

Nebraska Needs Tax Relief, Not a Tax Swap

Property tax reform is a top priority for Nebraskans. With the 10th highest property tax rate in the country, Nebraskans are in desperate need of property tax relief.

Yet, property tax reform proposals in the legislature are taking a step in the wrong direction by increasing other taxes to reduce property taxes. A tax shift is not property tax reform and does not resolve the underlying issue of our property tax problem – ever-increasing local spending.

In Many Counties, This "Tax Swap" Will Actually Be a Tax Increase

Under the proposed plan, eight counties are projected to pay more in increased sales taxes than they will receive in property tax relief - a tax increase. Below are the state's own projections for these counties.

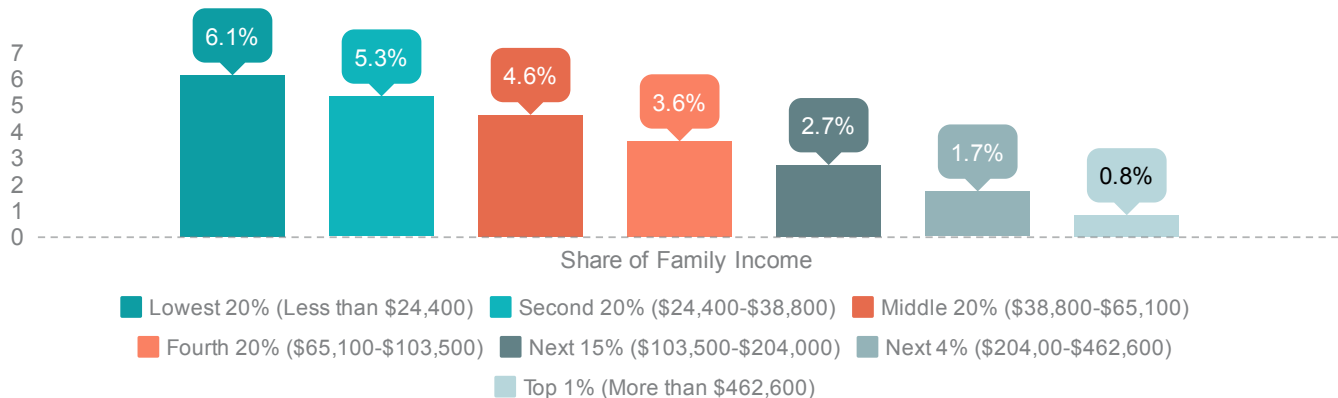
Buffalo County	An increase of \$166,804	Lancaster County	An increase of \$2,162,499
Dodge County	An increase of \$62,743	Madison County	An increase of \$1,590,118
Douglas County	An increase of \$21,958,774	Red Willow County	An increase of \$80,091
Hall County	An increase of \$2,797,975	Scotts Bluff County	An increase of \$98,441

A Sales Tax Increase Will Hurt Lower-Income Families

Families making less than \$25,000 per year already spend a disproportionate amount of their household income on sales tax. In Nebraska, families with household incomes under \$24,400 spend over 6 percent of their income on sales and excise taxes alone. An additional half or full cent sales tax increase could be the difference between these families being able to provide for all of their household needs or not.

(See reverse side for percentage of households with incomes below \$25,000 by county.)

Sales and Excise Taxes in Nebraska



Source: <https://itep.org/whopays/nebraska/>

Lawmakers Should Pass True Tax Relief

The goal of a true “tax relief” package should not be to simply move tax revenue from one source to another, but to reduce the overall tax burden placed on Nebraskans. Americans for Prosperity supports a tax system that promotes economic growth through low rates and a broad, level tax base with few exemptions or deductions.

Percentage of Households with Incomes of Less Than \$25,000 (In Descending Order)

Source: American Community Survey, 2017 5-Year Estimates, Census Bureau

Arthur County	36.8	Dakota County	23.8	Perkins County	19.6
Brown County	30.3	Banner County	23.4	Frontier County	19.3
Nance County	30.3	Scotts Bluff County†	23	Box Butte County	19.2
Thurston County	30.3	Adams County	22.8	Hooker County	19.2
Pawnee	30	Custer County	22.5	Platte County	19.2
McPherson County	29.7	Wayne County	21.9	Howard County	19
Sioux County	29.5	Nemaha County	21.8	Merrick County	19
Grant County	28.8	Hall County†	21.7	Kearney County	18.9
Hitchcock County	27.9	Chase County	21.6	Cuming County	18.6
Jefferson County	27.8	Thayer County	21.5	Dixon County	18.4
Keith County	27.6	Gage County	21.4	Butler County	18.2
Webster County	27.5	Holt County	21.4	Otoe County	18.1
Richardson County	27.2	York County	21.4	Stanton County	17.5
Valley County	27	Fillmore County	21.3	Pierce County	17.3
Garfield County	26.9	Sherman County	21.3	Cherry County	16.8
Sheridan County	26.7	Dundy County	21	Loup County	16.7
Boyd County	26.7	Lincoln County	20.9	Rock County	15.9
Red Willow County†	26.7	Phelps County	20.9	Wheeler County	15.9
Furnas County	25.9	Buffalo County†	20.8	Polk County	15.7
Antelope County	25.9	Deuel County	20.7	Colfax County	15.5
Kimball County	25.8	Franklin County	20.7	Seward County	15.4
Garden County	25.4	Boone County	20.6	Washington County	15.1
Johnson County	25.4	Dawson County	20.4	Gosper County	14.9
Harlan County	25.3	Morrill County	20.4	Cass County	14.3
Nuckolls County	25.3	Lancaster County†	20.2	Keya Paha County	14.1
Dawes County	25.2	Saline County	20.2	Hamilton County	13.9
Hayes County	24.9	Dodge County†	20	Saunders County	13.9
Burt County	24.8	Cheyenne County	19.9	Blaine County	12
Madison County†	24.7	Douglas County†	19.9	Sarpy County	10.4
Greeley County	24	Logan County	19.9		
Knox County	24	Clay County	19.8		
Thomas County	23.9	Cedar County	19.6		

† Counties which are projected to remit more in sales taxes than they will receive back in property tax relief, based on the state's own analysis.