



# EXECUTIVE

Vol. 19-8

A Publication of the Nebraska Chamber of Commerce & Industry

September 2002

## Taxes Going Up; Budget Cut Again

The slower pace of revenue collections for Nebraska has had huge ramifications for the state this year. The regular legislative session saw the budget reduced and new taxes added to stem the shortfall. Another special session this summer further reduced the budget. Taxes for Nebraskans start going up October 1, 2002, as lawmakers raised income and sales taxes by \$117 million to deal with revenue shortfalls. The new taxes were passed in the last session of the Unicameral and will bring in \$141 million through a 30-cents-a-pack cigarette tax boost, a 0.5-point sales

tax hike, an income tax rate increase of an average of 2.2 percent (for tax year 2003) and expansion of the sales tax base to more services. The Legislature voted to override Governor Johanns' veto of the tax increase last spring.

Since the regular session ended, revenue collections continued to under perform. The special session ended on August 15. The state is currently \$232 million below the required minimum reserve; however, the goal of the special session was to address cash flow issues caused by declining revenues in the state. The Legislature's budget modifications totaled \$108.8

million in general fund adjustments, which included reductions in current budgets and utilization of cash funds. The state needed to reduce the budget by a minimum of \$100 million in fiscal year 2002-03 to ensure the state can meet its financial obligations. This sets the stage for action on the next biennial budget in the 2003 session. According to Appropriations Committee Chairman Roger Wehrbein, "There is no question that we have to come back in January and make very, very serious cuts over the next two years to keep our budget in balance," he noted.

### LB1085 Sales Tax On Services Regulations Issued

The Nebraska Department of Revenue has issued rules and regulations on the new sales tax on services passed in LB1085. While the Department will be attempting to contact all taxpayers affected by the new law—which takes effect on October 1, 2002—members should take time to study the regulations. A series of workshops on the sales tax on services will be offered throughout September. Go to [www.revenue.state.ne.us/services.htm](http://www.revenue.state.ne.us/services.htm) to find the regulations and list of workshops. ■

Nebraska Chamber of Commerce & Industry  
PO Box 95128, Lincoln, NE 68509-5128  
Tel: (402) 474-4422 Fax: (402) 474-5681  
<http://www.nechamber.com>  
[nechamber@nechamber.com](mailto:nechamber@nechamber.com)  
Editor: Donald Mihovk

## Fall Legislative Forums In Your Area

The Nebraska Chamber of Commerce & Industry needs to hear from you this fall as we visit 29 Nebraska communities for our annual Legislative Forums during the weeks of September 23-26 and September 30-October 3. A complete listing of locations and times is enclosed.

This is your opportunity to tell us what's on your mind regarding legislation and to visit with your state senators and candidates, who are invited to all Forums in their districts. This year will see 28 legislative seats up in November, and there will be a Forum covering each District. The 2002 Opinionnaire will be utilized at each Forum to gauge your responses to key issues and positions.

Times and dates have been final-

ized by your local chambers of commerce who host the Forums in their communities and handle reservations. One last minute change: the York Forum will begin at 7:30 a.m.

Once again, we want to remind you that surveys have shown that employers are well regarded by their employees as a good source of information on elections and issues affecting their jobs and lifestyles. The Forums are a great opportunity to give key employees a firsthand look at the legislative process, learn the issues, and meet their elected representatives. For more information, please contact the State Chamber office or your local chamber of commerce. ■



## State Chamber Views...

Editorial by Barry Kennedy, State Chamber President

# “www.nechamber.com”

The State Chamber is the instrument through which business leaders can express their needs and seek sound, workable solutions to their common problems.

This statement is on the Welcome page of the Nebraska Chamber of Commerce & Industry’s web site.

Over the past few years, the State Chamber has been working hard to take advantage of electronic technology that allows us to communicate with our members faster and make sure you have accurate up-to-date information so you can make sound business decisions. When you “hire” the State Chamber to work for you, a wealth of information becomes available and a strong lobbying effort represents your interests.

The web site is just part of the communication technology that we are using. We are also serving many of our members via e-mail and fax. This enables us to get information to you quicker and also allows you to respond to elected officials promptly.

Despite current technology, our primary objectives are to maintain a sound business environment and to minimize your expenses of running a business, especially the “not-so-obvious” costs, such as workers’ compensation, unemployment compensation and other regulatory expenses. This continues to be our primary objective because you, the member, continue to tell us that legislative representation and lobbying on your behalf is what you want us to do.

We recently surveyed our members, as we do every year, to make sure you have the opportunity to keep us informed of your needs. Again this year, nearly 90% of State Chamber members responding to the survey indicated that legislative activity and

political involvement was the most important mission the State Chamber should be doing. In addition, over 96% of respondents indicated that our legislative reporting service was either excellent or good.

The biggest change noted on the survey over the past couple of years is in the way members would prefer to receive information from the State Chamber. Just a couple of years ago, over 90% of our members still wanted to receive our informative mailings via 1<sup>st</sup> class mail. This year, 55% indicated they would prefer to receive the information via e-mail. In addition, about 45% told us that they had received our e-mail alerts during the last full legislative session and contacted their State Senator because of it.

---

**Don’t be alarmed if you are not an e-mail junky, we plan to continue to make available all methods of communication to keep our members informed.**

---

Other responses in the survey show us that health care costs, business taxes and economic growth continue to be the most important issues to our members. Workers’ compensation, unemployment compensation, shortage of skilled labor, liability insurance costs and environmental regulations are also issues of concern. These will continue to be the issues upon which we focus the majority of our attention. In the same vein, real property taxes, corporate income taxes and personal property taxes were identified as the key items that discourage capital investment by companies in Nebraska.

The Nebraska Chamber of Commerce & Industry is a statewide

federation of business firms and organizations, both large and small, dedicated to the economic progress of Nebraska. We are governed by 80 business leaders from all geographic sections of the state who determine policy and direction for the organization.

We must be responsive to the ever-changing needs of the Nebraska business community and will always listen to our members directly or through our working councils on various issue topics.

The professional staff continues to look for better ways to implement the policies established by the Board. We constantly look for better ways to represent your interests and communicate with you. Some methods are time tested and will not be discarded. Other methods include the use of developing technology.

When you have time, visit our web site and give us your opinion on how it might be improved to promote our cause. As you talk to fellow business people who are not members of the State Chamber, please refer them to the site. They might be surprised to learn how they too can become better informed on issues that affect their ability to prosper in Nebraska. We are always ready to welcome and assist new members to make the voice of Nebraska employers stronger. ■

### **2002 STATE CHAMBER SCHEDULE:**

<b>Sept. 23-26</b>	<b>Legislative Forums</b>
<b>Sept. 30-</b>	<b>Legislative Forums</b>
<b>Oct. 3</b>	
<b>Oct. 24</b>	<b>Executive Council Meeting</b>
<b>Dec. 3</b>	<b>Public Affairs Council</b>
<b>Dec. 6</b>	<b>Winter Board Meeting</b>

# State Chamber Workshops for 2002

There are two remaining workshops for employers planned for the remainder of this year. According to Charlie Volnek, State Chamber Vice President-Operations, the schedule will cover subjects to aid employers. The schedule is:

Oct. 8 - 8:30 a.m. to 12 Noon – **The Legal Side of Supervision**

Nov. 5 - 8:30 a.m. to 12 Noon – **Part 1: Targeted Selection Interviewing**

Nov. 5 - 1:00 to 4:00 p.m. – **Part 2: Mock Interviews & Evaluations**

Both workshops will be held at Mahoney State Park, which can be reached by taking Exit 426 on I-80 at Ashland. Additional brochures are available by contacting the State Chamber office. ■

## U.C. Insurance Taxes Can Be Paid Online

The Nebraska Workforce Development – Department of Labor has developed a new option for employers to report and pay quarterly state unemployment insurance taxes online. Known as UICONNECT, the service allows employers to set up new accounts; file tax reports and wage

reports; automatically calculate excess wages; pay online; calculate the tax due; and many other applications.

For more information, contact the Department at (402) 471-4512 or log onto the Department's site at [www.NebraskaWorkforce.com](http://www.NebraskaWorkforce.com). ■

## Membership Directory Sales Underway

The advertising sales campaign for the 2003 State Chamber Membership and Business Directory begins this month. Alan Flinton, a professional advertising representative of Lawton Publications, will be contacting members across the state to present exciting advertising opportunities to you. Take a quick minute and compute how many times you utilize the Directory, then factor in that over 1,400 fellow members see it as well. Your message and listing will also be seen by many others, as the Directory is utilized by economic development recruiting efforts by the state, and at employee recruiting opportunities, particularly at state colleges and universities.

Chamber membership entitles each company to one listing in the alphabetical section by company and one in the

classified section by type of business. The company will be listed in the Buyer's Guide section under their primary classified listing only.

We would ask you to please review your Directory for proper listings, addresses, phone numbers, etc. Then make a point of noting businesses you are familiar with who are NOT listed. Those folks ought to be in the Directory too, as well as members of the State Chamber. Take a copy of your old Directory and let them know they ought to be a member of the State Chamber, just like smart businesses such as yours!

If you need more information on the 2003 Directory, please contact Don Mihovk, Vice President-Public Affairs, at the State Chamber. Your support is appreciated!! ■

## Straight Talk

### ◆ Pat On the Back

Congratulations to the **Hastings Area Chamber of Commerce**, which recently earned a Five-Year Reaccreditation from the U.S. Chamber of Commerce. The Accreditation Program was established by the U.S. Chamber to recognize chambers of commerce for their effective organization and outstanding performance. About one in five chambers of commerce have been accredited.

**Charles R. Hermes**, president of Dutton-Lainson Company of Hastings, was elected chairman of the American Hardware Manufacturers Association. Hermes is currently first vice-chairman of the national trade organization and assumes his new duties on January 1, 2003. He will serve a one-year term as chairman and then remain on the executive board one year as chairman of the executive committee. Hermes has been president of Dutton-Lainson since 1974. He is a former member of the State Chamber Board of Directors. Congratulations! ■



### VOTE!

## It's Your Business

U.S. Chamber of Commerce

# Morgan Promotes Beef

Board Member Dan Morgan of the Morgan Ranch in Burwell is no stranger to promotion of beef. While his company is involved in exportation of beef to Europe and Asia, Dan has contracts with a number of restaurants throughout the U.S. to use Morgan-bred American Wagyu beef as appetizers and main courses.

The Morgan Ranch is a family owned and operated cattle ranch located in the heart of the Sandhills of Nebraska. The firm participates in all areas of the cattle industry including purebred Hereford and Wagyu, commercial cattle, yearling and feedlot cattle. Kobe Style is the highest quality beef available in the United States. This beef is produced using genetics directly from Japan of the Wagyu breed of cattle. The Morgan Ranch is one of the first breeders of Wagyu in the U.S. The Wagyu are

known world wide for marbling characteristics. This improved marbling increases the eating quality of the meat; enhancing the flavor, tenderness and juiciness of the meat. The increased tenderness means that many other cuts of the carcass can and should be used in both conventional and unconventional cooking methods. For example, the Shaved Morgan Ranch Kobe Steak, served on a toasted French brioche and topped with melted Gruyere cheese and caramelized onions, was one entrée used at the recent Food & Wine Aspen Classic Event.

Dan Morgan recently was in Miami at Johnson Wales University conducting seminars for culinary students. Morgan talked about production techniques, total quality control in all areas of the production cycle, distribution of products and cooking

and presentation uses for "Kobe Beef." During the 3 days of seminars the beef was cooked and presented for evaluation at the meetings of the Culinary Federation and the Restaurant Association.

Among the restaurants serving Morgan Ranch Kobe Steak are Signatures in Washington, D.C.; Orsini's Grand Café, Coconut Grove, FL; and Carlos' Restaurant in Highland Park, IL. ■



Dan Morgan (second from left), Debbie Nieto and Carlos Nieto (center) of Carlos' Restaurant with Culinary Institute of America students at the Food & Wine Aspen Classic Event.

## 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.

### BELLEVUE

Honda Cars of Bellevue  
Dennis R. Schworer

Sponsor: Loy Todd, Nebraska New Car & Truck Dealers Association

### COLUMBUS

People & Machines Corp.  
William Abbott

Sponsor: Tony Raimondo, Behlen Mfg. Co.

### DEARBORN, MI

Ford Motor Company World Headquarters  
Charlie Pryde

### DETROIT, MI

General Motors Corporation  
Alice Wark

### GRETNA

Golf Services Group, Inc.  
Tom Herink

### HEBRON

Hebron Area Chamber of Commerce  
Rita Luongo

### LINCOLN

Chris Abboud Public Affairs Group, Inc.  
Chris Abboud

Hunt and Fish Nebraska, Inc.  
Mike Roth

Lincoln Inspection Service, Inc.  
Dave Reeder

The Nebraska Club  
Stacey Wiltshire

### OMAHA

Delta Air Lines, Inc.  
James I. Constantine, Jr.

Hansen's Truck Salvage, Inc.  
Harry Hansen

Koch Industries  
Lonnie Behrends

### KPMG LLP

James R. Greisch

Masters Sheet Metal Co.  
William F. Masters

Montclair Nursing Center  
Eileen Corns

Precision Industries, Inc.  
Dennis P. Circo

Quality Pork International, Inc.  
Larry Lubeck

Sapp Brothers Trucks, Inc.  
Dean Sapp

Sponsors: Duane Acklie, Crete Carrier Corporation and Richard Russell, Millard Lumber Inc.

Tri-V Tool & Mfg. Co.  
Dave Vyhlidal

### PENDER

Christiansen Construction Co. LLC  
Greg Christiansen

### PLATTSMOUTH

Keeler & Associates  
Doug Keeler

Sponsor: John Carlson, SilverStone Group

### SCOTTSMOUTH

Oregon Trail Plumbing, Heating & Cooling, Inc.  
Kirby Case

### WAYNE

Arnie's Ford-Mercury, Inc.  
Bill Reeg

Sponsor: Loy Todd, Nebraska New Car & Truck Dealers Association

### YORK

Moses Motor Co., Inc.  
Stephen Moses

Sponsor: Loy Todd, Nebraska New Car & Truck Dealers Association

York General Hospital, Inc.

Chuck Schulz

Sponsor: Kelly Holthus, Cornerstone Bank