

EXECUTIVE

Vol. 18-5

May 2001

A
Publication
of the
Nebraska
Chamber
of
Commerce
& Industry

PO Box 95128
Lincoln, NE 68509

Tel:
(402) 474-4422
Fax:
(402) 474-5681

<http://www.nechamber.com>

nechamber@nechamber.com

Editor:
Donald Mihovk

Tax-day Rally For President Bush Tax Cut

During an April 16 tax-day rally at the Cornhusker Hotel, Gov. Mike Johanns called for Nebraskans to support President Bush's proposed tax cut. The rally featured a 15-minute satellite address by Bush that was broadcast to state and local chambers of commerce across the country. Bush spoke from the Washington headquarters of the U.S. Chamber of Commerce. The Nebraska Chamber of Commerce & Industry sponsored the event.

Governor Johanns said Bush's \$1.6 trillion tax-cut plan - trimmed to a \$1.35 trillion compromise - would be good for Nebraska and good for business. He said Bush's idea of returning surplus federal dollars to taxpayers would help. "It would jump-start Nebraska's economy in a time of economic uncertainty," Johanns said. By boosting business, the tax cut would boost Nebraska, he said, because the state's economy is more diverse than it was 20 years ago. The audience included staff members of U.S. Sen. Chuck Hagel and U.S. Rep. Doug Bereuter, and State Chamber members.

The following day, April 17, Governor Johanns was the guest at the weekly State Chamber Public Affairs Council meeting, where he reiterated his opposition to any tax increase this year to provide state-funded salary raises for local teachers (for more on this issue, see Barry Kennedy's column on page 2). ■



Above, Governor Johanns addresses tax-day rally for President Bush's tax cut. In Washington on May 1, Senator Chuck Hagel (right) addresses luncheon crowd during the State Chamber's annual visit. Below, Chairman-elect Gayle-ann Douglas, Senator Ben Nelson, and Chairman Dick Campbell take a break from talking taxes at the congressional luncheon. More photos and story on page 4.



Membership Directory

By now you may have had an opportunity to look through your new 2001 State Chamber Membership and Business Directory. Again this year, we remind you to notice the businesses listed and support them with your continued patronage. Our Membership Department has been busier than ever with recruiting, but we can always use your help. The success of the State Chamber and the prospering business climate in Nebraska comes from a strong membership base. Your efforts to encourage business peers to join in membership are the

most effective form of recruitment. Please take a few more minutes to review your Directory and look for those businesses you are familiar with that are not listed. Let them know that ALL businesses in Nebraska are benefited by the work of the State Chamber. This is solely attributed to those members who faithfully pay their dues. Please let us know of solid prospects you would recommend for membership by returning the referral sheet we have enclosed, so that we may follow up on your leads. ■

“Bum Rap”

It is ironic that while the debate at the national level is how much of a federal tax cut should be implemented, there are some in our state who believe that state taxes should be increased.

As this editorial is being written, the Nebraska Legislature is being asked to increase taxes on all of Nebraska's citizens so that it can appropriate money for the benefit of a portion of a single occupation.

The Nebraska Chamber of Commerce & Industry maintains its position in opposition to any increase in both sales and income tax rates. In addition, State Chamber policy opposes the earmarking of state income and sales tax revenues.

Revenue generated under proposed tax increase provisions of LB305 would be earmarked to provide new funds for a teacher salary raise plan.

This is not the time to add additional tax burdens on the citizens of Nebraska.

In my opinion, the Unicameral and Governor Johanns are taking a “bum rap” on the teacher pay issue. Consider that total state spending on K-12 education, including special education, will grow from \$708.7 million dollars in this current fiscal year to \$807.9 million dollars next year and to \$846.9 million dollars the following year. Any way you look at it, this is a tremendous amount of money - - a tremendous amount of state sales and state income tax dollars already being distributed to local school districts. Federal aid provides another \$170 million annually.

A lot is said about where we rank nationally in teacher pay. What is not told is that **Nebraska ranks number one** in money spent on elementary and secondary education as a percent of our state's total budget. We dedicate a higher percent of state money to education than any other state in the nation.

Another statistic that goes unnoticed is that **Nebraska ranks number three** nationally in expenditures for education as a percent of all state and local government expenditures. We rank higher than 47 other states. Excellent benefit and retirement packages also are not included in the

average pay comparisons.

Both the Legislature and the Governor have been very generous when it comes to educating kids from early childhood through college. No other Governor in the state's history has proposed more funding for K-12 education than Governor Johanns does in his budget for 2001-2002 and 2002-2003.

To now start sending additional money to local schools earmarked specifically for teacher pay is indeed a philosophical jump from the traditional local control philosophy cherished by Nebraskans. Local control and decision making has been the Nebraska way. To earmark state sales and income revenue specifically for teacher pay raises the question of whether state resources and policy will or should come with strings attached.

Should these strings include such issues as merit pay and tenure?

Actual revenue receipts have outpaced revenue projections in recent years. In reality, Nebraskans have had every reason to expect a tax “decrease” similar to what is being debated at the federal level. Instead of a tax reduction though, new ways have been found to spend that money and additional funds have been put into existing programs and assistance to schools and other local government subdivisions.

The growth of the business economy over the past 15 years has contributed greatly toward a healthy increase in state funding of local schools. That economy is now showing signs of weakness. To add additional tax burden onto the citizenry at this time is not the way to either sustain or reinvigorate continued economic growth. Prioritization of current and future expenditures should be made before any tax increase is considered. ■

Nebraska ranks number one

in money spent on elementary and secondary education as a percent of our state's total budget. We dedicate a higher percent of state money to education than any other state in the nation.

Governor Johanns at State Chamber Public Affairs Council.



State Chamber Views...

Editorial by Barry Kennedy, State Chamber President

A lot is said about where we rank nationally in teacher pay.

Straight Talk

■ Pat On The Back

A number of State Chamber members were honored last month by the University of Nebraska's College of Business Administration. Receiving the Corporate Leadership Awards were: **Crete Carrier Corporation**, Lincoln; **First National Bank of Omaha**, Omaha; and **Store Kraft Manufacturing Company**, Beatrice. Winners of the Business Leadership Awards were: **Harley D. Bergmeyer** of Wilber; **G. Richard Russell** of Omaha; and **M.E. "Bus" Whitehead** of Lincoln. ■

CBA Awardees **Bruce Lauritzen** (right), **Dick Russell** (below), and **Duane Acklie** (below, right).



Tourism Is State's Third Largest Industry

The state's third-leading industry was celebrated earlier this month during Nebraska Tourism Week, May 6-12. "Tourism is everybody's business—from gas stations and lodging facilities to attractions, restaurants and events. Every tourist dollar spent in a community is typically re-spent in that community, translating into an overall economic impact of \$2.70," said JoAnn McManus, Director of Travel and Tourism, a division of the Nebraska Department of Economic Development. Travelers spent nearly \$3 billion in Nebraska last year, indicating another year of sustained, positive growth.

The development of new tourism attractions during the past several years has contributed to the industry's growth, she noted. New attractions, such as the Great Platte River Road Archway Monument, Comstock's Second Wind Ranch Windmill Museum, and the Hudson-Meng Bison Bone Bed Visitor Center near Crawford are attracting thou-

sands of visitors. (Your State Chamber Membership Directory features a cover photo of the Strategic Air Command Museum – a top attraction.) In addition, the renovation of existing attractions and facilities, such as Minden's Opera House, contribute to tourism's growth.

"Our Travel and Tourism staff work closely with tourism groups, convention and visitors bureaus, and visitors committees across Nebraska to leverage our budgets for maximum marketing exposure," McManus said. "The cooperation among tourism groups across the state is yet another reason for our industry's great success."

Travelers (who by definition are people 100 or more miles away from home) made nearly 20 million trips to or within Nebraska last year. To receive a free Nebraska tourism information packet, call (800) 228-4307, or visit Travel and Tourism's website at: www.visitnebraska.org. ■

President Bush's Tax Cut Progresses

Senate and House Conference Committees have found common ground on President Bush's proposed tax cut. While the House supported the President's \$1.6 trillion in tax cuts, the Senate voted for a smaller cut, in the range of \$1.2 trillion. The President has agreed to a lower number, and efforts to set the cuts at \$1.35 trillion over 11 years have been agreed to by leadership in both houses. The Senate Finance Committee will write tax laws later in May.

The centerpiece of the President's plan is lower marginal tax rates for every American who pays personal income taxes. In addition, elimination of the "marriage penalty" and a raise in the child

deduction are major components of the plan. Plans to eliminate the "death tax" may have to be phased-in to meet the lower number of the tax cut plan.

The cuts would be largest in percentage terms for low- and middle-income families and largest in dollars terms for those with higher incomes - but everyone would benefit. Small companies, in particular, are pleased with the President's proposal. The across-the-board cut in individual tax rates not only would place more money in the wallets of American consumers, but also give thousands of small businesses a well-deserved break from the

(Continued on page 4)

Washington Trip

The annual State Chamber Congressional visit to Washington was on April 30 and May 1, 2001. Some 40 people participated in the May 1 luncheon in the Russell Senate Office Building for Nebraska's congressional delegation and their chief staff members.

On Monday, April 30, members attended Issue Briefings at U.S. Chamber of Commerce Headquarters and at the National Association of Manufacturers (NAM). In addition to tax cuts, members heard updates on energy issues, health care, and the minimum wage. In addition, the delegation also attended one of the last of the Tuesday "Nebraska Breakfasts." The traditional breakfasts will be moved to Wednesdays starting later this month. ■

Tax Cut Progresses

(Continued from page 3)

top individual tax rate of 39.6 percent that they now pay! In addition, repeal of the death tax would stop the forced sale of small companies to pay the taxman.

At press time, news reports indicated that Senator Ben Nelson will vote for the compromise tax cut of \$1.35 trillion. The budget framework now before Congress sets the parameters for tax cuts. Later this year, the House and Senate must approve bills containing specific tax cuts in income taxes, inheritance taxes and to curb the marriage penalty tax. Take some time to thank all of our Washington delegation for helping provide major tax relief this year! ■



Clockwise: Rep. Tom Osborne gives his views to luncheon attendees. Gayle-ann Douglas and Dick Campbell catch up with Rep. Doug Bereuter. Sen. Ben Nelson hears from Kathy Campbell and Suzanne Mahel Tyrrell. Cong. Lee Terry shares a laugh with Don Kluthe of Omaha.



State Chamber Welcomes New "Investors"

Membership in the Nebraska Chamber of Commerce & Industry is an investment in Nebraska's economic well-being. This month, the State Chamber welcomes the following new members and encourages members to consider doing business with fellow Chamber members.

COLUMBUS
Double O Inc.
Jim Oppliger

FREMONT
Fremont Contract Carriers, Inc.
Michael Herre
Sponsor: Michael Baldino, Kelly Industries, Inc.

LINCOLN
Greater Nebraska Schools Association
Virgil Horne

M.E. Group, Inc.
Ravi Maniktala
Sponsor: Bob Milligan, M I Industries

STAUnited, Inc.
Arlene Horky
Workforce Inc.
Gary Nickel
Sponsor: Suzanne Mahel Tyrrell, MSP Resources, Inc.

MINNEAPOLIS, MN
Nash Finch Company
Stuart Deuring

NORFOLK
Flood Communications, LLC, US92 Radio
Michael Flood
Sponsor: Jerry Worth, SilverStone Group

Heritage Financial Services
Paul A. Hughes
Sponsor: Jerry Worth, SilverStone Group

OMAHA
Ronco Construction Co.
Ron Olsen

SAC Museum
Scott Hazelrigg

WAVERLY
Brainard's Heating & Air Conditioning, Inc.
Larry Brainard
Sponsor: Jerry Worth, SilverStone Group