

made and that has got to happen first before you come back to get the credit for that activity. So you will know what you are getting for your money. You will know that jobs have been created and investment has been made before any sort of loss of revenue occurs. In my estimation, this is a very wise course of action. Where I normally would not be supportive of this type of activity, in this case I have believed in it and I believe if you look at it carefully, you will as well. And, again, in 1983 we had this piece of legislation and we came close to passing it but didn't quite get the job done and we are back again this year with a number of states having added...been added to the list of those having adopted this concept. And, I think, as you can see, we were a chance to be at the head of the class in 1983. Now we are falling a little bit behind. We ought to do something now before we fall completely behind. I would like to give whatever remaining time I have to Senator Hefner, who worked on the bill in committee.

SENATOR CARSTEN: Senator Hefner, please.

SENATOR HEFNER: Mr. President and members of the body, I appreciate the opportunity to co-sponsor this with Senator Wesely and have made it my priority bill. But I feel that a bill like this will stimulate our economy and we certainly need it. Thirty or thirty-two other states are using the job or an investment tax credit proposal such as this. So I think it is high time that we get with it. But what I really like about this bill is that there is no up-front money, no up-front money. No tax credit will be issued until a business or an industry has expanded or created new jobs and they have to make money. They would have to make a profit before they would receive that tax credit. I feel that this will give an incentive to a potential investment to create new jobs in Nebraska at a time when our state badly needs a boost in its economy. It requires a present employer or a new employer to make a significant investment, initially, a \$100,000 minimum and at the same time requires that at least two new jobs be created. This should avoid having an employer from setting up jobs just to get the credit and then going out of business once it is received. If their intention is not sincere, they would be out at least their first \$100,000 of investment. The credit is for the creation of new wealth only. Given the credit only defers some of the tax liability which will be subject to a full tax once it is used up. It is the creation of primary