



February 18, 2015

Sen. Mike Gloor, Chairman
Revenue Committee
Room 1116, State Capitol
Lincoln NE 68509

Re: Opposition to LB357

Dear Senator Gloor and members of the Revenue Committee,

My name is Katie Pitts and I am the Director of Public Policy for Nebraska Appleseed. Nebraska Appleseed is a nonprofit organization that fights for justice and opportunity for all Nebraskans.

Nebraskans pride themselves on “The Good Life”- a high quality of living that recognizes the importance of good schools, safe streets, affordable health care, and strong communities. As a state, we have always recognized that an adequate revenue stream is necessary to support the public systems that are the foundation of that good life.

We oppose LB357 because it would result in a regressive tax structure that puts that good life at risk. Through both personal and corporate income tax reductions, LB357 seeks to impair our state’s revenue stream in a way that will result in significant cuts to state spending on various programs and services. By depleting a portion of revenue for the state, this proposal reverses the investments we have made for generations in the very things that make Nebraska and our economy strong - great public education, safe communities, and healthy families.

At Nebraska Appleseed we work on policies that promote increased education and training to meet the workforce needs of the future. In the last several years, the Legislature has been forward thinking and has begun to invest more in education and training. As we have emerged from the recession, we are taking smart steps to rebuild Nebraska. But without adequate revenue, we will not be able to continue to invest in a skilled workforce or in our education system. Without strong investments in either we jeopardize our future economy.

LB357 also puts our state’s safety net at risk by transferring \$160 million out of the cash reserve to help pay for the tax reductions proposed in the bill and to make one-time contributions to the Property Tax Credit Program. Nebraska Appleseed believes that it is important to maintain a strong cash reserve to protect the best interests of our state, its residents, and its economy. A healthy cash reserve was a critical asset to Nebraska during the last recession and as we look toward the future, we encourage policymakers to see the benefit of building up our current cash

reserve and easing property tax burdens in a manner that can be paid for in a sustainable way over the long-term rather than a one time transfer of revenue

Every day we hear from Nebraskans that are working hard, striving to move forward and move into the middle class. These are Nebraskans reaching for the American dream. Our working and middle class families are the engines of our state's economy. As we seek to improve opportunity in our state, we need our public policy – and especially our tax policy – to strengthen these working families. We have concerns that LB357 will jeopardize the vital programs and services provided to these working families and will add additional stress to middle- and lower-income earners.

Instead, we support a tax system that ensures our revenue system is able to support the very systems and structures that make our communities, our state, and our economy strong. And it should ensure that the system for raising adequate revenue is logical and balanced – asking that all Nebraskans share the load.

In short, LB357 is a risky and unnecessary tax strategy that puts our good life at risk. We urge the Committee not to advance LB357.

Sincerely,

Nebraska Appleseed
Katie Pitts
Director of Public Policy