

Taxpayers Decide at Upcoming Town Hall

By Jim Smith & Sen. Steve Erdman

As the economy rebounds from last year's deep and sudden recession, Nebraska has led the country for the lowest unemployment rate, and state and local tax receipts are coming in strong.

But these encouraging figures also underline two unfortunate facts about Nebraska—the state is not attracting or retaining enough people to grow its workforce and fill open jobs, and government coffers are currently swelling under a system that imposes some of the country's highest tax rates.

With the growing segment of remote workers who can live anywhere, a historic number of states are enacting major tax reforms to welcome more people who can contribute to their economies.

Modernizing Nebraska's tax code is essential to remain competitive and make the best case for more people to remain in and choose our state.

Having served in the Nebraska Legislature on the Revenue or Appropriations Committees, we have both been a part of crafting state budgets in lean and plentiful years. With the benefit of those experiences, we can say that Nebraska is in an extraordinarily strong financial position to overhaul its tax system.

The state's cash reserves are now at record levels. And next year, lawmakers are expected to commit \$952 million to our property tax relief programs, providing a springboard for permanent property tax reform.

In addition, hundreds of millions—if not billions of dollars—in exemptions and other outdated tax provisions remain on the books, providing Nebraska many pathways to become a better place to own property, to take a job, or to run a business.

But which path we choose ultimately depends on the message you send to your Nebraska state senators about legislation, or as a voter engaged in the initiative process. Taxpayers must decide whether they want to advocate for a tax system that is more supportive of growth and opportunity, or if we will continue with the status quo.

To offer a way forward, we have helped develop two different visions for how to modernize the way we pay for state and local government in Nebraska. These proposals are called the Blueprint Nebraska tax modernization plan, which will be used as a touchstone for 2022 legislation in Lincoln, and the EPIC Consumption Tax, which was introduced this year as LR11CA and LB138.

These two plans have significantly different tax structures in mind, but they're both proposing to move in the same general direction. Under both the Blueprint tax modernization plan and the EPIC Consumption Tax, Nebraska would make major changes to property, income, sales, and

inheritance taxes, relying less on taxing the workforce, land, and housing, and more on what consumers choose to buy.

The Platte Institute and our local host, Owen Palm, are sponsoring a free town hall event where we will present the details of these proposals and take your questions. The event will be held at the Midwest Theater (1707 Broadway, Scottsbluff, NE 69361) on Tuesday, September 7 at 6:30 p.m. Registration is available at PlatteInstitute.org/Events.

Even though we may have some policy disagreements, we are touring the state together because know that most Nebraska taxpayers—from every party and region in our state—agree with the need for major change.

Please join us to build on those agreements and make a plan to unite taxpayers in 2022.

Jim Smith is President of Blueprint Nebraska and Chief Strategy Officer at the Platte Institute. Sen. Steve Erdman represents Legislative District 47 in the Nebraska Legislature.