



# This Week in State Tax (TWIST)

May 4, 2026



## Nebraska: Law modifying foreign adversary company restrictions enacted

The Nebraska Unicameral recently enacted LB 1096, which modifies the limitations on access to certain state economic development incentives that were imposed in 2025 on what was termed a “foreign adversarial company.” As enacted in 2025, a “foreign adversarial company” was defined as an entity (a) organized under the laws of a foreign adversary (defined as China, Cuba, Iran, North Korea, and the Venezuelan Maduro regime); (b) with its principal place of business in a foreign adversary; (c) owned or controlled by the government of a foreign adversary; or (d) owning, or owned by, a company qualified under one of the other three criteria. The last clause was interpreted to mean a company that owned, or was owned by, a subsidiary or affiliate in a foreign adversary country as well as having a subsidiary that owned an affiliate in such a jurisdiction was disqualified from access to a host of Nebraska incentives. [For additional details, see our [TWIST of December 8, 2025](#).] LB 1096 narrows the definition of a foreign adversary company in a manner intended to limit the impact on domestic U.S. companies having a subsidiary or affiliate operating in one of the identified countries.

Under LB 1096, the definition of foreign adversarial company is revised to retain clauses (a) – (c) above, but to modify clause (d) to include only a company that is a “direct or indirect subsidiary” of any company described in clauses (a) – (c), thus potentially narrowing the impact on U.S. entities that may have an affiliate operating in a foreign adversary country. Foreign adversarial companies under the revised definition still remain ineligible to receive benefits under many Nebraska incentive programs. Additional amendments in LB 1096 provide that a company that is not a foreign adversarial company can use the benefits of the Nebraska incentive programs only against the income taxes of the members of the same group of companies that are not foreign adversarial companies. The tax liability attributable to members of the unitary group that are foreign adversarial companies must be determined using the apportionment formula used to calculate the tax due.

Please contact [Kara Hernandez](#), [Derek Love](#), and [Alex Karscig](#) with questions about [Legislative Bill 1096](#).

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