

One Hundred Seventh Legislature - Second Session - 2022

Introducer's Statement of Intent

LB817

Chairperson: Senator Lou Ann Linehan

Committee: Revenue

Date of Hearing: February 02, 2022

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB817 was introduced at the request of the Department of Revenue. It makes several technical changes to the Nebraska Imagine Act intended to clarify issues for taxpayers and streamline reporting and compliance.

One of the major changes is to synchronize all incentive program reports issued by the Department to a uniform date of October 31. A second major change is to convert all reporting by the Department to a fiscal year rather than calendar year basis to comply with the Governmental Accounting Standards Board requirements.

The bill also clarifies the calculation of the withholding credit when the taxpayer uses an employee leasing company. It clarifies that the application year and base year for applications that may be "wait listed" are treated as if they had been approved within the time set forth under the Act.

LB817 would allow the Department to obtain the Social Security numbers of employees in order to confirm the number of new employees at a qualified location and clarifies that the "time of investment" for improvements to real estate under the Imagine Act is recognized on a percentage of completion basis.

Finally, it corrects a reference to recapture of sales tax exemptions, which will be done through a sales tax form not an income tax form.

Principal Introducer: _____

Senator Lou Ann Linehan