

NEBRASKA

Good Life. Great Service.

DEPARTMENT OF REVENUE

RE: Nebraska Advantage Act
Tax Incentive Claim for Refund of Sales and Use Taxes, Form 7-I
Foreign Adversarial Company Compliance Letter

The Nebraska Department of Revenue (DOR) has received Claim for Refund of Sales and Use Taxes, Form 7-I, in the amount of . Under Neb. Rev. Stat. § 77-3,114(2), a foreign adversarial company is ineligible to receive any benefits under a State of Nebraska incentive program created for the purpose of recruitment or retention of business in Nebraska. DOR has found that the Nebraska Advantage Act (NAA) is a program created for the purpose of recruitment or retention of business in Nebraska.

Under Neb. Rev. Stat. § 77-3,114, a "foreign adversarial company" is defined as:

- Any corporation, partnership, association, organization, or other combination of persons, which:
 - Is organized under the laws of a foreign adversary;
 - Has its principal place of business within a foreign adversary;
 - Is owned in whole or in part, operated, or controlled by the government of a foreign adversary; or
 - Is a subsidiary or parent of any company otherwise described; and
- Government of a foreign adversary means any person or group of persons exercising sovereign de facto or de jure political jurisdiction over any foreign adversary, or over any part of such country, and includes any subdivision of any such group and any group or agency to which such sovereign de facto or de jure authority or functions are directly or indirectly delegated. Such term shall include any faction or body of insurgents within a country assuming to exercise governmental authority whether such faction or body of insurgents has or has not been recognized by the United States.

Under Neb. Rev. Stat. § 77-3,114, a "foreign adversary" means those countries listed in 15 C.F.R. 791.4, as such regulation existed on April 1, 2025. This list includes:

- The People's Republic of China, including the Hong Kong Special Administrative Region and the Macau Special Administrative Region (China);
- Republic of Cuba (Cuba);
- Islamic Republic of Iran (Iran);
- Democratic People's Republic of Korea (North Korea);
- Russian Federation (Russia); and
- Venezuelan politician Nicolás Maduro (Maduro Regime).

Based on the U.S. Corporation Income Tax Return (Form 1120), Schedule K (copy enclosed) and the United States Security and Exchange Commission Form 10K for the year ending

1, DOR believes that the applicant may be the parent company of one or more companies which are either organized under the laws of a foreign adversary and/or whose principal place of business is in a country listed in 15 C.F.R. 791.4.

Based on this information, DOR believes that the applicant may be considered a foreign adversarial company under Neb. Rev. Stat. § 77-3,114 and would therefore be ineligible to receive any benefit under NAA, including tax credits. If you disagree with DOR's proposed determination and would like DOR to consider additional information or legal arguments before issuing a final determination, please provide a written response explaining your position as well as supporting documentation that the applicant company would not be considered a foreign adversarial company under the statute by _____ If you need additional time to provide the requested information, sign and return the enclosed Nebraska Agreement to Extend 180-day Statutory Deadline, Form 872E.

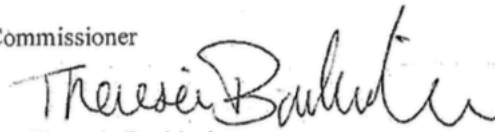
Include in the supporting documentation an affidavit which includes the following:

1. An explanation of the attester's connection to and knowledge of the applicant company's corporate structure, including any relationship to parent and subsidiary companies;
2. Authorization of the attester to speak on behalf of the applicant company on the issues and topics in the affidavit;
3. An explanation of the steps taken by the applicant company which resulted in the company no longer being considered a foreign adversarial company;
4. If you feel that no steps are or were necessary by the applicant company to avoid foreign adversarial status, explain the basis for your position.
5. The date the applicant company ceased being defined as a foreign adversarial company under Neb. Rev. Stat. § 77-3,114;
6. A statement that the applicant company is not a foreign adversarial company under Neb. Rev. Stat. § 77-3,114;
7. The location of the applicant company's principal place of business;
8. If applicable, the location of the principal place of business of the parent and all subsidiaries of the applicant company;
9. The laws under which the applicant company is organized;
10. If applicable, the laws under which the parent and all subsidiaries of the applicant company are organized; and
11. A description of the due diligence steps taken by the attester and applicant company to ensure that the information in the affidavit is correct and complete.

If we do not receive the signed Form 872E or a complete response by _____, the final determination of the Tax Commissioner will be issued denying the credits claimed. The final action of the Tax Commissioner may be appealed. An appeal must be filed with the District Court of Lancaster County within 30 days of the date of the Tax Commissioner's final determination.

Please contact me if you have any additional questions.

For the Tax Commissioner



Theresia Burkinshaw
Revenue Auditor III
Compliance Division
(402) 471-5777
E-Mail: Theresia.burkinshaw@nebraska.gov

cc: Emailed to

Enclosure

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DEPARTMENT OF REVENUE

RE: Nebraska Advantage Act
Tax Incentive Claim for Refund of Sales and Use Taxes, Form 7-I
Nebraska ID Number
Foreign Adversarial Company Compliance Letter

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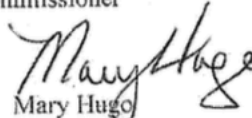
Under Neb. Rev. Stat. § 77-3,114(2), a foreign adversarial company is ineligible to receive any
benefits under a State of Nebraska incentive program created for the purpose of recruitment or
retention of business in Nebraska. DOR sent a letter dated see enclosed,
which requested a written response if you disagreed with DOR's belief that
Inc. is a foreign adversarial company.

Please forward the requested information to my email address as a reply to this secure email. (A
ShareFile link can be provided if requested) If the requested information is not received within 15
days from the date of this letter, your claim may be denied. **Once a claim is denied in part or in
total, your only recourse is to appeal the decision to the Lancaster County District Court.**

If you are unable to provide the required information within 15 days or you are in agreement that
is a foreign adversarial company, you may send a signed request to
withdraw the claim. If the claim is withdrawn, any resubmitted claim must still be filed within the
applicable statute of limitations.

Please contact me if you have any additional questions.

For the Tax Commissioner



Mary Hugo
Audit Manager
Compliance Division
(402) 471-5777

E-Mail: Theresia.burkinshaw@nebraska.gov

cc: Emailed to

Enclosure