

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT
LB18

Hearing Date: Friday February 26, 2021
Committee On: Revenue
Introducer: Kolterman
One Liner: Change provisions relating to equivalent employees and qualified locations under the ImagiNE Nebraska Act

Roll Call Vote - Final Committee Action:

Advanced to General File

Vote Results:

Aye:	6	Senators Pahls, Lindstrom, Flood, Briese, Bostar, Albrecht
Nay:	1	Senator Friesen
Absent:		
Present Not Voting:	1	Senator Linehan

Oral Testimony:

Proponents:

Senator Mark Kolterman
Ryan Parker

Jonathan Jank

Dan Mauk

Representing:

Introducer
Nebraska Chamber, Greater Omaha Chamber, Lincoln Chamber of Commerce, Nebraska Bankers Association
Nebraska Chamber of Commerce Executives, Seward Chamber & Development Partnership
Nebraska Economic Developers Association, Nebraska City Area Economic Development Corporation

Opponents:

Jim Scheer

Representing:

Self

Neutral:

Representing:

Summary of purpose and/or changes:

LB18 makes three changes to the ImagiNE Act (LB1107, 2020).

The first would remove the residency requirement for wages paid to equivalent employees. Rather, wages paid to equivalent employees would mean employees who "were employed in Nebraska and subject to the Nebraska income tax on compensation received from the taxpayer."

The second change is to the list of qualifying business activities. LB18 adds "Postharvest Crop Activities (except Cotton Ginning)" under the North American Industry Classification System ("NAICS") code 115114.

It also adds as a qualifying business activity the "processing of tangible personal property." Processing is defined as "to

subject to a particular method, system, or technique of preparation, handling, or other treatment designed to prepare tangible personal property for market, manufacture, or other commercial use which does not result in the transformation of such property into a substantially different character."

On Page 4, lines 4-16, existing language disqualifies certain business activities, including Agriculture, Forestry, Fishing and Hunting under NAICS code 11 but specifically excludes NAICS code 115114 from the disqualification.

LB18 includes the Emergency Clause.

Lou Ann Linehan, Chairperson