



MEMO: 25-01

DATE: May 16, 2025

PROGRAMS: Creating High Impact Economic Futures Act (CHIEF) and Community Development Assistance Act (CDAA).

SUBJECT: LB650

This guidance document is advisory in nature but is binding on the Department of Economic Development (DED) until amended. A guidance document does not include internal procedural documents that only affect the internal operations of DED and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.

ISSUES:

- I. What impact will LB650 have on the Creating High Impact Economic Futures Act (“CHIEF Act”)?
- II. Does LB650 re-enact the Community Development Assistance Act (“CDAA”), which was repealed in 2024 by LB1344?

CONCLUSIONS:

- I. LB650 was signed into law on May 6, 2025 and amends the CHIEF Act immediately by eliminating tax credits allowed under the Act for calendar years 2026 and beyond. Tax credits continue to be allowed for contributions made to a certified program or project in calendar year 2025. The tax credits are nonrefundable and any amount of tax credit that is unused may be carried forward and applied against the taxpayer’s income tax liability for the next five (5) years immediately following the tax year in which the credit is first allowed. Programs or projects currently certified or certified in 2025 for tax credit status under an active CHIEF contract with DED, must receive all eligible contributions by December 31, 2025. The Department will continue to process CHIEF-1 forms for contributions received in 2025. Any contributions received by a certified program or project after December 31, 2025 will not be approved for tax credits.
- II. LB650 enacts CDAA with an operative date of January 1, 2026. The re-enacted version of CDAA is almost identical to the version repealed by LB1344 in 2024. The Department will begin accepting applications for CDAA on January 1, 2026. The total amount of tax credit granted for programs approved under CDAA for any fiscal year shall not



exceed three hundred fifty thousand dollars (\$350,000). No more than fifty thousand dollars (\$50,000) in tax credits can be approved per program or project, per fiscal year. The Department intends to update CDAA guidelines and regulations as needed prior to the operative date of the Act.

END OF GUIDANCE MEMORANDUM