ECONOMIC INDICATORS

PER CAPITA PERSONAL INCOME
- 2012: $43,143
- Percent of National Average: 101.0 percent
- Percent Change from 2011: 1.6 percent
- 2002-2012 Compound Annual Growth Rate: 3.6 percent

CURRENT DOLLAR GDP
- 2011: $94.2 billion
- U.S. Rank: 36

REAL GDP
- 2011 Growth Rate: 0.1 percent
- 2001-2011 Compound Annual Growth Rate: 1.9 percent

LARGEST INDUSTRY CONTRIBUTORS TO GDP IN 2011
Government (13.1 percent); finance and insurance (9.9 percent)

LARGEST INDUSTRY CONTRIBUTORS TO GDP GROWTH, 2010-11
Durable goods manufacturing (0.36 percentage points); health care and social assistance (0.3 percentage points)

PROGRAM INFORMATION
- Nebraska Department of Economic Development
  - http://www.neded.org/

KEY TAX RATES

STATE INDIVIDUAL INCOME TAXES
- Tax Rate Range (percent)
  - Low: 2.46
  - High: 6.84
- Income Brackets*
  - Lowest: $2,400
  - Highest: $27,001
- Number of Tax Brackets: 4

CORPORATE INCOME TAX RATES
- Tax Rate: 5.58-7.81 percent
- Lowest Tax Bracket: $100,00
- Highest Tax Bracket: —
- Number of Tax Brackets: 2

EXCISE TAX RATES
- General Sales and Gross Receipts Tax: 5.5 percent
- Cigarettes: $.64 per pack
- Distilled spirits: $3.75 per gallon
- Motor Fuel Tax Rates (cents per gallon)**
  - Gasoline: 25.5
  - Diesel: 24.9
  - Gasohol: 25.5

* For joint returns, taxes are twice the tax on half the couple’s income.
**Nebraska levies an additional petroleum fee; a portion of the rate is adjustable based on maintenance costs, sales volume, cost of fuel to state government or inflation.
The Nebraska Advantage Package — This six tier benefits program — ranging from tier 1, $1 million in new investment and 10 new jobs, to tier 6, $10 million in new investment and 75 new jobs or $109 million in new investment and 50 new jobs — includes all or some of the following, depending on tier: sales tax refunds for qualified capital purchases at the project, use tax refund on project’s tangible personal property from the date of acquisition through the entitlement period, sliding scale wage credit, investment tax credit; and personal property tax exemption on turbine-powered aircraft, personal computer systems, agricultural product processing machinery and personal property used in a distribution facility.

Nebraska Advantage Research and Development Credit — Qualified research and development activities undertaken by a business entity for 21 years are eligible for a refundable tax credit.

Nebraska Advantage Microenterprise Tax Credit — Micro businesses, those with five or fewer employees, can receive a 20 percent refundable tax credit on increased compensation for employees or increased investment in targeted communities.

Rural Development Advantage — Under an amendment to the Employment Expansion and Investment Incentive Act (formerly LB 608) passed in 2003, qualified businesses can receive refundable tax incentives for projects that create two new jobs and invest $125,000 in counties with less than 15,000 residents.

Nebraska Customized Job Training Advantage — Companies that create qualified new jobs can receive grants from $800 to $4,000 for each new job from this flexible and discretionary job training program. Additional grant funds may be available for new jobs created in rural and high poverty areas.

Capital Gains and Extraordinary Dividend Exclusion — Employees can receive an exemption from state personal income tax on capital gains realized from selling or exchanging stock of the corporation for which they work.

Sales tax — Nebraska offers an exemption from state and local sales tax for manufacturing machinery, equipment and related services.

Nebraska’s business incentives are awarded post-performance. The Nebraska Department of Revenue performs a compliance audit to ensure that the applicable investment, employment and wage thresholds are met before any tax credits are awarded or used. It also checks to ensure application is for a qualified activity. The Department of Revenue performs periodic audits to ensure the levels of employment and investment have been maintained through the entitlement period. If these levels are not maintained, any credits earned during this period will be recaptured, along with any refunds that may have been issued during this period.

The legislature passed LB 104, which took effect June 6, 2013. Under this bill, a business that produces electricity for sale by using renewable energy resources may qualify for Nebraska Advantage incentive benefits. A renewable energy project may qualify for incentives with a minimum investment in qualified property of $20 million. Sources of renewable energy include, but are not limited to, wind, solar, geothermal, hydroelectric, biomass and transmutation of elements. Legislators in the 2012 session approved LB 1118, which expands The Nebraska Advantage Package by providing additional benefits for large data center projects.