

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 714

Introduced by Crawford, 45; McCollister, 20.

Read first time January 23, 2019

Committee: Revenue

- 1 A BILL FOR AN ACT relating to job training; to amend section 77-2756,
- 2 Reissue Revised Statutes of Nebraska; to adopt the Nebraska
- 3 Industrial New Job-training Act; to harmonize provisions; and to
- 4 repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 6 of this act shall be known and may be
2 cited as the Nebraska Industrial New Job-training Act.

3 Sec. 2. For purposes of the Nebraska Industrial New Job-training
4 Act:

5 (1) Board of governors means the Community College Board of
6 Governors for each community college area in Nebraska;

7 (2) Community college has the same meaning as in section 85-1503;

8 (3) Employee means a person employed in a new job;

9 (4) Employer means a business engaged in interstate or intrastate
10 commerce for the purpose of manufacturing, processing, or assembling
11 products, conducting research and development, operating e-fulfillment
12 centers, or providing services. Employer does not include any business
13 engaged in retail, health, or professional services or any business which
14 closes or substantially reduces its operation in one area of the state
15 and relocates substantially the same operation to another area of the
16 state;

17 (5) Nebraska average wage means the most recent average weekly wage
18 paid by all employers in all counties in Nebraska as reported by the
19 Department of Labor by October 1 of the year prior to application;

20 (6) New job means a job that is created by an employer as a result
21 of a project;

22 (7) New job withholding payments means the payments made from the
23 withholding taxes of employees which are used to pay project costs
24 pursuant to section 4 of this act;

25 (8) New jobs training program means the project or projects
26 established by a community college which provide education and training
27 of workers for new jobs in the area served by the community college;

28 (9) Project costs means all necessary and incidental costs of a
29 project; and

30 (10) Project means a training arrangement which is the subject of an
31 agreement entered into between a community college and an employer in

1 which the community college provides services and other assistance to the
2 employer, including, but not limited to:

- 3 (a) New jobs training;
- 4 (b) Adult basic education and job-related instruction;
- 5 (c) Vocational and skill-assessment services and testing;
- 6 (d) Training facilities, equipment, materials, and supplies;
- 7 (e) On-the-job training;
- 8 (f) Administrative expenses for a new jobs training program; and
- 9 (g) Contracted or professional services.

10 Sec. 3. (1) An employer may apply to the Department of Economic
11 Development for approval of a project. The application shall be on a form
12 prescribed by the department and shall contain:

- 13 (a) The name of the employer;
- 14 (b) The community college to be involved in the proposed project;
- 15 (c) The services and other assistance to be provided by the
16 community college;
- 17 (d) The number of new jobs to be created as a result of the project;
18 and
- 19 (e) The average wage expected to be paid for such new jobs.

20 (2) If the department finds that (a) the project will result in new
21 jobs with an average wage that is more than the Nebraska average wage,
22 (b) the project will provide industry-approved training, and (c) the
23 project will comply with the requirements of the Nebraska Industrial New
24 Job-training Act, the department shall approve the project. Once the
25 project is approved, a community college may enter into an agreement with
26 an employer to establish the project and the community college shall
27 notify the Department of Revenue of the agreement as soon as possible.
28 The Department of Revenue shall develop a system for tracking agreements
29 entered into under the Nebraska Industrial New Job-training Act.

30 (3) Any agreement entered into under this section shall include:

- 31 (a) Provisions addressing how project costs will be paid, which may

1 include one or a combination of the following:

2 (i) New job withholding payments to be received from new jobs
3 created as a result of the project; and

4 (ii) Tuition, student fees, or special charges fixed by the board of
5 governors to defray project costs in whole or in part;

6 (b) A provision requiring that costs of on-the-job training for
7 employees shall not exceed fifty percent of the annual gross payroll
8 costs for such employees;

9 (c) The number of new jobs to be created, including the number of
10 full-time jobs and the number of part-time jobs, and the level of wages
11 and benefits to be paid for the new jobs; and

12 (d) Any payments required to be made by the employer.

13 (4) If an agreement requires any payments to be made by an employer,
14 any amounts due from the employer pursuant to the agreement shall be a
15 lien upon the employer's business property until paid and have equal
16 precedence with ordinary taxes and shall not be divested by a judicial
17 sale. Property subject to the lien may be sold for sums due and
18 delinquent at a tax sale, with the same forfeitures, penalties, and
19 consequences as for the nonpayment of ordinary taxes. The purchaser at a
20 tax sale obtains the property subject to the remaining payments due.

21 Sec. 4. (1) New job withholding payments shall be paid to community
22 colleges pursuant to this section. The amount of the new job withholding
23 payments shall be based on the wages paid to employees in the new jobs as
24 follows:

25 (a) For an employee with a rate of pay that is less than two hundred
26 percent of the Nebraska average wage, the new job withholding payment for
27 such employee shall be an amount equal to one and one-half percent of the
28 gross wages paid to such employee; and

29 (b) For an employee with a rate of pay of at least two hundred
30 percent of the Nebraska average wage, the new job withholding payment for
31 such employee shall be an amount equal to three percent of the gross

1 wages paid to such employee.

2 (2) The employer shall pay the new job withholding payments out of
3 the amount of funds withheld from the employees' wages for state
4 withholding taxes. The employer shall remit the amount of the new job
5 withholding payments quarterly in the same manner as withholding taxes
6 are remitted to the Department of Revenue, except that the new job
7 withholding payments shall be paid directly to the community college to
8 be allocated to and paid into a special fund of the community college to
9 finance, in whole or in part, the project. If the amount of the new job
10 withholding payments made by the employer pursuant to this section is
11 more than the withholding taxes actually owed by the employer to the
12 Department of Revenue, then the employer shall receive a credit against
13 other withholding taxes due from the employer in the amount of the
14 difference.

15 (3) The new job withholding payments and the special fund into which
16 they are paid shall be irrevocably pledged by a community college for the
17 payment by a community college to finance, in whole or in part, the
18 project.

19 (4) The employer shall certify to the Department of Revenue that the
20 new job withholding payments paid by the employer to the community
21 college are in accordance with an agreement and shall provide other
22 information as the Department of Revenue may require.

23 (5) A community college shall certify to the Department of Revenue
24 the amount of new job withholding payments an employer has remitted to
25 the community college and shall provide other information as the
26 Department of Revenue may require.

27 (6) An employee in a new job shall receive full credit with respect
28 to payment of all withholding taxes due from the employee for the amount
29 of any new job withholding payments made to community colleges pursuant
30 to this section.

31 Sec. 5. (1) Community colleges shall report agreements entered into

1 under the Nebraska Industrial New Job-training Act to the Department of
2 Economic Development. The Department of Economic Development shall
3 electronically submit an annual report on the following information to
4 the Revenue Committee of the Legislature:

5 (a) A listing of the approved projects, including a listing of the
6 community colleges and employers involved and a reference to the industry
7 group of such employers under the Standard Industrial Classification
8 System as compiled by the United States Department of Labor;

9 (b) The number of employees who entered training and the number of
10 employees who completed training in each project and the wages and
11 benefits paid to employees before and after training;

12 (c) The number of degrees or certificates awarded to employees by
13 calendar year; and

14 (d) The number of employees employed full-time and part-time as a
15 result of the project and the rate of retention of employees one year
16 after the completion of the training as reported by the employer.

17 (2) The Department of Revenue shall electronically submit an annual
18 report on the following information to the Revenue Committee of the
19 Legislature:

20 (a) The amount of new job withholding payments that employers have
21 remitted to community colleges each year and cumulatively; and

22 (b) The total number of agreements entered into under the Nebraska
23 Industrial New Job-training Act each year and cumulatively.

24 Sec. 6. The Department of Economic Development may adopt and
25 promulgate rules and regulations to carry out the Nebraska Industrial New
26 Job-training Act.

27 Sec. 7. Section 77-2756, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 77-2756 (1) Except as provided in subsection (2) of this section and
30 section 4 of this act, every employer or payor required to deduct and
31 withhold income tax under the Nebraska Revenue Act of 1967 shall, for

1 each calendar quarter, on or before the last day of the month following
2 the close of such calendar quarter, file a withholding return as
3 prescribed by the Tax Commissioner and pay over to the Tax Commissioner
4 or to a depository designated by the Tax Commissioner the taxes so
5 required to be deducted and withheld in such form and content as the Tax
6 Commissioner may prescribe and containing such information as the Tax
7 Commissioner deems necessary for the proper administration of the
8 Nebraska Revenue Act of 1967. When the aggregate amount required to be
9 deducted and withheld by any employer or payor for either the first or
10 second month of a calendar quarter exceeds five hundred dollars, the
11 employer or payor shall, by the fifteenth day of the succeeding month,
12 pay over such aggregate amount to the Tax Commissioner or to a depository
13 designated by the Tax Commissioner. The amount so paid shall be allowed
14 as a credit against the liability shown on the employer's or payor's
15 quarterly withholding return required by this section. The Tax
16 Commissioner may, by rule and regulation, provide for the filing of
17 returns and the payment of the tax deducted and withheld on other than a
18 quarterly basis.

19 (2) When the aggregate amount required to be deducted and withheld
20 by any employer or payor for the entire calendar year is less than five
21 hundred dollars or the employer or payor is allowed to file federal
22 withholding returns annually, the employer or payor shall, for each
23 calendar year, on or before the last day of the month following the close
24 of such calendar year, file a withholding return as prescribed by the Tax
25 Commissioner and pay over to the Tax Commissioner or to a depository
26 designated by the Tax Commissioner the taxes so required to be deducted
27 and withheld in such form and content as the Tax Commissioner may
28 prescribe and containing such information as the Tax Commissioner deems
29 necessary for the proper administration of the Nebraska Revenue Act of
30 1967. The employer or payor may elect or the Tax Commissioner may require
31 the filing of returns and the payment of taxes on a quarterly basis.

1 (3) Whenever any employer or payor fails to collect, truthfully
2 account for, pay over, or make returns of the income tax as required by
3 this section, the Tax Commissioner may serve a notice requiring such
4 employer or payor to collect the taxes which become collectible after
5 service of such notice, to deposit such taxes in a bank approved by the
6 Tax Commissioner in a separate account in trust for and payable to the
7 Tax Commissioner, and to keep the amount of such tax in such account
8 until paid over to the Tax Commissioner. Such notice shall remain in
9 effect until a notice of cancellation is served by the Tax Commissioner.

10 (4) Any employer or payor may appoint an agent in accordance with
11 section 3504 of the Internal Revenue Code of 1986, as amended, for the
12 purpose of withholding, reporting, or making payment of amounts withheld
13 on behalf of the employer or payor. The agent shall be considered an
14 employer or payor for purposes of the Nebraska Revenue Act of 1967 and,
15 with the actual employer or payor, shall be jointly and severally liable
16 for any amount required to be withheld and paid over to the Tax
17 Commissioner and any additions to tax, penalties, and interest with
18 respect thereto.

19 (5) The employer or payor shall also file on or before January 31 of
20 the succeeding year a copy of each statement furnished by such employer
21 or payor to each employee or payee with respect to taxes withheld on
22 wages or payments subject to withholding. Any employer, payor, or agent
23 who furnished more than fifty statements for a year shall file the
24 required copies electronically in a manner approved by the Tax
25 Commissioner that is compatible with federal electronic filing
26 requirements or methods.

27 Sec. 8. Original section 77-2756, Reissue Revised Statutes of
28 Nebraska, is repealed.