

62<sup>nd</sup> Annual Great Plains  
Federal Tax Institute  
December 5, 2024

# State Tax, Incentives And Economic Development Update And Impact

# TODAY'S AGENDA

62<sup>nd</sup> Annual Great Plains  
Federal Tax Institute  
December 5, 2024

**STATE TAX, INCENTIVES  
AND ECONOMIC  
DEVELOPMENT  
UPDATE AND IMPACT**

## Business Climate

- ☐ Business Climate Report Card
- ☐ Fiscal Report Card
- ☐ Expansion Decision Process
- ☐ New Projects
- ☐ Incentives Update
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- ☐ Political Impact
- ☐ National Events
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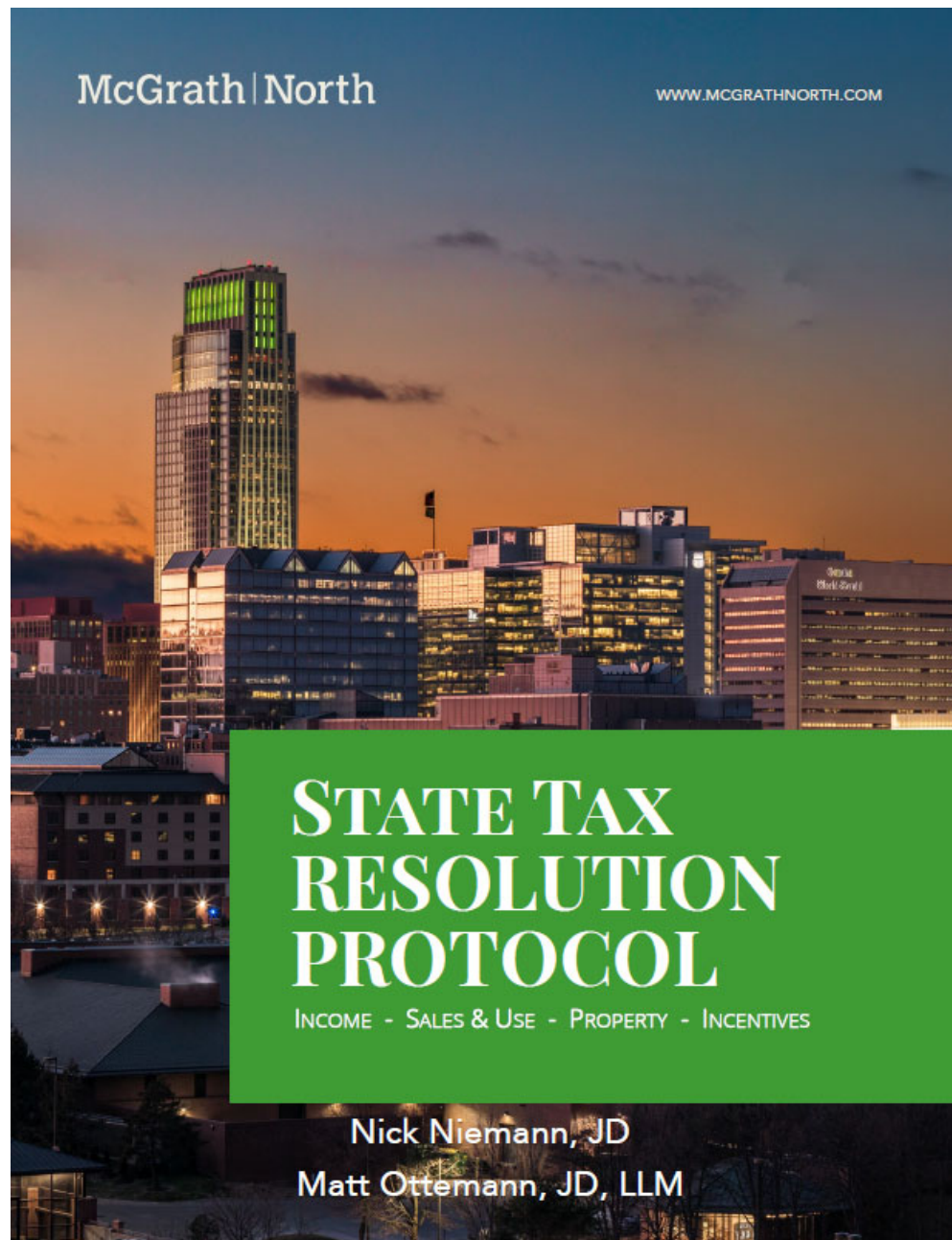
- ☐ New Cases
- ☐ Audits & Appeals

## What Next

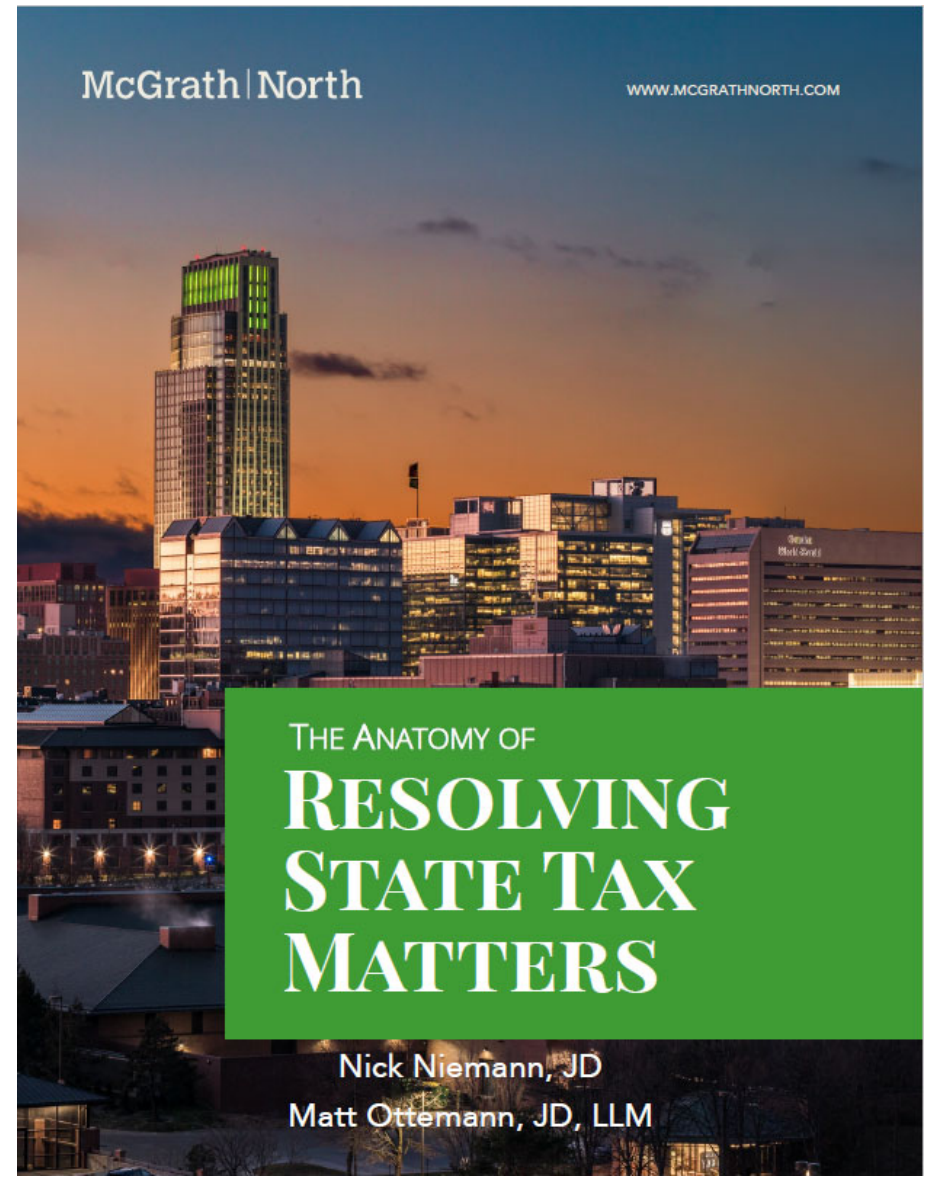
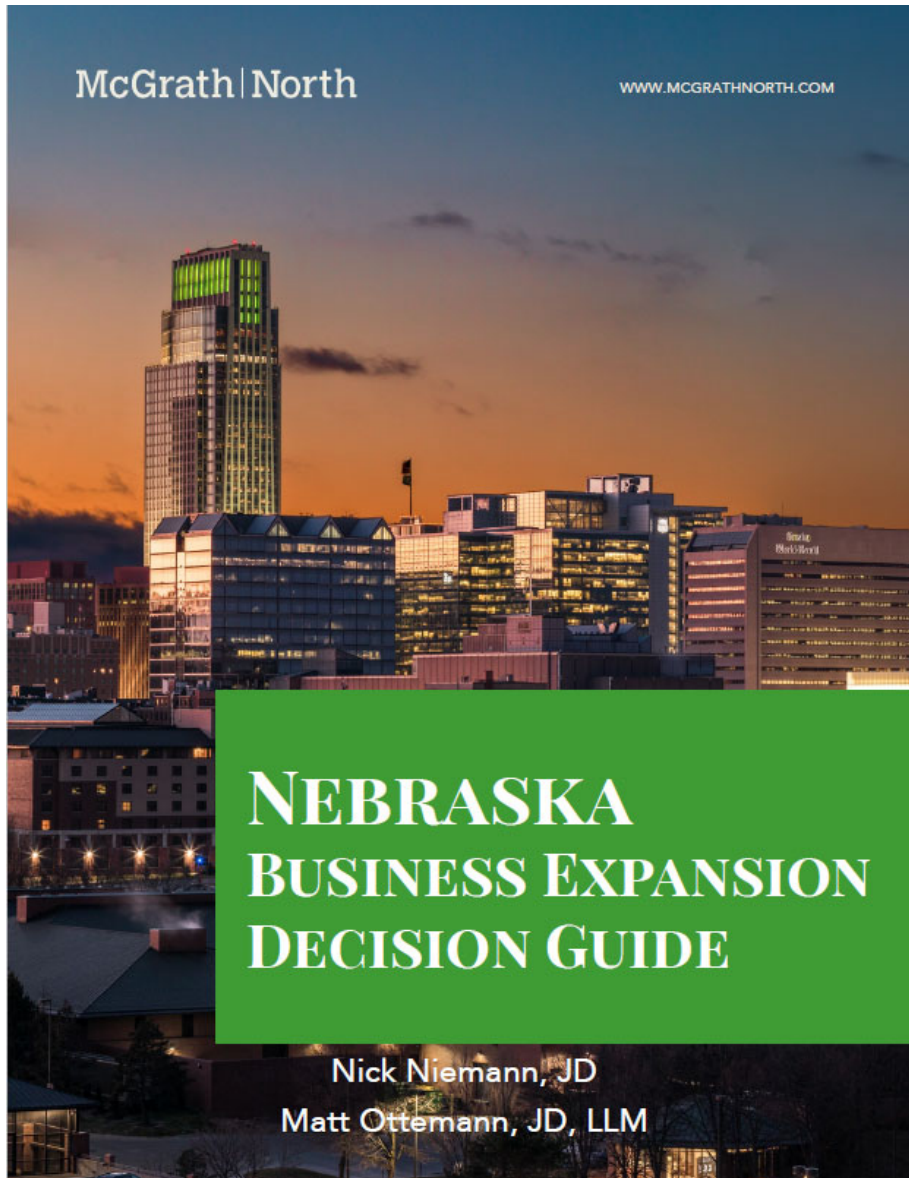
- ☐ A Look Ahead to 2025
- ☐ Closing Thoughts



# MORE INFORMATION IN HANDOUT



# MORE INFORMATION IN THESE 2 BRIEFINGS



Available at: [www.NebraskaStateTax.com](http://www.NebraskaStateTax.com)  
[www.NebraskaIncentives.com](http://www.NebraskaIncentives.com)





**THE ECONOMY**

**SHARK TANK'S KEVIN O'LEARY JOINS CNN THIS MORNING**

**LIVE**

**CNN**

**7:53 AM ET**

**JDING REGARDING HIS PROFESSIONAL EXPERIENCE AND EDUCATION HISTO CNN THIS MORNING**

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# TODAY'S AGENDA



## Business Climate Report Card



# **We Continue To Face The Ongoing Competition – Across America**

Healthy Companies

Business Expansions

Site Expansions

Competing State Business Climates

Utilizing State Business Incentives

Workforce Shortage & Remote  
Impact

Impact of National & International  
Events





## WHAT MATTERS MOST:

# Most Important Site Selection Criteria

Workforce skills

Quality of life

Transportation  
infrastructure

Higher education  
resources

Ease of permitting and  
regulatory procedures

State and local tax  
scheme

Land/building prices and  
supply

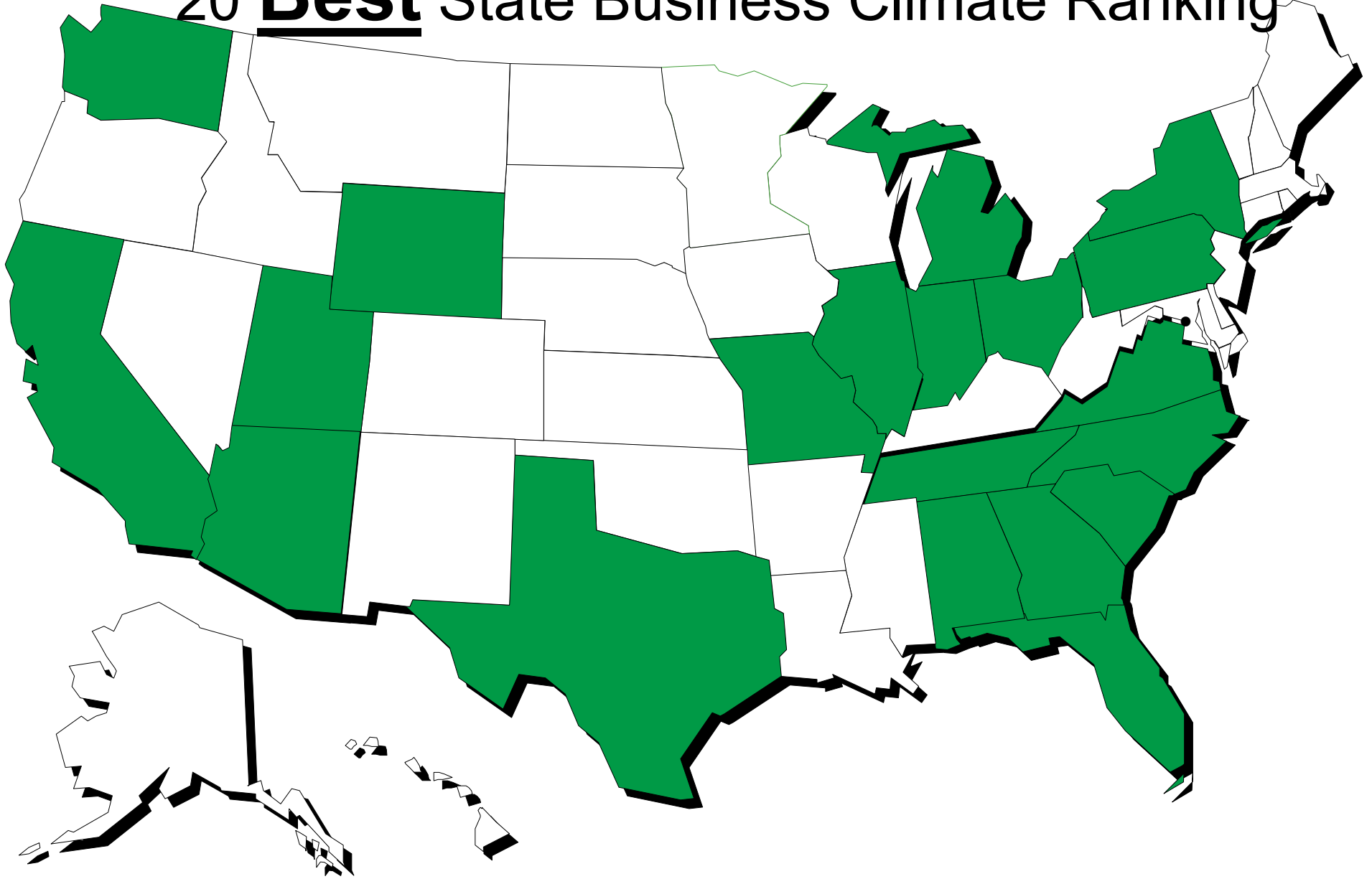
Economic development  
strategy

Utilities (availability, cost,  
reliability)

Workforce development

# SITE SELECTION MAGAZINE

## 20 **Best** State Business Climate Ranking

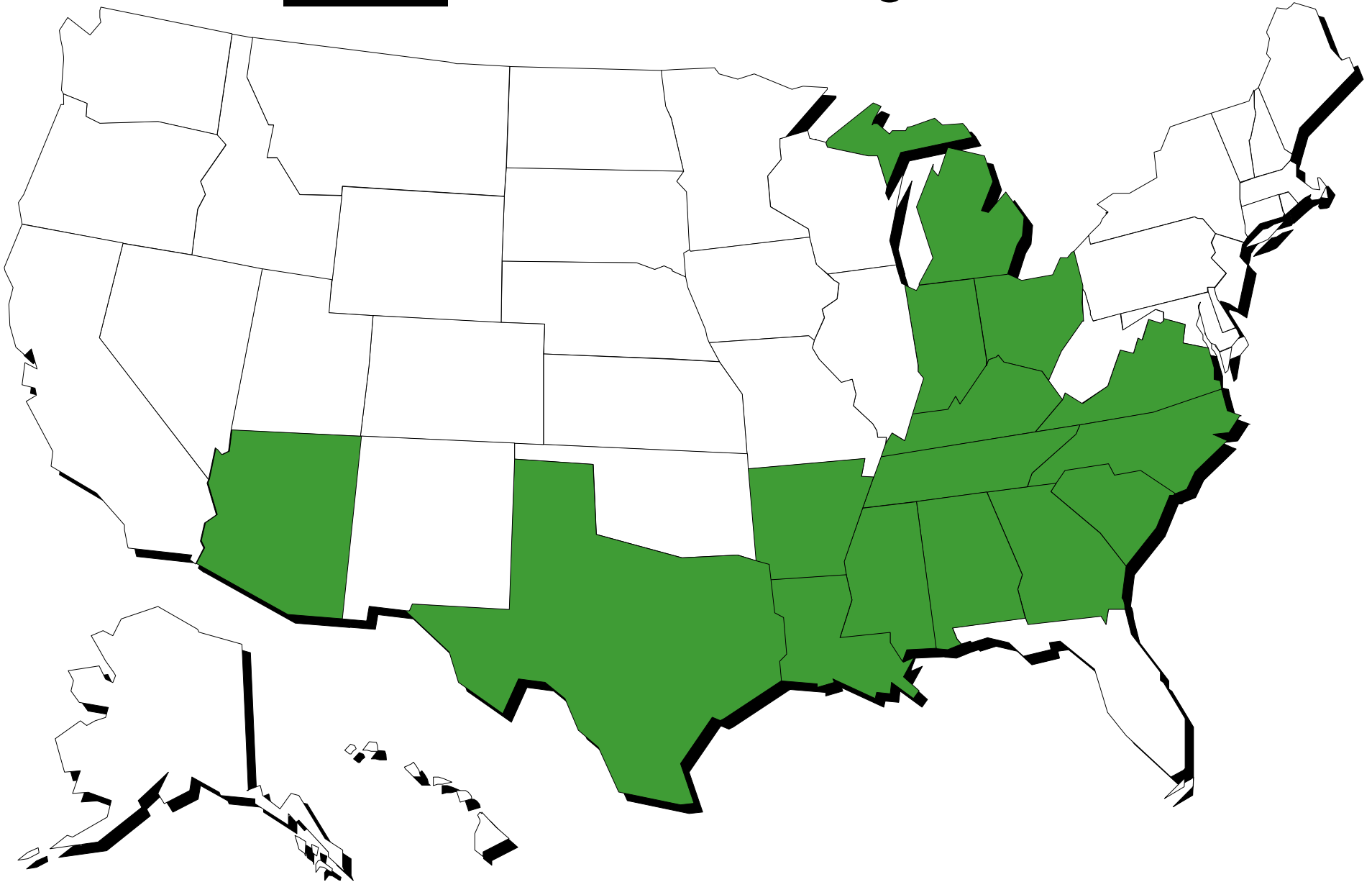


Source: Site Selection Magazine, Nov. 2024



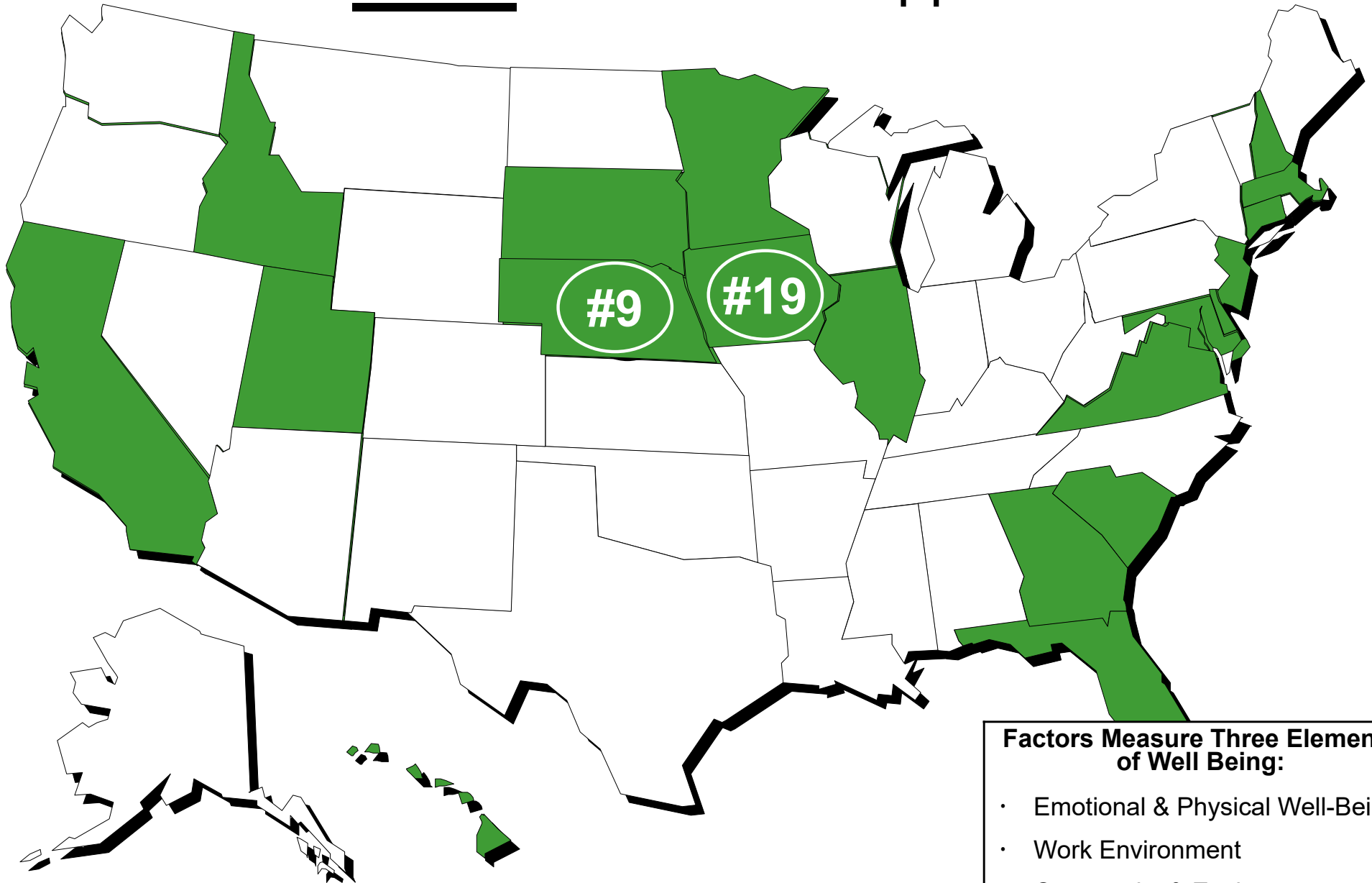
# AREA DEVELOPMENT

## 15 **Best** States For Doing Business



Source: Area Development Magazine, Q3 2024

## 20 **Best** States For Happiness



(#1 = Best)

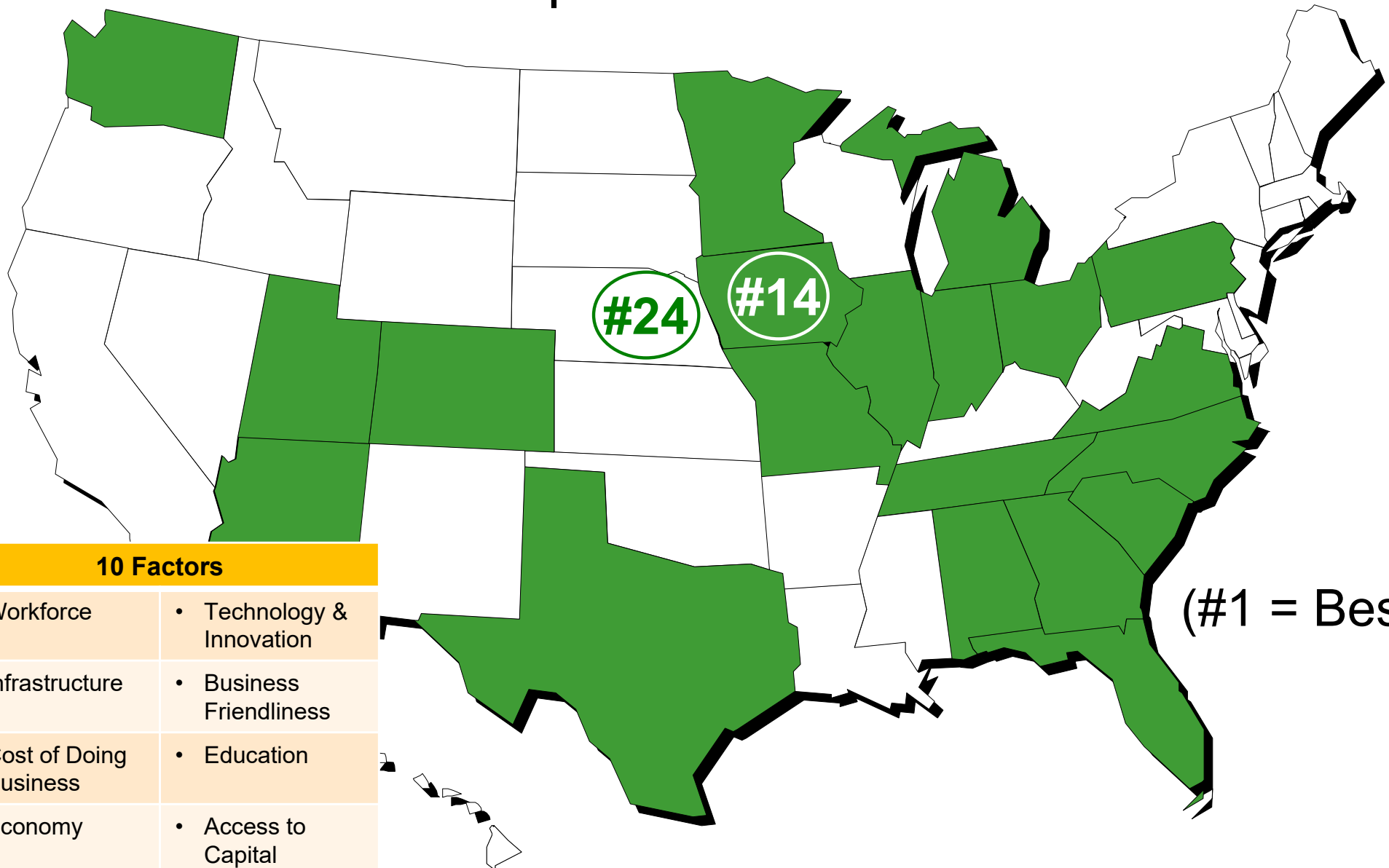
Source: WalletHub, September 9, 2024

### Factors Measure Three Elements of Well Being:

- Emotional & Physical Well-Being
- Work Environment
- Community & Environment



# America's Top 20 States for Business



## 10 Factors

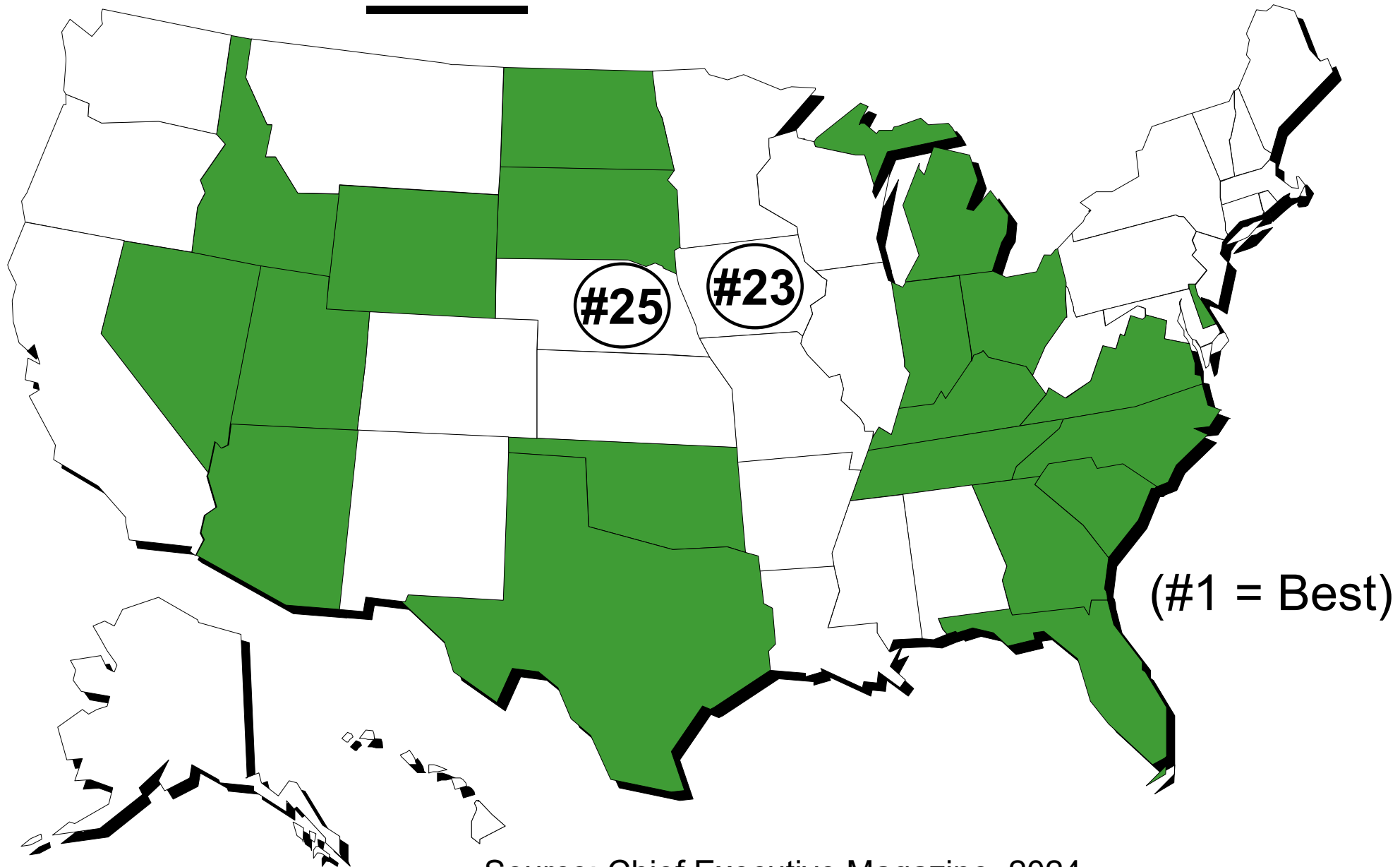
- |                          |                           |
|--------------------------|---------------------------|
| • Workforce              | • Technology & Innovation |
| • Infrastructure         | • Business Friendliness   |
| • Cost of Doing Business | • Education               |
| • Economy                | • Access to Capital       |
| • Quality of Life        | • Cost of Living          |

(#1 = Best)

Source: CNBC, July 11, 2024

# CHIEF EXECUTIVE MAGAZINE

## 20 **Best** States For Business



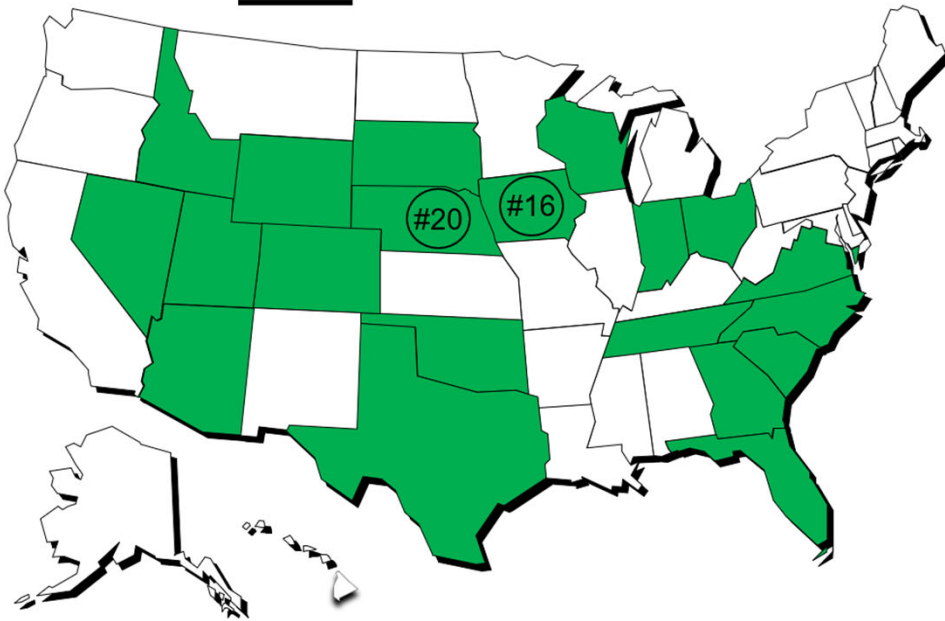
Source: Chief Executive Magazine, 2024  
Based on Survey of CEOs.

# CHIEF EXECUTIVE MAGAZINE

## - The Trend -

2019

20 **Best** States For Business

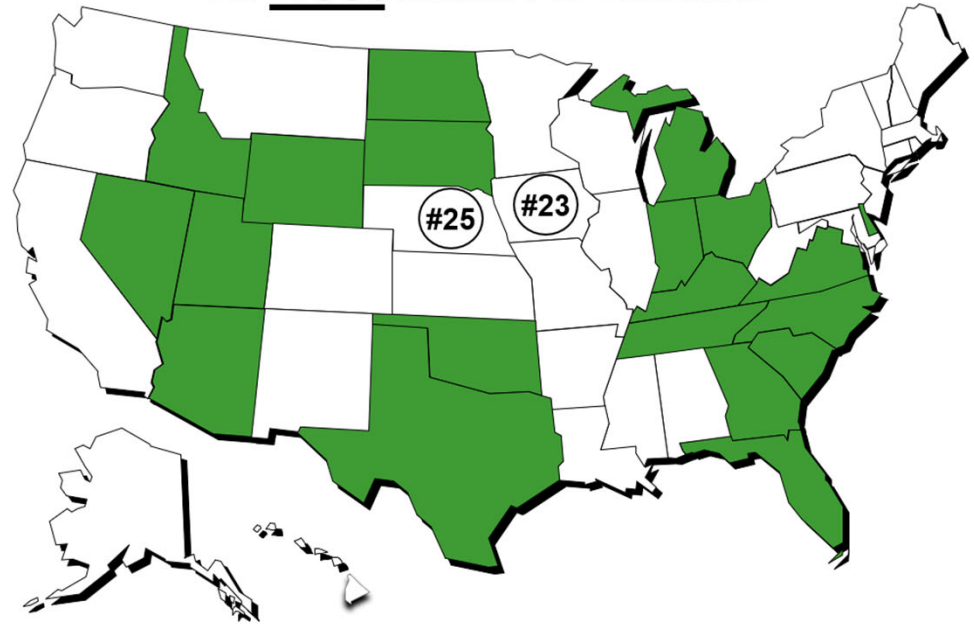


Nebraska = #20  
Iowa = #16

Source: Chief Executive Magazine, 2019  
Based on Survey of CEOs.

2024

20 **Best** States For Business



Nebraska = #25  
Iowa = #23

Source: Chief Executive Magazine, 2024  
Based on Survey of CEOs.



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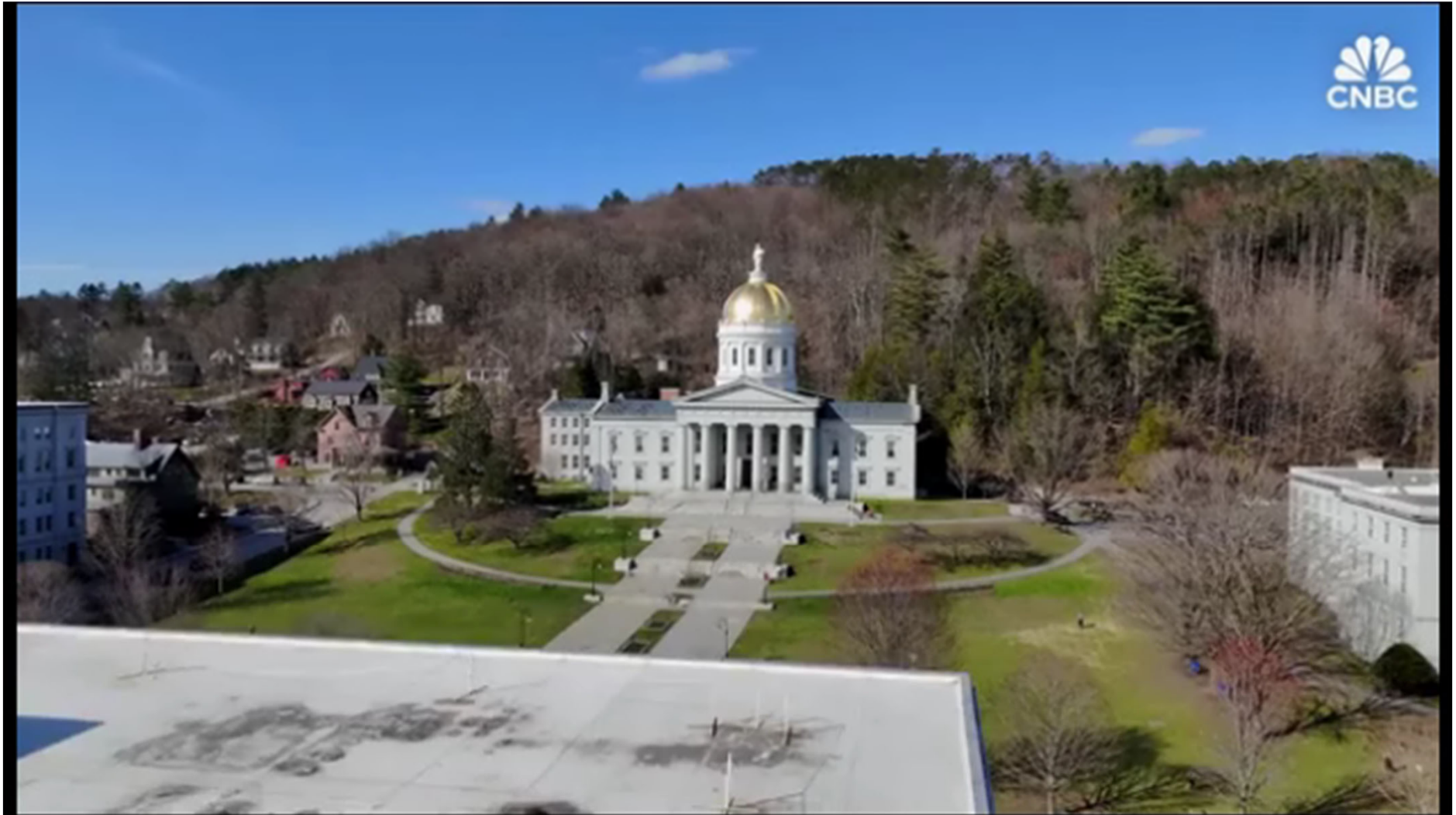
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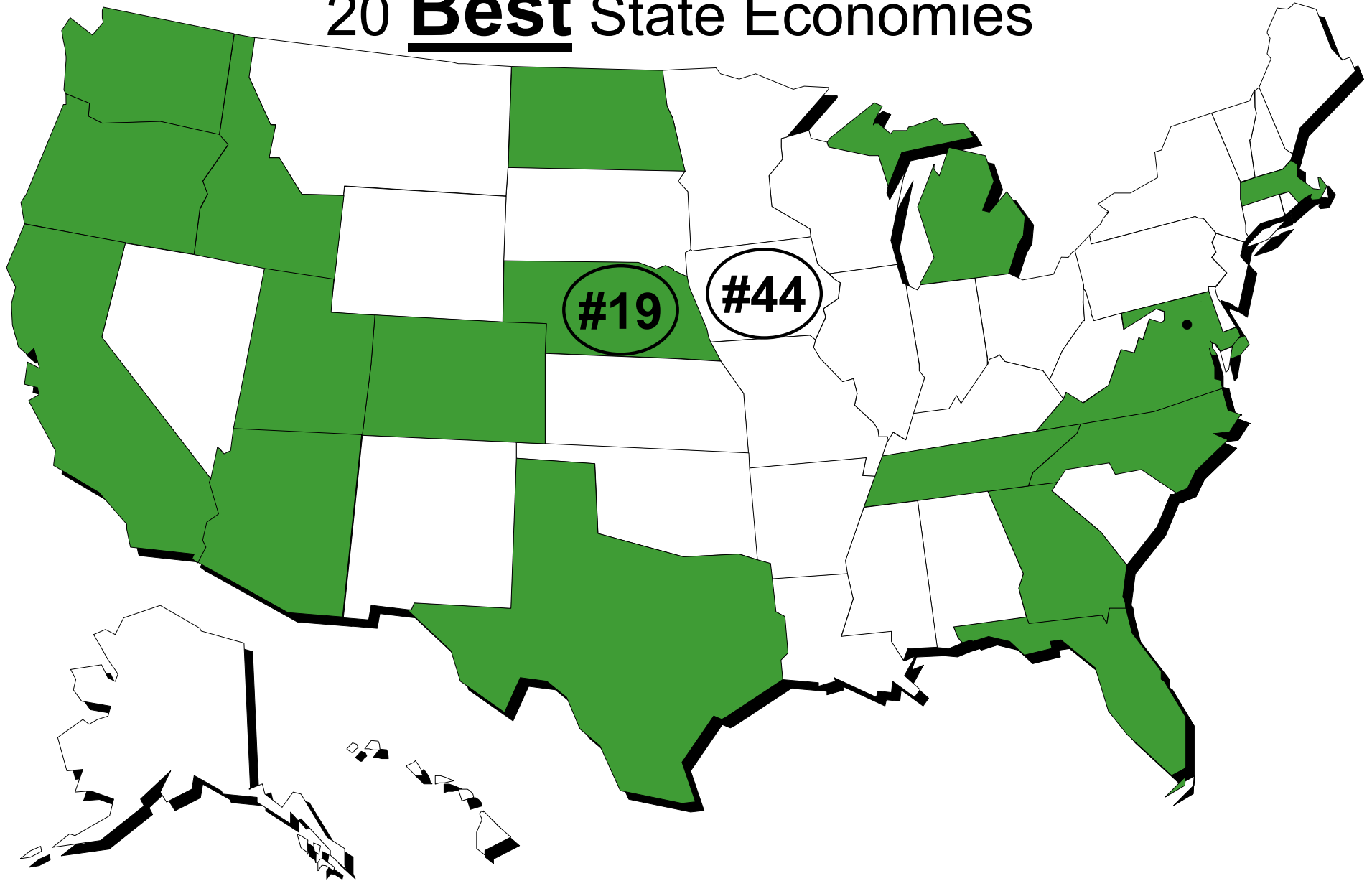
## Fiscal Report Card







## 20 Best State Economies



Source: WalletHub, June 3, 2024

(#1 = Best)

## 20 Worst State Economies



Source: WalletHub, June 3, 2024

(#1 = Best)

# AMERICAN LEGISLATIVE EXCHANGE COUNCIL

## Economic Performance Rankings

(Based on 3 policy variables)

Rank	State	Rank	State
1	Florida	41	Rhode Island
2	Idaho	42	Pennsylvania
3	Utah	43	Illinois
4	Arizona	44	Wyoming
5	Colorado	45	Maryland
6	Texas	46	Hawaii
7	Nevada	47	West Virginia
8	Washington	48	Connecticut
9	Georgia	49	Alaska
10	South Carolina	50	Louisiana

(#1 = Best)

Nebraska = #23; Iowa = #36

Source: American Legislative Exchange Council, April 9, 2024



# ECONOMIC PERFORMANCE RANKINGS

## **3 Policy Variables**

- State Gross Domestic Product Growth
- Absolute Domestic Migration
- Non-Farm Payroll Employment

# AMERICAN LEGISLATIVE EXCHANGE COUNCIL

## Economic Outlook Rankings

(Based on 15 policy variables)

Rank	State	Rank	State
1	Utah	41	Hawaii
2	Idaho	42	Oregon
3	Arizona	43	Maryland
4	North Carolina	44	Minnesota
5	Indiana	45	Maine
6	Texas	46	New Jersey
7	South Dakota	47	California
8	Wyoming	48	Illinois
9	Oklahoma	49	Vermont
10	North Dakota	50	New York

Nebraska = #32; Iowa = #34

(#1 = Best)

Source: American Legislative Exchange Council, April 9, 2024

# ECONOMIC OUTLOOK RANKINGS

## 15 Policy Variables (9 Tax, 6 Non-Tax)

- Top Personal Income Tax Rate
- Top Corporate Income Tax Rate
- Personal Income Tax Progressivity
- Property Tax Burden
- Sales Tax Burden
- Remaining Tax Burden
- Estate / Inheritance Tax
- Recent Tax Changes
- Debt Service As % of Revenue
- % of Public Employees
- State Liability System Survey
- State Minimum Wage
- Average Workers' Compensation Costs
- Right-to-Work State
- Tax Expenditure Limits



# AMERICAN LEGISLATIVE EXCHANGE COUNCIL

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Rank	State	Rank	State
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3	North Dakota	43	Maine
4	Nevada	44	Oregon
5	Indiana	45	Hawaii
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7	Tennessee	47	California
8	Florida	48	Illinois
9	South Dakota	49	Vermont
10	Arizona	50	New York

Nebraska = #33; Iowa = #25

(#1 = Best)

Source: American Legislative Exchange Council, April 15, 2019

2024

Economic Outlook Rankings (Based on 15 policy variables)			
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10	North Dakota	50	New York

Nebraska = #32; Iowa = #34

(#1 = Best)

Source: American Legislative Exchange Council, April 9, 2024

# U.S. GOVERNORS RANKED ON FISCAL POLICY

## Top 5

1. Iowa Gov. Kim Reynolds (R)
2. Nebraska Gov. Jim Pillen (R)
3. W. Virginia Gov. Jim Justice (R)
4. Arkansas Gov. Sarah Huckabee Sanders (R)
5. S. Dakota Gov. Kristi Noem (R)

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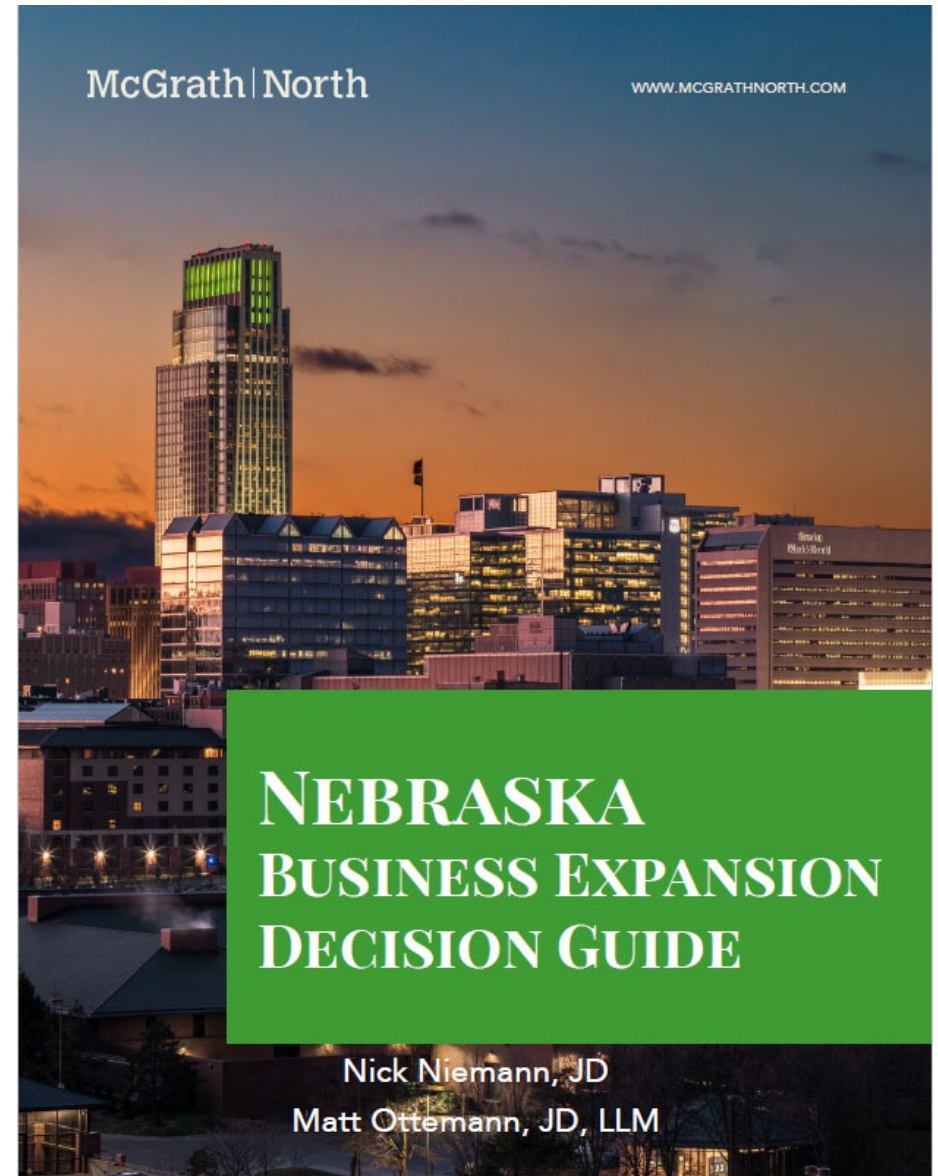


## Expansion Decision Process

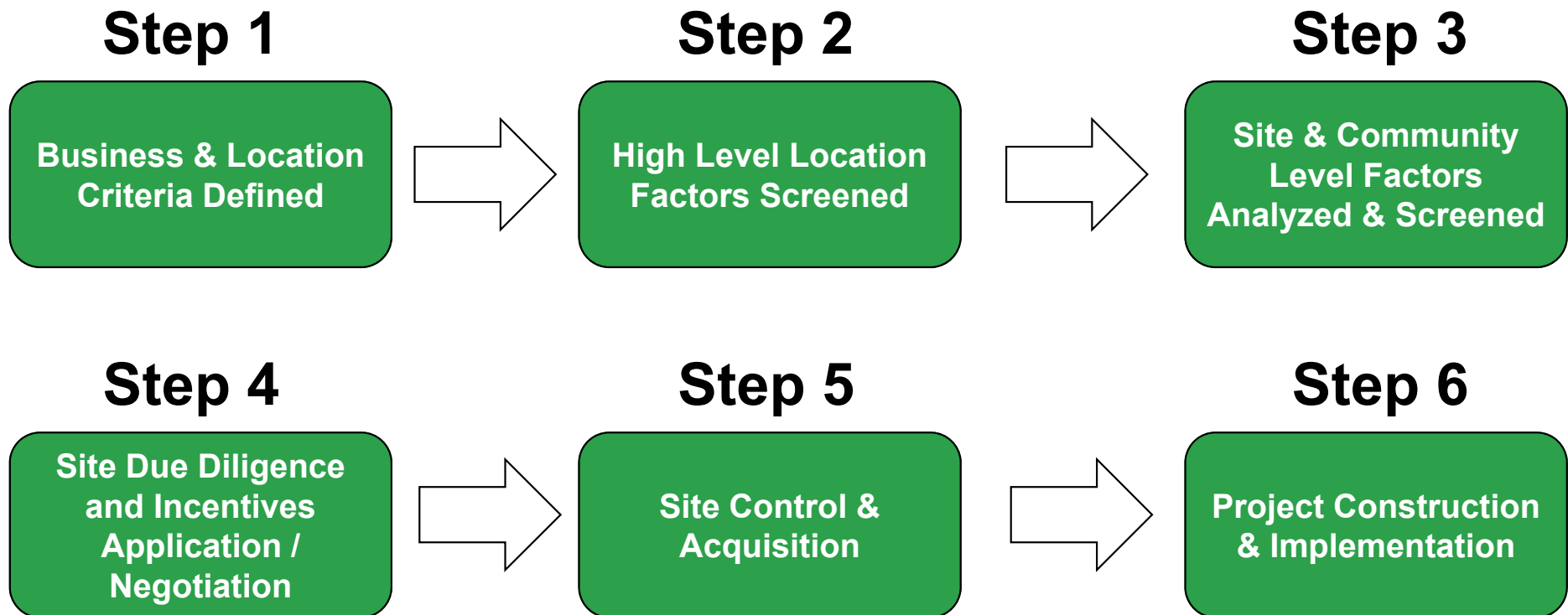




- **This section is based on this updated 2024 Guide**
- **This details how Attorneys, CPAs and other Trusted Advisors are helping to grow their clients' companies**



# THE BUSINESS EXPANSION DECISION MAKING PROCESS

























The analysis of potential State and Local tax and nontax incentives is important at each Step.

Key to success is team play and collaboration.

# A QUICK UPDATED HIGH LEVEL ANALYSIS

## Are These Nebraska Features:

- Right For Our Project 
- Not Right For Our Project 
- Don't Know Yet. Check It Out 

 Business Model Fit	 Industry and Business Sector Clusters	 Area Cost of Living
 Existing Presence	 Rail Infrastructure	 <u>Energy &amp; Utilities Costs and Reliability</u>
 Proximity To Customers	 Air Infrastructure	 Legal & Regulatory Climate
 <u>Business State &amp; Local Tax Scheme</u>	 <u>State &amp; Local Incentives</u>	 Right To Work State
 Workforce Costs	 Skilled Workforce	 Ease of Permitting and Regulatory Process
 Available Sites and Buildings	 Proximity To Suppliers	 Highway Infrastructure
 Occupancy or Construction Costs	 <u>Personal State &amp; Local Tax Scheme</u>	 <u>Workforce Development</u>
 Quality of Life		

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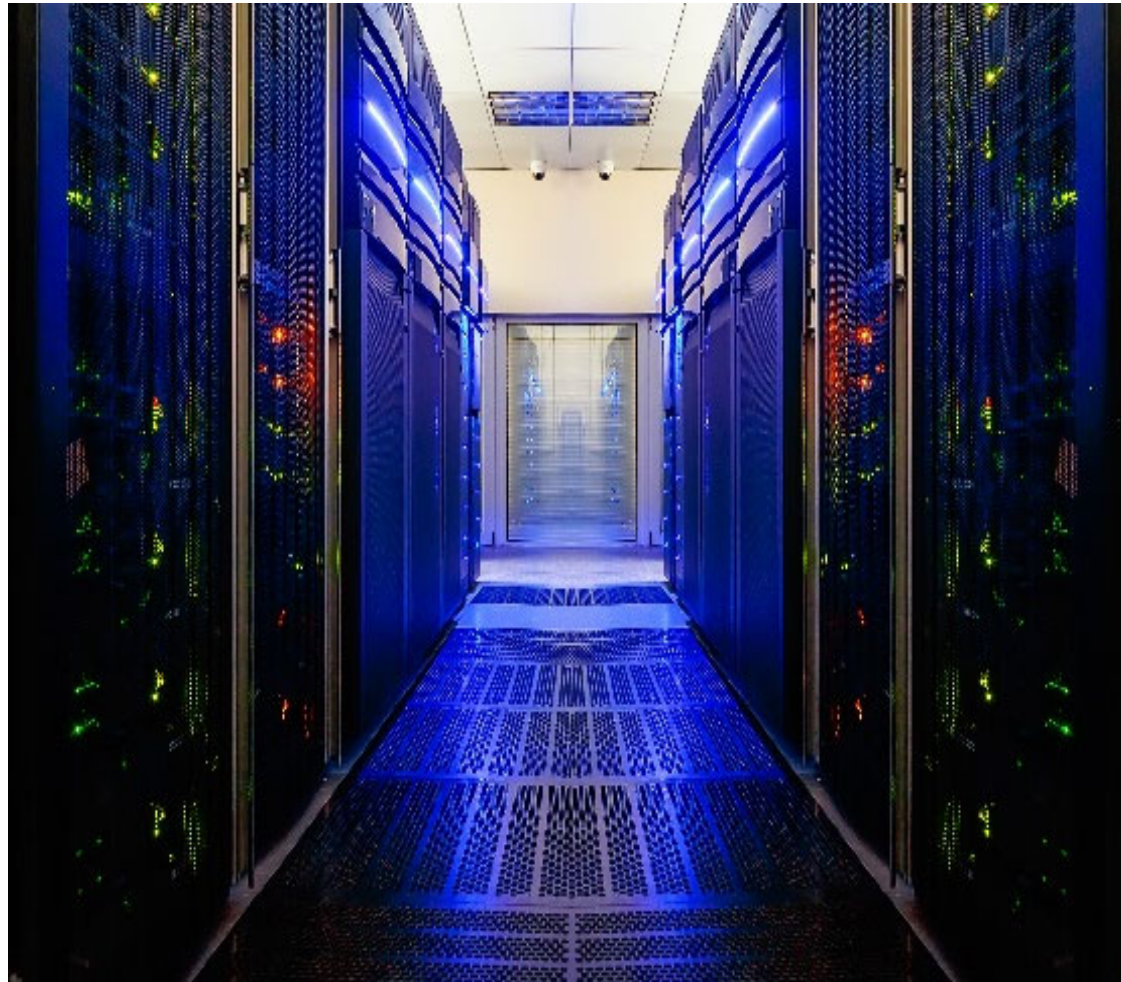
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# TODAY'S AGENDA



## New Projects





# 2024 PROSPERITY CUP

Site Selection Magazine's ranking of most **competitive** states  
(based on job creation, new investment, workforce and  
tax climate)

## Top 10 States

2024	2023	
1	2	Georgia
2	4	Indiana
3	6	Texas
4	1	North Carolina
5	7	South Carolina
6	3	Ohio
7	10	Michigan
8	5	Kentucky
9	—	Illinois
10	—	Louisiana

## West North Central Region

2024	2023	State
1	1	Kansas
2	2	Missouri
3	3	South Dakota
4	6	<u>Nebraska</u>
5	4	<u>Iowa</u>
6	5	Minnesota
7	7	North Dakota

Source: Site Selection Magazine, May 2024

# IMAGINE NEBRASKA PROJECTS

## Projects from the 3<sup>rd</sup> & 4<sup>th</sup> Quarters 2023 and the 1<sup>st</sup> Quarter 2024

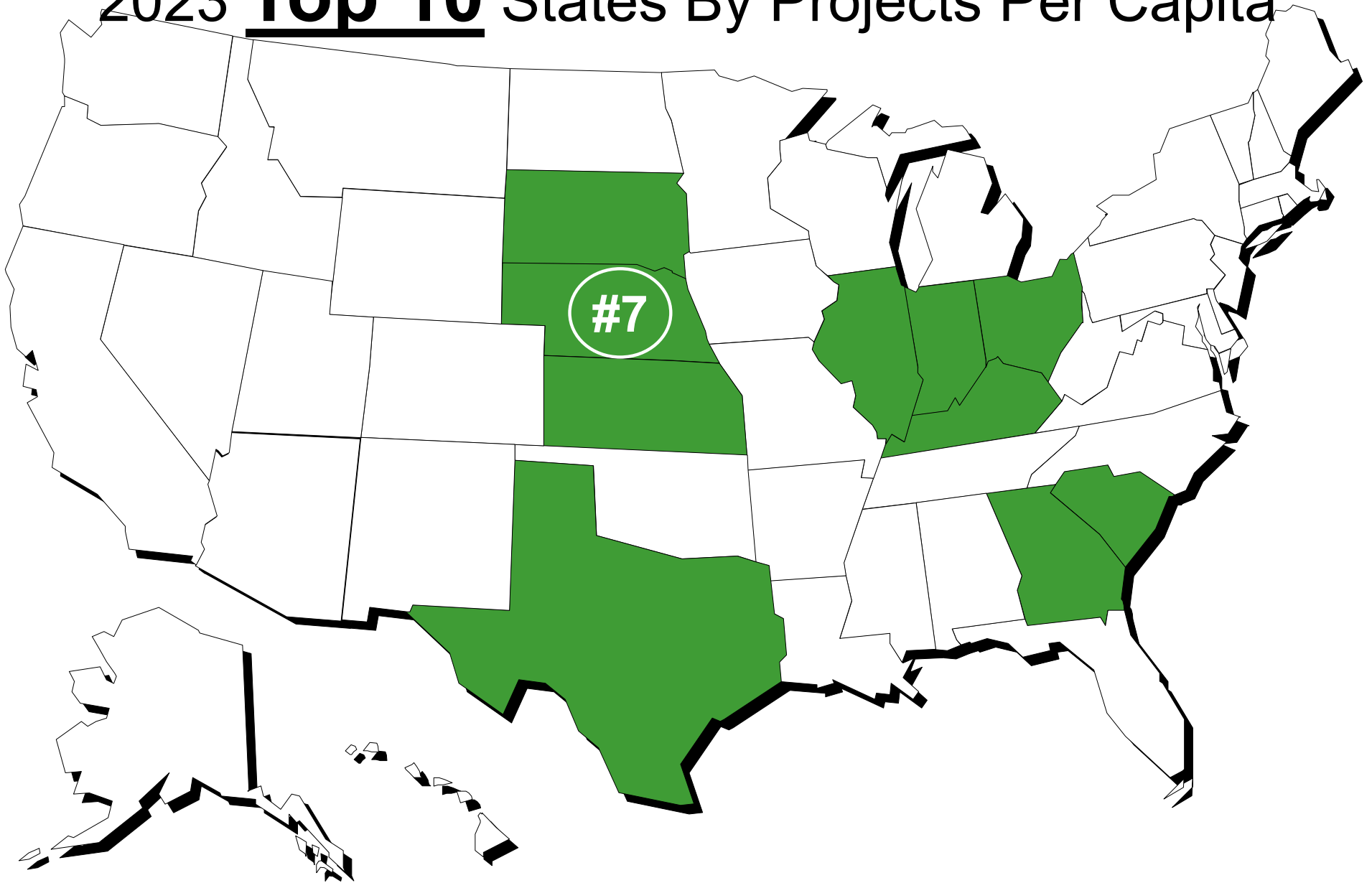
Central Nebraska Wood Preservers, Inc.	Don't Panic Labs LLC	Marble, Inc.
Newstar Sourcing and Service, LLC	Anderson Industrial Engines Company, Inc.	UnitiMed LLC
Specialty Ag Formulations, LLC	The James Skinner Co.	Fusion Medical Staffing, LLC
LTI Technology Solutions, Inc.	Superior Industries, Inc.	National Research Corporation
Printco Graphics, Inc.	MGI Holdings, Inc and Subsidiaries	Kodiak Building, Inc. & Subsidiaries
DARI Processing LLC	Community Health Development Partners	Edicott Clay Products Company
Alpha Brewing Operations, LLC	Lindsay Corporation	First York Ban Corp
Lincoln Tool & Design Co.	Detego Health LLC	TELCOR Topco
Reinhart Foodservice, LLC	Norfolk Iron & Metal Company, Inc.	Copperstone Foods, LLC
DAIPE Inc.	Marshall Engines Inc.	JWC Gburg LLC
Smithfield Packaged Meats	Noah's Ark Processors	

**Total Jobs: 872    Total Investment: \$438,355,910**

(Source: Nebraska Department of Economic Development)

# GOVERNOR'S CUP

## 2023 Top 10 States By Projects Per Capita



Source: Site Selection Magazine, March 2024

(#1 = Best)

# GOVERNOR'S CUP

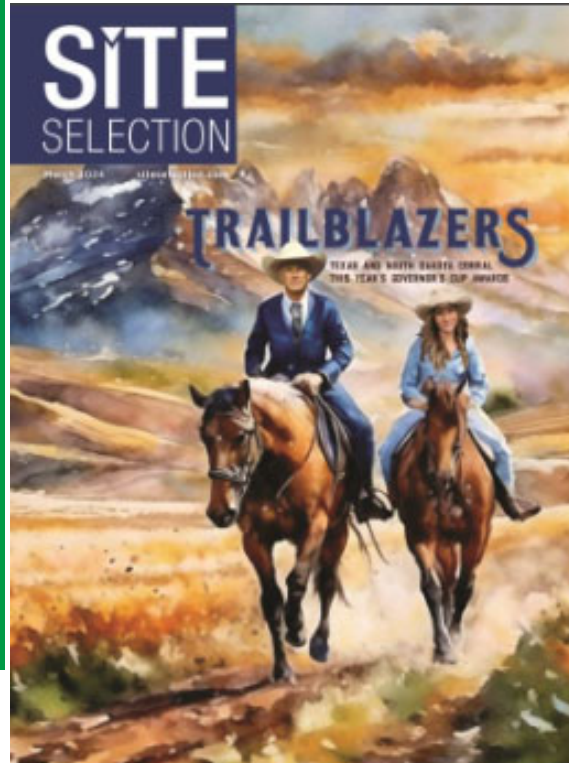
## 2023 Top States By Projects Per Capita

2023 Rank	2022 Rank	State	Project Count
1	5	South Dakota	40
2	4	Illinois	552
3	2	Kentucky	192
4	7	Texas	1,254
5	3	Ohio	462
6	8	Indiana	253
7	10	Nebraska	58
8	11	Georgia	318
9	1	Kansas	80
10	6	South Carolina	139

Source: Conway Projects Database

## Top States by Projects Per Capita:

**#7 Nebraska**



### Prior Nebraska Rankings:

2022: #10

2021: #5

2020: #4

2019: #3

2018: #1

2017: #1

2016: #1

2023 Project Data Reported in March 2024



# TOP STATES BY TOTAL PROJECTS

## West North Central Region

2023	2022	State	Projects
1	4	Minnesota	113
2	3	Missouri	112
3	1	Kansas	80
4	2	<u>Iowa</u>	76
5	5	<u>Nebraska</u>	58
6	6	South Dakota	40
7	7	North Dakota	14

Source: Site Selection Magazine, March 2024

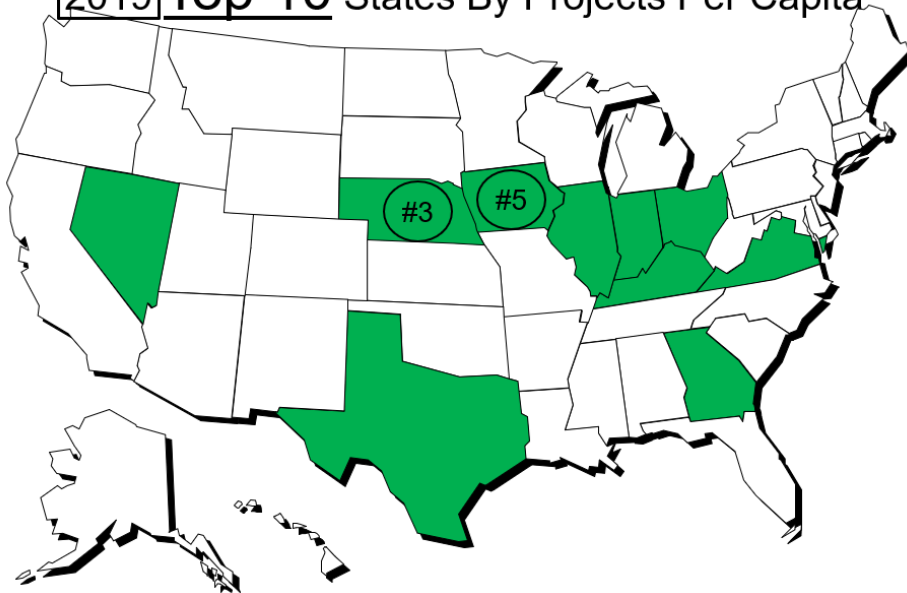
# TOP STATES BY PROJECTS PER CAPITA

## - The Trend -

2019

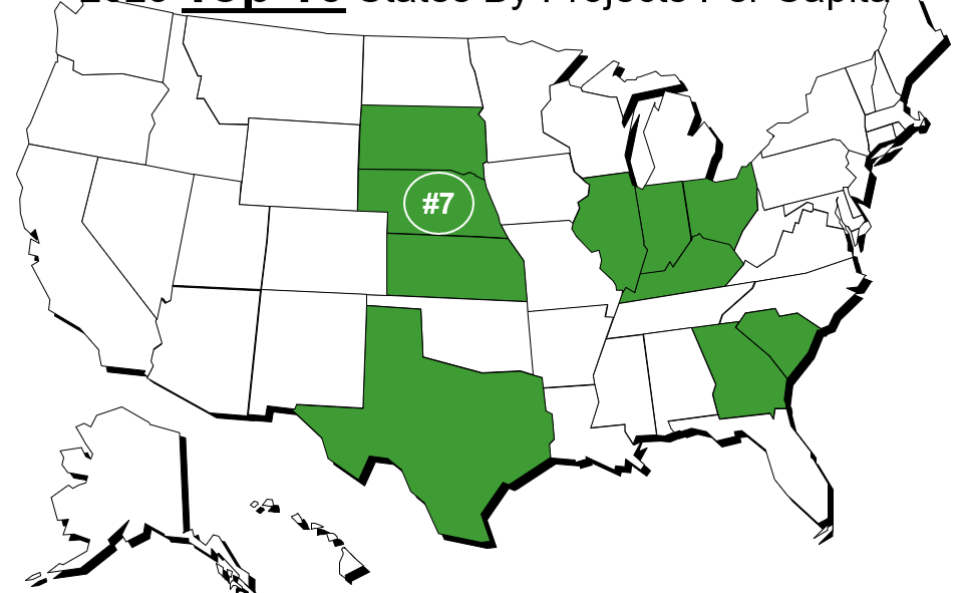
2023

2019 Top 10 States By Projects Per Capita



Nebraska = #3  
Iowa = #5

2023 Top 10 States By Projects Per Capita



Nebraska = #7

Source: Site Selection Magazine, Mar. 2020

Source: Site Selection Magazine, Mar. 2024

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## Incentives Update





# BUSINESS INCENTIVE PLANNING

## What Should Occur Before Beginning Your Project or Expansion?

Each business expansion presents a unique combination of business, tax, legal, contract, and financial issues that need to be addressed and coordinated.

## What Are Some Key Incentive Planning Considerations?

- ☒ Business Model
- ☒ Coordination
- ☒ Optimizing
- ☒ Discretionary or Not
- ☒ Corporate Structure
- ☒ Business Contracts
- ☒ Timelines and Deadlines
- ☒ Potential Programs



# **Nebraska Incentives**

# NEBRASKA'S APPROACH TO BUSINESS INCENTIVES

## Main Incentive Platform

- **1987 Employment and Investment Growth Act (known as LB775).**
- **2005 Nebraska Advantage Act (known as LB312).**
- **2020 Imagine Nebraska Act (effective January 1, 2021).**

**These programs have incented the creation of:**

- **Over 1,000+ expansion projects**
- **Over \$45 billion+ of capital investment**
- **Over 100,000+ new jobs in Nebraska**

## Variety of Other Incentive Programs

# BUSINESS GROWTH INCENTIVES

## Imagine Nebraska Act - Incentive Summary

	Economic Redevelopment Areas*	Manufacturing Growth and Expansion	Growth and Expansion	Quality Jobs	Quality Jobs & Investment	Mega-Project	Modernization	
REQUIREMENTS (to be achieved within the 5 year Ramp Up Period and maintained for the 7 year Performance Period)								
		Rural	Urban					
New # of Jobs	5 FTE	5 FTE	10 FTE	10 FTE	20 FTE	30 FTE	250 FTE	None
New Investment	\$250,000-\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	None	\$5,000,000	\$250,000,000	\$50,000,000
Wage Threshold	70% State Average	70% State Average	75% State Average	90% State Average	100% State Average		150% State Average	
TAX INCENTIVE BENEFITS								
Wage Credit	6%	6%	4%	4%	100% = 5% 150% = 7% 200% = 9%		150% = 7% 200% = 9%	None
Invest Tax Credit	4%	4% <sup>(1)</sup>	4% <sup>(1)</sup>	4%	None	7%	7%	None
Sales Tax Refund/Exemption	None	None	None	None	None	Yes	Yes	Yes
Personal Property Tax Exemption	No	No	No	No	No	Ag Processing Machinery & Data Center Equipment	All Tangible Personal Property	Ag Processing Machinery & Data Center Equipment

# BUSINESS GROWTH INCENTIVES

## Imagine Nebraska Act – Other Features

Project Length	Other Requirements And Factors	Extremely Blighted	Tax Credit Use
<ul style="list-style-type: none"><li>• Ramp Up Period - Up to 5 years</li><li>• Performance Period - 7 Years</li><li>• Carry Over Period - 3 Years</li></ul>	<ul style="list-style-type: none"><li>• Must offer health insurance and show benefits for job to count.</li><li>• The State Average wage, as of 10/04/24 for 2025, 100% = \$28.45.</li><li>• Pro rata benefit recapture if fall below thresholds before end of Performance Period.</li></ul>	Wage Credit and ITC are 1% point higher for Extremely Blighted Areas.	To offset withholding liability, sales tax, and corporate income tax. Also, for job training, employer sponsored childcare and recruitment of new, high wage employees. Also, to repay loans from the Imagine Nebraska Revolving Loan Fund for workforce training and infrastructure development.
Program Caps: \$100M/year for 2023-24; 150M/year for 2025. 3% of State tax receipts thereafter. Then no new Apps unless Legislative Committee expands. While only full-time employees count, FTE calculation is still applicable as a limit.		Process: File with Nebraska Department of Economic Development. Audit & Claims with Nebraska Department of Revenue. Footnote: (1) 7% if \$10M investment for manufacturing.	
* Economic Redevelopment Area = Area of high unemployment and poverty. A listing of Areas is available on Nebraska DED website (www.Imagine.Nebraska.gov).			



# HOW IS THE “IMAGINE NEBRASKA ACT” DESIGNED TO WORK WELL FOR YOUR PROJECT?

## Important To Your Project?

- ✓ Magnitude
- ✓ Thresholds
- ✓ Qualified Business Activities
- ✓ Time Periods
- ✓ Application
- ✓ Qualified Business Activity Interpretations
- ✓ Sales Tax Refund vs. Exemption
- ✓ Signed Agreement
- ✓ Credit Use
- ✓ Multiple Locations
- ✓ Thresholds With No Maximums
- ✓ Transferability
- ✓ Administration

**Main Issue: Actually Getting Your Money**

# BUSINESS GROWTH INCENTIVES

- **Market State Income Tax Benefit**
- **Local Option Economic Development Act Grants**
- **Manufacturing Equipment Sales Tax Exemption**
- **Microenterprise Tax Credit Act**
- **Site and Business Development Act Grants**
- **City/County Infrastructure “Entitlements”**
- **Pollution Control Sales Tax Refund**
- **Nebraska Transportation Innovation Act Grants**
- **SBIR / STTR Grants**
- **Nebraska Advantage Research & Development Tax Credits**
- **Nebraska Innovation Fund Prototype Grants**
- **Nebraska Academic Research & Development Grants**
- **Imagine Nebraska Infrastructure Loan Fund**
- **Nebraska Seed Investment Program**
- **State Trade Expansion Program (STEP) Funds**
- **Community Development Block Grant (CDBG) Loan Program**
- **Tax Increment Financing**
- **Enterprise Zone Benefits**
- **New Markets Job Growth Investment Act Funding**
- **Nebraska Rural Development Act Tax Credits**
- **Nebraska Urban Redevelopment Act Tax Credits**
- **Talent Recruitment & Retention Tax Incentive**
- **Job Training & Recruitment Funding**

## Nebraska Advantage Act

(LB 1088) (Operative July 19, 2024)

- Tier 6 projects submitted and approved by the Tax Commissioner on or after December 1, 2020, may have two additional years to meet the required levels of employment and investment.
- Taxpayers must make a one-time election for this two-year extension.

## Relocation Incentive Act

(LB 1023) (Operative for tax years beginning in 2025)

### **Employers Bringing Employees into Nebraska**

- Refundable income tax credit for employers.
  - Who pay relocation expenses for a qualifying employee who moves to the State of Nebraska.
  - For the purpose of accepting a position of employment.

# NEBRASKA INCENTIVES

## Relocation Incentive Act

(LB 1023) (Operative for tax years beginning in 2025)

### Employers Bringing Employees into Nebraska

- Credit = 50% of the relocation expenses
  - Limited to \$5,000 per qualifying employee.
- Employee must make between \$70,000 and \$250,000 per year
- Credit will be recaptured if the employee moves out of Nebraska within 2 years after the credit is claimed.
- Total credits are capped at \$5 million per year.
  - Application with DOR to keep track



# NEBRASKA INCENTIVES

## Relocation Incentive Act

(LB 1023) (Operative for tax years beginning in 2025)

### New Residents Moving into Nebraska

- New residents may make a one-time election
- Within 2 years of becoming a Nebraska resident
- Exclude all Nebraska-sourced wage income
- If that employee makes between \$70,000 and \$250,000 per year.
- The employee must pay those taxes back to Nebraska if the employee moves out of Nebraska within 2 years after the exclusion is taken.

## Changes to the Sports Arena Facility Financing Act

(LB 1197) (Operative July 19, 2024)

- Allows a city or village and a nonprofit corporation to jointly apply for Nebraska Sports Arena Facilities Financing assistance
  - If the project will be owned by one or both of the co-applicants as a sports complex economic development project.
- Any approval from DOR is conditional upon voter-approval of a ballot question.

## Changes to the Sports Arena Facility Financing Act

(LB 1317) (Operative July 19, 2024)

- A large public stadium that initial occupancy occurs on or after March 1, 2025, may apply.
- Large public stadium = an open-air facility located in a city of the metropolitan class that
  - Is publicly-owned or used for governmental purposes;
  - Primarily includes an outdoor field, and may include some indoor areas
  - Is primarily used for competitive sports; and
  - Between 5,500 and 7,500 permanent seats, with a capacity not to exceed 10,000 seats.

## Changes to the Sports Arena Facility Financing Act

(LB 1317) (Operative July 19, 2024)

- Up to 100% of the final cost of the project for a large public stadium may be funded by state assistance.
- State assistance for a large public stadium ends after 20 years or when it reaches \$25 million.
- Amount of approved state assistance for any year cannot exceed \$1.25 million.
- No state assistance will be paid until after July 1, 2027.

## **Good Life District Economic Development Act**

(LB 1317) (Operative July 19, 2024)

- Meant as an overlay to the existing Good Life Transformational Projects Act.
- Under the Good Life Transformational Projects Act, the DED was authorized to approve applications to enact “Good Life Districts.”
- Such districts would have to meet certain development cost and job creation thresholds.



## Good Life District Economic Development Act

(LB 1317) (Operative July 19, 2024)

- Retail sales occurring within a Good Life District would incur a reduced state sales tax rate of 2.75%.
- The remaining 2.75% of tax would go toward financing the development of the district.
- Although the Good Life Transformational Projects Act did not create a direct way to use those tax funds.

## Good Life District Economic Development Act

(LB 1317) (Operative July 19, 2024)

- The Good Life District Economic Development Act was intended to fill that hole.
- Under this Act, a City may establish a Good Life District Economic Development program if approved by voters in the City.
- If a City establishes a Good Life District Economic Development program, the City may issue bonds that would be used to pay for the financing of the development.

## Good Life District Economic Development Act

(LB 1317) (Operative July 19, 2024)

- To pay off those bonds, the City may establish one or more of the following local taxes:
  1. Additional City Sales Tax. A local option sales and use tax upon the same transactions that are sourced for sales tax purposes within the Good Life District.
    - Tax is greater of: a) the difference between the normal state sales tax rate and the rate levied on transactions within a good life district; or b) 2.75%.
    - Taxes cannot be later refunded under the Imagine Nebraska Act or another state incentive program.

## **Good Life District Economic Development Act**

(LB 1317) (Operative July 19, 2024)

- To pay off those bonds, the City may establish one or more of the following local taxes:
  2. Occupation Tax. The City may impose an Occupation Tax on all businesses within the Good Life District.
  3. Use of Existing City's Sales Tax. The City may also choose to use of the revenue from its existing sales tax, on transactions occurring within the Good Life District.

## Changes to Good Life Transformational Projects Act

(LB 1344) (Operative July 19, 2024)

- New Limit of 5 Projects Statewide
  - One in Douglas County, unless in “Qualified Inland Port District”.
  - Limit was reached in 2024.
- Good Life District Projects may last 30 years
  - Instead of 25.
- Good Life Districts may be modified
  - If property is removed, requires owner consent or a hearing and finding from DED.
  - City itself may move to add Property.



## Changes to Good Life Transformational Projects Act

(LB 1344) (Operative July 19, 2024)

- Once a Good Life District is established, Applicant may apply to DED to create Development and Design Standards for property:
  - In addition to local Standards.
  - Standards would be for architectural and landscape design, construction materials and sustainability.
- What if Property Applicant ≠ Project Owner?
  - Cannot place “Undue Burden” on Property Owners.

## Changes to Good Life Transformational Projects Act

(LB 1344) (Operative July 19, 2024)

- Adds additional requirements to maintain Good Life Project:
  - Previous Requirement: Meet 75% of investment threshold in 10 years.
  - Now: Also meet 10% of investment threshold in 3 years.
  - And: Meet 50% of investment threshold in 5 years.
- What about Application to Existing Projects?
  - Contracts with State.

# NEBRASKA INCENTIVES

## Cast and Crew Nebraska Act

(LB 937) (Operative July 19, 2024)

- Starting in 2025, a production company will be eligible to receive refundable income tax credits equal to 20% of qualifying expenditures
- Incurred by the production company directly attributable to a qualified production activity.
- Qualified production activity means a full-length film, made-for-television movie, television series of at least five episodes, or streaming television series.

# NEBRASKA INCENTIVES

## Cast and Crew Nebraska Act

(LB 937) (Operative July 19, 2024)

- The total amount of tax credits under the CCNA is capped at \$500,000 in State fiscal year 2025-2026.
  - \$1 million in any State fiscal year thereafter.
- Production company must submit an application to DED, after completing the qualified production activity.
  - Applications are considered in the order they are received.

## **Tax Increment Financing (TIF)**

**Number of TIF Projects  
has nearly doubled in the  
past decade**

- 1350 Separate Ventures
- Over \$6 Billion in increased property valuations.  
(Nebraska State Auditor Mike Foley 9/2/2024 Letter to Legislature)



## Tax Increment Financing (TIF)

### State Auditor Foley Letter

- Questioning whether some areas are truly blighted
- Raising questions about the Omaha Streetcar Project
  - To be financed with over \$350 million in TIF proceeds.
  - Largest in Nebraska history



# **lowa Incentives**

# IOWA INCENTIVES

## Targeted Jobs Withholding Credit

(SF 2442) (Operative May 1, 2024)

- Increases the investment required for a business to qualify for the credit from \$500,000 to \$1.0 million.
- Extends the timeframe to enter into a targeted jobs withholding agreement by three years, from June 30, 2024, to June 30, 2027.
- Changes the entity responsible for annual compliance reporting concerning a targeted jobs withholding agreement from the pilot project city to the employer.

# TODAY'S AGENDA

62<sup>nd</sup> Annual Great Plains  
Federal Tax Institute  
December 5, 2024

**STATE TAX, INCENTIVES  
AND ECONOMIC  
DEVELOPMENT  
UPDATE AND IMPACT**

## Business Climate

- ☐ Business Climate Report Card
- ☐ Fiscal Report Card
- ☐ Expansion Decision Process
- ☐ New Projects
- ☐ Incentives Update
- ☒ **Workforce Development**
- ☐ Political Impact
- ☐ National Events
- ☐ International Events

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- ☐ Nebraska Tax Report Card
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- ☐ Closing Thoughts

# TODAY'S AGENDA



## Workforce Development





# **“Worldwide Efforts To Reverse The Baby Shortage Are Falling Flat”**

**Countries Have Tried A Range of Benefits To Encourage Bigger Families:**

- Subsidized Minivans
- No Income Taxes

**“With No Luck”**



# VISTAGE

## *Labor*

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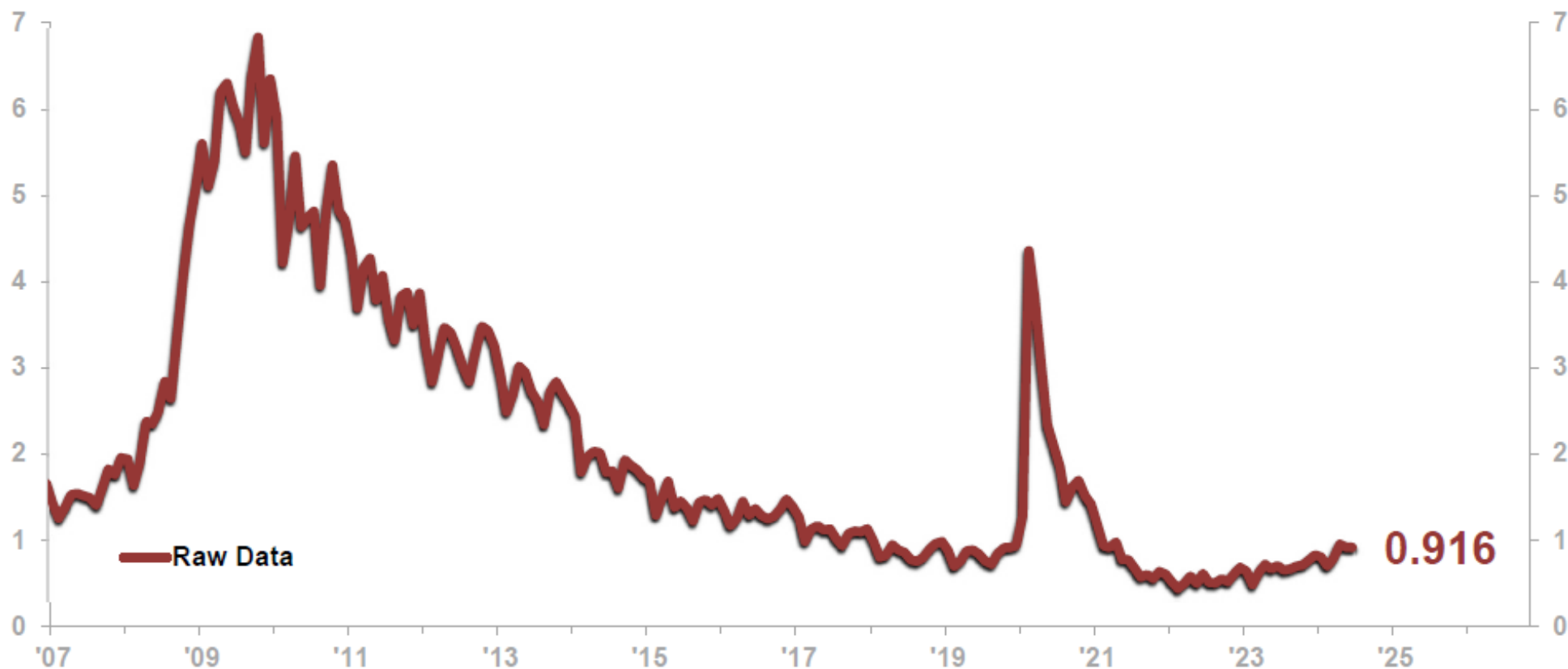
  
ITR ECONOMICS  
Now part of  Crowe

## Employees Market

Source: BLS

### US Number of Unemployed Persons per Job Opening

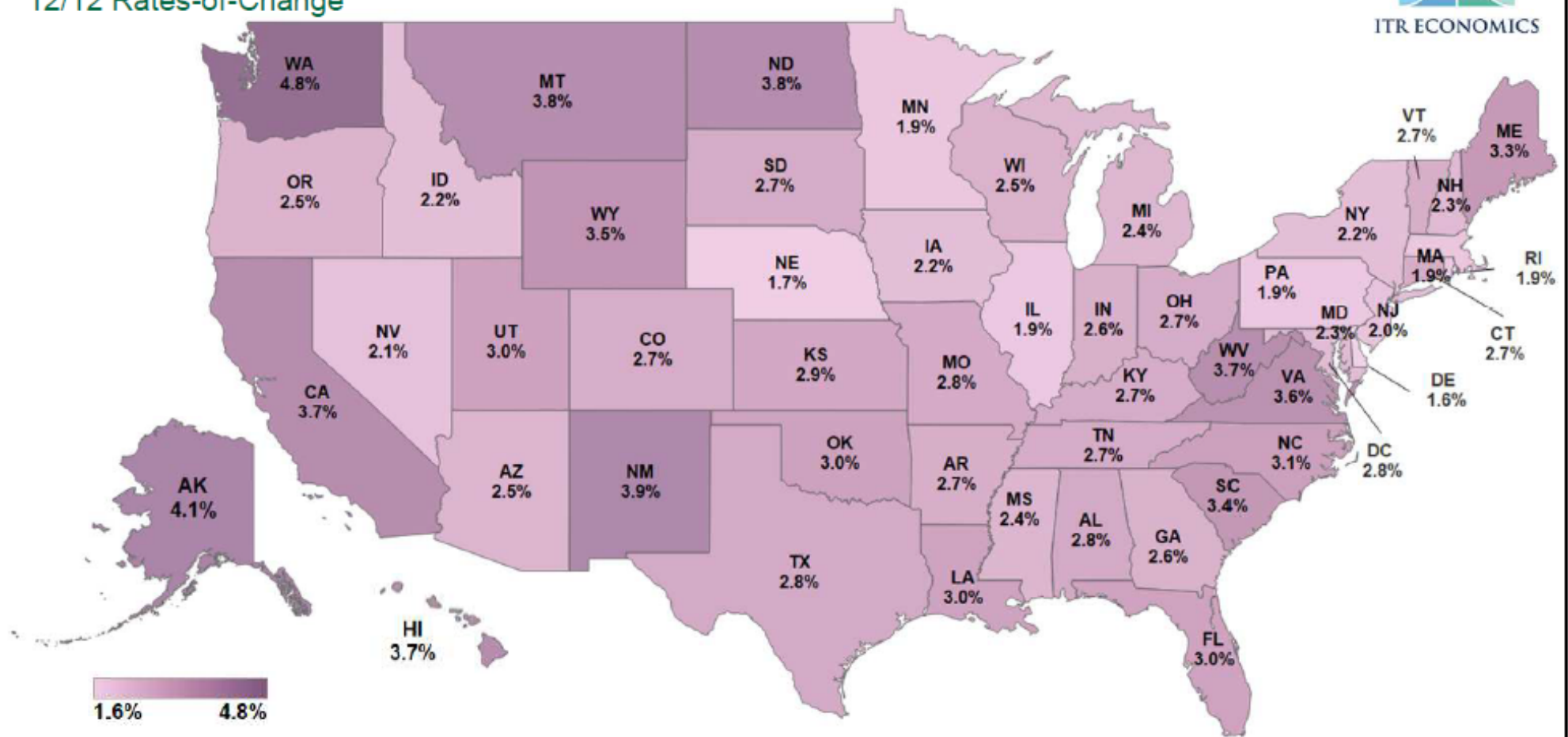
Raw Data: Number of Persons



# US Wage Inflation by State

Source: BLS

12/12 Rates-of-Change



## Source: BLS



This line chart illustrates the projected percentage of the population in various age groups from 2020 to 2050. The Y-axis represents the percentage, ranging from 50 to 90. The X-axis represents the year, from 2020 to 2050. The chart shows a significant shift in the population structure, with a decline in the 16-24 age group and a corresponding increase in the 65+ age group.

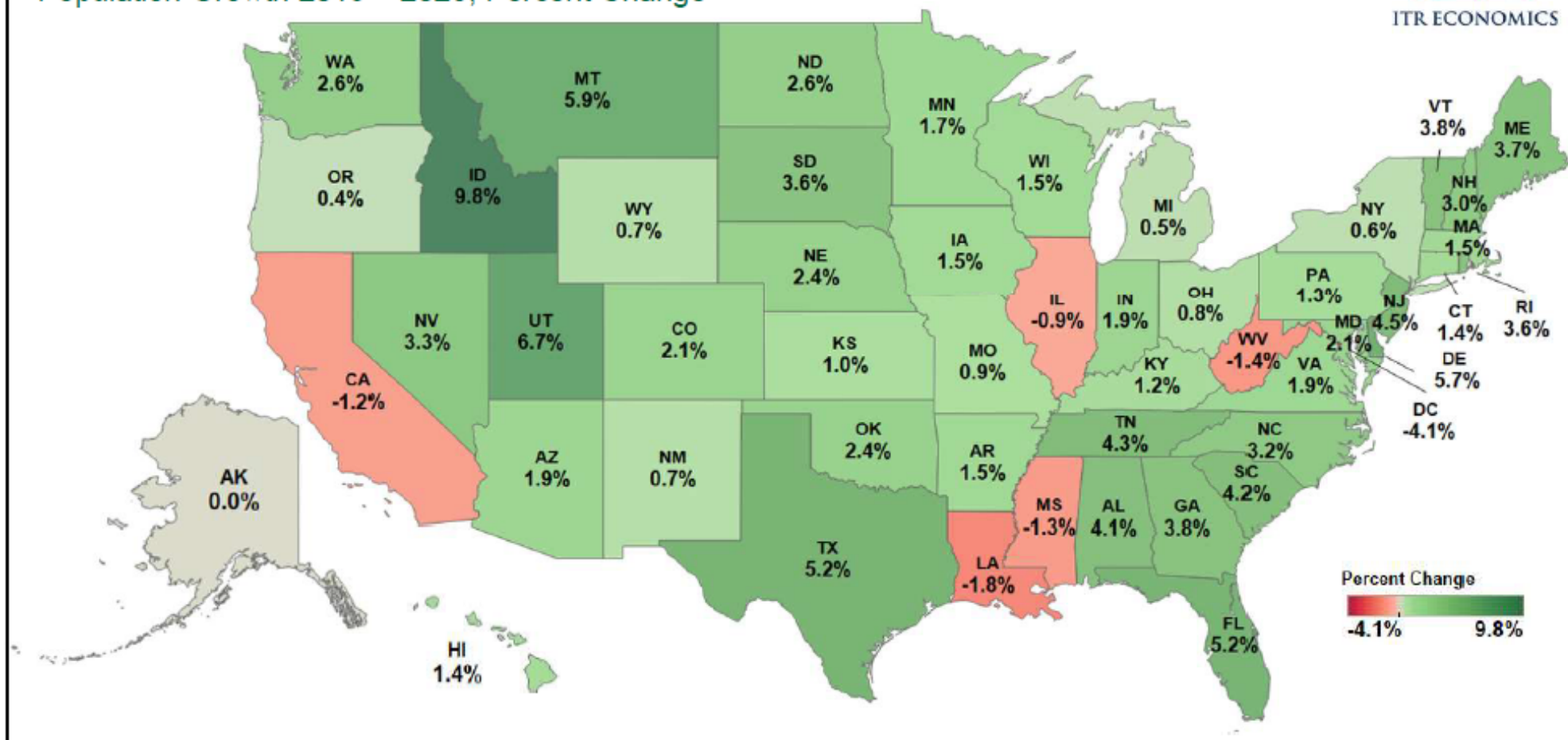
Age Group	2020	2050
16-24	~56.0%	~56.0%
25-34	~83.7%	~83.7%
35-44	~84.5%	~84.5%
45-54	~82.3%	~82.3%
55-64	~65.9%	~65.9%
65+	~19.4%	~19.4%

# Be Geographically Specific: Population Growth 2019 to 2023

Source:  
US Census Bureau

Population Growth 2019 – 2023, Percent Change

ITR ECONOMICS





## The Positive Implications of Younger Workforces

Source: US Census Bureau

Available Workforce Nebraska  
Percent of Total Population

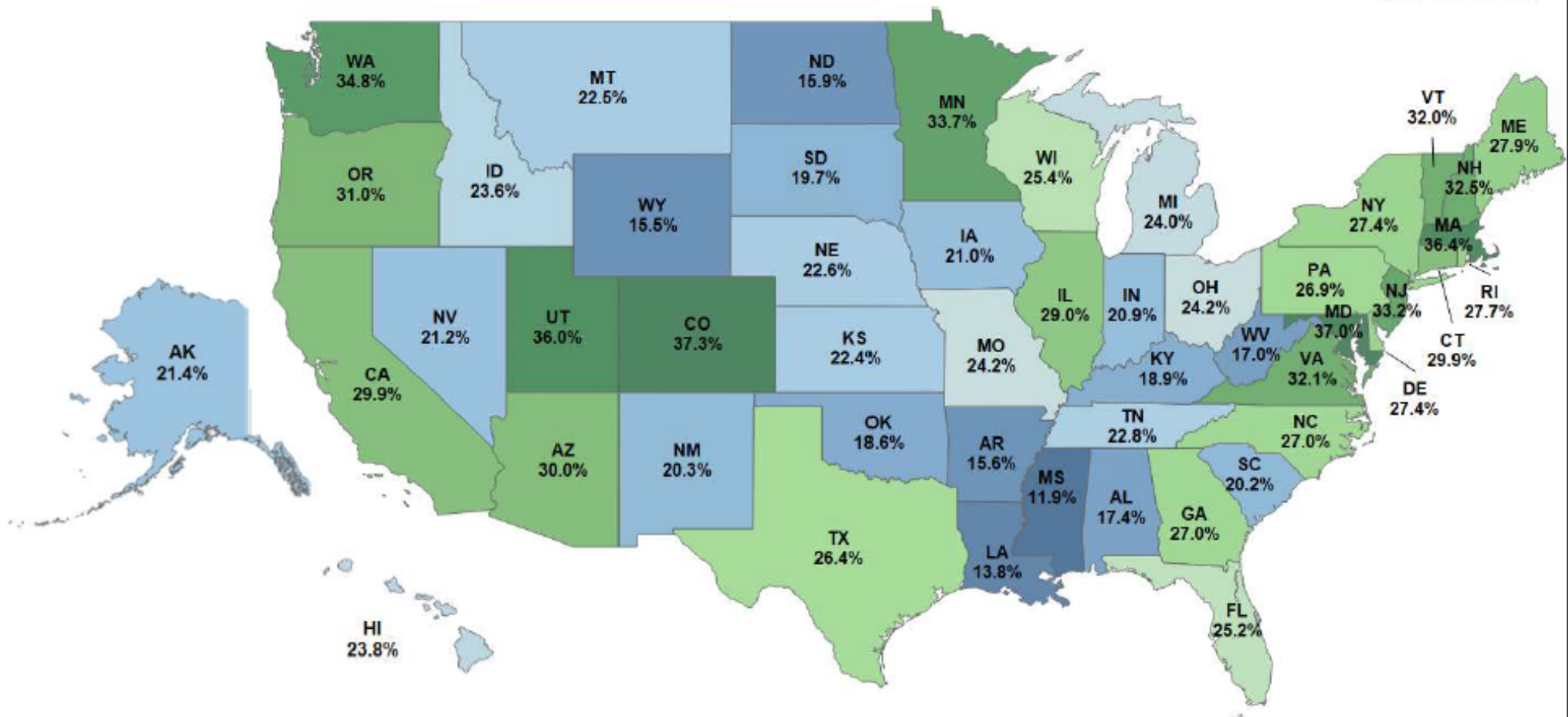


	Gen Z	Millennials	Gen X	Boomers
US	20.6%	21.7%	19.7%	20.6%
Nebraska	22.6%	20.8%	18.5%	19.8%
Iowa	21.8%	20.0%	18.8%	21.0%
South Dakota	21.8%	20.5%	17.9%	21.3%

# US Remote Workers by State

Source: US Census Bureau

Percent of Workers Per State Who Worked Remotely At Least 1 Day In the Past 7 Days



## Digital Nomads Phenomenon

**Since COVID,  
60 Countries  
Now Offer  
Specific Visas  
For Remote  
Workers**



## Digital Nomads Phenomenon

**The Regional Government of Extremadura, Spain is offering \$ Grants to Move To Rural Areas**

**“This phenomenon is going to change the spatial distribution of Talent”**

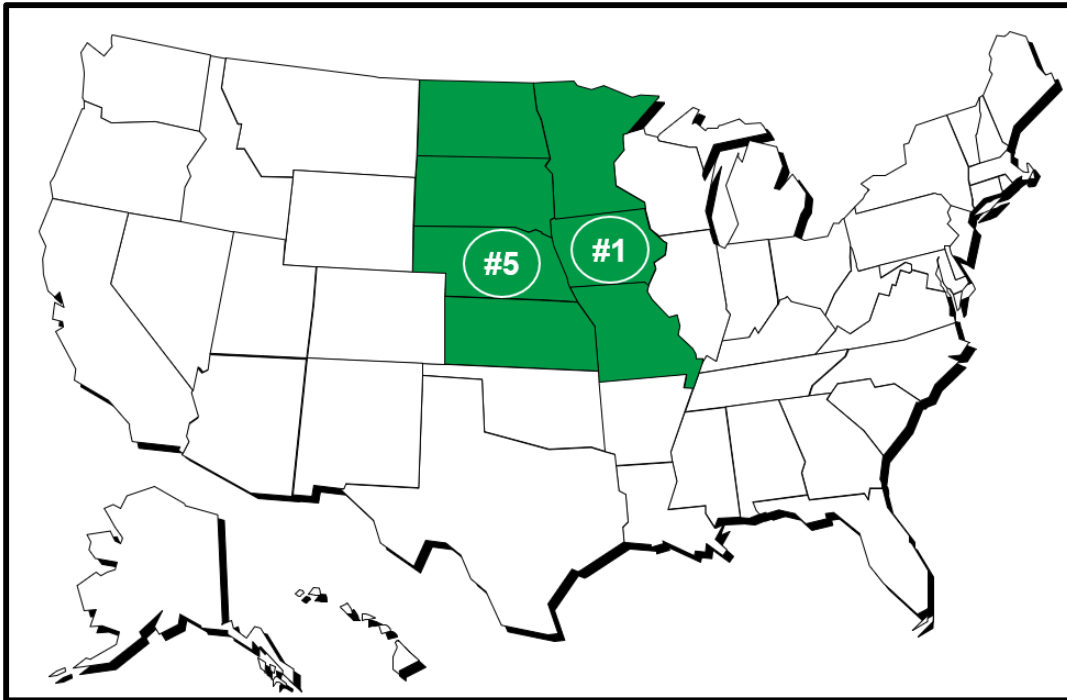
## Workforce Shortage

**Midwest  
Survey of  
Manufacturing  
Supply –  
Chain  
Managers**

**“Labor Force  
participation  
Rates Are Low,  
As Baby  
Boomers Are  
Retiring Without  
Replacements.”**

# SITE SELECTION MAGAZINE

## “2024 Regional Workforce Development Rankings”



Nebraska = #5  
Iowa = #1

West North Central	2024	2023
Iowa	1	1
Kansas	2	2
Minnesota	3	4
South Dakota	4	5
Nebraska	5	7
Missouri	6	6
North Dakota	7	3

States are ranked based on their rank in the following:

1. CNBC's Top States for Business: Workforce & Education Sub-Ranking.
2. U.S. News' Best States for Education Rankings
3. ACT National Career Readiness Certificates.
4. Workforce Preparation & Development Program Expenditures.
5. Education & Workforce Development Connections Report from the Education Commission of the U.S.



# NEBRASKA INCOME TAX

## Employees Working Remotely for a Nebraska Company

(LB 1023) (Operative for 2025 and later)

### Current Law: Convenience of the Employer Rule

- Taxable in Nebraska:
  - Income earned by a nonresident individual.
  - Works for Nebraska company.
  - Whose service, except for the individual's convenience, could have been performed in Nebraska.

## Employees Working Remotely for a Nebraska Company

(LB 1023) (Operative for 2025 and later)

### Changes to Convenience of the Employer Rule

- Compensation paid to a nonresident is Nebraska sourced income if two conditions are met:
  1. Nonresident performs services in Nebraska for more than seven days during the taxable year;

## Employees Working Remotely for a Nebraska Company

(LB 1023) (Operative for 2025 and later)

### Changes to Convenience of the Employer Rule

2. Nonresident is paid compensation for performing services outside Nebraska for the nonresident's convenience
  - Directly related to a business carried on within Nebraska
  - Except for the nonresident's convenience, the services could have been performed within Nebraska.

# NEBRASKA INCOME TAX

## Employees Working Remotely for a Nebraska Company

(LB 1023) (Operative for 2025 and later)

### Changes to Convenience of the Employer Rule

- If rule applies, only the compensation paid for services performed within Nebraska constitutes Nebraska sourced income of the nonresident.

# NEBRASKA INCOME TAX

## Employees Working Remotely for a Nebraska Company

(LB 1023) (Operative for 2025 and later)

### Changes to Convenience of the Employer Rule

- Compensation paid to a nonresident individual shall not constitute Nebraska source income if:
  - In Nebraska to attend a conference or training;
  - Individual is present in Nebraska for 7 or fewer employment duty days in the taxable year;
  - Individual performed employment duties in more than one state during the taxable year; and
  - Total compensation while in Nebraska does not exceed five thousand dollars in the taxable year.

## Employees Working Remotely for a Nebraska Company

(LB 1023) (Operative for 2025 and later)

### Nonresident Board of Directors

- A nonresident is not subject to Nebraska income tax on
- Compensation that is paid to a member of the board of directors or similar governing body of a business
- If compensation relates to board or governing body activities taking place in this state.



## Employees Working Remotely for a Nebraska Company

(LB 1023) (Operative for 2025 and later)

### Insights

- LB 1023 was intended to ease the burden on companies with remote employees (and those employees).
- LB 1023 did not change the “Base of Operations” rule which is still present in Nebraska law.

## Employees Working Remotely for a Nebraska Company

(LB 1023) (Operative for 2025 and later)

### “Base of Operations” Rule

- Income earned by a nonresident individual is Nebraska source income if:
  - Some of the individual’s service is performed in Nebraska;
  - Base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in Nebraska.

# TODAY'S AGENDA

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# TODAY'S AGENDA



## Political Impact



## 2023 Migration Trends As Tracked By:



- Largest Net Gain of Trucks:
  1. Texas
  2. Florida
  3. North Carolina
  4. South Carolina
  5. Tennessee
  6. Idaho
  7. Washington
  8. Arizona
  9. Colorado
  10. Virginia

Shows Where People Are Moving To

## 2023 Migration Trends As Tracked By:



- Largest Net Loss of Trucks:

- |                  |                |
|------------------|----------------|
| 1. California    | 6. Louisiana   |
| 2. Massachusetts | 7. Maryland    |
| 3. Illinois      | 8. New York    |
| 4. New Jersey    | 9. Connecticut |
| 5. Michigan      | 10. Oklahoma   |

Shows Where People Are Moving From

## **Broadband Expansion?**

**“Onerous  
Strings  
Attached”**

- **\$1.2 Trillion  
Infrastructure  
Investment and Jobs  
Act**
- **\$42 Billion to Fund  
Broadband Expansion**
- **As of 1024 days after  
Enactment, the  
Program had failed to  
connect one person**



**Trump Vows  
200% Tariff on  
John Deere If  
It Moves  
Manufacturing  
To Mexico**

- **Followed A John Deere Announcement to move a lot of manufacturing to Mexico**

## POLITICAL IMPACT

# Some Major 2024 Company Moves (Due To Politics, Taxes & Regulation)

Chevron: HQ From California to Texas  
(150 years in California)

X and Space X: HQ From California to Texas

Morton Salt: HQ From Illinois to Kansas

## Capital Gain Tax Impact

**Amazon Founder  
Jeff Bezos**

---

**2024 Move**

- **Saved \$1 Billion in 7% Capital Gains Taxes (enacted in 2022)**
- **By Moving From Washington to Florida**

# POLITICAL IMPACT

**Utah – 2024  
Governor's  
Explanation For  
Utah's Repeat As  
The #1 State In  
U.S. News &  
World Report's  
Best States  
Ranking**

**“I think that the  
conservative policies  
that we've  
championed have  
made us not just the  
best economy in the  
country, but also,  
we're No. 2 in  
education.”**

Fox News 5-14-2024

## Britain – Texas Trade Deal

- **Britain and Texas Agreed to a Trade Deal.**
- **Texas = 2<sup>nd</sup> Largest U.S. Economy**  
**Texas = 8<sup>th</sup> Largest World Economy.**
- **Biden Administration had refused to sign a national post-Brexit trade deal.**

## **SALT Deduction**

**State  
And  
Local  
Tax (SALT)  
Deduction**

**At a rally in New  
York, President  
Trump pledged to  
restore the SALT  
deduction**

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# TODAY'S AGENDA



## National Events



## Chief Executive Magazine

**“The New  
Productivity  
Boom Is Here:  
Is Your  
Company  
Ready?  
Are You?”**

### **4 Areas of Focus**

- Better Technology
- Better Management
- Better Infrastructure
- Better Talent

# TOP 20 NORTH AMERICAN DEALS

**Tesla**  
Santa Catarina,  
**Mexico**

\$5 billion, 5,000 jobs

**Northvolt**  
Saint-Basile-le-Grand,  
**Quebec**

\$5 billion, 3,000 jobs

**Scout Motors**  
Blythewood,  
**South Carolina**

\$2 billion, 4,000 jobs

**Amkor Technology**  
Peoria,  
**Arizona**

\$2 billion, 2,000 jobs

**Texas Instruments**  
Lehi,  
**Utah**

\$11 billion, 800 jobs

**Toyota Battery Mfg., Inc.**  
Liberty,  
**North Carolina**

\$8 billion, 3,000 jobs

**Tesla**  
Sparks,  
**Nevada**

\$3.6 billion, 3,000 jobs

**Gotion High-Tech Co., Ltd**  
Manteno,  
**Illinois**

\$2 billion, 2,600 jobs

**Samsung SDI Co., Ltd./Stellantis**  
Kokomo,  
**Indiana**

\$3.2 billion, 1,400 jobs

**Maxeon Solar Technologies**  
Albuquerque,  
**New Mexico**

\$1 billion, 1,800 jobs

**Hyundai Motor Group/LG Energy Solutions**  
Savannah,  
**Georgia**

\$6.3 billion, 3,400 jobs

**Ford Motor Co./Contemporary Amperex Technology**  
Battle Creek,  
**Michigan**

\$3.5 billion, 2,500 jobs

**GM/Samsung SDI**  
New Carlisle,  
**Indiana**

\$3 billion, 1,700 jobs

**Integra Technologies**  
Wichita,  
**Kansas**

\$1.8 billion, 2,000 jobs

**Waaree Energies Ltd.**  
Brookshire,  
**Texas**

\$1 billion, 1,500 jobs

**Volkswagen**  
St. Thomas,  
**Ontario**

\$5.1 billion, 3,000 jobs

**Fidelis New Energy**  
Mason County,  
**West Virginia**

\$2 billion, 800 jobs

**FG LA LLC (Formosa Plastics Group)**  
St. James Parish,  
**Louisiana**

\$9.4 billion, 1,700 jobs

**EMP Shield Inc.**  
Burlington,  
**Kansas**

\$1.9 billion, 1,200 jobs

**Eli Lilly and Company**  
Lebanon,  
**Indiana**

\$3.7 billion, 700 jobs

Source: Site Selection Magazine, May 2024

# NATIONAL EVENTS

**Wallet Hub**

---

**Nebraska = 34**  
**Iowa = 35**

---

**The 10  
“Most Fun”  
States In  
America**

- |               |               |
|---------------|---------------|
| 1. Florida    | 6. Illinois   |
| 2. California | 7. Texas      |
| 3. Nevada     | 8. Washington |
| 4. New York   | 9. Minnesota  |
| 5. Colorado   | 10. Louisiana |

**Based - Entertainment/Recreation**  
**on: - Nightlife**

**28 Metrics. 100 – Point Scale**

## SITE SELECTION

### America's Best Counties By Points Per Capita: The Top 20 (Jan. 2023 – March 2024, Min. 10,000 Pop.)

<u>RANK</u>	<u>JURISDICTION</u>	<u>NO. OF POINTS</u>	<u>POPULATION</u>
1	Saint James, Louisiana	2,368	19,200
2	<u>Washington,</u> <u>Nebraska</u>	2,356	21,200
3	Waller, Texas	2,342	61,900
4	Carroll, Kentucky	2,327	10,900

Source: Conway Projects Database/Site Selection (March 2024)

## Progress In Arkansas

**Arkansas**  
**Gov. Sarah**  
**Huckabee**  
**Sanders**

**Cut \$384M Personal  
Income Tax (Rate  
now 3.9%)**

**Cut \$100M Corporate  
Income Tax (Rate  
now 4.3%)**

# SITE SELECTION

## Where & Why

### The Logistics Giants Are Expanding

#### Top 10 States For Logistics Facility Projects

Jan. 2019 – July 2024

STATE	PROJECTS
Texas	2,062
Illinois	1,267
Ohio	666
California	602
Georgia	557
Florida	396
Pennsylvania	337
North Carolina	313
Virginia	291
South Carolina	244

#### Examples

- UPS
- DHL
- Amazon
- Ryder

Source: Site Selection Magazine (September 2024)



## **Chiefs Kingdom Efforts to lure KC Chiefs/Royals New Stadiums**

- **Missouri Voters refused to continue a local sales tax to finance stadium upkeep.**
- **Kansas authorized State Bonds to help finance new stadiums & practice facilities.**

## “Move-To States”

### **Move-To-States are ranking better in 3 Drivers:**

- **Lower Income Taxes**
- **Housing Costs**
- **Healthcare Costs**

- **Massachusetts losing \$1 Billion /year due to move-outs due to higher taxes.**
- **Move-To-States include**
  - **Florida**
  - **New Hampshire**
  - **Maine**
  - **N. Carolina**
  - **Texas**

## National Moves

### Oracle HQ

**From California to Texas (2020) to Tennessee (2024)**

- The New HQ “will not look anything like a corporate campus, but instead it will be a park with buildings on it.”

### CEO Larry Ellison:

- “Nashville is a fabulous place to live.”
- Nashville is “the center of the industry we’re most concerned about, which is the healthcare industry.”

## CHIPS Act

**Chip – Making  
Giant TSMC  
Receives \$6  
Billion for  
Arizona Project**

- **Part of the drive to regrow the U.S. semiconductor industry**
- **TSMC will invest \$65 Billion in total**

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# TODAY'S AGENDA



## International Events



# INTERNATIONAL EVENTS

## Global Best To Invest 2024

### Top 10 Countries

1. **United States**
2. **United Kingdom**
3. **Germany**
4. **Canada**
5. **Ireland**
6. **Australia**
7. **Sweden**
8. **France**
9. **South Korea**
10. **Denmark**

### Top 10 Countries Per Capita

1. **Ireland**
- T2. **United States**
- T2. **Canada**
4. **Sweden**
5. **United Kingdom**
6. **Australia**
7. **Denmark**
8. **Germany**
9. **Finland**
10. **Luxembourg**

Source: Site Selection Magazine, May 2024



# INTERNATIONAL EVENTS

**In Britain, A  
Record 633,000  
Businesses On  
The Brink Of  
Collapse ... As  
the Government**

**... Gets Set To  
Impose the “Largest  
Tax Hike In History”  
... Record Number  
of Millionaires Flee  
to Dubai**

## Tariffs

**President  
Trump Using  
Tariffs As A  
Competitive  
Catalyst ...**

- **Face Steep Tariffs To Sell to American Markets ...**
- **Best Option is to Move Production to United States**

**Brazil's  
Socialist  
President Calls  
For Global  
Taxation  
Standards  
(speech to U.N.  
General  
Assembly)**

**Because “The  
super-rich pay  
proportionally much  
less than the  
working class.”**

# TODAY'S AGENDA

62<sup>nd</sup> Annual Great Plains  
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**STATE TAX, INCENTIVES  
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UPDATE AND IMPACT**

## Business Climate

- ☐ Business Climate Report Card
- ☐ Fiscal Report Card
- ☐ Expansion Decision Process
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- ☐ Incentives Update
- ☐ Workforce Development
- ☐ Political Impact
- ☐ National Events
- ☐ International Events

## Tax Changes

- ☒ **Nebraska Tax Report Card**
- ☐ Nebraska Income Tax Update
- ☐ Nebraska Sales Tax Update
- ☐ Nebraska Property Tax Update
- ☐ Iowa Tax Update
- ☐ National Tax Update

## Resolution

- ☐ New Cases
- ☐ Audits & Appeals

## What Next

- ☐ A Look Ahead to 2025
- ☐ Closing Thoughts

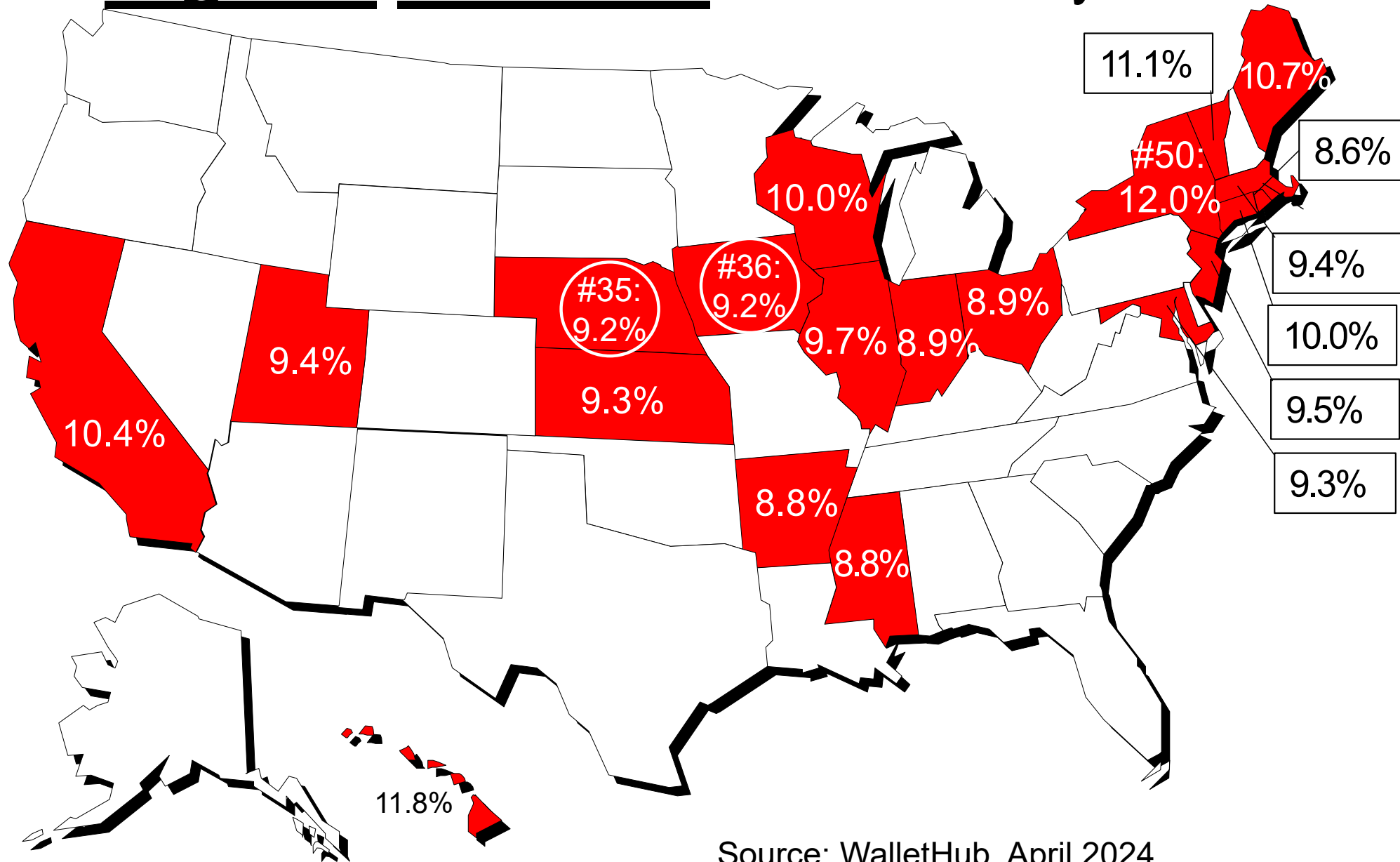
# TODAY'S AGENDA



## Nebraska Tax Report Card



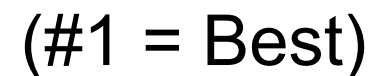
# Highest Personal Tax Burden by State



Source: WalletHub, April 2024

(#1 = Best)

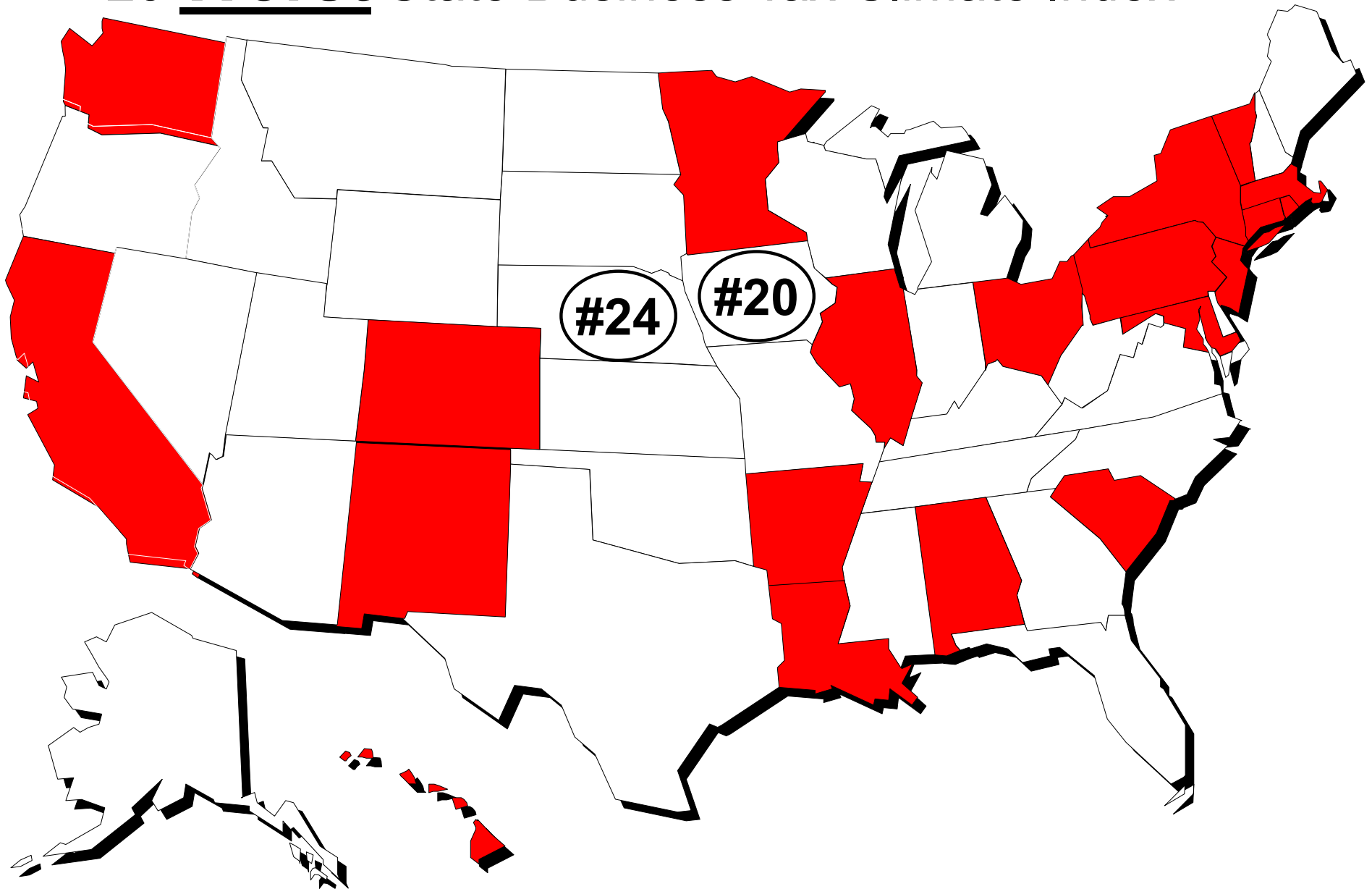
## 20 Best State Business Tax Climate Index





## TAX FOUNDATION

## 20 Worst State Business Tax Climate Index



Source: Tax Foundation, October 31, 2024

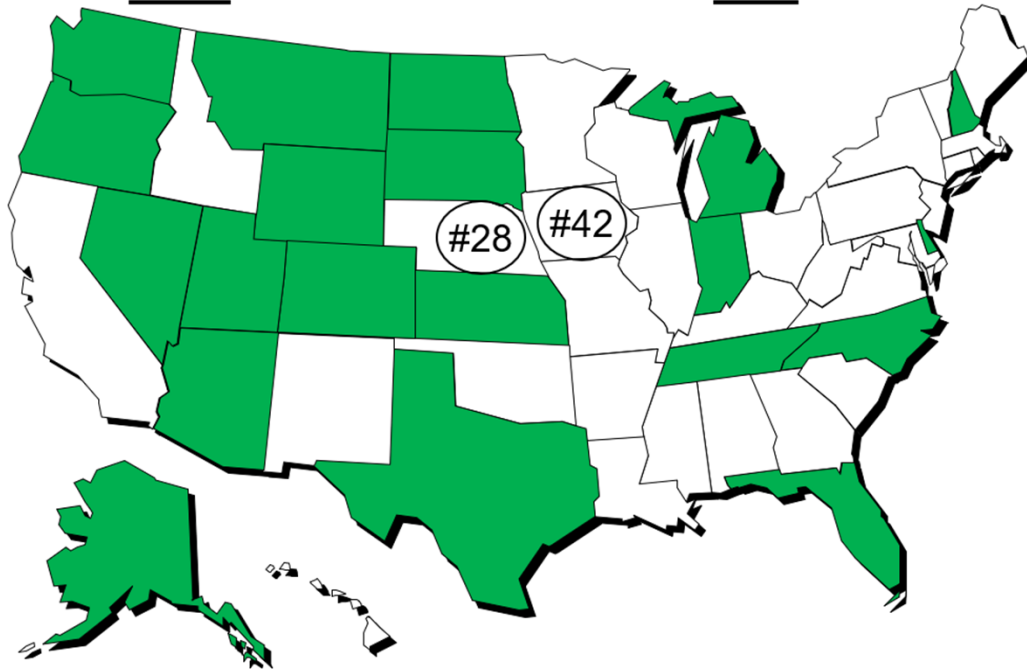
(#1 = Best)

# Tax Foundation Comparison

## - The Trend -

2019

20 Best States For Business Tax Climate



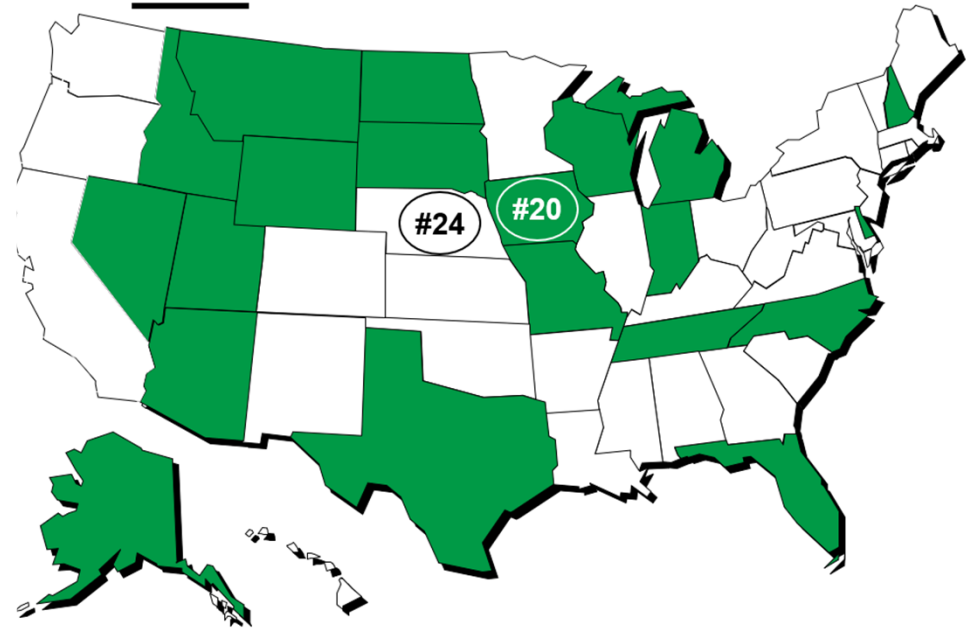
Nebraska = #28  
Iowa = #42

Source: Tax Foundation (Oct. 22, 2019)

(#1 = Best)

2024

20 Best State Business Tax Climate Index



Nebraska = #24  
Iowa = #20

Source: Tax Foundation (October 31, 2024)

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# TODAY'S AGENDA



## Nebraska Income Tax Update



## Immediate Deduction for New Business Assets

(LB 1023) (Operative for tax years beginning in 2026)

- Beginning in 2026, Nebraska tax deduction (in excess of federal) for the cost of business assets that are:
  - Qualified property or qualified improvement property as defined under section 168 of the IRC.
  - Deduction is limited to 60% of the full cost of such expenditures in the tax year in which the property is placed in service.
  - Remaining 40% will be depreciated over 5 year term.



## Deduction of Research and Development Expenses

(LB 1023) (Operative for tax years beginning in 2026)

- Beginning in 2026, taxpayers may elect to treat research or experimental expenditures as deductible expenses.
  - Allowed only to the extent that such expenditures have not already been deducted for federal tax.
- If not fully deducted in the taxable year in which the expenditures are paid or incurred, the taxpayer could elect to amortize the expenditures over a five-year term.

## Repeal of the Opportunity Scholarships Act

(LB 1402) (Operative July 10, 2024)

- In 2023, we discussed the Opportunity Scholarships Act.
  - Allowed a 100% tax credit for contributions used to provide scholarships for eligible students to attend private elementary and secondary schools.
- In 2024, the Legislature repealed the Act.
- Any unused credit on the 2024 return may be carried forward for an additional five years.



## Revised Exclusion for Federal Employees

(LB 1317) (Operative July 19, 2024)

- In 2023, Sen. Linehan wanted to exempt retirement income for federal employees who started before 1984.
  - Were thus ineligible to participate in Social Security.
  - Instead, had income from Civil Service Retirement System
  - Same result as Nebraska's Social Security deduction

## Revised Exclusion for Federal Employees

(LB 1317) (Operative July 19, 2024)

- Instead, the Legislature exempted all retirement income for federal employees.
  - Including Federal Employees Retirement System
- Legislature corrected this
- Beginning in 2024, Nebraska will tax income received from Federal Employees Retirement System
  - Match original intent

## Reverse Osmosis System Tax Credit Act

(LB 937) (Operative July 19, 2024)

- Beginning in 2024, one-time refundable income tax credit for the installation of a reverse osmosis system at a primary residence of a taxpayer.
- The credit equals 50% of the cost incurred by the taxpayer for installing the reverse osmosis system during the tax year, up to a maximum credit of \$1,000.

## Reverse Osmosis System Tax Credit Act

(LB 937) (Operative July 19, 2024)

- Must document certain contaminants in drinking water
- Submit application to DOR
  - \$500,000 total credits until 2027
  - \$1 million total credits thereafter

## Caregiver Tax Credit Act

(LB 937) (Operative beginning in 2025)

- Nonrefundable tax credit for family caregivers who provide care and support to an eligible family member
- For tax years beginning in 2025

## Caregiver Tax Credit Act

(LB 937) (Operative beginning in 2025)

- Eligible family members are a dependent, spouse, parent, or other relation by blood or marriage of the family caregiver
- Who live in a private residence and require assistance with at least two activities of daily living as certified by a licensed health care provider.

## Caregiver Tax Credit Act

(LB 937) (Operative beginning in 2025)

- Family caregivers are individuals who provide care and support to an eligible family member; and
- Personally incur uncompensated expenses directly related to caring for an eligible family member.
- In addition, family caregivers must have federal AGI of less than \$100,000 for married, filing jointly returns or \$50,000 for all other returns.



# NEBRASKA INCOME TAX

## Caregiver Tax Credit Act

(LB 937) (Operative beginning in 2025)

- Nonrefundable tax credit for eligible expenses of fifty percent (50%) of those expenses.
- Maximum credit amount: \$2,000
  - \$3,000 if family member is veteran or is diagnosed with dementia.
- The credit is capped at \$1.5 million annually.
  - Requires an application with DOR.

## Nebraska National Guard Income Exclusion

(LB 1394) (Operative for 2025 and later)

- Members of the Nebraska National Guard may exclude 100% of the National Guard income received, if serving in:
  - Active duty status attending drills, annual training, and military schools;
  - Active guard reserve;
  - Active duty for operational support duty status; or
  - State active duty.

## Changes to Interest and Penalties for an Employer's Failure to Withhold

(LB 1023) (Operative for 2025 and later)

- No penalty or interest will apply to an employer for failing to deduct and withhold income taxes for employees if the employer meets one of two conditions.

## Changes to Interest and Penalties for an Employer's Failure to Withhold

(LB 1023) (Operative for 2025 and later)

### Condition #1

- Employer maintains a time and attendance system
- Specifically designed to allocate employee wages for income tax purposes among all taxing jurisdictions in which an employee works
- Employer did not withhold Nebraska income taxes in reliance on data from that system

## Changes to Interest and Penalties for an Employer's Failure to Withhold

(LB 1023) (Operative for 2025 and later)

### Condition #2

- Employer does not maintain a time and attendance system and the employer relied on:
  1. Its own records of the employee's locations, as maintained in the regular course of business;
  2. The employee's reasonable determination of the time the employee expects to work in Nebraska,

## Changes to Interest and Penalties for an Employer's Failure to Withhold

(LB 1023) (Operative for 2025 and later)

### Condition #2

- Employer does not maintain a time and attendance system and the employer relied on:
  3. Travel records;
  4. Travel expense reimbursement records; or
  5. A written statement from the individual of the number of days spent performing services in Nebraska during the taxable year.

## Gain or Loss on the Sale or Exchange of Bullion

(LB 1317) (Operative for 2025 and later)

- Individuals, corporations, and fiduciaries must add back any net capital loss from the sale or exchange of gold or silver bullion to the extent included in federal adjusted gross income.
- This does not apply to a taxable distribution of a gain or loss on the sale of bullion from a retirement plan account.



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## Nebraska Sales Tax Update



# NEBRASKA SALES TAX

## Governor's Proposed Shift To Sales Taxes To Reduce Property Taxes

• Manufacturing Equipment (2%)	• Agricultural Equipment (2%)	• Energy Used in Agriculture (2%)
• Legal Services	• Real Estate Agents	• Engineers
• Pet Services	• Advertising Agency Fees	• Architects
• Accounting Services	• Telecommunications Access	• Repair of Real Property
• Plumbing, Heating, A/C	• Hair Care	• Lottery
• Storage and Moving	• Investment Advice	• Motor Vehicle Repair
• Marketing	• Internet Service Providers	• Taxi and Transportation
• Travel Agencies	• Real Estate Appraisers	• Interior Design
• Roofing Contractors	• Tattoo and Body Modifications	• Parking Lots / Garages
• Nail Care	• Information Services	• Dry Cleaning
• Instruction (e.g. Golf, Music)	• Weight Loss Services	• Other Personal Services
• Dating Services	• Lobbying and Consulting	• Entry Fees for Youth Sports

Did Not Pass 2024 Legislature

(Partial List)

# NEBRASKA SALES TAX

## **Exemption for Diapers**

(LB 937) (Operative July 1, 2027)

- A new sales and use tax exemption is created on the sale, storage, use, or other consumption of diapers.

# NEBRASKA SALES TAX

## Purchases by Nonprofits

(LB 937) (Operative October 1, 2024)

- Exemption will be granted to any nonprofit organization
- For purchases of property that will be transferred to a sales tax exempt nonprofit, if the nonprofit:
  - (1) acquires property that will be transferred, or
  - (2) enters into a contract of construction, improvement, or repair upon property annexed to real estate if that property will be transferred.

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# TODAY'S AGENDA



## Nebraska Property Tax Update





# NEBRASKA PROPERTY TAX

## Additional Exempt Property

(LB 1317) (Operative July 19, 2024)

- Three new property tax exemptions are created, each of which must be applied for by December 31 to apply for the following year:
  1. **Nursing Facilities**: Partial property tax exemption for property owned by for-profit facilities that provide housing for Medicaid beneficiaries
    - Based on the facility's average percentage of Medicaid-beneficiary occupied beds over the most recent 3-year period

# NEBRASKA PROPERTY TAX

## **Additional Exempt Property**

(LB 1317) (Operative July 19, 2024)

**2. Student Housing:** Partial property tax exemption for common areas of buildings that are

- a) Owned by a charitable organization
- b) Made available to students attending an educational institution, and
- c) Recognized as approved student housing by the educational institution.

Common areas include common rooms and facilities for cooking and eating.

## Additional Exempt Property

(LB 1317) (Operative July 19, 2024)

### 3. **Broadband Equipment**: : Broadband equipment is exempted if it is:

- a) Deployed in an area funded in whole or part by the Broadband Equity, Access, and Deployment program; or
- b) Deployed in a qualified census tract located within corporate city limits of a city of the metropolitan class being used to provide end-users with at least one hundred megabits per second for both downloading and uploading.

## Property Held by Nonprofit for Development

(LB 1317) (Operative July 19, 2024)

- Applies to certain nonprofits who receive property tax exemptions on property in high poverty areas
  - Community development corporation, community development organization or economic development corporation
- Must submit a development plan for the property to the DED within 90 days
- May not sell property for more than 150% of market value

## Definition of Agricultural Land

(LB 1317) (Operative July 19, 2024)

- Definition of agriculture and horticultural land is amended
- Specifically exclude land used for commercial purposes that are not agricultural or horticultural purposes
- Example: Land used for a solar or wind farm.

## **Nonprofit Child Care Facility**

(LB 874) (Operative July 19, 2024)

- Added property tax exemption for nonprofit organization that owns or operates a child care facility.

# NEBRASKA PROPERTY TAX

## Property Tax Growth Limitation Act

(Special Session LB 34) (Operative August 21, 2024)

- For fiscal years starting on or after July 1, 2025
- Limitation on how much cities, villages, and counties can increase their property tax request
- Equal to property taxes levied in the prior year
  - Decreased by any limitation exceptions utilized for approved bonds and declared emergencies in the prior year
  - Increased by population growth percentages and the greater of zero or the inflation percentage.



# NEBRASKA PROPERTY TAX

## Property Tax Growth Limitation Act

(Special Session LB 34) (Operative August 21, 2024)

- Exceptions Which Allow for Increased Taxation
  - Approved bonds
  - Declared emergencies in the prior year
  - Services related to threats to public safety
  - Public safety services
  - County attorneys and public defenders.
  - Political subdivision's unused property tax request authority
  - Increases in property tax request authority which are approved by voters.

## School District Property Tax Relief Act

(Special Session LB 34) (Operative August 21, 2024)

- Creates the School District Property Tax Relief Credit Fund.
- Relief granted for each fiscal year is as follows:
  - Fiscal year 2024-25: \$750 million
  - Fiscal year 2025-26: \$780 million
  - Fiscal year 2026-27: \$808 million
  - Fiscal year 2027-28: \$838 million
  - Fiscal year 2028-29: \$870 million
  - Fiscal year 2029-30: \$902 million
  - Later Years: Prior year relief + 3%.

## School District Property Tax Relief Act

(Special Session LB 34) (Operative August 21, 2024)

- The relief will be in the form of property tax credits which appear on property tax statements.
- Property tax credits granted will be credited against the amount of property taxes owed to a school district or multiple-district school system
- Excluding property taxes levied by a school district for bonds or as a result of a property tax levy override approved by voters.

# NEBRASKA PROPERTY TAX

## School District Property Tax Relief Act

(Special Session LB 34) (Operative August 21, 2024)

- The Act sunsets the school district property tax credit, taken on Nebraska income tax returns, after income tax year 2023.
  - Not the Community College Tax Credit
  - So there will still be an income tax credit against taxes paid to Community Colleges

# NEBRASKA PROPERTY TAX

## School District Property Tax Relief Act

(Special Session LB 34) (Operative August 21, 2024)

- No Income Tax Credit or Property Tax Relief for Property Taxes Paid in 2024
  - Based on 2023 Values
- Legislative Thought:
  - Receive income tax credit for property taxes paid in 2023 during 2024
    - Taxes assessed on January 1, 2022 values
  - Receive property tax credit for 2024 taxes during 2025
- Taxpayers will receive a deduction in both 2024 and 2025
  - Also – State did not have an additional \$750 million

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## Iowa Tax Update



## Income Tax Rate Reductions

(SF 2442) (Effective 7/1/24)

- Accelerated income tax rate reductions
- Prior law: Flat income tax rate of 3.9% for 2026 and later years
- Change: Flat income tax rate of 3.8% for 2025 and later years



## Income Tax Rate Reductions

(SF 2442) (Effective 7/1/24)

- Decreases the future alternate income tax rate from 4.4% to 4.3%
- Provides that any required rate of withholding should not be higher than the tax rate in effect for the applicable tax year.

## Constitutional Amendments (Resolutions)

- The Legislature also took the first steps toward amending Iowa's Constitution related to income tax.
- Two resolutions passed both chambers
- Requiring a two thirds majority approval for future legislators to raise individual income taxes
- Requiring Iowa use a flat tax rate system.

## Constitutional Amendments (Resolutions)

- The Legislature must adopt the same language during the next legislative session
- For the proposed amendments to be considered by the public for ratification.

# IOWA SALES TAX

## Exemption for County or District Fairs

(HF 681) (Effective to 7/1/24)

- Exempts from sales and use tax any sale of tangible personal property, digital product, or service
- To or by a county or district fair.

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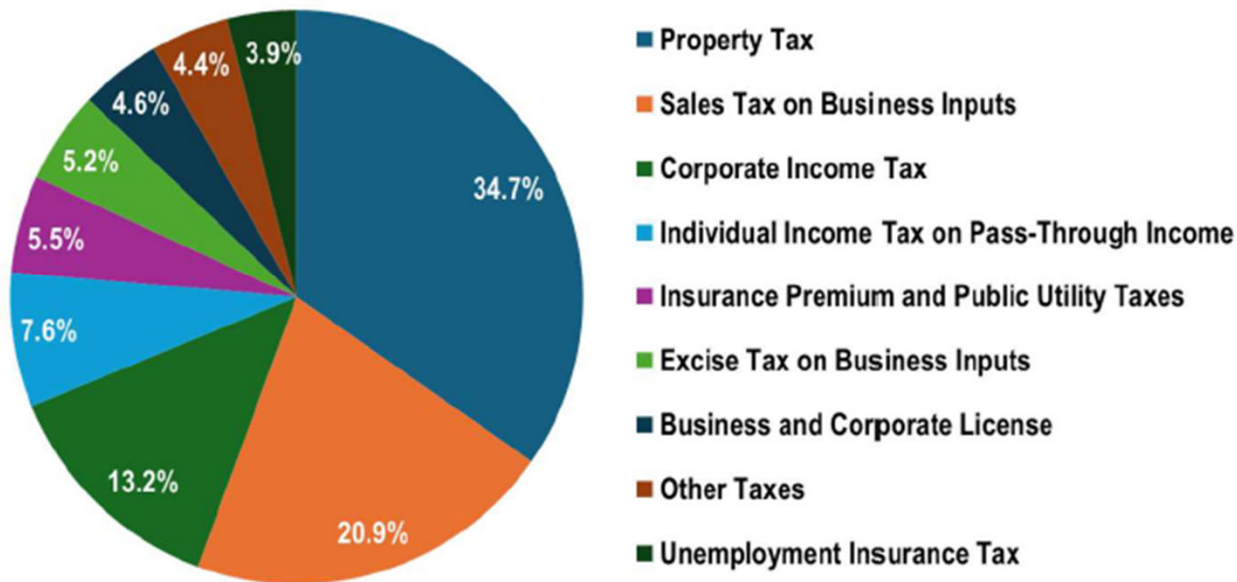


## National Tax Update



# STATE AND LOCAL BUSINESS TAX BURDEN STUDY

## How Much Do Businesses Pay?



- Businesses paid more than \$1.07 Trillion in U.S. state and local taxes, an increase of 13.7% from the prior year
- Business tax revenue accounted for 44.6% of all state and local tax revenue.

Source: State Tax Research Institute and the Council On State Taxation (December 22, 2023)

# U.S. CONSTITUTIONAL CHALLENGE TO IRC 965 INCOME

## Moore v. United States

U.S. Supreme Court (Cert. Granted 06/26/2023)

### Issue

- Does the one-time IRC 965 tax violate the 16<sup>th</sup> amendment because it is a “direct tax” that has not been apportioned among the states?

### Facts

- Moores owned an 11% investment in a corporation that supplied modern tools to farmers in India. This was a quasi charitable undertaking.
- The corporation had retained earnings, but distributed no profits to its owners.
- Under IRC 965, the Moores were taxed on the corporation’s retained earnings.



# U.S. CONSTITUTIONAL CHALLENGE TO IRC 965 INCOME

## **Moore v. United States**

**U.S. Supreme Court (Cert. Granted 06/26/2023)**

### **Arguments**

- The Moores argued that Sec. 965 is not a tax on income because it fails the realization requirement
- In addition, the Moores argued that Sec. 965 was unconstitutional because the tax was not apportioned among states in accordance with their population.

### **Decision: June 20, 2024**

- Sec. 965, which attributes the realized and undistributed income of an American-controlled foreign corporation to the entity's American shareholders and then taxes the American shareholders on their portions of that income, does not exceed Congress's constitutional authority.

# COST Study: Best and Worst of State Tax Administration



## **COST Study: Best and Worst of State Tax Administration**

(December 2023)

### **Nebraska Grade: D**

#### **Negatives:**

- No independent tax dispute forum
- Only 60 days to report federal changes to State
- Department includes GILTI in the tax base without clear legislative authority
- State imposes personal income tax liability on nonresident travelling employees on their first day in Nebraska
  - May be impacted by 2024 Legislative Changes

## **COST Study: Best and Worst of State Tax Administration**

(December 2023)

### **Iowa Grade: C+**

#### **Negatives:**

- No independent tax dispute forum
- May need to report certain federal corporate tax changes before exhaustion of all appeals
- State imposes personal income tax liability on nonresident travelling employees on their first day in Iowa

# SALES TAX ON DIGITAL ITEMS

## Digital Advertising and Data Services

- Proposals by several states from 2020 to 2024 would have established new regimes imposing taxes on “Big Tech.”
- Three categories of tax proposals:
  1. Digital advertising services: Tax on apportioned gross revenue from digital advertising services
    - California, Connecticut, Louisiana, Maryland, Massachusetts, Montana, Nebraska, New York, Tennessee, Texas, Washington, West Virginia
  2. Social media advertising: Tax imposed on social media companies’ gross revenue advertising services or number of users
    - Arkansas, Connecticut, Indiana, Maryland
  3. “Data mining” services: Tax on companies selling personal information or data, akin to a severance tax
    - District of Columbia, Illinois, Massachusetts, New York, Oregon, Tennessee, Washington, West Virginia

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## New Cases



# NEBRASKA INCOME TAX

## **Precision Castparts Corp.**

## **v. Dep't of Revenue**

**Neb. District Court**

### **Background**

- NDR issued GIL 24-19-1 on September 13, 2019
  - Modified GIL 24-18-1 issued on December 21, 2018
- NDR ruled that foreign earnings that are deemed repatriated under IRC 965 are not eligible for the Nebraska income tax deduction for dividends received from foreign corporations



# NEBRASKA INCOME TAX

## **Precision Castparts Corp.**

## **v. Dep't of Revenue**

**Neb. District Court**

## **PCC's Position**

- Nebraska's dividends-received deduction is available for both dividends and "deemed dividends" (As Part of Subpart F)
- 965 Income inclusions are "deemed dividends"
- Therefore, 965 Income is eligible for Nebraska's dividends-received deduction

# NEBRASKA INCOME TAX

**Precision Castparts Corp.**

**v. Dep't of Revenue**

**Neb. District Court**

**Tax Commissioner Ruling**

- PCC filed as request for Declaratory Order
- Tax Commissioner denied request, claiming that 965 Income Inclusions did not qualify as “dividends” or “deemed dividends”

# NEBRASKA INCOME TAX

**Precision Castparts Corp.**

**v. Dep't of Revenue**

**Neb. District Court**

**Appeal to District Court**

- PCC filed appeal to Lancaster County District Court
- Lancaster County District Court agreed with Tax Commissioner, finding that 965 Income Inclusions did not qualify as “dividends” or “deemed dividends”

# NEBRASKA INCOME TAX

## Precision Castparts Corp.

## v. Dep't of Revenue

Neb. Supreme Court

## Appeal to Neb. Supreme Court

- Nebraska Sup. Ct. issued decision on August 30, 2024
- Court's Decision:
  - IRC 965 attributes earnings realized by CFCs to the shareholders without regard to whether they are distributed to shareholders
  - Such pass-through treatment does not operate by deeming a distribution to have been received by the shareholder
  - Therefore, IRC 965 income is not qualified to be included as "dividends ... deemed to be received."
- **Result:** IRC 965 income is included in Nebraska taxable income.

# NEBRASKA INCOME TAX

## Welch v. Dep't of Revenue

Douglas County District Court (Filed 11/03/2023)

### Facts

- Taxpayer overpaid his 2019 tax liability, but did not file Nebraska tax return until August 21, 2023
  - Did timely extend return due date to October 15, 2020
- On return, claimed a refund of tax overpayment
- NDR denied claim for refund, claiming it exceeded three year statute of limitations for filing claims

# NEBRASKA INCOME TAX

## **Welch v. Dep't of Revenue**

**Douglas County District Court (Filed 11/03/2023)**

### **Decision**

- District Court agreed with Department of Revenue that refund claim must have been filed by April 15, 2023
  - Extension of time to file return does not also extend due date for refund claim to October 15, 2023
- Decision not appealed

# NEBRASKA INCOME TAX

## **Tasset v. Dep't of Revenue**

**Lancaster County District Court (Filed 7/03/2024)**

### **Facts**

- Similar to Welch
- Taxpayer overpaid her 2019 tax liability, but did not file Nebraska tax return until July 17, 2023
  - Did not file extension
  - Due to COVID, due date for 2019 federal returns was July 15, 2020
- On return, claimed a refund of tax overpayment
- NDR denied claim for refund, claiming it exceeded three year statute of limitations for filing claims

# NEBRASKA INCOME TAX

## **Tasset v. Dep't of Revenue**

**Lancaster County District Court (Filed 7/03/2024)**

### **Decision**

- District Court agreed with Department of Revenue that refund claim must have been filed by April 15, 2023
- Nebraska law: Refund claim must be filed “within three years after the due date of the return”
- Federal extension did not change the “due date” for the return to be filed
- Decision not appealed



# NEBRASKA INCOME TAX

## **Salkin v. Dep't of Revenue**

**Douglas County District Court (Filed 2/01/2024)**

### **Facts**

- Taxpayer, without counsel, filed a Petition for Review at District Court
- Did not serve Petition on Attorney General within 30 days as required under Sec. 84-917

### **Decision**

- Case dismissed for failure to properly serve Petition

# NEBRASKA SALES TAX

## **Crow v. Dep't of Revenue**

**Nebraska Supreme Court (Decided 03/15/24)**

### **Background**

- In 2007, Company was assessed Nebraska use tax on purchases of items used in its business
- In 2011, Company went out of business
- In 2021, DOR issued Demand for Payment to Mr. Crow as a responsible officer of the Company
  - Claimed Mr. Crow willfully failed to pay taxes

# NEBRASKA SALES TAX

## **Crow v. Dep't of Revenue**

**Nebraska Supreme Court (Decided 03/15/24)**

### **DOR Arguments**

- Between 2007-2011, Mr. Crow knew about the DOR's Assessment
- While it was under protest, he still paid other creditors but not the DOR
- This resulted in DOR's claim that he willfully failed to pay Nebraska taxes

# NEBRASKA SALES TAX

## **Crow v. Dep't of Revenue**

**Nebraska Supreme Court (Decided 03/15/24)**

### **District Court Decision**

- Knowledge of tax assessment was sufficient to create corporate officer liability
- This is true even where the Corporation's liability was protested and protest was not resolved
- Court noted that NDR's deficiency determination had a "presumption of correctness"

### **Case Appealed**

- Decision was appealed to Neb. Supreme Court

# NEBRASKA SALES TAX

## **Crow v. Dep't of Revenue**

**Nebraska Supreme Court (Decided 03/15/24)**

## **Supreme Court Decision**

- Upheld District Court findings
- No equitable relief based on timeframe that case was on file at Department of Revenue
  - No defense of laches available against government seeking to collect taxes

# TODAY'S AGENDA

62<sup>nd</sup> Annual Great Plains  
Federal Tax Institute  
December 5, 2024

**STATE TAX, INCENTIVES  
AND ECONOMIC  
DEVELOPMENT  
UPDATE AND IMPACT**

## Business Climate

- ☐ Business Climate Report Card
- ☐ Fiscal Report Card
- ☐ Expansion Decision Process
- ☐ New Projects
- ☐ Incentives Update
- ☐ Workforce Development
- ☐ Political Impact
- ☐ National Events
- ☐ International Events

## Tax Changes

- ☐ Nebraska Tax Report Card
- ☐ Nebraska Income Tax Update
- ☐ Nebraska Sales Tax Update
- ☐ Nebraska Property Tax Update
- ☐ Iowa Tax Update
- ☐ National Tax Update

## Resolution

- ☐ New Cases
- ☒ **Audits & Appeals**

## What Next

- ☐ A Look Ahead to 2025
- ☐ Closing Thoughts

# TODAY'S AGENDA

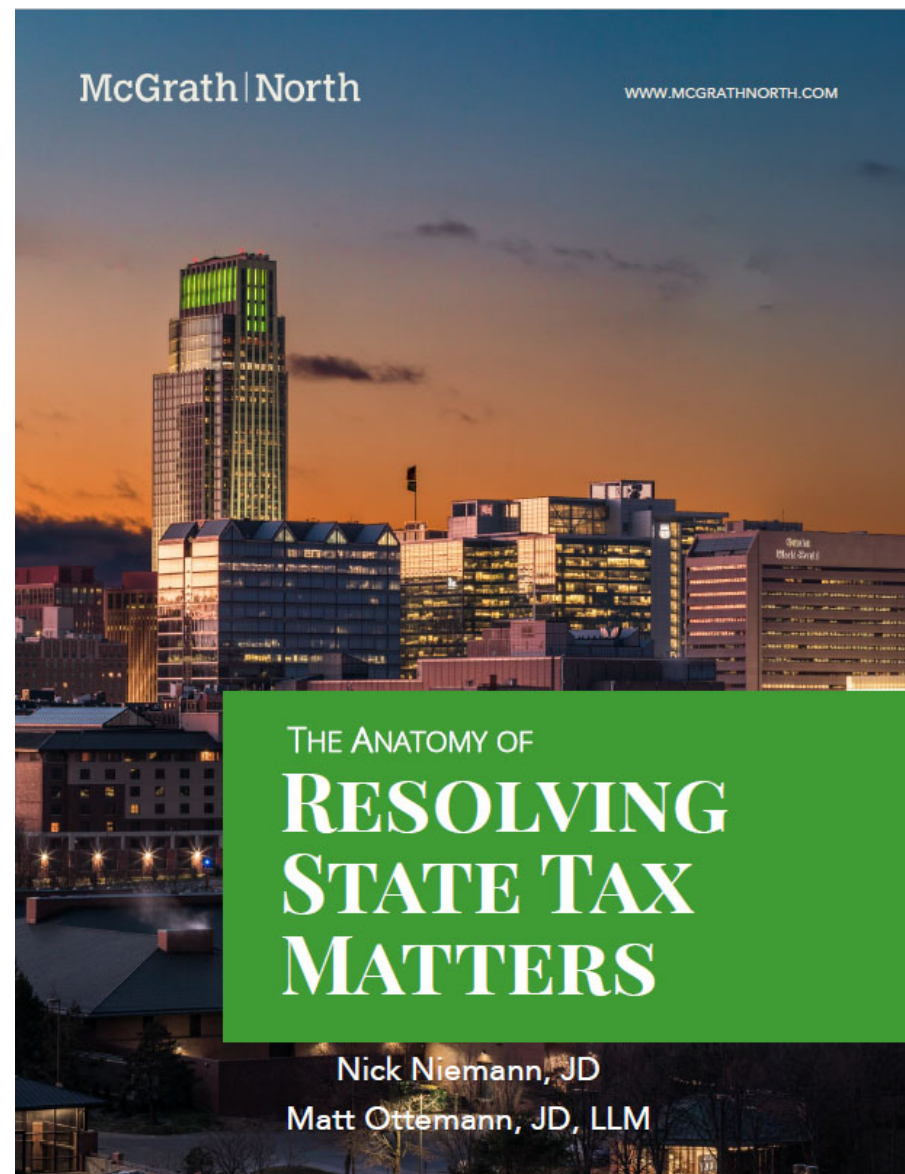
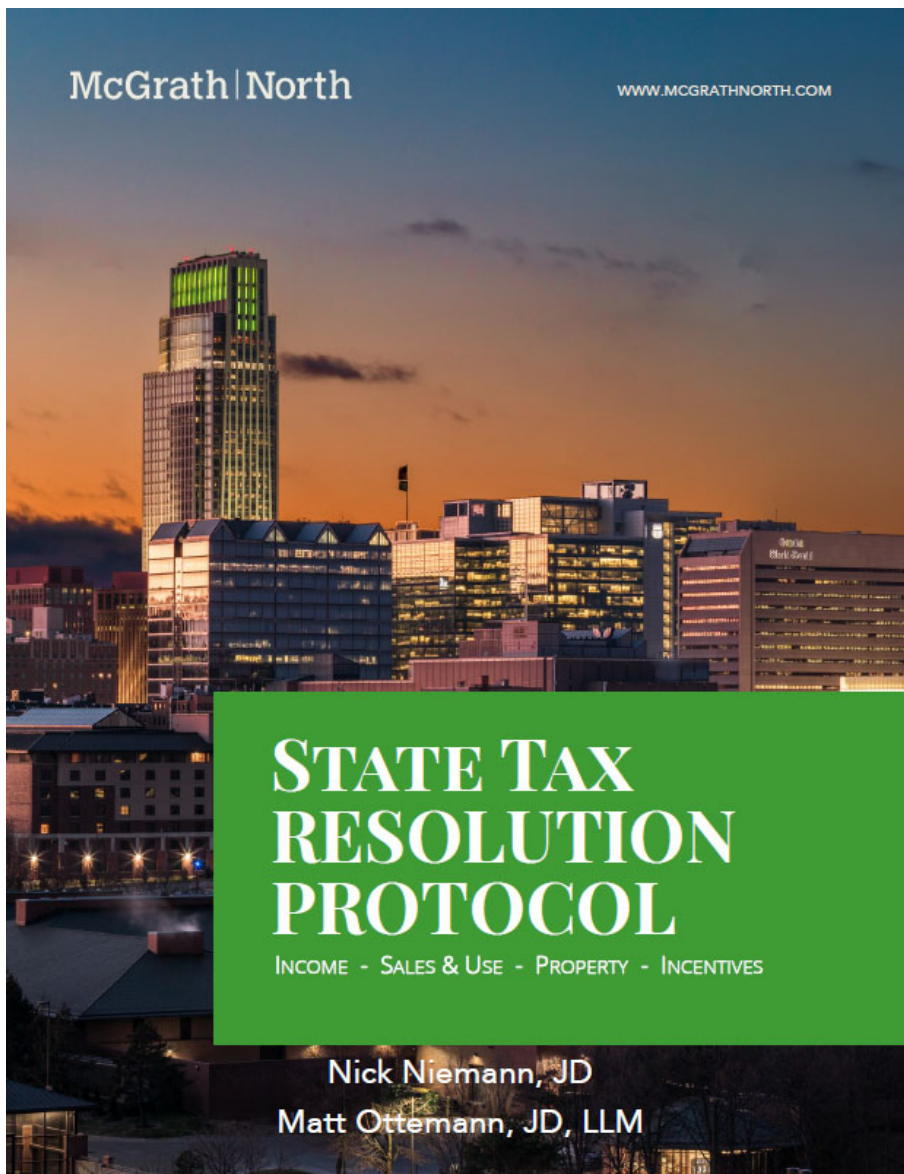


## Audits & Appeals





# This Section Is Based On





# TAX REFUND CLAIMS & AUDIT & APPEAL BEST PRACTICES

## Before

(the Claim or Audit)

- Planning to Avoid Issue
- Know When to Keep the Statute Open
- Determine the Team Needed
  - Inside Tax Professional
  - Outside CPA
  - Outside State & Local Tax Counsel
- Know When to Engage
- Think 6 Steps Ahead
- Preserve Evidence
- Protect Privileges & Work Product

## During

(the Claim or Audit)

- Professional & Cooperative
- Know the Issues Ahead of Time
- Know How the Facts & Evidence Impact the Legal Outcome
- Protect Privileges & Work Product

## After

(the Claim or Audit:  
the Appeal)

- Protest or Claim = Initial Legal Pleading
- Pay or Not
  - Income vs. Sales Tax
- Request Formal Hearing
- Rules of Evidence or Not
- Work to Resolve with Informal Conferences
- Plan to Avoid Issue Repeats

**“Begin With The End In Mind”**

# SAMPLE OF NEBRASKA TAX ISSUES WE ARE SEEING

## Personal Income Tax

- Residency
- Capital Gain Exclusion
- Deferred Compensation After Moving From NE
- Taxability of Remote Employee Income

## Property Tax

- Valuation of Centrally Assessed Companies
- Classification of Real v. Personal
- Property Equalization
- Property Valuations

## Sales Tax

- Sourcing
- Combined Goods & Services Transactions (*Enterprise Decision*)
- Taxability of Cloud Computing Services
- Security Services
- Custom Software Development
- Data Centers
- Exemption Eligibility
- Tangible Personal Property v. Real Property
- Service vs. TPP

## Corporate Income Tax

- Sec. 965 / GILTI Income
- Allocable v. Apportionable Income
- Inclusion of Subsidiaries in Unitary Tax Return
- Remote Employee Withholding
- Apportionment Factor Issues
- Affiliated Group Issues
- Special Apportionment Requests
- Corporate Reorganizations
- Market State Apportionment

# SAMPLE OF NEBRASKA TAX ISSUES WE ARE SEEING

## Incentives

### Application Issues and Project Design

- Which Program
- Project Entities
- Qualified Business
- Project Activities Description
- Commitment
- Employees
- Coordinate with State & Local "Entitlements"
- E-Verify

### Multiple Locations

- Locations
- Multiple Sites

### Contract With State

- Legal Contract

### Claiming Benefits

- Filing Claims

### Qualified Property

- Eligible Property
- Relevant Dates
- Software as Eligible Asset

### Real Property Construction

- Contract Terms

### Incentive Optimizing

- Compliance
- Equipment

### Statutory Limits

- Prohibited Actions

### Resolving Issues

- Project Issues

### Business Sale

- Project Transfer

## Procedure

- Late or Missed "Notices of Deficiency"
- Assessment v. Refund Claim
- Declaratory Order v. Specific Case
- Challenge to Regulation
- Challenge to Guidance Document
- Pre-Transaction Rulings
- Guidance Rulings
- Discovery
- Evidence
- NDR Failure to Properly Mail
- "Balance Due Notice" = Notice of Deficiency?
- Settlement Strategy

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# TODAY'S AGENDA



## A Look Ahead to 2025



# **Nebraska Governor's Working Groups (Fall 2023)**

- **Worked to develop solutions to Nebraska Workforce shortages and Property Taxes.**
- **Proposals made to 2024 Legislature.**
- **Summer 2024 Special Session.**
- **Some Results, as discussed above.**
- **Expect 2025 Legislative Proposals<sup>3</sup>**

# **Potential EPIC Option**

## **EPIC**

- **Eliminate Property, Income and Corporate Taxes**

## **Two Constitutional Amendments by Referendum**

- Numerous Economic, Fiscal and legal problems
- See our Article in next Nebraska CPA Magazine
- Failed to make the 2024 Ballot
- Possible further 2025 Legislative considerations

**Upcoming:** Look for Continuing Collaboration Throughout 2025:

- Nebraska Chamber of Commerce & Industry
- Greater Omaha Chamber of Commerce
- Lincoln Chamber of Commerce
- Other Nebraska local Chambers
- Nebraska Economic Developers Association





# **ROAD TO PROPERTY TAX REFORM SYMPOSIUM**

## **An Educational Series**

**Part 1 – October 10<sup>th</sup>, 2024:**

**LINK ---**

<https://www.nechamber.com/educational-opportunities.html>

**Tax 101** – Nick Niemann, McGrath North

**Deep Dive into Property Taxes** – Jay Rempe, Rolling Prairie Economics

**Getting it Right: How good tax policy can unleash Nebraska's economy** – Jared Walczak, Tax Foundation



# **ROAD TO PROPERTY TAX REFORM SYMPOSIUM**

## **An Educational Series**

**Part 2 – October 23<sup>rd</sup>, 2024:**

**Public Education** – Chad Meisgeier

**Local Government** – Lynn Rex, Melissa Harrell & Stephen Curtiss

**County Government** – Jon Cannon, Candace Meredith, Troy Uhler

**Nebraska Natural Resources District** – Dean Edson



# **ROAD TO PROPERTY TAX REFORM SYMPOSIUM**

## **An Educational Series**

**Part 3 – November 19<sup>th</sup>, 2024:**

**Nebraska By The Numbers: Current Demographic and Economic Data Important In Considering Policy Impacts –**  
Josie Schafer, UNO

**Constructing & Modeling The Impact of Tax Reform: A Look Back and A Look Forward –**  
Jim Greisch, Chair Blueprint Nebraska Taxation & Incentives Industry Council  
Bryan Slone, NE Chamber

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**Closing Thoughts**



# **CLOSING THOUGHTS**

# THE “LIFE OF A BUSINESS” PERSPECTIVE

## - STATE TAXES & INCENTIVES -

### 1. Starting / Redesigning Your Business

- Entity Selection
- Business Model

### 2. Hiring Employees

- Withholding
- Classification
- E-Verify For Incentives

### 3. Buying / Leasing Assets

- Asset Classification For Property Tax
- Purchase Design For Sales Tax

### 4. Purchasing Services

- Bundled Transactions
- Contract Terms

### 5. Marketing and Selling Products / Services

- Tax Collection
- Taxable Product/Service
- Nexus

### 6. Additional Capital / Partners

- Tax Benefits For Investment
- Incentive Eligibility

### 7. Business Expansion Project

- Site Selection
- Incentives
- Tax Increment Financing

### 8. Growing Your Business

- Physical / Economic Nexus
- Apportionment

### 9. Acquiring Additional Businesses

- Tax On Purchased Assets
- Exposure For Tax Liabilities

### 10. Technology & E-Commerce

- Software Development
- Affiliate / Economic Nexus
- Cloud Computing

### 11. Resolving Tax Disputes

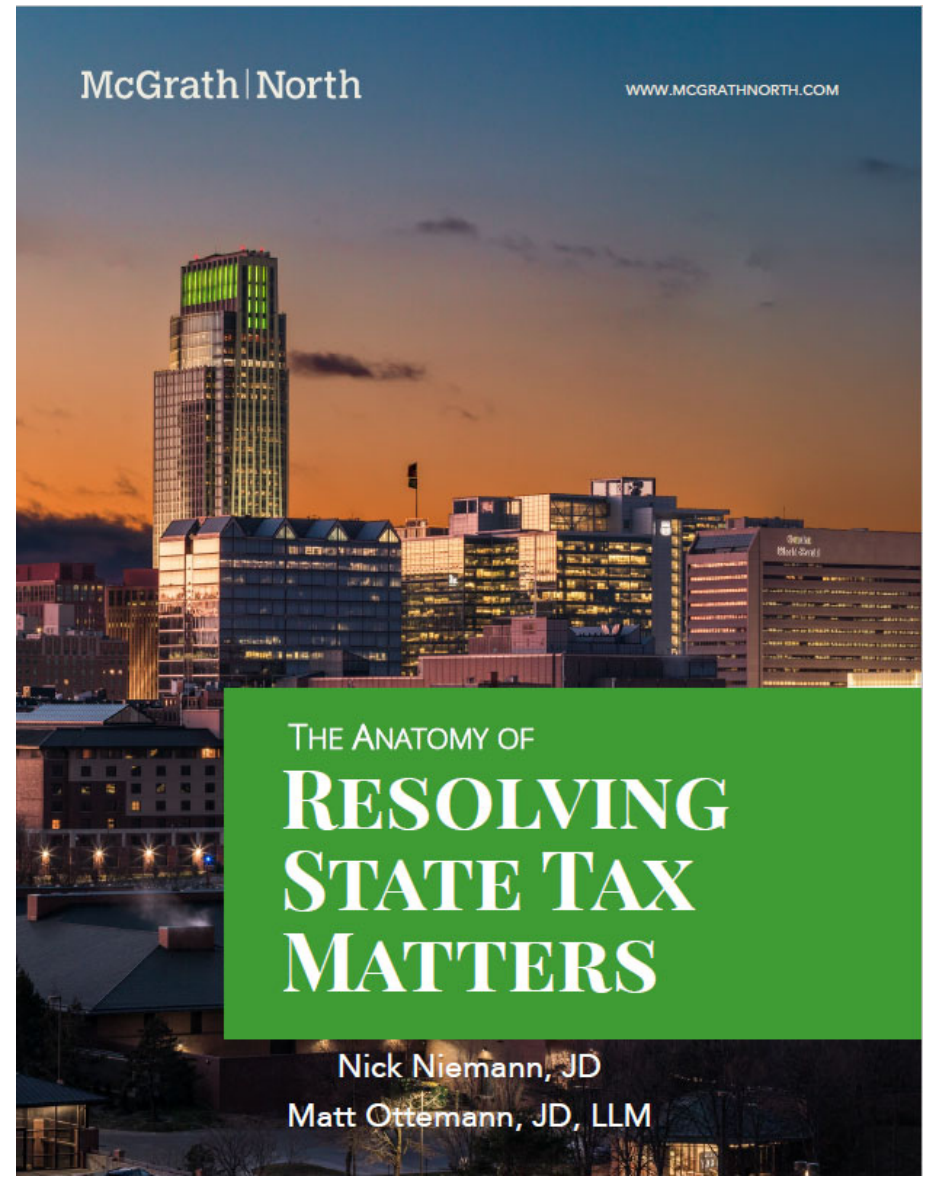
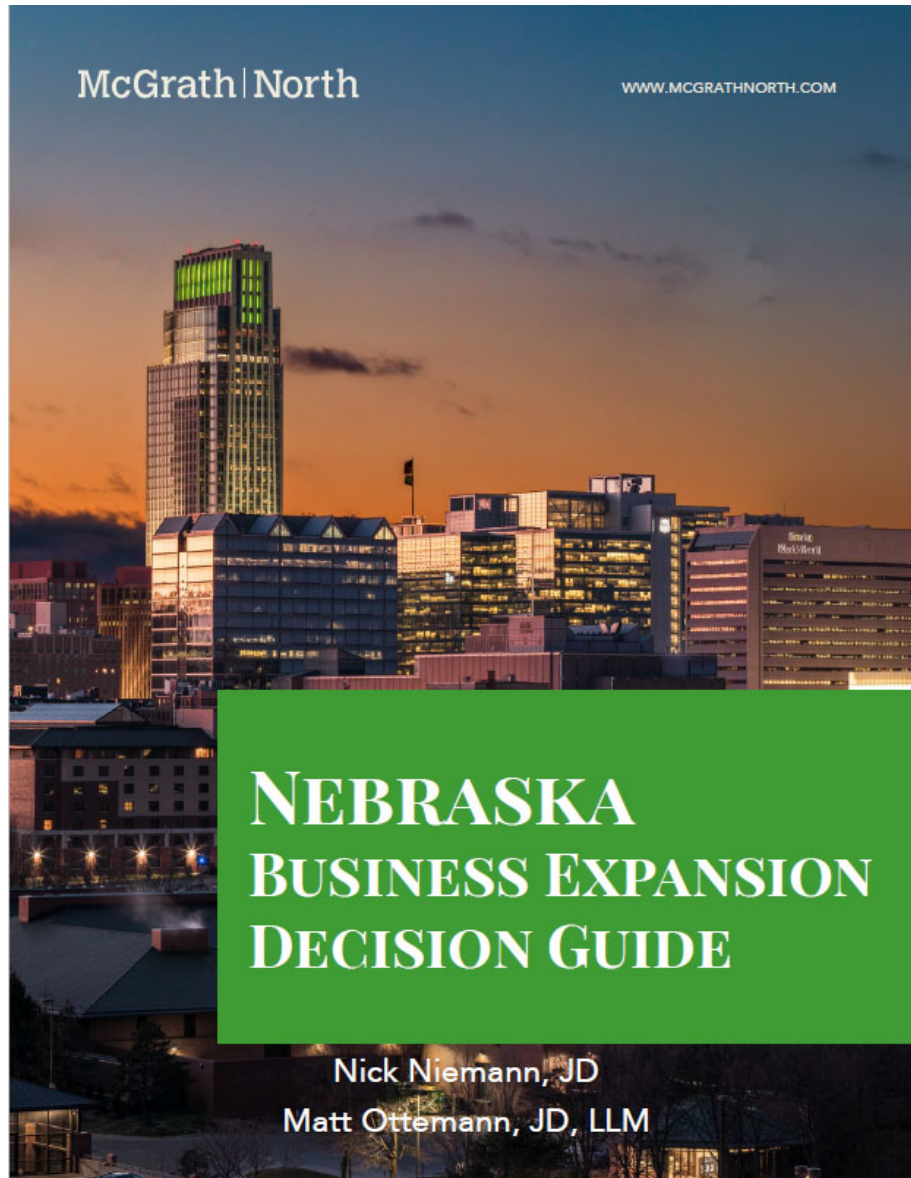
- Procedural Requirements
- Refund Claims
- CPA / State Tax Attorney

### 12. Selling Your Company

- Capital Gains Exclusion
- Tax Exposure Relief



# MORE INFORMATION IN THESE 2 BRIEFINGS



Email me for hardcopy. Or, to Download, Go To:  
[www.NebraskaIncentives.com](http://www.NebraskaIncentives.com) [www.NebraskaStateTax.com](http://www.NebraskaStateTax.com)



# Thank You!



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# Nick Niemann

- Partner - McGrath North Law Firm
- Member
  - American Bar Association – Section of Taxation
  - State and Local Taxes Committee
  - Nebraska Bar Association – Taxation Section
  - American Institute & Nebraska Society of CPA's
  - Council On State Taxation (COST) - Practitioner
- Creighton
  - College of Business 1978 (Summa Cum Laude)
  - School of Law 1981 (Magna Cum Laude)
  - Adjunct Faculty – State Tax
- Best Lawyers In America (Tax Law and Litigation & Controversy – Tax)
- “Lawyer of the Year” – Best Lawyers (Omaha) – Litigation & Controversy - Tax
- “Lawyer of the Year” – Best Lawyers (Omaha) - Tax
- Chambers USA – America’s Leading Lawyers for Business (Nebraska, Tax-Band 1)
- Martindale Peer Review Rating – AV Preeminent (5.0 out of 5)
- Principal designer and drafter of most of Nebraska’s main economic development tax incentive programs (e.g., 1987’s LB775 and 2005’s LB312, Nebraska Advantage Programs, Capital Gain Exclusion, Single Factor Apportionment, and Manufacturer Sales Tax Exemption). Co-designer and co-drafter of 2020 Imagine Nebraska Act.
- Nick works with company tax department personnel and their outside CPA firms and/or legal counsel, to address site selection, state tax planning opportunities, tax incentives, tax audits and appeals, and refund claims and appeals.
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[www.NebraskaIncentives.com](http://www.NebraskaIncentives.com)



# Matt Ottemann

- 
- A professional headshot of Dr. Robert M. Mendenhall, Jr. He is a middle-aged man with thinning brown hair, smiling slightly. He is wearing a dark suit jacket, a white shirt, and a blue patterned tie. The background is a blurred architectural structure with white and grey elements.

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# State Tax, Incentives And Economic Development Update And Impact

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## **Disclaimer**

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