

AMENDMENTS TO LB1165

Introduced by Revenue.

1 1. Strike the original sections and insert the following new
2 sections:

3 **Section 1.** Sections 1 to 12 of this act shall be known and may be
4 cited as the Grow the Good Life Act.

5 **Sec. 2.** The purpose of the Grow the Good Life Act is to provide
6 incentives to encourage large in-state employers to retain workforce and
7 their headquarters in-state, as well as attract or relocate workforce to
8 the state, when there is a material change in ownership or control
9 pursuant to a merger or business combination with a company located
10 outside of this state.

11 **Sec. 3.** For purposes of the Grow the Good Life Act:

12 (1) Base year means the year immediately preceding the year during
13 which the change in ownership and control occurred;

14 (2) Base-year employees means the number of equivalent employees
15 employed by the taxpayer during the base year in Nebraska who (a) are
16 paid wages at a rate equal to at least one hundred percent of the
17 Nebraska statewide average hourly wage for the year of application and
18 (b) receive a sufficient package of benefits as specified in the Imagine
19 Nebraska Act;

20 (3) Change in ownership and control means a change in equity
21 ownership of an employer within the state resulting from a merger or
22 combination if the following requirements are met:

23 (a) The employer maintained its headquarters within the state for a
24 period of at least ten years prior to the date of the merger or
25 combination;

26 (b) Immediately prior to the date of the merger or combination, the
27 employer employed more than three thousand full-time employees as defined

1 in section 4980H of the Internal Revenue Code of 1986, as amended, and
2 the regulations for such section, within the state;

3 (c) Immediately prior to the date of the merger or combination, the
4 out-of-state company had an actual or implied enterprise value in excess
5 of fifty billion dollars and the shareholders of the out-of-state company
6 receive twenty percent or more of the ownership share value or voting
7 equity of the new merged or combined entity as part of the transaction;
8 and

9 (d) The merger or combination occurs between January 1, 2026, and
10 December 31, 2028;

11 (4) Director means the Director of Economic Development;

12 (5) Earning period means the year of application plus the next nine
13 years;

14 (6) Employer means a taxpayer that:

15 (a) Employs at least three thousand equivalent employees in Nebraska
16 during the base year;

17 (b) Offers all full-time employees, as defined in section 4980H of
18 the Internal Revenue Code of 1986, as amended, the opportunity to enroll
19 in minimum essential coverage under an eligible employer-sponsored plan,
20 as those terms are defined and described in section 5000A of the Internal
21 Revenue Code of 1986, as amended;

22 (c) Offers all full-time employees, as defined in section 4980H of
23 the Internal Revenue Code of 1986, as amended, a sufficient package of
24 benefits as specified in the Imagine Nebraska Act;

25 (d) Enforces a company policy against any discrimination that is
26 prohibited by federal or state law;

27 (e) Electronically verifies the work eligibility status of all new
28 employees employed in Nebraska within ninety days after the date of hire
29 during the earning period and the usage period;

30 (f) Has gone through a change in ownership and control prior to the
31 application;

1 (g) Is a company within the state seeking to potentially retain,
2 attract, or relocate employees to the state following a merger or
3 combination described in subdivision (3) of this section;

4 (h) Retains at least ninety percent of its equivalent base-year
5 employment; and

6 (i) Is a qualified business;

7 (7) Equivalent employees means the number of employees computed by
8 dividing the total hours paid in a year by the product of forty times the
9 number of weeks in a year. A salaried employee who receives a
10 predetermined amount of compensation each pay period on a weekly or less
11 frequent basis is deemed to have been paid for forty hours per week
12 during the pay period;

13 (8) Nebraska statewide average hourly wage for any year means the
14 most recent statewide average hourly wage paid by all employers in all
15 counties in Nebraska as calculated by the Office of Labor Market
16 Information of the Department of Labor using annual data from the
17 Quarterly Census of Employment and Wages by October 1 of the year prior
18 to application. Hourly wages shall be calculated by dividing the reported
19 average annual weekly wage by forty;

20 (9) Out-of-state company means a company that is not organized under
21 the laws of this state;

22 (10) Qualified business means any business if the majority of the
23 business activities conducted throughout Nebraska by such business meet
24 the requirements for a qualified location as defined in subsection (1) or
25 (2) of section 77-6818. For purposes of this subdivision, the majority of
26 business activities conducted shall be determined based on the number of
27 equivalent employees working in the respective business activities;

28 (11) Taxpayer means any person subject to sales and use taxes under
29 the Nebraska Revenue Act of 1967 and subject to withholding under section
30 77-2753 and any entity that is or would otherwise be a member of the same
31 unitary group, if incorporated, that is subject to such sales and use

1 taxes and such withholding. Taxpayer does not include a political
2 subdivision or an organization that is exempt from income taxes under
3 section 501(a) of the Internal Revenue Code of 1986, as amended. For
4 purposes of this subdivision, political subdivision includes any public
5 corporation created for the benefit of a political subdivision and any
6 group of political subdivisions forming a joint public agency, organized
7 by interlocal agreement, or utilizing any other method of joint action;

8 (12) Usage period means a ten-year period beginning on January 1,
9 2031, during which credits earned in the earning period shall be claimed;

10 (13) Wage retention credit means the credit described in the Grow
11 the Good Life Act; and

12 (14) Year means calendar year.

13 **Sec. 4.** Any term defined in the Nebraska Revenue Act of 1967 or in
14 the Imagine Nebraska Act has the same meaning in the Grow the Good Life
15 Act unless the context or the express language of the Grow the Good Life
16 Act requires a different meaning.

17 **Sec. 5.** (1) If an employer has entered into an agreement with the
18 state pursuant to section 6 of this act, the employer shall during each
19 year of the earning period receive the wage retention credit approved by
20 the director in the manner provided in the Grow the Good Life Act.

21 (2) The wage retention credit shall equal five percent of the total
22 compensation paid by the employer in the year to all retained employees
23 of the employer in Nebraska who are paid wages for services rendered at a
24 rate equal to at least one hundred percent of the Nebraska statewide
25 average hourly wage for the year of application. The wage retention
26 credit earned for all qualified employers shall not exceed five million
27 dollars in any year. If two or more employers qualify for benefits in any
28 given year, the employer with the largest average number of employees
29 within Nebraska during the ten years prior to the change in ownership or
30 control shall be fully funded first.

31 (3) The wage retention credits received in the earning period shall

1 be used during the usage period. Unused credits may carry over only to
2 the end of the usage period.

3 (4) The total amount all employers may receive in credits pursuant
4 to the Grow the Good Life Act shall not exceed fifty million dollars. If
5 two or more employers qualify for benefits, the one with the earlier
6 approval will be fully funded first. This benefit is in addition to any
7 benefits the employer may otherwise qualify for under the Imagine
8 Nebraska Act or may have qualified for previously under the Nebraska
9 Advantage Act or the Employment and Investment Growth Act.

10 (5) The wage retention credit shall be claimed by filing the forms
11 required by the Tax Commissioner with the employer's income tax return.
12 The credits may be used after any other nonrefundable credits to reduce
13 the employer's income tax liability imposed by sections 77-2714 to
14 77-27,135. Credits may be used beginning with the taxable year which
15 includes December 31 of the first year in the usage period. The last year
16 for which credits may be used is the taxable year which includes December
17 31 of the last year of the usage period. Any decision on how part of the
18 credit is applied shall not limit how the remaining credit could be
19 applied under this section.

20 (6) The employer may use the wage retention credit to reduce the
21 employer's income tax withholding employer or payor tax liability under
22 section 77-2756 or 77-2757. To the extent of the credit used, such
23 withholding shall not constitute public funds or state tax revenue and
24 shall not constitute a trust fund or be owned by the state. The use by
25 the employer of the credit shall not change the amount that otherwise
26 would be reported by the employer to the employee under section 77-2754
27 as income tax withheld and shall not reduce the amount that otherwise
28 would be allowed by the state as a refundable credit on an employee's
29 income tax return as income tax withheld under section 77-2755.

30 **Sec. 6.** (1) In order for the employer to be eligible for the wage
31 retention credit, the employer shall file an application for an agreement

1 with the director.

2 (2) The application shall:

3 (a) State the exact name of the taxpayer and any related companies;

4 (b) Include a description, in detail, of the nature of the company's
5 business, including the products sold and respective markets;

6 (c) Request that the company be considered for approval under the
7 Grow the Good Life Act;

8 (d) Acknowledge that the employer understands and complies with the
9 requirements for providing health insurance, providing a sufficient
10 package of benefits, enforcing a policy against discrimination, and
11 verifying the work eligibility status of all new employees;

12 (e) State the number of base-year employees; and

13 (f) Include a nonrefundable application fee of five thousand
14 dollars. The fee shall be remitted to the State Treasurer for credit to
15 the Nebraska Incentives Fund.

16 (3) The application, and all supporting information, is confidential
17 except for the name of the taxpayer, the number of employees retained,
18 and whether the application has been approved.

19 (4) An application may be approved by the director only if it is
20 consistent with the legislative purposes contained in section 2 of this
21 act, the employer will retain its headquarters in the state throughout
22 the earnings period and the usage period, and the employer will retain at
23 least ninety percent of the base-year employees in the state throughout
24 the earnings period and the usage period. This threshold regarding base-
25 year employees constitutes the required level of employment for purposes
26 of the Grow the Good Life Act. The director shall mail a notice within
27 thirty days after receiving the application, indicating the approval or
28 disapproval of the application, unless the time is extended by mutual
29 written consent of the director and applicant.

30 (5) If the application is approved by the director, the employer and
31 the state shall enter into a written agreement, which shall be executed

1 on behalf of the state by the director. In the agreement, the employer
2 shall agree to retain its headquarters in the state throughout the
3 earning period and the usage period, and retain at least ninety percent
4 of the base-year employees in the state throughout the earning period and
5 the usage period. In consideration of the employer's agreement, the state
6 shall agree to allow the wage retention credits as provided in the Grow
7 the Good Life Act. The application, and all supporting documentation, to
8 the extent approved, shall be considered a part of the agreement. The
9 agreement may contain such terms and conditions as the director specifies
10 in order to carry out the legislative purposes of the Grow the Good Life
11 Act. The agreement shall contain provisions to allow the Department of
12 Revenue to verify that the required levels of employment have been
13 maintained and the headquarters is still located in the state.

14 **Sec. 7.** (1) If the employer fails to retain the required level of
15 employment and retain its headquarters in the state throughout the
16 entirety of the earning period and the usage period, all or a portion of
17 the wage retention credits shall be recaptured directly by the state from
18 the employer or shall be disallowed. In no event shall any wage retention
19 credits be required to be paid back directly or indirectly by the
20 employees. All such credits must be repaid by the employer.

21 (2) The recapture or disallowance shall be as follows:

22 (a) If the employer has failed to retain the required level of
23 employment:

24 (i) No wage retention credits shall be used, and if already used
25 shall be recaptured, for the actual year or years in which the required
26 level of employment was not maintained;

27 (ii) For wage retention credits used in prior years, one-tenth of
28 the credits shall be recaptured from the employer for each year the
29 required level of employment was not maintained; and

30 (iii) For wage retention credits for future years, the credits shall
31 be reduced by one-tenth for each year the required level of employment

1 was not maintained in previous years; and

2 (b) If the employer has failed to retain its headquarters in the
3 state:

4 (i) No wage retention credits shall be used, and if already used
5 shall be recaptured, for the actual year or years in which the
6 headquarters was not retained in the state;

7 (ii) For wage retention credits allowed in prior years, one-tenth of
8 the credits shall be recaptured from the employer for each year of the
9 usage period the headquarters was not maintained in the state; and

10 (iii) Wage retention credits will not be allowed for future years if
11 the employer has not maintained its headquarters in the state.

12 (3) Any amounts required to be recaptured shall be deemed to be an
13 underpayment of tax, immediately due and payable, and shall constitute a
14 lien on the assets of the employer. When wage retention credits were
15 received in more than one year, the credits received in the most recent
16 year shall be recovered first and then the credits received in earlier
17 years shall be recovered up to the extent of the required recapture.

18 (4) Interest shall accrue from the due date for the return for the
19 year in which the employer failed to maintain the required level of
20 employment or failed to maintain its headquarters in the state.

21 (5) Penalties shall not accrue until ninety days after the
22 requirement for recapture or disallowance becomes known or should have
23 become known to the employer.

24 (6) The recapture or disallowance required by this section may be
25 waived by the Tax Commissioner if he or she finds the failure to maintain
26 the required level of employment or failure to maintain the employer's
27 headquarters in the state was caused by unavoidable circumstances such as
28 an act of God or a national emergency.

29 **Sec. 8.** (1) The wage retention credits allowed under the Grow the
30 Good Life Act shall not be transferable except in the following
31 situations:

1 (a) Any credit allowable to a partnership, a limited liability
2 company, a subchapter S corporation, a cooperative, including a
3 cooperative exempt under section 521 of the Internal Revenue Code of
4 1986, as amended, a limited cooperative association, or an estate or
5 trust may be distributed to the partners, members, shareholders, patrons,
6 or beneficiaries in the same manner as income is distributed for use
7 against their income tax liabilities, and such partners, members,
8 shareholders, or beneficiaries shall be deemed to have made an
9 underpayment of their income taxes for any recapture required by section
10 7 of this act. A credit distributed shall be considered a credit used and
11 the partnership, limited liability company, subchapter S corporation,
12 cooperative, including a cooperative exempt under section 521 of the
13 Internal Revenue Code of 1986, as amended, limited cooperative
14 association, estate, or trust shall be liable for any repayment required
15 by section 7 of this act;

16 (b) The credit may be transferred to a qualified employee leasing
17 company from a taxpayer who is a client-lessee of the qualified employee
18 leasing company with employees performing services at the qualified
19 location or locations of the client-lessee. The credits transferred must
20 be designated for a specific year and cannot be carried forward by the
21 qualified employee leasing company. The credits may only be used by the
22 qualified employee leasing company to offset the income tax withholding
23 liability under section 77-2756 or 77-2757 for withholding for employees
24 performing services for the client-lessee in Nebraska. The offset to such
25 withholding liability must be computed in accordance with subsection (6)
26 of section 5 of this act based on wages paid to the employees by the
27 qualified employee leasing company, and not the amount paid to the
28 qualified employee leasing company by the client-lessee; and

29 (c) The credits previously allowed and future credits may be
30 transferred when an agreement is transferred in its entirety by sale or
31 lease to another taxpayer or in an acquisition of assets qualifying under

1 section 381 of the Internal Revenue Code of 1986, as amended.

2 (2) The acquiring taxpayer, as of the date of notification to the
3 director of the completed transfer, shall be entitled to any unused
4 credits and to any future credits allowable under the Grow the Good Life
5 Act.

6 (3) The acquiring taxpayer shall be liable for any recapture that
7 becomes due after the date of the transfer for the repayment of any
8 credits received either before or after the transfer.

9 (4) If a taxpayer dies and there is a credit remaining after the
10 filing of the final return for the taxpayer, the personal representative
11 shall determine the distribution of the credit or any remaining carryover
12 with the initial fiduciary return filed for the estate. The determination
13 of the distribution of the credit may be changed only after obtaining the
14 permission of the Tax Commissioner.

15 (5) The director and the Tax Commissioner may disclose information
16 to the acquiring taxpayer about the agreement and prior credits that is
17 reasonably necessary to determine the future credits and liabilities of
18 the taxpayer.

19 **Sec. 9.** The Department of Economic Development and the Department
20 of Revenue, in consultation with the Governor, may adopt and promulgate
21 rules and regulations necessary or appropriate to carry out the purposes
22 of the Grow the Good Life Act.

23 **Sec. 10.** (1) The Department of Economic Development and the
24 Department of Revenue shall jointly submit electronically an annual
25 report to the Legislature no later than October 31 of each year. The
26 report shall be on a fiscal year, accrual basis that satisfies the
27 requirements set by the Governmental Accounting Standards Board. The
28 Department of Economic Development and the Department of Revenue shall
29 together, on or before December 15 of each year, appear at a joint
30 hearing of the Appropriations Committee of the Legislature and the
31 Revenue Committee of the Legislature and present the report. Any

1 supplemental information requested by three or more committee members
2 must be provided within thirty days after the request.

3 (2) The report shall list (a) the agreements which have been signed
4 during the previous calendar year, (b) the agreements which are still in
5 effect, and (c) the identity of each taxpayer that is a party to an
6 agreement.

7 (3) The report shall provide information on agreement-specific total
8 credits used every two years for each agreement. The report shall
9 disclose the identity of the taxpayer and the total credits used during
10 the immediately preceding two years, expressed as a single, aggregated
11 total. The information required to be reported under this subsection
12 shall not be reported for the first year the taxpayer maintains the
13 required employment threshold. The information on first-year credits used
14 shall be combined with and reported as part of the second year.
15 Thereafter, the information on credits used for succeeding years shall be
16 reported for each agreement every two years containing information on two
17 years of credits used.

18 (4) No information shall be provided in the report that is protected
19 by state or federal confidentiality laws.

20 **Sec. 11.** (1) Any complete application shall be considered a valid
21 application on the date submitted for the purposes of the Grow the Good
22 Life Act.

23 (2) The director shall be allowed access, by the Tax Commissioner,
24 to information associated with the Employment and Investment Growth Act,
25 the ImagiNE Nebraska Act, the Key Employer and Jobs Retention Act, the
26 Nebraska Advantage Act, and the Nebraska Advantage Rural Development Act
27 to meet the director's obligations under the Grow the Good Life Act.

28 (3) The director may contract with the Tax Commissioner for services
29 that the director determines are necessary to fulfill the director's
30 responsibilities under the Grow the Good Life Act, other than services
31 which constitute the actual actions and decisions required to be taken or

1 made by the director under the Grow the Good Life Act.

2 **Sec. 12.** Applications under the Grow the Good Life Act may be filed
3 beginning January 1, 2027, through May 31, 2029. All applications and all
4 agreements pending, approved, or entered into on or before May 31, 2029,
5 shall continue in full force and effect.

6 **Sec. 13.** Section 13-2603, Revised Statutes Supplement, 2025, is
7 amended to read:

8 13-2603 For purposes of the Convention Center Facility Financing
9 Assistance Act:

10 (1) Applicant means the political subdivision that applies for
11 assistance under the act;

12 (2) Associated hotel means any publicly or privately owned facility
13 in which the public may, for a consideration, obtain sleeping
14 accommodations and which is located, in whole or in part, within six
15 hundred yards of an eligible facility, measured from any point of the
16 exterior perimeter of the eligible facility but not from any parking
17 facility or other structure, except that if the eligible facility is
18 within six hundred yards of the State Capitol, the area used in
19 determining associated hotels shall be one or more contiguous or
20 noncontiguous areas within the territorial boundaries of the applicant
21 which are selected by the applicant and which aggregate the same total
22 amount of square footage that such area would have contained had the
23 eligible facility not been within six hundred yards of the State Capitol.
24 The area used in determining associated hotels shall be depicted on a map
25 submitted pursuant to section 13-2605;

26 (3) Board means a board consisting of the Governor, the State
27 Treasurer, the chairperson of the Nebraska Investment Council, the
28 chairperson of the Nebraska State Board of Public Accountancy, and a
29 professor of economics on the faculty of a state postsecondary
30 educational institution appointed to a two-year term on the board by the
31 Coordinating Commission for Postsecondary Education. For administrative

1 and budget purposes only, the board shall be considered part of the
2 Department of Revenue;

3 (4) Bond means a general obligation bond, redevelopment bond, lease-
4 purchase bond, revenue bond, or combination of any such bonds;

5 (5) Convention and meeting center facility means a temperature-
6 controlled building and personal property primarily used as a convention
7 and meeting center, including an auditorium, an exhibition hall, a
8 facility for onsite food preparation and serving, an onsite, directly
9 connected parking facility for the use of the convention and meeting
10 center facility, a nearby parking facility for the use of the convention
11 and meeting center facility, and an onsite administrative office of the
12 convention and meeting center facility;

13 (6)(a) Eligible facility means any publicly owned convention and
14 meeting center facility approved for state assistance on or before June
15 1, 2007, any publicly owned sports arena facility attached to such
16 convention and meeting center facility, or any publicly owned convention
17 and meeting center facility or publicly owned sports arena facility
18 acquired, constructed, improved, or equipped after June 1, 2007; and

19 (b) Beginning with applications for financial assistance received on
20 or after February 1, 2008, eligible facility does not include any
21 publicly owned sports arena facility with a seating capacity of greater
22 than sixteen thousand seats unless such facility is located in a city of
23 the primary class;

24 (7) General obligation bond means any bond or refunding bond issued
25 by a political subdivision and which is payable exclusively from the
26 proceeds of an ad valorem tax;

27 (8) Maximum aggregate appropriation means (a) one hundred fifty
28 million dollars for any one approved project, but not more than the total
29 cost of acquiring, constructing, improving, repairing, replacing,
30 financing, or equipping the eligible facilities of the political
31 subdivision, or (b) for an eligible facility located within six hundred

1 yards of the State Capitol, the total cost of acquiring, constructing,
2 improving, repairing, replacing, financing, and equipping such facility,
3 but only to the extent the cost of acquiring, constructing, improving,
4 repairing, replacing, and equipping such facility does not exceed one
5 hundred fifty million dollars;

6 (9) Nearby parking facility means any parking lot, parking garage,
7 or other parking structure that is not directly connected to a convention
8 and meeting center facility but which is located, in whole or in part,
9 within six hundred yards of a convention and meeting center facility,
10 measured from any point of the exterior perimeter of such facility but
11 not from any other parking facility or other structure;

12 (10) Nearby retailer means a retailer as defined in section
13 77-2701.32 that is located, in whole or in part, within six hundred yards
14 of an eligible facility the application for which is approved on or after
15 June 7, 2023, measured from any point of the exterior perimeter of the
16 eligible facility but not from any parking facility or other structure,
17 except that if the eligible facility is within six hundred yards of the
18 State Capitol, the area used in determining nearby retailers shall be one
19 or more contiguous or noncontiguous areas within the territorial
20 boundaries of the applicant which are selected by the applicant and which
21 aggregate the same total amount of square footage that such area would
22 have contained had the eligible facility not been within six hundred
23 yards of the State Capitol. The area used in determining nearby retailers
24 shall be depicted on a map submitted pursuant to section 13-2605;

25 (11) Political subdivision means any local governmental body formed
26 and organized under state law and any joint entity or joint public agency
27 created under state law to act on behalf of political subdivisions which
28 has statutory authority to issue general obligation bonds;

29 (12) Revenue bond means any bond or refunding bond issued by a
30 political subdivision which is limited or special rather than a general
31 obligation bond of the political subdivision and which is not payable

1 from the proceeds of an ad valorem tax; and

2 (13) Sports arena facility means any enclosed temperature-controlled
3 building primarily used for competitive sports, including arenas,
4 dressing and locker facilities, concession areas, parking facilities, and
5 onsite administrative offices connected with operating the facilities.

6 **Sec. 14.** Section 49-801.01, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 49-801.01 Except as provided by Article VIII, section 1B, of the
9 Constitution of Nebraska and in sections 77-1106, 77-1108, 77-1109,
10 77-1117, 77-1119, 77-2701.01, 77-2714 to 77-27,123, 77-27,191, 77-2902,
11 77-2906, 77-2908, 77-2909, 77-4103, 77-4104, 77-4108, 77-5509, 77-5515,
12 77-5527 to 77-5529, 77-5539, 77-5717 to 77-5719, 77-5728, 77-5802,
13 77-5803, 77-5806, 77-5903, 77-6302, 77-6306, 77-6509, 77-6513, 77-6519,
14 77-6811, 77-6815, 77-6819, 77-6821, 77-6822, 77-6831, 77-6834, 77-6842,
15 77-6908, 77-6913, 77-6915, 77-6916, and 77-6925 and sections 3 and 8 of
16 this act, any reference to the Internal Revenue Code refers to the
17 Internal Revenue Code of 1986 as it exists on April 12, 2018.

18 **Sec. 15.** Section 77-5723, Revised Statutes Cumulative Supplement,
19 2024, is amended to read:

20 77-5723 (1) In order to utilize the incentives set forth in the
21 Nebraska Advantage Act, the taxpayer shall file an application, on a form
22 developed by the Tax Commissioner, requesting an agreement with the Tax
23 Commissioner.

24 (2) The application shall contain:

25 (a) A written statement describing the plan of employment and
26 investment for a qualified business in this state;

27 (b) Sufficient documents, plans, and specifications as required by
28 the Tax Commissioner to support the plan and to define a project;

29 (c) If more than one location within this state is involved,
30 sufficient documentation to show that the employment and investment at
31 different locations are interdependent parts of the plan. A headquarters

1 shall be presumed to be interdependent with each other location directly
2 controlled by such headquarters. A showing that the parts of the plan
3 would be considered parts of a unitary business for corporate income tax
4 purposes shall not be sufficient to show interdependence for the purposes
5 of this subdivision;

6 (d) A nonrefundable application fee of one thousand dollars for a
7 tier 1 project, two thousand five hundred dollars for a tier 2, tier 3,
8 or tier 5 project, five thousand dollars for a tier 4 project, and ten
9 thousand dollars for a tier 6 project. The fee shall be credited to the
10 Nebraska Incentives Fund; and

11 (e) A timetable showing the expected sales tax refunds and what year
12 they are expected to be claimed. The timetable shall include both direct
13 refunds due to investment and credits taken as sales tax refunds as
14 accurately as possible.

15 The application and all supporting information shall be confidential
16 except for the name of the taxpayer, the location of the project, the
17 amounts of increased employment and investment, and the information
18 required to be reported by sections 77-5731 and 77-5734.

19 (3) An application must be complete to establish the date of the
20 application. An application shall be considered complete once it contains
21 the items listed in subsection (2) of this section, regardless of the Tax
22 Commissioner's additional needs pertaining to information or
23 clarification in order to approve or not approve the application.

24 (4) Once satisfied that the plan in the application defines a
25 project consistent with the purposes stated in the Nebraska Advantage Act
26 in one or more qualified business activities within this state, that the
27 taxpayer and the plan will qualify for benefits under the act, and that
28 the required levels of employment and investment for the project will be
29 met within the applicable time period prescribed in this subsection, the
30 Tax Commissioner shall approve the application. For a tier 6 project
31 submitted and approved by the Tax Commissioner prior to December 1, 2020,

1 or for any tier 1 or tier 3 project, the required levels of employment
2 and investment shall be met prior to the end of the fourth year after the
3 year in which the application was submitted. For a tier 6 project
4 submitted and approved by the Tax Commissioner on or after December 1,
5 2020, ~~or for any tier 2, tier 4, or tier 5 project,~~ the required levels
6 of employment and investment shall be met prior to the end of the ninth
7 ~~sixth~~ year after the year in which the application was submitted. For any
8 tier 2, tier 4, or tier 5 project, the required levels of employment and
9 investment shall be met prior to the end of the sixth year after the year
10 in which the application was submitted. For a tier 5 project that is
11 sequential to a tier 2 large data center project, the required level of
12 investment shall be met prior to the end of the fourth year after the
13 expiration of the tier 2 large data center project entitlement period
14 relating to sales tax exemptions.

15 (5) The Tax Commissioner shall make his or her determination to
16 approve or not approve an application within one hundred eighty days
17 after the date of the application. If the Tax Commissioner requests, by
18 mail or by electronic means, additional information or clarification from
19 the taxpayer in order to make his or her determination, such one-hundred-
20 eighty-day period shall be tolled from the time the Tax Commissioner
21 makes the request to the time he or she receives the requested
22 information or clarification from the taxpayer. The taxpayer and the Tax
23 Commissioner may also agree to extend the one-hundred-eighty-day period.
24 If the Tax Commissioner fails to make his or her determination within the
25 prescribed one-hundred-eighty-day period, the application shall be deemed
26 approved.

27 (6) Within one hundred eighty days after approval of the
28 application, the Tax Commissioner shall prepare and mail a written
29 agreement to the taxpayer for the taxpayer's signature. The taxpayer and
30 the Tax Commissioner shall enter into a written agreement. The taxpayer
31 shall agree to complete the project, and the Tax Commissioner, on behalf

1 of the State of Nebraska, shall designate the approved plan of the
2 taxpayer as a project and, in consideration of the taxpayer's agreement,
3 agree to allow the taxpayer to use the incentives contained in the
4 Nebraska Advantage Act. The application, and all supporting
5 documentation, to the extent approved, shall be considered a part of the
6 agreement. The agreement shall state:

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

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

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

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

14 (e) A requirement that the company update the Department of Revenue
15 annually on any changes in plans or circumstances which affect the
16 timetable of sales tax refunds as set out in the application. If the
17 company fails to comply with this requirement, the Tax Commissioner may
18 defer any pending sales tax refunds until the company does comply.

19 (7) The incentives contained in section 77-5725 shall be in lieu of
20 the tax credits allowed by the Nebraska Advantage Rural Development Act
21 for any project. In computing credits under the act, any investment or
22 employment which is eligible for benefits or used in determining benefits
23 under the Nebraska Advantage Act shall be subtracted from the increases
24 computed for determining the credits under section 77-27,188. New
25 investment or employment at a project location that results in the
26 meeting or maintenance of the employment or investment requirements, the
27 creation of credits, or refunds of taxes under the Employment and
28 Investment Growth Act shall not be considered new investment or
29 employment for purposes of the Nebraska Advantage Act. The use of
30 carryover credits under the Employment and Investment Growth Act, the
31 Invest Nebraska Act, the Nebraska Advantage Rural Development Act, or the

1 Quality Jobs Act shall not preclude investment and employment from being
2 considered new investment or employment under the Nebraska Advantage Act.
3 The use of property tax exemptions at the project under the Employment
4 and Investment Growth Act shall not preclude investment not eligible for
5 the property tax exemption from being considered new investment under the
6 Nebraska Advantage Act.

7 (8) A taxpayer and the Tax Commissioner may enter into agreements
8 for more than one project and may include more than one project in a
9 single agreement. The projects may be either sequential or concurrent. A
10 project may involve the same location as another project. No new
11 employment or new investment shall be included in more than one project
12 for either the meeting of the employment or investment requirements or
13 the creation of credits. When projects overlap and the plans do not
14 clearly specify, then the taxpayer shall specify in which project the
15 employment or investment belongs.

16 (9) The taxpayer may request that an agreement be modified if the
17 modification is consistent with the purposes of the act and does not
18 require a change in the description of the project. An agreement may not
19 be modified to a tier that would grant a higher level of benefits to the
20 taxpayer or to a tier 1 project. Once satisfied that the modification to
21 the agreement is consistent with the purposes stated in the act, the Tax
22 Commissioner and taxpayer may amend the agreement. For a tier 6 project,
23 the taxpayer must agree to limit the project to qualified activities
24 allowable under tier 2 and tier 4.

25 **Sec. 16.** Section 77-5735, Revised Statutes Cumulative Supplement,
26 2024, is amended to read:

27 77-5735 (1) The changes made in sections 77-5703, 77-5708, 77-5712,
28 77-5714, 77-5715, 77-5723, 77-5725, 77-5726, 77-5727, and 77-5731 by Laws
29 2008, LB895, and sections 77-5707.01, 77-5719.01, and 77-5719.02 apply to
30 all applications filed on and after April 18, 2008. For all applications
31 filed prior to such date, the provisions of the Nebraska Advantage Act as

1 they existed immediately prior to such date apply.

2 (2) The changes made in sections 77-5725 and 77-5726 by Laws 2010,
3 LB879, apply to all applications filed on or after July 15, 2010. For all
4 applications filed prior to such date, the taxpayer may make a one-time
5 election, within the time period prescribed by the Tax Commissioner, to
6 have the changes made in sections 77-5725 and 77-5726 by Laws 2010,
7 LB879, apply to such taxpayer's application, or in the absence of such an
8 election, the provisions of the Nebraska Advantage Act as they existed
9 immediately prior to July 15, 2010, apply to such application.

10 (3) The changes made in sections 77-5707, 77-5715, 77-5719, and
11 77-5725 by Laws 2010, LB918, apply to all applications filed on or after
12 July 15, 2010. For all applications filed prior to such date, the
13 provisions of the Nebraska Advantage Act as they existed immediately
14 prior to such date apply.

15 (4) The changes made in sections 77-5701, 77-5703, 77-5705, 77-5715,
16 77-5723, 77-5725, 77-5726, and 77-5727 by Laws 2012, LB1118, apply to all
17 applications filed on or after March 8, 2012. For all applications filed
18 prior to such date, the provisions of the Nebraska Advantage Act as they
19 existed immediately prior to such date apply.

20 (5) The changes made in sections 77-5707.01, 77-5709, 77-5712,
21 77-5719, 77-5720, 77-5723, and 77-5726 by Laws 2013, LB34, apply to all
22 applications filed on or after September 6, 2013. For all applications
23 filed prior to such date, the provisions of the Nebraska Advantage Act as
24 they existed immediately prior to such date apply.

25 (6) The changes made in section 77-5726 by Laws 2017, LB161, apply
26 to all applications filed before, on, or after August 24, 2017.

27 (7) The changes made in sections 77-5705, 77-5723, 77-5725, 77-5726,
28 and 77-5727 and in subsections (3), (6), and (7) of section 77-5731 by
29 Laws 2022, LB1150, apply to any agreement entered into under the Nebraska
30 Advantage Act that is still active on January 1, 2023, if the taxpayer
31 makes a one-time election, within the time period prescribed by the Tax

1 Commissioner, to have such changes apply to such taxpayer's agreement. In
2 the absence of such an election, the provisions of such sections and
3 subsections as they existed immediately prior to January 1, 2023, shall
4 apply to such agreement. For each election made under this subsection,
5 the Tax Commissioner shall disclose such election, the identity of the
6 taxpayer, and the location of the taxpayer's project to each municipality
7 in which the project is located. The Tax Commissioner shall make such
8 disclosures within thirty days after the election.

9 (8) The changes made in sections 77-5723 and 77-5727 by Laws 2024,
10 LB1088, apply to any agreement entered into under the Nebraska Advantage
11 Act that is still active on July 19, 2024, if the taxpayer makes a one-
12 time election, within the time period prescribed by the Tax Commissioner,
13 to have such changes apply to such taxpayer's agreement. In the absence
14 of such an election, the provisions of such sections as they existed
15 immediately prior to July 19, 2024, shall apply to such agreement.

16 (9) The changes made in section 77-5723 by this legislative bill
17 apply to any agreement for a tier 6 project entered into under the
18 Nebraska Advantage Act that is still active on the operative date of this
19 section if a taxpayer makes a one-time election and pays a fee of ninety
20 thousand dollars, within the time period prescribed by the Tax
21 Commissioner, to have such changes apply to such taxpayer's agreement. In
22 the absence of such an election, the provisions of such section as it
23 existed immediately prior to the operative date of this section shall
24 apply to such agreement.

25 **Sec. 17.** Section 77-6538, Revised Statutes Supplement, 2025, is
26 amended to read:

27 77-6538 (1) If a qualified employer has entered into an agreement
28 with the state pursuant to section 77-6539, the qualified employer shall
29 during each year of the performance period receive the wage credit
30 approved by the Tax Commissioner in the manner provided in the Defense
31 Efforts Workforce Act.

1 (2) The wage credit shall equal five percent of the total
2 compensation paid by the qualified employer in the year to all qualified
3 employees of the qualified employer in Nebraska. The wage credit earned
4 for all qualified employers shall not exceed four million dollars in any
5 year. If two or more qualified employers qualify for benefits in any
6 given year, the one with the earlier approval will be fully funded first.

7 (3) The wage credits shall be allowed for each year in the
8 performance period. Unused credits may carry over and be applied against
9 future state withholdings.

10 (4) The total amount all qualified employers may receive in credits
11 pursuant to the Defense Efforts Workforce Act shall not exceed forty
12 million dollars. If two or more qualified employers qualify for benefits,
13 the one with the earlier approval will be fully funded first. This
14 benefit is in addition to any benefits the qualified employer may
15 otherwise qualify for under the Imagine Nebraska Act or the Grow the Good
16 Life Act or may have qualified for previously under the Nebraska
17 Advantage Act, the Employment and Investment Growth Act, or the Key
18 Employer and Jobs Retention Act.

19 (5) The qualified employer may use the wage credit to reduce the
20 qualified employer's income tax withholding or payor tax liability under
21 section 77-2756 or 77-2757. To the extent of the credit used, such
22 withholding shall not constitute public funds or state tax revenue and
23 shall not constitute a trust fund or be owned by the state. The use by
24 the qualified employer of the credit shall not change the amount that
25 otherwise would be reported by the qualified employer to the employee
26 under section 77-2754 as income tax withheld and shall not reduce the
27 amount that otherwise would be allowed by the state as a refundable
28 credit on an employee's income tax return as income tax withheld under
29 section 77-2755.

30 **Sec. 18.** Section 77-6831, Revised Statutes Supplement, 2025, is
31 amended to read:

1 77-6831 (1) A taxpayer shall be entitled to the sales and use tax
2 incentives contained in subsection (2) of this section if the taxpayer:

3 (a) Attains a cumulative investment in qualified property of at
4 least five million dollars and hires at least thirty new employees at the
5 qualified location or locations before the end of the ramp-up period;

6 (b) Attains a cumulative investment in qualified property of at
7 least two hundred fifty million dollars and hires at least two hundred
8 fifty new employees at the qualified location or locations before the end
9 of the ramp-up period; or

10 (c) Attains a cumulative investment in qualified property of at
11 least fifty million dollars at the qualified location or locations before
12 the end of the ramp-up period. To receive incentives under this
13 subdivision, the taxpayer must meet the following conditions:

14 (i) The average compensation of the taxpayer's employees at the
15 qualified location or locations for each year of the performance period
16 must equal at least one hundred fifty percent of the Nebraska statewide
17 average hourly wage for the year of application;

18 (ii) The taxpayer must offer to its employees who constitute full-
19 time employees as defined and described in section 4980H of the Internal
20 Revenue Code of 1986, as amended, and the regulations for such section,
21 at the qualified location or locations for each year of the performance
22 period, the opportunity to enroll in minimum essential coverage under an
23 eligible employer-sponsored plan, as those terms are defined and
24 described in section 5000A of the Internal Revenue Code of 1986, as
25 amended, and the regulations for such section; and

26 (iii) The taxpayer must offer a sufficient package of benefits as
27 described in subdivision (1)(j) of section 77-6828.

28 (2) A taxpayer meeting the requirements of subsection (1) of this
29 section shall be entitled to the following sales and use tax incentives:

30 (a) A refund of all sales and use taxes paid under the Local Option
31 Revenue Act, the Nebraska Revenue Act of 1967, the Qualified Judgment

1 Payment Act, and sections 13-319, 13-324, and 13-2813 from the date of
2 the complete application through the meeting of the required levels of
3 employment and investment for all purchases, including rentals, of:

4 (i) Qualified property used at the qualified location or locations;

5 (ii) Property, excluding motor vehicles, based in this state and
6 used in both this state and another state in connection with the
7 qualified location or locations except when any such property is to be
8 used for fundraising for or for the transportation of an elected
9 official;

10 (iii) Tangible personal property by a contractor or repairperson
11 after appointment as a purchasing agent of the owner of the improvement
12 to real estate when such property is incorporated into real estate at the
13 qualified location or locations. The refund shall be based on fifty
14 percent of the contract price, excluding any land, as the cost of
15 materials subject to the sales and use tax;

16 (iv) Tangible personal property by a contractor or repairperson
17 after appointment as a purchasing agent of the taxpayer when such
18 property is annexed to, but not incorporated into, real estate at the
19 qualified location or locations. The refund shall be based on the cost of
20 materials subject to the sales and use tax that were annexed to real
21 estate; and

22 (v) Tangible personal property by a contractor or repairperson after
23 appointment as a purchasing agent of the taxpayer when such property is
24 both (A) incorporated into real estate at the qualified location or
25 locations and (B) annexed to, but not incorporated into, real estate at
26 the qualified location or locations. The refund shall be based on fifty
27 percent of the contract price, excluding any land, as the cost of
28 materials subject to the sales and use tax; and

29 (b) An exemption from all sales and use taxes under the Local Option
30 Revenue Act, the Nebraska Revenue Act of 1967, the Qualified Judgment
31 Payment Act, and sections 13-319, 13-324, and 13-2813 on the types of

1 purchases, including rentals, listed in subdivision (a) of this
2 subsection for such purchases, including rentals, occurring during each
3 year of the performance period in which the taxpayer is at or above the
4 required levels of employment and investment, except that the exemption
5 shall be for the actual materials purchased with respect to subdivisions
6 (2)(a)(iii), (iv), and (v) of this section. The Tax Commissioner shall
7 issue such rules, regulations, certificates, and forms as are appropriate
8 to implement the efficient use of this exemption.

9 (3)(a) Upon execution of the agreement, the taxpayer shall be issued
10 a direct payment permit under section 77-2705.01, notwithstanding the
11 three million dollars in purchases limitation in subsection (1) of
12 section 77-2705.01, for each qualified location specified in the
13 agreement, unless the taxpayer has opted out of this requirement in the
14 agreement. For any taxpayer who is issued a direct payment permit, until
15 such taxpayer makes the investment in qualified property and hires the
16 new employees at the qualified location or locations as specified in
17 subsection (1) of this section, the taxpayer must pay and remit any
18 applicable sales and use taxes as required by the Tax Commissioner.

19 (b) If the taxpayer makes the investment in qualified property and
20 hires the new employees at the qualified location or locations as
21 specified in subsection (1) of this section, the taxpayer shall receive
22 the sales tax refunds described in subdivision (2)(a) of this section.
23 For any year in which the taxpayer is not at the required levels of
24 employment and investment, the taxpayer shall report all sales and use
25 taxes owed for the period on the taxpayer's tax return.

26 (4) The taxpayer shall be entitled to one of the following credits
27 for payment of wages to new employees:

28 (a)(i) If a taxpayer attains a cumulative investment in qualified
29 property of at least one million dollars and hires at least ten new
30 employees at the qualified location or locations before the end of the
31 ramp-up period, the taxpayer shall be entitled to a credit equal to four

1 percent times the average wage of new employees times the number of new
2 employees. Wages in excess of one million dollars paid to any one
3 employee during the year shall be excluded from the calculations under
4 this subdivision;

5 (ii) If the taxpayer attains a cumulative investment in qualified
6 property of at least one million dollars and hires at least ten new
7 employees at the qualified location or locations before the end of the
8 ramp-up period and the number of new employees and investment are at a
9 qualified location in a county in Nebraska with a population of one
10 hundred thousand or greater, and at which the majority of the business
11 activities conducted are described in subdivision (1)(a) or (1)(n) of
12 section 77-6818, the taxpayer shall be entitled to a credit equal to five
13 ~~four~~ percent times the average wage of new employees times the number of
14 new employees. Wages in excess of one million dollars paid to any one
15 employee during the year shall be excluded from the calculations under
16 this subdivision; or

17 (iii) If the taxpayer attains a cumulative investment in qualified
18 property of at least one million dollars and hires at least ten new
19 employees at the qualified location or locations before the end of the
20 ramp-up period and the number of new employees and investment are at a
21 qualified location or locations within one or more counties in Nebraska
22 that each have a population of less than one hundred thousand, and at
23 which the majority of the business activities conducted are described in
24 subdivision (1)(a) or (1)(n) of section 77-6818, the taxpayer shall be
25 entitled to a credit equal to seven ~~six~~ percent times the average wage of
26 new employees times the number of new employees. For purposes of meeting
27 the ten-employee requirement of this subdivision, the number of new
28 employees shall be multiplied by two. Wages in excess of one million
29 dollars paid to any one employee during the year shall be excluded from
30 the calculations under this subdivision;

31 (b) If a taxpayer hires at least twenty new employees at the

1 qualified location or locations before the end of the ramp-up period, the
2 taxpayer shall be entitled to a credit equal to ~~six~~ five percent times
3 the average wage of new employees times the number of new employees if
4 the average wage of the new employees equals at least one hundred percent
5 of the Nebraska statewide average hourly wage for the year of
6 application. The credit shall equal ~~eight~~ seven percent times the average
7 wage of new employees times the number of new employees if the average
8 wage of the new employees equals at least one hundred fifty percent of
9 the Nebraska statewide average hourly wage for the year of application.
10 The credit shall equal ~~ten~~ nine percent times the average wage of new
11 employees times the number of new employees if the average wage of the
12 new employees equals at least two hundred percent of the Nebraska
13 statewide average hourly wage for the year of application. Wages in
14 excess of one million dollars paid to any one employee during the year
15 shall be excluded from the calculations under this subdivision;

16 (c) If a taxpayer attains a cumulative investment in qualified
17 property of at least five million dollars and hires at least thirty new
18 employees at the qualified location or locations before the end of the
19 ramp-up period, the taxpayer shall be entitled to a credit equal to five
20 percent times the average wage of new employees times the number of new
21 employees if the average wage of the new employees equals at least one
22 hundred percent of the Nebraska statewide average hourly wage for the
23 year of application. The credit shall equal seven percent times the
24 average wage of new employees times the number of new employees if the
25 average wage of the new employees equals at least one hundred fifty
26 percent of the Nebraska statewide average hourly wage for the year of
27 application. The credit shall equal nine percent times the average wage
28 of new employees times the number of new employees if the average wage of
29 the new employees equals at least two hundred percent of the Nebraska
30 statewide average hourly wage for the year of application. Wages in
31 excess of one million dollars paid to any one employee during the year

1 shall be excluded from the calculations under this subdivision;

2 (d) If a taxpayer attains a cumulative investment in qualified
3 property of at least two hundred fifty million dollars and hires at least
4 two hundred fifty new employees at the qualified location or locations
5 before the end of the ramp-up period, the taxpayer shall be entitled to a
6 credit equal to seven percent times the average wage of new employees
7 times the number of new employees if the average wage of the new
8 employees equals at least one hundred fifty percent of the Nebraska
9 statewide average hourly wage for the year of application. The credit
10 shall equal nine percent times the average wage of new employees times
11 the number of new employees if the average wage of the new employees
12 equals at least two hundred percent of the Nebraska statewide average
13 hourly wage for the year of application. Wages in excess of one million
14 dollars paid to any one employee during the year shall be excluded from
15 the calculations under this subdivision; or

16 (e) If a taxpayer attains a cumulative investment in qualified
17 property of at least two hundred fifty thousand dollars but less than one
18 million dollars and hires at least five new employees at the qualified
19 location or locations before the end of the ramp-up period and the number
20 of new employees and investment are at a qualified location within an
21 economic redevelopment area, the taxpayer shall be entitled to a credit
22 equal to six percent times the average wage of new employees times the
23 number of new employees if the average wage of the new employees equals
24 at least seventy percent of the Nebraska statewide average hourly wage
25 for the year of application. Wages in excess of one million dollars paid
26 to any one employee during the year shall be excluded from the
27 calculations under this subdivision. For purposes of this subdivision,
28 economic redevelopment area means an area in which (i) the average rate
29 of unemployment in the area during the period covered by the most recent
30 American Community Survey 5-Year Estimate is at least one hundred fifty
31 percent of the average rate of unemployment in the state during the same

1 period and (ii) the average poverty rate in the area exceeds twenty
2 percent for the total federal census tract or tracts or federal census
3 block group or block groups in the area.

4 (5) The taxpayer shall be entitled to one of the following credits
5 for new investment:

6 (a)(i) If a taxpayer attains a cumulative investment in qualified
7 property of at least one million dollars and hires at least ten new
8 employees at the qualified location or locations before the end of the
9 ramp-up period, the taxpayer shall be entitled to a credit equal to four
10 percent of the investment made in qualified property at the qualified
11 location or locations;

12 (ii) If the taxpayer attains a cumulative investment in qualified
13 property of at least one million dollars and hires at least ten new
14 employees at the qualified location or locations before the end of the
15 ramp-up period and the number of new employees and investment are at a
16 qualified location in a county in Nebraska with a population of one
17 hundred thousand or greater, and at which the majority of the business
18 activities conducted are described in subdivision (1)(a) or (1)(n) of
19 section 77-6818, the taxpayer shall be entitled to a credit equal to five
20 ~~four~~ percent of the investment made in qualified property at the
21 qualified location or locations unless the cumulative investment exceeds
22 ten million dollars, in which case the taxpayer shall be entitled to a
23 credit equal to eight ~~seven~~ percent of the investment made in qualified
24 property at the qualified location or locations; or

25 (iii) If the taxpayer attains a cumulative investment in qualified
26 property of at least one million dollars and hires at least ten new
27 employees at the qualified location or locations before the end of the
28 ramp-up period and the number of new employees and investment are at a
29 qualified location or locations within one or more counties in Nebraska
30 that each have a population of less than one hundred thousand, and at
31 which the majority of the business activities conducted are described in

1 subdivision (1)(a) or (1)(n) of section 77-6818, the taxpayer shall be
2 entitled to a credit equal to five ~~four~~ percent of the investment made in
3 qualified property at the qualified location or locations unless the
4 cumulative investment exceeds ten million dollars, in which case the
5 taxpayer shall be entitled to a credit equal to eight ~~seven~~ percent of
6 the investment made in qualified property at the qualified location or
7 locations. For purposes of meeting the ten-employee requirement of this
8 subdivision, the number of new employees shall be multiplied by two;

9 (b) If a taxpayer attains a cumulative investment in qualified
10 property of at least five million dollars and hires at least thirty new
11 employees at the qualified location or locations before the end of the
12 ramp-up period, the taxpayer shall be entitled to a credit equal to seven
13 percent of the investment made in qualified property at the qualified
14 location or locations;

15 (c) If a taxpayer attains a cumulative investment in qualified
16 property of at least two hundred fifty million dollars and hires at least
17 two hundred fifty new employees at the qualified location or locations
18 before the end of the ramp-up period, the taxpayer shall be entitled to a
19 credit equal to seven percent of the investment made in qualified
20 property at the qualified location or locations; or

21 (d) If a taxpayer attains a cumulative investment in qualified
22 property of at least two hundred fifty thousand dollars but less than one
23 million dollars and hires at least five new employees at the qualified
24 location or locations before the end of the ramp-up period and the number
25 of new employees and investment are at a qualified location within an
26 economic redevelopment area, the taxpayer shall be entitled to a credit
27 equal to four percent of the investment made in qualified property at the
28 qualified location or locations. For purposes of this subdivision,
29 economic redevelopment area means an area in which (i) the average rate
30 of unemployment in the area during the period covered by the most recent
31 American Community Survey 5-Year Estimate is at least one hundred fifty

1 percent of the average rate of unemployment in the state during the same
2 period and (ii) the average poverty rate in the area exceeds twenty
3 percent for the total federal census tract or tracts or federal census
4 block group or block groups in the area.

5 (6)(a) The credit percentages prescribed in subdivisions (4)(a),
6 (b), (c), and (d) and subdivisions (5)(a), (b), and (c) of this section
7 shall be increased by one percentage point for wages paid and investments
8 made at qualified locations in an extremely blighted area. For purposes
9 of this subdivision, extremely blighted area means an area which, before
10 the end of the ramp-up period, has been declared an extremely blighted
11 area under section 18-2101.02.

12 (b) The credit percentages prescribed in subsections (4) and (5) of
13 this section shall be increased by one percentage point if the taxpayer:

14 (i) Employs three thousand or more Nebraska-based full-time
15 employees as defined and described in section 4980H of the Internal
16 Revenue Code of 1986, as amended, and the regulations for such section Is
17 a benefit corporation as defined in section 21-403 and has been such a
18 corporation for at least one year prior to submitting an application
19 under the Imagine Nebraska Act; and

20 (ii) Within a seven-year period starting when a change in ownership
21 and control as defined in subdivision (3) of section 3 of this act
22 occurs, hires an additional five hundred or more full-time employees as
23 defined and described in section 4980H of the Internal Revenue Code of
24 1986, as amended, and the regulations for such section. The average
25 annual wages for such additional full-time employees must be one hundred
26 thousand dollars or more. Such additional full-time employees must be (A)
27 newly employed by the taxpayer in this state, (B) an existing employee of
28 the taxpayer who transfers from a position not within the state to a
29 position in this state, or (C) a new employee of the taxpayer who
30 relocates to a position in this state. Upon reaching the five hundred or
31 more full-time employee threshold, the increased tax credit percentages

1 shall apply both retroactively and prospectively within the performance
2 period ~~Remains a benefit corporation as defined in section 21-403 for the~~
3 ~~duration of the taxpayer's agreement under the Imagine Nebraska Act.~~

4 (c) A taxpayer may, if qualified, receive one or both of the
5 increases provided in this subsection.

6 (7)(a) The credits prescribed in subsections (4) and (5) of this
7 section shall be allowable for wages paid and investments made during
8 each year of the performance period that the taxpayer is at or above the
9 required levels of employment and investment.

10 (b) The credits prescribed in subsection (5) of this section shall
11 also be allowable during the first year of the performance period for
12 investment in qualified property at the qualified location or locations
13 after the date of the complete application and before the beginning of
14 the performance period.

15 (8)(a) Property described in subdivision (8)(c) of this section used
16 at the qualified location or locations, whether purchased or leased, and
17 placed in service by the taxpayer after the date of the complete
18 application, shall constitute separate classes of property and are
19 eligible for exemption under the conditions and for the time periods
20 provided in subdivision (8)(b) of this section.

21 (b) A taxpayer shall receive the exemption of property in
22 subdivision (8)(c) of this section if the taxpayer attains one of the
23 following employment and investment levels: (i) Cumulative investment in
24 qualified property of at least five million dollars and the hiring of at
25 least thirty new employees at the qualified location or locations before
26 the end of the ramp-up period; (ii) cumulative investment in qualified
27 property of at least fifty million dollars at the qualified location or
28 locations before the end of the ramp-up period, provided the average
29 compensation of the taxpayer's employees at the qualified location or
30 locations for the year in which such investment level was attained equals
31 at least one hundred fifty percent of the Nebraska statewide average

1 hourly wage for the year of application and the taxpayer offers to its
2 employees who constitute full-time employees as defined and described in
3 section 4980H of the Internal Revenue Code of 1986, as amended, and the
4 regulations for such section, at the qualified location or locations for
5 the year in which such investment level was attained, the opportunity to
6 enroll in minimum essential coverage under an eligible employer-sponsored
7 plan, as those terms are defined and described in section 5000A of the
8 Internal Revenue Code of 1986, as amended, and the regulations for such
9 section; or (iii) cumulative investment in qualified property of at least
10 two hundred fifty million dollars and the hiring of at least two hundred
11 fifty new employees at the qualified location or locations before the end
12 of the ramp-up period. Such property shall be eligible for the exemption
13 from the first January 1 following the end of the year during which the
14 required levels were exceeded through the ninth December 31 after the
15 first year property included in subdivision (8)(c) of this section
16 qualifies for the exemption, except that for a taxpayer who has filed an
17 application under NAICS code 518210 for Data Processing, Hosting, and
18 Related Services and who files a separate sequential application for the
19 same NAICS code for which the ramp-up period begins with the year
20 immediately after the end of the previous project's performance period or
21 a taxpayer who has a project qualifying under subdivision (1)(b)(ii) of
22 section 77-5725 and who files a separate sequential application for NAICS
23 code 518210 for Data Processing, Hosting, and Related Services for which
24 the ramp-up period begins with the year immediately after the end of the
25 previous project's entitlement period, such property described in
26 subdivision (8)(c)(i) of this section shall be eligible for the exemption
27 from the first January 1 following the placement in service of such
28 property through the ninth December 31 after the year the first claim for
29 exemption is approved.

30 (c) The following personal property used at the qualified location
31 or locations, whether purchased or leased, and placed in service by the

1 taxpayer after the date of the complete application shall constitute
2 separate classes of personal property:

3 (i) All personal property that constitutes a data center if the
4 taxpayer qualifies under subdivision (8)(b)(i) or (8)(b)(ii) of this
5 section;

6 (ii) Business equipment that is located at a qualified location or
7 locations and that is involved directly in the manufacture or processing
8 of agricultural products, including business equipment used primarily for
9 the capture and compression of carbon dioxide, the manufacturing of
10 liquid fertilizer or any other chemical applied to agricultural crops, or
11 the manufacturing of any liquid additive for a farm vehicle fuel if the
12 taxpayer qualifies under subdivision (8)(b)(i) or (8)(b)(ii) of this
13 section; or

14 (iii) All personal property if the taxpayer qualifies under
15 subdivision (8)(b)(iii) of this section.

16 (d) In order to receive the property tax exemptions allowed by
17 subdivision (8)(c) of this section, the taxpayer shall annually file a
18 claim for exemption with the Tax Commissioner on or before May 1. The
19 form and supporting schedules shall be prescribed by the Tax Commissioner
20 and shall list all property for which exemption is being sought under
21 this section. A separate claim for exemption must be filed for each
22 agreement and each county in which property is claimed to be exempt. A
23 copy of this form must also be filed with the county assessor in each
24 county in which the applicant is requesting exemption. The Tax
25 Commissioner shall determine whether a taxpayer is eligible to obtain
26 exemption for personal property based on the criteria for exemption and
27 the eligibility of each item listed for exemption and, on or before
28 August 1, certify such determination to the taxpayer and to the affected
29 county assessor.

30 (9) The taxpayer shall, on or before the receipt or use of any
31 incentives under this section, pay to the director a fee of one-half

1 percent of such incentives, except for the exemption on personal
2 property, for administering the Imagine Nebraska Act, except that the fee
3 on any sales tax exemption may be paid by the taxpayer with the filing of
4 its sales and use tax return. Such fee may be paid by direct payment to
5 the director or through withholding of available refunds. A credit shall
6 be allowed against such fee for the amount of the fee paid with the
7 application. All fees collected under this subsection shall be remitted
8 to the State Treasurer for credit to the Imagine Nebraska Cash Fund,
9 which fund is hereby created. The fund shall consist of fees credited
10 under this subsection and any other money appropriated to the fund by the
11 Legislature. The fund shall be administered by the Department of Economic
12 Development and shall be used for administration of the Imagine Nebraska
13 Act. Any money in the fund available for investment shall be invested by
14 the state investment officer pursuant to the Nebraska Capital Expansion
15 Act and the Nebraska State Funds Investment Act.

16 **Sec. 19.** Section 77-6832, Revised Statutes Cumulative Supplement,
17 2024, is amended to read:

18 77-6832 (1)(a) The credits prescribed in section 77-6831 for a year
19 shall be established by filing the forms required by the Tax Commissioner
20 with the income tax return for the taxable year which includes the end of
21 the year the credits were earned. The credits may be used and shall be
22 applied in the order in which they were first allowable under the Imagine
23 Nebraska Act. To the extent the taxpayer has credits under the Nebraska
24 Advantage Act or the Employment and Investment Growth Act still available
25 for use in a year or years which overlap the performance period or
26 carryover period of the Imagine Nebraska Act, the credits may be used and
27 shall be applied in the order in which they were first allowable, and
28 when there are credits of the same age, the older tax incentive program's
29 credits shall be applied first. The credits may be used after any other
30 nonrefundable credits to reduce the taxpayer's income tax liability
31 imposed by sections 77-2714 to 77-27,135. Credits may be used beginning

1 with the taxable year which includes December 31 of the year the required
2 minimum levels were reached. The last year for which credits may be used
3 is the taxable year which includes December 31 of the last year of the
4 carryover period. Any decision on how part of the credit is applied shall
5 not limit how the remaining credit could be applied under this section.

6 (b) The taxpayer may use the credit provided in subsection (4) of
7 section 77-6831 (i) to reduce the taxpayer's income tax withholding
8 employer or payor tax liability under section 77-2756 or 77-2757, to the
9 extent such liability is attributable to the number of new employees
10 employed at the qualified location or locations, excluding any wages in
11 excess of one million dollars paid to any one employee during the year or
12 (ii) to reduce a qualified employee leasing company's income tax
13 withholding employer or payor tax liability under section 77-2756 or
14 77-2757, when the taxpayer is the client-lessee of such company, to the
15 extent such liability is attributable to the number of new employees
16 performing services for such client-lessee at the qualified location or
17 locations, excluding any wages in excess of one million dollars paid to
18 any one employee during the year. To the extent of the credit used, such
19 withholding shall not constitute public funds or state tax revenue and
20 shall not constitute a trust fund or be owned by the state. The use by
21 the taxpayer or the qualified employee leasing company of the credit
22 shall not change the amount that otherwise would be reported by the
23 taxpayer, or such qualified employee leasing company, to the employee
24 under section 77-2754 as income tax withheld and shall not reduce the
25 amount that otherwise would be allowed by the state as a refundable
26 credit on an employee's income tax return as income tax withheld under
27 section 77-2755. The amount of credits used against income tax
28 withholding shall not exceed the withholding attributable to the number
29 of new employees employed at the qualified location or locations or, for
30 a qualified employee leasing company, the number of new employees
31 performing services for the applicable client-lessee at the qualified

1 location or locations, excluding any wages in excess of one million
2 dollars paid to any one employee during the year. If the amount of credit
3 used by the taxpayer or the qualified employee leasing company against
4 income tax withholding exceeds such amount, the excess withholding shall
5 be returned to the Department of Revenue in the manner provided in
6 section 77-2756, such excess amount returned shall be considered unused,
7 and the amount of unused credits may be used as otherwise permitted in
8 this section or shall carry over to the extent authorized in subdivision
9 (1)(g) of this section.

10 (c) Credits may be used to obtain a refund of sales and use taxes
11 under the Local Option Revenue Act, the Nebraska Revenue Act of 1967, the
12 Qualified Judgment Payment Act, and sections 13-319, 13-324, and 13-2813
13 that are not subject to direct refund under section 77-6831 and that are
14 paid on purchases, including rentals, for use at a qualified location.

15 (d) The credits provided in subsections (4) and (5) of section
16 77-6831 may be used to repay a loan for job training or infrastructure
17 development as provided in section 77-6841.

18 (e) Credits may be used to obtain a payment from the state equal to
19 the amount which the taxpayer demonstrates to the director was paid by
20 the taxpayer after the date of the complete application for job training
21 and talent recruitment of employees who qualify in the number of new
22 employees, to the extent that proceeds from a loan described in section
23 77-6841 were not used to make such payments. For purposes of this
24 subdivision:

25 (i) Job training means training for a prospective or new employee
26 that is provided after the date of the complete application by a Nebraska
27 nonprofit college or university, a Nebraska public or private secondary
28 school, a Nebraska educational service unit, or a company that is not a
29 member of the taxpayer's unitary group or a related person to the
30 taxpayer; and

31 (ii) Talent recruitment means talent recruitment activities that

1 result in a newly recruited employee who is hired by the taxpayer after
2 the date of the complete application and who is paid compensation during
3 the year of hire at a rate equal to at least one hundred percent of the
4 Nebraska statewide average hourly wage for the year of application,
5 including marketing, relocation expenses, and search-firm fees. Talent
6 recruitment payments that may be reimbursed include, without limitation,
7 payment by the taxpayer, without repayment by the employee, of an
8 employee's student loans, an employee's tuition, and an employee's
9 downpayment on a primary residence in Nebraska. Talent recruitment
10 payments that may be reimbursed shall not include payments for the
11 recruitment of a person who constitutes a related person to the taxpayer
12 when the taxpayer is an individual or recruitment of a person who
13 constitutes a related person to an owner of the taxpayer when the
14 taxpayer is a partnership, a limited liability company, or a subchapter S
15 corporation.

16 (f) The credits provided in subsections (4) and (5) of section
17 77-6831 may be used to obtain a payment from the state equal to the
18 amount which the taxpayer demonstrates to the director was paid for
19 ~~taxpayer-sponsored child care for employees at the qualified location or~~
20 ~~locations~~ during the performance period and the carryover period.
21 Taxpayers may pay up to fifty percent of child care costs for employees
22 using such credit.

23 (g) Credits may be carried over until fully utilized through the end
24 of the carryover period.

25 (2)(a) No refund claims shall be filed until after the required
26 levels of employment and investment have been met.

27 (b) Refund claims shall be filed no more than once each quarter for
28 refunds under the Imagine Nebraska Act, except that any claim for a
29 refund in excess of twenty-five thousand dollars may be filed at any
30 time.

31 (c) Refund claims for materials purchased by a purchasing agent

1 shall include:

2 (i) A copy of the purchasing agent appointment;

3 (ii) The contract price; and

4 (iii)(A) For refunds under subdivision (2)(a)(iii) or (2)(a)(v) of
5 section 77-6831, a certification by the contractor or repairperson of the
6 percentage of the materials incorporated into or annexed to the qualified
7 location on which sales and use taxes were paid to Nebraska after
8 appointment as purchasing agent; or

9 (B) For refunds under subdivision (2)(a)(iv) of section 77-6831, a
10 certification by the contractor or repairperson of the percentage of the
11 contract price that represents the cost of materials annexed to the
12 qualified location and the percentage of the materials annexed to the
13 qualified location on which sales and use taxes were paid to Nebraska
14 after appointment as purchasing agent.

15 (d) All refund claims shall be filed, processed, and allowed as any
16 other claim under section 77-2708, except that the amounts allowed to be
17 refunded under the Imagine Nebraska Act shall be deemed to be
18 overpayments and shall be refunded notwithstanding any limitation in
19 subdivision (2)(a) of section 77-2708. The refund may be allowed if the
20 claim is filed within three years from the end of the year the required
21 levels of employment and investment are met or within the period set
22 forth in section 77-2708. Refunds shall be paid by the Tax Commissioner
23 within one hundred eighty days after receipt of the refund claim. Such
24 payments shall be subject to later recovery by the Tax Commissioner upon
25 audit.

26 (e) If a claim for a refund of sales and use taxes under the Local
27 Option Revenue Act, the Qualified Judgment Payment Act, or sections
28 13-319, 13-324, and 13-2813 of more than twenty-five thousand dollars is
29 filed by June 15 of a given year, the refund shall be made on or after
30 November 15 of the same year. If such a claim is filed on or after June
31 16 of a given year, the refund shall not be made until on or after

1 November 15 of the following year. The Tax Commissioner shall notify the
2 affected city, village, county, or municipal county of the amount of
3 refund claims of sales and use taxes under the Local Option Revenue Act,
4 the Qualified Judgment Payment Act, or sections 13-319, 13-324, and
5 13-2813 that are in excess of twenty-five thousand dollars on or before
6 July 1 of the year before the claims will be paid under this section.

7 (f) For refunds of sales and use taxes under the Local Option
8 Revenue Act, the deductions made by the Tax Commissioner for such refunds
9 shall be delayed in accordance with section 77-27,144.

10 (g) Interest shall not be allowed on any taxes refunded under the
11 Imagine Nebraska Act.

12 (3) The appointment of purchasing agents shall be recognized for the
13 purpose of changing the status of a contractor or repairperson as the
14 ultimate consumer of tangible personal property purchased after the date
15 of the appointment which is physically incorporated into or annexed at a
16 qualified location and becomes the property of the owner of the
17 improvement to real estate or the taxpayer. The purchasing agent shall be
18 jointly liable for the payment of the sales and use tax on the purchases
19 with the owner of the property.

20 (4) The determination of whether the application is complete,
21 whether a location is a qualified location, and whether to approve the
22 application and sign the agreement shall be made by the director. All
23 other interpretations of the Imagine Nebraska Act shall be made by the
24 Tax Commissioner. The Commissioner of Labor shall provide the director
25 with such information as the Department of Labor regularly receives with
26 respect to the taxpayer which the director requests from the Commissioner
27 of Labor in order to fulfill the director's duties under the act. The
28 director shall use such information to achieve efficiency in the
29 administration of the act.

30 (5) Once the director and the taxpayer have signed the agreement
31 under section 77-6828, the taxpayer, and its owners or members where

1 applicable, may report and claim and shall receive all incentives allowed
2 by the ImagiNE Nebraska Act, subject to the base authority limitations
3 provided in section 77-6839, without waiting for a determination by the
4 director or the Tax Commissioner or other taxing authority that the
5 taxpayer has met the required employment and investment levels or
6 otherwise qualifies, has qualified, or continues to qualify for such
7 incentives, provided that the tax return or claim has been signed by an
8 owner, member, manager, or officer of the taxpayer who declares under
9 penalties of perjury that he or she has examined the tax return or claim,
10 including accompanying schedules and statements, and to the best of his
11 or her knowledge and belief (a) the tax return or claim is correct and
12 complete in all material respects, (b) payment of the claim has not been
13 previously made by the state to the taxpayer, and (c) with respect to
14 sales or use tax refund claims, the taxpayer has not claimed or received
15 a refund of such tax from a retailer. The payment or allowance of such a
16 claim shall not prevent the director or the Tax Commissioner or other
17 taxing authority from recovering such payment, exemption, or allowance,
18 within the normal period provided by law, subject to normal appeal rights
19 of a taxpayer, if the director or Tax Commissioner or other taxing
20 authority determines upon review or audit that the taxpayer did not
21 qualify for such incentive or exemption.

22 (6) An audit of employment and investment thresholds and incentive
23 amounts shall be made by the Tax Commissioner to the extent and in the
24 manner determined by the Tax Commissioner. Upon request by the director
25 or the Tax Commissioner, the Commissioner of Labor shall report to the
26 director and the Tax Commissioner the employment data regularly reported
27 to the Department of Labor relating to number of employees and wages paid
28 for each taxpayer. The director and Tax Commissioner, to the extent they
29 determine appropriate, shall use such information to achieve efficiency
30 in the administration of the ImagiNE Nebraska Act. The Tax Commissioner
31 may recover any refund or part thereof which is erroneously made and any

1 credit or part thereof which is erroneously allowed by issuing a
2 deficiency determination within three years from the date of refund or
3 credit or within the period otherwise allowed for issuing a deficiency
4 determination, whichever expires later. The director shall not enter into
5 an agreement with any taxpayer unless the taxpayer agrees to
6 electronically verify the work eligibility status of all newly hired
7 employees employed in Nebraska within ninety days after the date of hire.
8 For purposes of calculating any tax incentive under the act, the hours
9 worked and compensation paid to an employee who has not been
10 electronically verified or who is not eligible to work in Nebraska shall
11 be excluded.

12 (7) A determination by the director that a location is not a
13 qualified location or a determination by the Tax Commissioner that a
14 taxpayer has failed to meet or maintain the required levels of employment
15 or investment for incentives, exemptions, or recapture, or does not
16 otherwise qualify for incentives or exemptions, may be protested by the
17 taxpayer to the Tax Commissioner within sixty days after the mailing to
18 the taxpayer of the written notice of the proposed determination by the
19 director or the Tax Commissioner, as applicable. If the notice of
20 proposed determination is not protested in writing by the taxpayer within
21 the sixty-day period, the proposed determination is a final
22 determination. If the notice is protested, the Tax Commissioner, after a
23 formal hearing by the Tax Commissioner or by an independent hearing
24 officer appointed by the Tax Commissioner, if requested by the taxpayer
25 in such protest, shall issue a written order resolving such protest. The
26 written order of the Tax Commissioner resolving a protest may be appealed
27 to the district court of Lancaster County in accordance with the
28 Administrative Procedure Act within thirty days after the issuance of the
29 order.

30 **Sec. 20.** Section 81-12,144, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 81-12,144 Sections 81-12,144 to 81-12,151 and section 21 of this act
2 shall be known and may be cited as the Site and Building Development Act.

3 **Sec. 21.** For purposes of the Site and Building Development Act,
4 employer has the same meaning as in subdivision (6) of section 3 of this
5 act.

6 **Sec. 22.** Section 81-12,147, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 81-12,147 (1) Except as provided in subsection (2) of this section,
9 the Department of Economic Development shall use the Site and Building
10 Development Fund to finance loans, grants, subsidies, credit
11 enhancements, and other financial assistance for industrial site and
12 building development and for expenses of the department as appropriated
13 by the Legislature for administering the fund. The following activities
14 are eligible for assistance from the fund:

15 (a) Grants or zero-interest loans to villages, cities, or counties
16 to acquire land, infuse infrastructure, or otherwise make large sites and
17 buildings ready for industrial development;

18 (b) Matching funds for new construction, rehabilitation, or
19 acquisition of land and buildings to assist villages, cities, and
20 counties;

21 (c) Technical assistance, design and finance services, and
22 consultation for villages, cities, and counties for the preparation and
23 creation of industrial-ready sites and buildings;

24 (d) Loan guarantees for eligible projects;

25 (e) Projects making industrial-ready sites and buildings more
26 accessible to business and industry;

27 (f) Infrastructure projects necessary for the development of
28 industrial-ready sites and buildings;

29 (g) Projects that mitigate the economic impact of a closure or
30 downsizing of a private-sector entity by making necessary improvements to
31 buildings and infrastructure;

1 (h) Public and private sector initiatives that will improve the
2 military value of military installations by making necessary improvements
3 to buildings and infrastructure, including, but not limited to, a grant
4 for the establishment of the United States Strategic Command Nuclear
5 Command, Control, and Communications public-private-partnership facility;

6 (i) A grant to a city of the second class that is served by two
7 first-class railroads, that is within fifteen miles of two state borders,
8 and that partners with public power utilities for purposes of expanding
9 electrical system capacities and enhancing redundancy and resilience;

10 (j) A grant of two million dollars to a city of the first class
11 located in the third congressional district if the property previously
12 housed a university or college that is no longer extant and if the
13 improvement and revitalization of the real property is for purposes of
14 supporting the housing, employment, and program needs of youth exiting
15 the foster care system. In addition, the real property may be used for
16 youth exiting juvenile court supervision in an out-of-home placement;

17 (k) Public and private sector initiatives that will improve the
18 value of cities of the second class that have partnered with the United
19 States Department of Defense or its contractors on upgrades to ground-
20 based nuclear deterrence. Such improvements include the construction of
21 electrical, drinking water, and clean water infrastructure; ~~and~~

22 (l) Identification, evaluation, and development of large commercial
23 and industrial sites and building infrastructure to attract major
24 investment and employment opportunities for advanced manufacturing,
25 processing, trade, technology, aerospace, automotive, clean energy, life
26 science, and other transformational industries in Nebraska by means of
27 the department providing grants to or partnering with political
28 subdivisions, including inland port authorities under the Municipal
29 Inland Port Authority Act, or nonprofit economic development corporations
30 and entering into contracts for consulting, engineering, and development
31 studies to identify, evaluate, and develop large commercial and

1 industrial sites in Nebraska; -

2 (m) For fiscal years 2026-27 and 2027-28, grants to employers to
3 support capital improvements related to site and building development
4 relating to the retention and recruitment of employees following a change
5 in ownership and control as defined in subdivision (3) of section 3 of
6 this act. Any such grant shall be made at a rate of five dollars per
7 square foot of capital improvements related to site and building
8 development. The Department of Economic Development shall not award total
9 grants exceeding two million five hundred thousand dollars in any fiscal
10 year. For purposes of these grants, capital improvements include, but are
11 not limited to, any spending on tangible personal property or services to
12 build, repair, renovate, rehabilitate, restore, modify, improve, or
13 replace any infrastructure, building system, fixture, furnishing,
14 equipment, technology, and site and land improvements; and

15 (n) For fiscal years 2026-27 and 2027-28, grants or zero-interest
16 loans to cities of the first class to acquire land, infuse
17 infrastructure, or otherwise make large sites and buildings ready for
18 industrial development if such city (i) has a population of less than
19 fifty thousand inhabitants and (ii) has been impacted by a sudden and
20 significant private-sector entity closure or downsizing. The Department
21 of Economic Development shall not award grants and loans exceeding a
22 total of two million five hundred thousand dollars in any fiscal year.

23 (2) The Department of Economic Development shall use the subaccount
24 of the Site and Building Development Fund described in subsection (2) of
25 section 81-12,146 to provide financial assistance to any inland port
26 authority created under the Municipal Inland Port Authority Act to help
27 finance large shovel-ready commercial and industrial sites developed
28 under such act.

29 **Sec. 23.** Section 81-12,148, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 81-12,148 (1) Governmental subdivisions and Nebraska nonprofit

1 organizations are eligible to receive assistance under the Site and
2 Building Development Act. Any entity receiving assistance under
3 subsection (1) of section 81-12,147 shall provide, or cause to be
4 provided, matching funds for the eligible activity in an amount
5 determined by the Department of Economic Development, which amount shall
6 be at least equal to one hundred percent of the amount of assistance
7 provided by the Site and Building Development Fund. Nothing in the act
8 shall be construed to allow individuals or businesses to receive direct
9 loans from the fund.

10 (2) An applicant for a grant for development of a public-private-
11 partnership facility under subdivision (1)(h) of section 81-12,147 shall
12 provide the Director of Economic Development with a letter of support
13 from the United States Strategic Command prior to approval of the
14 application and with proof of the availability of twenty million dollars
15 in private or other funds for the facility. No funds shall be expended or
16 grants awarded until receipt of proof of the availability of twenty
17 million dollars in private or other funds for the facility and
18 certification is provided by the Director of Economic Development to the
19 budget administrator of the budget division of the Department of
20 Administrative Services.

21 (3) An applicant for a grant for development under subdivision (1)
22 (k) of section 81-12,147 is not required to meet the matching fund
23 requirements pursuant to this section but shall provide the Director of
24 Economic Development a letter from the United States Department of
25 Defense or contractor providing upgrades to ground-based nuclear
26 deterrence that infrastructure improvements, including the construction
27 of electrical, drinking water, and clean water infrastructure, will not
28 be included in the scope of the project. No grants shall be awarded or
29 funds expended until such letter is received.

30 (4) This section does not apply to any inland port authority
31 receiving assistance under subsection (2) of section 81-12,147, an

1 employer receiving assistance under subdivision (1)(m) of section
2 81-12,147, or a city receiving assistance under subdivision (1)(n) of
3 section 81-12,147.

4 **Sec. 24.** Section 81-12,149, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 81-12,149 (1) During each calendar year in which funds are available
7 from the Site and Building Development Fund for use by the Department of
8 Economic Development pursuant to subdivisions (1)(a) through (g) of
9 section 81-12,147, the department shall allocate a specific amount of
10 funds, not less than forty percent, to nonmetropolitan areas. For
11 purposes of this section, nonmetropolitan areas means counties with fewer
12 than one hundred thousand inhabitants according to the most recent
13 federal decennial census. In selecting projects to receive such fund
14 assistance, the department shall develop a qualified action plan by
15 January 1 of each even-numbered year. The plan shall give first priority
16 to financially viable projects that have an agreement with a business
17 that will locate a site within ninety days of the signed agreement and to
18 financially viable projects located in whole or in part within an
19 enterprise zone designated pursuant to the Enterprise Zone Act or an
20 opportunity zone designated pursuant to the federal Tax Cuts and Jobs
21 Act, Public Law 115-97. The plan shall set forth selection criteria to be
22 used to determine priorities of the fund for activities pursuant to
23 subdivisions (1)(a) through (g) of section 81-12,147 which are
24 appropriate to local conditions, including the community's immediate need
25 for site and building development, proposed increases in jobs and
26 investment, private dollars leveraged, level of local government support
27 and participation, and repayment, in part or in whole, of financial
28 assistance awarded by the fund. The Director of Economic Development
29 shall submit the plan to the Governor for approval.

30 (2) The department shall fund in order of priority as many
31 applications for activities pursuant to subdivisions (1)(a) through (g)

1 of section 81-12,147 as will utilize available money in the Site and
2 Building Development Fund less actual administrative costs of the
3 department in administering the fund and less any funds specifically
4 committed to (a) an employer site and building development grant pursuant
5 to subdivision (1)(m) of section 81-12,147 or (b) a city grant or loan
6 pursuant to subdivision (1)(n) of section 81-12,147. In administering the
7 fund, the department may contract for services or directly provide money
8 to other governmental entities or instrumentalities.

9 (3) This section does not apply to any inland port authority
10 receiving assistance under subsection (2) of section 81-12,147.

11 **Sec. 25.** (1) The Department of Labor shall establish a grant
12 program to provide additional support for the implementation of workforce
13 retention or workforce attraction plans. Grants shall be made available
14 to economic development organizations that assist employers experiencing
15 a change in ownership and control as defined in subdivision (3) of
16 section 3 of this act. The total amount of grant funds awarded pursuant
17 to this subsection shall not exceed three hundred thousand dollars. For
18 purposes of this section, employer has the same meaning as in subdivision
19 (6) of section 3 of this act.

20 (2) The grants awarded pursuant to subsection (1) of this section
21 must be made within the ten-year period immediately following the change
22 in ownership and control as defined in subdivision (3) of section 3 of
23 this act.

24 (3) Prior to the award of a grant pursuant to subsection (1) of this
25 section, the economic development organization must apply to the
26 department for a grant. Grants will only be awarded to an economic
27 development organization if such economic development organization
28 submits to the department a retention and relocation plan application.
29 Such application shall include:

30 (a) The name of the applicant and a contact person for such
31 application;

1 (b) Information regarding the applicant's qualification as an
2 economic development organization supporting an employer experiencing a
3 change in ownership and control as defined in subdivision (3) of section
4 3 of this act;

5 (c) A narrative description of the employer's retention and
6 relocation plan to retain within the state or relocate to the state
7 employees during the seven years following the change in ownership and
8 control as defined in subdivision (3) of section 3 of this act;

9 (d) The amount of funding requested subject to the limitations of
10 this section; and

11 (e) Any other information the department may require.

12 (4) If the funds available for grants in any year are insufficient
13 to provide grants to all eligible applicants, the department shall
14 prioritize awards to the retention and relocation plan of the employer
15 with the largest average number of employees within Nebraska during the
16 ten years prior to the employer's change in ownership and control as
17 defined in subdivision (3) of section 3 of this act.

18 **Sec. 26.** Sections 13, 15, 16, and 29 of this act become operative
19 three calendar months after the adjournment of this legislative session.
20 The other sections of this act become operative on their effective date.

21 **Sec. 27.** If any section in this act or any part of any section is
22 declared invalid or unconstitutional, the declaration shall not affect
23 the validity or constitutionality of the remaining portions.

24 **Sec. 28.** Original sections 49-801.01, 81-12,144, 81-12,146,
25 81-12,147, 81-12,148, and 81-12,149, Reissue Revised Statutes of
26 Nebraska, section 77-6832, Revised Statutes Cumulative Supplement, 2024,
27 and sections 77-6538 and 77-6831, Revised Statutes Supplement, 2025, are
28 repealed.

29 **Sec. 29.** Original sections 77-5723 and 77-5735, Revised Statutes
30 Cumulative Supplement, 2024, and section 13-2603, Revised Statutes
31 Supplement, 2025, are repealed.

1 **Sec. 30.** Since an emergency exists, this act takes effect when
2 passed and approved according to law.