

March 3, 2017
LB 545 – Sen. Watermeier

Senator Stinner and members of the Appropriations Committee:

My name is Merlyn Nielsen (M-E-R-L-Y-N N-I-E-L-S-E-N). I'm a farmer and former professor from Seward, Nebraska, and I'm here testifying on behalf of the Agriculture Leaders Working Group in support of LB 545.

The Ag Leaders Working Group, which is made up of the elected leaders of the Nebraska Cattlemen, Nebraska Corn Growers, Nebraska Farm Bureau, Nebraska Pork Producers, Nebraska Soybean Growers, and the Nebraska State Dairy Association, would like to thank Sen. Watermeier for offering this bill and his efforts to address our property tax crisis. We would also like to thank the Appropriations Committee for proposing to keep the Property Tax Credit Fund at its current level for the next biennial.

We have a billion-dollar tax imbalance in the State, and property taxes pay for close to 50 percent of our state and local priorities. Over the last ten years, property taxes levied on agriculture land have gone up 164 percent, residential is up 30 percent, and commercial property is up 43 percent. Where I live, in Seward County, taxes levied on farmland have increased 288 percent while homes have increased 36 percent.

While one of the “principles” of the Ag Leaders Working Groups states that collections from property, sales and income taxes should share the burden, and none of the three should exceed 35% of the tax liability, agriculture stakeholders are asking the Legislature for 600 million dollars to bring the property tax “leg” of the tax stool down to 40 percent. That's what this bill represents.

Property taxes have no doubt taken on a greater role in supporting state and local government services. In fact, state revenues of income and sales taxes have grown at nearly half the rate of property taxes levied. Our members believe more taxpayers should have a stake in funding the State's priorities, and our organizations support the notion of expanding the collection of sales taxes in an effort to reduce property taxes.

We are not asking for the State to correct our tax imbalance overnight and we're willing to work with this Committee and policymakers to find workable solutions. Currently, the Property Tax Credit Fund is the fairest, best way of providing property tax relief to agriculture, residential, and commercial property owners. Minus a solution which provides at least the same amount of relief, we would ask the Committee to support LB 545 to send more dollars to the Property Tax Credit Fund.

Thank you. I'm happy to answer questions.