

Summary of LB 775 Benefits Approved Through December 31, 2008

Table 2 summarizes the credits earned, credits used, credits expired, and the direct sales and use tax refunds approved for qualified companies through December 31, 2008. Also included are the sales and use tax refunds pending at year end. Credits expire after the project has reached the end of the carryover period and has received all expected benefits.

Detail by type of agreement is provided in Table 3. Detail by industry group is provided in Tables 4 through 8 and 10 through 14. Table 9 breaks down sales and use tax refunds between state and city tax.

Table 2. Summary of LB 775 Benefits Approved

The Department has conducted field reviews of companies which filed reports indicating they had met the minimum new full-time equivalent jobs and investment levels to qualify for incentives. Table 1 on page 23 showed the number of qualifying companies verified by field review. Based on these examinations, the Department has approved:

| | 1988-2004 ^(a) | 2005 | 2006 | 2007 | 2008 | Total |
|---|--------------------------|----------------------|----------------------|-----------------------------------|---------------------|-------------------------|
| Investment Tax Credits | \$1,415,193,292 | \$44,035,139 | \$87,248,048 | \$115,109,842 | \$34,339,429 | \$1,695,925,750 |
| New Jobs Credits | 520,558,334 | 27,400,427 | 24,124,193 | \$34,413,435 | 19,997,258 | 626,493,647 |
| Total Credit Earned | \$1,935,751,626 | \$71,435,566 | \$111,372,241 | \$149,523,277 | \$54,336,687 | \$2,322,419,397 |
| Tax Credits Used ^(b) | | | | | | |
| Income Tax | \$ 566,284,485 | \$ 35,526,275 | \$38,405,737 | \$41,937,899 | \$29,553,950 | \$ 711,708,346 |
| Sales/Uses Tax Refund | 544,708,869 | 66,858,063 | 39,954,493 | 45,127,886 | 52,439,714 | 749,089,024 |
| Total Tax Credits Used | \$1,110,993,354 | \$102,384,338 | \$78,360,230 | \$87,065,785 | \$81,993,664 | \$1,460,797,370 |
| Recapture ^(c) | | | | | | |
| Repaid | \$28,731,921 | \$4,726,346 | \$4,101,631 | \$6,234,123 | \$3,849,061 | \$47,643,082 |
| From Credits | 21,217,417 | 2,144,029 | 3,215,666 | 1,046,967 | 846,965 | 28,471,044 |
| Tax Credits Expired | \$17,759,160 | \$10,730,097 | \$27,343,611 | \$5,978,854 | \$6,836,475 | \$68,648,197 |
| Qualified Investment | \$17,760,418,817 | \$528,697,581 | \$986,072,721 | \$1,751,087,961 | \$313,611,073 | \$21,339,888,153 |
| Direct Sales/Use Tax Refunds on Investment | \$558,680,934 | \$9,931,172 | \$39,907,680 | \$70,453,276 | \$32,136,071 | \$711,109,133 |
| New Jobs of Qualifying Companies | 75,468 | 2,962 | 2,894 | 4,479 | 1,280 | 87,083 |
| Sales/Use Tax Refunds Pending Approval at Year End | N/A | \$39,663,924 | \$32,211,153 | \$42,600,186^(d) | \$39,216,412 | N/A |

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

| | 1988-2004 ^(a) | 2005 | 2006 | 2007 | 2008 | Total |
|--------------------------|--------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| ^(b) Corporate | \$461,366,150 | \$30,007,188 | \$29,956,611 | \$29,654,172 | \$22,461,325 | \$573,445,445 |
| Individual | 104,918,335 | 5,519,087 | 8,449,126 | 12,283,727 | 7,092,625 | 138,262,901 |
| Total | \$566,284,485 | \$35,526,275 | \$38,405,737 | \$41,937,899 | \$29,553,950 | \$711,708,346 |

^(c) If a company fails to maintain either the minimum employment or investment required by its agreement, one-seventh of the refunds and one-seventh of the tax credits used are recaptured. 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, 2008, 75 projects were in recapture. A total of \$25,425,836 in repayment due has been netted from approved refund claims, and \$22,217,246, plus interest, has been repaid in cash. Credit carryover, for companies that have reached the end of the entitlement period, has been reduced by \$28,471,044.

^(d) Correction to 2007 Annual Report to deduct pending refund claims unrelated to LB 775 for \$41,476.