

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 501**

Introduced by Hadley, 37.

Read first time January 23, 2013

Committee:

A BILL

- 1 FOR AN ACT relating to the Nebraska Advantage Act; to amend section
- 2 77-5715, Revised Statutes Cumulative Supplement, 2012; to
- 3 redefine a term; 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  
2 Supplement, 2012, is amended to read:

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

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

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

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

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

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

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

8           (g)     The     sale     of     software     development     services,     computer  
9     systems design, product testing services, or guidance or surveillance  
10    systems design services or the licensing of technology if the  
11    taxpayer derives at least seventy-five percent of the sales or  
12    revenue attributable to such activities relating to the project from  
13    sales or licensing either to customers who are not related persons  
14    and located outside the state or to the United States Government,  
15    including sales of such services, systems, or products delivered by  
16    providing the customer with software or access to software over the  
17    Internet or by other electronic means, regardless of whether the  
18    software or data accessed by customers is stored on a computer owned  
19    by the applicant, the customer, or a third party and regardless of  
20    whether the computer storing the software or data is located at the  
21    project;

22           (h)     The     research,     development,     and     maintenance     of     an  
23    Internet web portal. For purposes of this subdivision, Internet web  
24    portal means an Internet site that allows users to access, search,  
25    and navigate the Internet;

1                   (i) The research, development, and maintenance of a data  
2 center; ~~or~~

3                   (j) The production of electricity by using one or more  
4 sources of renewable energy to produce electricity for sale. For  
5 purposes of this subdivision, sources of renewable energy means wind,  
6 solar, geothermal, hydroelectric, and biomass; or

7                   ~~(j)-(k)~~ Any combination of the activities listed in this  
8 subsection.

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

11                   (a) The conducting of research, development, or testing  
12 for scientific, agricultural, animal husbandry, food product, or  
13 industrial purposes;

14                   (b) The assembly, fabrication, manufacture, or processing  
15 of tangible personal property;

16                   (c) The sale of software development services, computer  
17 systems design, product testing services, or guidance or surveillance  
18 systems design services or the licensing of technology if the  
19 taxpayer derives at least seventy-five percent of the sales or  
20 revenue attributable to such activities relating to the project from  
21 sales or licensing either to customers who are not related persons  
22 and are located outside the state or to the United States Government,  
23 including sales of such services, systems, or products delivered by  
24 providing the customer with software or access to software over the  
25 Internet or by other electronic means, regardless of whether the

1 software or data accessed by customers is stored on a computer owned  
2 by the applicant, the customer, or a third party and regardless of  
3 whether the computer storing the software or data is located at the  
4 project; or

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

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

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

18 Sec. 2. Original section 77-5715, Revised Statutes  
19 Cumulative Supplement, 2012, is repealed.