



Nebraska Tax Incentives

**2010 Annual Report
to the Nebraska Legislature**

Issued July 15, 2011

Letter from the Tax Commissioner

Nebraska Advantage Act

Nebraska Advantage Rural Development Act

Nebraska Advantage Microenterprise Tax Credit Act

Nebraska Advantage Research and Development Act

Employment and Investment Growth Act (LB 775)

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

Invest Nebraska Act (LB 620)

Quality Jobs Act (LB 829)



Dave Heineman
Governor

STATE OF NEBRASKA

DEPARTMENT OF REVENUE
Douglas A. Ewald, Tax Commissioner
P.O. Box 94818 • Lincoln, Nebraska 68509-4818
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July 15, 2011

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 2010 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 2010 Annual Report and annual reports issued since 1997 can be found on the Department's website at www.revenue.ne.gov. An e-mail has also been sent to all members of the Unicameral with a link to the 2010 Annual Report. Archived copies of years older than 1997 may be requested from the Department.

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

Sincerely,

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

Douglas A. Ewald
Tax Commissioner



Nebraska Advantage Act

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Nebraska Advantage Act Reporting Requirements

Neb Rev. Stat. § 77-5731 provides:

- (1) The Tax Commissioner shall submit an annual report to the Legislature no later than July 15 of each year.
- (2) The report shall list
 - (a) the agreements which have been signed during the previous calendar year,
 - (b) the agreements which are still in effect,
 - (c) the identity of each taxpayer who is party to an agreement, and
 - (d) the location of each project.
- (3) The report shall also state, for taxpayers who are parties to agreements, by industry group
 - (a) the specific incentive options applied for under the Nebraska Advantage Act,
 - (b) the refunds allowed on the investment,
 - (c) the credits earned,
 - (d) the credits used to reduce the corporate income tax and the credits used to reduce the individual income tax,
 - (e) the credits used to obtain sales and use tax refunds,
 - (f) the credits used against withholding liability,
 - (g) the number of jobs created under the act,
 - (h) the total number of employees employed in the state on the last day of the calendar quarter prior to the application date and the total number of employees employed in the state on subsequent reporting dates,
 - (i) the expansion of capital investment,
 - (j) the estimated wage levels of jobs created under the act subsequent to the application date,
 - (k) the total number of qualified applicants,
 - (l) the projected future state revenue gains and losses,
 - (m) the sales tax refunds owed,
 - (n) the credits outstanding under the act,
 - (o) the value of personal property exempted by class in each county under the act,
 - (p) the value of property for which payments equal to property taxes paid were allowed in each county, and
 - (q) the total amount of the payments.
- (4) In estimating the projected future state revenue gains and losses, the report shall detail the methodology utilized, state the economic multipliers and industry multipliers used to determine the amount of economic growth and positive tax revenue, describe the analysis

used to determine the percentage of new jobs attributable to the Nebraska Advantage Act assumption, and identify limitations that are inherent in the analysis method.

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

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

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

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

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

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

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

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

Nebraska Advantage Act Description of Benefits

General Information:

The Nebraska Advantage Act allows a taxpayer involved in a qualified business to earn and use benefits for investment and employment growth. There are six Tiers that have varying requirements and benefits for investment and employment.

Application Information:

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

Requirements by Application Level:

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

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

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

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

*The wage level varies by county. It is equal to the greater of 200% of the county average or 150% of the state average. The wage level listed in the table is 150% of the state average.

Tier 3 has no minimum investment requirement.

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

Description of Time Periods:

Year

Year means the federal taxable year of the taxpayer.

Base Year

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

Attainment Period

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

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

Entitlement Period

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

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

Investment Credit

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

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

Compensation Credit

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

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

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

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

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

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

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

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

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

Personal Property Tax Exemption

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

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

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

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

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

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

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

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 for an elected official.

Sales and Use Tax Refund

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

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

Income Tax Refund

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

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

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.

Benefits by Application Level:

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

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

²TPP = Tangible Personal Property

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

Audit and Review Procedures:

Application

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

Audit

When the taxpayer notifies the Department that it has reached the qualification levels, an audit is conducted to confirm the attainment of the minimum required levels of investment and employment, verification of the credits earned in the attainment period, and the accuracy of the initial direct sales and use tax refund. The Department reviews annual filings for claimed tax benefits for reasonableness. The Department conducts periodic maintenance audits of selected taxpayers and projects to ensure that projects have continued to comply with the minimum levels

of investment and employment necessary for the selected Tier, and to verify the propriety of the credits reported and benefits received. The confirmation of attainment of the minimum required levels of new investment and employment required for the property tax exemption may be done as part of the original qualification audit for Tier 4, or as part of a maintenance audit of a subsequent year.

Claims for Benefits

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

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

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

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

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

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

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

State (click on state name to view website)	Job Credit (yes/no)	Investment Credit for Qualified Investment (yes/no)	Sales/Use Tax Refund or Tax Abatement (yes/no)	Personal Property Exempt (yes/no)	Job Credit Requirements	Investment Credit Requirements (\$ Millions)
Alabama	yes	yes	yes	yes	5, 15, 20, 50 (by favored industry/geographic area)	\$100 (utilities), \$5 (hydropower), \$2 (facility expansion), \$1M (small business)
Alaska	no	no	no	no	N/A	N/A
Arizona	no	no	no	no	N/A	N/A
Arkansas	yes	yes	yes	no	Based on payroll of the new employees hired.	\$2/3/3.75/5
California	no	no	yes	no	N/A	N/A
Colorado	yes	no ¹	yes ²	yes	5 (zone), 10 (non-zone), 20	N/A
Connecticut	yes	no	no	yes	10, 250 or fewer, 251 to 800	N/A
Delaware	yes	yes	no	no	5	\$ 0.20
Florida	yes	yes	no	no	100, 50, 25 (Research & Development)	\$25 ³ , \$50 ⁺
Georgia	yes	yes	no	no	5, 10, 15, 25	\$0.5
Hawaii	no	yes	yes	no	N/A	Investment in Qualified High Tech Business
Idaho	yes	yes	no	yes	10	\$0.5
Illinois	yes	yes	no	no	500/1500, 150 (coal/wind industry)	\$12/\$30 (high impact business)
Indiana	yes	yes	no	no	Positive benefit analysis, 75 (Headquarters)	Positive benefit analysis, \$100 (Headquarters)
Iowa	yes	yes	yes	yes	0-101+ (tiered)	<\$0.01 - \$10+ (tiered)
Kansas	yes	yes	no ⁵	yes	5 (urban), 10 (rural), 100 (high impact), 200 (wind and solar)	\$30 (wind and solar)
Kentucky	yes	yes	yes	yes	10 ⁶	\$1 ⁶ , \$2.5 ⁷
Louisiana	yes	no	yes ⁸	yes ⁹	1	N/A
Maine	yes	yes	no	yes	5, 100	\$0, \$5
Maryland	yes	yes ¹⁰	no	no	60, 25 in priority areas	\$2.5 (biotechnology)
Massachusetts	no	yes	no	no	N/A	New investment in manufacturing, research & development, agriculture, or commercial fishing
Michigan	yes	yes	no	yes	20 (entrepreneurial credit)	\$1.25 (entrepreneurial credit)
Minnesota	no	no	no	no	N/A	N/A
Mississippi	yes	yes	yes	yes	10/15/20	\$ 1
Missouri	yes	yes	yes ¹¹	yes ¹¹	5 ¹² , 10/20/40/100 ¹³	\$10, \$15 ¹⁴

State (click on state name to view website)	Job Credit (yes/no)	Investment Credit for Qualified Investment (yes/no)	Sales/Use Tax Refund or Tax Abatement (yes/no)	Personal Property Exempt (yes/no)	Job Credit Requirements	Investment Credit Requirements (\$ Millions)
Montana	yes	yes	no ¹⁵	yes	Increase employment by 30 %	Must be a manufacturer
Nevada	yes	yes	yes	yes	15 (rural), 75 (urban)	\$0.25 rural, \$1 urban
New Hampshire	no	no	no	no	N/A	N/A
New Jersey	yes	no	no	no	10 (technology/biotechnology), 25	N/A
New Mexico	yes	yes	no	no	1	1 new employee per \$.5 in investment
New York	yes	yes	yes	no	1	Up to 10% of investment
North Carolina	yes	yes	no	no	5/10/15 by zone	\$10 ¹⁶
North Dakota	no	no	yes	yes	N/A	N/A
Ohio	yes	yes	yes ¹⁷	yes ¹⁸	25, 1,000 (job retention tax credit)	\$200 (job retention tax credit)
Oklahoma	yes	yes	yes	no	New payroll of \$2.5 million within 3 years/10 FT at lesser of 94K or 300% county avg	\$0.5
Oregon	no	no	no	yes	N/A	N/A
Pennsylvania	yes	no	no	no	1 at \$1,000 per job	N/A
Rhode Island	yes	yes ¹⁹	yes	no	10/50, wages at 250% state minimum wage	Must be in certain NAICS codes
South Carolina	yes	yes	no	yes	30/75/125/250 depending on wage	\$.05 (property tax abatement & headquarters), many other highly-targeted
South Dakota	no	yes	yes	yes	N/A	\$10
Tennessee	yes	yes	no	no	25/100/250/500 (Job Tax Credit), 25 (Data Center), 100/250/500 (Super Jobs) ²⁰	\$0.5 (Job Tax Credit), \$250 (Data Center), \$100-\$1,000 (Super Jobs) ²⁰
Texas	no	no	no	no	N/A	N/A
Utah	yes	no	no	no	Create new jobs (at least 50 in urban areas), 125% wage (urban), 100% wage (rural)	N/A
Vermont	yes ²¹	yes ²¹	no	yes ²²	Increased wage and salaries	Increased economic impact
Virginia	yes	yes	no	no	None listed	None listed
Washington	no	yes	no	yes	N/A	Specific industries (threshold not specified)
West Virginia	yes	yes	no	yes	15 (headquarters), 20 (economic opportunity credit), 20 (high tech)	\$0.1
Wisconsin	yes	yes	no	no	Pay more than \$10.88/hr	None listed
Wyoming	no	no	no	no	N/A	N/A

¹Available in designated enterprise and sub-zones only.

²Biotechnology research and development property only.

³Capital Investment Tax Credit.

⁴High Impact Performance Incentive Grant.

⁵Provides for exemption for facility remodels (equipment and labor only).

⁶Kentucky Business Investment.

⁷Kentucky Reinvestment Act.

⁸Tied to quality jobs.

⁹Restoration project.

¹⁰Biotechnology Investment Tax Credit.

¹¹Chapter 100 sales tax exemption.

¹²Manufacturing Jobs Program.

¹³MO Quality Jobs.

¹⁴BUILD Program.

¹⁵No sales tax.

¹⁶Article 3J Tax Credits.

¹⁷For approved research & development projects.

¹⁸Warehouse inventory.

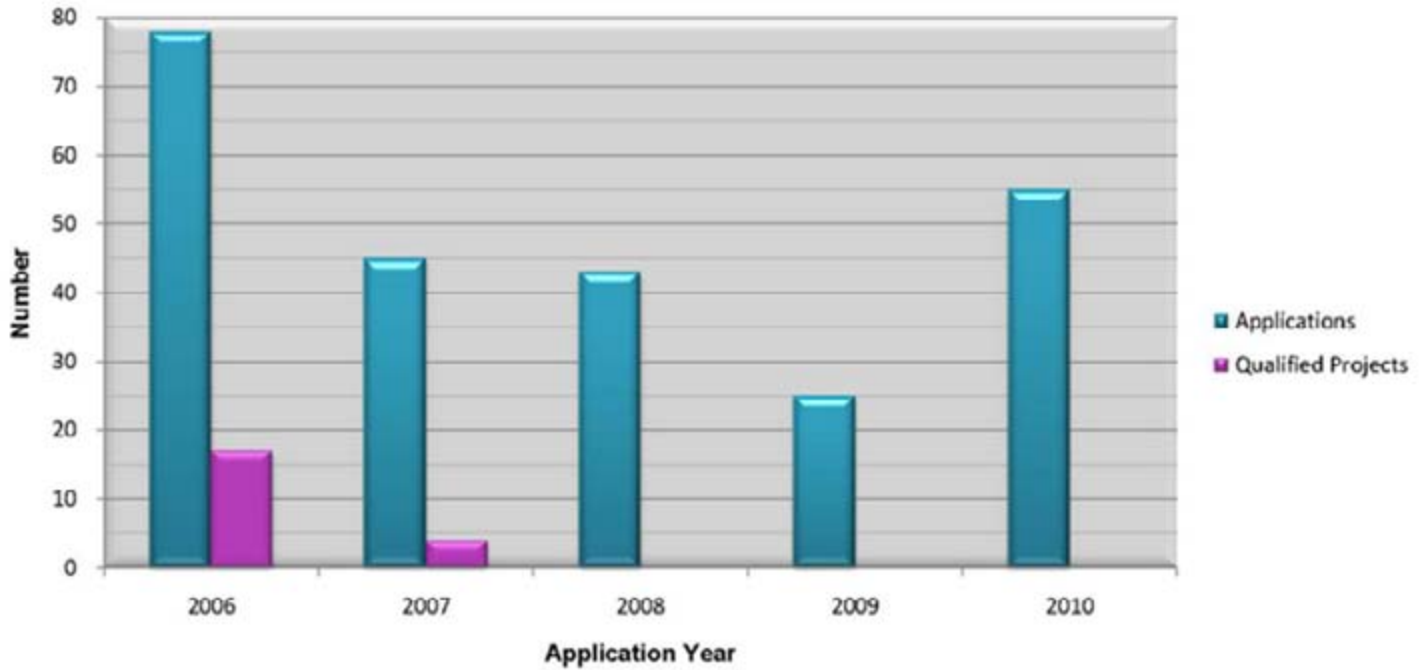
¹⁹Manufacturing and non-manufacturing investment credit.

²⁰Super Jobs Tax Credit.

²¹Vermont Employment Growth Incentive.

²²Stabilization agreement.

Nebraska Advantage Act Application Activity



Application Activity				
Application Year	No. of Applications	Withdrawn	Net Applications	Qualified as of 12/31/2010
2006	90	12	78	17
2007	51	6	45	4
2008	52	9	43	0
2009	27	2	25	0
2010	57	2	55	0
TOTALS	277	31	246	21

Nebraska Advantage Act Agreements Signed from 2007 – 2010

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

Agreements Signed in 2010

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)
3M Company and Subsidiaries	Valley	\$8.3	36
Applied Underwriters, Inc.	Omaha	\$3.0	30
Automatic Equipment Manufacturing Co.	Pender	\$0.0	60
Black Hills Corporation	Bellevue, Omaha, and Lincoln	\$23.6	60
Bubba Foods, LLC	Hastings	\$11.0	100
ConAgra Foods, Inc. and Unitary Subsidiaries	Omaha	\$15.3	120
CoSentry.Net, LLC	Omaha and Bellevue	\$10.0	100
D & D Foods, Inc.	Omaha	\$1.1	10
Lincoln Industries, Inc.	Lincoln	\$11.0	100
Lozier Corporation	Omaha	\$11.0	100
Midwest Meat Packing Facility, LLC	Gibbon	\$3.0	200
Midwest Web, Inc.	Lincoln	\$3.5	34
Milk Specialties Company & Subsidiaries	Norfolk	\$7.0	30
Monsanto Company	Kearney, Waco, and Gothenburg	\$153.0	180
Neapco Components, LLC	Beatrice	\$3.0	30
Pacific Interpreters, Inc.	Omaha	\$0.0	50
Pen Steel, Inc.	Omaha	\$1.3	10
People Search Media, LLC	Omaha	\$3.0	30
Sysco Corporation & Subsidiaries	Lincoln, Omaha, North Platte, South Sioux City, Grand Island, and Minden	\$3.0	30
TELCOR, Inc.	Lincoln	\$2.3	30
The Scoular Company	Omaha, Fremont, Holdrege, Madrid, Elsie, Grafton, Wallace, Jantzen, Venango, Brandon, Big Springs, Lamar, and Grant	\$3.0	30
Transaction Systems Architects, Inc.	Omaha	\$55.0	30
Tyson Fresh Meats, Inc.	Madison	\$1.0	10
Tyson Fresh Meats, Inc.	Dakota City	\$11.0	100
WebEquity Solutions, Inc.	Omaha	\$2.1	35
TOTAL	25		

Nebraska Advantage Act Agreements Signed in 2010 and Cumulative 2007 – 2010

The median period of time between the date of application and the date for all agreements signed as of December 31, 2010 is 289 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
3M Company and Subsidiaries	Valley	\$8.3	36	2010
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
Apogee Retail, LLC	Columbus	\$0.0	300	2009
Applied Underwriters, Inc.	Omaha	\$3.0	30	2010
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
Automatic Equipment Manufacturing Co.	Pender	\$0.0	60	2010
Aventine Renewable Energy Holdings	Aurora	\$250.0	100	2007
Bio Fuel Solutions, LLC	Wood River	\$145.1	100	2008
Black Hills Corporation	Bellevue, Omaha, and Lincoln	\$23.6	60	2010
BNSF Railway	Statewide	\$700.0	175	2008
Bubba Foods, LLC	Hastings	\$11.0	100	2010
BVA, Inc	Beatrice	\$3.5	30	2007
C & A Industries	Omaha	\$14.0	200	2007

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
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
CoMo, LLC	Omaha	\$1.2	15	2007
ConAgra Foods, Inc. and Unitary Subsidiaries	Omaha	\$15.3	120	2010
Cook's Hams, Inc.	Lincoln	\$10.0	100	2009
CoSentry.Net, LLC	Omaha and Bellevue	\$10.0	100	2010
D & D Foods, Inc.	Omaha	\$1.1	10	2010
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
Elliot Equipment Company	Omaha	\$1.0	25	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
Famland Foods, Inc.	Crete	\$14.0	100	2007
Fidelity National Financial, Inc. and Subs.	Omaha	\$8.7	205	2009
GeneSeek, Inc.	Lincoln	\$5.0	10	2007
Glass Contractors, Inc.	Omaha	\$5.1	11	2007

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
GPC, Inc.	Blair	\$30.0	30	2007
Greater Omaha Packing Co., Inc.	Omaha	\$10.0	30	2008
GT Exhaust Systems	Lincoln	\$5.3	30	2008
Hastings Irrigation Pipe Co., Inc.	Hastings	\$1.6	10	2008
Heritage Disposal & Storage, LLC	Alda	\$6.7	31	2007
Homady 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
Lincoln Industries, Inc.	Lincoln	\$11.0	100	2010
Lindsay Manufacturing Co.	Lindsay and Omaha	\$11.0	100	2007
Lozier Corporation	Omaha	\$11.0	100	2010

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Majors Plastics, Inc.	Omaha	\$1.5	20	2007
Mann's International Meat Specialties	Omaha	\$1.0	10	2007
Medical Solutions, Inc.	Omaha	\$3.0	221	2007
Midland Packaging Corp.	Lincoln	\$1.8	12	2007
Midwest Machine & Tool, Inc.	Columbus	\$1.0	10	2007
Midwest Meat Packing Facility, LLC	Gibbon	\$3.0	200	2010
Midwest Web, Inc.	Lincoln	\$3.5	34	2010
Milk Specialties Company & Subsidiaries	Norfolk	\$7.0	30	2010
Millard Lumber, Inc.	Omaha	\$4.0	30	2008
Molex, Inc.	Lincoln	\$61.0	150	2007
Monsanto Company	Keamey, Waco, and Gothenburg	\$153.0	180	2010
Nature Technology Corp.	Lincoln	\$1.0	10	2007
Neapoo Components, LLC	Beatrice	\$3.0	30	2010
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

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Pacific Interpreters, Inc.	Omaha	\$0.0	50	2010
Pamida Stores Operating Co, LLC	Omaha	\$3.3	70	2007
PayFlex Systems USA, Inc.	Omaha	\$10.0	100	2009
PayPal, Inc.	LaMsta and Bellevue	\$42.5	1997	2007
Pen Steel, Inc.	Omaha	\$1.3	10	2010
People Search Media, LLC	Omaha	\$3.0	30	2010
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	Keamey	\$3.0	30	2009
Prime Therapeutics, Inc.	Omaha	\$0.0	332	2007
Professional Research Consultants, Inc.	Omaha	\$3.0	30	2007
Professional Veterinary Products, 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

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
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.	La'Msta	\$10.0	100	2007
Swift Beef Company	Grand Island	\$10.0	100	2007
Syngenta Seeds, Inc.	Waterloo and Omaha	\$27.0	10	2008
Sysco Corporation & Subsidiaries	Lincoln, Omaha, North Platte, South Sioux City, Grand Island, and Minden	\$3.0	30	2010
TD Ameritrade Holding Corporation & Subs.	Omaha and Bellevue	\$10.0	200	2007
TELCOR, Inc.	Lincoln	\$2.3	30	2010
The James Skinner Co.	Omaha	\$10.0	100	2007
The Scoular Company	Omaha, Fremont, Holdrege, Madrid, Elsie, Granton, Wallace, Jantzen, Venango, Brandon, Big Springs, Lamar, and Grant	\$3.0	30	2010
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, Scottsbluff, Sidney, St Paul, Tecumseh, and Wahoo	\$17.5	210	2007
Timber Creek Homes, Inc.	Stratton	\$3.0	30	2008
Titan Medical Holdings	Omaha	\$3.0	30	2007
Trade Well Pallet, Inc.	Gretna and Ashland	\$3.1	36	2007
Transaction Systems Architects, Inc.	Omaha	\$55.0	30	2010
TurnKey Solutions Corp.	La'Msta and Omaha	\$3.0	30	2007
Tyson Fresh Meats, Inc.	Dakota City	\$11.0	100	2010
Tyson Fresh Meats, Inc.	Madison	\$1.0	10	2010
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	46	2007
Wardcraft Homes, Inc.	Central City	\$3.0	30	2007
WebEquity Solutions, Inc.	Omaha	\$2.1	35	2010
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
TOTAL	139			

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
Construction, Utilities, & Nonmetallic Mineral Products Manufacturing	22, 23, 327 — Construction, Electric and Gas, Stone, Clay, Glass, and Concrete Products	Tier 1	2
		Tier 2	3
Manufacturing	311, 312 — Meat and Food Products	Tier 1	6
		Tier 2	4
		Tier 4	10
	314, 322, 323, 325, 326 — Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-Durable Products	Tier 1	8
Tier 2		7	
Tier 4	8		
321, 331, 332 — Primary and Fabricated Metals and Wood Product Manufacturing	Tier 1	2	
	Tier 2	2	
	Tier 4	2	
333, 334, 335, 336, 337, 339 — Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	Tier 1	12	
	Tier 2	15	
	Tier 3	1	
	Tier 4	5	
Wholesale & Retail Trade	42 — Durable and Non-Durable Goods	Tier 2	2
Transportation & Warehousing	48, 49 — Railroads, Trucking, Air Transportation, and Warehousing	Tier 2	4
		Tier 4	1
Information & Data Processing	51 — Publishing, Communications, and Information and Data Processing Services	Tier 2	4
		Tier 4	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	6
		Tier 4	6
Professional, Scientific, & Technical Services	54, 56, 62, 81 — Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services	Tier 1	4
		Tier 2	17
		Tier 3	1
		Tier 4	3
TOTAL			139

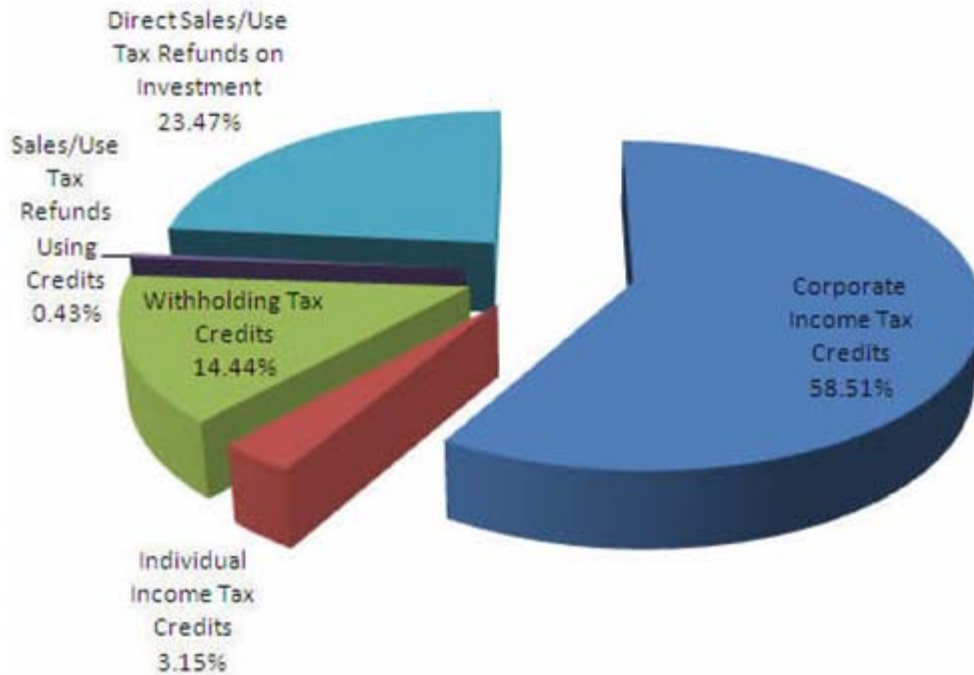
Nebraska Advantage Act Summary of Benefits Approved Reporting Neb. Rev. Stat. § 77-5731(3)

Through December 31, 2010, there were 21 applicants with qualified projects.

Benefit	2008	2009	2010	Total
Tax Credits Earned:				
Investment Credits	3,235,696	6,836,892	80,339,969	90,412,557
Compensation Credits	601,473	2,130,249	18,428,923	21,160,645
Total Tax Credits Earned	\$ 3,837,169	\$ 8,967,141	\$ 98,768,892	\$ 111,573,202
Tax Credits Used:				
Corporate Income Tax	0	0	32,818,142	32,818,142
Individual Income Tax	0	136,538	1,629,162	1,765,700
Subtotal Income Tax	\$ 0	\$ 136,538	\$ 34,447,304	\$ 34,583,842
Withholding Tax	308,513	675,775	7,118,105	8,102,393
Sales/Use Tax Refunds	0	0	240,566	240,566
Real Estate Tax	0	0	0	0
Total Tax Credits Used	\$ 308,513	\$ 812,313	\$ 41,805,975	\$ 42,926,801
Total Tax Credit Correction	\$ 0	\$ 0	\$ 0	\$ 0
Tax Credits Outstanding¹	\$ 3,528,656	\$ 8,154,828	\$ 56,962,917	\$ 68,646,401
Qualified Investment	\$ 32,356,962	\$ 69,416,159	\$ 811,893,055	\$ 913,666,176
Direct Sales/Use Tax Refunds on Investment	\$ 831,009	\$ 229,065	\$ 12,104,716	\$ 13,164,790
Sales/Use Tax Refunds Pending Approval	N/A	N/A	\$ 4,166,145	N/A
Recapture Repaid	\$ 0	\$ 0	\$ 43,936	\$ 43,936
Property Tax Benefits				
Personal Property Value Exempted	\$ 3,925,548	\$ 7,518,087	\$158,028,247	\$ 169,471,882
Real Property Value Exempted	0	0	0	0
New Jobs at Qualifying Projects	269	641	1,950	2,860

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

Nebraska Advantage Act Benefits Used through 2010



Benefits Used through 2010	
Corporate Income Tax Credits	\$ 32,818,142
Individual Income Tax Credits	1,765,700
Withholding Tax Credits	8,102,393
Sales/Use Tax Refunds Using Credits	240,566
Direct Sales/Use Tax Refunds on Investment	13,164,790

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

Nebraska Advantage Act Benefits Approved by Industry 2010

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

Benefit	Manufacturing	Non-manufacturing	Total
Tax Credits Earned:			
Investment Credits	31,378,223	48,961,746	80,339,969
Compensation Credits	<u>5,343,804</u>	<u>13,085,119</u>	<u>18,428,923</u>
Total Credits Earned	\$ 36,722,027	\$ 62,046,865	\$ 98,768,892
Tax Credits Used:			
Corporate Income Tax	1,012,566	31,805,576	32,818,142
Individual Income Tax	<u>104,529</u>	<u>1,524,633</u>	<u>1,629,162</u>
Subtotal Income Tax	\$ 1,117,095	\$ 33,330,209	\$ 34,447,304
Withholding Tax	1,524,426	5,593,679	7,118,105
Sales/Use Tax Refund	98,695	141,871	240,566
Real Estate Tax	<u>0</u>	<u>0</u>	<u>0</u>
Total Tax Credits Used	\$ 2,740,215	\$ 39,065,759	\$ 41,805,975
Tax Credit Corrections	\$ 0	\$ 0	\$ 0
Tax Credits Outstanding¹	\$ 33,981,812	\$ 22,981,106	\$ 56,962,917
Qualified Investment	\$ 322,275,595	\$ 489,617,460	\$ 811,893,055
Direct Sales/Use Tax Refunds on Investment	\$ 4,275,487	\$ 7,829,228	\$ 12,104,715
Sales/Use Tax Refunds Pending Approval	\$ 3,688,421	\$ 477,724	\$ 4,166,145
Recapture Repaid	\$ 43,936	\$ 0	\$ 43,936
Property Tax Benefits:			
Personal Property Value Exempted	\$ 150,947,969	\$ 7,080,278	\$ 158,028,247
Real Property Value Exempted	0	0	0
New Jobs at Qualifying Projects	682	1,268	1,950
Estimated Average Salary of New Jobs	\$ 37,894	\$ 44,757	\$ 42,583
Employees at End of Quarter Prior to Date of Application	5,544	8,433	13,977
Employees on Most Recent Reporting Date	6,012	8,753	14,765

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

Nebraska Advantage Act Benefits Approved by Industry Cumulative (2008-2010)

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

Benefit	Manufacturing	Non-manufacturing	Total
Tax Credits Earned:			
Investment Credits	35,425,297	54,987,260	90,412,557
Compensation Credits	6,247,155	14,913,490	21,160,645
Total Credits Earned	\$ 41,672,452	\$ 69,900,750	\$ 111,573,202
Tax Credits Used:			
Corporate Income Tax	1,012,566	31,805,576	32,818,142
Individual Income Tax	241,067	1,524,633	1,765,700
Subtotal Income Tax	\$ 1,253,633	\$ 33,330,209	\$ 34,583,842
Withholding Tax	1,654,163	6,448,230	8,102,393
Sales/Use Tax Refund	98,695	141,871	240,566
Real Estate Tax	0	0	0
Total Tax Credits Used	\$ 3,006,491	\$ 39,920,310	\$ 42,926,801
Tax Credit Corrections	\$ 0	\$ 0	\$ 0
Tax Credits Outstanding¹	\$ 38,665,961	\$ 29,980,440	\$ 68,646,401
Qualified Investment	\$ 363,793,576	\$ 549,872,600	\$ 913,666,176
Direct Sales/Use Tax Refunds on Investment	\$ 4,380,511	\$ 8,804,278	\$ 13,184,789
Recapture Repaid	\$ 43,936	\$ 0	\$ 43,936
Property Tax Benefits:			
Personal Property Value Exempted	\$ 150,947,969	\$ 18,523,913	\$ 169,471,882
Real Property Value Exempted	0	0	0
New Jobs at Qualifying Projects	1,028	1,832	2,860
Estimated Average Salary of New Jobs	\$ 37,879	\$ 44,920	\$ 42,389

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

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

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

Property Type	2008	2009	2010	Total
Computer Systems and Peripherals				
Douglas	\$ 1,415,874	\$ 1,388,009	\$ 1,337,230	\$ 4,141,113
Lancaster	0	0	1,208,833	1,208,833
Sarpy	<u>2,509,674</u>	<u>6,130,078</u>	<u>4,534,215</u>	<u>13,173,967</u>
Total	\$ 3,925,548	\$ 7,518,087	\$ 7,080,278	\$ 18,523,913
Aircraft	\$ 0	\$ 0	\$ 0	\$ 0
Agricultural Product Processing Equipment				
Washington	\$ 0	\$ 0	\$150,947,969	\$150,947,969
Distribution Facility Equipment	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 3,925,548	\$ 7,518,087	\$ 158,028,247	\$ 169,471,882

Nebraska Advantage Act Project-specific Benefits Summary

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

Project Name	Incentives Used	Locations
Aspen Holdings, Inc.	\$ 547,850	Omaha
Case New Holland, Inc.	1,254,252	Grand Island
Majors Plastics, Inc.	215,944	Omaha
Novartis Pharmaceuticals Corp.	452,433	Lincoln
Smeal Fire Apparatus, Co.	598,127	Snyder and Neligh
Verizon Wireless	993,440	Lincoln
Total Benefits	\$ 4,062,046	

Project-specific Summary (2010)

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
6	\$121,132,717	1,318	\$39,298	\$39,309	2,090	3,179

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

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

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

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

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

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

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

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

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

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

Fiscal Analysis of the Nebraska Advantage Act

Summary	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Generated by ITC	\$13,144,425	\$17,139,330	\$23,462,856	\$28,419,656	\$32,815,654	\$36,586,283
Tax Credits Used	27,178,862	16,340,398	23,004,423	29,275,042	37,998,147	47,762,859
Direct Sales and Use Tax Refund	10,086,800	10,898,155	17,413,672	25,041,684	32,745,901	40,016,037
Revenue Gain (Loss) Cumulative	(24,121,237) (41,543,894)	(10,099,223) (51,643,116)	(16,955,238) (68,598,354)	(25,897,070) (94,495,425)	(37,928,394) (132,423,819)	(51,192,612) (183,616,431)
Tax Credits Earned	69,184,184	49,860,699	71,894,837	95,405,991	117,326,689	135,174,676
Tax Credits Recaptured	0	0	0	0	127,667	275,200
Tax Credits Expired	0	0	0	0	0	0
Tax Credit Balance	70,486,782	104,007,083	152,897,497	219,028,446	298,229,322	385,365,938
Estimated Employment						
Estimated Number of New Jobs for Qualifying Tax Credits	2,178	2,018	2,190	2,835	3,443	3,932
Estimated Net New Economic Job Increases (Decreases)	244	522	1,167	1,921	2,503	3,000

Summary	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Generated by ITC	\$40,032,650	\$43,039,997	\$45,263,886	\$47,372,809	\$49,747,028	\$51,779,609
Tax Credits Used	57,213,512	67,487,344	77,924,631	88,322,071	98,499,150	108,129,814
Direct Sales and Use Tax Refund	46,746,607	52,357,948	56,485,576	59,689,546	62,489,503	65,074,499
Revenue Gain (Loss) Cumulative	(63,927,470) (247,543,901)	(76,805,295) (324,349,196)	(89,146,322) (413,495,517)	(100,638,809) (514,134,326)	(111,241,625) (625,375,951)	(121,424,705) (746,800,655)
Tax Credits Earned	148,526,818	158,136,601	164,611,878	168,966,194	172,290,312	175,590,622
Tax Credits Recaptured	301,679	311,456	318,964	328,647	338,224	353,506
Tax Credits Expired	0	43,094	143,800	1,209,943	1,560,257	1,195,468
Tax Credit Balance	476,377,565	566,672,272	652,896,754	732,002,287	803,894,967	869,814,802
Estimated Employment						
Estimated Number of New Jobs for Qualifying Tax Credits	4,330	4,704	5,056	5,372	5,661	5,935
Estimated Net New Economic Job Increases (Decreases)	3,446	3,826	4,135	4,387	4,599	4,801



Nebraska Advantage Rural Development Act

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

Description of Benefits

Summary of Qualifying Activity

Project-specific Benefits Approved

Nebraska Advantage Rural Development Act Reporting Requirements

Neb Rev. Stat. § 77-27,195 provides:

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

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

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

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

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

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

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

- (a) the identity of the taxpayer,
- (b) the total credits used and refunds approved during the preceding calendar year, and
- (c) the location of the project.

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

Nebraska Advantage Rural Development Act Description of Benefits

General Information:

The Nebraska Advantage Rural Development Act requires a taxpayer involved in a qualifying business to file an application with the Department. There are three different application levels under Nebraska Advantage Rural Development: Level 1, Level 2, and Livestock Modernization.

Application Information:

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

- Application for Nebraska Advantage Rural Development Level 1
- Application for Nebraska Advantage Rural Development Level 2
- Application for Nebraska Advantage Livestock Modernization

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

Rural Development Act Available Funds and Requested Benefits:

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

Requirements by Application Level:

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

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.

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 2010

Year	FTEs	Investment	Tax Credits Earned	Tax Credits Used, Net of Recapture ¹
2010	32	\$ 39,801,633	\$ 1,855,335	\$ 1,072,976
2009	90	28,288,702	1,680,536	1,859,036
2008 & Before	132	16,754,580	1,201,047	996,547
Total	254	\$ 84,844,915	\$ 4,736,918	\$ 3,928,559

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

FTE = Full Time Equivalent

Rural Development Business Activity Approved in 2010

Project Number	FTEs	Investment
1	9	\$9,977,387
2	5	9,036,931
3	6	7,067,162
4	5	4,859,609
5	2	2,284,800
6	0	933,789
7	5	613,943
8	0	599,500
9	0	485,761
10	0	414,851
11	0	399,699
12	0	377,015
13	0	300,714
14	0	274,274
15	0	272,594
16	0	264,358
17	0	262,419
18	0	222,348
19	0	222,293
20	0	221,297
21	0	212,707
22	0	189,793
23	0	154,926
24	0	153,463
Totals	32	\$39,801,633

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 2009-2010

Project Name	Tax Credits Used and Refunds Approved	Location
Accuma Corporation	\$ 119,500	Beatrice
Advance Agri-Direct (USA), Inc.	39,750	York
Blair Seed Services, L.L.C.	188,500	Blair
Brehmer Manufacturing, Inc.	55,500	Lyons
Jamor Pork, LLC	176,000	Pilger
Livingston Enterprises, Inc.	525,250	Fairbury
Natural Concrete Products Co.	22,500	Norfolk
Valley Farm Industries, LLC	13,750	Benkelman
Total	\$1,140,750	

Livestock Modernization Project-specific Total Tax Incentives Used in 2010

Project Name	Tax Credits Used and Refunds Approved	Location
Alex Brown & Sons L.L.C.	\$ 20,696	North Platte
Diamond 6 Feeders, Inc.	18,700	West Point
Hayes Feed Yards, Inc.	27,260	Silver Creek
Herchenbach, Bryan	22,130	Lindsay
Herchenbach, Randall L.	22,235	Lindsay
Jindra, Nick	26,435	Clarkson and Stanton
Maas, Robert H.	13,500	Scribner
Nebuda, Patrick J.	30,000	West Point
Ortmeier, Michael	30,000	North Bend
Ortmeier, Tom	30,000	Dodge
Prinz, Joseph	21,270	West Point
Sobota, Terrence	30,000	Schuyler
Timmerman Feeding Corporation	30,000	Ashland, Indianola, and Springfield
Timmerman, John D.	30,000	West Point
Total	\$ 352,226	



Nebraska Advantage Microenterprise Tax Credit Act

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

Description of Benefits

**Analysis of Nebraska Advantage Microenterprise Tax
Credit Act**

Nebraska Advantage Microenterprise Tax Credit Act Reporting Requirements

Neb. Rev. Stat. § 77-5907 provides:

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

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

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

Nebraska Advantage Microenterprise Tax Credit Act Description of Benefits

General Information:

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

Application Process and Benefits Received:

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

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

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

Employment Criteria

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

Location Criteria

The microbusiness must be located at a site which meets the statutory requirements related to population decline or per capita income level. All locations in the state are eligible other than portions of Washington and Lancaster counties.

Analysis of Nebraska Advantage Microenterprise Tax Credit Act

Reporting Neb. Rev. Stat. § 77-5907

Analysis Based on Application Estimates

Application Year	Projected Investment	Projected Compensation	Tax Credits Authorized
2010	\$ 14,440,291	\$ 10,780,605	\$ 2,000,000
2009	12,445,038	12,383,582	2,000,000
2008	26,494,484	7,882,647	2,000,000
2007	14,352,643	3,403,376	2,000,000
2006	16,104,723	14,075,040	2,000,000
Total	\$ 83,837,179	\$ 48,525,250	\$ 10,000,000

Business Activity through 2010

Application Year	Actual Investment	Actual Compensation	Tax Credits Used	Tax Credits Expired ¹
2009	\$ 8,518,430	\$ 9,803,399	\$ 1,087,160	\$ 0
2008	31,594,472	7,175,352	1,633,353	0
2007	17,529,894	3,846,107	1,724,078 ²	0
2006	16,325,229	15,065,667	1,849,386 ²	0
Total	\$ 73,968,025	\$ 35,890,525	\$ 6,293,977	\$ 0

¹Taxpayers who applied in 2006 were allowed tax years 2006 and 2007 to qualify for benefits. Amendments to 2007 individual tax returns were permitted until April 15, 2011, so no credits were expired as of December 31, 2010.

²Correction to previous Annual Report due to audit adjustments.



Nebraska Advantage Research and Development Act

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

Description of Benefits

Summary of Benefits Approved

Nebraska Advantage Research and Development Act Reporting Requirements

Neb. Rev. Stat. § 77-5807 provides:

Beginning July 15, 2007, and each July 15 thereafter the Tax Commissioner shall prepare a report stating the total amount of credits claimed on 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.

Nebraska Advantage Research and Development Act Description of Benefits

General Information:

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

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

Description of Benefits:

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

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

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

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

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

Nebraska Advantage Research and Development Act Summary of Benefits Approved

Reporting Neb. Rev. Stat. § 77-5807

The tax credit may be used:

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

Tax Credits Approved

Year	Income Tax Credits	Sales and Use Tax Refunds
2010	\$ 4,064,595	\$ 0
2009 ¹	2,233,317	0
2008 ¹	2,106,285	0
2007 ¹	64,166	0
2006	0	0
Total	\$ 8,468,363	\$ 0

¹These years reflect changes made to the amounts reported in previous annual reports to adjust for tax credits that were distributed to shareholders but not used.



Employment and Investment Growth Act (LB 775)

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

Description of Benefits

Active Signed Agreements

Summary of Benefits Approved

Industry Group Detail:

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

Analysis of Credits (2010 and Cumulative through 2010)

**Analysis of Sales and Use Tax Refunds (2010 and Cumulative
through 2010)**

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

Investment in Qualified Property, by Year and Cumulatively

Number of FTE Jobs Created

Total Number Employed by Qualified Applicants

**Average Salary of New Employees (2010 and Cumulative
through 2010)**

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

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

Employment and Investment Growth Act Reporting Requirements

Neb. Rev. Stat. § 77-4110 provides:

- (1) The Tax Commissioner shall submit an annual report to the Legislature no later than July 15 of each year.
- (2) The report shall list
 - (a) the agreements which have been signed during the previous calendar year,
 - (b) the agreements which are still in effect,
 - (c) the identity of each taxpayer, and
 - (d) the location of each project.
- (3) The report shall also state by industry group
 - (a) the specific incentive options applied for under the Employment and Investment Growth Act,
 - (b) the refunds allowed on the investment,
 - (c) the credits earned,
 - (d) the credits used to reduce the corporate income tax and the credits used to reduce the individual income tax,
 - (e) the credits used to obtain sales and use tax refunds,
 - (f) the number of jobs created,
 - (g) the total number of employees employed in the state by the taxpayer on the last day of the calendar quarter prior to the application date and the total number of employees employed in the state by the taxpayer on subsequent reporting dates,
 - (h) the expansion of capital investment,
 - (i) the estimated wage levels of jobs created subsequent to the application date,
 - (j) the total number of qualified applicants,
 - (k) the projected future state revenue gains and losses,
 - (l) the sales tax refunds owed to the applicants,
 - (m) the credits outstanding, and
 - (n) the value of personal property exempted by class in each county.
- (4) No information shall be provided in the report that is protected by state or federal confidentiality laws.

Employment and Investment Growth Act

Description of Benefits

General Information:

The Employment and Investment Growth Act (LB 775) allows a taxpayer involved in a qualified business to earn and use benefits for investment and employment growth. There are three options that have varying requirements for investment and employment and for benefits.

Application Information:

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

Application Options:

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

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

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

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

Description of Time Periods:

Year

Year means the federal taxable year of the taxpayer.

Base Year

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

Attainment Period

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

Entitlement Period

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

Carryover Period

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

Description of Benefits:

Benefits by Application Level

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

Direct Refund

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

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

Investment Credit

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

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

Compensation Credit

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

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

Personal Property Tax Exemption

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

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

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

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 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
RM Company	Valley	\$ 3.0	30	1997
Abengoa Bioenergy Corporation	York County	\$ 55.1	105	1997
Abengoa Bioenergy US Holding, Inc.	Ravenna	\$ 10.0	100	2006
Adeda, 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	05	1003
Airfile Plastics Company	Omaha	\$ 69.8	30	2006
Airfile Plastics Company	Greater Omaha	\$ 10.0	30	1997
Alliant Exchange, Inc.	Douglas County	\$ 3.0	30	1000
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	1006
American Title, Inc.	Omaha	\$ 11.8	280	2005
Ameriprise Financial, Inc.	Omaha	\$ 7.0	100	1999
Ameriwest Corporation	Omaha	\$ 6.6	16	2007
AMPC, Inc.	Fremont, Schuyler, Madison, and Grand Island	\$ 3.0	30	1000
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	1001
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	1007
Auburn Consolidated Industries, Inc.	Auburn	\$ 10.5	162	2006
Auburn Consolidated Industries, Inc.	Auburn	\$ 3.0	35	1994
Auto Club Group	Statewide	\$ 12.1	260	2007
Ballantyne of Omaha, Inc. & Subs	Omaha	\$ 3.0	30	1998

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Rank of the West	Omaha	\$ 20.0	0	2007
Becton Dickinson & Company	Columbus, Holdrege, and Broken Bow	\$ 145.0	287	2001
Beef Products, Inc.	South Sioux City, 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
Bemis Company, Inc.	Omaha and LaVista	\$ 10.0	100	2000
Blue Cross & Blue Shield of Nebraska	Omaha, Lincoln, and Grand Island	\$ 13.4	100	2006
Blue Cross & Blue Shield of Nebraska	Omaha and Lincoln	\$ 10.0	100	1995
DMS Management, Inc.	Lincoln	\$ 100.0	100	2006
Burlington Northern Santa Fe Corporation	Statewide	\$ 3.0	30	1996
C & A Industries, Inc.	Omaha	\$ 4.5	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, North Platte, Grand Island, Lincoln, and Central City	\$ 10.0	100	1995
Cabela's, Inc.	Sidney, Kearney, Lincoln, North Platte, Grand Island, and Central City	\$ 16.8	1,100	2004
Cargill Meat Solutions Corp.	Schuyler	\$ 16.5	100	2000
Cargill Meat Solutions Corp.	Nebraska City	\$ 13.0	150	1994
Cargill, Inc.	Washington County	\$ 150.0	100	1993
Carneco Foods, LLC	Columbus	\$ 16.0	100	1995
Casling Diagnostic Imaging, Inc.	Omaha	\$ 10.0	100	2007
Chicory USA, LLC	Scottsbluff	\$ 4.2	30	2007
Cinlas Corporation No. 2	Omaha	\$ 5.0	120	2002
Claas North America Holdings, Inc.	Omaha	\$ 60.0	502	1998
Clarcor, Inc.	Kearney	\$ 20.1	100	2007
Clarcor, Inc.	Kearney and Goltzenburg	\$ 10.0	100	1998
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

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Consolidated Supply Co. Inc.	Omaha	\$ 10.0	100	2007
Comhusker Energy Lexington, LLC	Lexington	\$ 47.0	100	2007
Coxcom, Inc.	Omaha	\$ 309.0	100	2006
Coxcom, Inc.	Omaha	\$ 3.0	30	1007
Crete Carrier Corporation	Lincoln	\$ 10.0	100	2007
CRWG, Inc. & Subs	Omaha	\$ 0.0	00	1990
CSG Systems International, Inc.	Omaha	\$ 67.0	166	2007
CSG Systems International, Inc.	Omaha	\$ 14.0	105	1996
Dalton, Inc.	Lincoln	\$ 3.3	50	2000
Deeter Foundry, Inc.	Lincoln	\$ 3.2	31	2006
Dequesa Corporation	Hair	\$ 75.0	30	2004
Design Plastics, Inc.	Omaha	\$ 3.2	30	1992
Distefano Tool & Manufacturing Co.	Omaha	\$ 3.2	36	1007
Drake Williams Steel, Inc.	Omaha	\$ 2.7	30	1001
Duncan Aviation, Inc.	Lincoln	\$ 20.2	100	2007
Duncan Aviation, Inc.	Lincoln	\$ 0.0	00	1997
E Energy Auburn, LLC	Auburn	\$ 90.8	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, Inc.	Hastings	\$ 3.6	30	2002
Faton MDH Company, Inc.	Hastings	\$ 17.5	68	1999
EFJ, Inc.	Lincoln	\$ 10.0	100	1993
Election Systems & Software, Inc.	Omaha	\$ 6.7	41	2007
Elster American Meter Company	Nebraska City and Plattsmouth	\$ 16.5	50	2002
Empire Fire & Marine Insurance Company	Omaha	\$ 10.0	100	1998
Examination Management Services, Inc.	Omaha	\$ 11.0	30	2007
Fymak Manufacturing Company, Inc.	Beatrice and Lincoln	\$ 3.0	30	2006
Experian Marketing Solutions, Inc.	Lancaster and Seward Counties	\$ 10.0	100	1995
Farmer & Merchants Investment, Inc.	Statewide	\$ 12.0	100	2003
Farmer & Merchants Investment, Inc.	Statewide	\$ 4.9	72	1996

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Fairland Foods, Inc.	Crete	\$ 10.0	100	2005
Fairland 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, David City, Columbus, Norfolk, Alliance, Chadron, Gering, Scottsbluff, North Platte, Fremont, Kearney, Lincoln, Broken Bow, Grand Island, Gretna, and Papillion	\$ 258.6	100	2002
First National of Nebraska, Inc.	Omaha, Alliance, Beatrice, Bellevue, Bloomfield, Broken Bow, Chadron, Columbus, David City, Fremont, Gering, Grand Island, Gretna, Hemingford, Kearney, LaVista, Lexington, Lincoln, Norfolk, North Platte, Papillion, Scottsbluff, and Wayne	\$ 10.0	100	1994
First York Dan Corp.	Statewide	\$ 0.0	30	2000
Fistar Fiber, Inc.	Fremont and Omaha	\$ 43.5	190	2004
Fiserv, Inc. & Subsidiaries	Lincoln	\$ 3.5	30	2003
Five Points Bank of Hastings	Hastings	\$ 0.0	30	2006
Flexoon Company, Inc.	Columbus	\$ 22.0	200	1003
Fourt Legal Solutions, LLC	Omaha	\$ 3.0	30	2007
Fremont Beef Company	Fremont	\$ 3.0	30	2006
Frito Lay, Inc.	Central Nebraska	\$ 25.0	30	1997
Gallup Organization	Omaha, Lincoln, and Bellevue	\$ 66.2	150	2006
Gallup, Inc.	Lincoln and Omaha	\$ 9.0	155	1995
Gamer Industries, Inc.	Lincoln	\$ 3.0	30	1990
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	2000
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	\$ 0.0	104	2000
Greater Omaha Parking Company	Omaha	\$ 10.0	100	1006
HDM Corporation	Omaha	\$ 3.4	209	2001
HDR, Inc.	Omaha	\$ 15.0	110	1990
Henningsen Foods, Inc.	David City, Norfolk, Ravenna, and Omaha	\$ 4.5	30	1003

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
HMN, Inc.	Fremont	\$ 8.8	30	2006
Hughes Brothers, Inc.	Seward	\$ 5.3	30	2000
Husqama U. S. Holding, Inc.	Beatrice	\$ 10.0	100	2004
IBP, Inc.	Gibson	\$ 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
Intewel, Inc.	Elkhorn and Omaha	\$ 34.3	100	2007
Intervet, Inc.	Elkhorn and Omaha	\$ 15.0	117	2001
Invin 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
Kerr, 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	30	2004
Lanter Company	Omaha	\$ 4.0	34	1994
LCF Holdings, Inc. & Subs.	Omaha, Norfolk, and Bellevue	\$ 10.0	100	2005
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	\$ 12.1	112	2001

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Lincoln Poultry & Egg Co.	Lincoln	\$ 10.0	101	2005
Lincoln Snacks, Inc.	Lincoln	\$ 8.7	50	2000
Linwood, Inc.	Lincoln, Hastings, Holdrege, Columbus, Omaha, Kearney, Waverly, Norfolk, Grand Island, and Scottsbluff	\$ 0.0	30	1991
Lockheed Martin Corporation	Bellevue	\$ 11.4	100	2005
M.G. Waldbaum Company	Waketfield, Bloomfield, and Wayne	\$ 18.9	109	2002
Mallory USA, Inc.	South Sioux City	\$ 0.0	30	1991
Maplehurst Bakeries, Inc.	Nebraska City	\$ 0.0	30	1997
Marianna Industries, Inc.	Omaha	\$ 6.6	30	2004
McCain Foods USA, Inc.	Grand Island	\$ 20.0	100	2004
MDS (US), Inc.	Lincoln and Omaha	\$ 22.8	100	2007
Metal-Tech Partners	Hunting and Geneva	\$ 3.3	83	2001
Mid-America Agri Products/Horizon, LLC	Cambridge	\$ 01.0	40	2007
Mid-America Agri Products/Wheatland, LLC	Madrid	\$ 61.0	40	2007
Mid-America Computer Corporation	Blair	\$ 11.5	131	2006
Mid-America Computers Corporation	Blair	\$ 11.0	133	1990
MidAmerican Energy Holdings Co.	Omaha, Beatrice, Palmyra, South Sioux City, and Bellevue	\$ 10.0	200	2006
MidAmerican Energy Holdings Company	Omaha	\$ 3.0	30	1992
Midwest Renewable Energy, LLC	Guthrie	\$ 20.5	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	\$ 0.5	110	1900
Molex Incorporated	Lincoln	\$ 4.8	43	1000
MP Global Products, LLC	Norfolk	\$ 3.3	32	2000
MSI Systems Integrator, 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

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
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
Nongpareil - RDO, LLC	O'Neill, Bassett, and Atkinson	\$ 15.8	100	1999
Norfolk Iron & Metal Company	Norfolk	\$ 11.0	30	2004
Novartis Consumer Health, Inc.	Lincoln	\$ 10.0	100	1997
Nuovi 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	1990
Omaha World Herald Company	Omaha	\$ 0.0	30	1000
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	197	2006
OTC Holdings Corporation	Omaha, LaVista, Bellevue and Lincoln	\$ 10.5	105	2003
Overhead Door Corporation	Grand Island	\$ 4.2	130	2003
Pacific Life Insurance Co.	Omaha	\$ 10.0	100	2005
Paker Hannifin Corporation & Subsidiaries	Alliance and McCook	\$ 13.8	100	2006
Paker Hannifin Corporation & Subsidiaries	Alliance and McCook	\$ 13.0	71	1990
Paker Hannifin Corporation & Subsidiaries	Lincoln	\$ 5.0	40	1996
PayPal, Inc.	Omaha	\$ 16.0	800	2003
Pennington Seed, Inc. of Nebraska	Sidney	\$ 10.0	100	1990
Perot Systems, Inc.	Lincoln	\$ 12.0	900	2004
Peter Kiewit Sons, Inc.	Omaha	\$ 10.0	100	2006
Pfizer, Inc.	Lincoln and Omaha	\$ 85.0	0	2007

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Pinnacle Bancorp, Inc.	Beatrice, Neligh, Schuyler, Winzer, 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	\$ 2.7	50	1998
Platte Valley Fuel Ethanol, LLC	Central City	\$ 10.0	100	2005
Powermate Holding Corporation	Kearney and Omaha	\$ 10.0	100	2007
Prairie Interactive Messaging, Inc.	Omaha	\$ 10.0	100	1995
Precision Castparts Corp.	Norfolk	\$ 3.9	35	1998
Precision Industries, Inc.	Omaha and Lincoln	\$ 10.1	100	2007
Premier Industries, Inc.	Mead	\$ 2.0	30	1997
Printco Graphics, Inc.	Omaha	\$ 3.0	67	2004
Professional Veterinary Products, LTD	Omaha	\$ 10.0	100	2002
Profitbar, Inc.	Omaha	\$ 10.0	100	2001
PWGS Enterprises, Inc.	Omaha	\$ 10.0	100	1996
Quality Pork International, Inc.	Omaha	\$ 10.0	100	1997
Quebecor World Lincoln, Inc.	Lincoln and surrounding areas	\$ 10.0	100	2004
Quest Corporation	Omaha area	\$ 60.0	150	1987
R K Aerials, LLC	Fremont	\$ 3.0	30	2007
Ready Tech-Co, Inc.	Fremont	\$ 0.0	30	2007
Rainhart Foodservice, LLC	Omaha	\$ 2.0	30	1995
Reinke Manufacturing Company, Inc.	Deshler	\$ 10.7	30	1998
Reliance Electric Industrial Company	Columbus	\$ 0.0	30	1997
Restful Knights, Inc.	Wayne	\$ 10.0	100	2003
Rotella's Italian Bakery, Inc.	Omaha	\$ 3.0	30	1999
Securities America Financial Corporation	Omaha and LaVista	\$ 14.0	30	2007
Security National Bank	Omaha	\$ 5.0	30	2003
Stroudland Ethanol, LLC	Jackson	\$ 52.3	35	2006
Southwark Metal Manufacturing Co.	Fremont	\$ 4.0	30	2006
Specialty Retail Holding Corp. & Subsidiaries	Omaha	\$ 37.5	158	2005
Sprint Spectrum L.P.	Statewide	\$ 35.0	150	1997

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
Standard Iron, Inc.	Grand Island	\$ 10.6	100	2007
Stanley Security Solutions, Inc.	Lincoln	\$ 3.0	30	1996
State Steel of Omaha	Omaha	\$ 0.0	30	2004
Streck Laboratories	Omaha	\$ 10.0	100	1997
Sysco Corporation & Subsidiaries	Omaha, Lincoln, and Grand Island	\$ 12.0	203	1998
T & L Irrigation Company	Hastings	\$ 0.0	30	1990
Talent Plus, Inc.	Lincoln	\$ 10.0	100	2001
Tecumseh Poultry, LLC	Tecumseh and Waverly	\$ 10.0	100	2006
Tecumseh Poultry, LLC	Tecumseh	\$ 15.0	922	2001
Teldon, Inc. & Subsidiaries	Pender, Wayne, and Omaha	\$ 3.0	30	1002
Teledyna Technologies, Incorporated	Lincoln	\$ 10.0	110	1999
Tenaska Inc & Related Entities	Omaha	\$ 3.1	40	1993
Tenaska, Inc.	Omaha	\$ 5.0	30	2005
Tenneco Automotive, Inc.	Cozad	\$ 12.9	155	2003
The Buckle, Inc.	Kearney	\$ 10.1	100	2004
The Buckle, Inc.	Kearney	\$ 0.0	37	1990
The Interpublic Group of Companies, Inc. and Subsidiaries	Omaha	\$ 3.0	30	2006
TierOne Bank	Statewide	\$ 4.8	39	1999
Time Warner Entertainment Advance/Newhouse Partnership	Lincoln, Lancaster County, Crete, Auburn, Nebraska City, Tecumseh, Table Rock, Pawnee City, Humboldt, Omaha, Fairbury, Superior, York, David City, Seward, Fremont, Dodge County, Inglewood, and Douglas County	\$ 30.0	40	1900
TMCO, Inc.	Lincoln	\$ 4.0	34	2005
Tractor Supply Company	Waverly	\$ 18.5	30	2007
Trenton Agri Products, LLC	Trenton	\$ 39.4	31	2004
Triangle Pacific Corp.	Auburn	\$ 10.3	100	2000
Iyco Healthcare Group LP	Norfolk	\$ 10.0	100	2005
Tyson Fresh Meats, Inc.	Norfolk	\$ 23.2	1,000	2004
Tyson Fresh Meats, Inc.	Dakota City and West Point	\$ 10.0	100	1007
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

Company Name	Project Location	Planned Investment (\$ Millions)	Planned Employment (FTE)	Year Agreement Signed
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, Waverly, McCook, West Point, and Omaha	\$ 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
Vaero Wireless, LLC	Grand Island, Hastings, Kearney, North Platte, Alliance, Norfolk, Scottsbluff, and other Nebraska locations	\$ 13.3	35	2005
Waite Media, Inc.	Omaha and Plattsmouth	\$ 10.0	100	2004
Wal-Mart Stores, Inc.	North Platte	\$ 40.0	600	2002
Walker Manufacturing Company	Seward	\$ 3.0	30	1997
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	Douglas and Sarpy Counties	\$ 10.0	100	1995
Werner Enterprises, Inc. & Subsidiaries	Omaha	\$ 22.1	100	2005
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
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
TOTAL	300			

Employment and Investment Growth Act Summary of Benefits Approved

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

Through December 31, 2010, there were 443 qualified projects.

Benefit	1988 - 2006	2007	2008	2009	2010	Total
Investment:						
Investment Tax Credits	1,546,476,479	115,109,842	34,339,429	85,679,363	114,628,560	1,896,233,673
New Jobs Credits	572,082,954	34,413,435	19,997,258	53,592,266	24,674,607	704,760,520
Total Credit Earned	\$ 2,118,559,433	\$ 149,523,277	\$ 54,336,687	\$ 139,271,629	\$ 139,303,167	\$ 2,600,994,193
Tax Credits Used:						
Corporate Income Tax	521,329,949	29,654,172	22,461,325	64,242,920	15,110,640	652,799,006
Individual Income Tax	118,886,549	12,283,727	7,092,625	9,535,285	3,011,425	150,809,611
Subtotal Income Tax	\$ 640,216,497	\$ 41,937,899	\$ 29,553,950	\$ 73,778,205	\$ 18,122,065	\$ 803,608,617
Sales/Use Tax Refunds	651,521,424	45,127,886	52,439,714	56,518,137	36,861,292	842,468,453
Total Tax Credits Used	\$ 1,291,737,921	\$ 87,065,785	\$ 81,993,664	\$ 130,296,342	\$ 54,983,357	\$ 1,646,077,069
Recapture¹:						
Repaid	37,559,898	6,234,123	3,849,061	(780,275)	818,300	47,681,107
From Credits	26,577,112	1,046,967	846,965	4,766,988	6,406,921	39,644,953
Tax Credits Expired	55,832,868	5,978,854	6,836,475	6,062,931	8,152,793	82,863,321
Tax Credits Outstanding²	744,411,532	55,431,671	(35,340,417)	(1,854,832)	69,760,097	832,408,251
Qualified Investment	19,275,189,119	1,751,087,961	313,611,073	891,165,869	1,189,095,444	23,420,149,466
Direct Sales/Use Tax Refunds:						
Refunds on Investment	586,156,667	66,159,034	32,044,795	18,004,357	18,700,113	721,064,967
Refunds on Aircraft	22,363,119	4,294,242	91,276	420,222	1,399,893	28,568,751
Total Direct Refunds	\$ 608,519,786	\$ 70,453,276	\$ 32,136,071	\$ 18,424,579	\$ 20,100,006	\$ 749,633,718
New Jobs of Qualifying Companies	81,324	4,479	1,280	1,490	(53)	88,520
Sales/Use Tax Refunds Pending Approval at Year End	N/A	N/A	N/A	N/A	\$ 35,863,330	N/A

¹ If a company fails to maintain either the minimum employment or investment required by its agreement, one-seventh of the refunds and one-seventh of the credits used are recaptured, and one-seventh of the credit carryover at the end of the entitlement period is recaptured for each year the company is below the required levels. Through December 31, 2010, 87 projects were in recapture. \$24,955,028 in repayment due has been netted from approved refund claims, and \$22,726,079 plus interest has been repaid in cash. Credit carryover for companies that have reached the end of the entitlement period has been reduced by \$39,644,953.

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

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

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

Category	PBA Code, Major Industry Group Titles	Application Option	Number of Companies
Manufacturing	311, 312 Meat and Food Products	\$10M + 100 FTE	30
		\$20M + 0 FTE	4
		\$3M + 30 FTE	10
	314, 322, 323, 325, 326 Printing, Paper, Chemical, Plastics, Rubber, Textile and Non-Durable products	\$10M + 100 FTE	21
		\$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 ¹	\$10M + 100 FTE	9
		\$20M + 0 FTE	0
		\$3M + 30 FTE	21
	333, 334, 335, 336, 337, 339 Machinery, Electronic and other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	\$10M + 100 FTE	15
		\$20M + 0 FTE	0
		\$3M + 30 FTE	22
Wholesale & Retail Trade	42 Durable and Non-Durable Goods	\$10M + 100 FTE	13
		\$20M + 0 FTE	0
		\$3M + 30 FTE	8
Transportation & Warehousing	48, 49 Railroads, Trucking, Air Transportation, and Warehousing	\$10M + 100 FTE	15
		\$20M + 0 FTE	0
		\$3M + 30 FTE	10
Finance, Insurance, & Real Estate	52 Depository Institutions and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	\$10M + 100 FTE	18
		\$20M + 0 FTE	3
		\$3M + 30 FTE	11
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 ²	\$10M + 100 FTE	29
		\$20M + 0 FTE	3
		\$3M + 30 FTE	31
TOTAL	300		

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

²Due 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 (2010)

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	\$ 25,726,085	(\$ 1,490,492)	\$ 6,790,053	\$ 1,666,298	\$ (14,693)	\$ 18,774,919
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	7,639,272	700,250	5,520,699	3,082,816	0	(1,664,493)
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals ¹	4,623,021	2,510,011	1,023,930	396,717	1,538,926	(846,563)
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	5,990,905	1,967,041	4,613,306	1,038,756	3,167,325	(4,795,523)
Durable and Non-durable Goods	4,391,586	1,382,336	827,035	2,576	1,460,953	718,686
Railroads, Trucking, Air Transportation, and Warehousing	62,542,864	7,312,490	9,038,633	219,758	0	45,971,983
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	13,908,817	1,724,250	3,808,662	0	0	8,375,905
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services ²	14,480,617	4,016,179	5,238,974	0	2,000,282	3,225,182
Total	\$ 139,303,167	\$ 18,122,065	\$ 36,861,292	\$ 6,406,921	\$ 8,152,793	\$ 69,760,096

Analysis of Credits by Industry Group (Cumulative Through 2010)

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	\$ 409,575,652	\$ 106,355,381	\$ 143,549,377	\$ 3,494,170	\$ 28,017,068	\$ 128,159,656
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	313,930,534	35,309,328	128,619,667	4,077,499	8,812,833	137,111,207
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals ¹	137,201,258	72,445,034	19,677,257	1,508,068	2,077,176	41,493,723
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	290,143,027	61,152,921	135,714,296	4,242,763	8,689,721	80,343,326
Durable and Non-durable Goods	103,216,199	45,892,650	27,609,939	4,280,290	9,086,245	16,347,076
Railroads, Trucking, Air Transportation, and Warehousing	486,546,346	177,247,131	81,841,202	7,384,418	375,508	219,698,087
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	414,894,001	116,687,502	197,012,799	4,801,549	3,530,261	92,861,890
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services ²	445,487,176	188,518,670	108,443,914	9,856,196	22,275,109	116,393,287
	\$ 2,600,994,193	\$ 803,608,616	\$ 842,468,451	\$ 39,644,953	\$ 82,863,921	\$ 832,408,251

¹Due 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.

²Due 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 (2010)

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 12/31/2010
	Direct Refunds	Refunds Using Tax Credits	Total	
Meat and Food Products	\$ 2,619,296	\$ 6,790,053	\$ 9,409,349	\$ 7,211,137
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	5,784,025	5,520,699	11,304,724	4,103,326
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals ¹	651,135	1,023,930	1,675,065	1,261,841
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	857,204	4,613,306	5,470,510	1,946,434
Durable and Non-durable Goods	2,275,667	827,035	3,102,702	2,388,141
Railroads, Trucking, Air Transportation, and Warehousing	3,136,261	9,038,633	12,174,894	7,408,811
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	1,802,225	3,808,662	5,610,887	8,952,151
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services ²	2,974,193	5,238,974	8,213,167	2,591,489
Total	\$ 20,100,006	\$ 36,861,292	\$ 56,961,968	\$ 35,863,330

¹Due 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.

²Due 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 2010)

Industry Group	APPROVED REFUNDS		
	Direct Refunds	Refunds Using Tax Credits	Total
Meat and Food Products	\$ 95,057,645	\$ 143,549,377	\$ 238,607,022
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non-durable Products	73,412,508	128,619,667	202,032,175
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals ¹	39,976,416	19,677,257	59,653,673
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	71,250,154	135,714,296	206,964,450
Durable and Non-durable Goods	24,851,386	27,609,939	52,461,325
Railroads, Trucking, Air Transportation, and Warehousing	104,166,393	81,841,202	186,007,595
Depository Institutions and Non-depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	151,720,405	197,012,799	348,733,204
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific Repair, Sanitary, and Miscellaneous Services ²	189,198,811	108,443,914	297,642,725
Total	\$ 749,633,718	\$ 842,468,451	\$ 1,592,102,169

¹Due 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.

²Due 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, by Year and Cumulatively

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

	APPROVED REFUNDS NET OF RECAPTURE						Refunds Pending as of 12/31/2010
	1988-2006	2007	2008	2009	2010	Total	
Number of Claims	11,926	722	675	593	427	14,343	173
State Tax	\$1,046,559,180	\$ 94,449,740	\$ 69,325,351	\$ 67,104,947	\$ 47,679,301	\$1,325,118,519	\$ 30,295,559
Local Tax	\$ 194,970,061	\$ 17,940,380	\$ 11,527,607	\$ 8,949,854	\$ 8,640,718	\$ 242,028,620	\$ 5,567,771
Total	\$1,241,529,241	\$ 112,390,120	\$ 80,852,958	\$ 76,054,801	\$ 56,320,019	\$1,567,147,139	\$ 35,863,330

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

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

Industry Group	1988 - 2006	2007	2008	2009	2010	Total
Meat and Food Products	\$ 2,752,743,920	\$ 128,311,999	\$ 90,950,954	\$ 142,782,689	\$ 252,578,131	\$ 3,367,367,693
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non Durable Products	2,244,336,015	53,565,130	82,082,111	234,442,290	61,236,330	\$ 2,675,661,876
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals ¹	916,835,426	176,872,430	51,888,020	82,298,250	26,951,990	\$ 1,254,846,116
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	2,088,622,254	125,665,863	33,364,494	49,161,900	48,094,220	\$ 2,344,908,731
Durable and Non Durable Goods	512,485,674	23,249,020	18,483,060	57,293,610	23,921,810	\$ 635,433,174
Railroads, Trucking, Air Transportation, and Warehousing	3,330,837,896	569,109,065	9,622,255	87,612,890	537,652,640	\$ 4,534,834,746
Depository Institutions and Non-Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	3,045,669,710	150,608,493	3,015,389	61,770,037	114,497,450	\$ 3,375,561,079
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services ²	4,383,658,224	523,705,961	24,204,790	175,804,203	124,162,873	\$ 5,231,536,051
Total	\$19,275,189,119	\$1,751,087,961	\$313,611,073	\$891,165,869	\$1,189,095,444	\$23,420,149,466

¹Due 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.

²Due 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	1988-2006	2007	2008	2009	2010	Total
Meat and Food Products	18,412	275	125	272	81	19,165
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non Durable Products	5,726	93	90	208	(58)	6,059
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals ¹	3,105	511	120	173	13	3,922
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	10,220	1,017	(168)	(93)	(46)	10,930
Durable and Non Durable Goods	4,518	51	153	416	(16)	5,122
Railroads, Trucking, Air Transportation, and Warehousing	6,897	1,579	315	(466)	59	8,384
Depository Institutions and Non Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	14,384	408	352	216	42	15,402
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services ²	18,062	545	293	764	(128)	19,536
Total	81,324	4,479	1,280	1,490	(53)	88,520

¹Due 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.

²Due 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 (2010)

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	7,638	4,913	(2,725)
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non Durable Products	1,231	1,323	92
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals ¹	1,940	2,946	1,006
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	4,966	4,461	(505)
Durable and Non Durable Goods	2,540	3,241	701
Railroads, Trucking, Air Transportation, and Warehousing	19,407	25,285	5,878
Depository Institutions and Non Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	8,148	9,282	1,134
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services ²	11,000	11,728	728
Total	56,870	63,179	6,309

¹Due 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.

²Due 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 Average Salary of New Employees (2010)

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

Industry Group	Total New FTE Employees	Estimated Average Salary of New Employees
Meat and Food Products	81	\$ 42,938
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non Durable Products	(58)	N/A
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals ¹	13	57,893
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	(46)	N/A
Durable and Non Durable Goods	(16)	N/A
Railroads, Trucking, Air Transportation, and Warehousing	59	71,348
Depository Institutions and Non Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	42	47,675
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services ²	(128)	N/A
Total	(53)	\$ 50,358³

¹Due 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.

²Due 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.

³The 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 Average Salary of New Employees, by Industry Group (Cumulative through 2010)

Industry Group	Total New FTE Employees	Estimated Average Salary of New Employees
Meat and Food Products	19,165	\$ 28,254
Printing, Paper, Chemical, Plastics, Rubber, Textile, and Non Durable Products	6,059	28,380
Electric and Gas, Construction, Wood Product Manufacturing, Stone, Clay, Glass, and Concrete Products, Primary and Fabricated Metals ¹	3,922	75,234
Machinery, Electronic and Other Electrical Equipment, Computer, Furniture, Transportation Equipment, Instruments, and Miscellaneous Manufacturing	10,930	29,995
Durable and Non Durable Goods	5,122	30,063
Railroads, Trucking, Air Transportation, and Warehousing	8,384	43,824
Depository Institutions and Non Depository Credit Institutions, Security and Commodity Brokers, Insurance Carriers, Insurance Agents, and Brokers	15,402	34,105
Publishing, Communications, and Information and Data Processing Services, Engineering, Business, Management, Scientific, Repair, Sanitary, and Miscellaneous Services ²	19,536	28,537
Total	88,520	\$ 31,519³

¹Due 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.

²Due 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.

³The 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 aircraft used in connection with the project and the following property used at the project:

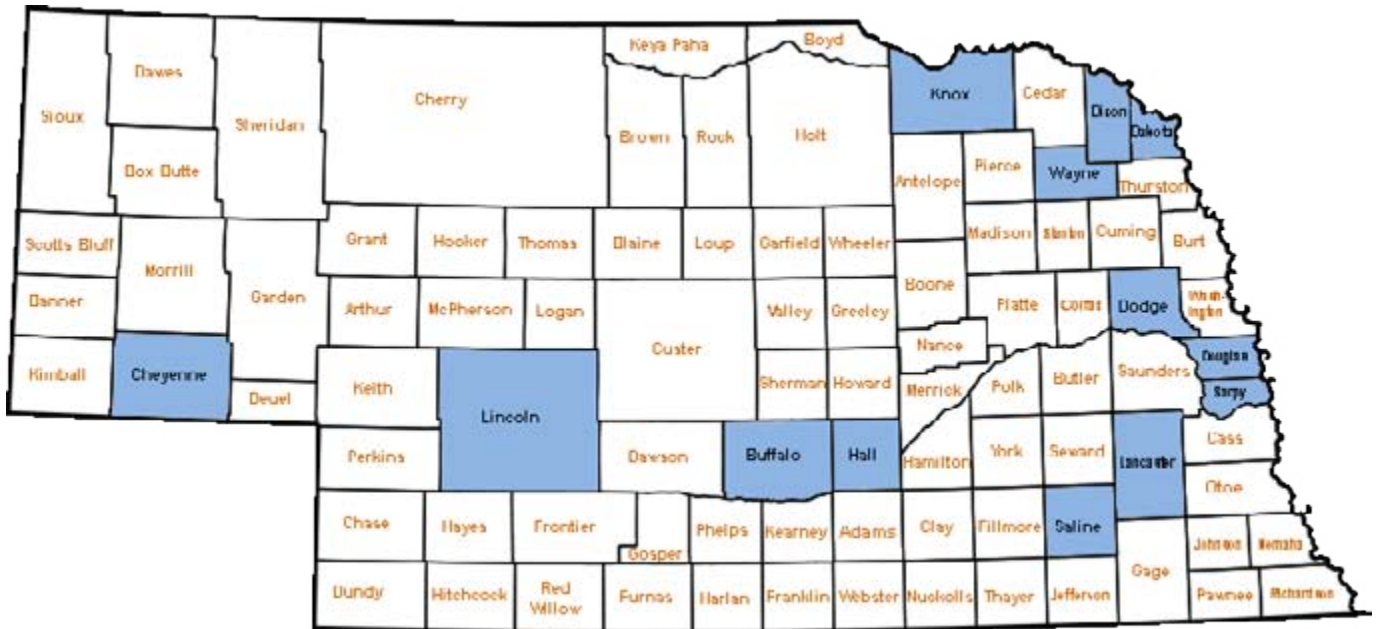
- Computer systems, plus certain peripheral components connected to such computers; and
- Personal property, which is business equipment located in a single project involved directly in the manufacture or processing of agricultural products.

The following tables show the value of personal property exempted for 2010, and cumulatively for tax years 1988-2010.

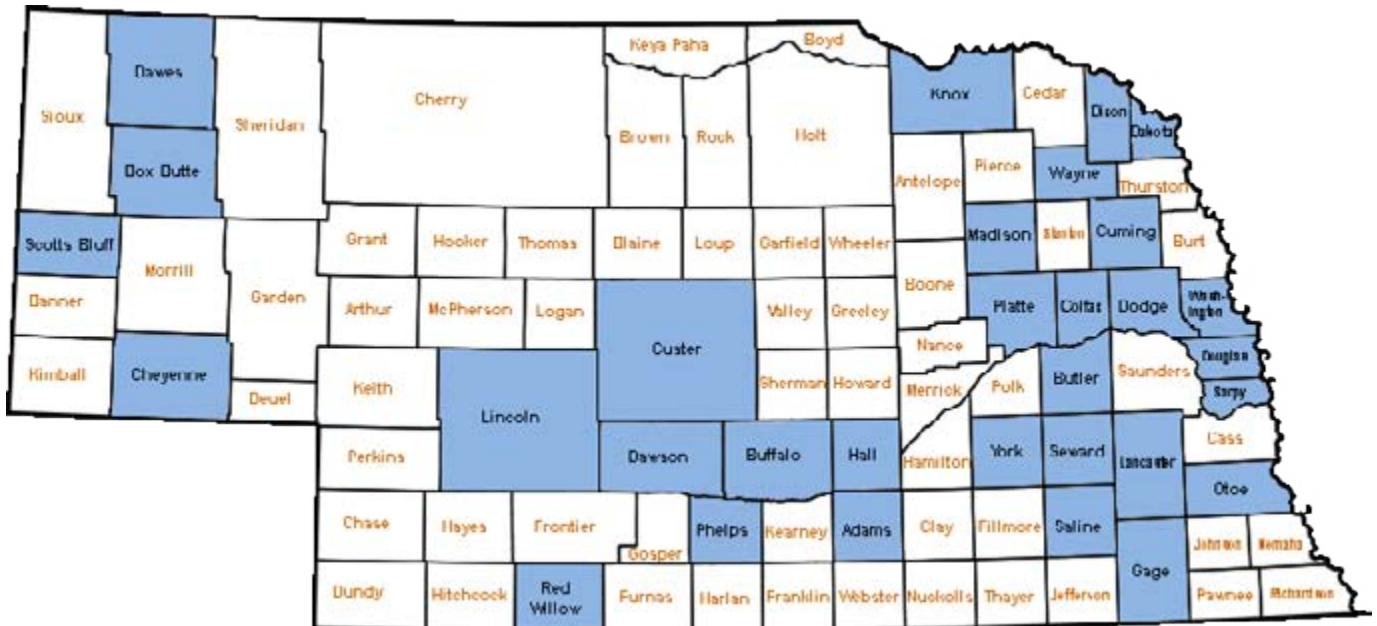
Estimate of Personal Property Value Exempted by Class in Each County (Tax Year 2010)

County	Airplanes	Computer Equipment	Ag Processing Equipment	TOTAL
Buffalo	\$ 8,561,306	\$ 1,583,987	\$ 0	\$ 10,145,293
Cheyenne	1,433,926	8,483,911	0	9,917,837
Dakota			93,850,177	93,850,177
Dixon			972,459	972,459
Dodge			18,528	18,528
Douglas	2,518,933	33,171,598	2,451,959	38,142,490
Hall		52,394	4,656,010	4,708,404
Knox			16,311,937	16,311,937
Lancaster		616,856		616,856
Lincoln		174,876		174,876
Saline		522,314	17,147,884	17,670,198
Sarpy		3,299,213		3,299,213
Wayne			28,711	28,711
TOTAL	\$ 12,514,165	\$ 47,905,149	\$ 135,437,665	\$ 195,856,979

Personal Property Exemption by County (Tax Year 2010)



Personal Property Exemption by County (Cumulative for Tax Years 1988 – 2010)



**Estimate of Personal Property Value Exempted by Class in Each County
(Cumulative for Tax Years 1988 – 2010)**

County	Airplanes	Computer Equipment	Ag Processing Equipment	TOTAL
Adams	\$ 0	\$ 0	\$ 615,664,721	\$ 615,664,721
Box Butte	0	102,472	0	102,472
Buffalo	20,791,744	8,912,197	67,563	29,771,504
Butler	0	41,145	0	41,145
Cheyenne	23,875,300	98,360,778	0	122,236,078
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	701,786,823	701,786,823
Dawes	0	171,909	0	171,909
Dawson	0	0	232,425,195	232,425,195
Dixon	0	504,272	196,324,579	196,828,851
Dodge	0	258,633	103,803,906	104,062,539
Douglas	505,116,173	2,211,580,826	705,647,680	3,422,344,679
Gage	0	62,719	1,344,011	1,406,730
Hall	6,266,267	4,005,551	140,420,079	150,691,897
Knox	0	0	89,226,123	89,226,123
Lancaster	34,715,020	85,973,236	242,968	120,931,224
Lincoln	0	7,366,598	48,451	7,415,049
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	7,773,959	303,055,980	310,829,939
Sarpy	7,911,346	93,607,361	46,793,778	148,312,485
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	262,452	379,675
York	0	366,371	0	366,371
*Central	76,497,583	0	0	76,497,583
TOTAL	\$675,173,433	\$2,531,294,223	\$6,532,327,247	\$9,738,794,903

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

Projected Revenue Gains or (Losses) of Employment and Investment Growth Act, Quality Jobs Act, and Invest Nebraska Act for Tax Years 1987-2021 Projects by Fiscal Year¹ Reporting Neb. Rev. Stat. § 77-4110(3)(k)

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

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

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

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

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

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

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

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

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

Summary	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Generated by ITC	\$ 96,508,016	\$ 81,680,035	\$ 80,031,178	\$ 81,286,567	\$ 78,366,768	\$ 74,442,354
Tax Credit Used:						
Income Tax	42,461,765	58,150,543	54,183,120	55,588,351	51,525,533	47,712,854
Sales and Use Tax	46,264,590	48,458,786	45,152,600	46,323,626	42,937,944	39,760,712
Total Tax Credit Used	\$ 88,726,355	\$ 106,609,329	\$ 99,335,719	\$ 101,911,977	\$ 94,463,477	\$ 87,473,567
Direct Sales and Use Tax Refunds	22,998,707	22,818,534	14,604,517	7,570,835	3,999,887	1,163,740
Revenue Gain (Loss)	(15,217,046)	(47,747,828)	(33,909,058)	(28,196,245)	(20,096,597)	(14,194,952)
Cumulative	(460,072,157)	(507,819,985)	(541,729,043)	(569,925,288)	(590,021,885)	(604,216,837)
Tax Credits Earned	100,929,020	58,010,787	45,930,156	33,231,399	20,532,389	6,497,796
Tax Credits Recaptured	4,831,811	3,260,805	3,486,703	3,994,650	4,232,185	3,961,231
Tax Credits Expired	9,513,863	9,228,065	7,741,431	8,008,185	8,319,881	8,562,285
Tax Credit Balance	\$ 795,385,194	\$ 734,297,782	\$ 669,664,086	\$ 588,980,673	\$ 502,497,518	\$ 408,998,232
Estimated Employment:						
New Jobs for Qualifying Tax Credits	403	797	631	394	191	60
Net Job Increase (Decrease)	1,467	1,665	2,252	2,320	1,968	1,902

Summary	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Generated by ITC	\$ 68,852,340	\$ 63,038,440	\$ 57,296,183	\$ 50,315,974	\$ 42,776,267	\$ 33,240,836
Tax Credit Used:						
Income Tax	38,099,884	29,968,621	25,147,038	20,259,302	15,210,927	9,130,841
Sales and Use Tax	31,749,904	24,973,851	20,955,865	16,882,751	12,675,773	7,609,034
Total Tax Credit Used	\$ 69,849,788	\$ 54,942,472	\$ 46,102,902	\$ 37,142,053	\$ 27,886,700	\$ 16,739,875
Direct Sales and Use Tax Refunds	0	0	0	0	0	0
Revenue Gain (Loss)	(997,448)	8,095,968	11,193,281	13,173,921	14,889,567	16,500,961
Cumulative	(605,214,285)	(597,118,317)	(585,925,036)	(572,751,115)	(557,861,548)	(541,360,587)
Tax Credits Earned	0	0	0	0	0	0
Tax Credits Recaptured	3,787,115	3,892,376	3,973,511	3,969,284	3,916,703	3,907,798
Tax Credits Expired	8,371,970	8,200,750	8,292,614	8,349,500	8,355,424	8,314,052
Tax Credit Balance	\$ 326,989,360	\$ 259,953,761	\$ 201,584,733	\$ 152,123,896	\$ 111,965,069	\$ 83,003,344
Estimated Employment:						
New Jobs for Qualifying Tax Credits	0	0	0	0	0	0
Net Job Increase (Decrease)	1,811	1,537	1,302	1,114	973	816



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

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

Description of Benefits

Business Activity Summary

Enterprise Zone Act

Employment Expansion and Investment Incentive Act Reporting Requirements

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

Report; contents.

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

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

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

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

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

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

(c) the number of jobs created in each enterprise zone by all taxpayers claiming credits held by residents of the enterprise zone, and

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

Employment Expansion and Investment Incentive Act

Description of Benefits

General Information:

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

Application Information:

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

Description of Benefits:

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

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

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

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

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

Activity as of December 31, 2010:

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.

Employment Expansion and Investment Incentive Act Business Activity Summary

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

	Approved 1988-2006	Approved in 2007	Approved in 2008	Approved in 2009	Total ⁴
Investment	\$ 1,702,068,720	\$ 3,366,880	\$ (3,528,258)	\$ 12,467,150	\$ 1,714,374,492
Employees	29,598 ¹	39	2	46	29,685
Tax Credits	62,786,996 ²	100,500	8,500	229,500	63,125,496
Enterprise Zone Tax Credits	922,500	0	(35,500)	0	887,000
Total Tax Credits	\$ 63,709,496	\$ 100,500	\$ (27,000)	\$ 229,500	\$ 64,012,496
Tax Credits Used:					
Income Tax	29,251,444	261,372	9,911	165,260	29,687,987
Sales Tax	22,189,248	213,682	45,992 ³	74,258	22,523,180
Total Tax Credits Used	\$ 51,440,692	\$ 475,054	\$ 55,903	\$ 239,518	\$ 52,211,167
Tax Credits Recaptured:					
Income Tax	2,470,405	26,667	72,577	(409)	2,569,240
Sales Tax	309,426	0	0	0	309,426
Unused Credit from Carryover	2,790,071	63,166	6,091	7,001	2,866,329
Total Tax Credits Recaptured	\$ 5,569,902	\$ 89,833	\$ 78,668	\$ 6,592	\$ 5,744,995
Tax Credits Expired	\$ 3,187,603	\$ 4,488	\$ 11,500	\$ 3,331	\$ 3,206,922

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

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

³Correction to previous Annual Report for omitted refund claims of \$7,500.

⁴To maintain confidentiality, no 2010 information is reported.

Enterprise Zone Act

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

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

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 2010, taxpayers within the enterprise zones did not report any activity.



Invest Nebraska Act (LB 620)

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

Description of Benefits

Active Signed Agreements

Invest Nebraska Activity as of December 31, 2010

Invest Nebraska Act Reporting Requirements

Neb. Rev. Stat. § 77-5542 provides:

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

Invest Nebraska Act Description of Benefits

General Information:

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

Application Information:

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

Requirements by Application Level:

There are three levels that qualified businesses could choose from:

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

Description of Benefits:

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

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

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

Invest Nebraska Act Active Signed Agreements

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

Company Name	Project Location	Project Type	Year Agreement Signed
American Meter Company, Inc.	Nebraska City	\$33M + 80 FTE	2003
Beef Products, Inc.	South Sioux City	\$15M + 25 FTE	2004
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
Nordic Biofuels of Ravenna, LLC	Ravenna	\$95M + 100 FTE	2003
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

FTE = Full Time Equivalent

Invest Nebraska Activity as of December 31, 2010

Reporting Neb. Rev. Stat. § 77-5542(2)

Investment	FTEs	Estimated Wage Level
\$ 548,922,537	1,374	\$ 57,354

To maintain confidentiality, the amount of wage benefit credits and investment tax credits allowed under the Invest Nebraska Act are not reported.

FTE = Full Time Equivalent



Quality Jobs Act (LB 829)

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

Description of Benefits

Active Signed Agreements

Quality Jobs Act

Reporting Requirements

Neb. Rev. Stat. § 77-4933 provides:

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

Quality Jobs Act

Description of Benefits

General Information:

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

Application Information:

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

Requirements by Application Level:

There were two levels that qualified companies could choose from:

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

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.

Activity as of December 31, 2010:

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

Quality Jobs Act
Active Signed Agreements
Reporting Neb. Rev. Stat. § 77-4933(1)

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