

LEGISLATURE OF NEBRASKA
NINETY-NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 482

Introduced by Mines, 18; at the request of the Governor

Read first time January 14, 2005

Committee: Revenue

A BILL

1 FOR AN ACT relating to the Employment Expansion and Investment
2 Incentive Act; to amend section 77-27,188, Reissue
3 Revised Statutes of Nebraska; to change tax credit
4 provisions; and to repeal the 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 1, 2004~~ the effective date of this act:

9 (a) Increases ~~the employment and investment of such~~
10 ~~business in any county in this state with a population of less than~~
11 ~~twenty-five thousand inhabitants, according to the most recent~~
12 ~~federal decennial census, or in any designated enterprise zone~~
13 ~~pursuant to 42 U.S.C. 11501 or the Enterprise Zone Act;~~

14 (b) ~~Increases employment by five new equivalent Nebraska~~
15 ~~employees and who makes an increased investment in this state of at~~
16 ~~least two hundred fifty thousand dollars prior to the end of the~~
17 ~~first taxable year after the year in which the application was~~
18 ~~submitted~~ employment by five new equivalent Nebraska employees and
19 who makes an increased investment of at least two hundred fifty
20 thousand dollars prior to the end of the first taxable year after
21 the year in which the application was submitted and does so in any
22 city or village in this state with a population of less than
23 twenty-five thousand inhabitants according to the most recent
24 federal decennial census or in the unincorporated areas in counties
25 within which such a city or village is located; or

26 (b) Increases employment by two new equivalent Nebraska
27 employees and who makes an increased investment of at least one
28 hundred twenty-five thousand dollars prior to the end of the first

1 taxable year after the year in which the application was submitted
2 and does so in any county in this state with a population of less
3 than ten thousand inhabitants according to the most recent federal
4 decennial census or in any designated enterprise zone pursuant to
5 42 U.S.C. 11501; and

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

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

27 (3) An employee of a qualified employee leasing company
28 shall be considered to be an employee of the client-lessee for

1 purposes of this section if the employee performs services for the
2 client-lessee. A qualified employee leasing company shall provide
3 the Department of Revenue access to the records of employees leased
4 to the client-lessee.

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

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

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

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

22 Sec. 2. Original section 77-27,188, Reissue Revised
23 Statutes of Nebraska, is repealed.