



January 27, 2017

Senator Jim Smith
Nebraska Legislature Revenue Committee
State Capitol
Lincoln, NE 68509

Dear Chairman Smith:

RE: Conditional Support for LB 564

Nebraska Corn Growers Association (NeCGA) members conditionally support the concept of collecting Nebraska sales and use tax on remote seller Internet sales transactions. However, our support is based solely on the premise that sales and use tax collected on remote seller Internet sales transactions shall be used exclusively for property tax relief.

NeCGA, as an organization and as a member of the Nebraska Ag Leaders Working Group, has stated that Nebraska's tax system must be reformed to correct the current imbalance and overreliance on property taxes. Nebraska's current system of funding government services, including education, burdens property owners with 48% of the taxes collected while income taxes provide 33% and sales taxes provide 19%. This imbalance is not acceptable to NeCGA members.

As the Committee develops legislation to create a more balanced tax system for Nebraska, NeCGA will support the concept contained in LB 564 if the resultant revenue is directed to property tax relief. Thank you.