



February 3, 2017
The Honorable Jim Smith
Revenue Committee of the Nebraska Legislature
State Capitol
Lincoln, NE 68509

Dear Chairman Smith:

Subject: Conditional Support for LB 601

Nebraska Corn Growers Association (NeCGA), as an organization and as a member of the Nebraska Ag Leader 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.

LB 200 was passed during the 2015-2016 Legislative session and signed by the Governor on May 27, 2015. The Statement of Intent states that LB 200 "directs the first year of sales tax receipts on Internet transactions to the Property Tax Credit Cash Fund when collection of these taxes is authorized by the United States Congress."

LB 601 would direct the first year of sales tax receipts on Internet transactions to the Property Tax Credit Cash Fund when the Nebraska Legislature authorizes collection of these taxes. NeCGA members support LB 601, but request the one-year period in 77-27,132 and LB 601 be extended until such time that reforms are made to the Nebraska tax system to correct the current imbalance and overreliance on property taxes. Thank you.

Sincerely,

Dan Wesley
President
Nebraska Corn Growers Association

Enhancing Demand • Adding Value • Ensuring Sustainability
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