

Nebraska Legislature Passes LB1107

On August 17, 2020, Governor Ricketts signed into law Legislative Bill 1107 ("LB1107"), which includes a series of initiatives spanning tax relief, renewable energy, higher education, and a tax-break program for businesses that create new jobs. The six (6) main components of LB1107 are highlighted below.

- **ImagiNE Nebraska Act**
 - This bill replaces the Nebraska Advantage Act effective January 1, 2021 and provides credits, refunds, and exemptions to Nebraska businesses. According to LB1107, \$25 million in credits and refunds are available in 2021 and 2022, increasing to \$100 million in 2023 and 2024.
- **Key Employer and Jobs Retention Act**
 - This bill provides business incentives to companies with at least one thousand employees that retain at least 90 percent of their base-year employment in the state of Nebraska. Among the incentives are up to \$40 million in state tax credits paid out over 10 years.
- **Renewable Chemical Production Tax Credit Act**
 - LB1107 states that producers of eligible renewable chemicals can claim a tax credit of 7.5 cents per pound, up to \$1.5 million per year, starting in 2022.
- **Customized Job Training Act**
 - Under LB1107, employers may apply to the Department of Economic Development for funds in the form of grants that reimburse employers for certain expenses made toward training employees.
- **Nebraska Transformational Projects Act**
 - LB1107 provides funding for the Nebraska Transformational Projects Act, also known as the NExT Act, including a pledge to spend \$300 million in state funding if the proposed NExT Project at the University of Nebraska Medical Center in Omaha is approved.
- **Nebraska Property Tax Incentive Act**
 - LB1107 sets a minimum allocation for Nebraska's existing Property Tax Credit Cash Fund and establishes a new refundable income tax credit for property taxes paid, such that even property owners who owe no income taxes could receive a check from the state.

Stay tuned for future Client Updates that explain and analyze these six (6) components of LB1107 in greater detail. [Click here](#) to read the complete text of this bill.

Contact Us

Fraser Stryker's business attorneys are here to help:



Mark L. Brasee

mbrasee@fraserstryker.com

(402) 978-5306



Neil P. Hassler

nhassler@fraserstryker.com

(402) 978-5374



John J. Waters

jwaters@fraserstryker.com

(402) 978-5364

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