



## Americans for Prosperity: Principles for Tax Reform in Nebraska

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This year, the state of Nebraska has an opportunity to make meaningful, comprehensive tax reforms that will address many of the shortcomings in our current tax code, which are keeping our state's individuals, families, and businesses from realizing their full potential.

Americans for Prosperity supports efforts to streamline and simplify our tax code to make our state more competitive.

In crafting comprehensive tax reform, policymakers should focus on the following four basic principles to guide their efforts.

### **Competitive**

At 7.81 percent, our corporate net income tax is higher than every one of our border states with the exception of Iowa. Policymakers should lower our corporate rate so Nebraskan business can compete, and our economy can thrive and grow.

### **Simple**

The top bracket of our individual tax code at 6.84% is also higher than our neighbors. The progressive nature of our income tax is a disincentive for individuals looking to get ahead. We should have a fairer, flatter and simpler tax policy and unleashes growth and removes barriers to opportunity so all Nebraskans can improve their lives.

### **Equitable**

The state of Nebraska gives away hundreds of millions of taxpayer dollars in corporate welfare each year, much of that coming through tax subsidies and so-called economic development. The government shouldn't be picking winners and losers in the tax code. Senators should review and eliminate the existing business tax credits in favoring of lowering the overall corporate tax rate, which would create a more level playing field for Nebraska businesses when it comes to their tax liability. We should also lower our sales tax rate and broaden the base onto currently untaxed items as well as services.

### **No Net Increase in Tax Burden**

Policymakers should offset any base broadening – such as the elimination of corporate tax breaks – with corresponding rate reductions to offset revenue gains.