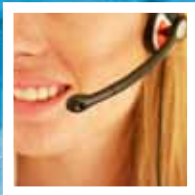


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ECONOMIC DEVELOPMENT INCENTIVES

Updated May 2010

NEBRASKA ADVANTAGE INCENTIVES MATRIX

**Compensation means the wages and other payments subject to the federal Medicare tax.*

*** Effective July 15, 2010*

	NEBRASKA ADVANTAGE		
	TIER ONE	TIER TWO	TIER THREE
INVESTMENT	\$1,000,000	\$3,000,000	0
JOB CREATION	10	30	30
QUALIFIED BUSINESSES	Research and Development Scientific Testing Manufacturing Targeted Export Services (75% of sales outside Nebraska or to the U.S. Government including Cloud Computing**) <ul style="list-style-type: none"> •Software Development Services •Computer Systems Design •Product Testing Services •Guidance or Surveillance Systems •Technology Licensing 	Research and Development Scientific Testing Data Processing Telecommunications Insurance Financial Services Manufacturing Distribution Storage/Warehousing Transportation Headquarters (Administrative) Targeted Export Services (75% of sales outside Nebraska or to the U.S. Government including Cloud Computing**) <ul style="list-style-type: none"> •Software Development •Computer Systems Design •Product Testing Services •Guidance or Surveillance Systems •Technology Licensing Data Center** Internet Web Portal Retail Sales of Tangible Personal Property (TPP) if 20% is at whole-sale, manufactured, or to someone else in qualified business Retail Sales of TPP if 75% or more of sales are outside of Nebraska.	Research and Development Scientific Testing Data Processing Telecommunications Insurance Financial Services Manufacturing Distribution Storage/Warehousing Transportation Headquarters (Administrative) Targeted Export Services (75% of sales outside Nebraska or to the U.S. Government including Cloud Computing**) <ul style="list-style-type: none"> •Software Development •Computer Systems Design •Product Testing Services •Guidance or Surveillance Systems •Technology Licensing Data Center** Internet Web Portal Retail Sales of Tangible Personal Property (TPP) if 20% is at whole-sale, manufactured, or to someone else in qualified business Retail Sales of TPP if 75% or more of sales are outside of Nebraska.
INVESTMENT CREDITS	Yes: 3%	Yes: 10%	N/A
WAGE CREDITS	Sliding scale job credit on new employee compensation* whose wage is at least 60% of the Nebraska average wage. Credit is: 3% if 60% of NE avg. wage 4% if 75% of NE avg. wage 5% if 100% of NE avg. wage 6% if 125% of NE avg. wage	Sliding scale job credit on new employee compensation* whose wage is at least 60% of the Nebraska average wage. Credit is: 3% if 60% of NE avg. wage 4% if 75% of NE avg. wage 5% if 100% of NE avg. wage 6% if 125% of NE avg. wage	Sliding scale job credit on new employee compensation* whose wage is at least 60% of the Nebraska average wage. Credit is: 3% if 60% of NE avg. wage 4% if 75% of NE avg. wage 5% if 100% of NE avg. wage 6% if 125% of NE avg. wage
SALES TAX REFUND	Refund of 1/2 the Sales Tax on project's capital purchases	Refund of all Sales Tax on project's capital purchases	N/A
OTHER	N/A	Personal Property Tax Exemption: up to 10 years on computer systems for Internet web portal or data center.**	N/A
USE OF CREDITS	Sales Tax, Income Tax, Employee Withholding (Wage Credit Only)	Sales Tax, Income Tax, Employee Withholding (Wage Credit Only)	Sales Tax, Income Tax, Employee Withholding (Wage Credit Only)
ATTAINMENT PERIOD	Up to 5 Years	Up to 7 Years	Up to 5 Years
ENTITLEMENT PERIOD	6 to 7 Years	7 Years	6 to 7 Years
CREDIT CARRYOVER PERIOD	0 to 3 Years	2 to 8 Years	0 to 3 Years
APPLICATION FEE	\$1,000	\$2,500	\$2,500

UPDATED MAY 2010

NEBRASKA ADVANTAGE		NEBRASKA SUPER ADVANTAGE	
TIER FOUR	TIER FIVE	TIER SIX	
\$10,000,000	\$32,000,000	\$10,000,000	\$100,000,000
100	(Maintain Employment)	75	50
Research and Development Scientific Testing Data Processing Telecommunications Insurance Financial Services Manufacturing Distribution Storage/Warehousing Transportation Headquarters (Administrative) Targeted Export Services (75% of sales outside Nebraska or to the U.S. Government including Cloud Computing**) <ul style="list-style-type: none"> •Software Development •Computer Systems Design •Product Testing Services •Guidance or Surveillance Systems •Technology Licensing Data Center** Internet Web Portal Retail Sales of Tangible Personal Property (TPP) if 20% is at wholesale, manufactured, or to someone else in qualified business Retail Sales of TPP if 75% or more of sales are outside of Nebraska.	Research and Development Scientific Testing Data Processing Telecommunications Insurance Financial Services Manufacturing Distribution Storage/Warehousing Transportation Headquarters (Administrative) Targeted Export Services (75% of sales outside Nebraska or to the U.S. Government including Cloud Computing**) <ul style="list-style-type: none"> •Software Development •Computer Systems Design •Product Testing Services •Guidance or Surveillance Systems •Technology Licensing Data Center** Internet Web Portal Retail Sales of Tangible Personal Property (TPP) if 20% is at wholesale, manufactured, or to someone else in qualified business Retail Sales of TPP if 75% or more of sales are outside of Nebraska.	Any business activity other than retail Retail Sales of Tangible Personal Property (TPP) if 75% or more of sales are outside of Nebraska. Retail Sales of TPP if 20% is at wholesale, manufactured, or to someone else in qualified business	
Yes: 10%	N/A	Yes: 15%	
Sliding scale job credit on new employee compensation* whose wage is at least 60% of the Nebraska average wage. Credit is: 3% if 60% of NE avg. wage 4% if 75% of NE avg. wage 5% if 100% of NE avg. wage 6% if 125% of NE avg. wage	N/A	10% job credit on new employee "compensation"* Wage thresholds per new position are the greater of: 200% of the county average wage or 150% of the NE average wage	
Refund of all Sales Tax on project's capital purchases	Refund of all Sales Tax on project's capital purchases	Refund of all Sales Tax on project's capital purchases	
Personal Property Tax exemption on: turbine powered aircraft; computer systems; agricultural processing machinery; and personal property used in distribution facilities for up to 10 years.	Personal Property Tax exemption: up to 10 years on computer systems for internet web portal or data center.**	Personal Property Tax exemption for all Personal Property at the project for up to 10 years.	
Sales Tax, Income Tax, Employee Withholding (Wage Credit Only)	N/A	Same as Tiers 1 - 4, PLUS: all Statewide Sales Tax and Site Specific Real Property Taxes	
Up to 7 Years	Up to 7 Years	Up to 5 Years	
7 Years	7 Years	10 Years	
2 to 8 Years	N/A	1 Year	
\$5,000	\$2,500	\$10,000	

NEBRASKA ADVANTAGE RURAL

LEVEL ONE

LEVEL TWO

\$125,000

\$250,000

2

5

Must be located in:
1. counties with population less than 15,000, or
2. any village, or
3. any contiguous area within a metropolitan class city where more than 30% of people are below the poverty line
 Livestock Production
 Research and Development
 Scientific Testing
 Data Processing
 Telecommunications
 Insurance
 Financial Services
 Manufacturing
 Distribution
 Storage/Warehousing
 Transportation
 Headquarters (Administrative)

Must be located in:
 1. counties with population less than 25,000 or
 2. any city of the second class
 Livestock Production
 Research and Development
 Scientific Testing
 Data Processing
 Telecommunications
 Insurance
 Financial Services
 Manufacturing
 Distribution
 Storage/Warehousing
 Transportation
 Headquarters (Administrative)

Yes - \$2,750 of refundable credits per \$50,000 of qualifying investment.

Yes - \$2,750 of refundable credits per \$50,000 of qualifying investment.

\$3,000 of refundable credits per full-time equivalent employee, includes teleworkers

\$3,000 of refundable credits per full-time equivalent employee, includes teleworkers

N/A

N/A

N/A

N/A

Credits are refundable, may be used to reduce income tax liability, or a refund sales taxes

Credits are refundable, may be used to reduce income tax liability, or a refund sales taxes

The year of application plus one year to achieve thresholds; must maintain investment and employment for 3 years

The year of application plus one year to achieve thresholds; must maintain investment and employment for 3 years

N/A

N/A

N/A

N/A

\$500

\$500

Top 10

Pro-Business States

Pollina Corporate Real Estate Inc., June 2009

3rd

Pro Business Legal Climate

Institute for Legal Reform/2010 U.S. Chamber of Commerce State Liability Systems Ranking Study

4th

Lowest Cost of Doing Business

Milken Institute

2nd

Largest Clean Energy Job Growth

Pew Charitable Trusts study, June 2009

4th

Best States for Jobs

CareerBuilder.com, 2008

Top 10

Best States for Business

Forbes Magazine, 2009

4th

Best Quality of Life

Business Facilities Magazine;
 2008 Annual Rankings Report

Nebraska. Ranked among the best.

Receive greater returns on your investment in Nebraska.

Nebraska Offers:

- Highly educated and productive workforce
- Readily available sites and buildings
- Utility costs significantly below national averages
- World class telecom infrastructure
- Aggressive local incentives
- First class infrastructure
- Speed to markets
- Foreign Trade Zones
- Fair and balanced litigation and regulatory environment
- Low cost of living
- High ranking quality of life
- Short commute times

Additional Tax Savings:

- Sales tax exemption on:
 - Manufacturing equipment
 - Manufacturing or processing raw materials
 - Common carrier vehicles
 - Utilities used in manufacturing
- No intangibles tax
- No inventory tax
- Sales tax refund on pollution control equipment
- 100% tax exemption on certain personal property



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Additional Advantages in the Nebraska Advantage Economic Development Package.

Nebraska Customized Job Training Advantage

Provides a flexible and discretionary job training program with grants from \$800 to \$4,000 per qualified new job. Additional grant funds may be available for new jobs created in rural and high poverty areas. You can design your own training, or a statewide training team can assist with training needs and assessments, training plans, curriculum development, and training instruction.

Nebraska Advantage Research and Development

Offers a refundable tax credit for qualified research and development activities undertaken by a business entity. The credit is equal to 15 percent of the federal credit allowed under Section 41 of the Internal Revenue Code of 1986 for research and development. The credit is increased to 35 percent of the federal credit allowed under Section 41 of the Internal Revenue Code of 1986 for expenditures on the campus of a college or university in Nebraska or a facility owned by a college or university in Nebraska.

Nebraska Advantage Microenterprise Tax Credit

Provides a 20 percent refundable tax credit to micro businesses on increased compensation for employees or increased investment in targeted communities. Applicants may qualify for a maximum \$10,000 throughout the life of the program. The credit is limited to companies with five or fewer employees at the time the application is filed, including start-ups. Credits are approved on a first-in-first-out basis through an application process with the Nebraska Department of Revenue. The credits are earned on increased expenditures for wages, buildings, certain expenses, and non-vehicle depreciable personal property.

And even more Advantages!

Community Development Block Grant (CDBG)

Loans designed to create quality jobs and promote new investment. CDBG funds must be used to benefit low to moderate income persons, aid in the prevention or elimination of slums or blight, or meet other community development emergency needs. CDBG funds can be used to purchase machinery, equipment and inventory, meet working capital needs, develop community infrastructure, construct or renovate existing buildings and real estate.

Capital Gains & Extraordinary Dividend Exclusion

Exemption from state personal income tax on capital gains realized from selling or exchanging stock of one corporation acquired by an employee with that corporation. The employee can also exclude extraordinary dividends that exceed 20% of the value of the stock for the same corporation. The corporation must have done business in Nebraska for at least three years and must have a minimum of five shareholders, and related shareholders cannot own more than 90% of the stock.

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