

LEGISLATURE OF NEBRASKA  
NINETY-NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 313**

Introduced by Landis, 46

Read first time January 11, 2005

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section  
2 77-27,188, Reissue Revised Statutes of Nebraska; to  
3 change tax incentive provisions; and to repeal the  
4 original section.

5 Be it enacted by the people of the State of Nebraska,

1           Section 1.   Section 77-27,188, Reissue Revised Statutes  
2 of Nebraska, is amended to read:

3           77-27,188.   (1) A refundable credit against the taxes  
4 imposed by the Nebraska Revenue Act of 1967 shall be allowed to any  
5 taxpayer who has an approved application under the Employment  
6 Expansion and Investment Incentive Act, who is engaged in a  
7 qualifying business as described in section 77-27,189, and who  
8 after ~~January 17, 2004~~ the effective date of this act:

9           (a) (i) ~~Increases the employment and investment of such~~  
10 ~~business employment by two new equivalent Nebraska employees and~~  
11 ~~makes an increased investment of at least one hundred twenty-five~~  
12 ~~thousand dollars prior to the first taxable year after the year in~~  
13 ~~which the application was submitted in any county in this state~~  
14 ~~with a population of less than ~~twenty-five~~ ten thousand~~  
15 ~~inhabitants, according to the most recent federal decennial census;~~  
16  ~~or in any designated enterprise zone pursuant to 42 U.S.C. 11501~~  
17  ~~or the Enterprise Zone Act;~~

18           ~~(b)~~ (ii) Increases employment by five new equivalent  
19 Nebraska employees and who makes an increased investment in this  
20 state of at least two hundred fifty thousand dollars prior to the  
21 end of the first taxable year after the year in which the  
22 application was submitted in any county in this state with a  
23 population of less than twenty-five thousand inhabitants, according  
24 to the most recent federal decennial census, or in any designated  
25 enterprise zone pursuant to 42 U.S.C. 11501 or the Enterprise Zone  
26 Act; or

27           (iii) Increases employment by ten new equivalent Nebraska  
28 employees and who makes an increased investment in this state of at

1 least one million dollars prior to the end of the first taxable  
2 year after the year in which the application was submitted in any  
3 county in this state; and

4       ~~(e)~~ (b) Pays a minimum qualifying wage of eight dollars  
5 and twenty-five cents per hour to the new equivalent Nebraska  
6 employees for which tax credits are sought under the Employment  
7 Expansion and Investment Incentive Act. The Department of Revenue  
8 shall adjust the minimum qualifying wages required for applications  
9 filed after January 1, 2004, and each January 1 thereafter, as  
10 follows: The current rural Nebraska average weekly wage shall be  
11 divided by the rural Nebraska average weekly wage for 2003; and the  
12 result shall be multiplied by the eight dollars and twenty-five  
13 cents minimum qualifying wage for 2003 and rounded to the nearest  
14 one cent. The amount of increase or decrease in the minimum  
15 qualifying wages for any year shall be the cumulative change in the  
16 rural Nebraska average weekly wage since 2003. For purposes of  
17 this subsection, rural Nebraska average weekly wage means the most  
18 recent average weekly wage paid by all employers in all counties  
19 with a population of less than twenty-five thousand inhabitants as  
20 reported by October 1 by the Department of Labor.

21       (2) The amount of the credit shall be three thousand  
22 dollars for each new equivalent Nebraska employee and two thousand  
23 seven hundred fifty dollars for each fifty thousand dollars of  
24 increased investment.

25       (3) An employee of a qualified employee leasing company  
26 shall be considered to be an employee of the client-lessee for  
27 purposes of this section if the employee performs services for the  
28 client-lessee. A qualified employee leasing company shall provide

1 the Department of Revenue access to the records of employees leased  
2 to the client-lessee.

3 (4) The credit shall not exceed the amounts set out in  
4 the application and approved by the Tax Commissioner.

5 (5) (a) If a taxpayer who receives tax credits creates  
6 fewer jobs or less investment than approved in the project  
7 agreement, the taxpayer shall repay the tax credits as provided in  
8 this subsection.

9 (b) If less than seventy-five percent of the proposed  
10 jobs in the project agreement are created, one hundred percent of  
11 the job creation tax credits shall be repaid. If seventy-five  
12 percent or more of the proposed jobs in the project agreement are  
13 created, no repayment of the job creation tax credits is necessary.

14 (c) If less than seventy-five percent of the proposed  
15 investment in the project agreement is created, one hundred percent  
16 of the investment tax credits shall be repaid. If seventy-five  
17 percent or more of the proposed investment in the project agreement  
18 is created, no repayment of the investment tax credits is  
19 necessary.

20 (6) For taxpayers who met the job and investment  
21 thresholds of the Employment Expansion and Investment Incentive Act  
22 for a tax year beginning before the effective date of this act,  
23 subsection (1) of this section, as such section existed immediately  
24 prior to such date, shall continue to apply to such taxpayer. The  
25 changes made by this legislative bill shall not preclude a taxpayer  
26 from receiving the tax incentives earned prior to the effective  
27 date of this act.

28 Sec. 2. Original section 77-27,188, Reissue Revised

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1 Statutes of Nebraska, is repealed.