

Your Flash player is outdated. In order to properly display this content, Flash Player 8 or greater is required.  
[Please click here to update your player now.](#)

SEARCH...

Why Nebraska?

Incentives & Financing

- Incentives Overview
- Financing
- **ADVANTAGE INCENTIVES**
- Agricultural Innovation Advantage (LB 90)
- Customized Job Training
- Micro-Enterprise Development Fund
- Incentives Applications

Business Assistance

Starting a Business

Existing Business

Expanding or Relocating

International

Sites & Buildings

Workforce

Library

Events Calendar

Affiliated Programs

Research & Databook

Field Staff Regions

Staff

Keep up-to-date with all of our latest developments by following us on Twitter, Facebook or with our RSS Feed of all the latest Press Releases.



Home > Incentives & Financing > Advantage Incentives

## Nebraska Advantage Act Incentives

PDF PRINT EMAIL

### Nebraska adds another incentive tier – Super Tier 6 – to the Nebraska Advantage Package.



The Nebraska Advantage Act, LB 312, and the



**Super Advantage Tier 6** LB 895, are economic development incentives that make Nebraska more competitive for business expansions or locations, and strengthen Nebraska's economy. The **Nebraska Advantage Package**, which replaces legislation that was passed nearly 20 years ago, is more comprehensive to meet the needs of your expanding or relocating business.

The **Nebraska Advantage Act** contains 6 tiers of benefits:

**Tier 1 – Nebraska Small Business Advantage – \$ 1 million of new investment and 10 new jobs –** Qualifying businesses under this tier are eligible for a refund of ½ of the sales tax paid for qualified capital purchases at the project, the full sliding scale wage credit of 3,4,5 or 6% depending on wage level, and a 3% investment tax credit.

**Tier 2 - \$3 million of new investment and 30 new jobs –** This tier qualifies for refund of all sales taxes for capital purchases at the project, the sliding scale wage credit and a 10% investment credit. Personal property tax exemption for computer systems for internet web portals or data centers.

**Tier 3 – Jobs only tier –** For the creation of 30 new jobs, the company receives the sliding scale wage credit. No capital investment is required.

**Tier 4 - \$10 million in investment and 100 new jobs –** In addition to the sales tax refund, jobs credit, and the investment credit, qualifying businesses under this tier receive a personal property tax exemption on turbine-powered aircraft, personal computer systems, agricultural product processing machinery and personal property used in a distribution facility for up to 10 years.

**Tier 5 – Investment only tier –** Requires \$30 million in new investment and no new jobs. Companies receive a refund of all sales taxes paid on capital purchases with the project. Personal property tax exemption for computer systems for internet web portals or data centers.

**NEW Super Tier 6 – \$10 million in investment and 75 new jobs OR \$100 million in investment and 50 new jobs –** Any business activity other than retail qualifies. Refund of all sales tax on projects capital purchases, 10% job credit on new employee "compensation"—wage thresholds per new position are the greater of 200% of the county average wage OR 150% of the Neb. average wage, 15% investment credit, and personal property tax exemption for all personal property at the project for up to 10 years.

#### INSERT INCENTIVES CALCULATOR

**Tiers 1-6 Tax Incentives Excel Calculator**

Click Here

*WAIVER of LIABILITY: Officials representing the Nebraska Department of Economic Development have prepared the enclosed estimates to determine the amount of any benefits that might become available for this project under the Nebraska Advantage tax incentive program. Be advised that these represent projected benefits. The Nebraska Department of Revenue will make a final determination of any tax incentives complimenting this project. The Nebraska Department of Economic Development and its representatives waive any financial responsibility for the accuracy of these numbers should they be relied upon by anyone outside this State agency.*

[Current Sales Tax Rates from NE Department of Revenue](#)

For computing Personal Property Tax Exemption amounts in Tier 4, you can use the individual County

and Local Subdivision tax rates found [here](#)

## **Other components incorporated into the Nebraska Advantage package include:**

---

### **Research and Development Advantage**

Offers a refundable tax credit for qualified research and development activities undertaken by a business entity. The credit is equal to 15% of the federal credit allowed under Section 41 of the Internal Revenue Code of 1986.

### **Microenterprise Tax Credit Advantage**

Provides a 20 percent refundable investment tax credit to micro businesses on new investment in targeted communities. Applicants may qualify for a maximum \$10,000 throughout the life of the program. The credit is geared to companies with five or fewer employees, including start-ups. Credits are approved through an application process with the Nebraska Department of Revenue and evaluated on expected local economic impact. The credits are earned on new expenditures for wages, buildings, and non-vehicle depreciable personal property.

### **Rural Development Advantage**

Amends the Employment Expansion and Investment Incentive Act, formerly LB 608 passed in 2003, to provide qualified businesses with refundable tax incentives for projects that create 2 new jobs and invest \$125,000 in counties with less than 15,000 residents. Tele-workers count as new employees. In addition, the \$250,000-investment and 5-job thresholds remain in place for counties with populations 15,000-25,000.

### **State and local sales tax exemptions of manufacturing machinery, equipment, and related services**

Manufacturing machinery and equipment is defined to include: equipment for transporting raw materials or components, molds and dies for forming cast or injected products or its packaging materials, machinery to maintain the integrity of the product or environmental conditions, testing equipment for quality control, computers that control a manufacturing process, machinery used to produce steam, electricity, catalysts, and solutions, repair or replacement parts, and all installation, repair and maintenance service performed on such equipment.

### **Manufacturing Machinery and Equipment Sales Tax Exemption**

[MANUFACTURING MACHINERY & EQUIPMENT \(Excerpt from LB312\) Statute](#)

\* [Explanatory Notice](#) from Nebraska Department of Revenue

- [Download Nebraska Advantage Brochure](#)

## **Links**

---

### **[Nebraska Department of Economic Development](#)**

As the state's lead economic development agency, the Nebraska Department of Economic Development (DED) is dedicated to helping businesses locate the information and resources they need to succeed, grow, and prosper.

The major responsibility of the Nebraska Department of Economic Development is to use the tools and resources provided by the Nebraska Legislature, under the leadership of the governor to grow, diversify and develop the capability of Nebraska's economy to grow at a pace that enhances the lives of its residents.

More specifically, the mission of the Nebraska Department of Economic Development is to provide quality leadership and services that enable Nebraska communities, businesses, and people to succeed in a global economy. We are here, equipped and ready, to assist you and your community in developing and capitalizing on economic development opportunities.

### **[Nebraska Department of Revenue](#)**

- [Summary of General Provisions of Nebraska Tax Incentive Programs](#)
- [Tax Incentives](#)
- [LB 312 Statutes](#)
- [LB 895 Statutes](#)
- [Manufacturing Machinery and Equipment Exemption](#)
- [Manufacturing Sales Tax Exemption Form](#)

[\[ Back \]](#)

