

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1344

FINAL READING
(SECOND)

Introduced by Wayne, 13.

Read first time January 17, 2024

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to economic development; to amend sections
2 13-201, 13-203, 13-204, 13-205, 13-206, 13-207, 13-208, and
3 81-1201.12, Reissue Revised Statutes of Nebraska, sections 77-908,
4 77-3806, 81-12,108, and 81-12,112, Revised Statutes Cumulative
5 Supplement, 2022, and sections 77-2715.07, 77-2734.03, 77-4403,
6 77-4404, 77-4405, 81-12,109, and 81-12,110, Revised Statutes
7 Supplement, 2023; to rename and change provisions of the Creating
8 High Impact Economic Futures Act; to change provisions relating to
9 good life districts, innovation hubs, and inland port districts; to
10 require a report to the Legislature; to define and redefine terms;
11 to harmonize provisions; to provide operative dates; and to repeal
12 the original sections.

13 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-201, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 13-201 Sections 13-201 to 13-208 shall be known and may be cited as
4 the Creating High Impact Economic Futures Community Development
5 Assistance Act and may also be referred to as the CHIEF Act.

6 Sec. 2. Section 13-203, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 13-203 For purposes of the Creating High Impact Economic Futures
9 Community Development Assistance Act, unless the context otherwise
10 requires:

11 (1) Accelerator program means a program that (a) provides education
12 and mentorship lasting no more than twenty-four months for early-stage
13 technology companies that have been recruited to a location in this state
14 and (b) has a defined curriculum and mentorship component designed to
15 accelerate a technology company's development and growth;

16 (2) Agribusiness or agricultural business entity means any person,
17 partnership, limited partnership, corporation, limited liability company,
18 or other entity engaged in a business that processes raw agricultural
19 products, including, but not limited to, corn, or that provides value-
20 added functions with regard to raw agricultural products;

21 (3) Area of chronic economic distress means an area of the state
22 which meets any of the following conditions:

23 (a) An unemployment rate which exceeds the statewide average
24 unemployment rate;

25 (b) A per capita income below the statewide average per capita
26 income; or

27 (c) A population loss between the two most recent federal decennial
28 censuses;

29 (4) ~~(1)~~ Business firm means shall mean any business entity,
30 including a corporation, a fiduciary, a sole proprietorship, a
31 partnership, a limited liability company, a corporation having an

1 election in effect under Chapter 1, subchapter S of the Internal Revenue
2 Code, as defined in section 49-801.01, subject to the state income tax
3 imposed by section 77-2715 or 77-2734.02, an insurance company paying
4 premium or related retaliatory taxes in this state pursuant to section
5 44-150 or 77-908, or a financial institution paying the tax imposed
6 pursuant to sections 77-3801 to 77-3807;

7 (5) Community betterment organization means any:

8 (a) Organization performing eligible activities in a community
9 development area and to which contributions are tax deductible under the
10 provisions of the Internal Revenue Service of the United States
11 Department of the Treasury;

12 (b) County, city, or village performing eligible activities;

13 (c) Inland port authority created pursuant to the Municipal Inland
14 Port Authority Act;

15 (d) Agribusiness or agricultural business entity; or

16 (e) Organization designated as an iHub under the Nebraska Innovation
17 Hub Act in a community development area;

18 ~~(2) Community services shall mean any type of the following in a~~
19 ~~community development area: (a) Employment training; (b) human services;~~
20 ~~(c) medical services; (d) physical facility and neighborhood development~~
21 ~~services; (e) recreational services or activities; (f) educational~~
22 ~~services; or (g) crime prevention activities, including, but not limited~~
23 ~~to, (i) the instruction of any individual in the community development~~
24 ~~area that enables him or her to acquire vocational skills, (ii)~~
25 ~~counseling and advice, (iii) emergency services, (iv) community, youth,~~
26 ~~day care, and senior citizen centers, (v) in-home services, (vi) home~~
27 ~~improvement services and programs, and (vii) any legal enterprise which~~
28 ~~aids in the prevention or reduction of crime;~~

29 ~~(3) Department shall mean the Department of Economic Development;~~

30 ~~(4) Director shall mean the Director of Economic Development;~~

31 (6) (5) Community development area means shall mean any:

1 (a) Village village, city, county, unincorporated area of a county,
2 or census tract which has been designated by the department as an area of
3 chronic economic distress;

4 (b) Economic redevelopment area as defined in section 77-6906;

5 (c) Enterprise zone designated pursuant to the Enterprise Zone Act;

6 (d) Qualified census tract in Nebraska as defined in 26 U.S.C. 42(d)
7 (5)(B)(ii)(I), as such section existed on January 1, 2024;

8 (e) County with a population of less than ten thousand inhabitants;

9 or

10 (f) Inland port district created pursuant to the Municipal Inland
11 Port Authority Act;

12 (7) Department means the Department of Economic Development;

13 (8) Eligible activities include: (a) Employment training; (b)
14 operations of any inland port authority created under the Municipal
15 Inland Port Authority Act; (c) medical services; (d) operation of an
16 agribusiness or agricultural business entity; (e) recreational services
17 or activities, including, but not limited to, operations for a sports
18 complex or sports venue as defined in section 13-3102; (f) home
19 improvement services and programs; (g) crime prevention activities,
20 including, but not limited to, (i) mental health counseling and advice,
21 (ii) community, youth, and senior citizen centers, and (iii) any legal
22 enterprise which aids in the prevention or reduction of crime; (h)
23 construction or operation of intermodal facilities or a shovel-ready site
24 owned by the qualifying organization or by a city or village in this
25 state; (i) creation or operation of an accelerator program for technology
26 companies; or (j) operations of an iHub;

27 (9) Inland port authority has the same meaning as in section
28 13-3303;

29 (10) Inland port district has the same meaning as in section
30 13-3303; and

31 (11) Innovation hub or iHub has the same meaning as in section

1 81-12,108.

2 ~~(6) Community assistance shall mean furnishing financial assistance,~~
3 ~~labor, material, or technical advice to aid in the physical improvement~~
4 ~~of any part or all of a community development area;~~

5 ~~(7) Community betterment organization shall mean (a) any~~
6 ~~organization performing community services or offering community~~
7 ~~assistance in a community development area and to which contributions are~~
8 ~~tax deductible under the provisions of the Internal Revenue Service of~~
9 ~~the United States Department of the Treasury and (b) a county, city, or~~
10 ~~village performing community services or offering community assistance in~~
11 ~~a community development area; and~~

12 ~~(8) Area of chronic economic distress shall mean an area of the~~
13 ~~state which meets any of the following conditions:~~

14 ~~(a) An unemployment rate which exceeds the statewide average~~
15 ~~unemployment rate;~~

16 ~~(b) A per capita income below the statewide average per capita~~
17 ~~income; or~~

18 ~~(c) A population loss between the two most recent federal decennial~~
19 ~~censuses.~~

20 Sec. 3. Section 13-204, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 13-204 Any community betterment organization which provides eligible
23 activities ~~community assistance or community services~~ in a community
24 development area may apply any time during the fiscal year to the
25 department to have one or more programs or projects certified for tax
26 credit status as provided in sections 13-205 to 13-208. The proposal
27 shall set forth the program or project to be conducted, the community
28 development area, the estimated amount to be required for completion of
29 the program or project or the annual estimated amount required for an
30 ongoing program or project, the plans for implementing the program or
31 project, and the amount of contributions committed or anticipated for

1 such activities or services.

2 Sec. 4. Section 13-205, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 13-205 (1) A proposal submitted to the department shall only
5 include all of the following:

6 (a) A description of the program or project to be conducted,
7 including the eligible activities that will be provided as a result of
8 the program or project;

9 (b) A description of the community development area, including the
10 geographical location and boundaries of the community development area;

11 (c) The estimated amount to be required for completion of the
12 program or project, including (i) a proposed budget for the program or
13 project with information on personnel and administrative overhead costs,
14 (ii) the amount of tax credits requested for the year of application, and
15 (iii) the amount of contributions pledged or anticipated from individuals
16 or business firms eligible for tax credits as well as other sources of
17 funding for the program or project;

18 (d) The annual estimated amount required for an ongoing program or
19 project, including a proposed annual budget with information on personnel
20 and administrative overhead costs, and the amount of tax credits
21 anticipated to be sought in future years;

22 (e) A description of the community betterment organization's plans
23 and capacity for implementing the program or project and continuing the
24 program or project;

25 (f) Documentation that the proposal is supported by the appropriate
26 subdivision of local government, including any letters of support on the
27 proposal provided by such subdivision of local government, and
28 information regarding whether the proposal is consistent with any
29 community development plan that may exist for the area in which the
30 community betterment organization will provide eligible activities; and

31 (g) If the community betterment organization is recognized by the

1 Internal Revenue Service of the United States Department of the Treasury
2 as an organization to which contributions are tax deductible,
3 documentation of such recognition.

4 (2) The department shall review all proposals based on the following
5 criteria:

6 (a) The extent to which the proposed program or project will create
7 or maintain jobs, provide youth sport participation, stimulate economic
8 development, or provide an economic benefit to the community development
9 area;

10 (b) A demonstrated capacity and performance of the community
11 betterment organization to execute the proposed program or project;

12 (c) The involvement of residents and community support of the
13 affected area in the planning of the proposed program or project and the
14 extent to which they will be involved in its implementation;

15 (d) The extent to which private sector contributions have been
16 committed to the proposed program or project, contingent upon approval of
17 the program or project by the department; and

18 (e) Documentation that the proposed program or project is supported
19 by the appropriate subdivision of local government, including any letters
20 of support provided by such subdivision of local government, and
21 information regarding whether the proposed program or project is
22 consistent with any community development plan that may exist for the
23 area in which the community betterment organization will provide eligible
24 activities.

25 (3) Proposals submitted subsequent to the first year shall be
26 evaluated on performance of the prior year's program or project, other
27 resources developed, and continued need.

28 ~~If the subdivision of local government has adopted a community~~
29 ~~development plan for an area which includes the area in which the~~
30 ~~community betterment organization is providing community assistance or~~
31 ~~community services, the organization shall submit a copy of the program~~

1 ~~proposal to the chief executive officer of such subdivision. If the~~
2 ~~program proposal is consistent with the adopted community development~~
3 ~~plan, the chief executive officer shall so certify to the department for~~
4 ~~the department's approval or disapproval. If the program proposal is not~~
5 ~~consistent with the adopted community development plan of the local~~
6 ~~subdivision, the chief executive officer shall so indicate and the~~
7 ~~proposal shall not be approved by the department. If the proposed~~
8 ~~activities are consistent with the adopted community development plan,~~
9 ~~but for other reasons they are not viewed as appropriate by the local~~
10 ~~subdivision, the chief executive officer shall so indicate and the~~
11 ~~department shall review the program proposal and approve or disapprove~~
12 ~~it. The local subdivision shall review the proposal within forty-five~~
13 ~~days from the date of receipt for review. If the subdivision does not~~
14 ~~issue its finding concerning the proposal within forty five days after~~
15 ~~receipt, the proposal shall be deemed approved. The department shall~~
16 ~~approve or disapprove a program proposal submitted pursuant to section~~
17 ~~13-204 within forty five days of receipt by the department.~~

18 Sec. 5. Section 13-206, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 13-206 (1) ~~The director shall adopt and promulgate rules and~~
21 ~~regulations for the approval or disapproval of the program proposals~~
22 ~~submitted pursuant to section 13-205 taking into account the economic~~
23 ~~need level and the geographic distribution of the population of the~~
24 ~~community development area. The director shall also adopt and promulgate~~
25 ~~rules and regulations concerning the amount of the tax credit for which a~~
26 ~~program shall be certified. The tax credits provided for in sections~~
27 ~~13-205 to 13-208 shall be available for contributions to a certified~~
28 ~~program or project which may qualify as a charitable contribution~~
29 ~~deduction on the federal income tax return filed by the business firm or~~
30 ~~individual making such contribution. ~~The decision of the department to~~~~
31 ~~approve or disapprove all or any portion of a proposal shall be in~~

1 ~~writing. If the proposal is approved, the maximum tax credit allowance~~
2 ~~for the certified program shall be stated along with the approval. The~~
3 maximum tax credit allowance approved by the department shall be final
4 for the fiscal year in which the program or project is certified. A copy
5 of all decisions shall be transmitted to the Tax Commissioner. A copy of
6 all credits allowed to business firms under sections 44-150 and 77-908
7 shall be transmitted to the Director of Insurance.

8 (2) For all business firms and individuals eligible for the credit
9 allowed by section 13-207, except for insurance companies paying premium
10 and related retaliatory taxes in this state pursuant to section 44-150 or
11 77-908, the Tax Commissioner shall provide for the manner in which the
12 credit allowed by section 13-207 shall be taken and the forms on which
13 such credit shall be allowed. The Tax Commissioner shall adopt and
14 promulgate rules and regulations for the method of providing tax credits.
15 The Director of Insurance shall provide for the manner in which the
16 credit allowed by section 13-207 to insurance companies paying premium
17 and related retaliatory taxes in this state pursuant to sections 44-150
18 and 77-908 shall be taken and the forms on which such credit shall be
19 allowed. The Director of Insurance may adopt and promulgate rules and
20 regulations for the method of providing the tax credit. The Tax
21 Commissioner shall allow against any income tax due from the insurance
22 companies paying premium and related retaliatory taxes in this state
23 pursuant to section 44-150 or 77-908 a credit for the credit provided by
24 section 13-207 and allowed by the Director of Insurance.

25 (3) The decision of the department to approve or disapprove all or
26 any portion of a proposal or certify a program or project for a
27 designated amount of tax credits shall be provided in writing within
28 forty-five days after receipt of a complete application. If the program
29 or project is approved or certified for a designated amount of tax
30 credits, the department shall prepare and transmit a written agreement to
31 the community betterment organization. The date the written agreement is

1 fully executed by the community betterment organization and the
2 department shall be the date from which contributions may be made to the
3 approved program or project.

4 (4) Documentation evidencing contributions made to programs or
5 projects certified for tax credit status by the department shall be
6 submitted to the department. The department may request additional
7 documentation as the facts and circumstances may require, or to
8 substantiate the value of the contribution, but documentation shall
9 generally be as follows:

10 (a) Cash contributions may be shown by a photocopy of both sides of
11 the canceled check or by proof of electronic funds transfer that includes
12 documentation from the bank account of origin and destination. Checks
13 shall be made payable to the community betterment organization and noted
14 specifically for that program or project, and electronic funds transfers
15 shall be transferred into the community betterment organization's bank
16 account for the program or project certified for tax credit status by the
17 department;

18 (b) Real property contributions may be shown by the deed and
19 documentation of at least one independent appraisal of the real property
20 by a real property appraiser credentialed under the Real Property
21 Appraiser Act;

22 (c) Contributions of equipment or supplies may be shown by copies of
23 invoices signed by both the contributor and the community betterment
24 organization receiving the equipment or supplies;

25 (d) Stock contributions shall be converted into cash before the
26 community betterment organization receives the donation. Stock
27 contributions may be shown as cash contributions; and

28 (e) Other contributions may be shown by affidavit or by other signed
29 statement deemed acceptable by the department that identifies the
30 contribution, the value of the contribution, and how the value was
31 determined along with other information as may be requested by the

1 department for the particular situation.

2 (5) The value of eligible contributions made to community betterment
3 organizations for programs or projects certified for tax credit status by
4 the department shall be determined based upon the valuation of charitable
5 contributions for federal income tax purposes established by the Internal
6 Revenue Service of the United States Department of the Treasury.

7 Sec. 6. Section 13-207, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 13-207 (1) An individual taxpayer who makes one or more
10 contributions to one or more programs or projects certified for tax
11 credit status during a tax year shall be eligible for a tax credit under
12 the Creating High Impact Economic Futures Act. The amount of the credit
13 shall be equal to one hundred percent of the total amount of such
14 contributions made during the tax year.

15 (2) Taxpayers who are married but file separate returns for a tax
16 year in which they could have filed a joint return may each claim fifty
17 percent of the tax credit that would otherwise have been allowed for a
18 joint return.

19 (3) Any partnership, limited liability company, or corporation
20 having an election in effect under subchapter S of the Internal Revenue
21 Code of 1986, as amended, that makes one or more contributions to one or
22 more programs or projects certified for tax credit status during a tax
23 year shall be eligible for a tax credit under the Creating High Impact
24 Economic Futures Act. The amount of the credit shall be equal to fifty
25 percent of the total amount of such contributions made during the tax
26 year. The credit shall be attributed to each partner, member, or
27 shareholder in the same proportion used to report the partnership's,
28 limited liability company's, or subchapter S corporation's income or loss
29 for income tax purposes.

30 (4) An estate or trust that makes one or more contributions to one
31 or more programs or projects certified for tax credit status during a tax

1 year shall be eligible for a tax credit under the Creating High Impact
2 Economic Futures Act. The amount of the credit shall be equal to fifty
3 percent of the total amount of such contributions made during the tax
4 year. Any credit not used by the estate or trust may be attributed to
5 each beneficiary of the estate or trust in the same proportion used to
6 report the beneficiary's income from the estate or trust for income tax
7 purposes.

8 (5) A corporate taxpayer as defined in section 77-2734.04 that makes
9 one or more contributions to one or more programs or projects certified
10 for tax credit status during a tax year shall be eligible for a tax
11 credit under the Creating High Impact Economic Futures Act. The amount of
12 the credit shall be equal to fifty percent of the total amount of such
13 contributions made during the tax year.

14 (6) The tax credit allowed under this section shall be a
15 nonrefundable credit. Any amount of the tax credit that is unused may be
16 carried forward and applied against the taxpayer's income tax liability
17 for the next five years immediately following the tax year in which the
18 credit is first allowed. The tax credit cannot be carried back.

19 (7) The tax credit allowed under this section is subject to section
20 13-208.

21 ~~(1) Any business firm or individual which plans to or which has~~
22 ~~contributed to a certified program of a community betterment organization~~
23 ~~may apply to the department for authorization for a tax credit for the~~
24 ~~contribution to the certified program in an amount up to but not~~
25 ~~exceeding the maximum tax credit allowed by the department. The maximum~~
26 ~~tax credit allowed by the department for each approved business firm or~~
27 ~~individual shall be in an amount which does not exceed forty percent of~~
28 ~~the total amount contributed by the business firm or individual during~~
29 ~~its taxable year to any programs certified pursuant to section 13-205.~~
30 ~~The director shall send a copy of the approved application which includes~~
31 ~~the amount of the tax credit to be allowed and a certification by the~~

1 ~~department that the contribution has been paid as proposed by the~~
2 ~~business firm or individual to the Tax Commissioner who shall grant a tax~~
3 ~~credit against any tax due under sections 77-2715, 77-2734.02, and~~
4 ~~77-3801 to 77-3807 and to the Director of Insurance who shall grant a tax~~
5 ~~credit against any premium and related retaliatory taxes due under~~
6 ~~sections 44-150 and 77-908.~~

7 ~~(2) No tax credit shall be granted to any business firm or~~
8 ~~individual in this state pursuant to the Community Development Assistance~~
9 ~~Act for activities that are a part of its normal course of business. Any~~
10 ~~tax credit balance may be carried over and applied against the business~~
11 ~~firm's or individual's tax liability for the next five years immediately~~
12 ~~succeeding the tax year in which the credit was first allowed.~~

13 Sec. 7. Section 13-208, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 13-208 The annual limit on the total amount of tax credits allowed
16 (1) for calendar years 2025 and 2026 shall be nine hundred thousand
17 dollars per year with a total of three hundred thousand dollars per year
18 for each congressional district and (2) for calendar year 2027 and each
19 calendar year thereafter shall be three million dollars per year with a
20 total of one million dollars per year for each congressional district.
21 Once credits have reached the annual limit for any calendar year, no
22 additional credits shall be allowed for such calendar year. The maximum
23 amount of credits per program or project shall not exceed one hundred
24 fifty thousand dollars per year for the first congressional district and
25 one hundred fifty thousand dollars per year for the third congressional
26 district. The total amount of tax credit granted for programs approved
27 and certified under the Community Development Assistance Act by the
28 department for any fiscal year shall not exceed three hundred fifty
29 thousand dollars, except that for fiscal year 2016-17, the total amount
30 of tax credit granted under this section shall be reduced by seventy-five
31 thousand dollars.

1 Sec. 8. Section 77-908, Revised Statutes Cumulative Supplement,
2 2022, is amended to read:

3 77-908 Every insurance company organized under the stock, mutual,
4 assessment, or reciprocal plan, except fraternal benefit societies, which
5 is transacting business in this state shall, on or before March 1 of each
6 year, pay a tax to the director of one percent of the gross amount of
7 direct writing premiums received by it during the preceding calendar year
8 for business done in this state, except that (1) for group sickness and
9 accident insurance the rate of such tax shall be five-tenths of one
10 percent and (2) for property and casualty insurance, excluding individual
11 sickness and accident insurance, the rate of such tax shall be one
12 percent. A captive insurer authorized under the Captive Insurers Act that
13 is transacting business in this state shall, on or before March 1 of each
14 year, pay to the director a tax of one-fourth of one percent of the gross
15 amount of direct writing premiums received by such insurer during the
16 preceding calendar year for business transacted in the state. The taxable
17 premiums shall include premiums paid on the lives of persons residing in
18 this state and premiums paid for risks located in this state whether the
19 insurance was written in this state or not, including that portion of a
20 group premium paid which represents the premium for insurance on Nebraska
21 residents or risks located in Nebraska included within the group when the
22 number of lives in the group exceeds five hundred. The tax shall also
23 apply to premiums received by domestic companies for insurance written on
24 individuals residing outside this state or risks located outside this
25 state if no comparable tax is paid by the direct writing domestic company
26 to any other appropriate taxing authority. Companies whose scheme of
27 operation contemplates the return of a portion of premiums to
28 policyholders, without such policyholders being claimants under the terms
29 of their policies, may deduct such return premiums or dividends from
30 their gross premiums for the purpose of tax calculations. Any such
31 insurance company shall receive a credit on the tax imposed as provided

1 in the Creating High Impact Economic Futures Community Development
2 Assistance Act, the Nebraska Job Creation and Mainstreet Revitalization
3 Act, the New Markets Job Growth Investment Act, the Nebraska Higher Blend
4 Tax Credit Act, and the Affordable Housing Tax Credit Act.

5 Sec. 9. Section 77-2715.07, Revised Statutes Supplement, 2023, is
6 amended to read:

7 77-2715.07 (1) There shall be allowed to qualified resident
8 individuals as a nonrefundable credit against the income tax imposed by
9 the Nebraska Revenue Act of 1967:

10 (a) A credit equal to the federal credit allowed under section 22 of
11 the Internal Revenue Code; and

12 (b) A credit for taxes paid to another state as provided in section
13 77-2730.

14 (2) There shall be allowed to qualified resident individuals against
15 the income tax imposed by the Nebraska Revenue Act of 1967:

16 (a) For returns filed reporting federal adjusted gross incomes of
17 greater than twenty-nine thousand dollars, a nonrefundable credit equal
18 to twenty-five percent of the federal credit allowed under section 21 of
19 the Internal Revenue Code of 1986, as amended, except that for taxable
20 years beginning or deemed to begin on or after January 1, 2015, such
21 nonrefundable credit shall be allowed only if the individual would have
22 received the federal credit allowed under section 21 of the code after
23 adding back in any carryforward of a net operating loss that was deducted
24 pursuant to such section in determining eligibility for the federal
25 credit;

26 (b) For returns filed reporting federal adjusted gross income of
27 twenty-nine thousand dollars or less, a refundable credit equal to a
28 percentage of the federal credit allowable under section 21 of the
29 Internal Revenue Code of 1986, as amended, whether or not the federal
30 credit was limited by the federal tax liability. The percentage of the
31 federal credit shall be one hundred percent for incomes not greater than

1 twenty-two thousand dollars, and the percentage shall be reduced by ten
2 percent for each one thousand dollars, or fraction thereof, by which the
3 reported federal adjusted gross income exceeds twenty-two thousand
4 dollars, except that for taxable years beginning or deemed to begin on or
5 after January 1, 2015, such refundable credit shall be allowed only if
6 the individual would have received the federal credit allowed under
7 section 21 of the code after adding back in any carryforward of a net
8 operating loss that was deducted pursuant to such section in determining
9 eligibility for the federal credit;

10 (c) A refundable credit as provided in section 77-5209.01 for
11 individuals who qualify for an income tax credit as a qualified beginning
12 farmer or livestock producer under the Beginning Farmer Tax Credit Act
13 for all taxable years beginning or deemed to begin on or after January 1,
14 2006, under the Internal Revenue Code of 1986, as amended;

15 (d) A refundable credit for individuals who qualify for an income
16 tax credit under the Angel Investment Tax Credit Act, the Nebraska
17 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
18 and Development Act, or the Volunteer Emergency Responders Incentive Act;
19 and

20 (e) A refundable credit equal to ten percent of the federal credit
21 allowed under section 32 of the Internal Revenue Code of 1986, as
22 amended, except that for taxable years beginning or deemed to begin on or
23 after January 1, 2015, such refundable credit shall be allowed only if
24 the individual would have received the federal credit allowed under
25 section 32 of the code after adding back in any carryforward of a net
26 operating loss that was deducted pursuant to such section in determining
27 eligibility for the federal credit.

28 (3) There shall be allowed to all individuals as a nonrefundable
29 credit against the income tax imposed by the Nebraska Revenue Act of
30 1967:

31 (a) A credit for personal exemptions allowed under section

1 77-2716.01;

2 (b) A credit for contributions to programs or projects certified for
3 tax credit status certified community betterment programs as provided in
4 the Creating High Impact Economic Futures Community Development
5 Assistance Act. Each partner, each shareholder of an electing subchapter
6 S corporation, each beneficiary of an estate or trust, or each member of
7 a limited liability company shall report his or her share of the credit
8 in the same manner and proportion as he or she reports the partnership,
9 subchapter S corporation, estate, trust, or limited liability company
10 income;

11 (c) A credit for investment in a biodiesel facility as provided in
12 section 77-27,236;

13 (d) A credit as provided in the New Markets Job Growth Investment
14 Act;

15 (e) A credit as provided in the Nebraska Job Creation and Mainstreet
16 Revitalization Act;

17 (f) A credit to employers as provided in sections 77-27,238 and
18 77-27,240;

19 (g) A credit as provided in the Affordable Housing Tax Credit Act;

20 (h) A credit to grocery store retailers, restaurants, and
21 agricultural producers as provided in section 77-27,241; and

22 (i) A credit as provided in the Opportunity Scholarships Act.

23 (4) There shall be allowed as a credit against the income tax
24 imposed by the Nebraska Revenue Act of 1967:

25 (a) A credit to all resident estates and trusts for taxes paid to
26 another state as provided in section 77-2730;

27 (b) A credit to all estates and trusts for contributions to programs
28 or projects certified for tax credit status certified community
29 betterment programs as provided in the Creating High Impact Economic
30 Futures Community Development Assistance Act; and

31 (c) A refundable credit for individuals who qualify for an income

1 tax credit as an owner of agricultural assets under the Beginning Farmer
2 Tax Credit Act for all taxable years beginning or deemed to begin on or
3 after January 1, 2009, under the Internal Revenue Code of 1986, as
4 amended. The credit allowed for each partner, shareholder, member, or
5 beneficiary of a partnership, corporation, limited liability company, or
6 estate or trust qualifying for an income tax credit as an owner of
7 agricultural assets under the Beginning Farmer Tax Credit Act shall be
8 equal to the partner's, shareholder's, member's, or beneficiary's portion
9 of the amount of tax credit distributed pursuant to subsection (6) of
10 section 77-5211.

11 (5)(a) For all taxable years beginning on or after January 1, 2007,
12 and before January 1, 2009, under the Internal Revenue Code of 1986, as
13 amended, there shall be allowed to each partner, shareholder, member, or
14 beneficiary of a partnership, subchapter S corporation, limited liability
15 company, or estate or trust a nonrefundable credit against the income tax
16 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
17 partner's, shareholder's, member's, or beneficiary's portion of the
18 amount of franchise tax paid to the state under sections 77-3801 to
19 77-3807 by a financial institution.

20 (b) For all taxable years beginning on or after January 1, 2009,
21 under the Internal Revenue Code of 1986, as amended, there shall be
22 allowed to each partner, shareholder, member, or beneficiary of a
23 partnership, subchapter S corporation, limited liability company, or
24 estate or trust a nonrefundable credit against the income tax imposed by
25 the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's,
26 member's, or beneficiary's portion of the amount of franchise tax paid to
27 the state under sections 77-3801 to 77-3807 by a financial institution.

28 (c) Each partner, shareholder, member, or beneficiary shall report
29 his or her share of the credit in the same manner and proportion as he or
30 she reports the partnership, subchapter S corporation, limited liability
31 company, or estate or trust income. If any partner, shareholder, member,

1 or beneficiary cannot fully utilize the credit for that year, the credit
2 may not be carried forward or back.

3 (6) There shall be allowed to all individuals nonrefundable credits
4 against the income tax imposed by the Nebraska Revenue Act of 1967 as
5 provided in section 77-3604 and refundable credits against the income tax
6 imposed by the Nebraska Revenue Act of 1967 as provided in section
7 77-3605.

8 (7)(a) For taxable years beginning or deemed to begin on or after
9 January 1, 2020, and before January 1, 2026, under the Internal Revenue
10 Code of 1986, as amended, a nonrefundable credit against the income tax
11 imposed by the Nebraska Revenue Act of 1967 in the amount of five
12 thousand dollars shall be allowed to any individual who purchases a
13 residence during the taxable year if such residence:

14 (i) Is located within an area that has been declared an extremely
15 blighted area under section 18-2101.02;

16 (ii) Is the individual's primary residence; and

17 (iii) Was not purchased from a family member of the individual or a
18 family member of the individual's spouse.

19 (b) The credit provided in this subsection shall be claimed for the
20 taxable year in which the residence is purchased. If the individual
21 cannot fully utilize the credit for such year, the credit may be carried
22 forward to subsequent taxable years until fully utilized.

23 (c) No more than one credit may be claimed under this subsection
24 with respect to a single residence.

25 (d) The credit provided in this subsection shall be subject to
26 recapture by the Department of Revenue if the individual claiming the
27 credit sells or otherwise transfers the residence or quits using the
28 residence as his or her primary residence within five years after the end
29 of the taxable year in which the credit was claimed.

30 (e) For purposes of this subsection, family member means an
31 individual's spouse, child, parent, brother, sister, grandchild, or

1 grandparent, whether by blood, marriage, or adoption.

2 (8) There shall be allowed to all individuals refundable credits
3 against the income tax imposed by the Nebraska Revenue Act of 1967 as
4 provided in the Nebraska Biodiesel Tax Credit Act, the Nebraska Higher
5 Blend Tax Credit Act, the Nebraska Property Tax Incentive Act, and the
6 Renewable Chemical Production Tax Credit Act.

7 (9)(a) For taxable years beginning or deemed to begin on or after
8 January 1, 2022, under the Internal Revenue Code of 1986, as amended, a
9 refundable credit against the income tax imposed by the Nebraska Revenue
10 Act of 1967 shall be allowed to the parent of a stillborn child if:

11 (i) A fetal death certificate is filed pursuant to subsection (1) of
12 section 71-606 for such child;

13 (ii) Such child had advanced to at least the twentieth week of
14 gestation; and

15 (iii) Such child would have been a dependent of the individual
16 claiming the credit.

17 (b) The amount of the credit shall be two thousand dollars.

18 (c) The credit shall be allowed for the taxable year in which the
19 stillbirth occurred.

20 (10) There shall be allowed to all individuals refundable credits
21 against the income tax imposed by the Nebraska Revenue Act of 1967 as
22 provided in section 77-7203 and nonrefundable credits against the income
23 tax imposed by the Nebraska Revenue Act of 1967 as provided in section
24 77-7204.

25 Sec. 10. Section 77-2734.03, Revised Statutes Supplement, 2023, is
26 amended to read:

27 77-2734.03 (1)(a) For taxable years commencing prior to January 1,
28 1997, any (i) insurer paying a tax on premiums and assessments pursuant
29 to section 77-908 or 81-523, (ii) electric cooperative organized under
30 the Joint Public Power Authority Act, or (iii) credit union shall be
31 credited, in the computation of the tax due under the Nebraska Revenue

1 Act of 1967, with the amount paid during the taxable year as taxes on
2 such premiums and assessments and taxes in lieu of intangible tax.

3 (b) For taxable years commencing on or after January 1, 1997, any
4 insurer paying a tax on premiums and assessments pursuant to section
5 77-908 or 81-523, any electric cooperative organized under the Joint
6 Public Power Authority Act, or any credit union shall be credited, in the
7 computation of the tax due under the Nebraska Revenue Act of 1967, with
8 the amount paid during the taxable year as (i) taxes on such premiums and
9 assessments included as Nebraska premiums and assessments under section
10 77-2734.05 and (ii) taxes in lieu of intangible tax.

11 (c) For taxable years commencing or deemed to commence prior to, on,
12 or after January 1, 1998, any insurer paying a tax on premiums and
13 assessments pursuant to section 77-908 or 81-523 shall be credited, in
14 the computation of the tax due under the Nebraska Revenue Act of 1967,
15 with the amount paid during the taxable year as assessments allowed as an
16 offset against premium and related retaliatory tax liability pursuant to
17 section 44-4233.

18 (2) There shall be allowed to corporate taxpayers a tax credit for
19 contributions to programs or projects certified for tax credit status
20 ~~community betterment programs~~ as provided in the Creating High Impact
21 Economic Futures Community Development Assistance Act.

22 (3) There shall be allowed to corporate taxpayers a refundable
23 income tax credit under the Beginning Farmer Tax Credit Act for all
24 taxable years beginning or deemed to begin on or after January 1, 2001,
25 under the Internal Revenue Code of 1986, as amended.

26 (4) The changes made to this section by Laws 2004, LB 983, apply to
27 motor fuels purchased during any tax year ending or deemed to end on or
28 after January 1, 2005, under the Internal Revenue Code of 1986, as
29 amended.

30 (5) There shall be allowed to corporate taxpayers refundable income
31 tax credits under the Nebraska Advantage Microenterprise Tax Credit Act,

1 the Nebraska Advantage Research and Development Act, the Nebraska
2 Biodiesel Tax Credit Act, the Nebraska Higher Blend Tax Credit Act, the
3 Nebraska Property Tax Incentive Act, and the Renewable Chemical
4 Production Tax Credit Act.

5 (6) There shall be allowed to corporate taxpayers a nonrefundable
6 income tax credit for investment in a biodiesel facility as provided in
7 section 77-27,236.

8 (7) There shall be allowed to corporate taxpayers a nonrefundable
9 income tax credit as provided in the Nebraska Job Creation and Mainstreet
10 Revitalization Act, the New Markets Job Growth Investment Act, the School
11 Readiness Tax Credit Act, the Child Care Tax Credit Act, the Affordable
12 Housing Tax Credit Act, the Opportunity Scholarships Act, and sections
13 77-27,238, 77-27,240, and 77-27,241.

14 Sec. 11. Section 77-3806, Revised Statutes Cumulative Supplement,
15 2022, is amended to read:

16 77-3806 (1) The tax return shall be filed and the total amount of
17 the franchise tax shall be due on the fifteenth day of the third month
18 after the end of the taxable year. No extension of time to pay the tax
19 shall be granted. If the Tax Commissioner determines that the amount of
20 tax can be computed from available information filed by the financial
21 institutions with either state or federal regulatory agencies, the Tax
22 Commissioner may, by regulation, waive the requirement for the financial
23 institutions to file returns.

24 (2) Sections 77-2714 to 77-27,135 relating to deficiencies,
25 penalties, interest, the collection of delinquent amounts, and appeal
26 procedures for the tax imposed by section 77-2734.02 shall also apply to
27 the tax imposed by section 77-3802. If the filing of a return is waived
28 by the Tax Commissioner, the payment of the tax shall be considered the
29 filing of a return for purposes of sections 77-2714 to 77-27,135.

30 (3) No refund of the tax imposed by section 77-3802 shall be allowed
31 unless a claim for such refund is filed within ninety days of the date on

1 which (a) the tax is due or was paid, whichever is later, (b) a change is
2 made to the amount of deposits or the net financial income of the
3 financial institution by a state or federal regulatory agency, or (c) the
4 Nebraska Investment Finance Authority issues an eligibility statement to
5 the financial institution pursuant to the Affordable Housing Tax Credit
6 Act.

7 (4) Any such financial institution shall receive a credit on the
8 franchise tax as provided under the Affordable Housing Tax Credit Act,
9 the Creating High Impact Economic Futures Community Development
10 ~~Assistance~~ Act, the Nebraska Higher Blend Tax Credit Act, the Nebraska
11 Job Creation and Mainstreet Revitalization Act, the Nebraska Property Tax
12 Incentive Act, and the New Markets Job Growth Investment Act.

13 Sec. 12. Section 77-4403, Revised Statutes Supplement, 2023, is
14 amended to read:

15 77-4403 For purposes of the Good Life Transformational Projects Act:

16 (1) Department means the Department of Economic Development; ~~and~~

17 (2) Good life district means a district established pursuant to
18 section 77-4405; and -

19 (3) Qualified inland port district means an inland port district
20 created pursuant to the Municipal Inland Port Authority Act that is
21 located within a city of the metropolitan class.

22 Sec. 13. Section 77-4404, Revised Statutes Supplement, 2023, is
23 amended to read:

24 77-4404 (1) Until December 31, 2024, any person may apply to the
25 department to create a good life district. All applications shall be in
26 writing and shall contain:

27 (a) A description of the proposed project to be undertaken within
28 the good life district, including a description of any existing
29 development, an estimate of the total new development costs for the
30 project, and an estimate of the number of new jobs to be created as a
31 result of the project;

1 (b) A map identifying the good life district to be used for purposes
2 of the project;

3 (c) A description of the proposed financing of the project;

4 (d) Documentation of local financial commitment to support the
5 project, including all public and private resources pledged or committed
6 to the project and including a copy of any operating agreement or lease
7 with substantial users of the project area; and

8 (e) Sufficient documents, plans, and specifications as required by
9 the department to define the project, including the following:

10 (i) A statement of how the jobs and taxes obtained from the project
11 will contribute significantly to the economic development of the state
12 and region;

13 (ii) Visitation expectations and a plan describing how the number of
14 visitors to the good life district will be tracked and reported on an
15 annual basis;

16 (iii) Any unique qualities of the project;

17 (iv) An economic impact study, including the anticipated effect of
18 the project on the regional and statewide economies;

19 (v) Project accountability, measured according to best industry
20 practices;

21 (vi) The expected return on state and local investment the project
22 is anticipated to produce; and

23 (vii) A summary of community involvement, participation, and support
24 for the project.

25 (2) Upon receiving an application, the department shall review the
26 application and notify the applicant of any additional information needed
27 for a proper evaluation of the application.

28 (3) The application and all supporting information shall be
29 confidential except for the location of the project, the total new
30 development costs estimated for the project, and the number of new jobs
31 estimated to be created as a result of the project.

1 (4) No more than five good life districts may be created statewide.
2 No more than one good life district may be created in any county with a
3 population of five hundred thousand inhabitants or more, excluding any
4 good life district created within a qualified inland port district.

5 Sec. 14. Section 77-4405, Revised Statutes Supplement, 2023, is
6 amended to read:

7 77-4405 (1) If the department finds that creation of the good life
8 district would not exceed the limits prescribed in subsection (4) of
9 section 77-4404 and the project described in the application meets the
10 eligibility requirements of this section, the application shall be
11 approved.

12 (2) A project is eligible if:

13 (a) The applicant demonstrates that the total new development costs
14 of the project will exceed:

15 (i) One billion dollars if the project will be located in a city of
16 the metropolitan class;

17 (ii) Seven hundred fifty million dollars if the project will be
18 located in a city of the primary class;

19 (iii) Five hundred million dollars if the project will be located in
20 a city of the first class, city of the second class, or village within a
21 county with a population of one hundred thousand inhabitants or more; or

22 (iv) One hundred million dollars if the project will be located in a
23 city of the first class, city of the second class, village, or sanitary
24 and improvement district ~~or village~~ within a county with a population of
25 less than one hundred thousand inhabitants;

26 (b) The applicant demonstrates that the project will directly or
27 indirectly result in the creation of:

28 (i) One thousand new jobs if the project will be located in a city
29 of the metropolitan class;

30 (ii) Five hundred new jobs if the project will be located in a city
31 of the primary class;

1 (iii) Two hundred fifty new jobs if the project will be located in a
2 city of the first class, city of the second class, or village within a
3 county with a population of one hundred thousand inhabitants or more; or

4 (iv) Fifty new jobs if the project will be located in a city of the
5 first class, city of the second class, village, or sanitary and
6 improvement district ~~or village~~ within a county with a population of less
7 than one hundred thousand inhabitants; and

8 (c)(i) For a project that will be located in a county with a
9 population of one hundred thousand inhabitants or more, the applicant
10 demonstrates that, upon completion of the project, at least twenty
11 percent of sales at the project will be made to persons residing outside
12 the State of Nebraska or the project will generate a minimum of six
13 hundred thousand visitors per year who reside outside the State of
14 Nebraska and the project will attract new-to-market retail to the state
15 and will generate a minimum of three million visitors per year. Students
16 from another state who attend a Nebraska public or private university
17 shall not be counted as out-of-state residents for purposes of this
18 subdivision; or

19 (ii) For a project that will be located in a county with a
20 population of less than one hundred thousand inhabitants, the applicant
21 demonstrates that, upon completion of the project, at least twenty
22 percent of sales at the project will be made to persons residing outside
23 the State of Nebraska. Students from another state who attend a Nebraska
24 public or private university shall not be counted as out-of-state
25 residents for purposes of this subdivision.

26 (3) The applicant must certify that any anticipated diversion of
27 state sales tax revenue will be offset or exceeded by sales tax paid on
28 anticipated development costs, including construction to real property,
29 during the same period.

30 (4) A project is not eligible if:

31 (a) The ~~the~~ project includes a licensed racetrack enclosure or an

1 authorized gaming operator as such terms are defined in section 9-1103; -

2 (b) The project received funds pursuant to the Shovel-Ready Capital
3 Recovery and Investment Act or the Economic Recovery Act, except that
4 this subdivision shall not apply to any project located in a qualified
5 inland port district; or

6 (c) The project includes any portion of a public or private
7 university.

8 (5) Approval of an application under this section shall establish
9 the good life district as that area depicted in the map accompanying the
10 application as submitted pursuant to subdivision (1)(b) of section
11 77-4404. Such district shall last for twenty-five years and shall not
12 exceed two thousand acres in size or, for any good life district created
13 within a qualified inland port district, the size of the qualified inland
14 port district.

15 (6) Upon establishment of a good life district under this section,
16 any transactions occurring within the district shall be subject to a
17 reduced sales tax rate as provided in section 77-2701.02.

18 Sec. 15. Section 81-1201.12, Reissue Revised Statutes of Nebraska,
19 is amended to read:

20 81-1201.12 The department shall:

21 (1) Submit and adopt all necessary plans, enter into contracts, and
22 accept gifts, grants, and federal funds; and

23 (2) Administer the tax credit program established by the Creating
24 High Impact Economic Futures Community Development Assistance Act and
25 adopt and promulgate rules and regulations pursuant to such act.

26 Sec. 16. Section 81-12,108, Revised Statutes Cumulative Supplement,
27 2022, is amended to read:

28 81-12,108 For purposes of the Nebraska Innovation Hub Act:

29 (1) Department means the Department of Economic Development;

30 (2) Director means the Director of Economic Development;

31 (3) Economic redevelopment area means an area in the State of

1 Nebraska in which:

2 (a) The average rate of unemployment in the area during the period
3 covered by the most recent federal decennial census or American Community
4 Survey 5-Year Estimate by the United States Bureau of the Census is at
5 least one hundred fifty percent of the average rate of unemployment in
6 the state during the same period; and

7 (b) The average poverty rate in the area is twenty percent or more
8 for the federal census tract in the area;

9 (4) iHub area means the geographical area in this state in which an
10 iHub will operate. An iHub area shall be located within:

11 (a) An economic redevelopment area; ~~or~~

12 (b) An enterprise zone designated pursuant to the Enterprise Zone
13 Act;

14 (c) An inland port district as defined in section 13-3303;

15 (d) Thirty miles of the largest artificial reservoir constructed in
16 this state for the storage of water; or

17 (e) Any county having a population of less than one hundred thousand
18 inhabitants;

19 (5) iHub partner means an entity described in section 81-12,111 that
20 collaborates with an iHub for purposes of driving economic growth within
21 an iHub area;

22 (6) Innovation hub or iHub means a private nonprofit corporation
23 that is designated by the director as an iHub or an inland port authority
24 created under the Municipal Inland Port Authority Act; and

25 (7) Postsecondary educational institution means a two-year or four-
26 year college or university which is a member institution of an
27 accrediting body recognized by the United States Department of Education.

28 Sec. 17. Section 81-12,109, Revised Statutes Supplement, 2023, is
29 amended to read:

30 81-12,109 (1) The department shall designate innovation hubs within
31 iHub areas to stimulate partnerships, economic development, and job

1 creation by leveraging iHub partner assets to provide an innovation
2 platform for startup businesses, economic development organizations,
3 business groups, and venture capitalists. The iHub partner assets may
4 include, but are not limited to, research parks, technology incubators,
5 universities, and federal laboratories.

6 (2) The department shall designate no more than six ~~four~~ iHubs in
7 the first congressional district, no more than four ~~three~~ iHubs in the
8 second congressional district, and no more than six iHubs in the third
9 congressional district.

10 (3) The department shall terminate any iHub designation for any iHub
11 that has not fully implemented the memorandum of understanding entered
12 into pursuant to section 81-12,110 within three years after such
13 designation.

14 Sec. 18. Section 81-12,110, Revised Statutes Supplement, 2023, is
15 amended to read:

16 81-12,110 (1) Except as provided in subsection (3) of this section,
17 a private nonprofit corporation or an inland port authority created under
18 the Municipal Inland Port Authority Act may apply to the director to
19 become designated as an iHub. ~~Applications shall be submitted on or after~~
20 ~~November 1, 2022, and before June 1, 2023.~~ The application shall include,
21 but not be limited to, the following:

22 (a) A statement of purpose;

23 (b) A signed statement of cooperation and a description of the roles
24 and relationships of each iHub partner;

25 (c) A clear explanation and map conveying the iHub area;

26 (d) A clearly identified central location for the iHub, which shall
27 be a physical location;

28 (e) A complete budget, including a description of secured funds,
29 pending funds, and potential future funding sources;

30 (f) A clearly articulated iHub management structure and plan, which
31 may include a description of the capabilities, qualifications, and

1 experience of the proposed management team, team leaders, or key
2 personnel who are critical to achieving the proposed objectives;

3 (g) A list of iHub assets and resources;

4 (h) A clearly articulated industry focus area of the iHub, including
5 industry sectors or other targeted areas for development and growth;

6 (i) A list of specific resources available to support and guide
7 startup companies;

8 (j) A five-year plan, which shall include a clearly articulated list
9 of goals to be achieved with the designation of the iHub;

10 (k) Defined performance standards agreed upon by the applicant and
11 the proposed iHub partners, which may include expectations for job
12 development and business creation;

13 (l) Evaluation procedures that will be used to measure the level of
14 achievement for each stated goal;

15 (m) A plan for sustainability;

16 (n) Demonstrated experience with innovation programs, such as
17 involvement with technology commercialization;

18 (o) Evidence of community engagement and support; and

19 (p) An application fee of one thousand dollars. The director shall
20 remit all application fees received under this section to the State
21 Treasurer for credit to the Innovation Hub Cash Fund.

22 (2) The department shall establish a weighted scoring system to
23 evaluate applications for iHub designations with priority given to start-
24 up nonprofits and inland port authorities expressing new and innovative
25 ideas. Such weighted scoring system shall consider, at a minimum:

26 (a) Whether the iHub is committed to serving underrepresented
27 communities in the proposed iHub area;

28 (b) Whether the iHub has a plan for marketing and outreach to
29 underrepresented communities in the proposed iHub area;

30 (c) Whether the iHub has signed statements of cooperation with at
31 least three proposed iHub partners; and

1 (d) The quality of the iHub's five-year plan.

2 (3) The director shall determine whether or not to approve the
3 requested iHub designation within forty-five days after receiving the
4 application ~~by no later than July 1, 2023~~. Each iHub designation shall be
5 for a term of five years. An applicant that has received a grant under
6 subdivision (4)(a) of section 81-12,241 shall not qualify for designation
7 as an iHub.

8 (4) The iHub designation shall not be official until a memorandum of
9 understanding is entered into by the applicant and the director. The
10 memorandum of understanding shall include the goals and performance
11 standards identified in the application and other related requirements as
12 determined by the director.

13 (5) An iHub area may overlap with another iHub area if there is a
14 clear distinction between the industry focus areas of the iHubs involved,
15 except that no iHub located within a city of the metropolitan class shall
16 be located within three miles of another iHub. This subsection does not
17 apply to any inland port authority designated as an iHub.

18 (6) The department shall set guidelines for approval, designation,
19 operation, and reporting of iHubs.

20 (7) An iHub shall annually report to the director on its progress in
21 meeting the goals and performance standards as described in the iHub
22 application and the implementing memorandum of understanding with the
23 director. A copy of the report shall also be submitted electronically to
24 the chairperson of the Urban Affairs Committee of the Legislature. The
25 report shall also include information regarding the number of businesses
26 served, the number of jobs created, and the amount of funds raised by the
27 iHub. The director shall annually post the information from these reports
28 on the department's website and provide notice to the Governor and the
29 Legislature that the information is available on the website.

30 Sec. 19. Section 81-12,112, Revised Statutes Cumulative Supplement,
31 2022, is amended to read:

1 81-12,112 Before an official designation as an iHub, the applicant
2 shall self-certify that the iHub and its iHub partners are current in the
3 payment of all state and local taxes owed, except that this section does
4 not apply as to the payment of state and local taxes by an applicant that
5 is exempt from such payment pursuant to section 13-3309.

6 Sec. 20. Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 15, and 21 of
7 this act become operative on January 1, 2025. The other sections of this
8 act become operative on their effective date.

9 Sec. 21. Original sections 13-201, 13-203, 13-204, 13-205, 13-206,
10 13-207, 13-208, and 81-1201.12, Reissue Revised Statutes of Nebraska,
11 sections 77-908 and 77-3806, Revised Statutes Cumulative Supplement,
12 2022, and sections 77-2715.07 and 77-2734.03, Revised Statutes
13 Supplement, 2023, are repealed.

14 Sec. 22. Original sections 81-12,108 and 81-12,112, Revised
15 Statutes Cumulative Supplement, 2022, and sections 77-4403, 77-4404,
16 77-4405, 81-12,109, and 81-12,110, Revised Statutes Supplement, 2023, are
17 repealed.