

One Hundred Seventh Legislature - First Session - 2021

Introducer's Statement of Intent

LB544

Chairperson: Senator Lou Ann Linehan

Committee: Revenue

Date of Hearing: February 18, 2021

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 544 adopts the Urban Redevelopment Act. A tax credit is allowed if a taxpayer attains a cumulative investment in qualified property of at least \$150,000 and hires at least five new employees at a qualified location and pays a minimum qualifying wage of 70% of the Nebraska statewide hourly wage. A tax credit is also allowed to any taxpayer who attains cumulative investment in qualified property of at least \$50,000 at a qualified location. Qualified location means any location in a city of the metropolitan class or a city of the primary class that is located in an ERA.

The amount of the employee credit shall be \$3,000 for each new equivalent employee, with an additional \$1,000 credit if the employee resides in an ERA. The amount of the investment credit shall be \$2,750 for every \$50,000 of increased investment. If a taxpayer only adds investment and no employees, the credit shall be 5% percent of the investment. A taxpayer cannot qualify for both levels. The credits shall not exceed \$50,000. To earn incentives set forth in the Urban Redevelopment Act, the taxpayer shall file an agreement with DED. The application fee is \$500. All but \$100 of the application fee shall be refunded if the application is not approved. The director shall not approve any further applications once the expected incentives from the approved projects total \$8,000,000. There shall be no new application after December 31, 2031.

Principal Introducer: _____

Senator Justin Wayne