

**ONE HUNDRED NINTH LEGISLATURE - SECOND SESSION - 2026**  
**COMMITTEE STATEMENT**  
**LB1165**

---

**Hearing Date:** Wednesday February 25, 2026  
**Committee On:** Revenue  
**Introducer:** von Gillern  
**One Liner:** Change provisions relating to the Key Employer and Jobs Retention Act, the ImagiNE Nebraska Act, and the Site and Building Development Act and create a grant program to help employers retain or attract employees

---

**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

---

**Vote Results:**

<b>Aye:</b>	7	Senators von Gillern, Bostar, Ibach, Jacobson, Kauth, Murman, Sorrentino
<b>Nay:</b>		
<b>Absent:</b>	1	Senator Dungan
<b>Present Not Voting:</b>		

---

**Testimony:**

**Proponents:**

Senator R. Brad von Gillern  
Kenny Zoeller  
Jason Ball

Matt Williams  
Heath Mello  
Josh Perkes  
Mike Cassling  
Marco Floreani  
Luke Wenz  
Jeff Hofaker

Lynn Rex

**Opponents:**

**Neutral:**

\* ADA Accommodation Written Testimony

**Representing:**

Opening Presenter  
Governor Pillen  
Lincoln Chamber of Commerce, Lincoln Partnership for Economic Development, Nebraska Bankers Association  
Nebraska State Chamber  
Greater Omaha Chamber  
Union Pacific  
Self  
City of Omaha  
Platte Institute  
Nebraska Economic Developers Association, Phelps County Development Corporation  
League of Nebraska Municipalities

**Representing:**

**Representing:**

---

**Summary of purpose and/or changes:**



LB 1165 increases the amount available and percentages available for a wage retention credit and a new employee credit for employers meeting certain parameters that are undergoing a change of ownership and control as defined; creates a key employer grant program; and outlines requirements and applications processes for such credits and grant program.

Section-by-Section Summary:

Section 1. Amends Neb. Rev. Stat. § 49-801.01 to harmonize with changes made in Section 3 of this bill.

Section 2. Amends Neb. Rev. Stat. § 77-6502 to replace “owners are” with “ownership structure is”.

Section 3. Amends Neb. Rev. Stat. § 77-6507 to add an additional definition for “change of ownership and control” that includes a merger or combination of a key employer in this state with a company from another state if the key employer had more than 300,000 full-time employees in each of the 10 years preceding the merger, has an enterprise value in excess of \$25 billion dollars, and the merger or acquisition occurs between July 1, 2025, and December 31, 2029. Also adds a definition of "foreign entity" for this statute.

Section 4. Amends Neb. Rev. Stat. § 77-6509 to add an additional definition of "key employer" for an employer described in subsection (2) of Neb. Rev. Stat. § 77-6507.

Section 5. Amends Neb. Rev. Stat. § 77-6516 to increase the amount of wage retention credit for a key employer as described in subsection 2 of Neb. Rev. Stat. 77-6507 from four million dollars (\$4,000,000) to five million dollars (\$5,000,000); that such monies for such key employers don't accrue January 1, 2030; that if the amount allocated is not sufficient for all applicants, such key employers will be fully funded first; and makes an identical priority change for funding of all benefits under the Key Employers and Jobs Retention Act.

Section 6. Amends Neb. Rev. Stat. § 77-6831 to increase top categories for at least twenty new employees at a qualified location during a ramp-up period for one hundred and fifty percent of Nebraska's statewide hourly wage average from seven percent (7%) to eight percent (8%), and for two hundred percent of such wage average from nine percent (9%) to ten percent (10%); for qualified locations with investment of at least one million dollars (\$1,000,000), an increase in percentage from four percent (4%) to five percent (5%) credit, and for such property with an investment of at least ten million dollars (\$10,000,000), an increase from seven percent (7%) to eight percent (8%); changes the requirements for an increase for one percent in subsections (4) and (5) of the bill to employing at least three thousand Nebraska-based employees and within a seven-year period of a change of ownership and control event if the taxpayer hires an additional one thousand or more employees.

Section 7. Amends Neb. Rev. Stat. § 81-12,144 to harmonize provisions with the addition of new Section 8 of this bill.

Section 8. Creates a definition statute defining "key employer" for the Site and Building Development Act.

Section 9. Amends Neb. Rev. Stat. § 81-12,146 to provide that is is the intent of the Legislature to transfer five million dollars (\$5,000,000) for funding key employer retention capital improvement grants for companies described in subsection (2) of Neb. Rev. Stat. § 77-6507.

Section 10. Amends Neb. Rev. Stat. § 81-12,147 to add as permissible uses of the Site and Building Fund by the Department of Economic Development a grant to a key employer described in subsection (2) of Neb. Rev. Stat. § 77-6507 at a rate of five dollars (\$5.00) per square foot of capital improvements up to a total of five million dollars (\$5,000,000).



Section 11. Amends Neb. Rev. Stat. § 81-12,148 to harmonize provisions relating to the applicability of this section to a key employer receiving assistance following a change of ownership and control described in Neb. Rev. Stat. § 77-6507(2).

Section 12. Amends Neb. Rev. Stat. § 81-12,149 to provide that for any other uses of the Site and Building Development Fund, the Department of Economic Development shall subtract off funds used for grants for companies described in subsection (2) of Neb. Rev. Stat. 77-6507.

Section 13. Creates a new statute authorizing the Department of Labor to create a key employer grant program, limited to three hundred thousand dollars annually to any key employer; sets the application parameters and timeframe; and provides priority for employers with the higher number of employees if funds are not sufficient to satisfy all applications.

Section 14. Severability Clause.

Section 15. Repealer.

Section 16. Emergency Clause.

---

**Explanation of amendments:**

The Committee considered and adopted AM 2504, which includes LB 1165 as amended and also incorporates LB 1191 and LB 1192.

LB 1165 (Section 1 through 12, 14, and 17 through 25.)

LB 1165 was amended by changes first shown in AM 2016 to consolidate the bill into the Grow the Good Life Act and further refine requirements and processes. Sections 2 through 5 of the original LB 1165, which encompasses changes made to Neb. Rev. Stats. §§ 77-6502, 77-6507, 77-6509, and 77-6516, were struck from AM 2504.

LB 1191 (Sections 15 and 16.)

LB 1191 amends Neb. Rev. Stat. §§ 77-5723 and 77-5735 of the Nebraska Advantage Act to allow additional time to Tier 6 projects approved after December 1, 2020, to meet employment and investment requirements. A taxpayer wishing to receive this optional three-year extension for an eligible Tier 6 project must pay a \$90,000 fee.

Testifiers on LB1191:

Proponents:

Senator Bob Hallstrom , Opening Presenter

Neal Shah, NioCorp Developments

Doug Goracke, City of Tecumseh

Lavon Heidemann, Self

Opponents: None

Neutral: None

Committee vote to attach LB1191:

Yes: 7 von Gillern, Bostar, Ibach, Jacobson, Kauth, Murman, Sorrentino;

No: 0;

Absent: 1 Dungan;



Present Not Voting: 0;

LB 1192 (Section 13.)

LB 1192 amends Neb. Rev. Stat. § 13-2603 to redefine eligible facility for purposes of the Convention Center Facility Financing Assistance Act. It would allow facilities located in a primary class city with seating capacities larger than 16,000 seats to be eligible for assistance.

Testifiers on LB1192:

Proponents:

Senator Jason Prokop , Opening Presenter

Tim Savona, Pinnacle Bank Arena

Jeff Maul, Lincoln Chamber of Commerce

Matt Davidson, University of Nebraska Athletics

Opponents: None

Neutral: None

Committee vote to attach LB1192:

Yes: 7 von Gillern, Ibach, Jacobson, Kauth, Sorrentino, Murman, Bostar;

No: 0;

Absent: 1 Dungan;

Present Not Voting: 0;

Section by Section Analysis for AM 2504:

Section 1: Creates a new citation statute providing that Sections 1 through 12 of this amendment be known as the Grow the Good Life Act. (New section of LB 1165 created under AM 2504.)

Section 2: Creates a new statute describing the purpose of the Grow the Good Life Act. (New section of LB 1165 created under AM 2504.)

Section 3: Creates a new definition statute providing definitions for base year, base-year employees, change in ownership and control, director, earning period, employer, equivalent employees, Nebraska statewide average hourly wage for any year, out-of-state company, qualified business, taxpayer, usage period, wage retention credit, and year. (New section of LB 1165 created under AM 2504.)

Section 4. Creates a new statute saying that any term defined in either the Nebraska Revenue Act of 1967 or the ImagiNE Nebraska Act has the same meaning in the Grow the Good Life Act except when the context requires otherwise. (New section of LB 1165 created under AM 2504.)

Section 5. Creates a new statute stating that wage retention credits shall be granted if the qualifications in Section 6 of this amendment are met; such credits to be 5% of total compensation paid, not to exceed \$5 million annually; \$50 million total in credits under the Act; carryover not allowed past the usage period; and the credits to be used to reduce the employer's income tax liability. (New section of LB 1165 created under AM 2504.)

Section 6. Creates a new statute that sets out the parameters to qualify for wage retention credits under the Grow the Good Life Act, including the application and required information to be provided. (New section of LB 1165 created under AM 2504.)



Section 7. Creates a new statute outlining the process for recapturing credits for failure to meet benchmarks for the wage retention credit. (New section of LB 1165 created under AM 2504.)

Section 8. Creates a new statute stating requirements for transferability of such wage retention credits. (New section of LB 1165 created under AM 2504.)

Section 9. Creates a new statute giving the Department of Revenue and the Department of Economic Development authority to craft rules administering the Grow the Good Life Act. (New section of LB 1165 created under AM 2504.)

Section 10. Creates a new statute setting out reporting requirements for the Department of Economic Development and the Department of Revenue to submit to the Legislature. (New section of LB 1165 created under AM 2504.)

Section 11. Creates a new statute setting out how the date of application is determined, and access to certain records for the Director of Economic Development. (New section of LB 1165 created under AM 2504.)

Section 12. Creates a new statute stating the dates for filing applications under the Grow the Good Life Act are from January 1, 2027, through May 31, 2029. (New section of LB 1165 created under AM 2504.)

Section 13. Amends Neb. Rev. Stat. § 13-2603 to provide that eligible facility under the Convention Center Facility Financing Assistance Act can include an arena of more than 16,000 seats if it is located in a city of the primary class. (Section 1 of LB 1192.)

Section 14. Amends Neb. Rev. Stat. § 49-801.01 to harmonize provisions with the addition of new Sections 3 and 8 of this amendment. (Section 1 of LB 1165.)

Section 15. Amends Neb. Rev. Stat. § 77-5723 by changing the timeline in which approved projects must meet their employment and investment requirements. Tier 6 projects approved after December 1, 2020, must meet their requirements prior to the ninth year after application submission. (Section 1 of LB 1191.)

Section 16. Amends Neb. Rev. Stat. § 77-5735 by adding a subsection which makes the changes in section 15 of this amendment an “opt-in” provision. Eligible tier 6 projects must pay \$90,000 to make this one-time election. (Section 2 of LB 1191.)

Section 17. Amends Neb. Rev. Stat. § 77-6538 to harmonize provisions with the Grow the Good Life Act. (New section of LB 1165 created under AM 2504.)

Section 18. Amends Neb. Rev. Stat. § 77-6831 to increase top categories for at least twenty new employees at a qualified location during a ramp-up period for one hundred and fifty percent of Nebraska’s statewide hourly wage average from seven percent (7%) to eight percent (8%) and for two hundred percent of such wage average, from nine percent (9%) to ten percent (10%); for qualified locations with investment of at least one million dollars (\$1,000,000), an increase in percentage from four percent (4%) to five percent (5%) credit, and for such property with an investment of at least ten million dollars (\$10,000,000), an increase from seven percent (7%) to eight percent (8%); changes the requirements for an increase for one percent in subsections (4) and (5) of the bill to employing at least three thousand Nebraska-based employees and within a seven-year period of a change of ownership and control event if the taxpayer hires an additional five hundred or more employees. (Section 6 of LB 1165 as amended.)

Section 19. Amends Neb. Rev. Stat. § 77-6832 to modify child care credits to provide child care for employees as opposed to taxpayer-sponsored child care at a qualified location, and to provide that the taxpayer may pay up to fifty



percent of child care costs. (New section of LB 1165 created under AM 2504.)

Section 20. Amends Neb. Rev. Stat. § 81-12,144 to harmonize provisions with the addition of Section 21 of this amendment to the Site and Building Development Act. (New section of LB 1165 created under AM 2504.)

Section 21. Creates a new statute defining employer under the Site and Building Development Act as having the same definition as in Section 3 of this amendment. (New section of LB 1165 created under AM 2504.)

Section 22. Amends Neb. Rev. Stat. § 81-12,147 to add as permissible uses of the Site and Building Fund by the Department of Economic Development a grant to an employer described in subdivision (3) of Section 3 of this amendment at a rate of five dollars (\$5.00) per square foot of capital improvements up to a total of two and a half million dollars (\$2,500,000). Also allows grants or zero-interest loans to cities of the first class to make large sites and building available for development if the city has less than fifty thousand inhabitants and has been impacted by a significant business closure; such grants or loans are limited to two and a half million dollars (\$2,500,000) in any fiscal year. (Section 10 of LB 1165 as amended.)

Section 23. Amends Neb. Rev. Stat. § 81-12,148 to harmonize provisions with changes made to Section 22 of this amendment. (Section 11 of LB 1165 as amended.)

Section 24. Amends Neb. Rev. Stat. § 81-12,149 to provide that for any other uses of the Site and Building Development Fund, the Department of Economic Development shall subtract off funds used for grants described in subdivision (1)(m) or (n) of Neb. Rev. Stat. § 81-12,147. (Section 12 of LB 1165 as amended.)

Section 25. Creates a new statute authorizing the Department of Labor to create a key employer grant program, limited to three hundred thousand dollars annually to any key employer; sets the application parameters and timeframe; and provides priority for employers with the higher number of employees if funds are not sufficient to satisfy all applications. (Section 13 of LB 1165 as amended.)

Section 26. Operative dates.

Section 27. Severability clause.

Section 28. Repealer.

Section 29. Repealer.

Section 30. Emergency Clause.

---

R. Brad von Gillern, Chairperson

