

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 747

Introduced by Blood, 3.

Read first time January 08, 2020

Committee: Revenue

- 1 A BILL FOR AN ACT relating to the Nebraska Advantage Microenterprise Tax
- 2 Credit Act; to amend section 77-5903, Reissue Revised Statutes of
- 3 Nebraska; to include investment adviser representatives within the
- 4 definition of microbusiness; and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-5903, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 77-5903 For purposes of the Nebraska Advantage Microenterprise Tax
4 Credit Act:

5 (1) Actively engaged in the operation of a microbusiness means
6 personal involvement on a continuous basis in the daily management and
7 operation of the business;

8 (2) Equivalent employees means the number of employees computed by
9 dividing the total hours paid in a year by the product of forty times the
10 number of weeks in a year;

11 ~~(3)(a) {3}~~ Microbusiness means any business employing five or fewer
12 equivalent employees at the time of application.

13 (b) Microbusiness includes an investment adviser representative, as
14 defined in section 8-1101, who is registered under the Securities Act of
15 Nebraska.

16 (c) Microbusiness does not include a farm or livestock operation
17 unless (i) {a} the person actively engaged in the operation of the
18 microbusiness has a net worth of not more than five hundred thousand
19 dollars, including any holdings by a spouse or dependent, based on fair
20 market value, or (ii) {b} the investment or employment is in the
21 processing or marketing of agricultural products, aquaculture,
22 agricultural tourism, or the production of fruits, herbs, tree products,
23 vegetables, tree nuts, dried fruits, organic crops, or nursery crops;

24 (4) New employment means the amount by which the total compensation
25 plus the employer cost for health insurance for employees paid during the
26 tax year to or for employees who are Nebraska residents exceeds the total
27 compensation paid plus the employer cost for health insurance for
28 employees to or for employees who are Nebraska residents in the tax year
29 prior to application. New employment does not include compensation to any
30 employee that is in excess of one hundred fifty percent of the Nebraska
31 average weekly wage. Nebraska average weekly wage means the most recent

1 average weekly wage paid by all employers as reported by October 1 by the
2 Department of Labor;

3 (5) New investment means the increase during the tax year over the
4 year prior to the application in the applicant's (a) purchases of
5 buildings and depreciable personal property located in Nebraska, (b)
6 expenditures on repairs and maintenance on property located in Nebraska,
7 neither subdivision (a) or (b) of this subdivision to include vehicles
8 required to be registered for operation on the roads and highways of this
9 state, and (c) expenditures on advertising, legal, and professional
10 services. If the buildings or depreciable personal property is leased,
11 the amount of new investment shall be the increase in average net annual
12 rents multiplied by the number of years of the lease for which the
13 taxpayer is bound, not to exceed ten years;

14 (6) Related persons means (a) any corporation, partnership, limited
15 liability company, cooperative, including cooperatives exempt under
16 section 521 of the Internal Revenue Code of 1986, as amended, limited
17 cooperative association, or joint venture which is or would otherwise be
18 a member of the same unitary group, if incorporated, or any person who is
19 considered to be a related person under either section 267(b) and (c) or
20 section 707(b) of the Internal Revenue Code of 1986, as amended, and (b)
21 any individual who is a spouse, parent if the taxpayer is a minor, or
22 minor son or daughter of the taxpayer; and

23 (7) Taxpayer means any person subject to the income tax imposed by
24 the Nebraska Revenue Act of 1967, any corporation, partnership, limited
25 liability company, cooperative, including a cooperative exempt under
26 section 521 of the Internal Revenue Code of 1986, as amended, limited
27 cooperative association, or joint venture that is or would otherwise be a
28 member of the same unitary group, if incorporated, which is, or whose
29 partners, members, or owners representing an ownership interest of at
30 least ninety percent of such entity are, subject to such tax, and any
31 other partnership, limited liability company, subchapter S corporation,

1 cooperative, including a cooperative exempt under section 521 of the
2 Internal Revenue Code of 1986, as amended, limited cooperative
3 association, or joint venture when the partners, shareholders, or members
4 representing an ownership interest of at least ninety percent of such
5 entity are subject to such tax.

6 The changes made to this section by Laws 2008, LB 177, shall be
7 operative for all applications for benefits received on or after July 18,
8 2008.

9 Sec. 2. Original section 77-5903, Reissue Revised Statutes of
10 Nebraska, is repealed.