

December 20, 2005

Economic Development Tax Incentives -- Conversion of Applications. AN APPLICATION OR AN AGREEMENT UNDER THE EMPLOYMENT AND INVESTMENT GROWTH ACT, LB 775, CANNOT BE CONVERTED INTO AN APPLICATION OR AN AGREEMENT UNDER THE NEBRASKA ADVANTAGE ACT, LB 312.

Advice has been requested whether an application or an agreement under the Employment and Investment Growth Act, LB 775, can be converted into an application or agreement under the Nebraska Advantage Act, LB 312.

An application under LB 775 cannot be converted into an application under LB 312. The dates established by the Legislature for the filing of applications for LB 775 and LB 312 are mutually exclusive. No applications for LB 775 can be accepted after December 31, 2005, and no applications for LB 312 can be filed until January 1, 2006. Since the dates are mutually exclusive, it is not possible to convert an application from one incentive program to the other.

An agreement under LB 775 cannot be converted into an agreement under LB 312, whether or not the taxpayer has already received benefits. Each of the Acts requires an appropriate application to be filed, has different criteria to determine eligibility for benefits, and has different time periods for benefits. Since the requirements for an agreement under LB 312 cannot be satisfied without an LB 312 application and the LB 775 application cannot be converted, an LB 775 agreement cannot be converted to an LB 312 agreement.

APPROVED:



Mary Jane Egr  
State Tax Commissioner

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