           | 7,191,722     | 48,451        | 7,240,173     |
| Madison      | 0           | 6,943         | 216,617,686   | 216,624,629   |
| Otoe         | 0           | 0             | 100,540,081   | 100,540,081   |
| Phelps       | 0           | 1,539,181     | 0             | 1,539,181     |
| Platte       | 0           | 9,052,197     | 1,194,080,190 | 1,203,132,387 |
| Red Willow   | 0           | 0             | 37,941        | 37,941        |
| Saline       | 0           | 7,251,645     | 285,908,096   | 293,159,741   |
| Sarpy        | 7,911,346   | 90,308,148    | 46,793,778    | 145,013,272   |
| Scotts Bluff | 0           | 345,383       | 0             | 345,383       |
| Seward       | 0           | 141,359       | 0             | 141,359       |
| Washington   | 0           | 340,809       | 1,610,190,471 | 1,610,531,280 |

|              |                       |                         |                         |                         |
|--------------|-----------------------|-------------------------|-------------------------|-------------------------|
| Wayne        | 0                     | 117,223                 | 233,741                 | 350,964                 |
| York         | 0                     | 366,371                 | 0                       | 366,371                 |
| *Central     | 76,497,583            | 0                       | 0                       | 76,497,583              |
| <b>TOTAL</b> | <b>\$ 662,659,268</b> | <b>\$ 2,483,389,073</b> | <b>\$ 6,396,889,583</b> | <b>\$ 9,542,937,924</b> |

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

### Personal Property Exemption by County (Cumulative for Tax Years 1988 – 2009)



## Projected Revenue Gains or (Losses) of Employment and Investment Growth Act, Quality Jobs Act, and Invest Nebraska Act for Tax Years 1987-2009 Projects by Fiscal Year<sup>1</sup>

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

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

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

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

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

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

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

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

<sup>1</sup>A more detailed description of the TRAIN model is available upon request.

### Projected Revenue Gains or (Losses) of Employment and Investment Growth Act, Quality Jobs Act, and Invest Nebraska Act for Tax Years 1987-2021 by Fiscal Year

| Summary  | 2009-10                         | 2010-11                         | 2011-12                         | 2012-13                         | 2013-14                         | 2014-15                         |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Revenue Generated by ITC                                   | \$67,823,419                    | \$64,645,113                    | \$67,782,078                    | \$70,789,530                    | \$68,290,205                    | \$64,165,534                    |
| Tax Credits Used   |                                 |                                 |                                 |                                 |                                 |                                 |
| Income Tax   | 64,773,348                      | 58,805,284                      | 53,833,405                      | 50,160,526                      | 51,461,432                      | 47,700,240                      |
| Sales and Use Tax  | 51,495,940                      | 49,004,404                      | 44,861,171                      | 41,800,438                      | 42,884,527                      | 39,750,200                      |
| Total Tax Credits Used                                     | \$116,269,289                   | \$107,809,688                   | \$98,694,576                    | \$91,960,964                    | \$94,345,958                    | \$87,450,441                    |
| Direct Sales and Use Tax Refunds                           | \$22,608,929                    | \$25,481,044                    | \$24,261,774                    | \$20,233,181                    | \$11,538,331                    | \$4,549,257                     |
| Revenue Gain (Loss)<br>Cumulative                          | (71,054,799)<br>(\$412,992,863) | (68,645,618)<br>(\$481,638,481) | (55,174,271)<br>(\$536,812,753) | (41,404,615)<br>(\$578,217,367) | (37,594,085)<br>(\$615,811,452) | (27,834,164)<br>(\$643,645,616) |
| Tax Credits Earned   | 111,761,171                     | 71,017,934                      | 53,431,504                      | 43,577,467                      | 29,109,635                      | 16,567,421                      |
| Tax Credits Recaptured                                     | 3,585,556                       | 2,430,132                       | 2,380,189                       | 2,429,964                       | 2,726,564                       | 2,710,481                       |
| Tax Credits Expired  | 8,726,711                       | 11,456,481                      | 9,940,358                       | 8,596,184                       | 9,033,887                       | 9,550,724                       |
| Tax Credit Balance   | \$746,755,087                   | \$696,076,719                   | \$638,493,099                   | \$579,083,454                   | \$502,086,680                   | \$418,942,455                   |
| Estimated Employment                                       |                                 |                                 |                                 |                                 |                                 |                                 |
| Estimated Number of New Jobs<br>for Qualifying Tax Credits | 4,951                           | 3,146                           | 2,367                           | 1,930                           | 1,290                           | 734                             |
| Estimated Net New Economic Job<br>Increases (Decreases)    | 2,027                           | 1,542                           | 2,553                           | 2,367                           | 2,161                           | 1,858                           |
| Summary  | 2015-16                         | 2016-17                         | 2017-18                         | 2018-19                         | 2019-20                         | 2020-21                         |
| Revenue Generated by ITC                                   | \$58,800,005                    | \$53,443,091                    | \$47,725,481                    | \$41,343,281                    | \$34,618,691                    | \$27,585,629                    |
| Tax Credits Used   |                                 |                                 |                                 |                                 |                                 |                                 |
| Income Tax   | 44,170,618                      | 35,271,322                      | 27,743,729                      | 23,280,103                      | 18,755,237                      | 14,081,657                      |
| Sales and Use Tax  | 36,808,848                      | 29,392,768                      | 23,119,774                      | 19,400,086                      | 15,629,364                      | 11,734,714                      |
| Total Tax Credits Used                                     | \$80,979,466                    | \$64,664,090                    | \$50,863,504                    | \$42,680,190                    | \$34,384,600                    | \$25,816,371                    |
| Direct Sales and Use Tax Refund                            | \$1,066,737                     | \$0                             | \$0                             | \$0                             | \$0                             | \$0                             |
| Revenue Gain (Loss)<br>Cumulative                          | (23,246,198)<br>(\$666,891,813) | (11,220,999)<br>(\$678,112,812) | (3,138,022)<br>(\$681,250,835)  | (1,336,908)<br>(\$682,587,743)  | 234,090<br>(\$682,353,653)      | 1,769,258<br>(\$680,584,395)    |

|  |               |               |               |               |              |              |
|--|---------------|---------------|---------------|---------------|--------------|--------------|
| Tax Credits Earned   | 6,496,325     | -             | -             | -             | -            | -            |
| Tax Credits Recaptured                                     | 2,535,466     | 2,556,533     | 2,591,801     | 2,624,169     | 2,603,690    | 2,582,332    |
| Tax Credits Expired  | 9,715,527     | 9,367,336     | 9,252,732     | 9,384,041     | 9,454,072    | 9,434,742    |
| Tax Credit Balance   | \$332,208,321 | \$255,620,362 | \$192,912,325 | \$138,223,925 | \$91,781,563 | \$53,948,118 |
| Estimated Employment                                       |               |               |               |               |              |              |
| Estimated Number of New Jobs<br>for Qualifying Tax Credits | -             | -             | -             | -             | -            | -            |
| Estimated Net New Economic Job<br>Increases (Decreases)    | 1,565         | 1,172         | 907           | 653           | 475          | 329          |





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

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

[Description of Benefits](#)

[Business Activity Summary](#)

[Business Activity in 2009](#)

[Enterprise Zone Act](#)

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## Employment Expansion and Investment Incentive Act Reporting Requirements

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

Report; contents.

(1) The Tax Commissioner shall prepare a report identifying the amount of investment in this state and the number of equivalent jobs created by each taxpayer claiming a credit pursuant to the Employment Expansion and Investment Incentive Act.

The report shall include the amount of credits claimed in the aggregate.

The report shall be issued on or before July 15 of each year beginning with July 15, 2007, for all credits allowed during the previous calendar year.

(2) In the report for any year in which a taxpayer located in an enterprise zone designated pursuant to the Enterprise Zone Act claimed a credit pursuant to subsection (3) of section 77-27,188, the Tax Commissioner shall identify

(a) the amount of investment made in each enterprise zone by all taxpayers claiming credits,

(b) the number of jobs created in each enterprise zone by all taxpayers claiming credits,

(c) the number of jobs created in each enterprise zone by all taxpayers claiming credits held by residents of the enterprise zone, and (d) the average wage on an hourly basis or the average annual salary of new jobs created in each enterprise zone by all taxpayers claiming credits.

(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.

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# Employment Expansion and Investment Incentive Act

## Description of Benefits

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### General Information:

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

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### Application Information:

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

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### Description of Benefits:

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

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

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

If a taxpayer failed to maintain the required levels of investment and employment for at least two years after the year for which the credit was first allowed, part of the used and unused credits are subject to recapture. During the subsequent two years, the taxpayer must repay the state one-third of the amount of the credit subject to recapture for each year that the taxpayer did not maintain the required levels.

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

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## Employment Expansion and Investment Incentive Act Business Activity Summary

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

|            | Approved<br>1988-2005 | Approved<br>in 2006 | Approved<br>in 2007 | Approved<br>in 2008 | Approved<br>in 2009 | Total            |
|------------|-----------------------|---------------------|---------------------|---------------------|---------------------|------------------|
| Investment | \$1,692,547,751       | \$9,520,969         | \$3,366,880         | (\$3,528,258)       | \$12,467,150        | \$ 1,714,374,492 |
| Employees  | 29,524 <sup>1</sup>   | 74                  | 39                  | 2                   | 46                  | 29,685           |

|                                     |                        |                     |                   |                    |                   |                      |
|-------------------------------------|------------------------|---------------------|-------------------|--------------------|-------------------|----------------------|
| Tax Credits                         | 2,555,996 <sup>2</sup> | 231,000             | 100,500           | 8,500              | 229,500           | 63,125,496           |
| Enterprise Zone Tax Credits         | 922,500                | 0                   | 0                 | (35,500)           | 0                 | 887,000              |
| <b>Total Tax Credits</b>            | <b>\$ 63,478,496</b>   | <b>\$ 231,000</b>   | <b>\$ 100,500</b> | <b>(\$ 27,000)</b> | <b>\$ 229,500</b> | <b>\$ 64,012,496</b> |
| Tax Credits Used:                   |                        |                     |                   |                    |                   |                      |
| Income Tax                          | 29,118,613             | 132,831             | 261,372           | 9,911              | 165,260           | 29,687,987           |
| Sales Tax                           | 21,717,588             | 471,660             | 213,682           | 38,492             | 74,258            | 22,515,680           |
| <b>Total Tax Credits Used</b>       | <b>\$ 50,836,201</b>   | <b>\$ 604,491</b>   | <b>\$ 475,054</b> | <b>\$ 48,403</b>   | <b>\$ 239,518</b> | <b>\$ 52,203,667</b> |
| Tax Credits Recaptured:             |                        |                     |                   |                    |                   |                      |
| Income Tax                          | 2,451,672              | 18,733              | 26,667            | 72,577             | (409)             | 2,569,240            |
| Sales Tax                           | 309,426                | 0                   | 0                 | 0                  | 0                 | 309,426              |
| Unused Credit from Carryover        | 2,767,307              | 22,764              | 63,166            | 6,091              | 7,001             | 2,866,329            |
| <b>Total Tax Credits Recaptured</b> | <b>\$ 5,528,405</b>    | <b>\$ 41,497</b>    | <b>\$ 89,833</b>  | <b>\$ 78,668</b>   | <b>\$ 6,592</b>   | <b>\$ 5,744,995</b>  |
| <b>Tax Credits Expired</b>          | <b>\$ 1,043,279</b>    | <b>\$ 2,144,324</b> | <b>\$ 4,488</b>   | <b>\$ 11,500</b>   | <b>\$ 3,331</b>   | <b>\$ 3,206,922</b>  |

<sup>1</sup> 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 tax years and full-time equivalent employees for 1998 and later tax years.

<sup>2</sup>Credits earned are not a multiple of \$1,500 per employment credit and \$1,000 per investment credit due to a settlement.

## Employment Expansion and Investment Incentive Act Business Activity in 2009

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

| Project Number                        | Investment    | FTEs* |
|---------------------------------------|---------------|-------|
| 1                                     | \$ 2,982,602  | 2     |
| 2                                     | 2,910,112     | 7     |
| 3                                     | 1,345,513     | 4     |
| 4                                     | 1,077,213     | 5     |
| 5                                     | 568,555       | 5     |
| 6                                     | 461,355       | 15    |
| 7                                     | 266,582       | 13    |
| 8                                     | 155,662       | 3     |
| 9                                     | 153,917       | 4     |
| 10                                    | 128,536       | 4     |
| 11                                    | 90,421        | 2     |
| 12                                    | 0             | 13    |
| 13                                    | 0             | 4     |
| 14                                    | 0             | 2     |
| 15                                    | 0             | 2     |
| Subtotal                              | \$ 10,140,468 | 85    |
| Amended returns and audit adjustments | 2,326,682     | (39)  |

|       |               |    |
|-------|---------------|----|
| Total | \$ 12,467,150 | 46 |
|-------|---------------|----|

\*FTE = Full Time Equivalent

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# Enterprise Zone Act

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

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Incentive credits earned under the Enterprise Zone Act were based on the provisions of the Employment Expansion and Investment Incentive Act. The Enterprise Zone Act provided a higher employment credit for companies engaged in a qualifying business within the defined enterprise zones and employing residents of the zone. If at least 50 percent of the new employees resided within the enterprise zone, then the taxpayer also received additional credits for new investment. [Click here for more detailed information.](#)

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

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

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

If a taxpayer failed to maintain the required levels of investment and employment for at least two years after the year for which the credit was first allowed, part of the used and unused credits are subject to recapture. During the subsequent two years, the taxpayer must repay the state one-third of the amount of the credit subject to recapture for each year that the taxpayer did not maintain the required levels.

In 2009, taxpayers within the enterprise zones did not report any activity.

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# Invest Nebraska Act (LB 620)

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[Reporting Requirements, Neb. Rev. Stat. § 77-5542](#)

[Description of Benefits](#)

[Active Signed Agreements](#)

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## Invest Nebraska Act Reporting Requirements

**Neb Rev. Stat. § 77-5542 provides:**

- (1) The Department of Revenue shall submit an annual report to the Legislature no later than July 15 each year. The report shall list
    - (a) the agreements which have been signed during the previous calendar year,
    - (b) the agreements which are still in effect,
    - (c) the identity of each company, and
    - (d) the location of each project
  - (2) The report shall also state by industry group
    - (a) the amount of wage benefit credits and investment tax credits allowed under the Invest Nebraska Act,
    - (b) the number of direct jobs created at the projects,
    - (c) the amount of direct capital investment under the act,
    - (d) the estimated wage levels of jobs created by the companies at the projects,
    - (e) the estimated indirect jobs and investment created on account of the projects, and
    - (f) the projected future state and local revenue gains and losses from all revenue sources on account of the direct and indirect jobs and investment created on account of the project.
  - (3) No information shall be provided in the report that is protected by state or federal confidentiality laws.
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## Invest Nebraska Act Description of Benefits

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## General Information:

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

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## Application Information:

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

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## Requirements by Application Level:

There are three levels that qualified businesses could choose from:

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

## Description of Benefits:

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

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

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

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## Activity as of December 31, 2009:

Qualified investment and new jobs were reported and credits were allowed. However, to maintain confidentiality, no information is reported due to the small number of companies receiving benefits.

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# Invest Nebraska Act Active Signed Agreements

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

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| Company Name                    | Project Location  | Project Type     | Year Agreement Signed |
|---------------------------------|---|------------------|-----------------------|
| Beef Products, Inc.             | South Sioux City  | \$15M + 25 FTE   | 2004                  |
| Degussa Corporation             | Blair   | \$75M + 30 FTE   | 2004                  |
| E Energy Adams, LLC             | Adams   | \$68M + 32 FTE   | 2005                  |
| Natura Manufacturing, Inc.      | Fremont   | \$10M + 25 FTE   | 2003                  |
| NE Colorado Cellular, Inc.      | Grand Island, Hastings, Norfolk, North Platte, Scottsbluff, and other locations in western and central Nebraska | \$11.5M + 32 FTE | 2005                  |
| Platte Valley Fuel Ethanol, LLC | Central City and Columbus   | \$55M + 32 FTE   | 2004                  |
| S W Energy, LLC                 | McCook  | \$55M + 44 FTE   | 2005                  |
| Siouxland Ethanol, LLC          | Jackson   | \$57M + 35 FTE   | 2006                  |
| Standard Iron, Inc.             | Grand Island  | \$10.6M + 31 FTE | 2005                  |
| Trenton Agri Products, LLC      | Trenton   | \$32M + 27 FTE   | 2004                  |
| Union Pacific Railroad Company  | Omaha   | \$200M + 500 FTE | 2001                  |
| Wal-Mart Stores East, Inc.      | North Platte  | \$10M + 25 FTE   | 2003                  |



# Quality Jobs Act (LB 829)

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[Reporting Requirements, Neb. Rev. Stat. § 77-4933](#)

[Description of Benefits](#)

[Active Signed Agreements](#)

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## Quality Jobs Act Reporting Requirements

**Neb. Rev. Stat. § 77-4933 provides:**

- (1) The Department of Revenue shall submit an annual report to the Legislature no later than July 15 each year. The report shall list
    - (a) the agreements which have been signed during the previous calendar year,
    - (b) the agreements which are still in effect,
    - (c) the identity of each company, and
    - (d) the location of each project
  - (2) The report shall also state by industry group
    - (a) the amount of wage benefit credits and investment tax credits allowed under the Quality Jobs Act,
    - (b) the number of direct jobs created at the projects,
    - (c) the amount of direct capital investment under the act,
    - (d) the estimated wage levels of jobs created by the companies at the projects,
    - (e) the estimated indirect jobs and investment created on account of the projects, and
    - (f) the projected future state and local revenue gains and losses from all revenue sources on account of the direct and indirect jobs and investment created on account of the project.
  - (3) No information shall be provided in the report that is protected by state or federal confidentiality laws.
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## Quality Jobs Act Description of Benefits

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### General Information:

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

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### Application Information:

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

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### Requirements by Application Level:

There were two levels that qualified companies could choose from:

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

### Benefits:

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

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### Activity as of December 31, 2009:

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

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## Quality Jobs Act Active Signed Agreements

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

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

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