



Nebraska Job Creation and Mainstreet Revitalization Act

Joint Report to the
Revenue Committee
December 29, 2017

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Director and CEO
and
Tony Fulton, Tax Commissioner

Reporting Requirements

Nebraska Revised Statute § 77-2910(2) provides:

The Nebraska State Historical Society and the department shall issue a joint report electronically to the Revenue Committee of the Legislature no later than December 31, 2017. The report shall include, but not be limited to,

- (a) the total number of applications submitted under the Nebraska Job Creation and Mainstreet Revitalization Act,
- (b) the number of applications approved or conditionally approved,
- (c) the number of applications outstanding, if any,
- (d) the number of applications denied and the basis for denial,
- (e) the total amount of eligible expenditures approved,
- (f) the total amount of credits issued, claimed, and still available for use,
- (g) the total amount of fees collected,
- (h) the name and address location of each historically significant real property identified in each application, whether approved or denied,
- (i) the total amount of credits transferred, sold, and assigned and a certification of the ownership of the credits,
- (j) the total amount of credits claimed against each tax type by category, and
- (k) the total amount of credits recaptured, if any.

No information shall be provided in the report that is protected by state or federal confidentiality laws.

Summary Description

The Nebraska Job Creation and Mainstreet Revitalization Act (Act) ([Neb. Rev. Stat. §§ 77-2901 to 77-2912](#)) is jointly administered by the Nebraska State Historical Society (NSHS) and the Nebraska Department of Revenue (NDOR). The Act provides that no more than \$15 million in Nebraska Historic Tax Credits (NHTCs) may be allocated annually, beginning January 1, 2015 and ending December 31, 2022. The allocation of NHTCs was \$14,960,178 in 2015; \$10,853,773 in 2016; and \$5,942,703 in 2017 (through September 30, 2017). NHTCs are equal to 20% of eligible expenditures incurred for improvements to qualifying historically significant real property, limited to a \$1 million tax credit per project. NHTCs may be used against income tax, the premium tax imposed on insurance companies, or the franchise tax imposed on financial institutions.

The NHTC online application consists of a 5-part process. The NSHS reviews Parts 1-3 and the NDOR reviews Parts 4 and 5. Part 1: Historic Structure Certification certifies the historic significance of the property. Part 2: Qualified Rehabilitation Certification approves the proposed rehabilitation and allocates the NHTC. Within 12 months after completing the rehabilitation and placing the property in service, the applicant then submits the Part 3: Completed Rehabilitation Certification. If the NSHS certifies the completed rehabilitation project, the applicant submits its eligible expenditures to the NDOR for review and approval, Part 4: Request for Certification of Credits. The NDOR then notifies the applicant of the approved eligible expenditures, the certified credit amount, and the amount of the required fee to be paid to the NDOR before any tax credit certificates are issued. NHTC Certificates may be used to offset a tax liability as noted above, or the credits may be transferred, sold, assigned, or distributed to others by submitting the Part 5: Request for Transfer, Sale, Assignment, or Distribution of Credits. When an applicant or recipient of NHTCs claims credits on a tax return, the NDOR or the Nebraska Department of Insurance if the credit is claimed on a premium tax return, will verify the ownership of the credits and the NDOR will approve or deny the claimed credits in the web application.

The figures in this report represent activity from the beginning of the program through September 30, 2017. The end date was selected to allow necessary time for data collection and review. This joint report is divided into two sections to reflect the information collected and reported by each agency.

Nebraska State Historical Society

| Nebraska Job Creation and Mainstreet Revitalization Act Application Activity January 1, 2015 through September 30, 2017 | | | |
|---|---------------|---------------|---------------|
| | Part 1 | Part 2 | Part 3 |
| Applications Received | 119 | 100 | 29 |
| Applications Approved/ Conditionally Approved | 106 | 81 | 27 |
| Applications Denied | 3 | 5 | 0 |
| Applications Outstanding | 3 | 4 | 2 |
| Applications Withdrawn | 7 | 10 | 0 |

The total number of applications submitted under the Act includes all Part 1 applications received. Applicants with an approved Part 1 application must submit a Part 2 application prior to commencing work. According to [Neb. Rev. Stat. § 77-2905\(1\)](#), the NSHS has 21 days after receiving a Part 2 application to determine if the information is complete. Once the Part 2 application is deemed complete, the NSHS has 30 days to make a final determination. Within 12 months after placing the building in service, a Part 3 application must be submitted.

When the NSHS determines certain aspects of the proposed rehabilitation must be modified or deleted before the approval of final work, the application is conditionally approved.

The number of applications denied includes applications that were determined incomplete, applications where the property was not historically significant real property, or applications where the applicant was unable to provide some requested information. If an application is incomplete, no further action may be taken on the application by the applicant, the NSHS, or the NDOR.

If any part of the application does not have the proper materials or sufficient information to allow for a thorough review, the project is considered outstanding until the applicant provides requested materials or information. Once the materials and information are provided, the application process can continue. The "Applications Outstanding" includes applications submitted without a final decision or applications under review.

Applications may be withdrawn by the applicant at any time in the process.

**The Total Amount of Fees Collected Under the
Nebraska Job Creation and Mainstreet Revitalization Act**

January 1, 2015 through September 30, 2017

| | |
|--|----------------------|
| Part 2 Application Fees Collected (NSHS) | \$ 152,062.74 |
| Part 3 Application Fees Collected (NSHS) | \$ 12,948.63 |
| Part 4 Fees Collected (NDOR) | \$ 16,979.57 |
| Total Fees Collected | \$ 181,990.94 |

The total amount of fees collected under the Act includes all Part 2, Part 3, and Part 4 fees paid in full to either the NSHS or the NDOR. The Part 2 and Part 3 application fees established and collected by the NSHS for 2015 and 2016 were 0.4% and 0.1%, and increased to 0.8% and 0.2%, respectively for 2017 applications. These fees are collected on the basis of the total credits requested. Part 2 and Part 3 fees are collected by the NSHS, by either credit card or check, through the Administration Office. Applications are considered incomplete until the appropriate fee is collected. [Neb. Rev. Stat. § 77-2907](#) requires the NSHS to set fees in amounts sufficient to offset the costs of processing and monitoring the applications filed under the Nebraska Job Creation and Mainstreet Revitalization Act. Collected fees will be remitted by the officer to the State Treasurer for credit to the Nebraska Job Creation and Mainstreet Revitalization Fund. Part 4 fees, equal to 0.25% of the amount of credits approved, are collected by the NDOR before NHTC certificates are issued. The NDOR remits the collected Part 4 fees for credit to the Civic and Community Center Financing Fund.

Each Part 1 application is listed or shown in the table below. Multiple applications may have been received for the same location or address.

**The Name and Address of Each Historically Significant Real Property Identified in Each Application
Whether Approved or Denied Under the
Nebraska Job Creation and Mainstreet Revitalization Act**
January 1, 2015 through September 30, 2017

| Historic Name | Address | City |
|-----------------------------------|--|-------------|
| (None given) | 112-116 Sixth Street | Beatrice |
| Spiegel Motors | 620 Court Street | Beatrice |
| Ackerhurst-Eipperhurst Dairy Barn | 15220 Military Road | Bennington |
| Dining Hall | 13747 Flanagan Blvd | Boys Town |
| Dormitories | 13955, 13963, 13971, 14015 Flanagan Blvd | Boys Town |
| Dowd Chapel | 13943 Dowd Drive | Boys Town |
| Dowd Memorial Chapel | 13943 Dowd Drive | Boys Town |
| Dowd Memorial Chapel | 13943 Dowd Drive | Boys Town |
| Gatehouse | 13602 Flanagan Blvd | Boys Town |
| High School | 13727 Flanagan Blvd | Boys Town |
| New Post Office | 13603 Flanagan Blvd | Boys Town |

| | | |
|---|---------------------|-----------|
| Palrang Memorial Field House | 122 Heroes Blvd | Boys Town |
| Power Plant & Steam Distribution System | 373 McBreen Circle | Boys Town |
| Residence ¹ | 13625 Kuhn Drive | Boys Town |
| Residence ¹ | 13630 Kuhn Drive | Boys Town |
| Residence ¹ | 13651 Kuhn Drive | Boys Town |
| Residence ¹ | 102 Maher Drive | Boys Town |
| Residence ¹ | 105 Maher Drive | Boys Town |
| Residence ¹ | 111 Maher Drive | Boys Town |
| Residence ¹ | 113 Maher Drive | Boys Town |
| Residence ¹ | 120 Maher Drive | Boys Town |
| Residence ¹ | 129 Maher Drive | Boys Town |
| Residence ¹ | 136 Maher Drive | Boys Town |
| Residence ¹ | 141 Maher Drive | Boys Town |
| Residence ¹ | 153 Maher Drive | Boys Town |
| Residence ¹ | 162 Maher Drive | Boys Town |
| Residence ¹ | 169 Maher Drive | Boys Town |
| Residence ¹ | 169 Maher Drive | Boys Town |
| Residence ¹ | 183 Maher Drive | Boys Town |
| Residence ¹ | 208 Maher Drive | Boys Town |
| Residence ¹ | 213 Maher Drive | Boys Town |
| Residence ¹ | 216 Maher Drive | Boys Town |
| Residence ¹ | 221 Maher Drive | Boys Town |
| Residence ¹ | 201 Sudyka Drive | Boys Town |
| Residence ¹ | 219 Sudyka Drive | Boys Town |
| Residence ¹ | 302 Sudyka Drive | Boys Town |
| Residence ¹ | 305 Sudyka Drive | Boys Town |
| Residence ¹ | 308 Sudyka Drive | Boys Town |
| Residence ¹ | 314 Sudyka Drive | Boys Town |
| Town Hall | 13940 Gutawski Road | Boys Town |
| Chadron Furniture Co./Reitz & Lexington | 214 Main Street | Chadron |
| Weber Bros. Building | 225 Main Street | Chadron |
| (None given) | 4025 E. 23rd Street | Columbus |
| Phillips Friedhof Building | 1270 27th Avenue | Columbus |
| Platte County Agricultural Society | 822 15th Street | Columbus |
| Crete Mercantile | 1316 Main Avenue | Crete |
| Bonham Theatre | 519 E Street | Fairbury |

| | | |
|--------------------------------------|--|--------------|
| Jefferson County Court House | 411 4th Street | Fairbury |
| Franklin County Courthouse | 405 15th Avenue | Franklin |
| J D McDonald House | 310 E. Military Avenue | Fremont |
| Osterman and Tremaine Building | 445 N. Broad Street | Fremont |
| Schweser's / Quinn Building | 114 E. 6th Street | Fremont |
| Friend Historical Society | 511 2nd Street | Friend |
| Hall County Courthouse | 111 W. First Street | Grand Island |
| Hall County Courthouse | 111 W. First Street | Grand Island |
| Hedde Building | 201-203 W. Third Street | Grand Island |
| Hedde Building | 201-203 W. Third Street | Grand island |
| Hastings Brewery Building | 219 W. 2nd Street | Hastings |
| Lowe and Fair Commercial Block | 2001 & 2003 Central, 10 & 12 E. Railroad | Kearney |
| (None given) | 210 N. 7th Street | Lincoln |
| Bennett Hotel | 700 P Street | Lincoln |
| Lincoln YWCA | 1432 N Street | Lincoln |
| Nebraska Wesleyan Hospital | 2742 N. 48th Street | Lincoln |
| Sigma Alpha Epsilon Fraternity | 635 N. 16th Street | Lincoln |
| Sherman County Courthouse | 630 O Street | Loup City |
| First Presbyterian Church CIRCA 1913 | 104 S 4th Street | Madison |
| Keystone Hotel | 402 Norris Avenue | McCook |
| U. S. Post Office and Courthouse | 125 S. 4th Street | Norfolk |
| (None given) | 2235 Howard Street | Omaha |
| 10th & Pierce Streetcar Barn | 1100 Pierce St. | Omaha |
| 3814 Farnam Street | 3814 Farnam Street | Omaha |
| Ainsworth and Beverly Apartments | 2230-2236 Jones Street | Omaha |
| Burlington Mail Terminal | 950 S. 10th Street | Omaha |
| Colonial Apartments | 144 S. 38th Street | Omaha |
| Dewey Avenue Rowhouses | 2301-2321 Dewey Avenue | Omaha |
| Douglas County Courthouse | 1700 Farnam Street | Omaha |
| Duchesne Academy of the Sacred Heart | 3601 Burt Street | Omaha |
| Duplex | 2316 Howard Street | Omaha |
| Flatiron Building | 1722 St. Mary's Avenue | Omaha |
| Forrest Apartments | 2211 Howard Street | Omaha |
| Georgia Row Apartments | 1040 -1044 South 29th Street | Omaha |
| H. Thiessen Pickle Company | 3101 S. 24th Street | Omaha |
| Hanscom Apartments | 1029 Park Avenue | Omaha |

| | | |
|---|---|-------------|
| Hay Exchange Building | 1015 N. 14th Street | Omaha |
| Hinky Dinky Grocery Store | 4949 Underwood Avenue | Omaha |
| Hupmobile Building | 2523 Farnam Street | Omaha |
| J A Gross Store Building | 4801 - 4811 NW Radial Highway | Omaha |
| Longfellow Apartments | 2215 Howard Street | Omaha |
| National Indemnity Company Headquarters | 3024 Harney Street | Omaha |
| Northwestern Bell Telephone Company | 100 S. 19th Street | Omaha |
| Omaha Quartermaster Depot | 2101 Woolworth Avenue | Omaha |
| Saunders-Kennedy Building | 203 S. 18th Street | Omaha |
| Scott-Omaha Tent and Awning Co. | 1501 Howard Street | Omaha |
| St. John's Collegiate Church | 2500 California Plaza | Omaha |
| St. John's Collegiate Church | 2500 California Street | Omaha |
| St. John's Collegiate Church | 2500 California Street | Omaha |
| The Allas Apartments (Atlas Apartments) | 1609 Binney Street | Omaha |
| The Bartlett | 2227 Howard Street | Omaha |
| The Bosworth | 2217 Howard Street | Omaha |
| The Burlington Station | 1001 S. 10th Street | Omaha |
| The Florentine | 907 S. 25th Street | Omaha |
| The Florentine | 907 S. 25th Street | Omaha |
| The Florentine | 907 S. 25th Street | Omaha |
| The J.A. Gross Store Building | 4801 - 4811 NW Radial Highway | Omaha |
| The Mayfair Apartments | 2222 Howard Street | Omaha |
| The Polish Home | 4701 S. 25th Street | Omaha |
| Traver Brothers Duplexes | 2601-07 Jones Street and 651-72 S. 26th Ave | Omaha |
| Turner Court Apartments | 3102-3106 Dodge Street | Omaha |
| Webster Telephone Exchange Bldg | 2213 Lake Street | Omaha |
| West Farnam Apartments | 3817 Dewey Avenue | Omaha |
| White Rose Service Station | 302 S. 38th Street | Omaha |
| Woolworth Building | 1114-24 Howard Street | Omaha |
| First Thurston County Courthouse | 400-412 Main Street | Pender |
| Palace Hotel | 400-412 Main Street | Pender |
| Drew/Weckbach Building | 317 Main Street | Plattsmouth |
| Peter E. Ruffner House | 501 N. 8th Street | Plattsmouth |
| The Moon Block (Ntl. Willa Cather Center) | 429-437 N. Webster Street | Red Cloud |
| Schuyler Brick Paved Street | Lincoln Highway Route Downtown Schuyler | Schuyler |
| Superior City Hall | 450 North Commercial | Superior |

¹These buildings are referred to as Residence at Boys Town. A traditional single family does not own or rent these properties.

Nebraska Department of Revenue

| Nebraska Job Creation and Mainstreet Revitalization Act Tax Credit Activity January 1, 2015 through September 30, 2017 | |
|--|---------------|
| Eligible expenditures approved | \$ 35,308,439 |
| Tax credits issued | \$ 6,691,912 |
| Tax credits claimed ¹ | \$ 1,386,767 |
| Tax credits recaptured | \$ 0 |
| Total tax credits outstanding | \$ 5,305,145 |
| Tax credits transferred, sold, or assigned (Type A) | \$ 1,223,279 |
| Tax credits distributed by pass-through entities (Types A & B) | \$ 2,729,018 |

¹To maintain confidentiality, tax credits claimed are not reported separately by tax type or category.

The NDOR reviews the expenditures that are submitted on a Part 4: Request for Certification of Credits, and calculates the NHTCs issued based on approved eligible expenditures. The NDOR then issues two types of NHTC certificates, Type A (may be used, transferred, sold, assigned, or distributed) and Type B (may only be used or distributed). Applicants other than political subdivisions and entities exempt from income tax under IRC § 501(c)(3) receive both Type A and Type B certificates divided equally (50%). Both types may be used by the applicant, or distributed through the ownership structure of a pass-through entity. Political subdivisions and entities exempt from income tax under IRC § 501(c)(3) are issued only Type A certificates. Type A NHTCs may be transferred, sold, assigned, or distributed one or more times. The dollar amount of tax credits transferred, sold, assigned, or distributed reflects the value of the credit only, not the number of times the same credits may have been transferred, sold, assigned, or distributed.

NHTC certificates are initially issued to the applicant. A Part 5: Request for Transfer, Sale, Assignment, or Distribution of Credits must be submitted to the NDOR through the online web application within 15 days after the transfer or distribution of NHTCs. Once the recipient of transferred credits confirms the transfer request or the NDOR reviews and confirms the distribution, new NHTC certificates are issued to the recipient credit owners, and the transferred or distributed amount is deducted from the transferor's credit balance.

Credit owners may use both types of NHTCs to offset income tax, the franchise tax imposed on financial institutions, or the premium tax imposed on insurance companies. NHTCs are not refundable, and usage is limited to the amount of the taxpayer's tax liability. In the table above, NHTCs claimed include only the amount of credit usage approved by the NDOR as of September 30, 2017.

| Nebraska Job Creation and Mainstreet Revitalization Act Certified Owners of Tax Credits as of September 30, 2017 | |
|---|------------------------------|
| Owner | Tax Credits Owned |
| Block 22 Managing Member, LLC | \$ 928,136 |
| Block 22, LLC | 1,505,740 |
| Brozek, Nancy | 49,477 |
| Connolly, Timothy | 47,124 |
| Elkhorn Valley Bank & Trust | 300,000 |
| Faltys, Jared | 49,477 |
| Farmers & Merchants Bank | 200,000 |
| Father Flanagan's Boys' Home | 184,872 |
| Friend Historical Society | 7,973 |
| Gross, Richard | 51,223 |
| Hall County | 41,030 |
| Hearst Properties, Inc. | 1,000,000 |
| Idelman, Steven | 149,658 |
| Igel, Kort | 74,829 |
| Keen, Eric | 106,543 |
| Maple State Tax Credit Planners LLC | 19,970 |
| Midwest Bank, NA | 254,735 |
| Mullen, Sean | 149,624 |
| Murphy, Chris | 340,000 |
| Royal, Jeffrey | 127,446 |
| Sommer, Leonard | 74,830 |
| Twain NE HTC Fund I, LLC | 482,869 |
| U.S. Bank National Association | 468,912 |
| Ulferts, David | 77,444 |
| Total tax credits issued | \$6,691,912 |

In the table above, NHTCs owned include the amount of credits used or owned as of September 30, 2017. Credit holders may have used, transferred, sold, assigned, or distributed NHTCs since that date, and so may not be the entity or individual that ultimately uses the NHTCs. To maintain confidentiality, the NDOR will not report if an owner used the NHTCs against a tax liability.