



ImagiNE Nebraska

Tax
Incentive
Program



ImagiNE your business needs, fulfilled.

ImagiNE Nebraska is our redesigned incentives portfolio created with small and large businesses in mind. Whether you are expanding your business or relocating to Nebraska, let us help you ImagiNE the possibilities.

ImagiNE, a program that is:

- Simplified for ease of compliance
- Scaled for small to large businesses
- Designed to help you train and recruit talent
- Available statewide and throughout multiple industries
- Streamlined to help you save time and costs

Additional resources at: imagine.nebraska.gov

Qualify

ImagiNE is a performance-based incentives program that rewards you for hiring, investing, relocating and expanding in Nebraska. Credits earned are based on the number of Full Time Equivalent Employees (FTE's) that are added and the amount of investment made at qualified locations in the state. Eight application levels, all with different qualification requirements and benefits, have been designed with businesses of all sizes in mind. Businesses who apply for ImagiNE are given 4 years from the date of application to reach required FTE and investment levels. Qualification requirements and benefits can be found on page 10 or at ImagiNE.nebraska.gov.

Qualified locations are determined based on the majority of business activities conducted at the location. For a location to be qualified, the majority of business activities performed at the location must be in an eligible activity. For a list of eligible activities, see page 7. If your business derives at least 75% of its revenue from sales to customers outside the state of Nebraska, you may qualify under the 75% export exception. For the most up to date list of eligible activities and more information regarding the 75% export exception, visit ImagiNE.nebraska.gov.



Earn

ImagiNE incentives vary depending on application level. Credits are awarded as a percentage of the wages paid to new FTE's and as a percentage of investment made. Incentives you may earn include:

- Wage credits awarded for wages paid to new FTE's
- Investment credits awarded for investment made in qualified property at qualified locations
- Sales/use tax direct refunds and exemptions
- Personal property tax exemptions

Bonus credits of a 1% increase to wage and investment credits are available for both benefit corporations and locations in extremely blighted areas.* Minimum FTE and investment requirements for your application level must be maintained throughout an ImagiNE agreement.

Example of credits earned at the **Manufacturing Growth and Expansion– Rural** level:

Investment: \$5 Million

FTE's added: 35

Average wage of new FTE's: \$41,600/yr

Wage Credits: \$611,520⁺

Investment Credits: \$200,000⁺

Total Estimated Credits: \$811,520

⁺Wage Credits = 6% of (Annual Wage x FTE's added x Years of Performance)

⁺Investment Credits = 4% of (Investment)

*Bonus credits for blighted areas are not available at the Economic Redevelopment application level. No bonus wage credits are available at the Modernization application level.

Use

ImagiNE credits are more flexible and usable than ever before. We've added options like refunding job recruitment and childcare expenses. Through our Revolving Loan Fund program, you can borrow money for infrastructure costs or job training expenses and repay the loan with your credits. Here's a full list of all the ways ImagiNE credits can be utilized:

- Reduce Nebraska income tax liability
- Reduce Nebraska withholding liability
- Refund sales & use tax for items at a qualified location
- Repay loans through the Revolving Loan Fund program
- Refund costs for Recruitment/Retention activities resulting in a new employee hires. This includes marketing, employee relocation, search firm fees, student loan reimbursement, tuition, or down-payment assistance on a primary residence in Nebraska
- Refund job training costs for qualified training
- Refund of business-sponsored childcare expenses



Revolving Loan Fund

Any business with an application under the ImagineNE Nebraska Act is eligible to apply for a loan through the ImagineNE Nebraska Act Revolving Loan Fund. These loans provide funds that may be used for eligible expenses and can be repaid later with credits earned under an ImagineNE agreement.

Two types of loans are available:

Workforce Training Loans:

Any expense incurred to train current or newly hired employees for jobs, existing or to be created, at the qualified location(s) under an ImagineNE agreement.

Infrastructure Development:

Any expense incurred for the provision of basic physical systems, equipment, and/or facilities required for business operations at the qualified location(s) under an ImagineNE agreement.

Loans can be awarded as soon as a business signs an ImagineNE agreement. Terms can be designed to meet the needs of the business with repayment being delayed until credits are earned.

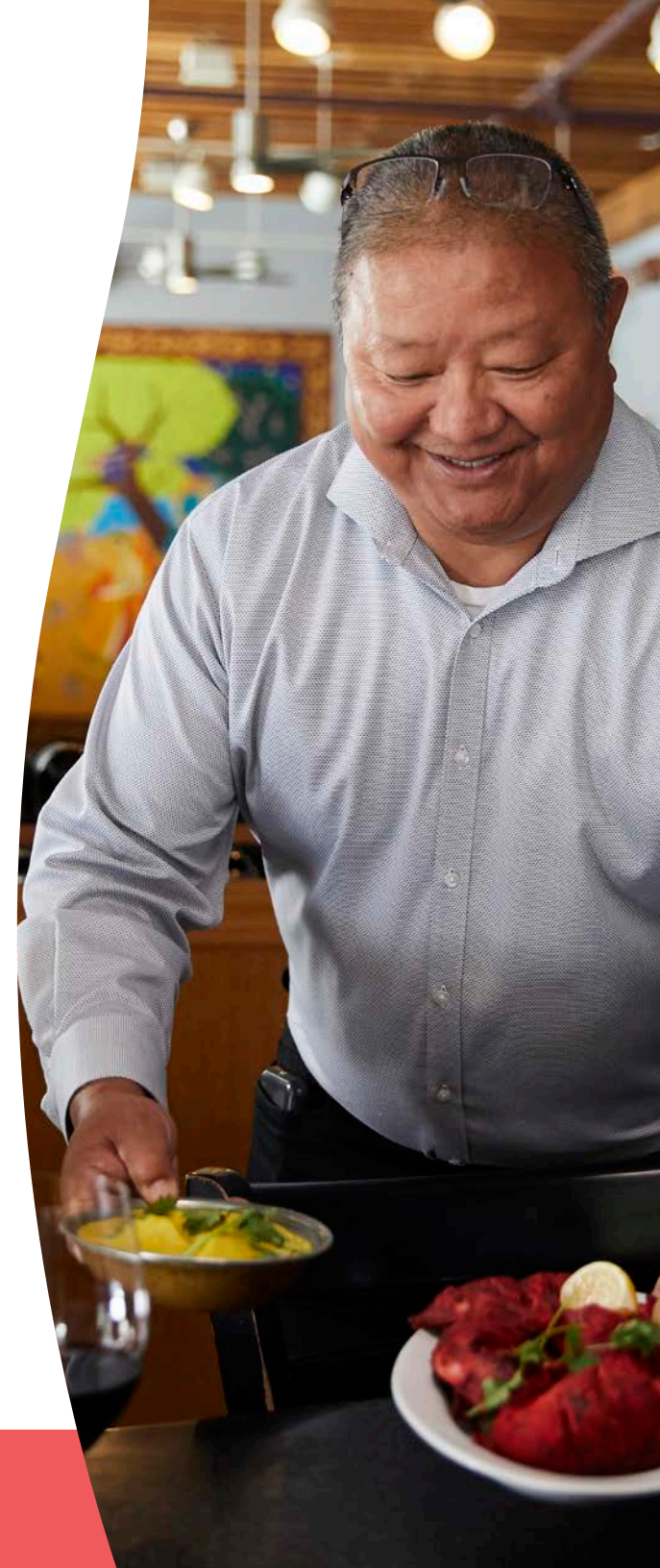
Businesses will be allowed to borrow up to 50% of credits projected to be earned through ImagineNE and/or 50% of any earned and unused ImagineNE credits. The maximum amount any business can borrow is \$2 million.

For more information about the Revolving Loan Fund, please visit: imagine.nebraska.gov

Eligible Activities

- (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) **Administrative Management** of the taxpayer's activities, including headquarter facilities.
- (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 the state**
- (o) **Conducting of research, development, or testing**, or any combination thereof, for scientific, agricultural, animal husbandry, food product, industrial, or technology purposes.
- (p) **Production of electricity by using one or more sources of renewable energy** to produce electricity for sale.
- (q) **Computer Systems Design and Related Services** – 5415
- (r) **Financial Services**
- (s) **Postharvest Crop Activities** (except Cotton Ginning) – 115114
- (t) **Processing of tangible personal property**

For more information, please visit: imagine.nebraska.gov



How to Apply

Step One: Obtain Tax ID Numbers

If your business is organized as a corporation or a partnership, you will need a Nebraska Corporation Income Tax or Partnership State Identification Number before you can begin an online application for the ImagiNE Nebraska Act. If you do not have the required state ID number, you will first need to obtain one from the Nebraska Department of Revenue (DOR). You may apply for a state ID number online or by filing a Nebraska Tax Application, Form 20.

Step Two: Complete ImagiNE Nebraska Application

File the ImagiNE Nebraska Act application with the Nebraska Department of Economic Development (DED). To establish an application date, you must provide complete answers to all required online application questions and submit the \$5,000 application fee. Once the application is complete and the application fee is received, you will receive an email confirming the application date. The application date is important because it establishes the base year for employment and determines the required wage rate. The application date also determines what can be considered as new investment. Qualified property placed in-service after the date of application will count towards the investment requirement.

If the application is incomplete, DED will issue a request for the missing information. Failing to respond to an initial request for additional information within the time requested may result in the application being dropped. If the applicant wishes to participate in the program at a later time, a new application and application fee will need to be submitted.

Step Three: Submit Supplemental Information to Complete Approval Process

Once you have submitted the application you will receive a request for supplemental information required to complete the approval process. DED will not make a decision about your application until complete supplemental information is submitted. Supplemental information includes:

- Base-year employment information.
- Tax incentive use estimates (projections).
- Additional taxpayer entity information, if applicable.

The person listed as contact for the online application will receive an email with instructions on how to complete and securely upload supplemental information forms. The requested supplemental information must be submitted on the forms provided. The email will also provide instructions on how to apply for a direct payment permit. Imagine requires that the taxpayer be issued a direct payment permit unless the taxpayer has opted out of the requirement.

Once you receive the supplemental information request email, the 90-day approval period will be tolled until complete responses are received.



Additional Resources

QUALIFY								
Application Levels	Economic Redevelopment Areas	Manufacturing Growth & Expansion		Growth & Expansion	Quality Jobs	Quality Jobs Investment	Mega-Project	Modernization
		Rural	Urban					
Job Growth Requirement	5 FTE	5 FTE	10 FTE	10 FTE	20 FTE	30 FTE	250 FTE	N/A
Investment Requirement	\$250,000 - \$1 Million	\$1 Million	\$1 Million	\$1 Million	None	\$5 Million	\$250 Million	\$50 Million
New FTE Wage Threshold	70% NE Avg	70% NE Avg	75% NE Avg	90% NE Avg	100% NE Avg	100% NE Avg	150% NE Avg	150% NE Avg
Qualified Locations	Limited to Economic Redevelopment Areas	Limited to counties with population <100,000	Limited to counties with population >100,000	Statewide	Statewide	Statewide	Statewide	Statewide
EARN								
Wage Credit % of the avg of wages paid to new FTEs	6%	6%	4%	4%	5% 7% if 150% NE Avg Wage 9% if 200% NE Avg Wage	5% 7% if 150% NE Avg Wage 9% if 200% NE Avg Wage	7% 9% if 200% NE Avg Wage	None
Investment Credit	4%	4% 7% if \$10 Mil investment	4% 7% if \$10 Mil investment	4%	None	7%	7%	None
Sales/Use Tax Direct Refund	None	None	None	None	None	100%	100%	100%
Personal Property Tax Exemption	None	None	None	None	None	Ag Processing & Data Center Equipment	All Personal Property	Ag Processing & Data Center Equipment

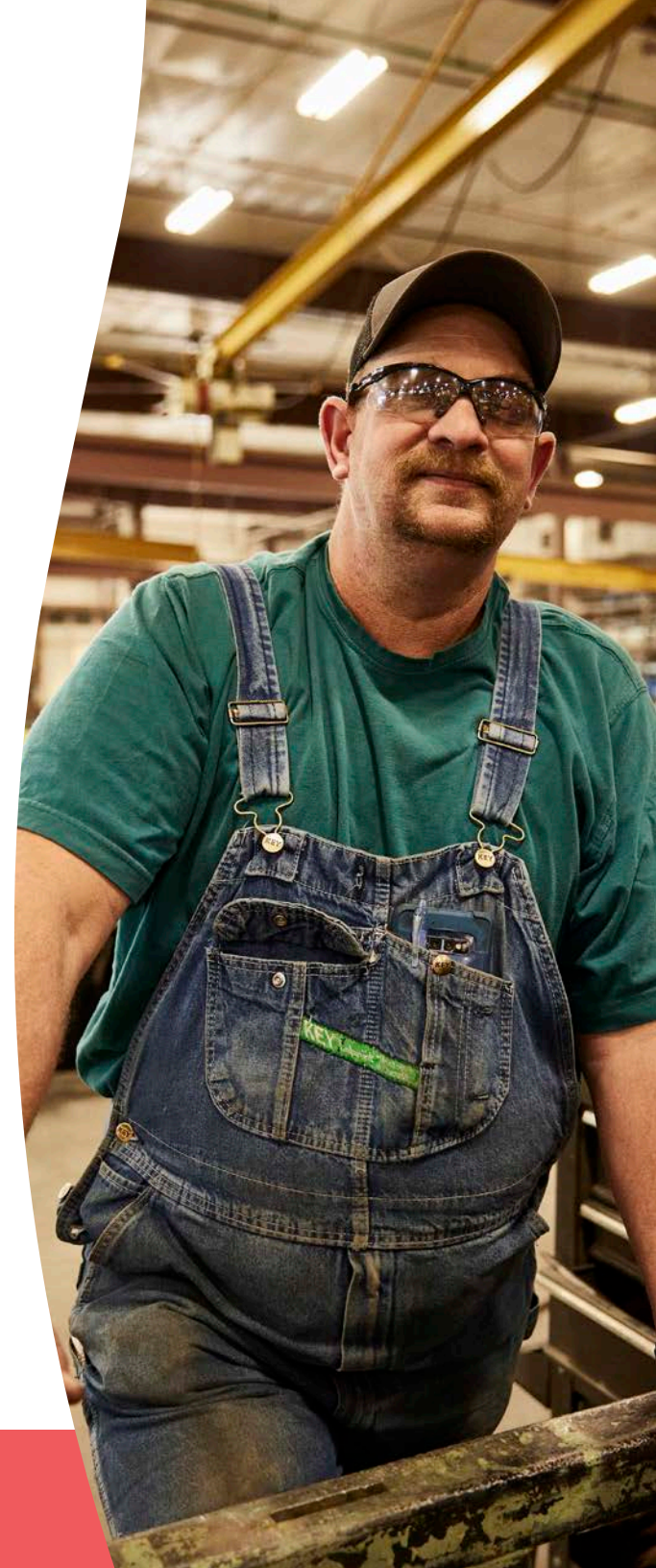
Contact Us

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Lincoln, NE 68509-4666

Phone: 402-471-3111 | 800-426-6505
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More information at: imagine.nebraska.gov

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imagine.nebraska.gov

