

Summary of General Provisions of Nebraska Tax Incentive Programs

QUALIFICATIONS										
Provision	Nebraska Advantage Rural Development Act			Nebraska Advantage Act						
	Level 1	Level 2	Livestock Modernization	SUPER Advantage (Tier 6)	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	
Begins	01/01/2006	01/01/2004	01/01/2007	04/18/2008	01/01/2006					
Ends				12/31/2017						
Application	Required			Required						
Application Fee	\$500			\$10,000	\$1,000	\$2,500		\$5,000	\$2,500	
Nebraska Location	One county of less than 15,000 inhabitants or one designated enterprise zone	One county of less than 25,000 inhabitants or one designated enterprise zone	Anywhere	Anywhere						
REQUIRED LEVELS										
Provision	Nebraska Advantage Rural Development Act			Nebraska Advantage Act						
	Level 1	Level 2	Livestock Modernization	SUPER Advantage (Tier 6)		Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Investment	net gain of \$125,000	net gain of \$250,000	net gain of \$50,000	\$10M ⁶ \$10M (2009) \$10M (2010) \$10M (2011) \$10M (2012) \$10M (2013) \$11M (2014) \$11M (2015) \$10M (2016)	\$100M ⁶ \$102M (2009) \$100M (2010) \$100M (2011) \$106M (2012) \$109M (2013) \$110M (2014) \$111M (2015) \$106M (2016)	\$1,000,000M ⁵	\$3,000,000M ⁵	N/A	\$10M (2008) ⁶ \$11M (2009) \$10M (2010) \$11M (2011) \$12M (2012-2016)	\$31M (2008) \$34M (2009) \$32M (2010) \$33M (2011) \$36M (2012) \$37M (2013-15) \$36M (2016)
Employment	2	5	none	75	50	10	30		100	no loss
Wage Level	\$ 8.57 (2005) \$ 8.93 (2006) \$ 9.25 (2007) \$ 9.72 (2008) \$10.28 (2009) \$10.73 (2010) \$10.86 (2011) \$11.13 (2012) \$11.56 (2013) \$11.96 (2014) \$12.33 (2015) \$12.86 (2016)		N/A	Higher of 200% of county average and 150% of state average weekly wage. Required Annual Wages by County		60% ¹ (\$18,905 for 2006) (\$19,452 for 2007) (\$20,281 for 2008) (\$21,136 for 2009) (\$21,742 for 2010) (\$21,986 for 2011) (\$22,394 for 2012) (\$22,961 for 2013) (\$23,561 for 2014) (\$23,979 for 2015) (\$24,711 for 2016)				
Indexing ⁷	Wage level		N/A	Wage and investment levels						
Attainment Period	Up to 2 tax years			Up to 5 tax years			Up to 7 tax years	Up to 5 tax years	Up to 7 tax years	
Entitlement Period	2 tax years			10 tax years	6 or 7 tax years	7 tax years	6 or 7 tax years	7 tax years		
Carryover Period	N/A			1 tax year	0 to 3 tax years	2 to 8 tax years	0 to 3 tax years	2 to 8 tax years	N/A	
Maintenance Period	3 tax years after credits earned		N/A	Entitlement period						
Eligible Participant	3 tax years after credits earned. Person subject to income tax or financial institutions tax. A partnership, limited liability company, corporation, S corporation, joint venture, or cooperative.			Person who is or whose owners are subject to sales and use tax and withholding tax or is exempt under Section 521 of IRC.						

BUSINESS ACTIVITIES								
Provision	Nebraska Advantage Rural Development Act			Nebraska Advantage Act				
	Level 1	Level 2	Livestock Modernization	SUPER Advantage (Tier 6)	Tier 1	Tier 2	Tier 3	Tier 4
Research & Development	Qualified		Non-qualified	Qualified				
Manufacturing of Tangible Personal Property (TPP)	Qualified		Non-qualified	Qualified				
Software Development, Computer Design ²	N/A		Non-qualified	Qualified				
Data Processing	Qualified		Non-qualified	Qualified	Non-qualified	Qualified		
Telecommunications	Qualified		Non-qualified	Qualified	Non-qualified	Qualified		
Insurance Services	Qualified		Non-qualified	Qualified	Non-qualified	Qualified		
Financial Services	Qualified		Non-qualified	Qualified	Non-qualified	Qualified		
Warehousing, Distribution of TPP	Qualified		Non-qualified	Qualified	Non-qualified	Qualified		
Transportation of TPP	Qualified		Non-qualified	Qualified	Non-qualified	Qualified		
Retail Sales of TPP if more than 75% is delivered to purchasers in another state ³	Non-qualified		Non-qualified	Qualified	Non-qualified	Qualified		
Administrative Management	Of any taxpayer activity		Non-qualified	Qualified	Non-qualified	Of any activity of taxpayer or entities with 10% common ownership		
Ranching & Livestock Operation	Qualified			Qualified	Non-qualified			
Farming Operation	Non-qualified			Qualified	Non-qualified			
Restaurants	Non-qualified			Non-qualified				
Contractor & Repair Person	Non-qualified			Qualified	Non-qualified			
Most Retailers Except those Stated Above	Non-qualified			Non-qualified				
All Other Activities	Non-qualified			Qualified	Non-qualified			

BENEFITS									
Provision	Nebraska Advantage Rural Development Act			Nebraska Advantage Act					
	Level 1	Level 2	Livestock Modernization	SUPER Advantage (Tier 6)	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Direct Refund of Sales Tax on Qualified Property or an Aircraft	N/A			Property placed in service in attainment and entitlement periods.	50% of tax on property placed in service in attainment and entitlement periods.	Property placed in service in attainment and entitlement periods.	N/A	Property placed in service in attainment and entitlement periods.	
Investment Credit on Qualified Property	\$2,750 investment credit earned for each \$50,000 net gain in qualified property available for use.		10% of investment, limit of \$30,000.	15% investment credit earned from date of application through end of the entitlement period.	3% investment credit earned from date of application through the end of the entitlement period.	10% investment credit earned from date of application through the end of the entitlement period.	N/A	10% investment credit earned from date of application through the end of the entitlement period.	N/A
Credit on Employment Growth	\$3,000 employment credit earned for each new full time equivalent Nebraska employee.		N/A	10% of taxable wage of all non-base year employees.	Compensation credit equal to percentage of taxable wages of new employee.			N/A	
Personal Property Tax Exemption ⁴	N/A			Aircraft from year after application. All other personal property at project after reaching the required levels. Through 9 th Dec. 31 after year of qualification.	N/A			Aircraft from year after application. Other after reaching the required levels. Through 9 th Dec. 31 after year of qualification.	N/A

USE OF CREDITS									
Provision	Nebraska Advantage Rural Development Act			Nebraska Advantage Act					
	Level 1	Level 2	Livestock Modernization	SUPER Advantage (Tier 6)	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Retain Withholding	N/A			Limited to the amount of compensation credit or withholding attributable to new employees.					N/A
Credit Refund of Sales and use taxes Paid on Purchases	Refund of state sales and use taxes. Up to the amount paid on increased investment in the year the credits are earned.			In Nebraska, during the entitlement and carryover period and to the extent of credits earned in a prior year.	At the project, during the entitlement and carryover period and to the extent of credits earned in a prior year.				N/A
Credit to Reduce Income Tax Liability	Refundable credit by a taxpayer filing a Nebraska income tax return.			Credits may be used after other non-refundable credits to pay up to 100% of Nebraska unitary tax liability.					N/A
Distribution of Credits to Owner of Flow-through Entity	Credits may be distributed in the same manner as income and used to pay up to 100% of NE income tax liability.			Credits may be distributed in the same manner as income and used to pay up to 100% of Nebraska income tax liability.					N/A
Credit Refund of Real Property Taxes	N/A			At the project, real property acquired or built during the entitlement period to the extent of credits earned in a prior year. Not allowed if property subject to tax increment financing.	N/A				
Qualified Property is Tangible, Depreciable Property	Except for motor vehicles, aircraft, or railroad rolling stock, and property rented to another party.			Except for aircraft, arges, motor vehicles, railroad rolling stock, watercraft, and property rented to another party.			N/A	Except for aircraft, arges, motor vehicles, railroad rolling stock, watercraft, and property rented to another party.	
Owned Property	Valued at original cost.			Valued at original cost.			N/A	Valued at original cost.	
Rented, Qualified Property	Average net annual rent multiplied by a number of years, not to exceed 10 years.			Average net annual rent multiplied by a number of years, not to exceed 10 years.			N/A	Average net annual rent multiplied by a number of years, not to exceed 10 years.	
Reports by Project	01-01-2006		01-01-2007	04-18-2008		01-01-2008			

¹ The wages paid must be at least 60% of the state average wage for the application year.

² Software development, computer design, product testing, guidance and surveillance system design, or licensing of technology if 75% of sales are to persons outside the state of Nebraska or to the U.S. government.

³ Retail sale of TPP if more than 20% is: at wholesale; manufactured by seller; or sold to others in a qualified activity.

⁴ Personal property tax exemption on turbin-powered aircraft, mainframe business computers and some peripherals, and equipment involved directly in processing an agricultural product or for LB 312, distribution center equipment used to store or move products.

⁵ The investment levels have been indexed and remain the same through 2016.

⁶ The investment levels have been indexed and remain the same through 2008.

⁷ Further indexing does not apply after application filed.