Nebraska Bioscience and Medical Technologies

[Nebraska's bio-products producers have a major advantage]

Nebraska's Bio-Advantage - 2008

New Innovation Campuses Slated for Nebraska

The University of Nebraska and private enterprises are joining in an exciting public-private collaboration to develop a new ***Nebraska Innovation Campus***. The research park will include space for public and private technology development designed in such a way to encourage new private entrepreneur startups, and serve as a catalyst for companies to create new, innovative technologies that can be transformed into commercial products benefitting the state.

Nebraska is unique in that its bioscience and medical technology industries focus on both human and animal health care products. More than 90 percent of Nebraska's investment and employment in the bioscience industry is engaged in the production of products. Internationally known companies such as ***Novartis, Teledyne Isco, Pfizer, MDS Pharma Services, Schering-Plough Animal Health, 3M Corporation, and Becton Dickinson*** already have production facilities in Nebraska. The new Innovation Campus is expected to provide opportunities to these and other technology companies who start up, or expand their footprint within the state. These and other Nebraska bioscience companies have come together to form Nebraska's first bioscience industry association, the *BioNebraska Life Sciences Industry Association,* to support Nebraska's future biotechnology and biomedical growth.

In addition to the planned Innovation Campus development, new bio-related R & D facilities located in Omaha are now in the final stages of completion. At the University of Nebraska Medical Center, a second biomedical research tower is now being completed (left in photo) and will sit next to the existing $77 million Durham Research Center that now focuses on nanomedicine, genetics, neurosciences, and advanced biomedical materials.

University of Nebraska Medical Center's Durham Biomedical Research Center

A brand new Nebraska Center for Virology is working to understand the molecular mechanisms that diverse viruses employ to cause major diseases in humans, animals and plants. With an initial $10.7 million grant from the National Institutes of Health, the center received a second five-year grant of $10.6 million from NIH. The new facility will enable the University of Nebraska, the University of Nebraska Medical Center and Creighton University to collaborate in advancing technologies developed at each individual campus.

Complementing the new Innovation Campus, and already in place is the University of Nebraska's $24 million Chemical Engineering Complex, which is largely dedicated to bio-processing, and includes a cGMP 150 liter pilot fermentation plant for Phase I/II clinical materials. These facilities complement the university's existing state of the art 140,000 sq. ft., Beadle Genetics and Biomaterials Research Center.

"Already having a major presence of bioscience-related production facilities in Nebraska, the addition of this new Innovation Campus can only better position the state to take advantage of future growth in these industries," said Richard Baier, director of the Nebraska Department of Economic Development.

The New University of Nebraska's Center for Virology

The new ***Nebraska Advantage*** incentive program is especially designed to enable companies engaged in product development and creation to profit from locating or expanding in Nebraska. The Nebraska Research and Development Advantage component offers a refundable tax credit for research and development activities undertaken by any business entity. The credit is equal to 15 percent of the federal credit allowed under Section 41 of the Internal Revenue Code of 1986. A particularly important feature of this incentive is that businesses with little or no income may take advantage of the tax credit by receiving a sales tax refund or a refundable income tax credit.

Nearly every other ***Nebraska Advantage*** incentive is geared in one form or another to the needs of biotechnology companies, particularly those engaged in the production of products, and research and development. These incentives extend to microenterprise start-ups, and both medium and large company expansions.

In a nutshell, these incentives include investment credits, sliding scale job credits, sales tax refunds on project's capital purchases, customized job training, tax exemptions on manufacturing equipment, manufacturing or processing raw materials, utilities used in manufacturing, and related services, and microenterprise tax credits.

Proof that the new portfolio of ***Nebraska Advantage*** incentives are attracting considerable interest from the biotechnology industry is the fact that of the state's overall $4 billion in planned capital investment to take place during the next several years, more than half will come from the biotechnology industry. In year 2008, there are currently 26 biotechnology projects on the books who are planning to invest more than $2.67 billion in Nebraska communities and create more than 1,860 jobs.

"The ***Nebraska Advantage*** package improves the state's tax climate and rewards businesses that invest in the state and hire our high quality workforce. Through Nebraska's new progressive, pro-business program, companies will receive reduced or virtually eliminated corporate income and sales taxes, and credit for employee withholding," said Baier.

"This incentives program is the most aggressive economic development package approved in Nebraska during the past 18 years. It not only builds on the incentives already in place, but adds significantly to the types of businesses impacted, and this most definitely includes biotechnology, and related knowledge based industries," Baier added.