

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 606

Introduced by Pirsch, 4.

Read first time January 23, 2013

Committee: Revenue

A BILL

- 1 FOR AN ACT relating to revenue and taxation; to adopt the Nebraska
- 2 Technology Entrepreneur Act; to provide sales and use tax
- 3 refunds to certain businesses as prescribed; and to
- 4 provide an operative date.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 5 of this act shall be known and
2 may be cited as the Nebraska Technology Entrepreneur Act.

3 Sec. 2. For purposes of the Nebraska Technology
4 Entrepreneur Act:

5 (1)(a) Qualified small business means any business that
6 engages, as its primary business activity, in one of the following
7 activities within this state:

8 (i) Innovation in using proprietary technology to add
9 value to a product, process, or service in a qualified high-
10 technology field; or

11 (ii) Researching, developing, or producing a proprietary
12 product, process, or service in a qualified high-technology field.

13 (b) Qualified small business does not include any
14 business that engages in political consulting, leisure, hospitality
15 services, or professional services provided by attorneys,
16 accountants, physicians, or health care consultants; and

17 (2) Qualified high-technology field includes aerospace,
18 agricultural processing, renewable energy, energy efficiency and
19 conservation, environmental engineering, food technology, cellulosic
20 ethanol, information technology, materials science technology,
21 nanotechnology, telecommunications, biosolutions, medical device
22 products, pharmaceuticals, diagnostics, biological science,
23 chemistry, veterinary science, and other similar fields.

24 Sec. 3. The Nebraska Technology Entrepreneur Act shall be
25 administered by the Department of Revenue and shall be used to confer

1 a sales and use tax refund to qualified small businesses for
2 purchases of depreciable business equipment under the Internal
3 Revenue Code of 1986, as amended. The refund shall only be granted to
4 qualified small businesses that have demonstrated a financial need by
5 filing a business plan with the Department of Revenue, along with an
6 application and an application fee of one hundred dollars. The
7 application shall include:

8 (1) Documentation as required by the department to show
9 that the applicant business is a qualified small business; and

10 (2) Documentation as required by the department to show
11 financial need, including a list of (a) all persons with an ownership
12 interest in the applicant business, (b) all persons with options to
13 acquire an ownership interest in the applicant business, and (c) all
14 financial assistance received by or available to the applicant
15 business.

16 Sec. 4. If the Department of Revenue determines that the
17 applicant business is a qualified small business and has demonstrated
18 financial need, the department shall grant a sales and use tax refund
19 to the qualified small business. The total amount of sales and use
20 tax refunds granted under the Nebraska Technology Entrepreneur Act in
21 a fiscal year to any one qualified small business shall be limited to
22 five thousand dollars. The total amount of sales and use tax refunds
23 granted under the act in a fiscal year to all qualified small
24 businesses shall be limited to three hundred thousand dollars.

25 Sec. 5. Any qualified small business receiving a sales

1 and use tax refund under the Nebraska Technology Entrepreneur Act
2 shall be subject to audit by the Department of Revenue with respect
3 to such sales and use tax refund.

4 Sec. 6. This act becomes operative on October 1, 2013.