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NEBRASKA

DEPT. OF ECONOMIC DEVELOPMENT

URBAN REDEVELOPMENT ACT





CONTACT

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DISCLAIMER



This power point is not intended to be a guidance document.

Consult the DED website at opportunity.nebraska.gov/programs/incentives/ to view the most current information

WHAT IS THE URA?

The URA is a tax incentive program designed to grow small businesses and generate investment in Nebraska's urban cores on a more accessible scale.

Credits earned are based on the **wages paid** to new **full time equivalent employees** (FTE's) and the amount of qualified **new investment** made at *qualified locations* in the state.

**\$500 application fee for URA*



WHO IS ELIGIBLE?

To qualify for incentives, the business must be conducted in a qualified location **within a city of the metropolitan or primary class, and within an Economic Redevelopment Area.**

Metropolitan

- 400,000 or more inhabitants with general powers*

Primary

- Over 100,000 inhabitants but less than 400,000

**ERA Maps can be found on the [URA website](#)*



Qualify Step 1

Businesses qualify by adding FTEs, meeting wage thresholds, and making investments

Earn Step 2

When the required thresholds are met, the agreement will start earning credits

Use Step 3

Tax credits can be used to offset tax liabilities, or to receive a refund on eligible expenses



GENERAL PROCESS



APPLICATION TYPES

1 Employment & Investment

Qualified location required

Cumulative investment of at least **\$150,000** and hire **5 FTEs**

Tax credit of **\$2,750 for each \$50,000** of the cumulative investment

\$3,000 for each new FTE

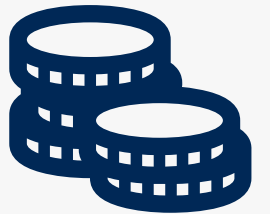
With a potential for an additional \$1,000 credit for each new FTE that lives in the ERA

2 Investment Only

Qualified location required

Cumulative investment of at least **\$50,000**

Tax credit equal to **5%** of the cumulative investment



Qualifying businesses can earn up to **\$50k in credits per year of the performance period*

STAGES OF AN AGREEMENT

1 Ramp-Up Period

2 full tax years to meet minimum required thresholds

Starts from the Application Date

2 Qualification Date

The date that minimum required thresholds are met or exceeded

3 Performance Period

~4-year period where thresholds must be maintained

Starts once employment and investment thresholds are met or exceeded

**Qualified investments made after the Application Date will count towards investment*

**FTEs added after the Base Year will count as new employees*

USING CREDITS

Income Tax

*Refundable as
Credit on
Tax Return*

Sales & Use Tax

*Refundable**

Property Tax

*Real Property
Tax Repayment
County Level*

Reduce Tax Liabilities

*Employer/Payor
Partners
LLC Members
Shareholders
Beneficiaries*

**Qualified investments earn an automatic direct refund of sales and use tax upon qualifying for the program*



LIMITATIONS



Businesses **cannot qualify** for credits under the URA if they are **participating in any other Nebraska tax incentive program(s)**.

Wages paid to new FTE's must be **at least 70%** of the Nebraska average hourly wage in year of application to earn credits.

New FTEs can be added throughout the application year.

A **maximum of \$50,000** in tax credits can be earned **per year** of the performance period.

Qualified new investment begins **after the application date*