

AMENDMENTS TO LB1261  
(Amendments to E&R amendments, ER173)

Introduced by Wayne, 13.

1 1. Insert the following new sections:

2 Sec. 17. Section 77-6912, Revised Statutes Supplement, 2021, is  
3 amended to read:

4 77-6912 Qualified location means any location in a city of the  
5 metropolitan class or a city of the primary class that is used or will be  
6 used by the taxpayer to conduct business activities and that is located  
7 within an economic redevelopment area. More than one qualified location  
8 may be part of the same agreement ~~project~~.

9 Sec. 18. Section 77-6919, Revised Statutes Supplement, 2021, is  
10 amended to read:

11 77-6919 (1) To earn the incentives set forth in the Urban  
12 Redevelopment Act, the taxpayer shall file an application for an  
13 agreement with the Director of Economic Development.

14 (2) The application shall:

15 (a) Identify the taxpayer applying for incentives;

16 (b) Identify the location or locations where the new investment and  
17 employment will occur, including documentation to show that each such  
18 location is a qualified location;

19 (c) State the estimated, projected amount of new investment and the  
20 estimated, projected number of new equivalent employees; and

21 (d) Include an application fee of five hundred dollars. The fee  
22 shall be remitted to the State Treasurer for credit to the Nebraska  
23 Incentives Fund.

24 (3) Subject to the limit in subsection (4) of this section, the  
25 director shall approve the application and authorize the total amount of  
26 incentives expected to be earned ~~as a result of the project~~ if he or she

1 is satisfied that the qualified location or locations meet plan in the  
2 ~~application defines a project that meets~~ the requirements established in  
3 section 77-6920 and such requirements will be reached within the required  
4 time period.

5 (4) The director shall not approve further applications once the  
6 expected incentives from the approved projects total eight million  
7 dollars. All but one hundred dollars of the application fee shall be  
8 refunded to the applicant if the application is not approved for any  
9 reason.

10 (5) Applications for incentives shall be considered in the order in  
11 which they are received.

12 (6) The director has ninety days to approve a complete application.

13 (7) After approval, the taxpayer and the director shall enter into a  
14 written agreement. As part of such agreement, the taxpayer shall agree to  
15 increase the levels of employment and investment required by the act  
16 ~~complete the project~~ and the director, on behalf of the State of  
17 Nebraska, shall ~~designate the approved plans of the taxpayer as a project~~  
18 ~~and~~, in consideration of the taxpayer's agreement, agree to allow the  
19 taxpayer to use the incentives contained in the Urban Redevelopment Act  
20 up to the total amount that were authorized by the director at the time  
21 of approval. The application and all supporting documentation, to the  
22 extent approved, shall be considered a part of the agreement. The  
23 agreement shall state:

24 (a) The levels of employment and investment required by the act for  
25 the project;

26 (b) The time period under the act in which the required levels must  
27 be met;

28 (c) The documentation the taxpayer will need to supply when claiming  
29 an incentive under the act;

30 (d) The date the application was filed; and

31 (e) The maximum amount of incentives authorized.

1 (8) The application, the agreement, all supporting information, and  
2 all other information reported to the Director of Economic Development  
3 shall be kept confidential by the director, except for the name of the  
4 taxpayer, the location of the project, the estimated amounts of increased  
5 employment and investment stated in the application, the date of the  
6 complete application, the date the agreement was signed, and the  
7 information required to be reported by section 77-6928. The application,  
8 the agreement, and all supporting information shall be provided by the  
9 director to the Department of Revenue. The director shall disclose, to  
10 any municipalities in which project locations exist, the approval of an  
11 application and the execution of an agreement under this section. The Tax  
12 Commissioner shall also notify each municipality of the amount and  
13 taxpayer identity for each refund of local option sales and use taxes of  
14 the municipality within thirty days after the refund is allowed or  
15 approved. Disclosures shall be kept confidential by the municipality  
16 unless publicly disclosed previously by the taxpayer or by the State of  
17 Nebraska.

18 (9) There shall be no new applications for incentives filed under  
19 this section after December 31, 2031.

20 Sec. 19. Section 77-6920, Revised Statutes Supplement, 2021, is  
21 amended to read:

22 77-6920 (1) A tax credit shall be allowed to any taxpayer who has an  
23 approved application pursuant to the Urban Redevelopment Act if the  
24 taxpayer:

25 (a) Attains a cumulative investment in qualified property of at  
26 least one hundred fifty thousand dollars and hires at least five new  
27 employees at the qualified location or locations before the end of the  
28 ramp-up period; and

29 (b) Pays a minimum qualifying wage of seventy percent of the  
30 Nebraska statewide average hourly wage to the new equivalent employees  
31 for whom tax incentives are sought under the Urban Redevelopment Act.

1 (2) A tax credit shall be allowed to any taxpayer who has an  
2 approved application pursuant to the Urban Redevelopment Act if the  
3 taxpayer attains a cumulative investment in qualified property of at  
4 least fifty thousand dollars at the qualified location or locations  
5 before the end of the ramp-up period.

6 (3) Subject to subsection (5) of this section, the amount of the  
7 credit allowed under subsection (1) of this section shall be:

8 (a) Three thousand dollars for each new equivalent employee, except  
9 that such amount shall be increased by one thousand dollars for each  
10 equivalent employee who lives in an economic redevelopment area; and

11 (b) Two thousand seven hundred fifty dollars for each fifty thousand  
12 dollars of increased investment.

13 (4) Subject to subsection (5) of this section, the amount of the  
14 credit allowed under subsection (2) of this section shall be five percent  
15 of the investment.

16 (5) A taxpayer may qualify for a credit under either subsection (1)  
17 or (2) of this section, but cannot qualify for a credit under both such  
18 subsections. The credit shall not exceed fifty thousand dollars. The  
19 taxpayer shall receive such credit for each year of the performance  
20 period that the taxpayer is at or above the required levels of employment  
21 and cumulative investment.

22 (6) A taxpayer shall not qualify for any credits under the Urban  
23 Redevelopment Act if the taxpayer is receiving any benefits under any  
24 other tax incentive program offered by the State of Nebraska.

25 (7) A teleworker working from his or her residence shall not be  
26 considered an equivalent employee of the taxpayer for purposes of the  
27 Urban Redevelopment Act unless the teleworker's residence is located in  
28 the economic redevelopment area in which the taxpayer's qualified  
29 location is located.

30 2. Renumber the remaining sections and correct internal references  
31 accordingly.

1           3. Correct the operative date and repealer sections so that the  
2 sections added by this amendment become operative three calendar months  
3 after the adjournment of this legislative session.