



INCENTIVES

Greater Omaha: An Extra Advantage



Are you ready to start a business in Greater Omaha? Expand your operation? Develop your workforce?

Thriving companies drive our regional economy and help improve our quality of life. To encourage your success - and increase business, investment and employment throughout the region - the states of Nebraska and Iowa have implemented an array of business-friendly incentive programs. From special financing to significant tax reductions, it pays to explore the varied way your business could benefit.

Nebraska Incentives

Workforce Training Assistance

Nebraska Advantage – Customized Job Training

Grants from \$500 to \$4,000 per qualified new job are provided through this flexible program. Companies may use these funds for internal, company specific, outside vendor or community college training.

Starting Hourly Wage Rates

Rates are to be used as an estimate of training assistance for newly created jobs.

Percent of Average Starting Wage	Average Starting Wage; Omaha MSA*	Average Starting Wage; Dodge County	Range of Assistance
100%	\$11.60	\$10.55	\$500
125%	\$14.50	\$13.19	\$1,000
150%	\$17.40	\$15.83	\$2,000
175%	\$20.30	\$18.46	\$3,000
200%	\$23.20	\$21.10	\$4,000

Source: Nebraska Department of Labor Occupational Employment Statistics (OES), Wages Survey data
 * MSA (Metropolitan Statistical Area): Cass, Douglas, Sarpy, Saunders and Washington Counties

In addition, non-FICA fringe benefits provided by the company shall equal at least 15 percent of the starting wage.



Nebraska Worker Training Program (LB 1337)

The Nebraska Worker Training Program (LB 1337), administered by the Nebraska Department of Labor, provides grants to assist firms in the retraining and upgrading of skills for existing employees.

The program is flexible and requires a match of at least one dollar of employer funds for each dollar of state funds. Competitive applications may provide for a greater employer match but is not required. In-kind (matching) contributions considered may include wages paid, space rental or equipment.

Heartland Workforce Solutions

Heartland Workforce Solutions responds to the needs of employers for current and future workforce demands. HWS prepares workers to succeed in the workplace through aptitude/interest assessments, basic education classes, soft skills training and specialized certified training for in-demand career placement.

Intern Nebraska Program (InterNE)

InterNE connects college students, junior and senior high school students and employers from across the state, providing an opportunity for them to co-invest in their future. The InternNE program offers financial assistance to companies creating new internship opportunities for college students. Businesses can receive up to 50 percent reimbursement for the intern, up to \$5,000 per internship.

Additional Programs and Benefits

Research and Development Advantage

This program offers a refundable tax credit for qualified research and development activities undertaken by a business entity. The credit is equal to 15 percent of the federal credit allowed under Section 41 of the Internal Revenue Code of 1986 for research and development. The credit is increased to 35 percent of the federal credit for expenditures on the campus of a college or university in Nebraska or a facility owned by a college or university in Nebraska.

Capital Gains and Extraordinary Dividend Exclusion

The state grants exemption from personal income tax on capital gains realized from selling or exchanging stock that has been acquired by an employee of that corporation. The employee can also exclude extraordinary dividends that exceed 20 percent of the value of the stock for the same corporation. The corporation must have done business in Nebraska for at least three years and must have a minimum of five shareholders. Related shareholders cannot own more than 90 percent of the stock.

Greater Omaha Foreign Trade Zone (No. 19)

Utilizing the Foreign Trade Zone allows companies to defer duty payments on imported foreign goods until they formally enter U.S. trading channels.

Greater Omaha's FTZ is within a 250,000 square foot facility near Eppley Airfield. There is no time limit on storing, processing, assembling, exhibiting or inspecting the imported goods. If the imported goods are later exported, customs duty does not need to be paid.

Companies have the opportunity to apply for their own sub-zone designation under Greater Omaha's general purpose Foreign Trade Zone No. 19.

Other Nebraska Tax Savings

- Sales tax exemption on:
 - Manufacturing equipment
 - Raw materials
 - Utilities used in manufacturing
- No intangibles tax
- No inventory tax
- Sales tax refund on pollution control equipment
- No throwback rule
- 100 percent personal property tax depreciation schedules



Financing Programs

Community Development Block Grant (CDBG)

These loans are designed to create quality jobs and promote new investment. CDBG funds must be used to benefit low- to moderate-income people or aid in the prevention or elimination of slums or blight. These funds can be used to purchase machinery, equipment and inventory; meet working capital needs; develop community infrastructure; or construct or renovate existing buildings and real estate.

Community Improvement Financing – Commonly known as Tax Increment Financing (TIF)

Nebraska's TIF program provides benefits in designated redevelopment areas as a way to subsidize public improvements associated with private development. The TIF program uses the projected increase in real property tax revenue to pay for public improvements or to repay loans used to finance those improvements. Property acquisition, site preparation, utility extensions and rehabilitation of structures are also qualified activities.

Local Option Municipal Economic Development Act

The Local Option Municipal Economic Development Act (LB 840) authorizes incorporated cities and villages to collect and appropriate local tax dollars (sales and/or property tax), if approved by the local voters, for economic development purposes.

Site and Building Development Fund (SBDF)

SBDF funding is focused on land and infrastructure development. The program requires a 1:1 matching ratio. First priority projects that are willing to locate on a site within 90 days and do not already have a significant presence within the state may qualify for funding.

Nebraska Advantage Incentives

Nebraska incentive programs are all performance based. Qualifying businesses may receive benefits according to the six-tiered program on the following chart.

Nebraska Average Wage: \$42,848

(For agreements signed in 2017)
Each applicant must use E-Verify to check the work eligibility of the newly hired Nebraska employees.

Tier 2 Data Center Augmented Tier 2 Benefits for Data Centers

Data Center projects with at least \$200 million of investment and 30 new employees will receive the following benefits in addition to the regular Tier 2 benefits:

10 year personal property tax exemption for ALL personal property at the project

Use of credits to receive a cash payment from the state equal to ALL real property taxes paid at the project

Ability to sign a consecutive Tier 5 agreement to extend benefits an additional 7 years

Receive Greater Returns on Your Investment in Nebraska	Nebraska Advantage TIER ONE	Nebraska Advantage TIER TWO	Nebraska Advantage TIER THREE
Investment	\$1,000,000	\$3,000,000	0
Job Creation	10	30	30
Qualified Businesses	Research and Development Scientific Testing Manufacturing Targeted Exportable Services (75% of sales outside Nebraska or to the U.S. Government including cloud computing) *Software Development Services *Computer Systems Design *Product Testing Services *Guidance or Surveillance Systems *Technology Licensing	Research and Development Scientific Testing Data Processing Telecommunications Insurance Financial Services Manufacturing Data Centers Call Centers Transportation/Warehousing Headquarters (administrative) Targeted Exportable Services (75% of sales outside Nebraska or to the U.S. government, including cloud computing) *Software Development Services *Computer Systems Design *Product Testing Services *Guidance or Surveillance Systems *Technology Licensing Internet Web Portals Retail Sales of TPP if 20% is at wholesale, manufactured or to someone else in a qualified business Retail sales of TPP if 75% or more of sales are outside Nebraska	Research and Development Scientific Testing Data Processing Telecommunications Insurance Financial Services Manufacturing Data Centers Call Centers Transportation/Warehousing Headquarters (administrative) Targeted Exportable Services (75% of sales outside Nebraska or to the U.S. government, including cloud computing) *Software Development Services *Computer Systems Design *Product Testing Services *Guidance or Surveillance Systems *Technology Licensing Internet Web Portals Retail Sales of TPP if 20% is at wholesale, manufactured or to someone else in a qualified business Retail sales of TPP if 75% or more of sales are outside Nebraska
Investment Credits	3%	10%	Not applicable
Compensation Credits (compensation means wages and other payments subject to federal Medicare tax)	Sliding scale job credit on payroll of new employees, including tele-workers. 3% if 60% of Neb. avg. wage 4% if 75% of Neb. avg. wage 5% if 100% of Neb. avg. wage 6% if 125% of Neb. avg. wage	Sliding scale job credit on payroll of new employees, including tele-workers. 3% if 60% of Neb. avg. wage 4% if 75% of Neb. avg. wage 5% if 100% of Neb. avg. wage 6% if 125% of Neb. avg. wage	Sliding scale job credit on payroll of new employees, including tele-workers. 3% if 60% of Neb. avg. wage 4% if 75% of Neb. avg. wage 5% if 100% of Neb. avg. wage 6% if 125% of Neb. avg. wage
Sales Tax Refund	1/2 of sales tax on project's capital purchases	All sales tax on project's capital purchases	Not applicable
Personal Property Tax Exemptions	Not applicable	Up to 10 years on computer systems and peripherals for Internet Web portals or data centers.	Not applicable
Use of Credits	Sales tax, income tax, Employee withholding (wage credit only)	Sales tax, income tax, Employee withholding (wage credit only)	Sales tax, income tax, Employee withholding (wage credit only)
Attainment Period	Up to 5 years	Up to 7 years	Up to 5 years
Entitlement Period	6 to 7 years	7 years	6 to 7 years
Credit Carry Over Period	0 to 3 years	2 to 8 years	0 to 3 years
Application Fee	\$1,000	\$2,500	\$2,500

Nebraska Advantage TIER FOUR	Nebraska Advantage TIER FIVE	Nebraska Advantage TIER SIX	NE ADV Rural/ Redevelopment LEVEL ONE	NE ADV Rural/ Redevelopment LEVEL TWO
\$11,000,000	\$34,000,000	\$10,000,000 \$100,000,000	\$125,000	\$250,000
100	(Maintain Employment)	75 50	2	5
<p>Research and Development Scientific Testing Data Processing Telecommunications Insurance Financial Services Manufacturing Data Centers Call Centers Transportation/Warehousing Headquarters (administrative) Targeted Exportable Services (75% of sales outside Nebraska or to the U.S. government, including cloud computing) *Software Development Services *Computer Systems Design *Product Testing Services *Guidance or Surveillance Systems *Technology Licensing Internet Web Portals Retail Sales of TPP if 20% is at wholesale, manufactured or to someone else in a qualified business Retail sales of TPP if 75% or more of sales are outside Nebraska</p>	<p>Research and Development Scientific Testing Data Processing Telecommunications Insurance Financial Services Manufacturing Data Centers Call Centers Transportation/Warehousing Headquarters (administrative) Targeted Exportable Services (75% of sales outside Nebraska or to the U.S. government, including cloud computing) *Software Development Services *Computer Systems Design *Product Testing Services *Guidance or Surveillance Systems *Technology Licensing Internet Web Portals Retail Sales of TPP if 20% is at wholesale, manufactured or to someone else in a qualified business Retail sales of TPP if 75% or more of sales are outside Nebraska</p>	<p>Any business activity other than retail</p> <p>Retail sales of tangible personal property (TPP) if 75% or more of sales are outside of Nebraska</p> <p>Retail sales of TPP if 20% is at wholesale, manufactured or to someone else in a qualified business</p>	<p>Must be located in a county with population less than 15,000, any village (pop. 100 - 800) or in a selected redevelopment area.</p> <p>Livestock Production Research and Development Scientific Testing Data Processing Telecommunications Insurance Financial Services Manufacturing Transportation Warehousing Headquarters (administrative)</p>	<p>Must be located in a county with population less than 25,000 or any city of the second class (pop. 801 - 5,000).</p> <p>Livestock Production Research and Development Scientific Testing Data Processing Telecommunications Insurance Financial Services Manufacturing Transportation Warehousing Headquarters (administrative)</p>
10%	Not applicable	15%	\$2,750 of refundable credits per \$50,000 of qualifying investment	\$2,750 of refundable credits per \$50,000 of qualifying investment
Sliding Scale job credit on payroll of new employees, including tele-workers. 3% if 60% of Neb. avg. wage 4% if 75% of Neb. avg. wage 5% if 100% of Neb. avg. wage 6% if 125% of Neb. avg. wage	Not applicable	10% job credit on new employee compensation. Wage thresholds per new position are the greater of 150% of the average state wage or 200% of the county average wage (See above)	\$3,000 of refundable credits per full-time equivalent employee, includes tele-workers	\$3,000 of refundable credits per full-time equivalent employee, includes tele-workers
All sales tax on project's capital purchases	All sales tax on project's capital purchases	All sales tax on project's capital purchases	Not applicable	Not applicable
Turbine powered aircraft, computer systems, agricultural processing machinery, personal property used in distribution facilities for up to 10 years.	Up to 10 years on computer systems and peripherals for Internet Web portals or data centers.	Personal property tax exemption for all Personal property at the project for up to 10 years	Not applicable	Not applicable
Sales tax, income tax, Employee withholding (wage credit only)	Not applicable	Same as Tiers 1 - 4 PLUS: All statewide sales tax and site specific real property taxes	Credits are refundable, may be used to reduce income tax liability or a refund on sales taxes	Credits are refundable, may be used to reduce income tax liability or a refund on sales taxes
Up to 7 years	Up to 7 years	Up to 5 years	The year of application plus 1 year to achieve thresholds; must maintain investment and employment for 3 years	The year of application plus 1 year to achieve thresholds; must maintain investment and employment for 3 years
7 years	7 years	10 years	Not applicable	Not applicable
2 to 8 years	Not applicable	16 years	Not applicable	Not applicable
\$5,000	\$2,500	\$10,000	\$500	\$500

**TIER SIX
REQUIRED WAGE:
2017 Applications**

Cass	\$70,000
Dodge	\$71,144
Douglas	\$98,184
Sarpy	\$84,852
Saunders	\$67,370
Washington	\$104,856

REQUIRED WAGE:

Rural NE ADV
\$13.27 per hour

Iowa Incentives

High Quality Jobs Program

The High Quality Jobs program provides qualifying businesses with tax benefits and direct financial assistance to off-set some of the costs incurred to locate, expand or modernize an Iowa facility.

To qualify for this very flexible assistance package (that includes loans, tax credits, exemptions and/or refunds), a business must be a non-retail or non-service business meeting certain wage threshold requirements. Local government applies on behalf of the businesses.

The state's refundable research activities credit may be increased while the business is participating in the program.

There is a maximum tax incentive award available to a business based on qualifying jobs, wages and investment.

Eligibility Requirements

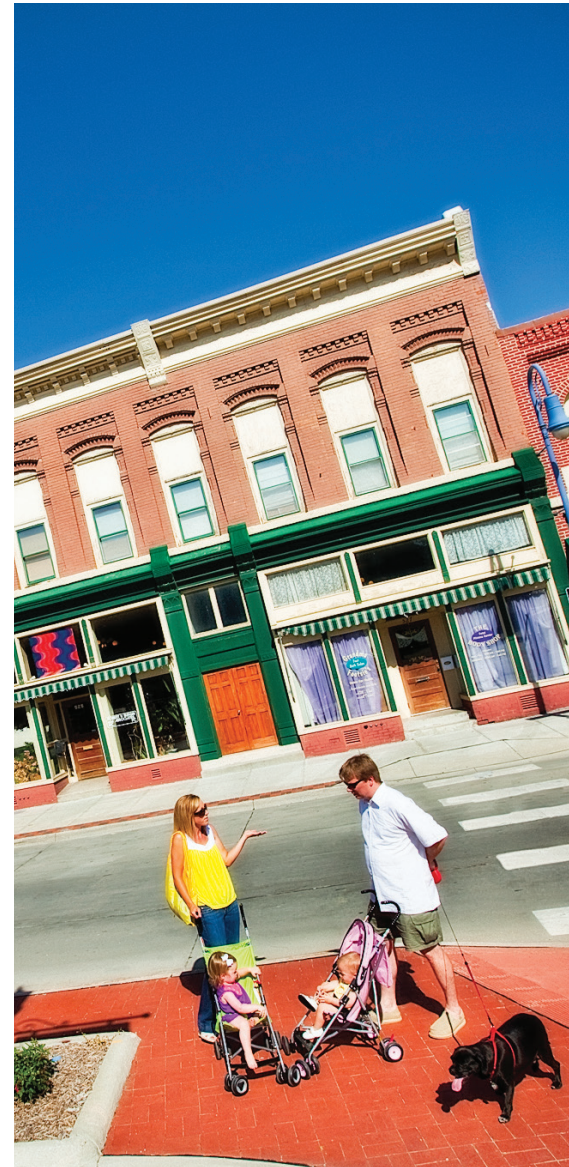
- **Actual award amounts** will be based on:
 - The business' level of need
 - The quality of the jobs
 - The percentage of created or retained jobs defined as high-quality
 - The economic impact of the project
- **Created jobs** must pay at least 100 percent of the qualifying wage threshold at the start of the project and 120 percent of the qualifying wage threshold by project completion and through the project maintenance period.
- **Retained jobs** must pay at least 120 percent of the qualifying wage threshold throughout the project completion and maintenance periods.
- The business must provide a **sufficient benefits package** to all full-time employees that includes at least one of the following:
 - Business pays 80 percent of medical premiums for single coverage plans, OR
 - Business pays 50 percent of medical premiums for family coverage plans, OR

- Business pays for some level of medical coverage and provides the monetary equivalent value through other employee benefits

Potential Tax Incentives

The following tax incentives may be available:

- A **local property tax** exemption of the value added to the property
- An **investment tax credit** equal to a percentage of the qualifying investment, amortized over five years
 - This tax credit is earned when the corresponding asset is placed in service and can be carried forward for up to seven additional years or until depleted, whichever occurs first.
- A **refund of state sales, service or use taxes** paid to contractors or subcontractors during construction
- For distribution center projects, a **refund of sales and use taxes** paid on racks, shelving and conveyor equipment





Targeted Jobs Withholding Tax Credit Program

(For use within Council Bluffs city limits)

Enacted in 2006, this program allows Council Bluffs, a designated “targeted jobs city,” to match employee personal income tax withholding funds paid by an employer.

THE GOAL: To create economic incentives that can be directed toward the growth and expansion of targeted businesses located within the targeted jobs city.

- ▶ **Council Bluffs and other approved targeted jobs cities may enter into a withholding agreement with:**
 - An out-of-state business that is locating to and creating targeted jobs within a targeted jobs city
 - An existing Iowa business that is creating 10 new targeted jobs or makes a qualifying investment of \$500,000 within the community
- ▶ **A targeted jobs city is required to provide a \$1 match for every withholding dollar received. This match can be:**
 - Provided by a private donor, the targeted jobs city, the employer or a combination of all three
 - In the form of cash or in-kind contributions to be used for the project
- ▶ **The withholding agreement allows an amount of up to 3 percent of the gross wages paid by the business to be directed to the targeted jobs city on a quarterly basis.**
- ▶ **All designated withholding funds and those pledged by the targeted city are required to be used for a project related to the employer pursuant to the terms of the withholding agreement.**
 - A targeted jobs city must obtain approval of the project from the Iowa Economic Development Authority prior to the execution of any withholding agreement
 - The withholding agreement may have a term of up to 10 years

For purposes of this program, a targeted job is defined as a job with a business that is or will be located in a targeted jobs project city that pays a minimum wage equal to the county-wide average wage.

Training Program

Iowa Industrial New Jobs Training Program

The Iowa Industrial New Jobs Training (260E) program provides businesses expanding Iowa’s workforce with new employee training.

Businesses must be new to or expanding within the state of Iowa and engaged in manufacturing, processing or assembling products, or conducting research and development. Service businesses are eligible if engaged in interstate commerce.

Participants may be eligible for reimbursement up to 50% of annual gross payroll costs expended for on-the-job training

Businesses may be eligible for a corporate tax credit if the company’s existing Iowa employee base is increased by at least 10%

New Jobs Tax Credit

This one-time, corporate income tax credit is available to participants in the New Jobs Training Program (260E) and expands their Iowa employment base by 10 percent or more. Iowa offers this credit as an incentive for businesses that provide additional training to employees and expand their workforce.

Iowa Jobs Training Program

Iowa Jobs Training Program (260F) provides forgivable loans to Iowa

Business to train existing workers for whom the business pays withholding tax.

Awards are in the form of forgivable loans towards customized, contracted training and are forgiven if the business completes the training project within the period agreed to by the company and training provider, and trains the agreed number of employees.

Eligible businesses include:

- Manufacturing
- Processing
- Warehousing
- Wholesaling
- Conducting research and development

Iowa Incentives

Local Tax Abatement

Local tax abatement allows cities and counties to reduce local property taxes for companies improving industrial real estate. The maximum amount of actual value added at a new or expanded facility, which is eligible to be exempt from taxation, is shown on the table.

Tax Increment Financing

Pottawattamie County has certain geographic areas that have been designated for tax increment financing projects, meaning your business could be eligible for public improvement financing that uses the additional or incremental taxes that the project will generate to help finance the cost of the project.

YEAR	MAXIMUM EXEMPTION
ONE	75%
TWO	60%
THREE	45%
FOUR	30%
FIVE	15%



ECONOMIC DEVELOPMENT PARTNERSHIP

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