

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 501

Introduced by Hadley, 37.

Read first time January 23, 2013

Committee: Revenue

A BILL

- 1 FOR AN ACT relating to the Nebraska Advantage Act; to amend section
- 2 77-5715, Revised Statutes Cumulative Supplement, 2012; to
- 3 redefine a term; and to repeal the original section.
- 4 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-5715, Revised Statutes Cumulative
2 Supplement, 2012, is amended to read:

3 77-5715 (1) For a tier 2, tier 3, tier 4, or tier 5
4 project, qualified business means any business engaged in:

5 (a) The conducting of research, development, or testing
6 for scientific, agricultural, animal husbandry, food product, or
7 industrial purposes;

8 (b) The performance of data processing,
9 telecommunication, insurance, or financial services. For purposes of
10 this subdivision, financial services includes only financial services
11 provided by any financial institution subject to tax under Chapter
12 77, article 38, or any person or entity licensed by the Department of
13 Banking and Finance or the federal Securities and Exchange Commission
14 and telecommunication services includes community antenna television
15 service, Internet access, satellite ground station, call center, or
16 telemarketing;

17 (c) The assembly, fabrication, manufacture, or processing
18 of tangible personal property;

19 (d) The administrative management of the taxpayer's
20 activities, including headquarter facilities relating to such
21 activities or the administrative management of any of the activities
22 of any business entity or entities in which the taxpayer or a group
23 of its shareholders holds any direct or indirect ownership interest
24 of at least ten percent, including headquarter facilities relating to
25 such activities;

1 (e) The storage, warehousing, distribution,
2 transportation, or sale of tangible personal property;

3 (f) The sale of tangible personal property if the
4 taxpayer derives at least seventy-five percent or more of the sales
5 or revenue attributable to such activities relating to the project
6 from sales to consumers who are not related persons and are located
7 outside the state;

8 (g) The sale of software development services, computer
9 systems design, product testing services, or guidance or surveillance
10 systems design services or the licensing of technology if the
11 taxpayer derives at least seventy-five percent of the sales or
12 revenue attributable to such activities relating to the project from
13 sales or licensing either to customers who are not related persons
14 and located outside the state or to the United States Government,
15 including sales of such services, systems, or products delivered by
16 providing the customer with software or access to software over the
17 Internet or by other electronic means, regardless of whether the
18 software or data accessed by customers is stored on a computer owned
19 by the applicant, the customer, or a third party and regardless of
20 whether the computer storing the software or data is located at the
21 project;

22 (h) The research, development, and maintenance of an
23 Internet web portal. For purposes of this subdivision, Internet web
24 portal means an Internet site that allows users to access, search,
25 and navigate the Internet;

1 (i) The research, development, and maintenance of a data
2 center; ~~or~~

3 (j) The production of electricity by using one or more
4 sources of renewable energy to produce electricity for sale. For
5 purposes of this subdivision, sources of renewable energy means wind,
6 solar, geothermal, hydroelectric, and biomass; or

7 ~~(j)~~(k) Any combination of the activities listed in this
8 subsection.

9 (2) For a tier 1 project, qualified business means any
10 business engaged in:

11 (a) The conducting of research, development, or testing
12 for scientific, agricultural, animal husbandry, food product, or
13 industrial purposes;

14 (b) The assembly, fabrication, manufacture, or processing
15 of tangible personal property;

16 (c) The sale of software development services, computer
17 systems design, product testing services, or guidance or surveillance
18 systems design services or the licensing of technology if the
19 taxpayer derives at least seventy-five percent of the sales or
20 revenue attributable to such activities relating to the project from
21 sales or licensing either to customers who are not related persons
22 and are located outside the state or to the United States Government,
23 including sales of such services, systems, or products delivered by
24 providing the customer with software or access to software over the
25 Internet or by other electronic means, regardless of whether the

1 software or data accessed by customers is stored on a computer owned
2 by the applicant, the customer, or a third party and regardless of
3 whether the computer storing the software or data is located at the
4 project; or

5 (d) Any combination of activities listed in this
6 subsection.

7 (3) For a tier 6 project, qualified business means any
8 business except a business excluded by subsection (4) of this
9 section.

10 (4) Except for business activity described in subdivision
11 (1)(f) of this section, qualified business does not include any
12 business activity in which eighty percent or more of the total sales
13 are sales to the ultimate consumer of (a) food prepared for immediate
14 consumption or (b) tangible personal property which is not assembled,
15 fabricated, manufactured, or processed by the taxpayer or used by the
16 purchaser in any of the activities listed in subsection (1) or (2) of
17 this section.

18 Sec. 2. Original section 77-5715, Revised Statutes
19 Cumulative Supplement, 2012, is repealed.