

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1051

Introduced by Harr, 8.

Read first time January 20, 2016

Committee:

- 1 A BILL FOR AN ACT relating to the Nebraska Advantage Act; to amend
- 2 section 77-5715, Revised Statutes Cumulative Supplement, 2014; to
- 3 redefine qualified business; and to repeal the original section.
- 4 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-5715, Revised Statutes Cumulative Supplement,
2 2014, is amended to read:

3 77-5715 (1) For a tier 2, tier 3, tier 4, or tier 5 project,
4 qualified business means any business engaged in:

5 (a) The conducting of research, development, or testing for
6 scientific, agricultural, animal husbandry, food product, or industrial
7 purposes;

8 (b) The performance of data processing, data analysis,
9 telecommunication, insurance, or financial services. For purposes of this
10 subdivision, financial services includes only financial services provided
11 by any financial institution subject to tax under Chapter 77, article 38,
12 or any person or entity licensed by the Department of Banking and Finance
13 or the federal Securities and Exchange Commission and telecommunication
14 services includes community antenna television service, Internet access,
15 satellite ground station, call center, or telemarketing;

16 (c) The assembly, fabrication, manufacture, or processing of
17 tangible personal property;

18 (d) The administrative management of the taxpayer's activities,
19 including headquarter facilities relating to such activities or the
20 administrative management of any of the activities of any business entity
21 or entities in which the taxpayer or a group of its shareholders holds
22 any direct or indirect ownership interest of at least ten percent,
23 including headquarter facilities relating to such activities;

24 (e) The storage, warehousing, distribution, transportation, or sale
25 of tangible personal property;

26 (f) The sale of tangible personal property if the taxpayer derives
27 at least seventy-five percent or more of the sales or revenue
28 attributable to such activities relating to the project from sales to
29 consumers who are not related persons and are located outside the state;

30 (g) The sale of software development services, computer systems
31 design, product testing services, or guidance or surveillance systems

1 design services or the licensing of technology if the taxpayer derives at
2 least seventy-five percent of the sales or revenue attributable to such
3 activities relating to the project from sales or licensing either to
4 customers who are not related persons and located outside the state or to
5 the United States Government, including sales of such services, systems,
6 or products delivered by providing the customer with software or access
7 to software over the Internet or by other electronic means, regardless of
8 whether the software or data accessed by customers is stored on a
9 computer owned by the applicant, the customer, or a third party and
10 regardless of whether the computer storing the software or data is
11 located at the project;

12 (h) The research, development, and maintenance of an Internet web
13 portal. For purposes of this subdivision, Internet web portal means an
14 Internet site that allows users to access, search, and navigate the
15 Internet;

16 (i) The research, development, and maintenance of a data center;

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

22 (k) Any combination of the activities listed in this subsection.

23 (2) For a tier 1 project, qualified business means any business
24 engaged in:

25 (a) The conducting of research, development, or testing for
26 scientific, agricultural, animal husbandry, food product, or industrial
27 purposes;

28 (b) The assembly, fabrication, manufacture, or processing of
29 tangible personal property;

30 (c) The sale of software development services, computer systems
31 design, product testing services, or guidance or surveillance systems

1 design services or the licensing of technology if the taxpayer derives at
2 least seventy-five percent of the sales or revenue attributable to such
3 activities relating to the project from sales or licensing either to
4 customers who are not related persons and are located outside the state
5 or to the United States Government, including sales of such services,
6 systems, or products delivered by providing the customer with software or
7 access to software over the Internet or by other electronic means,
8 regardless of whether the software or data accessed by customers is
9 stored on a computer owned by the applicant, the customer, or a third
10 party and regardless of whether the computer storing the software or data
11 is located at the project; or

12 (d) Any combination of activities listed in this subsection.

13 (3) For a tier 6 project, qualified business means any business
14 except a business excluded by subsection (4) of this section.

15 (4) Except for business activity described in subdivision (1)(f) of
16 this section, qualified business does not include any business activity
17 in which eighty percent or more of the total sales are sales to the
18 ultimate consumer of (a) food prepared for immediate consumption or (b)
19 tangible personal property which is not assembled, fabricated,
20 manufactured, or processed by the taxpayer or used by the purchaser in
21 any of the activities listed in subsection (1) or (2) of this section.

22 Sec. 2. Original section 77-5715, Revised Statutes Cumulative
23 Supplement, 2014, is repealed.