

# imagine NEBRASKA

ECONOMIC  
DEVELOPMENT  
INCENTIVES

**THE imagine NEBRASKA ACT** is a comprehensive economic development incentives package that meets the needs of businesses expanding in or relocating to Nebraska.

[imagine.nebraska.gov](https://www.imagine.nebraska.gov)

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NEBRASKA

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Good Life. Great Opportunity.

DEPT. OF ECONOMIC DEVELOPMENT

# 2021 ECONOMIC DEVELOPMENT INCENTIVES

## THE imagine NEBRASKA ACT

| QUALIFY                                |  |   |   |   |  |  |   |   |
|--|--|---|---|---|--|--|---|---|
| Application Levels                     | Economic Redevelopment Areas             | Manufacturing Growth and Expansion  |   | Growth and Expansion  | Quality Jobs   | Quality Jobs Investment  | Mega-Project  | Modernization   |
|  |  | Rural   | Urban   |   |  |  |   |   |
| <b>Job Growth Requirement</b>          | 5 FTE                                    | 5 FTE   | 10 FTE  | 10 FTE  | 20 FTE   | 30 FTE   | 250 FTE   | N/A   |
| <b>2021 Investment Required</b>        | \$250,000 - \$1 million                  | \$1 million   | \$1 million   | \$1 million   | None   | \$5 million  | \$250 million   | \$50 million  |
| <b>Qualified Locations</b>             | Limited to Economic Redevelopment Areas  | Limited to counties with population less than 100,000   | Limited to counties with population of 100,000 or greater   | Single location, any county, more than one county, or statewide | Single location, any county, more than one county, or statewide                            | Single location, any county, more than one county, or statewide  | Single location, any county, more than one county, or statewide | Single location, any county, more than one county, or statewide |
| <b>Business Activities</b>             | See qualified locations                  | Manufacturing, including pre-production services; or services provided on aircraft brought into the state | Manufacturing, including pre-production services; or services provided on aircraft brought into the state | See qualified locations   | See qualified locations  | See qualified locations  | See qualified locations   | See qualified locations   |
| <b>Wage Threshold 2021</b>             | 70% NE Avg. Wage (\$16.10)               | 70% NE Avg. Wage (\$16.10)  | 75% NE Avg. Wage (\$17.25)  | 90% NE Avg. Wage (\$20.70)                                      | 100% NE Avg. Wage (\$23.00)  | 100% NE Avg. Wage (\$23.00)  | 150% NE Avg. Wage (\$34.50)                                     | Average wages at least 150% NE Avg. Wage (\$34.50)              |
| EARN                                   |  |   |   |   |  |  |   |   |
| <b>Wage Credit</b>                     | 6% of the Avg. Wage of New Employees     | 6% of the Avg. Wage of New Employees  | 4% of the Avg. Wage of New Employees  | 4% of the Avg. Wage of New Employees                            | 5% of the Avg. Wage of New Employees<br>7% if 150% NE Avg. Wage<br>9% if 200% NE Avg. Wage | 5% of the Avg. Wage of New Employees if 100% of NE Avg. Wage<br>7% if 150% NE Avg. Wage<br>9% if 200% NE Avg. Wage | 7% if 150% NE Avg. Wage   | None  |
| <b>Bonus Wage Credit</b>               | +1% if taxpayer is a benefit corporation |   |   |   |  |  |   | None  |
|  | None                                     | +1% if location is in an extremely blighted area  |   |   |  |  | None  |   |
| <b>Investment Tax Credit</b>           | 4%                                       | 4% or 7% if \$10,000,000 Investment   | 4% or 7% if \$10,000,000 Investment   | 4%  | None   | 7%   | 7%  | None  |
| <b>Bonus Investment Credit</b>         | +1% if taxpayer is a benefit corporation |   |   |   |  |  |   |   |
|  | None                                     | +1% if location is in an extremely blighted area  |   |   |  |  |   |   |
| <b>Sales/Use Tax Direct Refund</b>     | None                                     | None  | None  | None  | None   | 100%   | 100%  | 100%  |
| <b>Personal Property Tax Exemption</b> | None                                     | None  | None  | None  | None   | Ag Processing Equipment & Data Center Equipment  | All Personal Property   | Ag Processing Equipment & Data Center Equipment                 |



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## THE imagiNE NEBRASKA ACT

### USE

Tax Credits May Be Used Against Tax Liability, or to Recieve a Refund or Reimbursement for Expenses Incurred for:

| Type of Credit           | Income Tax | Withholding  | Sales & Use Tax  | Repayment of DED Infrastructure or Job Training loans made through the ImagiNE Revolving Loan Program | Recruitment/ Retention  | Job Training   | Child Care Exp.   |
|--------------------------|------------|--|--|---|---|--|---|
| <b>Wage Credit</b>       | Yes        | Yes to extent withholding is attributable to the number of new employees | Yes, for Sales & Use Taxes paid for items at a qualified location, if not otherwise refunded or exempted | Yes   | Yes, for activities resulting in new employee hired after date of application. Includes marketing, relocation, and search firm fees, student loans, tuition, or down-payment on a primary residence in Nebraska | Yes, for training after the application date of new employee if training fits guidelines | Yes, refund amount paid by taxpayer-sponsored childcare expense |
| <b>Investment Credit</b> | Yes        | No   | Yes, for Sales & Use Taxes paid for items at a qualified location, if not otherwise refunded or exempted | Yes   | Yes, for activities resulting in new employee hired after date of application. Includes marketing, relocation, and search firm fees, student loans, tuition, or down-payment on a primary residence in Nebraska | Yes, for training after the application date of new employee if training fits guidelines | Yes, refund amount paid by taxpayer-sponsored childcare expense |



# 2021 ECONOMIC DEVELOPMENT INCENTIVES

## Business Activities Under THE imagine NEBRASKA ACT

### QUALIFIED LOCATION ACTIVITIES

**The majority of business activities conducted at a qualified location (based on # of employees) must be within one or more of the following NAICS codes:**

For NAICS definitions, see: [https://www.census.gov/eos/www/naics/2017NAICS/2017\\_NAICS\\_Manual.pdf](https://www.census.gov/eos/www/naics/2017NAICS/2017_NAICS_Manual.pdf)

(a) Manufacturing - 31, 32, or 33, including pre-production services;

(b) Testing Laboratories - 541380;

(c) Rail Transportation - 482;

(d) Truck Transportation - 484;

(e) Insurance Carriers - 5241;

(f) Wired Telecommunications Carriers - 517311;

(g) Wireless Telecommunications Carriers (except Satellite) - 517312;

(h) Telemarketing Bureaus and Other Contact Centers - 561422;

(i) Data Processing, Hosting, and Related Services - 518210;

(j) Computer Facilities Management Services - 541513;

(k) Warehousing and Storage - 4931;

(l) The administrative management of the taxpayer's activities, including headquarter facilities relating to such activities, or the administrative management of any of the activities of any business entity or entities in which the taxpayer or a group of its owners hold any direct or indirect ownership interest of at least ten percent, including headquarter facilities relating to such activities;

(m) Logistics Facilities - Portions of NAICS 488210, 488310, and 488490 dealing with independently operated trucking terminals, independently operated railroad and railway terminals, and waterfront terminal and port facility operations;

(n) Services provided on aircraft brought into this state by an individual who is a resident of another state or any other person who has a business location in another state when the aircraft is not to be registered or based in this state and will not remain in this state more than ten days after the service is completed;

(o) The conducting of research, development, or testing, or any combination thereof, for scientific, agricultural, animal husbandry, food product, industrial, or technology purposes;

(p) The production of electricity by using one or more sources of renewable energy to produce electricity for sale. For purposes of this subdivision, sources of renewable energy includes, but is not limited to, wind, solar, energy storage, geothermal, hydroelectric, biomass, and transmutation of elements;

(q) Computer Systems Design and Related Services - 5415; or

(r) The performance of financial services. For purposes of this subdivision, financial services includes only financial services provided by any financial institution subject to tax under Chapter 77, article 38, or any person or entity licensed by the Department of Banking and Finance or the federal Securities and Exchange Commission.

### ALTERNATIVE QUALIFICATION

**75% Export Exception\*: Qualified location also includes any other business location if at least seventy-five percent of the revenue derived at the location is from sales to customers which are delivered or provided from the qualified location to a location that is not within Nebraska. To qualify under this provision, the majority of business activities (based on # of employees) cannot be comprised of these NAICS codes:**

- (i) Agriculture, Forestry, Fishing and Hunting - 11;
- (ii) Transportation and Warehousing - 48-49;
- (iii) Information - 51;
- (iv) Utilities - 22;
- (v) Mining, Quarrying, and Oil and Gas Extraction - 21;
- (vi) Public Administration - 92; or
- (vii) Construction - 23

\*Intermediate sales to related persons are included as sales to customers delivered or provided to a location outside Nebraska if the related person delivers or provides the goods or services to a location outside Nebraska.